
ORDINARY MEETING

OF

COMMUNITY, SPORT AND RECREATION COMMITTEE

AGENDA

Time: 9.15am
Date: Thursday, 23 October 2014
Venue: Committee Room 1
Ground Floor, Council Offices
101 Wakefield Street
Wellington

MEMBERSHIP

Mayor Wade-Brown

Councillor Eagle (Chair)
Councillor Free
Councillor Marsh
Councillor Peck
Councillor Ritchie
Councillor Sparrow
Councillor Woolf

Have your say!

You can make a short presentation to the Councillors at this meeting. Please let us know by noon the working day before the meeting. You can do this either by phoning 803-8334, emailing public.participation@wcc.govt.nz or writing to Democratic Services, Wellington City Council, PO Box 2199, Wellington, giving your name, phone number and the issue you would like to talk about.

AREA OF FOCUS

The focus of the Community, Sport and Recreation Committee is to build strong, safe, healthy communities for a better quality of life. It will be responsible for social infrastructure (including social housing), social cohesion, encourage healthy lifestyles, support local community events, protect public safety, and provide a wide range of recreation and sporting facilities for residents and visitors to use and enjoy.

Quorum: 4 members

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1 Meeting Conduct

1.1 Apologies

The Chairperson invites notice from members of apologies, including apologies for lateness and early departure from the meeting, where leave of absence has not previously been granted.

1.2 Conflict of Interest Declarations

Members are reminded of the need to be vigilant to stand aside from decision making when a conflict arises between their role as a member and any private or other external interest they might have.

1.3 Confirmation of Minutes

The minutes of the meeting held on 18 September 2014 will be put to the Community, Sport and Recreation Committee for confirmation.

1.4 Public Participation

A maximum of 60 minutes is set aside for public participation at the commencement of any meeting of the Council or committee that is open to the public. Under Standing Order 3.23.3 a written, oral or electronic application to address the meeting setting forth the subject, is required to be lodged with the Chief Executive by 12.00 noon of the working day prior to the meeting concerned, and subsequently approved by the Chairperson.

1.5 Items not on the Agenda

The Chairperson will give notice of items not on the agenda as follows:

Matters Requiring Urgent Attention as Determined by Resolution of the Community, Sport and Recreation Committee.

1. The reason why the item is not on the agenda; and
2. The reason why discussion of the item cannot be delayed until a subsequent meeting.

Minor Matters relating to the General Business of the Community, Sport and Recreation Committee.

No resolution, decision, or recommendation may be made in respect of the item except to refer it to a subsequent meeting of the Community, Sport and Recreation Committee for further discussion.

2. General Business

SOCIAL RENTAL POLICY REVIEW – INCOME RELATED RENT

Purpose

1. The Social Rental Policy (Policy) is due for review in 2015 and commences with this paper.
2. There are a range of options and policy issues to be considered and a series of papers will be provided to you for your consideration. This is the first paper. It seeks a decision on whether the Council should pursue access to the government's Income Related Rent (IRR) subsidy. It also starts to outline the range of issues involved in the Social Rental Policy (Policy) review.
3. The remaining papers will include seeking decisions on:
 - The Council's rental policy settings
 - The social housing tenant target market and housing pathways
 - The business operating model.
4. This is in addition to a briefing you have received on the wider issues surrounding the rental policy.

Summary

Full access to the Income Related Rent Subsidy is not a realistic option in the short term

5. There is a lot of discussion about the value of the IRR subsidy. The key difference is that eligible tenants would pay the equivalent of 25 percent of their income as rent and City Housing would receive a full market rent for many of its tenancies. Currently we do not receive this subsidy and access to IRR would ensure rental affordability for tenants that were eligible and increase the rental revenue.
6. However, local authorities are excluded from accessing IRR unless they forgo control of their housing business. It is possible to receive IRR and there are two options to access this subsidy:
 - a. Establish an arm's length entity where the Council would hold a minority shareholding or governance role and for it to become a registered provider. New tenants placed with the new entity by the Ministry of Social Development (MSD) would then be eligible for IRR.
 - b. Enter into a partnership agreement with an existing registered community housing provider (CHP). Under the arrangement the Council could lease housing to the CHP for placement of tenants by MSD. City Housing already has similar arrangements with some providers.

Partnership is the preferred option at this point but will take some time.

7. Officers consider that the Council should explore opportunities to work with CHPs (Option b). Working in partnership supports the growth of the third sector, could

increase City Housing's revenue and financially benefits those tenants placed by MSD without the costs and risks associated with establishing a new entity (Option a).

8. However only new tenants placed by MSD will be eligible to receive IRR. Based on current tenant turnover (between 10 – 15%) it would take at least 6 to 10 years for a reasonable portion of the portfolio to receive IRR. In the short term it is important that Council consider what changes it can make to its own Policy settings to continue to provide sustainable high quality social housing services.
9. If local authorities did not have to restructure their housing operations to access IRR, registration as a CHP should be considered as a further option. The intention of Government's policy was to establish a level playing field for social housing tenants and providers, and excluding local authorities seems contrary to this. The Council and the community housing sector provided submissions on the draft regulations that local authorities should be able to access IRR. Officers recommend that the policy rationale for why local authorities have been excluded is raised in the regular meetings between the Council and Government Ministers. Understanding this rationale is important in planning future social housing policy.
10. Given there has been a new Minister of Social Housing appointed, it is an opportune time to approach the Government on how the Council can work collaboratively with it to meet the social housing needs in the Wellington region.

What are the key issues that Council will need to consider?

11. Currently the Council policy settings are simple and do not provide the flexibility to provide different levels of service across our portfolio and to meet different types of housing demand in Wellington City.
12. Our rent setting policy does not easily align with government policy nor does it recognise the changing nature of tenant's circumstances or assist them meet their aspirations.
13. It is important to note that access to IRR, via option a or b, or changes to the Policy will not resolve any sustainability issues. A combination of actions is required, many of which are business rather than policy issues, and further decisions around the Council's Social housing policy (including rent setting policy) will be sought in subsequent papers.
14. Over the coming months officers will be providing advice and options that will ask you to consider:

Policy Settings

- Aligning our rent setting with the Crown so that the tenant receives the maximum available accommodation supplement subsidy and that this is recovered by the Council.
- Providing housing pathways for tenants who may aspire to progress to private rental or homeownership.
- Accepting that some of our tenants are in a position where they can pay more rent and provide flexibility in the rent setting processes to enable this to happen.

Business settings

- Reviewing the City housing business model.
- Implementing the Arlington redevelopment.

- Considering Council land and partners available for affordable housing.

Housing quality work update

15. It appears unlikely that a mandatory warrant of fitness legislation will be progressed by this Government. However, there is willingness across central and local government to progress a single warrant of fitness standard that can be applied consistently. The recently completed field trial has demonstrated a tool can work. Any additional field trials or expanded pilot would require new funding before it can proceed.

Recommendation/s

That the Community, Sport and Recreation Committee:

1. Receive the information.

Policy Review

2. Note that there is social housing work programme that includes a review of the business model, report backs of the Arlington redevelopment project and asset management.
3. Note that the current Social Rental Policy is due for review in 2015 and this paper is the first paper in a series of papers and commences the review process that will seek decisions related to the Social Rental Policy.

Accessing Income Related Rent

4. Note that Government has extended eligibility for Income Related Rent subsidies to new tenants of registered community housing providers referred from the Ministry of Social Development. However, local government is excluded from accessing Income Related Rent unless it foregoes control of its housing business.
5. Note that the Council could either:
 - Establish an arm's length entity and this entity could seek registration as a community housing provider. Any new tenants placed in the new entity by Ministry of Social Development would then be eligible for Income Related Rent.OR
 - Enter into a partnership with a registered community housing provider. Under a partnership the Council could lease or rent properties to the community housing provider, and the community housing provider would operate the tenancy and access income related rent for tenants placed by the Ministry of Social Development.
6. Note that implementation of these changes to the Government's social housing policy is in its development stages, therefore officers consider it unwise to significantly restructure our housing business in response to Government's recent policy changes at this time.
7. Agree that the Wellington City Council will maintain control of the housing business and not pursue establishing an arm's length entity to access Income Related Rent at this point.
8. Note the Council already operates in partnership with registered community housing providers and that working in partnership with a community housing provider could deliver increased benefits to some tenants, increase City Housing's rental income and assist in growing Wellington's third sector.
9. Direct officers to explore options to develop housing partnerships with registered

community providers to access Income Related Rent for those tenants who would be eligible and report back on the opportunities and the implications of potential partnerships by 30 June 2015.

10. Agree that the Council meets and presents to the Minister of Social Housing on how it can work collaboratively the Government on meeting social housing needs in Wellington and where possible clarifying why local government has been excluded from accessing the income related rent subsidy.

Background

The Social Housing Policy

16. The Council's social housing services aim to provide:
 - Appropriate and affordable housing to low-income households who otherwise have barriers to accessing housing
 - Safe and secure housing to a good standard
 - Communities where people feel safe, have a sense of belonging and are proud to call home
 - Support for Council tenants to improve their quality of life and well-being and to contribute to and benefit from living in Wellington.
17. To achieve these objectives, the following principles guide our decision-making and the way we work. We:
 - Work in partnership to improve the lives of tenants
 - Ensure the housing portfolio is financially sustainable into the future and affordable for tenants
 - Respond to demand for social housing equitably and efficiently
 - Commitment to resilient and cohesive communities
 - Provide a high quality service to tenants.
18. The Policy is due for review in 2014/15. The focus of the review is to ensure that the Council's Social Housing policy objectives that have previously been agreed are met and supported by the Policy.
19. A Terms of Reference was agreed for this review which states that the purpose or objective of the review is to:
 - Ensure social housing assistance is provided to Wellingtonians in need
 - Balance rents charged and subsidies provided to ensure the Council has sufficient revenue to fund its upgrade programme, and can continue to operate and maintain the portfolio; and
 - Improve and clarify the Council's social housing operational policy.
20. The Policy review also considers the implications, opportunities and risks of recent Government changes to the social housing sector environment and it must take into account the financial pressures within the business.

The sustainability of City Housing

21. Some of the most significant factors that affect the sustainability of any social housing business are the long term capital plans for asset renewals and maintenance costs. The rental revenue needs to be sufficient to provide for the ongoing operating costs.

22. Like all social housing providers, this position is under pressure due to a number of related policy and business factors, including escalating operating costs and the level of services we provide above that of a normal landlord.
23. If the business cannot generate sufficient reserves then:
 - The housing stock will deteriorate, maintenance will be deferred and houses will not be upgraded. This is the current experience of most social housing stock in New Zealand
 - Some services may need to be ratepayer funded
 - Capital injections will be required in the future (e.g. as with the current HUP). The Council will have to either provide funding from rate payers or seek funding from other sources to finance its capital programme.
24. One aspect that must be considered is how the Policy settings could contribute to improved sustainability while still achieving the housing outcomes for tenants. The rental structure, the rental discount and the changes in Government policy need to be considered within this setting.

Discussion

Government changes to the social housing sector environment – Income Related Rent

25. In 2013, the Government enacted legislation that changed the social housing sector environment in New Zealand (i.e. the Social Housing Reform (Housing Restructuring and Tenancy Matters Amendment) Act) (the Act). This legislation, amongst other things, extends the provision of Income Related Rent subsidies¹ to new tenants of community housing providers referred from MSD.

What is the Income Related Rent Subsidy?

26. The IRR subsidy is provided by government to Housing New Zealand and registered Community Housing providers for tenants placed in their housing by MSD.
27. Tenants placed by MSD will pay rent equivalent to 25 percent of their income to their housing provider. If the tenant's income is above the level of national superannuation, the tenant then pays 50 percent of the rent. The difference between the tenant's rental payment and market rent is paid by the government directly to the housing provider.

Why would the Council consider this?

28. Access to IRR would increase the rental revenue of the Council's housing portfolio and improve its sustainability. However, local authorities are excluded from directly accessing IRR. If the Council wishes to access IRR subsidies, two options are available.

Option a - Registration as a community housing provider

29. To access IRR the Council must register as a CHP. The Government has set eligibility criteria that must be met around the financial and tenancy management performance for an entity to qualify. The Council has an excellent track record in the provision of social housing and could meet these criteria.

¹ Tenant's rental payment is based on a portion of their income. The Crown provides a subsidy to the Community housing provider equivalent to the difference between the market rent for the property and the tenant's rental payment.

30. However, to be registered as a CHP the Council must forego control of its housing business. The Government has been very clear that local government controlled housing is not within the scope for registration. Local government is excluded from registration as a community housing provider by regulation under the Act², which states that:
1. *The eligibility criteria for registration in class 1: social landlord are as follows:*
 - (a) *the applicant must be a community housing provider; and*
 - (b) *the applicant must not be*
 - (i) *a local authority; or*
 - (ii) *a council-controlled organisation; or*
 - (iii) *a subsidiary of a local authority or council-controlled organisation unless the subsidiary is operating at arm's length from the local authority or council-controlled organisation; and*
 - (c) *the applicant's governing body must, after having reviewed the performance standards, support the application for registration; and*
 - (d) *the authority must be satisfied, on reasonable grounds, that the applicant has the capacity to meet the performance standards.*
31. Although the finances of our housing portfolio are ring-fenced, our portfolio is not considered to be operating at a level that is sufficiently independent to meet the criteria for registration. Registration would require, at a minimum the establishment of a social housing subsidiary, where the Council was either a minority shareholder or appointed less than 50 percent of any governing board. Officers have not been able to establish any clear policy rationale for this position from government officials.

Implications

32. While there are many ways of implementing this option, the implications associated with establishing a new arm's length housing entity include:
- **Increased costs to deliver the same services.** A new entity the Council would need to be established and there would be additional compliance costs incurred as registered providers will be regulated and monitored by both the Community Housing Regulatory Authority (within the Ministry of Business, Innovation and Employment) and MSD.
 - **Assets would have to be leased, sold or transferred to the new entity.** The Council would no longer control the portfolio and any housing assets involved would have to be leased, sold or transferred to the new entity. Any implications for the Council's overall financial position from the sale or transfer of assets would have to be considered.
 - **Political and financial risks still borne by the Council.** Although the Council would no longer control the housing portfolio, the political and financial risks are still likely to be borne by the Council.
 - **Finding a majority shareholder(s).** Finding someone prepared to purchase the majority shareholding or take a majority governance role in our housing business may not be easy given that social housing businesses struggle to be sustainable. The existing community housing providers tend to be small scale with limited financial resources.

² Housing Restructuring and Tenancy Matters (Community Housing Provider) Regulations 2014

Option b – Enter into a partnership with a registered CHP

33. The Council could enter into a partnership agreement to rent or lease some or all of its housing units to an existing registered CHP. Under a partnership agreement the Council would receive lease payments, the tenant would pay income related rent and the CHP receives a sufficient margin on the tenancy to provide their services.
34. The Council already partners with other housing providers. We currently lease seven properties to CHPs and 17 properties to Housing New Zealand (HNZ). For example, a three bedroom house is leased to the Salvation Army for short term emergency housing. The 17 units leased to HNZ have been used to rehouse tenants from the earthquake prone Gordon Wilson Apartment Building on the Terrace.

Implications

35. The implications of establishing partnerships with CHPs include:
- Council would retain control of its housing assets
 - Flexibility. The Council would be able to decide on the proportion of the portfolio included and the length of lease/rental tenure associated with each property
 - Administratively it is simpler
 - The Council would receive a greater proportion of revenue from leasing properties without the compliance costs associated with becoming a CHP
 - Support for the growth of CHPs
 - Some CHPs are contracted to offer wider support services required by some of the higher need tenants.

Further implications associated with both options

36. In addition:
- The method for determining market rent will be set by MSD. There is a risk that this may not reflect full market rental for our housing.
 - IRR will only be available to new tenants placed in our housing by MSD. It is not available to all Council tenants and MSD can give no guarantees on the number of tenants that would be placed with any CHP.
 - City Housing would need to administer two rental processes. Tenants living alongside each other, with similar circumstances, could be on different rental arrangements. (I.e. Some tenants, placed by MSD, will pay rent based on IRR, and other tenants will pay rent based on the Councils rental policy).
 - It will take at a minimum 6 to 10 years before a reasonable number of our tenants are on IRR assuming all new tenancies are eligible for IRR.

Options

37. Summary of options to access IRR

	Option a: Establish a new arm's length entity	Option b: Enter into a partnership with a registered community housing provider(s).
Description	The Council establishes a separate arms-length housing unit that is able to register as a CHP.	The Council could enter into a partnership agreement to rent or lease housing to an existing registered CHP.

Item 2.1

	Option a: Establish a new arm's length entity	Option b: Enter into a partnership with a registered community housing provider(s).
Governance	<p>The Council would forgo control of its housing business and would become a minority shareholder in the new CHP.</p> <p>Although the Council would not control the new entity the Council will still risk bearing the political and financial risks associated with the performance of the new entity.</p>	<p>The Council would retain control of its housing.</p> <p>Lease and/or rental agreements would outline any liabilities to be borne by the CHP.</p>
Asset ownership	<p>The Council could retain ownership and lease property to the CHP.</p> <p>Alternatively, the portfolio could be sold or transferred to the new entity.</p> <p>Loss of assets (via sale or transfer) may have financial implications for the Council's overall financial position.</p>	<p>The Council would retain ownership of the portfolio. The Council could manage the proportion/number of units made available to the CHP.</p> <p>The impact on current operations would need to be considered depending on the scale of any partnership.</p>
Tenants	<p>IRR is only available to new tenants assessed and placed in housing by MSD.</p> <p>Tenants placed by MSD are expected to be financially better off.</p> <p>Tenants living alongside each other are likely to be on different rental arrangements (IRR, AS and Market rent). Some tenants whose financial circumstances are similar may be provided with differing levels of support depending on when and which organisation allocated their tenancy.</p> <p>Based on tenant turnover it could take a minimum of 6 to 10 years for a significant number of tenants to be eligible for IRR.</p> <p>IRR tenants are likely to be high needs tenants which may increase the proportion of high needs tenants in Council housing.</p>	
Tenancy Services	<p>The new CHP could provide all tenancy services.</p> <p>Alternatively the new CHP could contract tenancy services from City Housing.</p>	<p>The IRR tenancies and tenant management would be the responsibility of the CHP.</p> <p>City housing would provide tenancy services to those tenants not eligible for IRR. Tenant relationships would be clear and easily understood by all stakeholders</p>

	Option a: Establish a new arm's length entity	Option b: Enter into a partnership with a registered community housing provider(s).
Costs	<p>Cost to establish a new entity.</p> <p>Additional compliance costs to meet obligations to MSD and MBIE who will regulate and monitor CHPs receiving IRR.</p> <p>Costs incurred to operate differing rental structures as not all tenants would be placed in the portfolio by MSD.</p>	<p>Costs incurred to manage lease arrangements.</p> <p>Tenants in leased properties would pay IRR (25 % of the income) to the CHP. The CHP would pay a rental or lease payment to the City Housing. It is anticipated that under this arrangement the Council would receive more revenue from rent for these properties than is currently the case.</p> <p>MSD and MBIE compliance costs would be borne by the CHP.</p> <p>City Housing would continue to operate the remainder of the portfolio.</p>
Ease of implementation	<p>Finding a buyer for a majority shareholding or to put capital into the business to dilute our ownership may be difficult.</p>	<p>The Council already leases properties to a number of CHPs. Increasing the number of leased properties would be administratively simple.</p>
Support for third sector	<p>Possible support for the growth of CHP in Wellington, if one is able to take a majority stake in the new entity.</p>	<p>Supports the growth of community housing providers (third sector) in Wellington.</p>
Implications and conclusion	<p>Neither option is a silver bullet. As only new tenants placed by MSD would be eligible for IRR it is anticipated that only a small number of tenants would be eligible initially and that it will take 6 to 10 years for significant revenue to be gathered from IRR.</p>	
	<p>Not recommended.</p> <ul style="list-style-type: none"> • Council forgoes control of the housing business • Political and financial risk likely to remain with the Council • Additional costs would be incurred and any asset loss might affect the Council's overall financial position. 	<p>Recommended</p> <ul style="list-style-type: none"> • Council retains greatest control • Least risk • Cost effective • Flexible (the proportion of housing units leased can be altered to meet demand) • Supports growth of the third sector (CHPs)

Item 2.1

Conclusion

38. Given the potential benefits and risks associated with option a, officers do not recommend that an arm's length entity be established at this point in time.

39. We recommend that the Council maintains a watching brief on how the implementation of the Government's new social sector housing policy progresses. If the policy is successful the decision around establishing an entity should be revisited in 2015/16.
40. However, officers consider that option b, accessing IRR via partnerships with existing CHPs, could have benefits for the Council, tenants and the CHP. We recommend that officers be directed to explore options to enter into these partnerships and report back to this Committee on these opportunities by 30 June 2015.
41. With the appointment of the new Minister of Social Housing, it is an opportune time to approach the Government on how the Council can work collaboratively with it to meet the social housing needs in the Wellington region.
42. As part of this it is also recommended that the rationale for why local government has been excluded from the ability to receive IRR without restructuring the ownership of its housing is clarified. It is important to understand the Government's policy position on this so that we can continue to work with it on future options for City Housing.

Next Actions

43. Should you agree to the recommendations in this paper, officers will:
 - Enter into discussions with CHPs to explore opportunities to enter into a partnership to access IRR for some part of the Council's housing portfolio. This could also support the growth of social housing's third sector.
 - Report back to this Committee on partnership options by 30 June 2015.
44. It is proposed that officers develop a draft discussion document to form the basis for public consultation on the range of social housing issues involved. The aim will be to get wide consultation and input across the city from all those with an interest in this issue. The draft discussion document will be presented to the Committee in November and will also include the timelines for completion of the policy review.

Attachments

Nil

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Authoriser	Brian Hannah, Director Strategy and External Relations

SUPPORTING INFORMATION

Consultation and Engagement

If Income Related Rent was to be adopted, a full consultation and engagement plan would be developed.

Treaty of Waitangi considerations

There are no Treaty of Waitangi considerations at this point.

Financial implications

There are no financial implications at this point.

Policy and legislative implications

This paper responds to changes in central government policy and legislative changes.

Risks / legal

The risks and legal issues will be fully addressed in the development of any options arising from this paper.

Climate Change impact and considerations

Not applicable.

Communications Plan

If the Social Rental Policy is changed or if Income Related Rent was to be adopted, a communication plan would be developed.

In the interim, City Housing tenants have been informed of the review and that they will have opportunity to provide input into this process.

A public consultation document is planned for the later this year.

DRAFT LOCAL APPROVED PRODUCTS POLICY (RESTRICTING WHERE ANY LEGAL PSYCHOACTIVE PRODUCTS MAY BE SOLD IN FUTURE)

Purpose

1. This report presents four options for restricting the locations where (Ministry of Health - licensed) premises may sell future legal psychoactive products. Those options set different minimum distances between shops selling psychoactive substances and from schools and pre-schools.

Summary

2. New legislation places significantly stricter conditions and testing than previously on psychoactive products (often known as legal highs) for being legally produced, sold or consumed, including that they pose 'a low risk of harm for users'.
3. The new thresh-holds have removed cannabinoid smokes and pure powder products from the market. Most readily available alcoholic drinks and tobacco cigarettes would fail if they were also subject to this new testing.
4. Since May 2014, there has been a temporary ban on previously legal psychoactive products. Despite this, the Government plans to make it legal for certain psychoactive products to be sold from mid-2015 onwards if they pass the new, more stringent tests (for health risks, addictive properties and other harms).
5. There has so far been little interest from industry to bring back any psychoactive products in 'low risk' forms, due in part to the financial costs of meeting the stricter requirements and on-going quality checks.
6. We cannot predict when (from mid-2015 onwards) or how many 'low risk' psychoactive products might be legally sold. The indications are that large sections of the community want limits placed on the sales of such products.
7. The Council can (but is not obliged to) adopt a local policy (LAPP) to restrict where legal psychoactive products may be sold in Wellington in future to specific geographical areas. A LAPP would be marginal in its legal scope, but would support the substantive central government legislation.
8. The Ministry of Health (MoH) will be ultimately responsible for deciding whether or not to issue licences for premises to sell approved psychoactive products (**approved products**). MoH and the Police will enforce the laws around approved products (including licence conditions).
9. A Wellington City Council (WCC) LAPP would **inform** MoH's decision whether or not to grant an application for a premises to be licensed to sell approved products in the Wellington District.
10. Importantly, a WCC LAPP **could not ban** approved products from being sold by MoH-licensed premises somewhere in our district or place restrictions that make it unpractical for any premises to sell them, or it would be declared ultra-vires. If a LAPP was overturned, there might be no local controls on sales of approved products.

11. Officers recommend publicly consulting on options for a LAPP. They include a preferred option (see Map 1 – Attachment 1) that retail premises licensed to sell approved products (including premises for internet sales) only be permitted:
 - a. within the southern area of Wellington’s central business district (CBD) as shown within the solid red boundary of Map 1 (Attachment 1); and
 - b. at least 200 metres away from all of the following sensitive sites in Wellington: High Schools and Wellington’s YMCA; and
 - c. at least 50 metres from all of the following sensitive sites in Wellington: primary schools, pre-schools and kindergartens; and
 - d. at least 200 metres from all other retail or internet sales premises licensed to sell approved products.
12. The minimum distances from sensitive sites are taken from stated preferences in a Wellington residents panel survey.
13. The reasons for the preferred LAPP option’s parameters are that they are within the scope of legislation, are evidence-based, incorporate a wide range of community views, and are likely to withstand any legal challenge from the approved products industry. The minimum distances from sensitive sites are taken from stated preferences in a Wellington residents panel survey.
14. Other reasons include minimising harm through greater visibility and surveillance, distancing sales from the City’s suburbs, from the most deprived areas of our city, and where teenagers (a potentially vulnerable population) spend most time during the week. This policy also seeks to reduce harm through reducing the density of where licensed premises may locate, and reducing visibility from where young children spend most of their time during the week, to help reduce any ‘normalisation’ of approved products.

Recommendations

That the Community, Sport and Recreation Committee:

1. Receive the information.
2. Agree to the Consultation document on options for a Local Approved Products Policy as attached to this report.
3. Agree to undertake the Special Consultative Procedure (under the Local Government Act) through that consultation document between 4 November and 12 December 2014.
4. Agree to delegate to the Chief Executive and the Chair of this Committee, the authority to amend the Consultation document (Attachment 6) to include any amendments agreed by this Committee and any associated minor consequential edits.

Background

About psychoactive products

15. Psychoactive products contain psychoactive substances and are controlled by the Psychoactive Substances Act (the Act) and its 2014 (and pending) 2015 regulations. Psychoactive substances are defined by the Act as a substance, mixture, preparation, article, device, or thing that is capable of inducing a psychoactive effect (by any means) in an individual who uses the psychoactive substance.

16. All psychoactive products are currently temporarily banned (since May 2014). Central government intends to allow some psychoactive products to be sold again from mid-2015 onwards, if they pass new requirements. Such products would be classed as **'approved products'** because they would need to be approved and licensed by the Ministry of Health (MoH) to be legally sold. The specific MoH office responsible for administering the key legislation and licensing premises to sell approved products is the **Psychoactive Substances Regulatory Authority**.

Current situation – temporary ban and stricter future requirements

17. To-date (and since the temporary ban), there has been little material interest from industry to produce, import or manufacture approved products. This may, in-part, reflect the significantly more restrictive conditions that new legislation places on approved products, and the high financial costs of meeting those conditions.
18. Approved products can only be legal if they are proven to an expert Committee to pose a **"low risk of harm"** to individuals who use them. This includes being low risk with respect to toxic and addictive properties, potential for misuse, interactions with alcohol, impacts on vulnerable populations, and other defined criteria (under regulations).
19. The Ministry of Health has advised that most readily available alcoholic drinks and tobacco cigarettes would fail if they were subject to the same testing.
20. MoH has told Council officers that it expects "the addictive nature of the products, as previously seen [before this temporary ban started in May 2014], will not be there with low risk approved products." MoH also advises that "no synthetic cannabinoids will be able to pass the approval process." It will also be illegal for psychoactive products to be sold in injectable or pure powder form. Any approved products would likely be in pill, capsule, vapouriser, or e-cigarette forms. Some further details of testing requirements and restrictions can be found in Attachment 5.
21. Under the Act (section 52), approved products **cannot** be sold from any of the following places: grocery stores (dairys), supermarkets, convenience stores, service stations, places selling alcohol, vehicles (including mobile street carts), or temporary buildings.
22. It will remain illegal for approved products to be sold to (or possessed by) people under 18. A licensed retailer will also not be allowed to sell any person more than two approved products (whether the same or different products) at any one time or sell the same person consecutively.

Discussion

Why officers recommend the Council adopt a local policy on approved products

23. Officers have informally consulted with many people and organisations in the local community, and recognise that most people strongly want as many restrictions placed on approved products sales as is as legally possible. Officers therefore recommend that the Council be proactive in placing additional local restrictions (through a LAPP) on sales of approved product before any products get a chance to come back onto the market.

The additional restrictions a LAPP could prescribe for approved products

24. Under sections 66 to 69 of the Act, territorial authorities could (but are not obliged to) adopt a LAPP placing the following extra restrictions (to current national legislation) on where licensed premises may sell approved products:
- the areas within the Wellington City District where approved products may be sold (e.g. suburbs versus the central business district or residential versus industrial versus shopping areas)
 - the minimum distance between shops selling approved products
 - the minimum distance between shops selling approved products and sensitive sites (e.g. schools)
 - whether to place different conditions on retail premises (shops) to conditions placed on premises used for wholesale or for internet purchase.
25. A LAPP could not control:
- on-line purchase of approved products over the internet; or
 - consumption of approved products; or
 - opening hours of premises licensed by MoH to sell approved products; or
 - the maximum numbers of premises directly (e.g. through a cap or sinking lid).

Please refer to Attachment 4 for the full wording of sections 66 to 69 of the Act.

26. A LAPP would inform MoH's decision whether or not to grant an application for a premises to be licensed to sell an approved product in the Wellington District. However, WCC can legally have no other role in issuing those licences or enforcing their conditions. Those licences would be valid for up to 3 years.

Legal risks (including no ban)

27. A LAPP **could not ban** approved products from being sold by MoH-licensed premises somewhere in our district or place restrictions that make it unpractical for any premises to sell them. For example, a LAPP could not specify that approved products can only be sold in remote areas or from premises that do not adjoin a road.
28. Should approved products ever come onto market, there would be a high risk that a WCC LAPP could be legally challenged and be declared **ultra-vires** if it placed too many local restrictions on the sale of products that have passed MoH tests for 'low risk of harm'.
29. For example, Hamilton City Council was already threatened by industry with a legal challenge before the temporary ban on psychoactive products. If a LAPP was overturned, there might be no local controls on sales of approved products. To be legally defensible, a LAPP needs to be based on robust evidence.

Options

Guiding objectives of the LAPP that options have been designed to meet:

30. The objectives of a Wellington District LAPP are to:
- be legal** – i.e. align with the purpose and intent of the new laws that “regulate the availability of psychoactive substances in New Zealand to protect the health of, and minimise harm to, individuals who use psychoactive substances” in a way that still enables approved products to be sold in the Wellington District; and
 - be based on robust evidence** - to withstand any legal challenge or review.

For example, if a Wellington District LAPP was found to be too restrictive for products deemed as 'low risk' and overturned, there would be no local controls on where approved products can be sold; and

- c. **help reduce wider community harms** from approved products; and
 - d. **reflect community preferences as far as possible** for where approved products may be sold (while aligning with the purpose and intent of the Act); and
 - e. **provide a clear guide** for the Psychoactive Substances Regulatory Authority for decisions on licence applications within Wellington District.
31. These objectives and the policy options that follow have been developed after consultation with non-government organisations, charities, residents, retailers, the Police, Regional Public Health, the approved products industry, and after obtaining legal advice.

Preferred policy option for the LAPP - Widest spacing between licensed premises – Map 1 – Attachment 1

32. Officers recommend that retail premises licensed to sell approved products (including premises for internet sales) only be permitted:
- a. within the southern area of Wellington's central business district (CBD) as shown within the solid red boundary of Map 1 (Attachment 1); and
 - b. at least 200 metres away from all of the following sensitive sites in Wellington: High Schools and Wellington's YMCA; and
 - c. at least 50 metres from all of the following sensitive sites in Wellington: primary schools, pre-schools and kindergartens; and
 - d. at least 200 metres from all other retail or internet sales premises that are licensed to sell approved products.
33. **Definition of separation distances** - For the purposes of parts (b) to (d) above, the separation distances are to be measured from the external legal boundary of each premises. Minimum separation distances would be based on premises that exist when a licence is applied for.
34. **New Developments Clause: If a new premises (of the type identified in (b) or (c)) opens** within the minimum distance of an already licensed retail premises (that seeks to renew its licence), the Council would work with that licensed retail premises to find an alternative suitable location. For as long as a suitable alternative location is not available, the current location would be deemed to comply with the LAPP.
35. **Map 1** (Attachment 1) provides a visual guide to the areas where licensed retail premises would be permitted under this option, although those areas would change over time as new premises (e.g. schools or licensed retail premises) open, close or relocate.

Why option 1 is preferred

36. **Area of CBD chosen** - Many people and organisations (including the Police and Regional Public Health) prefer approved products to be sold in the CBD primarily for safety reasons. Officers also believe that individuals buying and selling approved products are safer in this area, because (compared to most other geographical areas) there is greater visibility, lighting, passive surveillance (e.g. foot and vehicle traffic throughout the day and evening), and greater Police and public presence.
37. Limiting premises that sell approved products to this area also keeps those premises away from the City's larger residential neighbourhoods and from the more deprived

areas of the City (as measured by the NZ Index of Deprivation). There is evidence that potentially mind-altering substances can create greater problems among some people on lower incomes (mainly from numerous New Zealand-based and international studies of alcohol and other drugs).

38. Map 1 (Attachment 1) shows the southern area of the CBD that is currently preferred by officers. This area is broadly the City's main entertainment area, whilst also being large enough to ensure that premises are spaced further away from each other (through the LAPP having larger minimum separation distances to prevent premises clustering around each other).
39. A Wellington Residents Panel survey of 307 residents broadly representing the gender, ethnicity and age demographics in Wellington was undertaken specifically for the development of a LAPP. In that survey, the most preferred areas in the (District Plan zoned) CBD for licensed retail premises to locate were in the southern CBD, including Cuba Street and Courtney Place and surroundings. The least preferred areas in the CBD were the Waterfront and northern (Lambton) areas of the CBD. This is consistent with most of the preferences of other people and organisations that officers have engaged with. Those factors have also determined the area chosen.
40. **At least 200 metres from high schools/colleges and YMCA** - There is evidence that potentially mind-altering substances can create greatest problems among some underage users (some teenage people under 18 years old). This evidence is based on scientific understanding of the development of the human brain at various ages, data from Emergency Department admissions, and discussions with the YMCA and youth service organisations. Some teenage people can also arguably be mistaken as being over 18.
41. High schools/colleges and YMCA are:
 - often where teenagers study for relatively long periods during the week (rather than simply being where those people might sometimes go); and
 - easily defined (for legal purposes).
42. In the Wellington Residents Panel survey, 200 metres was the preferred minimum distances from premises regarded as sensitive. Most people who officers have informally spoken to prefer some spacing of licensed premises away from sensitive sites.
43. **At least 50 metres from primary schools, pre-schools and kindergartens** - There is limited evidence that licensed retailers of approved products locating next to those institutions for younger children would cause harm to users. Children of primary school age and below could also not be reasonably mistaken (by sellers) as being over 18. However, greater visibility of retail outlets from such institutions might 'normalise' approved products among young children.
44. A distance of 50 metres would help reduce this visibility from premises where young children spend relatively long periods during the week. These premises can also be easily defined (for legal purposes).
45. **Other sensitive sites** - A number of other sensitive sites could have been chosen (refer to the full wording of the Act section 68 (c) in Attachment 4). However, officers do not consider there is enough robust evidence that distancing the sales of potentially mind-altering substances from those sites reduces harm to users or the community. This is particularly given that any future approved substances would supposedly be in 'low risk' forms, not in smokeable cigarette forms, injectable or pure powder.

46. For a LAPP to be legally defensible, there needs to be robust evidence **supporting all its parameters (including sensitive sites chosen)**. As part of consultation, officers will encourage people and organisations to provide evidence for distancing premises from any other sensitive sites.
47. **At least 200 metres between licensed retail premises** - There is evidence (from numerous New Zealand-based and international studies) that spacing premises (that sell potentially mind-altering substances) further apart reduces the convenience of buying the substances and reduces overall problems associated with those substances.
48. The 200 metre spacing is approaching the greatest distance that officers are confident that aligns with the intent of the Act - i.e. needing to allow some licensed premises to sell approved products within the preferred southern CBD area.

Table comparing the currently preferred WCC option with LAPPs in other territorial authorities

49. Note that should approved products ever come on market, there could possibly be some legal challenges by the approved products industry on certain restrictions in certain LAPPs for products posing 'low risks of harm'.

Local Authority with a proposed / current LAPP	Area of permitted zone	Min distance from sensitive sites	Minimum distance between premises
Wellington City Council's preferred option	Section of the southern CBD	200 m (High schools and YMCA) 50 m (Primary and pre-schools)	200m
Christchurch Draft	CBD	100 m	50 m
Hamilton - re-thinking after being threatened with legal action	CBD	100m	500m
Hutt City Council	CBD and section of Jackson Street, Petone		200m
Matamata - Piako DC	Major Town centres	25m	300m
Wanganui Draft	CBD	50m	300m
Hauraki DC	Major Town centres	50m	750m
Napier DC	CBD	100m	300m
Hastings	CBD	100 m	300m
Tasman	Major Town centres	100 m	150m
Waipa	Major Town centres	100m	500m

Alternative Option 2 – Widest spacing from sensitive sites – Map 2 (Attachment 2)

50. Retail premises licensed to sell approved products (including premises for internet sales) would only be permitted:
 - a. within the same southern area of Wellington's central business district (CBD) as Option 1 - shown on Map 2 (Attachment 2); and
 - b. at least 400 metres from all of the following sensitive sites in Wellington: High Schools / Colleges and Wellington's YMCA; and
 - c. at least 50 metres from all of the following sensitive sites in Wellington: primary schools, pre-schools and kindergartens; and
 - d. at least 180 metres from all other retail or internet sales premises that are licensed to sell approved products.
51. The same definition of separation distances and New Developments Clause for Option 1 would apply for this option.
52. To align with the intent of the Act (i.e. reasonably allow some licensed premises to sell approved products within the southern CBD area), increasing minimum distances from sensitive sites (to 400 metres instead of 200 metres in option 1) would mean reducing minimum distances between premises (to 180 metres from 200 metres in option 1).
53. A benefit of this option would be potentially harder access to approved products to some under-age teenage users for most of the day. However, this option is not currently preferred because licensed retail premises would be closer together under this option, providing easier access to potentially mind-altering substances within the areas that they are sold.
54. **Map 2 (Attachment 2)** provides a visual guide to the areas where licensed retail premises would be permitted under this option, although those areas would change over time as new premises (e.g. schools or licensed retail premises) open, close or relocate.

Alternative Option 3 – Clustered premises – Map 3 (Attachment 3)

55. Retail premises licensed to sell approved products (including premises for internet sales) would only be permitted:
 - a. within the areas of Cuba St, east Dixon St, east Manners St, and Courtney Place shown in Map 3 (Attachment 3), where there is generally a higher density of premises licensed to sell liquor, restaurants and other evening entertainment; and
 - b. at least 200 metres from all of the following sensitive sites in Wellington: High Schools/Colleges and Wellington's YMCA (as in Option 1); and
 - c. at least 50 metres from all of the following sensitive sites in Wellington: primary schools, pre-schools and kindergartens (as in Option 1); and
 - d. at least 60 metres from all other retail or internet sales premises s that are licensed to sell approved products.
56. The same definition of separation distances and New Developments Clause for Options 1 and 2 would apply for this option.
57. To align with the intent of the Act (i.e. reasonably allow some licensed premises to sell approved products within this significantly smaller area), minimum distances between

premises would need to be significantly reduced (to 60 metres from 200 and 180 metres in options 1 and 2 respectively).

58. A benefit of this option may be that a smaller area may be more easily policed, and people will know exactly where to expect to see (or avoid) approved products being purchased or sold.
59. However, this option is not currently preferred because licensed retail premises would be significantly closer together under this option, providing easier access to potentially mind-altering substances, and potentially encouraging greater congregations of people wanting psychoactive substances in those areas.
60. **Map 3 (Attachment 3)** provides a visual guide to the areas where licensed retail premises would be permitted under this option, although those areas would change over time as new premises (e.g. schools or licensed retail premises) open, close or relocate.

Alternative Option 4 – No LAPP

61. Having no LAPP is a legal option under central government legislation. This option is not preferred and is unlikely to be preferred by many people in the community. Officers recommend the Council acts to reflect the wishes of the majority of people to proactively placing some local restrictions on where potentially mind-altering products (albeit hopefully lower risk) may be sold in the future.

Options for broad locations of licensed retail premises considered but rejected

62. **Suburbs** – There is significant documented evidence that the more premises selling potentially mind-altering substances locate to suburban or larger residential areas, the higher are overall access and potential harms to communities. Most people need to make more of an effort to travel to the City centre compared to their own local shops (or even the nearest suburban town centre).
63. **Industrial areas** – Many different types of potentially mind-altering products (including some legal psychoactive products previously available before this temporary ban) can temporarily affect the motor co-ordination skills of people who use them and can be undetectable through testing. Allowing licensed premises to locate in industrial areas of the city was rejected due to potentially greater safety impacts. For example, people being more likely to operate industrial machinery whilst under the influence of psychoactive products.

Next Actions

64. Approve the Special Consultative Procedure on the options for a WCC LAPP through the Summary of Information, Statement of Proposal and Submission form in Attachment 6.
65. That Special Consultative Procedure will run between 4 November and 12 December 2014 and will be on the website, as well as targeting various interested parties. Those parties will include previous and potential retailers of legal psychoactive products, the STAR Trust (representing the approved products industry), charities, other welfare organisations (including for Māori welfare), the Police, Ministry of Health, Regional Public Health, Schools, and the Capital and Coast District Health Board.

66. Oral hearings are planned for this Committee in early February 2015. Final recommendations will be presented to this Committee and Council for approval in late February or March 2015.

Attachments

Attachment 1.	Map 1 - Option 1 - Wider Spacing between licensed premises	Page 31
Attachment 2.	Map 2 - Option 2 - Wider spacing from Sensitive sites	Page 32
Attachment 3.	Map 3 - Option 3 - Clustered premises	Page 33
Attachment 4.	Full wording Act sections 66 to 69	Page 34
Attachment 5.	Full wording - Selected sections of 2014 Regulations	Page 36
Attachment 6.	Draft Consultation Document	Page 38

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SUPPORTING INFORMATION

Consultation and Engagement

Many people and organisations in the community have strong views around the sale of psychoactive products. Officers have therefore engaged extensively with residents, general retailers (not connected to psychoactive products), previous retailers of legal psychoactive products, the STAR Trust (representing the approved products industry), charities, other welfare organisations, the Police, Ministry of Health, Regional Public Health, and the Capital and Coast District Health Board. Officers have informed Māori welfare organisations about the development of a LAPP and have invited them to comment or meet.

Most people and organisations talked to preferred there to be as strong local restrictions as legally possible on where retail premises licenced to sell approved products can locate. Most other people and organisations officers spoke to also wanted licensed premises confined to the CBD and not in the suburbs (particularly in less affluent suburbs), and not near schools or kindergartens.

In the Wellington Residents Panel Survey, most survey responses favoured licensed retail premises (of approved products) being clustered together in a small area. However, this was different from what most other people and organisations officers talked to, who preferred as much spacing as possible between those licensed premises.

The Salvation Army was of the view that approved products should not be made too inaccessible, as this might encourage more illicit sales congregations of users around small numbers of outlets (if there wasn't another outlet within reasonable walking distance). The Salvation Army also believed that significantly restricted access may encourage greater use of illegal alternatives, given that many 'problem users' of drugs seek to obtain drugs regardless of whether or not they are legal. However, the Salvation Army strongly favoured keeping licensed premises away from less affluent areas of town, from the Wellington Hospital and away from treatment and addiction centres (especially in Newtown).

The STAR Trust (representing the approved products industry) and previous retailers of legal psychoactive products said there needed to be sensible restrictions placed in a LAPP, that are not overly restrictive for low risk products. In their view any new approved products would be lower risk than alcohol and tobacco. Those organisations and businesses, however, said that they understood the need for the LAPP to place some restrictions to accommodate some community preferences. They also wanted LAPP parameters and wider national laws (when they take full effect) to stay constant for a reasonable length of time to provide industry and retailers with greater business certainty.

Treaty of Waitangi considerations

This Policy does not raise any Treaty of Waitangi implications.

Financial implications

No new financial resources are needed should a LAPP be approved and take effect, given the Council's limited role around licensing. It is expected that the Public Health Business Unit of Council may need to provide comment on whether proposed locations for premises to sell approved products (in applications to MoH) are consistent with WCC's LAPP. There is

expected to be a maximum of ten applications every three years, which can easily be accommodated in Public Health Unit's existing resources.

Policy and legislative implications

There are no issues of inconsistency with wider legislation (mainly the Psychoactive Substances Act and its regulations) or with other existing policies.

Risks / legal

As previously discussed, should approved products ever come onto market, there would be a high risk that a WCC LAPP could be legally challenged and be declared ultra-vires if it placed too many local restrictions on the sale of products that have passed MoH tests for 'low risk of harm'.

This risk has been mitigated by ensuring that:

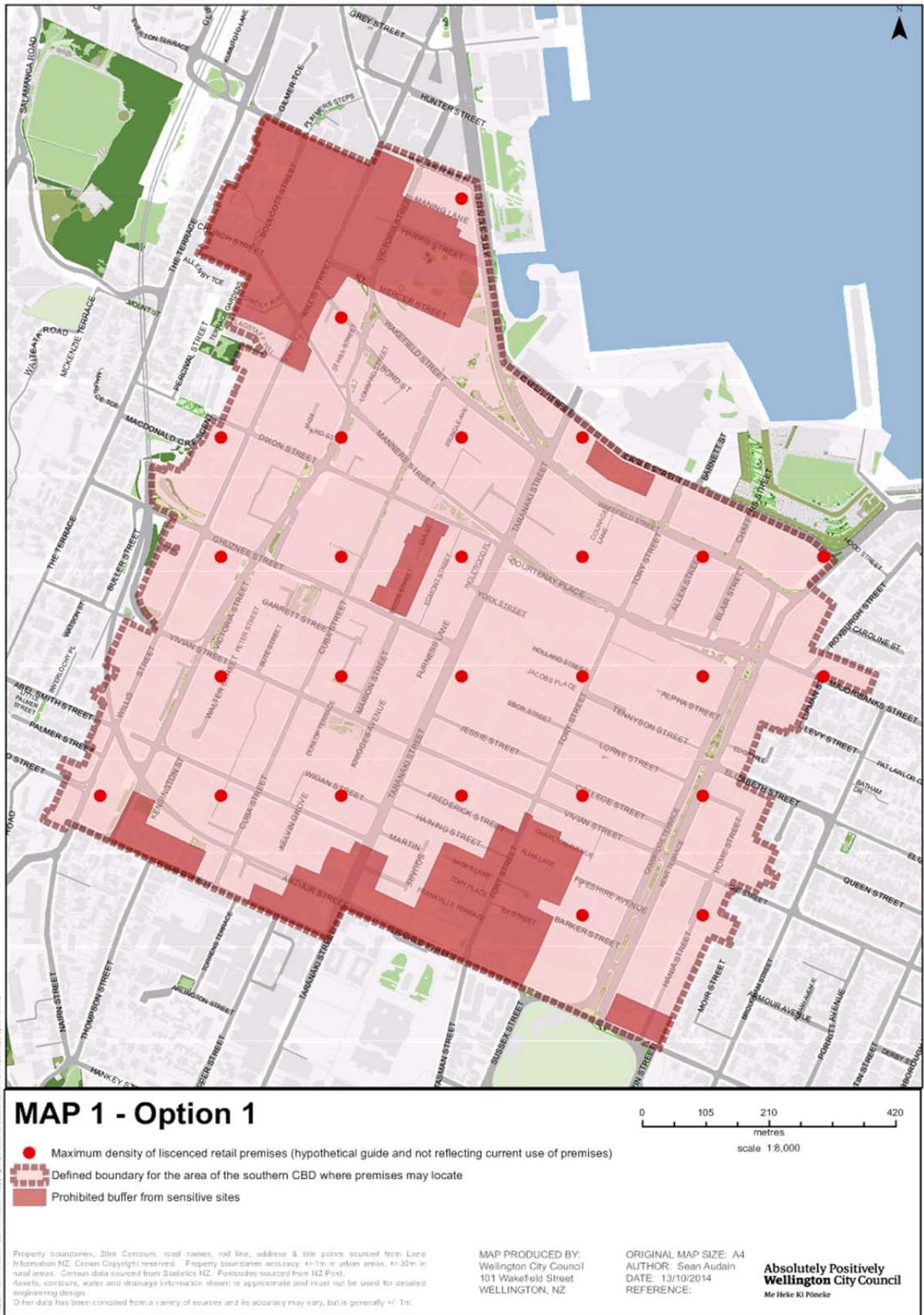
- some premises licensed to sell psychoactive products can locate in the Wellington District; and
- LAPP options are based on robust (and not anecdotal or purely emotive) evidence.

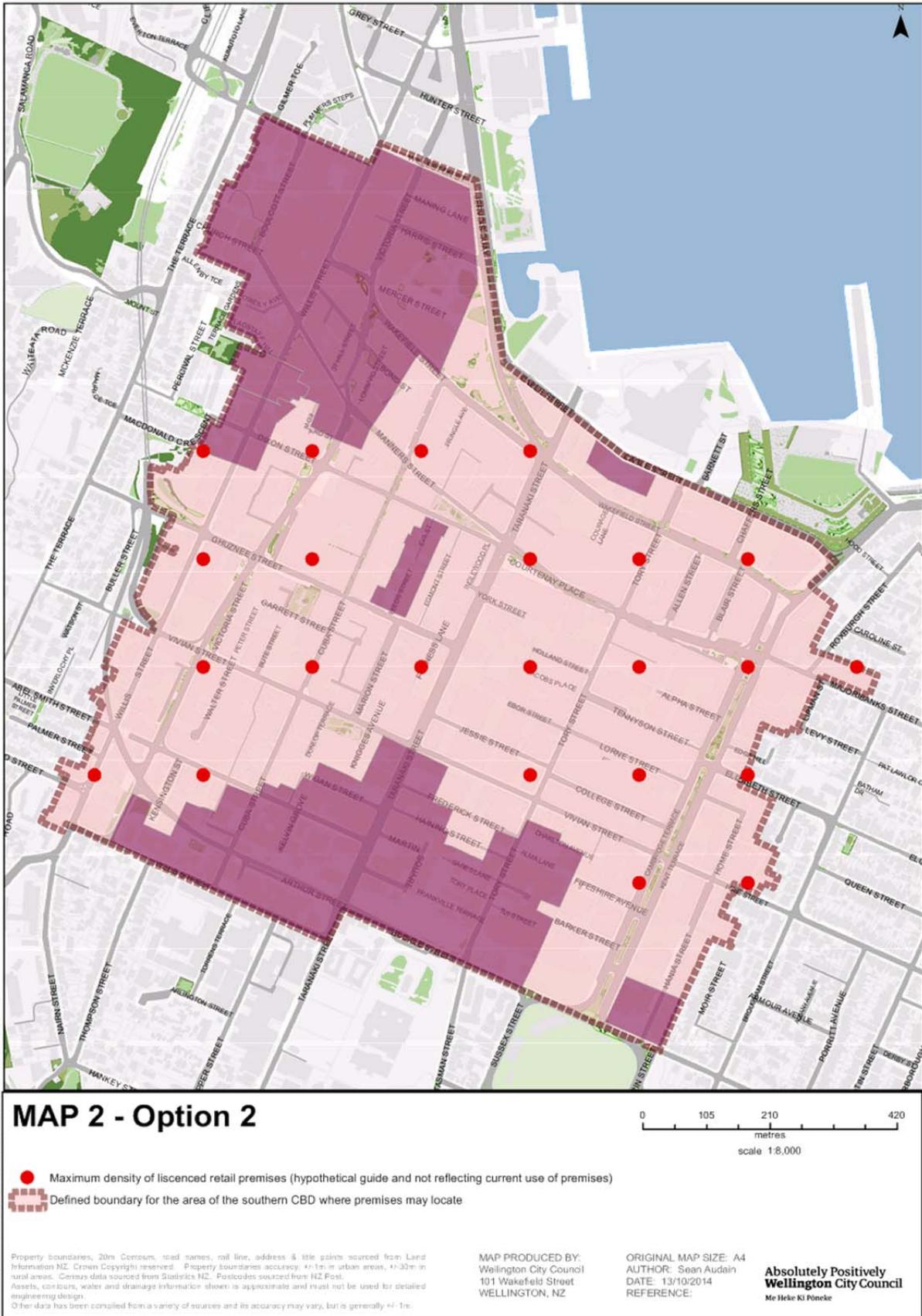
A WCC LAPP must be adopted in accordance with the special consultative procedure in section 83 of the Local Government Act 2002 and may be amended or replaced only in accordance with the special consultative procedure. A copy of the LAPP must be provided to the Psychoactive Substances Regulatory Authority at MoH.

Under section 69 (4) of the Psychoactive Substances Act, a review of the LAPP must be completed within 5 years after the policy is adopted, and then at intervals of not more than 5 years. A LAPP does not cease to have effect because it is due for review or is being reviewed.

Climate Change impact and considerations

There are no climate change considerations.

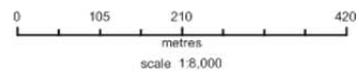






MAP 3 - Option 3

Higher Density Entertainment Area- Density Guide



Property boundaries, 20m Contours, road names, rail line, address & title points sourced from Land Information NZ. Crown Copyright reserved. Property boundaries accuracy: +/-1m in urban areas, +/-32m in rural areas. Census data sourced from Statistics NZ. Postcodes sourced from NZ Post. Assets, contours, water and drainage information shown is approximate and must not be used for detailed engineering design. Other data has been compiled from a variety of sources and its accuracy may vary, but is generally +/- 1m.

MAP PRODUCED BY:
Wellington City Council
101 Wakefield Street
WELLINGTON, NZ

ORIGINAL MAP SIZE: A4
AUTHOR: Sean Audain
DATE: 13/10/2014
REFERENCE:

**Absolutely Positively
Wellington City Council**
Me Heke Ki Pōneke

Item 2.2 Attachment 3

Attachment 4 – Psychoactive Substances Act 2013 - Local approved products policies

S66 - Territorial authority may have local approved products policy

- (1) Any territorial authority may have a policy relating to the sale of approved products within its district.
- (2) A local approved products policy may—
 - (a) provide differently for different parts of its district; and
 - (b) apply to only part (or 2 or more parts) of its district; and
 - (c) apply differently to premises for which licences of different kinds are held or have been applied for.
- (3) No territorial authority is required to have a local approved products policy.

S67 - Territorial authorities may adopt joint local approved products policy

- (4) Two or more territorial authorities may adopt a single local approved products policy for their districts.
- (2) If subsection (1) applies, the 2 or more territorial authorities are to be treated in respect of the local approved products policy as if they were a single territorial authority with a single district.

S68 - Content of local approved products policy

A local approved products policy may include policies on 1 or more of the following matters:

- (a) the location of premises from which approved products may be sold by reference to broad areas within the district:
- (b) the location from which approved products may be sold by reference to proximity to other premises from which approved products are sold within the district:
- (c) the location of premises from which approved products may be sold by reference to proximity to premises or facilities of a particular kind or kinds within the district (for example, kindergartens, early childhood centres, schools, places of worship, or other community facilities).

S69 - Adoption and review of local approved products policy

- (1) A territorial authority that wishes to have a local approved products policy must adopt the policy in accordance with the special consultative procedure in [section 83](#) of the Local Government Act 2002.
- (2) A local approved products policy may be amended or replaced only in accordance with the special consultative procedure, and this section applies to that amendment or replacement.
- (3) A territorial authority must, as soon as practicable after adopting or amending a local approved products policy, provide a copy of the policy to the Authority.
- (4) A territorial authority must complete a review of a local approved products policy within 5 years after the policy is adopted and then at intervals of not more than 5 years.
- (5) A local approved products policy does not cease to have effect because it is due for review or is being reviewed.

Psychoactive Substances Regulations 2014 (LI 2014/243) 5 Prohibitions and restrictio... Page 1 of 1



New Zealand Legislation

Psychoactive Substances Regulations 2014

- latest version but not yet in force
- with search matches highlighted

5 Prohibitions and restrictions on certain forms of approved product

- (1) The Authority must not approve a psychoactive product that—
 - (a) is intended to be injected;
 - (b) is in the form of a liquid or a powder, except where it is contained in a capsule or tablet;
 - (c) is, or resembles, food.
- (2) The Authority must not approve a psychoactive product that is packaged in a container if the product contained in the container would be easily subdividable.

Psychoactive Substances Regulations 2014 (LI 2014/243) 6 Restrictions on sale of ap... Page 1 of 1



New Zealand Legislation

Psychoactive Substances Regulations 2014

- latest version but not yet in force
- with search matches highlighted

Sale of approved products

6 Restrictions on sale of approved products

- (1) A retailer must not sell, or offer to sell, to any person more than 2 approved products (whether the same or different products) at any one time.
- (2) A retailer must not serve the same person consecutively more than once for the purposes of circumventing the restriction imposed by subclause (1).

<http://www.legislation.govt.nz/regulation/public/2014/0243/latest/DLM46202122.html> 21/08/2014

ATTACHMENT 5

Psychoactive Substances Regulations 2014 (LI 2014/243) 4 Application for approval ... Page 1 of 1



New Zealand Legislation
Psychoactive Substances Regulations 2014

- latest version but not yet in force
- with search matches highlighted

Approved products

4 Application for approval of psychoactive product

An application for approval of a psychoactive product made under [section 33](#) of the Act must be accompanied by the following information:

- (a) full particulars of the finished product, including—
 - (i) the manufacturing arrangements relating to the product; and
 - (ii) a statement about the formulation of the product, including its active and inactive ingredients and the quantity of those ingredients; and
 - (iii) a description of the packaging for the product; and
 - (iv) a statement of the recommended dosage of the product; and
- (b) the results of all trials where the effects of the psychoactive product or any 1 or more psychoactive substances contained within the product have been specifically investigated, having regard to (without limitation)—
 - (i) the chemical, pharmacological, psychoactive, and toxicological effects of the product or substances; and
 - (ii) the potential for misuse of the product or substances; and
 - (iii) any related adverse behavioural effects of the product or substances; and
- (c) a report on the risks to, and impact on, public health and vulnerable or at-risk populations that may arise if the psychoactive product is approved, including—
 - (i) information about the interaction of the product with alcohol; and
 - (ii) a plan to manage those risks; and
- (d) a detailed plan of how the risk of harm posed by the psychoactive product will continue to be monitored and managed by the applicant if the product is approved, including how the applicant would comply with a recall order issued under [section 88](#) of the Act.

<http://www.legislation.govt.nz/regulation/public/2014/0243/latest/DLM6203121.html> 21/08/2014

Draft Summary of Information

Draft Local Approved Products Policy (restricting where any legal psychoactive products may be sold in future)

Proposal: Wellington City Council (the Council) is consulting on policy options for further restricting where (Ministry of Health approved) psychoactive products can be sold in our district in future (should any such products ever come onto the market).

Your chance to have a say

Before making any final decisions, we'd like to know your views.

The closing date for submissions is **5pm, 12 December 2014**.

Use the attached form to make your submission.

Background Summary

What are psychoactive products?

Psychoactive products are sometimes known as 'legal highs'. For example, party pills. These products contain psychoactive substances that some people consume.

A psychoactive substance is defined as a substance, mixture, preparation, article, device, or thing capable of inducing a psychoactive effect (by any means) in an individual who uses the psychoactive substance.

Why might this Council have a policy on psychoactive products?

Since May 2014, there has been a temporary ban on previously legal psychoactive products. Despite this temporary ban, the Government plans to make it legal for certain psychoactive products to be sold from mid-2015 onwards if they pass new, more stringent tests (for health risks, addictive properties and other harms).

The Council wants to be proactive, and ensure there is a policy to control where future approved products can be sold before they can appear on the market. If Council had no policy, sellers may locate anywhere in the District.

That said, a Council policy would have marginal impacts compared to new central Government laws, but would add some further restrictions to those laws.

What are the main laws that govern psychoactive products and a local policy?

The principal laws are the Psychoactive Substances Act 2013 (the Act) and the Psychoactive Substances Regulations 2014.

Under these laws, all sellers of approved products need to be licenced (by the Ministry of Health).

To be legal, the products themselves also need to pass significantly more stringent tests for health, addictiveness, and other harms than before. Most readily available alcoholic drinks and cigarettes would fail those same tests.

No injectable or pure powder, and probably no smokeable products (such as synthetic cannabis smokes) will be approved for sale. Approved products (if there are any in future) would likely be in pill, capsule, vaporiser, or e-cigarette forms.

Sections 66 to 69 of the Act allow Councils to have a (local) approved products policy (LAPP) controlling where approved products are sold. A LAPP informs whether or not the Ministry of Health accepts applications for licenses to sell approved products.

More facts about the laws and what they mean for future approved products are explained in the Statement of Proposal.

How restrictive can we make a policy?

There are many people in the community who want approved products banned from being sold anywhere within the Wellington District (even in their hopefully less harmful forms). However, central government laws (described above) prevent the Council from being able to do this or from having policy that is overly-restrictive. Central government laws are outside the control of Council.

For example, Hamilton City Council has already faced a threat of legal action by the approved products industry for having a policy that is more restrictive than intended by central government, and because of this, is revisiting its policy. If a LAPP was found to be too restrictive and overturned, there might be no local controls on sales of approved products.

The Council policy would have marginal impacts in that it could not (legally) control consumption or internet sale of approved products, or hours of shops selling approved products. It would inform decisions by the licensing body (Ministry of Health).

Preferred Policy Option – Map 1 – Page 13

The Council currently favours a policy option that is as restrictive as possible without risking legal challenge. A legal challenge could potentially make a policy invalid, resulting in no controls on where future approved products are sold. Part of reducing

the risk of a legal challenge is basing the policy on robust (rather than anecdotal) evidence.

Council (through the Statement of Proposal) is consulting on several policy options. The most preferred option is currently that (Ministry of Health approved) retail premises (selling approved products) are:

- only permitted within a defined area of Wellington's southern Central Business District (CBD) in Map 1 (page 13)
- at least 200 metres away from all of the following sensitive sites in Wellington: High Schools and Wellington's YMCA
- at least 50 metres away from all of the following sensitive sites in Wellington: Primary Schools, Pre- Schools, and Kindergartens in Wellington
- spaced at least 200 metres apart from each other.

Map 1 shows this preferred option. More details (including the justification for this option) are in the Statement of Proposal.

Full copies of the Statement of Proposal that details the proposed Local Approved Products Policy options are available from:

- Wellington.govt.nz
- Council libraries
- the Council's service centre, 101 Wakefield Street
- or phone 499 4444.

For further information, you can email us at lapp@wcc.govt.nz

You can make a submission on our website, by email or by filling out the submission form (back of this document) and posting it to Wellington City Council, PO Box 2199, Wellington 6140 or drop it off at our service centre.

Draft Statement of Proposal: Local Approved Products Policy (restricting where any legal psychoactive products may be sold in future)

- This Statement of proposal has been prepared to fulfil the purposes of s.83(1)(a) and s.87(2)(a) of the Local Government Act 2002, and s.69 of the Psychoactive Substances Act 2013.

Background:

About psychoactive products

Psychoactive products are sometimes known as 'legal highs'. For example, party pills. Those products contain psychoactive substances that some people consume.

A psychoactive substance is defined as a substance, mixture, preparation, article, device, or thing capable of inducing a psychoactive effect (by any means) in an individual who uses the psychoactive substance.

Important Facts

- Central government's new laws prevent any Councils from banning (or effectively banning) all sales of psychoactive products within their districts.
- Despite a temporary ban (that started in May 2014), central government will allow some psychoactive substances to be sold from mid-2015 onwards, if they pass new stricter tests for 'low risk of harm' (for addiction, health, interactions with alcohol and for other harms).
- Only psychoactive products approved by the Ministry of Health (approved products) would be legally sold.
- The Ministry of Health regards any future approved product as posing a 'low risk of harm' and expects that "the addictive nature of the products, as previously seen [before this temporary ban], will not be there with low risk approved products".
- Under the Act (section 52) approved products **cannot** be sold in any of the following places: grocery stores (dairys), supermarkets, convenience stores, service stations, places selling alcohol, vehicles (including mobile street carts), or temporary buildings.
- It will remain illegal for approved products to be sold to (or possessed by) people under 18.
- It will only be legal for premises to sell approved products if they are granted a licence to do so.
- Licences will be issued and decided upon by the Ministry of Health (through its office of the Psychoactive Substances Regulatory Authority).
- The regulation of premises selling approved products (including locations) will be enforced by the Police and the Ministry of Health.
- Council has no role in issuing or enforcing licences.
- Council's Local Approved Products Policy would be part of several considerations that inform the Ministry of Health's decisions on whether or not to grant licences to sell approved products.

New Government laws to restrict psychoactive substances

Government introduced new laws to substantively restrict the type and nature of legal psychoactive products that may be legally sold. Those laws are the Psychoactive Substances Act 2013 (the Act) and various Psychoactive Substances Regulations (the Regulations).

Those new laws are expected to take full effect from mid-2015. Currently (since May 2014) there is a temporary ban on the selling of all psychoactive products (as defined by the Act). However, from mid-2015, certain psychoactive substances may be approved for sale by the Ministry of Health. The emphasis, though, will be on the manufacturer needing to prove that new or existing products are 'low risk' before they become legal.

Desired impacts of new legislation and testing requirements

To be approved for sale by the Ministry of Health (MoH), those (**approved products**) will need to pass significantly more tests (than before this temporary ban). Any product testing as higher than posing a 'low risk of harm' will not be approved for sale.

MoH advises that "no synthetic cannabinoids will be able to pass the approval process." It will also be illegal for psychoactive products to be sold in injectable or pure powder form. Approved products (if there are any in future) would likely be in pill, capsule, vaporiser, or e-cigarette forms.

If most readily available alcoholic drinks and cigarettes were subject to the same tests as any future approved products, they would fail (scoring as higher than low risk of harm).

Council wants to further restrict where psychoactive products are sold on behalf of Wellington's communities

Despite assurances by MoH on the 'low risk' nature of any future approved products, the Council is aware that many people in the community want sales of these products to be as restricted as possible.

The purpose and intent of the Act only give the Council limited influence around restrictions. However, Council is keen to adopt a policy (local approved products policy or LAPP) to allow Wellington's communities some control around where approved products might be sold.

What the Council could influence through a LAPP

Local Councils are not obliged to develop a LAPP but can do if they choose. Under sections 66 to 69 of the Act, a LAPP could determine:

- the areas within the Wellington City District where approved products may be sold (e.g. suburbs versus the central business district or residential versus industrial versus shopping areas)
- the minimum distance between shops selling approved products
- the minimum distance between shops selling approved products and sensitive sites (e.g. schools)
- whether to place different conditions on retail premises to conditions placed on premises used for wholesale or for internet purchase.

People who can prove they are over 18 will still be able to purchase approved products over the internet. A LAPP could also not control consumption of approved products.

Objectives of a LAPP

The objectives of a Wellington District LAPP are to:

- (a) **be legal** – i.e. align with the purpose and intent of the new laws that “regulate the availability of psychoactive substances in New Zealand to protect the health of, and minimise harm to, individuals who use psychoactive substances” in a way that still enables approved products to be sold in the Wellington District
- (b) **be based on robust evidence** - to withstand any legal challenge or review
For example, if a Wellington District LAPP was found to be too restrictive for products deemed as 'low risk' and overturned, there might be no local controls on where approved products can be sold
- (c) **help reduce wider community harms** from approved products
- (d) **reflect community preferences as far as possible** for where approved products may be sold (while aligning with the purpose and intent of the Act)
- (e) **provide a clear guide** for the Psychoactive Substances Regulatory Authority for decisions on licence applications within Wellington District.

These objectives and the policy options that follow have been developed after consultation with non-government organisations, charities, residents, retailers, the Police, Regional Public Health, the approved products industry, and after obtaining legal advice.

Policy Options for a LAPP

Preferred – Option 1 - Widest spacing between licensed premises – Map 1 – Page 13

Retail premises licensed to sell approved products (including premises for internet sales) would only be permitted:

- 1.1 within the southern area of Wellington’s central business district (CBD) as shown within the solid red boundary of Map 1; and
- 1.2 at least 200 metres away from all of the following sensitive sites in Wellington: High Schools/Colleges and Wellington’s YMCA; and
- 1.3 at least 50 metres from all of the following sensitive sites in Wellington: primary schools, pre-schools and kindergartens; and
- 1.4 at least 200 metres from all other retail or internet sales premises that are licensed to sell approved products.

Definition of separation distances - For the purposes of parts 1.2 to 1.4 above, the separation distances are to be measured from the external legal boundary of each premises. Minimum separation distances would be based on premises that exist when a licence is applied for.

New Developments Clause: If a new premises (of the type identified in 1.2 or 1.3) opens within the minimum distance of an already licensed retail premises (that seeks to renew its licence), the Council would work with that licensed retail premises to find an alternative suitable location. For as long as a suitable alternative location is not available, the current location will be deemed to comply with the LAPP.

Map 1 (page 13) provides a visual guide to the areas where licensed retail premises would be permitted under this option, although those areas would change over time as new premises (e.g. schools or licensed retail premises) open, close or relocate.

Reasons why Option 1 is currently preferred

Area of CBD chosen - Many organisations (including the Police and Regional Public Health) prefer approved products to be sold in the CBD primarily for safety reasons. The Council also believes that individuals buying and selling approved products are safer in this area, because (compared to most other geographical areas) there is greater visibility, lighting, passive surveillance (e.g. foot and vehicle traffic throughout the day and evening), and greater Police and public presence.

Limiting premises that sell approved products to this area also keeps those premises away from the City's larger residential neighbourhoods and from the more deprived areas of the City (as measured by the NZ Index of Deprivation). There is evidence that potentially mind altering substances can create greater problems among some people on lower incomes.

The southern area of the CBD that is currently favoured by the Council (see Map 1) is broadly the City's main entertainment area. This area is also large enough for Council to ensure that premises are spaced further away from each other (through the LAPP having larger minimum separation distances to prevent premises clustering around each other).

In a recent survey of 307 representative residents, the most preferred areas in the (District Plan zoned) CBD for licensed retail premises to locate were in the southern CBD, including Cuba Street and Courtney Place and surroundings. The least preferred areas in the CBD were the Waterfront and northern (Lambton) areas of the CBD. Those factors have also determined the area chosen.

At least 200 metres from high schools / colleges and YMCA - There is evidence that potentially mind-altering substances can create greatest problems among under age users (some teenagers under 18 years old). This evidence is based on scientific understanding of the development of the human brain at various ages, data from Emergency Department admissions, and discussions with the YMCA and youth service organisations. Some teenage people can also arguably be mistaken (by sellers) as being over 18.

The above premises are:

- often where teenagers spend relatively long periods during the week (rather than simply being where those people might sometimes go); and
- easily defined (for legal purposes).

In the resident's survey, 200 metres was the preferred minimum distances from premises regarded as sensitive.

At least 50 metres from primary schools, pre-schools or kindergartens - There is limited evidence that licensed retailers of approved products locating next to these institutions for younger children would cause harm to users. Children of primary school age and below could also not be reasonably mistaken (by sellers) as being over 18. However, greater visibility might 'normalise' approved products among young children.

A distance of 50 metres would help reduce this visibility from premises where young children spend relatively long periods during the week. Those premises can also be easily defined (for legal purposes).

At least 200 metres between licensed retail premises - There is evidence that spacing premises (that sell potentially mind-altering substances) further apart reduces the convenience of buying the substances and reduces overall problems associated with those substances.

The 200 metre spacing is approaching the greatest distance we are confident that aligns with the intent of the Act - i.e. needing to allow some licensed premises to sell approved products within the southern CBD area.

Alternative Option 2 – Widest spacing from sensitive sites – Map 2 – Page 14

Retail premises licensed to sell approved products (including premises for internet sales) would only be permitted:

- 2.1 within the same southern area of Wellington's central business district (CBD) as Option 1 - shown on Map 2; and
- 2.2 at least 400 metres from all of the following sensitive sites in Wellington: High Schools / Colleges, and Wellington's YMCA; and
- 2.3 at least 50 metres from all of the following sensitive sites in Wellington: primary schools, pre-schools and kindergartens; and
- 2.4 at least 150 metres from all other retail or internet sales premises that are licensed to sell approved products.

The same definition of separation distances and New Developments Clause for Option 1 would apply for this option.

To align with the intent of the Act (i.e. reasonably allow some licensed premises to sell approved products within the southern CBD area), increasing minimum distances from

sensitive sites (to 400 metres instead of 200 metres in option 1) would mean reducing minimum distances between premises (to 180 metres from 200 metres in option 1).

A benefit of this option would be potentially harder access to approved products to some under-age teenage users for most of the day. However, this option is not currently preferred because licensed retail premises would be closer together under this option, providing easier access to potentially mind-altering substances within the areas that they are sold.

Map 2 (page 14) provides a visual guide to the areas where licensed retail premises would be permitted under this option, although those areas would change over time as new premises (e.g. schools or licensed retail premises) open, close or relocate.

Alternative Option 3 – Clustered premises – Map 3 – Page 15

Retail premises licensed to sell approved products (including premises for internet sales) would only be permitted:

- 3.1 within the areas of Cuba St, east Dixon St, east Manners St, and Courtney Place shown in Map 3, where there is generally a higher density of premises licenced to sell liquor, restaurants and other evening entertainment; and
- 3.2 at least 200 metres from all of the following sensitive sites in Wellington: High Schools, and Wellington's YMCA (as in Option 1); and
- 3.3 at least 50 metres from all of the following sensitive sites in Wellington: primary schools, pre-schools and kindergartens (as in Option 1); and
- 3.4 at least 60 metres from all other retail or internet sales premises that are licensed to sell approved products.

The same definition of separation distances and New Developments Clause for Options 1 and 2 would apply for this option.

To align with the intent of the Act (i.e. reasonably allow some licensed premises to sell approved products within this significantly smaller area), minimum distances between premises would need to be significantly reduced (to 60 metres from 200 and 180 metres in options 1 and 2 respectively).

A benefit of this option may be that a smaller area may be more easily policed, and people will know exactly where to expect to see (or avoid) approved products being purchased or sold.

However, this option is not currently preferred because licensed retail premises would be significantly closer together under this option, providing easier access to potentially mind-altering substances, and potentially encouraging greater congregations of people wanting psychoactive substances in those areas.

Map 3 (page 15) provides a visual guide to the areas where licensed retail premises would be permitted under this option, although those areas would change over time as new premises (e.g. schools or licensed retail premises) open, close or relocate.

Alternative Option 4 – No LAPP

Having no LAPP is a legal option under central government legislation. This option is not preferred. The Council wants to reflect the wishes of large sections of the community in proactively placing some extra local restrictions on where potentially mind-altering (albeit hopefully lower risk) products may be sold in the future.

Glossary of Terms used in the LAPP

Approved Product	Means a psychoactive product approved by the Authority under Section 37 of the Act.
Authority (or PSRA)	Means the Psychoactive Substances Regulatory Authority (within the Ministry of Health) established by Section 10 of the Act.
Licence	Means a licence, as defined by the Act.
Licensed internet sale premises	Means premises for which a licence to sell approved products online has been granted under the Act.
Licensed retail premises	Means premises for which a licence to sell approved products by retail has been granted under the Act.
Licensed wholesale premises	Means premises for which a licence to sell approved products by wholesale has been granted under the Act.
Minimum separation distance	Means the separation distance as measured from the external legal boundary of each premises, based on premises that exist when a licence is applied for.
Psychoactive Product	Means a finished product packaged and ready for retail sale that is a psychoactive substance or that contains one or more psychoactive substances.
Psychoactive Substance	Means a substance, mixture, preparation, article, device, or thing that is capable of inducing a psychoactive effect (by any means) in an individual who uses the psychoactive substance.
Regulations	Means regulations made under the Act.
Sensitive Sites	Means sites which are used for long periods of time during the week by people who are, or may be, more vulnerable to the influence of the sale of psychoactive products, can be legally defined, and the sites are known to the Council.
Schools, kindergartens, early childhood centres.	Means "institutions" as defined by the Education Act 1989 and amendments.
The Act	Means the Psychoactive Substances Act 2013

LAPP (Policy) Review Clause

Any WCC LAPP would be reviewed every five years as required by the Psychoactive Substances Act 2013, or at the request of Council, or in response to changed legislative and statutory requirements.

Section two – questions

1. Do you think Wellington City Council needs a local approved products policy (LAPP) for where premises are licensed to sell approved products?
2. Which of the proposed options for a LAPP do you prefer? Why do you prefer that option?
3. Do you think the appropriate area has been chosen for where approved products may be sold (e.g. the section of the southern Central Business District in options 1 and 2)? If possible, please identify the evidence to support your views.
4. Do you think the options have included the appropriate sensitive sites for licensed premises to be located away from? If possible, please identify the evidence to support your views.
5. Do you have any comments on the minimum proposed distances between sensitive sites and licensed premises?
6. Do you have any comments on the minimum proposed distances between premises licensed to sell approved products?
7. Do you have any other comments?

Postal address:

Freepost Wellington City Council

Proposal: Amending the Trading in Public Places Policy (REPL01)

Wellington City Council

PO Box 2199

Wellington 6140

PROPOSED LEASE VARIATION - ROYAL PORT NICHOLSON YACHT CLUB INCORPORATED

Purpose

1. To recommend the Committee approves a lease variation which would incorporate the existing ground floor deck, along with an increased upper floor deck.

Summary

2. Council inherited the existing lease to Royal Port Nicholson Yacht Club Inc (RPNYC) from the Wellington Harbour Board. It is not due to expire until 2032 (assuming all renewals are exercised).
3. The lease is for the land only – RPNYC owns the improvements and is solely responsible for the club building (Council has no responsibility in relation to the building).
4. The lease allows the tenant to “...at any time during the term of this lease or any renewal thereof demolish, alter, rebuild restore or improve the Clubhouse and other buildings owned by the lessee...”
5. The existing decks are not specifically discussed in the lease.
6. RPNYC is proposing to upgrade the lower deck and enlarge the upper deck (which provides an outdoor dining area).
7. The proposed variation relates to both the existing and proposed deck areas.
8. The current public access along the waterfront will not be affected by the upgrade.
9. The land is not classified under the Reserves Act 1977 but is zoned Open Space A in the District Plan. It is currently managed as part of the marina and in a manner consistent with the Reserves Act 1977.

Recommendations

That the Community, Sport and Recreation Committee:

1. Receives the information.
2. Agrees to grant a lease variation of *part* Section 1 Survey Office Plan 24076 held in Computer Freehold Register WC1/1427.
3. Notes that the Reserves Act 1977 does not apply. However, in the event that it did, public consultation would not be necessary as the land is not likely to be materially altered or permanently damaged and the rights of the public will not be affected.

Background

10. RPNYC has leased the land from Council (originally from the Wellington Harbour Board) for the yacht club and boat sheds at Clyde Quay Marina, Oriental Parade since 1982.

11. The existing deck areas, which were built by RPNYC, were approved by Council in 1999.
12. RPNYC is proposing to upgrade the lower deck and enlarge the upper level deck for al fresco dining.
13. The upgrade will not affect the public waterfront access, which is via the lower level.
14. A lease variation would increase the footprint from 803.9m² to 870.3 m² to capture the deck area, as shown on Attachment 1.
15. RPNYC is planning to obtain all relevant consents as part of this proposed project.

Conclusion

16. Officers recommend the Community, Sport and Recreation Committee approves the lease variation to Royal Port Nicholson Yacht Club Incorporated.

Attachments

Attachment 1. Proposed Leased Area

Page 54

Author	Grace Clapperton-Rees, Property Advisor
Authoriser	Greg Orchard, Chief Operating Officer

SUPPORTING INFORMATION

Consultation and Engagement

Public consultation will not be required

Treaty of Waitangi considerations

There are no Treaty of Waitangi considerations.

Financial implications

The proposed lease variation will have no substantial financial implications.

Policy and legislative implications

The proposed lease variation will be broadly consistent with the objectives of the *Leases Policy for Community and Recreation Groups*.

Risks / legal

The proposed lease variation will be broadly consistent with the Reserves Act 1977 and the *Leases policy for Community and Recreation Groups*.

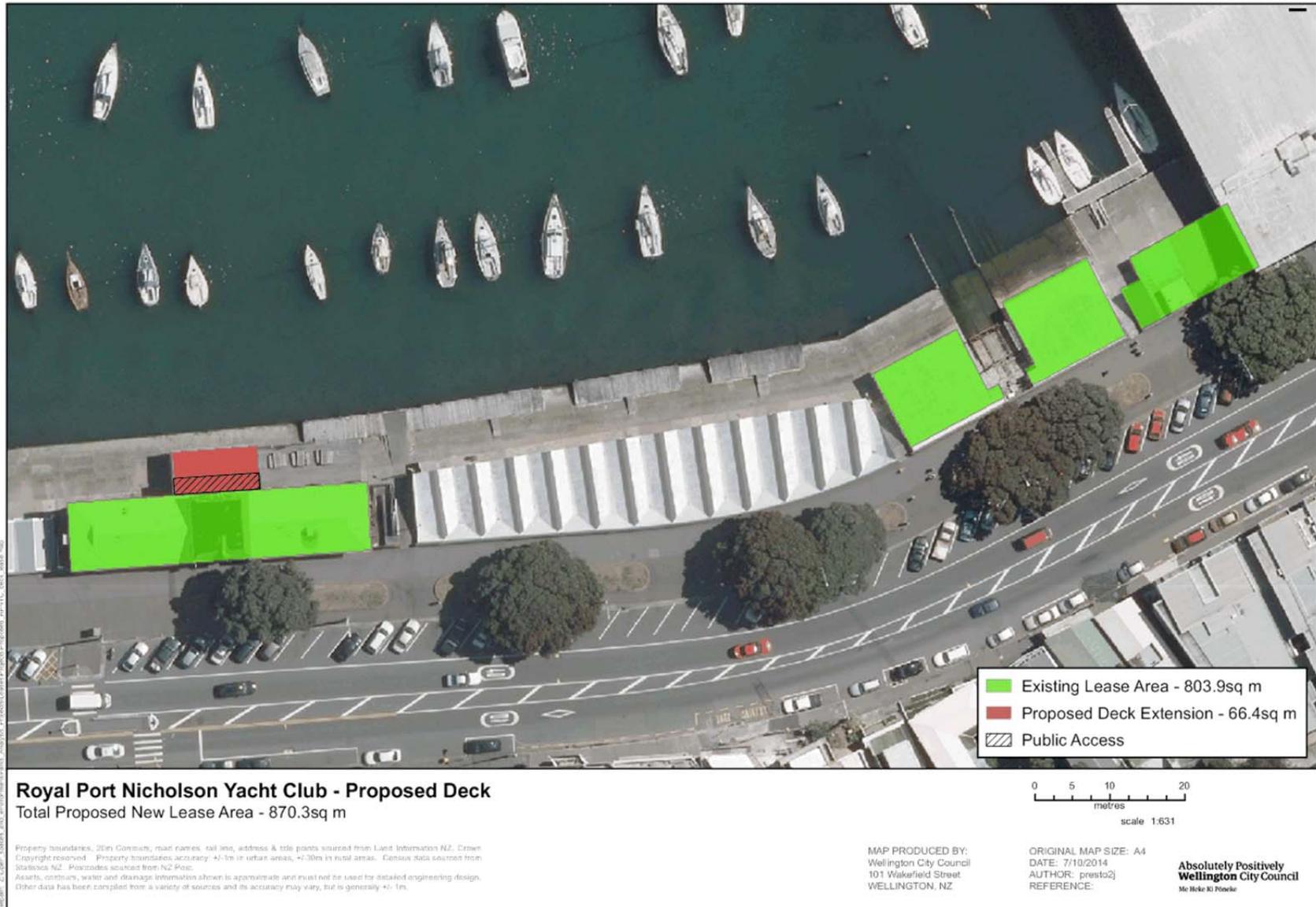
Climate Change impact and considerations

The proposed lease variation will have no substantial Climate Change Impact.

Communications Plan

Not required.

Item 2.3 Attachment 1



2014 SPORT AND RECREATION FORUM

Purpose

1. To update the Community, Sport and Recreation Committee on the 2014 Sport and Recreation Forum and to highlight the issues and feedback that were raised by sport and recreation clubs and organisations.

Summary

2. Overall feedback from the 2014 Sport and Recreation Forum was very positive with 89% of survey respondents saying the event was “useful” or “very useful”.
3. The inclusion of an interactive workshop session in this year’s Forum was well received. The challenges that were identified by attendees in the workshop are similar to issues being faced across New Zealand.
4. There is interest in an additional Sport and Recreation Forum or engagement opportunities being provided.
5. Officers will continue to work in collaboration with other organisations to support sports clubs and groups.

Recommendation

That the Community, Sport and Recreation Committee:

1. Receive the information.

Background

6. The Sport and Recreation Forum has been held every year since 2006 and provides an opportunity for sports clubs and organisations in the Wellington area to come together to discuss issues that affect them. The goals of the Sport and Recreation Forum are to:
 - Improve the quality and accessibility of community sport and recreation that we collectively deliver to Wellington residents
 - Provide an opportunity to engage, strengthen relationships and collaborate with the sport and recreation community
 - Discuss sector trends, new opportunities and challenges that sports clubs and groups are currently facing
7. The 2014 Sport and Recreation Forum was held on 17 June at the ASB Sports Centre. 130 people attended the 2014 Forum, representing 76 clubs and organisations.
8. The event was promoted by email, WCC event calendar, WCC website, eNewsletters, Facebook, Twitter, Sport Wellington database, personal networks and word of mouth.
9. This year the format of the Forum was changed to be more interactive and attendees were asked (within small groups) to identify challenges that they were facing and to come up with solutions to share with the wider group (see attachment). These challenges were then discussed by a panel at the end of the evening.
10. Challenges identified included: membership/participation, finances/funding/resources, volunteers/coaching/training and development, promotion/awareness/marketing,

activities/programme delivery, accessible clubs, club structure, governance, strategic planning, facilities/assets, sportsfields, equipment, open space/tracks, aquatics, collaboration/club mergers, club culture, socio-economic impact on sport, and athlete pathways.

Discussion

11. The challenges that were identified by clubs and organisations are similar to issues being faced across New Zealand – i.e. retaining members, attracting young members, competing with other leisure activities, financial sustainability, fundraising, access to coaches, decline in volunteer numbers, casualisation of sport, governance issues, etc...
12. The notes from the workshop session were placed on the Council website after the Forum. In July there were 279 visits to the website and 97 visits in August.
13. Attendees were invited to complete a survey after the Forum. Overall feedback about the Forum was positive with 89% of respondents finding the Forum “useful” or “very useful”.
14. Other themes the survey results included:
 - Additional Forums/engagement opportunities during the year would be useful
 - The table sessions/workshop worked well
 - The panel session was too long
 - The agenda was too busy
15. Sport Wellington was also asked for feedback and provided the following comments:
 - Workshops/table sessions provided good topics and made for valuable networking
 - Breakout sessions could run longer (45 minutes) and be run twice allowing people to attend at least two different sessions
 - Panel session had too many members and sessions not altogether necessary (instead have longer breakout sessions)
 - Possibly host two such events a year in the future
 - Overall feedback was that this was the best Sport and Recreation Forum to date

Next Actions

16. Officers will continue to work with Sport New Zealand, Sport Wellington and other organisations to support sports and recreation clubs and groups.
17. Officers will consider organising an additional Forum or engagement opportunity for sports and recreation clubs and groups.
18. Officers will work with Sport Wellington in the planning of the next Sport and Recreation Forum and will incorporate feedback from the 2014 Forum.

Attachments

Attachment 1. Workshop feedback

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Author	Glenn McGovern, Sports & Club Partnership Lead
Authoriser	Greg Orchard, Chief Operating Officer

SUPPORTING INFORMATION

Consultation and Engagement

Sport and Recreation Forum attendees were surveyed. Sport Wellington also provided feedback on the Forum.

Treaty of Waitangi considerations

There are no Treaty of Waitangi considerations.

Financial implications

There will be additional costs if extra Sport and Recreation Forums or other engagement opportunities are provided by the Council.

Policy and legislative implications

N/A.

Risks / legal

N/A.

Climate Change impact and considerations

N/A.

Communications Plan

N/A.

Challenge	How common	Solution
<p>Membership / participation</p> <ul style="list-style-type: none"> • Attracting members • Retaining members • How to attract non playing members • People have lots of choices • Attracting young members • Membership turnover • Social memberships • Competing with other leisure time activities eg. technology • Accessing future athletes • Motivating members to expand / try new things in the same organisation • How do we keep kids in sport • How do we increase participation with such limited resources (human resources, facilities, money, and technology)? • Demands on people – lots of choice • Teenage drop out Dropout rate post-secondary school 	<p>*****</p>	<ul style="list-style-type: none"> • Raising awareness of opportunities you offer by using technology and social media • To attract non playing members get ex-players to network • Develop a programme around parents to keep them engaged while family still active • Have-a-go days or sessions, no commitment, target those that aren't already participating • Use technology to find new members • Changing ethos of sport: sport as community • Open days for people to try activities – then convert to membership • Offering pay for play options • Take advantage of technology – use Facebook to inform members and attract new ones • 'meet ups' – sign up and people can see who is attending and what is available • Getting kids into sport – educate parents about the benefits of the sport so they see the value • Offer more cycling groups – different levels of ability, Women's only •
<p>Financial / funding / resources</p> <ul style="list-style-type: none"> • Membership fees are a barrier • Income • Overheads for club base • Fundraising • Grants – sustainability • Financial sustainability – increasing standard of facilities • Cost of facility hire, renovations, building maintenance 	<p>*****</p>	<ul style="list-style-type: none"> • Dedicated finance responsibility – have a plan, annual fundraising events • Attract social activities to major events • Attend council meetings – keep council informed about your challenges • Look at different options – funding partnerships

<ul style="list-style-type: none"> • Cost to play sport for people with less money • Cost to individuals – national levy, ground fees, registration fees • Grass roots end up subsidising elite athletes • Funding to keep club going • Money for international tournaments • Council fees are high eg Newtown Park • Ensuring equitable access to opportunities • Sources of funding • Cost and time of applying for funds • Value proposition • Database of info • Lack of financial reserves • Deferred maintenance on assets – some groups don't have 		
<p>Volunteers / staff / coaches Training and development</p> <ul style="list-style-type: none"> • Access to coaches • Decline in numbers volunteers • Age • Fluctuation • Staff overstretched / slimming • Growing membership – under resourced and relying on volunteers to deliver workload • Lack of personnel running sport eg handball – no fulltime coaches or development officers. How can they get further support? • Clear coaching pathways • Quality coaches • Recruiting volunteers – especially coaches • Sustainability of people resources – the same people do all the work 	<p>*****</p>	<ul style="list-style-type: none"> • Use volunteer organisations • Train the community, upskill, build rather than create • Volunteer development officers in clubs • Volunteer support and development • Rewards / recognition • Have a volunteer strategy • Create a team environment for volunteers • Recruit volunteers and 'good people' • Funding to support volunteers to get work done • Advocacy and promotion of volunteerism eg awards • Promoting social outcomes • Event volunteerism – bit sized chunks of time • Creating a strong brand and sense of community • Partnering up (between clubs, with students for work experience, businesses for

<ul style="list-style-type: none"> • Recruiting business-nous skills eg project management • Providing training in administrators • Where do you get volunteers from? • How to get project management / administration training • Lack of volunteers – coaches, recruiting and training them • Ageing volunteer base • Lack of officials • Responding to needs and requests – social isolation 		<p>product)</p> <ul style="list-style-type: none"> • Volunteers to gain experience • Engage with uni students
<p>Promotion and awareness of club / education / information / marketing</p> <ul style="list-style-type: none"> • Lack of awareness • Awareness of biking tracks • Need to market MTB trails in Wellington • <p>Activities/ programmes delivery</p> <ul style="list-style-type: none"> • Finding new things for our members to be interested in • Programme development • Exploring new models/ ways to do what we do (avoiding 'business as usual') • Social media - Guidance on what to pursue to avoid spending time, money and resources on things that don't work <p>Accessible clubs</p> <ul style="list-style-type: none"> • Identifying accessible clubs • Equality of access • Cost 	<p>*****</p>	<ul style="list-style-type: none"> • Remove the perception that biking is unsafe • Collaboration - one piece of collateral with all wellington tracks and skill level • Return of a centralised rec web portal • More info of how people can get involved • Collaboration across <u>all</u> service providers • Create more accessible ongoing programmes, not just one-off events
<p>Sport / club structure</p> <ul style="list-style-type: none"> • Changing nature of sport • Casualization of sport • Acceptance that people do not want to join clubs • Too much focus on elite sport and not enough on kids eg. Bike NZ 	<p>*</p>	<ul style="list-style-type: none"> • Club looking at ways to do things differently • Pay for play options • Customer focus • Move more resources into casual activities • WORD (bike group) has moved away from club structure – kids

Representing informal users – no structure Sustainability		pay and instructors/coaches are paid
Governance <ul style="list-style-type: none"> Poor governance / structure Capability and capacity of committee and admin Getting the right people on the committee – right skills Lack leadership skills in organisation Governing bodies need to be more proactive Leadership in smaller sports Older committees Needs to be more supportive approach from NSO down to regions – NSO expect too much, RSOs have lack of resources, pace/support needs to change Sustainability of capability and capacity of committee and administration Time - Committee roles and administrative functions NSO's need to show what value they add . 	*****	<ul style="list-style-type: none"> Clear organisational plan – why do we exist? Hold national bodies more accountable Getting younger people involved Target / shoulder tap good people Get the right people in the right roles and succession planning Use outside providers, provided they are up to standard Student internships to club / committee role eg plan an event / tournament Specific roles – targeted to strengths .
Strategic planning <ul style="list-style-type: none"> Pathways to carry on (especially smaller clubs) Clear vision of what we want and knowing how to progress it	***	<ul style="list-style-type: none"> Having a strategy Having a vision
Facilities/ assets <ul style="list-style-type: none"> Utilisation of facilities during the day eg bowls clubs Earthquake strengthening on buildings – unknown future requirements Clubrooms 'Quality' – wear and tear, not fresh/attractive Filling dead times at facilities Facilities deteriorating, dated Outgrown facility Cost of provision of facilities Access / availability 	*****	<ul style="list-style-type: none"> 'Sportsville' solutions Multi-use approach Space - Being more flexible with spaces and facilities, open to playing at new times, modified sports Communication between codes Council liaison Share resources . .

<ul style="list-style-type: none"> Space – fields, competitions, summer football Seasonal niche – fitting into times and spaces, new sports and traditional use / timing <p>Sportsfields</p> <ul style="list-style-type: none"> Pitches / weather impacts on delivery <p>Specialist field needs – designated match fields for cricket but not rugby and football</p> <p>Equipment</p> <ul style="list-style-type: none"> Access to equipment eg. Pedal Ready – limited access to bikes Access to bikes for lower socio demographic 		
<p>Open space / tracks</p> <ul style="list-style-type: none"> Lack of entry level tracks for mountain biking Biking – logistics of getting to tracks, off road, connecting Lack of variety of tracks 	**	<ul style="list-style-type: none">
<p>Aquatics</p> <ul style="list-style-type: none"> Lots of children not learning to swim Closures – where do we go? Need a new pool Not enough pool space for activities 	**	<ul style="list-style-type: none"> Have a school programme to relive pressure on pool space
<p>Collaboration / club mergers</p> <ul style="list-style-type: none"> Should we amalgamate? Blurring of summer / winter How can clubs come together to work together 	****	<ul style="list-style-type: none"> Work more collaboratively with other clubs Offer your facilities to other clubs eg. Sailability use Evans Bay Yacht Club facilities Get diverse people involved in the process Need a good balance of open natural use and values with high people use Mergers with other tennis clubs Working with other codes and facilities to take demand Mix codes – combine resources
<p>Club Culture</p> <ul style="list-style-type: none"> Side line behaviour – positive 	***	<ul style="list-style-type: none"> NSO to provide directives around sideline behaviour

<p>approach required</p> <ul style="list-style-type: none"> • How do we change sideline culture and behaviour • Who takes responsibility for directing the change 		<ul style="list-style-type: none"> • Programme / promotion around sideline behaviour – NSO, WCC, Sport Welly, Sport NZ need to collaborate
<p>Socio-economic impact on sport</p> <ul style="list-style-type: none"> • Comparisons between the haves and have nots 		<ul style="list-style-type: none"> •
<p>Athlete pathways</p> <ul style="list-style-type: none"> • Pressure on kids to specialise younger and younger • Linking young people from schools to clubs • Clear progressive pathways 	**	<ul style="list-style-type: none"> • Creating ambassadors to lead/volunteer/coach in schools