



# AGENDA

## Ordinary Council Meeting Tuesday, 4 October 2022

**Date** Tuesday, 4 October 2022

**Time** 2pm

**Location** Council Chamber  
District Council Building  
King George Place  
Timaru

**File Reference** 1529418

## **Timaru District Council**

**Notice is hereby given that a meeting of the Ordinary Council will be held in the Council Chamber, District Council Building, King George Place, Timaru, on Tuesday 4 October 2022, at 3pm.**

### **Council Members**

Mayor Nigel Bowen (Chairperson), Cllrs Steve Wills, Allan Booth, Peter Burt, Barbara Gilchrist, Richard Lyon, Gavin Oliver, Paddy O'Reilly, Sally Parker and Stu Piddington

Quorum – no less than 5 members

### **Local Authorities (Members' Interests) Act 1968**

Councillors are reminded that if they have a pecuniary interest in any item on the agenda, then they must declare this interest and refrain from discussing or voting on this item and are advised to withdraw from the meeting table.

Bede Carran

**Chief Executive**

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- 1 Opening Prayer and Waiata**
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- 4 Identification of Urgent Business**
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- 6 Declaration of Conflicts of Interest**

## **7 Confirmation of Minutes**

### **7.1 Minutes of the Council Meeting held on 6 September 2022**

**Author:** Claire Copeland, Executive Assistant Environmental Services

#### **Recommendation**

That the Minutes of the Council Meeting held on 6 September 2022 be confirmed as a true and correct record of that meeting and that the Chairperson's electronic signature be attached.

#### **Attachments**

- 1. Minutes of the Council Meeting held on 6 September 2022**



# MINUTES

## Ordinary Council Meeting Tuesday, 6 September 2022

Ref: 1529418

**Minutes of Timaru District Council  
Ordinary Council Meeting  
Held in the Council Chamber, District Council Building, King George Place, Timaru  
on Tuesday, 6 September 2022 at 1pm**

**Present:** Mayor Nigel Bowen (Chairperson), Cr Steve Wills, Cr Allan Booth, Cr Peter Burt, Cr Barbara Gilchrist, Cr Richard Lyon, Cr Gavin Oliver, Cr Paddy O'Reilly, Cr Sally Parker, Cr Stu Piddington.

**In Attendance:** **Community Board Members:** Jan Finlayson (Geraldine Community Board) Wayne O'Donnell (Geraldine Community Board)

**Officers:** Bede Carran (Chief Executive), Jason Rivett (Acting Group Manager Commercial & Strategy), Andrew Dixon (Group Manager Infrastructure), Erik Barnes (Acting Group Manager Recreation and Cultural Services), Paul Cooper (Group Manager Environmental Services), Beth Stewart-Wright (Director User Experience & Community Engagement), Azoorah Ali (Chief Financial Officer), Grant Hall (Drainage & Water Manager), Hamish Barrell (District Planning Manager), Jacky Clarke (Governance and Executive Support Manager), Mark Low (Strategy and Corporate Planning Manager), Nicole Timney (Property Services Manager), Stephen Doran (Communications Manager) Claire Copeland (Executive Assistant Environmental Services), Jess Hurst (Governance and Executive Support Coordinator).

**Advisor:** Michael Garbett (Lawyer, Anderson Lloyd).

**1 Opening Prayer**

*Martin Winterson Lead Pastor of Life Church conducted the opening prayer.*

*Cr Barbara Gilchrist led the Waiata.*

**2 Apologies**

There were no apologies noted.

**3 Public Forum**

There were no public forum items.



## **4 Identification of Urgent Business**

### **4.1 Moving the Theatre Royal and Heritage Facility Project out of Public Excluded**

Michael Garbett (Anderson Lloyd Lawyers) provided advice as to why it was appropriate for the item to be considered in Public Excluded, being information on contractual rates and surveyor findings that could hinder Council negotiations and highlight risks to Council within the project.

Legal advice was to have the discussion in Public Excluded giving Council the option to structure how and when the information will be communicated to the public.

A question was raised on the position of invited persons with expert knowledge presenting on item 11.1 of Council Agenda on the assumption of Public Exclusion and consultation as to whether there were matters they needed to reconsider if their reports and advice was to be shared in a public forum. The Mayor confirmed that if the motion to move the item from Public Excluded was carried time would be taken to consult with those parties to assess comfort levels before proceeding.

#### **Motion**

Moved: Clr Stu Piddington

Seconded: Clr Allan Booth

That That item 11.1 of this Council Agenda in relation to the Theatre Royal and Heritage Facility Preliminary Design Presentation be removed from Public Excluded and be heard in Public.

In Favour: Clrs Allan Booth and Stu Piddington

Against: Clrs Nigel Bowen, Steve Wills, Peter Burt, Barbara Gilchrist, Richard Lyon, Gavin Oliver, Paddy O'Reilly and Sally Parker

**Lost 2/8**

Cr Burt – that at the correct and agreed part of the process we release the motions and recommendations voting and the reasons for it be released to public as a matter of transparency.

## **5 Identification of Matters of a Minor Nature**

Cr Booth called for an update and discussion on the manganese in the water.

## **6 Declaration of Conflicts of Interest**

### **6.1 Conflict of interest**

Cr Peter Burt noted a conflict of interest on the topic of the manganese in the drinking water.

## **7 Confirmation of Minutes**

### **7.1 Minutes of the Council Meeting held on 9 August 2022**

#### **Resolution 2022/58**

Moved: Clr Steve Wills

Seconded: Clr Barbara Gilchrist

That the Minutes of the Council Meeting held on 9 August 2022 be confirmed as a true and correct record of that meeting and that the Chairperson's electronic signature be attached.

**Carried**

## **8 Reports**

### **8.1 Fraser Park Community Trust funding request**

During adoption of the 2022/23 Annual Plan on 28th June 2022, Council sought a report from Officers outlining options for providing additional funding for the development of Fraser Park - the South Canterbury region's newly planned multi-sport and event centre.

Cr Booth asked for clarification on what money and support had been previously given, Cr Wills confirmed that in negotiation between the Fraser Park Community Trust and Council, Council had provided land for development and a loan forgiven.

#### **Motion**

Moved: Deputy Mayor Steve Wills

That to accept the staff recommendation that Council does not grant or loan any further funding to the Fraser Park Community Trust, and that the request is considered as part of the next Annual Plan process and also Option 3 (on page 23 of the Council Agenda) 'Council does not grant any further cash or loans'.

#### **Resolution 2022/59**

Moved: Deputy Mayor Steve Wills

Seconded: Clr Sally Parker

Staff recommend that the Council does not grant or loan any further funding to the Fraser Park Community Trust, and that the request is considered as part of the next Annual Plan process.

**Carried**

### **8.2 Dog Control Annual Report**

The purpose of this report is to inform the Council of the dog control activities during the 2021/22 financial year.

Cr Oliver asked if there would be free microchipping available this year, the Environmental Compliance Officer confirmed these would recommence. Cr Booth questioned if the increase in unregistered dogs was a reflection of the minimal amount of micro chipping infringements given or followed up, the Environmental Compliance Officer believed they were unrelated. Cr O'Reilly asked if any evidence of dog fighting in the District, the Senior Animal Control officer advised there is no evidence of this.

#### **Resolution 2022/60**

Moved: Clr Paddy O'Reilly

Seconded: Clr Sally Parker

- I. That the Dog Control Report 2021/2022 be received and noted; and
- II. that in accordance with the Dog Control Act 1996 the report be publicly notified; and
- III. that the report is forwarded to the Secretary for Local Government.

**Carried**

### **8.3 Stimulus Fund Accountability and Extension Requests Received**

To advise Council of Accountability Forms received for the Timaru District Council Stimulus Fund Grant approved by Council on 1 September 2020, following the last update in September 2021.

To advise Council of applications for further extensions of time for the expenditure of the Stimulus Fund Grants and for Council to consider approval or declination of these extension requests.

#### **Resolution 2022/61**

Moved: Mayor Nigel Bowen

Seconded: Cllr Sally Parker

That Council:

1. Receives and notes the Accountability Forms of completed projects from the 2020/21 Timaru District Council Stimulus Fund; and
  - 1.1 Approves an extension of project time as requested by Fraser Park Community Trust to allow them to complete their projects, stipulating a timeframe to submit an Accountability Form.
  - 1.2 Approves an extension of project time as requested by Temuka District Projects Trust to allow them to complete their projects, stipulating a timeframe to submit an Accountability Form.
  - 1.3 Approves an extension of project time as requested by Central South Island Cycle Trails Inc to allow them to complete their projects, stipulating a timeframe to submit an Accountability Form

**.Carried**

### **8.4 Proposed District Plan**

To seek Council approval for the Proposed District Plan (PDP) <https://timaru.isoplan.co.nz/eplan-internal/> (subject to formatting and inconsequential changes) for public notification in accordance with the Consultation Plan, which is attached as Attachment 1.

The Group Manager Environmental Services (GM) noted this milestone and it being the result of many years of work by many to progress to now notifying the Proposed District Plan. The GM was then invited to provide an outline of the process that would follow if Council were to notify, they outlined the process prescribed by Schedule 1 of the Resource Management Act 1991, noting that if there are appeals it can be 2-4 years before the Plan becomes operative.

Mayor Nigel Bowen thanked all involved for the report and their contribution to it and complimented them on the final document.

**Resolution 2022/62**

Moved: Clr Barbara Gilchrist

Seconded: Clr Peter Burt

1. That the Proposed District Plan (subject to formatting and minor wording changes for proofing and correction) is approved for public notification in accordance with Clause 5, Schedule 1 Resource Management Act 1991, in accordance and conjunction with the Consultation Plan attached (Attachment 1).
2. That the Council have particular regard to the evaluation reports prepared under Section 32 of the Resource Management Act 1991 when deciding whether to proceed with the notification of the Proposed District Plan (Section 32 reports here: [PDP Section 32 reports](#))
3. That the Group Manager Environmental Services is delegated the authority to undertake all administrative steps required by Schedule 1 of the Resource Management Act 1991 to give effect to the requirements for public notification of the Proposed District Plan.

**Carried**

**9 Consideration of Urgent Business Items**

No items of urgent business were received

**10 Consideration of Minor Nature Matters****10.1 Manganese in the Water.**

Cr Booth referenced a report from Environment Canterbury (ECan) on the quality of Council's drinking water from the Opihi River around Christmas 2021, this identified a substantial silage pit close to the water way as being the likely contributor to the manganese discolouration. It was noted this event is potentially detrimental given Council's position on the proposed model for 3 Waters reform. The question was asked if Council was undertaking its own independent review and advice.

The Chief Executive informed the meeting that Council had engaged an independent review on an expedited basis. It is expected this will be reported back at a later stage in an open meeting, ECan officers will be invited to attend.

Officers were asked if Council is looking for compensation on the issue, it was noted any action would have to follow due process.

**11 Public Forum Items Requiring Consideration**

No items of Public Forum requiring consideration.

**12 Resolution to Exclude the Public****12.1 Theatre Royal and Heritage Facility Preliminary Design Presentation****Recommendation**

That the public be excluded from the following parts of the proceedings of this meeting on the grounds under section 48 of the Local Government Official Information and Meetings Act 1987 as follows:

General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Plain English Reason
<p><b>12.1 - Theatre Royal and Heritage Facility Preliminary Design Presentation</b></p>	<p>s7(2)(b)(ii) - The withholding of the information is necessary to protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information</p> <p>s7(2)(h) - The withholding of the information is necessary to enable any local authority holding the information to carry out, without prejudice or disadvantage, commercial activities</p>	<p>Commercial sensitivity To enable commercial activities</p>

**13 Public Excluded Reports**

**14 Readmittance of the Public**

**Resolution 2022/63**

Moved: Mayor Nigel Bowen

Seconded: Deputy Mayor Steve Wills

That the meeting moves out of Closed Meeting into Open Meeting.

**Carried**

**The meeting closed at 5.34pm**

.....  
**Mayor Nigel Bowen Chairperson**

**7.2 Minutes of the Extraordinary Council Meeting held on 20 September 2022**

**Author: Jessica Hurst, Governance and Executive Support Coordinator**

**Recommendation**

That the Minutes of the Extraordinary Council Meeting held on 20 September 2022 be confirmed as a true and correct record of that meeting and that the Chairperson's electronic signature be attached.

**Attachments**

- 1. Minutes of the Extraordinary Council Meeting held on 20 September 2022**



# MINUTES

## Extraordinary Council Meeting Tuesday, 20 September 2022

Ref: 1529418

**Minutes of Timaru District Council  
Extraordinary Council Meeting  
Held in the Council Chamber, District Council Building, King George Place, Timaru  
on Tuesday, 20 September 2022 at 3pm**

**Present:** Mayor Nigel Bowen (Chairperson), Clr Steve Wills, Clr Allan Booth, Clr Peter Burt, Clr Barbara Gilchrist, Clr Richard Lyon, Clr Gavin Oliver, Clr Paddy O'Reilly, Clr Sally Parker, Clr Stu Piddington

**In Attendance:** Bede Carran (Chief Executive), Paul Cooper (Group Manager Environmental Services), Andrew Dixon (Group Manager Infrastructure), Beth Stewart-Wright (Director User Experience & Community Engagement), Jason Rivett (Acting Group Manager Commercial & Strategy), Erik Barnes (Acting Group Manager Recreation & Cultural Services), Jacky Clarke (Governance and Executive Support Manager), Nicole Timney (Property Services and Client Representative), Stephen Doran (Communications Manager), Lili Haydon (Communications and Engagement Advisor), Maddison Gourlay (Timaru Herald Reporter), Briar Allen (Timaru Courier Reporter), Claire Copeland (Executive Assistant Environmental Services), Jessica Hurst (Governance Coordinator)

## **1 Apologies**

### **Resolution 2022/58**

Moved: Mayor Nigel Bowen

Seconded: Clr Sally Parker

That apologies from Ross Munro be received and accepted.

**Carried**

## **2 Declaration of Conflicts of Interest**

No conflicts of interest were declared.

## **3 Reports**

### **4.1 Observance of South Canterbury Anniversary Day**

The Communications Manager spoke to his report, noting that of 8,270 respondents to the community survey, 86.3% were in favour of South Canterbury Anniversary Day being observed on Friday 11 November 2022 as a one-off. This is due to the Queen Elizabeth II Memorial Day being observed on 26 September 2022.

The survey was available via Facebook, Google forms, various QR codes and an advertisement in the Timaru Courier.

The financial impact on businesses was noted by Councillors.



**Resolution 2022/59**

Moved: Deputy Mayor Steve Wills

Seconded: Clr Peter Burt

1. That Council consider and decide whether to resolve to:
  - (i) Observe the South Canterbury Anniversary Day on an alternative date, namely 11 November 2022 for this year (which is the date that Canterbury Anniversary Day will be observed); or
  - (ii) Confirm that South Canterbury Anniversary Day will be observed on its originally intended date of 26 September 2022.

**Carried**

**The meeting closed at 3.11pm.**

.....  
**Mayor Nigel Bowen**  
**Chairperson**

## 8 Schedules of Functions Attended

### 8.1 Schedule of Functions Attended by the Mayor, Deputy Mayor and Councillors

**Author:** Alesia Cahill, Executive Assistant to the Mayor

**Authoriser:** Nigel Bowen, Mayor

#### Recommendation

That the report be received and noted.

#### Functions Attended by the Mayor for the Period 23 July 2022 to 16 September 2022.

25 July 2022	Attended Mayoral Forum visit to the University of Canterbury
26 July 2022	Chaired Tenders and Procurement Committee meeting Attended Standing Committee meetings Attended Council workshops
28 July 2022	Attended Te Ana Wai opening
4 August 2022	Attended Welcome Powhiri for Antarctica NZ and Leighs Construction project
5 August 2022	Spoke with OJ on the Breeze for monthly Mayoral Musings
8 August 2022	Met with the Regional Public Service Team for COVID response Attended meeting with Canterbury Mayoral Forum and Health NZ Chair via Teams Met with Venture Timaru representatives for monthly meeting
9 August 2022	Attended Audit and Risk workshop Opened the new Eco Centre Timaru and attended visit Chaired August 2022 Council meeting
10 August 2022	Attended and spoke at Social Sector Forum – <i>The Importance of Community Connection</i>
11 August 2022	Met with Waimakariri Council Mayor and visited their facilities Visited the Selwyn District Council Library facility
12 August 2022	Opened the Big Sing Cadenza Festival
13 August 2022	Attended the Gala Concert at the Big Sing Cadenza Festival
15 August 2022	Attended the Mayoral Forum Kiwirail trip in Christchurch Met with South Canterbury Chamber of Commerce Board
16 August 2022	Chaired Extraordinary Tenders and Procurement Committee meeting Chaired Extraordinary People and Performance Committee meeting

	Attended Council workshops
<i>17 August 2022</i>	Met with Timaru District Councils Gateway Student
	Attended Webinar on How the Future Resource Management System will protect the environment
<i>19 August 2022</i>	Attended and spoke at International Student Mayoral Welcome
<i>20 August 2022</i>	Attended Tongan Church renovation project completion celebration
	Attended and presented at Aorangi Badminton tournament
<i>22 August 2022</i>	Met with Otago Medical School Students for their Community Contact
	Attended Temuka Community Board meeting
<i>23 August 2022</i>	Attended Pleasant Point Community Board meeting
<i>24 August 2022</i>	Chaired Extraordinary Tenders and Procurement meeting
	Attended Geraldine Community Board meeting
<i>25/26 August 2022</i>	Attended Civil Defence Emergency Management Group Joint Committee meeting
	Attended Canterbury Regional Transport Committee meeting
	Attended Canterbury Mayoral Forum in Christchurch
<i>29 August 2022</i>	Travelled to Wellington to attend Water Reform Select Committee meetings
<i>31 August 2022</i>	Travelled to Wellington to present Water Services Entities Bill – Timaru District Councils Submission
<i>1 September 2022</i>	Welcomed Warship HMNZS Taupo to Timaru port
<i>2 September 2022</i>	Spoke with OJ on the Breeze for monthly Mayoral Musings
<i>4 September 2022</i>	Attended Timaru Hope Walk
<i>6 September 2022</i>	Chaired Tenders and Procurement Committee meeting
	Attended Standing Committee meetings
	Chaired September 2022 Council meeting
<i>7 September 2022</i>	Met with the Associate Minister of Local Government Rural/Provincial Councils
	Attended Age Concern meeting
	Meet with Gleniti Primary School House leaders
	Attended visit with Minister Ayesha Verrall and Jo Luxton
	Attended Pareora Community meeting
<i>8 September 2022</i>	Attended quarterly meeting with Rooney Group
<i>9 September 2022</i>	Opened the 2022 World Skate Oceania Speed Championships
	Attended Canterbury Mayoral Forum meeting regarding agriculture and climate change

- 10 September 2022*      Attended Caroline Bay Association pot Luck dinner
- 12 September 2022*      Attended meeting with South Canterbury AA in regards to SC Roding  
Met with Pacifica Shipping and Venture Timaru  
Spoke to Timaru Lions Club
- 13 September 2022*      Radio interview in regards to South Canterbury Anniversary public holiday
- 14 September 2022*      Radio interview in regards to South Canterbury Anniversary public holiday  
Read to classes at Sacred Heart for book week  
Attended MBIE update on Theatre Project  
Attended Youth Initiatives Subcommittee meeting  
Attended Aoraki Foundation function
- 15 September 2022*      Judged Timaru Boys High School House Singing competition
- 17 September 2022*      Attended the Launch of the Temuka Story Boards  
Attended Temuka Community Board dinner

In addition to these duties I spoke and met with 54 members of the public on issues of concern to them.

**Functions Attended by the Deputy Mayor for the Period 23 July 2022 to 16 September 2022.**

- 28 July 2022*              Attended 15<sup>th</sup> year anniversary celebration of Volunteering Mid & South Canterbury

**Attachments**

**Nil**

**8.2 Schedule of Functions Attended by the Chief Executive****Author: Jacky Clarke, Governance and Executive Support Manager****Authoriser: Bede Carran, Chief Executive****Recommendation**

That the report be received and noted.

**Functions Attended by the Chief Executive for the Period 30 July 2022 to 16 September.**

<i>1 August 2022</i>	Attended Canterbury Chief Executives' Forum Chair Canterbury Civil Defence and Emergency Management Coordinating Executive Group meeting
<i>2 August 2022</i>	Attend Canterbury Chief Executives Strategy meeting
<i>3 August 2022</i>	Meeting with representative from Ara Institute of Canterbury
<i>4 August 2022</i>	Meeting with Communities 4 Local Democracy Group re: 3 Waters update Attended powhiri for Antarctica NZ
<i>5 August 2022</i>	Meeting with General Manager Environment Canterbury
<i>8 August 2022</i>	Meeting with members of the Regional Public Service Meeting with Chief Executive Venture Timaru
<i>9 August 2022</i>	Attended Audit and Risk workshop Attended Eco Centre opening Attended Council meeting
<i>11 August 2022</i>	Meeting with Civil Defence Chairs and Officers of National Emergency Management Agency
<i>15 August 2022</i>	Meeting with South Canterbury Chamber of Commerce
<i>16 August 2022</i>	Attending Tenders and Procurement meeting Attended Council workshops
<i>17 August 2022</i>	Meeting with Communities 4 Local Democracy Group Meeting with General Manager Timaru District Holdings Limited
<i>18 August 2022</i>	Meeting with Chief Executive Alpine Energy
<i>19 August 2022</i>	Meeting with General Manager Arowhenua Marae
<i>22 August 2022</i>	Attended Temuka Community Board Meeting
<i>23 August 2022</i>	Meeting with Regional Controller and Manager Canterbury Civil Defence and Emergency Management Meeting with Minister David Parker and Canterbury Mayoral Forum

	Attended Pleasant Point Community Board Meeting
<i>24 August 2022</i>	Meeting with Aoraki Environmental Consultant
	Attended Geraldine Community Board Meeting
<i>25 August 2022</i>	Meeting with Chief Executive Venture Timaru
	Attended Canterbury Civil Defence and Emergency Management Joint Committee meeting
<i>26 August 2022</i>	Meeting with Canterbury Police Leadership Team
<i>02 September 2022</i>	Meeting with Department of Internal Affairs representatives
	Meeting with General Manager Timaru District Holdings Limited
<i>05 September 2022</i>	Meeting with Chief Executive Venture Timaru
<i>06 September 2022</i>	Attended Tenders and Procurement Committee Meeting
	Attended Standing Committee Meetings
	Attended Council Meeting
<i>07 September 2022</i>	Meeting with Minister Kieran McAnulty (Assoc Minister Local Government)
	Attended Pareora Community meeting
<i>12 September 2022</i>	Meeting with General Manager Timaru District Holdings Limited
<i>14 September 2022</i>	Meeting with Chief Executive and Chairperson South Canterbury Chamber of Commerce
	Attended Trust Aoraki 'Ascend Aoraki' event

Meetings were also held with various ratepayers, businesses and/or residents on a range of operational matters.

### **Attachments**

**Nil**

## 9 Reports

### 9.1 Welcoming Communities Programme Endorsement

**Author:** Adele Hewlett, Libraries Manager

**Authoriser:** Beth Stewart-Wright, Director User Experience and Community Engagement

#### Recommendation

That the Council endorses the submission of an Expression of Interest (EOI) to Immigration New Zealand's programme, Welcoming Communities.

#### Purpose of Report

1. To gain endorsement by the Council to participate in the national Welcoming Communities programme.

#### Assessment of Significance

2. This matter is deemed as low significance under the Council's Significance and Engagement Policy as this has ongoing but limited community interest and affects a small number of people in the community.

#### Background

3. The Welcoming Communities initiative is a three-year programme administered by the Department of Immigration and funded by the Ministry of Business, Innovation and Employment (MBIE). The programme has a broad remit, the premise of which is to support local governments and communities to work together to make the places we love more welcoming for new arrivals, and for everyone.
4. Through this programme, the NZ Government supports investing in localised community engagement and relationships, increased social cohesion, promoting inclusion and diversity, and improved socio-cultural well-being within communities.
5. The programme aims to openly support and welcome newcomers to the District. For the purpose of this Welcoming Communities report, a newcomer is defined as a person or persons who are new to an area or have been in an area for some time but have not been able to successfully engage in the community. This includes: 'new' migrants to New Zealand, immigrants already in New Zealand who have recently relocated to Timaru District, New Zealanders who have recently relocated to Timaru District, and any individual who needs support to engage and integrate into the community, including international students or working holiday visa holders.
6. An initial Welcoming Communities pilot programme was established with a group of Councils in 2017 and ran to 2019 with considerable success. The programme, which has now been expanded out across the country, boasts a membership of 26 councils across 12 regions who have collaborated with their communities to implement the programme. Immigration New Zealand is looking to grow membership by up to 13 additional councils between now and July 2023.

7. TDC was approached directly by the Department to be one of those Councils. The process for application is through an Expression of Interest (EOI) and requires Council's endorsement to participate. The EOI process closes on 11 November 2022. If successful, the funding will be \$50,000 per year for three years to complete projects that align with the Welcoming Communities objectives (as noted below).

### Discussion

8. Timaru District is growing and changing, something which is reflected in our increasingly diverse population. Our aim is to encourage people from all walks of life to call Timaru District home by being welcoming and inclusive to newcomers.
9. Newcomers play a vital role in local trade, investment, tourism, skilled migration and education. All of these aspects add to the economic success of our District, and contribute towards making Timaru District vibrant and culturally diverse. This is particularly pertinent given recent economic analysis that indicates workforce shortages, difficulty recruiting and retaining employees in the District, and the challenges of recruiting for skilled workers locally.
10. An inclusive and culturally diverse community offers clear positive impacts, not just economically but socially and culturally as well. Our communities are likely to be healthier, happier and more productive when newcomers are welcomed and then enabled to participate fully in our communities and in the local economy. Nurturing the connections between locals and newcomers means everyone feels included and knows they belong.
11. Officers are seeking endorsement from Council to apply to participate in the Department of Immigration's Welcoming Communities programme, funded through MBIE. If successful in the EOI process, TDC will receive \$50 000 per annum for three years.
12. The objective of the funding is for councils to co-design a welcoming project or programme with key service providers, community stakeholders and iwi. The funding can be attributed to project costs, or to subsidise a role to carry out the program.
13. If successful, TDC will co-fund a position and, using the MBIE funding, will develop a Welcoming Communities Plan ("Plan") in collaboration with key stakeholders and partners.
14. The Plan will outline specific activities to be achieved over the three year period, which will be delivered utilising the MBIE funding.
15. The role will link in directly with the Safer Communities program and the District Libraries to deliver the activities outlined in the Plan.
16. The Plan will enable Timaru District Council to build on our community's capacity to embrace diversity and value the contribution of our newcomers, enabling them to thrive in, and contribute to the Timaru District community.
17. The eight outcomes of the Welcoming Communities Programme are:
  - a. Inclusive leadership: Local government, tangata whenua and other community leaders work together to create, advocate for and continue to foster a welcoming and inclusive community. They lead a shared plan to increase connections between newcomers and existing residents.
  - b. Welcoming Communications: People of all cultures and backgrounds feel included, listened to, and well informed through a range of ways that take into account their different communication needs.



- c. Equitable access: Opportunities to access services and activities and to participate in the community are available to all, including newcomers.
  - d. Connected and Inclusive Communities: People feel safe in their identity and that they are connected with and belong in the community. There are high levels of trust and understanding between members of the receiving community and newcomers.
  - e. Economic development, business and employment: Communities maximise and harness the economic development opportunities that newcomers can offer. Councils work with business associations to promote the contribution that newcomer business owners and skilled migrants make to the region's economy.
  - f. Civic Engagement and Participation: Newcomers feel welcome to fully participate in the community. Newcomers are active in all forms of civic participation.
  - g. Welcoming Public Spaces: Newcomers and receiving communities feel welcome in and comfortable using public spaces.
  - h. Culture and Identity: It can be an extremely daunting process for anyone new to a community to start the process of integration into society. Although this is experienced by most people that are new to community, it is often felt most acutely by those who come from a culture that is different from the 'typical' New Zealand culture. Cultural differences, language barriers and varying cultural norms can make this a challenge for those who are new and are trying to integrate into the community.
18. The specific nature and detail of the activities to be delivered with the funding will be determined through a co-design process with key stakeholders and partner agencies however the detail of these activities are not required to make a submission through the EOI process.

#### **Alignment with Council Objectives and Long Term Plan**

19. The Welcoming Communities programme aligns with council's 'Thriving Together' and the annual plan objectives, and links well with existing council programs.
20. A coordinated Welcoming Communities programme enables the community wellbeing outcomes of:
  - a. Connected citizens: embracing social connection for newcomers and supporting learning through sharing stories and ideas, and civic engagement; and actively supporting the contribution of newcomers and citizens in activities that foster inclusion, agency and participation
  - b. Enhanced Lifestyle: providing a healthy and connected community environment that engages with newcomers, that enabling access to opportunities and resources, and strengthening equity within our community
  - c. Diverse economy: Enabling the conditions for a diverse and prosperous economy by leveraging experience, knowledge and different ways of thinking, which helps create a thriving community.
21. Under the endorsement of Council, the aim of a Timaru District-wide Welcoming Communities Plan is to create a realistic and achievable path forward to assist all newcomers to become part of the Timaru District communities
22. Measures of success could include:
  - Newcomers are able to easily access information to support them

Increased civic engagement among newcomers



# Welcoming Communities Expression of Interest

services

## Options and Preferred Option

- 23. Option One: Endorsement to Immigration New Zealand's programme of Welcoming Communities
- 24. Option Two: Not to endorse Timaru District Council's expression of interest to Immigration New Zealand's programme of

## Consultation

- 25. Timaru District Council will establish a working group to develop a plan for the district's new arrivals. The Working Group will comprise local community service organisations, agencies and groups that work directly with new arrivals in the Timaru District, local businesses and community partners and stakeholders, including iwi. New arrivals with lived experience of arriving in Timaru District will also be involved in the co-design process of developing the Plan and its associated activities.

## Financial and Funding Implications

- 26. Immigration New Zealand (via MBIE) provides seed funding (\$50,000 p.a. for each participating council for the first 3 years), guidance, resources, accreditation, advice and practical support to participating councils to submit an EOI form.
- 27. The funding will subsidise a 1.0 FTE, which will be co-funded by internal resources.
- 28. The role will be a three year fixed term position, unless additional funding can be sourced to continue delivery past the three year funding period.

## Attachments

- 1. Welcoming Communities Expression of Interest Form

Welcoming Communities Expression of Interest Form

Page 1



New Zealand Government

WCNZ 5879

### Factors to consider

Depending on the level of demand, we may need to manage the number and order in which new councils come on board. To do this, the Welcoming Communities EOI Panel will consider the following factors:

- › Is the council clear about its reasons for wanting to join Welcoming Communities and the benefits it sees for itself and its community?
- › Can the council and community show that council staff, elected members and the community are **all** committed to participating in the programme? For example, are there existing strategies, speeches from senior council staff or the Mayor, examples of welcoming activities already underway?
- › Can the council describe how it works with the community to engage with and support newcomers: recent migrants, former refugees and international students?
- › Can the council demonstrate how it is partnering with mana whenua on other council and community matters?
- › Does the council have a successful track record in working with local and national partners to implement other initiatives and programmes?
- › Does the council understand the programme's objectives and its role and responsibilities in implementing the programme in collaboration with the community?
- › If the community is an existing or new refugee resettlement location, what engagement has the council had in supporting refugee settlement?
- › If applying as a group of councils, is there a clear rationale for this and a proven track record of the councils successfully working together?

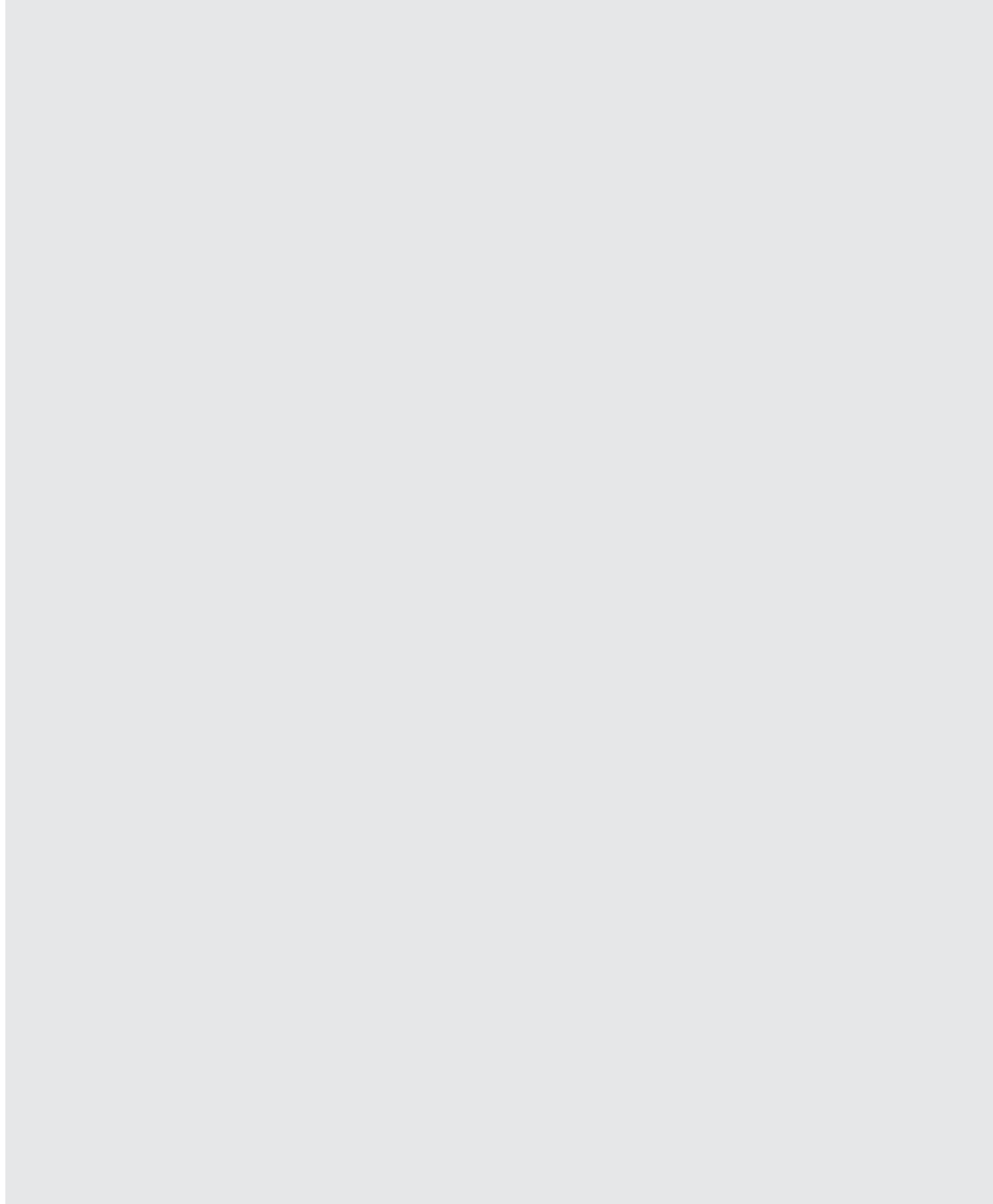
### What to do next

If you wish to join the programme in 2021/22 or 2022/23, contact Immigration New Zealand. When you are ready, please complete the EOI form. Please provide answers to the questions below, and return the EOI form to: [welcomingcommunities@mbie.govt.nz](mailto:welcomingcommunities@mbie.govt.nz).

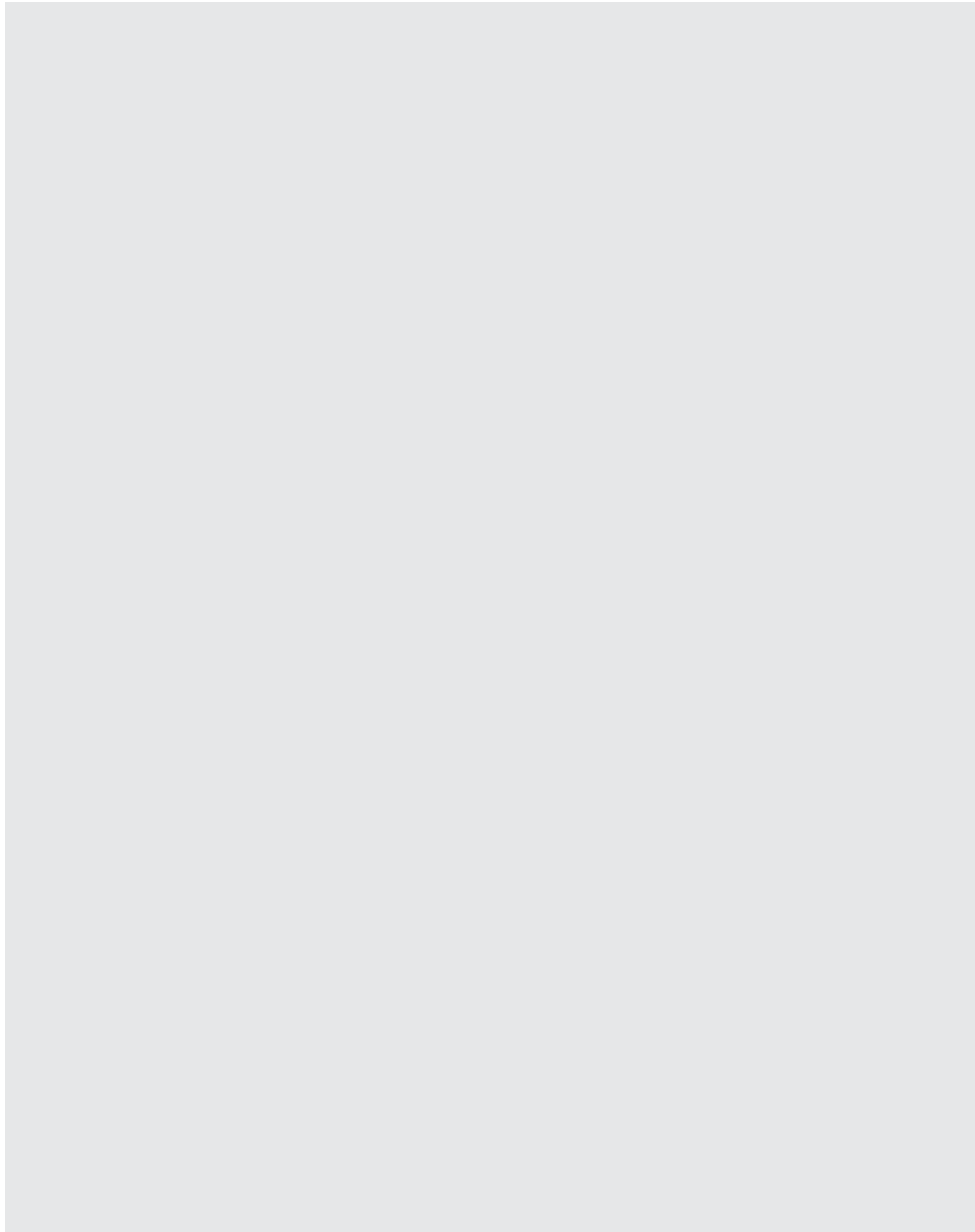
You may also submit letters of support with the EOI form.

**Please keep your responses to approximately 400 words.**

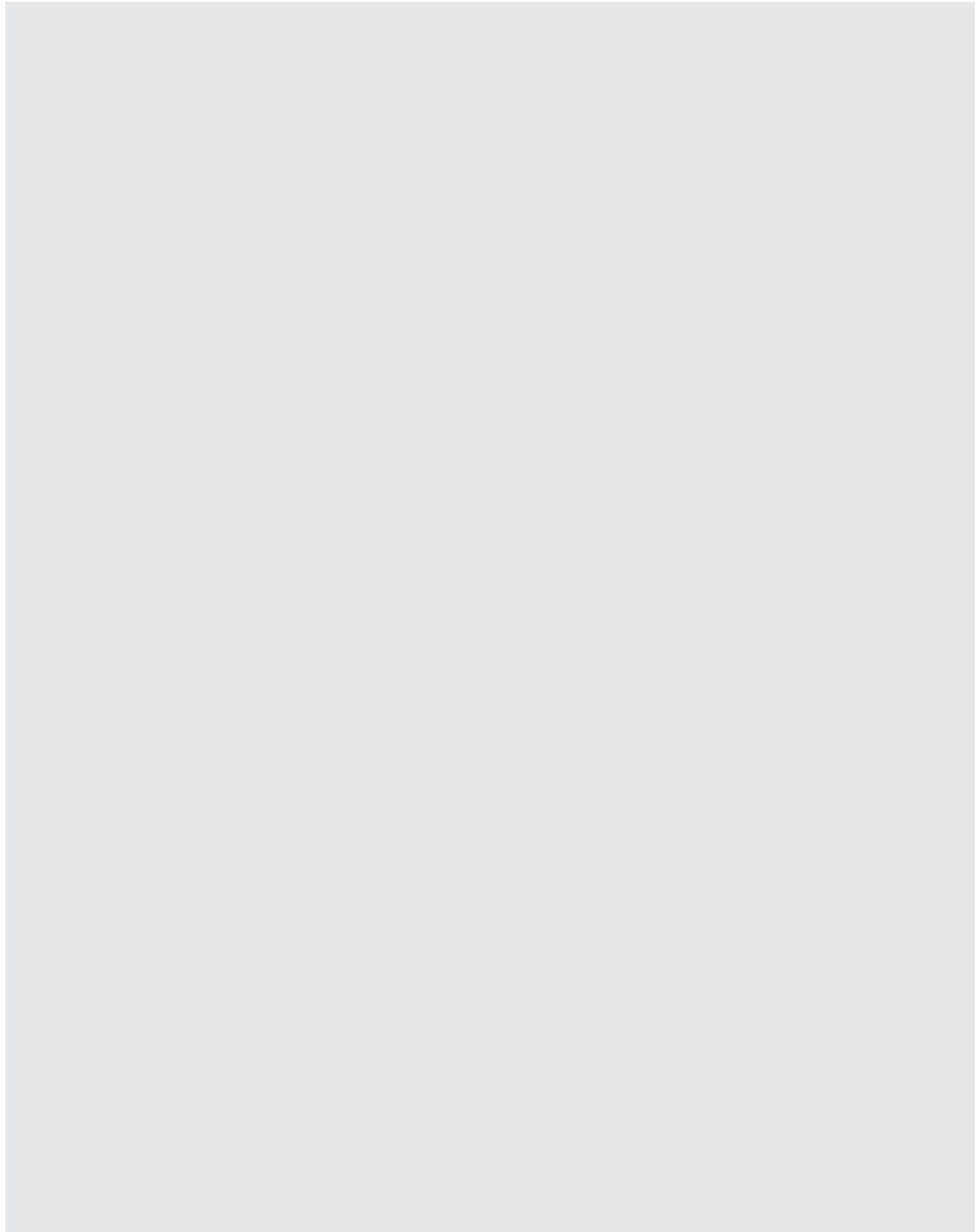
1. **Why does the council and community wish to participate in Welcoming Communities? What benefits do you see from joining the programme?**



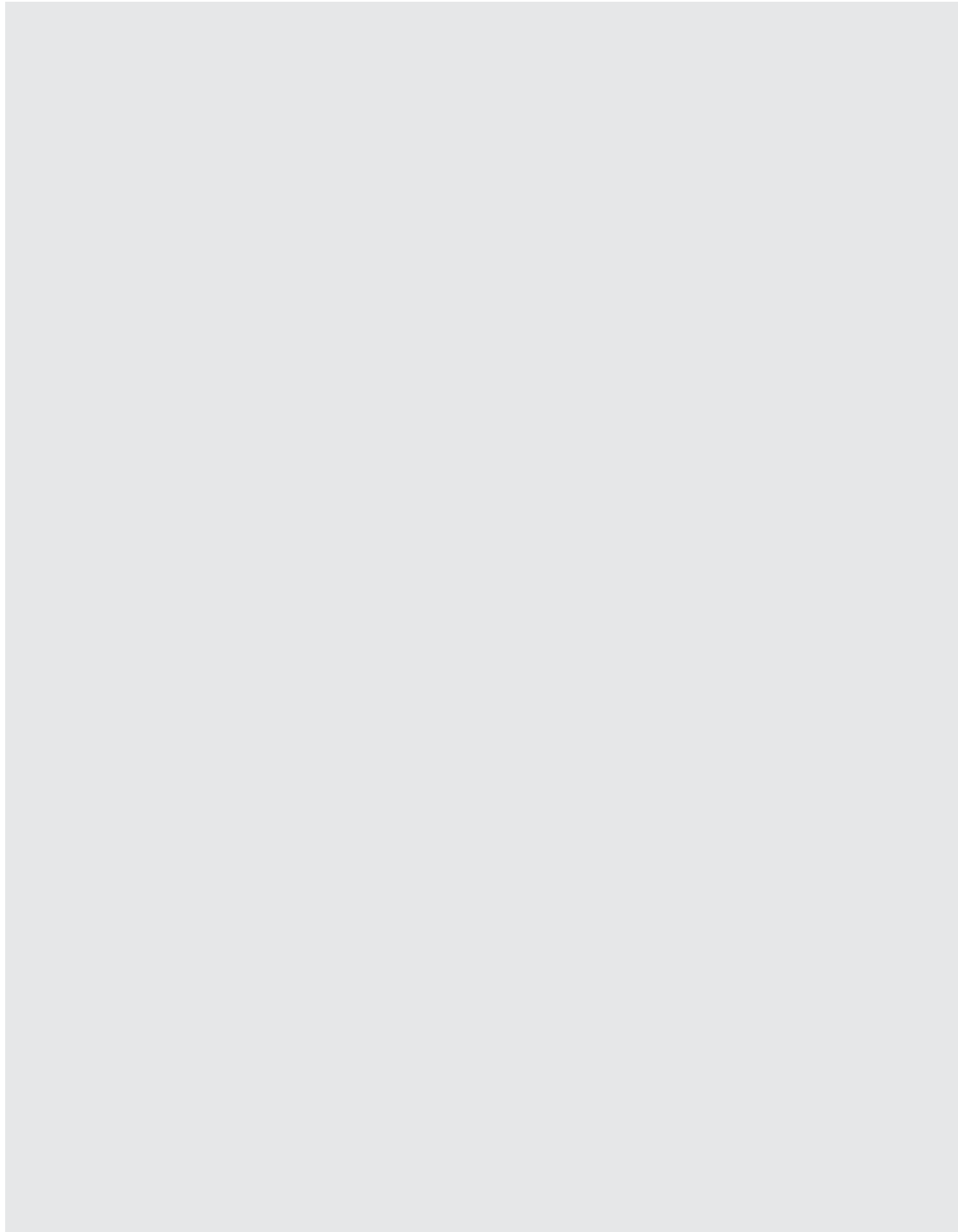
2. What evidence do you have to demonstrate a commitment from council staff (including the CEO), elected members (including the Mayor) and the community to be part of the programme?



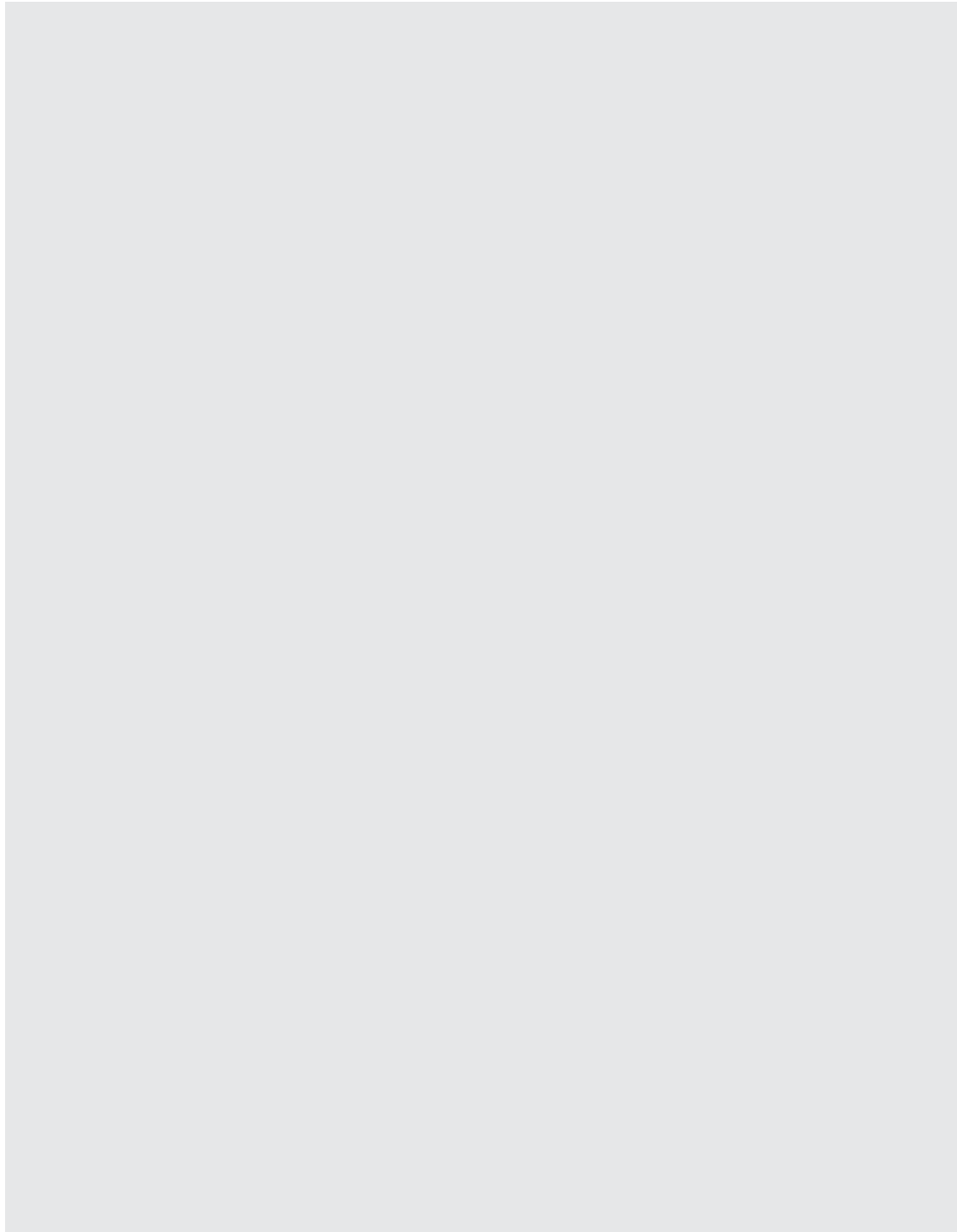
**3. What is the council, with the community, currently doing to support newcomers (recent migrants, former refugees and international students)?**



4. How does the council currently work with local iwi on council matters?

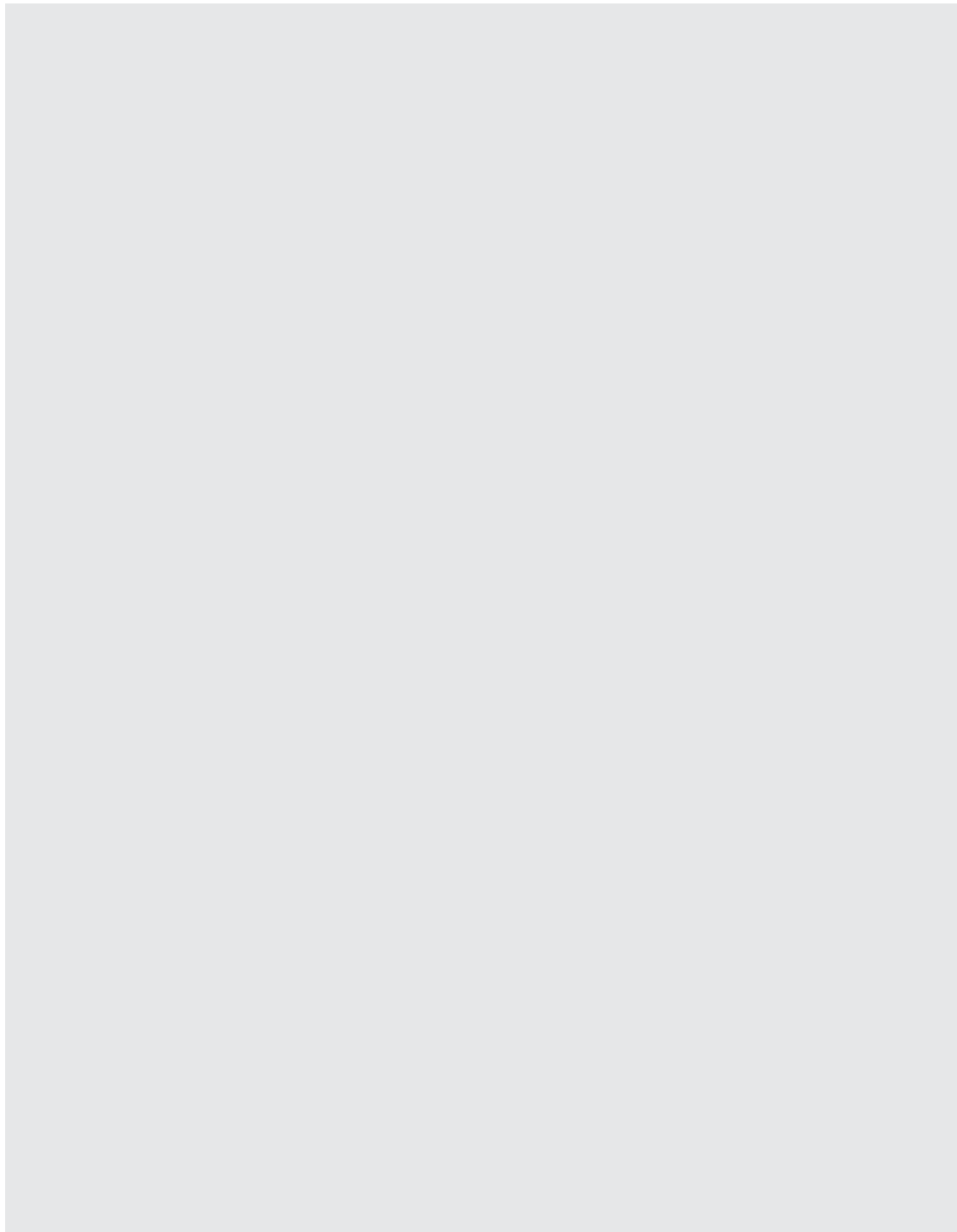


5. Please describe the engagement the council has had with local iwi about Welcoming Communities.

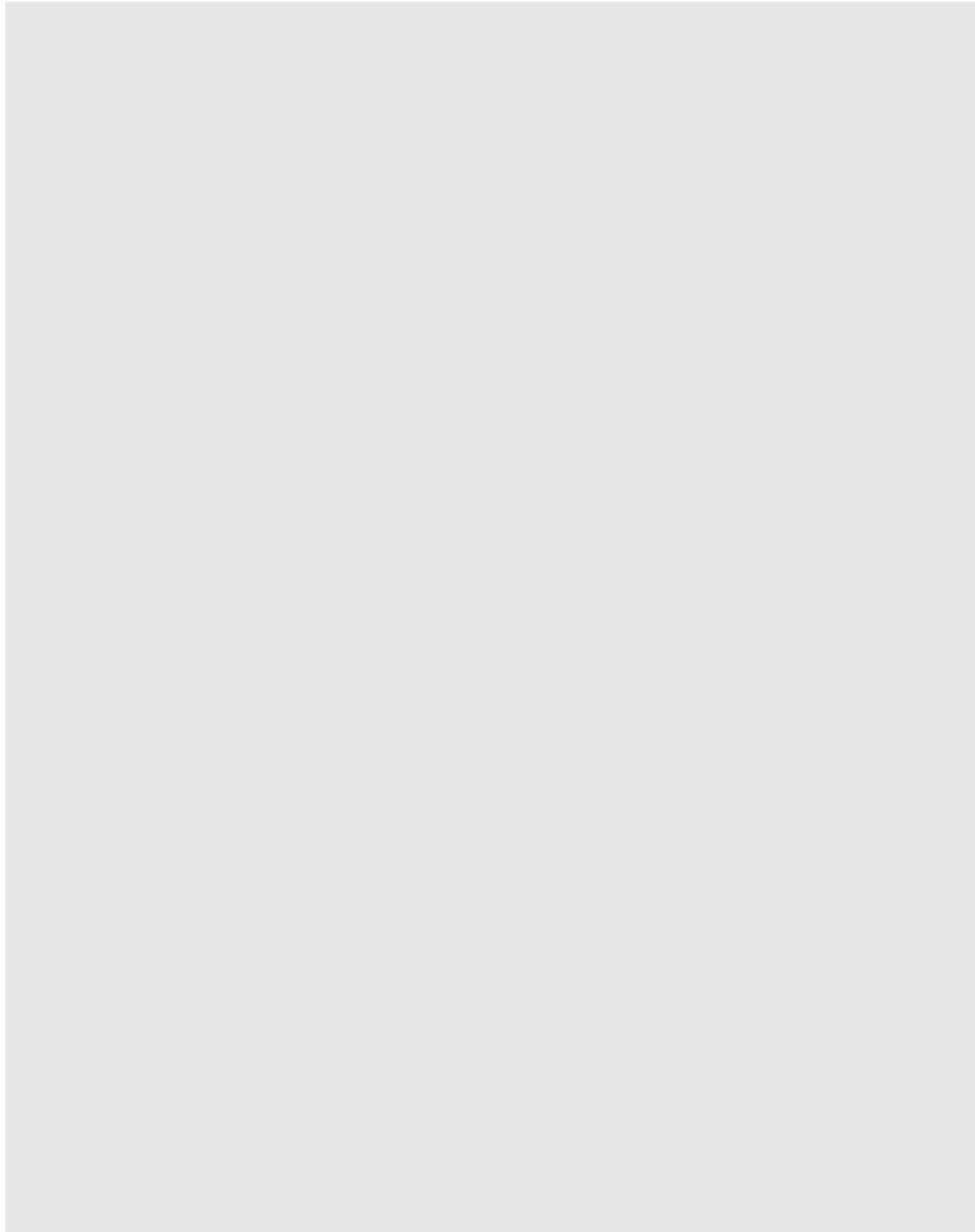




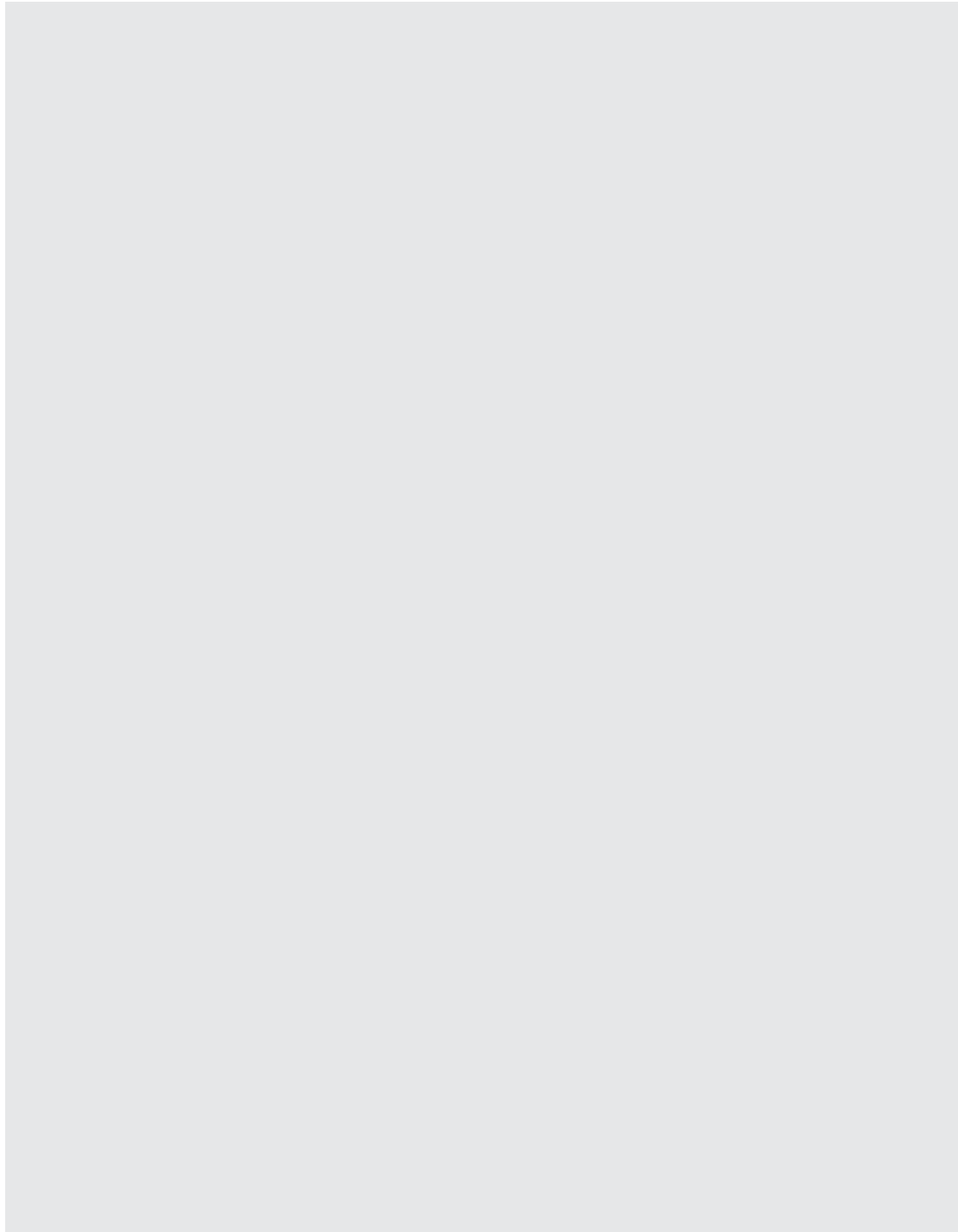
6. What do you understand the council's role to be in implementing Welcoming Communities?



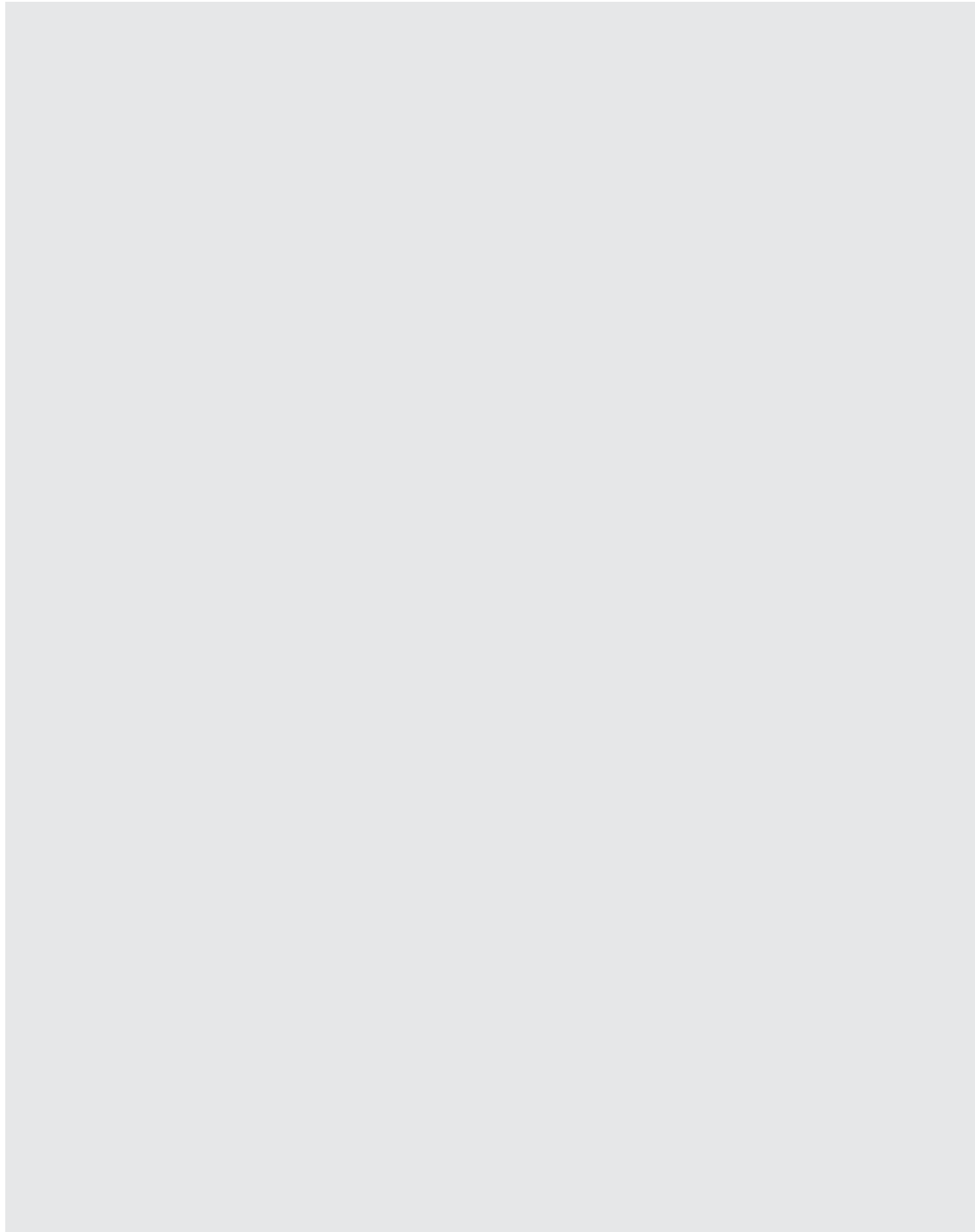
**7. What local or national partners do you anticipate working with to help implement the programme and deliver Welcoming Plan activities?**



8. Briefly describe other programmes or initiatives which you have successfully collaborated with others on.

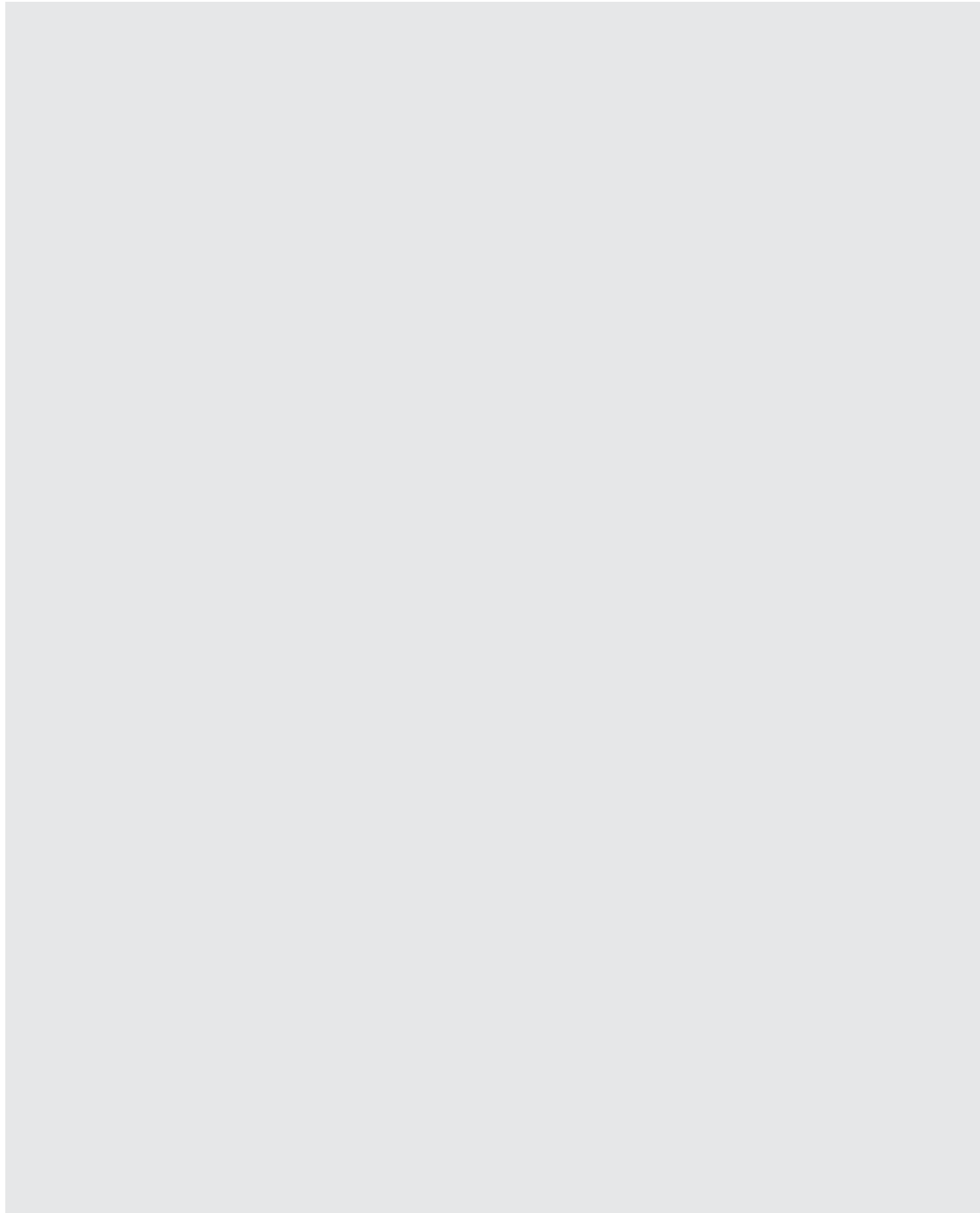


9. If the community is an existing or new refugee settlement location, briefly describe what the council is doing to support refugee settlement.



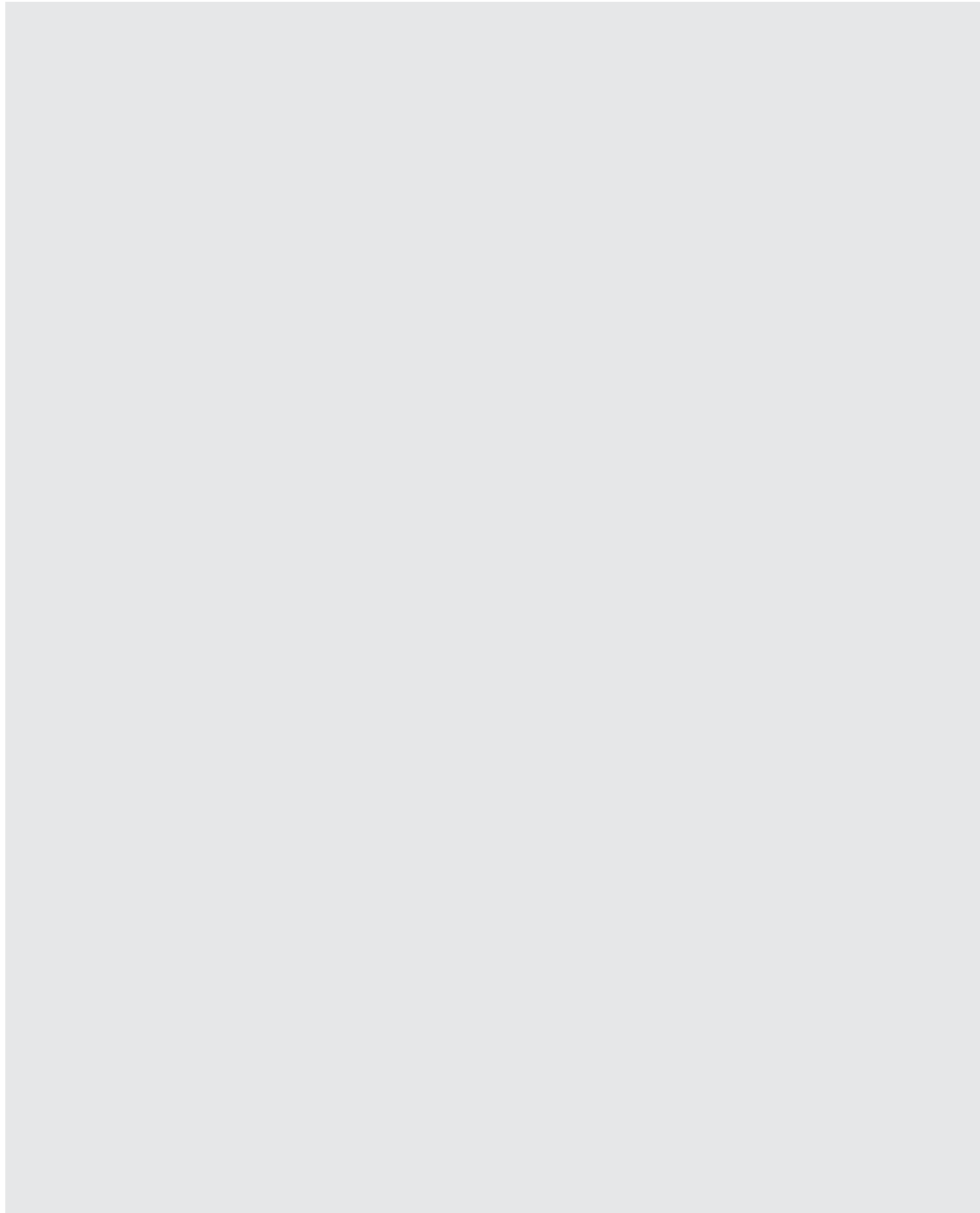
**Councils wishing to join the programme in 2022/23 only:**

**10. What actions do you intend to take to get the council and community ready to be part of Welcoming Communities?**

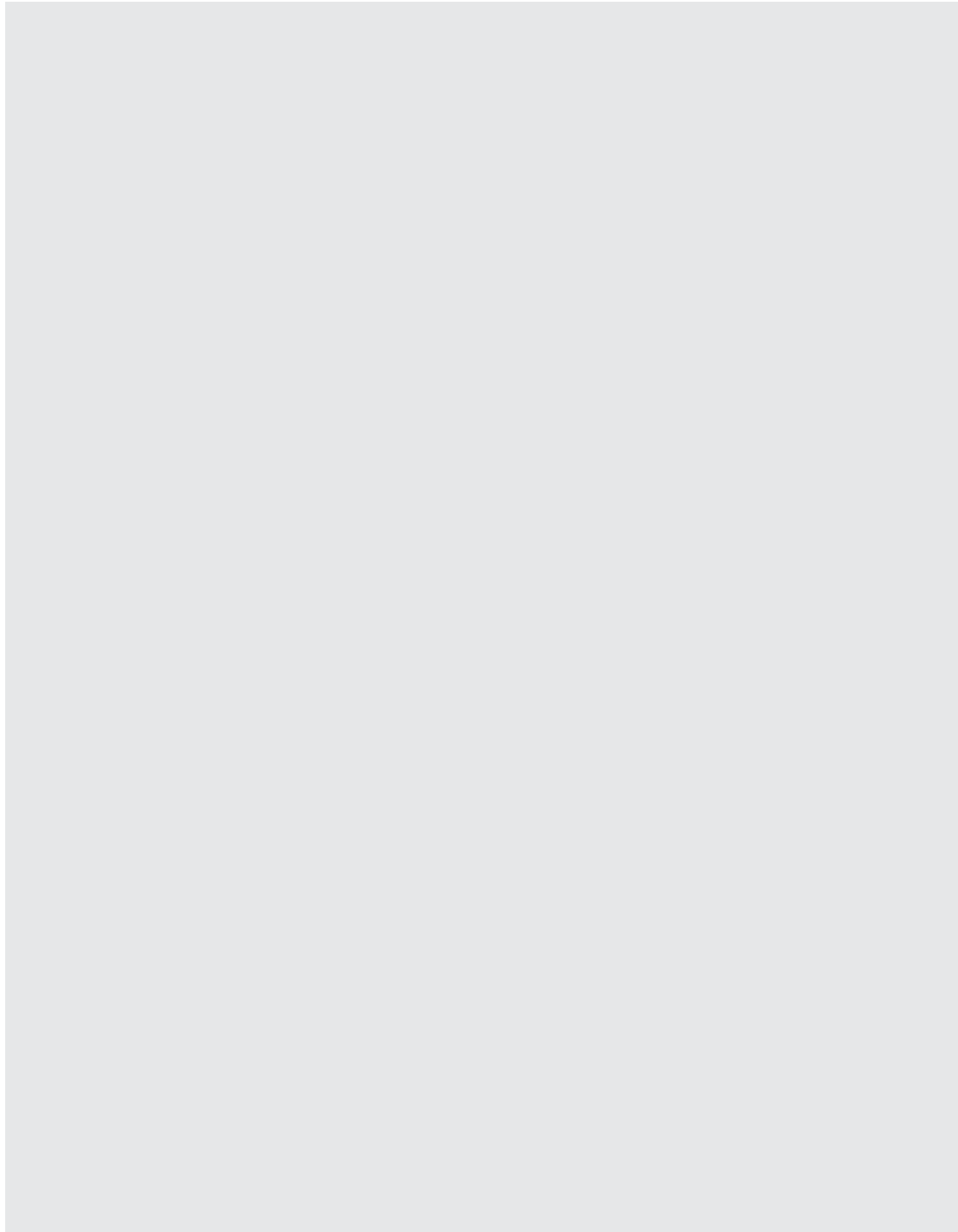


**For councils planning to implement the programme in their district or region as a group:**

11. Why do you want to work as a group of councils to implement Welcoming Communities?



12. Please give examples of where the councils have successfully worked together on other joint programmes or initiatives.



**Signatures**

Note: You may also include partners who will work with the council and community to implement Welcoming Communities on this EOI form.

<b>Council Mayor (type name):</b>	<input type="text"/>	<b>Date:</b>	<input type="text"/>
<b>Council CEO (type name):</b>	<input type="text"/>	<b>Date:</b>	<input type="text"/>
<b>Other (type name):</b>	<input type="text"/>	<b>Date:</b>	<input type="text"/>

**More information**

For more information on Welcoming Communities contact: [welcomingcommunities@mbie.govt.nz](mailto:welcomingcommunities@mbie.govt.nz) and view the Welcoming Communities pages on INZ's website: [www.immigration.govt.nz/about-us/what-we-do/welcoming-communities](http://www.immigration.govt.nz/about-us/what-we-do/welcoming-communities)





## 9.2 Gambling Policy Review - Adoption of Statement of Proposal for Consultation

**Author:** Brendan Madley, Policy Advisor  
Mark Low, Strategy and Corporate Planning Manager  
Debbie Fortuin, Environmental Compliance Manager

**Authoriser:** Paul Cooper, Group Manager Environmental Services

### Recommendation

That Council:

1. Receives this report and the attached documents: *Social Impacts of Gambling in the Timaru District: Independent Assessment (SIA)*; and the draft Gambling Venue Policy.
2. Adopts the draft Statement of Proposal for community consultation using the Special Consultative Procedure (SCP).

### Purpose of Report

- 1 The purpose of this report is to consider the consultation approach for the draft Gambling Policy and present to Council for adoption the Statement of Proposal for the draft Gambling Venue Policy. If adopted, this will form the basis for the formal community consultation that will follow.

### Assessment of Significance

- 2 The preferred option (to undertake a SCP and propose that the existing policy is retained) has been assessed against Council's Significance and Engagement Policy as having low significance. This is because no changes are proposed, and because the majority of the existing policy has been in operation for an extensive period of time.
- 3 The appropriate corresponding level of engagement is to either inform the community of decisions made, or consult with the community to seek their feedback on the policy options.

### Background

- 4 The Gambling Act 2003 requires territorial authorities to have a policy on Class 4 gambling, commonly known as "pokie machines".
- 5 The Gambling Venue Policy is required to be reviewed every three years. The policy is currently under review.
- 6 In adopting a policy, Council must have regard to the social impact of gambling within the District. For this review and to meet this requirement, Council commissioned an independent consultant to undertake a report (attached) on the social impact of Class 4 Gambling in the Timaru District, called a Social Impact Assessment (SIA).
- 7 Legislation requires that, when considering whether to include a relocation policy for Class 4 gambling venues, Council must consider the social impact of gambling in high-deprivation communities within the District.
- 8 Council first adopted a Gambling Venue Policy in 2004. The policy has undergone minor amendments each triennium since. In 2019 (the last review), Council amended the policy to

allow venues to relocate, prevented gambling venues being established in recreation zones, and removed the clause granting prospective venues the ability to seek exemptions.

- 9 The Racing Industry Act 2020 requires territorial authorities to have a policy on TAB venues. These are any premises owned or leased by the TAB where the main business is racing and sports betting. It does not include TAB outlets attached to the main activities of a hotel or pub. There are currently no TAB venues in the Timaru District. For convenience, this policy is combined with the Gambling Venue Policy.

### Discussion

- 10 The SIA indicates that the Timaru District is broadly reflective of New Zealand overall in regards to the number of Class 4 gaming machines and gaming venues per capita. As of December 2021, Timaru District had 1.2% of the Class 4 gaming venues in New Zealand, 1.1% of Class 4 gaming machines in New Zealand, and 1% of the New Zealand adult population.
- 11 The SIA indicates that Timaru District spent slightly above the New Zealand average on Class 4 Gambling as a percentage of median income (0.9% v 0.7%).
- 12 The SIA indicates that problem gambling rates in the Timaru District are likely to be lower than the New Zealand average. First, the Timaru District has an estimated 11 problem gamblers per 10,000 adults compared to an estimated 28 problem gamblers per 10,000 adults nationally. It is noted that measurement of problem gambling is difficult as it relies on research estimates and self-reporting. Further, the Timaru District has a lower percentage of vulnerable social cohorts and lower social deprivation relative to New Zealand.
- 13 Gambling has positive and negative impacts. Positive impacts mainly relate to recreational and community funding benefits, and negative to gambling expenditure and problem gambling costs. An overview of the benefits and costs of Class 4 Gambling can be found on page 24 of the SIA.
- 14 By law, approximately 40% of the proceeds of Class 4 Gambling must be returned to the community and sporting groups in the form of funding grants. The SIA identified that a large number of groups have come to rely – significantly or in part – on this funding to meet their expenses and to operate. Reducing the prevalence of Class 4 Gambling may impact the ability for such groups to function as they currently do. Alternative funding sources or models are regularly discussed, but are not yet operative. As the SIA summarises, *“Council’s challenge is to acknowledge the benefits of recreation and community funding from gambling machines, while seeking to mitigate the social costs of problem gambling”* (page iii). Further information about community funding can be found in Table 2 and Figure 9, both on page 9 of the SIA.
- 15 Early engagement feedback was broadly supportive of the current policy. 73% of respondents view the current policy as effective. 53% of respondents believe that changes are not required to the current policy. It is noted that these results are a summary of respondents, and do not represent a statistical sample. Nevertheless, officers believe that these responses provide a useful insight into the views of identified stakeholders, and are of some value.
- 16 Online gambling (e.g. online pokies, lotto, online casinos) is outside the scope of the Gambling Venue Policy. Information about the relationship between Class 4 Gambling and online gambling is not readily available at the time of writing. For example, would the implementation of a relatively restrictive Class 4 Gambling policy result in gamblers increasing their usage of relatively unregulated online gambling sites more than they otherwise would have, or not? Regardless, Council should consider the potential for the Gambling Venue Policy

to impact such areas outside of the policy's scope, and of the unintended consequences of any policy changes.

- 17 Officers have made several minor updates to the content of the policy, primarily to reflect changing legislation. References to the "Racing Act 2003" have been updated to instead refer to the "Racing Industry Act 2020". References to the "Racing Industry Transition Agency (TAB)" have been updated to instead refer to "TAB New Zealand". The policy has been reformatted into Council's latest policy template. This required sections on Monitoring and Reporting to be added to the policy.
- 18 The Gambling Act 2003 and the Racing Industry Act 2020 allow for a range of policy options relating to the number and location of gaming venues in a territorial authority district. Alternative policy options which are not currently included in the draft policy, have been included and analysed in the Statement of Proposal to ensure the public and stakeholders are provided with an analysis of all reasonably practicable options.

### **Options and Preferred Option**

- 19 **Option One – undertake the Special Consultative Procedure (SCP) that proposes the retention of the existing policy and adopt the enclosed Statement of Proposal for consultation (preferred option).**
- 20 It is preferred to undertake a SCP and formally consult with the community. This is because it is deemed that the recently undertaken SIA can add value to, and substantially help inform, prospective submitters. The 2019 SCP consultation and submissions were not informed by a SIA. It has been at least a decade since the community was consulted on the Gambling Venue Policy with the benefits of the analysis of an SIA being available.
- 21 Retaining the existing policy (with the minor updates as noted above) is the preferred option. This is because the SIA and early engagement feedback both indicate that the policy is broadly effective, representative of the views of the majority of identified stakeholders, and balances the positive and negative impacts of Class 4 Gambling.
- 22 **Option Two – rollover the existing policy without consultation.**
- 23 It is possible for the policy to be rolled over without amendment and without consultation, due to no material changes being made. Legislation requires an SCP to be undertaken when the policy is being either amended or replaced.
- 24 The advantage of this option is that it would not incur the costs and resourcing associated with consultation. The disadvantage of this option is that it would deny the public the ability to submit their views (informed by the recent SIA) and to participate in the decision-making process.
- 25 **Option Three – undertake a SCP that proposes an amended policy and adopt a revised Statement of Proposal for consultation.**
- 26 Council could decide to amend the draft Gambling Venue Policy, and undertake a SCP proposing the draft policy.
- 27 Alternate policy options available to Council include: introducing a sinking lid on the number of gaming venues and/ or machines; employing other capping options, such as a density cap; easing current restrictions to allow an increase in the number gaming machines permitted per gaming venues; and amending rules for sensitive sites. Further information about these options is available in the Statement of Proposal.

28 Officers do not believe that Council should consider these alternate policy options at this time.

### Consultation

29 Early engagement was undertaken with identified stakeholders, including iwi, from 31 May to 10 June 2022. 15 individual responses were received.

30 A workshop to inform Councillors on the issue was held on Tuesday 26 July 2022.

31 Should Council agree consultation using the SCP is the preferred option, it is proposed to be undertaken from 10 October to 11 November 2022. Submissions would be sought via contacting identified stakeholders, information on the Council website and an advertisement in the Timaru Courier. This process would receive submissions from the community and, if necessary, hold a hearing.

### Relevant Legislation, Council Policy and Plans

32 Gambling Act 2003: Requires Council to adopt a policy on Class 4 gambling venues, specifying whether new venues may be established in the District, and if so, where they may be located. The Act also specifies review timeframes and the use of the SCP when amending or replacing the policy.

33 Racing Act 2020: Requires Council to adopt a policy on TAB venues, specifying whether or not new venues may be established in the District, and if so, where they may be located. The Act also specifies review timeframes and the use of the SCP when amending or replacing the policy.

34 Local Government Act: Outlines consultation principles under Section 82 and requirements for use of a Special Consultative Procedure where required for other purposes under Section 83 and 87.

35 No relevant legal issues have been identified.




### Financial and Funding Implications

36 The costs of the policy review (including consultation) and implementation of the policy will be funded from existing budgets.

### Other Considerations

37 There are no other relevant considerations.

### Attachments

1. **Social Impact Assessment - Class 4 Gambling in the Timaru District** [↓](#) 
2. **Gambling Venue Policy** [↓](#) 
3. **Gambling Venue Policy Statement of Proposal** [↓](#) 

# **Social Impacts of Gambling in the Timaru District:**

## **Independent Assessment**

Prepared for  
Timaru District Council

by  
APR Consultants Ltd

16 July 2022



*Social Impacts of Gambling in the Timaru District – July 2022*

**Legislative compliance**

This report was developed to support decision-making regarding Timaru District Council's compliance with Section 102 of the *Gambling Act 2003* (adoption and review of Class 4 gambling venue policy), Section 97 of the *Racing Industry Act 2020* (adoption and review of TAB venue policy) and Part 6 of the *Local Government Act 2002* (planning, decision-making, and accountability).

**Disclaimer**

Care has been taken in the production of this report to ensure its contents are as accurate as possible, however neither APR Consultants nor Timaru District Council take responsibility for any incorrect information or decisions by any persons based on the information in this report.

**Further information**

<b>Council contact</b>	<b>Consultant contact</b>
Brendan Madley Policy Advisor Timaru District Council PO Box 522, Timaru 7940 Email <a href="mailto:gambling@timdc.govt.nz">gambling@timdc.govt.nz</a>	Deryck Shaw Director APR Consultants Ltd (07) 349 8333 <a href="http://aprconsultants.co.nz">http://aprconsultants.co.nz</a>

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*Social Impacts of Gambling in the Timaru District – July 2022***EXECUTIVE SUMMARY**

- Timaru District Council is required to review its policy on whether additional gambling machine venues should be allowed to establish, whether existing venues can apply for additional machines, whether gambling machine venues can relocate, and whether stand-alone TAB venues can be established within the district.
- In adopting its policy, Council must have regard to the social impact of gambling. This report presents information to support this consideration, with a focus on Class 4 otherwise known as pokies or gambling machine venues. Of lower concern from a public perspective are TAB venues, as these are less associated with problem gambling.

***Overview of Class 4 gambling venues in Timaru District***

- Over the past two decades, the number of venues in the Timaru has almost halved from 32 to 13 and the number of machines from 318 to 166.
- Around 85% of gambling machines in the district today are owned by gaming trusts for charitable fundraising, with the remainder owned and operated by clubs.

***Benefits of gambling for Timaru District***

- The main benefit is the enjoyment of gamblers, paid for through their personal expenditure of around \$10 million per annum after winnings.
- Approximately \$3.8 million of the proceeds goes toward community purposes, including grants to sports clubs, schools, health organisations and other charitable purposes.
- Approximately \$3.4 million goes to the Government through duties, taxes and levies.
- Approximately \$1.4 million is kept by gambling venues (for example, toward employee wages) and \$1.5 million toward gaming society expenses.

***Costs of gambling for Timaru District***

- Relative to New Zealand overall, Timaru is estimated to have a moderate community risk profile in relation to problem gambling. This assessment is based on low annual presentation of Timaru District residents at problem gambling services, low percentage of Māori and Pacific Island residents, and national-average levels of social deprivation, offset by slightly higher numbers of gambling machines per person. Approximately 70-80 people in the district are likely to be current problem gamblers, and a further 700 at moderate risk of problem gambling.
- Apart from the adverse impacts of problem gambling, there are economic costs of employment, income and taxes diverted from other industries such as supermarkets and grocery stores, as well as the equity issue of gambling taxes being paid disproportionately from lower-income households.

***Having regard to the social impact of gambling in Timaru***

- Council's challenge is to acknowledge the benefits of recreation and community funding from gambling machines, while seeking to mitigate the social costs of problem gambling.

*Social Impacts of Gambling in the Timaru District – July 2022*

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## INTRODUCTION

This report was prepared to help inform Timaru District Council and key stakeholders of the positive and negative social impacts of Class 4 gambling as part of Council's 2022 Gambling Venue Policy review. It includes historical trends in electronic gambling venues, machine numbers, research on problem gambling prevalence and other information that may be considered relevant as part of Council's consideration. Throughout this report, electronic gambling machines are variously referred to as Class 4 gambling machines, non-casino gambling machines (NCGMs), electronic gaming machines (EGMs), pokie machines or pokies.

## DEFINITION OF GAMBLING VENUES

Class 4 covers all non-casino gambling machines. The term 'Class 4' refers to the frequency and duration of gambling opportunities and associated risk of social harm. Under the *Gambling Act 2003*, Class 4 gambling may only be conducted by a club or corporate society and only to raise money for authorised community purposes. Gaming machine societies are not-for-profit organisations which exist solely for the purpose of raising funds for the local community, and subsequently rely on a portion of gaming proceeds as their primary source of revenue.

Most non-casino gambling machines are operated in hotels and pubs and owned by gaming trusts for philanthropic purposes, with the proceeds distributed through community grants upon application. Other machines are owned by clubs for the benefit of their members. Gaming machines located in licensed casinos for entertainment and commercial profit also have some of their proceeds distributed for community benefit and promotional purposes.

A public concern with pokie machines is that they enable high frequency gambling over potentially long durations for people predisposed to pathological gambling, which can lead to financial and other issues. Research and anecdotal evidence suggest problem gambling leads to significant social harm in local communities. The level of secrecy associated with problem gambling means its effects are largely unseen.

Of lower concern from a public perspective are TAB venues, which are also covered under Council's policy. A stand-alone TAB venue is any premises owned or leased by TAB NZ where the main business is racing and sports betting. These are different from smaller TAB outlets or betting agencies that are ancillary to the main activities of a hotel or tavern. There are currently no stand-alone TAB venues in the Timaru District.

## REGULATORY ENVIRONMENT

### 1.1 National regulatory environment

Gambling in New Zealand is primarily regulated by the Department of Internal Affairs (DIA). Rules issued by the DIA define how each venue should operate its machines, handle cash and banking, ensure key events are recorded and respond to player issues.

All hotels, pubs and clubs that were licensed for pokie machines prior to the *Gambling Act 2003* have existing use rights to operate up to either 18 or 9 machines depending on when they were licensed. Clubs can potentially have up to 30 machines if a merger has taken place.

From 2007, all individual bets in non-casino gambling machine have been recorded and monitored by a nation-wide electronic monitoring system to provide an additional layer of assurance. Harm minimisation regulations specify how venues should manage their obligations to have trained staff on duty to deal with possible problem gamblers. The DIA Secretary is empowered under the legislature to suspend for up to six months, or cancel entirely, a Class 4 venue licence if they are satisfied that any of a range of grounds are no longer being met.

## 1.2 Council policies on gambling venues

Local government's role in Class 4 gambling regulation is limited. Council consent is required (along with Ministerial licensing approval) for any applicants seeking to establish new venues or any existing venues seeking to increase their machines numbers, or to merge or relocate. Council has no retrospective authority regarding venues with existing consent. Venues that require local government consent include:

- Any new prospective new Class 4 gambling venue.
- Any existing Class 4 gambling venue whose licence has lapsed for six months or more and which is seeking reinstatement.
- Any existing Class 4 gambling venue wishing to increase its gambling machines from its existing licensed maximum, including clubs seeking to merge their operations into one location.
- Any society or club wishing to relocate to a different venue than that to which its current Class 4 venue licence applies.

## 1.3 Timaru Gambling Venue Policy

Under the *Gambling Act 2003*, Council must have a Class 4 gambling venue policy, and under the *Racing Industry Act 2020* it must have a TAB venue policy, each to be reviewed three-yearly. Council's current policy is shown in Appendix 4 and summarised below.

In Timaru township, any new gambling venues may only be established if they are no closer than 200 m. to a residential zone, no closer than 100 m. to a sensitive site (e.g., a kindergarten) or another gambling venue, and not associated with family or children's activity unless this is in a room separate from the gaming machines.

In the rest of Timaru District, new gambling venues may be established so long as they are no closer than 25 m. to a residential zone, sensitive site or another gambling venue, and not associated with family or children's activity.

Within the District overall, the maximum number of machines for a new Class 4 gambling venue is seven.

Any application to relocate an existing venue to a new site is referred to the Environmental Services Committee which has discretion to approve or decline the application.

## 1.4 Stakeholder consultation requirements

Section 102 of the *Gambling Act 2003* and section 97 of the *Racing Industry Act 2020* each require Council's gambling venue policy to be adopted in accordance with the special consultative procedure in the *Local Government Act 2002*. Under the *Gambling Act 2003*, Council must give notice of its proposed policy to each corporate society that holds a Class 4 venue licence in the district, as well organisations representing Māori in the District. Council also has discretion to advise and seek input from other stakeholders.

## CLASS 4 GAMBLING IN NEW ZEALAND

### 1.5 Gambling venues and machines

From the 1980s to the early 2000s there was a proliferation of new forms of gambling in New Zealand and other countries underpinned by technological progress, societal and policy changes.

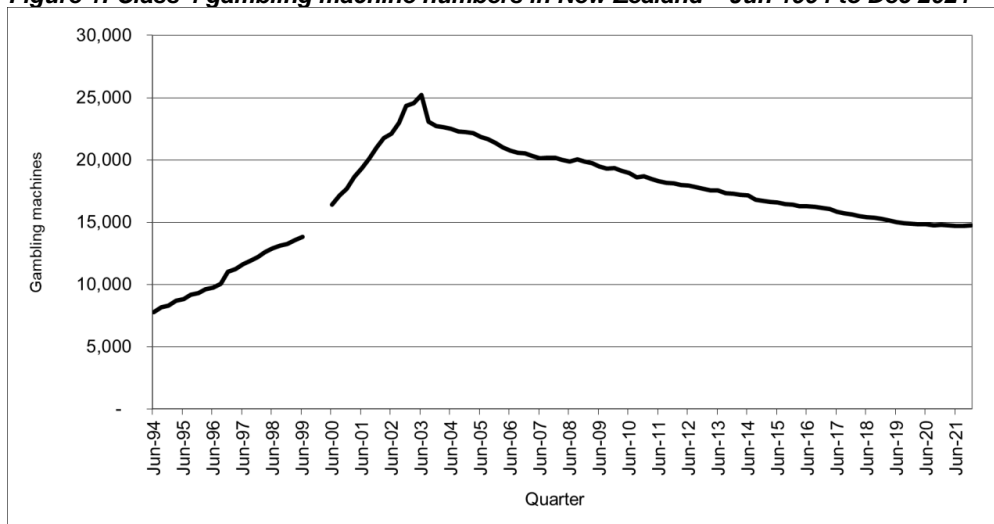
Today, gambling is a relatively normalised activity for most of the adult population. According to findings from the Health Promotion Agency’s (HPA) 2018 Health and Lifestyles Survey, 67.2% of New Zealand adults had participated in some form of gambling within the previous 12 months, including 11.3% who had played gaming machines at a pub or club.

Since commencement of the *Gambling Act* in September 2003, the number of Class 4 gambling machines and venues in New Zealand overall has decreased by more than 40% (see below). There has been a particular decrease in the number of smaller and less financially viable venues. These trends are a result of many factors including:

- Pressure on venue viability because of requirements for societies to return a minimum of 40% of proceeds (excl. GST) to authorised purposes.
- Limited returns to venue operators on venue expense reimbursements.
- Costs of investment in equipment.
- Tighter enforcement by DIA on gambling shops (i.e., Class 4 gambling must not be the dominant purpose of the venue and the business must not be dependent on Class 4 gambling to survive, otherwise it can be penalised).
- To a limited extent, attrition associated with venue policies in some territorial authorities.

As at December 2021, there were 14,743 pokie machines in bars and clubs throughout New Zealand based at 1,050 venues including hotels, pubs, RSAs, sports clubs, chartered clubs and other venues (excluding approximately 3,300 machines in the six casinos). Approximately half the machines are in pubs.

**Figure 1: Class 4 gambling machine numbers in New Zealand – Jun 1994 to Dec 2021**



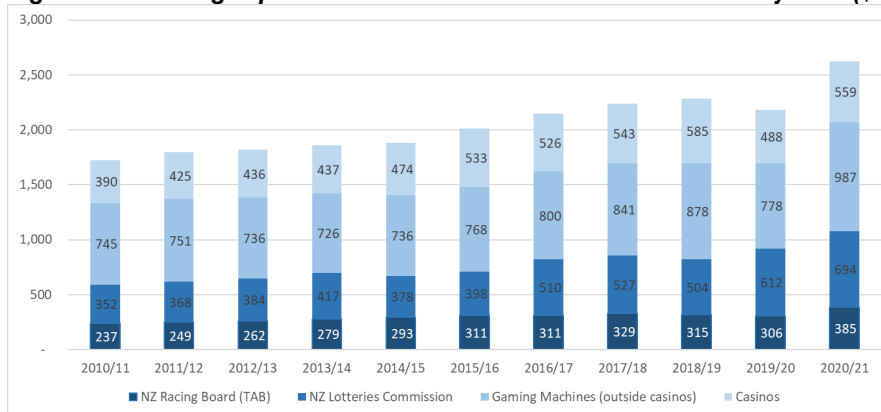
Source: Data from DIA website: [www.dia.govt.nz/gambling-statistics?OpenDocument](http://www.dia.govt.nz/gambling-statistics?OpenDocument). Note: Class 4 gambling machine numbers in New Zealand peaked at 25,221 in June 2003, prior to the *Gambling Act* 2003 commencing

Social Impacts of Gambling in the Timaru District – July 2022

### 1.6 Gambling machine expenditure

In the 2020/21 financial year, New Zealanders spent \$2.6 billion dollars on the four main forms of gambling, namely pokie machines, TAB betting, casinos and lotteries. Total expenditure increased substantially in 2020/21 compared to prior years, whereas 2019/20 which was affected by the COVID-19 pandemic. According to a DIA fact sheet there was an 18% decrease in pokies spend per adult in 2019-20 but New Zealanders then spent an unprecedented amount on pokies in the December 2020 quarter.<sup>1</sup>

**Figure 2: Gambling expenditure in NZ 2010/11-2020/21 – Inflation-adjusted (\$m)**

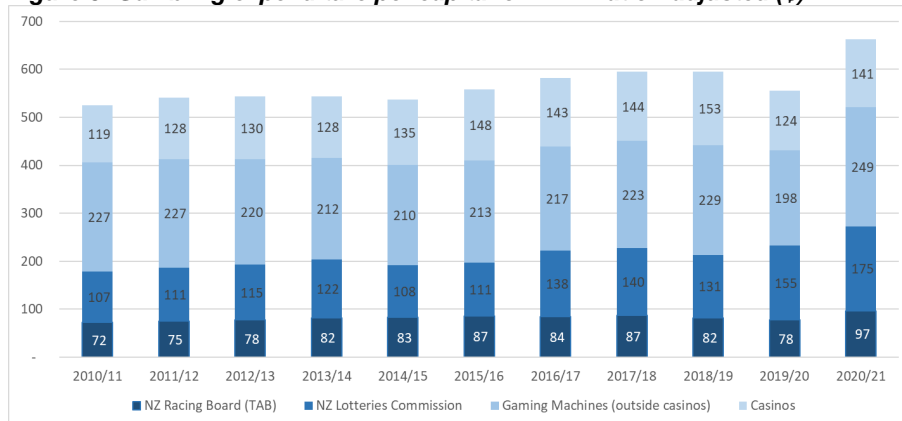


Source: Data from DIA website

Notes: Excludes additional Internet gambling. Figures shown are inflation-adjusted dollars (General CPI, Q2 of each year) for gambling operators’ financial year, or the gross amount wagered minus amount paid out or credited as prizes or dividends. Expenditure lost by gamblers is equivalent to the proceeds from gambling.

Taking both population and inflation into account, expenditure on gaming machines outside casinos increased from \$227 per person per annum in 2010/11 to \$249 in 2020/21 (+10%). In contrast, there was a 20% decline in the number of Class 4 machines over the same period. This demonstrates that a reduction in machine numbers will not necessarily lead to a reduction in expenditure. Gamblers can use alternative venues, and larger scale venues may be more popular and attract greater spending. There is similarly no evidence of a direct correlation between gaming machine numbers and problem gambling rates (True and Cheer 2022).

**Figure 3: Gambling expenditure per capita for NZ inflation-adjusted (\$)**



Source: Data from DIA website

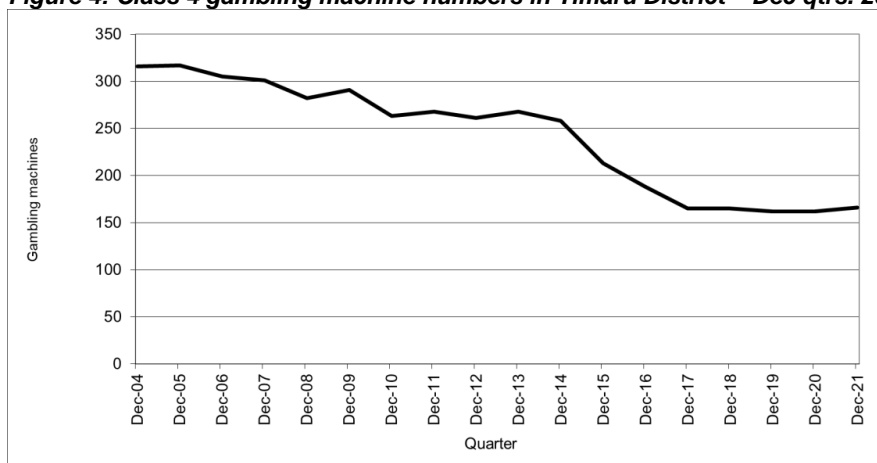
<sup>1</sup> [www.dia.govt.nz/diawebsite.nsf/Files/Gambling-Statistics/\\$file/factsheet-how-aotearoa-gambled-during-covid-19.pdf](http://www.dia.govt.nz/diawebsite.nsf/Files/Gambling-Statistics/$file/factsheet-how-aotearoa-gambled-during-covid-19.pdf)

## CLASS 4 GAMBLING IN TIMARU DISTRICT

### 1.7 Gambling venues and machines

As at December 2021 there were 13 Class 4 venues in the district operating 166 machines. Since 2004 the number of gambling venues and machines has almost halved.

**Figure 4: Class 4 gambling machine numbers in Timaru District – Dec qtrs. 2004-2021**



Source: Data compiled by APR from DIA website: [www.dia.govt.nz/gambling-statistics-historical-data-venues-machine-numbers](http://www.dia.govt.nz/gambling-statistics-historical-data-venues-machine-numbers) using December quarter data

Since 2019, there has been a small increase of 4 machines attributable to Temuka’s Empire Hotel (+3) and Armadillo’s in the City Timaru (+1), both of which remain within their maximum permitted numbers. Additional DIA information (not shown) indicates that the Crown Heritage Hotel is permitted a maximum of 10 machines and Pleasant Point Hotel a maximum of 7 machines whereas all others are already operating at maximum.

Around 85% (141 out of 166) of the electronic gambling machines in Timaru District are owned by gaming trusts for charitable fundraising and operated by hotels and taverns, with the remainder owned and operated by chartered clubs for the benefit of their members. Annual Report financial information for the two largest trusts, Pub Charity Ltd and Trust Aoraki Ltd, confirms that gaming machines are their almost exclusive source of revenue.

**Table 1: Timaru Class 4 gambling venues and machine numbers 2004, 2019, 2021**

Physical Address	Society name	Venue name	Town	2004	2019	2021
232 Stafford Steet	Trust Aoraki Limited	Old Bank Café and Bar	Timaru	18	18	18
118 Le Cren Street	Pub Charity Limited	Richard Pearse Tavern	Timaru	18	18	18
26 Cains Terrace	Pub Charity Limited	Grosvenor Hotel	Timaru	18	18	18
164 Stafford Street	Pub Charity Limited	Armadillo's in the City Timaru	Timaru	8	14	15
99 Douglas Street	Timaru Town & Country Club Inc	Timaru Town & Country Club	Timaru	18	18	18
44 Browne Street	Timaru South Cosmopolitan Club	Timaru South Cosmopolitan Club	Timaru	7	7	7
51 Sophia Street			Timaru	18		
4 Latter Street			Timaru	18		
18A Hobbs Street			Timaru	16		
21 Wai-Iti Road			Timaru	12		
30 Cains Terrace			Timaru	7		
18 Woolcombe Street			Timaru	4		
18 Royal Arcade			Timaru	3		
66 Stafford Street			Timaru	2		
45 Hassall Street			Timaru	2		
2 Barnard Street			Timaru	2		

Social Impacts of Gambling in the Timaru District – July 2022

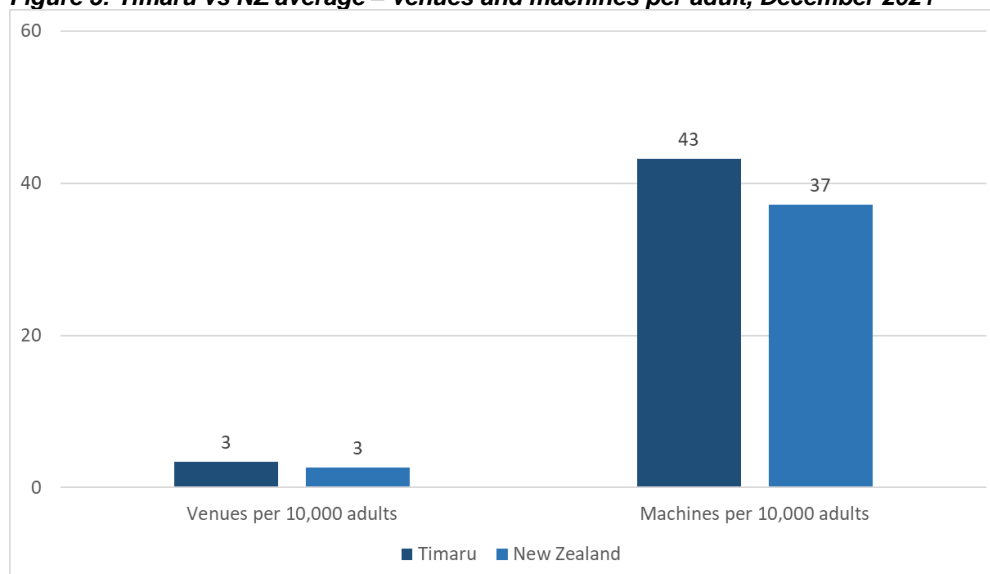
Physical Address	Society name	Venue name	Town	2004	2019	2021
9A Maltby Avenue			Timaru	2		
88 Evans Street			Timaru	1		
10 The Bay Hill			Timaru			
64 King Street	Trust Aoraki Limited	Crown Hotel	Temuka	18	18	18
141 King Street	Aotearoa Gaming Trust	Temuka Hotel	Temuka	14	14	14
50 King Street	Pub Charity Limited	Empire Hotel	Temuka	10	7	10
161 King Street			Temuka	18		
130 King Street			Temuka	11		
75 King Street			Temuka	9		
121 King Street			Temuka	2		
31 Talbot Street	Trust Aoraki Limited	Crown Heritage Hotel	Geraldine	10	9	9
41 Talbot Street	Aotearoa Gaming Trust	Village Inn	Geraldine	0	9	9
190 Talbot Street			Geraldine	9		
198 Hilton Highway	New Zealand Community Trust	Ascot Sports House and Eatery	Washdyke	12	7	7
95 Main Road	Trust Aoraki Limited	Pleasant Point Hotel	Pleasant Point	4	5	5
420 Wai-iti Road			Gleniti	18		
30 Queen Street			Pareora	4		
S H 1			Winchester	5		
<b>Number of venues</b>				<b>32</b>	<b>13</b>	<b>13</b>
<b>Number of machines</b>				<b>318</b>	<b>162</b>	<b>166</b>

Source: [www.dia.govt.nz/gambling-statistics-historical-data-venues-machine-numbers#quarterly-lists](https://www.dia.govt.nz/gambling-statistics-historical-data-venues-machine-numbers#quarterly-lists)

Note: Green shading indicates pub machines currently owned by corporate societies, blue shading indicates machines currently owned and operated by clubs,

As at December 2021, the Timaru District had 1.2% of New Zealand's Class 4 gambling venues and 1.1% of machines, compared to approximately 1.0% of the national population aged 18 and over. This small level of difference means that Timaru District could be described as a 'typical' New Zealand local authority area in terms of its number of gambling venues and machines per adult.

Figure 5: Timaru vs NZ average – venues and machines per adult, December 2021



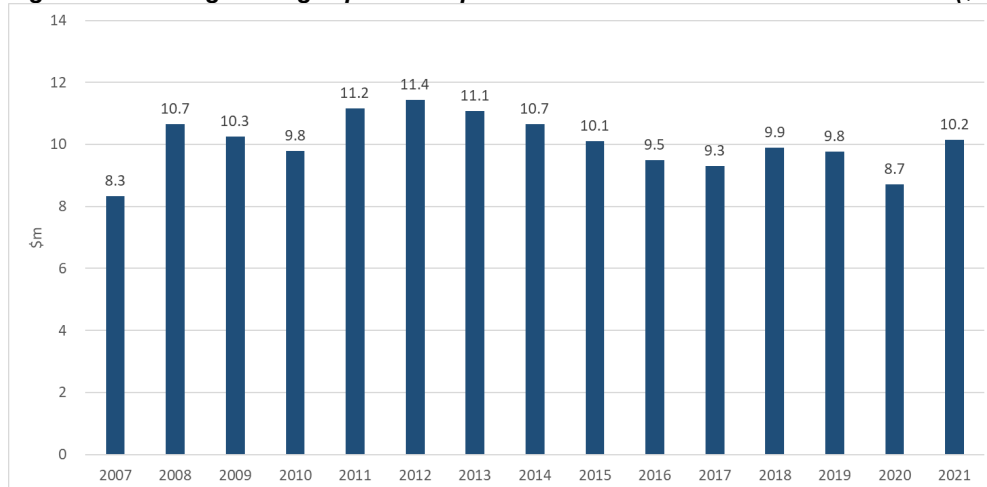
Source: Gambling data from DIA website, June 2021 estimated usually resident population data for years 18 and over calculated from Statistics NZ website. This estimation assumes that the age group 18-19 years is 40% of the reported number of residents in the age group 15-19 years.

### 1.8 Gambling machine expenditure

Monitoring data from gambling machines in the district shows expenditure in the 2021 calendar year of \$10.2 million, similar to previous years (with exception of a downturn in 2020).

Social Impacts of Gambling in the Timaru District – July 2022

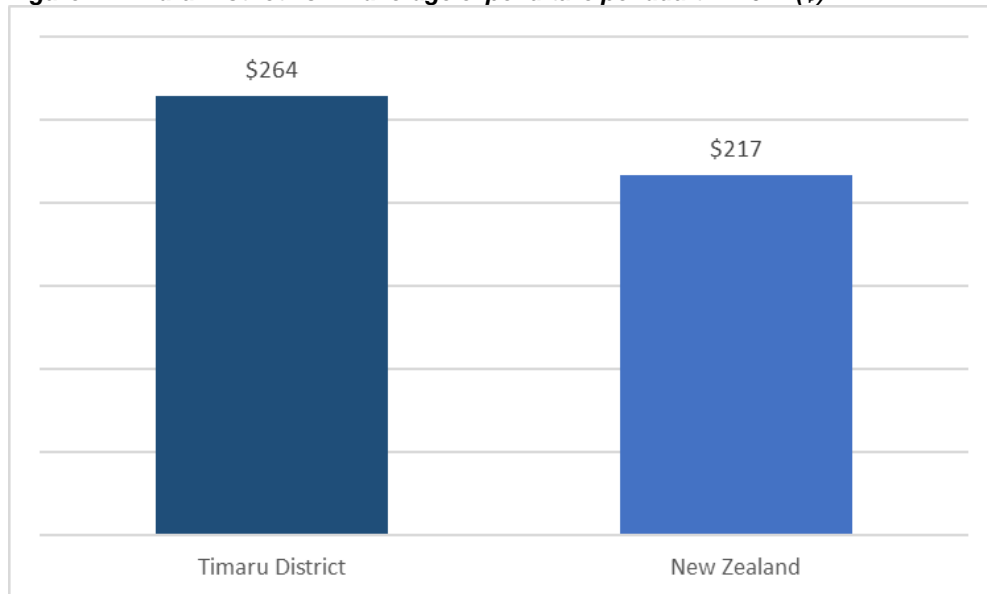
**Figure 6: Class 4 gambling expenditure per annum in the Timaru District 2007-2021 (\$m)**



Source: DIA gaming expenditure year. Figures shown are nominal dollars (not inflation adjusted).

In 2021, Class 4 gambling expenditure in the Timaru was an average of \$264 per adult compared to national average \$217 per adult. These averages are underpinned by a large range, with many people not spending money on pokie machines but a small number spending a lot. Research on problem gambling prevalence is discussed later in this report.

**Figure 7: Timaru District vs NZ average expenditure per adult in 2021 (\$)**

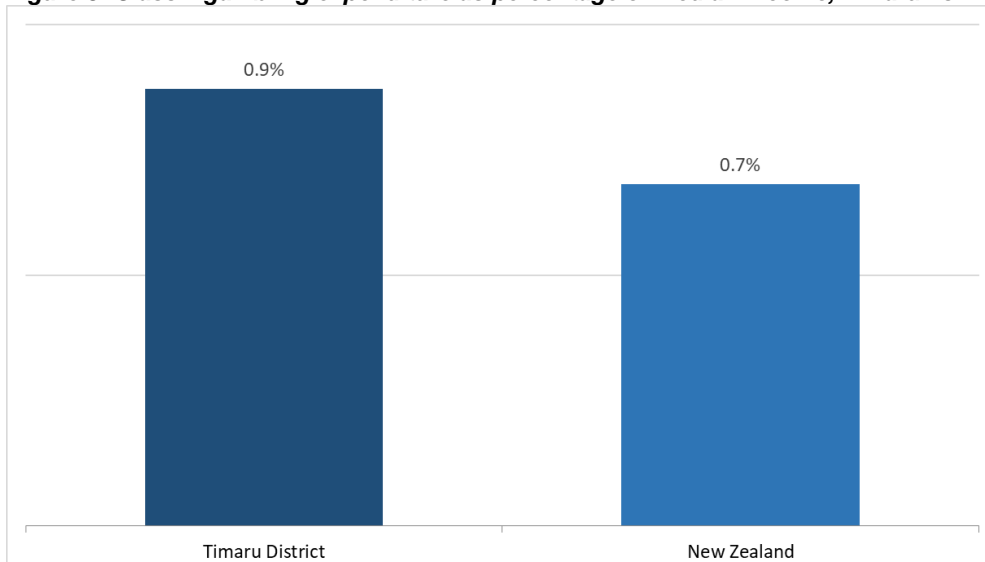


Source: Source: DIA gaming expenditure figures for 2021 calendar year, June 2021 estimated usually resident population data for years 18 years and over, from Statistics NZ. This estimation assumes that the age group 18-19 years is 40% of the reported number of residents in the age group 15-19 years.

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According to the 2018 Census, the median income of Timaru residents aged 15 and over was \$30,300, similar to New Zealand’s overall median income of \$31,800. Assuming this still applies in 2021, the annual expenditure per adult on Class 4 gambling in the Timaru was around 0.9% of median income compared to 0.7% for New Zealand overall. This relatively small level of difference means that Timaru District could be described as being slightly higher than the New Zealand average in terms of its Class 4 gambling expenditure per person.

**Figure 8: Class 4 gambling expenditure as percentage of median income, Timaru vs NZ**



Source: Source: DIA gaming expenditure figures for 2021 calendar year, June 2021 estimated usually resident population data for 18 years and over, from Statistics NZ website. Median income from 2018 Census results, Statistics NZ.



## BENEFITS OF CLASS 4 GAMBLING IN TIMARU DISTRICT

### 1.9 Overview – proceeds and distribution

The benefits from Class 4 gambling are relatively easily quantified and are spread across a range of stakeholders including gamblers, community organisations, government and the gambling industry. True and Cheer (2022, p. 7) summarise the typical distribution of Class 4 gambling proceeds nationally in percentage terms. Applying these to the value of gambling expenditure in Timaru in 2021 provides the following indicative estimates:

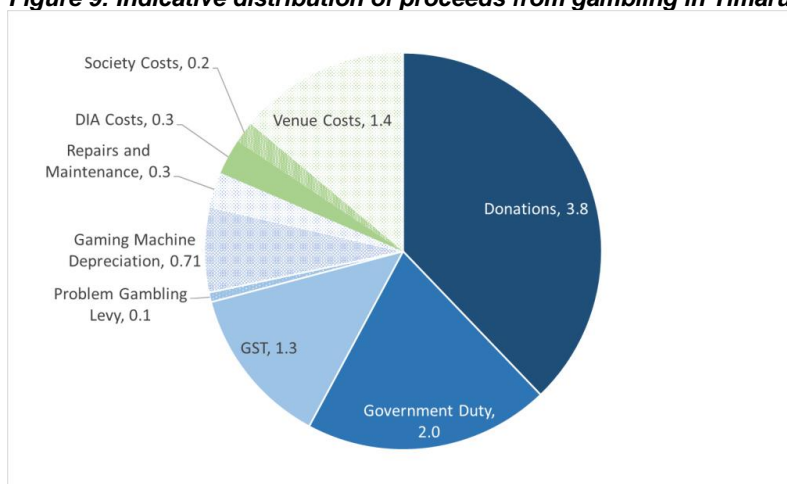
- Approximately \$10 million in total proceeds (gambling expenditure);
- \$3.8 million for community purposes – note this is not necessarily distributed to organisations within the district, and GMANZ data shows around \$3 million each year received by local organisations (excluding clubs);
- \$3.4 million in government taxes and levies including gaming duty, GST and problem gambling levy;
- \$1.5 million society expenses including gaming machine depreciation, repairs and maintenance, DIA costs and society costs; and
- \$1.4 million in venue payments.

**Table 2: Indicative distribution of proceeds from gambling in Timaru District 2021**

	Typical distribution (GST exclusive)	Typical distribution (GST inclusive)	Timaru 2021 (\$m) (GST inclusive)
Donations	43.50%	37.83%	3.84
Government Duty	23.00%	20.00%	2.03
GST	0.00%	13.04%	1.32
Problem Gambling Levy	0.90%	0.78%	0.08
Gaming Machine Depreciation	8.00%	6.95%	0.71
Repairs and Maintenance	3.27%	2.84%	0.29
DIA Costs	3.33%	2.90%	0.29
Society Costs	2.00%	1.74%	0.18
Venue Costs	16.00%	13.90%	1.41
<b>Total</b>	<b>100.00%</b>	<b>99.98%</b>	<b>10.15</b>

Notes: Percentages are from True and Cheer (2022, p. 7). Total proceeds are from DIA electronic monitoring. In response to the COVID-19 pandemic the 40% minimum requirement for charitable distribution was suspended for the 2020/21 financial year, however this is disregarded here to derive an indicative annual estimate. Columns above may not sum due to rounding.

**Figure 9: Indicative distribution of proceeds from gambling in Timaru District 2021 (\$m)**



Notes: Refer previous table.

### 1.10 Entertainment value

Over the long run 'the house always wins' but people nevertheless gain enjoyment value from gambling. According to True and Cheer (2022, p. 7) the return to gamblers is required to be set between 78% and 92%, with most set at 91.5%. This means on average every \$1.00 gambled will return 91.5 cents in winnings.

DIA electronic monitoring shows that overall personal expenditure on Class 4 gambling in the Timaru District in 2021 was around \$10 million, which provides an indication by revealed preference of the entertainment value of gambling machines.

Problem gamblers contribute a disproportionate amount of the overall expenditure. This is discussed separately in this report as a cost factor.

### 1.11 Community benefits

Under Regulation 10 of the *Gambling (Class 4 Net Proceeds) Amendment Regulations 2016*, gaming trusts are required to distribute 40% of the gaming proceeds (excl. GST) for authorised purposes, though not necessarily to applicants from within the district limits. Many sport clubs and other not-for-profit and community-based organisations have come to rely on Class 4 gambling grants from gaming trusts as a key funding source.

To avoid conflicts of interest and minimise fraud, the *Gambling Act 2003* requires separation between gambling trusts, gambling machine venues and grant recipients, and requires the application and distribution of grants to be transparent. Around half of the grants distributed in New Zealand are sports-related.

Benefits that accrue to community and voluntary organisations throughout the Timaru District that apply for grants from Class 4 gambling proceeds include:

- Being able to focus on the core purpose of the organisation rather than expending substantial efforts on fund raising; and
- Knowing there is money available for community projects.

In response to the COVID-19 pandemic the 40% minimum requirement for charitable distribution was suspended for the 2020 and 2021 financial years to support the financial viability of operators.<sup>2</sup>

Assuming a typical year, based on 2021 annual gambling machine proceeds of approximately \$10 million in the Timaru District, the indicative community benefit for local organisations from gambling expenditure would have been worth approximately \$3.8 million.

Note that expenditure spent on gambling in the district does not necessarily equate with the value of grants to charitable organisations within the district. This is partly because there is no requirement for funding to be granted to organisations within the area in which it was received, and because proceeds from gambling expenditure in chartered clubs is directed toward benefiting club members rather than being distributed as community grants.

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<sup>2</sup> Refer <https://www.dia.govt.nz/Gambling-net-proceeds> (accessed 26 May 2022).

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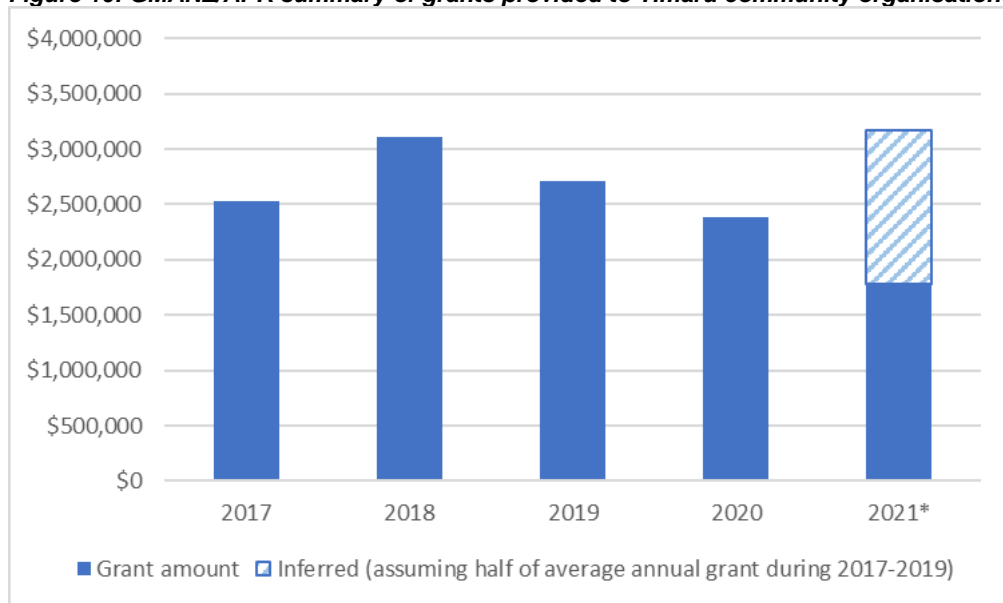
**GMANZ summary of 2017-2020 grants data (with 2021 full-year projected)**

The Gambling Machine Association of New Zealand (GMANZ) has worked with societies to collate grant information nationally. To inform this report, a spreadsheet database was provided by GMANZ detailing each individual reported grant for 2017, 2018, 2019, 2020 and the first six months of 2021, including amount, society and recipient. Key points include, for 2020 full year:

- Approximately \$2.4 million in grants for community organisations (note excludes the benefits for members of chartered clubs that own and operate gambling machines).
- 119 different organisations/entities received grants including some which received two or more grants during the year.
- The two largest granting societies were Trust Aoraki Limited (\$1.08 million) and Pub Charity Limited (\$1.04 million).
- Largest funding amounts included \$300,000 for South Canterbury Hospice Inc (comprising two \$150,000 grants from Pub Charity Ltd); \$100,000 for Athletics SC All Weather Track Trust (from Trust Aoraki Ltd); \$100,000 for Fraser Park Community Trust (from Pub Charity Ltd); and two grants of \$100,000 for Tennis South Canterbury Inc (from Pub Charity Ltd and Trust Aoraki Ltd).

In the graph below, APR has inferred an amount for the second half of 2021 based on half the average annual grants during 2017-2019, noting that 2020 was not a typical year. Based on this assumption, the inferred full-year amount for 2021 would be approximately \$3.2 million.

**Figure 10: GMANZ/APR summary of grants provided to Timaru community organisations**



Note: Second half of 2021 inferred by APR based on half of average 2017-2019 annual grants.

*Social Impacts of Gambling in the Timaru District – July 2022*

**PGF Group summary of grants data**

The PGF Group has also been maintaining a database of grants information collected from gaming machine websites. PGF Group notes that this database may contain inaccuracies, and is not regularly audited, so they cannot guarantee all grants have been identified and included.

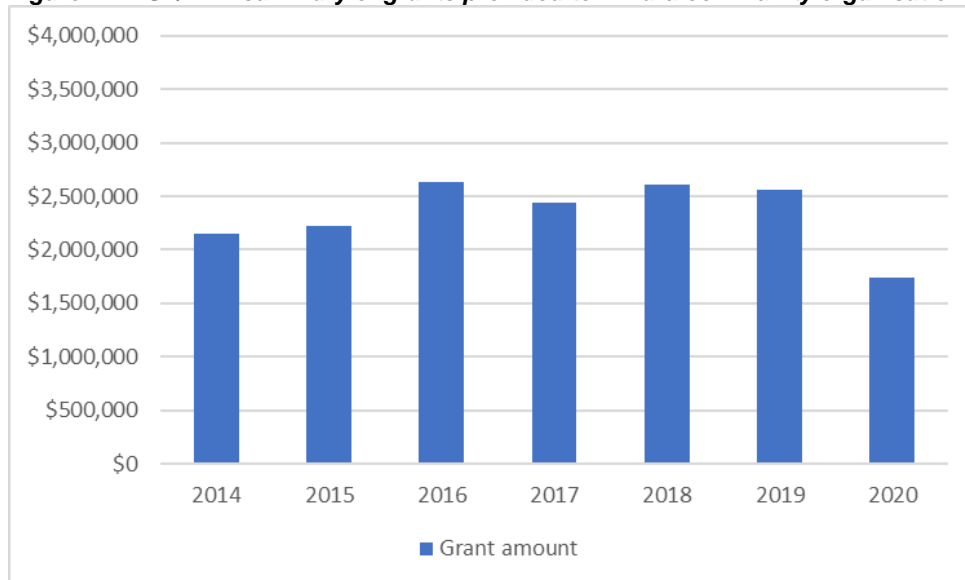
To inform this report, a summary was provided by PGF Group on grants in their database for the period January 2014 to December 2021, categorised into organisational types (community groups, community services and sports). The data presents:

- Grants made to groups operating within the Timaru District Council area, and
- Shared grants made to groups operating across the Canterbury/Otago region.

Key points include, for 2020 full year:

- Approximately \$1.7 million in grants (lower than the \$2.4 million figure from GMANZ).
- Around 70% of grants in the database were to sports organisations, followed by community services such as ambulance and education (20%) and community groups including arts and faith-based groups (10%).

**Figure 11: PGF/APR summary of grants provided to Timaru community organisations**



Source: Data from PGF Group funding report for Timaru District.  
 Note: Includes grants to Timaru organisations plus Canterbury/Otago shared grants.

Social Impacts of Gambling in the Timaru District – July 2022

**Table 3: Grants to Timaru organisations, 2014-2020 (\$)**

	2014	2015	2016	2017	2018	2019	2020
<b>Community Groups</b>	<b>369,565</b>	<b>338,581</b>	<b>238,871</b>	<b>491,283</b>	<b>314,124</b>	<b>297,871</b>	<b>176,021</b>
Arts	116,695	135,880	23,785	107,218	55,271	61,063	10,208
Community Groups	252,870	202,702	195,086	384,065	215,643	212,149	138,410
Faith Based					40,000	19,000	25,000
Māori			20,000		3,210	5,660	2,404
<b>Community Services</b>	<b>789,387</b>	<b>769,754</b>	<b>650,399</b>	<b>431,113</b>	<b>709,800</b>	<b>488,283</b>	<b>340,911</b>
Ambulance Services							
Community Services	464,848	114,553	337,630	218,026	413,243	241,260	186,705
Council		338,560					18,000
Education	226,310	222,546	193,405	113,118	189,236	202,770	92,714
Fire Services					15,027		
Health Related	21,060	58,069	36,859	38,657	82,384		13,156
Kindergartens / Child Care / Plunket	77,169	36,026	82,505	61,312	9,909	44,252	30,336
<b>Sport</b>	<b>985,710</b>	<b>1,058,903</b>	<b>1,698,152</b>	<b>1,441,069</b>	<b>1,307,906</b>	<b>1,593,324</b>	<b>1,191,953</b>
Athletics	11,643	31,210	57,858	48,311	44,117	74,133	46,098
Basketball	13,000	64,000	49,000	57,000	48,000	56,500	47,000
Bowling	62,232	68,670	76,765	48,481	54,877	68,567	71,265
Cricket	70,145	134,333	192,127	171,145	105,808	102,416	92,265
Cycling		3,000	30,756	9,700	7,500	59,202	15,000
Equestrian / Pony Clubs	8,226	24,588	14,025	15,152	13,978	57,165	1,839
Gym Sports (includes weightlifting/boxing/wrestling)	43,772	68,449	27,155	38,241	25,000	30,107	15,000
Hockey	21,480	51,740	112,423	140,836	91,610	151,337	172,000
League			2,482	6,993	3,375	18,983	13,928
Motorsports	77,300	17,149	74,466	88,800	59,447	134,515	95,000
Netball	12,155	32,396	51,958	65,842	58,000	53,693	33,584
Other Sports	144,638	273,688	423,525	135,935	184,779	269,707	147,392
Racing	331,000	7,000	25,000	16,000		30,000	
Racquets	77,000	45,451	166,806	264,700	216,864	122,820	98,425
Rugby	45,259	105,959	181,493	166,669	166,007	184,657	91,457
Soccer	31,382	76,966	107,046	107,466	112,042	108,522	100,628
Softball		6,117	991	9,208	8,304	12,493	4,442
Special Olympics / Sports for the disabled		900	7,157	3,712	6,817	6,600	
Surf Lifesaving Clubs					3,496		
Water Sports	36,479	47,286	97,118	46,877	97,883	51,907	146,630
<b>Total</b>	<b>2,144,662</b>	<b>2,167,238</b>	<b>2,587,422</b>	<b>2,363,464</b>	<b>2,331,829</b>	<b>2,379,478</b>	<b>1,708,885</b>

Source: PGF Group funding report for Timaru District.

Notes: Excludes Canterbury/Otago shared grants. Database may contain inaccuracies and is not regularly audited, PGF cannot guarantee all grants have been identified and included.

**DIA Class 4 Grants Data Analytical Review**

The DIA has recently begun compiling an annual Class 4 Grants Data Report. Two reports have been published to date, for 2020 and 2021, including regional level totals (e.g., Canterbury Region). A dataset for 2020-2021 is scheduled to be available in July 2022.<sup>3</sup>

Historically it has not been possible using available data to assess whether Timaru District community organisations are receiving their 'expected return' of community funding from Class 4 gambling. There may be greater transparency around this in future, depending on the level of granularity to be provided in the DIA's forthcoming grants dataset.

<sup>3</sup> Refer [www.dia.govt.nz/gambling-statistics-class-4-grants-data-analytical-review](http://www.dia.govt.nz/gambling-statistics-class-4-grants-data-analytical-review)

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### 1.12 Government revenue

Government revenues are the second-largest category of distribution from gambling proceeds, behind charitable grants. Around one-third of Class 4 gambling proceeds (incl. GST) are paid to the Government as duties, taxes and levies.

In 2021, approximately \$3.4 million would have been collected from Class 4 gambling in the Timaru District based on indicative estimates, comprising \$2.0 million in gaming duty, \$1.3 million in GST and \$0.1 million toward the problem gambling levy.

Taxes from gambling expenditure would still have been collected if the money had otherwise been spent differently, for example on household consumption. This is discussed separately in this report as an economic cost.

### 1.13 Economic benefits from employment and income

The *Gambling Act 2003* permits societies to reimburse venues for actual, reasonable and necessary costs. The Gambling Commission has emphasised that any venue payments that exceed actual, reasonable and necessary costs would be illegal.

A 16% maximum venue payments cap applies to the total amount a corporate society can pay its venues. This acts to ensure minimisation of costs and maximisation of returns. In 2021, the 16% cap indicatively equated to \$1.4 million in the Timaru District.

A rough estimate of the employment benefit is that approximately 2.5 full-time equivalent positions are created by each Class 4 gambling venue (not counting staff that would be employed at each venue for hospitality and management), which equates to approximately 33 employees in total for the district.

Venue payments are separate from society expenses such as gaming machine depreciation, repairs and maintenance, DIA Costs and society costs which indicatively summed to approximately \$1.5 million in 2021.

Note that these employment and income estimates are at least partially offset by an economic cost to district-wide income and employment due to the diversion of expenditure from other industries such as retail. This is discussed separately in this report as an economic cost.

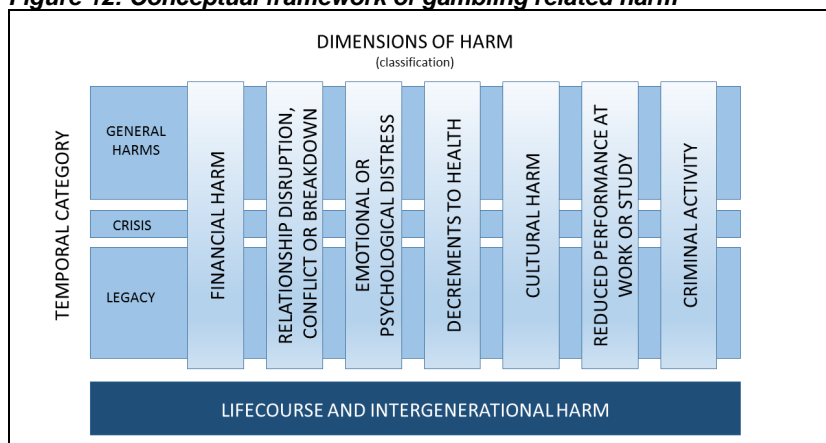
### COSTS OF CLASS 4 GAMBLING IN TIMARU DISTRICT

#### 1.14 Private and social costs of problem gambling

##### Problem gambling defined

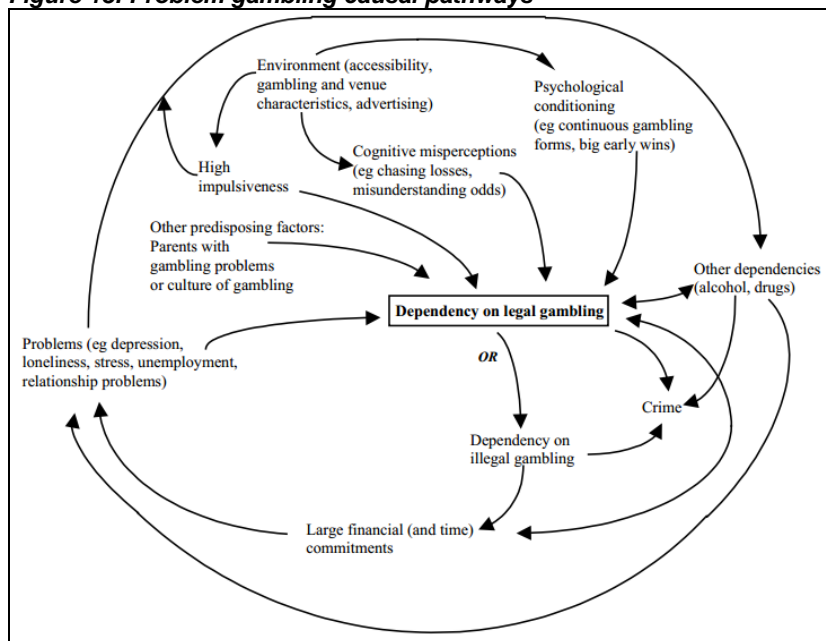
Problem gambling is characterised by symptoms such as loss of control over one’s gambling, preoccupation with gambling and lying to people to conceal the extent of gambling. Feelings of anxiety, depression, guilt, lack of control and suicidal ideation have been noted by problem gambling agencies. Possible causal pathways for problem gambling are illustrated below.

**Figure 12: Conceptual framework of gambling related harm**



Source: Ministry of Health (2017)

**Figure 13: Problem gambling causal pathways**



Source: Australian Government Productivity Commission, 1999, p 7.4

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**Problem gambling prevalence**

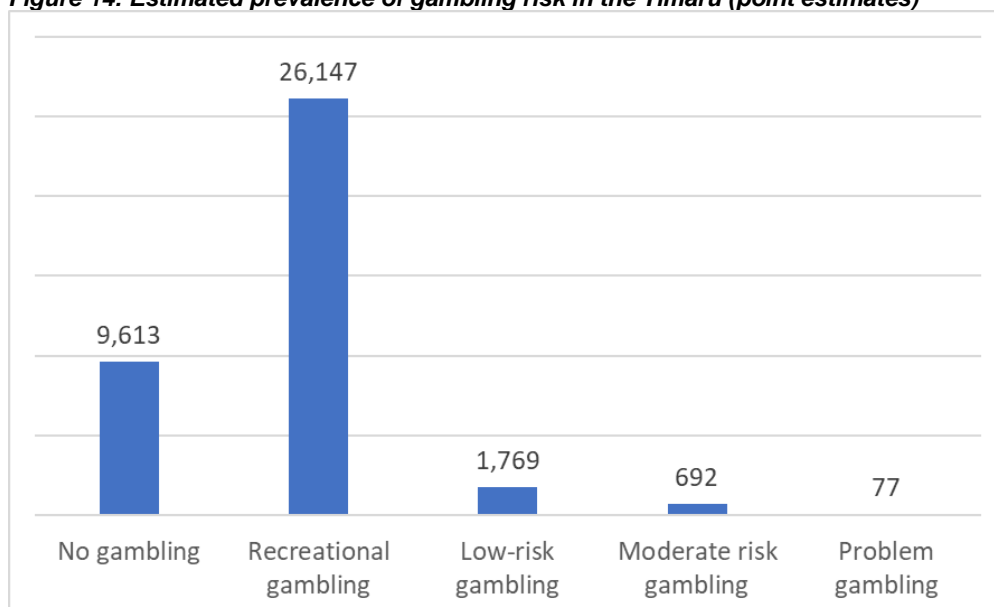
Problem gambling prevalence is not directly measurable and relies on research estimates based on survey methodologies and definitions, and potentially subject to a high level of non-reporting levels by problem gamblers.

According to the AUT Gambling and Addictions Research Centre (2018), problem and moderate-risk gamblers account for around a quarter of total expenditure, and adults experiencing lower levels of gambling-related harm account for a further quarter.

There is evidence that problem gambling prevalence rates are higher for Māori, people with no formal educational qualifications and people with lower-status occupations (e.g., SHORE 2008).

Evidence from the New Zealand National Gambling Study: Wave 4 (2015) suggests that 0.2% of the adult population are current problem gamblers, a further 1.8% at moderate risk of problem gambling and 4.6% at low risk of problem gambling (refer AUT Gambling and Addictions Research Centre 2018, p. 8). This would translate to approximately 70-80 people in the Timaru District who are current problem gamblers, and up to 700 who are at moderate risk of problem gambling.

**Figure 14: Estimated prevalence of gambling risk in the Timaru (point estimates)**



Source: APR Consultants calculation using prevalence rates from New Zealand National Gambling Study: Wave 4 (2015) and June 2021 estimated usually resident population data for years 18 and over calculated from Statistics NZ website. This estimation assumes that the age group 18-19 years is 40% of the reported number of residents in the age group 15-19 years. These point estimates are indicative only and do not sum to 38,452 due to rounding in reported percentages from National Gambling Study.



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**Timaru District community gambling risk profile**

Relative to New Zealand, the Timaru District has a:

- Low number who are clients of problem gambling intervention services each year.
- Low percentage of Māori and Pacific Island residents.
- Moderate level of social deprivation throughout the district, with pockets of higher deprivation in some urban and rural areas.
- Slightly higher number of gambling machines and expenditure per person.

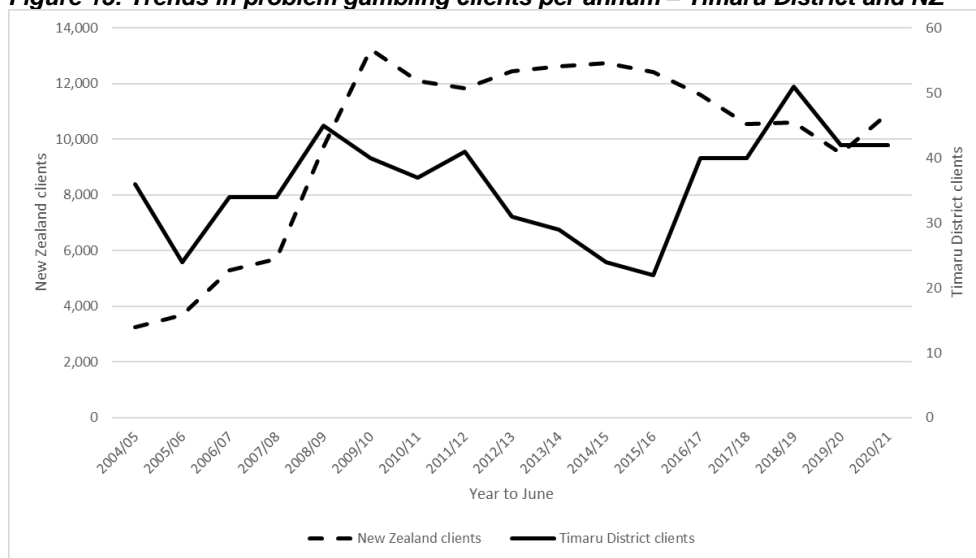
**Problem gambling intervention service clients**

In a typical year, around 30 to 40 people from the Timaru District are problem gambling service clients. Based on population size, Timaru’s problem gambling presentation rate is well below the national average, estimated for 2020/21 at 11 clients per 10,000 adults for Timaru District compared to 28 nationally, indicating a low level of risk on this factor.

The national rate of seeking help in New Zealand is 9.3% (based on results of the NZ Health Survey) which suggests that more than 90% of problem gamblers in New Zealand do not present as clients of problem gambling services and are not reflected in these figures.

In the graph below, the scale for Timaru clients is shown on the right axis and the scale for New Zealand on the left axis. Figures for Timaru District can vary considerably from year to year, which is not unexpected for data from a small area.

**Figure 15: Trends in problem gambling clients per annum – Timaru District and NZ**



Source: Compiled by APR Consultants from Ministry of Health intervention client data (online data).

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**Ethnicity profile**

According to research studies, Māori and Pacific populations are more likely to experience gambling related harm. Hence, cities and districts with higher proportions of Māori and Pacific residents may be at risk of greater social harm. Ward *et al* (2019) found that this link is likely due to lower average socio-economic status rather than ethnicity.

Census results show the Timaru District has a lower proportion of both Māori and Pacific Islands residents compared to the national average, indicating a low level of risk on this factor.

**Table 4: Timaru vs NZ ethnicity profile**

	Timaru District	New Zealand
Māori %	9.1%	16.5%
Pacific %	1.9%	8.1%

Source: 2018 Census, Statistics New Zealand  
 Note Denominator is 'total people stated' (excludes non-responses)

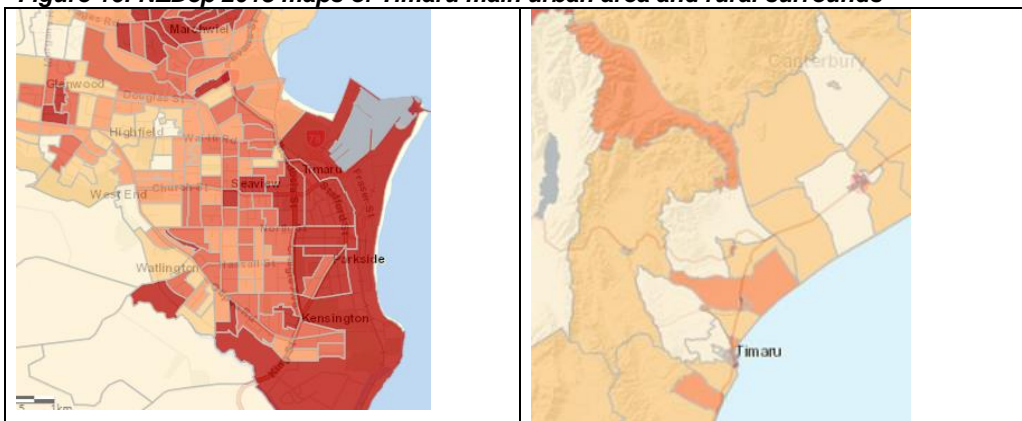
**Relative social deprivation**

Research suggests that communities with higher rates of deprivation are more likely to experience gambling harm. The risk is increased if gambling venues are located in close proximity to higher deprivation communities.

Community social deprivation can be measured using the New Zealand Deprivation 2018 Index (NZDep2018) which is calculated from nine Census items reflecting an absence of social and economic means (e.g., unemployment rate, low-income households). A score of 1-3 on the NZDep index indicates low deprivation while scores of 8-10 represents the 30% of most deprived communities in New Zealand.

The average NZDep2018 score for the district is similar to the national average (5), although there are pockets of higher deprivation in some urban and rural areas. Overall, there is a low to moderate level of risk associated with this factor.

**Figure 16: NZDep 2018 maps of Timaru main urban area and rural surrounds**



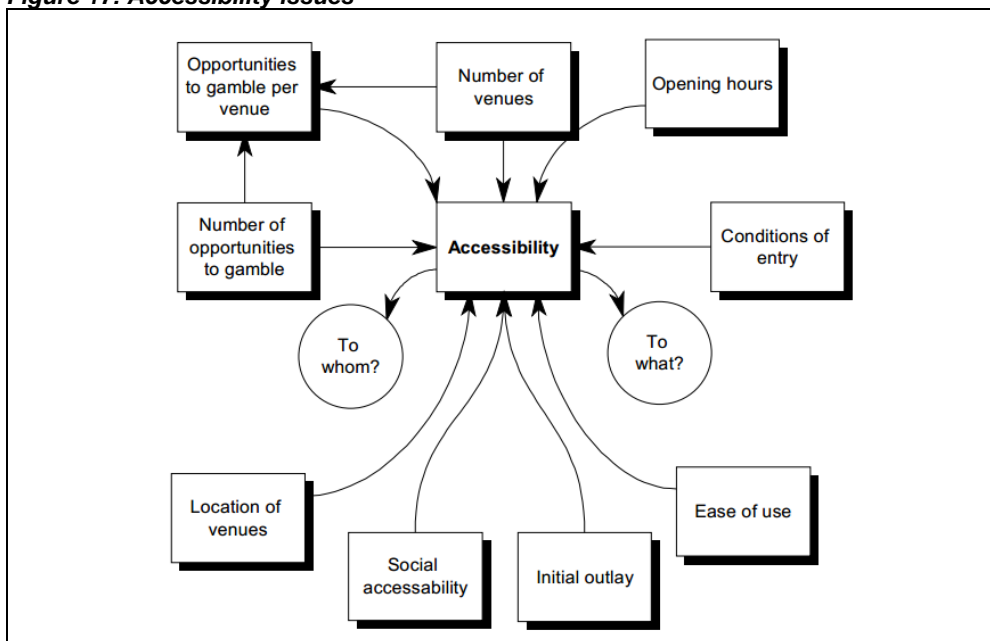
Source: [www.ehinz.ac.nz/indicators/population-vulnerability/socioeconomic-deprivation-profile/#nzdep-for-2018-nzdep2018](http://www.ehinz.ac.nz/indicators/population-vulnerability/socioeconomic-deprivation-profile/#nzdep-for-2018-nzdep2018)  
 Note: Darker shading indicates higher levels of measured social deprivation.

**Gambling accessibility and density**

Aspects of accessibility that affect problem gambling risk include opening hours, conditions of entry, ease of use (gambling machines require no skill), marginal outlay and how comfortable people feel attending a particular venue. Convenience is also important, for example people may prefer to access machines located at a local shopping centre. Research by the Ministry of Health (2008) identified that people living closer to gambling venues were more likely to have gambled at a Class 4 venue in the last year and more likely to be problem gamblers.

The figure below summarises accessibility issues associated with gambling machines. Existing legislation and regulations aim to mitigate many of these accessibility issues.

**Figure 17: Accessibility issues**



Source: Australian Productivity Commission, 1999, p 8.4.

The demise of smaller and less financially viable venues has been reflected in an increasing average number of machines per venue. In 2004 the Timaru District average was less than 10 machines per venue, including some with as few as 1 or 2 machines, compared to the current average of 13 machines per venue and none with less than 7 machines.

The Timaru District overall currently has an estimated 43 machines per 10,000 adults compared to the national average of 37. Hence there is a moderate relative level of risk associated with this factor.

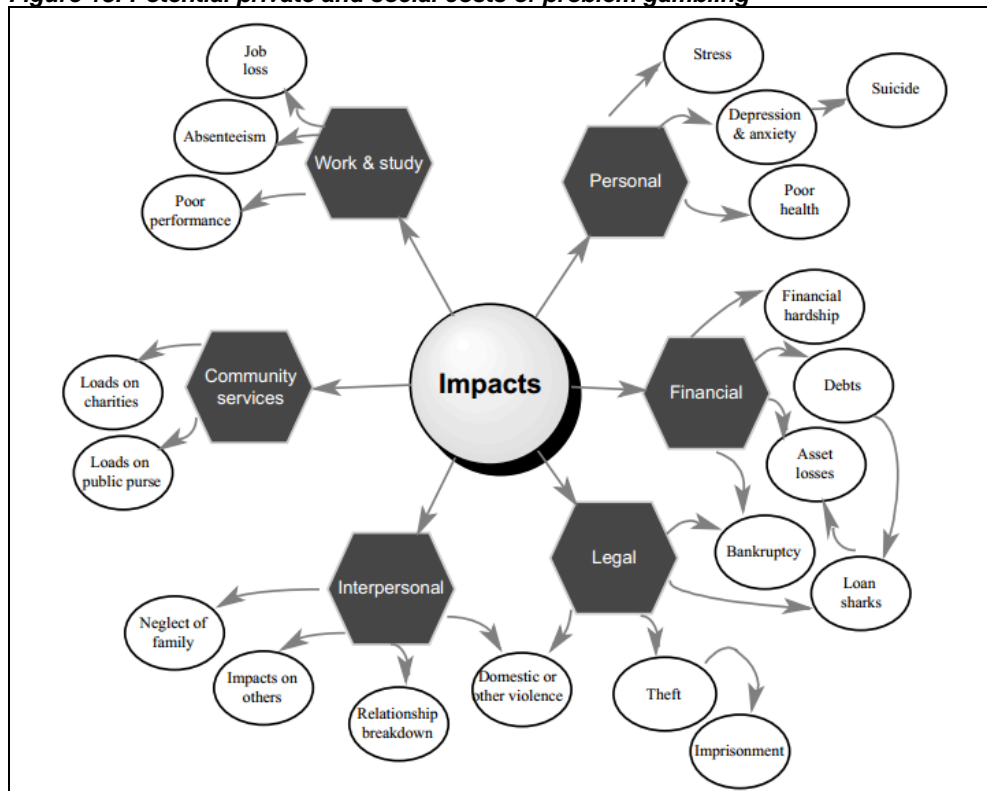
**Private and social costs of problem gambling**

The costs of problem gambling have both an individual and social dimension. Apart from personal financial losses, findings from various waves of the New Zealand Health Survey show:

- Problem gambling is correlated with both potentially hazardous drinking behaviour and daily cigarette smoking.
- Problem gamblers have significantly worse self-rated health status than the rest of the population, especially for mental health, general health and vitality (measured according to the SF-36 short-form general health questionnaire).

Research suggests that five to seven other people can be affected by the behaviour of a single problem gambler (e.g., Adams *et al*, 2004, p 40; Ministry of Health 2012, p 9). Not all problem gamblers will incur serious costs beyond their personal gambling losses, but a minority may be associated with domestic violence, alcohol abuse, theft, bankruptcy, poor employment performance and/or poor mental health. Potential social costs and causal pathways of problem gambling are illustrated below. A study by the Ministry of Health (2013) identified that the most common issues experienced by gamblers and affected other include family or relationship issues (37%), mental or physical health and emotional issues (37%), financial issues (22%), alcoholism (15%) and work issues or unemployment (15%). Many problem gamblers present with a combination of issues including depression and risky alcohol behaviour.

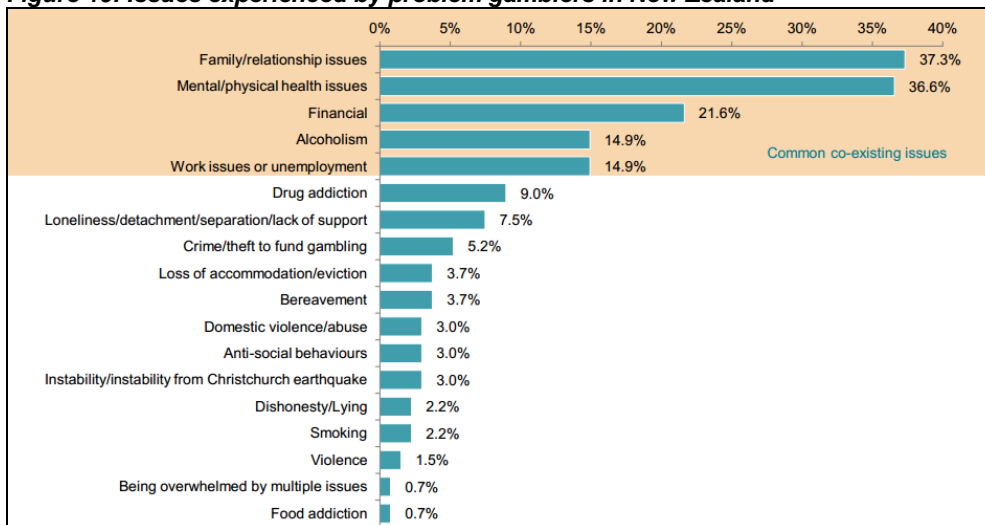
**Figure 18: Potential private and social costs of problem gambling**



Source: Australian Productivity Commission, 1999, p 7.3

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**Figure 19: Issues experienced by problem gamblers in New Zealand**



Source: Ministry of Health (2013, p 200)

Research by the Centre for Social and Health Outcomes Research and Evaluation (SHORE) (2008) from a national survey of more than 7,000 people showed that people with higher relative gambling losses had worse physical health, worse mental well-being, poorer relationships with family/friends, poorer feelings about self, poorer overall quality of life, lower overall satisfaction with life, poorer material standard of living, poorer study/training performances and less likely to be employed. The survey results also suggested that Class 4 gambling activity was associated to some degree with criminal behaviour, and that close family members of heavy gamblers were significantly impacted.

The Ministry of Health more recently engaged Central Queensland University’s (CQU) Experimental Gambling Research Laboratory and Auckland University of Technology’s (AUT) Gambling and Addictions Research Centre to develop a framework and methodology for understanding and measuring gambling-related harm in the New Zealand population (CQU 2017). The aim was to systematically investigate gambling-related harm in New Zealand and assess the aggregate burden of harm caused by gambling with reference to different levels of problem gambling, and other comparable conditions. Key findings include:

- Total burden of harm to gamblers was greater than common health conditions (such as diabetes and arthritis) and approached the level of anxiety and depressive disorders.
- Both qualitative and quantitative results suggested this burden of harm was primarily due to damage to relationships, emotional/psychological distress, disruptions to work/study and financial impacts.

Longitudinal research has also been undertaken as part of the NZ National Gambling Study (NGS) (Bellringer *et al* 2020).<sup>4</sup> The NGS started in 2012 with a randomly selected national sample of 6,251 people aged 18 years and older living in private households. The study identified several significant associations that were more likely to occur between gambling risk level transitions and changes in health and lifestyle behaviours, and some that were less likely to occur: ‘Overall, the transition into risky gambling was the most likely to be associated with maintaining or starting several negative health and lifestyle factors.’ Transitioning into risky gambling (i.e., changing from non-problem gambler to low risk/moderate risk/ problem gambler) was significantly more likely to correspond with:

<sup>4</sup> <https://garc.aut.ac.nz/our-research/nz-national-gambling-study>

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- Continuously smoking tobacco vs. never smoking tobacco.
- Continuous low quality of life vs. average or higher quality of life.
- Repeatedly experiencing one or more major life events in the prior year vs. no major events in prior year.
- Starting to experience levels of individual deprivation vs. not experiencing deprivation during the study.
- Stopping memberships of organised groups vs. continuously being a member of organised groups.

Further information about gambling harm is summarised in the Ministry of Health's (2019) Strategy to Prevent and Minimise Gambling Harm 2019/20 to 2021/22:

'Most money spent on gambling in New Zealand comes from the relatively limited number of people who play NCGMs [non-casino gaming machines], and most clients accessing problem gambling intervention services cite pub/club pokies as a primary problem gambling mode.'

In relation to the effectiveness of New Zealand's problem gambling harm minimisation policies, APR is not aware of any evaluation that has been done of the effectiveness of the current regulatory environment or harm minimisation interventions. Moreover, in relation to online gambling, APR is not aware of any studies that establish a connection between online gambling and Class 4 gambling.

### **Where to get help for problem gambling**

PGF gambling counselling, advice and support services are available from Strathallan Street, Timaru, and residents nationwide can seek help at any time using the Gambling Helpline 0800 654 655 or text 8006. Other helplines and services are listed at: [www.health.govt.nz/your-health/healthy-living/addictions/harmful-gambling/find-service-near-you](http://www.health.govt.nz/your-health/healthy-living/addictions/harmful-gambling/find-service-near-you).

### **1.15 Economic costs of diversion of expenditure (negative net impact)**

Studies have suggested there are leakages of regional output, income and employment from the electronic gambling machine industry due to its low level of labour intensity and associated multiplier effects.

For example, an economic analysis for Christchurch City Council (2012) suggested that the economic impacts of Class 4 gambling were largely offset through lost output, employment and household income. Similarly, Auckland Council (2012) estimated that, once economic costs were accounted for, the value added to the economy was only around 2.3% of total gambling machine proceeds and would be negative if the social dividend associated with community fundraising was removed.

More recently, NZIER (2020) investigated potential effects on the retail sector if consumers did not engage in Class 4 gambling, and found that at a national level most, if not all, money currently spent on Class 4 gambling is likely to be spent elsewhere rather than saved. The found that additional jobs and workers would be concentrated in the food and beverage services, specialised food retailing, and supermarkets and grocery stores.

This report does not attempt to quantify this aspect for Timaru District.

### **1.16 Regressive tax impact**

Due to the lower socio-economic profile of many problem gamblers, there is a disproportionate tax burden on lower-income households from Class 4 gambling. This report does not attempt to quantify the impact of this.

## NEARBY DISTRICTS – POLICY COMPARISON

For additional context, the table below shows a comparison of Timaru District’s policy with neighbouring territorial authority areas. Ashburton and Waimate have broadly similar policies to Timaru, whereas Mackenzie’s policy is to not approve any new venues.

**Table 5: Class 4 gambling venue policies of neighbouring territorial authorities**

Territorial authority	Policy on new venues	Policy on location of new venues	Policy on machines	Machines as at Dec 2021	Machines per 10,000 adults	Average expenditure per adult
Timaru (2019)	May be established (no cap)	No closer than 200m from a residential zone, sensitive site or other gambling venue within Timaru township, or no closer than 25m within rest of Timaru District	Maximum of 7 machines per new venue No overall District cap	166	43	\$264
Ashburton (2019)	May be established (no cap)	Within a Business Zone or otherwise permitted by way of resource consent	Maximum of 5 machines per new venue No overall District cap	134	48	\$235
Waimate (2018)	May be established, subject to District cap	Within Business Zones 1 and 2; or within Business Zone 3, Rural Zone or Residential Zone subject to not being closer than 100m to any sensitive site or other gambling venue	Maximum of 9 machines per new venue District cap of 20 machines	16	24	\$91
Mackenzie (2021)	No new venues	Not applicable	Not applicable	37	83	\$237

Sources: Gambling policy information sourced via Council websites, accessed 28 May 2022. Machines per 10,000 adults and expenditure per adult estimated by APR from DIA and Statistics New Zealand data.

## EFFECTIVENESS OF COUNCIL ‘CAPPING’ POLICIES

A report by the Ministry of Health (Erwin *et al*, 2020) examined the impact of three types of Council gambling venue policies on gambling harm in New Zealand:

- absolute caps on the number of electronic gaming machines (EGMs) and/or venues;
- per capita caps on the number of EGMs and/or venues; and
- sinking lid policies (restricting transfer of Class 4 licences to slowly reduce availability over time).

The research concluded that all three forms of policy intervention were effective in reducing Class 4 venue and machine numbers at the local authority level over the period 2010 to 2018:

‘Sinking lids and per capita caps are equally the most effective at reducing machine spending. Compared to the reference group, either of these policy interventions has the cumulative impact of reducing gambling expenditure by an estimated 13 to 14 per cent. Absolute caps were found to reduce overall gambling expenditure by 10 per cent.’

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**WEIGHING THE EVIDENCE**

**1.17 Gambling benefits and costs**

Council’s challenge is how best to acknowledge the benefits of community funding from gambling machine expenditure, respect the rights of the majority to gain enjoyment from gambling and mitigate the private and social costs of gambling.

TAB venues are not considered in this social impact analysis because they are of lesser concern from a public perspective. Racing and sports betting is less likely to cause problem gambling harm than Class 4 gambling.

The following table summarises the benefits and costs of Class 4 gambling in the Timaru District, quantified where possible.

**Table 6: Estimated benefits and costs of Class 4 gambling in Timaru District 2021**

<b>Item</b>	<b>Benefits</b>	<b>Costs</b>
Entertainment value	<ul style="list-style-type: none"> <li>– Estimated entertainment value approximately \$10 million per annum (assuming economic rationality of all gamblers)</li> </ul>	<ul style="list-style-type: none"> <li>– Approximately \$10 million expenditure (gambling losses)</li> </ul>
Fundraising	<ul style="list-style-type: none"> <li>– Approximately \$3.8 million annually for clubs, sports and other community activities</li> <li>– Community and voluntary organisations focusing on the core purpose of their organisation rather than expending substantial efforts on fundraising</li> <li>– Community and voluntary organisations knowing there is community money available for a range of community projects</li> <li>– Long-term benefits by people enjoying facilities, events and programmes funded through Class 4 gambling</li> </ul>	<ul style="list-style-type: none"> <li>– Monitoring and compliance costs</li> <li>– Personal, family and social costs, including stress, depression and crime associated with approximately 70-80 current problem gamblers and up to 700 people at moderate risk of becoming problem gamblers</li> </ul>
Taxes	<ul style="list-style-type: none"> <li>– Approximately \$3.4 million per annum in tax revenues</li> </ul>	<ul style="list-style-type: none"> <li>– Economic cost of taxes diverted from other forms of expenditure</li> <li>– Disproportionate tax burden on lower-income households (regressive tax impact)</li> </ul>
Employment and Income	<ul style="list-style-type: none"> <li>– Estimated \$1.4 million venue payments toward operating costs (including approximately 33 jobs in clubs, hotels and taverns to service Class 4 gambling) in addition to \$1.5 million in society expenses</li> </ul>	<ul style="list-style-type: none"> <li>– Economic cost of jobs and income diverted from other local industries (e.g., retail) as money not spent on gambling would be spent elsewhere</li> </ul>

Source: APR Consultants



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**1.18 Conclusion**

The *Gambling Act 2003* requires Council to review its Gambling Venue Policy every three years. In adopting its policy, Council must have regard to the social impact of gambling within the district and any other relevant matters. This report presents information about the positive and negative impacts of Class 4 gambling within the Timaru District.

Many of the benefits and costs of gambling are difficult to quantify, including community benefits derived from gambling grants and social costs associated with problem gambling. For this reason, report does not offer any definitive conclusions or recommendations. Council's policy choice for the Timaru District should be determined by community values and based on available information and opinions.

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**APPENDIX 1: GAMBLING ACT 2003**

Web address: [www.legislation.govt.nz/act/public/2003/0051/latest/DLM207497.html](http://www.legislation.govt.nz/act/public/2003/0051/latest/DLM207497.html)  
Accessed: 22 May 2022.

**98. When territorial authority consent required—**

A territorial authority consent is required in the following circumstances:

- (a) if a corporate society proposes to increase the number of gaming machines that may be operated at a Class 4 venue (whether by way of an application for, or amendment to, a Class 4 venue licence, and whether or not in association with an application for ministerial discretion under section 95 or section 96):
- (b) if a corporate society applies for a Class 4 venue licence and a Class 4 venue licence has not been held by any society for the venue within the last 6 months:
- (c) if a corporate society proposes, in accordance with a relocation policy of the territorial authority, to change the venue to which a Class 4 venue licence currently applies.

**99. Application for territorial authority consent—**

- (1) An application for a territorial authority consent must be made to the territorial authority for the district in which the Class 4 venue is, or will be, located.
- (2) The application must be accompanied by the information required by the territorial authority to enable it to consider the application properly.
- (3) An application for consent in accordance with a relocation policy may be made only with the agreement of the venue operator of the existing venue.

**100. Considering and determining application for territorial authority consent—**

- (1) A territorial authority must—
  - (a) consider an application for a territorial authority consent in accordance with its Class 4 venue policy; and
  - (b) then either—
    - (i) grant a consent with or without a condition specifying the maximum number of gaming machines that may be operated at the venue (but with no other condition); or
    - (ii) not grant a consent.
- (2) However, if a corporate society applies for a territorial authority consent for an amendment to a Class 4 venue licence to allow an increase in the number of gaming machines that may be operated at a venue, a territorial authority—
  - (a) must consider and determine the application in accordance with subsection (1); but
  - (b) may not include a condition specifying a maximum number of machines that may be operated at the venue that is fewer than the number of machines that may be operated currently at the venue.

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- (3) The territorial authority must notify the applicant of its determination within 30 working days after the later of—
  - (a) the date of receipt of the application; or
  - (b) the date that it adopts a Class 4 venue policy.
- (4) A territorial authority must not consider an application for a territorial authority consent before it has a Class 4 venue policy.
- (5) A territorial authority consent for a Class 4 venue expires 6 months after its date of issue if no application for a Class 4 venue licence in relation to the venue has been submitted.

*101. Territorial authority must adopt Class 4 venue policy—*

- (1) A territorial authority must, within 6 months after the commencement of this section, adopt a policy on Class 4 venues.
- (2) In adopting a policy, the territorial authority must have regard to the social impact of gambling within the territorial authority district.
- (3) The policy—
  - (a) must specify whether or not Class 4 venues may be established in the territorial authority district and, if so, where they may be located; and
  - (b) may specify any restrictions on the maximum number of gaming machines that may be operated at a Class 4 venue; and
  - (c) may include a relocation policy.<sup>5</sup>
- (4) In determining its policy on whether Class 4 venues may be established in the territorial authority district, where any venue may be located, and any restrictions on the maximum number of gaming machines that may be operated at venues, the territorial authority may have regard to any relevant matters, including:
  - (a) the characteristics of the district and parts of the district:
  - (b) the location of kindergartens, early childhood centres, schools, places of worship, and other community facilities:
  - (c) the number of gaming machines that should be permitted to operate at any venue or class of venue:
  - (d) the cumulative effects of additional opportunities for gambling in the district:
  - (e) how close any venue should be permitted to be to any other venue:
  - (f) what the primary activity at any venue should be.
- (5) A **relocation policy** is a policy setting out if and when the territorial authority will grant consent in respect of a venue within its district where the venue is intended to replace

<sup>5</sup> Section 101(3)(c): inserted, on 14 September 2013, by section 10(2) of the Gambling (Gambling Harm Reduction) Amendment Act 2013 (2013 No 71).

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an existing venue (within the district) to which a Class 4 venue licence applies (in which case section 97A applies).

*102. Adoption and review of Class 4 venue policy—*

- (1) A policy on Class 4 venues under section 101 must be adopted in accordance with the special consultative procedure in section 83 of the Local Government Act 2002 and, for the purpose of subsection (1)(e) of that section, the territorial authority must give notice of the proposed policy, in a manner that the territorial authority considers appropriate to—
  - (a) each corporate society that holds a Class 4 venue licence for a venue in the territorial authority district; and
  - (b) organisations representing Māori in the territorial authority district.
- (2) A policy may be amended or replaced only in accordance with the special consultative procedure, and this section applies to that amendment or replacement.
- (3) Subsection (1)(b) does not affect the ability of a territorial authority to take similar action in respect of any other population group.
- (4) A territorial authority must, as soon as practicable after adopting, amending, or replacing a policy, provide a copy of the policy to the Secretary.
- (5) A territorial authority must complete a review of a policy within 3 years after the policy is adopted and then within 3 years after that review and each subsequent review is completed.
- (5A) The first time that a territorial authority commences a review of a policy after the *Gambling (Gambling Harm Reduction) Amendment Act 2013* comes into force, the territorial authority must (and may at any other time) consider whether to include a relocation policy (as defined in section 101(5)) in its Class 4 venue policy.
- (5B) 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.
- (6) A policy does not cease to have effect because it is due for review or being reviewed.

*103. Provision of information relating to Class 4 venues in territorial authority district—*

On request from a territorial authority, the Secretary must provide—

- (a) the name and address of each society that holds a Class 4 venue licence for a venue in the territorial authority district; and
- (b) the name and address of each Class 4 venue in the territorial authority district and the number of gaming machines permitted to operate there.

**APPENDIX 2: RACING INDUSTRY ACT 2020**

Web address: [www.legislation.govt.nz/act/public/2020/0028/latest/whole.html](http://www.legislation.govt.nz/act/public/2020/0028/latest/whole.html)  
Accessed: 22 May 2022.

*93. When territorial authority consent is required*

A territorial authority consent is required if TAB NZ proposes to establish a TAB venue.

*94. Application for territorial authority consent*

- (1) An application for a territorial authority consent must be made to the territorial authority for the district in which the TAB venue will be located.
- (2) The application must be accompanied by the information required by the territorial authority to enable it to consider the application properly.

*95. Considering and determining application for territorial authority consent*

- (1) A territorial authority must—
  - (a) consider an application for a territorial authority consent in accordance with its TAB venue policy; and
  - (b) either grant or refuse a consent.
- (2) The territorial authority must notify TAB NZ and the chief executive of its determination within 30 working days after the later of—
  - (a) the date of receipt of the application; and
  - (b) the date that it adopts a TAB venue policy.
- (3) A territorial authority must not consider an application for territorial authority consent before it has a TAB venue policy.

*96. Territorial authority must adopt TAB venue policy*

- (1) A territorial authority must adopt a policy on TAB venues.
- (2) In adopting a policy, the territorial authority must have regard to the social impact of gambling within the territorial authority district.
- (3) The policy must specify whether or not new TAB venues may be established in the territorial authority district and, if so, where they may be located.
- (4) In determining its policy on whether TAB venues may be established in the territorial district and where any TAB venues may be located, the territorial authority may have regard to any relevant matters, including—
  - (a) the characteristics of the district and parts of the district:
  - (b) the location of kindergartens, early childhood centres, schools, places of worship, and other community facilities:
  - (c) the cumulative effects of additional opportunities for gambling in the district.



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*97. Adoption and review of TAB venue policy*

- (1) A policy on TAB venues under section 96 must be adopted in accordance with the special consultative procedure set out in section 83 of the Local Government Act 2002.
- (2) A policy may be amended or replaced only in accordance with the special consultative procedure, and this section applies to that amendment or replacement.
- (3) A territorial authority must, as soon as practicable after adopting, amending, or replacing a policy on TAB venues, provide a copy of the policy to TAB NZ and the chief executive.
- (4) A territorial authority must complete a review of a policy within 3 years after the policy is adopted and then within 3 years after that review and each subsequent review is completed.
- (5) A policy does not cease to have effect because it is due for review or is being reviewed.

**APPENDIX 3: LOCAL GOVERNMENT ACT 2002**

Web address: [www.legislation.govt.nz/act/public/2002/0084/167.0/versions.aspx](http://www.legislation.govt.nz/act/public/2002/0084/167.0/versions.aspx)  
Accessed: 22 May 2022.

*10. Purpose of local government*

- (1) The purpose of local government is—
  - (a) to enable democratic local decision-making and action by, and on behalf of, communities; and
  - (b) to meet the current and future needs of communities for good-quality local infrastructure, local public services and performance of regulatory functions in a way that is most cost-effective for households and businesses.
- (2) In this Act, **good-quality**, in relation to local infrastructure, local public services, and performance of regulatory functions, means infrastructure, services and performance that are—
  - (a) efficient; and
  - (b) effective; and
  - (c) appropriate to present and anticipated future circumstances.

*77. Requirements in relation to decisions*

- (1) A local authority must, in the course of the decision-making process, —
  - (a) seek to identify all reasonably practicable options for the achievement of the objective of a decision; and
  - (b) assess the options in terms of their advantages and disadvantages; and
  - (c) if any of the options identified under paragraph (a) involves a significant decision in relation to land or a body of water, take into account the relationship of Māori and their culture and traditions with their ancestral land, water, sites, waahi tapu, valued flora and fauna, and other taonga.
- (2) This section is subject to section 79.

*78. Community views in relation to decisions*

- (1) A local authority must, in the course of its decision-making process in relation to a matter, give consideration to the views and preferences of persons likely to be affected by, or to have an interest in, the matter.
- (2) [Repealed]
- (3) A local authority is not required by this section alone to undertake any consultation process or procedure.
- (4) This section is subject to section 79.<sup>6</sup>

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<sup>6</sup> Section 79 provides guidance on compliance with procedures in relation to decisions.

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*83. Special consultative procedure*

- (1) Where this Act or any other enactment requires a local authority to use or adopt the special consultative procedure, that local authority must—
  - (a) prepare and adopt—
    - (i) a statement of proposal; and
    - (ii) if the local authority considers on reasonable grounds that it is necessary to enable public understanding of the proposal, a summary of the information contained in the statement of proposal (which summary must comply with section 83AA); and
  - (b) ensure that the following is publicly available:
    - (i) the statement of proposal; and
    - (ii) a description of how the local authority will provide persons interested in the proposal with an opportunity to present their views to the local authority in accordance with section 82(1)(d); and
    - (iii) a statement of the period within which views on the proposal may be provided to the local authority (the period being not less than 1 month from the date the statement is issued); and
  - (c) make the summary of the information contained in the statement of proposal prepared in accordance with paragraph (a)(ii) (or the statement of proposal, if a summary is not prepared) as widely available as is reasonably practicable as a basis for consultation; and
  - (d) provide an opportunity for persons to present their views to the local authority in a manner that enables spoken (or New Zealand sign language) interaction between the person and the local authority, or any representatives to whom an appropriate delegation has been made in accordance with Schedule 7; and
  - (e) ensure that any person who wishes to present his or her views to the local authority or its representatives as described in paragraph (d)—
    - (i) is given a reasonable opportunity to do so; and
    - (ii) is informed about how and when he or she may take up that opportunity.
- (2) For the purpose of, but without limiting, subsection (1)(d), a local authority may allow any person to present his or her views to the local authority by way of audio link or audio-visual link.
- (3) This section does not prevent a local authority from requesting or considering, before making a decision, comment or advice from an officer of the local authority or any other person in respect of the proposal or any views on the proposal, or both.

**APPENDIX 4: TIMARU DISTRICT GAMBLING VENUE POLICY 2019**

Web address: [www.timaru.govt.nz/council/publications/policies/class-4-gambling-venue-and-board-venue-policy](http://www.timaru.govt.nz/council/publications/policies/class-4-gambling-venue-and-board-venue-policy)

Accessed: 22 May 2022.

**Gambling Venue Policy**

**Adopted by Timaru District Council 10 December 2019**

**1 Purpose**

1.1 The purpose of this policy is to:

1.1.1 Detail Council's policy with regards to consent applications for new Class 4 gambling venue and New Zealand Racing Agency (TAB) venue licences, in accordance with the Gambling Act 2003 and the Racing Act 2003.

1.1.2 Recognise that gambling can be a serious problem for people in our community.

1.1.3 Ensure Council and the community has influence over the provision of new gambling venues within the Timaru District.

1.1.4 Allow those who wish to participate in controlled gambling to do so within the Timaru District.

1.1.5 Minimise harm to the community caused by gambling.

Note: The Gambling Venue Policy applies only to new consent applications for Class 4 gambling venues and Agency venues. The Policy will not be applied retrospectively to venues with current licences.

**2 Background**

2.1 The Gambling Act 2003 was enacted on 18 September 2003. The Act requires councils to adopt a Class 4 gambling venue policy for their district. The Act also amended the Racing Act 2003 so that council consent is required to establish a new Agency (TAB) venue. Under that amendment Council is required to adopt an Agency venue policy for the district.

2.2 Both policies must be adopted in accordance with the special consultative procedure set out in the Local Government Act 2002 (Section 83).

2.3 The Gambling Act 2003 and the Racing Act 2003 together state that the Class 4 gambling venue and Agency venue policies:

2.3.1 Must specify whether or not Class 4 venues and Agency venues may be established in a district, and if so, where they may be located.

2.3.2 May specify any restrictions on the maximum number of gaming machines that may be operated at any Class 4 gambling venue. The Gambling Act 2003 establishes a maximum limit of nine machines for new venues and those venues that obtained a licence after 17 October 2001. This policy sets a maximum of seven machines per venue (see Clauses 8.1).

2.3.3 In the development of this gambling venue policy Council must have regard for the social impacts of gambling on the Timaru District community.

2.4 In 2007 Council combined the Class 4 gambling venue and Agency venue policies.

### 3 Key Definitions

**Agency Venue** – means premises that are owned or leased by the Racing Industry Transition Agency (TAB) and where the main business carried out at the premises is providing racing betting or sports betting services under the Racing Act 2003. This does not include TAB outlets.

**Class 4 Gambling** – Means any activity that involves the use of gaming machines (i.e., pokies) in pubs and clubs (i.e., outside a casino) which may only be conducted by a corporate society and only to raise money for an authorised (i.e., community and non-commercial) purpose.

**Commercial Zones** – As defined in the operative Timaru District Plan.

**Community Facility** – Any building, place or facility which provides for the physical, social, cultural or intellectual development or welfare of the community, including but not limited to; public playgrounds; recreational halls; community centres; community halls; libraries; museums; and public swimming pools.

**Gambling Venue** – Any Class 4 gambling venue or Agency venue.

**Residential Zones** – As defined in the operative Timaru District Plan.

**Sensitive Site** – Any childhood centre, kindergarten, school, place of worship or community facility.

### 4 Policy – Timaru Township

4.1 Within the boundary of the Timaru Township, Gambling Venues may be established in Commercial 1, 2 and 3 Zones subject to:

- 4.1.1 Meeting application and fee requirements;
- 4.1.2 Being no closer than 200 metres, by public access way, to any Residential Zone;
- 4.1.3 Being no closer than 100 metres, by public access way, to any sensitive site (as defined in Section 3 of this policy);
- 4.1.4 Being no closer than 100 metres, by public access way, to another Gambling Venue; excepting that Agency venues may, on application be exempt from this requirement;
- 4.1.5 Not being a venue that is associated with family or children's activity unless the activity is in a room separate from gaming machines.

### 5. Policy – Rest of Timaru District

5.1 For all areas outside the boundary of the Timaru Township, Gambling Venues may be established in Commercial 1 Zone subject to:

- 5.1.1 Meeting consent application and fee requirements;
- 5.1.2 Being no closer than 25 metres, by public access way, to any Residential Zone;
- 5.1.3 Being no closer than 25 metres, by public access way, to any sensitive site (as defined in Section 3 of this policy);
- 5.1.4 Being no closer than 25 meters, by public access way, to any other gambling venue excepting that Agency venues may, on application, be exempt from this requirement; and
- 5.1.5 Not being a venue that is associated with family or children's activity unless the activity is in a room separate from gaming machines.

**6. Exemptions**

**6.1** Where a proposed new venue is unable to comply with the location requirements of this policy the application will be referred to the Environmental Services Committee which has discretion to approve or decline, subject to the application meeting all other requirements of this policy.

**7. Relocation of Venues**

**7.1** Applications for the relocation of existing Class 4 venues to a new site will be referred to the Environmental Services Committee, which has discretion to approve or decline the application.

**7.2** Any application, and the proposed new venue, must comply with all other conditions and provisions of this policy.

**7.3** The maximum number of gaming machines permitted to operate at the new venue is the same as the maximum number of gaming machines permitted to operate at the venue before relocation.

**8. Number of Gaming Machines to Be Allowed**

**8.1** New Class 4 gambling venues shall be allowed a maximum of seven gaming machines.

**8.2** Existing Class 4 gambling venues operating fewer than seven gaming machines, shall be allowed to increase the number of machines operated at the venue to seven.

**9. Primary Activity of Venues**

**9.1** The primary activity of any Class 4 gambling venue shall be:

**9.1.1** For the sale of alcohol, or the sale of alcohol and food; or

**9.1.2** For private club activities.

**9.2** The primary activity for Agency venues, as defined by section 5 of the Racing Act 2003, shall be:

**9.2.1** Providing racing betting, or sports betting services.

**10. Application**

**10.1** Applications for Council consent must be made on the correct form, accompanied by all required documentation and fees.

**10.2** Application forms are available on Council's website, [www.timaru.govt.nz](http://www.timaru.govt.nz) and at all Council service centres.

**11. Application Fees**

**11.1** Application fees will be set by Council from time to time with the intention of recovering full costs from applicants/operators, and shall include consideration of:

**11.1.1** The cost of processing the application, including any consultation and hearings involved;

**11.1.2** The cost of triennially reviewing the Gambling Venue Policy;

**11.1.3** The cost of inspecting Class 4 gambling venues on a regular basis to ensure compliance with consent or licence conditions; and

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**11.1.4** A contribution towards the cost of triennial assessments of the economic and social impact of gambling in the district.

**11.2** Council will comply with section 150 of the Local Government Act 2002 in setting such fees.

**12. Policy Review**

**12.1** This Policy will be reviewed at least every three years, as required by the Gambling Act and the Racing Act 2003.

**12.2** This Policy does not cease to have effect because it is due for review or being reviewed.

**12.3** This Policy takes effect from the date it is formally adopted by Council.

# Gambling Venue Policy



**Approved by:** Timaru District Council  
**Group:** Environmental Services  
**Responsibility:** Environmental Compliance Manager  
**Date adopted:** TBC  
**Review:** Every 3 years, or earlier if required

Date of review commencement and date of review TBC.

This Policy does not cease to have effect because it is due for review, or being reviewed

**Consultation:** Required – Special Consultative Procedure  
**Policy Type** Council External Operational

## Introduction

### 1. Purpose and Objectives

- 1.1. The purpose of this policy is to:
  - 1.1.1 Detail Council’s policy with regards to consent applications for new Class 4 gambling venue and TAB New Zealand venue licences, in accordance with the Gambling Act 2003 and the Racing Industry Act 2020.
  - 1.1.2 Recognise that gambling can be a serious problem for people in our community.
  - 1.1.3 Ensure Council and the community has influence over the provision of new gambling venues within the Timaru District.
  - 1.1.4 Allow those who wish to participate in controlled gambling to do so within the Timaru District.
  - 1.1.5 Minimise harm to the community caused by gambling.

### 2. Scope

- 2.1. This policy applies to all new consent applications for Class 4 Gambling and TAB New Zealand venues in the Timaru District.
- 2.2. The Policy will not be applied retrospectively to venues with current licences.
- 2.3. This Policy takes effect from the date it is formally adopted by Council.

#Doc no  
Gambling Venue Policy

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### 3. Definitions

- 3.1. Definitions of the terms used in this policy are attached as Appendix 1.

## Policy Statements

### 4. Gambling Venue Locations

- 4.1. Within the boundary of the Timaru Township, Gambling Venues may be established in Commercial 1, 2 and 3 Zones subject to:
- 4.1.1. Meeting application and fee requirements;
  - 4.1.2. Being no closer than 200 metres, by public access way, to any Residential Zone;
  - 4.1.3. Being no closer than 100 metres, by public access way, to any sensitive site (as defined in Section 3 of this policy);
  - 4.1.4. Being no closer than 100 metres, by public access way, to another Gambling Venue; excepting that TAB venues may, on application be exempt from this requirement, and;
  - 4.1.5. Not being a venue that is associated with family or children's activity unless the activity is in a room separate from gaming machines.
- 4.2. For all areas outside the boundary of the Timaru Township, Gambling Venues may be established in Commercial 1 Zone subject to:
- 4.2.1. Meeting consent application and fee requirements;
  - 4.2.2. Being no closer than 25 metres, by public access way, to any Residential Zone;
  - 4.2.3. Being no closer than 25 metres, by public access way, to any sensitive site (as defined in Section 3 of this policy);
  - 4.2.4. Being no closer than 25 meters, by public access way, to any other gambling venue excepting that TAB venues may, on application, be exempt from this requirement, and;
  - 4.2.5. Not being a venue that is associated with family or children's activity unless the activity is in a room separate from gaming machines.

### 5. Exemptions

- 5.1. Where a proposed new venue is unable to comply with the location requirements of this policy the application will be referred to the Environmental Services Committee which has discretion to approve or decline, subject to the application meeting all other requirements of this policy.

## 6. Relocation of Venues

- 6.1. Applications for the relocation of existing venues to a new site will be referred to the Environmental Services Committee, which has discretion to approve or decline the application.
- 6.2. Any application, and the proposed new venue, must comply with all other conditions and provisions of this policy.
- 6.3. The maximum number of gaming machines permitted to operate at the new venue is the same as the maximum number of gaming machines permitted to operate at the venue before relocation.

## 7. Number of Gaming Machines to Be Allowed

- 7.1. New Class 4 gambling venues shall be allowed a maximum of seven gaming machines.
- 7.2. Existing Class 4 gambling venues operating fewer than seven gaming machines, shall be allowed to increase the number of machines operated at the venue to seven.

## 8. Primary Activity of Venues

- 8.1. The primary activity of any Class 4 gambling venue shall be:
  - 8.1.1. For the sale of alcohol, or the sale of alcohol and food; or
  - 8.1.2. For private club activities.
- 8.2. The primary activity for TAB New Zealand venues, as defined by section 5 of the Racing Industry Act 2020, shall be providing racing betting, or sports betting services.

## 9. Application

- 9.1. Applications for Council consent must be made on the correct form, accompanied by all required documentation and fees.
- 9.2. Application forms are available on Council's website, [www.timaru.govt.nz](http://www.timaru.govt.nz), and at all Council service centres.

## 10. Application Fees

- 10.1. Application fees will be set by Council from time to time with the intention of recovering full costs from applicants/operators, and shall include consideration of:
  - 10.1.1. The cost of processing the application, including any consultation and hearings involved;
  - 10.1.2. The cost of triennially reviewing the Gambling Venue Policy;
  - 10.1.3. The cost of inspecting Class 4 gambling and TAB New Zealand venues on a regular basis to ensure compliance with consent or licence conditions; and
  - 10.1.4. A contribution towards the cost of triennial assessments of the economic and social impact of gambling in the District.
- 10.2. Council will comply with section 150 of the Local Government Act 2002 in setting such fees.

## 11. Monitoring

- 11.1 Council will utilize a Social Impact Assessment to assess the effectiveness of this policy and the extent of gambling harm in the Timaru District.
- 11.2 The Social Impact Assessment – either a full review or an update of the previous Social Impact Assessment, as required – will be undertaken every three years when the policy is reviewed.

## 12. Reporting

- 12.1 Council will receive reports on the effectiveness of this policy when it is due for review.

Delegations, References and Revision History	
<b>Delegations</b> Identify here any delegations related to the policy for it to be operative or required as a result of the policy	
Delegation	Delegations Register Reference
TBA	
<b>References</b> Include here reference to any documents related to the policy (e.g. operating guidelines, procedures)	

Title		Document Reference			
N/A		N/A			
Revision History					
Summary of the development and review of the policy					
Revision	Owner	Date Approved	Approval By	Next Review	Doc Ref
TBC					

### Appendix 1: Definition of terms used in this policy

<b>Class 4 Gambling</b>	Means any activity that involves the use of gaming machines (i.e. pokies) in pubs and clubs (i.e. outside a casino) which may only be conducted by a corporate society and only to raise money for an authorised (i.e. community and non-commercial) purpose.
<b>Commercial Zones</b>	As defined in the operative Timaru District Plan.
<b>Community Facility</b>	Any building, place or facility which provides for the physical, social, cultural or intellectual development or welfare of the community, including but not limited to; public playgrounds; recreational halls; community centres; community halls; libraries; museums; and public swimming pools.
<b>Gambling Venue</b>	Any Class 4 gambling venue or TAB New Zealand venue.
<b>Residential Zones</b>	As defined in the operative Timaru District Plan.
<b>Sensitive Site</b>	Any childhood centre, kindergarten, school, place of worship or community facility.
<b>TAB New Zealand Venue</b>	Means premises owned or leased by TAB New Zealand and where the main business carried on at the premises is providing racing betting, sports betting, or other racing or sports betting services.



## Statement of Proposal

Timaru District Council Policy Review Consultation

# Gambling Venue Policy



**Let us know  
what you think  
of our draft  
policy.**

Submissions close Friday  
11 November at 5pm

[www.timaru.govt.nz](http://www.timaru.govt.nz)

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## Purpose of this Statement of Proposal

Timaru District Council has reviewed the Gambling Venue Policy and is proposing that it is renewed without amendment. This Statement of Proposal is seeking public feedback on these changes. We invite your views and feedback via the submission process outlined in this document.

This Statement of Proposal has been prepared in accordance with the requirements of Sections 83 and 87 of the Local Government Act 2002. It includes:

- The draft policy and its rationale;
- An outline of other reasonably practicable options, and an analysis of their advantages and disadvantages, and;
- A description of the consultation and submission process.

Submissions are invited until Friday 11 November at 5pm. At the end of this period, Council will:

- Conduct hearings for anyone who wishes to speak in support of their submission, and;
- Decide on the final policy.

## Gambling Venue Policy

### What is being proposed

Timaru District Council has reviewed the Gambling Venue Policy and believes that no changes are necessary at this time. We would like to know if you think the policy is appropriate, or if you think we need to make changes to make it more effective.

We have scoped the issues Council considered on page 8. You may wish to provide feedback to Council on these, or any other issue relating to the policy.

### Background

The Gambling Act 2003 and the Racing Industry Act 2020 require all territorial authorities (city and district councils) to have a policy relating to Class 4 gambling venues and TAB New Zealand (formerly the New Zealand Racing Board) venues in their district. Council's current policy combines both Class 4 and Agency venues.

This policy must be reviewed every three years, taking into account the social impacts of gambling.

**Council commissioned an external agency to produce a Social Impact Assessment of Class 4 Gambling in the Timaru District to inform the policy review.**

**This independent Social Impact Assessment can be read on the Council website at:**

[www.timaru.govt.nz/tell-us/current-consultations](http://www.timaru.govt.nz/tell-us/current-consultations)

The oversight of Class 4 Gambling venues and Agency (TAB) venues sits with the Department of Internal Affairs (DIA). However, territorial authorities are responsible for issuing consents to venues that wish to provide Class 4 or TAB gambling services. Essentially, DIA may issue a licence to a venue once Council has issued consent for that particular venue in accordance with this policy.

### Quick Facts

Detailed information about Class 4 Gambling in the Timaru District is available in the Social Impact Assessment.

#### What is Class 4 Gambling?

Class 4 gambling covers gaming machines (commonly known as pokie machines) in venues that are not casinos.

#### What are Agency venues?

This deals with stand-alone TAB New Zealand venues, where TAB gambling is the primary purpose of the facility.

The policy does not cover TAB outlets, where TAB machines are part of, but not the primary purpose of, a facility.

#### Gambling venues in the Timaru District

As of December 2021, DIA statistics indicated that there were 13 Class 4 Gambling venues and 166 gaming machines in the Timaru District, predominately located in Timaru.

#### What does the Policy deal with?

Under the Gambling Act 2003, Council's policy:

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

The Gambling Act 2003 sets a maximum number of nine machines for new venues. Council is able to set a lower limit through its policy.

Under the Racing Industry Act 2020, Council's policy:

- Must specify whether or not new TAB venues may be established and, if so, where they may be located within the District.

#### What doesn't the Policy cover?

Under the Gambling Act 2003, Council's policy cannot:

- Reduce the number of machines in existing venues;
- Control the hours of operation for gambling venues;
- Close down an existing gambling venue;
- Control what happens to the proceeds of gambling, i.e. where and to whom the proceeds are distributed, and;
- Regulate casinos, internet gambling, or Lotto outlets.

## Summary of Current Policy

Adopted 10 December 2019

### Purpose and Objectives

- Detail Council's policy with regards to consent applications for new Class 4 gambling venue and New Zealand Racing Agency (TAB) venue licences, in accordance with the Gambling Act 2003 and the Racing Industry Act 2020;
- Recognise that gambling can be a serious problem for people in our community;
- Ensure Council and the community has influence over the provision of new gambling venues within the Timaru District;
- Allow those who wish to participate in controlled gambling to do so within the Timaru District, and;
- Minimise harm to the community caused by gambling.

### Gambling Venue Locations

New applications will be approved within the boundary of the Timaru Township if:

- They are within Commercial 1, 2 and 3 Zones;
- They are meeting application and fee requirements;
- They are no closer than 200 metres, by public access way, to any Residential Zone;
- They are no closer than 100 metres, by public access way, to any sensitive site (as defined in Section 3 of the policy);
- They are no closer than 100 metres, by public access way, to another Gambling Venue; excepting that Agency venues may, on application be exempt from this requirement, and;
- The venue is not associated with family or children's activity unless the activity is in a room separate from gaming machines.

New applications will be approved in all other areas of the Timaru District if:

- They are within Commercial 1 Zone;
- They are meeting consent application and fee requirements;
- They are no closer than 25 metres, by public access way, to any Residential Zone;
- They are no closer than 25 metres, by public access way, to any sensitive site (as defined in Section 3 of the policy);
- They are no closer than 25 metres, by public access way, to any other gambling venue excepting that Agency venues may, on application, be exempt from this requirement, and;
- The venue is not associated with family or children's activity unless the activity is in a room separate from gaming machines.

### Number of Gaming Machines

- New Class 4 venues are allowed a maximum of seven gaming machines.
- Existing venues with fewer than seven gaming machines are allowed to increase their number of machines to seven.

### Exemptions

- It is acknowledged that not all venues, including existing venues, will be able to comply with these requirements. For this reason, Council will consider applications for exemption made for specific sites.

### Applications

- All applicants must complete the required application form.
- Application fees are set by Council and reviewed from time to time with the intention of recovering full costs from the applicants and to assist Council meeting its obligations under the Gambling Act 2003 and Racing Industry Act 2020.



## Gambling Venue Policy

<b>Approved by:</b>	Timaru District Council
<b>Group:</b>	Environmental Services
<b>Responsibility:</b>	Environmental Compliance Manager
<b>Date adopted:</b>	TBC
<b>Review:</b>	Every 3 years, or earlier if required

Date of review commencement and date of review TBC. This Policy does not cease to have effect because it is due for review, or being reviewed

<b>Consultation:</b>	Required – Special Consultative Procedure
<b>Policy Type</b>	Council External Operational

### Introduction

#### 1. Purpose and Objectives

- 1.1. The purpose of this policy is to:
  - 1.1.1 Detail Council's policy with regards to consent applications for new Class 4 gambling venue and TAB New Zealand venue licences, in accordance with the Gambling Act 2003 and the Racing Industry Act 2020.
  - 1.1.2 Recognise that gambling can be a serious problem for people in our community.
  - 1.1.3 Ensure Council and the community has influence over the provision of new gambling venues within the Timaru District.
  - 1.1.4 Allow those who wish to participate in controlled gambling to do so within the Timaru District.
  - 1.1.5 Minimise harm to the community caused by gambling.

#### 2. Scope

- 2.1. This policy applies to all new consent applications for Class 4 Gambling and TAB New Zealand venues in the Timaru District.
- 2.2. The Policy will not be applied retrospectively to Gambling Venues with current licences.
- 2.3. This Policy takes effect from the date it is formally adopted by Council.

#### 3. Definitions

- 3.1. Definitions of the terms used in this policy are attached as Appendix 1.

### Policy Statements

#### 4. Gambling Venue Locations

- 4.1. Within the boundary of the Timaru Township, Gambling Venues may be established in Commercial 1, 2 and 3 Zones subject to:
  - 4.1.1. Meeting application and fee requirements;
  - 4.1.2. Being no closer than 200 metres, by public access way, to any Residential Zone;
  - 4.1.3. Being no closer than 100 metres, by public access way, to any sensitive site (as defined in Section 3 of this policy);
  - 4.1.4. Being no closer than 100 metres, by public access way, to another Gambling Venue; excepting that TAB New Zealand venue/s may, on application be exempt from this requirement, and;
  - 4.1.5. Not being a venue that is associated with family or children's activity unless the activity is in a room separate from gaming machines.

**Draft Gambling Venue Policy Continued...**

- 4.2. For all areas outside the boundary of the Timaru Township, Gambling Venues may be established in Commercial 1 Zone subject to:
  - 4.2.1. Meeting consent application and fee requirements;
  - 4.2.2. Being no closer than 25 metres, by public access way, to any Residential Zone;
  - 4.2.3. Being no closer than 25 metres, by public access way, to any sensitive site (as defined in Section 3 of this policy);
  - 4.2.4. Being no closer than 25 metres, by public access way, to any other gambling venue excepting that TAB New Zealand venue/s may, on application, be exempt from this requirement, and;
  - 4.2.5. Not being a venue that is associated with family or children’s activity unless the activity is in a room separate from gaming machines.

**5. Exemptions**

- 5.1. Where a proposed new venue is unable to comply with the location requirements of this policy the application will be referred to the Environmental Services Committee which has discretion to approve or decline, subject to the application meeting all other requirements of this policy.

**6. Relocation of Venues**

- 6.1. Applications for the relocation of existing venues to a new site will be referred to the Environmental Services Committee, which has discretion to approve or decline the application.
- 6.2. Any application, and the proposed new venue, must comply with all other conditions and provisions of this policy.
- 6.3. The maximum number of gaming machines permitted to operate at the new venue is the same as the maximum number of gaming machines permitted to operate at the venue before relocation.

**7. Number of Gaming Machines to be Allowed**

- 7.1. New Class 4 gambling venues shall be allowed a maximum of seven gaming machines.
- 7.2. Existing Class 4 gambling venues operating fewer than seven gaming machines, shall be allowed to increase the number of machines operated at the venue to seven.

**8. Primary Activity of Venues**

- 8.1. The primary activity of any Class 4 gambling venue shall be:
  - 8.1.1. For the sale of alcohol, or the sale of alcohol and food; or
  - 8.1.2. For private club activities.
- 8.2. The primary activity for TAB New Zealand venue/s, as defined by section 5 of the Racing Industry Act 2020, shall be providing racing betting, or sports betting services.

**9. Application**

- 9.1. Applications for Council consent must be made on the correct form, accompanied by all required documentation and fees.
- 9.2. Application forms are available on Council’s website, [www.timaru.govt.nz](http://www.timaru.govt.nz), and at all Council service centres.

**Draft Gambling Venue Policy Continued...**

**10. Application Fees**

- 10.1. Application fees will be set by Council from time to time with the intention of recovering full costs from applicants/operators, and shall include consideration of:
  - 10.1.1. The cost of processing the application, including any consultation and hearings involved;
  - 10.1.2. The cost of triennially reviewing the Gambling Venue Policy;
  - 10.1.3. The cost of inspecting Class 4 gambling and TAB New Zealand venues on a regular basis to ensure compliance with consent or licence conditions; and
  - 10.1.4. A contribution towards the cost of triennial assessments of the economic and social impact of gambling in the District.
- 10.2. Council will comply with section 150 of the Local Government Act 2002 in setting such fees.

**11. Monitoring**

- 11.1 Council will utilize a Social Impact Assessment to assess the effectiveness of this policy and the extent of gambling harm.
- 11.2 The Social Impact Assessment – either a full review or an update of the previous Social Impact Assessment, as required – will be undertaken every three years when the policy is reviewed.

**12. Reporting**

- 12.1 Council will receive reports on the effectiveness of this policy when it is due for review.

**Appendix 1: Definition of terms used in this policy**

**Class 4 Gambling**

Means any activity that involves the use of gaming machines (i.e. pokies) in pubs and clubs (i.e. outside a casino) which may only be conducted by a corporate society and only to raise money for an authorised (i.e. community and non-commercial) purpose.

**Commercial Zones**

As defined in the operative Timaru District Plan.

**Community Facility**

Any building, place or facility which provides for the physical, social, cultural or intellectual development or welfare of the community, including but not limited to; public playgrounds; recreational halls; community centres; community halls; libraries; museums; and public swimming pools.

**Gambling Venue**

Any Class 4 gambling venue or TAB New Zealand venue/s.

**Residential Zones**

As defined in the operative Timaru District Plan.

**Sensitive Site**

Any childhood centre, kindergarten, school, place of worship or community facility.

**TAB New Zealand venue/s**

Means premises owned or leased by TAB New Zealand and where the main business carried on at the premises is providing racing betting, sports betting, or other racing or sports betting services.

## Proposed Changes

Council is not proposing any changes to this policy at this time.

This is because the current policy appears to effectively balance the desired objective to minimise problem gambling harm while enabling the legitimate participation in gambling.

This view is consistent with the findings of the independent Social Impact Assessment and broader community feedback received to date.

## Other Potential Policy Options

OPTIONS	ADVANTAGES AND DISADVANTAGES
<p><b>Introduce a Sinking Lid</b></p> <ul style="list-style-type: none"> <li>A sinking lid means that no new consents will be issued by Council, and that the number of venues and machines will decrease over time through attrition.</li> <li>Venues will not be able to increase their number of machines.</li> <li>Gaming machines will not be able to be transferred to another venue if one venue closes.</li> <li>Consent will not be given for venue relocations.</li> </ul>	<ul style="list-style-type: none"> <li>Over time, this would lead to a decrease in the number of venues and machines in the Timaru District, potentially reducing the harm caused by problem gambling, while still allowing for existing venues to continue to operate.</li> <li>If a venue is unable to continue operating in its current location (for example, due to fire or a building lease not renewed), the venue would not be able to relocate its machines to any other venue.</li> <li>A sinking lid policy takes time to have an effect on the total number of gaming machines and is reliant on current venues closing down.</li> <li>May discourage some hospitality businesses from establishing within the District if they are unable to have gaming machines and negatively affect employment opportunities in the hospitality industry.</li> <li>May reduce over time the level of funding available in the Timaru District from charitable trusts operating gambling machines.</li> </ul>
<p><b>Employ other capping options</b></p> <ul style="list-style-type: none"> <li>Capping the total number of gaming machines in the District.</li> <li>Reduce the cap on the number of machines each new venue may operate.</li> <li>Impose a density cap so that certain areas of the District may not exceed a certain number of venues or gaming machines.</li> </ul>	<ul style="list-style-type: none"> <li>A District wide cap on machines would ensure that no further potential for gambling harm is created.</li> <li>A reduction in the cap on machines per venue may further reduce the potential for problem gambling by minimising the potential proliferation of machines in the District.</li> <li>May discourage some hospitality businesses from establishing within the District if they are unable to have gaming machines and negatively affect employment opportunities in the hospitality industry.</li> <li>May reduce over time the level of funding available in the Timaru District from charitable trusts operating gambling machines.</li> <li>A density cap may help ensure that the temptation to gamble is limited in communities that are known to be more vulnerable to the effects of problem gambling.</li> <li>It can be administratively difficult to create density rules that are effective and remain up-to-date.</li> <li>A density cap may not be effective given the current proliferation of gaming venues.</li> </ul>
<p><b>Ease current Restrictions</b></p> <ul style="list-style-type: none"> <li>Increase the number of machines allowed at each venue to the legislative maximum (18 machines for venues holding a licence prior to 17 October 2017; 9 machines for venues holding a licence issued after this date).</li> </ul>	<ul style="list-style-type: none"> <li>This approach would be more enabling for businesses, allowing a greater number of machines within the District as a whole, and possibly in each venue. As such, it may help enhance the benefits of gambling, including the economic success of local businesses, social enjoyment, and the availability of community funding for the District.</li> <li>However, this option might result in an increase in the current levels of gambling harm, which is not consistent with the general objectives of the legislation or policy.</li> </ul>
<p><b>Amend rules for sensitive sites</b></p> <ul style="list-style-type: none"> <li>Increase or decrease the scope and number of premises or facilities which are defined as sensitive sites.</li> </ul>	<ul style="list-style-type: none"> <li>This option would be more protective of perceived vulnerable sites by expanding the definition of a sensitive site. A sensitive site is currently defined as, "any childhood centre, kindergarten, school, place of worship or community facility". For example, marae could be included within this definition.</li> <li>However, increasing the scope of the definition could be restrictive on businesses and reduce any economic benefits of gambling.</li> <li>Making the definition of a sensitive site too prescriptive could reduce the ability of licencing officers to apply appropriate discretion and judgement to achieve the outcomes of the legislation and this policy.</li> </ul>



## Have your say

### Let us know what you think about our draft policies.

You can do this by:

- Completing the online feedback form at <https://www.timaru.govt.nz/tell-us/current-consultations>, or;
- Completing the submission form at the end of this document and posting it back to Council, or;
- Completing the submission form at the end of this document, scanning it and emailing it to [submissions@timdc.govt.nz](mailto:submissions@timdc.govt.nz).

### Want more information?

#### Submissions close Friday 11 November at 5pm.

If you have any questions about the draft policy, contact Debbie Fortuin (Environmental Compliance Manager) via email: [gambling@timdc.govt.nz](mailto:gambling@timdc.govt.nz)

If you have any questions about the submissions process, contact Brendan Madley or Mark Low via email: [submissions@timdc.govt.nz](mailto:submissions@timdc.govt.nz)

Alternatively, contact us via telephone: 07 687 7200

The Social Impact Assessment can be read at [www.timaru.govt.nz/tell-us/current-consultations](http://www.timaru.govt.nz/tell-us/current-consultations)

### Timeline

#### 10 October 2022 – 11 November 2022

Consultation period

#### 11 November 2022

Submissions close at 5pm

#### To be confirmed

Council considers submissions (public hearings if required)

#### 6 December 2022

Council decision on Gambling Venue Policy



# Policy Review Consultation Submission Form

First name:.....

Last name:.....

Organisation (if applicable):.....

Phone (landline or mobile):.....

Email address:\*. .....

Postal address:\*. .....

.....

.....

## How to return this form via FreePost

Complete your details and your feedback sections.

Put your form in a sealed envelope and address to:

FreePost Authority Number 95136  
 Policy Review Consultation  
 Timaru District Council  
 PO Box 522  
 TIMARU 7940

\*we require your email address and/or your physical postal address.

## Your feedback

Do you want to speak about your submission at a Council Hearing?  
 (tick a circle)\*\*:  Yes  No

\*\*must complete. If you do not complete, we will assume you do not wish to speak.

Do you support the draft Gambling Venue Policy as presented?  
 (tick a box):  Yes  No

Comments:.....

.....

.....

.....

.....

What changes, if any, would you like to see in the Policy?

.....

.....

.....

.....

### Need more room?

Please use extra paper if required and attach with your submission.

### Privacy Statement

All submissions will be included on Council’s website or in public documents, at Council offices and Libraries/ Service Centres, and on Council’s website. This will include, by default, the personal information that you have provided such as your name and contact details being publicly available.

However, if you DO NOT want your personal information to be public in this way, please tick here:

Your personal information will still be accessible to, and used by, Council staff for submission administration purposes such as contacting you if you want to speak at the Council hearing.

All information is held by Council, and you have the right to access and correct personal information.



Timaru District Council  
2 King George Place  
PO Box 522, Timaru 7940  
T (03) 687 7200  
E [enquiry@timdc.govt.nz](mailto:enquiry@timdc.govt.nz)  
Temuka Service Centre  
72-74 King Street, Temuka  
T (03) 687 7591  
Geraldine Service Centre  
73 Talbot Street, Geraldine  
T (03) 693 9336





### 9.3 Timaru Water Microfiltration Plant

**Author:** Grant Hall, Drainage & Water Manager

**Authoriser:** Andrew Dixon, Group Manager Infrastructure

#### Recommendation

- 1 That Council approves the acceleration of the construction of a water filtration system for the Timaru Urban drinking water supply with investigation and design to commence immediately and construction start planned for 2023/24 financial year.
- 2 That Council endorses that the plant filtration capacity meet the full daily drinking water demand of 30 ML/day and that the additional cost of up to \$14 million be noted.

#### Purpose of Report

- 3 The purpose of this report is to provide an update on the status of the project to upgrade the Timaru water supply treatment plant with a membrane filtration plant.

#### Assessment of Significance

- 4 This matter at this point is considered to be of medium to low significance in terms of the Timaru District Council Significance and Engagement policy. This project is consistent with the Long Term Plan 2021-31. The impact on residents and communities is low as there is no change to levels of service. The project is in the scoping phase and cost estimates are 'rough order of cost'. However as the project progresses the cost impact is likely to be high, generating community interest and the significance may increase requiring further consideration of the significance at that subsequent stage.

#### Background

- 5 The Timaru urban public water supply sources consist of a direct surface intake from the upper Pareora River and an infiltration gallery adjacent to the Opihi River near Pleasant Point. Both of these water sources are subject to reductions in water quality during rainfall/flood events and a reduction in yield during dry periods.
- 6 Water from these sources is treated at the Water Treatment Plant (WTP) located at Claremont. This facility in general provides disinfection-only treatment of the water using ozone and chlorine. Under the Drinking Water Standards for New Zealand, this level of treatment is acceptable (in terms of water quality) if the source water turbidity does not significantly exceed 1 Nephelometric Turbidity Unit (NTU), the unit used to measure the presence of suspended particles in the water. This is dependent on a number of factors such as the organic content of the source water (usually measured by ultraviolet light transmissivity), the contact time that is provided for the disinfection process and the temperature of the water.
- 7 The design of the WTP and how it is operated is such that if the water sources are not providing water that is suitable for the existing WTP, then the raw water is not taken, and the WTP operates using stored water (both raw and treated). By national standards Timaru has

comparatively significant storage provided at the Claremont site (226 ML) – sufficient for approximately 11 days at average daily demand (20 ML/d) if storage is full. The daily demand during wet events is usually less than average.

- 8 In the last four years there have been two significant events that have resulted in the storage levels being severely depleted due to the poor quality of the raw water sources as a consequence of rainfall and flooding events. This necessitated significant and intensive management of the raw water sources and heightens significantly the risk that the existing treatment would not be compliant. In cases of non-compliance a precautionary boil water notice would need to be issued.
- 9 In the latest event in July this year the storage was depleted to its lowest level on record, and to a point where there was no realistic alternative other than to take the source water. In the event the WTP was able to maintain compliance but again only with significant and intensive intervention and management by employees. In the following few weeks, in order to meet demand, source water was taken which in the ordinary course of events would not be taken but which again with careful and intensive management ensured full compliance with drinking water standards was maintained. It is noted that at all times the Timaru water supply met drinking water standards.
- 10 Nonetheless, issuing a precautionary boil water notice was a realistic and planned for possibility, and it would have undoubtedly resulted in significant issues for many consumers.
- 11 Several options have been considered previously as part of assessments to enhance the resilience of the Timaru Water Supply, building on the 30 year water strategy investigations from 2015. Some of this work has been implemented, such as the investment in the replacement of the Pareora Pipeline.
- 12 Other options included:
  - Deep groundwater source in Levels plains
  - Deep groundwater source in the vicinity of Claremont
  - River water from south of South Canterbury
  - River water from the Orari River
  - Additional water storage (at Landsborough)
  - Demand management (metering)
  - Low volume water filtration treatment facility
  - Current capacity water filtration treatment facility
- 13 An independent study completed by Jacobs Consultants concluded that there was sufficient supply of water but climate change will have an impact with more frequent and higher intensity rainfall events. This will result in longer periods of discoloured water that currently the Timaru water plant is unable to treat to ensure compliance with mandatory drinking water standards.
- 14 Two options have been included in the Long Term Plan adopted by Council. The first is the construction of a water filtration treatment facility at Claremont during 2024/25 and 2025/26 financial years and the second the introduction of demand management through universal water metering from 2024/25 to 2026/27.

- 15 These two options together will mitigate the issues of increased risk of poor source water quality due to rainfall/flooding and insufficient water during droughts, by respectively being able to treat the water regardless of the quality and delaying significantly the need to commission an additional water source by reducing demand.

### **Discussion**

- 16 The recent July 2022 prolonged poor raw water quality from both river sources challenged the Claremont WTP to treat the water to required drinking water standards. It also illustrated the significant risk to Council's ability to provide reliable compliant drinking water in more challenging and changing climatic conditions which are modelled to become more frequent.
- 17 Council has requested that the investigation, design and construction of a new water filtration treatment facility be accelerated, so as to have a treatment plant in place that would significantly mitigate the risk of having to issue a boil water notice for the Timaru water supply.
- 18 WSP consultants have been engaged to undertake scoping and feasibility works to identify the scope of works required to implement the proposed upgrade, confirm the feasibility of the upgrade to be constructed (whilst keeping the existing WTP operational) and estimate the likely capital cost of the project.
- 19 This work will confirm that a membrane filtration plant will provide the strategic and operational outcomes that Council require for the Timaru water supply. This initial scoping and feasibility work is programmed for completion before the end of 2022 calendar year.
- 20 There have been significant cost increases in the last two years, especially in the area of three waters plant and equipment. Supply lines for specialist equipment sourced from overseas have also been severely disrupted in recent times. This had led to some uncertainty with the proposed upgrade cost estimate.
- 21 The Rough Order of Costs for a 30 ML/d membrane filtration plant constructed at the Claremont site is currently estimated at between \$22M and \$30M.
- 22 A review of the procurement options for the proposed treatment upgrade will also be completed. It is intended that a procurement strategy is approved by Council early 2023, and implemented as soon as reasonably possible.

### **Options and Preferred Option**

- 23 Option 1 is to proceed with the Timaru water treatment plant upgrade as a priority providing adequate capacity to meet daily drinking water demands that will improve resilience by significantly reducing the risk of future water quality and supply issues. This will require additional funding. Option 1 is the preferred option.
- 24 Option 2 is to implement a Timaru water treatment plant upgrade at a priority but with a reduced capacity. This will require continued reliance on water storage and some continued risk of drinking water quality issues that potentially could result in the inability to meet required drinking water standards that would require a boil water notice and water restrictions. This option may not require additional funding.
- 25 Option 3 is to continue with the timeframes and cost in the current Long Term Plan noting the risk of the Timaru urban supply potentially failing to meet drinking water standards for short periods.

**Consultation**

- 26 The project supports the Council community wellbeing outcomes, contributing to an Enhanced Lifestyle by ensuring safe drinking water and providing resilient infrastructure, and investing in a high-quality water treatment system that meets the future needs of our community.
- 27 However, this project is a significant cost and further engagement with the community may need to be undertaken particularly noting the competing Community Infrastructure projects planned and financial affordability.
- 28 It is proposed that further community consultation is undertaken through the next Annual Plan development.

**Relevant Legislation, Council Policy and Plans**

- 29 Timaru District Council Long Term Plan 2021-31
- 30 Water Services Act 2021
- 31 Government 3 Waters Reform proposal.

**Financial and Funding Implications**

- 32 The 2021-2031 Long Term Plan has a budget amount for Claremont WTP upgrade of \$15.6M (not including any adjustments for inflation), for a micro filtration solution treating in the order of 15 M/l per day. The likely cost in this post-Covid environment is significantly higher than the current budget with an additional \$7M to \$14M required.
- 33 Adjustments of budgets will need to be considered in the next Council Long Term Plan if the Claremont WTP Upgrade proceeds as proposed.
- 34 This is a significant infrastructure project and the cost is also significant. This project will be loan funded and priorities will need to be considered.

**Other Considerations**

- 35 Without investment in a microfiltration plant there is a significant risk to Timaru's current water supply and it being perceived as unreliable with frequent water restrictions. This risk is heightened by the challenging and changing climatic conditions and variable quality of raw water in times of peak flow or dry periods. Further, the level of service demands have increased and there is less community tolerance of water restrictions or poor water quality. A reliable good quality water supply is also essential to build future resilience and support sustainable growth.
- 36 The proposed Government Water reforms and loss of Council control may lower the priority of providing Timaru with reliable water supply as there may be higher priorities elsewhere. The acceleration of this project will ensure this upgrade is implemented provides a robust future water supply for Timaru.

**Attachments**

Nil

**9.4 Venture Timaru Financial Year 2021/22 Draft Annual Report 1 July - 30 June 2022****Author: Ann Fitzgerald, Corporate Planner****Authoriser: Jason Rivett, Acting Group Manager Commercial & Strategy****Recommendations**

1. That Council receives and notes the Venture Timaru draft Annual Report for the financial year 1 July 2021 - 30 June 2022 with particular attention to:
  - (a) the 1 July 2021 – 30 June 2022 financial results
  - (b) the non-financial performance indicator results
  - (c) the annual service highlights

**Purpose of Report**

1. The purpose of this report is to provide an overview of the Venture Timaru activities for the financial year 1 July 2021 – 30 June 2022. This includes a financial summary, non-financial monitoring indicator results and service highlights for the year.
2. The Venture Timaru year-end audit has been delayed by the auditors. The final Venture Timaru Annual Report will be provided to Council upon completion of the audit.
3. Presentation of the draft Annual Report provides Council with an interim overview of the performance for the year prior to the October 2022 local body elections. A copy of the draft report is attached.

**Assessment of Significance**

4. This matter is considered to be of low significance in terms of Council's Significance and Engagement Policy. This is a regular report to the Council on progress of Venture Timaru against its Statement of Intent which is approved by Council annually.

**Financial Results**

5. This section summarises the key financial results for the year:
  - i. The unaudited pre-tax operating surplus is \$92,275. This is significantly more than budgeted, due to receipt of additional central government and tourism funding. The initiatives commenced as a result of this additional funding are still underway at year end.
  - ii. Operating expenses were over budget, but again this reflects the additional funding received for new initiatives.
  - iii. Total Revenue was \$2,941,372, with \$990,000 sourced from Timaru District Council. The remainder was sourced from central government and the provincial development unit.
  - iv. As a non-profit organisation, Venture Timaru does not generate income or a dividend for its shareholder Timaru District Council.

**Non-Financial Performance Indicator Results**

6. The monitoring indicator results for the year are as follows:

1

2

Indicator	Result
GDP Contribution Timaru District vs NZ	GDP in Timaru District was provisionally up 5.1% for the year to June 2022, compared to the previous year. This is higher than growth in the Canterbury region (3.6%), and nationally (0.9%).
Unemployment Rate - Timaru District vs NZ	Annual average unemployment rate in the Timaru District was 3.1% for the year to June 2022, compared to 4.1% in the previous year. This is lower than the Canterbury region (3.4%) and nationally (3.3%).
Housing Affordability Timaru vs like areas (median multipliers - dividing median household income into median house price)	As of July 2022 the Timaru District multiplier was 5.95x (median income \$89,000, median house price \$506,000).  This compares favourably to most other areas nationally – Auckland 10.78x, Christchurch 6.89x, Dunedin 7.03x, Nelson 8.84x and Palmerston North 7.23x. Nationally the multiplier is 7.01x.
Consumer and Visitor Spend	Consumer spend (electronic card) - 4% increase for the year to June 2022 to \$679M, compared to \$653M in the previous year. This is higher than the Canterbury region (2.8%), and no change nationally.  Tourism expenditure – 0.6% increase for the year to June 2022. This is higher than the Canterbury region (-2.7%) and nationally (-6.6%).

7. Performance indicators include:

- i. Value of Venture Timaru interactions with local businesses
- ii. Value of Venture Timaru work to shareholder
- iii. Value of Venture Timaru work to wider stakeholders
- iv. Ease of doing business in Timaru District.

Commentary from Venture Timaru regarding the achievements for these indicators is included in the attached draft Annual Report.

**Service Highlights**

8. The key service highlights for the year are outlined in the attached report. Of particular note are:

- i. Partnering with PrimePort and Timaru District Council to secure the Scott Base redevelopment rebuild
- ii. The launch of new tourism products and events
- iii. Enhanced central government relationships

- iv. A refresh of the existing Economic Development Strategy, and completion of a new Destination Management Plan.

**Consultation**

9. Consultation is not required on this matter. The year end results will be publically reported in the Venture Timaru Annual Report and the Timaru District Council Annual Report.

**3 Relevant Legislation, Policy and Plans**

10. Venture Timaru of Intent 2021/22
11. Local Government Act 2002
12. Timaru District Council Long Term Plan 2021-31

**Financial and Funding Implications**

13. There are no financial or funding implications as a result of reporting the year end results to Council.

**Other Considerations**

14. There are no other considerations.

**Attachments**

1. **Venture Timaru draft Annual Report for year ended 30 June 2022**  

**Venture Timaru Limited**

**Performance Report**

**For the year ended  
30 June 2022**

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**Venture Timaru Limited**  
**Entity Information**  
 "Who are we?", "Why do we exist?"  
 For the year ended  
 30 June 2022

Legal Name of Entity:	Venture Timaru Limited
Other Name of Entity (if any):	Trading as Venture Timaru
Type of Entity and Legal Basis (if any):	New Zealand Registered Company
Registration Number:	2515190

**Entity's Purpose or Mission:**  
 To facilitate and support smart, sustainable economic development. The purpose of Local Economic Development (LED) is to build up the economic capacity of a local area to improve its economic future and the quality of life for all. It is a process by which public, business and non governmental sector partners work collectively to create better conditions for economic growth and employment generation. Involves short and long term strategies out 10-20 years. As from end of April 2020 the Visitor & Tourism Agency transitioned back to Venture Timaru Limited from Timaru District Council. The purpose to deliver tourism & business services for the district.

**Entity Structure:**  
 The Chief Executive is employed by the board and is responsible for the day to day operations and the staff employed. The board approves the strategic/annual plan and budget which are aligned to the Statement of Intent, jointly agrees with and approved by Timaru District Council. Venture Timaru board meetings held monthly with a set agenda which includes CE's monthly report and monthly management accounts.

Venture Timaru Limited  
Entity Information  
"Who are we?", "Why do we exist?"  
For the year ended  
30 June 2022

Contact details

Physical Address:	2 Sefton Street East, Timaru 7910
Postal Address:	PO Box 560 Timaru 7940
Phone/Fax:	03 687 2682
Email/Website:	enquiries@venturetimaru.nz www.venturetimaru.nz
	<a href="https://www.facebook.com/venturetimaru">www.facebook.com/venturetimaru</a>

**Venture Timaru Limited  
Trading as  
Venture Timaru  
ANNUAL REPORT**

Your directors present their report on the performance report for the year ended 30 June 2022

**Principal Activities**

Regional Development and Promotion

**Results**

	2022	2021
Operation Profit/(Loss) after income tax		\$ 49,851

**Dividends**

No payment of any dividend for this year is recommended by the directors.

**Directors**

The following persons held office as a director at the date of this report:

**Remuneration**

Remuneration and other benefits paid or due and payable to directors for services as a director during the year, are as follows:

	2022	2021
<b>Directors Fees</b>		
Mark Francis Rogers ( <i>ceased 6/12/2021</i> )	\$ 6,250	\$ 15,000
Nicola Alice Orbell Hyslop ( <i>ceased 7/12/2020</i> )	\$ -	\$ 5,000
Warren Michael Park ( <i>ceased 1/3/2021</i> )	\$ -	\$ 7,500
Raeleen Elva de Joux	\$ 10,000	\$ 10,000
Erin Mary McNaught	\$ 10,000	\$ 10,000
Allan Peter Booth	\$ 10,000	\$ 10,000
Anthony Raymond Brien	\$ 10,000	\$ 2,500
Anthony Charles Howey	\$ 12,916	\$ 2,500
Stacey Alice Scott	\$ 10,000	\$ 2,500
Karl Riki Te Raki	\$ 10,000	\$ 2,500
	<b>\$ 79,166</b>	<b>\$ 67,500</b>

**Directors' Benefits**

No director of the company has received during the year, or has become entitled to receive a benefit (other than a benefit included in the directors' remuneration shown in the financial statements).

**Interests register**

Directors' interests are duly noted in the interests register and are fully acceptable to the Company

**Employee Remuneration**

One employee received remuneration between \$160,001 and \$170,000 during the year

Director		Date
----------	--	------

**Venture Timaru Limited**  
**Statement of Financial Performance**  
 "How was it funded?" and "What did it cost?"  
 For the year ended  
 30 June 2022

	Note	Actual This Year \$		Actual Last Year \$
<b>Revenue</b>				
Funding from central & local government	1	2,840,153		3,167,739
Revenue from non governmental sources for providing goods or services	1	87,972		35,664
Interest, dividends and other investment revenue	1	13,247		4,288
<b>Total Revenue</b>		<b>2,941,372</b>	<b>-</b>	<b>3,207,691</b>
<b>Expenses</b>				
Employee related costs*	2	499,097		455,696
Costs related to providing goods or services*	2	646,721		617,492
Other expenses	2	22,559		23,655
Special Projects	2	1,680,720		2,028,539
<b>Total Expenses</b>		<b>2,849,097</b>	<b>-</b>	<b>3,125,382</b>
<b>Net Profit before Tax</b>		<b>92,275</b>		<b>82,309</b>
<b>Less Provision for Tax</b>		<b>2</b>		<b>32,457</b>
<b>Surplus/(Deficit) for the Year</b>		<b>92,273</b>	<b>-</b>	<b>49,852</b>

This statement should be read in conjunction with the accompanying accounting policies, notes to the performance report and independent auditor's report.

**Venture Timaru Limited**  
**Statement of Financial Position**  
 "What the entity owns?" and "What the entity owes?"  
 As at  
 30 June 2022

	Note	Actual This Year \$		Actual Last Year \$
<b>Assets</b>				
<b>Current Assets</b>				
Bank accounts and cash	3	1,178,592		945,252
Debtors and prepayments	3	127,981		56,009
	3	-		-
Other current assets	3	828,160		324,218
<b>Total Current Assets</b>		<b>2,134,733</b>		<b>1,325,479</b>
<b>Non-Current Assets</b>				
Property, plant and equipment	4	49,482		58,702
Other non-current assets	3	619		1,239
<b>Total Non-Current Assets</b>		<b>50,101</b>		<b>59,941</b>
<b>Total Assets</b>		<b>2,184,834</b>		<b>1,385,420</b>
<b>Liabilities</b>				
<b>Current Liabilities</b>				
Creditors and accrued expenses	3	113,918		207,168
Employee costs payable	3	67,987		53,913
Unused donations and grants with conditions*	3	1,528,497		742,180
<b>Total Current Liabilities</b>		<b>1,710,402</b>		<b>1,003,261</b>
<b>Total Liabilities</b>		<b>1,710,402</b>		<b>1,003,261</b>
<b>Total Assets less Total Liabilities (Net Assets)</b>		<b>474,432</b>		<b>382,159</b>
<b>Accumulated Funds</b>				
Capital contributed by owners	5	260,077		260,077
Accumulated surpluses or (deficits)	5	214,355		122,082
Reserves		-		-
<b>Total Accumulated Funds*</b>		<b>474,432</b>		<b>382,159</b>

This performance report has been approved by the Board, for and on behalf of  
 Venture Timaru Ltd:

Date

Signature

Name

Position

This statement should be read in conjunction with the accompanying accounting policies, notes to the performance report and independent auditor's report.

**Venture Timaru Limited**  
**Statement of Cash Flows**  
 "How the entity has received and used cash"  
 For the year ended  
 30 June 2022

	Actual This Year \$		Actual Last Year \$
<b>Cash Flows from Operating Activities</b>			
<b>Cash was received from:</b>			
Funding from central & local government	3,628,670		3,820,760
Receipts from non governmental sources for providing goods or services	10,820		5,944
Interest, dividends and other investment receipts (net)	6,964		4,954
Tax refund - RWT			1,514
Net GST	-		48,396
<b>Cash was applied to:</b>			
Payments to suppliers and employees	2,833,598		2,971,091
Donations or grants paid			
Terminal tax paid	16,247		
Prov tax paid	11,372		
net GST	45,992		-
<b>Net Cash Flows from Operating Activities</b>	<b>739,245</b>	<b>-</b>	<b>910,477</b>
<b>Cash flows from Investing and Financing Activities</b>			
<b>Cash was received from:</b>			
Receipts from investments maturing	100,284		72,215
<b>Cash was applied to:</b>			
Payments to acquire property, plant and equipment	6,189		15,740
Payments to purchase investments	600,000		200,407
<b>Net Cash Flows from Investing and Financing Activities</b>	<b>(505,905)</b>	<b>-</b>	<b>(143,932)</b>
<b>Net Increase / (Decrease) in Cash</b>	<b>233,340</b>	<b>-</b>	<b>766,545</b>
Opening Cash	945,252		178,707
Closing Cash	1,178,592	-	945,252
<b>This is represented by:</b>			
Bank Accounts and Cash	1,178,592	-	945,252

This statement should be read in conjunction with the accompanying accounting policies, notes to the performance report and independent auditor's report.

**Venture Timaru Limited**  
**Statement of Accounting Policies**  
**"How did we do our accounting?"**  
 For the year ended  
 30 June 2022

**Basis of Preparation**

Venture Timaru Limited has elected to apply PBE SFR-A (NFP) Public Benefit Entity Simple Format Reporting - Accrual (Not-For-Profit) on the basis that it does not have public accountability, and although this year it has total expenses of over \$2,000,000, the previous years have been less than \$2,000,000 and therefore Venture Timaru Limited still complies. All transactions in the Performance Report are reported using the accrual basis of accounting. The Performance Report is prepared under the assumption that the entity will continue to operate in the foreseeable future.

**Goods and Services Tax (GST)**

All amounts are recorded exclusive of GST, except for Accounts Receivable and Accounts Payable which are stated inclusive of GST.

**Bank Accounts and Cash**

Bank accounts and cash in the Statement of Cash Flows comprise cash balances and bank balances (including short term deposits) with original maturities of 90 days or less.

**Trade Receivables**

Trade Receivables are recognised at estimated realisable value.

**Fixed Assets**

Plant & Equipment are depreciated over their useful lives on either a straight line or diminishing value.

**Revenue (Government Grants)**

Revenue is measured at the fair value of the consideration received. Contributions received from the Timaru District Council were the company's primary source of funding for the year ended 30 June 2022. Contributions are recognised as revenue when they become receivable unless there is an obligation to return funds if conditions of the contribution are not met. No such obligation is attached to the Council contributions received.

**Interest**

Interest is recognised on the accruals basis.

**Investment Policy**

Term deposits with banks are recognised at cost. Term deposits with original maturities of three months or less are classified as cash and bank, term deposits with maturities greater than three months but less than one year are current assets. Investments with maturities in excess of one year are non current assets.

**Employee Benefits**

Defined contribution Schemes - Kiwi Saver. Contributions to defined pension schemes are charged to the consolidated statement of profit or loss and other comprehensive in the year to which they relate. Other employee benefits that are expected to be settled wholly within 12 months after the end of the reporting period are presented as current liabilities. Non vesting benefits such as sick leave are not recognised.

**Accounts payable and other accruals**

Accounts payable and other accruals represent liabilities for goods and services provided to the company prior to the end of the financial year which are unpaid. Accounts payable are recorded at the amount of cash required to settle those liabilities. The amount are unsecured and are usually paid within 30 days of recognition.

**Intangible Assets**

The company has a website with an indefinite useful life. It is an externally generated intangible. The asset is assessed for impairment of its operating potential annually, and any impairment is presented in the financial performance.

**Leases**

The company leases office premises, motor vehicles and equipment.

**Income Tax Liability**

Deferred tax is calculated in full on temporary differences under the liability method using a tax rate of 28% (2021:28%)  
 Deferred tax assets have been recognised in respect of all tax losses and other temporary differences giving rise to deferred tax assets where the directors believe it is probable that these assets will be recovered.  
 Unused tax losses have an indefinite useful life.

**Imputation Credit Account**

Imputation credits available to shareholders at 31 March 2022: \$ (last year: \$44,073)

**Tier 2 PBE Accounting Standards Applied**

The company has elected to apply Tier 2 PBE Accounting Standards for reporting income taxes.

**Changes in Accounting Policies**

There have been no changes in accounting policies during the financial year (last year - nil)

**Venture Timaru Limited**  
**Notes to the Performance Report**  
 For the year ended  
 30 June 2022

**Note 1 : Analysis of Revenue**

Revenue Item	Analysis	This Year \$	Last Year \$
Funding from central & local government	TDC Regional Development Grant	640,000	640,000
	TDC Tourism Grant	350,000	350,000
	TDC Stimulus Fund	-	149,990
	TDC Events Support Fund	153,801	-
	MSD CoDrivR Simulator Pilot Programme	85,000	-
		108,750	155,000
	Ministry of Education - Educational events	7,800	14,908
	Local Government Mayoral Fund	-	3,000
	MBIE-Strategic Tourism Assets Protection Programme and Tourism Support, Recovery and Reset Programme	299,553	286,898
	MBIE - PGF - Road Transport Certificate	133,000	300,000
	MBIE - PGF - capability funding	14,581	39,588
	MBIE-PGF- Regional Apprenticeship Initiative	941,765	1,228,355
	MBIE -Regional Events Fund	103,983	-
	WINZ - wage subsidy	1,920	-
	<b>Total</b>		<b>2,840,153</b>

Revenue Item	Analysis	This Year \$	Last Year \$
Revenue from non government sources for providing goods and services	Other Income	87,972	35,664
	<b>Total</b>		<b>87,972</b>

This Year	Last Year
This Year	Last Year

Revenue Item	Analysis	This Year \$	Last Year \$
Interest, dividends and other investment revenue	Interest and dividends	13,247	4,288
	<b>Total</b>		<b>13,247</b>



**Venture Timaru Limited**  
**Notes to the Performance Report**  
 For the year ended  
 30 June 2022

Note 2 : Analysis of Expenses

Expense Item	Analysis	This Year \$	Last Year \$
--------------	----------	-----------------	-----------------

Expense Item	Analysis	This Year \$	Last Year \$
Employee related costs	ACC levies	1,030	603
	Directors Fees	79,167	67,500
	Salaries and Wages	418,900	387,593
	<b>Total</b>	<b>499,097</b>	<b>455,696</b>

Expense Item	Analysis	This Year \$	Last Year \$
Costs related to providing goods or services	Administration and overhead costs	205,749	214,584
	Tourism Administration	440,972	402,908
	<b>Total</b>	<b>646,721</b>	<b>617,492</b>

Expense Item	Analysis	This Year \$	Last Year \$
Other Expenses	Transport & Logistics	90,702	250,507
	Education to Employment / Youth Initiative	127,046	168,191
	Regional Apprenticeship Initiative	941,765	1,228,355
	Strategic Tourism Asset Protection Programme and		
	Tourism Support, Recovery and Reset programme	299,553	286,898
	REF	103,983	-
	Special Projects	117,671	94,588
	<b>Total</b>	<b>1,680,720</b>	<b>2,028,539</b>

Expense Item	Analysis	This Year \$	Last Year \$
Other expenses	Audit fees	7,090	6,800
	Depreciation	14,230	15,171
	Impairment charges	1,239	1,238
	Loss on assets written off	-	446
	<b>Total</b>	<b>22,559</b>	<b>23,655</b>

**Venture Timaru Limited**  
**Notes to the Performance Report**  
 For the year ended  
 30 June 2022

**Note 3 : Analysis of Assets and Liabilities**

Asset Item	Analysis	This Year \$	Last Year \$
Bank accounts and cash	Cheque account balance	72,842	29,942
	Call account balance	363,938	174,453
	ASB	49	54
	Petty Cash	200	200
	ASB Investment	741,563	340,274
	BNZ Investment	-	400,329
	<b>Total</b>		<b>1,178,592</b>

Asset Item	Analysis	This Year \$	Last Year \$
Debtors and prepayments	Accounts receivable	78,123	30,096
	Prepayments	25,790	25,316
	Accrued income	9,986	597
	Income Tax Receivable	14,082	
	<b>Total</b>		<b>127,981</b>

Asset Item	Analysis	This Year \$	Last Year \$
Inventory			
	<b>Total</b>		

Asset Item	Analysis	This Year \$	Last Year \$
Other current assets	BNZ Investment	744,352	241,039
	ASB Investment	83,808	83,179
	<b>Total</b>	<b>828,160</b>	<b>324,218</b>

Asset Item	Analysis	This Year \$	Last Year \$
Other non-current assets	Website	619	1,239
	<b>Total</b>	<b>619</b>	<b>1,239</b>

**Venture Timaru Limited**  
**Notes to the Performance Report**  
 For the year ended  
 30 June 2022

**Note 3 : Analysis of Assets and Liabilities**

Liability Item	Analysis	This Year \$	Last Year \$
Creditors and accrued expenses	Trade and other payables	66,868	142,824
	GST Payable	47,050	48,099
	Income Tax Payable		16,245
<b>Total</b>		<b>113,918</b>	<b>207,168</b>

Liability Item	Analysis	This Year \$	Last Year \$
Employee costs payable	Accrued wages	18,751	16,621
	Accrued holiday pay	32,590	20,743
	PAYE payable	16,646	16,549
<b>Total</b>		<b>67,987</b>	<b>53,913</b>

Liability Item	Analysis	This Year \$	Last Year \$
Unused donations and grants with conditions	PGF Capability Funding Rec'd in Advance		14,581
	MBIE - STAPP & TSRR Funding unallocated	513,549	113,102
	Regional Events Funding unallocated	16,277	120,260
	TDC Events Support Grant unallocated	76,199	-
	MBIE PGF Transport Cert unused	-	33,000
	NELP Funding received in advance	15,000	-
	Vocational Event Funding received in advance	9,592	9,592
	MBIE - RAI Funding received in advance	897,880	451,645
<b>Total</b>		<b>1,528,497</b>	<b>742,180</b>

**Venture Timaru Limited**  
**Notes to the Performance Report**  
 For the year ended  
 30 June 2022

**Note 4 : Property, Plant and Equipment**

This Year					
Asset Class	Opening Carrying Amount	Purchases	(Sales/Disposal)	(Current Year Depreciation and Impairment)	Closing Carrying Amount
Plant	8,318			1,664	\$ 6,654
Office Fitout	13,357			1,452	11,905
Furniture and fixtures	20,616	1,488		2,854	19,250
Office equipment	1,541			518	1,023
Computers/ Electronic equipment	14,870	4,142		8,362	10,650
<b>Total</b>	<b>58,702</b>	<b>5,630</b>	<b>0</b>	<b>14,850</b>	<b>49,482</b>

Last Year					
Asset Class	Opening Carrying Amount	Purchases	(Sales/Disposal)	(Current Year Depreciation and Impairment)	Closing Carrying Amount
Plant	10,397			2,079	8,318
Office Fitout	14,989			1,632	13,357
Furniture and fixtures	21,979	1,654		3,017	20,616
Office equipment	2,857	-	446	870	1,541
Computers (including software)	7,683	14,759		7,572	14,870
<b>Total</b>	<b>57,905</b>	<b>16,413</b>	<b>446</b>	<b>15,170</b>	<b>58,702</b>

**Venture Timaru Limited**  
**Notes to the Performance Report**  
 For the year ended  
 30 June 2022

**Note 5: Accumulated Funds**

This Year				
Description*	Capital Contributed by Owners or Members	Accumulated Surpluses or Deficits	Reserves	Total
Opening Balance	260,077	122,082	-	382,159
				-
Surplus/(Deficit)		92,273		92,273
Closing Balance	260,077	214,355	-	474,432

Last Year				
Description	Capital Contributed by Owners or Members	Accumulated Surpluses or Deficits	Reserves	Total
Opening Balance	260,077	72,230	-	332,307
Capital contributed by owners or members				-
Capital returned to owners or members				-
Surplus/(Deficit)		49,852		49,852
Closing Balance	260,077	122,082	-	382,159

**Venture Timaru Limited**  
**Notes to the Performance Report**  
 For the year ended  
 30 June 2022

**Note 6 : Commitments and Contingencies**

Commitment	Explanation and Timing	At balance date	At balance date
		This Year	Last Year
		\$	\$
Commitments to lease or rent assets	Less than one year		63,816
	Between one and five years		207,274
	over 5 years	-	-
<b>Total Commitment</b>		-	<b>271,090</b>

**Venture Timaru Limited**  
**Notes to the Performance Report**  
 For the year ended  
 30 June 2022

Notes 7-11

**Note 7: Related Party Transactions**

Description of Related Party Relationship	Description of the Transaction (whether in cash or amount in kind)	This Year	Last Year	This Year	Last Year
		\$	\$	\$	\$
		Value of Transactions	Value of Transactions	Amount Outstanding	Amount Outstanding
Timaru District Council - shareholder	Economic Grant	640,000	640,000	-	-
Timaru District Council - shareholder	Tourism Grant	350,000	350,000	-	-
Timaru District Council - shareholder	Events Support	153,801	-		
Timaru District Council - shareholder	Stimulus Fund Grant	-	150,000	-	-

**Note 8: Events After the Balance Date**

In August 2021 the Government imposed a nation-wide lockdown at Level 4. At the time of preparing this report the full impact of the lockdown is indeterminate, but it is not expected to have a material financial impact on the organisation.

**Note 9: Ability to Continue Operating**

The company has sufficient liquidity and solvency to continue as a going concern. As COVID-19 continues to be a developing situation, the Board of Directors considers that the company has sufficient working capital and appropriate funding from Timaru District Council for a period of at least 12 months from the date the financial statements are approved and as such, COVID-19 is not considered to have a material impact on the company's ability to continue as a going concern.

**Note 10: Intangible Asset**

	this year	last year
<b>Website</b>		
Cost	33,965	33,965
Less accumulated amortisation	33,346	32,727
Website balance 30/6/2021	619	1,238

Venture Timaru Statement of Performance 2021/22

Overview

Locally its widely accepted the Timaru District came through the first year of the COVID pandemic in 2020/21 better than most, largely due to our diverse industry sector base which saw over 2/3rds of our workforce continuing to work as essential workers. However the impacts of COVID were more keenly felt locally during 2021/22.

All aspects of our personal and working lives have been, and continue to be, impacted. From the August 2021 lockdown through to ongoing supply chain disruptions to the new Omicron COVID variant coupled with flu and gastro bug illnesses, inflationary & cost of living pressures, and a critically tight labour market – there remain challenges a-plenty.

The ability to attract and retain the workforce needed by our industry sectors remains of critical importance especially as we head into the peak spring and summer production period in our food processing and manufacturing sector. Unfortunately, this is a national and indeed global problem however we continue to proactively work with local industry to ensure our district “puts our best foot forward.” New business enquiries have significantly reduced over the past 2 years as business and industry focused internally to combat the challenges of the COVID environment.

The changing COVID environment – lockdown and traffic light movements, also presented significant disruption within the visitor event sector with many events deferred or just not run during 2021/22 due to uncertainty or the fact it was just too difficult. The impact of this cannot be underestimated locally as these events not only attracted visitors to our district but as importantly provided our own communities opportunities to social re-engage and connect. Having said this we have as a district had buoyant domestic tourist visitation and spending.

Objectives:

Maintain & attract a skilled workforce	Encourage new opportunities and facilitate business growth	Attract & assist new businesses to the District.	Make the case for investment in key infrastructure that support a thriving district economy	Facilitate destination management and event development	Adopt a collaborative partnership approach to delivery and impact
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Some of our Key Achievements (Success Indicators)

- Complimenting the exceptional work of Primeport, we collaborated with the Council, to successfully secure the \$344m **Scott Base Redevelopment Rebuild (SBR)** project for the District. Due to start in 2023 this project will bring significant benefit and opportunity to our district on so many fronts. It is estimated the rebuild project will generate up to 700 jobs with 170 jobs involved at the peak of the work. We are working closely with both Antarctica NZ and Leighs Construction to maximise these benefits across opportunities associated with business, accommodation, hospitality, education, and visitor attraction sectors. We are also partnering with Christchurch NZ to explore and progress opportunities with Antarctica NZ and other countries beyond this initial project.

The successful attraction and establishment of new business was minimal through 2021/22 due to the challenging and ever changing COVID environment, however we did assist a variety of smaller retail, education, and tourism businesses to become established.

- Having commenced work on a new **Destination Management Plan** and a refresh of the existing **Economic Development Strategy** early 2021, this work was completed during the latter stages of 2021. This involved extensive engagement and input from many stakeholders (local, sub-regional, regional, and national) and includes close alignment to our Districts Long Term Plan & Growth Management Strategy along with the Canterbury Mayoral Forum’s Plan for Canterbury. We are proud of this work which has identified opportunities and challenges which will form the basis of our workplans in the years ahead. This will be further complimented through 2022/23 with an aligned “Aspirational Timaru” piece of work looking forward as to what Timaru District could be....and how to get there.
- Within our ongoing development and enhancement of **central government relationships** we successfully procured funding to continue and expand our facilitation across the Regional Apprenticeship Initiative, Transport and Logistics Course, MyNextMove Youth Initiative and our Tourism and Visitor sector. We believe a



robust relationship and voice with Central Government ministries and officials is an essential part of our work to not only secure funding for the benefit of our community but also utilisation of key contacts to assist our business and wider community.

- Utilising the aforementioned Central Government funding alongside our Operational funding we are thrilled to have developed, enhanced & attracted the following **new visitor products and events**:
  - o Timaru Trails app (new) – a readily accessible fit for purpose app detailing a variety of trails and activities right across our district
  - o R.O.A.M (Road, Ocean, Atmosphere & Mountains) app and resource (new) developed in collaboration with our near neighbours Mackenzie, Waimate and Waitaki District Councils highlighting details of the driving loop around our central lakes area.
  - o Brews on the Bay event (new) - whilst postponed due to COVID environment from Oct 2021 this will take place Oct 2022.
  - o Seaside Festival event (new) – whilst taking place Feb 2022 it was substantially impacted due to COVID restrictions however the kites were very well received. Will be bigger and better in 2023.
  - o South Canterbury Outstanding Food festival (SCOFF) was held for the second time in 2021 and was bigger than ever involving 60+ eating establishments alongside 18+ of our local food & beverage producers and manufacturers.
  - o

A number of other events were also impacted/cancelled o/a COVID such as Rock’N’Hop, South Island Secondary Schools Netball and the Caroline Bay Carnival to name a few. Noting the major events funding provided to us by Council has been a critical and valued enabler for enhancing existing and attracting new events.

We also continue our work with a variety of our local tourism operators and event organisers across the district to e.g. NZ Raptor Trust, SC Car Club, Peel Forest Outdoor Pursuits Centre, increase capability and resilience and look forward with excitement to the 2022/23 event season.
- We continue to facilitate and take a national lead role in the **Education to Employment Brokerage Service** endorsed by Ministry of Education and funded by Ministry of Education in partnership with local industry into all 10 secondary schools across South Canterbury. This service, based on our own My Next Move Youth Transition Initiative, has now expanded into more than 35 locations around New Zealand as we collectively focus on “Exposing Educating and Exciting” our students on life post-secondary school. An important focus in retaining our youth to mitigate the current tight labour market.
- As part of the local steering committee we have worked alongside Timaru District Council and Fulton Hogan to progressively install 13 x **Virtual Reality Driver Simulators** into all secondary schools across South and Mid Canterbury – with all 13 units to be rolled out by end November 2022. This is a driver education programme and resource, and our involvement is focused on encouraging our next generation of drivers to commence their drivers licence process as soon as they turn 16 years old as a priority requirement of employers being a drivers licence. This programme also has the support and endorsement of:
 

Ashburton District Council	Waimate District Council	Centre of Digital Excellence
Mid & Sth Canterbury Community Trust		Brake Aotearoa
Ministry of Social Development	APM	Ministry of Education
Mayoral Taskforce for Jobs	Waka Kotahi	NZ Institute of Driver Educators
District Road Safety Coordinators	YMCA	South Canterbury Transport & Logistics Group
- Just prior to years end we were excited to be selected by the central government funded Energy Efficiency & Conservation Authority (**EECA**), as only the second region nationally, for their **Regional Energy Transition Accelerator Pilot**. EECA state our selection was largely due to the Sustainable is Attainable initiative which has gained significant attention in central government o/a its extensive and unique foundation of wide collaboration involving 20+ of our local, and central South Island’s, largest energy users and waste producers working together.

The RETA programme purpose is to work collaboratively with industry, iwi, lines companies and key regional stakeholders to collaboratively decarbonise process heat in the region. The programme which we are partnering EECA to progress includes:

- Mapping progress and plans of individual process heat users to decarbonise their operations
- Current and future focused assessment of
  - o Regional process heat - demand and growth
  - o Energy sources – electricity/grid, biomass, wind, solar and other alternative energy sources - demand, supply, cost & price forecasts
- Regional decarbonization pathway modelling, solutions, and locations.
- Identification and introduction of potential co-investment partners private (nationally and internationally) and central government.
- IMPLEMENTATION

This programme is seen as a gamechanger for our district and central South Island sub-region and is fully aligned to Council’s focus and workstreams in the areas of Climate Change, Carbon Emissions and Sustainability.

- In addition to the above examples we have also been active across:
  - o Canterbury Regional Skills Leadership Group in developing a Regional Workforce Plan.
  - o Coastal Shipping – facilitating engagement with local and national stakeholders to enhance connectivity for our local importers and exporters.
  - o National led Pathways Advisory Group helping inform on the national Careers System Strategy
  - o City Hub Project Group – steering committees
  - o Development in partnership with local industry locally delivered courses via Ara and fellow training providers – initially in the trades of Electrical and Painting and Decorating.
  - o Aged Friendly Strategy
  - o Strengthening Families
  - o Geraldine Nature & Sculpture Trail
  - o Implementing a variety of seasonal visitor attraction campaigns.
  - o Investigation into the viability and structure of a SC Food Heritage Centre to tell the expansive story of food in our area.
  - o Growing the Sustainable is Attainable initiative across New Zealand by adding Hawkes Bay to the local collective of 20+ Food Processors and Manufacturers to form a national collaboration on waste and by-product management.

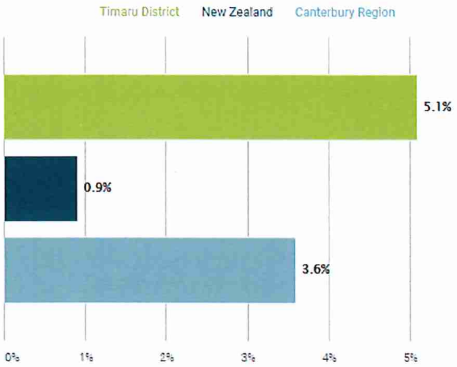
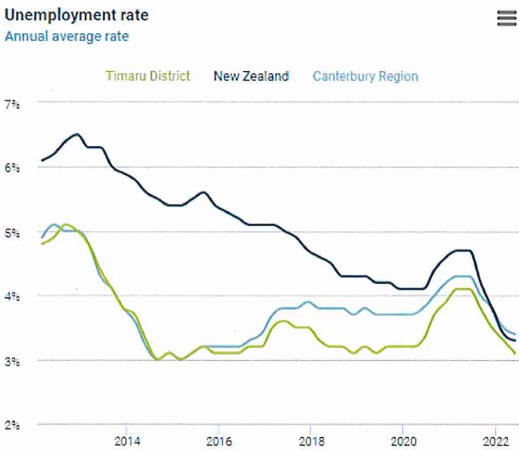
**Year Ahead**

People and workforce attraction remains a critically top priority for us. We have been vocally active in positioning an urgent need to address the diversity of our housing stock which is a very real barrier to attracting and retaining the workforce needed by business and industry. Our offering in this space needs to include inner city living, apartments, near CBD townhouses, infill, and large scale residential development. The pending review/refresh of the Growth Management Strategy provides an opportunity to communicate and provide a platform for business led solutions, enabled by Council, to address this issue head on.

It is important we collectively have the total package to attract new business to the area which in addition to an available skilled and capable workforce includes ready access to power, water, and shovel-ready land all wrapped up in a district-wide “let’s make this happen” approach.

Other focus areas across 2022/23 also include:

- o Implementation of our Destination Marketing Plan
- o Maximising the benefits of existing key assets - port, airport,
- o Decarbonisation of local industry via EECA RETA project progress to implementation
- o Enhanced workforce skills development via local delivery that meets the needs of our local industry
- o Rural land use – exploration of diversification into more or new horticulture crops – opportunities across apples, hemp, energy crops etc...
- o Aspirational Timaru District – what can we aspire to be...and how we can get there.

<p><b>Monitoring Indicators (non-financial)</b></p> <p><b>GDP Contribution</b> Timaru District v NZ</p>	<p style="text-align: center;"><b>COMMENTARY</b> <i>(data sources Infometrics, interest.co.nz &amp; Marketview)</i></p> <ul style="list-style-type: none"> <li>• GDP in Timaru District was provisionally up <b>5.1%</b> for the year to June 2022, compared to a year earlier. Growth was higher than in New Zealand (<b>0.9%</b>) and Canterbury Region (<b>3.6%</b>).</li> <li>• Provisional GDP was \$3,415 million in Timaru District for the year to June 2022 (2021 prices).</li> <li>• Annual GDP growth in Timaru District peaked at 7.9% in the year to December 2021.</li> <li>• We still have challenges over what we believe is true GDP generated within the district being recognised as such – e.g., Fonterra Clondeboye recognised at Head Office.</li> </ul> <p style="text-align: center;"><b>Gross domestic product growth (provisional)</b> Annual average % change June 2021 - June 2022</p>  <table border="1"> <caption>GDP Growth Data</caption> <thead> <tr> <th>Entity</th> <th>Annual average % change (June 2021 - June 2022)</th> </tr> </thead> <tbody> <tr> <td>Timaru District</td> <td>5.1%</td> </tr> <tr> <td>New Zealand</td> <td>0.9%</td> </tr> <tr> <td>Canterbury Region</td> <td>3.6%</td> </tr> </tbody> </table>	Entity	Annual average % change (June 2021 - June 2022)	Timaru District	5.1%	New Zealand	0.9%	Canterbury Region	3.6%																								
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<p><b>Unemployment Rate</b> Timaru District v NZ</p>	<ul style="list-style-type: none"> <li>• The annual average unemployment rate in Timaru District was <b>3.1%</b> in the year to June 2022, down from 4.1% in the previous 12 months and the lowest it has been since pre-COVID times.</li> <li>• In the year to June 2022, the annual average unemployment rate in Timaru District was lower than in New Zealand (<b>3.3%</b>) and Canterbury Region (<b>3.4%</b>).</li> <li>• Over the last ten years the annual average unemployment rate in Timaru District reached a peak of 4.8% in March 2013 but since then (excluding late 2020 and 2021) has remained at or below what is traditionally recognised as full employment levels of 3.5%.</li> </ul> <p style="text-align: center;"><b>Unemployment rate</b> Annual average rate</p>  <table border="1"> <caption>Unemployment Rate Data (Annual Average)</caption> <thead> <tr> <th>Year</th> <th>Timaru District</th> <th>New Zealand</th> <th>Canterbury Region</th> </tr> </thead> <tbody> <tr> <td>2013</td> <td>4.8%</td> <td>~5.0%</td> <td>~5.0%</td> </tr> <tr> <td>2014</td> <td>~4.0%</td> <td>~4.0%</td> <td>~4.0%</td> </tr> <tr> <td>2016</td> <td>~3.2%</td> <td>~3.2%</td> <td>~3.2%</td> </tr> <tr> <td>2018</td> <td>~3.2%</td> <td>~3.2%</td> <td>~3.2%</td> </tr> <tr> <td>2020</td> <td>~3.2%</td> <td>~3.2%</td> <td>~3.2%</td> </tr> <tr> <td>2021</td> <td>4.1%</td> <td>~4.1%</td> <td>~4.1%</td> </tr> <tr> <td>2022</td> <td>3.1%</td> <td>3.3%</td> <td>3.4%</td> </tr> </tbody> </table>	Year	Timaru District	New Zealand	Canterbury Region	2013	4.8%	~5.0%	~5.0%	2014	~4.0%	~4.0%	~4.0%	2016	~3.2%	~3.2%	~3.2%	2018	~3.2%	~3.2%	~3.2%	2020	~3.2%	~3.2%	~3.2%	2021	4.1%	~4.1%	~4.1%	2022	3.1%	3.3%	3.4%
Year	Timaru District	New Zealand	Canterbury Region																														
2013	4.8%	~5.0%	~5.0%																														
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2021	4.1%	~4.1%	~4.1%																														
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**Housing Affordability**  
Timaru v like areas

- We have traditionally used the Housing Affordability medians multipliers which divides our median household income into our median house price.
- As of July 2022, this multiplier was **5.95x** our median income \$89,500 to purchase our median house at \$506,000.
- This compares favourably with almost all other areas of NZ – Auckland **10.78x**, CHCH **6.89x**, Dunedin **7.03x**, Nelson **8.84x** and Palmerston North **7.23x**
- However, what this index does not show is the lack of diversity in our housing stock with little/no beyond the tradition house and land package being available.

	Population	House price	Income	Median multiple				
				Jul-22	Jun-22	May-22	Jul-21	Jul-20
New Zealand	5,160,000	\$10,000	\$97,666	8.29	8.72	8.64	8.65	7.01
Timaru	48,400	\$06,000	\$89,500	5.65	5.60	5.69	5.26	4.29

**Consumer & Visitor Spend**  
trends v same period last year

- Electronic card **consumer spending** in Timaru District as measured by Marketview, increased by **4%** over the year to June 2022 to **\$679m**, compared to a year earlier **\$653m**. This compares with an increase of **2.8%** in Canterbury Region and no change in New Zealand.
- Total **tourism expenditure** in Timaru District increased by **0.6%** in the year to June 2022 to \$162m, compared to a year earlier \$161m. This compares with **-2.7%** in Canterbury Region and **-6.6%** in New Zealand.
- Interestingly on average 78% of total visitor spend is in Timaru City, 12% in Geraldine and 10% Rest of District
- Also, important to note our Tourism Spend at \$161m and \$162m respectively for 2021 & 2022 years compares very favourably to \$141m in 2020 and \$150m in a pre- COVID 2019 year.

**Growth in consumer spending**  
Annual average % change June 2021 - June 2022

Area	Annual average % change
Timaru District	4.0%
New Zealand	0.0%
Canterbury Region	2.8%

**Tourism expenditure**  
Annual average % change June 2021 - June 2022

Area	Annual average % change
Timaru District	0.6%
New Zealand	-6.6%
Canterbury Region	-2.7%

Performance Indicators	COMMENTARY
<p><b>Value of Venture Timaru interactions with local businesses</b></p> <p>Net promotor score evidencing year on year improvement</p>	<p>The 2021/22 Venture Timaru stakeholder survey was again undertaken by an independent third party that ensured confidentiality and openness in the responses, was received. This year we received 113 responses v 136 last year. The results evidenced:</p> <ul style="list-style-type: none"> <li>Reviewing rating breakdowns, this year has seen an increase in the number of stakeholders whose <b>business was negatively affected by COVID-19 (+18%)</b>. In addition, this year shows significantly less stakeholders rating that their business was positively affected by COVID-19. In 2021, 31% of stakeholders in total rated that their business was positively affected, while in 2022, only 9% reported positive effects. This will be an interesting statistic to follow.</li> <li>79% of respondents Strongly Agreed or Agreed that the work Venture Timaru does is valuable to the District – v 76% in 2021                         <ul style="list-style-type: none"> <li>Business Services and Tourism Sectors rated this question lowest with a weighted average of 3.6/5.0. While the lowest industry, this remains a positive result.</li> <li>The Education Sector had the strongest positive perception of how valuable Venture Timaru’s work is to the Timaru District (4.7/5.0). This was closely followed by industries in the ‘Other’ category.</li> <li>There were no stakeholders from Primary Services, Manufacturing, Construction and Trades, Retail, Education, or Transport and Logistics that rated did not see the value of Venture Timaru’s work in the community. All stakeholders in the Primary Industry saw value, with no ratings lower than ‘Agree.’</li> </ul> </li> </ul> <p>In answer to “what more could Venture Timaru do to assist economic development in the Timaru District”? topics included with VT involvement/focus in brackets):</p> <ul style="list-style-type: none"> <li>Improve and enhance vibrancy in Timaru and towns main streets – <i>(City Hub Strategy Steering Group member)</i></li> <li>Keeping and attracting youth – <i>(My Next Move Youth Initiative)</i></li> <li>Lobbying – <i>(enhancing central government relationships/contacts)</i></li> <li>Housing &amp; Rental Space – <i>(advocacy for a collective approach to accelerating diversity of housing product)</i></li> </ul> <p>All quarterly reports provided as scheduled with Chair and CE attending Council meetings to present report and discuss.</p>
<p><b>Value of Venture Timaru work to shareholder</b></p> <p>Net promotor score evidencing year on year improvement</p>	<p>An internet survey tool (survey monkey) was used to capture responses. Questions in the survey were developed in collaboration with the Venture Timaru Board of Trustees, with an eye to allow for comparative reporting in the future. This survey was sent to 28 stakeholders, with 10 responses. While this is a relatively small participant pool with a small number of responses, these themes will paint a picture as to the impression stakeholders hold of Venture Timaru.</p> <ul style="list-style-type: none"> <li>90% of stakeholders have recorded a positive relationship with Venture Timaru – a very pleasing result.                         <ul style="list-style-type: none"> <li><i>“The CEO and Operations Manager are consistent, reliable and always offer constructive contributions. Wider staff are very good to deal with and give information how it is and not necessarily how you want it to be.”</i></li> <li>Stakeholders would like to see greater collaboration between team members in both organisations through regular meetings and engagement. They feel they would benefit from more regular collaboration to share knowledge and expertise.</li> </ul> </li> <li>90% of stakeholders have recorded that they believe the work undertaken by Venture Timaru is valuable to the role they work in, and all agreed the work being done is beneficial to the wider Timaru District.                         <ul style="list-style-type: none"> <li><i>“There is great advocacy for key business and tourism interests - tangible social benefits for everyone!”</i></li> <li><i>“They have the local economy at heart and are endeavouring to grow businesses and visitor numbers.”</i></li> <li><i>“It would be great if Venture Timaru had a resourcing allocation to obtain/collate the sort of evidence that might inform Council decision making from an economic angle rather than relying on anecdotal or individual examples.”</i></li> </ul> </li> </ul>

<p><b>Value of Venture Timaru work to wider stakeholders e.g., central government contract providers.</b></p> <p>Net promotor score evidencing year on year improvement</p>	<p>This survey was sent to 16 stakeholders, with 5 responses. While this is a relatively small participant pool with a small number of responses, these themes will paint a picture as to the impression stakeholders hold of Venture Timaru.</p> <ul style="list-style-type: none"> <li>100% of stakeholders rated their relationship with Venture Timaru as Excellent. This represents an engaged and positive stakeholder group.                     <ul style="list-style-type: none"> <li><i>“The CEO knows his regional community and has been fantastic to work alongside.”</i></li> </ul> </li> <li>All stakeholders agree that the work undertaken by Venture Timaru is valuable to support their agency’s focus areas.                     <ul style="list-style-type: none"> <li><i>Venture Timaru is very supportive and is a strong voice that represents what is missing and what gaps can be filled to support local businesses and community.</i></li> <li><i>They bring regional knowledge, experience, and insights to mahi.</i></li> </ul> </li> </ul>
<p><b>Ease of doing business in the Timaru District.</b></p> <p>Year on year improvement</p>	<ul style="list-style-type: none"> <li>Weighted averages show no change to stakeholder perception of the <b>ease of doing business</b> between 2021 and 2022. Considering the challenging covid environment since 2020, the increase in ratings between 2020 to 2021 has maintained this increase for 2022. This is a pleasing result.</li> <li>Reviewing rating breakdowns since 2019, this year has received the highest proportion of ‘Excellent’ ratings since surveying began, with increases every year since 2020.             <ul style="list-style-type: none"> <li>84% of stakeholders rated positively in relation to the ease of doing business in the district.</li> <li>Of the distinct industry areas, Business Services rated the ease of business the lowest(2.7/4.0), closely followed by Professional Services and Tourism Industries (2.8/4.0).• The ease of doing business was rated most favourably by the Education Sector (3.4/4.0), and Transport and Logistics (3.4/4.0). Within the Transport and Logistics Industries, all stakeholders rated this area positively.</li> </ul> </li> <li>Stakeholders identified the greatest barrier to doing business in the Timaru District as attracting people with the skills they need. 81% of stakeholders agreed that this was a barrier, while only 6% did not see this as a barrier.</li> <li>Restrictive Compliance and Availability of Rental Properties were also seen as significant barriers to doing business in the district, with 61% and 74% respectively identifying these as barriers.</li> <li>Stakeholders also saw lack of variety in affordable housing as a barrier to doing business, although this was seen as less of a barrier than other areas. 57% of stakeholders saw this as a barrier, while 22% did not.</li> <li>Attracting Skilled Workers was seen as the biggest barrier for many industries, including Manufacturing (3.6/4.0), Construction and Trades (3.4/4.0), Retail (3.3/4.0), Business Services (3.2/4.0), Education (3.2/4.0), Hospitality (3.6/4.0).</li> <li>Compliance was the biggest barrier for Tourism (3.8/4.0) and Transport and Logistics (3.8/4.0), while Affordable Housing was the biggest barrier for the Primary Sector (3.5/4.0).</li> <li>Of all sectors, stakeholders from Transport and Logistics indicated that overall, they are most negatively impacted by barriers to doing business.</li> <li></li> </ul>



**9.5 Timaru District Holdings Limited Financial Year 2021/22 Annual Management Report 1 July 2021 - 30 June 2022****Author:** Ann Fitzgerald, Corporate Planner**Authoriser:** Jason Rivett, Acting Group Manager Commercial & Strategy**Recommendations**

1. That Council receives and notes the Timaru District Holding Limited Annual Management Report for the financial year 1 July 2021 - 30 June 2022 with particular attention to the:
  - (a) 1 July 2021 – 30 June 2022 financial results
  - (b) annual service highlights

**Purpose of Report**

1. The purpose of this report is to provide an overview of the Timaru District Holdings Limited (TDHL) activities for the financial year 1 July 2021 – 30 June 2022. This includes a financial summary and service highlights for the year.
2. The unaudited Annual Report 2021/22 was approved by the TDHL Board on 25 August 2022. Audit New Zealand are yet to formally sign off the annual audit, therefore it is likely that the Annual General Meeting will not be held until December 2022. The final TDHL Annual Report will be provided to Council upon completion of the audit.
3. Presentation of the Annual Management Report provides Council with an interim overview of the performance for the year prior to the October 2022 local body elections, and prior to the delayed Annual General meeting. A copy of the report and the unaudited financial statements for the year are attached.

**Assessment of Significance**

4. This matter is considered to be of low significance in terms of Council's Significance and Engagement Policy. This is a regular report to the Council on progress of Timaru District Holdings Limited against its Statement of Intent which is approved by Council annually.

**Financial Results**

5. This section summarises the key financial results for the year:
  - i. The unaudited pre-tax operating surplus is \$3.27M, being \$0.79M (32%) above budget. This is a strong result driven by higher returns from the associates, notably PrimePort.
  - ii. Holding Company operating expenses were over budget due to higher audit costs, several one-off project costs and decreasing reliance on Timaru District Council for support services. Overall expenses across the property and holding portfolios were down 2% on budget.
  - iii. Finance costs were \$0.23M above budget as a result of rising interest rates, noting that the vast majority of interest payments go directly to Timaru District Council.
  - iv. TDHL paid a dividend of \$1M to the Council for the 2021/22 year as per the budget and Statement of Intent.



- v. Debt repayments of \$1M were made on the external facility and \$0.5M on the Timaru District Council facility during the financial year.

### Service Highlights

6. This section summarises the key service highlights for the year:
  - i. Regular engagement with Timaru District Council, PrimePort Timaru Limited and Alpine Energy Limited
  - ii. In the property portfolio, the first stage of development on part of the south Stafford Street sites owned by TDHL was announced, resealing work has commenced on the TDHL site at 3 Fraser Street, Timaru, and work continues with prospective new tenants and re – investment opportunities.

### Consultation

7. Consultation is not required on this matter. The year end results will be publically reported in the Timaru District Holdings Limited Annual Report and the Timaru District Council Annual Report.

### 4 Relevant Legislation, Policy and Plans

8. Timaru District Holdings Limited Statement of Intent 2021/22
9. Local Government Act 2002
10. Timaru District Council Long Term Plan 2021-31

### Financial and Funding Implications

11. There are no financial or funding implications as a result of reporting the year end results to Council.

### Other Considerations

12. There are no other considerations.

### Attachments

1. **Timaru District Holdings Limited Management Report for year ended 30 June 2022** [↓](#) 



The Chief Executive  
Timaru District Council  
[bede.carran@timdc.govt.nz](mailto:bede.carran@timdc.govt.nz)

25 August 2022

Dear Bede

**TDHL – Annual Management Report for the period 1 July 2021 to 30 June 2022**

We are proud to present this management report for the financial year ending 30 June 2022.

In accordance with the Statement of Intent, this report provides a pre-audit summary of a year's performance. As is usual practice, the full Annual Report will be provided upon the completion of the audit later this year.

The 2021/2022 year has been another solid year for TDHL with a focus on consolidation and formalising the changes and developments from 2020/21. This includes the operationalisation of policies and procedures, establishing a regular governance and management environment, enabling the appointment of two new Directors, and achieving regulatory compliance in a challenging environment.

The focus on TDHL's core investments, being PrimePort Timaru, Alpine Energy and the property portfolio, has continued and with the strong financial return detailed below. The increased investment in the relationships with our associates and fellow shareholders has supported ongoing workstreams and a greater understanding of the challenges faced by our associates.

From an external perspective, we have seen the outcome of the south Stafford Street project announced, the ongoing development at the Showgrounds, and the TDHL identity and role more clearly articulated in the media. This has all been underpinned by a fit-for-purpose, functional management system.

[tdhl.co.nz](http://tdhl.co.nz) 

[admin@tdhl.co.nz](mailto:admin@tdhl.co.nz) 

PO Box 178 Timaru 7910 

### Financial Summary

- The unaudited financial statements for the year ending 30 June 2022 are attached. Note that they exclude the property revaluation and incorporation of share of associate surplus.
- The unaudited pre-tax operating surplus is \$3.27M, being \$0.79M (32%) above budget. This is a strong result driven by higher returns from the associates, notably PrimePort.
- Holding Company operating expenses were over budget due to higher audit costs, several one-off project costs and decreasing reliance on TDC for support services. Overall expenses across the property and holding portfolios were down 2% on budget.
- Finance costs were \$0.23M above budget as a result of rising interest rates, noting that the vast majority of interest payments go directly to TDC.
- The strong financial position and effects of the year's consolidation can be seen in the balance sheet which, despite excluding the property revaluation and share of associate surplus, shows the maintenance of the cash position and significant reduction in liabilities. This results in net assets and total equity increasing.

### Dividends

- TDHL paid a dividend of \$1M to TDC for the 2021/22 year as per the budget and Statement of Intent.

### Debt Repayment

- Repayments of \$1M were made on the external facility and \$0.5M on the TDC facility during the financial year.

### Governance

#### Timaru District Council

- Engagement with Council at a governance and management level on a range of matters has been ongoing.
- TDHL was pleased to announce the development of the south Stafford Street sites.

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PrimePort Timaru Limited

- In line with TDHL's approach to build closer relationships with its subsidiaries, the TDHL Chair was appointed to the PrimePort Board.
- A Board to Board meeting is planned for September.

Alpine Energy Limited

- In line with TDHL's approach to build closer relationships with its subsidiaries, the TDHL Deputy Chair was appointed to the Alpine Board.
- Work with fellow shareholders on joint workstreams, such as a revised Shareholders Agreement, is progressing positively.
- A Board to Board meeting was held in July.




Property

- The first stage of development on part of the south Stafford Street sites was announced.
- As a result of a tender process, a \$2.5M resealing project has been awarded for the sealing of the TDHL site at 3 Fraser Street which is leased by Specialised Container Services. These works will greatly increase the functionality, health and safety, and environmental management of the site.
- Work continues with prospective new tenants and re-investment opportunities.

Finally, we would like to acknowledge and thank the Mayor, Councillors and Council staff for their support and collaboration over the year and look forward to an exciting year ahead.

Sincerely

**Mark Rogers**  
**TDHL Chairman**

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## Profit and Loss

Timaru District Holdings Limited  
For the year ended 30 June 2022

Account	Full Year Actuals	FY2022 Budget	FY2021 Actuals
<b>Trading Income</b>			
<b>Property Operations</b>			
Total Revenue	2,806,907	2,849,664	2,944,487
Total Expenses	592,306	723,980	776,412
<b>Total Trading Income</b>	<b>2,214,601</b>	<b>2,125,684</b>	<b>2,168,075</b>
<b>Showgrounds</b>			
Show grounds - Sale of Property	0	0	6,444,480
Show grounds Expenses - Cost of Property Sold	0	0	(5,059,208)
Total Expenses	17,721	137,940	185,266
<b>Total Showgrounds</b>	<b>(17,721)</b>	<b>(137,940)</b>	<b>1,200,006</b>
<b>Gross Profit</b>	<b>2,196,881</b>	<b>1,987,744</b>	<b>3,368,081</b>
<b>Holding Company Operations</b>			
<b>Revenue</b>			
Total Revenue	2,461,622	1,548,280	1,587,302
Total Operating Expenses	670,078	559,787	530,692
<b>Total Holding Company Operations</b>	<b>1,791,544</b>	<b>988,493</b>	<b>1,056,611</b>
<b>Finance Costs</b>			
Total Finance Costs	721,614	495,649	593,521
<b>Operating Surplus (Deficit) Before Taxation</b>	<b>3,266,810</b>	<b>2,480,588</b>	<b>3,831,171</b>

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## Movements in Equity

Timaru District Holdings Limited  
For the year ended 30 June 2022

Account	2022
<b>Equity</b>	
Opening Balance	137,241,243
Current Year Earnings	3,266,810
Equity Dividends Paid	(1,000,000)
<b>Total Equity</b>	<b>139,508,053</b>

## Statement of Cash Flows

Timaru District Holdings Limited  
For the year ended 30 June 2022

Account	YTD	Prior YTD
<b>Operating Activities</b>		
Total Cash provided from operations	5,702,125	13,162,246
Total Cash disbursed to costs	3,054,722	2,792,526
<b>Net Cash Flows from Operating Activities</b>	<b>2,647,404</b>	<b>10,369,720</b>
<b>Financing Activities</b>		
<b>Net Cash Flows from Financing Activities</b>	<b>(2,500,000)</b>	<b>(9,900,000)</b>
<b>Net Cash Flows</b>	<b>147,404</b>	<b>469,720</b>
<b>Cash and Cash Equivalents</b>		
Cash and cash equivalents at beginning of period	3,137,368	2,667,648
Cash and cash equivalents at end of period	3,284,772	3,137,368
<b>Net change in cash for period</b>	<b>147,404</b>	<b>469,720</b>

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## Balance Sheet

Timaru District Holdings Limited

As at 30 June 2022

Account	30 Jun 2022	30 Jun 2021
<b>Assets</b>		
<b>Bank</b>		
BNZ 00 Account	200,692	56,701
BNZ 23 Account	584,359	577,594
BNZ - Term Deposits	2,500,000	2,503,178
<b>Total Bank</b>	<b>3,284,772</b>	<b>3,137,368</b>
<b>Current Assets</b>		
Accounts Receivable	91,822	104,200
Right of Use Asset - Vehicle	4,843	13,544
Property Held for Sale (Show grounds)	1,064,169	1,064,169
Trading Stock (Stafford Street)	823,000	0
Deferred Tax Asset	1,645	1,645
<b>Total Current Assets</b>	<b>1,985,479</b>	<b>1,183,559</b>
<b>Non-current Assets</b>		
Investment Properties - Buildings & Other Structures	4,622,000	4,622,000
Investment Properties - Other Assets	38,190,895	39,022,895
Investments - Alpine	83,421,000	83,421,000
Investments - Primeport	33,014,500	33,014,500
<b>Total Non-current Assets</b>	<b>159,248,395</b>	<b>160,080,395</b>
<b>Total Assets</b>	<b>164,518,646</b>	<b>164,401,322</b>
<b>Liabilities</b>		
<b>Current Liabilities</b>		
Accounts Payable	39,935	147,917
Accrued Expenses	18,380	17,000
Accrued Interest Expense - Accrued Interest	7,110	14,895
Intercompany Payable - TDC	76,751	645,474
GST Payable (Receivable)	78,132	35,222
Holiday Pay Ow ing	14,149	5,662
Lease liability - Right of use asset	5,350	13,990
Taxation	590,173	599,307
<b>Total Current Liabilities</b>	<b>829,979</b>	<b>1,479,466</b>
<b>Non-current Liabilities</b>		
Development Loan No 1 2002	2,500,000	3,500,000
Intercompany Loan	21,680,613	22,180,613
<b>Total Non-current Liabilities</b>	<b>24,180,613</b>	<b>25,680,613</b>
<b>Total Liabilities</b>	<b>25,010,593</b>	<b>27,160,079</b>
<b>Net Assets</b>	<b>139,508,053</b>	<b>137,241,243</b>
<b>Equity</b>		
Retained Earnings	108,507,868	106,241,057
Shares	31,000,186	31,000,186
<b>Total Equity</b>	<b>139,508,053</b>	<b>137,241,243</b>

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**9.6 2021/22 Financial Year Performance Report to 30 June 2022**

**Author:** Ann Fitzgerald, Corporate Planner  
Mark Low, Strategy and Corporate Planning Manager  
Azoora Ali, Chief Financial Officer

**Authoriser:** Jason Rivett, Acting Group Manager Commercial & Strategy

**Recommendations**

1. That Council receives and notes the 2021/22 financial year report to 30 June 2022 with particular attention to:
  - (a) Key performance indicators
  - (b) Council's financial performance
  - (c) Capital work programme report

**Purpose of Report**

1. The purpose of this report is to present a summary of the year end results for the 2021/22 financial year - year one of the 2021-31 Long Term Plan (LTP). This includes the work programme, key performance indicators and financial results to 30 June 2022.

**Assessment of Significance**

2. This matter is considered to be of low significance in terms of Council's Significance and Engagement Policy. It is a regular report to Council on its financial performance, activity performance and delivery of capital work programme for the 2021/22 financial year.

**Background and discussion**

3. Council's three month reporting cycle includes progress reporting of key performance indicators, capital work programme, and financial results to Council for the quarterly periods 1 July – 30 September, 1 October – 31 December, 1 January - 31 March and an annual report for the 12 month period ended 30 June each year. This report discusses each of these components for the year ended 30 June 2022.
4. The Annual Report 2021/22 will be presented to Council and be publically available once the audit has been completed, expected in December 2022.

**1 Activity Highlights**

5. This section summarises selected key activity highlights during the financial year to 30 June 2022:
  - i. Timaru Airport: The resurfacing of the airport runway and extension of the apron was successfully completed. Investigation and concept design for the terminal extension is underway to determine future needs.
  - ii. Emergency Management: There has been increasing collaboration with partner agencies on community engagement, including Te Moana and Milford communities.



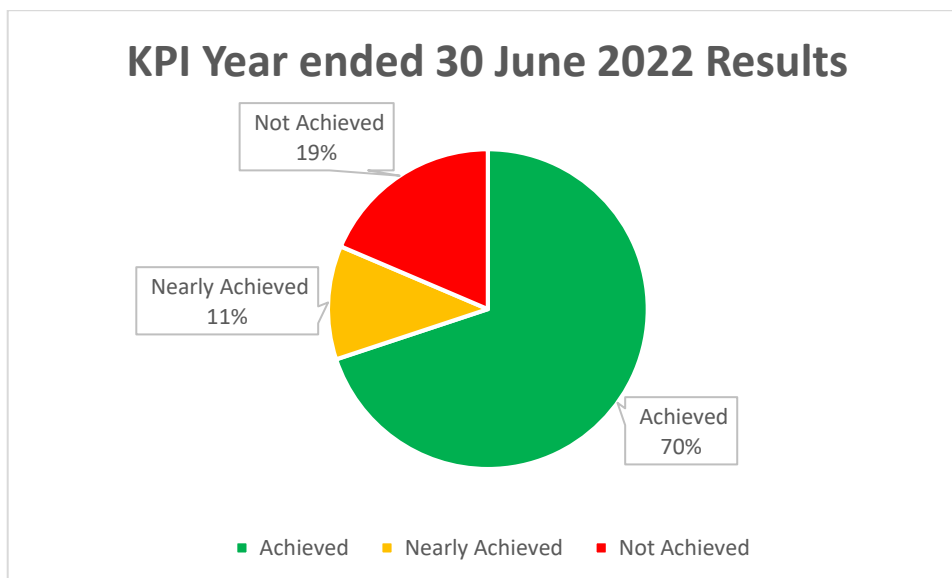
There is continued strengthening of emergency management collaboration across the South Canterbury councils for increased capacity for monitoring and initial response.

- iii. Cemeteries: A new carpark was built at the Pleasant Point Cemetery and another burial beam was installed at Geraldine Cemetery.
- iv. Social Housing: Upgrading work has progressed well, despite some delays due to material supplies.
- v. Public Toilets: Public Toilet upgrades at Temuka Domain and Cox Street, Geraldine have been completed.
- vi. Environmental Compliance: The reviews of the Joint Local Alcohol Policy and the Class 4 Gambling Venue Policy are progressing.
- vii. Building Control: Following the biennial Building Consent Authority accreditation audit, accreditation has been confirmed for a further 2 years. Ongoing positive feedback is being received from customers via the customer survey that is sent at the end of each consent.
- viii. District Planning: Work is progressing on development of the strategic direction for growth across Timaru District.
- ix. Governance and Strategy: The 2020/21 Annual Report received an unmodified audit opinion and was adopted by Council in March 2022. The 2022/23 Annual Plan was adopted in June 2022.
- x. Waste Minimisation: The official launch of the new Materials Recovery facility was planned for (and held) in early August 2022.
- xi. Roading: Strong delivery of capital projects has continued including collaboration with other units on upgrades to Hobbs Street, Browne Street and Butler Street. Repairs to Canal Road Bridge caused by May 2021 floods have been completed, with further repairs underway on Winchester Hanging Rock Road Bridge. Competitive tenders are being received for upcoming works.
- xii. Water Supply: The new Te Ana Wai drinking water treatment plant on the Downlands water scheme was completed and commissioning is underway. This will significantly improve water quality to a large number of Downlands water users and when fully operating the Boil Water Notice will be lifted to those serviced by this treatment plant. The completion of Sections 1 and 3 of the Pareora raw water pipeline renewal was also a significant milestone.
- xiii. Stormwater: The stimulus funded works on the Taitarakihi Creek stormwater culvert enhancement has been completed. This will help mitigate flooding in the area.
- xiv. Libraries, Museum and Art Gallery, Swimming Pools:
  - Art Gallery – significant progress has been made on the House Gallery and the Art Gallery redevelopment projects, including engagement with stakeholders on concept design options.
  - Libraries – refurbishment of Timaru Children’s Library courtyard was completed. Vox books have been added to the children’s library collections.
  - Museum - a Ministry of Education 3.5 year contract was awarded to South Canterbury Museum to deliver “Enriching Local Schools Curriculum programmes”.

- CBay facilities – despite significant staff shortages, facilities have been able to remain open thanks to staff flexibility and dedication.
- With COVID-19 restrictions lifting, Council’s public facilities look forward to returning to their programme of public exhibitions and events.

**Key Performance Indicators Results**

6. The Key Performance Measures (KPIs) for the year 1 July 2021 – 30 June 2022 were set in the Long Term Plan 2021-31.
7. As the KPIs are for Year 1 of the 2021-31 Long Term Plan, the results are not directly comparable to previous years because some measures have changed from the previous LTP.
8. The impact of Covid-19 on some services, such as visitor attendance to cultural and recreation facilities is still apparent, and has impacted on some of these KPIs not being achieved.
9. The biennial resident survey results are included in this year’s data. Of the 13 biennial measures, 10 were achieved and 3 were nearly achieved. An overall summary (unaudited) is provided below:



10. The most significant measures that did not achieve targets include:

KPI	Year end results	Explanation
<i>Activity Group: Governance and Strategy</i>		
85% of agenda items held in public meetings	81% of items have been in public meetings.	Careful consideration of legal reasons for considering matters with public excluded, and only doing this when it is absolutely necessary.
Annual Plans, Reports and Long Term Plans adopted within	The Annual Report 2020/21 was not adopted within the statutory timeframes	Audit NZ formally noted COVID-19 as the reason for auditor capacity shortages as the reason for being unable to deliver the audit report

KPI	Year end results	Explanation
statutory timeframes		on the Annual Report within the statutory timeframe.
<i>Activity Group: Environmental Services</i>		
100% Resource Consents processed within statutory timeframe	73.21% of Resource Consents were processed within the statutory timeframe.	Employee recruitment is underway and external contractors are being used where required. Data accuracy issues are also being addressed. The notification of the Proposed District Plan has driven a surge in rural subdivision consent applications in the months prior to notification. This has exacerbated the issue further.
150 Land Use consents monitored	20 Land Use consents monitored.	COVID-19 and limited resource has affected the ability to conduct these inspections during the year. New staff are now in place and monitoring has recommenced for the new financial year.
Audited non - compliant Building Warrant of Fitness achieve compliance within two months.	No non - compliant Building Warrant of Fitness have been able to be followed up.	With new and additional staff, systems and procedures for this work are being reviewed. BWOFF auditing started again in the new financial year.
80% of Alcohol regulated premises are inspected.	41% of premises inspected	COVID-19 restrictions have impacted on both Council and Police ability to undertake monitoring visits. Officers are have re-established this practice for the new financial year, dependant on Police and Community Public Health availability – a requirement for controlled purchase operations (which contribute significantly to the monitoring of licensed premises).
<i>Activity Group: Recreation and Leisure</i>		
Facility attendance numbers.	Facilities have all been affected by COVID-19 restrictions.  <b>Caroline Bay Trust Aoraki Centre</b> Year Actual – 273,075	A number of innovative ways of delivering services were offered during restrictions using a mix of digital services, click & collect, and

KPI	Year end results	Explanation
	Annual Target - 325,000 <b>Aigantighe Art Gallery</b> Year Actual – 15,642 Annual Target – 19,000 <b>South Canterbury Museum</b> Year Actual – 17,572 Annual Target – 25,000	video/remote mediums to interact with users.  Re-commencing the community programmes now that COVID restrictions have been lifted, officers will look at initiatives to achieve targets.
<i>Activity Group: Roading</i>		
70% of customer service requests responded to within 10 working days.	61.8 % of customer service requests have been responded to within 10 working days.	With recent systems improvements this result is a significant improvement on previous years and it is expected that further improvement will continue.
Less road fatalities and serious injury crashes than previous year	7 serious injury and 4 fatalities for the year exceeds the previous year.	Roading improvements and “Road to Zero” initiatives will continue to improve safety on the roads. Improvements require a change in driver behaviour that is a long term goal.
<i>Activity Group: Waste Minimisation</i>		
100% compliance with Resource Consent.	One non-compliance notice was issued for a leachate breakout into stormwater system February 2022.	Ongoing discussions with Ecan and the waste contractor to reduce risk. Some mitigation measures (bunds) have been recently constructed.
Less than 10% contamination in recycling.	26.48% contamination rate (note the contamination rates include Mackenzie and Waimate districts, as well as Timaru, as per the Waste Management Contract that commenced 1 July 2021). Options for extracting data for Timaru district only are being investigated.	The waste diversion rates in Timaru District are very high (approx. 72% compared with a national average of approx. 28%) therefore contamination is partially driven by the communities willingness to recycle as much as possible. Levels of contamination are reducing through both public education and process improvements.
<i>Activity Group: Water Supply</i>		
Less than 26 complaints per 1000 connections	33 complaints per 1000 connections.	There was a spike in the number of complaints due to the discolouration/manganese issue

KPI	Year end results	Explanation
received about drinking water.		with the Opihi River water source.  The likely source of the manganese issue has been identified, it is unlikely there will be a need for a manganese removal process. The proposed microfiltration treatment plant upgrade would mitigate this issue.
100% compliance with Drinking Water Standards (Part 5) Protozoal and Bacterial Compliance.	3 of the 8 water supply schemes achieved full compliance (Pleasant Point, Seadown and Te Moana) Reasons for non-compliance in the remaining 5 schemes include: <i>Bacterial non-compliance</i> Data issues, e-coli detected. <i>Protozoal non-compliance</i> Equipment issues, after effects of floods, some smaller supplies do not have protozoal treatment.	We anticipate that the planned upgrades of the rural water treatment plants, including chlorination, will allow achievement of this target in the future.
Median resolution time of less than 8 hours for urgent callouts for rural water supply faults or unplanned interruptions in the network	There were 348 callouts for the year with a median resolution time of 19.90 hours.	Resolution time has been affected by the non-completion of paperwork rather than timely attendance on site and repair work completion. The paperwork issue has now been resolved.

**Financial Results**

11. The following is a summary of the financial performance for the year ended 30 June 2022, and overall Council has tracked well for the financial year against its key metrics.

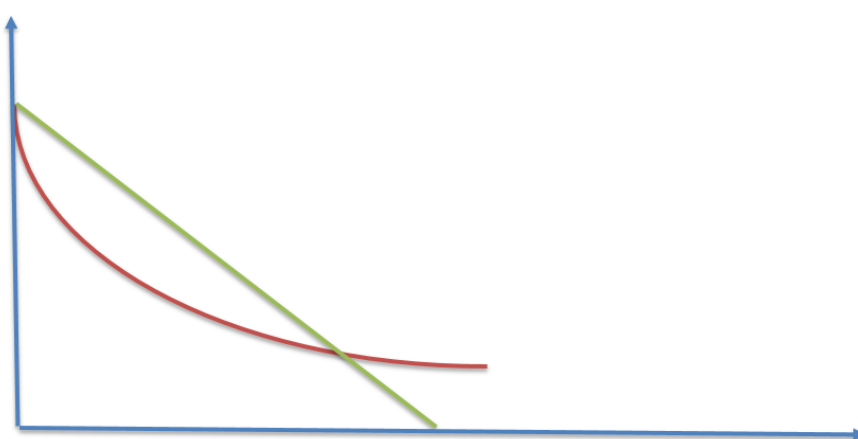
	Actuals to 30 June 2022 (\$000)	Budget* to 30 June 2022 (\$000)	Forecast** to 30 June 2022 (\$000)
Total Revenue	112,211	102,886	107,858
Total Expenses	99,594	96,489	94,838
Operating Surplus	12,617	6,397	13,020

\* Budget – LTP estimated budget as at 30 June 2022.

\*\* Forecast – anticipated financial result updated during the financial year to forecast as at 30 June 2022.

12. The attached statements and commentary relate to interim 30 June 2022 financial results showing the preliminary results for the year.
13. Officers are currently progressing the 2021/22 Annual Report which have a number of year-end adjustments that require completion. Some examples of key areas that will be adjusted as part of the year end Annual Report (not limited to) are as follows:
  - All Revaluation updates are to be processed (significant revaluations are being undertaken for Three Waters and Roading Assets)
  - Financial Assets – review of current and non-current assets to be undertaken
  - Provisions - movement in interest rate swap revaluations as well as waste provisions to be updated
  - Employee benefit liabilities, including salaries and wage holiday pay calculations
  - Retained Earnings movements – suspense account reconciliations to be finalised
  - Properties rental/lease income splits of rent received in advance
  - Internal charges and final capitalisation of labour time
14. The overall financial results show a favourable surplus to date of \$12.6m (million), and note the amounts presented in this report are rounded. This is a \$6.2m favourable variance to budget and \$403,000 unfavourable variance to forecast. The financial results in the Annual Report will compare the actual to the budgeted numbers.
15. Officers note that a change in accounting policy for measuring depreciation is proposed. The proposed change is from diminishing value to straight line and it is estimated it will have an approximate impact of \$10 million (non-cash) reduction in surplus. The below graph shows the change in methodology.

Method 1. Full at Straight line



16. Officers believe that straight line depreciation accords much more closely with the management of depreciating assets’ life and utility. Accordingly, straight line depreciation is a more accurate representation of the loss in asset utility over its life than diminishing value and therefore provides more relevant information to users and readers of the financial statements. The proposed depreciation impact is able to be absorbed through

the current surplus and remain within a surplus based on the preliminary interim management accounts.

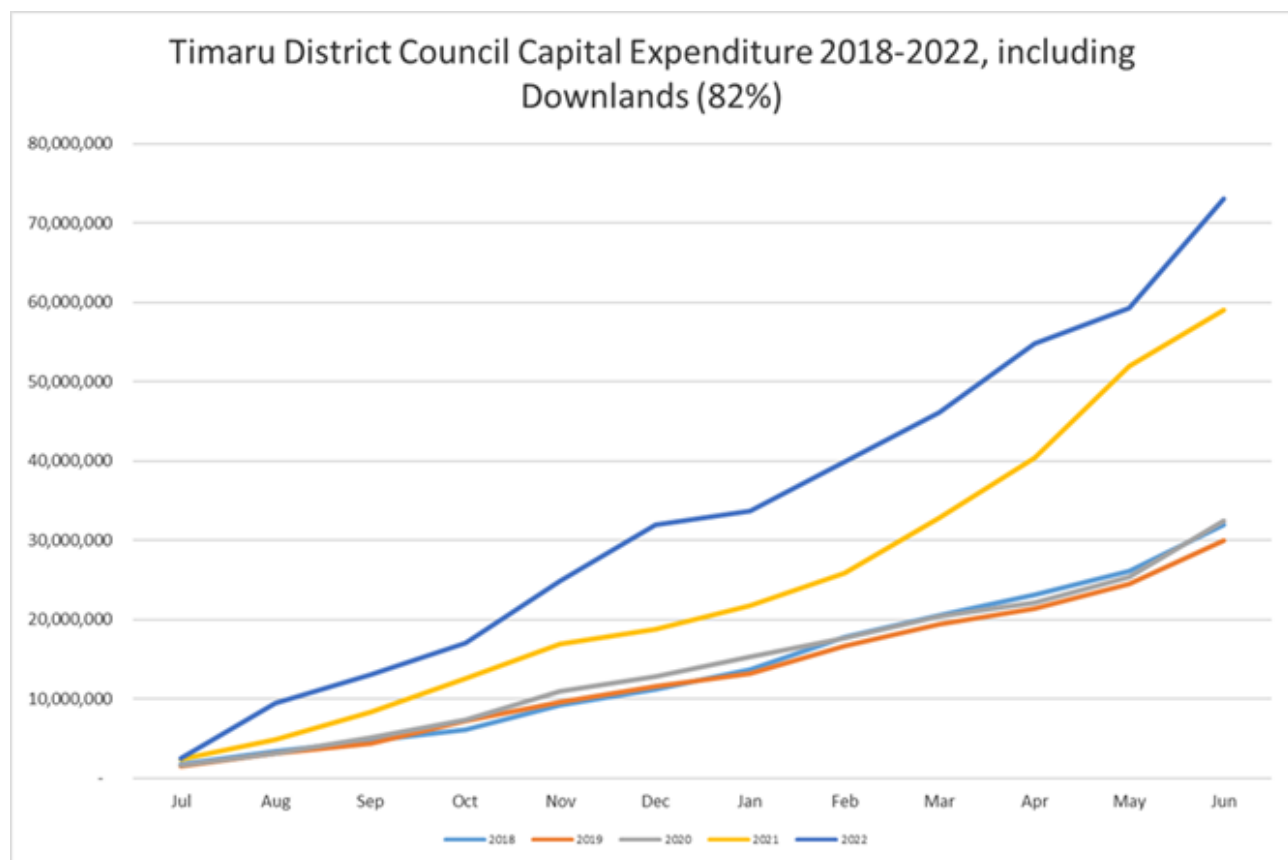
17. The 2021/22 financial year will also have two very significant increases once the revaluations for water and roading are applied; and therefore officers recommend the reset to straight line depreciation be adjusted within this financial year.
18. Operating Revenue to 30 June 2022 is \$9.3m above budget and \$4.4m above forecast. This represents 109% of total revenue budgeted for the financial year. The major variances compared to budget are:
  - i. Other gains - \$5.9m favourable variance
    - A fair value gain on the revaluation of interest rate swaps has been recognised. This represents a \$5.9M variance to budget and is due to a combination of rising floating rates and the Council entering into a further \$35M of interest rate swaps this financial year which currently have favourable outcomes.
  - ii. Other revenue - \$2.1m favourable variance
    - An unbudgeted amount of \$754,000 was received for local capital contributions towards three water assets for property developments.
    - Waste Minimisation activity also received unbudgeted funding of \$550,000 towards the construction of the South Canterbury Eco-Centre.
    - The three waters campaign received unbudgeted income of \$405,000. These are funds are held on behalf of other councils in a trust fund by Timaru District Council and are offset by corresponding expenditure. An additional \$244,000 of unbudgeted income relates to three waters reform contributions received towards professional fees incurred which sit outside of the three waters campaign.
    - Forestry sales were \$127,000 above budget due to unbudgeted harvesting of forest due to Council taking advantage of high wood price.
  - iii. Subsidies and grants - \$779,000 favourable variance
    - Grants and subsidies received for Roading and footpaths are \$2.9m higher than budget. Three waters grants received were \$3.3m higher than budget and Theatre Royal grants were \$4.9m below budget (this is a timing difference and has been re-budgeted into 2022/23).
19. Operating Expenditure to 30 June 2022 is \$99.6m, which is \$3.1m above budgeted expenditure. This represents 103% of total expenditure budgeted for in the financial year. The key variances within expenditure are:
  - i. Personnel Costs \$1.1m less than budget resulting in a favourable variance. Further year end journals are to be posted as part of the Annual Report process which will reduce this favourable variance.
  - ii. Finance costs \$449,000 higher than budget due to extra loan's taken out during the year (eliminated by finance revenue surplus).
  - iii. Other expense being \$3.7m higher than budget, made up of a number of variances across units as outlined in the detailed attachment.
20. The total actual capital expenditure is \$73m. This is lower than budget by \$2.6m and represents 97% of our full year budget for this financial year – noting that the full year budget

represents the 90% delivery adjustment. This is a very good result and compares very favourably with the \$59m incurred on capital expenditure in the 2020/21 financial year and represents continued focus on the delivery of the capital programme.

- 21. Total borrowings as at 30 June 2022 were \$164.5m. The net debt position at the same date is \$131.49m. Net debt is total borrowings less cash reserves held by Council.
- 22. Debt to revenue ratio as at 30 June 2022 is 117%. Council’s debt to revenue ratio limit is 210% as set out in its Financial Strategy. This is comfortably within Council’s ceiling limit.

**Capital Work Programme**

- 23. Timaru District Council’s Long Term Plan 2021-31 has a capital expenditure programme comprising of 105 projects and amounting to a value of \$84.1m for 2021/22 financial year (including Downlands Water Supply Scheme at 82%).
- 24. An assumption of 90% capital delivery was used during the 2021-31 Long Term Plan resulting in a capital budget of \$75.7m.
- 25. At 30 June 2022, the total capital expenditure was \$73.1m comprising of \$62.4m for the Council and \$10.7m for the Downlands Water Supply scheme (82%).
- 26. This capital expenditure result represents a significant increase compared to the previous years with a total capital expenditure as at 30 June of respectively \$59m (2021) and \$32.5m (2020), as shown in the graph below.



- 27. Ongoing non-construction projects include:
  - i. Books and resources purchase for the libraries (\$419,444 spent as at 30 June 2022, annual budget of \$387,564)



- ii. Playground equipment and under surfacing (\$180,407 spent as at 30 June 2022, annual budget of \$250,000)

### **Procurement Update**

28. The following contracts were awarded during this period:
- i. Contract 2587 McNair Road - Temuka Pump Station
  - ii. Contract 2588 Hewlings Street - Geraldine Pump Station
  - iii. Contract 2553 Park Lane Watermain Renewak (June St - Wai-iti Rd)
  - iv. Contract 2569 Bank Street Water and Sewer Renewal
  - v. Contract 2598 College Road Sewermain Renewal
  - vi. Contract 2559 Serpentine Creek Rehabilitation
  - vii. Contract 2494 Roothing Maintenance Contract
  - viii. Contract 2536 Richard Pearse Airport - Partial Runway Reseal 2021
  - ix. Contract 2552 Browne Street Rehabilitation
  - x. Contract 2531 Downlands Small Water Reticulation Upgrades
  - xi. Contract 2566 Hanging Rock Bridge Repairs
  - xii. Contract 2563 Farm Road Bridge 10 Replacement
  - xiii. Contract 2515 Evans Street 3 Waters Renewal

### **Consultation**

29. Consultation is not required on this matter. The year end results are publically reported in the Annual Report, anticipated for completion by the end of 2022.

### **Relevant Legislation, Policy and Plans**

- 30. Local Government Act 2002
- 31. Timaru District Council Long Term Plan 2021-31

### **Financial and Funding Implications**

32. There are no financial or funding implications as a result of reporting progress to Council.

### **Other Considerations**

33. There are no other considerations.

### **Attachments**

Nil

## 9.7 Carry Forward Requests for 2021/2022

**Author:** Azoora Ali, Chief Financial Officer

**Authoriser:** Jason Rivett, Acting Group Manager Commercial & Strategy

### Recommendation

That the Council approves \$1,683,123 in capital carried forward expenditure outlined in this report and that the 2022-23 forecast be amended to reflect this approved expenditure (noting it does not have an impact on rates for the current financial year).

### Purpose of Report

- 1 The purpose of this report is to ensure that funding previously approved in the 2021-22 Annual Plan for capital expenditure forecasted during the financial year remains available in the current financial year. Due to a variety of reasons some capital expenditure and/or projects remain as work in progress or not commenced at the end of the financial year. This will keep in place the funding required for the capital expenditure and projects to ensure their purchase and/or completion.

### Assessment of Significance

- 2 The content contained in this report has been assessed as of low significance in accordance with Councils Significance and Engagement Policy. This assessment is based on the assessment criteria with specific focus on impact on the number of people affected, the degree that people may be impacted, community interest, financing and rating impact, impact on strategic assets, and impact on wellbeing. The assessment of significance is low as these capital budgets have previously been approved by Council and as such there is no rating impact.

### Background

- 3 Each year the Council budgets the capital expenditure it expects to incur. For a variety of reasons actual expenditure on these projects may not occur, i.e. the capital expenditure may be able to be deferred as the capital item in question has an extended life, procurement delays occur, consenting or the design of the project has taken longer than originally planned. As a result the timing of such expenditure across multiple financial years can be uncertain.
- 4 Much of the project work for the carry forwards included in this report have commenced and remain as work in progress as at 30 June 2022.
- 5 The Council achieved a total capital spend of approximately \$73m (rounded) in the financial year to 30 June 2022 which is considered a positive result and reflects the planning and frameworks in place to support capital and programme delivery.
- 6 When considering the financial results of the Council for the previous financial year, the Council has considered requests from Council management to carry forward funding so these projects are able to be completed.
- 7 A number of projects were re-budgeted as part of the 2023 Annual Plan and as such are not requested to be carried forward. In addition, several project costs relating to 2022 projects not yet completed are being absorbed within the framework of existing 2023 budgets.

- 8 The projects identified to carry forward will not impact on rates or the delivery of the 2022/23 capital works programme delivery as the funding has been previously approved and budgeted.

**Options and Preferred Option**

- 9 The carried forward projects outlined at the end of this report are considered by Council and carry forward budgets are approved. The work outlined in this report has been previously approved in Councils Long Term and Annual Plan. The preferred option is to amend the 2022-23 Budget to reflect these projects.
- 10 Council can decide not to approve the carry forwards, noting this will incur potential contractual risks and impair Council’ ability to delivery on expectations consulted upon in the previous Long Term Plan.

**Consultation**

- 11 Consultation has been undertaken with officers on which projects are to be completed after the end of the financial year and the funding that is carried forward from the previous financial year. Consultation had been undertaken with the community on the projects during the previous Long Term Plan process, and where required prior Annual Plans.

**Relevant Legislation, Council Policy and Plans**

- 12 Section 101 (1) of the Local Government Act 2002, relating to Financial Management, states “A Local Authority must manage its revenues, expenses, assets, liabilities, investments, and general financial dealings prudently and in a manner that promotes the current and future interests of the community”.
- 13 This section allows the Council to carry forward the projects as outlined for the “current and future interests of the community”.

**Financial and Funding Implications**

- 14 Once the financial results for the 2021-2022 year have been finalised and audited, the Council will be able to determine the budget changes that can occur. It is important to note this does not affect the rates for the current year as the funding has already been provided for.
- 15 If the Council wishes for the projects identified to be commenced or completed during the current financial year, then the funding requires approval to be carried forward from the funds available from the previous financial year.
- 16 Funding for the carry forwards consists of:

<b>Capital Carry Forwards</b>	<b>\$</b>
Depreciation Reserve	\$748,530
Loan Funded	\$934,593
	<b>\$1,683,123</b>

**Attachments**

- 1. **2021-22 Carryforward Schedule** [!\[\]\(e1bdc70a9006e3802acd56af7aa337d8\_img.jpg\)](#) [!\[\]\(6ae057bca7ac6a248ab7813081463b17\_img.jpg\)](#)

**Appendix A: Funding to be Carried Forward from the 2021-22 financial year to 2022-23**

<b>Total Carried Forward Requests - Capital</b>	<b>\$1,683,123</b>
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Carry Forward Requests

<i>Capital / Operating</i>	<i>Project Description</i>	<i>Amount</i>	<i>Funding Source</i>	<i>Explanation why not spent in 2021-22</i>	<i>Expected Completion Date</i>
<b>Recreation and Leisure</b>					
<b>Aigantighe Art Gallery</b>					
Capital	House EQ Strengthening	\$200,676	Loan funded	Delayed expenditure – the project start was delayed.	31 January 2023
<b>Halls and Community Centres</b>					
Capital	Halls & Community Centres Capital Works	\$50,000	Depreciation reserve	Delayed expenditure - hold up with COVID and supplies (project now completed in July/Aug)	30 August 2022
Capital	Caroline Bay Sound Shell - Bleacher Replacement	\$733,917	Loan funded	Delayed expenditure – project was underway at 30 June 2022	30 November 2022
<b>Total Carried Forward Request</b>		<b>\$984,593</b>			

<b>Waste Minimisation</b>					
Capital	Landfill gas systems	\$698,530	Depreciation reserve	Delayed expenditure – committed via contract	30 June 2023
<b>Total Carried Forward Request</b>		<b>\$698,530</b>			

**10 Consideration of Urgent Business Items**

**11 Consideration of Minor Nature Matters**

**12 Public Forum Items Requiring Consideration**



**13 Exclusion of Public**

**13.1 Public Excluded Minutes of the Council Meeting held on 6 September 2022**

**13.2 TDHL - Rotation of Independent Directors**

**Recommendation**

That the public be excluded from the following parts of the proceedings of this meeting on the grounds under section 48 of the Local Government Official Information and Meetings Act 1987 as follows:

General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Plain English Reason
<b>13.1 - Public Excluded Minutes of the Council Meeting held on 6 September 2022</b>	s7(2)(b)(ii) - The withholding of the information is necessary to protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information	Commercial sensitivity
<b>13.2 - TDHL - Rotation of Independent Directors</b>	s7(2)(a) - The withholding of the information is necessary to protect the privacy of natural persons, including that of deceased natural persons	To protect a person’s privacy