

Regulatory Performance Committee

AGENDA

Notice of Meeting:

An ordinary meeting of the Regulatory Performance Committee will be held on:

Date: Wednesday 8 August 2018
Time: 9am
Venue: Committee Room 1, Level 2, Civic Offices,
53 Hereford Street, Christchurch

Membership

| | |
|-----------------|---------------------------|
| Chairman | Councillor David East |
| Deputy Chairman | Councillor Jamie Gough |
| Members | Councillor Jimmy Chen |
| | Councillor Anne Galloway |
| | Councillor Tim Scandrett |
| | Councillor Sara Templeton |

3 August 2018

Principal Advisor

Leonie Rae
General Manager Consenting &
Compliance

Liz Ryley
Committee Advisor
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Note: The reports contained within this agenda are for consideration and should not be construed as Council policy unless and until adopted.
If you require further information relating to any reports, please contact the person named on the report.

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REGULATORY PERFORMANCE COMMITTEE - TERMS OF REFERENCE

| | |
|----------------------|---|
| Chair | Councillor East |
| Membership | Councillor Gough (Deputy Chair), Councillor Chen, Councillor Galloway, Councillor Scandrett, Councillor Templeton |
| Quorum | Half of the members if the number of members (including vacancies) is even, or a majority of members if the number of members (including vacancies) is odd. |
| Meeting Cycle | Monthly |
| Reports To | Council |

Responsibilities

The focus of the Regulatory Performance Committee is Council's regulatory and compliance functions. The Committee seeks to foster:

- active citizenship, community participation and community partnerships
- innovation and creativity
- relationship with key partner organisations and agencies
- engagement with community boards on bylaw development and review

The Regulatory Performance Committee considers and reports to Council on issues and activities relating to:

- Council's regulatory and compliance functions
- Council's regulatory and compliance functions under:
 - Resource Management Act 1991 and related legislation
 - Building Act 2004 and the New Zealand Building Code
 - Dog Control Act 1996
 - Sale and Supply of Alcohol Act 2012
 - Local Government Act 1974 and Local Government Act 2002
 - Historic Places Act 1980
 - District Plan
 - Bylaws
 - Other regulatory matters
- District planning
- Approval and monitoring of Council's list of hearings commissioners under the Resource Management Act 1991.
- relationship with key partner organisations and agencies
- engagement with community boards on bylaw development and review

| | |
|--------|--------------------------------------|
| Part A | Matters Requiring a Council Decision |
| Part B | Reports for Information |
| Part C | Decisions Under Delegation |

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1. Apologies

An apology for leave of absence was received from Councillor East.

2. Declarations of Interest

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

3. Confirmation of Previous Minutes

That the minutes of the Regulatory Performance Committee meeting held on [Wednesday, 11 July 2018](#) be confirmed (refer page 5).

4. Public Forum

A period of up to 30 minutes may be available for people to speak for up to five minutes on any issue that is not the subject of a separate hearings process.

It is intended that the public forum session will be held at approximately 9am.

5. Deputations by Appointment

There were no deputations by appointment at the time the agenda was prepared.

6. Petitions

There were no petitions received at the time the agenda was prepared.

Regulatory Performance Committee OPEN MINUTES

Date: Wednesday 11 July 2018
Time: 9.03am
Venue: Committee Room 1, Level 2, Civic Offices,
53 Hereford Street, Christchurch

Present

| | |
|-----------------|---------------------------|
| Chairman | Councillor David East |
| Deputy Chairman | Councillor Jamie Gough |
| Members | Councillor Jimmy Chen |
| | Councillor Anne Galloway |
| | Councillor Tim Scandrett |
| | Councillor Sara Templeton |

10 July 2018

Principal Advisor

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-
- Part A** **Matters Requiring a Council Decision**
Part B **Reports for Information**
Part C **Decisions Under Delegation**
-

The agenda was dealt with in the following order.

1. Apologies

Part C

Committee Resolved RPCM/2018/00031

Committee Decision

That the apologies from Councillor Scandrett for lateness, and Councillor Templeton for early departure, be accepted.

Councillor Gough/Councillor Galloway

Carried

2. Declarations of Interest

Part B

There were no declarations of interest recorded.

3. Confirmation of Previous Minutes

Part C

Committee Resolved RPCM/2018/00032

Committee Decision

That the minutes of the Regulatory Performance Committee meeting held on Wednesday, 13 June 2018 be confirmed, subject to an addition to Item 8 Car Park Consent at New World, Stanmore Road, that the Council will inform Foodstuffs that future site plans show the true size of a tree's canopy, and that plans are in future peer reviewed in relation to protected trees.

Councillor Galloway/Councillor Chen

Carried

4. Public Forum

Part B

There were no public forum presentations.

5. Deputations by Appointment

Part B

There were no deputations by appointment.

6. Presentation of Petitions

Part B

There was no presentation of petitions.

7. Proposed Replacement Alcohol Restrictions in Public Places Bylaw 2018

Committee Decided RPCM/2018/00033

Part A

That the Regulatory Performance Committee recommend to the Council that it:

1. Receive the attached section 155 report (refer to **Attachment A**) on the making of the proposed draft Christchurch City Council Alcohol Restrictions in Public Places Bylaw 2018 (proposed draft bylaw) – refer to **Attachment B**.
2. Resolve, in accordance with section 155 of the Local Government Act 2002, that the proposed draft bylaw:
 - a. is the most appropriate way of addressing the perceived problem; and
 - b. is the most appropriate form of bylaw (subject to changes made as a result of the special consultative procedure); and
 - c. gives rise to some implications under the New Zealand Bill of Rights Act 1990 but that the proposed draft bylaw is not inconsistent with that Act (subject to changes made as a result of the special consultative procedure);
3. Resolve, under section 147A(3) of the Local Government Act 2002 that the proposed draft bylaw (subject to any changes made as a result of the special consultative procedure) is of substantially the same effect to the Christchurch City Council Alcohol Restrictions in Public Places Bylaw 2009, and that it is satisfied that:
 - a. the proposed draft bylaw can be justified as a reasonable limitation on people's rights and freedoms; and
 - b. a high level of crime or disorder (being crime or disorder caused or made worse by alcohol consumption in the area concerned) is likely to arise in Christchurch City if the proposed draft bylaw is not made; and
 - c. the proposed draft bylaw is appropriate and proportionate in the light of that likely crime or disorder.
4. Commence, in accordance with sections 83, 86, and 156 of the Local Government Act 2002, the Special Consultative Procedure in relation to the proposed draft bylaw;
5. Resolve that the attached Statement of Proposal (which includes the proposed draft bylaw) (**Attachment B**) be adopted for consultation;
6. Agree that a hearings panel be convened to receive and hear submissions on the proposed bylaw amendments, deliberate on those submissions, and report back recommendations to the Council on the final form of the bylaw.

Councillor Gough/Councillor Chen

Carried

8. Proposed Amendment to the Freedom Camping Bylaw 2015 (Akaroa)

Committee Decided RPCM/2018/00034

Part A

That the Regulatory Performance Committee recommend to the Council that it:

1. Resolve that it is satisfied that the proposed amendment to the Christchurch City Council Freedom Camping Bylaw 2015 is the most appropriate and proportionate way of addressing the perceived problems, and therefore meets the requirements of section 11 of the Freedom Camping Act 2011;
2. Note that the Freedom Camping Act requires the use of the Special Consultative Procedure to amend a freedom camping bylaw;
3. Approve and adopt the attached Statement of Proposal (Attachment A), which includes the proposed amendments, for public consultation;
4. Agree that a hearings panel be convened to receive and hear submissions on the proposed bylaw amendments, deliberate on those submissions, and report back recommendations to the Council on the final form of the bylaw; and
5. Note that the hearings panel will report back to the Council so that any amendments can be in place in time for the start of the summer freedom camping season for 2018-19.

Councillor Templeton/Councillor Galloway

Carried

9. Proposed Changes to the Brothels (Location and Commercial Sexual Services Signage) Bylaw 2013

Committee Decided RPCM/2018/00035

Part A

That the Regulatory Performance Committee recommend to the Council that it:

1. Note that the Brothels (Location and Commercial Sexual Services Signage) Bylaw 2013 has been reviewed to meet statutory review requirements (in compliance with sections 158 and 160 of the Local Government Act 2002);
2. Resolve that the proposed amendments to the bylaw meet the requirements of section 155 of the Local Government Act 2002, as set out in Attachment A, in that:
 - a. a bylaw is the most appropriate way of addressing the perceived problems; and
 - b. the proposed bylaw (subject to the outcome of the consultation process) is the most appropriate form of bylaw; and
 - c. the proposed bylaw gives rise to some implications under the New Zealand Bill of Rights Act 1990, but is not inconsistent with that Act.
3. Adopt the attached proposed amendments to the Brothels (Location and Commercial Sexual Services Signage) Bylaw 2013 (Attachment B) for public consultation.
4. Note that public consultation will be undertaken in accordance with the Local Government Act 2002 (sections 156 and 82).

5. Agree that a hearings panel be convened to receive and hear submissions on the proposed bylaw amendments, deliberate on those submissions, and report back recommendations to the Council on the final form of the bylaw.

Councillor Galloway/Councillor Templeton

Carried

10. Proposed Changes to the Public Places Bylaw 2008

Committee Decided RPCM/2018/00036

Part A

That the Regulatory Performance Committee recommend to Council that it:

1. Note that:
 - a. this report relates to the review of the Public Places Bylaw 2008;
 - b. the review of the current bylaw has resulted in the development of a proposed bylaw: the Christchurch City Council Public Places Bylaw 2018;
 - c. in order to complete the review, the Council needs to approve and consult the public on the proposed bylaw.
2. Receive the attached section 155 analysis report (Attachment A).
3. Note that on 22 March 2018 Council resolved that a bylaw is the most appropriate way of addressing the perceived problems relating to public places, in accordance with section 155(1) of the Local Government Act 2002, and that a bylaw is required to provide for reasonable controls to:
 - a. protect health and safety;
 - b. protect the public from nuisance; and
 - c. provide for the regulation of trading in public places.
4. Commence the Special Consultative Procedure in relation to the proposed bylaw (Attachment B) and notes that subject to any changes as a result of the consultation process the proposed bylaw meets the requirements of section 155 of the Act, in that:
 - a. a bylaw is the most appropriate way of addressing the perceived problems; and
 - b. the proposed bylaw (subject to the outcome of the consultation process) is the most appropriate form of bylaw; and
 - c. the proposed bylaw gives rise to some implications under the New Zealand Bill of Rights Act 1990, but is not inconsistent with that Act.
5. Adopt a Statement of Proposal (Attachment C) for consultation in accordance with section 83 of the Act; and
6. Agree that a hearings panel be convened to receive and hear submissions on the proposed bylaw amendments, deliberate on those submissions, and report back recommendations to the Council on the final form of the bylaw.

Councillor Chen/Councillor Templeton

Carried

11. Review of the Trading and Events in Public Places Policy 2010

Committee Decided RPCM/2018/00037

Part A

That the Regulatory Performance Committee recommend to Council that it:

1. Note that:
 - a. this report relates to the review of the Christchurch City Council Trading and Events in Public Places Policy 2010 (the current policy);
 - b. the review of the current policy has resulted in the development of a draft replacement policy: the Christchurch City Council Trading and Events in Public Places Policy 2018;
2. Approve the draft replacement policy and consult the public on the draft policy.
3. Agree that a hearings panel be convened to receive and hear submissions on the proposed replacement policy, deliberate on those submissions, and report back recommendations to the Council on the final form of the policy.

Councillor Gough/Councillor Galloway

Carried

12. Proposed Changes to the Cemeteries Bylaw 2013

Committee Decided RPCM/2018/00038

Part A

That the Regulatory Performance Committee recommend to Council that it:

1. Note that:
 - a. this report relates to the review of the Cemeteries Bylaw 2013;
 - b. the review of the current bylaw has resulted in the development of proposed amendments to the 2013 bylaw;
 - c. in order to complete the review, the Council needs to approve and consult the public on the proposed bylaw amendments.
2. Receive the attached section 155 analysis report (Attachment A).
3. Note that on 22 March 2018 Council resolved that a bylaw is the most appropriate way of addressing the perceived problems relating to cemeteries, in accordance with section 155(1) of the Local Government Act 2002, and that a bylaw is required to provide for reasonable controls to:
 - a. protect health and safety;
 - b. protect the cemeteries; and
 - c. provide for the regulation of activities in cemeteries.
4. Commence the consultation process in relation to the proposed bylaw amendments (Attachment B) and note that subject to any changes as a result of the consultation process the proposed bylaw meets the requirements of section 155 of the Act, in that:

- a. a bylaw is the most appropriate way of addressing the perceived problems; and
 - b. the proposed amended bylaw (subject to the outcome of the consultation process) is the most appropriate form of bylaw; and
 - c. the proposed amended bylaw gives rise to some implications under the New Zealand Bill of Rights Act 1990, but is not inconsistent with that Act.
5. Agree that a hearings panel be convened to receive and hear submissions on the proposed bylaw amendments, deliberate on those submissions, and report back recommendations to the Council on the final form of the bylaw.

Councillor Templeton/Councillor Chen

Carried

13. Review of the Cemeteries Handbook 2013

Committee Decided RPCM/2018/00039

Part A

That the Regulatory Performance Committee recommend to the Council that it:

1. Note that:
 - a. This report relates to the review of the Christchurch City Council Cemeteries Handbook 2013 (the current handbook);
 - b. The review of the current handbook has resulted in the development of a draft replacement handbook: the Christchurch City Council Cemeteries Handbook 2018;
2. Approve the draft replacement handbook (Attachment A) and consult the public on the draft handbook.
3. Agree that a hearings panel be convened to receive and hear submissions on the proposed replacement Cemeteries Handbook, deliberate on those submissions, and report back recommendations to the Council on the final form of the Handbook.

Councillor Chen/Councillor Templeton

Carried

Councillor Scandrett arrived at 9.42am.

14. Monitoring of Known Earthquake Waste Demolition Storage Sites and Clean fill Sites

Committee Comment

The Committee asked to receive, for information, historical Council reports that had been completed on monitoring of known earthquake waste demolition storage sites and clean fill sites.

Committee Resolved RPCM/2018/00040

Part C

That Regulatory Performance Committee:

1. Receive the information in the Monitoring of Known Earthquake Waste Demolition Storage Sites and Clean fill Sites report.

Councillor Chen/Councillor Galloway

Carried

An adjournment was taken from 9.46am to 9.54am.

Councillor Templeton departed at 10am during discussion on Item 15.

15. Resource Consents Monthly Report - May 2018

Committee Comment

1. Staff were asked to investigate a proposal on levels of service acceptable to the community.

Committee Resolved RPCM/2018/00041

Part C

That Regulatory Performance Committee:

1. Receive the information in the Resource Consents Monthly Report – May 2018 report.

Councillor East/Councillor Chen

Carried

16. Building Consenting Unit Update July 2018

Committee Resolved RPCM/2018/00042

Part C

That the Regulatory Performance Committee:

1. Receive the information in the Building Consenting Update June 2018 report.

Councillor East/Councillor Gough

Carried

Meeting concluded at 10.29am.

CONFIRMED THIS 8TH DAY OF AUGUST 2018

COUNCILLOR DAVID EAST
CHAIRMAN

7. 2018 Review of the Gambling and TAB Venue Policy

Reference: 18/519098

Presenter(s): Jenna Marsden, Senior Policy Analyst.

1. Purpose and Origin of Report

Purpose of Report

- 1.1 The purpose of this report is to update the Regulatory Performance Committee and Council on the current state of class 4 (gambling machines) and TAB gambling activity in Christchurch (including the social effects), and determine whether a change from the current policy approach is warranted.

Origin of Report

- 1.2 This report is provided to fulfil the legislative requirement to review the Council's Gambling and TAB venue policy within three years of the completion of the last review. The current policy was reviewed and rolled over in 2015.

2. Significance

- 2.1 The decision in this report is of medium significance in relation to the Christchurch City Council's Significance and Engagement Policy.
- 2.2 The level of significance was determined by the high level of community interest in gambling and the possible social impacts on individuals and communities, both in terms of benefits and harm. However there is no change proposed to the current situation, there is little cost and risk involved to Council, and the decision can be easily reversed.

3. Staff Recommendations

That the Regulatory Performance Committee recommends to Council that it:

1. Receive the report "Background Information and Report on the Social Impacts of Gambling in Christchurch"
2. Receive the summary of stakeholder feedback provided through a questionnaire on the Council's current Gambling and TAB Venue Policy (2015)
3. Retain the existing Gambling and TAB Venue Policy for a further three years.

4. Key Points

- 4.1 This report supports the :

4.1.1 Activity: Strategic Planning and Policy

- Level of Service: 17.0.19.4 Bylaws and regulatory policies to meet emerging needs and satisfy statutory requirements - Carry out bylaw reviews in accordance with ten-year bylaw review schedule and statutory requirements.
- Level of Service: 17.0.1.2 Advice to Council on high priority policy and planning issues that affect the City. Advice is aligned with and delivers on the governance expectations as evidenced through the Council Strategic Framework - Annual strategy and policy work program

- 4.2 The Council must have a policy on class 4 gambling venues and TAB venues, stating if new venues can be established, and if so, where they may be located. This policy is due for review.

- 4.3 The Council's current policy does not allow new class 4 venues to be established, and does allow TAB venues to be established in Christchurch.
- 4.4 Staff have considered the Council's current policy in light of the relevant legislation and the current state of class 4 and TAB gambling activity and social effects in Christchurch.
- 4.5 The following feasible options have been considered:
- Option 1 – Retain the current Gambling and TAB Venues Policy (preferred option)
 - Option 2 - Amend the Gambling and TAB Venue Policy and undertake a special consultative procedure.
- 4.6 Option 1 is recommended because on balance of the information available for class 4 gambling, it is considered appropriate to continue to focus on reduction of gambling opportunities throughout the city. This is particularly because Christchurch continues to have a higher number of gaming machines per head of population and comparatively higher rates of people seeking assistance for gambling problems. With respect to TAB venues, there do not appear to be any significant concerns with the number or location of TAB venues in the city and it is considered that the existing controls are sufficient. Retaining the current policy without amendment following the review does not require further consultation/use of the special consultative procedure.

5. Context/Background

Gambling and TAB Venue Policy Review - General

- 5.1 The Council has a combined policy for class 4 venues and TAB venues which was first adopted in 2004. The policy was reviewed in 2006, and because changes were proposed, consultation using the Special Consultative Procedure (SCP) was required. It was then subsequently reviewed in 2009, 2012 and 2015 using targeted consultation with key stakeholders. In every review instance, the policy was retained unchanged.
- 5.2 Legislation requires that these policies are reviewed every three years. The policy was last reviewed in 2015 and is now due for review.
- 5.3 As part of this review process, staff have prepared a detailed background paper (Attachment B), which provides information on the current state of the class 4 and TAB gambling industry with a local focus, and considers the social impacts gambling has on individuals and communities in Christchurch. This report is designed to be read in conjunction with this paper. The key findings are:
- Venue and gaming machine numbers are continuing to decline, and are doing so at a faster rate in Christchurch than nationally.
 - Christchurch has more gaming machines per venue and more gaming machines per head of population compared to national averages.
 - Expenditure (amount put in to machines, less prizes) in Christchurch is currently at its lowest level in the past ten years. Nationally expenditure has been increasing in recent years, but locally it continues to decline.
 - Per head of population Christchurch ranks middle of the table for class 4 gambling expenditure, at 34th highest out of the 67 territorial authorities. Yet when compared to the major cities, expenditure per head of population still remains one of the highest.
 - Research shows there is no association between the density of machines and expenditure per machine, but there is an association between density of machines and rates of problem gambling (more machines doesn't necessarily mean more expenditure, but it may mean more harm).

- Although reported problem gambling rates are gradually declining for Christchurch, comparatively, the number of people seeking assistance for gambling problems is higher per head of population than nationally.
- 5.4 To help inform the review of this policy, 28 major class 4 and TAB gambling stakeholders were invited to provide feedback on the Council's current Gambling and TAB Venue Policy (2015) through a short questionnaire. Nineteen responses were received. A summary of this targeted consultation is detailed in Attachment C.
- 5.5 The Council commissioned detailed analysis by Covec of the economic impacts of non-casino gambling machines on Christchurch city in 2009. The Covec report¹ was updated in 2018. The key findings of this report have been incorporated into Attachment B: Background Information and Report on the Social impacts of Gambling in Christchurch. Of particular note, the Covec report assessed that the economic impacts of the local industry (aside from the small GDP benefit) are largely negative.
- 5.6 A policy may only be amended or replaced in accordance with the special consultative procedure (SCP) in section 83 of the Local Government Act 2002. A decision to roll over the existing policy for a further three years does not require a SCP to be undertaken.

CLASS 4 GAMBLING

Current Policy Background

- 5.7 It is a legislative requirement under the Gambling Act 2003 (section 101) for territorial authorities to have a policy on class 4 venues.
- 5.8 The Gambling Act applies to all forms of gambling except for race and sports betting which is covered by the Racing Act 2003. The purposes of the Act relevant to a class 4 venue policy are:
 - Control the growth of gambling
 - Prevent and minimise the harm from gambling, including problem gambling
 - Facilitate community involvement in decisions about the provision of gambling.
- 5.9 Class 4 gambling is gambling on gaming machines (commonly referred to as "pokies"), which are not located in casinos.
- 5.10 A class 4 gaming venue policy *must* specify whether or not class 4 venues can be established in Christchurch, and, if so, where they may be located. It *may* also:
 - Specify any restriction on the maximum number of gaming machines that may be operated
 - Include a relocation policy.
- 5.11 The primary effect of the Christchurch City Council's current Gambling Venue Policy is to influence gambling accessibility, and is what is commonly referred to as a "sinking lid" policy. It states the Council will not grant consent under section 98 of the Gambling Act 2003 to allow any increase in class 4 gaming venues or machine numbers, except where two or more corporate societies (clubs) are merging.
- 5.12 Where two clubs are merging, Ministerial consent must specify the number of gaming machines that may be operated. In accordance with section 95 (4) of the Gambling Act 2003, the number of machines that may be operated must not exceed the lesser of:

¹ Covec, 2009. *The Economic Impacts of NCGMs on Christchurch City*. Report prepared for Christchurch City Council. Updated by George Earnest, Christchurch City Council, May 2018.



- the number of gaming machines specified in a territorial authority consent;
- 30 machines;
- the sum of the number of gaming machines of the two venues merging, as specified in the application.

Council's policy sets the maximum number of machines for club mergers at 18 machines. In most cases, this would be more restrictive than what would otherwise be approved under the Act.

5.13 A copy of the current Gambling venue policy is attached with this report (Attachment A).

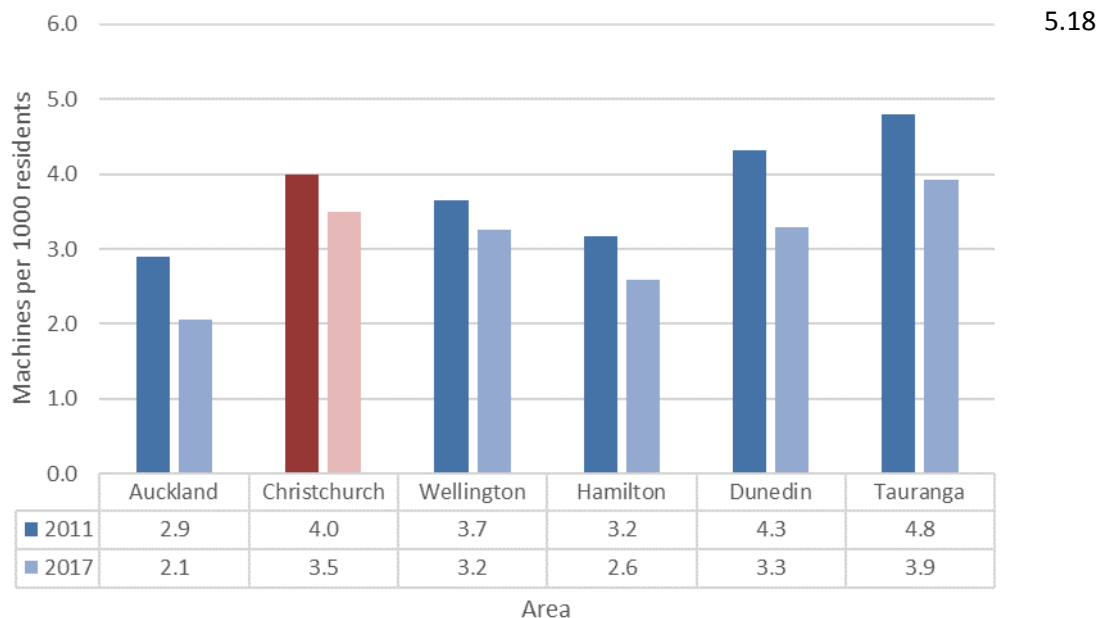
Class 4 Gambling Venues in Christchurch

5.14 As at 11 April 2018 there were 1,332 gaming machines in 86 class 4 gambling venues in Christchurch. Currently 95% of the total number of machines permissible in Christchurch venues are operating. This means that although there are 1,332 machines currently operating, 1,451 are permitted to operate.

5.15 During the time Christchurch City Council has had a sinking lid policy in place, the number of venues and gaming machines in the city has declined, and has done so at a faster rate in Christchurch than nationally. In part, this could be due to the immediate and ongoing effects of the earthquakes combined with the sinking lid policy approach.

5.16 Despite declining venue and machine numbers, Christchurch continues to have a higher ratio of gaming machines per head of population than the national average, and this is one of the highest rates across the major cities of New Zealand, with only Tauranga having more.

5.17 Comparison of Machine Numbers (per 1,000 residents) in 2011 and 2017.

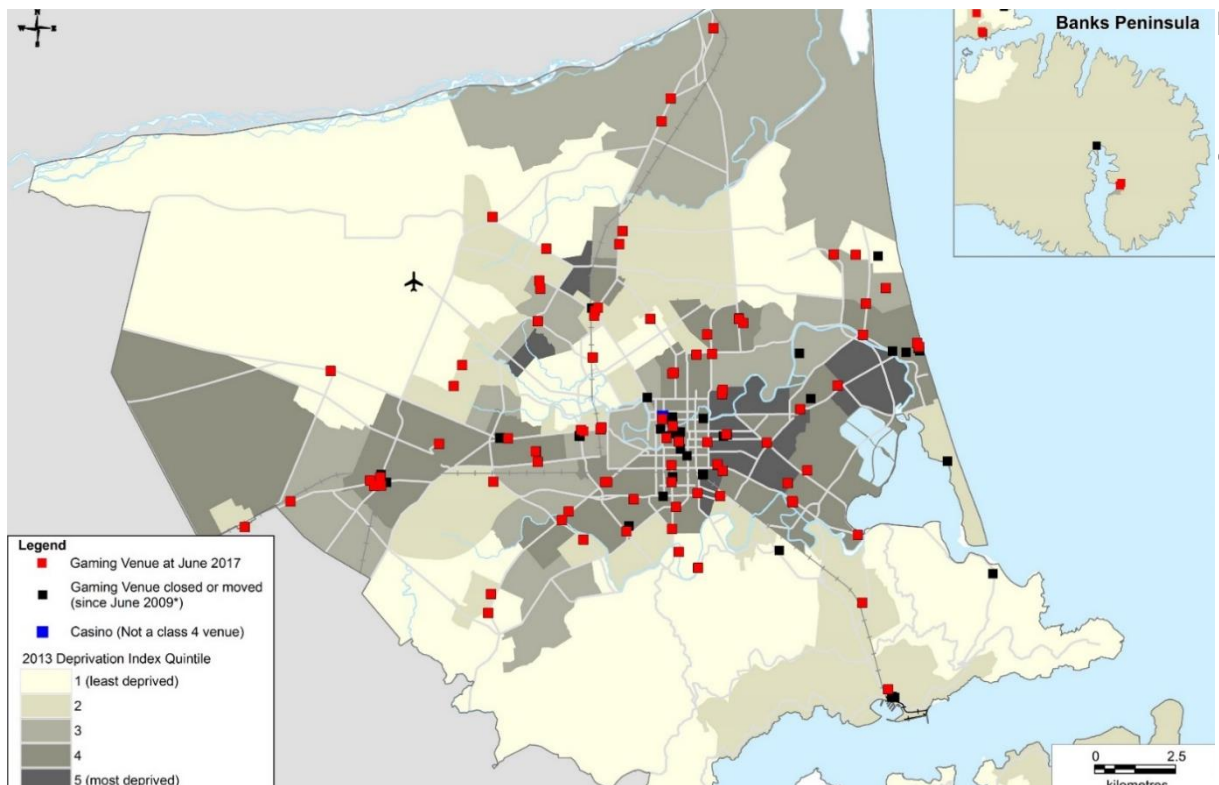


Studies from New Zealand and Australia have demonstrated a strong association between gambling accessibility (per capita gambling machine density) and the prevalence of problem gambling, and this is further supported by international research. Research has also found that there is no association between the number of machines and expenditure. In combination this indicates that more machines does not necessarily mean more expenditure, but it could mean more harm.



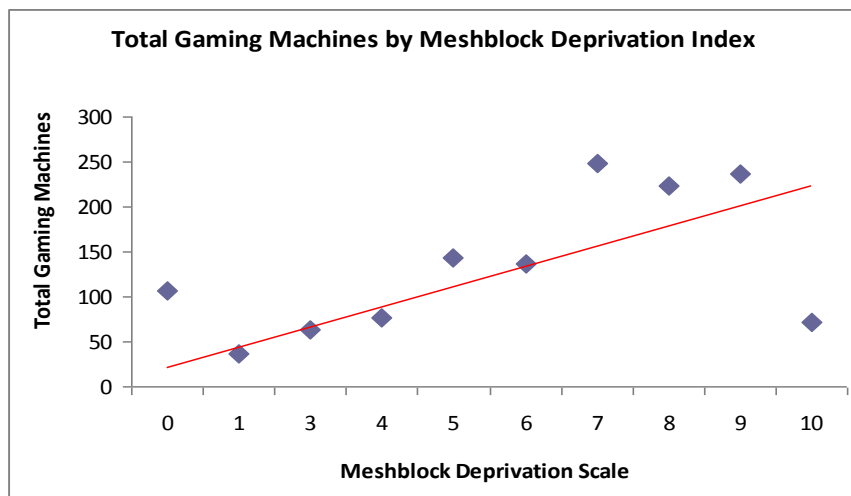
5.19 The map below shows the spatial distribution of gaming machine venues in Christchurch, with area unit deprivation.

5.20 Map of Class 4 Gambling Venues with Area Unit Deprivation, June 2017.



5.21 It is a commonly held perception that class 4 gaming venues are concentrated in lower socioeconomic areas. Research has shown there is a link between the two in Christchurch, although small in practical terms. Generally, the higher the deprivation score of an area, the higher the number of gaming machines². Just over half (54%) of all gaming machines in Christchurch are located in areas with a deprivation score of 7 or higher. Living in an area of high deprivation is one of the identified factors that have a higher risk of problem gambling.

5.22 *Number of Gaming Machines in Christchurch by Meshblock Deprivation*

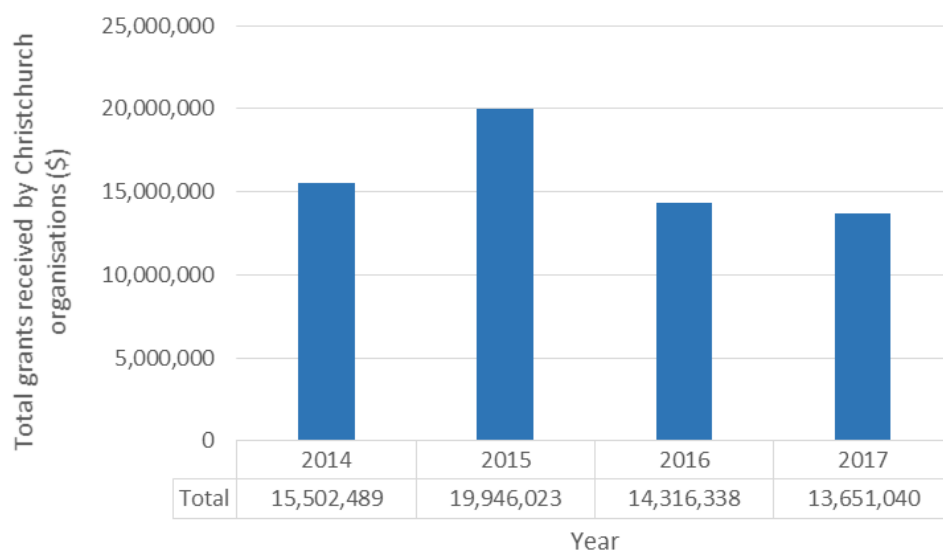


² COVEC 2009. The Economic Impacts of NCGMs on Christchurch City. Report prepared for Christchurch City Council. Updated by George Earnest, Christchurch City Council, May 2018.



Benefits of Class 4 Gambling In Christchurch

- 5.23 Gaming machines provide some benefits including entertainment to the individuals using them. The community as a whole benefits from the return of profits (legislation prescribes a minimum of 40% of gross proceeds) either as grants to community organisations through the various trusts that own the machines or benefits provided to members of chartered clubs.
- 5.24 Concern has been raised, particularly by corporate societies, that a sinking lid policy approach is decreasing the level of funding and support available to community groups and organisations, and over time this will significantly impact on the services and activities those recipients provide.
- 5.25 Christchurch³ received \$13.6 million in funding from gaming machine proceeds in 2017. Over half of this was to sporting clubs and organisations. The amount of funding has fluctuated over the past four years, but generally appears to be declining.
- 5.26 Total Class 4 Gambling Corporate Society Grants Made to Christchurch Organisations, 2014-2017.



Gambling-related Harm – Class 4

- 5.27 The National Gambling Study (2014) found that although most adults (70%) who had gambled in the previous 12 months were at no risk of their gambling causing harm, 0.3% were problem gamblers. A further 1.5% are categorised as “moderate risk gamblers”⁴.
- 5.28 Non-casino gaming machines have a much higher risk of potential gambling-related harms than most other forms of gambling. In context of all gambling activities, non-casino gaming machines have the second-highest rate of problem gambling prevalence, preceded only by online gambling.

³ The grant figures provided are collated from the various societies and reported by the Problem Gambling Foundation of New Zealand. It is important to note that the grant figures presented are those made solely, identifiably to Christchurch. Wider organisations, (eg: Southern United Sports, which includes other local authority areas) have been excluded. National grants which have not been made to a specific branch (eg: Cancer Society) are also excluded from the total grant figure reported as it is impossible to determine the level of benefit received by locally.

⁴ Moderate risk gamblers experience some negative consequences as a result of their gambling, but they do not have the ‘loss of control’ of a problem gambler.

- 5.29 For those seeking services for problem gambling, non-casino gaming machines were significantly more likely to be the main form of problem gambling reported and is most often the gambling method of “choice” for problem gamblers, (49% of clients).
- 5.30 Although reported problem gambling intervention service client rates are gradually declining for Christchurch, the city remains over-represented in the problem gambling treatment service user statistics with 8.2 clients per 10,000 population compared to 6.2 nationally.
- 5.31 As well as the harm experienced by the problem gambler themselves, problem gambling negatively impacts the people around that person and can have wide-ranging effects on these relationships. There isn’t a great deal of consensus about the extent of this secondary harm. The New Zealand Health Survey suggests around one in 40 people aged 15 and over (2.5%) are negatively affected by another person’s gambling. Other studies have suggested rates of secondary harm could be as high as 17%.

Other Gambling Venue Policy Approaches Considered

- 5.32 There is a continuum of options for a class 4 gambling venue policy – from a restrictive approach aimed at reducing the number of venues and gaming machines, to a more relaxed policy that enables the industry to grow, within the constraints of the Gambling Act 2003.

- 5.33 The following general approaches have been considered:

Cap on total machine numbers and/or venue numbers

- 5.34 This option places an upper limit on the number of gaming venues and/or number of machines in Christchurch. The Council could only issue new consents so long as it falls within the cap set.
- 5.35 Depending on where the cap is set, this option could allow some growth by setting a cap higher than existing numbers of venues/machines; set current levels as the maximum and prohibit any further growth; or set a cap lower than current numbers and no consents would be granted until the numbers fall below the cap set. The rationale is ensuring no further growth of the industry occurs, or does not allow growth beyond the level the Council and the community is comfortable with.
- 5.36 This approach has the potential to maintain the same level of grant funding available to community groups and organisations, but it is unlikely to make any significant change to the overall number of venues and machines, and the greater density of machines in Christchurch (and consequently greater risk of harm) may be maintained.
- 5.37 No real evidence has been found to support capped policies as an effective tool in reducing class 4 gambling spending or problem gambling prevalence.
- 5.38 It can be difficult to determine a meaningful cap that will provide the desired outcome. Caps tend to be set at present numbers, or otherwise subjectively set. If the Council were to consider this type of policy, a cap set at current numbers would be:
- 89 venues (including the 86 currently operating and 3 which have their licences on hold); and/or
 - 1,451 gaming machines (including the 1,332 currently operating plus the additional 119 machines that are currently consented to operate).
- 5.39 Given the comparatively high rates of gaming machines per head of population and problem gambling in Christchurch, it does not seem appropriate to place a cap at existing numbers of venues and/or machines.
- 5.40 For a capped policy to have any real impact on problem gambling in Christchurch, it may be more appropriate to set a cap at a level lower than existing number of venues and/or machines.

This means no new consents would be granted until a time when the number of venues and/or machines falls below the cap set. This would allow for further decrease and associated harm minimisation, while maintaining an acceptable level of grant funding available for community organisations.

- 5.41 One option could be to set the cap at a level where Christchurch is better placed, or on-par with national averages – for example, machine numbers per capita. If the Council were to consider this approach, a cap set to match the national average of 3.2 gaming machines per 1,000 population would be 1,220 gaming machines. The rate of reduction of gaming machine numbers over the last 14 years indicates that this figure is unlikely to be achievable in a three year period. Placing such a cap is likely to be meaningless - as effectively, a sinking lid approach would be employed in the interim.
- 5.42 Due to the difficulties setting a meaningful cap and the uncertainty of benefits associated with this policy approach, abandoning the current policy in favour of a cap is not the preferred option.

Restrict where venues may establish

- 5.43 This policy option would allow class 4 venues to be established, and would specify where they may be located. This could be only within certain areas of the city, or a certain distance away from specified places such as schools, churches, or other community facilities. Restrictions can apply to the entire territorial authority area or only to specific suburbs or area units. Location restrictions can only apply to new venues, and cannot apply retrospectively to existing venues.
- 5.44 This approach is most useful where flexibility is required within the policy if there is significant gambling harm occurring in one area of the city, but not in others.
- 5.45 Location restrictions for new class 4 gaming venues could only be considered as a policy option if the Council decided to move away from a sinking lid approach, and allow new class 4 venues to establish in Christchurch.
- 5.46 If the Council were to allow new venues to establish, location restrictions based on suburb or area unit deprivation scores would be a recommended to contribute to minimising the risk of gambling-related harm. This is in light of the slight majority of Christchurch's venues being in areas of higher deprivation, and because research indicates that those living in areas of higher deprivation are at much greater risk of experiencing gambling-related harm.

Limit Machine Numbers at Each Venue

- 5.47 Council's policy can limit the number of machines permitted in a venue, as long as the venue is not covered by specific provisions in the Gambling Act that override Council policy provisions. Any such limits can only apply to new licences, and not retrospectively on existing licences.
- 5.48 A policy which further limits the number of gaming machines permissible at each new class 4 gaming venue is a softer approach to reducing the number of gaming machines available in order to reduce gambling-related harm. It limits growth more than what would otherwise be permitted under the Gambling Act 2003, while still allowing growth of the local class 4 gaming industry.
- 5.49 This option has the potential to reduce the level of financial loss the gambler, reduce income for the host business, and reduce the amount of grant funding available to community groups and organisations if less machines are available, although these impacts and the benefit this policy provision may be limited as studies show there is no real association between the density of machines and expenditure.
- 5.50 Restrictions on machine numbers for new class 4 gaming venues could only be considered if the Council decided to move away from a sinking lid approach, and allow new class 4 venues to establish in Christchurch.

Relocation of Venues

- 5.51 A relocation policy sets out if a territorial authority will grant consent for venues to relocate. Adding a relocation policy to the Council's Gambling Venue Policy to allow (or not allow) venues to relocate is optional.
- 5.52 Whenever a territorial authority is considering whether to include a relocation policy in its class 4 venue policy, it must consider the social impact of gambling in high-deprivation communities within its district. Attachment B to this report has considered the social impacts of gambling in Christchurch, including the impact in high-deprivation communities.
- 5.53 The current policy does not include specific allowances for the relocation of venues or machines. The Council considered during the last review of the Policy whether to include a relocation policy (as required by the Gambling Act 2003), and decided it would not include such a policy.
- 5.54 If the policy were to allow relocation, it can set criteria for the circumstances in which relocations would be consented, for example; only when a venue can no longer continue to operate from its current location due to circumstances beyond the control of the operator, such as:
- Termination of lease
 - Acquisition of property under the Public Works Act
 - Natural disaster making the venue unusable
 - Site redevelopment, modernisation, or desire to otherwise make changes to the business.
- It can also place restrictions on any relocation, such as the location where they could relocate to.
- 5.55 It is possible to use a relocation policy for the purpose of addressing the concentration of class 4 venues in areas of high deprivation, (potentially reducing the risk of gambling related harm), by allowing relocations, but only if they move to areas of low deprivation.
- 5.56 Of the councils who have put a relocation policy in place so far, none have reported specifically doing so for harm minimisation reasons. Although in some areas (such as Wellington and Hamilton) it does have this effect by only allowing relocations to specified areas. Take up of the relocation provisions has been reported as low.
- 5.57 A relocation policy could potentially help to reduce the risk of gambling-related harm if it moves venues wishing to relocate out of areas of high deprivation, but it will not impact on the overall number of gaming machines available. Given that Christchurch continues to have a higher number of gaming machines per head of population, and with the reported associated between machine density per capita and problem gambling prevalence, it might be more appropriate to continue to focus on reduction of gambling opportunities through reducing the number of venues and machines throughout the city.
- 5.58 Despite no specific provision in Council's policy enabling relocation, in most cases where relocation is warranted for reasons beyond the control of the operator (e.g: natural disaster), venue operators have the ability to apply to the Department of Internal Affairs for relocation (without a formal change in venue) under the precedent set by the Waikiwi Tavern case in 2013. Such relocations would only be considered if the following criteria are met:
- a) The new building is in a site that is very close to the existing site/the change in location is minor
 - b) The tavern's name will be the same

- c) The ownership and management will be the same
- d) For all intents and purposes, the patrons of the tavern and the public will regard the tavern as having retained its venue, even if the building is relocated nearby.

5.59 The three options Council has in regard to a relocation policy and how these are administered is outlined below:

| Relocation provision in Territorial Authority policy | How relocation applications are dealt with | Relocated venue licence | Territorial Authority consent required? | Circumstances |
|--|---|--|---|---|
| Relocations are stated as permitted | All relocation are dealt with under the Territorial Authority's policy. | New licence. | Yes | As Territorial Authority policy provides for. |
| Relocations are stated as not permitted | No relocations will be considered, even by the Department of Internal Affairs (as per their indications to Council staff, but this approach could be challenged). | N/A | N/A | N/A |
| Policy is silent on relocations | Relocations under the 'Waikiwi' precedent may be considered by the Department of Internal Affairs | No - Continuation of existing licence. | No | As listed in a) – d) above. |

5.60 A policy which typically adopts a sinking lid approach and contains a policy provision allowing for venue relocations could be seen as contradictory. The essence of a sinking lid policy is that the territorial authority will not grant consent for any new class 4 gambling venue. Venue relocations under a territorial authority's policy are considered new licences, and therefore require consent from the local authority. Despite the two provisions appearing to be conflicting, it is workable. If Council decided to add a provision allowing venue relocations to the existing class 4 venue policy, relocations would need to be stated as an exception to the general sinking lid approach.

5.61 The Department of Internal Affairs has advised under the Council's current policy, applications for relocation under the Waikiwi precedent can be considered. For this reason, it could be considered that there is no incentive to introduce a policy allowing relocation simply for practical issues (such as following an earthquake) because these kind of circumstances are sufficiently dealt with by the Department of Internal Affairs.

5.62 The Department of Internal Affairs has also advised that if a territorial authority's policy states that venue relocations are not permitted, then they would not consider any venue relocation under the Waikiwi precedent either. It is unclear why the Department would rely on the Council's policy in this instance as a territorial authority policy can only deal with new licences, and applications for Waikiwi relocations relate to the continuation of existing licences, and the Council is not involved in that type of decision.

5.63 There have been three 'Waikiwi relocations' in Christchurch, all as a direct or indirect result of the earthquakes. Of these, one has subsequently closed and their gambling licence surrendered; one has relocated and is operating; and the other is still on hold pending relocation to a building currently under construction. In addition there has been one recent application for relocation which is unrelated to the earthquakes. A decision is yet to be made on that application.

5.64 In normal circumstances it could be expected that the uptake of relocations would be low. While in the long term, introducing a relocations policy with restrictions on where venues can relocate

may help to reduce the accessibility of machines in areas of high deprivation, if take-up is low it is unlikely to have any significant impact.

- 5.65 Staff consider retaining the Council's current policy ("staying silent"), is the most appropriate option in regard to venue relocation at this point in time because it provides balance between effectively reducing gambling accessibility over time while enabling venue operators to pursue relocation with the Department of Internal Affairs in exceptional circumstances where an exception to the general rule may be warranted.

TAB VENUES

TAB Venue Policy - Background

- 5.66 It is a legislative requirement under the Racing Act 2003 (section 65D) for territorial authorities to have a policy on Board Venues.
- 5.67 The purpose of the Racing Act 2003 is:
- to provide effective governance arrangements for the racing industry
 - to facilitate betting on galloping, harness and greyhound races and other sporting events
 - to promote the long-term viability of New Zealand racing.
- 5.68 A TAB venue policy must specify whether or not Board venues can be established in Christchurch, and, if so, where they may be located.
- 5.69 The only type of TAB which the Council's policy can apply to is a "Board venue". These are also commonly referred to as a "TAB venue", "TAB store", or "stand-alone TAB".
- 5.70 A "Board venue" is a premises that is owned or leased by the New Zealand Racing Board, and where the main business carried out on that premises is providing race and/or sports betting under the Racing Act 2003. Board venues offer full TAB services. Although some may be located within another business, a Board venue is in a totally separate area from the host business and has its own dedicated staff.
- 5.71 The other types of TAB, which the Council's policy cannot apply to are:
- **Pub TAB / TAB Outlet:** located within another business (typically a pub or workingmen's club) and forms part of the services offered by the host business. They offer the same services as a Board venue, and are run by trained staff.
 - **Self-service TAB terminal:** electronic terminal located within another business. These terminals offer most of the TAB products.
- 5.72 The TAB also offers betting services via the phone and internet.
- 5.73 The Council's current TAB Venue Policy allows the New Zealand Racing Board to establish new Board venues in Christchurch, without any restrictions as long as all other statutory and District Plan requirements are met.
- 5.74 A copy of the current TAB venue policy is attached with this report (Attachment A).

TAB Venues in Christchurch

- 5.75 Although the Council has had a permissive policy in place over the past 14 years which allows for growth, there has not been a proliferation of TAB venues in Christchurch. While there has been some annual variability in the number of venues, overall the number of venues has sharply declined over the past 14 years.

- 5.76 The Council's policy can only apply to TAB venues. There are numerous other outlets for the same products in the community including pub TABs, self-service TAB terminals, and phone and internet TAB betting.
- 5.77 In 2004 there were ten TAB venues in Christchurch. Currently there are five. These are located in:
- Barrington (Barrington Mall, 252a Barrington Street)
 - Bishopdale (Tavern Harewood, 333 Harewood Road)
 - Upper Riccarton (Bush Inn Tavern, 364 Riccarton Road)
 - Hornby (Hornby Workingmen's Club, 17 Carmen Road)
 - Shirley (122 Marshland Road)
- 5.78 Two new venues were established after the February 2011 earthquake, in Linwood and Merivale. Both of these venues are now closed.
- 5.79 One venue (Shirley) is also a class 4 gaming machine venue.

Gambling-related Harm - TAB Race and Sports Betting

- 5.80 There is little information available on the harmful effects of race and sports betting in New Zealand, and none specifically related to betting at TAB venues. It is impossible to distinguish whether more harm occurs in TAB stores, pub TABs, TAB outlets, or through online and phone betting from home.
- 5.81 Research found that 8.7% of New Zealanders participate in race betting and 5.2% participate in sports betting.
- 5.82 TAB racing and sports betting expenditure for 2017 was \$338 million, increased from \$278 million in 2010.
- 5.83 Race and sports betting creates both social benefits (through the entertainment derived from watching sports and placing bets) and social harms, either to the individual and their families, or to the wider community. While there is a small risk of problem gambling associated with TAB gambling products (0.8% racing; 1.2% sports betting), comparatively this risk is low compared to the risk associated with class 4 gambling machines.
- 5.84 Proceeds from race and sports betting are applied for New Zealand Racing Board purposes. In 2016/17 approximately \$136 million was distributed to the racing industry for stakes payments and operational support.
- 5.85 For Christchurch problem gambling clients, 15% report TAB betting as their main form of problem gambling. This has increased over the last 8 years, both locally and nationwide, although is higher in Christchurch than nationally (9%).

Other TAB Venue Policy Approaches Considered

- 5.86 A TAB venue policy has limited scope. It must specify whether or not Board venues can be established in Christchurch, and, if so, where they may be located. The only opportunities for change are either placing further restrictions on the location where TAB Venues can establish, or not allowing any new TAB venues to be established in Christchurch at all.

No New TAB Venues

- 5.87 This policy option would not allow new TAB venues to be established in Christchurch.

- 5.88 Based on the rationale that reducing availability will reduce the risk of harm, this option has potential to reduce the local prevalence of problem gambling as a result of race and sports betting.
- 5.89 The Council's policy can only mandate over the establishment of TAB Venues. An unintended consequence of placing a moratorium on new TAB Venues could be an increase in other types of TAB outlet e.g. Pub TABs.
- 5.90 It is impossible to determine whether more harm is experienced when bets are placed via TAB venues versus other TAB betting services.
- 5.91 As other methods to participate in race and sports betting are readily available, it is unlikely that introducing a policy which does not allow new TAB Venues to establish would have any significant impact at all, and this option is not recommended.

Location Restrictions

- 5.92 It is possible to place restrictions on the location where new TAB venues can establish.
- 5.93 No specific concerns have been raised in relation to the location of current TAB venues and it is not considered that further location restrictions are required at this time.

6. Option 1 – Retain the current Gambling and TAB Venues Policy (preferred)

Option Description

- 6.1 Retain the current (2015) Gambling and TAB Venues Policy, unchanged, for a further three years.
- 6.2 Under this option, no new class 4 venues will be permitted to establish. This is commonly referred to as a "sinking lid" policy, and is the most restrictive policy a local authority has the mandate to put in place.
- 6.3 The rationale behind a policy which places a moratorium on class 4 gaming machine venues and numbers is that reducing the number of gaming machines and venues over time, thereby restricting accessibility to gambling venues, will help to reduce problem gambling rates and the harm caused by problem gambling. Studies from New Zealand and Australia⁵ have demonstrated a strong positive association between per capita gaming machine density and the prevalence of problem gambling, and this is further supported by international research.
- 6.4 This approach is relatively common in New Zealand with 19 of the 67 territorial authorities currently with a sinking lid policy in place for class 4 gaming venues.
- 6.5 Retaining the Council's current policy also means there will be no local provision for venues to relocate, although some relocations will still be possible through the Department of Internal Affairs as a result of the precedent set by the Waikiwi Tavern case in 2013.
- 6.6 Under this option, new TAB venues are permitted to establish without location restrictions, subject to meeting all other statutory and District Plan requirements.
- 6.7 Further consultation is not required under this option.

Significance

- 6.8 The level of significance of this option is medium, consistent with section 2 of this report

⁵ Abbott M., Storer J., and Stubbs J. 2009. *Access or adaptation? A meta-analysis of surveys of problem gambling prevalence in Australia and New Zealand with respect to concentration of electronic gaming machines*. International Gambling Studies, 9 (3,) 225 – 244 and Ministry of Health. 2008. *Raising the Odds? Gambling behaviour and neighbourhood access to gambling venues in New Zealand*. Wellington: Ministry of Health.

- 6.9 Engagement requirements for this level of significance are to inform and consult to seek feedback. Key gambling stakeholders have been consulted with as outlined in paragraphs 5.4 and 6.11 of this report. The Gambling Act 2003 does not require a special consultative procedure (SCP) to be carried out under this option.

Impact on Mana Whenua

- 6.10 This option does not involve a significant decision in relation to ancestral land or a body of water or other elements of intrinsic value, therefore this decision does not specifically impact Ngāi Tahu, their culture and traditions.

Community Views and Preferences

- 6.11 Corporate societies who operate gaming machines, the New Zealand Racing Board and problem gambling service providers are specifically affected by this option. Their views on the current policy are outlined in the table below.

| Respondent type | View |
|-----------------------------------|---|
| Corporate societies | <p>Disagree with the current class 4 policy, most commonly because it does not include a provision for relocation of venues and/or because of its sinking lid approach.</p> <p>In their view, these provisions have reduced their ability to raise funds to support the community and have prevented them from adapting their business in response to market changes.</p> <p>Most support the current TAB venue policy.</p> |
| New Zealand Racing Board | <p>Disagree with the current class 4 policy, and would prefer to see a cap implemented to maintain a balance between community funding and controlling the growth of gambling.</p> <p>Fully support the current TAB venue policy.</p> |
| Service providers / health | <p>Support the current class 4 gambling policy.</p> <p>Of the three respondents, two had no comment on the TAB venue policy, and the other did not support the current policy because it does not place any limits on the establishment of new TAB venues.</p> |

- 6.12 Community groups who receive funds from class 4 gambling have an interest in this policy as it has potential to impact on the level of funding available for distribution. Gap Filler approached Council staff upon hearing that the policy was being reviewed to communicate their stance not to accept funding generated from class 4 gambling. Further consultation with community groups has not been undertaken as part of this review because there is no proposal for change at this point in time.
- 6.13 The wider community has an interest in this policy, particularly as it relates to community funding and the minimisation of gambling-related harm. Further consultation with the wider community has not been undertaken as part of this review because there is no proposal for change at this point in time.

Alignment with Council Plans and Policies

- 6.14 This option is consistent with Council's Plans and Policies.

Financial Implications

- 6.15 If the Council decides to adopt the recommendation that the current policy be retained unchanged there will be no financial implications.

Legal Implications

- 6.16 There is a legal context, issue or implication relevant to this decision.
- 6.17 This report has been reviewed and approved by the Legal Services Unit.
- 6.18 The review of the policy, as provided for and discussed in this report, meets the requirements of both the Gambling Act 2003 and the Racing Act 2003. This option proposes the policy will not be amended which means no further consultation is required.

Risks and Mitigations

- 6.19 There is a low risk of stakeholder and community dissatisfaction with the continuation of a sinking lid policy given that wider community consultation has not been undertaken as part of this review. It is unlikely the general view of the community has changed significantly since last consulted on this matter. The next review of this policy is scheduled for 2021, but the policy can be reviewed at any time. If this risk is realised, Council could decide to undertake the next review early, and include a full special consultative procedure regardless of whether amendments are proposed or not.

Implementation

- 6.20 This option requires little in the way of implementation as there is no change to the current approach. The Secretary of Internal Affairs and key gambling stakeholders will be notified of the outcome of this policy review immediately following the Council's decision.

Option Summary - Advantages and Disadvantages

- 6.21 The advantages of this option include:

General

- Retaining the current policy provides continuity with the existing policy setting, which appears to be well-supported by the community and is relatively simple to administer.
- This option does not have any financial implications for the Council, in particular it does not require a Special Consultative Procedure.

Class 4 Venues

- The current policy supports the purpose of the Gambling Act 2003.
- The current policy is achieving its aim of reducing class 4 gaming venues and machines.
- Reducing accessibility and density of gaming venues/machines over time.
 - Christchurch has higher gaming machines numbers per head of population than national averages.
 - Local problem gambling client rates are also above national averages.

According to studies it could be expected that reducing accessibility and density of gambling machines and venues over time would result in reduced rates of problem gambling and wider harm associated with problem gambling.

- It has the potential to reduce the level of financial loss to individuals through less machines being available, although this may be limited as studies show there is no real association between the density of machines and the level of expenditure.

- In certain circumstances where genuine reason for relocation may be warranted (eg: earthquake), relocation of venues may be allowed by the Department of Internal Affairs, despite no specific local authority policy provision.

TAB Venues

- Allows the flexibility for venues to meet market demand and establish and close as appropriate.
- Comparatively Racing Board products have a low prevalence of problem gambling and there has not been a proliferation of TAB venues under the existing, permissive policy.
- This review has not identified any significant concerns with the current policy approach to TAB venues.

6.22 The disadvantages of this option include:

Class 4 Venues

- The position of existing venues could be entrenched – it does not allow venue operators flexibility may result in more venues operating than would be the case in a more permissive environment, as operators retain their venues knowing they cannot be replaced at a later date once lost.
- Potential decreased level of grant funding available to community groups and organisations if less money is going in to machines.
- This option does not require consultation with the wider community through a Special Consultative Procedure (although does not preclude it either). The last time the policy underwent a full special consultative procedure was in 2006.

TAB Venues

- Additional venues could potentially increase the rates of problem gambling associated with New Zealand Racing Board gambling products. Comparatively Racing Board products have a low prevalence of problem gambling, however race and sports betting as the primary mode of problem gambling is currently higher for Christchurch than it is on average nationally.
- Could be perceived by some as a contradictory approach to minimising gambling related harm when compared with a sinking lid approach for class 4 gaming venues.

7. Option 2 – Amend the Gambling and TAB Venue Policy and undertake a special consultative procedure

Option Description

- 7.1 Amend the policy to another of the approaches outlined in section 5 of this report and undertake further consultation through a special consultative procedure.
- 7.2 A workshop with the Regulatory Performance Committee would be required to determine policy direction.

Significance

- 7.3 The level of significance of this option is medium which is consistent with section 2 of this report.
- 7.4 Engagement requirements for this level of significance are to inform and consult to seek feedback. Key gambling stakeholders have been consulted with as outlined in paragraphs 5.4 and 6.11 of this report. Under this option, if the Council's policy is to be amended or replaced,

further consultation via a special consultative procedure (SCP) would be required by section 102 (2) of the Gambling Act 2003.

Impact on Mana Whenua

- 7.5 This option does not involve a significant decision in relation to ancestral land or a body of water or other elements of intrinsic value, therefore this decision does not specifically impact Ngāi Tahu, their culture and traditions.

Community Views and Preferences

- 7.6 Key gambling stakeholders (corporate societies, The New Zealand Racing Board and problem gambling service providers) would be specifically affected by this option. They would need to be further consulted with on any proposed changes to the policy through a SCP.
- 7.7 The wider community has an interest in this policy as it relates to the location of class 4 gambling venues and the minimisation of gambling-related harm. Should the Council decide this is the preferred option, feedback from the wider community will be sought through a SCP.

Alignment with Council Plans and Policies

- 7.8 This option is consistent with Council's Plans and Policies.

Financial Implications

- 7.9 If the Council decides to amend its Gambling and TAB Venue Policy, the Council must consult on the draft policy using the Special Consultative Procedure prescribed in section 83 of the Local Government Act 2002. Depending on the exact details of the engagement plan, the cost of a SCP is between \$20,000 and \$50,000. An engagement plan has not been prepared for this project at this stage.
- 7.10 There is unlikely to be any significant financial costs of implementation to Council (initially or ongoing), other than some general communications on the new policy approach, and staff time, for example: processing applications for new venue consents or liaising with Department of Internal Affairs Gambling Compliance Staff on matters of relocation. At this point, we have not scoped exactly what those costs would be.
- 7.11 Costs will be met from existing budgets.

Legal Implications

- 7.12 There is a legal context, issue or implication relevant to this decision
- 7.13 This report has been reviewed and approved by the Legal Services Unit
- 7.14 The review of the policy, as provided for and discussed in this report, meets the requirements of both the Gambling Act 2003 and the Racing Act 2003. This option proposes that the policy could be amended in accordance with one of the approaches outlined in section 5 of this report. Under both Acts, an amendment to the policy requires that Council undertake further consultation using the special consultative procedure in section 83 of the Local Government Act 2002.

Risks and Mitigations

- 7.15 There is a risk of community dissatisfaction with proposed amendments to the current policy as a sinking lid approach has largely been supported in the past. Dissatisfaction would become apparent through feedback received via a special consultative procedure. Further changes to the proposed policy can be made through the submission hearings and deliberations process as appropriate. If this occurs, the end result may be that the final policy adopted is effectively the same as the 2015 policy.

Implementation

- 7.16 A suggested timeframe for this option is shown in the table below

| i. | i. | Key Steps | i. | Indicative timeline complete by |
|----|----|---|----|---------------------------------|
| 1. | 1. | Workshop with Regulatory Performance Committee to determine policy direction | i. | August 2018 |
| 2. | 2. | Develop Engagement and Communications Plan | κ. | August 2018 |
| 3. | 3. | Prepare draft Gambling and TAB venue policy | i. | September 2018 |
| 4. | 4. | Subsequent workshop with Committee to confirm draft policy provisions | ι. | September 2018 |
| 5. | 5. | Draft policy adopted for consultation by Council. | i. | 25 October 2018 |
| 6. | 6. | Draft policy open for submissions (one month). | i. | 26 October – 26 November 2018 |
| 7. | 7. | Hearing of submissions including deliberations on draft policy | ι. | Mid December 2018 |
| 8. | 8. | Council decision to adopt final policy | i. | January 2019. |
| 9. | 9. | Secretary of Internal Affairs, submitters, and stakeholders notified of adoption. | κ. | Within one month of adoption. |

Option Summary - Advantages and Disadvantages

7.17 The advantages of this option include:

- Providing the Council with more recent feedback from the wider community on their preferences for class 4 and TAB venues in their city.
- Other advantages will depend on the specific policy approach(es), but may include:

| Possible advantage | Relevant alternative policy options |
|--|--|
| Maintaining (or increasing) the level of grant funding available to community groups and organisations. | <i>Introducing a cap on venue/machine numbers</i> <i>Allowing relocation</i> <i>Allowing new venues to establish</i> |
| Greater flexibility for venue operators and host businesses to close or change their business in response to market influences / providing business continuity assurance. | <i>Allowing new venues to establish</i> <i>Allowing relocation</i> |
| Targeting the higher risk of gambling –related harm in areas of high socio-economic deprivation by reducing accessibility of machines in areas of high deprivation. | <i>Allowing relocation</i> <i>Location restrictions</i> |

7.18 The disadvantages of this option include:

- There is little evidence to warrant a move away from the current approach. Comparatively Christchurch has a higher number of non-casino gaming machines per head of population and has a higher rate of people accessing services for problem gambling.

- The cost of undertaking a SCP may outweigh the benefits if the preferred direction of the wider community is to continue with a sinking lid approach.
- Other disadvantages will depend on the specific policy approach(es), but may include:

| Possible disadvantage | Relevant alternative policy options |
|--|--|
| Slowing down, or reversing the reduction in the number of venues and/or machines resulting in greater accessibility | <i>Allowing new venues to establish</i> <i>Introducing a cap on venue/machine numbers</i> <i>Allowing relocation</i> |
| Increased prevalence of problem gambling due to greater accessibility. | <i>Allowing new venues to establish</i> |
| With regard to TAB venues –any change may have limited impact on problem gambling considering there are many other types of TAB outlet to access the same gambling services. | <i>Not allowing TAB venues to establish</i> |
| Public perception of a “softening” of approach to class 4 venues | <i>Allowing new venues to establish</i> <i>Allowing relocation</i> |

Attachments

| No. | Title | Page |
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Confirmation of Statutory Compliance

Compliance with Statutory Decision-making Requirements (ss 76 - 81 Local Government Act 2002).

(a) This report contains:

- sufficient information about all reasonably practicable options identified and assessed in terms of their advantages and disadvantages; and
- adequate consideration of the views and preferences of affected and interested persons bearing in mind any proposed or previous community engagement.

(b) The information reflects the level of significance of the matters covered by the report, as determined in accordance with the Council's significance and engagement policy.

Signatories

| | |
|--------------------|---|
| Authors | Jenna Marsden - Senior Policy Analyst Claire Bryant - Team Leader Policy Allison Houston - Team Leader Alcohol Licensing Judith Cheyne - Associate General Counsel |
| Approved By | Emma Davis - Acting Head of Strategic Policy Brendan Anstiss - General Manager Strategy and Transformation |

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Gambling and TAB venues policy

Council, 16 April 2015

The 2012 Gambling Venue Policy (Policy) was reviewed by the Council in 2014/15. As required by the Gambling (Gambling Harm Reduction) Amendment Act 2013, the Council considered whether or not to include a relocation policy within the Policy, after having considered the social impact of gambling in high-deprivation communities within its district.

On 16 April 2015 the Council resolved not to include a relocation policy within the Policy, or to amend the Policy. The Policy does not allow for relocations.

However, where the new location for a venue is a site that is very close to the existing site, the venue name will be the same and the ownership and management of the venue will be the same as in the original site, then the Department of Internal Affairs may not consider that to be a change in venue (or a relocation) under the Gambling Act 2003 (see the High Court decision relating to the Waikiwi Tavern [2013] NZHC 1330). In such cases all the machines allowed under the existing venue licence at the original site may be taken to the new site.

Any enquires about the Department of Internal Affairs (DIA) consideration of a transfer of an existing venue licence to a new site (relocation) under a Waikiwi exception should be made directly to DIA's Gambling Venue licensing team.

Class 4 Gaming

1. The Christchurch City Council will not grant consent under section 98 of the Gambling Act 2003 to allow any increase in class 4 gaming venues or class 4 machine numbers except in the circumstance set out below.

2. The Christchurch City Council will grant a consent where two or more corporate societies are merging and require Ministerial approval to operate up to the statutory limit in accordance with section 95 (4) of the Gambling Act 2003. The total number of machines that may operate at the venue must not exceed 18 machines.

Application for Territorial Authority Consent (Class 4 - Gaming Machines) or use MS Word.

Totalisator Agency Board (TAB)

<https://www.ccc.govt.nz/the-council/plans-strategies-policies-and-bylaws/policies/bus...> 19/06/2018

3. The Christchurch City Council will grant a Totalisator Agency Board (TAB) venue consent to the New Zealand Racing Board to establish a Board venue (the Board must meet all other statutory requirements, including the City Plan requirements, in respect of such proposed venue).

Application for TAB / Board Venue Licence or use MS Word.

General

4. The consent fee is \$158 (inclusive of GST) and will be reviewed annually through the Annual Plan process.

5. All applications for consents must be made on the approved form.

6. The Chief Executive of the Council is delegated the power to process consent applications in accordance with this policy and may further delegate this power to other officers.

7. If the Council amends or replaces this policy, it is required to do so in accordance with the special consultative procedure outlined in the Local Government Act 2002.

8. In accordance with the Gambling Act 2003 and the Racing Act 2003, the Council will complete a review of the Gambling Venue Policy and the Totalisator Agency Board (TAB) Policy within three years of their adoption and every three years thereafter.

History

The Gambling Venue and Totalisator Agency Board (TAB) Venue Policy was adopted by the Christchurch City Council at its meeting of 27 August 2009. The 2009 policy has been reviewed by the Council. On 23 February 2012 Council resolved that the 2009 Gambling Venue Policy would be retained without amendment and on 26 July 2012 Council resolved that the 2009 Totalisator Agency Board (TAB) Venue Policy would be retained without amendment.

Christchurch City Council

**Background Information and Report on the Social Impacts of Gambling
in Christchurch**

**Report to inform the 2018 Review of the
Gambling Venue and TAB Venue Policy**

June 2018

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1. Executive Summary

Gambling has both desirable and undesirable effects on the community which must be balanced and considered in the local context when determining policy on gaming and TAB venues. This report has been prepared to provide information on class 4 gaming machines and TAB venues in Christchurch (including scope of the industry and social and economic impacts) to inform the 2018 review of the Council's Gambling and TAB Venue Policy.

In summary, this report highlights:

- Venue and gaming machine numbers are continuing to decline, and are doing so at a faster rate in Christchurch than nationally.
- Christchurch has more gaming machines per venue and more gaming machines per head of population compared to national averages.
- Expenditure (amount put in to machines, less prizes) in Christchurch is currently at its lowest level in the past ten years. Nationally expenditure has been increasing in recent years, but locally it continues to decline.
- Per head of population Christchurch ranks middle of the table for class 4 gambling expenditure, at 34th highest out of the 67 territorial authorities. Yet when compared to the major cities, expenditure per head of population still remains one of the highest.
- Research shows there is no association between the density of machines and expenditure per machine, but there is an association between density of machines and rates of problem gambling (more machines doesn't necessarily mean more expenditure, but it may mean more harm).
- Although reported problem gambling rates are gradually declining for Christchurch, comparatively, the number of people seeking assistance for gambling problems is higher per head of population than nationally.

On balance of the information available, and particularly because Christchurch continues to have a higher number of gaming machines per head of population and comparatively higher rates of people seeking assistance for gambling problems, it is considered appropriate to continue to focus on reduction of class 4 gambling opportunities throughout the city.

There do not appear to be any significant concerns with the number or location of TAB venues in the city and on balance, it is considered that the existing controls are sufficient.

2. Purpose of the Report

This report has been prepared as part of the 2018 review of Christchurch City Council's Gambling and TAB Venue Policy. The relevant legislation requires all Councils to review their class 4 gambling venue and TAB venue policies within three years of adoption or last review of their current policy. The review must consider whether there has been a change in the local gambling industry and the social impacts and/or risk of harm from gambling in Christchurch significant enough to warrant a change to the current policy approach.

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Christchurch City Council's original policy was adopted in 2004 and was subsequently reviewed and rolled over without amendment in 2006, 2009, 2012 and 2015.

This report provides the following information to inform the 2018 policy review process and to provide the community and stakeholders with background material relevant to class 4 and TAB gambling in a local context.

- An overview of the Gambling Act 2003, the Racing Act 2003, and the requirements these place on the Council.
- An overview of the national gambling industry including rates of participation.
- A review of information available on gambling harm and the social effects of electronic gaming machine gambling in a global context.
- An overview of the trends of class 4 gambling accessibility, participation, and the prevalence of problem gambling in Christchurch.

3. The Gambling Act 2003

3.1. Purpose

The purpose of the Gambling Act is to:

- **Control the growth of gambling**
- **Prevent and minimise the harm caused by gambling, including problem gambling**
- Authorise some gambling and prohibit the rest
- Facilitate responsible gambling
- Ensure the integrity and fairness of games
- Limit opportunities for crime or dishonesty associated with gambling
- Ensure that money from gambling benefits the community
- **Facilitate community involvement in decisions about the provision of gambling.**

A local authority's class 4 gambling venue policy is intended to support the purposes of the Act shown above in bold.

3.2. Class 4 Gambling

Gambling on electronic gaming machines has been legal in New Zealand since 1988. The Gambling Act 2003 categorises gambling on gaming (pokie) machines in bars, hotels, TABs and clubs as Class 4 gambling. The Act specifies that class 4 gambling may only be conducted by a corporate society which holds a Class 4:

- gambling operator's licence, and
- a gambling venue licence.

These are issued by the Department of Internal Affairs.

The corporate society is the licence holder and operator of class 4 gaming machines, rather than the business which hosts the venue.

3.3. Statutory Limits on Machine Numbers

The Act limits the number of gaming machines permitted at a venue, as shown in the table below.

| Venues licensed on or before 17 October 2001 | Venues licensed after 17 October 2001 |
|--|---------------------------------------|
| Maximum 18 machines | Maximum 9 machines |

The Gambling Act provides for applications for ministerial discretion to permit more than 9 machines at some sites. Criteria is detailed in sections 95- 96.

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3.1. Distribution of Proceeds

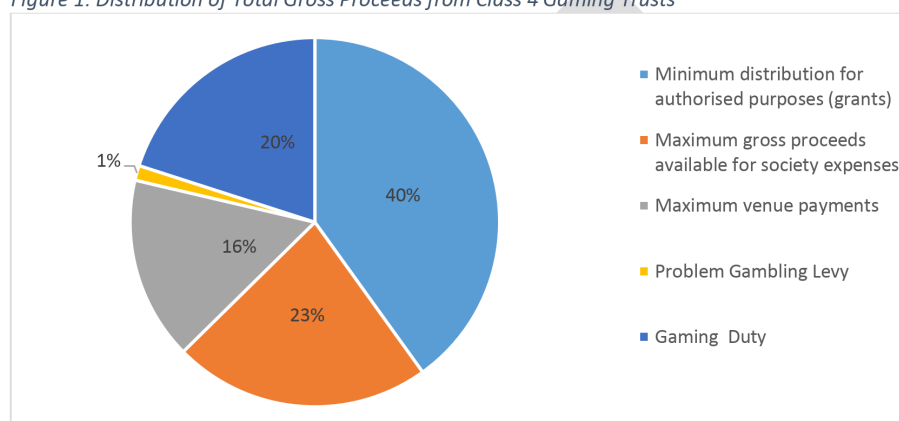
Regulations prescribe how proceeds may be applied. The New Zealand system provides a community dividend from the proceeds of gambling. Gaming machines are set to return to the gambler an average of 90 cents for every dollar wagered, which leaves average proceeds of 10 cents for distribution. Of this, societies must apply or distribute a minimum of 40% to the community for authorised purposes which are described as any of the following:

- A charitable purpose
- A non-commercial purpose that is beneficial to the whole or a section of the community
- Promoting, controlling, and conducting race meetings under the Racing Act 2003, including the payment of stakes.

Clubs operating gaming machines in their own premises are permitted to use profits to benefit the Club as long as those purposes are recognised as 'authorised purposes'.

Figure 1 shows how the total gross proceeds are distributed.

Figure 1: Distribution of Total Gross Proceeds from Class 4 Gaming Trusts



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3.2. Role of Territorial Authorities – Class 4 Venues

The Department of Internal Affairs deals with the majority of class 4 gambling licensing and compliance and territorial authorities have a limited role.

Policy

The Act requires each territorial authority (TA) to adopt a policy on class 4 venues and to review this policy at least every three years. Adoption or amendment of these policies must use the special consultative procedure under section 83 of the Local Government Act 2002. In adopting a policy, the TA must have regard to the social impact of gambling within its district.

The requirement for local authorities to have a Class 4 gambling venue policy is intended to provide communities with the opportunity to have some influence over Class 4 gambling in their community, and in particular, to be able to control where venues may be established and the permitted number of gaming machines in each venue.

The policy:

- Must specify whether or not class 4 venues may be established in the district and if so, where they may be located;
- May specify any restrictions on the maximum number of EGMs that may be operated at a class 4 venue;
- May include a relocation policy.

In determining its policy on these matters, the TA may take into account any relevant matters, including:

- The characteristics of the district and parts of the district;
- The location of kindergartens, early childhood centres, schools, places of worship and other community facilities;
- The number of EGMs that should be permitted to operate at any venue or class of venue;
- The cumulative effects of additional opportunities for gambling in the district;
- How close any venue should be permitted to be to any other venue;
- What the primary activity at any venue should be.

Whenever the TA is considering whether to include a relocation policy in its class 4 venue policy, it must consider the social impact of gambling in high-deprivation communities within its district.

Consents

Consent from the local authority is required for:

- new class 4 gaming venues
- increases in machine numbers
- venue relocations.

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When a corporate society applies for local authority consent, the relevant Council must:

- Consider the application in accordance with its class 4 venue policy; and
- either grant a consent (with or without a condition specifying the maximum number of EGMs that may be operated at the venue); or not grant a consent.

Where a corporate society has applied to increase the number of gaming machines that may be operated at a venue, the local authority cannot include a condition specifying the maximum number of gaming machines allowable that is fewer than number currently permitted.

Scope of Role

Setting local policy on class 4 gaming venues (within the confines discussed above), and considering the associated consents are the total scope of local government's role in class 4 gambling.

While a local authority may choose to maintain or reduce the opportunities for class 4 gambling in its district, it may only do this by not allowing new venues or additional machines to be established, and relying on attrition.

A TA cannot:

- close down any venue because it deems this to be desirable
- apply any policy provisions retrospectively to existing venue licences (including specifying a maximum number of gaming machines that is fewer than the current permitted number)
- determine the amount or distribution of community funding derived from class 4 gambling.

4. The Racing Act 2003

4.1. Purpose

The purpose of the Racing Act 2003 is to:

- To provide effective governance arrangements for the racing industry; and
- To facilitate betting on galloping, harness, and greyhound races, and other sporting events; and
- To promote the long-term viability of New Zealand racing.

The Racing Act provides for the establishment of the New Zealand Racing Board (the Board).

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4.2. Role of Territorial Authorities – TAB Venues

Policy

The Act requires each territorial authority (TA) to adopt a policy on Board Venues and to review this policy at least every three years. The policy must specify whether or not new Board Venues may be established in the district and if so, where they may be located. Adoption or amendment of these policies must use the special consultative procedure under section 83 of the Local Government Act 2002. In adopting a policy, the TA must have regard to the social impact of gambling within its district.

In determining its policy, the TA may take into account any relevant matters, including:

- The characteristics of the district and parts of the district;
- The location of kindergartens, early childhood centres, schools, places of worship and other community facilities; and
- The cumulative effects of additional opportunities for gambling in the district.

Consents

Territorial Authority consent is required if the New Zealand Racing Board proposes to establish a new Board venue. A TA must consider an application for consent in accordance with its Board venue policy and either grant or refuse a consent.

4.3. Types of TAB

There are four types of TAB. The only type of TAB a Council's policy can apply to is a Board Venue. As described by the Act, a Board Venue means premises that are owned or leased by the Board, and where the main business carried on at the premises is providing racing betting or sports betting under the Racing Act 2003. More commonly, this may be referred to as a 'stand-alone TAB', or a 'TAB store'. The New Zealand Racing Board describes a TAB store as an official TAB location with full features and services. Although some may be located within another business, a TAB store is in a totally separate area from the host business and has its own dedicated staff.

The other types of TAB, which the Council's policy cannot apply to, are:

Pub TAB: located within another business (usually a pub) and form part of the services offered by the host business. They offer all the services of a TAB store, and are run by trained staff.

TAB Outlet: Similar to a PUB TAB, but in a business other than a pub. Most commonly these are in workingmen's clubs. This is sometimes also referred to as a 'Club TAB'.

Self-service TAB terminal: self service terminal located within another business such as a pub. The terminals offer most of the TAB products.

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4.4. Distribution of Betting Profits

Betting profits (amount taken, less refunds and winning dividends) are largely distributed for racing purposes (Board expenses and reserves). Totalisator Duty under the Gaming Duties Act 1971 accounts for 4% of betting profits and the Problem Gambling Levy for the New Zealand Racing Board is set at 0.52%. New Zealand sporting organisations receive not less than 5% of the sports betting profits, although this proportion is determined by the individual agreements sent between the New Zealand Racing Board and each national sporting organisation. Goods and Services Tax (GST) is paid on betting profits.

5. Christchurch City Council's Gambling and TAB Venue Policy

5.1. Policy (2015)

Christchurch City has both class 4 gaming venue and TAB venue policies in one document, the Christchurch City Council Gambling and TAB Venue Policy, which has been in place since 2004. The policy contains the following provisions:

- No consent will be given for increases in machine numbers, or new class 4 gaming venues; except where two or more corporate societies (clubs¹) are merging.
- Where two clubs are merging, the maximum number of gaming machines the Council will consent is 18.
- New TAB venues are able to establish, subject to meeting all other statutory and City Plan requirements.

The Council's class 4 gaming venue policy effectively placed a moratorium on gaming machine venues. In most cases², the machine limit placed on club mergers (18) would be more restrictive than what would otherwise be approved under the Act³. Following the introduction of the policy in 2004, there was a decline in both the number of venues and machines in Christchurch City.

The TAB venue policy places no restrictions on the ability of the New Zealand Racing Board to establish a Board venue, as long as all other statutory requirements (including City Plan requirements) are met. This policy has had little or no effect on the establishment of TAB venues.

¹ Clubs are the only type of corporate societies that are permitted to merge.

² Unless the two venues merging have 18 or less machines permitted in total combined.

³ Under the Act, a maximum of 30 machines; OR the combined total of permitted machines of the two venues (whichever is the lesser) will be permitted in the case of club mergers.

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5.2. Stakeholder feedback on current policy

As part of the 2018 policy review process, feedback on the Council's current Gambling Venue Policy was sought from key stakeholders (28) in the gambling industry. This initial (informal) consultation undertaken in April 2018 showed in general that:

- Corporate societies disagreed with the current class 4 gaming venue policy, most commonly because it does not include provision for relocation of venues and/or because of its sinking lid approach. In their view, these provisions have reduced their ability to raise funds to support the community; and have prevented them from adapting their business in response to market changes.
- Service providers and health representatives supported the current class 4 gaming venue policy and commented that Council's ongoing commitment to a sinking lid policy supports their efforts to reduce gambling-related harm.
- Corporate societies are in favour of allowing venues to relocate while the service provider stakeholders were opposed to allowing venues to relocate. This is because in their view, any relocation simply moves the problem into a new community.
- Of those who commented on the current TAB venue policy, the majority supported the current policy approach.

Further detail on the feedback provided can be found in the separate document: "Summary of stakeholder responses to questions about the 2015 Gambling and TAB Venue Policy".

6. National Gambling Trends

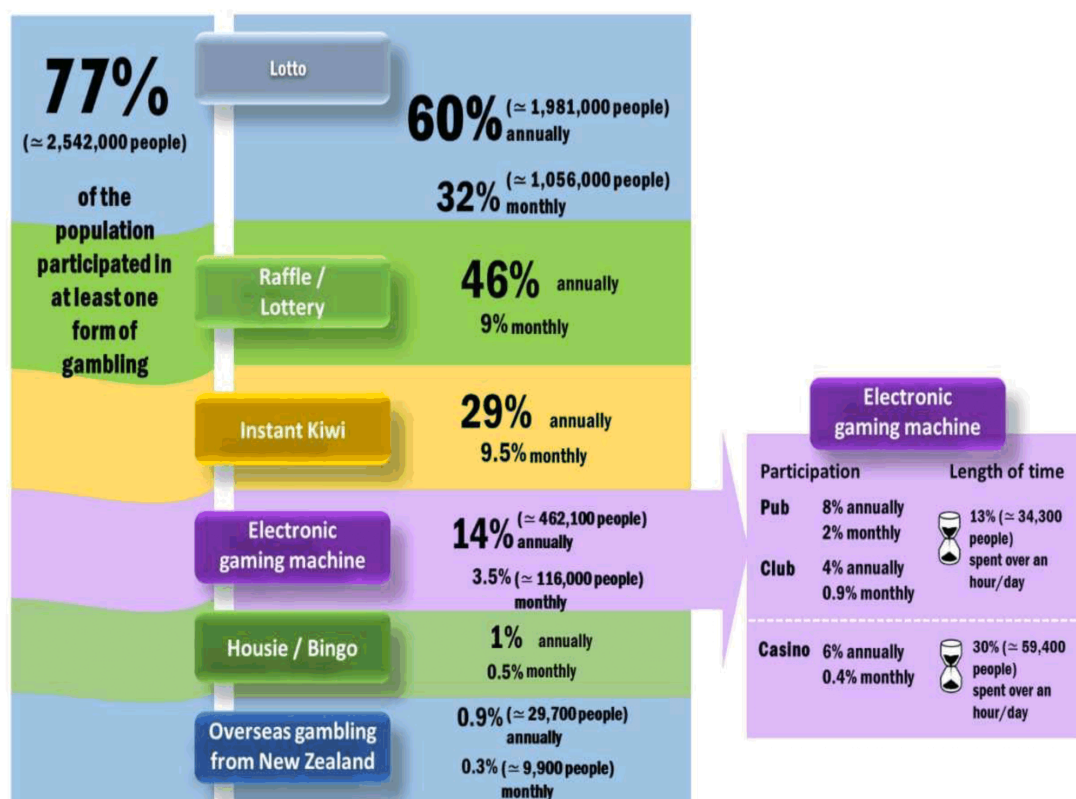
6.1. Participation

Gambling in New Zealand is a common form of entertainment with the National Gambling Study (2014) reporting that 77% of the population (about 2,542,000 people) took part in at least one gambling activity in the previous year.

The most popular form of gambling was Lotto, with 60% playing at least once in the past year. One in seven people (14%) had gambled on an electronic gaming machine (class 4 and casino), and it was found that people were more likely to gamble on gaming machines in pubs than on those in clubs or casinos. Although gamblers more commonly used gaming machines in pubs, people typically spent longer using a casino gaming machine than a pub or club gaming machine. Despite anecdotal claims that there has been an increase in the popularity of internet gambling, less than one percent of the population (29,700 people) gambled on overseas internet gambling in the past year (Abbott, Bellringer, Garrett, and Mundy-McPherson, 2016).

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Figure 2: National Gambling Participation Rates, 2014



Source: Abbot et. al., 2016

Other studies have found similar rates of gambling prevalence. The nation-wide Health and Lifestyle Survey (2010) found four out of five respondents reported participating in some form of gambling over the twelve months prior to being surveyed, with the most common activity being purchasing lottery tickets. One in six respondents had played pokie machines at a club or pub, while one in ten had played pokies at a casino (Gray, 2011). The proportion of respondents participating in gambling activities had not markedly changed from the figure of 80% obtained in 2005 by the Department of Internal Affairs' survey (Department of Internal Affairs, 2005).

The National Health Survey (2011/12) reported an overall lower rate of gambling participation, finding just over half of the adult population had gambled in the previous 12 months.

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It is difficult to get longitudinal trends of gambling participation. While there have been a number of studies assessing the rates of gambling prevalence⁴, none have been continuous since the introduction of the Gambling Act 2003. Different methodologies mean that the various studies are not directly comparable. What the data shows however, is that gaming machine gambling in pubs and clubs is decreasing nationally.

According to the National Gambling Study, participation in gambling on electronic gaming machines in pub and clubs decreased between 2012 (11.5%) and 2014 (8.3%). Between the years 2007 and 2012, the New Zealand Health Survey found a reduction in participation of 4.2% (2007: 10.3%; 2012: 6.1%).

The most recent gambling participation data available for track and sports betting shows the prevalence rates are 8.7% (track) and 5.2% (sports) (Ministry of Health, 2009).

6.2. Non-Casino Gaming Venues and Gaming Machine Numbers

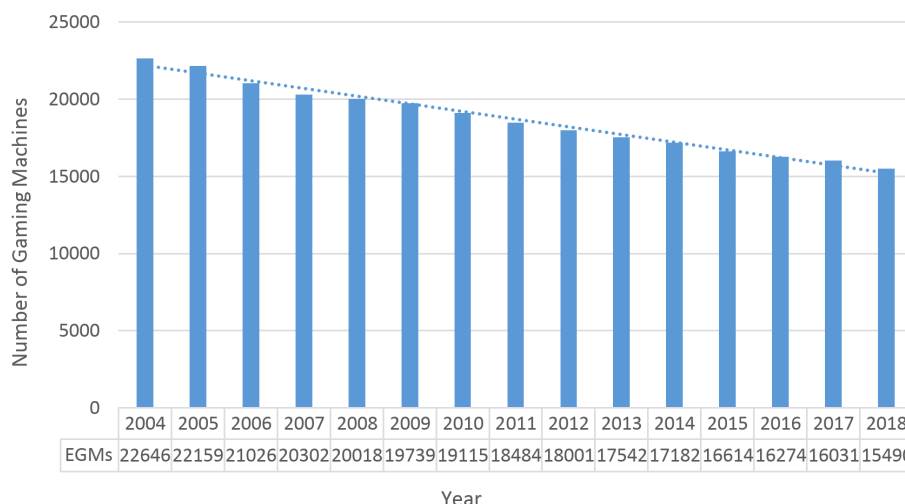
In June 1994 there were 7,770 gaming machines in New Zealand. This increased to a peak of 25,225 machines, in 2,104 venues, by 2003. Since then, the number of machines has declined steadily. As at 31 March 2018 there were 15,490 non-casino gaming machines located across 1,146 class 4 venues throughout New Zealand. Of the total number of venues, 920 are pubs and 226 are clubs (Department of Internal Affairs, 2018a).

The graph below shows how these numbers have changed over the period 2004 to 2018. The decline since 2003 is most likely due to the introduction of the Gambling Act 2003.

Table 1: Non-casino Gaming Machine Numbers in New Zealand, 2004-2018

⁴ The New Zealand Health Survey is conducted annually, however 2011/12 was the most recent occasion respondents have been questioned on gambling participation. Between the years 2012-2014, the Ministry of Health contracted the Gambling and Addictions Research Centre to conduct a national gambling study. The results of the National Gambling Study are not directly comparable to those of the New Zealand Health Survey.

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Source: Department of Internal Affairs, 2018d.

6.3. Expenditure

Total gambling expenditure⁵ has increased significantly in New Zealand in the past 30 years, during which time Lotto, TAB sports betting, gaming machines and casinos have all been introduced.

‘Expenditure’ as discussed here, refers to turnover less prizes⁶. Total gambling expenditure in New Zealand totalled \$204 million in 1985, rose to \$2,039 million in 2004, declined around the time of the global recession in 2011, and reached a new peak of \$2,334 million in 2017 (Department of Internal Affairs, 2018e).

National expenditure for non-casino gaming machines in the financial year ending 2017 was \$870 million, increased from \$849 million in 2010. Expenditure for this type of gambling reflected the same decline in 2011 (likely due to the global recession), but has been increasing since 2014 (Department of Internal Affairs, 2018e).

TAB racing and sports betting expenditure for 2017 was \$338 million, increased from \$278 million in 2010 (Department of Internal Affairs, 2018e). Expenditure for this type of gambling activity did not experience decline to the same extent as was seen in the other types of gambling around 2011-2014.

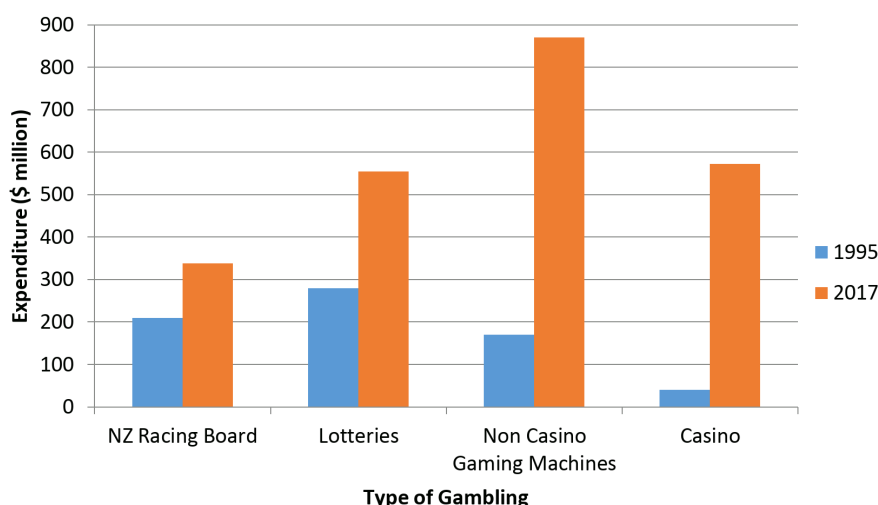
With the exception of a few high-profile race days, betting on New Zealand racing has become less popular over time, while sports betting has become more popular. The percentage of turnover that is sports betting has increased from 9.5% in 2002 to 24.4% in 2016 (Department of Internal Affairs, 2017).

Figure 3: Gambling Expenditure by Type of Gambling, 1995 and 2017

⁵ Includes the four main types of gambling activity – TAB racing and sports betting, NZ Lotteries products, gaming machines (outside casinos, and casino gambling. Gambling expenditure statistics are compiled by the Department of Internal Affairs using information from the Electronic Monitoring System and gambling operators.

⁶ The terms ‘profit’ and ‘expenditure’ are interchangeable in relation to gambling machines, depending on whether you are the operator or the gambler. Profit is the total gambling machine turnover less the winnings paid out.

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Source: Department of Internal Affairs, 2018e.

6.4. Return to the Community

Many charitable and community organisations receive funding from the proceeds of non casino gaming machines. In the 2017 calendar year class 4 proceeds amounted to \$883 million (Department of Internal Affairs, 2018b). Approximately \$353 million was distributed back to the community.

Reduced expenditure could affect charity and community funding and the activities the funds support. However it is unlikely that a reduction in machines would have a negative impact on funds distributed as it appears that changes in machine numbers have no material impact on expenditure – fewer machines are likely to result in higher expenditure per machine and vice versa (Covec, 2009).

Gaming proceeds are not the only funding option for charitable and community organisations. A Philanthropy New Zealand report prepared by BERL (2012) demonstrated that gaming machine trusts make up only 10% of charitable and community funding in New Zealand. As such, a reduction in funding from gambling is likely to have only a very minor effect on the overall availability of funds for charitable and community organisations. In recent times there have been increasing instances of community organisations opting not to seek funding from gambling sources. This is driven by the desire not to benefit from an activity which they see as causing significant harm to those affected by problem gambling.

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A criticism of the New Zealand system is that there is no requirement for societies to redistribute proceeds from gaming machines back to the communities from which they arose. If one considers where the gambling proceeds are obtained, this funding is essentially a redistribution of wealth from one sector of the community (low socioeconomic status, especially Māori and Pacific communities) to the general community. Fifty-six percent of non-casino gambling machine proceeds come from people in the poorest 30% of the community (Ministry of Health, 2012), which further exacerbates existing income inequalities.

The Covec Report (2009) concluded that although gambling provides some benefit to the community as a whole from the return of profits as grants to the community, and to the individual from the entertainment derived from playing on gaming machines, these benefits are offset by the harms associated with problem gambling.

The Racing Act 2003 provides for racing to be funded from the proceeds of betting. In 2016/17 approximately \$136 million was distributed to the racing industry for the purposes of stakes payments and operational support, (IER, 2018).

7. Gaming Machine Gambling in Christchurch

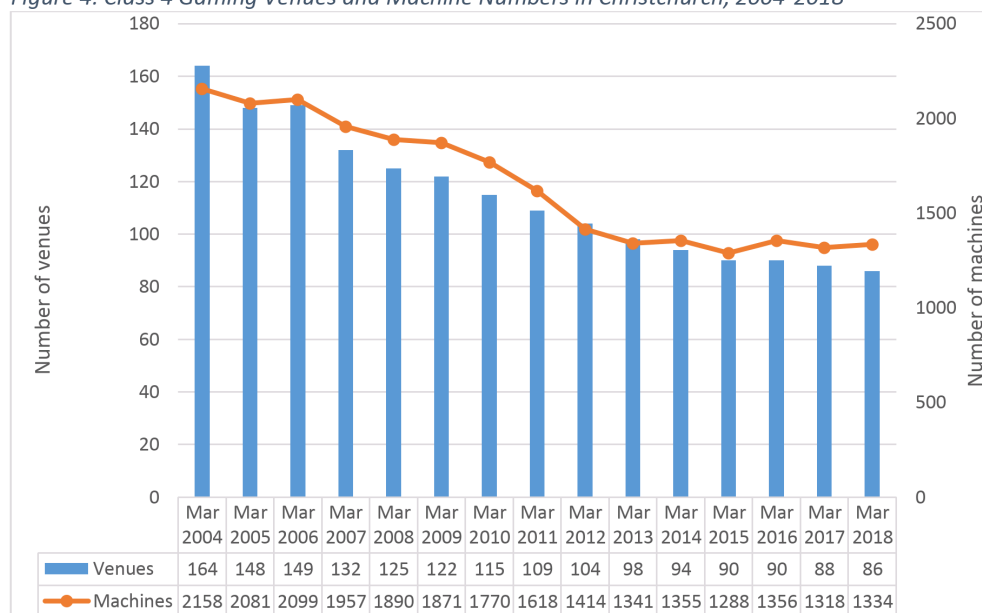
7.1. Machine and venue numbers

As at 11 April 2018, there were 1,332 gaming machines in operation in Christchurch (Department of Internal Affairs, 2018c). In the last 12 months there has been a decrease of 14 machines. During the time in which Christchurch City Council has had a sinking policy in place, the number of gaming machines in the city has fallen from 2,158 (March 2004) to 1,332, a decrease of 826 machines (Department of Internal Affairs, 2018c and 2018d). The overall trend shows the number of machines have been decreasing, however numbers have fluctuated slightly in recent years, most likely because of:

- venues who have not been operating the maximum number of gaming machines permitted. These venues are able to increase the number of machines they operate (up to their permitted maximum) without consent from the Council. While there are presently 1,332 machines operating, a total of 1,451 are permitted to operate.
- temporary venue disruptions due to the earthquakes of 2010 and 2011 and the associated rebuilds and reopening of premises.

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Figure 4: Class 4 Gaming Venues and Machine Numbers in Christchurch, 2004-2018⁷



The number of venues in Christchurch also declined. As the graph above shows, in Christchurch from March 2004 to March 2018 the number of sites fell from 164 to 86. Nationally, both venue and machine numbers are dropping, but have done so at a slower rate over the last 14 years than in Christchurch. This is likely explained by the immediate and ongoing impacts of the Canterbury earthquakes, with the greatest loss of machines in 2011, with 286 machines lost due to the Canterbury earthquakes (Covec, 2009).

⁷ Banks Peninsula District and Christchurch City Council amalgamated in 2006. Figures reported in 2004 and 2005 do not include venues and gaming machines located in Banks Peninsula District.

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Table 3 shows when Christchurch's average number of machines per venue is considered in the national context, the city remains above the national average.

Table 2: Change in number of class 4 gaming machine and venue numbers 2004-18

| | Change in number of venues | | Change in number of machines | |
|---------------------|----------------------------|-------|------------------------------|-------|
| | # | % | # | % |
| Christchurch | -78 | 47.5% | -826 | 38.2% |
| New Zealand | -861 | 42.9% | -7,156 | 31.6% |

Source: Department of Internal Affairs, 2018 c and 2018d.

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Table 3: Average number of gaming machines per venue 2014-18

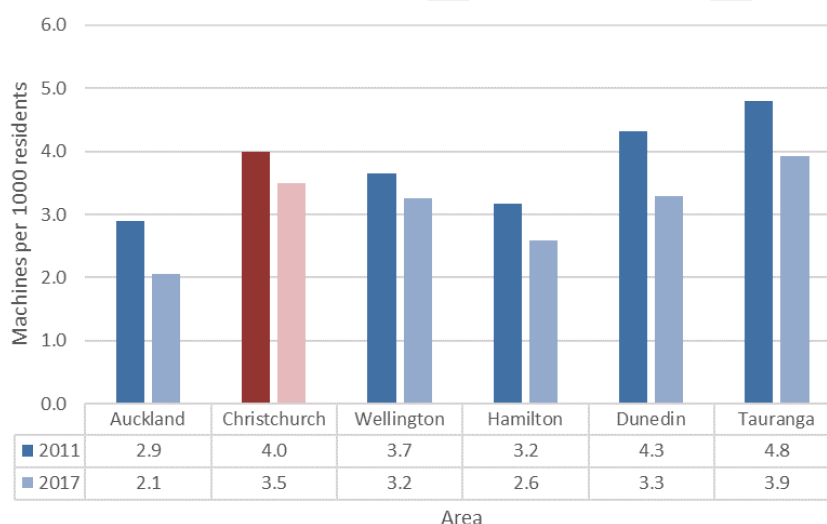
| | 2014 | 2015 | 2016 | 2017 | 2018 |
|--------------|------|------|------|------|------|
| Christchurch | 14.4 | 14.3 | 15.0 | 14.9 | 15.5 |
| New Zealand | 12.9 | 13.0 | 13.3 | 13.4 | 13.5 |

Source: Department of Internal Affairs, 2018 c and 2018d.

Using the 2017 population estimate for Christchurch of 381,500, this translates to 3.5 gaming machines per 1,000 residents. This is higher than the national average of 3.2 machines per 1,000 residents, although the trend both locally and nationally, is decreasing. Across the major New Zealand cities, Christchurch had one of the highest number of non-casino gaming machines per capita, with only Tauranga having more at 3.9 per 1,000 residents.

Research has demonstrated a strong positive association between per capita gaming machine density and the prevalence of problem gambling: the higher the density, the higher the prevalence (Abbott, Storer, and Stubbs, 2009). This study provides high quality evidence, comprehensively combining data from 34 surveys of problem gambling in Australia and New Zealand. Importantly Abbott, Storer and Stubbs found, contrary to previous studies, there was no evidence for a plateau of gambling prevalence with increased density of machines.

Figure 5: Comparison of Machine Numbers (per 1,000 residents) in 2011 and 2017.



Source: Covec 2009.

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It should be noted that some venues in Christchurch are currently operating fewer than the maximum machines permitted by their licence, so are entitled to increase their number of machines without further Territorial Authority consent. The currently operating machine numbers account for 95% of machines permissible in Christchurch venues. The potential increase in the number of machines in the city which could occur without Territorial Authority consent the city is shown in

Table 4.

Table 4: Number of venues and possible machine in Christchurch as at 11 April 2018.

| | Number of venues | Machine count | Number potential additional machines | Maximum machine count |
|--|------------------|---------------|--------------------------------------|-----------------------|
| Venues open | 86 | 1,332 | 65 | 1,397 |
| Venues 6 months from surrender date ⁸ | 3 | 0 | 54 | 54 |
| Total possible without need for TA consent | 89 | 1,332 | 119 | 1,451 |

Source: Department of Internal Affairs, 2018c

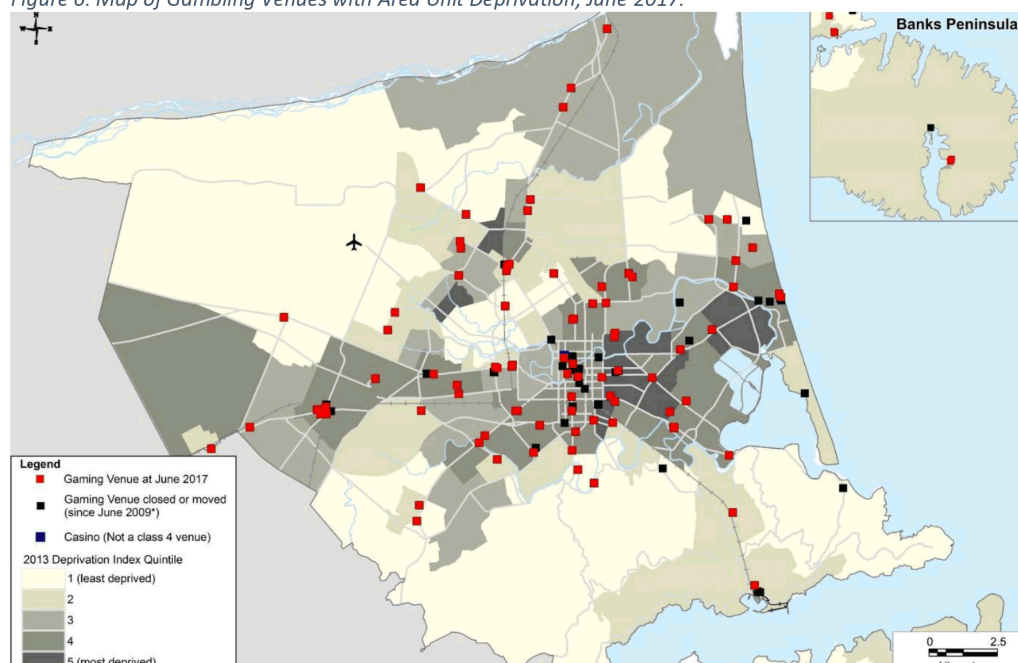
⁸ These machines are included in the count because if a business surrenders its venue licence, it is possible for another society or trust to pick up the licence and start operating within the first six months. Council consent is not required in these circumstances.

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7.2. Venue Location and Gambling Accessibility

Figure 6 shows the spatial distribution of gaming machine venues in Christchurch, with area unit deprivation.

Figure 6: Map of Gambling Venues with Area Unit Deprivation, June 2017.



As shown in Table 5, 54% of all gaming machines in Christchurch are located in areas with a deprivation score of 7 or higher.

Table 5: Christchurch Class 4 Gaming Venues and Machine Numbers by Deprivation Score, as at September 2017.

| Deprivation Score | Count of Venues | Count of Machines | % Venues | % Machines |
|-------------------|-----------------|-------------------|----------|------------|
| 1 | 2 | 36 | 2.3 | 2.6 |
| 2 | 6 | 108 | 6.9 | 7.9 |
| 3 | 9 | 131 | 10.3 | 9.6 |
| 4 | 8 | 100 | 9.2 | 7.3 |
| 5 | 9 | 127 | 10.3 | 9.3 |
| 6 | 8 | 125 | 9.2 | 9.2 |
| 7 | 19 | 290 | 21.8 | 21.2 |
| 8 | 20 | 343 | 23.0 | 25.1 |
| 9 | 6 | 105 | 6.9 | 7.7 |
| 10 | 0 | 0 | 0.0 | 0.0 |

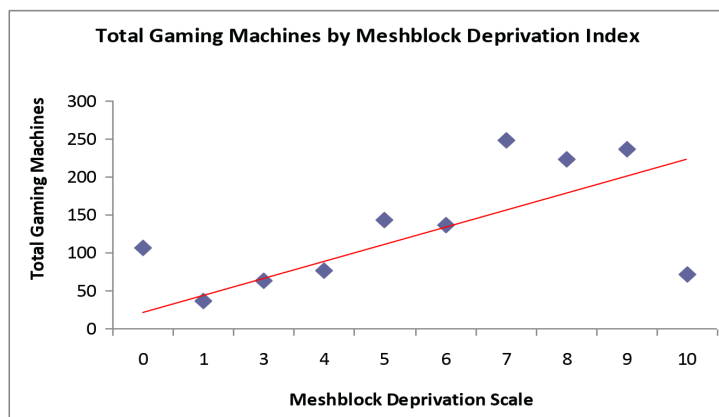
A report from the Ministry of Health (2008) used data from the 2002-2003 New Zealand Health Survey to show that there were significant associations between distance to the nearest gambling venue and gambling behaviour. The more gambling venues there are within 5kms of a person's neighbourhood, the more likely that the person would have gambled at a gambling venue in the last year.

The Covec report, an economic impact assessment of non-casino gaming machines completed in 2009, found that venues were more heavily concentrated in areas of lower income and higher socioeconomic deprivation (according to the New Zealand deprivation index). It found that there were statistically significant links between venues and local incomes, although this link was very small in practical terms. This relationship continues to

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be the case as Figure 7 shows, that with the exception of deprivation 10, the higher the deprivation score, the higher the number of machines.

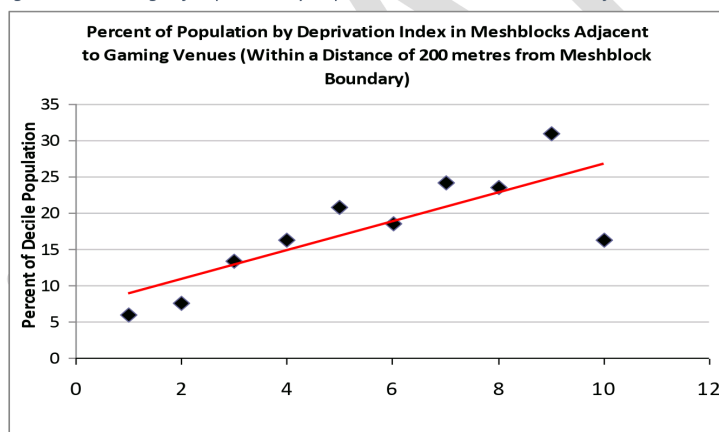
Figure 7: Number of Machines by Meshblock Deprivation



Source: Department of Internal Affairs, 2014; University of Otago, 2013 and Statistics New Zealand, 2014.

Figure 8 shows the percentage of the population in each deprivation decile that is within 200m from the meshblock boundary. It is clear that, with the exception of deprivation 10, the higher the deprivation score the greater the percentage of the population within 200m of a meshblock adjacent to a commercial area with a gaming venue in it.

Figure 8: Percentage of Population by Deprivation Index in Meshblocks Adjacent to Gaming Venues.



Source: Department of Internal Affairs, 2014; University of Otago, 2013 and Statistics New Zealand, 2014.

Table 8 on page 28 of this report provides an overview of the suburbs gaming venues are located in, the number of machines, and the expenditure.

Living in an area that has a high socio-economic deprivation score is a major risk factor for problem gambling (Ministry of Health, 2008). People who live in lower socio-economic neighbourhoods are more likely to be exposed to gambling and experience gambling-related harm. Research from the Ministry of Health (2008) suggests that people in lower income groups contribute a disproportionately greater amount of their income to gambling than people in a higher income bracket.

7.3. Types of Venue and Society

The tables below show the type of venues and societies operating in Christchurch in 2018.

Table 6: Number and Type of Venue Premises in Christchurch, April 2018.

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| Type of venue premises | Number of venues | Number of machines |
|------------------------|------------------|--------------------|
| Clubs | 9 | 140 |
| Pubs / Restaurants | 76 | 1,174 |
| TAB | 1 | 18 |
| Total | 86 | 1,332 |

Table 7: Number of venues and machines by society (clubs and TAB excluded), April 2018.

| Society | Number of venues | | Number of machines | |
|--|------------------|-----|--------------------|-----|
| | # | % | # | % |
| Air Rescue Services | 16 | 21% | 224 | 19% |
| NZCT | 14 | 18% | 229 | 20% |
| Pub Charity | 12 | 16% | 174 | 15% |
| Mainland Foundation | 8 | 11% | 144 | 12% |
| The Southern Trust | 8 | 11% | 124 | 11% |
| Christchurch Earthquake Recovery Trust | 5 | 7% | 90 | 8% |
| Youthtown Inc. | 4 | 5% | 63 | 5% |
| Lion Foundation | 3 | 4% | 36 | 3% |
| First Sovereign Trust | 2 | 3% | 36 | 3% |
| Four Winds | 1 | 1% | 18 | 1% |
| The Trusts Community Foundation | 1 | 1% | 18 | 1% |
| Trust Aoraki Ltd | 1 | 1% | 18 | 1% |

Of the 86 venues throughout the city, 9 are clubs which operate as societies and use the funds generated for club-related expenditure. The largest gaming societies currently operating in Christchurch are Air Rescue Services with 16 venues and 224 machines; and The New Zealand Community Trust (NZCT) with 14 venues and 229 machines throughout the city.

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7.4. Expenditure (GMP)

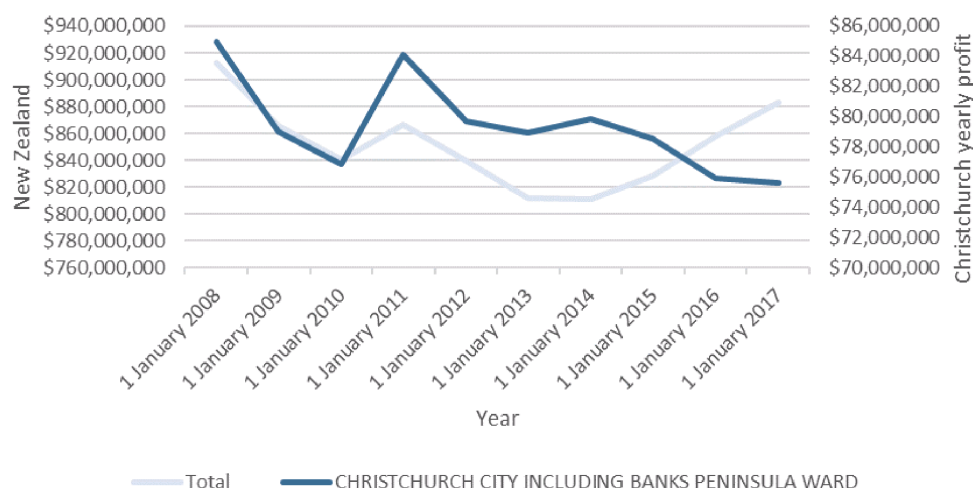
‘Expenditure’, also referred to as ‘net proceeds’, ‘revenue’ or ‘gaming machine profit’ (GMP), refers to the amount put into gaming machines (turnover) which is not returned through prizes.

The total expenditure for Christchurch for the 2017 calendar year was nearly \$75 million, around \$205,000 per day. This decreased from \$85 million in 2008, and is currently the lowest level of expenditure over the past ten years (Covec, 2009).

Figure 9 shows the gaming machine profit (GMP) for Christchurch is declining overall. There was a steep decline in GMP in Christchurch between the years 2008 and 2010. This is likely due to the global recession. GMP increased until 2011 when the Christchurch earthquakes struck, impacting a number of venues and resulting in a significant decrease in GMP.

While the GMP nationally has begun to increase again in recent years, the local GMP continues to decline.

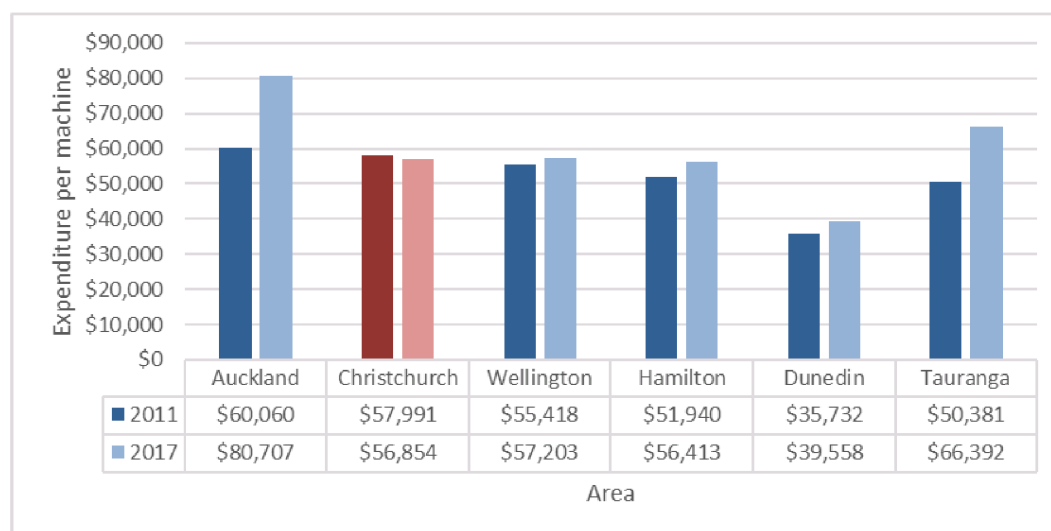
Figure 9: Annual Gaming Machine Profit, Christchurch and New Zealand 2008-2017



Source: Covec, 2009

Figure 10: Expenditure per Machine (2011 and 2017)

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Source: Covec, 2009

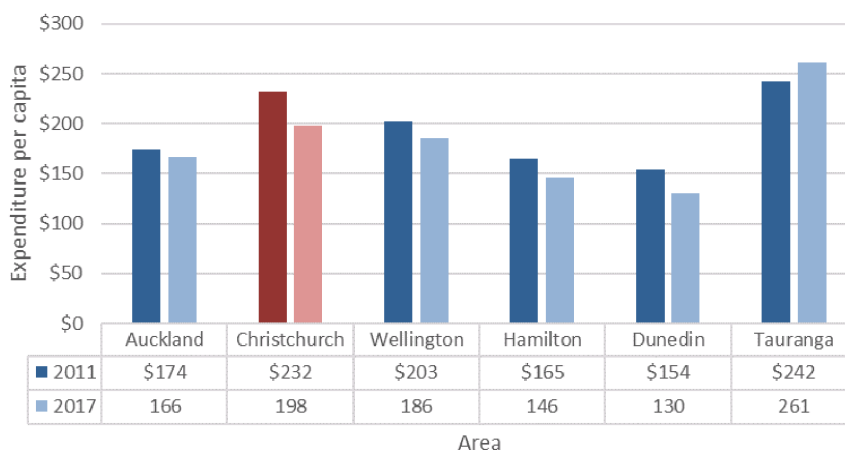
Figure 10 compares expenditure per machine across the six major cities of New Zealand. This indicates that there is no real association between density of machines and expenditure per machine, and that a higher rate of machines per capita will not necessarily mean increased expenditure. For example, Dunedin has one of the highest rates of gaming machine density, but the lowest expenditure per machine. It is worth noting that this lack of relationship does not necessarily imply a contradiction of the relationship between per-capita gambling machine density and problem gambling prevalence (Abbot, Storer and Stubbs, 2009), as discussed above in section 7.1 of this report.

Except for Christchurch, all of the major cities in New Zealand experienced an increase in expenditure per machine.

It should be noted that of these areas, Auckland, Christchurch, Dunedin, and Hamilton have 'sinking lid' policies, and Tauranga and Wellington have policies which allow the establishment of new venues, but within a specified cap.

Figure 11: Expenditure per Capita (2011 and 2017)

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Source: Covec, 2009

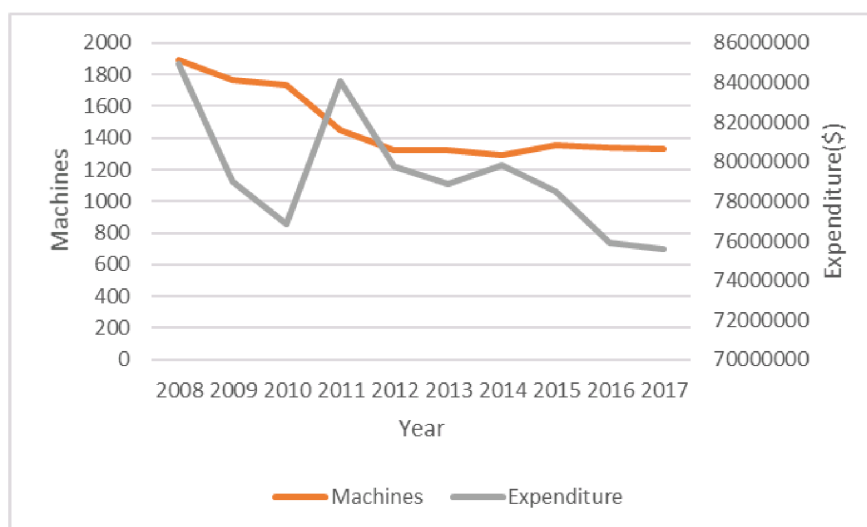
In 2017, gambling expenditure per capita in Christchurch was \$198. Of the six largest cities, all except Tauranga experienced a decrease in expenditure per capita between 2011 and 2017, as shown in Figure 11. Christchurch had the greatest decrease for the period, with \$34 per capita; while Auckland and Wellington had the lowest decreases of \$12 and \$17 per capita respectively. Christchurch had one of the highest levels of expenditure per capita in 2011. The decrease could in part be due to low economic growth as a result of the earthquakes.

In March 2018, Christchurch ranked 34th highest loss per head of population of all 67 territorial authorities in New Zealand (PGFNZ, 2018).

The following chart plots local expenditure and gaming machines.

Figure 12: Christchurch Gaming Machine Numbers and Expenditure (2008-2017).

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Source: Covec, 2009.

The decline in machine availability has not been matched by expenditure in Christchurch. Following the 22 February 2011 earthquake there was large spike upwards in expenditure in the June quarter, (most likely because the Casino was closed from 22 February until June, and gamblers who would normally use casino gaming machines may have gambled on non-casino gaming machines) but it then returned to the pre-earthquake level and has generally declined since, while gaming machine numbers have stayed relatively stable.

Post-disaster studies acknowledge that disasters place added challenges on individuals affected by substance use disorders, and these effects may also apply to those who gamble, particularly problem gamblers (Fornilli, 2006). This could be one reason that in spite of the reduction in the numbers of venues and machines, gaming expenditure increased.

The amounts gambled per gaming machine differs significantly between different parts of the city. In 2017, the areas of Bishopdale and Avonhead/Sockburn/Upper Riccarton had the highest GMP per machine, while Lyttelton and Sydenham had the least at \$19,668. This shows that the highest levels of expenditure are not typically in the most deprived areas of the city.

Table 8: Expenditure in Christchurch by Suburb Category, 2017.

| | Total GMP (\$) | Venues | Gaming Machines | GMP per machine | GMP per venue |
|---|----------------|--------|-----------------|-----------------|---------------|
| Christchurch Central / Linwood / Phillipstown | 8,893,814 | 11 | 169 | 52,626 | 808,529 |
| Avonhead/ Sockburn/ Upper Riccarton | 6,850,471 | 4 | 72 | 95,145 | 1,712,618 |
| Harewood/ Merivale/ Redwood/ Belfast/ Kainga | 6,201,060 | 8 | 117 | 53,001 | 775,133 |

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| | | | | | |
|---|-----------|---|-----|---------|-----------|
| North New Brighton/ Parklands/ Waimari Beach/ New Brighton | 5,993,175 | 7 | 117 | 51,224 | 856,168 |
| Bishopdale | 5,561,424 | 3 | 54 | 102,989 | 1,853,808 |
| Papanui / St Albans | 4,556,849 | 5 | 72 | 63,290 | 911,370 |
| Beckenham/ Cashmere/ Ferryhead/ Hillsborough/ Huntsbury/ Opawa/ Sumner | 4,520,353 | 6 | 91 | 49,674 | 753,392 |
| Shirley | 4,267,606 | 5 | 74 | 57,670 | 853,521 |
| Aranui/ Bromley/ Richmond/ Wainoni | 4,220,156 | 4 | 72 | 58,613 | 1,055,039 |
| Riccarton | 3,889,871 | 6 | 84 | 46,308 | 648,312 |
| Hornby | 3,788,561 | 4 | 72 | 52,619 | 947,140 |
| Woolston | 3,600,001 | 3 | 54 | 66,667 | 1,200,000 |
| Islington/ Templeton/ West Melton/ Yaldhurst | 3,294,111 | 4 | 63 | 52,287 | 823,528 |
| Barrington/ Hillmorton/ Hoon Hay/ Spreydon | 3,062,178 | 3 | 42 | 72,909 | 1,020,726 |
| Halswell | 2,485,515 | 3 | 45 | 55,234 | 828,505 |
| Sydenham | 1,922,525 | 3 | 54 | 35,602 | 640,842 |
| Addington/ Middleton/ Waltham | 1,834,407 | 3 | 44 | 41,691 | 611,469 |
| Lyttleton | 668,708 | 3 | 34 | 19,668 | 222,903 |

Source: Department of Internal Affairs, 2018b.

7.5. Return to the Community

A total of \$13,267,057 was made in grants from gaming machine trusts to local Christchurch organisations in the 2017/18 year (ending March). Total grant money received by gaming trust is shown in

Table 9. Categorised by grant recipient, 56% of the local grants received were made to sports clubs and organisations, 26% to community services⁹, and 18% to local community groups (PGFNZ, 2018).

Table 9: Gaming Society Grants to Christchurch 2017/18

| Gaming Trust | Total Grant Funds 2017/18 (\$) |
|---|-----------------------------------|
| New Zealand Community Trust ¹⁰ | 3,672,416 |
| Christchurch Earthquake Recovery Trust | 2,232,833 |
| Pub Charity Ltd. | 1,810,384 |
| Southern Trust | 1,446,154 |
| Air Rescue Services | 1,140,203 |
| Lion Foundation | 696,965 |
| The Trusts Community Foundation | 442,688 |
| First Sovereign Trust | 415,811 |

⁹ Community services includes the categories of: Council, education, health-related, kindergartens/childcare/plunket, surf lifesaving clubs, fire services, search and rescue, and 'general community services'. General community services include Women's Refuge, Immigration Services, City Mission, Seabrook McKenzie Centre, The Christ Ruth Centre Trust, Burwood Academy Trust, Deaf Society, Citizens' Advice and 0800 Hungry Ministries Trust. All other grants (other than sports-related) come under "community groups".

¹⁰ Data for NZCT was only available up to August 2017, meaning that the actual amount granted for the period will be higher than stated.

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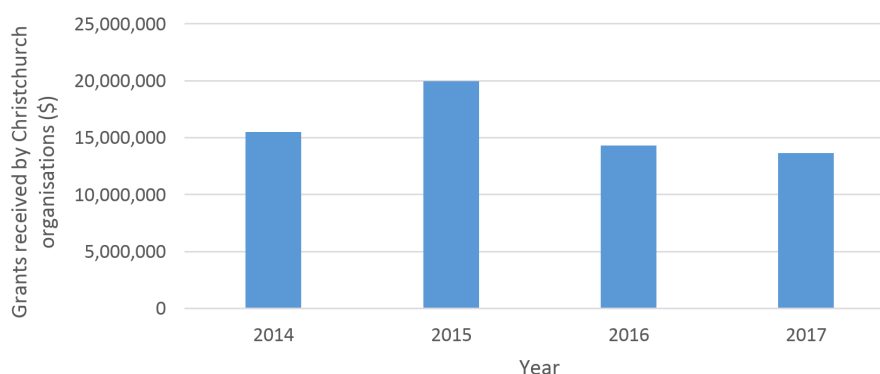
| | |
|----------------------------------|-------------------|
| Youthtown | 385,918 |
| NZ Racing Board (TAB) | 253,410 |
| Mainland Foundation | 250,804 |
| Trust Aoraki Ltd | 190,602 |
| Four Winds Foundation Ltd | 185,629 |
| Trillian Trust | 116,056 |
| Infinity Foundation Ltd | 16,186 |
| Blue Sky Community Trust | 7,500 |
| Redwood Trust Inc | 2,500 |
| Pelorus Trust | 1,000 |
| TOTAL | 13,267,057 |

Source: PGFNZ, 2018

Predictably, the society with the most gaming machines in Christchurch (NZCT; 229) was contributed the most grant funding to Christchurch. However, the society with the second most gaming machines is Christchurch (Air Rescue Services; 224) was not the second highest grant funding contributor to Christchurch. The second highest contributor was the Christchurch Earthquake Recovery Trust, who operates 90 gaming machines across five venues in Christchurch (PGFNZ, 2018)

Over the past four years the total amount of grant funding received by Christchurch organisations has fluctuated, but generally appears to be declining.

Figure 13: Total Grant Funding made to Christchurch Organisations from Class 4 Gaming Machine Trusts, 2014-2017.



Source: PGFNZ 2018a.

It is important to note that the grant figures presented in this section of the report are those made solely to Christchurch. Wider organisations such as Southern United Sports, which includes other territorial authority areas have been excluded. National grants which have not been made to a specific branch (eg: Cancer Society) are also omitted from the total grant figure reported.

Nationally, the New Zealand Racing Board returned \$14.7 million to racing and sports from its own gaming machines in 2016. Of this, \$11.7 million went to the racing industry, and \$3 million to community sports. Other class 4 gambling societies distributed almost \$3 million to racing recipients in the same year (Department of Internal Affairs, 2017).

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8. TAB Venues in Christchurch

8.1. Number and location of TAB venues

Although the Council's current policy allows for growth in the number of TAB venues in the city, this has not occurred overall. Currently there are five TAB venues¹¹, down from ten in 2004. These are:

- Barrington (252a Barrington Street)
- Bishopdale (333 Harewood Road)
- Bush Inn (364 Riccarton Road)
- Hornby (17 Carmen Road)
- Shirley (122 Marshland Road)

Two venues were established after the February 2011 earthquake – in Linwood and Merivale. Both of these venues are now closed. One venue (Shirley) is also a class 4 gaming machine venue.

9. Gambling Harm

9.1. Definition of Problem Gambling

While most people who gamble do not experience problems resulting from their gambling, for some, it can have wide-ranging negative impacts. Section 4 of the Gambling Act 2003 defines a problem gambler as "a person whose gambling causes harm or may cause harm". In this context, gambling-related harm:

- a) *means harm or distress of any kind arising from, or caused or exacerbated by, a person's gambling; and*
- b) *includes personal, social, or economic harm suffered –*
 - i) *By the person; or*
 - ii) *the person's spouse, partner, family, whanau, or wider community; or*
 - iii) *in the workplace; or*
 - iv) *by society at large.*

9.2. Prevalence of Problem Gambling

The latest National Gambling Study (2014) uses the Problem Gambling Severity Index¹² to categorise gamblers into four levels of risks based on points scored on their responses to questions. The four categories of gambler are:

- **Non-problem / Recreational gambler:** gambling with no associated problems or negative impacts
- **Low-risk gambler:** low level of problems with few or no identified negative consequences
- **Moderate-risk gambler:** moderate level of gambling-related problems leading to some negative consequences
- **Problem gambler:** gambling at levels that are leading to negative consequences and a loss of control.

The study found although most adults (70%) who had gambled in the previous 12 months were at no risk of their gambling causing harm, 0.3% of the adult population were problem

¹¹ See section 4.3 of this report for the definition of a TAB venue, and the various other types of outlets providing TAB services.

¹² The PGSI is derived from the Canadian Problem Gambling Index, which is an internationally-recognised tool for measuring the prevalence of problem gambling.

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gamblers. A further 1.5% were categorised as moderate-risk gamblers (Abbott et. al., 2016). There have been no significant changes in the prevalence of moderate-risk or problem gambling in recent years. The prevalence of problem gambling decreased significantly during the 1990s and has stayed at about the same level since.

The extent of problem gambling in Christchurch is difficult to determine because it relies on self-reporting and seeking support from problem gambling service providers, which can be influenced by several factors such as increased public awareness and the availability of funding for treatment services.

The findings of the National Gambling Study provide an indication of the level of problem-gambling that may be evident in Christchurch. Using the rate of 0.3% of the adult population, it could be anticipated that there are around 950 problem gamblers in Christchurch.

Prevalence of Problem Gambling for Class 4 Gambling and TAB Betting

The prevalence of problem gambling among those who use non-casino gaming machines is 2.7% (Abbott et.al., 2014). This is the second highest rate of prevalence among the various gambling activities and demonstrates there is a much greater risk of problem gambling from non-casino gaming machines than other forms of gambling, with the exception of overseas internet gambling (11.5%).

Gambling on non-casino gaming machines is the third most common form of gambling activity for problem gamblers, (58% participate) following Lotto and Instant Kiwi or other scratch tickets (Abbott et.al., 2014).

The prevalence of problem gambling for race betting and sports betting is 0.8% and 1.2% respectively. 14.7% of problem gamblers participate in race betting and 9.3% participate in sports betting (Abbott et.al., 2014).

9.3. Vulnerability

The prevalence of problem gambling varies significantly according to demographic variables. The top socio-demographic risk factor for problem gambling as identified by Abbott, Bellringer, Garret and Mundy-McPherson (2014), is being of Maori or Pacific Island ethnicity, followed by being male.

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In addition to ethnicity and sex, the following additional risk factors were identified:

- Aged between 35 and 45 years
- No formal qualification
- Unemployment
- Household size of five or more
- Living in an area of high deprivation (most deprived 20%)

Table 10 shows the proportions of the Christchurch population which meet each of the risk factor categories compared to New Zealand as a whole.

Table 10: Proportion of the population that meet each of the identified demographic risk factors for problem gambling, 2013.

| Demographic variable risk factor | Proportion Christchurch | Proportion NZ |
|---|-------------------------|---------------|
| Māori or Pacific Island | 11.6% | 22.3 |
| Male | 49.1% | 48.7 |
| Aged 35-45 | 13.6% | 13.5% |
| No qualification | 19.6% | 20.9% |
| Unemployed | 5.1% | 7.1% |
| Household size of 5+ | 9% | 11.4% |
| Living in area of deprivation score 9+ | 12.1% | 20% |

Source: Statistics New Zealand Census of Population and Dwellings 2013.

9.4. Social Impacts of Problem Gambling

The complexities of social effects make it difficult to measure, or even clearly define, the social costs and benefits of gambling (Walker 2007). Instead, as the negative effects of gambling are primarily associated with problem gambling, measures to control the negative effects of gambling are often assessed based on overall rates of gambling and the prevalence of problem gambling.

There are a range of social and personal costs associated with problem gambling. These include potential:

- Mental health issues such as depression and anxiety
- Financial problems, including bankruptcy
- Involvement in criminal activities
- Family violence
- Impacts on personal relationships including children of problem gamblers
- Impacts on employers and employment (Brown et. al., 2017; PGFNZ 2018)

The New Zealand Health Survey found gambling status was significantly associated with 'fair' or 'poor' self-rated health. Moderate-risk and problem gamblers were 2.5 times more likely to report fair or poor health than those with no gambling problems (Rossen 2015).

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Problem gambling can affect not only the gambler themselves, but also the people around them including family, friends, employers, work colleagues and the wider community. Approximately 2.5%, or about one in 40 people aged 15 and over (89,000 nationwide), are negatively affected by other people's gambling (Rossen 2015). In Christchurch, this could apply to approximately 7,915 people experiencing negative effects associated with someone else's problem gambling.

Other studies have found higher rates of people affected by the gambling behaviour of others. The 2016 survey of New Zealanders' health and lifestyle reported that 11% of respondents reported that someone else's gambling has had a serious impact on them, (Thimasarn-Anwar, Squire, Trowland, and Martin, 2017). The Problem Gambling Foundation cite another New Zealand study which reported the prevalence was as high as one in six (PGFNZ 2018).

A recent national study found that gambling causes more ongoing harm than some chronic health conditions such as diabetes, however less harm than anxiety and depressive disorders and hazardous drinking (Brown et.al, 2017).

9.5. Economic Impacts of Gambling in Christchurch

Christchurch City Council commissioned detailed analysis by Covec of the economic impacts of non-casino gambling machines on Christchurch city in 2009. The Covec report was updated in 2018. The analysis estimated the net impacts¹³ of non casino gaming machines on the Christchurch economy in 2009 and 2017 as shown in Table 11.

Table 11: Net Impacts of Non-casino Gaming Machines on the Christchurch Economy, 2009 and 2017.

| | 2009 | 2017 |
|------------------------------|---------------------------|---------------------------|
| Lost output | \$13 million | \$14 million |
| Additional GDP | \$2 million | \$1 million |
| Lost employment for | 630 full-time equivalents | 513 full time equivalents |
| Lost household income | \$8 million | \$5 million |

Source: Covec 2009.

According to this analysis, non-casino gaming machines reduce incomes and employment. Aside from the small GDP benefit, the economic impacts of the local industry are largely negative (Covec, 2009).

10. Gambling Harm Prevention and Minimisation

10.1. Legislative Requirements

There are measures contained the Gambling Act 2003 which aim to minimise or prevent the harm caused by gambling. The Act places obligations on the Department of Internal Affairs, the NZ Racing Board and operators of gaming machines, to minimise the risks of problem gambling. These measures include (among other things): age limits on gambling; identification of unsuitable venues; identification and exclusion of problem gamblers;

¹³ Net impacts are the gross impacts, minus foregone expenditures/opportunity costs. According to the Covec analysis, non-casino gaming machines generated \$132m annual output and \$72m GDP, 608 FTEs and household income of \$25m (gross impacts). Taking opportunity costs into account produced the net impacts, as presented in 9.5.

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information for players on the odds of winning and how to seek advice for problem gambling; and problem gambling awareness training for employees of gaming machine operators and Racing Board employees.

All gaming machines are required by the Gambling (Harm Prevention and Minimisation) Regulations 2004 to have game information and a feature that interrupts play at regular intervals to inform the player of how long they have been playing the machine, how much they have spent, and to ask whether they wish to continue playing.

The Department of Internal Affairs Fact Sheet 6 provides a comprehensive list of the ways in which harm caused by gambling can be prevented or minimised. This information is attached as Appendix 1.

10.2. Problem Gambling Levy

The Ministry of Health has responsibility for managing the funding of problem gambling support services. The funding comes from a levy on the gambling industry, regulated through the Gambling Act 2003, which reimburses the government for the costs associated with preventing and minimising gambling harm.

The levy is collected on the profits of New Zealand's four main gambling operators; gaming machine in pubs and clubs, casinos, the New Zealand Racing Board and the New Zealand Lotteries Commission. The levy is set every three years, under Regulations.

The current problem gambling levy for gaming machine operators is 1.3% of gross gambling profits. The levy rate for the New Zealand Racing Board is 0.52%.

11. Problem Gambling Treatment Services

11.1. Helpline Services

The Gambling Helpline service provides advice and support for people experiencing some form of gambling-related harm, either directly or as a result of someone else's gambling.

The Gambling Helpline is part of the National Telehealth Service which is managed by Homecare Medical. It can be accessed via a freephone helpline, text message, live webchat and through their website. There is increasing use of the digital channels, and further growth in the numbers of people accessing the service is anticipated with the launch of live webchat in 2018.

The Gambling helpline provides:

- Referrals to other national Telehealth services (eg: Alcohol and Drug Helpline, Depression Helpline, Quitline etc) and to face-to-face counselling service providers
- Ongoing call-backs to consumers
- Short-term interventional counselling services and primary counselling services for those without access to face-to-face service, or who prefer helpline services

The number of individual Gambling Helpline service users nationally for the year ending 30 June 2017 was 4,308, which was an additional 1,180 individual callers from the previous year (Homecare Medical 2017).

11.2. Intervention Services

There are two national providers of problem gambling services – the Problem Gambling Foundation of New Zealand and the Salvation Army's Oasis Centre for Problem Gambling. Both have centres located and providing services in Christchurch.

The Ministry of Health collates gambling service intervention data, for all forms of gambling, throughout New Zealand. The chart below shows the number of new and repeat clients in Christchurch for the years 2008 to 2017. It is important to note that the total number of

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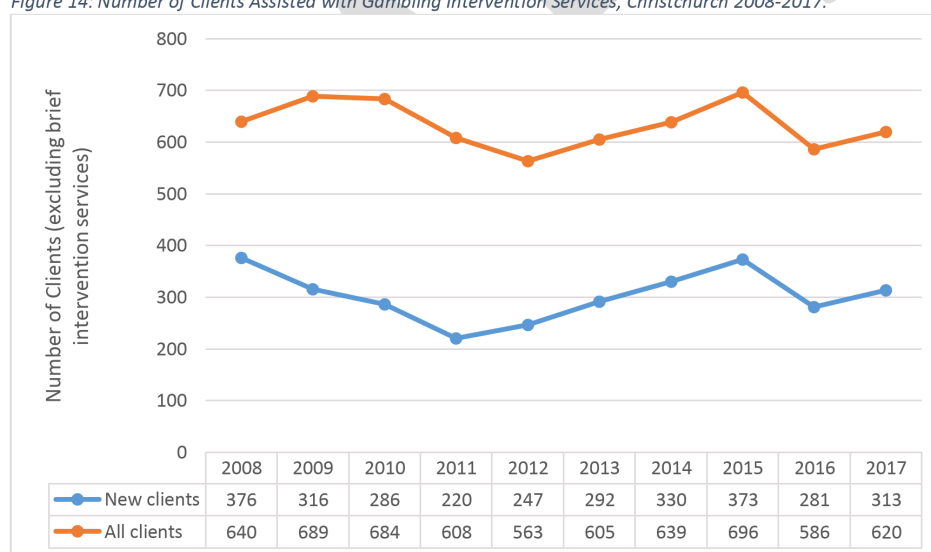
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clients used in this report excludes brief intervention services. Brief intervention services are for clients who are at risk of gambling harm, but who do not yet associate their gambling with problems in their lives. For this reason, this report focuses on the figures excluding brief interventions as we believe this data set provides a more accurate depiction of the change in the number of clients experiencing problem gambling.

There were a total of 620 clients assisted in Christchurch in 2017. Just over half of these clients had not accessed intervention services before. This accounted for 10% of all clients nationally. Generally, over the last ten years the client number fluctuations locally have reflected national fluctuations. Despite some annual variability, overall problem gambling intervention service client numbers are gradually declining for Christchurch, while they are gradually increasing for New Zealand as a whole.

This data includes both services provided to the gambler themselves and those affected by another person's gambling. Nationally, 32% of all clients assisted in 2017 were 'affected others'. In Christchurch, a higher proportion of the clients were the problem gamblers themselves, with affected others accounting for 19% (Ministry of Health 2018; 2018a).

Figure 14: Number of Clients Assisted with Gambling Intervention Services, Christchurch 2008-2017.



Source: Ministry of Health, 2018.

The table below shows the number of new problem gambling intervention clients in Christchurch, compared to the national figures in 2017.

Table 12: New Gambling Intervention Clients, 2017.

| | Christchurch | New Zealand |
|--|-----------------------------------|-----------------------------------|
| New clients accessing intervention services | 313 | 3,162 |
| | 8.2 clients per 10,000 population | 6.6 clients per 10,000 population |

Source: Ministry of Health, 2018.

Comparatively, the number of people seeking assistance for gambling problems in Christchurch is much higher per head of population than the nationally. The rate of clients per head of population has decreased both nationally and locally over the past three years (Christchurch 2015: 10.1; NZ 2015: 8.9).

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The population of Christchurch accounts for 8% of the total population of New Zealand. With 10% of the total number who accessed gambling intervention services in 2017, and a higher rate of clients per head of population, Christchurch is over-represented in the problem gambling treatment service statistics.

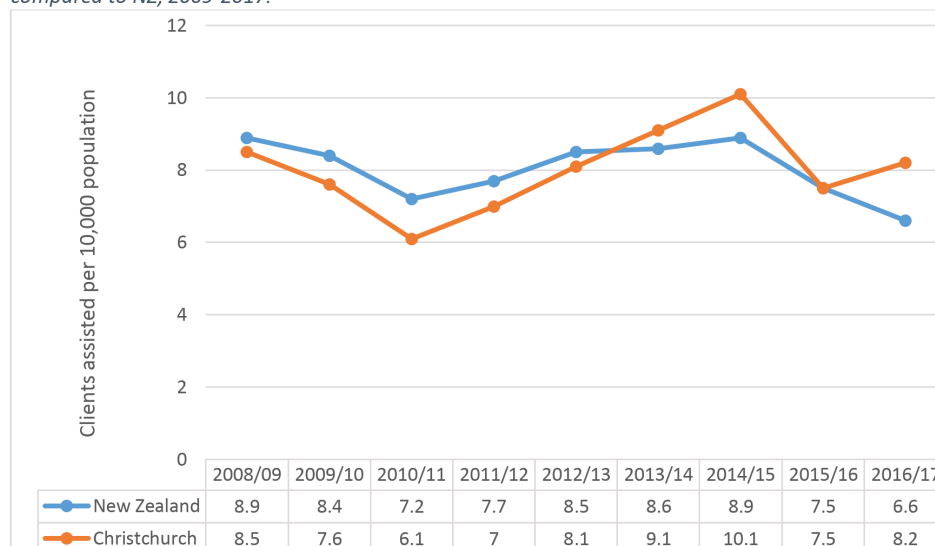
Problem gamblers report experiencing major life events more often than the general population and non-problem gamblers (Abbott et.al., 2014), and it is a commonly held perception life events causing stress may contribute to an increase in problem gambling behaviour. Anecdotally, increased levels of stress as a result of the 2010 and 2011 earthquakes has been reported as a possible factor on higher problem gambling figures for Christchurch.

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While this appears to be reflected in the intervention service data, a recent study (Rossen 2015) observed no significant trends or associations between the level of gambling and living in Christchurch at the time of the February 2011 earthquake.

Figure 15: Problem Gambling Intervention Service Clients Assisted per 10,000 Population, Christchurch compared to NZ, 2009-2017.



Source: Ministry of Health, 2018.

Non-casino gaming machines were significantly more likely to be the main form of gambling reported for those seeking services for problem gambling.

The table below shows the primary mode of problem gambling reported by intervention service clients, for both Christchurch clients, and for New Zealand as a whole.

Table 13: Problem Gambling Intervention Clients by Primary Mode of Gambling, Christchurch and New Zealand.

| Primary Mode of Problem Gambling | 2010 | | | | 2017 | | | |
|----------------------------------|--------------|----|--------------|----|--------------|----|--------------|----|
| | NZ | | Christchurch | | NZ | | Christchurch | |
| | # | % | # | % | # | % | # | % |
| Gaming Machines (non-casino) | 4,160 | 65 | 432 | 63 | 3,060 | 49 | 302 | 49 |
| Gaming machines (casino) | 565 | 9 | 74 | 11 | 678 | 11 | 82 | 14 |
| Casino table | 565 | 9 | 72 | 11 | 563 | 9 | 64 | 10 |
| NZ Racing Board | 449 | 7 | 62 | 9 | 593 | 9 | 92 | 15 |
| Cards | 82 | 1 | 11 | 2 | 103 | 2 | 26 | 4 |
| Housie | 26 | <1 | 2 | <1 | 119 | 2 | 2 | <1 |
| Lotteries commission products | 333 | 5 | 4 | <1 | 820 | 13 | 18 | 3 |
| Other | 188 | 3 | 26 | 4 | 335 | 5 | 34 | 5 |
| TOTAL | 6,367 | | 684 | | 6,271 | | 620 | |

Source: Ministry of Health, 2018; 2018a.

Problems experienced with gambling on class 4 gaming machines accounts for almost half of the gambling intervention services clients both locally and nationally. This proportion has decreased while other modes of gambling have become more problematic, however it remains significantly more problematic than any other form of gambling.

This is particularly compelling when compared with the participation statistics presented in section 6 of this report: National Gambling Trends (participation), and indicates participating

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in this mode of gambling has a much higher risk of potential problems associated with gambling, than other forms of gambling.

Gambling through the New Zealand Racing Board (track and sports betting) has increased over the last seven years as the reported primary form of problem gambling, and in 2017 accounted for 9% of the problem gambling intervention clients nationally. Notably, for Christchurch this increase has not been reflected to the same degree locally, with 15% of problem gamblers in Christchurch citing track and/or sports betting as their main form of gambling. This is occurring in spite of an overall decrease in the number of TAB venues, but may be due to a move to greater participation through phone, online and pub TAB outlets, all of which are outside the influence of territorial authorities.

For those who called the Gambling Helpline with regard to their own gambling in 2014, 555 (87%) first-time callers reported that class 4 gaming machines was their primary mode of gambling. Track and sports betting as the primary mode of problem gambling accounted for 11% of first-time calls to the Gambling Helpline in the same year (Gambling Helpline 2015).

12. Conclusions

12.1. Class 4 Gaming

Gaming machines provide a range of social benefits including entertainment to the individuals using them. The community as a whole benefits from the return of profits either as grants to community organisations through the various trusts that own the machines, or to benefits provided to members of chartered clubs. However, these benefits are offset to a greater or lesser extent by the harms gambling causes either to the individual who has a gambling problem and their family and associates, or to the wider community through exacerbating income inequalities and crime and dishonesty related to gambling.

Non-casino gaming machines have a much higher risk of potential gambling-related harms than any other form of gambling, and is most often the gambling method of 'choice' for problem gamblers. Although reported problem gambling rates are gradually declining for Christchurch, comparatively, the number of people seeking assistance for gambling problems is higher per head of population than nationally.

Christchurch has had a sinking lid policy in place for 14 years. The policy appears to be achieving its purpose. It has enabled a reduction of class 4 gaming venues and machines at a rate faster than may have occurred otherwise, but has not yet brought the numbers down below national averages. Research indicates decline in accessibility (gaming machines numbers) will tend to reduce the prevalence of gambling and of problem gambling.

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Locally and nationwide, Councils with sinking lid policies have not seen a drastic or immediate reduction in the amount of grant funding available to community groups as a result of a sinking lid policy. It is unclear what effect the Council's current policy has had on the availability of community funds since 2004, although it appears the wider Canterbury community continues to obtain the majority of its funding through the various trusts and other sources.

On balance of the information available, and particularly because Christchurch continues to have a higher number of gaming machines per head of population and comparatively higher rates of people seeking assistance for gambling problems, it is considered appropriate to continue to focus on reduction of gambling opportunities throughout the city.

12.2. TAB Venues and Gambling

There is little information on the effects of race and sports betting, and none specifically related to betting at stand-alone TAB venues – which are the only type of TAB service that can be covered by the Council's policy.

There has not been a proliferation of TAB venues in Christchurch under the permissive policy in place over the last 14 years, and nor is there any reason to expect there would be in the next three years should the current policy be rolled over. Overall, the number of TAB venues have declined, and no complaints have been received about the existing venues.

The Council's policy can only apply to TAB venues. There are numerous other outlets for the same products in the community including pub TABs, self-service TAB terminals, and phone and internet TAB betting. Placing a moratorium on new TAB venues will be unlikely to have a significant impact on this form of gambling activity.

The current Council policy on TAB venues is supported by the New Zealand Racing Board and the majority of key gambling stakeholders. The only concern raised by a few was that the unrestricted approach to TAB venues seemed contradictory to the more restrictive approach to class 4 gaming venues. Although policies on both type of venue are contained within the one document, each must be considered on its merits.

Race and sports betting creates both social benefits (through the entertainment derived from watching sports and races and placing bets) and social harms, either to the individual and their families, or to the wider community. While there is a small risk of problem gambling, it is less than the risk associated with class 4 gambling machines.

On the basis of the information available, there do not appear to be any significant concerns with the number or location of TAB venues in the city and on balance, it is considered that the existing controls are sufficient.

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14. Appendix 1

Gambling Fact Sheet #6

Gambling Harm Prevention & Minimisation

INTERNAL AFFAIRS

Te Tari Taiwhenua

Note: While reasonable measures have been taken to ensure the quality and accuracy of the information contained in this Fact Sheet it does not replace information contained in the Gambling Act 2003 or the Racing Act 2003 or any provisions pursuant to these Acts. This Fact Sheet is for general information only and is not a substitute for independent, professional legal or financial advice.

Measures to minimise gambling harm

The Gambling Act 2003 contains the following measures to minimise the harm caused by gambling:

Limited machines

Gaming machine numbers on sites are limited.

Problem gamblers

The Department of Internal Affairs cannot issue a gaming machine licence unless it is satisfied that the applicant will minimise the risks of problem gambling and the possibility of persons under 18 having access to machines.

Operators of casinos and gaming machine venues must provide information and assistance to people who they have reason to believe may be problem gamblers, and may issue exclusion orders prohibiting such people from entering the gambling area.

Operators must also take all reasonable steps to assist a person who they have ongoing concerns about.

Operators of casinos and gaming machine venues must issue exclusion orders to self-identified problem gamblers.

Age limits

The statutory age limit is 18 years for playing gaming machines outside casinos.

The statutory age limit is 20 years for gambling in a casino.

The age limit for playing Instant Kiwi is 18.

Money

Gaming machines with banknote acceptors must not accept a denomination of more than \$20.

The Ministry of Health has developed, and is implementing, an integrated problem gambling strategy. The costs of the strategy are recovered from the gambling sector by a problem gambling levy on player expenditure, which is collected by the Inland Revenue Department.

Internet gambling

Remote interactive gambling (e.g. Internet gambling) is prohibited, except for gambling operated by the New Zealand Racing Board, New Zealand Lotteries Commission and sales promotions in the form of lotteries.

Venues

Gambling (Harm Prevention and Minimisation) Regulations 2004 and Racing (Harm Prevention and Minimisation) Regulations 2004 declare certain venues as unsuitable for gaming machines.

This includes:

- Any venue where the primary activity is anything other than onsite entertainment, recreation, or leisure focused on persons 18 years and over, including (without limitation):
 - Dairies or supermarkets, or similar venues
 - Fast food outlets or similar venues
 - Offices
 - Private residences
 - Sports stadiums
 - Circuses, fairs, amusement parlours, theme parks, arcades or parks, or similar venues

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- Any venue that is not a fixed permanent structure, including:
 - Tents or marquees
 - Vehicles, vessels, aircrafts, trailers or other conveyances.
- Footpaths (whether or not undercover)
- Concourse areas (whether or not enclosed)
- Internet-cafes or cyber-cafes, or any other venue at which the primary activity is electronic media (including games)
- Libraries, art galleries, museums, theatres, cinemas or similar venues
- Any place of worship.

Stake limits & ATMs

The non-casino gaming machine stake limit is \$2.50 and prize limits are \$500 for a single machine and \$1,000 for a linked machine jackpot.

Automated teller machines (ATMs) are banned from the gambling area in casino and non-casino venues, and from all dedicated New Zealand Racing Board venues (i.e. dedicated TABs).

Odds of winning

Gaming machine operators and casinos are required to provide information on the odds of winning on gaming machines, the basic characteristics of problem gambling and how to seek advice for problem gambling.

Signage and seeking assistance

Gaming machine operators, casinos, and the New Zealand Racing Board to display signage encouraging players to bet at levels they can afford and containing advice on how to seek assistance for problem gambling.

Casino and non-casino gaming machine jackpot branding and advertising that is visible/audible from outside the venue is prohibited.

Problem gambling training

Gaming machine operators and the New Zealand Racing Board are required to provide problem gambling awareness training as follows:

- Non-casino gaming machine operators must provide problem gambling awareness training to the venue manager and any venue personnel so as to ensure that there is always a trained staff member present at all times when gambling activities are available to players
- Casino operators must provide problem gambling awareness training to the manager of the venue and any employee of the venue who is in direct contact with players in the course of their duties
- The New Zealand Racing Board must provide problem gambling awareness training to each employee involved in supervising racing betting or sports betting at a Board venue (i.e. at dedicated TABs).

Problem gambling awareness training must, as a minimum, enable trained staff members to:

- Approach any player that they have reasonable grounds to believe may be experiencing difficulties relating to problem gambling
- Provide information to players about the characteristics of problem gambling
- Provide information to players about the potential dangers of problem gambling
- Provide information to players about how to access problem gambling services
- Remind players that if the venue manager or the casino operator (as the case may be) have reasonable grounds to believe that a player is a problem gambler they can ban that player from the gambling area of the venue for up to two years
- Remind players that they can identify themselves as problem gamblers and that they can request the venue manager or casino operator (as the case may be) to exclude them from the gambling area of the venue for up to two years.

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Gambling Fact Sheet #6: Gambling Harm and Prevention

Gaming machines are required to have design features that if the player elects will provide the player information on:

- Game characteristics including the odds of winning the game, the average winnings paid out to players of the game over a period of time or number of plays, and the maximum and minimum spend rate for the game
- Individual player information including the duration of the session of play, the amount of money the player has spent and net wins and net losses during the session of play.

All gaming machines are required to have a design feature that interrupts play at irregular intervals not exceeding 30 minutes of continuous play and informs the player of the duration of their session of play, the amount of money the player has spent and net wins and net losses during the session of play.

The feature must also ask the player if they wish to continue their session of play. If the player elects not to continue, the gaming machine must automatically pay out any credits owed to the player.

Gaming machines must also display the current time while they are in use.

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Gambling and TAB Venue Policy Review 2018:

Summary of stakeholder responses to questions about the 2015 Gambling and TAB Venue Policy

1. Summary

Feedback provided through the questionnaire on the Council's current Gambling and TAB Venue policy provides the Council with a good understanding of how the policy is perceived, and how it has affected key stakeholders in the gambling industry. It has demonstrated a predictable split in opinion between the corporate societies and problem gambling service providers. In summary:

- Corporate societies disagree with the current class 4 gambling venue policy, most commonly because it does not include a provision for relocation of venues and/or because of its sinking lid approach. In their view, these provisions have reduced their ability to raise funds to support the community; and have prevented them from adapting their business in response to market changes – particularly the rise of online gambling.
- Problem gambling service providers and health representatives support the current policy and commented that Council's ongoing commitment to a sinking lid policy supports their efforts to reduce gambling-related harm.
- Corporate societies are in favour of allowing venues to relocate while the problem gambling service providers are opposed to allowing venues to relocate. This is because in their view, any relocation simply moves the problem into a new community.
- Of those who commented on the current TAB venue policy, the majority supported the current policy approach.

It should be noted that wider community views have not been taken into account through this informal consultation process. Such feedback could be gained through a special consultative procedure, should the Council decide to undertake one as part of the policy review.

2. Stakeholders contacted

An email was sent to 28 major stakeholders on 18 April 2018 with a short list of questions (six) about the current Gambling Venue and TAB Venue Policy. The 28 stakeholders were a mix of corporate societies operating gaming venues, clubs, problem gambling service providers, the New Zealand Racing Board and other key interested parties. A reminder email was sent on 14 May 2018 to those who had not replied.

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Nineteen responses were received in total:

Corporate Societies / Clubs / Racing Board

- Air Rescue Services Ltd
- Christchurch Earthquake Recovery Trust (CERT)
- Four Winds Foundation
- Gaming Machine Association of New Zealand
- Lion Foundation
- Mainland Foundation
- New Zealand Community Trust (NZCT)
- New Zealand Racing Board (NZRB)
- One Foundation (formerly First Sovereign Trust)
- Papanui Club
- Pub Charity
- Richmond Workingmens Club
- The Southern Trust
- The Trusts Community Foundation (TTCF)
- Trust Aoraki
- Woolston Club / Clubs New Zealand Incorporated (joint)

Service providers

- Problem Gambling Foundation New Zealand
- Oasis Salvation Army

Other

- Community and Public Health

3. Responders' view of the Council's current gaming venue policy

Fifteen submitters have gaming machines, and one is the national Gambling Machine Association. These submitters disagree with the Council's current class 4 gambling policy. Most commonly the current policy is not supported because it does not include a relocation provision (12 respondents), and/or because of the sinking lid approach (11 respondents). Other reasons given for not supporting the policy were that:

- it does not allow the legislative maximum of 30 machines for club mergers
- it is unjustly more restrictive on gaming machine venues than TAB venues
- it does not acknowledge the differences between gaming in clubs and pubs
- it suppresses controlled, supervised gambling in favour of increasing online gambling.

The Problem Gambling Foundation of New Zealand (PGFNZ) and Oasis Salvation Army are not-for-profit organisations with charitable status dedicated to eliminating harm caused by gambling. Both are supportive of the current Gaming Venue Policy, as are Community and Public Health.

4. Responders' view of the Council's current TAB venue policy

Eleven respondents, including the New Zealand Racing Board, support the Council's current TAB venue policy. Some noted that the TAB has been downsizing its retail operations regardless of a policy which allows growth. Community and Public Health and two corporate societies disagree with the TAB venue policy because it does not limit the establishment of TAB venues. Six respondents had no comment on the current TAB venue policy.

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A common theme of responders' views was that the TAB venue policy takes a very different (contradictory) approach to the more restrictive sinking lid on gaming machine venues. A related concern questioned the logic of restricting gaming machine venues which support community not-for-profit organisations, while taking a more liberal approach to another mode of gambling which raises funds almost exclusively for the benefit of the racing industry.

5. Effects of the Policy on their operations

The problem gambling service providers reported that the Council's ongoing commitment to a sinking lid policy supports their efforts to reduce gambling-related harm.

The New Zealand Racing Board considers their sole purpose of providing gambling products means they are best suited to providing class 4 gambling, but have been unable to establish any new class 4 venues within their TAB stores because of the sinking lid policy.

The other respondents say the policy has reduced their ability to raise funds to support local not-for-profit organisations and the New Zealand Racing Industry, and that demand is greatly exceeding grant funding available. Two respondents comment they lost venues as a result of the earthquakes and sinking lid policy. Others say the sinking lid policy is preventing them from making changes such as moving to modern premises, a different location, or adapting to market changes when an operation of a particular venue has become less-viable.

6. Responders' preferred future policy direction

Nine of the fifteen gambling venue operators (including the Gaming Machine Association of New Zealand) request a relocation provision to be added. Most think this should be considered for situations where the venue operator is forced to cease operation at their current location for reasons beyond their control (earthquake, fire, lease expiry etc), and five respondents request a relocation provision for wider reasons. The Gaming Machine Association of New Zealand was the only respondent to suggest that relocations should be considered in order to relocate venues to 'more desirable' areas [areas with low socio-economic deprivation scores for example].

Eight corporate societies consider the sinking lid policy should be replaced with a cap on venue and machine numbers. CERT, the Gaming Machine Association of New Zealand, NZCT, The Lion Foundation, One Foundation Ltd and the New Zealand Racing Board consider that the cap should be set at present-day numbers.

The Southern Trust considers allowing the market to dictate gaming venue numbers because the prevalence of problem gambling would remain unchanged in this scenario and venue operators would be less inclined to continue operating unviable venues.

All the problem gambling service providers support maintaining the sinking lid policy. The Problem Gambling Foundation New Zealand encourages the Council to go further and implement a "true" sinking lid and remove the provision for club mergers.

Problem gambling service providers do not support the introduction of a relocation policy. Their view is that any relocation simply moves the problem into a new community. PGFNZ believes reduction of venues and machines is paramount for gambling harm reduction and they would therefore seek every opportunity for reduction.

In addition to the policy Community and Public Health encourage the Council to:

- adopt a ban on gambling-related sponsorship for its facilities
- advocate to the DIA for class 4 licences to be granted on a fixed term basis rather than in perpetuity.

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7. Other comments / Additional information to be considered

- Air Rescue Services considers that while gaming machine numbers have reduced considerably over the last ten years, the problem gambling rate has plateaued. They suggest reducing machine numbers to address gambling-related harm does not work, but rather accelerates the migration of gambling to online providers.
- CERT provided a Gaming Machine Statistics and Research Paper, authored by Jarrod True (industry legal specialist) and Martin Cheer (Pub Charity, Chief Executive). The key messages of the paper is that New Zealand's problem gambling prevalence rate has no correlation to the number of gaming machines operating; and that the proceeds of class 4 gaming machines benefit the local community.
- Community and Public Health provided links to three recent studies;
 - a mystery shopper exercise to assess host responsibility practice in class 4 venues which found 8% of venues met their host responsibility expectations
 - results of the 2016 Health and Lifestyles survey which includes a range of findings about gambling harm
 - a study which considered industry tactics and distortion of evidence to influence policies favourable for their interests.
- Four Winds Foundation considers class 4 gaming as the most defensible form of gambling in New Zealand because of the amount of funding it puts back into its community compared to other forms of gambling. They also note that the problem gambling rate has stayed somewhat steady despite decreasing machine numbers, and are concerned that if the industry continues to shrink, gamblers will be pushed to online modes of gambling which is not subject to the same controls and return to the community.
- The Gaming Machine Association of New Zealand provided information on funding returned to the community and revenue breakdown, gaming machine/player safeguards, problem gambling rates and the unintended consequence of shifting gambling from class 4 gaming machines to online modes. The key messages of the paper are that; balance is required in this policy decision and the benefits (community funding) must be taken into consideration; the problem gambling rate has no correlation to the number of machines operating; and retaining a sinking lid is unlikely to reduce the rate of problem gambling.
- The Lion Foundation noted the amount of funding they have returned to the community over the last 3 years: 2017/18: \$967,623; 2016/17: \$1,000,547; and 2015/16: \$1,677,381.
- Mainland Foundation urged the Council to consider the impact of decreased funding available for local organisations.
- The New Zealand Community Trust provided information on their grant distribution (\$4,221,262 to Christchurch in 2017), highlighted the decline of gaming venues and machines, and presented no correlation between machine numbers and the prevalence of problem gambling.
- One Foundation presented results of a survey conducted by Auckland City Council on community funding. The survey found 75% of respondents considered their organisation was moderately or totally reliant on gaming machine funding, and 68% thought they would be unlikely to find another source of funding if gambling funding was not available. One Foundation also provided information on the measures they have in place to ensure their venues are responsible gaming venue hosts.

18/404497

- The Problem Gambling Foundation New Zealand provided a well-researched submission covering gambling, problem gambling, and gambling harms. It also provided rebuttal to some industry claims.
- The Trust's Community Foundation urges the Council to consider how community organisations would fund themselves without the funding available from gaming venue operators.
- The Woolston Club / Clubs New Zealand Inc. consider the position of clubs as class 4 gaming venues is unique and should be treated as such. The additional information provided focussed on the harm prevention measures used by clubs.

Relevant statistics and information provided by respondents has been incorporated into the Report on the Gambling in Christchurch where appropriate.

Full copies of the completed questionnaires and additional information forwarded by respondents can be provided. Please contact Jenna Marsden jenna.marsden@ccc.govt.nz for copies.

8. Draft Dangerous and Insanitary Buildings Policy

Reference: 18/574445

Presenter(s): Robert Wright

1. Purpose of Report

- 1.1 The purpose of this report is for the Regulatory Performance Committee to recommend to the Council that the draft Dangerous and Insanitary Buildings Policy is approved for community consultation.
- 1.2 The Council is required, under section 131 of the Building Act 2004, to adopt, and review, a policy on dangerous and insanitary buildings.
- 1.3 Section 132 of the Building Act 2004 requires the adoption of the Policy to be undertaken in accordance with the special consultative procedure in section 83 of the Local Government Act 2002.

2. Staff Recommendations

That the Regulatory Performance Committee:

1. Receive the information in this report.
2. Recommend to the Council that it:
 - a. adopt the Statement of Proposal (Attachment A) and agree to it being the subject of a special consultative procedure;
 - b. agree that a Hearings Panel be convened at the completion of the consultation period to receive and hear submissions on the draft policy, deliberate on those submissions, and to report back recommendations to the Council on the final form of the policy.

3. Key Points

- 3.1 The Building Act 2004 (section 131) requires all territorial authorities to adopt a policy on dangerous and insanitary buildings within its district, and regularly review the policy, once adopted.
- 3.2 The draft Policy is proposed to replace the Council's Earthquake-prone, Dangerous and Insanitary Buildings Policy 2010. The draft Policy and Statement of Proposal is Attachment A of this report.
- 3.3 The draft policy contains reviewed policy provisions relating to dangerous and insanitary buildings from the Council's current Earthquake-prone Dangerous and Insanitary Buildings Policy. It also includes provisions relating to affected buildings, which is a new requirement of the Building Act (section 132A).

Key policy changes

- 3.4 All policy provisions relating to earthquake prone buildings have been removed from the Policy as these are now exclusively provided for under new and/or revised provisions of the Building Act 2004.
- 3.5 The draft Policy includes the Council's policy approaches regarding affected buildings, which are buildings adjacent to, adjoining or nearby a dangerous building or dam.

- 3.6 The draft Policy provides more detailed information about how the Council will identify and appropriately deal with dangerous, affected or insanitary buildings. This information is expected to be of particular interest and benefit to building owners and provides a higher level of transparency regarding the Council's approach to this matter.

4. Significance and Engagement

- 4.1 The Council's decisions regarding the consultation and adoption of this Policy have been assessed as being of low significance for the general community and of low/medium significance for building owners and managers.
- 4.2 The significance assessment is based on the specific impact for the groups considered. The significance for any owner or manager of a dangerous, affected or insanitary building will be high but these people are unlikely to be identified as part of the consideration of the Policy.
- 4.3 The Building Act 2004 requires the Policy to be adopted in accordance with the special consultative procedure in section 83 of the Local Government Act 2002.

Attachments

| No. | Title | Page |
|---------------------|---|------|
| A ↓ | Dangerous and Insanitary Buildings - Statement of Proposal and draft Policy 2018 | 89 |
| B ↓ | Draft Dangerous and Insanitary Buildings Policy Review Public Information Leaflet | 99 |

Signatories

| | |
|-------------|--|
| Author | Gavin Thomas - Principal Advisor Economic Policy |
| Approved By | Judith Cheyne - Associate General Counsel Robert Wright - Head of Building Consenting Leonie Rae - General Manager Consenting and Compliance |



Draft DANGEROUS and INSANITARY BUILDINGS POLICY 2018

Statement of Proposal

We are reviewing our Dangerous and Insanitary Buildings Policy and we would like your feedback on what we are proposing. We have undertaken the policy review to keep in step with changes to the Building Act and ensure the policy is fit for purpose.

The policy is an important tool for the Council to ensure workers, residents and visitors to the city are protected against the risks unsafe buildings can pose.

The draft Dangerous and Insanitary Buildings Policy is attached along with a submission form so you can provide feedback, or you can do this online ([link](#)).

Key changes proposed in the draft Policy are:

- All provisions relating to earthquake prone buildings have been removed from the policy as these are now exclusively provided for under the Building Act 2004.
- We have included policy provisions covering “affected buildings”. These are buildings that pose a risk to building users and/ or passers-by because of their proximity to a dangerous or insanitary building. Being able to manage this risk on behalf of the community means we can help make Christchurch a safer place.
- The draft Policy provides more detailed information about how the Council will identify and appropriately deal with dangerous, affected or insanitary buildings. This information is expected to be of particular interest and benefit to building owners and provides a higher level of transparency regarding the Council’s approach to this matter.

Why is the Council reviewing the Policy?

The Building Act 2004 (section 131) requires all territorial authorities to adopt and review a policy on dangerous and insanitary buildings within its district.

When adopted by the Council the Policy will replace the Council’s current [Earthquake-prone, Dangerous and Insanitary Buildings Policy 2010](#).

Have Your Say

We are wanting to hear from you about your views on the draft policy. Have we missed anything that should be included or should we change anything to make the policy more effective?

Further information

More information about the draft Dangerous and Insanitary Buildings Policy can be found on the Council’s website: <https://www.ccc.govt.nz/the-council/consultations-and-submissions/haveyoursay/>

You can also email: Tara.King@ccc.govt.nz for information or call 03 941 5938 for information or printed consultation material.

What happens next?

- Submissions must be received by 5pm on Friday 5 October 2018.
- A Hearings Panel will hear submissions in November.
- The Council will consider all submissions, make its decision and then let submitters know the outcome.
- The new policy will come into force when adopted by the Council.



Draft DANGEROUS and INSANITARY BUILDINGS POLICY 2018

1. Introduction

- 1.1 This Dangerous and Insanitary Buildings Policy ("the Policy") has been prepared to comply with section 131 of the Building Act 2004 ("the Act"), which requires the Council to have a policy on Dangerous and Insanitary Buildings.
- 1.2 This policy replaces the Council's Earthquake-prone, Dangerous and Insanitary Buildings Policy 2010. All requirements regarding Earthquake-prone Buildings have been removed from the Policy as they are now covered by sections 133AG – 133AY of the Act.
- 1.3 The Act also requires the Policy to state the Council's policy approaches regarding affected buildings, which are buildings adjacent to, adjoin or nearby a dangerous building or dam.
- 1.4 It is important that the Council protects public health through a balanced risk-based approach to ensuring buildings are structurally sound, do not pose health risks and perform their function without putting the health of residents and visitors at risk.
- 1.5 The residual effects of the Canterbury earthquakes of 2010/11 make this policy particularly important for Christchurch as there are buildings that remain standing in varying states of disrepair and/ or danger.

2. Policy principles

- 2.1 The relevant principles of section 4 of the Act have been taken into account in preparing this Policy.
- 2.2 In considering these principles this Policy seeks to ensure that people who use buildings can do so safely without endangering their health;
- 2.3 In preparing this Policy, the Council has endeavoured to strike a balance between the risks posed by dangerous, affected and insanitary buildings and broader social and economic issues involved.
- 2.4 The Council will take a pragmatic approach to administering the Building Act and this Policy in a fair and reasonable way.

3. Policy scope

- 3.1 This Policy applies to all buildings within the Christchurch City Council territorial authority district.
- 3.2 This Policy sets out:
 - the approach that the Council will take in performing its functions under Part 2 of the Act;
 - the Council's priorities in performing those functions;

- the Council's approach to dangerous, affected and insanitary heritage buildings.

4. Policy objectives

- a) To discharge the Council's responsibilities under the Act that relate to dangerous, affected and insanitary buildings.
- b) To clearly state the Council's approach to identifying dangerous, affected or insanitary buildings, what powers it can exercise when such buildings are found, and how it will work with building owners to prevent buildings from remaining dangerous or insanitary, particularly where a dangerous building is affecting or potentially affecting another building.
- c) To explain its approach where the building concerned is a District Plan Scheduled or Heritage New Zealand listed heritage building or landmark.
- d) To ensure building owners understand that the Council may exercise its powers to take steps on the owner's behalf and may recover any resulting costs from the owner.

5. Strategic alignment

- 5.1 The Policy has been prepared with the Council's strategic objectives in mind and to support achievement of relevant objectives. In particular the Policy supports the following:

Community Outcomes (2018)

- Safe and healthy communities
- Vibrant and thriving central city, suburban and rural centres
- A well connected and accessible city
- Great place for people, business and investment
- A productive, adaptive and resilient economic base
- Modern and robust city infrastructure and facilities network

Strategic Priorities

- Maximising opportunities to develop a vibrant, prosperous and sustainable 21st century city
- Informed and proactive approaches to natural hazard risks

Christchurch District Plan

- Historic heritage objectives

Heritage Values, Vision and Mission Statements policy

Heritage Conservation policy

6. Council's role

- 6.1 A building may become dangerous, affected or insanitary due to a number of reasons, such as unauthorised alterations being made, fire, natural disaster or other external factors, or as a result of its use by an occupant.
- 6.2 When the Council becomes aware that a building may be dangerous, affected or insanitary, it will investigate and determine whether the building is dangerous, affected or insanitary.

- 6.3 If a building is found to be dangerous, affected or insanitary, the Council will work with the building owner(s), and if necessary use powers it has available, to ensure appropriate action is taken to make the building, its occupants and the public safe.

7. Working with other agencies

- 7.1 The Council will work with Heritage New Zealand Pouhere Taonga, Fire and Emergency New Zealand, the New Zealand Police and other relevant agencies to achieve the purpose of the Act.

8. Council policies

- 8.1 Approach to identifying dangerous, affected or insanitary buildings
- 8.1.1 The Council will not actively inspect all buildings within the District but may, from time to time, undertake proactive information collection on possible dangerous, affected or insanitary buildings.
- 8.1.2 On receiving information or a complaint regarding a possible dangerous, affected or insanitary building, the Council will quickly and efficiently respond to information received and to ascertain the extent of any issues.
- 8.1.3 The procedures taken by the Council to resolve any issues found are detailed in section 9 of this Policy.
- 8.2 Application of policy to heritage buildings
- 8.2.1 This Policy applies to heritage buildings in the same way it applies to all other buildings. Where the Council receives information regarding a building with a heritage classification under Heritage New Zealand Pouhere Taonga, in addition to consulting with affected owners the Council will consider seeking advice from Heritage New Zealand Pouhere Taonga.
- 8.2.2 When considering heritage buildings under this Policy, account will be taken of:
- a) The importance of recognising any special traditional or cultural aspects of the intended use of the building;
 - b) The need to facilitate the preservation and ongoing use of buildings and areas of significant cultural, historical, or heritage value;
 - c) The circumstances of each owner and each building, including whether the building has undergone any recent building work.
- 8.2.3 When considering what action to take with a listed or scheduled heritage building that is deemed dangerous or insanitary, the Council will take into account the heritage values of the building in determining possible courses of action and seek to avoid demolition wherever possible. Suitably qualified professionals with heritage expertise will be engaged where necessary to advise and recommend on possible actions.
- 8.3 Costs
- 8.3.1 The Council may issue a notice under Section 124(2)(c) of the Act requiring work to be carried out on a dangerous or insanitary building to reduce or remove the danger, or to prevent the building from remaining insanitary. If work required under such a notice issued

is not completed or proceeding with reasonable speed, the Council may use its powers under Section 126 of the Act and apply to the District Court to gain authorisation to carry out the building work required in the notice.

- 8.3.2 If the Council carries out building work, it is entitled to recover costs associated with that work from the building owner, as set out in Section 126(3) of the Act.

9. Procedures

- 9.1 When the Council receives information regarding a potentially dangerous, affected or insanitary building it will:
- a) Check the details on the property held in Council records;
 - b) Have an authorised officer undertake an inspection of the building. In doing this, the Council may seek advice from Fire and Emergency New Zealand, New Zealand Police or any other professional organisation deemed appropriate by Council; and
 - c) Prepare an inspection record.
- 9.2 All inspections of potentially dangerous, affected or insanitary buildings will involve assessment of the condition of the building in terms of the definitions in Sections 121, 121A and 123 of the Act. Inspection records will be prepared in all cases.
- 9.3 Authorised officers are entitled at all times during normal working hours to inspect any building to identify any dangerous or insanitary buildings, and may enter any premises for that purpose, unless the building is a household unit. If the building is a household unit that is being used as a household unit, the Council must either obtain consent from the occupier or an order from the District Court before it can enter to carry out an inspection.
- 9.4 Once the Council is satisfied that a building is dangerous, affected or insanitary it will:
- a) Consult with the building owner(s) to further determine the circumstances and decide on an appropriate course of action, which may include not taking any action, particularly where the owner is aware of and dealing with the issues.
 - b) Inform the complainant(s) of the inspection results and the Council's intended course of action to deal with the situation.
 - c) Assess whether there are any potentially affected buildings and consult with the owner(s) of any affected building regarding appropriate risk management approaches before taking enforcement action under s124 of the Act.
- 9.5 If the Council is satisfied that a building is a dangerous, affected, or insanitary building it may use its powers under Sections 124, or 126 of the Act. This may include:
- a) erecting a hoarding or fence to prevent people from approaching the building nearer than is safe
 - b) placing a notice that warns people not to approach the building
 - c) except in the case of an affected building, issuing a notice that complies with section 125(1) requiring work to be carried out on the building to—
 - (i) reduce or remove the danger; or
 - (ii) prevent the building from remaining insanitary
 - d) issuing a notice that complies with section 125(1A) restricting entry to the building for particular purposes or restricting entry to particular persons or groups of persons.

Where a state of emergency has been declared (or following a state of emergency, when a transition period has been declared) the Council may choose to exercise powers under the Civil Defence Emergency Management Act 2002 instead of or in addition to powers under the Building Act 2004.

- 9.6 If a building presents an immediate danger or health hazard to people within and/or around it, or to surrounding buildings, the Chief Executive of the Council may decide it is necessary to use the powers under Section 129 of the Act to remove the danger or fix insanitary conditions. This may include demolition of the building.

Immediate danger may apply to a building that is not dangerous but is likely to be or could be used in a dangerous manner. A particular example is an assessment of immediate danger from fire and, in the event of a fire, injury or death to persons in or around the building is likely.

- 9.7 If notification is received from Fire and Emergency New Zealand that a building is dangerous, (whether by request of the Council under section 121(2), or at the initiation of Fire and Emergency New Zealand) the Council will also liaise with Fire and Emergency New Zealand to discuss any proposed action.
- 9.8 If the building is a scheduled heritage building, the Council will take into account its heritage values in determining a course of action. A particular example is an assessment of immediate danger from fire and, in the event of a fire, injury or death to persons in or around the building is likely.

Note: Provisions also exist in the Health Act 1956 to deal with nuisance conditions related to certain matters associated with housing (under section 29(f), overcrowding likely to be injurious to health, and under section 42, insanitary conditions likely to cause injury to the health of persons, or a dwelling that is otherwise unfit for human habitation). The Council may decide to use powers under the Health Act instead of or in addition to the Building Act.

10. Disputes

- 10.1 If a building owner disputes a Council decision, or proposed action, relating to the exercise of the Council's powers under sections 124 or 129 of the Act, the owner may apply for a determination from the Chief Executive of the Ministry of Building, Innovation and Employment, as set out in the Act. Such a determination is binding on the Council.

11. Information disclosure

- 11.1 The Local Government Official Information and Meetings Act 1987 (section 44A) requires the Council to include information concerning any consent, certificate, notice, order, or requisition affecting the land or any building on the land previously issued by the territorial authority on the Land Information Memorandum (LIM) for a property:
- 11.2 In particular, the Council will include information relating to notices that have been issued by Council regarding dangerous and insanitary conditions, or affected building status that are not resolved.

- 11.3 The Council is required (under section 216 of the Act) to hold a summary of any written complaint concerning alleged breaches of the Act, and the Council's response. This information will be provided upon request, subject to the requirements of section 217.

12. Policy review

- 12.1 This Policy must be reviewed at least every five years.
- 12.2 The Council may decide to review this Policy at any time within the five year review requirement.
- 12.3 If, following the review, or at any other time, the Council decides to amend or replace the Policy it must do so by using the special consultative procedure in section 83 of the Local Government Act 2002.
- 12.4 This Policy does not cease to have effect because it is due for review or is being reviewed.

13. Definitions

Affected building (s121A Building Act 2004) means a building that is at risk of damage or other impact from a dangerous building or dam that it is adjacent to, adjoining, or nearby.

Authorised officer (s222 Building Act 2004) means an officer of a territorial authority to whom either or both of the following applies:

- a) he or she is authorised to carry out inspections; or
- b) he or she is authorised to enter the land –
 - (i) by this Act; or
 - (ii) by an order of the District Court made under section 227.

Building (s8 Building Act 2004) means a temporary or permanent movable or immovable structure (including a structure intended for occupation by people, animals, machinery, or chattels); and

- a) includes—
 - (i) a mechanical, electrical, or other system; and
 - (ii) a fence as defined in section 2 of the Fencing of Swimming Pools Act 1987; and
 - (iii) a vehicle or motor vehicle (including a vehicle or motor vehicle as defined in section 2(1) of the Land Transport Act 1998) that is immovable and is occupied by people on a permanent or long-term basis; and
 - (iv) a mast pole or a telecommunication aerial that is on, or forms part of, a building and that is more than 7 metres in height above the point of its attachment or base support (except a dish aerial that is less than 2 metres wide); and
- b) includes any 2 or more buildings that, on completion of building work, are intended to be managed as one building with a common use and a common set of ownership arrangements; and
- c) includes the non-moving parts of a cable car attached to or servicing a building; and
- d) after 30 March 2008, includes the moving parts of a cable car attached to or servicing a building.

Council means the Christchurch City Council.

Dangerous building (s121 Building Act 2004) means a building that:

- a) in the ordinary course of events (excluding the occurrence of an earthquake), the building is likely to cause—
 - (i) injury or death (whether by collapse or otherwise) to any persons in it or to persons on other property; or
 - (ii) damage to other property; or
- b) in the event of fire, injury or death to any persons in the building or to persons on other property is likely.

Heritage building (s7 Building Act 2004) means a building that is included on —

- a) Appendix 9.3.7.2, 'The Schedule of Significant Historic Heritage', Chapter 9 of the Christchurch District Plan;
- b) the New Zealand Heritage List/ Rārangī Kōrero maintained under section 65 of the Heritage New Zealand Pouhere Taonga Act 2014; or
- c) the National Historic Landmarks/Ngā Manawhenua o Aotearoa me ōna Kōrero Tūturu list maintained under section 81 of the Heritage New Zealand Pouhere Taonga Act 2014.

Insanitary building (s123 Building Act 2004) means a building that:

- a) is offensive or likely to be injurious to health because—
 - (i) of how it is situated or constructed; or
 - (ii) it is in a state of disrepair; or
- b) has insufficient or defective provisions against moisture penetration so as to cause dampness in the building or in any adjoining building; or
- c) does not have a supply of potable water that is adequate for its intended use; or
- d) does not have sanitary facilities that are adequate for its intended use.

Inspection (s222 Building Act 2004) means the taking of all reasonable steps —

- a) to determine whether—
 - (i) building work is being carried out without a building consent; or
 - (ii) building work is being carried out in accordance with a building consent; or
 - (iii) a notice to fix has been complied with:
- b) to ensure that —
 - (i) in relation to buildings for which a compliance schedule is issued, the inspection, maintenance, and reporting procedures stated in the compliance schedule are being complied with; or
 - (ii) in relation to buildings that have specified systems, the requirement for a compliance schedule is being complied with:
- c) to enable a territorial authority to —
 - (i) identify dangerous, earthquake-prone, or insanitary buildings within its district; and
 - (ii) carry out its functions or duties in relation to those buildings:
- d) to satisfy a territorial authority as to whether a certificate of acceptance for building work should be issued under section 96.

Owner (s7 Building Act 2004) means, in relation to land and any buildings on the land —

- a) means the person who —
 - (i) is entitled to the rack rent from the land; or
 - (ii) would be so entitled if the land were let to a tenant at a rack rent; and
- b) includes —
 - (i) the owner of the fee simple of the land; and
 - (ii) for the purposes of sections 32, 44, 92, 96, 97, and 176
- c) any person who has agreed in writing, whether conditionally or unconditionally, to purchase the land or any leasehold estate or interest in the land, or to take a lease of the land, and who is bound by the agreement because the agreement is still in force.

Territorial authority (s7 Act Building Act 2004) means

- a) a city council or district council named in Part 2 of Schedule 2 of the Local Government Act 2002; and —
 - (i) in relation to land within the district of a territorial authority, or a building on or proposed to be built on any such land, means that territorial authority; and
 - (ii) in relation to any part of a coastal marine area (within the meaning of the Resource Management Act 1991) that is not within the district of a territorial authority, or a building on or proposed to be built on any such part, means the territorial authority whose district is adjacent to that part; and
- b) includes the Minister of Conservation or the Minister of Local Government, as the case may be, in any case in which the Minister of Local Government is the territorial authority under section 22 of the Local Government Act 2002.

Have your say

Please make sure your submission reaches us by 5 pm on Friday 5 October 2018.

What happens next

Once the consultation period has closed a staff report will be presented to the Hearings Panel. The Hearings Panel will then consider the staff report, which will include a staff recommendation on the matters raised in submissions. The panel will also be able to listen to any submitters who have indicated they would like to speak about this policy.

When the hearings have concluded the Hearings Panel will then make a recommendation to Council, who will make the final decision on adopting the Dangerous and Insanitary Buildings Policy.

The new policy will replace the Council’s current Earthquake-prone, Dangerous and Insanitary Buildings Policy.

All submitters will receive written updates on the project, including details of the staff recommendations and meetings and details on speaking to the Hearings Panel.

Hearings panel

A hearings panel normally consists of at least three Community Board members or Councillors. The role of the hearings panel is to make a recommendation to Council after considering all the relevant information that has been presented to them. Then Council will make the final decision at their next Council meeting after the Hearings Panel meetings.

Timeline:

- Monday 3 September 2018
Consultation begins
- Friday 5 October 2018
Consultation closes
- October 2018
Submitters notified of hearings process and when staff report will be available to view
- Friday 2 November 2018
Hearings panel meeting
Monday 5 November is also available if a second hearing date is required
- November/December 2018
Council adopt policy
- November/December 2018
Policy expected to come into force
Subject to Council approval

haveyoursay

ccc.govt.nz/haveyoursay

Any questions?

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Senior Engagement Advisor
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Christchurch 8154
(03) 941 5938
Tara.King@ccc.govt.nz



haveyoursay

ccc.govt.nz/haveyoursay

If you’d like to comment on the policy, please go online to: www.ccc.govt.nz/haveyoursay.

Alternatively, complete the enclosed freepost form.

Please ensure that your comments reach us by **5pm, 5 October 2018.**

Christchurch
City Council



Dangerous and Insanitary
Buildings Policy Review
2018

haveyoursay

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Why are we reviewing the
policy?

We have undertaken the policy review in order to:

- Keep in step with changes to the Building Act, including additions to the policy relating to affected buildings, and to ensure the policy is fit for purpose.
- Because the Building Act 2004 (section 131) requires all territorial authorities to adopt and review a policy on dangerous and insanitary buildings within its district.

When this policy is adopted by the Council the policy will replace the Council’s current Earthquake-prone, Dangerous and Insanitary Buildings Policy of 2010.



Earthquake-prone buildings
aspect of the policy

A separate consultation is currently being planned in relation to the Building Act legislation around earthquake-prone buildings. Work relating to this is expected to commence in the later part of 2018.

What is this policy used for?

The policy is an important tool for the Council to ensure workers, residents and visitors to the city are protected against the risks unsafe buildings can pose.

You can view the full Dangerous and Insanitary Buildings Policy we are asking for feedback on either on the Council ‘have your say’ page, or you can pick up a printed copy from any Council Service centre or Library or from Civic offices at 53 Hereford Street.

ccc.govt.nz/haveyoursay

Please ensure that your comments reach us by **5 pm, 5 October 2018**

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Christchurch
City Council

Key changes being proposed

- All provisions relating to earthquake prone buildings have been removed from the policy, as these are now exclusively provided for under the Building Act 2004.
- We have included policy provisions covering 'affected buildings'. These are buildings that pose a risk to building users and/or passers-by because of the proximity to a dangerous or insanitary building. Being able to manage this risk on behalf of the community means we can help make Christchurch a safer place.
- The draft policy provides more detailed information about how the Council will identify and appropriately deal with dangerous, affected or insanitary buildings. This information is expected to be of particular interest and benefit to building owners and provides a higher level of transparency regarding the Council's approach to this matter.

What is a dangerous building?

A dangerous building according to the Building Act 2004 is defined as:

In the ordinary course of events (excluding the occurrence of an earthquake), the building is likely to cause -

- injury or death (whether by collapse or otherwise) to any persons in it or to persons on other property; or
- damage to other property; or
- Is a building that, in the event of fire, injury or death to any persons in the building or to persons on other property is likely.

What is an insanitary building?

An insanitary building according to the Building Act 2004 is defined as a building that:

- a) Is offensive or likely to be injurious to health because
- of how it is situated or constructed; or
- it is in a state of disrepair; or
- b) has insufficient or defective provisions against moisture penetration so as to cause dampness in the building or in any adjoining building; or
- c) does not have a supply of potable water that is adequate for its intended use; or
- d) does not have sanitary facilities that are adequate for its intended use.

Objectives of the policy

There are a number of objectives relating to this policy, which are:

- To discharge the Council's responsibilities under the Act that relate to dangerous, affected and insanitary buildings.
- To clearly state the Council's approach to identifying dangerous, affected or insanitary buildings.
- To state what powers the Council can exercise when such buildings are found, and how it will work with building owners to prevent buildings from remaining dangerous or insanitary, particularly where a dangerous building is affecting or potentially affecting another building.
- To explain its approach where the building concerned is a District Plan Scheduled or Heritage New Zealand listed heritage building or landmark.
- To ensure building owners understand that the Council may exercise its powers to take steps on the owners behalf and may recover any resulting costs from the owner.



Heritage buildings

This policy applies to heritage buildings in the same way it applies to other buildings.

When considering what action the Council should take on a listed or scheduled heritage building that is deemed dangerous or insanitary, we will take into account the heritage values of the building in determining the possible courses of action and will seek to avoid demolition whenever possible.

Suitably qualified professionals with heritage expertise will be engaged where necessary to advise and recommend on possible actions.

When considering these buildings account will be taken of:

- The importance of recognising any special traditional or cultural aspects of the intended use of the building.

- The need to facilitate the preservation and ongoing use of buildings and areas of significant cultural, historical or heritage value.
- The circumstances of each owner and each building, including whether the building has undergone any recent building work.

Do you have an interest in earthquake-prone buildings?

If you have an interest in the future work on the Building Act legislation relating to earthquake-prone buildings, please let us know and we can ensure you are notified via email when work relating to this begins.



Special Consultative Procedure

This procedure is set out in section 83 of the Local Government Act and we will be following this procedure by:

- Council adopting this proposal for consultation at its meeting in August 2018.
- A public notice advertising this project and the consultation period will be in the Christchurch Press.
- The review is open to submissions from Monday 3 September until Friday 5 October 2018 (one calendar month).
- All submitters have an opportunity to be heard at a formal hearings process on 2 November 2018.
- All meetings where this policy review is being considered (including the hearings) will be open to the public.
- The final decision on the adoption of the Dangerous and Insanitary Buildings Policy will be made by the Council.

How to give us your feedback

A submission form is enclosed in this leaflet. However you can also provide feedback in a number of other ways:

- Online - fill out the feedback form at ccc.govt.nz/haveyoursay
- Email - send your feedback and any attachments to tara.king@ccc.govt.nz with 'Dangerous and Insanitary Buildings Policy Review' in the subject line. Please ensure you include your full name and address with your submission
- Mail - postage is free (you don't need a stamp) if you send your comments to:

Freepost 178
Att: Tara King
Dangerous and Insanitary Buildings Policy Review
Christchurch City Council
PO Box 73016
Christchurch 8154
- Hand deliver your submission to Civic Offices, 53 Hereford Street, Christchurch.

Please ensure you indicate whether you wish to speak at the hearing.

Further information

You can view the Council's current Earthquake-prone, Dangerous and Insanitary Buildings Policy 2010 online at:

<https://ccc.govt.nz/the-council/plans-strategies-policies-and-bylaws/policies/building-and-planning-policies/earthquake-prone-dangerous-and-insanitary-buildings-policy>

9 Resource Consents Monthly Report - June 2018

Reference: 18/692199

Contact: John Higgins john.higgins@ccc.govt.nz

941 8224

1. Purpose and Origin of Report

- 1.1 The purpose of this report is to provide a monthly update to the Regulatory Performance Committee with respect to the delivery of resource consent functions. This report covers activity for the month of June 2018.
- 1.2 **Attachment A** provides graphical information relating to application numbers and performance. Key aspects of that graphical information are also discussed below.
- 1.3 **Attachment B** provides a table of key applications.
- 1.4 The author will be present at the Committee meeting to highlight key areas of the report and answer any questions.

2. Recommendation

[That Regulatory Performance Committee:](#)

1. [Receive the information in the Resource Consents Monthly Report – June 2018 report.](#)

3. Application Numbers

- 3.1 Applications received decreased from 281 in May to 257 in June.
- 3.2 Overall 2365 applications were processed for the 2017/18 financial year.
- 3.3 Application numbers overall ended up approximately 7% lower than the previous financial year.
- 3.4 One temporary accommodation application was received in June. 25 District Plan certificates were issued June.

4. Performance

- 4.1 97% of applications in June were processed within the statutory timeframe.
- 4.2 Overall 97% of applications were processed within the statutory timeframes for the 2017/18 financial year.
- 4.3 This was below the target of 99% but still relatively high compliance with the statutory timeframe. Analysis of the applications that did exceed the timeframe is being undertaken.
- 4.4 Complexity of applications remain high. We are attributing this to the nature of the applications being lodged, there is still some unfamiliarity with the new District Plan, and that the District Plan has introduced some new provisions which have more significant implications such as the High Flood Hazard Management Areas.

5. List of Significant Applications

5.1 A list of significant applications received and issued is included at Attachment B.

Attachments

| No. | Title | Page |
|---------------------|---|------|
| A ↓ | Attachment A - Key Statistics - June 2018 | 103 |
| B ↓ | Attachment B - List of applications - June 2018 | 112 |

Confirmation of Statutory Compliance

Compliance with Statutory Decision-making Requirements (ss 76 - 81 Local Government Act 2002).

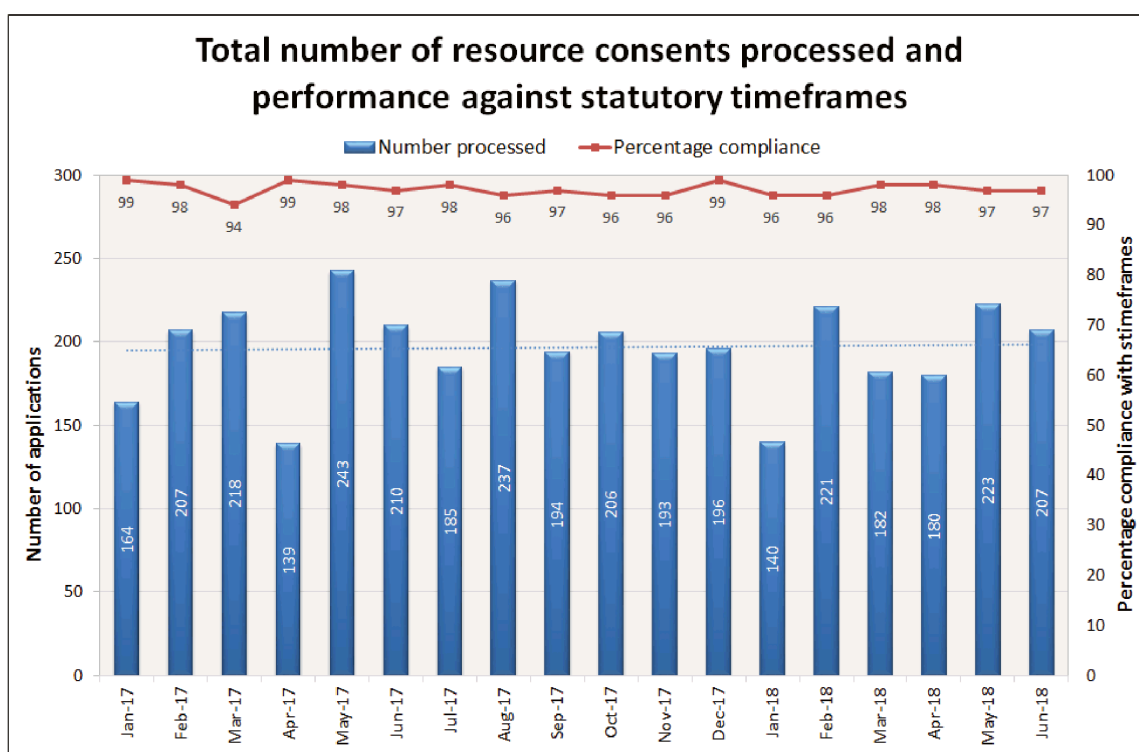
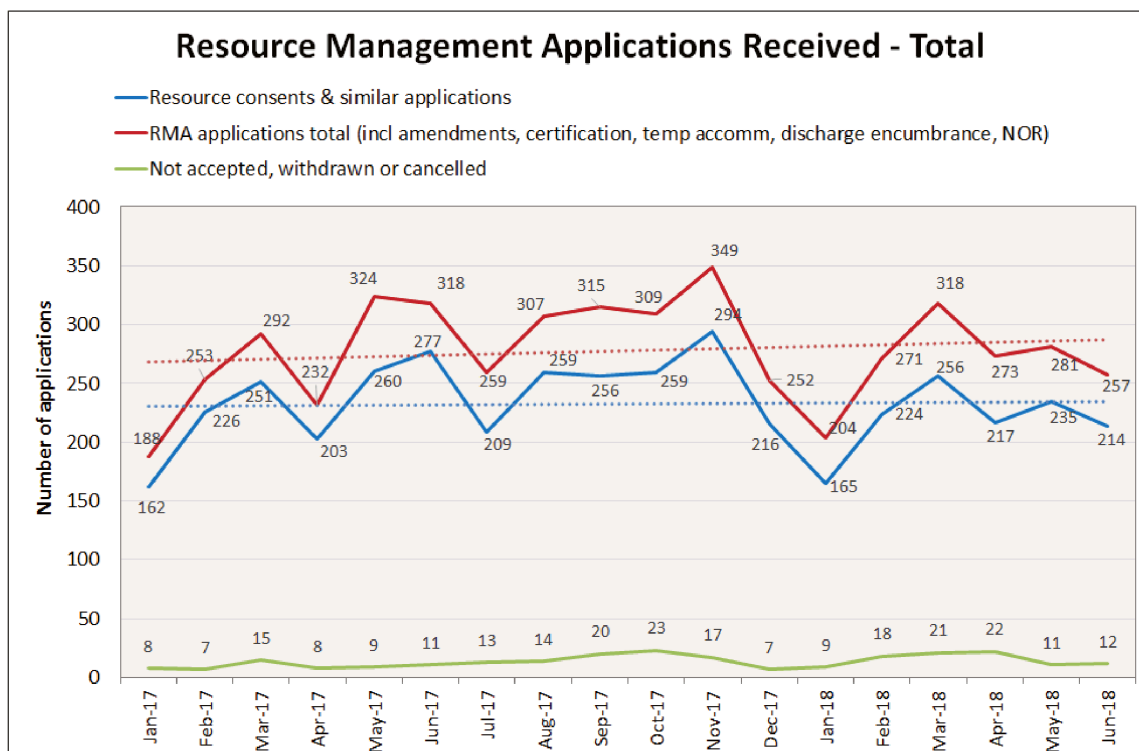
(a) This report contains:

- (i) sufficient information about all reasonably practicable options identified and assessed in terms of their advantages and disadvantages; and
- (ii) adequate consideration of the views and preferences of affected and interested persons bearing in mind any proposed or previous community engagement.

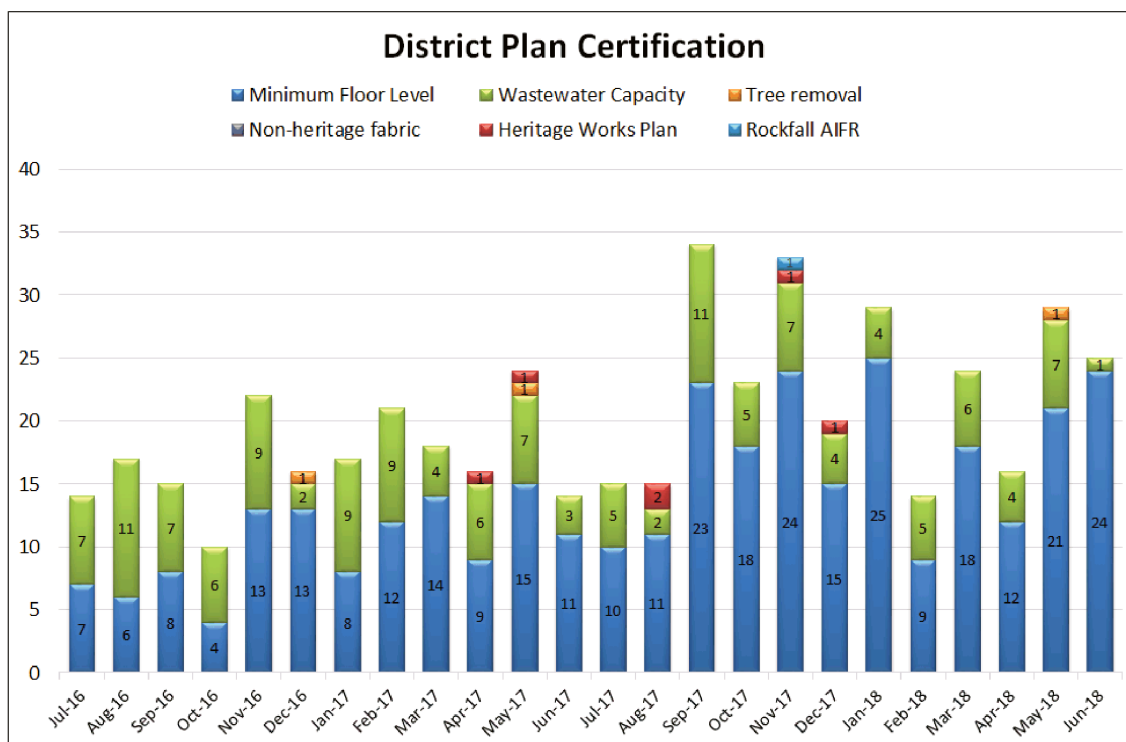
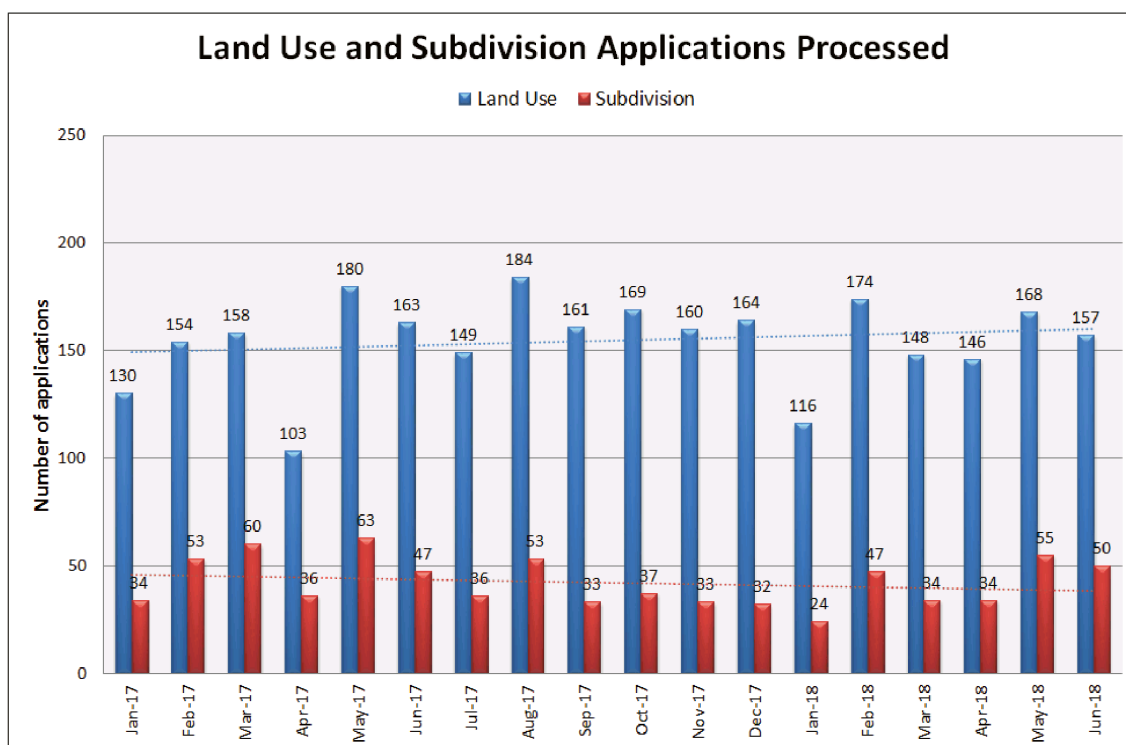
(b) The information reflects the level of significance of the matters covered by the report, as determined in accordance with the Council's significance and engagement policy.

Signatories

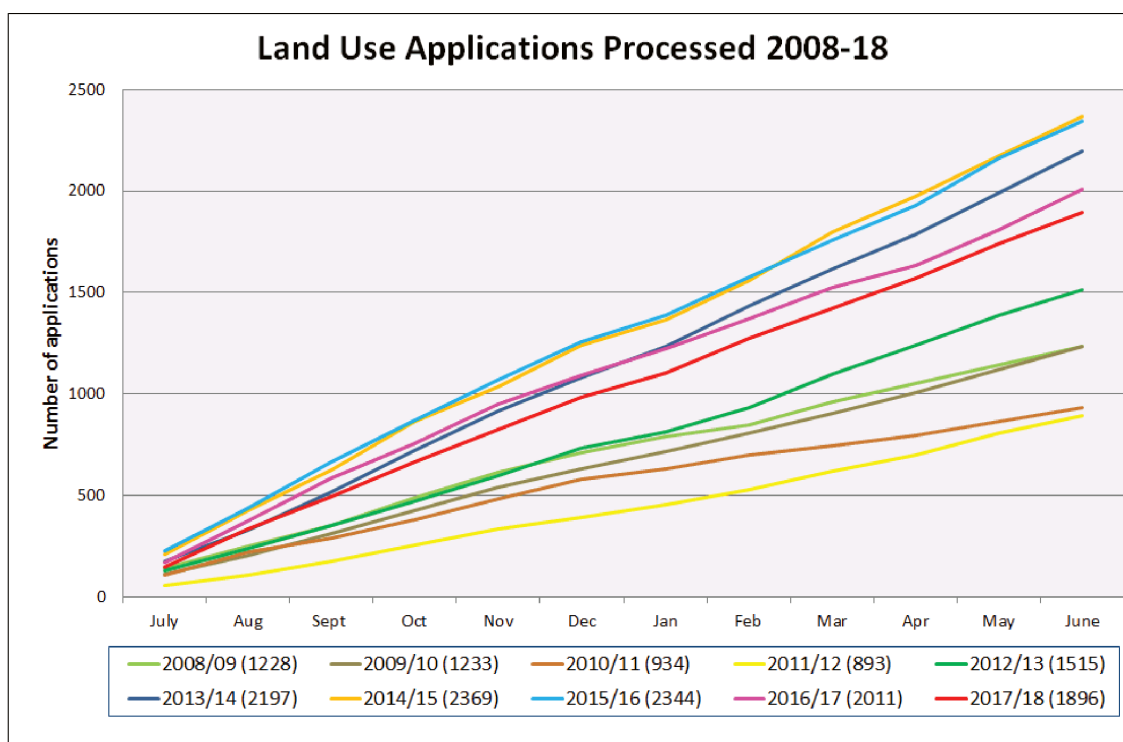
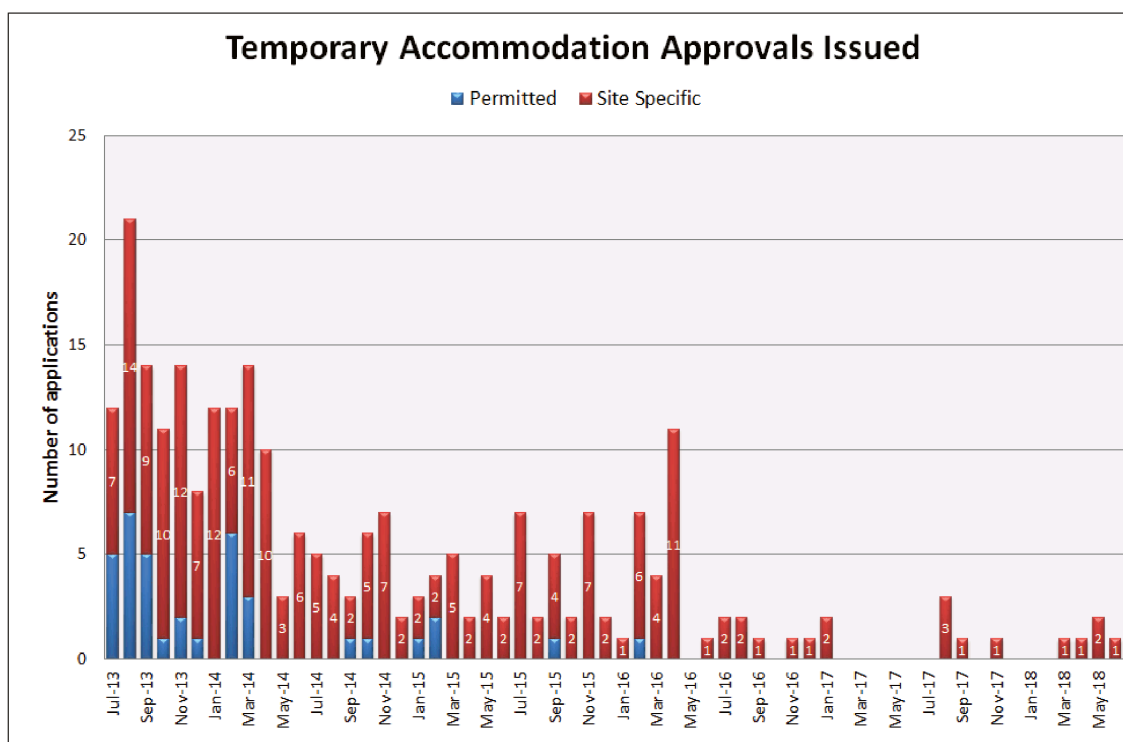
| | |
|--------------------|--|
| Author | John Higgins - Head of Resource Consents |
| Approved By | Leonie Rae - General Manager Consenting and Compliance |



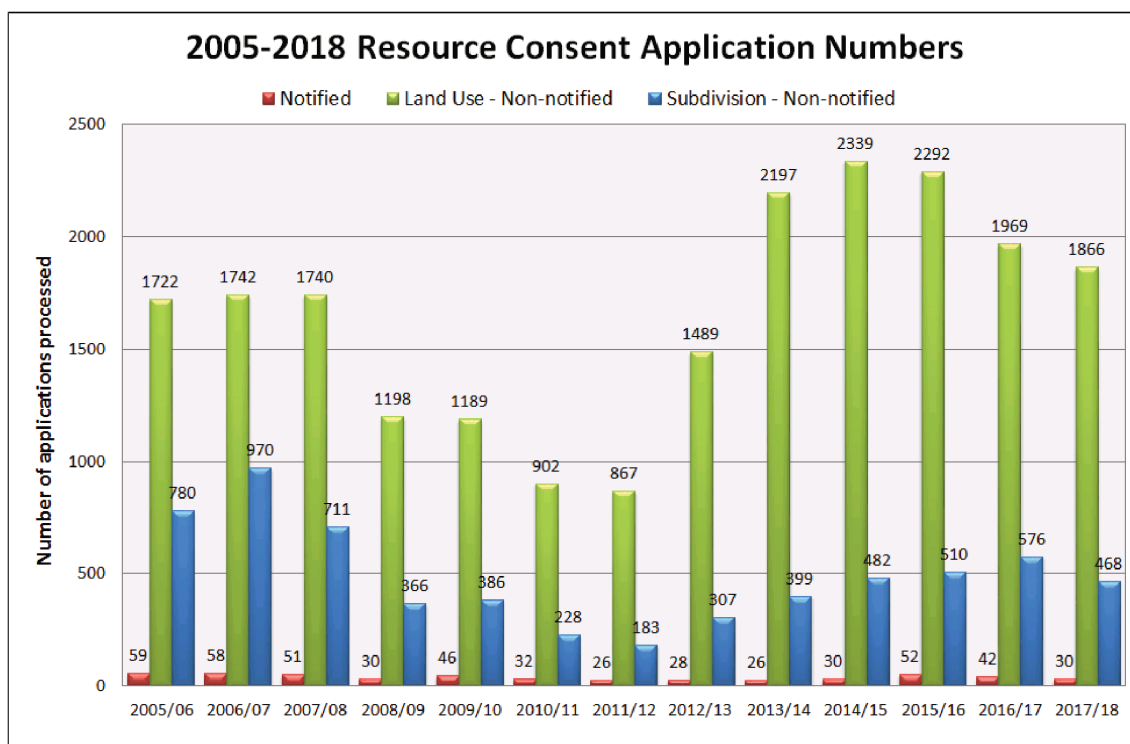
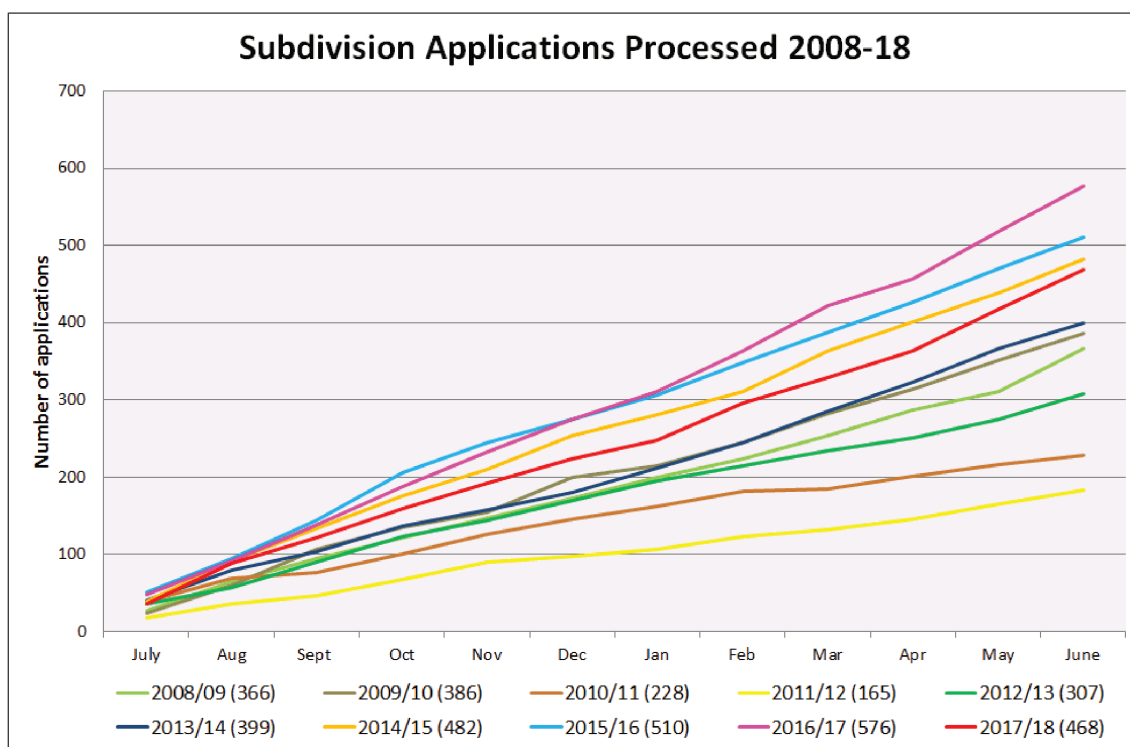
HPRM 13/1137232



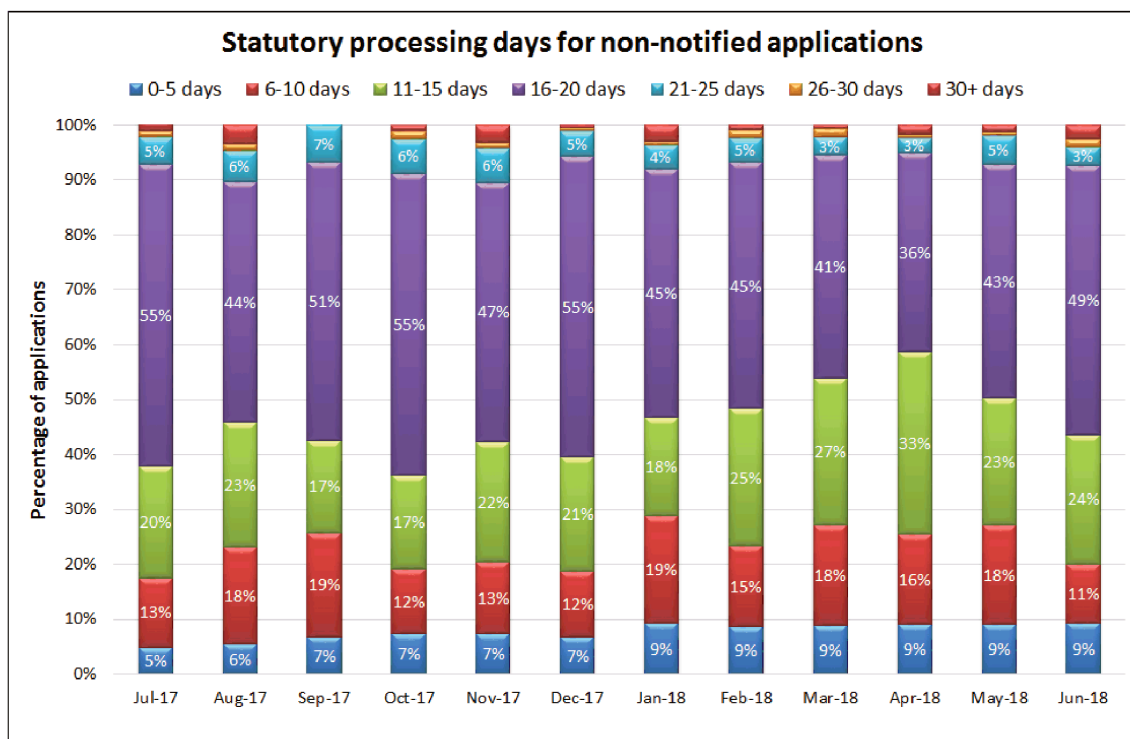
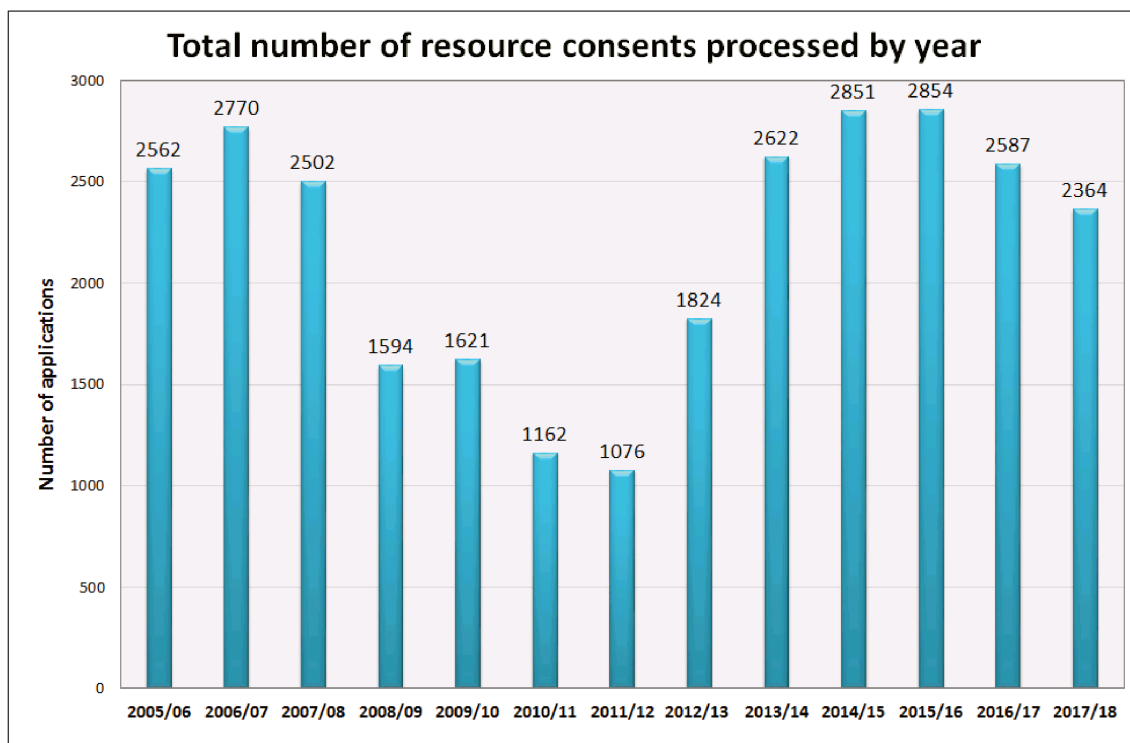
HPRM 13/1137232



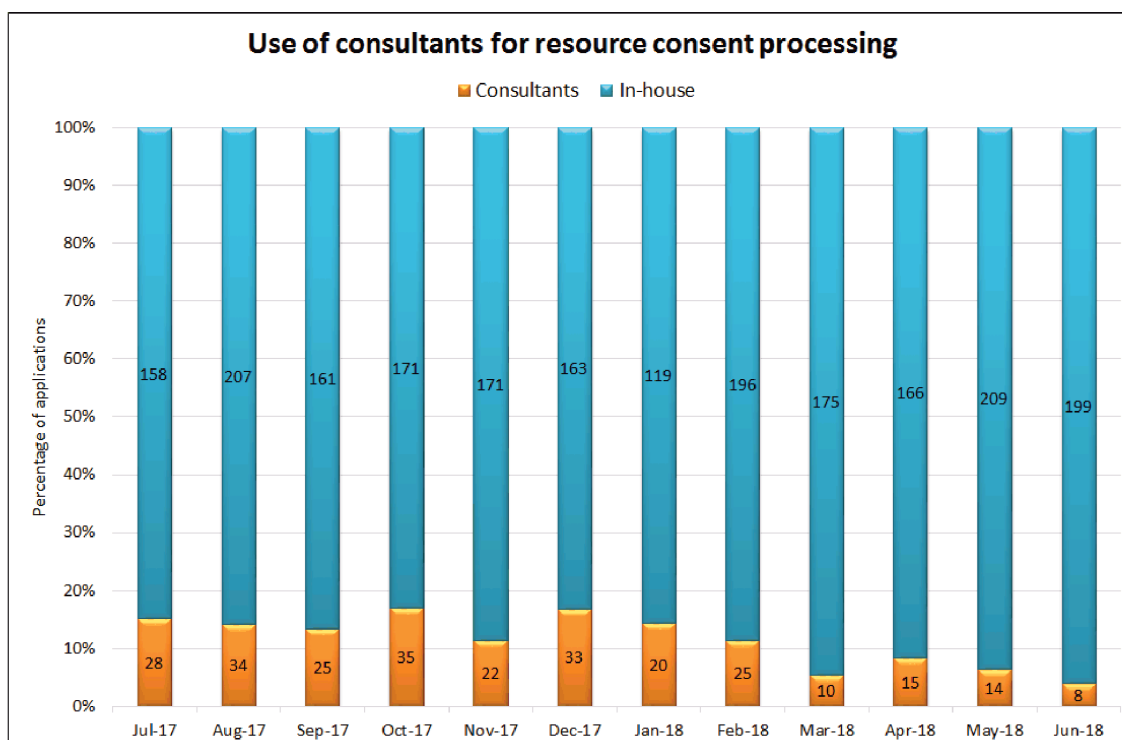
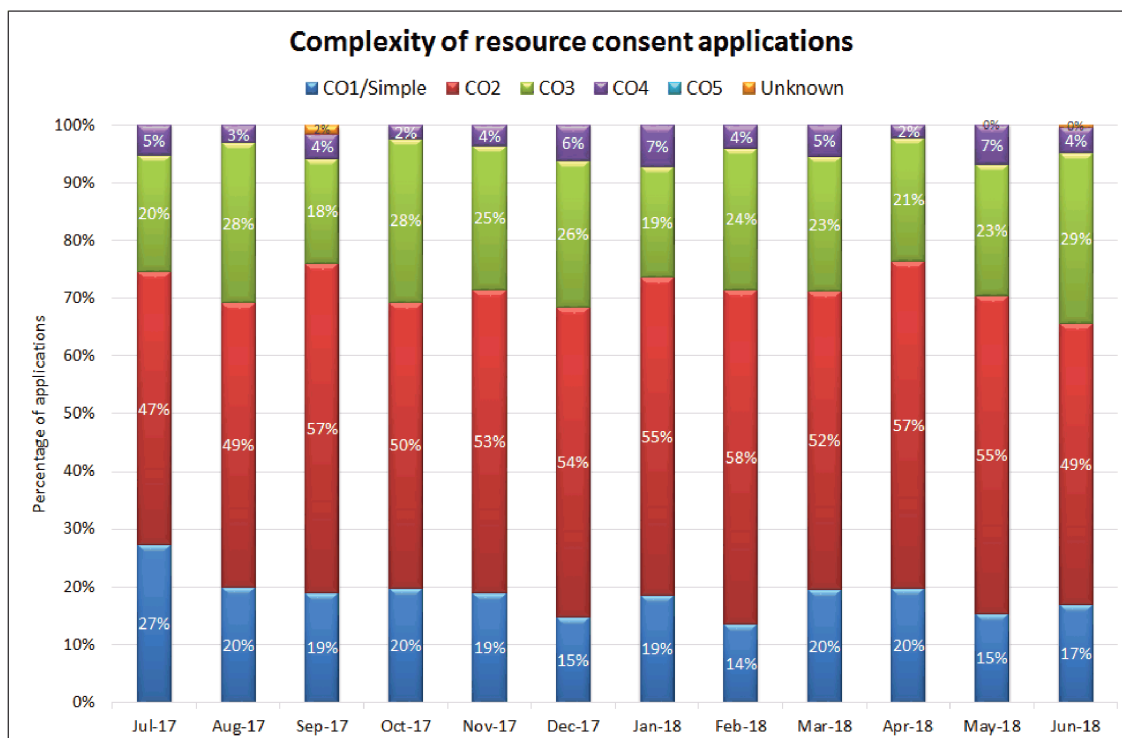
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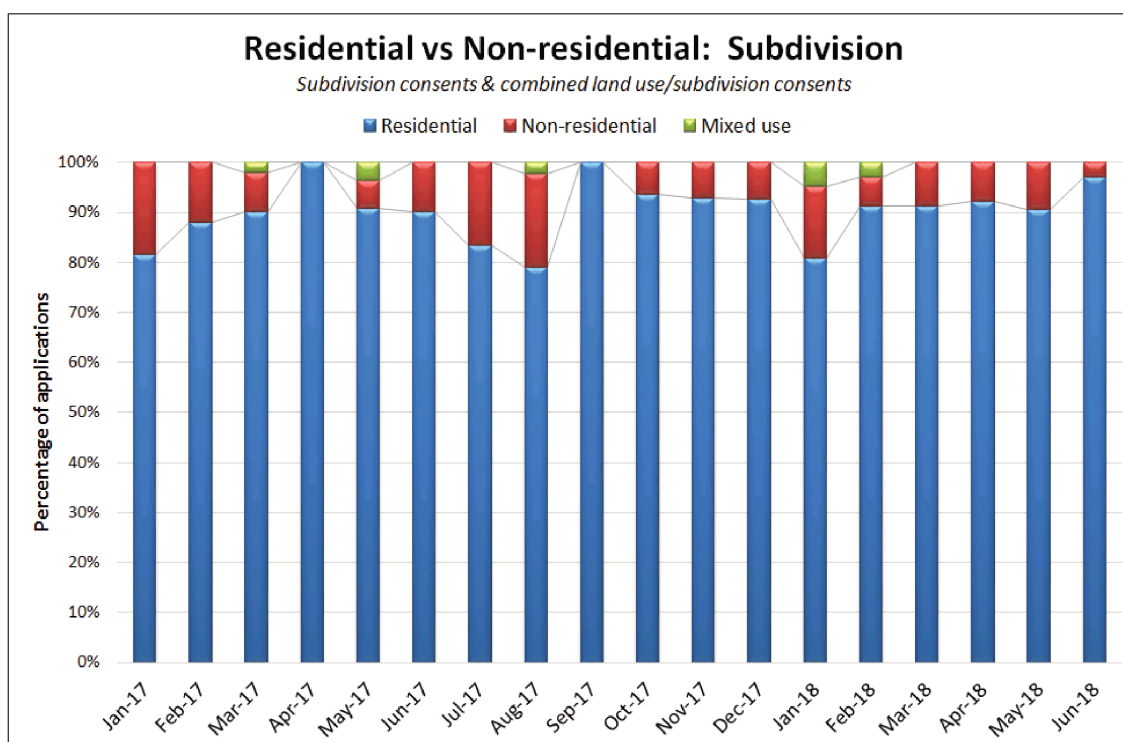
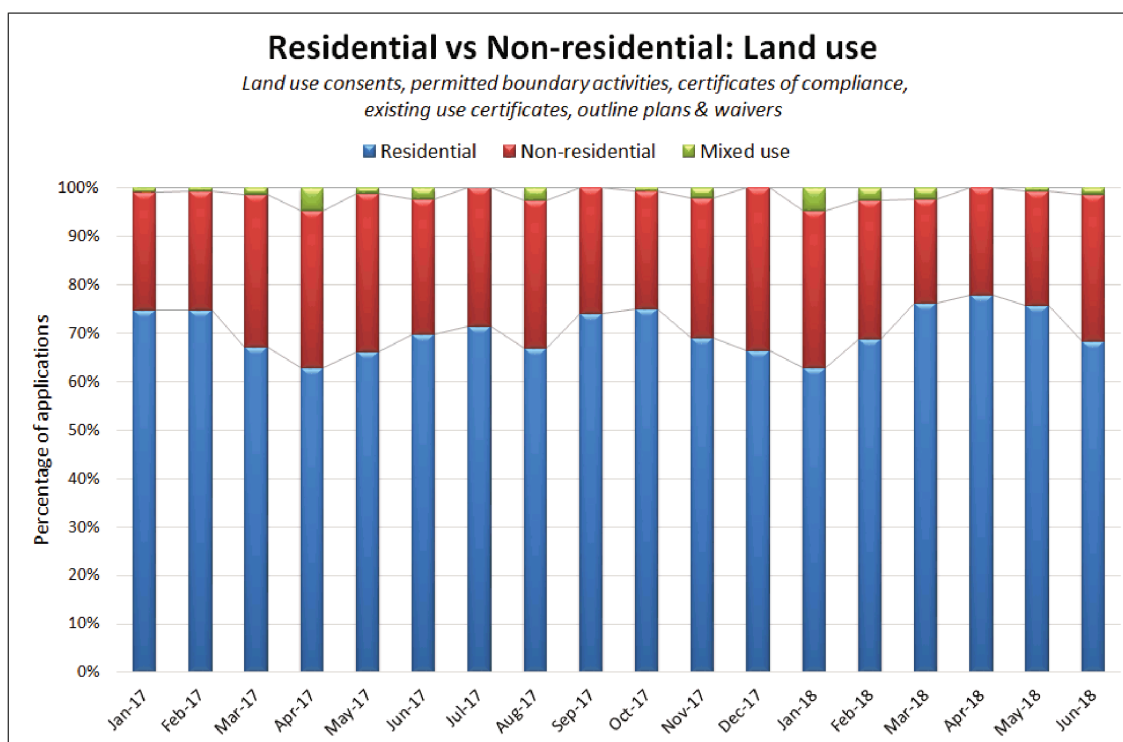
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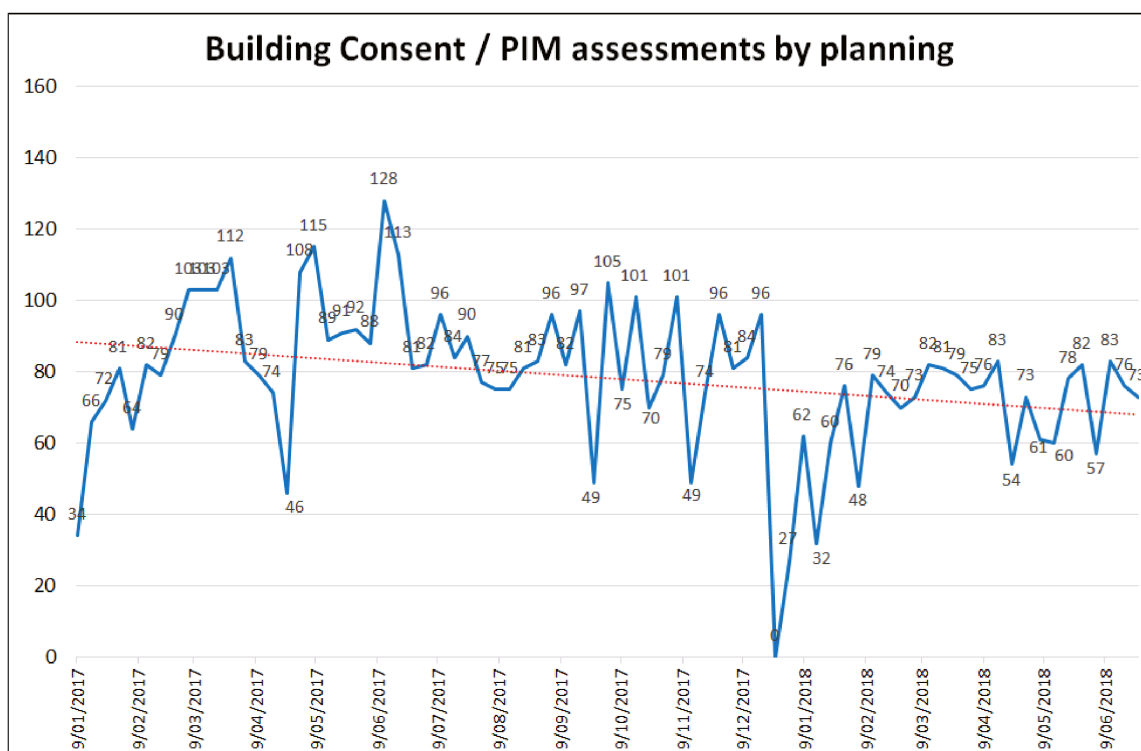
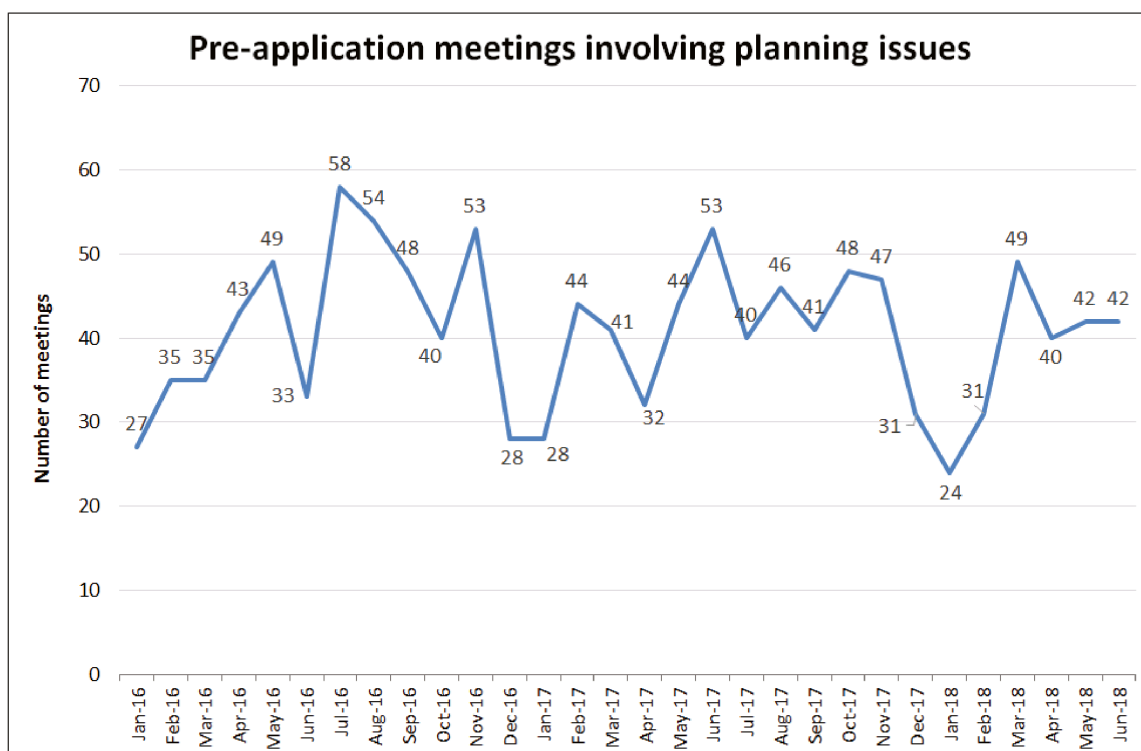
HPRM 13/1137232



HPRM 13/1137232



HPRM 13/1137232



HPRM 13/1137232

Yearly totals

2017/18 = 2364

1896 land use applications - 72 exceeded the statutory timeframe
468 subdivision applications - 1 exceeded the statutory timeframe

2016/17 = 2587

2011 land use applications – 50* exceeded the statutory timeframe
576 subdivision applications – 9 exceeded the statutory timeframe

* 13 of these were associated with the introduction of the Connect system. Specifically, a system “bug” relating to incorrect counting of days when there are overlapping holds, and some user error in putting applications on hold while staff became familiar with how to use the new system.

2015/16 = 2854

2344 land use applications – 20 exceeded the statutory timeframe
510 subdivision applications – 3 exceeded the statutory timeframe

2014/15 = 2851

2385 land use applications – 19 exceeded the statutory timeframe
466 subdivision applications – 3 exceeded the statutory timeframe

| Processed | 2013/14 | 2014/15 | 2015/16 | 2016/17 | 2017/18 |
|---|-------------|-------------|-------------|-------------|-------------|
| Land Use (incl EUC, NOR, CoC, outline plans/waivers) | 2223 | 2369 | 2344 | 2011 | 1896 |
| Subdivision | 399 | 482 | 510 | 576 | 468 |
| Total resource consents & NOR | 2622 | 2851 | 2854 | 2587 | 2364 |
| Notified applications (included in land use above) | 26 | 30 | 52 | 48 | 30 |
| Temporary Accommodation | 137 | 47 | 49 | 9 | 10 |
| s.223 certificates | 187 | 199 | 230 | 450 | 349 |
| s.224 certificates (s.223/224 combined up to 2015/16) | 287 | 339 | 422 | 456 | 368 |

HPRM 13/1137232

JUNE 2018

APPEALS

No appeals

RECEIVED

| Application Number | Address | Description | Applicant | Received Date | Ward |
|-------------------------------|--|--|--------------------------------------|---------------|---------|
| RMA/2018/1554 | Cumnor Terrace, Chichester to Marshall | Christchurch City Council apply for land use consent to establish, operate and maintain a section of the Heathcote Express Major Cycle Route | Christchurch City Council | 29/06/2018 | Linwood |
| RMA/2018/1556 | 169 Pages Road Wainoni | Establish a Bottle Store and Fruit and Vegetable Shop | Three Angels Holdings (2010) Limited | 29/06/2018 | Burwood |
| RMA/2018/1381 | 40B Stevens Street Waltham | Demolition of Lancaster Park Stadiums | Christchurch City Council | 12/06/2018 | Linwood |

ISSUED

| Address | Description | Applicant | Issued date | Outcome | Ward |
|---------------------------------|--|---------------------------------------|-------------|---------|-----------|
| 100 Kilmore Street Central City | Internal and external alterations to Town Hall and James Hay Theatre | Christchurch City Council | 15/06/2018 | Granted | Central |
| 747 Main North Road Belfast | To establish a commercial neighbourhood shopping centre comprising a supermarket, retail activities and food and beverage outlets with associated landscaping and carparking | Belfast Village Limited | 27/06/2018 | Granted | Harewood |
| 100 Hawthornden Road Avonhead | To establish a retirement village | Summerset Villages (Avonhead) Limited | 26/06/2018 | Granted | Waimairi |
| 38 Elizabeth Street Riccarton | Change of use - establish community welfare activity within an existing building currently used for the purposes of a residential unit | Riccarton Community Church | 18/06/2018 | Granted | Riccarton |

10. Regulatory Performance Committee - Regulatory Compliance Unit Status Report - 8 August 2018

Reference: 18/736221

Presenter(s): Tracey Weston, Head of Regulatory Compliance

1. Purpose of Report

- 1.1 The purpose of this report is to provide the Regulatory Performance Committee with an update on the Unit's performance against our Key Performance Indicators across the last two months.

2. Staff Recommendations

That the Regulatory Performance Committee:

1. Receive the information in the Regulatory Compliance Unit Status report.

3. Performance against the Unit's Key Performance Indicators

The following data provides a summary of how the Unit is tracking against our Key Performance Indicators for the period from 1 May 2018 – 30 June 2018.

Animal Management

| Objective and Measure | | | Target |
|--|------------------------|-------------------------------|---------------------|
| 9.0.1 Percent of priority 1 complaints (aggressive behaviour by dogs and wandering stock) responded to within 10 minutes | | | Target 95% |
| Performance commentary for reporting period: There were 9 priority 1 complaints received in May and 18 in June and all were responded to within 10 minutes. The target for the year has been achieved. | | | |
| Month | No Complaints Received | No Attended Within 10 Minutes | Percentage Achieved |
| May 2018 | 9 | 9 | 100% |
| June 2018 | 18 | 18 | 100% |

| Objective and Measure | | Target |
|--|--|----------------------|
| 9.0.14 Re-inspect properties of dogs classified as dangerous and high risk or menacing to check for compliance | | Target 98% per annum |
| Performance commentary for reporting period: Dangerous dog classifications – 9 properties were re-inspected during the May and June period. At year end, the Council had 58 dogs classified as dangerous, all 58 properties were re-inspected to ensure dog owners met their legal compliance obligations. Menacing dog classification (by deed) – At year end, the Council had 241 dogs classified as menacing based on the dogs actions (deed), all 241 dogs were checked for compliance. Menacing dog classification (by breed) – At year end, the Council had 159 dogs classified as menacing based on the dogs breed, all 159 dog owners were sent compliance notices to remind them of their legal obligations. | | |

| Objective and Measure | Target |
|-----------------------|--------|
|-----------------------|--------|

| | |
|--|---|
| 9.0.15 – Provide dog education programmes to community groups and schools | Target 45 education programmes delivered into the community per annum |
| <p>Performance commentary for reporting period: 2 Dog Smart bite prevention programmes were delivered into schools in May and 6 programmes were delivered in June. 0 Dog Safe educational programmes were delivered to adults in May and 1 programme was delivered in June. 12 Reading to dogs programmes were delivered to children in Libraries during May and 12 were delivered in June. The end of year figure for education programmes is 71, accordingly this target was met.</p> | |

Compliance and Investigations

| Objective and Measure | Target |
|--|---------------|
| 9.0.16 – All known earthquake waste demolition storage sites and clean fill sites inspected bi-monthly | Target 95% |
| <p>Performance commentary for reporting period: There are currently 20 active sites covered by this performance indicator. The inspections conducted by the Unit have met the bi-monthly frequency target, with 11 inspections occurring in May and 11 occurring in June. This target has been met for the year.</p> | |

| Objective and Measure | Target |
|---|---------------|
| 9.0.17 – Monitor all high risk Resource Management Act consents / permits at least once every six months | Target 95% |
| <p>Performance commentary for reporting period: There are currently 6 high risk resource consents that are covered by this performance indicator. The Unit's monitoring regime ensures that these consents are monitored once every six months at a minimum. All of these sites have been monitored and the 95% target has been achieved.</p> | |

| Objective and Measure | | | Target |
|---|---------------------|--|---------------------|
| 9.0.3 – Investigations into reports of matters that pose a serious risk to public safety are commenced within 24 hours (for Building Act and Resource Management Act matters) | | | Target – 100% |
| <p>Performance commentary for reporting period: One complaint was received relating to dangerous buildings for this reporting period. A total of 17 complaints were received in relation to dangerous buildings throughout this reporting year and all investigations were commenced within 24 hours. This target has been met.</p> | | | |
| Month | Complaints Received | Investigations initiated within 24 hours | Percentage Achieved |
| May 2018 | 0 | 0 | 100% |
| June 2018 | 1 | 1 | 100% |

| Objective and Measure | Target |
|------------------------------|---------------|
|------------------------------|---------------|

| | |
|--|---------------------|
| 9.0.6 – Investigations where non-compliances of City Plan / Resource Management Act / Building Act and bylaw breaches have been confirmed, at least one written advice regarding corrective action will be issued within 15 working days | Target – 95% |
| Performance commentary for reporting period: A total of 374 District Plan, Building Act and Bylaw breaches were identified across the relevant period all breaches were issued with written corrective actions within the 15 day timeframe. Accordingly for this reporting year 100% achievement was attained. | |

| | |
|---|---------------------|
| Objective and Measure | Target |
| 9.0.7 – Minimum percentage of pools inspected annually | Target – 33% |
| Performance commentary for reporting period: 194 inspections were carried out in May and 121 inspections were carried out in June. Council has 4815 pools and spa pools registered which require inspection on a 3 yearly basis. Annual inspection numbers are 1605 minimum per annum. The year-end figure for pool inspections was 1924, accordingly this target has been met. | |

Alcohol Licensing

| | |
|---|----------------------|
| Objective and Measure | Target |
| 9.0.4 – Inspect all high risk alcohol premises at least twice per year (assessed using risk assessment methodology) | Target – 100% |
| Performance commentary for reporting period: For the reporting year, we assessed 23 high risk premises and inspected these at least twice during the year (a total of 71 inspections were being undertaken this year). For May and June, 16 high risk premises inspections were completed. Target achieved. | |

| | |
|---|---------------------|
| Objective and Measure | Target |
| 9.0.18 New applicants for new On/Off/Club licences attend pre-lodgement meeting to establish sufficiency of application and increase understanding of applicant's obligations in accordance with Act and its supporting regulations – Target 95% | Target – 95% |
| Performance commentary for reporting period: For the reporting period, May and June, 37/37 lodgement meetings for new premises applications were completed. Year to date 188/188 lodgement meetings have been completed, with 100% of new licences applications receiving a lodgement meeting, achieving the year-end target. | |

Environmental Health

| Objective and Measure | | | Target |
|--|-------------|-------------|---------------------|
| 9.0.21 – Investigations into reports of matters that pose a serious risk to public health are started within 24 hours (for matters such as Asbestos, P- Labs, contaminated land and Hazardous Substances and New Organisms - HSNO) | | | Target – 100% |
| Performance commentary for reporting period: | | | |
| The 2 instances reported for the year were commenced within 24 hours. Target was achieved. | | | |
| Month | No Received | No Attended | Percentage Achieved |
| May 2018 | 0 | 0 | 100% |
| June 2018 | 0 | 0 | 100% |

| Objective and Measure | | | Target |
|--|-------------|-------------|---------------------|
| 9.0.20 Noise direction notices issued immediately upon first visit and confirmation of "excessiveness" | | | Target – 95% |
| Performance commentary for reporting period: Percentage for the reporting year was 97.5% overall. Target was achieved. | | | |
| Month | No Received | No Attended | Percentage Achieved |
| May 2018 | 216 | 215 | 99.5% |
| June 2018 | 196 | 195 | 99.5% |

| Objective and Measure | | | Target |
|--|-------------|------------------------------|---------------------|
| 9.0.8 – Complaints in relation to excessive noise are responded to within one hour | | | Target – 90% |
| Performance commentary for reporting period: Percentage for the reporting year was 93.2% overall. Target was achieved. | | | |
| Month | No Received | No Attended Within 1 hour | Percentage Achieved |
| May 2018 | 573 | 644 | 89% |
| June 2018 | 630 | 560 | 88.9% |

Food Safety

| Objective and Measure | | | Target |
|--|--|--|---------------|
| 9.0.23 – All other Health Licences are inspected bi-annually, such as Hairdressers, Funeral Directors and Camping Grounds | | | Target – 100% |
| Performance commentary for reporting period: There are a total of 150 premises to inspect for this reporting year and all inspections have been conducted. Target has been achieved. | | | |

| Objective and Measure | | | Target |
|---|--|--|---------------|
| 9.0.24 – Percentage of premises identified as needing to operate a Food Control Plan (FCP) to be registered with a Food Control Plan | | | Target – 50% |
| Performance commentary for reporting period: 1787 (out of a total of 1862) premises registered across the relevant period with 300 applications received during this reporting period. Target has been achieved with a result of 95% of premises now registered with a Food Control plan. | | | |

| Objective and Measure | | | Target |
|--|--|--|--|
| 9.0.25 Audit / verify Food Control Plans and National Programmes to the requirements of the Food Act 2014 | | | Audit / verifications to be carried out within the statutory timeframe |
| Performance commentary for reporting period: Target has been met with 1173 Food control plans verified for the reporting year. | | | |

| Objective and Measure | Target |
|---|--|
| 9.0.26 Investigate food safety complaints | Target 95% of complaints have an investigation initiated within 2 days |
| Performance commentary for reporting period: All complaints were checked and allocated for action within two working days resulting in 100% achievement of this target. For the reporting period (May and June) 35 complaints were received. A total of 156 complaints were received and actioned for the year. | |

| Objective and Measure | Target |
|---|--|
| 9.0.27 Monitor food safety and sale in operations that may or may not operate under a Food Control Plan or National Programme | Target to conduct at least one monitoring programme of food operations registered to assess compliance |
| Performance commentary for reporting period: The monitoring of markets and events where food sellers may not be registered was a focus this year. Six monitoring events were conducted this year. | |

| Objective and Measure | Target |
|--|---------------|
| 9.0.5 Inspect registered food premises once per year | Target 75% |
| Performance commentary for reporting period: For the year, 85% of premises have been inspected or verified accordingly this target has been met. | |

Attachments

There are no attachments to this report.

Signatories

| | |
|--------------------|---|
| Author | Jennifer Steel - Team Leader Compliance Support |
| Approved By | Tracey Weston - Head of Regulatory Compliance Leonie Rae - General Manager Consenting and Compliance |

11. Building Consenting Unit Update - July 2018

Reference: 18/737682

Presenter(s): Robert Wright – Head of Building Consenting

1. Purpose of Report

- 1.1 The purpose of this report is to provide an update for the Committee from the Building Consenting Unit. This update includes information from June 2018. Attachment A is the performance report and Attachment B is a report showing data trends.

2. Staff Recommendations

That the Regulatory Performance Committee:

1. Receive the information in the Building Consenting Unit Update – July 2018 report.

3. Building Consenting Update

| Key Performance Indicators: | |
|---|----------------------------------|
| Grant building consents within 20 working days – the minimum is to issue 95% of building consents with 19 working days from the date of lodgement. | 19 day target achieved at 96.4%. |
| Grant code compliance certificates within 20 working days – the minimum is to issue 95% of Code Compliance Certificates within 19 working days from the date of lodgement. | 19 day target achieved at 99%. |
| Carry out building inspections in a timely manner – 95% of inspections within three working days. | 19 day target achieved at 100%. |

3.1 Earthquake Prone Buildings

At the end of June 2018, there were 572 Christchurch buildings on the national earthquake prone building register. There were 8 buildings removed from the register during June due to structural strengthening being completed. Between December 2017 and June 2018, there were 70 133AH notices sent to owners requesting Detailed Seismic Assessment reports to clarify the earthquake prone building status of their buildings.

Link to the register below:

<http://www.mbie.govt.nz/info-services/building-construction/safety-quality/earthquake-prone-buildings>

3.2 Stakeholder Engagement

Building Consenting managers meet and collaborate regularly with a variety of key stakeholders including Master Builders, Certified Builders, Architects NZ, Housing NZ, and both large and smaller group home builders.

External engagement in June for the Head of Building Consenting also included a meeting with local Council Building Managers, and a speaking engagement at an engineering Canterbury Technical Forum. Staff from the Building Consenting Unit hosted an update and information evening for Architects and Designers NZ (ADNZ).

3.3 Pre-Application Meetings

There were 51 pre-application meetings held in June.

Pre-application meetings are available for projects requiring building consents, resource consents, or both. Discussions with applicants and / or their representatives are held prior to lodgement of the application and can be especially helpful before or at the design stage. The meeting(s) will involve as many staff as required (e.g. a planner, senior inspector, eco-advisor, case manager) to assist applicants with submitting quality applications.

Our target is that 90% of building consent applications that have had a pre-application meeting are accepted for processing. In general, less than 5% are not accepted for processing. This number can vary depending on the complexity of the application.

3.4 Building Warrants of Fitness

A building warrant of fitness is a statement signed by the building owner (or owners agent), stating that the requirements of the building's compliance schedule have been fully complied with in the previous 12 months.

Issued warrants of fitness are regularly audited for accuracy. By the end of June 405 audits had been completed. The target of 360 audits was exceeded by 45 for the 17/18 financial year.

3.5 Case Managed Services

The Partnership Approvals team is a paid service provided by the Council, with the team working closely with owners, agents and/or developers, offering guidance and assistance on our processes.

The team achieved the target of providing 80 case managed hours per week, with 421 hours completed during June.

The Partnership Approvals team issue a customer service survey quarterly. The most recent survey result is 92.31%.

3.6 Customer Satisfaction

Building Consenting have a benchmark of achieving 80% customer satisfaction. We send short surveys each week as a way to measure this. The responses are also providing us with a way to identify and address issues. From this we can gauge where improvements could be made, and where our service is operating well. Due to a revision of the previous survey in 2017, our available data to date is for Dec 2017 to June 2018. The average result for this period is 78.16%. The majority of dissatisfied comments are around fees.

3.7 Eco-Design

We receive great feedback from customers for the eco-design service which has been well utilised, evidenced by the 349 assessments completed in the 17/18 financial year. Our yearly [financial year] target is 250 assessments.

3.8 Trending Data

Attachment B is a report showing trending data from 2011 to 2018.

3.9 Recent Significant Consents from May 2018

Listed below are building consents granted in June 2018 for buildings that may be of interest.

| Building / Address | Value of Building Work | Building Consent Details |
|--|------------------------|---|
| 21 Ron Guthrey Road | \$9,000,000 | Construction of 2 level Office Building |
| St Albans Retirement Village 41 Caledonian Road | \$7,500,000 | Construction of 21 unit apartment block with three attached garages - subject to a Section 77 Certificate |
| 137 Cavendish Road | \$6,346,928 | Construction of Retirement Village main building - Stage 3 of 4 – building envelope, roof trusses, services and fire engineering - excluding seismic restraint of services and pool barrier |
| 8 Sir James Wattie Drive | \$3,800,000 | Construction of warehouse and office |
| 4 Islington Avenue | \$2,875,000 | Construction of four warehouse units |
| 17 Broad Street | \$2,600,000 | Construction of ELA building for fisheries distribution centre - subject to Section 77 |
| 39 Buchanans Road | \$2,600,000 | Addition and alteration to factory - extension to factory area and addition of machine room, offices and amenities |
| 196 Roydvale Avenue | \$2,500,000 | Construction of CityFitness gym |
| 2 Worcester Street Arts Centre | \$1,900,000 | Alterations to Arts Centre - Block BB - Electrical Engineering Building - Stage 1 of 3 - structural strengthening to 67% NBS |
| 70 Spencer Street | \$1,600,000 | Construction of classroom block and toilet block and removal of existing buildings and pool |
| 164 Orchard Road | \$1,600,000 | Construction of office, workshop, and wash bay |
| 179 Tuam Street | \$1,500,000 | Alterations to building - Stage 1 of 2 - structural strengthening to 80% NBS |
| 10 Richmond Hill Road | \$1,300,000 | Construction of bowling clubhouse to replace existing, subject to a section 77 certificate |

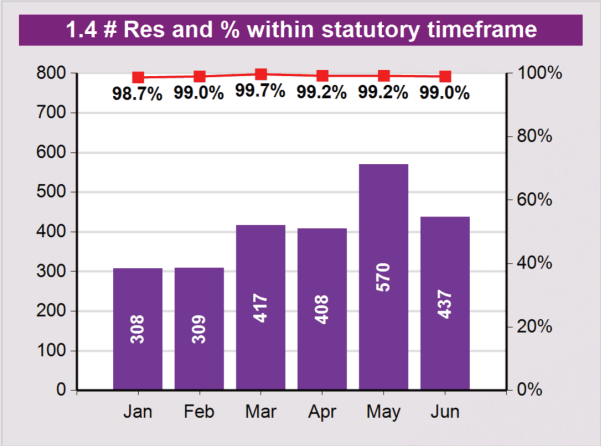
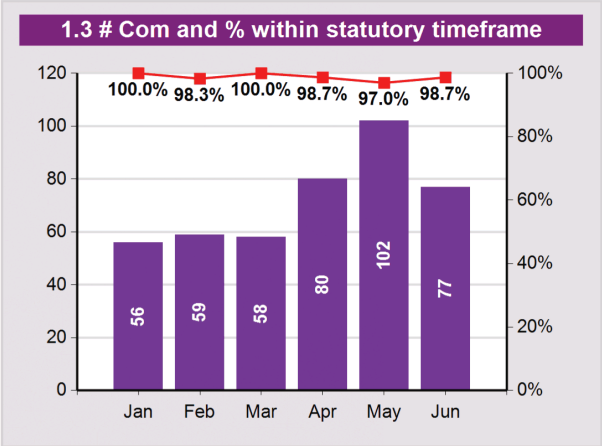
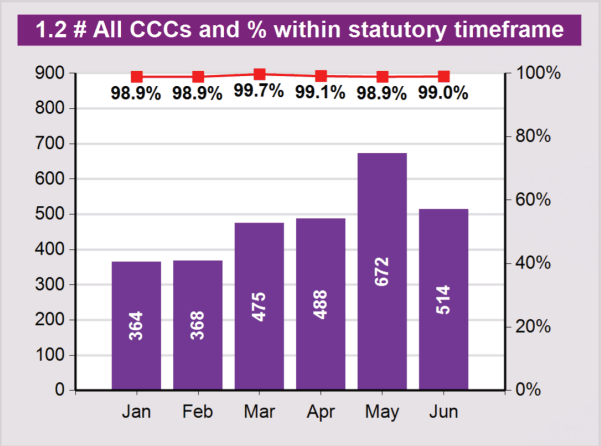
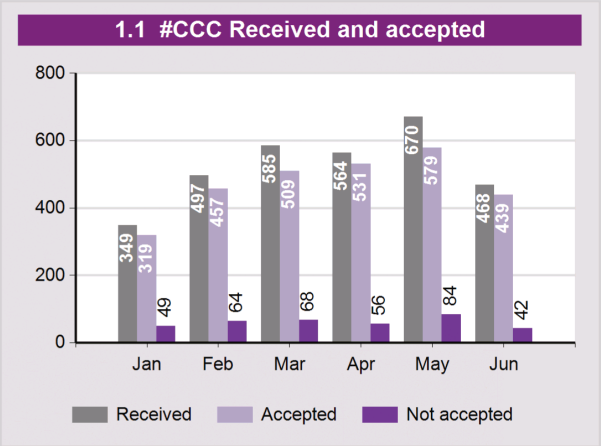
Attachments

| No. | Title | Page |
|---------------------|--|------|
| A ↓ | Building Consenting Performance Report June 2018 | 123 |
| B ↓ | Building Consenting Data Trends Report June 2018 | 126 |

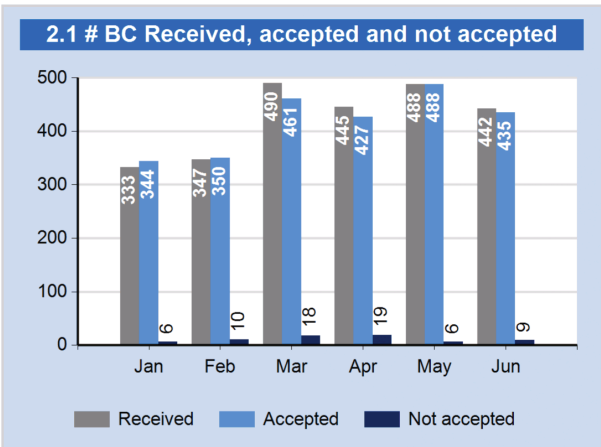
Signatories

| | |
|--------------------|--|
| Author | Robert Wright - Head of Building Consenting |
| Approved By | Leonie Rae - General Manager Consenting and Compliance |

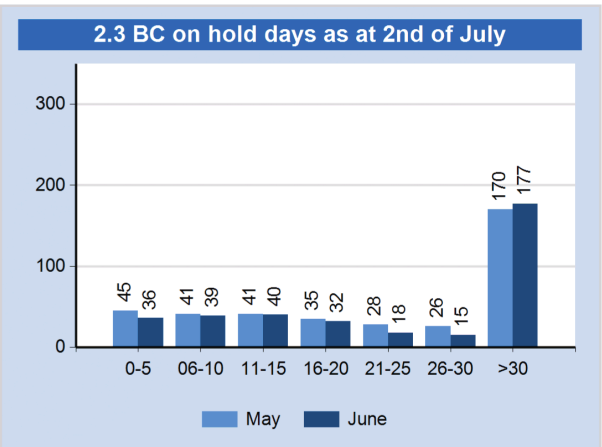
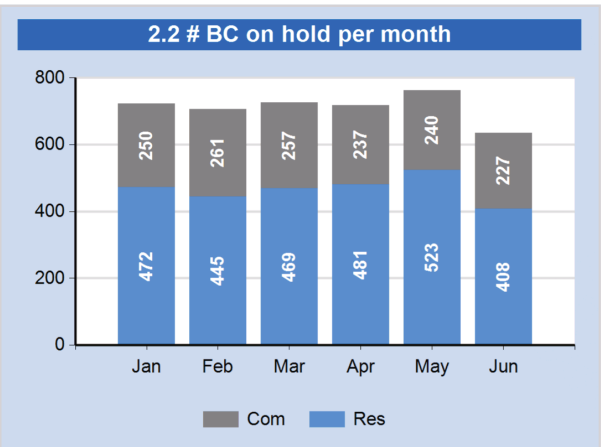
Code Compliance Certificates (CCC) decisions (S95 refusals and CCC issued)



Building Consents (BC) received / accepted



BC on hold



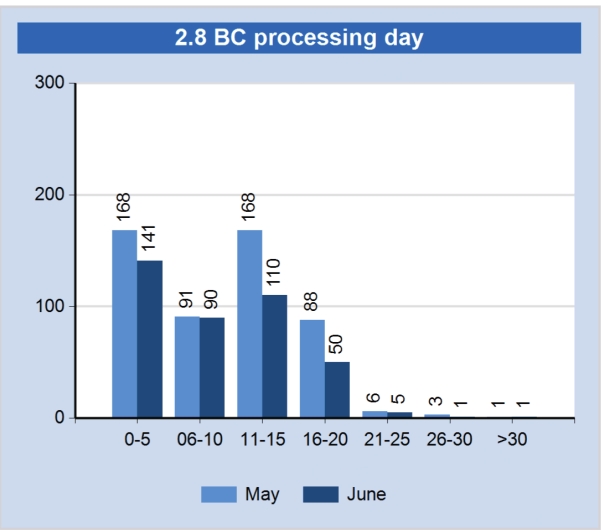
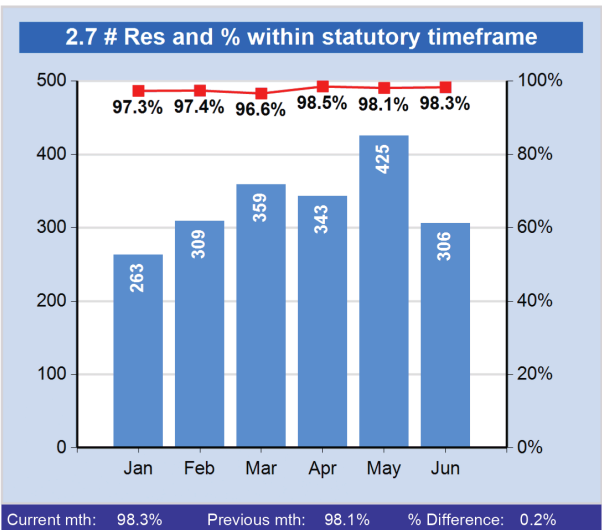
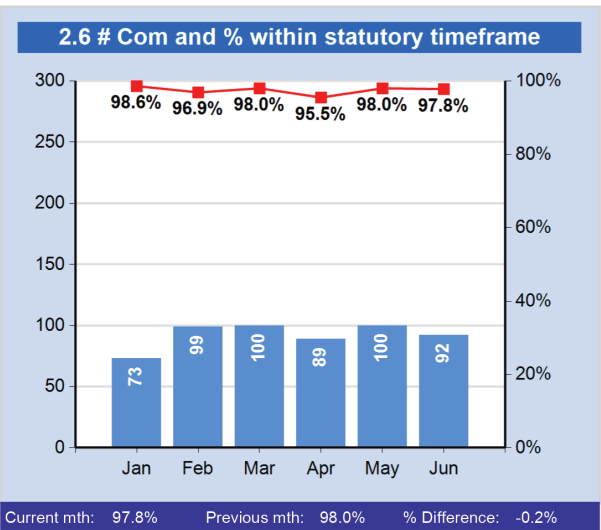
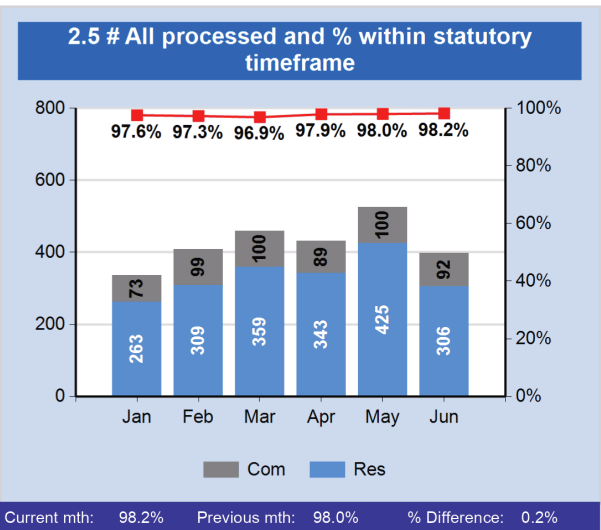
2.4 BC processing summary

| # Processed | | | |
|----------------|------|--------------------|--------|
| Current Month | 398 | % Difference | -24.2% |
| Previous Month | 525 | Six Month Average | 426 |
| Financial YTD | 6567 | Last Financial YTD | 6771 |

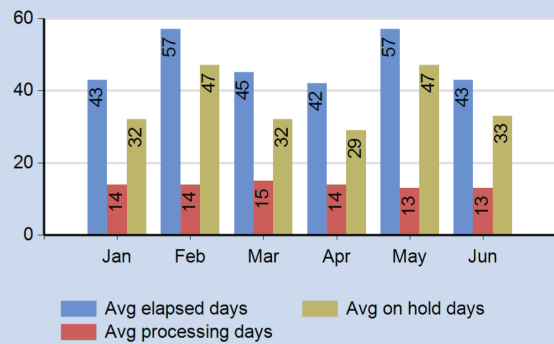
| % Within Statutory Timeframe | | | |
|------------------------------|-------|--------------------|-------|
| Financial YTD | 97.9% | Last Financial YTD | 97.9% |

| # On Hold | | | |
|----------------|-----|-------------------|--------|
| Current Month | 635 | Six Month Average | 712 |
| Previous Month | 763 | % Difference | -16.8% |

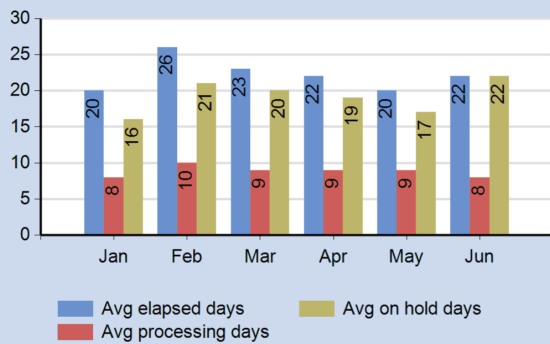
BC processing decision



2.9 Commercial average days for decisions made

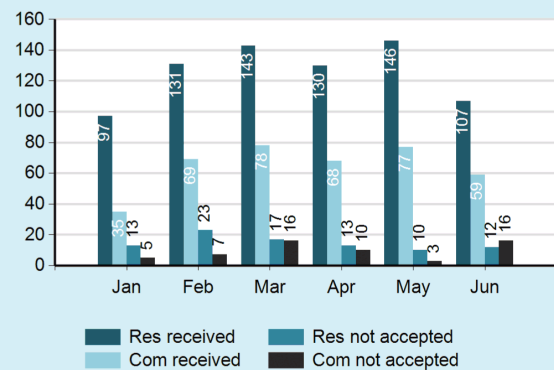


2.10 Residential average days for decisions made

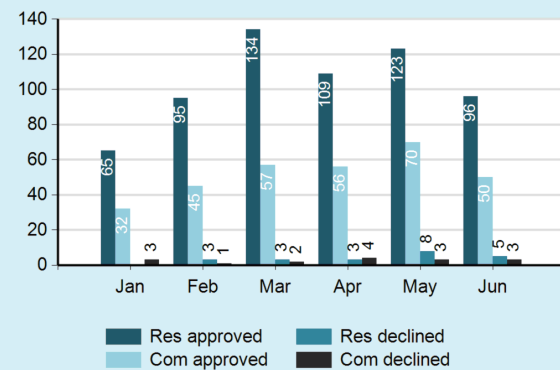


Building Act Exemptions (BAE)

3.1 # BAEs Received and not accepted

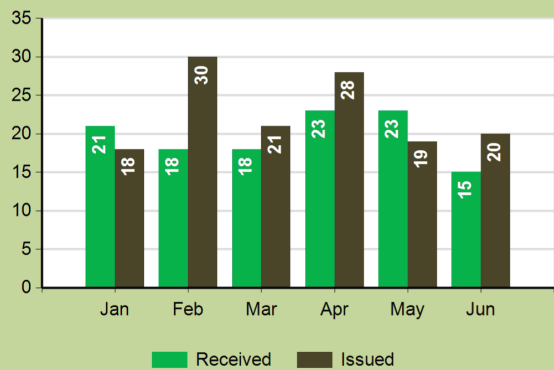


3.2 # BAEs Approved and declined

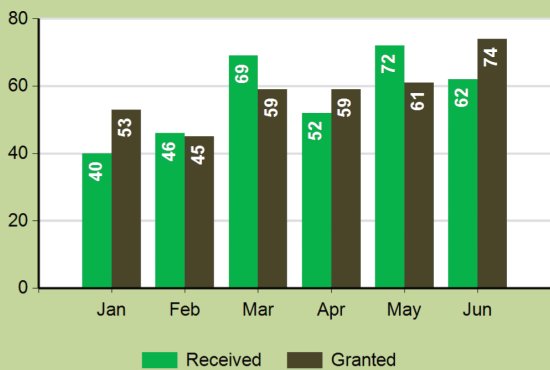


Certificate of Public Use (CPU), PIMs and LIMs

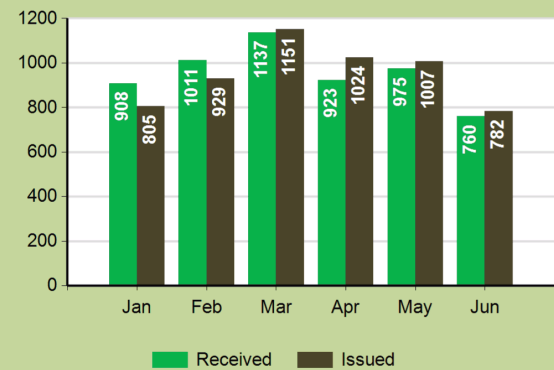
4.1 # CPUs received and issued



4.2 # PIM only received and granted



4.3 # LIMS Received and issued



4.4 PIMs % within 20 working days

PIM only 100% within 20 working days
Combined BC/PIM/Development check 100% within 20 working days

4.5 LIMs issued % within 10 working days

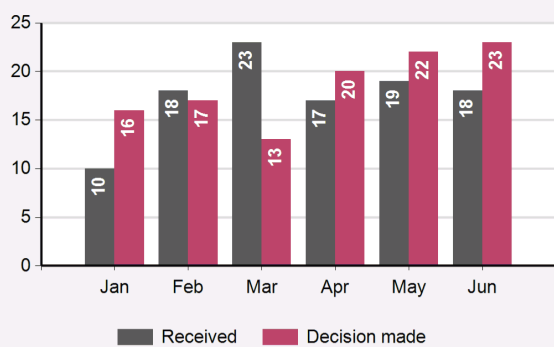
LIMs 100% within 10 working days

5.1 % Pre application meeting minutes issued within KPI

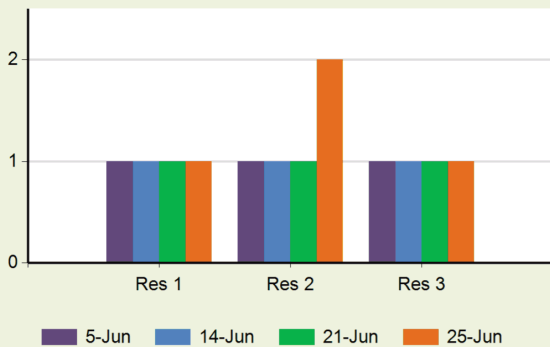
100% of pre application meeting records within KPI
Level of Service: 95%. 8 of the 51 meetings were unknown.

Inspections

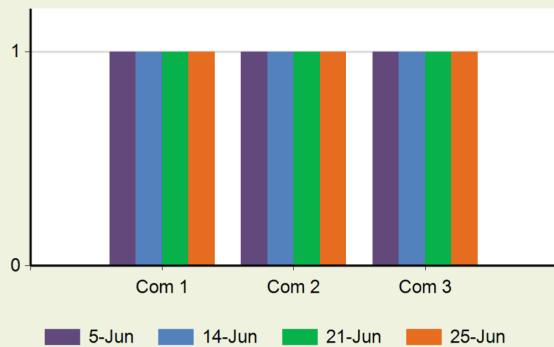
6.1 Certificate of acceptance (COA) received and decision made



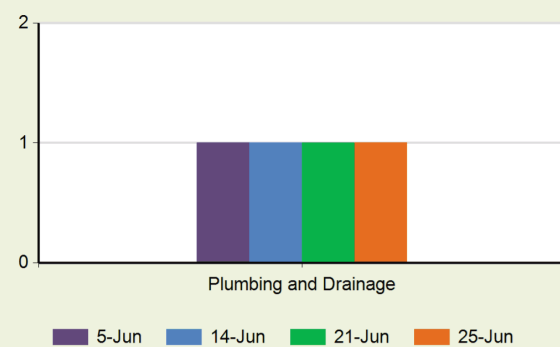
7.1 Inspection waiting times (days) residential (3 day KPI)



7.2 Inspection waiting times (days) commercial (3 day KPI)



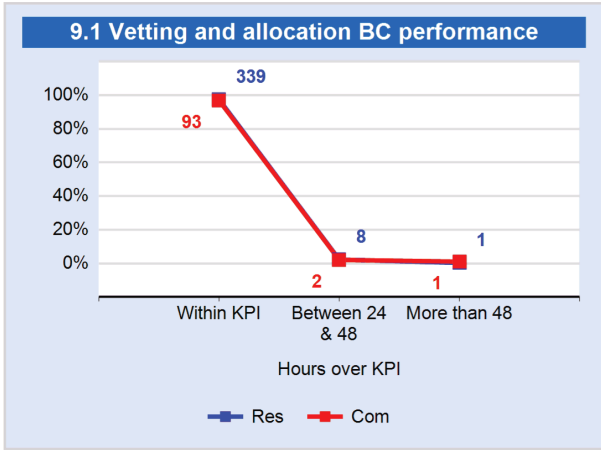
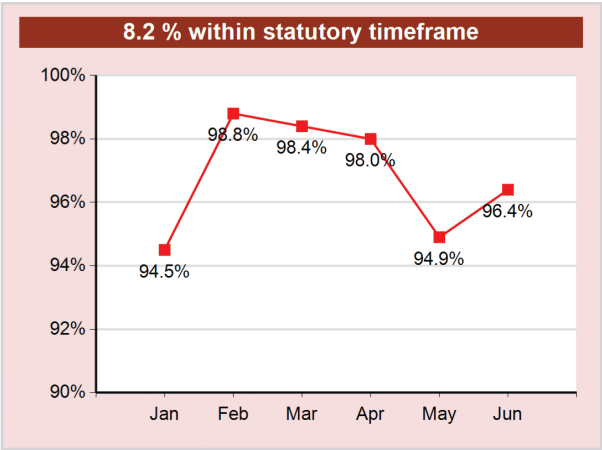
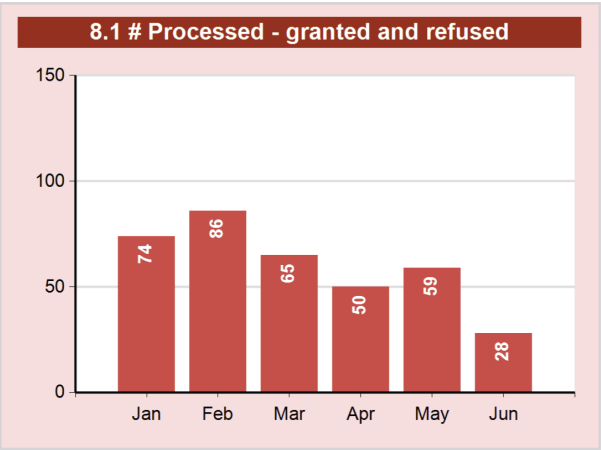
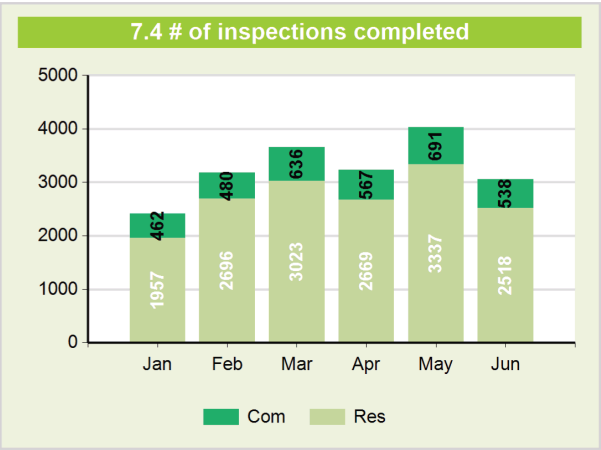
7.3 Inspection waiting times (days) plumbing and drainage (3 day KPI)



Com - Commercial complexity

Res - Residential complexity

External BCA Performance



10.1 Internal KPI

| 95% processed within 19 days | | |
|------------------------------|---------------|-----------------------|
| | Current Month | Current Financial YTD |
| BC Processed | 96.4% | 96.0% |
| CC Certificate Decisions | 99.0% | 98.9% |

| 99.8% of inspections booked within 3 days of requested date | | |
|---|---------------|-----------------------|
| | Current Month | Current Financial YTD |
| Inspections | 100.0% | 99.8% |



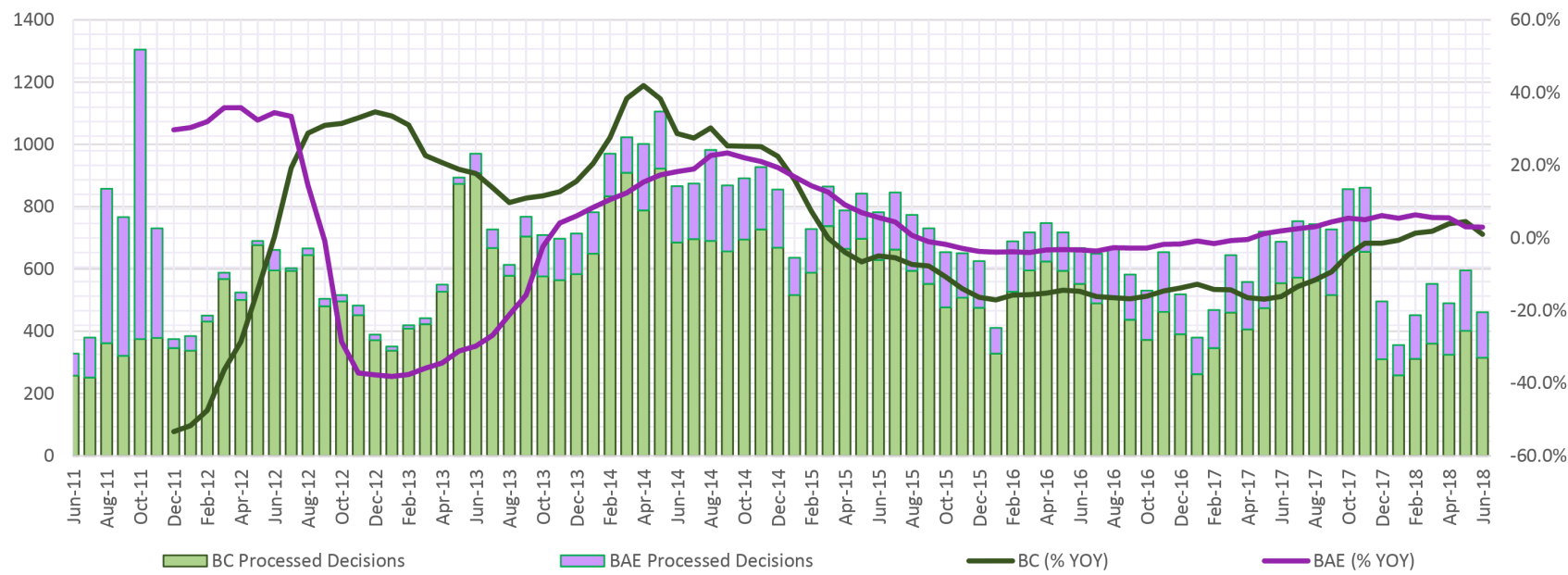
Monthly Councillors Report - Building Consenting

Report date: Jun-2018

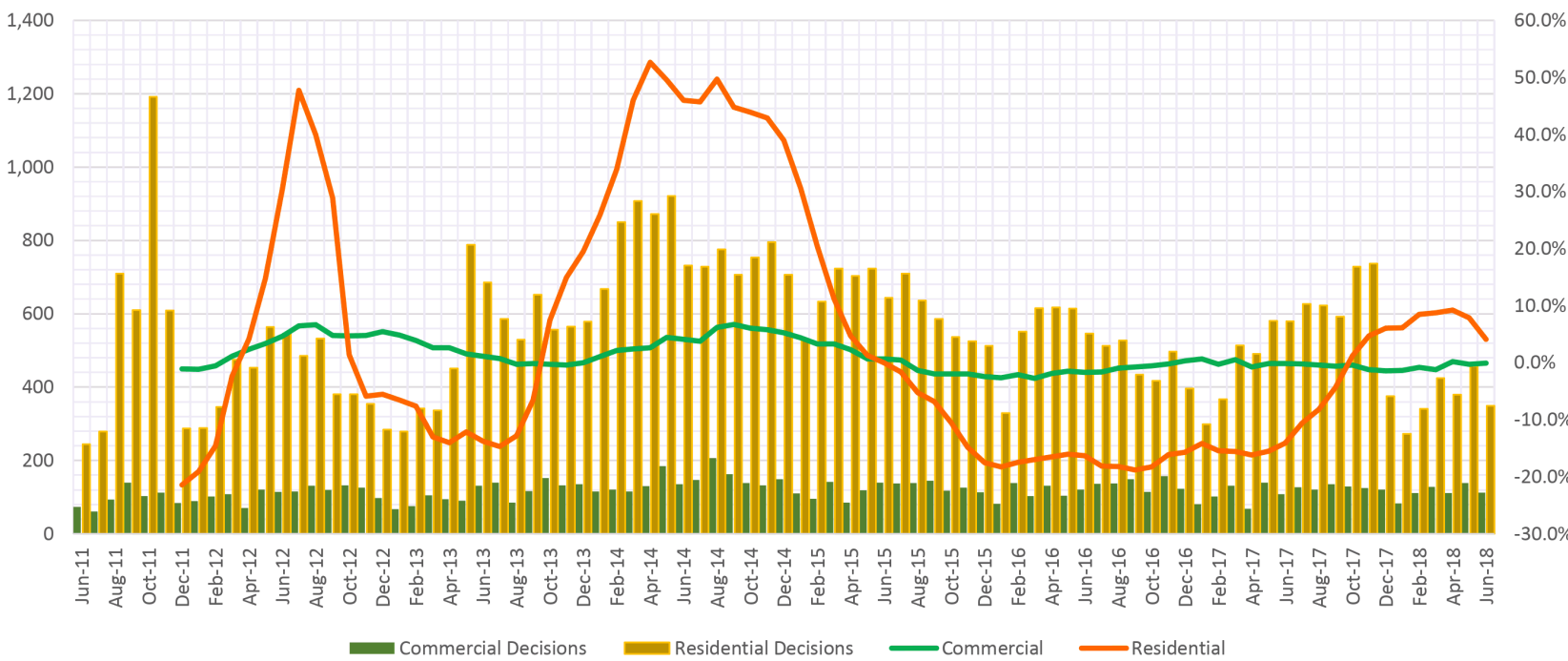
Excludes all amendments. Commercial and Residential classification are in accordance to complexity levels with exceptions to BAE.

Building Trends

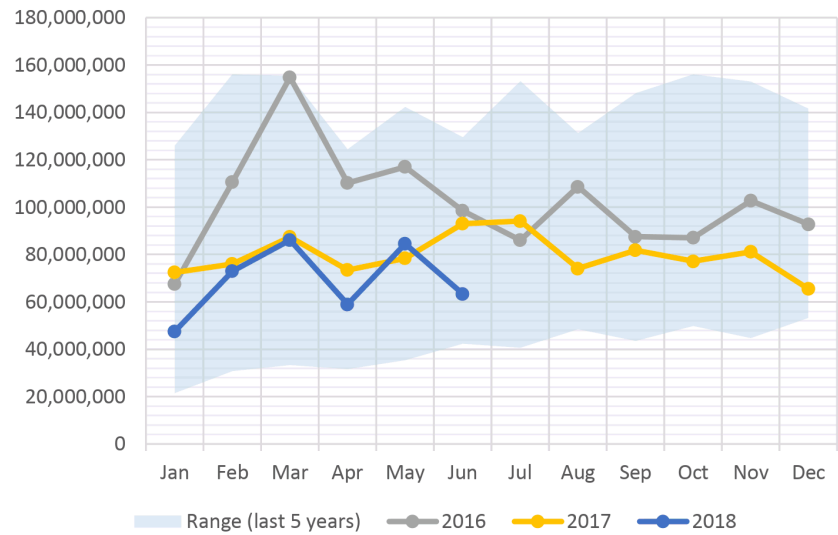
BC & BAE Decisions Made (% yoy breakdown by BC and BAE)



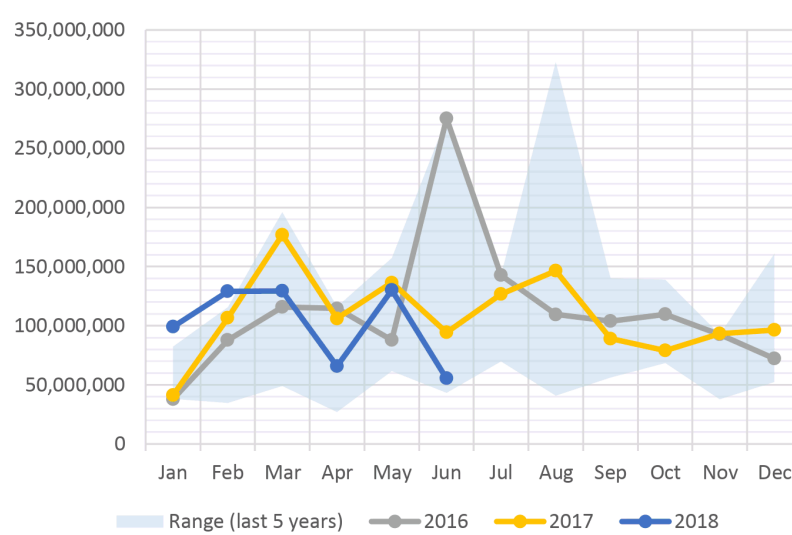
BC & BAE Decisions Made (% yoy breakdown by Commercial and Residential)



Estimated Value of Work BC Granted - Residential



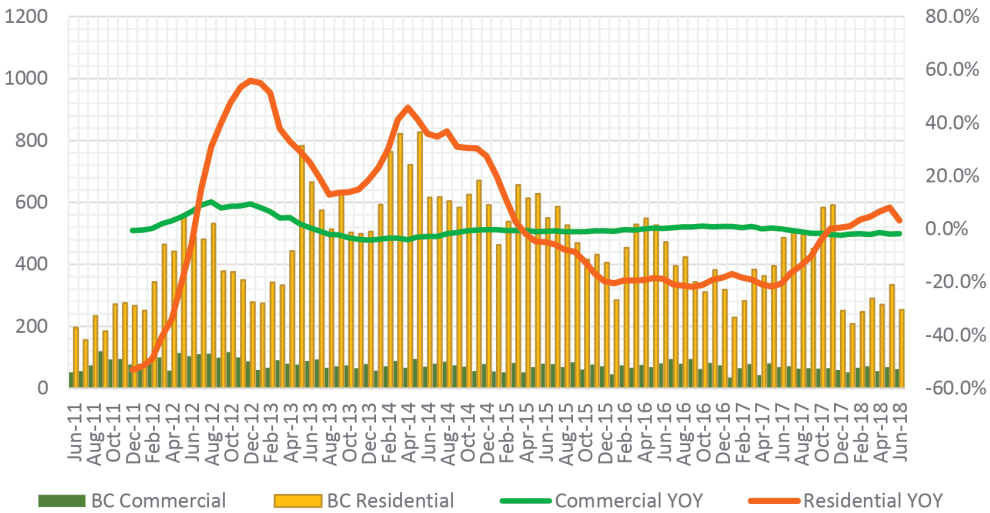
Estimated Value of Work BC Granted - Commercial



Building Consent Decisions (BC)

| | Nominal | | | |
|-------|---------|-------|-------|-------|
| | 2015 | 2016 | 2017 | 2018 |
| Jan | 517 | 329 | 263 | 259 |
| Feb | 589 | 527 | 346 | 312 |
| Mar | 738 | 595 | 460 | 361 |
| Apr | 665 | 624 | 406 | 325 |
| May | 697 | 594 | 475 | 402 |
| Jun | 629 | 552 | 555 | 315 |
| Jul | 663 | 490 | 573 | |
| Aug | 594 | 503 | 562 | |
| Sep | 553 | 437 | 516 | |
| Oct | 477 | 373 | 646 | |
| Nov | 508 | 463 | 655 | |
| Dec | 476 | 391 | 310 | |
| Total | 7,106 | 5,878 | 5,767 | 1,974 |

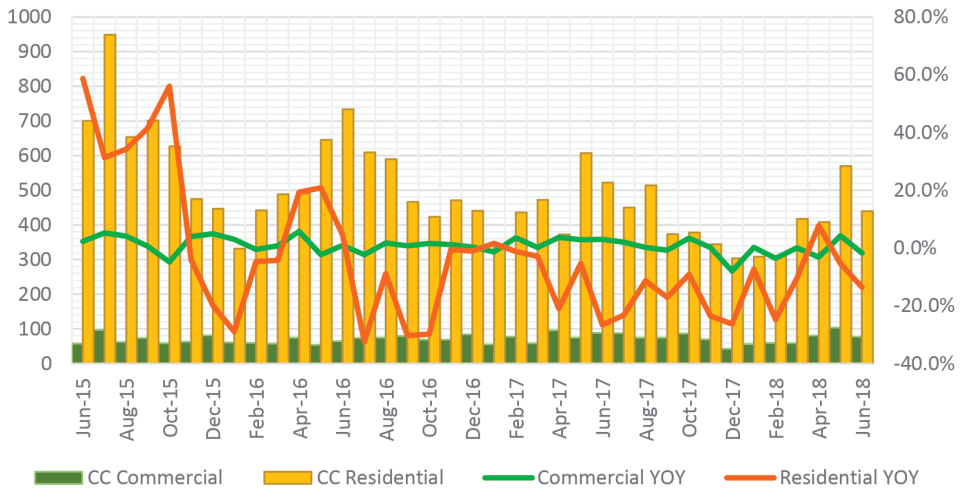
BC breakdown - Commercial & Residential (YOY)



Code Compliance Certificate (CCC) Decisions (S95 Refusal & Issued)

| | Nominal | | | |
|-------|---------|-------|-------|-------|
| | 2015 | 2016 | 2017 | 2018 |
| Jan | 528 | 391 | 392 | 364 |
| Feb | 530 | 501 | 513 | 368 |
| Mar | 565 | 545 | 530 | 475 |
| Apr | 452 | 565 | 467 | 488 |
| May | 590 | 699 | 681 | 673 |
| Jun | 757 | 798 | 610 | 516 |
| Jul | 1,047 | 682 | 537 | |
| Aug | 715 | 664 | 589 | |
| Sep | 774 | 545 | 448 | |
| Oct | 685 | 492 | 464 | |
| Nov | 538 | 540 | 414 | |
| Dec | 529 | 525 | 345 | |
| Total | 7,710 | 6,947 | 5,990 | 2,884 |

CC breakdown - Commercial & Residential (Prop. YOY)



*Due to system changes, code compliance decisions are only accurately accounted for as of mid 2013

Inspections

| | Nominal | | | |
|-------|---------|--------|--------|--------|
| | 2015 | 2016 | 2017 | 2018 |
| Jan | 3,482 | 2,825 | 2,700 | 2,419 |
| Feb | 4,546 | 4,996 | 4,347 | 3,176 |
| Mar | 5,555 | 5,100 | 4,983 | 3,659 |
| Apr | 5,163 | 4,870 | 3,564 | 3,236 |
| May | 5,811 | 5,804 | 5,001 | 4,028 |
| Jun | 5,220 | 5,154 | 4,332 | 3,056 |
| Jul | 5,478 | 4,900 | 3,692 | |
| Aug | 5,134 | 5,325 | 4,277 | |
| Sep | 5,536 | 5,220 | 4,002 | |
| Oct | 5,202 | 4,763 | 3,926 | |
| Nov | 4,947 | 5,139 | 4,185 | |
| Dec | 4,794 | 4,544 | 3,550 | |
| Total | 60,868 | 58,640 | 48,559 | 19,574 |

Inspection breakdown - Commercial & Residential (Prop. YOY)

