
ORDINARY MEETING

OF

COMMUNITY, SPORT AND RECREATION COMMITTEE

AGENDA

Time: 9:15am
Date: Wednesday, 18 March 2015
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 meetings held on 11 February 2015 and 25 February 2015 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

PROVISIONAL LOCAL ALCOHOL POLICY APPEALS

Purpose

1. The purpose of this report is to seek the Committee's support on a way forward for the Council's Provisional Local Alcohol Policy following the Alcohol Regulatory and Licensing Authority's decision on appeals.

Summary

2. Eight parties appealed the Council's Provisional Local Alcohol Policy (PLAP). Aspects of those appeals were upheld by the Alcohol Regulatory and Licensing Authority (the Authority), requiring the Council to reconsider elements of its PLAP.
3. The Council has been asked to reconsider:
 - On-licence trading hours in the central city
 - Conditions on late trading/risk assessment tool
 - Density and proximity
 - Automatic triggers for hearings by the District Licencing Committee.
4. The Council has the choice of three options to address these elements. It may:
 - Appeal to the High Court;
 - Resubmit an amended policy with elements replaced or deleted; or
 - Abandon the policy.
5. This report recommends that the Council not appeal the decision of the Authority and to explore the opportunities to resubmit an amended Provisional Local Alcohol Policy that addresses the concerns highlighted through the appeals process, with a view to the Committee receiving a report in February 2016 on the form and content of a resubmitted policy.

Recommendations

That the Community, Sport and Recreation Committee:

1. Receive the information.
2. Agree to not appeal the decision of the Alcohol Regulatory and Licensing Authority.
3. Agree that officers report to the February 2016 meeting of the Community, Sport, and Recreation Committee on the opportunities to resubmit an amended Provisional Local Alcohol Policy taking into account updated local data and the parameters for local alcohol polices arising from the decision on appeals.

Background

6. The Alcohol Regulatory and Licensing Authority released its decision on appeals to the Council's Provisional Local Alcohol Policy on 20 January 2015. Under the Sale and

Supply of Alcohol Act 2012 (the Act) the Authority has the power to ask the Council to reconsider an element of the PLAP should an appeal be upheld.

7. The only ground for upholding an appeal is if the Authority considers an element of the PLAP is unreasonable in light of the object of the Act (section 81(4) of the Act). The object of the Act (s.4) being:
 - the sale, supply, and consumption of alcohol should be undertaken safely and responsibly; and
 - the harm caused by the excessive or inappropriate consumption of alcohol should be minimised.
8. If an appeal is upheld, the Authority asks the Council to reconsider and resubmit a PLAP (s.83(2)). The Council can then do one of the following things (s.84(1)):
 - Appeal to the High Court;
 - Resubmit an amended policy with elements replaced or deleted; or
 - Abandon the policy.
9. The parties that appealed the PLAP were:
 - Progressive - density and proximity provisions
 - Foodstuffs - density and proximity provisions
 - Super Liquor - density and proximity provisions
 - CCDHB - trading hour provisions
 - Police - trading hour provisions
 - Medical Officer of Health - trading hour provisions
 - Inner City Association - trading hour provisions
 - BMEL - differentiation between brothels and strip clubs
10. Hospitality New Zealand, The Mill, and Independent Liquor appeared as interested parties at the hearing.

Discussion

Key findings from the Authority

11. The Council was one of the first local authorities to adopt a PLAP as it wanted to make a locally relevant policy that took advantage of the potential in the Act. The Council's interpretation of the Act, and what was reflected in its PLAP, differed from what the Authority later made clear was what they expected to see in a PLAP.
12. The Authority sees the default hours as the baseline for all PLAPs, as opposed to considering the previous rules for trading hours prior to the Act. The Authority, during the appeal process, made it clear that LAPs need to prove why the default hours are not appropriate for the specific territorial authority. As the default hours had only been in place six months at the time of the Council's PLAP, all parties now agree that stronger PLAPs will be created when further information is available.
13. The Authority highlighted the independence of district licensing committees and inspectors in the licensing process and that Council's should be careful not to interfere with this independence when seeking to guide decision-making. The Authority also expressed a view that local alcohol policies should be short concise documents reinforcing that the scope of local alcohol policies is narrower than the scope the Council anticipated at the time of adopting the PLAP.
14. The Authority stated in its decision that "there is no doubt the research and consultative process undertaken by the WCC was comprehensive and appropriate".

Elements of the appeal that were upheld (ie elements the Council has been asked to reconsider or remove)

On-licence trading hours in the central city

15. The Authority was persuaded by the argument that the default maximum trading hours have reduced alcohol-related harm. The Authority acknowledged that this was information the Council did not have at the time of adopting the PLAP. The Council has been asked to reconsider on-licence maximum trading hours in the central city (set at 7am to 5am in the PLAP) in the light of this new information.

Conditions on late trading/risk assessment tool

16. Conditions to be placed on late-trading paired with a risk assessment process were key elements of the PLAP to ensure that maximum hours were only available to premises that were best-practice and capable of managing the higher risk associated with late-trading.
17. The Authority took the view that the autonomy of licensing inspectors and of the District Licensing Committee (DLC) from the Council under the Act fetters the ability for the Council to provide guidance about the licensing decision-making process through the PLAP. This is in direct variance to the approach the Council took where the DLC was seen as one of the primary audiences for the PLAP.
18. The Authority also expressed concern that a specific risk assessment mechanism could assume greater importance than the statutory criteria by which to assess licence applications. The Authority did not accept the Council's view that there was merit in undertaking specific assessments of particular aspects of an application, such as late trading, to address the specific concerns raised by the community through the consultation process and that such an assessment could be separate to the broader assessment of licence suitability under the Act.
19. The Authority took the view that the conditions for late trading in the PLAP were compulsory and held that this went beyond the scope of what is allowed in a local alcohol policy. The Council was asked to reconsider the element of the PLAP that sets out conditions for late trading on-licences.

Density and proximity/ Automatic triggers for hearings by the DLC

20. Before the hearing began, the Council agreed to remove the explanatory text alongside these provisions and to tidy-up some of the wording so that the PLAP better aligned with the Act.
21. The Authority's concern with this element reflects the earlier concern about the extent to which the PLAP can provide guidance to the DLC in exercising its powers under the Act.
22. The Authority referred the density and proximity elements in the PLAP at s8.2 back to Council to reconsider.

Elements of the appeal that were dismissed (ie that the Council does not need to reconsider)

Off-licence trading hours

23. The Authority was convinced at the appeals that there were no local issues to warrant the default maximum trading hours for off licences being held to be unreasonable. The Authority expressed some doubt about whether a voluntary accord for a trial reduction

of off-licence hours would get off the ground, but described the Council's desire to undertake on-going research as laudable.

24/7 trading for strip clubs

24. The Authority was convinced by the argument that strip clubs fall under the general category of an entertainment venue and were more akin to a night club than a brothel. Accordingly, it held that the appeal by the BMEL claiming that this element of the PLAP was unreasonable failed.

Options

25. The Council has three options to consider for a way forward with the PLAP.
26. Officers have discussed the options outlined below with key stakeholders including the Medical Officer of Health, Inner City Association, Hospitality NZ, and the Police. These stakeholders expressed the view that in the light of the Authority's decision, there was a need to build a robust evidence base before considering a policy that seeks to depart from the default maximum trading hours.

Resubmit the PLAP (recommended option)

27. The Authority did not express a view about the final content of the PLAP, but upheld elements that it saw as needing to be reconsidered. Upholding an appeal does not necessarily mean the Authority supports the position of appellants. The LAP is the only opportunity for the Council to ensure the parameters for the DLC's decision-making on alcohol licence applications is broadly shaped by concerns in our local communities and as such, there is merit in considering in considering resubmitting an amended PLAP.
28. The process for resubmission is not clear in the Act. However, all parties that submitted on the PLAP have the right to appeal once resubmitted. This means there is a risk that should parties still be unhappy with an amended PLAP, there may be another round of appeals and decisions from the Authority to consider. As such, a decision to resubmit should not be taken lightly. It should be taken from a robust evidence base with good stakeholder engagement and the expectation an amended policy improves decision-making on licence applications.
29. The Authority asked the Council to consider the impact of default trading hours. However, administrative data, such as statistics on alcohol-related offending and emergency department presentations, was only available for the first eight months of the default trading hours being operative at the time appeals were heard. Key stakeholders to the policy agree that a greater understanding of the impact the default hours have on the role of alcohol in Wellington City is needed before the PLAP is reconsidered.
30. There are also a number of changes in the broader environment that would shape the scope and content of a resubmitted PLAP. These include the imbedding of the Act, the decision-making of Wellington City's DLC, the impact from other legislative change such as the lower blood alcohol limit for driving, and the prospect of a trial of reduced off-licence hours through the collaborative initiative the Council is facilitating.
31. Officers recommend that the Council explores the opportunities and challenges of resubmission with a view to receiving a report in February 2016 that outlines whether there is a sufficient evidence base to warrant resubmission within the narrower ambit of local alcohol policies.

Appeal to the High Court

32. The Authority has reached a clear position on the scope of local alcohol policies. This is scope is narrower than the Council anticipated at the time of adopting its PLAP. While officers have concerns about elements of the decision, it is not recommended to pursue an appeal.
33. While a favourable outcome from a High Court appeal would create “wins”, these would not collectively off-set the impact from the Authority’s determination that there was a narrower scope for local alcohol policies than originally anticipated, that is, it would not enable the Council to use the PLAP to create policy settings that reflected the complex nature of reducing alcohol-related harm for a metropolitan night-time economy. As such, the return on investment to pursue an appeal would be low and the outcome uncertain.
34. It is noted that there is no support from any stakeholder for an appeal. All stakeholders have indicated that they think it would be prudent to work within the parameters of the decision and focus on generating a robust position for any future work on a local alcohol policy

Abandon the PLAP

35. Local alcohol policies are not compulsory. The Council has the ability to abandon the policy altogether. If the Council chooses to do this the default trading hours listed in the Act be operative (11pm closing time for off-licences and 4am closing time for on-licences).
36. Officers do not recommend abandoning the policy. Despite the Authority limiting the scope of local alcohol policies, the PLAP was created by a thorough consultation process and captures community aspirations for alcohol management, despite certain elements being upheld during the appeals. The Council was an early adopter of the PLAP to make a locally relevant policy that took advantage of the potential in the Act, and some of those elements that were not challenged are still relevant. Abandoning the policy would give no local parameters to guide DLC decision-making on alcohol licences.
37. A further risk of abandoning the policy would be the perception of stakeholders after so much effort went into preparing the PLAP. The Council would potentially struggle to get these stakeholders back on board if it decided in the future to draft a new PLAP.

Next Actions

38. Should the Committee agree with the recommendation to agree to explore the opportunities to resubmit an amended PLAP with the view to receive a report in February 2016 on the form and content of a policy, officers will begin to re-engage with stakeholders on the process. Data from Police, emergency departments, and others will be collected and analysed to ensure that the changes from the default hours are considered in their entirety.

Attachments

Nil

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Authoriser	Greg Orchard, Chief Operating Officer

SUPPORTING INFORMATION

Consultation and Engagement

Key stakeholders, defined broadly as appellants who had aspects of their appeal upheld by Authority and were matters the Council contested, views were sought on the outcomes of the hearings and options for the Council going forward.

Treaty of Waitangi considerations

There are no Treaty of Waitangi implications arising from this report.

Financial implications

There are no financial implications arising from this report.

Policy and legislative implications

Resubmitting an amended PLAP sits within the Council's strategic intent for a dynamic central city with a safer and more vibrant night-time economy.

Risks / legal

The report recommends agreeing in principle to resubmitting the PLAP, which means the Council would not exercise its right of appeal to the High Court.

Climate Change impact and considerations

There are no climate change implications arising from this report.

Communications Plan

The next steps are to re-engage with stakeholders on developing a robust evidence base and explore options for a resubmitted PLAP that fall within the parameters set by the Authority.

LOCAL APPROVED PRODUCTS POLICY. REPORT BACK FOLLOWING CONSULTATION AND PROPOSED FINAL POLICY

Purpose

1. This paper reports back on consultation on a proposed Local Approved Products Policy (LAPP) for the sale of approved psychoactive substances. It seeks the Committee's agreement to recommend to the Council a final LAPP for adoption.

Summary

2. Many submitters expressed strong opposition to the Council allowing any retail sales of psychoactive substances. The law does not permit the Council to adopt such a policy. Any policy must be reasonable. In this case reasonable is likely to be interpreted in terms of the number and location of retail sites the policy allows.
3. Recognising the constraints on the Council, nothing in the submissions provides a compelling case to fundamentally depart from the main elements of the proposed policy released for consultation in October 2014. In particular:
 - there is overwhelming support for the Council to develop a LAPP
 - the LAPP should not allow retail licences in any suburban areas
 - the area for allowable sales is broadly supported –in the Southern CBD
 - schools and kindergartens/early childhood centres are strongly supported as sensitive sites.
4. However, submitters suggested a number of refinements to the preferred policy option. Given feedback provided officers recommend changes to the proposed policy as outlined in the following table.

Policy	Preferred option in consultation document	Proposed changes	Rationale
Southern boundary of permitted area	Webb Street & Buckle Street	Move boundary north to Vivian Street (including properties on the southern side of Vivian Street) – refer Attachment 1	<ul style="list-style-type: none"> • Keep licensed premises away from suburban centres. • Better match the area where there is already a concentrated Police presence.
Eastern boundary of permitted area	Hania Street, Home Street, Kent Terrace, Lipman Street	Move boundary west to Kent Terrace (including most properties east of Kent Terrace) – refer Attachment 1	<ul style="list-style-type: none"> • Only two retailers who previously sold psychoactive substances would be affected. These retailers sell other goods and can apply for a licence outside the exclusion zone.

Policy	Preferred option in consultation document	Proposed changes	Rationale
Sensitive sites	<ul style="list-style-type: none"> High schools & Wellington's YMCA at 200 metres separation Primary Schools, pre-schools, kindergartens at 50 metres separation. 	<ul style="list-style-type: none"> High schools & Wellington's YMCA change to 150 metres separation Primary Schools, pre-schools, kindergartens - no change 50 metres Additional site at Cuba Street play area – 100 metres separation. 	<ul style="list-style-type: none"> This reduction is necessary in order to keep a reasonable number of potential sites available given the recommended changes to boundaries. Cuba Street play area has been included in recognition of this play area's use by children and young families.
Minimum distance between premises	200 metres (un-clustered)	150 metres (un-clustered)	

Recommendations

That the Community, Sport and Recreation Committee:

1. Receive the information.
2. Agree that the southern and eastern boundaries of the permitted trading area be moved north and west respectively (refer Attachment 1 to the officers' report).
3. Note that moving the boundaries will keep licensed premises away from suburban areas, will result in only a small number of potential sites for licensed premises becoming unavailable, and the sales area will better match the area of concentrated police patrolling and the core entertainment sector of the Southern CBD.
4. Note moving the boundaries will also increase the distance between any psychoactive substance retailers and pre-primary and primary schools in Mount Cook, a number of other childcare centres and Wellington College.
5. Agree that tertiary institutions should not be designated as sensitive sites. Including all tertiary institutions would reduce the sales area to an extent that the policy would be unworkable without extending the outer boundary zone.
6. Agree that Cuba Street Playground, due to this facility's use by children and young families, be designated as a sensitive site with a 100 metre buffer zone.
7. Note that the 100 metre buffer zone around the Cuba Street Playground will prevent two retailers who previously sold psychoactive substances from selling these substances in future. Both retailers sell other products and may apply for a licence to sell psychoactive substances outside the exclusion zone.
8. Agree that the buffer zone around high schools and Wellington's YMCA be amended from 200 metres to 150 metres.
9. Agree that proposed policy adopt an un-clustered approach to the concentration of retailers, with specified minimum distances of 150 metres between outlets.

10. Note that the recommended buffer zone around high schools and the YMCA and the recommended distance between sites of 150 metres is shorter than the 200 metres proposed in consultation. This reduction is necessary in order to keep a reasonable number of potential sites available given the other change recommended above.
11. Agree that the Committee recommend to the Council that it adopt the Local Approved Products Policy on psychoactive substances in Attachment 1 to the officers' report.

Background

5. The Psychoactive Substances Act 2013 (PSA) makes provision for territorial authorities to elect to develop LAPPs. The expectation is that mechanisms will be established by the Ministry of Health so that retail premises located in areas that are inconsistent with a LAPP will not be licensed. This will most likely be by way of regulations made under the PSA, though the exact mechanism to give effect to LAPP provisions remains unclear.
6. On 23 October 2014 the Community, Sport and Recreation Committee agreed to release a consultation document seeking feedback on a proposed LAPP. The document contained two alternative options for a LAPP. Both options involved restricting the sale of approved psychoactive substances to an area in the southern CBD. Consultation ran from 4 November to 12 December 2014.
7. In total 35 submissions were received. Nine submitters gave oral evidence. The feedback from submitters is summarised throughout this document where it is relevant to an issue being discussed.

Discussion

Comment on key themes from consultation and decision points for the Council

8. Many submitters commented that no psychoactive substances should be permitted for sale and the council should adopt a policy that prohibited such sales. The law does not permit the Council to adopt such a policy. In this case reasonable is likely to be interpreted in terms of the number and location of retail sites the policy allows.
9. Recognising the constraints on the Council, nothing in the submissions provides a compelling case to fundamentally depart from the main elements of the proposed preferred policy (Option 1) released for consultation in October. In particular:
 - there is overwhelming support for the Council to develop a LAPP
 - submitters feel the LAPP should not allow retail licences in any suburban area
 - the proposed area for allowable sales is broadly supported – namely in the Southern CBD
 - submitters strongly support the designation of schools and kindergartens/early childhood centres as sensitive sites.
10. However, submitters suggested changes in approach or refinements to the proposed policy that create a number of specific choices for the Council to consider, including whether:
 - the boundary of the permitted area should remain as proposed

- tertiary institutions should be sensitive sites
- other sensitive sites should be added – e.g. mental health, drug and alcohol treatment sites and / or other sites heavily used by families, especially the play area around the bucket fountain in Cuba Street
- buffer distances around sensitive sites should change
- retailers of psychoactive substances should be clustered or spread out.

Boundaries of the Permitted Area

11. A quarter of submitters wanted a tighter permitted area than that proposed in the consultation document. Only one submitter wanted a wider area.
12. In addition, many submitters considered that licensed premises should be kept well away from residential areas with a suburban character. Reasons included: these areas had less surveillance; premises would detrimentally affect the character of local areas; and young people living in suburban areas would be more exposed to these substances and therefore the use of these substances would become 'normalised'.
13. In response, officers recommend moving the southern and eastern boundaries of the permitted trading area north and west respectively (refer Attachment 1). The rationale for this proposal is:
 - the southern and eastern parts of the proposed boundary are semi-suburban in character or very close to suburban areas, and the Council's general preference is to keep licensed premises away from suburban areas
 - there are a high concentration of sensitive sites in the southern part of the permitted area, meaning the change will result in only a small number of potential sites for licensed premises becoming unavailable
 - the tighter area better matches the area of concentrated police patrolling and the core entertainment sector of the Southern CBD.

Tertiary institutions as sensitive sites

14. Four of the 35 submitters requested that tertiary institutions be made sensitive sites. Submitters included: Willis Bond & Co (which was particularly concerned about its \$80m Whitereia/WelTec Cuba Street project), Whitereia Polytechnic (is concerned about its three existing sites and the new Cuba Street campus), Mt Cook Mobilised, and Inner City Association (submitted that all tertiary institutions should be sensitive sites, but particularly noted the forthcoming new campus in Cuba Street).
15. The principal rationale for this position was that large numbers of young people frequent these institutions, including some under the age of 18, and that these people would be exposed to the harm caused by psychoactive substances.
16. Submitters noted that distraction from study and 'normalising' of these substances were matters of concern. There was also an underlying tenor to these submissions that allowing retail sales would generally drag down the ambiance and attractiveness of the surrounding area. The new tertiary site on Cuba and Dixon Streets was a particular concern.

17. Victoria University did not submit formally but was consulted during the development of the proposal. The University did not suggest making tertiary education sites sensitive sites. It also commented that in the campus halls alcohol was by far and away the most significant problem and psychoactive substances had created very few problems.
18. This is broadly consistent with the Police's observation that the typical user (at least as the Police had observed) was a young male, unemployed and not in main-stream education.

Officers' comment:

19. Officers are not persuaded by the proposition that locating a small number of retail sites close to a tertiary institution is likely to lead to material harm to students. Alcohol is readily available throughout the Southern CBD and feedback suggests that this is far more likely to be distracting and/or cause harm than approved ("low-risk") psychoactive substances. It is also noted that students in formal tertiary education are not generally in the group for whom these substances create significant problems. Further, adult students (over 18) wishing to purchase these substances will have ready access to them regardless of a restriction around tertiary institutions.
20. The inclusion of tertiary institutions as sensitive sites would also reduce the area available to such an extent as to be impractical and, potentially, unreasonable without significantly extending the outer boundary of the zone.
21. In addition to state tertiary institutions, there are a number of private training establishments (PTEs) within the area that would also be included as sensitive sites (assuming the argument for inclusion of tertiary institutions was accepted). The map in Attachment 1 illustrates the effect of adding tertiary education sites as sensitive sites.
22. In the section below, options for the inclusion of other sensitive sites are discussed. The option recommended by officers is that the Cuba Street Playground be included as a sensitive site with a 100 metre buffer zone. This would have the effect of excluding retailing sites from the vicinity of the new Cuba Street campus.

Other sensitive sites

23. The consultation document asked submitters if they thought the Council had identified all the appropriate sensitive sites in its preferred option. 41 percent of submitters answering this question considered it had. The remaining 59 percent of submitters proposed a range of additional sensitive sites including:
 - youth centres (especially Evolve and Zeal)
 - addiction clinics
 - the pedestrianised section of Cuba Street
 - Te Aro, Chaffers and Memorial Parks
 - other places where marginalised members of society gather
 - the Bucket fountain and associated Children's play area
 - mental health providers.

24. Selecting all these areas as sensitive sites would make the policy unworkable (and almost certainly unlawful) since it would effectively become a ban on retail outlets.
25. Of the additional proposed sensitive sites, it is considered that only the children's play area on Cuba Street presents a compelling case for inclusion. This is because it is a high use community facility used by children and young families who often spend significant time in the area. The area has historically attracted users of these types of substances. Many submitters – including retailers in the area – provided evidence of disorderly behaviour and intimidation associated with congregation in the area and associated drug taking – legal and otherwise. It is therefore recommended that this facility be added as a sensitive site with a 100 metre exclusion zone around it (refer to the map in Attachment 1). 100 metres was selected as it effectively removes the entire pedestrianised part of Cuba Street, which is considered adequate to separate young people using the playground from retail outlets.
26. Two retailers who had previously sold these types of substances would be prevented from selling in future under this policy. In both cases the retailers have other products in their stores, and are still operating. In one case the retailer has an alternative store in the non- pedestrianised part of Cuba Street, which is not included in any proposed exclusion zone.

Buffer distances around sensitive sites

27. 20 percent of submitters commented that they wanted larger buffer zones around sensitive sites. 14 percent of submitters specifically noted that the distances to pre-primary and primary schools should be increased to match high school buffer zones.
28. In earlier advice, officers had commented that they consider 50m was adequate separation from primary and pre-school facilities. Reasons for this included: that young children (unlike high-school children) could not realistically be mistaken for 18 years and sold products; 50 metres was a reasonable distance to be out of immediate sight of young children; and young children were unlikely to spend significant time out on the street unsupervised or 'hanging around' in proximity to the school/facility (unlike high school children).
29. As a matter of principle, longer distances from sensitive sites are preferred. However, that fact that the Council has proposed to restrict sales to a permitted area in the Southern CBD places pragmatic limits on what these distances can be. It is not possible, for example to extend distances around child care centres and pre-schools and still have a workable policy that allows for a reasonable number of retail outlets. The trade-off would be significantly extending the permitted area north and possibly west. Officers do not consider that the benefits of increased buffer zones around pre- and primary schools or increasing buffer distances for other sensitive sites would justify the consequential extension of the total permitted area.
30. The proposed tightening of the permitted area (as discussed above) would also have the effect of increasing the distance between Mount Cook Pre- and Primary Schools and a number of other early childcare centres and the nearest possible retail outlet. It would also increase the distance between the closest current secondary school (Wellington College) and nearest possible permitted retail site to 350 metres.
31. The trade-off is that separation distances between retail outlets is proposed to be reduced somewhat to maintain a reasonable number of potential retail sites. Also, it is proposed to reduce the buffer zone around the Wellington YMCA to 150m since, as shown in map 1, this still provides a significant buffer.

Clustering or spreading out retailers

32. Nearly 30 percent of submitters who supported a LAPP preferred a more “clustered” approach, with retailers concentrated along a handful of major streets in the core ‘entertainment zone’ (Courtney Place, part of Dixon Street and Part of Cuba Street – see Option 3 in the Discussion Document).
33. Arguments in support of this approach included: that people would be easier to police and monitor; sites would be more observable; and that clustering would ensure sites were further from the highest concentration of apartments buildings and Mount Cook residential areas. Regional Public Health and the Youth Council supported this approach in its submission.
34. Most submitters (62 percent) who supported a LAPP, preferred options that would ensure licensed retailers are spread out (options one and two in the discussion document).
35. Many submitters were concerned that clustering retail sites would encourage congregation of users with associated behavioural, safety and amenity problems.
36. The Police did not make a formal submission, but were consulted during the development of the proposed LAPP. The Police did not in favour clustering given that clustering of alcohol outlets has increased problems with alcohol.
37. Officers consider that both arguments have merit and there is no ‘right answer’ to this issue. On balance, we are more persuaded by the position put forward by the majority of submitters, including the Police who have considerable practical experience of these issues.
38. We recommend that the Council adopt an un-clustered approach, with specified minimum distances of 150 metres between outlets. Note that 150 metres is a shorter distance between sites than proposed in the preferred option. This reduction is necessary in order to keep a reasonable number of potential sites available, taking into account the additional sensitive site recommended in this paper and moving the southern boundary of the permitted sales area northward (the rationale for these changes are discussed below).

Comparison of Proposed final policy compared with the preferred option for consultation

Policy consideration	Preferred option in consultation document	Proposed final policy
Minimum distance between premises	200m (un-clustered)	150m (un-clustered)
Sensitive sites	High schools & Wellington’s YMCA – 200m separation Primary Schools, pre-schools, kindergartens – 50m	High Schools & Wellington’s YMCA – 150 metres Cuba Street play area – 100 metres Primary Schools, pre-schools, kindergartens – 50 metres.
Southern boundary of permitted area	Webb Street & Buckle Street	Move north to Vivian Street (including properties on the southern side of Vivian Street)

		(refer Attachment 1)
Eastern boundary of permitted area	Hania Street, Home Street, Kent Terrace, Lipman Street	Move west to Kent Terrace (including most properties east of Kent Terrace) –refer Attachment 1

Next Actions

39. Officers recommend that the Committee recommend that the Council adopts the Local Approved Products Policy for the sale of Psychoactive Substances as outlined in Attachment 1.

Attachments

Attachment 1. Proposed LAPP for the sale of psychoactive substances Page 22

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Authoriser	Greg Orchard, Chief Operating Officer

SUPPORTING INFORMATION

Consultation and Engagement

A consultation document was approved for release by the Community, Sport and Recreation Committee on 23 October 2014.

A total of 35 submissions were received and nine submitters gave oral evidence. Feedback from submitters was considered in the development of this paper.

Treaty of Waitangi considerations

There are no Treaty implications associated with this paper.

Financial implications

There are no financial implications associated with this paper.

Policy and legislative implications

There are no policy and legislative implications associated with this paper.

Risks / legal

This policy is likely to be of significant interest to sections of our community and potential retailers who may seek to relitigate the policy.

Climate Change impact and considerations

There are no climate change implications associated with this paper.

Communications Plan

Once ratified the Policy will be published on the Council website.

Proposed Local Products Policy for the sale of approved psychoactive substances 2015

1. INTRODUCTION

The Psychoactive Substances Act 2013 (the Act) makes provision for territorial authorities to develop a Local Products Policy for the sale of approved psychoactive substances. Under sections 66 to 69 of the Act the Council may 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 the approved products
- the minimum distance between shops selling approved products and sensitive sites
- different conditions for retail premises to conditions for premises used for wholesale or for internet purchase.

2. OBJECTIVES OF THE LOCAL PRODUCTS POLICY FOR THE SALE OF APPROVED PSYCHOACTIVE SUBSTANCES

The Act was enacted to control the importation, manufacture and sale of psychoactive substances in New Zealand to protect the health of, and minimise harm to, individuals who use psychoactive substances.

Licences must be obtained by people or businesses who wish to import, research, manufacture, wholesale and retail psychoactive substances and products. The Act also restricts the sale of these products (when approved) to persons aged 18 years and above. Before a product can be approved for use, the degree of harm must be assessed by the Authority on the advice of an expert advisory committee and evidence

Wellington City Council's Local Products Policy for the sale of approved psychoactive substances objective is to allow Wellington's communities some control around where approved products can be sold. In addition the objectives of this Policy are to:

- be legally robust, to 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 that use psychoactive substances” in a way that still enables approved products to be sold in the Wellington District
- be based on robust evidence to withstand any legal challenge
- help to reduce wider community harms from approved products
- reflect community preferences as a far as possible for where approved products can be sold (while aligning with the purpose and intent of the Act)
- provide a clear guide for the Psychoactive Substances Regulatory Authority for decisions on licence applications within the Wellington District.

3. PROVISIONS OF THE PSYCHOACTIVE SUBSTANCE

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

- within the southern area of Wellington’s central business district (CBD) as show within the solid red boundary of the attached map; and
- at least 150 metres from all other retail or internet sales premises that are licensed to sell approved products; and
- at least 150 metres away from all of the following sensitive sites in Wellington: high schools/colleges and Wellington’s YMCA; and
- at least 50 metres away from all of the following sensitive sites in Wellington: primary schools, pre-schools or kindergartens; and
- at least 100 metres away from the Cuba Street play area.

Definition of separation distances

For the purposes of this policy the separation of distances are to be measured from the external legal boundary of each premise. Minimum separation distances would be based on premises that exist when a licence is applied for.

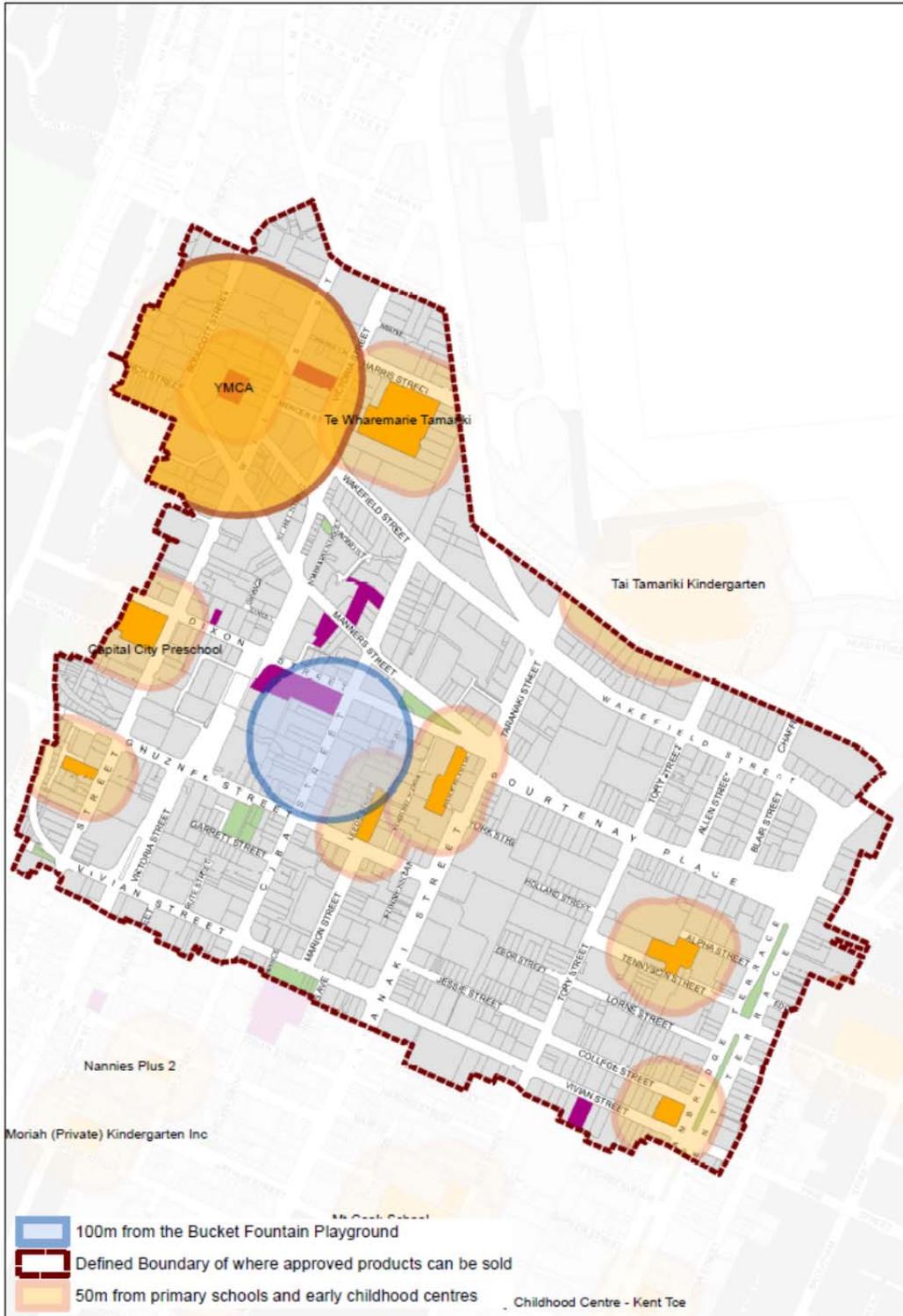
New Development

If a new premises that is a designated sensitive site opens within the minimum distance of an already licensed retail premises, the Council would work with that

licensed premises to find an alternative location. For as long as an alternative location is not available, the current location would be deemed to comply with the Local Approved Products Policy.

Map

The map below provides a visual guide to the areas where licensed retail premises are permitted.



REVIEW OF THE GAMBLING VENUES POLICY 2010

Purpose

1. This report recommends that the Committee agrees to release for consultation a statement of proposal and proposed 2015 Gambling Venues Policy.

Summary

2. Under the Gambling Act 2003 and the Racing Act 2003, territorial authorities must have a class 4 (non-casino gaming machines) venues policy and Racing Board (TAB) venues policy, respectively. The policies must be reviewed every three years using the special consultative procedure.
3. The Council's existing Policy (covering both types of venues) was adopted in June 2010 and is overdue for review. Despite this, the existing policy still continues to have effect so there was no requirement to update the policy. However recent amendments to the Gambling Act in 2013 mean that the Council must consider whether to include a 'relocation policy' as part of a review.
4. A Statement of Proposal and consultation document, including a proposed Gambling Venues Policy 2015, are attached to this paper for the Committee's consideration. Once the 2015 Policy is adopted (expected to be in August 2015) it will replace the existing 2010 Policy.

Recommendations

That the Community, Sport and Recreation Committee:

1. Receive the information.
2. Agree to consult on the following recommended changes to the Gambling Venues Policy.
 - To continue to place maximum limits on the number of machines in most geographic areas. As with the existing policy, no limit would apply in the central city area.
 - To lower the maximum limits that were established in the 2010 Policy so that no more than two further venues can be established in any zone. In practice this means the new limits would be the lessor of:
 - the existing number of non-casino gaming machines in an area plus 18 (two further venues); or
 - the current cap.
 - To allow venues to relocate and take their existing entitlement of machines with them, but only provided:
 - they relocate to or within the central zone; or
 - they relocate to or within an area identified as a "centre" in the Wellington District Plan; and
 - the non-casino gaming machines at the new venue would not mean that any

zone would be above its limit of machines.

- To remove the requirement that only premises with an alcohol on-licence can be non-casino gaming machines venues, but only where any non-casino gaming machines venues without an on-licence are located in “centres” identified in the Wellington District Plan.
 - To retain the existing policy on Racing Board venues, meaning they may be established anywhere in the Wellington District, subject to the provisions of the Wellington City District Plan.
3. Agree to adopt the attached Statement of Proposal relating to a proposed 2015 Gambling Venues Policy, and initiate the special consultative procedure under Section 83 of the Local Government Act 2002.
 4. Agree that consultation run between 20 April and 5 June 2015.
 5. Agree to delegate to the Chief Executive and the Chair of the Community, Sport and Recreation Committee, the authority to amend the Statement of Proposal and associated consultation document, including the proposed Gambling Venues Policy 2015, to include any amendments agreed by the Committee and any minor consequential edits.

Background and Discussion

5. Under the Gambling Act 2003 and the Racing Act 2003, territorial authorities must have a class 4 (non-casino gaming machines) venues policy and Racing Board (TAB) venues policy, respectively. The policies must be reviewed every three years using the special consultative procedure.
6. The majority of people who gamble on “pokie” machines or at the TAB do so without significant harm.
7. The amount of gambling on non-casino gaming machines (NCGMs) has been falling, as have the number of machines and the number of venues. The proportion of people who are problem gamblers or moderate risk gamblers also appears to be falling.
8. It is estimated that only three people in every thousand are problem gamblers. For these people, the Council’s gambling venues policy will have little impact on reducing harm, since access to alternative forms of gambling – such as online gambling at overseas ‘casino’ sites – are readily available.
9. There are, however, some relationships between the proximity of gambling machines to residential areas that increase the likelihood of gambling, including problem gambling.
10. The proposed 2015 Policy therefore aims to facilitate people’s reasonable access to class 4 and TAB gambling, while taking a prudent and precautionary approach to minimising harm where a venues policy has a reasonable prospect of being effective. Wholesale changes to the existing policy are not proposed.
11. The key elements of the proposed 2015 policy are:
 - Continue to place maximum limits on the number of machines in most geographic areas. As with the existing policy, no limit would apply in the central city area.

- Lower the maximum limits that were established in the 2010 Policy so that no more than two further venues can be established in any zone. In practice this means the new limits would be the lesser of:
 - the existing number of NCGMs in an area plus 18; or
 - the current cap.
- Allow venues to relocate and take their existing entitlement of machines with them, but only provided:
 - they relocate to or within the central zone; or
 - they relocate to or within an area identified as a “centre” in the Wellington District Plan; and
 - the NCGMs at the new venue would not mean that any zone would be above its limit of machines.
- Remove the requirement that only premises with an alcohol on-licence can be NCGM venues, but only where any NCGM venues without an on-licence are located in “centres” identified in the Wellington District Plan.
- Retain the existing policy on Racing Board venues, meaning they may be established anywhere in the Wellington District, subject to the provisions of the Wellington City District Plan.

Next Actions

12. A six-week period is proposed for consultation, running between 20 April 2015 and 5 June 2015. Oral hearings, if any, are expected in August.
13. Consultation with community groups has not been undertaken at this point and there is likely to be community interest in this issue.

Attachments

Attachment 1.	Draft Consultation Document and Statement of Proposal	Page 31
Attachment 2.	Wellington City Council Ward Boundaries 2003	Page 48

Authors	Bryan Smith, Acting Manager Policy and Reporting Geoff Lawson, Principal Programme Adv, Policy,
Authoriser	Greg Orchard, Chief Operating Officer

SUPPORTING INFORMATION

Consultation and Engagement

Stakeholder engagement will occur based on the consultation document and statement of proposal.

On 20 January 2015 the New Zealand Racing Board wrote to Council outlining its position on the 2010 Gambling Venues Policy and seeking permission to establish a class 4 venue at its Board venue in Johnsonville. The request was declined as it did not meet the existing Policy and a review of the Policy was scheduled for this year.

Treaty of Waitangi considerations

There are no Treaty of Waitangi considerations raised by the proposals in this paper.

Financial implications

There are no financial implications.

Policy and legislative implications

The review, consultation document and statement of proposal meet the legislative requirements laid out in the Gambling Act 2003 and the Racing Act 2003.

Risks / legal

There are no legal risks identified from the proposals in this paper.

Climate Change impact and considerations

There are no climate change implications arising from this paper

Communications Plan

The consultation document and statement of proposal will form the basis of communication materials. These will be distributed to stakeholders and Maori representatives. The proposal will be notified through the Council's normal channels for consultation. Should Councillor comment be required, it is proposed this be the Chair of the Committee.

Statement of Proposal:

Review of the 2010 Gambling Venues Policy and Proposed New Policy

Introduction and reasons for the proposal

1. Under the Gambling Act 2003 and the Racing Act 2003, territorial authorities must have a class 4 (non-casino gaming machines) venues policy and Racing Board (TAB) venues policy, respectively. The policies must be reviewed every three years using the special consultative procedure.
2. The Council's existing policy (covering both types of venues) was adopted in June 2010 and is overdue for review. Amendments to the Gambling Act 2003 made in 2013 mean that the Council must also consider whether to include a "relocation policy" for class 4 gambling venues as part of this review.
3. The Council has developed a proposed 2015 Gambling Venues Policy, which is a revision of its 2010 Policy. A number of changes are proposed, which are summarised below, and discussed in more detail in the Consultation Document. The Consultation Document should be read in conjunction with this Statement of Proposal. It includes a draft of the proposed 2015 Gambling Venues Policy and discussion on rationale for the options proposed.
4. The Council now seeks feedback from stakeholders, Māori and residents about its proposed 2015 Gambling Venues Policy.

Summary of information

5. The majority of people who gamble on non-casino gaming machines (sometimes called pokies) or at the TAB do so without significant harm.
6. The proportion of people who are problem gamblers or moderate risk gamblers appears to be falling. The amount of gambling on non-casino gaming machines (NCGMs) has been falling, as have the number of machines and the number of venues.
7. It is estimated that only three people in every thousand are problem gamblers. For these people, the Council's gambling venues policy will have little impact on reducing harm, since access to alternative forms of gambling – such as online gambling at overseas "casino" sites – are readily available.
8. There are, however, some relationships between the proximity of gambling machines to residential areas that increase the likelihood of gambling, including problem gambling.
9. The proposed 2015 Policy therefore aims to facilitate people's reasonable access to class 4 and TAB gambling, while taking a prudent and precautionary approach to minimising harm where a venues policy has a reasonable prospect of being effective. Wholesale changes to the existing policy are not proposed.
10. The key elements of the proposed 2015 policy are as follows.
 - Continue to place maximum limits on the number of machines in most geographic areas. As with the existing policy, no limit would apply in the central city area.

- Lower the maximum limits that were established in the 2010 Policy so that no more than two further venues can be established in any zone. In practice this means the new limits would be the lesser of:
 - the existing number of NCGMs in an area plus 18; or
 - the current cap.
- Allow venues to relocate and take their existing entitlement of machines with them, but only provided:
 - they relocate to or within the central zone; or
 - they relocate to or within an area identified as a “centre” in the Wellington District Plan; and
 - the NCGMs at the new venue would not mean that any zone would be above its limit of machines.
- Remove the requirement that only premises with an alcohol on-licence can be NCGM venues, but only where any NCGM venues without an on-licence are located in “centres” identified in the Wellington District Plan.
- Retain the existing policy on Racing Board venues, meaning they may be established anywhere in the Wellington District, subject to the provisions of the Wellington City District Plan.

Have your say

We need you feedback by 5pm on 5 June 2015.

11. The Council is keen to know what people think about the proposed 2015 Gambling Venues Policy.
12. Please make a submission online at wellington.govt.nz or complete the attached submission form and send it to Gambling Venues Policy Review, Freepost, Wellington City Council, PO Box 2199, Wellington.
13. You can get more copies online at wellington.govt.nz, the City Service Centre, libraries, by emailing policy.submission@wcc.govt.nz or phoning (04) 499 4444.
14. If you wish to make an oral submission to Councillors, please indicate this on the submission form and make sure you have included your contact details. We will contact you to arrange a time for you to speak. Submissions will be heard by the Community, Sport and Recreation Committee in August 2014.

Written submissions open on 20 April 2014 and close at 5pm on 5 June 2015.

Consultation Document:

Review of the 2010 Gambling Venues Policy

March 2015

Purpose

This document outlines Wellington City Council's (WCC) proposed Gambling Venues Policy 2015, following a review of its June 2010 Policy.

The document also discusses trends in gambling and outlines the rationale for the policy as proposed.

Summary

Under the Gambling Act 2003 and the Racing Act 2003, territorial authorities must have a class 4 (non-casino gaming machines) venues policy and Racing Board (TAB) venues policy, respectively. The policies must be reviewed every three years using the special consultative procedure.

The overwhelming majority (~98 percent) of people who gamble on "pokie" machines or at the TAB do so without significant harm.

The amount of gambling on non-casino gaming machines (NCGMs) has been falling, as have the number of machines and the number of venues. The proportion of people who are problem gamblers or moderate risk gamblers also appears to be falling.

It is estimated that only three people in every thousand are problem gamblers. For these people, the Council's gambling venues policy will make little impact on reducing harm, since access to alternative forms of gambling – such as online gambling at overseas "casino" sites – are readily available.

There are, however, some relationships between the proximity of gambling machines to residential areas that increase the likelihood of gambling, including problem gambling. The Council notes these relationships, and will put in place prudent limits and restrictions within the policy in recognition of them.

The proposed Gambling Venues Policy 2015 therefore aims to facilitate people's reasonable access to class 4 and TAB gambling, while taking a prudent and precautionary approach to minimising harm where a venues policy has a reasonable prospect of being effective. Wholesale changes to the existing policy are not proposed.

The key elements of the proposed 2015 policy as follows.

- Continue to place maximum limits on the number of machines in most geographic areas. As with the existing policy, no limit would apply in the central city area.
- Lower the maximum limits that were established in the Gambling Venues Policy 2010 so that no more than two further venues can be established in any zone. In practice this means the new limits would be the lesser of:
 - the existing number of NCGMs in an area plus 18; or
 - the current cap.

- Allow venues to relocate and take their existing entitlement of machines with them, but only provided:
 - they relocate to or within the central zone; or
 - they relocate to or within an area identified as a “centre” in the Wellington District Plan; and
 - the NCGMs at the new venue would not mean that any zone would be above its limit of machines.
- Remove the requirement that only premises with an alcohol on-licence can be NCGM venues, but only where any NCGM venues without an on-licence are located in “centres” identified in the Wellington District Plan.
- Retain the existing policy on Racing Board venues is that they may be established anywhere in the Wellington District, subject to the provisions of the Wellington City District Plan.

The proposed policy also contains additional references to the Racing Act 2003, to be more explicit about the requirements under that Act.

Structure

This document is in two sections. Section 1 outlines the trends in gambling and discusses the Council’s proposals for updating the policy. Section 2 provides the draft Gambling Venues Policy 2015.

The Gambling Venues Policy 2015 incorporates both the class 4 gambling venues policy and the Racing Board venues policy, as required by the Gambling Act 2003 and the Racing Act 2003 respectively.

Section 1: Trends in gambling and description of policy proposals

Background

The Gambling Act 2003 came into effect on 18 September 2003 and requires territorial local authorities to have in place a Gambling Venues Policy that:

- specifies whether or not class 4 venues (hereafter referred to as non-casino game machine venues or NCGM venues) may be established in its district and, if so, where they may be located
- may specify any restrictions on the maximum number of gaming machines that may be operated at any NCGM venue. (the Gambling Act 2003 establishes a maximum limit of nine machines for venues established after October 2001 and 18 machines for venues established prior)
- may include a relocation policy¹.

In adopting the policy, the Council must have regard to the social impacts of gambling in its district.

The Wellington City Council adopted a policy in March 2007, which was subsequently reviewed in 2010 as required by the Gambling Act 2003.

The 2010 policy was due for review in 2013 (though this was delayed since amendments to the Gambling Act 2003 were being made in 2013). Though the 2010 policy is now overdue for review, it still continues to have effect.

One of the new requirements introduced in the 2013 amendments was that territorial authorities must consider whether or not to include a relocation policy in its gambling venues policy. When considering whether to include a relocation policy, the territorial authority must consider the social impact of gambling in high-deprivation communities in its district.

The objectives of the Gambling Act 2003 are an important consideration when councils develop their policies, since a council's policy should not be inconsistent with the purpose of the legislation that gives effect to that policy.

The purposes of the Gambling Act 2003 (see Section 3 of the Act) that are most relevant to a Gambling Venues Policy are to:

- control the growth of gambling
- prevent and minimise the harm caused by gambling, including problem gambling
- facilitate responsible gambling
- ensure that money from gambling benefits the community
- facilitate community involvement in decisions about the provision of gambling.

¹ Under section 101 of the Gambling Act 2003, a relocation policy is a policy setting out if and when the Territorial Authority will grant consent in respect of a venue within its district where the venue is intended to replace an existing venue (within the district) or to which a class 4 venue licence applies.

Trends in gambling

The Council's proposed 2015 policy was developed after considering some key trends in gambling and problem gambling in New Zealand and in Wellington. This is because two purposes of the Act are to control the growth of gambling and prevent and minimise harm from gambling.

New Zealanders' level of gambling has been generally falling since 2006. The rate of problem gambling also appears to be falling.

In 2012 the Health Promotion Agency conducted the Health and Lifestyles Survey, which included a survey section specifically designed to allow comparison with the Health Sponsorship Council's Gaming and Betting Activities Survey 2006/07. The results of these surveys show the following.

General

Between 2006 and 2012 the proportion of New Zealanders gambling at least once a year fell from 82.4 percent to 70.3 percent².

The fall in participation rates was across all ethnic groups (Māori dropped from 87 percent to 72.1 percent) and all age groups².

The proportion of people playing NCGMs in the last 12 months "decreased significantly" from 18 percent in 2006 to 13.6 percent in 2012².

There is a strong correlation between frequent, continuous gambling (such as on gaming machines) and moderate risk gambling or problem gambling. Overall the proportion of people engaged in frequent, continuous gambling fell from 4.1 percent to 3.1 percent².

The proportion of people frequently playing NCGMs also fell significantly. People playing at least once a week fell from 2 percent in 2006 to 1.2 percent in 2012. People playing at least once a month fell from 4.7 percent to 3.4 percent².

The proportion of people participating in frequent, continuous gambling varied with ethnicity. Māori (4.1 percent) and Pacific (4.5 percent) had the highest rate compared to European/Other (3.1 percent) and Asian (0.2 percent)².

Overall, the proportion of the population that is moderate risk or problem gamblers is very small and appears to be falling.

In 2012, 0.3 percent of the population is estimated to be problem gamblers. Moderate risk gamblers make up 1 percent of the population. These rates have also fallen from 2006 when they were 0.4 percent and 1.3 percent respectively³. Compare this to alcohol use, where one in five adult New Zealanders have hazardous drinking patterns⁴.

² New Zealanders' Participation in Gambling – Results from the 2012 Health and Lifestyles Survey, Health Promotion Agency, December 2013

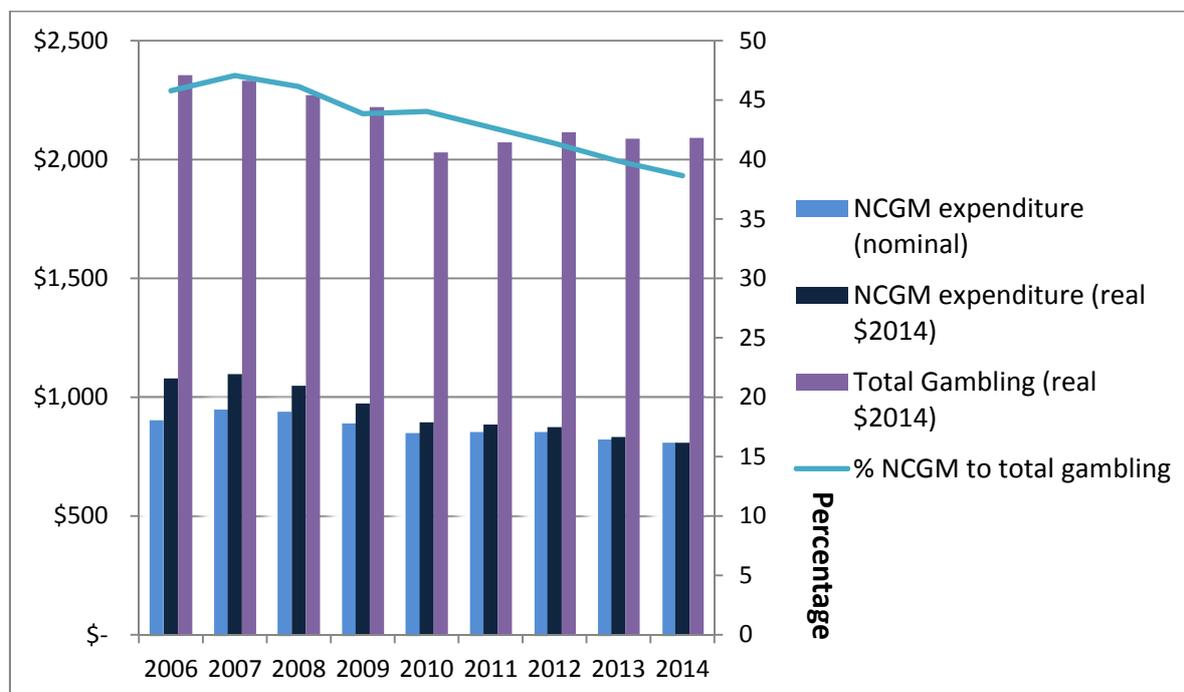
³ Problem Gambling in New Zealand – Preliminary findings from the NZ Health Survey (July 2011 to March 2012), Ministry of Health, August 2012

⁴ Ministry of Health, Findings from the 2011/12 Health Survey

Non-Casino Gaming Machines (NCGM)

The use of NCGMs has been steadily falling in New Zealand, both in terms of total expenditure on NCGMs and as a proportion of total gambling expenditure (see graph 1).

Graph 1: Expenditure on NCGMs, total expenditure on gambling (NZD millions) and NCGMs proportion of total gambling expenditure



Source: Department of Internal Affairs (DIA)

The total number of gaming machines has also been steadily falling. In 2007, there were 20,120 machines, while in 2014 there were 17,130. The number of licenced venues has followed the same trend falling from 351 to 329 in the last year⁵.

Gaming machine societies own the NCGMs. Under the Gambling Act 2003, these societies must be approved by the Department of Internal Affairs (DIA), and they must be not-for-profit. The Lion Foundation, NZ Community Trust and Pub Charity are the three largest of these societies.

The societies arrange with venue owners for NCGMs to be located at a particular venue. Venue owners can be reimbursed for their actual and reasonable expenses to host the NCGMs – but they cannot make profit from them.

About a quarter of all the money lost (by gamblers) on NCGMs goes to the government in the form of duties, levies and fees.

The rest of the money can be used to meet actual and reasonable costs of societies and venue owners and be distributed to the community. By law, at least 40 percent (soon expected to rise to 42 percent) of the money must be distributed to the community.

In 2013, \$246 million was distributed to communities. In the previous year \$261 million was distributed. The amount of money going to communities has been falling in line with reduced gambling on NCGMs. For example, in 2007 around \$305 million was distributed.

⁵ Guide: Pokies in New Zealand, Department of Internal Affairs, February 2015

The money goes to a wide variety of authorised purposes. Sport receives 44 percent of the money distributed to the community. Other organisations to receive significant grants include St Johns New Zealand, Life Education Trust, and the Bone Marrow Cancer Trust.

Gaming machines are undoubtedly a higher-risk form of gambling. Of those people participating at least monthly on NCGMs, 16 percent are at moderate risk or are problem gamblers. Compared this to sports betting (TAB) where the equivalent rate is 10.8 percent².

In the 2011/12 year more than 50 percent of gamblers who accessed problem gambling services said NCGMs were their primary gambling mode.

However, the market appears to be changing. On-line gambling (at overseas sites) offers virtual gaming machines. In 2012, 1.4 percent of the population used on-line gambling through an overseas website (which includes on-line casinos).

These sites offer strong inducements for gamblers to start gambling with them and often have very poor ethics. Many consider this type of gambling to be the highest risk for problem gamblers.

Wellington City specific information

In December 2011, Wellington's density of NCGMs was 35.7 per 10,000 population, below the national average of 41.2 machines per 100,000. Auckland (28.4) and Hamilton (31.7) were below Wellington, but both these centres have casinos providing additional gaming machines. Christchurch had 39.4 NCGMs (more than Wellington despite also having a casino). Napier had 64 NCGMs per 10,000 population and South Wairarapa had 81.7⁶.

The total number of class 4 (NCGM) gaming venues operating in the Wellington City district has decreased since 2010 – from 48 to 44 in 2014. The total number of machines operating has also fallen from 723 to 681 over the same period.

	Total number of venues		Total number of EGMs	
	Dec 2010	Dec 2014	Dec 2010	Dec 2014
Wellington Central	18	18	296	287
Newtown	3	3	54	54
Lambton/ Seatoun/ Thorndon	3	3	25	25
Kilbirnie	4	3	57	54
Johnsonville/Tawa South	7	6	107	95
Island Bay	3	3	25	25
Crofton Downs/ Hataitai/ Miramar/ Newlands	4	3	61	52
Brooklyn/ Karori	6	5	98	89
	48	44	723	681

Source: Department of Internal Affairs (DIA)

The Department of Internal Affairs publishes Gaming Machine Proceeds figures quarterly. For Wellington City district the total proceeds for three quarters to December 2014 were \$27.6 million. This is 1.4 percent less than the same three quarters in 2010. When the 2010 figure is adjusted for inflation, the real value of proceeds has fallen by 6.3 percent over the period.

In 2014, \$23 million of grants from gaming machine proceeds were paid to Wellington community groups. 57 percent of this went to Wellington sports organisations.

Table 3 below shows the number of venues and machines in Wellington as at February 2015 and how this compares to the caps established in the 2010 policy.

⁶ Informing the 2012 Gambling Harm Needs Assessment, Allen-Clarke, 31 July 2012, report for the Ministry of Health

By far the majority of Wellington's NCGMs are in the Central zone. The Southern, Eastern and Northern zones are close to their maximum limits. Onslow, Western and Lambton zones are well below their limits.

There does not appear to significant demand to add venues in Wellington.

Areas of higher deprivation in Wellington City

Wellington City has no areas that reach the highest level of deprivation on the New Zealand deprivation index. The areas with the highest deprivation indices are shown in the table below. 1000 on the index is the mean score across New Zealand.

Table 1: Deprivation indices for Wellington Suburbs – most deprived

Suburb ⁷	Deprivation index
Kilbirnie	1044.0
Mt Cook	1039.0
Strathmore Park	1028.0
Te Aro	1024.0
Newtown	1024.0
Berhampore	1024.0

The deprivation index incorporates criteria such as whether a home is owned by the occupier, equalised income and access to a car. It is possible that areas like Mount Cook, with its high proportion of young people and students, or Kilbirnie with a high proportion of retirees, show up as something of an anomaly in the index calculations.

However, even taken at face value, Wellington's most deprived areas are still relatively well-off compared to the deprived areas of other cities. For example in Otara West the deprivation index is 1270, in Mangere it is 1335 and in Cannons Creek North it is 1238.

For comparison, Wellington's least deprived areas are provided in table 2.

Table 2: Deprivation indices for Wellington Suburbs – least deprived

Suburb	Deprivation index
Wadestown	895.0
Ngaio	893.0
Crofton Downs	893.0
Kaiwharawhara - Khandallah	889.0
Seatoun - Karaka Bays - Breaker Bay	888.0

Given the relatively low levels of deprivation in Wellington, this is not considered a significant issue in terms of the designing the policy, including the relocation policy.

Nonetheless, measures to discourage an increase of venues into suburban residential areas are proposed. These measures are expected to reduce the risk of problem gambling in Wellington's more deprived areas.

⁷ Wellington City Community Profile by id.com.au

Proximity and concentration of venues and NCGMs and the incidence of gambling

The relationship between gambling and problem gambling and the location and concentration of NCGM venues and NCGMs is not clear cut.

A study published by the Ministry of Health found that living in a neighbourhood closer to a NCGM venue was significantly associated with:

- having gambled on an NCGM in the last year, and
- being a problem gambler who had gambled on an NCGM in the last year.

But, the study also found that there was no significant association between the number of venues within 800 metres of the neighbourhood centre and the odds of having gambled on a NCGM in the last 12 months.

Similarly, there were no consistently significant associations between problem gambling and the number of NCGMs within 800 metres of the neighbourhood centre.

And, there were no consistently significant associations between problem gambling and the number of gambling venues or NCGMs with 5 kilometres of the neighbourhood centre.

The study's findings suggest that having a venue closer to residences increases people's (including problem gamblers') use of NCGMs, but once a venue is in an area the number of venues and/or machines has little effect on people's behaviour.

The evidence does not therefore provide clear support for "sinking lid" type policies. Nonetheless, maintaining some restrictions on the number of machines allowable in an area would still be prudent, since it should limit the ability of new venues to expand into new suburban areas.

Discussion and policy proposals

Based on the information above, the Council considers that there is no demonstrable need to reduce the number or locations of NCGMs in order to control the growth of gambling. Gambling revenue is falling in real terms across New Zealand and the evidence suggests Wellington is following the same general trend.

Similarly, levels of harm from NCGMs appear to be falling (as evidenced by reduced NCGM use and reductions in the rate of problem gamblers and of continuous gambling). Moreover, the evidence shows no significant link between the number of NCGMs in an area or the number of venues in an area and the incidence of problem gamblers using NCGMs.

There is a link between the proximity of residential areas to the nearest NCGM venue and the likelihood of people (including problem gamblers) gambling on an NCGM. However, as noted above the evidence suggests that the number of venues in an area or the number of machines at those venues has little or no impact on the likelihood of people gambling on NCGMs.

Based on the information and discussion above the following is proposed for the 2015 policy:

- **Continue to place maximum limits on the number of machines** in most geographic areas. This should prevent significant expansion of gaming venues in suburban areas (since most areas are already at or close to the cap on machines set in the 2010 policy). This, in turn should prevent significant numbers of new venues opening closer to residential areas with an associated risk of increased gambling related harm.

- **Lower the maximum limits on gaming machines in some places.** The limits established in the 2010 policy would be reduced in some zones so that no more than two further venues can be established in any zone. In practice this means the new caps will be the lesser of:
 - the existing number of NCGMs in an area plus 18; or
 - the current cap.

While there is little demand for additional venues at this time, this proposal would “future-proof” the policy in terms of any significant upswing in demand. It would control the growth of gambling and minimise harm from gambling by limiting the opportunity for new venues opening within residential areas that do not currently have venues. This recognises the evidence that proximity of residential areas and the nearest NCGM venue is associated with a risk of increased problem gambling.

An alternative option is to leave the existing maximum limits in place. This would allow for significant expansion of venues in the Onslow, Western and Lambton Zones at some future point. Such expansion may be associated with future increases in gambling-related harm – though given current trends in use of NCGMs this risk appears low.

Table 3 shows the effect of the above proposal and how this compares to the exiting policy and the number of NCGMs in Wellington.

Table 3: Maximum NCGMs under the proposed Gambling Venues Policy 2015 compared with the existing policy

Zone	Maximum number of machines (proposed for 2015 policy)	Maximum number of machines (existing 2010 policy)	Current number of NCGMs licenced
Southern	100	100	97
Northern	136	136	126
Eastern	114	114	113
Onslow	18	53	0
Western	53	67	35
Lambton (excludes Central Area zone)	24	95	6
Central Area zone	No limit	No limit	476

In addition, to make it easier for stakeholders to understand the boundaries for each zone, a map will be appended to the 2015 policy with the boundaries clearly shown.

- **Allow venues to relocate** and take their existing entitlement of machines with them, but only provided:
 - they relocate to or within the central zone; or
 - they relocate to or within an area identified as a “centre” in the Wellington District Plan; and
 - the NCGMs at the new venue would not mean that any zone would be above its cap.

This proposal recognises the evidence that the number of machines at a gambling venue does not increase the likelihood of problem gambling and therefore there is little or no harm reduction benefit from not allowing venues to retain their existing machine entitlement. However, restricting the relocation policy to within the central zone or within centres should discourage relocating venues to residential areas that do not currently have venues⁸ (noting that proximity of residential areas and the nearest NCGM venue is associated with a risk of increased problem gambling).

In terms of its effect on areas with higher deprivation, this proposed policy is not expected to materially increase the risks of problem or harmful gambling in these areas. This is because it discourages relocation into residential suburban areas (as the operator would lose their right to additional NCGMs).

Other matters

Linking NCGM venues with selling alcohol

The 2010 policy specifies that only venues with an alcohol on-licence may be NCGM venues. This was included principally as it was considered an additional way to restrict 18 year-olds from being exposed to gambling venues. The Gambling Act 2003 does not require NCGM venues to sell alcohol.

Under the Gambling Act 2003, it is an offence for anyone under 18 years old to participate in class 4 gambling. When granting a venue licence the Department of Internal Affairs must be satisfied that the possibility of persons under 18 years old gaining access to class 4 gambling at the class 4 venue is minimal.

There is considerable evidence that even a small amount of alcohol reduces gambling control and increases the likelihood of risky gambling behaviour. For example Baron and Dickerson⁹ found “a consistent theme of alcohol use contributing significantly to impaired control of gambling behaviour”.

Given the link between alcohol consumption and risky gambling, the Council’s current policy sends an inconsistent message in terms of minimising harm from gambling.

Recognising this inconsistency and the controls over underage gambling already provided by the Gambling Act 2003, it is **proposed to remove the requirement to require a liquor licence as a pre-requisite to becoming an NCGM venue.**

The Gambling Act 2003 explicitly provides for Board venues (ie stand-alone TABs) to also be class 4 (NCGM) venues. At present two TABs in Wellington are also NCGM venues, but because Board venues are generally not licenced they cannot become NCGM venues in Wellington.

Removing the requirement for NCGM venues to hold an on-licence would allow all Board venues to operate gaming machines (provided the venue is not in a zone that is above its maximum cap). This is consistent with the legislation.

The Gambling Act 2003 includes criteria the DIA must apply when deciding whether to grant an NCGM venue licence. As well permission from the relevant territorial authority, DIA must be satisfied that:

- the person managing the venue is suitable and can adequately supervise the venue

⁸ Note that virtually all current ventures outside the central zone are already in areas identified as “centres” in the Wellington District Plan.

⁹ Alcohol Consumption and Self-Control of Gambling Behaviour, Baron and Dickerson, Journal of Gambling Studies Vol. 15(1) Spring 1999.

- the class 4 venue is not used mainly for operating gaming machines
- the risk of problem gambling at the class 4 venue is minimised
- the proposed venue is suitable in all other respects to be a class 4 venue.

In light of the controls already in place, it is not considered necessary for the Council to place additional restrictions on the type of premises that can be granted an NCGM licence. However, as noted above, the evidence suggests that locating venues closer to residential areas is associated with increased gambling, including problem gambling. It is therefore, proposed to **restrict any NCGM venues without an on-licence to “centres” identified in the District Plan.**

An alternative option would be to only allow for on-licenced premises and Board venues only to hold class 4 venue licences. As noted above, this more limited approach should not be necessary given the controls already provided for under the Gambling Act 2003.

New Zealand Racing Board Venues

Section 65D of the Racing Act 2003 requires territorial authorities to adopt a Board Venue Policy.

The Racing Act specifies that a “Board venue” means premises that are owned or leased by the New Zealand Racing Board and where the main business carried out at the premises is providing racing betting or sports betting services. Historically, these venues were referred to as Totalisator Agency Board (TAB) venues.

The policy must specify whether or not new Board venues may be established in the territorial authority district and, if so, where they may be located.

Total gambling through the TAB has increased about 11 percent since 2006, though once adjusted for inflation the real value of this gambling has actually fallen by 5 percent as table 3 shows.

Table 3: Gambling expenditure at TABs

	millions (nominal)	millions (real in 2012 dollars)
2006	\$258	\$300
2007	\$269	\$303
2008	\$272	\$297
2009	\$269	\$288
2010	\$278	\$286
2011	\$273	\$276
2012	\$286	\$286

Source: Health Promotion Agency - Lifestyles Survey Results December 2013

The existing policy is that TAB venues may be established anywhere in the Wellington District, subject to the provisions of the Wellington City District Plan and meeting application and fee requirements. The Council does not propose any changes to this policy.

Section 2: Proposed Gambling Venues Policy 2015

Draft as at 18 March 2015

1. INTRODUCTION

The Gambling Act 2003 (the Act) came into effect on 18 September 2003 and requires territorial local authorities to have in place a policy that:

- specifies whether or not class 4 venues (non-casino gaming machine venues, NCGMs) may be established in its district and, if so, where they may be located
- may specify any restrictions on the maximum number of gaming machines that may be operated at any class 4 venue (the Gambling Act 2003 establishes maximum limits of either 18 machines or 9 machines on gaming machines venues, depending on whether the venue was established before or after October 2001).
- The Racing Act 2003 requires territorial authorities to adopt a policy on Board venues¹⁰. The Board venues policy must:

- specify whether or not New Zealand Racing Board stand-alone venues may be established in the district and, if so, where they may be located.

In adopting both a class 4 venues policy and a Board venues policy, the Council must have regard to the social impacts of gambling in its district.

2. OBJECTIVES OF THE GAMBLING VENUES POLICY

The objectives of the Gambling Act 2003 are, amongst other things, to control the growth of gambling and prevent and minimise the harm caused by gambling, including problem gambling. Beyond the objectives stated in the Act, the objectives of Wellington City Council's Gambling Venues Policy are to:

- manage the risk of gambling harm created by non-casino gaming machines (NCGMs) and TAB gambling to the extent that this can be reasonably done through a gambling venues policy
- ensure that, within the limits prescribed by the Gambling Act 2003 and Racing Act 2003, people who wish to participate in NCGM and Board venue (TAB) gambling can do so within the Wellington District
- provide for the relocation of Class 4 venue licences in certain circumstances.

3. GENERAL PROVISIONS FOR CLASS 4 VENUES

A society requires the Council's consent in respect of a class 4 (NCGM) venue:

- to increase the number of gaming machines that may be operated at such a venue
- to operate gaming machines at a venue that was not on any society's licence within the previous 6 months

¹⁰ The Racing Act 2003 specifies that a "Board venue" means the premises that are owned or leased by the New Zealand Racing Board and where the main business carried on at the premises is providing racing betting or sports betting services. Historically, these venues were referred to as Totalisator Agency Board (TAB) venues.

- to operate gaming machines at a venue for which a licence was not held on 17 October 2001
- to relocate a venue to which a class 4 venue licence currently applies.

An applicant for Council consent under this policy must:

- meet the application conditions specified in this policy
- meet the fee requirements specified in this policy.

4. WHERE CLASS 4 VENUES MAY BE ESTABLISHED

Class 4 (NCGM) venues may be established anywhere in the Wellington district, subject to the following restrictions. Failure to comply with any of the relevant restrictions will result in consent being refused.

For the purposes of this policy the Wellington district is divided into seven zones. The total number of gaming machines in any zone may not exceed the machine levels detailed in the table below.

Zone¹¹	Maximum number of Machines
Southern	100
Northern	136
Eastern	114
Onslow	18
Western	53
Lambton (excluding Central Area Zone)	24
Central Area Zone	No limits

Refer to the attached Map for area boundaries which are based on the electoral wards as at September 2003.

Applicants whose licences were held on 17 October 2001 may have a maximum of either nine machines, or the number of machines lawfully operated on 23 September 2003, whichever is the higher number.

Applications seeking ministerial discretion, under section 95 of the Gambling Act 2003, to increase the number of gaming machines at a club venue, as the result of clubs merging, will receive consent, subject to the limits prescribed by the Gambling Act.

¹¹ Central Area Zone is the central area as defined by the District Plan excluding land zoned residential.

Lambton Zone is that area comprising the Lambton electoral ward as at September 2003 except for the central area.

Southern Zone is that area made up of the Southern electoral ward as at September 2003.

Northern Zone is that area made up of the Northern electoral ward as at September 2003.

Eastern Zone is that area made up of the Eastern electoral ward as at September 2003.

Western Zone is that area made up of the Western electoral ward as at September 2003.

Onslow Zone is that area made up of the Onslow electoral ward as at September 2003.

Applications seeking ministerial discretion, under section 96 of the Gambling Act, to increase the number of gaming machines at a club venue above nine will not receive local authority consent.

Applicants must obtain any necessary resource consents under the Wellington City District Plan or Resource Management Act.

5. RELOCATION CLASS 4 VENUES

This relocation policy sets out when the Council will grant consent in respect of a venue that replaces an existing venture. The effect of this relocation policy is prescribed in section 97A of the Gambling Act 2003.

Any class 4 (NCGM) venue may be relocated provided:

- it relocates to or within the Central zone; or
- it relocates to or within an area identified as a “centre” in the Wellington District Plan; and
- the NCGMs in the new venue would not result in more NCGMs in a zone than is allowed under section 4 of this policy.

6. WHERE BOARD VENUES MAY BE ESTABLISHED

The New Zealand Racing Board requires the consent of the Council if it proposes to establish a Board venue. For the avoidance of doubt, this policy only applies to applications for the establishment of stand-alone Board venues. These are venues in premises that are owned or leased by the New Zealand Racing Board, where the main business is providing racing and/or sports betting services. The policy does not cover the installation of TAB terminals in premises not owned or leased by the Board (for example hotels, bars and clubs).

TAB venues may be established anywhere in the Wellington District, subject to the provisions of the Wellington City District Plan and meeting application and fee requirements.

7. APPLICATIONS AND FEES FOR CONSENTS

All applications for consents must be made on the approved form. All applications will incur a fee, to be known as the Gaming/Gambling Venue Consent Fee, which is prescribed by the Council pursuant to section 150 of the Local Government Act 2002.

Fees will be charged for consideration of applications, at the rate of \$90 per hour (GST inclusive). A deposit may be required.

8. DECISION MAKING

The Council has 30 working days in which to determine a consent application.

That decision will be made at officer level pursuant to delegated authority and be based on the criteria detailed in this policy.

In the case of an application relating to a class 4 venue the assessment of the number of gaming machines in the Wellington district will be based on Department of Internal Affairs' official records.

9. APPEALS

Applicants have the right to request a review of the decision by Council officers, if it is believed that an error of fact or process has been made.

10. MONITORING AND REVIEW

The Council will complete a review of the policy within three years of its adoption, in accordance with the special consultative procedure outlined in the Local Government Act 2002. Subsequent reviews will take place on a three-yearly cycle, as required by the Gambling Act 2003 and Racing Act 2003.

11. COMMENCEMENT OF POLICY

The policy will take effect from the time the Council resolves to adopt it. The 2010 Gambling Venues Policy is revoked on the adoption of this policy. All applications for territorial local authority (Council) consent will be considered under the policy in place at the time the application is received.

12. EXPLANATION OF TERMS

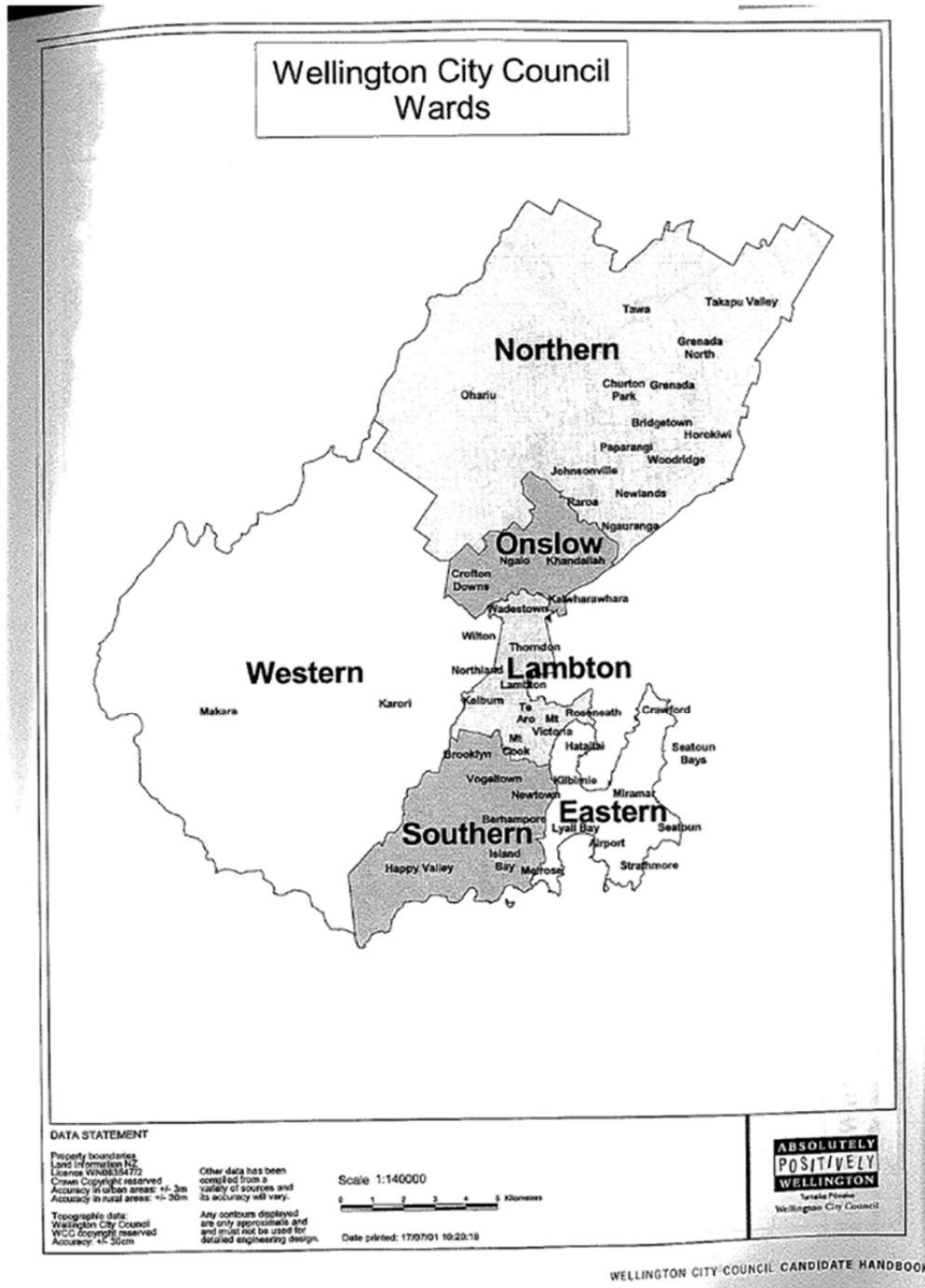
Class 4 venue - The Gambling Act 2003 categorises gambling activities according to their intensity and potential for harm. Class 4 gambling (non-casino gaming machines) is the highest-risk form outside of a casino. Racing and sports betting, which are covered by the Racing Act 2003, do not fall within this classification system

Society – is a Corporate Society as defined under the Gambling Act 2003. It is a not-for-profit organisation that may undertake class 4 gambling

Gaming machine – Refers to class 4 non-casino gaming machine

Board venue - The Racing Act 2003 specifies that a Board venue means the premises that are owned or leased by the New Zealand Racing Board and where the main business carried out at the premises is providing racing betting or sports betting services.

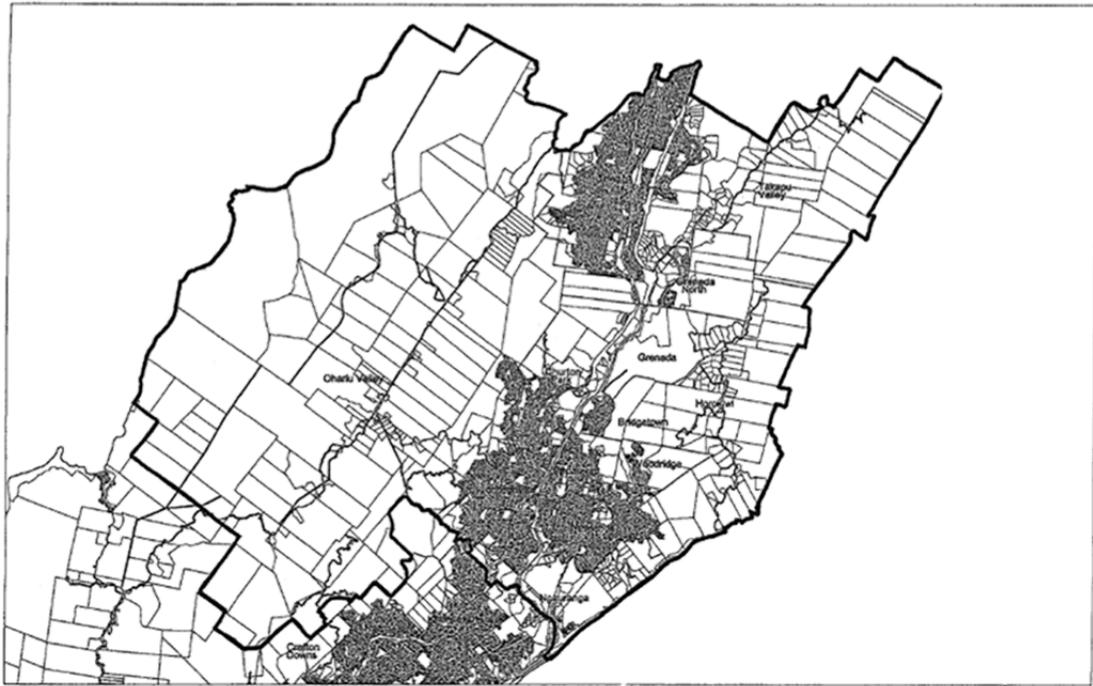
**Wellington City Council Ward Boundaries as at September
2003**



Item 2.3 Attachment 2



WELLINGTON CITY COUNCIL CANDIDATE HANDBOOK

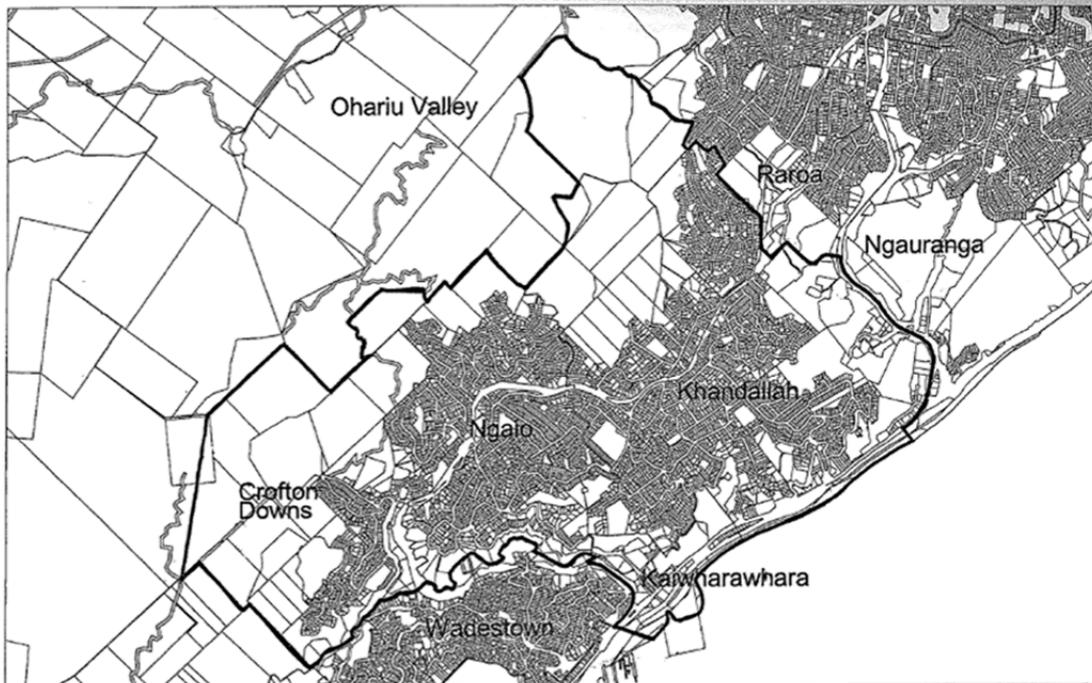


1 Northern Ward (SO 37883) : 2001 - 2004 Triennium
as determined by the Local Government Commission 27 March 2001

Wellington City Council, 100 The Terrace
Tel: 04 473 7000, Fax: 04 473 7001, www.wc.govt.nz
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WELLINGTON CITY COUNCIL CANDIDATE HANDBOOK



2 Onslow Ward (SO 37884) : 2001 - 2004 Triennium
as determined by the Local Government Commission 27 March 2001

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Item 2.3 Attachment 2

Item 2.3 Attachment 2

WELLINGTON CITY COUNCIL, CANDIDATE HANDBOOK



WELLINGTON CITY COUNCIL, CANDIDATE HANDBOOK



2014/15 SECOND QUARTER REPORT

Purpose

1. This report outlines progress towards the delivery of the 2014/15 Annual Plan as at 31 December 2014.

Recommendation

That the Community, Sport and Recreation Committee:

1. Note the information.

Background

2. The quarterly report informs councillors of progress against the annual plan, and also ensures the annual report does not contain any unexpected and significant variances from performance. Responsibility for the report falls within the purview of the Governance, Finance and Planning Committee.

Discussion

3. The attached quarterly report, with the accompanying appendix one, outlines the Council's progress against planned or budgeted performance for:
 - Income
 - Operational expenditure
 - Capital expenditure
 - Service delivery (KPI performance)
 - Compliance with Treasury Policy
 - Key programmes.
4. Significant variances are explained, by activity group, in appendix one to the quarterly report. This quarterly report explains variances greater than 10%.
5. Details relating to significant projects are highlighted, by relevant committee, on pages 2-4 of the quarterly report itself.

Attachments

Attachment 1.	Second Quarter Report 2014/15	Page 55
Attachment 2.	Appendix 1: Quarterly Report 1 October 2014 - 31 December 2014	Page 59

Author	Shanan Smith, Senior Advisor Planning and Reporting
Authoriser	Brian Hannah, Director Strategy and External Relations

SUPPORTING INFORMATION

Consultation and Engagement

Not applicable.

Treaty of Waitangi considerations

Not applicable.

Financial implications

This report outlines progress against the planned projects, spending and service levels indicated in the annual plan.

Policy and legislative implications

Not applicable.

Risks / legal

Not applicable. This report outlines progress towards the annual plan and annual report, which are legislative requirements.

Climate Change impact and considerations

Not applicable.

Communications Plan

Not applicable.

QUARTERLY REPORT

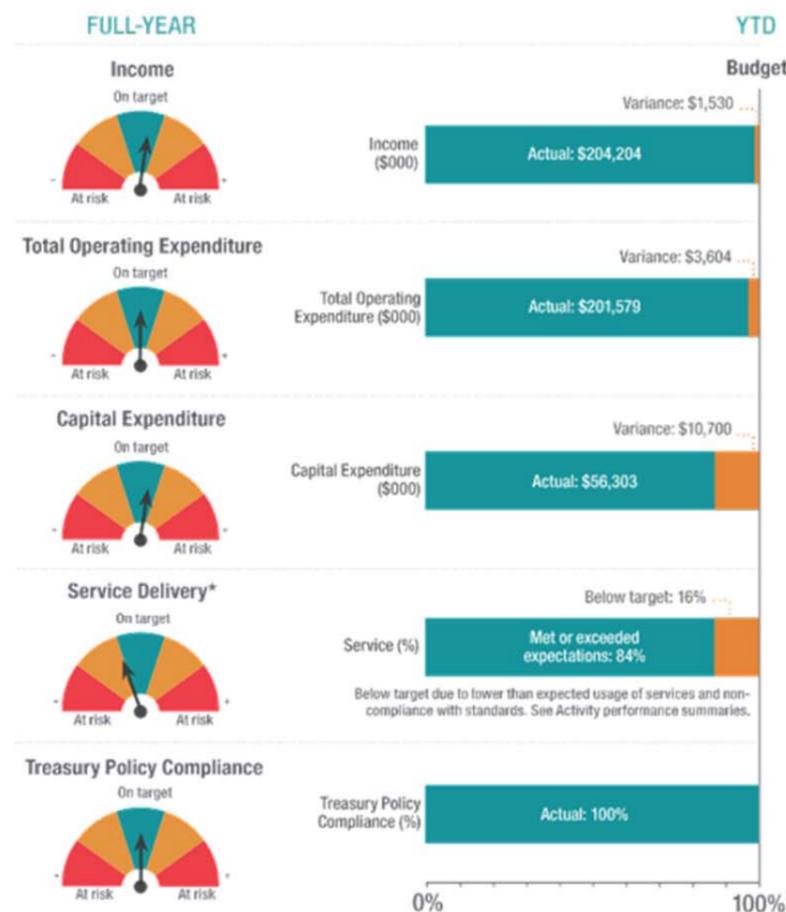
QUARTER TWO (1 OCTOBER – 31 DECEMBER 2014)

This report summarises the Council's progress in the second quarter of 2014/15 towards fulfilling the intentions outlined in the Annual Plan. Quarterly performance is assessed against:

- income
 - total operating expenditure
 - capital expenditure
 - service delivery (KPI performance)
 - Treasury policy compliance.
- Areas where there is a risk to or significant variance from budgeted expectations are discussed in the performance summaries for each of the Council's seven activity areas.

Council is making good progress with the major projects it had planned for the year and is largely on track to meet year-end targets. Service performance exceptions are mainly due to lower than forecast use of services. See activity performance summaries for more information.

HOW ARE WE PERFORMING?



Note: that the figures for service performance only include key performance indicators (KPI) that are measured on a monthly or quarterly basis. Annual KPIs will be incorporated at year-end (30 June 2015). In some areas, KPIs exceeded their targets by over 10%. These exceptional results are also outlined in the Activity performance summaries.

FINANCIAL SNAPSHOT

STATEMENT OF FINANCIAL PERFORMANCE

The Council's consolidated financial performance for the period 1 July 2014 to 31 December 2014 is presented in this section. Positive numbers in the financial statements indicate a favourable variance from budget and negative numbers (represented by brackets) indicate an unfavourable variance from budget.

	YTD 2014/15			Full Year 2014/15	
	Actual \$000	Budget \$000	Variance \$000	Forecast \$000	Budget \$000
Rates Income	127,076	127,633	(557)	255,267	255,267
Other Income	1,271	1,341	(69)	13,546	13,681
Lease Income	18,255	18,266	(12)	36,254	36,574
Interest Income	0	22	(22)	8	44
Income from Activities	56,143	54,411	1,732	130,438	123,205
Development Contributions	1,459	1,000	459	2,000	2,000
Total Income	204,204	202,674	1,530	437,512	430,771
Personnel Expenditure	50,027	49,019	(1,008)	97,292	97,678
General Expenses	94,801	93,614	(1,187)	202,994	200,245
Financing Expenditure	9,938	11,520	1,583	21,941	23,041
Depreciation & Loss/Gain on Sale	46,812	51,029	4,217	98,585	102,164
Total Expenditure	201,579	205,183	3,604	420,811	423,127
Net Operating Surplus/(Deficit)	2,625	(2,509)	5,134	16,701	7,644

The year-to-date net operating surplus of \$2.625m is \$5.134m better than the budgeted deficit of \$2.509m. This favourable variance is attributable to a combination of factors as outlined below.

INCOME

Year-to-date total income is above budget by \$1.530m:

- Income from Activities is \$1.732m above budget mainly due to higher New Zealand Transport Agency funding (\$1.683m) for the capital roading programme and increased government funding from the housing upgrade programme (\$0.873m).
- Development Contributions are \$0.459m higher than budget for the first six months, due to higher income from several residential developments.
- Rates Income is \$0.557m under budget mainly due to water rates income being lower than expected. Partly offset by slightly higher than budgeted general rates income.

EXPENDITURE

Year-to-date total expenditure is under budget by \$3.604 million:

- Depreciation & Loss/Gain on Sale is \$4.217m under budget largely due to savings as a result of lower infrastructure asset values at 30 June 2014 than forecast. These differences will be permanent.
- Financing Expenditure is under budget by \$1.583m due to lower levels of borrowings and some delays in the capital programme in the first six months of the year.
- General Expenses are \$1.187m over budget mainly due to unbudgeted expenditure for events and sponsorships, which were approved by Council.
- Personnel Expenditure is \$1.008m over budget due to an increase in the annual leave accrual for the first six months and timing differences in other budgeted expenditure.

FULL YEAR FORECAST

The forecast Net Operating Surplus for the year is currently \$9.1m more than budget. This includes \$3.9m of depreciation savings resulting from lower infrastructure asset values at 30 June 2014, \$3.8m additional funding from the New Zealand Transport Agency funding in respect of the capital roading programme and \$3.8m additional government grant income from the housing upgrade programme. Offsetting these favourable forecast variances is lower revenue from pools, fitness centres, the ASB centre and building consents (\$1.5m), and Council-approved overspends for Community Events and the Events Development Fund (\$1.6m).

NET OPERATING EXPENDITURE

	YTD 2014/15			Full Year 2014/15	
	Actual \$000	Budget \$000	Variance \$000	Forecast \$000	Budget \$000
Governance	7,374	7,259	(114)	14,256	14,438
Environment	62,977	67,033	4,057	130,453	133,486
Economic Development	11,667	12,134	467	24,511	23,774
Cultural Wellbeing	10,067	9,394	(673)	18,000	17,190
Social and Recreation	26,159	25,933	(226)	46,353	50,228
Urban Development	9,496	9,310	(186)	19,242	19,270
Transport	11,591	12,371	781	25,035	25,028
Total Activity Area	139,331	143,434	4,104	277,850	283,414
Council	(141,956)	(140,925)	1,030	(294,550)	(291,058)
Total	(2,625)	2,509	5,134	(16,701)	(7,644)

CAPITAL EXPENDITURE

	YTD 2014/15			Full Year 2014/15	
	Actual \$000	Budget \$000	Variance \$000	Forecast \$000	Budget \$000
Governance	0	0	0	0	0
Environment	10,002	14,159	4,156	32,976	33,216
Economic Development	424	1,002	577	2,471	2,471
Cultural Wellbeing	3	1,261	1,258	2,321	2,321
Social and Recreation	14,889	17,111	2,222	34,537	30,775
Urban Development	6,753	7,434	681	23,493	23,058
Transport	17,527	18,289	762	43,783	39,803
Total Activity Area	49,597	59,255	9,658	139,580	131,644
Council	6,706	7,748	1,042	18,369	20,369
Total	56,303	67,003	10,700	157,949	152,013

STATEMENT OF BORROWINGS

Total committed borrowing facilities as at the end of December are \$441.5m providing headroom of \$110m. Our liquidity ratio is at 113% compared to the policy minimum of 110%.

	YTD 31 December 2014 \$000	30 June 2014 \$000
Facilities at start of year	460,500	429,000
New/matured facilities (net)	(19,000)	31,500
Facilities at end of period	441,500	460,500
Borrowings at start of year	348,000	341,000
Change in core borrowing + (-)	18,229	6,638
Repayment of loans + (-)	-	-
Change in working capital requirement + (-)	(34,729)	362
Net borrowings at end of period	331,500	348,000
Plus unutilised facilities	110,000	112,500
Total borrowing facilities available	441,500	460,500

Note: 'Borrowing facilities' excludes \$5 million of uncommitted funding lines. Facilities do not include short term commercial paper or deposits.

TREASURY POLICY COMPLIANCE

At 31 December 2014 all of the core policy compliance requirements were achieved as shown as below.

PRUDENTIAL TREASURY LIMITS

Prudential limits	Policy limit (%)	Actual (%)	Compliance
Borrowings as a % of equity	<10	4.9	Yes
Borrowing as a % of income	<150	79.7	Yes
Net interest as a % of annual rates income	<20	8.5	Yes

Notes: Equity is based on the 2014/15 annual plan. Net interest is actual. Annual rates and income are based on 2014/15 annual plan.

Interest rate risk control limits (interest rate exposure)	Policy limit (%)	Actual (%)	Compliance
Fixed interest proportion	50-95	95	Yes
Broken down: 0-3 year bucket	20-60	20	Yes
Broken down: 3-5 year bucket	20-60	20	Yes
Broken down: 5-10 year bucket	20-60	60	Yes

Liquidity/funding risk (access to funds)	Policy limit (%)	Actual (%)	Compliance
Liquidity/funding risk (access to funds)	>110	113	Yes
Broken down: 0-3 year bucket	20-60	53	Yes
Broken down: 3-5 year bucket	20-60	27	Yes
Broken down: 5-10 year bucket	15-60	19	Yes

Notes: Liquidity is defined as: Current borrowings + committed loan facilities divided by 12 month peak borrowings (for the purpose of measuring liquidity short dated Commercial Paper is excluded)

KEY PROGRAMMES		Q1 Actual (1 Jul–30 Sep 2014)	Q2 Actual (1 Oct–31 Dec 2014)	Q3 Planned (1 Jan–31 Mar 2015)	Q4 Planned (1 Apr–30 Jun 2015)
Committee	Programme	Milestones			
GOVERNANCE	ACCOUNTABILITY AND PLANNING	Annual Report adopted			
		Long-term plan: • Workshop series commenced.	Long-term plan: • Financial strategy. • Infrastructure strategy. • Programme overview.	Long-term plan: • Revenue and Financing policy. • Performance framework. • Adopt draft plan.	Long-term plan: • Consultation. • Adopt final plan.
		Mid-term capex review – \$15m investment package adopted and to be implemented, including: • Funding for Meet the Locals enclosure at Wellington Zoo. • Expansion of City to Sea Museum. • Victoria Street transformation in line with Central City Framework. • Urban catalyst projects.			
ECONOMIC GROWTH AND ARTS	ECONOMIC DEVELOPMENT	Region wide consultation on development of Wellington Regional Economic Development Agency (WREDA).	• WREDA established on 5 December 2014. • WREDA Chair (Peter Biggs) and Board appointed. • Recruitment process for WREDA Chief Executive commenced.	WREDA transition and implementation.	
	8 BIG IDEAS	Convention centre: • Public consultation undertaken.	Convention centre: • Final commercial terms agreed for Council consideration and final decision on proposal. • Developer subsequently indicated problems in finalising deal on proposed site.	Convention centre: • Progress options for delivery of the project and report back to Council.	Convention centre: • Progress agreed process and option for delivery of the project.
		Tech hub: • Developed Expression of Interest (EOI) documentation.	Tech hub: • EOI process completed and preferred provider identified.	Tech hub: • Complete contract negotiations with preferred provider. • Confirm timeline, cost and range of hub activities.	
		Airport runway extension: • Results of economic impact assessments received.	Airport runway extension: • Reports peer reviewed by council officers and external experts. • Report back to Council and approval of additional funding to complete RMA approvals process.	Airport runway extension: • Monitor progress of RMA approvals process. • Continue to develop business case for runway extension.	
	MAJOR EVENTS	Film museum: • Preliminary investigations and concept development continue.			
		World of Wearable-Arts – 25 Sep to 12 Oct. Beervana – 22 to 23 Aug. All Blacks v South Africa Test – 13 Sep. LUX Light Festival – 22 Aug to 1 Sep. Oktoberfest – 19 to 20 Sep.	SkyShow – 8 Nov. Toi Māori Art Market – 14 to 16 Nov. Rugby League Four Nations Final – 15 Nov. Capital Christmas – 10 to 24 Dec. New Year's Eve Festival – 31 Dec.	IRB Sevens – 6 to 7 Feb. Homegrown Music Festival – 7 Mar. ICC Cricket World Cup – 14 Feb to 29 Mar. Cuba-Dupa – 28 to 29 Mar.	Wellington Fashion Week – 8 to 12 Apr. World Water Ski Racing Championships – 9 to 20 Apr. WW100 and ANZAC Commemorations – 25 Apr. AFL match – 25 Apr. FIFA Under-20 World Cup – 30 May to 20 Jun.
COMMUNITY SPORTS AND RECREATION	HOUSING UPGRADE	Berkeley Dallard and Etona: • Construction completed and buildings reoccupied.			
		Arlington Site 1: • Business case under development.			Arlington Site 1: • Councillor workshop on proposed procurement strategy and development model analysis. • Commence procurement.
		Arlington Site 2: • RFP under development.	Arlington Site 2: • High-level brief issued to potential suppliers.	Arlington Site 2: • RFP to be issued.	Arlington Site 2: • RFP results evaluation. • Commence development of detailed design.

KEY PROGRAMMES

		Q1 Actual (1 Jul–30 Sep 2014)	Q2 Actual (1 Oct–31 Dec 2014)	Q3 Planned (1 Jan–31 Mar 2015)	Q4 Planned (1 Apr–30 Jun 2015)
Committee	Programme	Milestones			
COMMUNITY SPORTS AND RECREATION	HOUSING UPGRADE	Marshall Court: <ul style="list-style-type: none"> Under construction. 		Marshall Court: <ul style="list-style-type: none"> Construction complete. Units let to suitable occupants. 	
		Kotuku: <ul style="list-style-type: none"> Tender evaluation complete. 	Kotuku: <ul style="list-style-type: none"> Construction contract commenced. 	Kotuku: <ul style="list-style-type: none"> Under construction. 	
	RECREATION UPGRADES	Keith Spry Pool: <ul style="list-style-type: none"> Teaching pool and children's pool tanks completed. Maintenance work started on existing pool. 	Keith Spry Pool: <ul style="list-style-type: none"> Upgrade work on new pools and change rooms continued. 	Keith Spry Pool: <ul style="list-style-type: none"> Upgrade work on new pools and change rooms to be completed in January 2015. Hand over from contractor to the Council. Commence operational set-up of new pools and preparation for opening to the public. Opening to the public on 28 February 2015. 	
ENVIRONMENT	WATER UPGRADES	Seismic strengthening: <ul style="list-style-type: none"> Strengthening of Maupuia No1 and No2 reservoirs completed. Melrose reservoir design work completed. 	Seismic strengthening: <ul style="list-style-type: none"> Melrose reservoir tender completed. 	Seismic strengthening: <ul style="list-style-type: none"> Melrose reservoir construction commences. Install auto-shut valve (ASV) at Roseneath No 2 reservoir. Linden and Newlands reservoir design work underway. 	Seismic strengthening: <ul style="list-style-type: none"> Linden and Newlands reservoir design work completed. ASV installations at Montgomery, Mt Wakefield and Broadmeadows reservoirs.
	NATURAL ENVIRONMENT	Our Capital Spaces: <ul style="list-style-type: none"> Completed pre-engagement for review of Biodiversity Action Plan. Completed sediment reduction plan for Porirua Harbour Strategy. Established interagency planning group for the development of Watts Peninsula as a heritage park. Funding approved for Mountain Bike Economic Growth Initiative (MBEGI) to develop business plan for Wellington as a premier mountain bike destination. 	Our Capital Spaces: <ul style="list-style-type: none"> Biodiversity Strategy approved by Environment Committee to formally consult. Consultation on draft Suburban Reserves Management Plan completed. MBEGI undertaking economic modelling for visitor mountain biking activity in Wellington. 	Our Capital Spaces: <ul style="list-style-type: none"> Consultation on Biodiversity Strategy (22 January to 6 March with oral submissions on 19 March). Consultation on Mt Victoria Master Plan. 	Our Capital Spaces: <ul style="list-style-type: none"> Final Biodiversity Strategy to Environment Committee for approval. Mt Victoria Master Plan completed. MBEGI completed business plan for Wellington as a premier mountain bike destination.
		Island Bay Seawall: <ul style="list-style-type: none"> Project and engagement plans agreed by the Environment Committee. 	Island Bay Seawall <ul style="list-style-type: none"> Consultation and engagement completed. Environment Committee agreed to repair the seawall and continue planning work on long-term solutions (options three and four), which will be implemented by 2018–21. 	Island Bay Seawall: <ul style="list-style-type: none"> Agree project plan for next phase of the project Initiate detailed planning, design and consultation of options three and four. 	Island Bay Seawall: <ul style="list-style-type: none"> Complete planning work for seawall repairs. Continue detailed planning, design and consultation of options three and four.
TRANSPORT AND URBAN DEVELOPMENT	CITY RESILIENCE	Earthquake strengthening of Council buildings: <ul style="list-style-type: none"> Clarrie Gibbons Building strengthening completed. Network Newtown strengthening commenced. Truby King House chimney strengthening completed. Thistle Hall strengthening continues. 	Earthquake strengthening of Council buildings: <ul style="list-style-type: none"> Network Newtown strengthening nearly completed. Portico demolition commenced. Band Rotunda design work commenced. Planning for strengthening chapel and crematorium at Karori Cemetery commenced. Thistle Hall strengthening completed. 	Earthquake strengthening of Council buildings: <ul style="list-style-type: none"> Portico demolition completed. Band Rotunda strengthening plan and tendering process completed. Thistle Hall contract maintenance period completed. Planning for strengthening chapel and crematorium at Karori Cemetery completed. 	Earthquake strengthening of Council buildings: <ul style="list-style-type: none"> Band Rotunda remediation complete.
		Application submitted to the Rockefeller Foundation's "100 Resilient Cities" programme.	Application to "100 Resilient Cities" programme successful.	Appoint Chief Resilience Officer to lead development of a city resilience strategy.	
		Town Hall strengthening project is awaiting further information on options. Alternative use continues to be worked on.			

KEY PROGRAMMES

		Q1 Actual (1 Jul–30 Sep 2014)	Q2 Actual (1 Oct–31 Dec 2014)	Q3 Planned (1 Jan–31 Mar 2015)	Q4 Planned (1 Apr–30 Jun 2015)		
Committee	Programme	Milestones					
TRANSPORT AND URBAN DEVELOPMENT	CITY RESILIENCE	<p>Hataitai Bus Tunnel:</p> <ul style="list-style-type: none"> Portal strengthening design and tender documents completed and issued. Public notification of works and stakeholder briefings. 	<p>Hataitai Bus Tunnel:</p> <ul style="list-style-type: none"> Contract awarded and work to strengthen portals commenced in November 2014. Work is progressing on both sides of tunnel with 26% completed to date. <p>Seatoun Tunnel:</p> <ul style="list-style-type: none"> Received draft assessment report. 	<p>Hataitai Bus Tunnel:</p> <ul style="list-style-type: none"> Work to strengthen portals continues with 90% completed by end of quarter. <p>Seatoun Tunnel:</p> <ul style="list-style-type: none"> Contract for professional services for strengthening work to be tendered. 	<p>Hataitai Bus Tunnel:</p> <ul style="list-style-type: none"> Work to strengthen portals completed. <p>Seatoun Tunnel:</p> <ul style="list-style-type: none"> Complete detailed design for strengthening work. 		
	WATERFRONT FRAMEWORK	North Kumutoto project:	<ul style="list-style-type: none"> Council decision on building, long-term lease and public space projects. 	<ul style="list-style-type: none"> Application for resource consent submitted. 	<ul style="list-style-type: none"> Resource consent application process continues. 		
		TSB Arena and Shed 6:	<ul style="list-style-type: none"> Investigations commenced. 	<ul style="list-style-type: none"> Detailed planning completed and tender documentation prepared. 	<ul style="list-style-type: none"> Work underway to renew exterior cladding. 		
	URBAN DEVELOPMENT	Parliamentary precinct:	<ul style="list-style-type: none"> Contractor appointed for Cenotaph upgrade. Construction commenced 1 September. 	<ul style="list-style-type: none"> All demolition and ground works completed. Work commenced on new staircase and paving. 	<ul style="list-style-type: none"> Work completed and space opened up for public use. 		
		Memorial park:	<ul style="list-style-type: none"> Arras Tunnel opened and park construction commenced. 	<ul style="list-style-type: none"> Park construction underway. Australian Memorial construction commenced. 	<ul style="list-style-type: none"> Park construction complete. 	<ul style="list-style-type: none"> Park opening and Anzac day commemoration. 	
		Kilbirnie town centre phase two:	<ul style="list-style-type: none"> Deferred pending confirmation of design brief. 	<ul style="list-style-type: none"> Design brief still to confirmed following consultation. Concept design in progress. 	<ul style="list-style-type: none"> Detailed design completed and contract awarded (subject to suitable design being confirmed). 	<ul style="list-style-type: none"> Construction underway (subject to suitable design being confirmed). 	
		Victoria Street:	<ul style="list-style-type: none"> Funding and concept design approved and detailed design commenced. 	<ul style="list-style-type: none"> Detailed design completed and construction commenced. 	<ul style="list-style-type: none"> Full construction work underway with construction commencing in southern block. 	<ul style="list-style-type: none"> Major construction works completed by end of June. Minor additional works may continue. 	
		Lombard Lane:	<ul style="list-style-type: none"> Design brief being confirmed. 	<ul style="list-style-type: none"> Concept design completed. 	<ul style="list-style-type: none"> Detailed design commenced, in consultation with adjacent developer to ensure works are coordinated. 	<ul style="list-style-type: none"> Tender documents prepared and construction programme agreed with developer. 	
		TRANSPORT	Island Bay to City Cycle route:	<ul style="list-style-type: none"> Section one (Shorland Park to Wakefield Park) design and consultation. Section two (Wakefield Park to John St) planning and preparation for public consultation. 	<ul style="list-style-type: none"> Section one (Shorland Park to Wakefield Park) design and consultation completed. Committee agreed to final design. Section two (Wakefield Park to John St) planning and preparation for public consultation. 	<ul style="list-style-type: none"> Council vote deferred while cycling masterplan is developed in more detail. 	
			Johnsonville road improvements:	<ul style="list-style-type: none"> Broderick Rd Bridge construction started. 	<ul style="list-style-type: none"> Broderick Rd Bridge construction continues. 	<ul style="list-style-type: none"> Broderick Rd Bridge construction continues. State Highway One off-ramp work commences. Other work commences: Signal works, street and crossing upgrades, and pedestrian and cycling improvements. 	<ul style="list-style-type: none"> Broderick Rd Bridge construction completed. State Highway One off-ramp work continues. Other work continues: Signal works, street and crossing upgrades, and pedestrian and cycling improvements.
	Public Transport Spine:		<ul style="list-style-type: none"> Undertake core spine assessments to determine physical corridor constraints and detailed assessment of core routes based on integration with the Council's cycle planning. 				

APPENDIX 1: QUARTERLY REPORT 1 October 2014 – 31 December 2014

PERFORMANCE SUMMARY: BY ACTIVITY AREA

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1. GOVERNANCE

Pārongo ā-Tāone

We want to maintain confidence in our decision-making.

We have an obligation to ensure the views of Māori and mana whenua are heard.

WHAT WE DO

- Governance, information and engagement
- Māori and mana whenua partnerships.

SIGNIFICANT VARIANCES TO PERFORMANCE¹:

SERVICE DELIVERY

Measure	Actual	Target	Var	Variance explanation
Council, committee and subcommittee reports that are made available to the public five days prior to the meeting (%)	68%	80%	(15%)	We achieved an 80% result for this measure in the second quarter. We continued to achieve 100% for our statutory target to making reports available two days prior to meetings.
Satisfaction with City Archive services and facilities	100%	90%	11%	

NET OPERATING EXPENDITURE

Activity	YTD			Full Year	
	Actual	Budget	Variance	Forecast	Budget
	\$000	\$000	\$000	\$000	\$000
1.1 Governance, Information & Engagement	7,307	7,147	(160)	14,031	14,213
1.2 Māori Engagement (mana whenua)	67	112	46	225	225
TOTAL	7,374	7,259	(114)	14,256	14,438

CAPITAL EXPENDITURE

No significant variances.

¹ Areas where performance varied from budgeted expectations by more than 10%.

2. ENVIRONMENT

Taiao

We aim to protect and enhance Wellington's natural environment.

WHAT WE DO

- Gardens, beaches and green open spaces
- Waste reduction and energy conservation
- Water
- Wastewater
- Stormwater
- Conservation attractions.

HIGHLIGHTS OF THIS QUARTER

Gardens and green open spaces

- Our Natural Capital - Wellington's draft Biodiversity Strategy and Action Plan was approved by the Environment Committee for public consultation.
- 10,000 plants were collected by residents for planting in the road reserve or reserve adjoining their property.
- Pest Fest was held at Waitangi Park during Conservation Week. It was attended by over 800 people with 300 ecosourced native plants swapped in return for weeds from people's gardens.
- Otari Wilton's Bush won an international Green Flag Award from the Parks Forum
- We completed consultation on the draft Suburban Reserves Management Plan. We received more than 250 submissions and two online petitions.
- We completed preparation for the WW1 poppy field sowed seeds on the Remembrance Ridge site in the Botanic Garden.
- The Truby King Open Day was held in early November. The 1-3pm sessions in the house and in the garden were fully subscribed.
- The Lady Norwood Rose Garden was nominated for a World Rose Federation Award.
- The 2014 Botanic Gardens Management Plan was approved and signed off by Councillors
- We completed track and trail work in Centennial Reserve, Pohill Reserve, Mt Victoria, Skyline Walkway, and Trelissick Park.
- The Welly Walks app was updated by Positively Wellington Tourism. New walks are in development by teams across council.

Climate change and smart energy

- Smart Energy challenge – the pilot challenge won the renewables innovation category at the National NZI Sustainable Business Network Awards and the 2015 Smart Energy Challenge is underway.
- Smart Energy challenge – Aro Solar installed a solar PV system on the Aro Valley Community Centre and went through the Live the Dream social enterprise accelerator programme this summer to help take their concept to the next stage.
- Four schools received solar panel installations as part of the Council's funding partnership with Genesis Energy to bring the Schoolgen programme to Wellington.
- Energy assessments were piloted in five Wellington office buildings as part of the Smart Building's Challenge, a funding partnership between Council and EECA, aiming to help property owners reduce energy use and make better use of building data.

Water, wastewater and stormwater

- We renewed water mains in Frederik St, Adelaide Rd/King St, The Esplanade, Houghton Bay Rd, Hungerford Rd and Hobart St.
- We improved the earthquake resilience of the Churton North reservoir.
- We renewed sewer drains in Cambridge Tce, Crofton Rd, Cecil Rd, Harrold st, Herald Tce and Ross St.
- Stormwater drains were replaced in Rixon Grove and Coombe Street.

Conservation attractions

- Celebrations were held in December to celebrate the 5th birthday of The Nest Te Kōhanga, the Zoo's award-winning animal hospital and centre for native wildlife.
- Do at the Zoo, the Zoo's annual celebration of Conservation Week was held on November 8. Highlighting the Zoo's international conservation projects and the links between Wellington Zoo and the rest of the world, over 1,700 visitors attended this event.
- We had 1,340 ZEALANDIA by Night visits for the quarter.
- The first known successful Tieke (Saddleback) nest outside the sanctuary was recorded during the quarter.

SIGNIFICANT VARIANCES TO PERFORMANCE²:

SERVICE DELIVERY

Measure	Actual	Target	Var	Explanation
Visitors to Otari-Wilton's Bush	43,082	38,752	11%	A new marketing campaign highlighted Otari-Wilton's Bush. We also had an increase in cruise ship visitors and tour groups.
Visitors to Botanic Garden	714,209	651,638	10%	We had an increase in visitors during the Spring Festival partly due to good weather. We also had an increase in cruise ship visitors.
WCC Corporate energy use: main CCOs	4,260,780	5,576,780	24%	In previous years this measure included Wellington Waterfront Limited, which is now included in the WCC general result
WCC Corporate energy use: WCC general	10,729,322	9,664,410	(11%)	This result now includes City Shaper (previously called Wellington Waterfront Limited), which was previously included in the main CCOs result.
Freshwater sites (%) within acceptable faecal coliform counts	81%	95%	(15%)	Investigations are ongoing for the four areas where water quality is poor. We have corrected the faults we have found so far.
Zealandia – education programme attendees	3,813	4,506	(15%)	The Trust expects to achieve its year-end target.

NET OPERATING EXPENDITURE

Activity	YTD			Full Year	
	Actual \$000	Budget \$000	Variance \$000	Forecast \$000	Budget \$000
2.1 Gardens, Beaches and Open Space	13,332	14,032	700	28,308	28,176
Year to date variance is mainly related to the timing of contract spend and savings in rates for the Town belt, where some land has been reclassified for rating purposes.					
2.2 Waste Reduction & Energy Conservation	454	523	70	499	280
Forecast variance relates to contaminated soil revenue which is expected to below the level assumed.					
2.3 Water	18,203	19,930	1,727	37,294	39,879
Year to date and forecast variances relate to savings on insurance costs and depreciation, following the revaluation of infrastructure assets.					
2.4 Wastewater	19,700	20,161	462	40,636	40,377
2.5 Stormwater	8,258	9,324	1,065	17,587	18,647
Year to date and forecast variances relate to savings on insurance costs and depreciation, following the revaluation of infrastructure assets.					
2.6 Conservation Attraction	3,030	3,063	33	6,128	6,126
TOTAL	62,977	67,033	4,057	130,453	133,486

² Areas where performance varied from budgeted expectations by more than 10%.

CAPITAL EXPENDITURE

Activity	YTD			Full Year	
	Actual \$000	Budget \$000	Variance \$000	Forecast \$000	Budget \$000
2.1 Gardens, Beaches and Open Space	1,376	1,289	(87)	2,493	3,073
2.2 Waste Reduction & Energy Conservation	206	236	30	979	979
2.3 Water	3,066	5,993	2,927	13,343	13,004
Some projects have started later than anticipated but are expected to be completed by the end of the year.					
2.4 Wastewater	1,951	3,304	1,353	7,745	7,745
Some projects have started later than anticipated but are expected to be completed by the end of the year.					
2.5 Stormwater	2,860	2,300	(560)	4,255	4,255
Programme is ahead of schedule.					
2.6 Conservation Attraction	543	1,036	493	4,160	4,160
Year to date variance is timing related. All projects are due to be completed by the end of the year.					
TOTAL	10,002	14,159	4,156	32,976	33,216

3. ECONOMIC DEVELOPMENT

Whanaketanga ōhanga

By supporting city promotions, events and attractions, we underscore Wellington's reputation as a great place to live and visit.

WHAT WE DO

- City promotions and business support

HIGHLIGHTS OF THIS QUARTER

Venues

- We commissioned a review of the city's major entertainment venues as part of the initial work to determine the feasibility of an indoor arena.

Events

- WOW had record audiences with two extra shows and 55,000 attendees.
- On November 15, we hosted the final of the rugby league four nations tournament, which was won by the Kiwis.
- Capital Christmas activation – the city was festive with Christmas dressing on the iconic Wellington Railway Station and Cable Car. Street performances throughout December brought the CBD shopping quarters alive.

Destination Wellington

- A large multi-national subsidiary have confirmed Wellington for their web development team
- Disney confirmed Wellington as their filming destination for *Pete's Dragon*, creating 300 jobs for five months.
- Legendary pictures confirmed Wellington as their filming destination for *KRAMPLUS*.

Wellington Museums Trust

- Museums Wellington and Capital E had a very successful collaboration with the Celebrating Everything Polish Festival – welcoming around 5,000 visitors across both sites.
- Capital E's monthly movie collaboration with New Zealand Children's Film Foundation was popular with additional screenings being added to meet demand and completely selling out during the December season.
- Capital E's October School Holiday Programme - Book Bazaar – had 1,200 attendees and Wishful Woodland in December attracted over 1,100 visitors and volunteers to help partner charity, Foster Hope.
- City Gallery hosted a special reception for the artists and gallerists from this year's Maori Art Market; and the final day of the Hotere exhibition drew a capacity crowd.

Innovation

- We participated in a consortium response to the Government's ICT Graduate School request for Expressions of Interest.
- We supported Wellington's first civic hackathon in Miramar.

Tourism

- In December Jetstar announced that it will introduce four flights a week from Wellington to Melbourne, commencing in March 2015.
- Jetstar flights between Wellington and Gold Coast commenced in December.

- Fiji Airways announced a year-round direct route between Wellington and Nadi in December.
- The cruise ship season commenced on 7 October, with almost 80 cruise ship visits expected this season.

SIGNIFICANT VARIANCES IN PERFORMANCE³:

SERVICE DELIVERY

Measure	Actual	Target	Var	Explanation
Estimated attendance at Council supported events	186,564	165,000	13%	Estimated attendance at the LUX festival in the first quarter was above target.
Te Papa visitors	553,564	639,500	(13%)	

NET OPERATING EXPENDITURE

Description	YTD			Full Year	
	Actual \$000	Budget \$000	Variance \$000	Forecast \$000	Budget \$000
3.1 City Promo & Business Support	11,667	12,134	467	24,511	23,774
Year to date favourable variance is mainly due to delays in the payments of some grant-related funding that will now occur in the second half of the year. The forecast adverse variance relates to the Council-approved overspend for the Major Events Fund.					
TOTAL	11,667	12,134	467	24,511	23,774

CAPITAL EXPENDITURE

Outcome Description	YTD			Full Year	
	Actual \$000	Budget \$000	Variance \$000	Forecast \$000	Budget \$000
3.1 City Promo & Business Support	424	1,002	577	2,471	2,471
Under budget on Positively Wellington Venues projects - TSB Arena and other venues renewal works are behind schedule. Costs are expected to be in line with budget at year end.					
TOTAL	424	1,002	577	2,471	2,471

³ Areas where performance varied from budgeted expectations by more than 10%.

4. CULTURAL WELLBEING

Oranga ahurea

Supporting arts activity adds vibrancy to the city as well as promoting inclusive, tolerant and strong communities.

WHAT WE DO

- Arts and cultural activities

HIGHLIGHTS OF THIS QUARTER

- More than 10,000 people attended the Diwali Festival with a strong representation of the local Indian Community as well as international performers.
- Sky Show attracted more than 100,000 people. The show was moved to the Saturday after Guy Fawkes day to make it easier for families to attend.
- Santa Parade was attended by 65,000 people with more than 6,000 people attending the Santa's After Party at Frank Kitts Park.
- The free multimedia event "Lest We Forget" occurred during the 100 year anniversary of troops leaving New Zealand for World War One. More than 50 wall stories were put up around the city and a projection show was exhibited in key three historic sites.
- Approximately 10,000 attendees attended the New Year's Eve celebrations with the Wellington Orchestra and fireworks being highlights.
- 26 arts and cultural projects, including events, performances and workshops were funded a total of \$109,000 during this quarter.
- Sheyne Tuffery's railway-inspired large scale mural on the facade of Johnsonville Countdown on Moorefield Road was launched in December. A zoo inspired mural on a bus shelter at Rintoul Street, Newtown was designed and painted by local artist Michelle Carlton.
- Toi Pōneke delivered five exhibitions – 1260 by Justine Fletcher, Shadows Out Of Time by Natalie Smith, Cahoot by Whitireia NZ students, Handshake 2 by thirteen NZ art jewellers exhibiting experimental work, Toi Pōneke Residents Exhibition.
- The Toi Pōneke 2015 Gallery Exhibitions and Whitireia NZ Artist and Resident were selected.
- We decided to fund four projects under the Public Art Fund. They are Remembrance by Chris Bennewith, Rainscape by Debbie Fish, Time Machine by MOM (Margarita Ianev) and The Mokopuna Island Project by Mike Ting
- Kedron Parker's soundscape, Kumutoto Stream, became a permanent installation in Woodward St Tunnel.
- A new exhibition, Huts of Welling Town by artists Kemi & Niko & Co. was installed in the Courtenay Place Park light boxes in December.
- The international contemporary artist Christian Thompson was the first artist to work and exhibit at Te Whare Hēra Gallery, the visual space dedicated to the Wellington International Artist Residency programme, which opened in December.
- We selected new artworks by Lucien Rizos, Shannon Te Ao and Shaun Waugh for the City Art Collection.

SIGNIFICANT VARIANCES IN PERFORMANCE⁴:

SERVICE DELIVERY

Measure	Actual	Target	Var	Explanation
Total visits to museums and galleries (including Carter Observatory)	321,025	291,562	10%	There were a number of very successful public programmes this quarter, including Celebrating Everything Polish Festival and The Big Halloween. Both of these programmes were collaborations between the Museum of Wellington City & Sea and Capital E.
Estimated attendance at Arts and Cultural festivals	325,910	294,000	11%	Results bolstered by attendance for Skyshow (150,000) and the Santa Parade (70,000)

NET OPERATING EXPENDITURE

Outcome Description	YTD			Full Year	
	Actual \$000	Budget \$000	Variance \$000	Forecast \$000	Budget \$000
4.1 Galleries and Museums	10,067	9,394	(673)	18,000	17,190
Year to date and forecast unfavourable variances relate to the Council-approved overspend for the Community Events Programme.					
TOTAL	10,067	9,394	(673)	18,000	17,190

CAPITAL EXPENDITURE

Outcome Description	YTD			Full Year	
	Actual \$000	Budget \$000	Variance \$000	Forecast \$000	Budget \$000
4.1 Galleries and Museums	3	1,261	1,258	2,321	2,321
Year to date variance is timing related with all projects expected to be completed by the end of the year.					
TOTAL	3	1,261	1,258	2,321	2,321

⁴ Areas where performance varied from budgeted expectations by more than 10%.

5. SOCIAL AND RECREATION

Pāpori me te hākinakina

We provide a wide range of services throughout the city to encourage quality of life and healthy lifestyles.

WHAT WE DO

- Recreation promotion and support
- Community support
- Public health and safety.

HIGHLIGHTS OF THIS QUARTER

Recreation promotion and support

- We hosted the New Zealand under 14 Water Polo Champs, Wellington Regional Swim Champs, Boccie Nationals, Le Penina Pacifica Tournament, North Island Junior Volleyball Champs, International Handball Federation Trophy Oceania, NZ Futsal National League and Football Remembers 1914-2014.
- We hosted NZ Fiji Football tournament and NZ Community Football Cup at Wakefield Park, So They Can - Charity fun run at Newtown Park and a National Age Group Football Tournament at various parks.
- We finished replacing the roof on the Newtown Park grandstand.
- We completed renewal works at Martin Luckie Pavilion.
- We completed renewal of the Hazlewood Ave play area and Makara Model School playgrounds.
- We won two awards for the South Coast Kids Track, through the Wellington Airport Community Awards and New Zealand Recreation Association.

Community support

- We officially opened the upgraded Berkeley Dallard and Etona Apartments.
- We were highly commended by the International Association for Public Participation for our engagement work with housing tenants. We were also highly commended at the NZ Open Source Awards for our computer hubs which give housing tenants free access to use computers and internet with support.
- In November the Community, Sport and Recreation Committee agreed that the Johnsonville Library project proceed to the design phase for a new library, developed as a community hub together with the Johnsonville Community Centre and Keith Spry Pool, subject to final funding decisions in the Long Term Plan.
- In December we ran a cans for fines promotion. Over 3,000 cans were collected with \$3 being waived for each can received. All cans were passed to local food banks.
- We funded 27 community projects (allocating \$89,648) through the Social and Recreation Fund.
- The Thistle Hall community centre and the free community-based computer hub, Smart Newtown, reopened after earthquake strengthening work was completed.
- We selected 340 Cricket World Cup volunteers for Wellington.
- We installed four emergency water tanks in schools.
- In conjunction with Barrier Free Trust, we developed a simple-to-use web guide to assist in integrating accessibility into building upgrades and maintenance. This is the first of its kind in the country (see barrierfreenz.org.nz/tools/best-practice-accessibility-guidelines.html)

Public Health and safety

- Local Host started their service in the Newtown, Kilbirnie and Miramar
- We are working in partnership with the Central Neighbourhood Policing Team on a number of initiatives including the “Eyes On” shoplifting prevention pilot also working with Cuba Street retailers (30 shops so far)
- We are partnering with the Department of Corrections to use the community probations team to assist with Graffiti removal – especially managing the graffiti on the network of military bunkers
- We partnered with NEC to host a series of workshops at the NEC Innovation Centre to explore Safe City solutions for Wellington – particularly using smart technologies. This has resulted in an innovative pilot project – using the Cuba Precinct as a living lab.

SIGNIFICANT VARIANCES IN PERFORMANCE⁵:

SERVICE DELIVERY

Measure	Actual	Target	Variance	Variance Explanation
Sports fields – % of scheduled games that are played	88%	80%	10%	Lower demand and favourable winter weather resulted in fewer restrictions and closures.
Artificial sportsfields % utilisation: off peak winter	25%	15%	67%	Winter sports tournaments and school holiday programmes increased use of facilities.
Artificial sportsfields % utilisation: peak winter	68%	80%	(15%)	Opening of the Alex Moore Park turf increased availability of facilities, which decreased utilisation overall.
College artificial sports fields % utilisation for WCC hours: winter	56%	80%	(30%)	There was a reduction in peak weekend use due to more sport being played on the new Alex Moore Park turf.
Visits to facilities: ASB Sports centre (peak)	156,208	179,408	(13%)	Weekday evening usage reduced after two leagues were withdrawn for the period. Weekend daytime usage was moderate although it was expected given the season.
ASB Sports Centre courts utilisation (off-peak)	39%	35%	11%	The youth in sport programme is keeping off-peak usage above target.
ASB Centre courts utilisation (peak)	48%	71%	(32%)	Weekday evening usage reduced after two leagues were withdrawn for the period. Weekend daytime usage was moderate although it was expected given the season.
Libraries website visitor sessions	1,821,377	600,000	204%	In 2012/13 we changed the measurement methodology. We expected results to decrease and we reduced the target accordingly. The expected decrease has not occurred and we will review the target during the development of the next long-term plan.
Library programmes – estimated attendees	40,809	35,000	17%	This year, we increased the target for this measure but results are still above forecast. We will review the target during the development of the next long-term plan.
Number of uses of Leisure Card	60,253	50,209	20%	Use is consistent with the same period last year.
Occupancy rates (%) of Wellington City Council Community Centres and Halls	37%	45%	(18%)	We changed the methodology for this measure, which now combines community centres and community halls. We also set a new stretch target that we will struggle to meet by year-end.
Dog control – complaints received (5 of registered dogs)	2%	3%	22%	Reduction in complaints in November and December is likely due to dogs being in kennels or being taken on holiday.
Percentage of planned inspections carried out for high-risk premises (category 3)	60%	50%	20%	After a slow start to the year, we are on track to achieve this target at year end.
Percentage of inspections carried out for high-risk premises (category 3) carried out during high trading hours.	30%	25%	18%	After a slow start to the year, we are on track to achieve this target at year end.

⁵ Areas where performance varied from budgeted expectations by more than 10%.

NET OPERATING EXPENDITURE

Outcome Description	YTD			Full Year	
	Actual \$000	Budget \$000	Variance \$000	Forecast \$000	Budget \$000
5.1 Recreation Promotion & Support	13,859	12,812	(1,047)	26,142	25,126
Revenue is unfavourable mainly in the fitness centres and the ASB Sports centre. Also labour costs are over budget partly due to the introduction of the Wellington Wage. This has meant a higher allocation of corporate overheads to this activity.					
5.2 Community Support	7,924	9,010	1,086	11,595	16,821
Under budget primarily due to Social Housing. The key variances are the timing of the recognition of the Crown grant for the Housing Upgrade Project and savings in interest, insurance and depreciation.					
5.3 Public Health and Safety	4,376	4,111	(265)	8,616	8,281
Over budget due to additional labour costs which has also flowed through to a higher allocation of corporate overheads to this activity.					
TOTAL	26,159	25,933	(226)	46,353	50,228

CAPITAL EXPENDITURE

Outcome Description	YTD			Full Year	
	Actual \$000	Budget \$000	Variance \$000	Forecast \$000	Budget \$000
5.1 Recreation Promotion & Support	3,982	4,250	269	7,243	7,243
Under budget due to the Keith Spry Pool Upgrade and Renewal works being slightly behind schedule.					
5.2 Community Support	9,959	12,195	2,235	26,203	22,222
Under budget due to Housing works behind budget. This relates to both the Housing Upgrade Project and renewal work. The Housing Upgrade Project is currently expected to be ahead of schedule by year end.					
5.3 Public Health and Safety	948	666	(282)	1,090	1,310
Over budget as work is ahead of budgeted schedule.					
TOTAL	14,889	17,111	2,222	34,537	30,775

6. URBAN DEVELOPMENT

Tāone Tupu Ora

Our focus is on enhancing Wellington as a compact, vibrant, attractive and safe city that is built on a human scale and is easy to navigate.

WHAT WE DO

- Urban planning, heritage and public spaces development
- Building and development control.

HIGHLIGHTS OF THIS QUARTER

- An application was received for a 5 storey commercial building on Site 10, Wellington Waterfront. The application includes the creation of public open space on the adjoining site. The applicant has requested direct referral to the Environment Court.
- The first tranche of special housing areas approved by Council in the first quarter have now been approved by Government as part of the implementation of the Wellington Housing Accord.
- We have been working with Bond Street residents and retailers to coordinate the Bond Street activation project. Retailers are developing a street webpage to leverage off the project.
- The Civic Square beach installation has seen high volumes of young people using the square.
- We completed concept designs for a green wall that will be installed into Civic Square to promote the use of vertical gardens and sustainability in the city. A green wall conference is planned for later in the year.

SIGNIFICANT VARIANCES IN PERFORMANCE⁶:

SERVICE DELIVERY

Measure	Actual	Target	Var	Variance Explanation
Land Information Memorandums (LIMs) issued within 10 days	80%	100%	(20%)	We have received record numbers of applications for the year-to-date, which has affected our performance. Results improved in December 2014 as we focused on improving our performance and the number of applications reduced.
Noise control (excessive noise) complaints investigated within one hour	99%	90%	10%	All but four of the 502 noise complaints received were investigated within one hour.
Resource consents that are monitored within three months of project commencement	99%	90%	10%	This quarter all resource consents were monitored within three months of project commencement.
Earthquake strengthened council buildings: programme achievement	Partially-Achieved	Achieved	n/a	Work on the Town Hall and Portico are ongoing.

⁶ Areas where performance varied from budgeted expectations by more than 10%.

NET OPERATING EXPENDITURE

Description	YTD			Full Year	
	Actual \$000	Budget \$000	Variance \$000	Forecast \$000	Budget \$000
6.1 Urban Planning and Policy	5,124	5,822	698	11,358	11,951
Year to date and forecast favourable variances relate to higher than budgeted Waterfront property lease and parking revenue, including the unbudgeted naming rights income for TSB Arena.					
6.2 Building & Development Control	4,373	3,488	(884)	7,884	7,319
Building and Resource Consent volumes and income lower than budgeted.					
TOTAL	9,496	9,310	(186)	19,242	19,270

CAPITAL EXPENDITURE

Description	YTD			Full Year	
	Actual \$000	Budget \$000	Variance \$000	Forecast \$000	Budget \$000
6.1 Urban Planning and Policy	4,531	3,543	(988)	17,935	17,500
Current variance is predominantly due to timing of expenditure on the Parliamentary Precinct and Victoria Street projects. Forecast variance is predominantly due to additional expenditure on the Parliamentary Precinct project which is funded by unbudgeted external grant revenue.					
6.2 Building & Development Control	2,222	3,891	1,669	5,558	5,558
Under budget as the Earthquake Strengthening programme is behind schedule.					
TOTAL	6,753	7,434	681	23,493	23,058

7. TRANSPORT

Waka

We manage the transport network so it is sustainable, safe and efficient.

WHAT WE DO

- Transport
- Parking.

HIGHLIGHTS OF THIS QUARTER

Parking

- The planning for the Parking Sensor Trial has been completed with an initial install of the sensors to be completed early in 2015. The trial will conclude late June 2015 with results presented thereafter.

Transport

This quarter we:

- completed 7.7 km of footpath renewals and 3.8 km kerb and channel renewals
- replaced or fitted 150 raised road markers (cat's-eyes) repainted 207 Traffic Arrows and 103 km of centre-line or solid white line
- repaired or replaced nearly 5,000 signs and poles and 1.5km of handrails
- repaired 10 bus shelters.
- approved 1,530 Corridor Access Requests for utility network maintenance and other temporary activities on the transport network, monitoring activity as appropriate.
- provided 505 approvals for significant temporary traffic management plans
- sourced LED street lights to replicate the original design lights for the Kelburn Viaduct. The lights will be fitted in early 2015.

SIGNIFICANT VARIANCES IN PERFORMANCE⁷:

SERVICE DELIVERY

No significant variances.

NET OPERATING EXPENDITURE

Outcome Description	YTD			Full Year	
	Actual \$000	Budget \$000	Variance \$000	Forecast \$000	Budget \$000
7.1 Transport	18,654	19,432	778	38,912	39,114
Year to date variance is mainly timing related.					
7.2 Parking	(7,064)	(7,061)	3	(13,877)	(14,086)
Currently in line with budget. However revenue from parking enforcement is under budget and is expected to be unfavourable to budget at year-end. This is being offset by lower than anticipated labour costs and other savings in general operating costs.					
TOTAL	11,591	12,371	781	25,035	25,028

⁷ Areas where performance varied from budgeted expectations by more than 10%.

CAPITAL EXPENDITURE

Outcome Description	YTD			Full Year	
	Actual \$000	Budget \$000	Variance \$000	Forecast \$000	Budget \$000
7.1 Transport	17,474	18,259	785	43,603	39,623
Forecast variance relates to the Johnsonville triangle project and is funded by unbudgeted NZTA revenue.					
7.2 Parking	53	30	(23)	180	180
TOTAL	17,527	18,289	762	43,783	39,803