NOTICE OF AN ORDINARY MEETING OF
COUNCIL

to be held on Thursday, 1 December 2016 at 9:30am
in the Council Chamber, Rotorua Lakes Council

Chairperson: Mayor Chadwick

Members: Cr Donaldson (Deputy)  Cr Bentley  Cr Gould
          Cr Hunt             Cr Kent        Cr Kumar
          Cr Maxwell         Cr Raukawa-Tait Cr Sturt
          Cr Tapsell

Quorum: 6

AGENDA

1. OPENING PRAYER

2. APOLOGIES

3. DECLARATIONS OF INTEREST

Members need to stand aside from decision-making when a conflict arises between their role as a Member of the Council and any private or other external interest they might have. This note is provided as a reminder to Members to review the matters on the agenda and assess and identify where they may have a pecuniary or other conflict of interest, or where there may be a perception of a conflict of interest.

If a member feels they do have a conflict of interest, they should publicly declare that at the start of the meeting or of the relevant item of business and refrain from participating in the discussion or voting on that item. If a member thinks they may have a conflict of interest, they can seek advice from the Chief Executive or the Governance & Partnerships Manager (preferably before the meeting). It is noted that while members can seek advice the final decision as to whether a conflict exists rests with the member.
4. **URGENT BUSINESS**

Section 46A of the Local Government Official Information and Meetings Act 1987 states:

(7) An item that is not on the agenda for a meeting may be dealt with at the meeting if –

(a) the local authority by resolution so decides, and

(b) the presiding member explains at the meeting at a time when it is open to the public, -

(i) the reason why the item is not on the agenda; and

(ii) the reason why the discussion of the item cannot be delayed until a subsequent meeting.

(7A) Where an item is not on the agenda for a meeting, -

(a) that item may be discussed at the meeting if –

(i) that item is a minor matter relating to the general business of the local authority; and

(ii) the presiding member explains at the beginning of the meeting, at a time when it is open to the public, that the item will be discussed at the meeting; but

(b) No resolution, decision, or recommendation may be made in respect of that item except to refer that item to a subsequent meeting of the local authority for further discussion.

5. **CONFIRMATION OF COUNCIL MINUTES**

5.1 Inaugural Council meeting – 25 October 2016 ................................................................. 6

5.2 Council meeting – 26 October 2016 ................................................................................. 12

6. **MINUTES OF COMMUNITY BOARDS’ MEETING**

6.1 Inaugural Community Boards’ combined meeting – 25 October 2016 .......................... 17

7. **STAFF REPORTS**

RECOMMENDATION 1: Establishment of the committee structure and appointment
Of chairpersons, deputy chairpersons and members 2016 - 2019........ 23

RECOMMENDATION 2: Adopt Code of Conduct 2016 - 2019.................................................. 29

RECOMMENDATION 3: Easter Sunday Shop Trading Policy and Statement of Proposal........ 45

RECOMMENDATION 4: Assessing the social impact of gambling........................................... 54

RECOMMENDATION 5: Prioritising percent for art budget for sculpture at Hemo Gorge roundabout .......................................................... 68

8. **RESOLUTION TO GO INTO PUBLIC EXCLUDED (TO CONSIDER AND ADOPT CONFIDENTIAL ITEMS)**

The general subject of each matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter, and the specific grounds under Section 48(1) of the Local Government Official Information and Meetings Act 1987, for the passing of this resolution are as follows:
<table>
<thead>
<tr>
<th>General subject of each matter to be considered</th>
<th>Reason for passing this resolution in relation to each matter</th>
<th>Ground(s) under Section 48(1) for passing of this resolution</th>
</tr>
</thead>
<tbody>
<tr>
<td>Council meeting 26 October 2016 (minutes)</td>
<td>Enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations).</td>
<td>Section 48(1)(a) Section 7(2)(i)</td>
</tr>
<tr>
<td>RECOMMENDATION 3: Event contract support</td>
<td>Maintain the effective conduct of public affairs through the free and frank expression of opinions by or between or to members or officers or employees of any local authority, or any persons to whom section 2(5) applies, in the course of their duty.</td>
<td>Section 48(1)(a) Section 7(2)(f)(i)</td>
</tr>
<tr>
<td>RECOMMENDATION 6 Appointment of Te Tatau o Te Arawa nominees to Council committees</td>
<td>Maintain the effective conduct of public affairs through the free and frank expression of opinions by or between or to members or officers or employees of any local authority, or any persons to whom section 2(5) applies, in the course of their duty.</td>
<td>Section 48(1)(a) Section 7(2)(f)(i)</td>
</tr>
<tr>
<td>RECOMMENDATION 7 Appointment of community board members to Council committees</td>
<td>Protect the privacy of natural persons, including that of deceased natural persons.</td>
<td>Section 48(1)(a) Section 7(2)(a)</td>
</tr>
</tbody>
</table>

This resolution is made in reliance on Section 48(1) of the Local Government Official Information and Meetings Act 1987 and the particular interest or interests protected by Sections 6 or 7 of the Act or Sections 6, 7 or 9 of the Official Information Act 1982, as the case may require, which would be prejudiced by the holding of the whole or the relevant part of the proceedings of the meeting in public are as shown above (in brackets) with respect to each item.

9. **CONFIDENTIAL ITEMS**

9.1 **Confirmation of confidential minutes of Council meeting held 26 October 2016** ....................... C1

9.2 **Staff reports (cont.)**

   a) RECOMMENDATION 6: Appointment of Te Tatau o Te Arawa nominees to Council committees .......................................................... C8

   b) RECOMMENDATION 7: Appointment of Community Board members to Council committees .......................................................... C12

9.3 **Presentation**

   a) Rotorua Museum update

Rotorua Lakes Council is the operating name of Rotorua District Council.
## COUNCIL DELEGATIONS

<table>
<thead>
<tr>
<th>Type of Committee</th>
<th>Council Committee</th>
</tr>
</thead>
<tbody>
<tr>
<td>Subordinate to</td>
<td></td>
</tr>
<tr>
<td>Subordinate</td>
<td></td>
</tr>
<tr>
<td>Committees</td>
<td></td>
</tr>
</tbody>
</table>
|                   | • Strategy, Policy and Finance committee  
|                   | • Operations and Monitoring committee  
|                   | • District Licencing committee  
|                   | • Tourism committee  
|                   | • Statutory Hearings committee  
|                   | • CEO performance committee  
|                   | • District Plan sub-committee  
|                   | • Audit and Risk sub-committee  
|                   | • Working / Strategy Groups (People, Sustainable living, Creative communities, Inner city revitalisation, Sustainable economic development strategy, Sports and recreation)  
| Legislative Basis | Schedule 7 S30 (1) (A), Local Government Act 2002  
|                   | Committee delegated powers by the Council as per Schedule 7, S32, Local Government Act 2002  
| Purpose           | The purpose of the Council is to make decisions on all matters that cannot be delegated, that it has not delegated or that it has had referred to it by staff or a committee.  
| Reference         | 01-15-010  
| Membership        | Mayor (Chair)  
|                   | Deputy Mayor (Deputy Chair)  
|                   | All councillors  
| Quorum            | 7  
| Meeting frequency | Monthly  
| Delegations       | • the power to make a rate  
|                   | • the power to make a bylaw  
|                   | • the power to borrow money, or purchase or dispose of assets, other than in accordance with the Long-term Plan  
|                   | • the power to adopt a long-term plan, annual plan, or annual report  
|                   | • the power to appoint a chief executive  
|                   | • the power to adopt policies required to be adopted and consulted on under the LGA 2002 in association with the long-term plan, or developed for the purpose of the local governance statement, and  
|                   | • the power to adopt a remuneration and employment policy  
|                   | • the power to set an support strategies in measures related to emergency matters.  
|                   | • all the powers, duties and discretions under the Civil Defence Act for the proper operation and administration of the approved Civil Defence Plan; such delegation to be executed solely within the defined policy guidelines as determined from time to time by the Council and subject to the financial limits imposed by the approved Council estimates.  
| Relevant Statues  | All the duties and responsibilities listed above must be carried out in accordance with the relevant legislation.  
| Limits to Delegations | Powers that cannot be delegated to committees as per the Local Government Act 2002 Schedule 7 S32 |
MINUTES OF
INAUGURAL COUNCIL MEETING
ROTORUA LAKES COUNCIL

MINUTES
INAUGURAL COUNCIL MEETING
HELD ON 25 OCTOBER 2016 AT 10.30AM
IN THE COUNCIL CHAMBER, ROTORUA DISTRICT COUNCIL

PRESENT: Mayor Chadwick (Chairperson)
Cr Bentley, Cr Donaldson, Cr Gould, Cr Hunt, Cr Kent, Cr Kumar, Cr Maxwell,
Cr Raukawa-Tait, Cr Sturt, Cr Tapsell

APOLOGIES: None

OFFICERS PRESENT: G Williams, Chief Executive; J-P Gaston, Group Manager Strategy &
Partnerships; T Collé, Chief Financial Officer; M Morrison, Kaitiaki Maori;
C Tiriana, Manager CE's Office; O Hopkins, Manager Governance and
Partnerships; I Tiriana, Public Relations Manager; V Cawte, Communications
Advisor – Marketing; R Rangitaure, Fixed Term Communications Advisor;
S Newham, Team Lead Executive Assistant – Chief Executive; K McGrath,
Executive Assistant – Strategy & Partnerships; R Dunn, Governance Lead;
H King, I Brell and C Peden, Governance Support Advisors.

Note: Pursuant to Schedule 7, clause 21 (4) of the Local Government Act 2002 this meeting was chaired by
the Chief Executive, Geoff Williams, until Her Worship the Mayor made her declaration.

1. POHIRI

A pohiri was held in the Galleria.

2. WELCOME BY CHIEF EXECUTIVE, GEOFF WILLIAMS

Mr Williams welcomed and congratulated the Mayor and new council. He also acknowledged
community board members present, kaumatua, friends, members of the public and staff, and
declared the meeting open.

4. APOLOGIES

None.
5. **MAKING AND ATTESTING OF MAYORAL DECLARATION**

Her Worship the Mayor made her declaration in accordance with clause 14 of schedule 7 of the Local Government Act 2002, witnessed by Chief Executive Geoff Williams.

6. **HER WORSHIP THE MAYOR ASSUMES CHAIR – INAUGURAL SPEECH**

Mayor Chadwick assumed the chair and gave her inaugural speech (Attachment 1).

7. **MAKING AND ATTESTING OF COUNCILLORS’ DECLARATIONS**

7.1 Councillors made and signed declarations, witnessed by her Worship the Mayor, in alphabetical order as follows:

- Peter Bentley
- David Donaldson
- Mark Gould
- Karen Hunt
- Robert Kent
- Rajmesh Kumar
- Trevor Maxwell
- Merepeka Raukawa-Tait
- Charles Sturt
- Tania Tapsell

8. **DECLARATIONS OF INTEREST**

None.

9. **STAFF REPORTS**

9.1 **RECOMMENDATION 1: DECLARATIONS BY MAYOR AND COUNCILLORS**

Resolved

That the report ‘Declarations by Mayor and councillors’ be received.

Cr Gould/Cr Hunt

C16/10/001

CARRIED

9.2 **RECOMMENDATION 2: LEGISLATIVE ADVICE FOR THE INCOMING COUNCIL**

Resolved

That the report “Legislative advice for the incoming Council” be received.

Cr Sturt/Cr Raukawa-Tait

C16/10/002

CARRIED
9.3 RECOMMENDATION 3: APPOINTMENT OF DEPUTY MAYOR

Resolved

1. That the report “Appointment of Deputy Mayor” be received;

2. That Council affirms the appointment by the Mayor of Councillor Dave Donaldson as Deputy Mayor.

Cr Maxwell/Cr Hunt
C16/10/003
CARRIED

Cr Donaldson abstained from voting on this item.

9.4 RECOMMENDATION 4: SETTING OF FIRST ORDINARY COUNCIL MEETING FOR THE TRIENNIUM

Resolved

1. That the report titled “Setting of First Ordinary Council Meeting for the Triennium” be received;

2. That the first ordinary meeting of the triennium be set for Wednesday 26 October 2016 at 9.30am.

Cr Gould/Cr Raukawa-Tait
C16/10/004
CARRIED

The meeting closed at 11.45am

To be confirmed at the Council meeting on 1 December 2016

........................................................................................................
Mayor

Rotorua Lakes Council is the operating name of Rotorua District Council
WHAKATAU
Welcome to a new Council of ten members, Te Arawa whakaue, Te Tatau and Community Board members and family, public and staff.

We have signalled a new way of working together on our strategic planning and orientation. We have two more sessions after which I will make the final decision of Committee and Council position holders.

I have decided to request the CE to commission Te Puia to make a cape symbolic of our partnership Tatau Tatau.

I wish to acknowledge the loss of two Councillors who each contributed in different ways to this table and will be missed by those who valued their perspective, Councillors Wepa and McVicker. I am already meeting people who did not know these councillors did not make the final cut. That’s politics, we move on signalling the way in which we are defeated is a symbol for others aspiring to leadership positions. We wish you well.

I also want to acknowledge the success of Councillor Raj Kumar, a historic first for Rotorua, Board members Shirley Trumper, Chris Sutton, Euan McLachlan, Bob Martin, Phill Thomass, Jim Stanton, Fred Stevens, Nick Chater to the wider Council. It is my wish that a representative joins the Council Committee table along with Te Tatau o Te Arawa.

We will decide voting rights at the end of our strategy sessions.

To the Executive, thank you for shepherding us in the past three years, implementing our vision 2030. You remained professional and worked so hard in a challenging three years to lay the foundation of a strategic way of working that puts us in such good stead as we go forward with ‘The Rotorua Way’ for the next three years and beyond.

I would also like to publically thank our MP’s who have supported us and the wishes of Rotorua. We have achieved so much together from the start of roading and sewage, to Easter Trading, and hopefully the model of Te Tatau o Te Arawa is about to be rolled out by other councils. We can only work for the betterment of our District by working together. We wish you well for the 2017 elections.

To the most important aspect of our Mahi, the community, you the public, those 45.9% who voted and the rest who also matter.
This will be a less revolutionary term but evolution of change will continue to consolidate the gains of the last three years.

We have heard from those who voiced or showed their opinion and have studied the Facebook and Twitter warriors who felt compelled to bully, threaten and attempt to compel with their own view of the truth.

- Change had to happen to avoid financial crisis and it did and will continue at a pace that we hope brings you with us. We will use all medium to share those changes that affect you, including fronting on the hard issues.
- Innovation will continue to be a hallmark of this council. We are progressive and feed on new thinking and ideas. We have to be to stimulate engagement and participation and restore a belief in ourselves that has already begun.
- Consolidation. We will continue building on our sustainable financial strategy that gives you, the ratepayers, confidence.
This term will be focussed on infrastructure - sustainable infrastructure that supports growth, keeps us ahead of the game, maintains the delicate environment to preserve and improve our lakes and keeps up with 21st century demands to manage water and waste. We will be announcing major infrastructure projects for sewage, wastewater and roading.

Connectivity
This is the most exciting approach that involves us all to be a smart, connected community which enables improved learning for our school kids through to infomatics about our fabulous place. I want our Digital Plan to be implemented.

In conclusion
When re-elected as your Mayor for another term I was humbled and relieved. My husband John was delighted. I gave Geoff Williams, our CEO, my letter of expectations.

“I would like the people of Rotorua to feel proud of ourselves, working collaboratively and innovatively to shape our unique place, culture and people. We should aspire to be socially inclusive, sustainable and enterprising.
Ehara taku toai te toa takitahi engari he toatakiniti ke.
My strength does not come from me alone, my strength comes from many.”
MINUTES OF COUNCIL MEETING HELD
26 OCTOBER 2016
Minutes
Council meeting held 26 October 2016 at 9:30am
in the Council Chamber, Rotorua Lakes Council

PRESENT:
Mayor Chadwick (Chairperson)
Cr Bentley, Cr Donaldson, Cr Gould, Cr Hunt, Cr Kent, Cr Kumar, Cr Maxwell,
Cr Raukawa-Tait, Cr Sturt and Cr Tapsell

APOLOGIES:
None.

IN ATTENDANCE:
P Thomass, Lakes Community Board
C Sutton, Rural Community Board
C Susan and N Kotzé, Audit New Zealand

OFFICERS PRESENT:
G Williams, Chief Executive; J-P Gaston, Group Manager Strategy &
Partnerships; T Collé, Chief Financial Officer; M Morrison, Kaitiaki Maori;
C Tiriana, Manager CE’s Office; B Kingi, Acting Finance Manager; A Bell,
Manager Water Solutions; O Hopkins, Manager Governance and Partnerships;
S Craig, Information Solutions Manager; I Tiriana, Public Relations Manager;
A Lowe, Environmental Scientist; R Dunn, Governance Lead, C Peden,
Governance Support Advisor.

Mayor Chadwick welcomed councillors, members of the public, media and staff to the Council
meeting.

3. OPENING PRAYER
Cr Maxwell opened the meeting with the Council prayer.

4. APOLOGIES
None.

5. DECLARATIONS OF INTEREST
Cr Donaldson declared a non-pecuniary interest in Recommendation 3.
6. **URGENT BUSINESS**

Regarding the chief executive’s delegated authority during the election period, feedback was to be reported to the first meeting of the new Council.

The chief executive gave a verbal report that were no matters dealt with under his delegated authority during this time.

Resolved

That the Chief Executive’s verbal report be received.

Cr Sturt/Cr Gould
CARRIED

5. **STAFF REPORTS**

5.1 **RECOMMENDATION 1: CONFIRMATION AND ADOPTION OF SCHEDULE OF MEETINGS FOR THE BALANCE OF 2016**

Resolved

1. That the report ‘Confirmation and adoption of schedule of meetings for the balance of 2016’ be received.

Cr Gould/Cr Raukawa-Tait
CARRIED

2. That subject to Schedule 7, clause 19(6) of the Local Government Act 2002, the schedule of meetings of Council for the period 27 October to 31 December 2016 be adopted; and

3. That it be noted that Council meetings will be held on 1 and 15 December 2016 and a council committee meeting on 8 December 2016.

Cr Maxwell/Cr Tapsell
C16/10/006
CARRIED

5.2 **RECOMMENDATION 2: ADOPTION OF COUNCIL’S ANNUAL REPORT FOR THE YEAR ENDED 30 JUNE 2016**

Mr Collé spoke to a Powerpoint presentation titled ‘Annual Report 2016’ (Attachment 1).

Mr Susan and Mr Kotzé from Audit New Zealand also commented on the Annual Report.

Resolved:

1. That the report “Adoption of Council’s Annual Report for the year ended 30 June 2016” be received.

Cr Sturt/Cr Hunt
CARRIED

3. That the Mayor and Chief Executive be authorised to sign the Letter of Representation and Statement of Compliance section of the Annual Report.

4. That the Chief Executive be authorised to make minor editorial changes, if any, as agreed with Council’s auditors.

   Cr Kent/Cr Donaldson
   C16/10/007
   CARRIED

6. RESOLUTION TO GO INTO PUBLIC EXCLUDED (TO CONSIDER AND ADOPT CONFIDENTIAL ITEMS)

   Resolved

   That Council move into Public Excluded session.

   Cr Sturt/Cr Raukawa-Tait
   C16/10/008
   CARRIED

   Further resolved

   That Ariki Tibble be permitted to remain in public excluded as event manager.

   Cr Tapsell/Cr Sturt
   C16/10/008b
   CARRIED

The general subject of each matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter, and the specific grounds under Section 48(1) of the Local Government Official Information and Meetings Act 1987, for the passing of this resolution are as follows:

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OPEN SESSION

The meeting closed at 12.06pm

To be confirmed at a Council meeting on 1 December 2016

...........................................Mayor

Note 1: Rotorua Lakes Council is the operating name of Rotorua District Council
Note 2: Attachments to the previous minutes are available on request or on Council’s website

www.rotorualc.nz
MINUTES OF COMMUNITY BOARDS COMBINED INAUGURAL MEETING HELD 25 OCTOBER 2016
PRESENT: Mayor Chadwick (Acting Chairperson)

Rotorua Lakes Community Board members:
Nick Chater, Jim Stanton, Fred Stevens, Phill Thomass

Rotorua Rural Community Board members:
Euan McLachlan, Bob Martin, Chris Sutton and Shirley Trumper

IN ATTENDANCE: Cr Donaldson, Cr Bentley, Cr Kent, Cr Gould, Cr Kumar, Cr Hunt, Cr Raukawa-Tait and Cr Sturt

APOLOGIES: None

OFFICERS PRESENT: G Williams, Chief Executive; J-P Gaston, Group Manager Strategy & Partnerships; M Morrison, Kaitiaki Maori; C Tiriana, Manager CE’s Office; O Hopkins, Governance & Partnerships Manager; R Dunn, Governance Lead; I Brell, Governance support Advisor; H King, Governance Support Advisor; I Tiriana, Public Relations Lead; V Cawte, Communications Advisor – Marketing; S Smyth, Business Support Advisor; J Riini, Partnership Advisor; R Griffiths, Partnership Advisor; R Rangitauira, Communications Advisor; C Peden, Governance Support Advisor.

7. POHIRI

A pohiri was held in the Galleria.

2. WELCOME BY MAYOR CHADWICK

Mayor Chadwick welcomed elected members, guests, and staff and declared the meeting open.

3. APOLOGIES

None.
4. **MAKING AND ATTESTING OF COMMUNITY BOARD MEMBERS’ DECLARATIONS**

4.1 Rotorua Lakes Community Board members made and signed declarations, witnessed by Her Worship the Mayor, in alphabetical order as follows:

- Nick Chater
- Jim Stanton
- Fred Stevens
- Phill Thomass

4.2 Rotorua Rural Community Board members made and signed declarations, also witnessed by Her Worship the Mayor, in alphabetical order as follows:

- Bob Martin
- Euan McLachlan
- Chris Sutton
- Shirley Trumper

5. **STAFF REPORTS**

5.1 **RECOMMENDATION 1:** Declarations by Lakes Community Board and Rural Community Board members

Resolved

1. That the report ‘Declarations by Lakes Community Board and Rural Community Board members’ be received.

2. That Lakes Community Board members elected in terms of Clause 14, of Schedule 7 of the Local Government Act 2002, sign declarations; and

3. That the declarations will be made in the following order:

   a. Nick Chater
   b. Jim Stanton
   c. Fred Stevens
   d. Phill Thomass

4. That Rural Community Board members elected in terms of Clause 14, of Schedule 7 of the Local Government Act 2002, sign declarations; and

5. That the declarations will be made in the following order:

   - Bob Martin
   - Euan McLachlan
   - Chris Sutton
   - Shirley Trumper

Mr Thomass/Mr Martin
LCB/RCB16/10/001
CARRIED
5.2 **RECOMMENDATION 2: LEGISLATIVE ADVICE FOR THE INCOMING COMMUNITY BOARDS**

Resolved

That the report titled ‘Legislative advice for the incoming community boards’ be received.

Mr Sutton/Mrs Trumper  
LCB/RCB/16/10/002  
CARRIED

5.3 **RECOMMENDATION 3: Election of Lakes Community Board Chairperson**

Resolved

1. That the report ‘Election of Lakes Community Board chairperson’ be received;

Mr Chater/Mr Stanton  
CARRIED

The chair called for nominations.

Mr Stanton nominated Phill Thomass as Lakes Community Board chairperson, seconded by Mr Chater.

Further resolved

2. That Mr Thomass is declared to be the chairperson of the Rotorua Lakes Community Board pursuant to Clause 17 of Schedule 7, Local Government Act 2002.

Mr Stanton/Mr Stevens  
LCB16/10/003  
CARRIED

5.4 **RECOMMENDATION 4: ELECTION OF LAKES COMMUNITY BOARD DEPUTY CHAIRPERSON**

Resolved

1. That the report ‘Election of Lakes Community Board deputy chairperson’ be received.

Mr Chater/Mr Thomass  
CARRIED

The chair called for nominations.

Nick Chater nominated Mr Jim Stanton as deputy chair, seconded by Mr Thomass.
Further resolved

2. That Jim Stanton is declared to be the deputy chairperson of the Rotorua Lakes Community Board pursuant to Clause 17 of Schedule 7, Local Government Act 2002.

Mr Chater/Mr Thomass
LCB16/10/004
CARRIED

5.5 RECOMMENDATION 5: Election of Rural Community Board Chairperson

Resolved

1. That the report ‘Election of Rural Community Board chairperson’ be received;

Mr Sutton/Mr Martin
CARRIED

The chair called for nominations.

Mr Martin nominated Mrs Trumper as chairperson, seconded by Mr Sutton.

Further resolved

2. That Mrs Trumper is declared to be the chairperson of the Rotorua Rural Community Board pursuant to Clause 17 of Schedule 7, Local Government Act 2002.

Mr Martin/Mr Sutton
RCB16/10/005
CARRIED

5.6 RECOMMENDATION 6: ELECTION OF RURAL COMMUNITY BOARD DEPUTY CHAIRPERSON

Resolved

1. That the report ‘Election of Rural Community Board deputy chairperson’ be received;

Mrs Trumper/Mr McLachlan
CARRIED

The chair called for nominations.

Mrs Trumper nominated Chris Sutton as deputy chairperson, seconded by Mr McLachlan.

Further resolved:

2. That Mr Chris Sutton is declared to be the deputy chairperson of the Rotorua Rural Community Board pursuant to Clause 17 of Schedule 7, Local Government Act 2002.

Mrs Trumper/Mr McLachlan
RCB16/10/006
CARRIED
The meeting closed at 3.50pm

Mayor
STAFF REPORTS
1. PURPOSE

The purpose of this report is to confirm a committee structure that will best meet the decision making requirements of Council and support good governance.

2. RECOMMENDATION 1:

1. That the report “Establishment of the committee structure and appointment of chairpersons, deputy chairpersons and members 2016-2019 be received.

2. That Council resolves to establish for the triennium 2016-2019, pursuant to clauses 10, 11, 14 and clause 19, 30(1) and 31 of Schedule 7 of the Local Government Act 2002, the following Council committee structure:

<table>
<thead>
<tr>
<th>Council</th>
<th>Membership</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Ordinary Council</strong></td>
<td>Chairperson: Mayor</td>
</tr>
<tr>
<td>Make decisions on all matters that cannot or are not to be delegated. Following full debate of issues, topics, etc at the committee level make the final decision on all matter recommended to them from the committees.</td>
<td>Deputy Chairperson: Deputy Mayor</td>
</tr>
<tr>
<td></td>
<td>Members – All councillors</td>
</tr>
<tr>
<td><strong>Committees of the whole</strong></td>
<td>Membership</td>
</tr>
<tr>
<td><strong>Strategy, Policy &amp; Finance</strong></td>
<td>Chairperson: Cr Raukawa-Tait</td>
</tr>
<tr>
<td>Guide and develop all strategic, policy and planning frameworks before recommending to council for approval</td>
<td>Deputy Chairperson: Cr Hunt</td>
</tr>
<tr>
<td></td>
<td>Members</td>
</tr>
<tr>
<td></td>
<td>All councillors</td>
</tr>
<tr>
<td></td>
<td>2 x Te Tatau o Te Arawa representatives</td>
</tr>
<tr>
<td></td>
<td>1 x Lakes Community Board representative</td>
</tr>
<tr>
<td></td>
<td>1 x Rural Community Board representative</td>
</tr>
</tbody>
</table>
3. BACKGROUND

Following the release of the final election results 2016, Council have been undertaking an in depth induction programme which has been looking at the role of council, and the areas of focus for the next triennium. This work is being referred to as the Rotorua Way.

The Rotorua Way when fully developed will demonstrate ongoing progress towards the aspirational Rotorua 2030 in a very focused and specific way. As this piece of work coming together, the council also needs to set its governance structure both in terms of a decision making framework and in looking at the standards of behaviour in order to drive the progress towards that future.

A governance workshop was held on 17 November. This workshop started to look at the governance framework and discussed a committee structure, purpose of committees and membership. The
mayor expressed her view to maintain consistency and to build upon what had been achieved in 2013-2016 and therefore no change to the committee structure was proposed.

4. DISCUSSION AND OPTIONS

4.1 The Governance role

The governance role involves making decisions for the overall benefit of the community both now and for the future. The governance role is similar to that of the role of a director on a board, however there are differences:

- In addition to the stewardship/governance role, elected members also have ‘quasi judicial’ roles delegated to them by Parliament as well as the right to levy a tax;
- Local government tends to be more complex than a commercial enterprise as it has a broad range of functions and objectives involving difficult trade-offs; and
- the democratic mandate which requires members to act as representatives has no equivalent in the commercial world.

4.2 Principles for good governance

Governance is primarily about setting the future direction of the district and ensuring assets and resources are suitable for achieving that direction. This will involve setting priorities and making trade-offs between the wants/needs of the community and its citizens and affordability.

Key aspects of the governance role include strategic planning, decision-making, policy and strategy review, scrutiny of management’s performance and community leadership and engagement.

Good governance is about both:

- performance - how an agency uses governance arrangements to contribute to its overall performance and the delivery of goods, services or programmes, and
- conformance – how an agency uses governance arrangements to ensure it meets the requirements of the law, regulations, published standards and the community expectations of probity, accountability and openness.”

4.3 Mayoral powers

Clause 3 section 41A of the Local Government Act 2002 provides for the Mayor

1. to establish committees of the territorial authority
2. to appoint the chairperson of each committee established and make the appointment before the other members of the committee are determined
3. may appoint himself or herself to the committees

However nothing in this section limits or prevents a Council from discharging or reconstituting committees or chairpersons of those committees established by the Mayor by way of Council resolution at a later date. The Mayor can decline to exercise the powers outlined above.
4.4 Governance structures

In order to make effective decisions that will be in line with the council’s vision for the district and the objectives set towards achieving/reaching this vision, an appropriate and effective structure for how these important decisions are to be made, needs to be established.

A governance workshop was held on 17 November. This workshop started to look at the governance framework and discussed a committee structure, purpose of committees and membership. The Mayor expressed her view to maintain consistency and to build upon what had been achieved in 2013-2016 and therefore no change to the committee structure adopted in 2013-2016 has been proposed.

The Mayor in expressing her view to maintain consistency and to build upon progress in the previous term has also chosen to reappoint the chair and deputy chair of the previous term to the committees for this term. The committee structure, roles and membership has been established as:

<table>
<thead>
<tr>
<th>Committees of the whole</th>
<th>Membership</th>
</tr>
</thead>
</table>
| **Strategy, Policy & Finance** | Chairperson: Cr Raukawa-Tait  
Deputy Chairperson: Cr Hunt  
Members  
All councillors  
2 x Te Tatau o Te Arawa representatives  
1 x Lakes Community Board representative  
1 x Rural Community Board representative |

| **Operations and Monitoring** | Chairperson: Cr Sturt  
Deputy Chairperson: Cr Tapsell  
Members  
All councillors  
2 x Te Tatau o Te Arawa representatives  
1 x Lakes Community Board representative  
1 x Rural Community Board representative |

<table>
<thead>
<tr>
<th><strong>Committees</strong></th>
</tr>
</thead>
</table>
| **District Licencing Committee** | Chairperson: Cr Hunt  
Deputy Chairperson: Cr Gould |
A council can delegate to any committee any of its functions, duties, or powers except those that must be exercised by the full council. A committee can further delegate functions, duties, and powers to subcommittees unless prohibited by its council. All delegations by council’s or committees must be recorded in a delegations register that must be found in the council’s governance statement.

The council’s governance statement will be completed following the full induction process and published no later than the statutory requirement of six months following the election, (April 2017).

In the latter part of the past triennium the committee structure was altered to adopt and modify the delegations of the committees of the whole following the appointments of two Iwi representatives on to both the SP&F and O&M committees and to allow for the appointment of one Iwi representative on the RMA Policy committee.

It is intended that those modified delegations will be carried over into the delegations for committees in the 2016-2019 term.

In addition to this council will consider an appointment from the Lakes Community Board and Rural Community Board onto the SP&F and O&M committees. This is in line with the recommendations of the Your Choice 2016 election review (Representation review) working party and supported by the decision of the review by the Local Government Commission.

5. ASSESSMENT OF SIGNIFICANCE

The decisions or matters of this report are not considered significant in accordance with the Council’s Significance and Engagement Policy.
6. COMMUNITY INPUT/ENGAGEMENT AND PUBLICITY

The Local Government Act 2002 mandates that councils must establish a committee structure and that it is up to the governing body (or the Mayor?) to decide on how the structure will be set up.

7. CONSIDERATIONS

7.1 Financial/budget considerations
Remuneration of elected members is set by the Remuneration Authority and is already provided for in the governance budgets. Remuneration for additional responsibilities is still to be agreed upon. Again this is a provision set by the Remuneration Authority and it included in the budget.

7.2 Policy and planning implications
Clauses 10, 11, 14 and clause 19, 30(1) and 31 of Schedule 7 of the Local Government Act 2002 provide for the establishment of a governance structure in which council use to make decisions in line with their objectives and future direction.

7.3 Risks
There are no major risks associated with the decisions or matters.

7.4 Authority
The Mayor has the authority to make a decision on a structure for committees under the Local Government Act Section 41A.
1. PURPOSE

The purpose of this report is to adopt Council’s Code of Conduct 2016-2019.

2. RECOMMENDATION 2:

1. That the report “Adopt Code of Conduct 2016-2019” be received.


3. BACKGROUND

Schedule 7 of the Local Government Act 2002 requires each local authority to adopt a code of conduct. Once adopted, all elected members are required to comply with the code. The code of conduct provides guidance on the standards of behaviour that is expected from the Mayor and elected members of Rotorua Lakes Council.

The code applies to all elected members (mayor, councillors and community board members) and Te Tatau board members nominated onto a council committee in their dealings with:

- each other
- the chief executive
- all staff employed by the chief executive on behalf of the council
- the media
- the general public

4. DISCUSSION AND OPTIONS

At a workshop on 17 November Council undertook to look at the standard of behaviours that would underpin its conduct with each other, the chief executive, staff of the Rotorua Lakes Council, the community and the media.

Following the workshop a draft Code of Conduct was circulated with further discussion and support sought at the workshop on 24 November.
The code of conduct 2016-19 has been refined from the previous code. The previous guiding principles have been replaced with an inclusive set of “standard behaviours” that cover the values and relationships between elected members and key relationships.

The section on holding members to account for the standards of behaviour has also been strengthened to provide a process for addressing breaches of the code of conduct. This is proposed to be a two-step process with formal complaints being reviewed by the Audit and Risk committee. In such cases the independent member of the committee will reside as chair.

The hearing of complaints by the Audit and Risk committee has been proposed to emphasise the importance of the code and of the elected members dedication to live to that code.

5. ASSESSMENT OF SIGNIFICANCE

The way elected members conduct themselves with each other, the chief executive, staff, members of the public and the media is considered to be significant and as such the code is very important in being the single reference point to detail the values and conduct of elected members. A breach of this code will be taken seriously by all. A process to deal with complaints of breaches of the code has been introduced to deal with these, should they arise.

6. COMMUNITY INPUT/ENGAGEMENT AND PUBLICITY

Not applicable.

7. CONSIDERATIONS

7.1 Financial/budget considerations

Not applicable.

7.2 Policy and planning implications

Not applicable.

7.3 Risks

Not applicable.

7.4 Authority

The council under Schedule 7 of the Local Government Act 2002 is required to adopt a code of conduct.

8. ATTACHMENTS

Attachment 1: Code of Conduct 2016 - 2019
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The Rotorua mayor, councillors and community board members ("elected members") have an important role representing the people of Rotorua. They agree that the highest standards of behaviour are important for their credibility as district leaders.

This Code of Behaviour ("the Code") sets out the standards of behaviour expected from the elected members and represents a commitment to maintaining high standards of behaviour.

Objective of the guide

The objective of the guide is to enhance:

- the effectiveness of the Council as the local authority with statutory responsibilities for good governance of the Rotorua district;
- the credibility and accountability of the Council within the Rotorua community;
- mutual trust, respect and tolerance between the elected members as a group and between the elected members and management.

1. Local Government Act

The Council is required by clause 15(1) of Schedule 7 of the Local Government Act 2002 ("LGA") to adopt a code of conduct.

Councillors and the mayor are required by clause 15(4) of Schedule 7 of the LGA to comply with the code of conduct adopted by Council.

This Code of Behaviour is that code of conduct.

2. Application

The Code applies to the mayor, councillors and community board members at all times, including engagement with each other, the Chief Executive, council staff, and with the general public (including the media).
3.0 Standards of Behaviour

3.1 Integrity and Honesty
Elected Members will be honest and act with integrity. This includes:

- being fair and consistent in dealings with others and following through on commitments;
- not making statements or doing anything that will or is likely to mislead or deceive;
- being open to constructive feedback;
- complying with relevant legislation and Council policies and procedures;
- behaving in accordance with the trust that the public places in them.

3.2 Accountability
Elected Members will be responsible for their decisions and actions and act in an open and transparent manner. They will ensure Council resources are used prudently and solely in the public interest.

3.3 Respect
Elected Members may not always get their own way. Elected Members will treat everyone with respect and respect other individual’s points of view and opinions, beliefs, and rights. This includes:

- recognising and encouraging ideas and contributions from others;
- being courteous and approachable;
- not engaging in aggressive, offensive, abusive or bullying behaviour;
- not making personal attacks;
- be open to other points of view and listening to what others have to say;
- not interrupting when others are expressing their point of view;
- ensuring that the Council complies with its obligations under section 39 of the LGA and clause 36 of Schedule 7 of the LGA to be a good employer (Attachment 2);
- not publicly criticising Council staff.

3.4 Good Faith
Elected Members will faithfully and impartially perform their powers, authorities and duties in the best interest of the community of the Rotorua district.

A breach of this Code could indicate a lack of good faith and could be relevant to assessment of personally liability (see explanation of sections 43 to 47 of the LGA set out in Schedule 1 of the Code).

3.5 Work as a team not an individual
Successful teamwork is a critical element in the success of any democratically elected organisation. No team will be effective unless mutual respect exists between members. With this in mind elected members will conduct their dealings with each other in ways that:

- properly represent the citizens of the Rotorua district;
- share workloads by getting involved, being active and supporting project teams;
- are open and honest;
- focus on issues rather than personalities;
- avoid aggressive, offensive or abusive conduct.

3.6 Proper Use of Position
Elected Members must not abuse their position, including they must not:
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- solicit, demand or request any gift or benefit because of their position;
- claim expenses which are not legitimate;
- fail to declare gifts given to them because of their position;
- use information and/or Council resources for any purpose which is not directly related to Council business, including use of Council resources to promote personal or business interests;
- use directly or indirectly any Council resources and/or branding for the purpose of seeking re-election.

Note: refer to the OAG Guidelines – “Good Practice for Managing Public Communications by Local Authorities”.

3.7 Relationship with Chief Executive

The relationship of elected members and the management of the Council requires a high level of cooperation and mutual respect. To ensure that level of cooperation and respect is maintained at the highest level the relationship of members with the chief executive will be based on:

- a commitment to governance as a team
- spending time together to be an effective governance unit
- openness and understanding about difference of opinion
- continued commitment to understanding the complexities that face Council
- ensuring sufficient time and effort is given to responding to the challenges of changing local government environments
- working together to ensure policies are developed in an orderly, efficient, and effective manner
- sincere, but not unquestioning, support for the office of the chief executive and management

3.8 Relationships with Staff

Effective performance of the Council requires a high level of co-operation and mutual respect between elected members and staff. Elected members will:

- recognise the Chief Executive is the employer (on behalf of the Council) of Council employees and only the CE may hire, dismiss, instruct or discipline an employee;
- treat employees with courtesy and respect;
- make themselves aware of the obligations that the Council and the Chief Executive have as employers and observe those requirements at all times;
- observe any guidelines that are in place regarding contact with employees;
- not do anything which compromises, or could be seen as compromising, the impartiality of an employee;
- avoid public criticism of Council employees;
- not direct or influence, or attempt to direct or influence, Council staff (other than through the CE);
- observe the guidelines the CE puts in place regarding contact with employees;
- raise concerns about employees only with the CE, and concerns about the CE only with the Mayor.

Elected members should be aware that failure to observe this portion of the code may compromise the Council’s obligations to act as a good employer and, could result in action under the Employment Relations Act 2002.

3.9 Relationships with the Community

Effective Council decision-making depends on productive relationships between elected members and the community at large.
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- Members should ensure that individual citizens are accorded respect in their dealings with the Council, have their concerns listened to, and deliberated on in accordance with the requirements of the Act.
- Members should act in a manner that encourages and values community involvement in local democracy

3.10 Conflicts of Interest

Elected members must be careful that they maintain a clear separation between their personal interests and their duties as an elected member. This is to ensure that people who hold positions of authority carry on their duties free from bias (whether real or perceived).

The Act provides that an elected member is disqualified from office, or from election to office, if that member is concerned or interested in contracts under which payments made by or on behalf of the local authority exceed $25,000 in any financial year.

Additionally, elected members are prohibited from participating in any Council discussion or vote on any matter in which they have a pecuniary interest, other than an interest in common with the general public. The same rules also apply where the member’s spouse contracts with the authority or has a pecuniary interest. Members must declare their interests at Council meetings where matters in which they have a pecuniary interest arise.

An elected member in any doubt as to whether or not a particular course of action (including a decision to take no action) raises a conflict of interest, he/she must seek guidance from the CE or request the CE to seek legal advice. Elected members may also contact the office of the Auditor-General for guidance.

Failure to observe the requirements of the Local Authorities (Members’ Interests) Act 1968 could potentially invalidate a particular decision made, or the action taken, by Council. Failure to observe these requirements could also leave the elected member open to prosecution under the Local Authorities (Members’ Interests) Act 1968. In the unfortunate event of a conviction elected members can be removed from office.

To avoid conflicts of interest an elected must:

- familiarise themselves with the provisions of the Local Authorities (Members’ Interests) Act 1968 which concerns financial interests, and with other legal requirements concerning non-financial conflicts of interest.
- disclose conflicts of interests as they arise (both pecuniary and non-pecuniary conflicts of interest);
- notify the CE if any gifts are accepted, and where a gift to the value of $300 or more is offered to a member, immediately disclose this for inclusion in the register of interests maintained by the Council;
- complete a declaration of interest form every six months for inclusion in the register of interests maintained by Council.

3.11 Confidentiality

Elected Members will receive information that may be classified as confidential. This includes information received at meetings, green room briefings and occasionally in workshops which are closed to the public or information that is identified as confidential.

Elected Members may also be provided with, or have the ability to access, confidential information held by Council.

Confidential information includes information that staff has judged there is good reason to withhold under sections 6 and 7 of the Local Government Official Information and Meetings Act 1987 (‘LGOIMA’). This will often be information that is either commercially sensitive or is personal to a particular individual. The CE is responsible for the release of information under LGOIMA.
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Elected Members must not use or disclose confidential information for any purpose other than the purpose for which the information was supplied to the elected member. Failure to do so may expose the Council to prosecution under the Privacy Act 1993 and/or civil litigation. A breach of confidentiality could indicate a lack of good faith and could be relevant to the assessment of personal liability (see explanation of sections 43 to 47 of the LGA set out in Attachment 2).

Therefore, any breach of this clause will be treated seriously and will immediately be referred to the Audit and Risk committee for resolution in accordance with clause 4 of this code.

3.12 Contact with the Media

The media plays an important part in local democracy. In order to fulfill this role the media needs access to accurate, timely information about the affairs of the Council. From time to time, individual members will be approached to comment on a particular issue either on behalf of the Council, or as an elected member in their own right. This part of the code deals with the rights and duties of elected members when speaking to the media on behalf of the Council or in their own right.

The following rules apply for media contact on behalf of the Council:
- the mayor is the first point of contact for the official view on any issue. Where the mayor is absent, any matters will be referred to the deputy mayor or relevant committee or subcommittee chairperson;
- the relevant committee chairperson, portfolio lead or the CEO may also make comment;
- no other member may comment officially on behalf of the Council without having first obtained the approval of the mayor.

Elected members are free to express a personal view in the media, at any time, provided the following rules are observed:
- media comments must not state or imply that they represent the views of the Council;
- where an elected member is making a statement that is contrary to a council decision or council policy, the member must not state or imply that his or her statements represent a majority view;
- media comments must observe the other requirements of the code of conduct, e.g., not disclose confidential information, or compromise the impartiality or integrity of staff.

3.13 Work Practices

Elected members are committed to achieving the highest standards of conduct and behaviour at all times and will carry out their role to the best of their skill and judgment. To achieve this, elected members should:
- take responsibility for ensuring that they understand their roles and responsibilities and the Code;
- attend all meetings, workshops and any appropriate training opportunities provided by Council;
- come to meetings prepared, including having read relevant material;
- seek personal and skill development opportunities;
- dress appropriately (i.e. wear professional dress at all meetings that are open to the public).

3.14 Leadership

Elected Members must support this Code through leadership and must act in a way that maintains public confidence in the good governance of the Council.
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3.15 Standing Orders

Elected members must adhere to the standing orders adopted by Council under the Local Government Act 2002. These standing orders are subject to the same legal requirements as a code of conduct with regard to their adoption and amendment.

3.16 Ethics

Rotorua Lakes Council seeks to promote the highest standards of ethical conduct amongst its elected members. Accordingly, elected members will:

- claim only for legitimate expenses as laid down by any determination of the Remuneration Authority then in force, and any lawful policy of Council developed in accordance with that determination
- not use Council resources for personal business (including campaigning)
- not solicit, demand, or request any gift, reward or benefit by virtue of their position
4. Resolving Issues

The exact nature of the action the Council may take depends on the nature of the breach and whether there are statutory provisions dealing with the breach.

Responses to Breaches of the Code – statutory provision

Where there are statutory provisions:

- breaches relating to members' interests render members liable for prosecution by the Auditor-General under the Local Authority (Member's interests) Act 1968
- breaches which result in the Council suffering financial loss or damage may be reported on by the Auditor-General under the Local Government Act 2002, which may result in the member having to make good the loss or damage
- breaches relating to the commission of a criminal offence may leave the elected member liable for criminal prosecution.

In these cases the Council may refer an issue to the relevant body, any member of the public may make a complaint, or the body itself may take action of its own initiative.

Elected members are automatically disqualified from office if they are convicted of a criminal offence punishable by two or more years imprisonment, or if they cease to be or lose their status as an elector or of certain breaches of the Local Authorities (Members' Interests) Act 1968.

Under the Local Government Act 2002, local authorities, when adopting a code of conduct, must consider whether or not they will require members to declare whether they are an undischarged bankrupt. This Council believes that bankruptcy does raise questions about the soundness of a person's financial management skills and their judgment in general. The Council therefore requires elected members who are declared bankrupt to notify the chief executive as soon as practicable after being declared bankrupt.

Responses to Breaches of the Code

There is a two step process for resolving issues:

**Step One:** Informal Discussion – this applies to minor issues.

**Step Two:** Referral to the Audit and Risk Committee - this applies to all formal complaints

Formal complaints must be made in writing using the Form in Attachment 1 attached to the code.

The Process

**Step One: Informal Discussion**

Elected Members are expected to resolve minor issues between themselves through informal discussion and may ask the mayor or CE to assist with this discussion. If the minor issue cannot be resolved through informal discussion, a formal complaint may be made using the form in Attachment 1.

Minor issues raised by the public will be dealt with by the mayor. If the minor issue involves the mayor then the deputy mayor or CE will act in place of the mayor.

**Step Two: Referral to the Audit and Risk Committee**

This applies to all formal complaints.
Formal complaints are investigated and resolved by the Audit and Risk Committee. Should a complaint be received then the independent external member of this committee will assume the role of chair.

The role of the Audit and Risk Committee is to act as a facilitator to facilitate resolution of the complaint.

If the complaint involves any other member(s) of the Audit and Risk Committee, then those members will vacate their position on the committee while it deals with the complaint and the mayor will appoint a replacement elected member(s) for the purpose of dealing with the complaint.

If the complaint involves the mayor, then the mayor will vacate their position on the committee while it deals with the complaint and the deputy mayor will appoint a replacement elected member(s) for the purpose of dealing with the complaint.

The Audit and Risk Committee will convene within 5 days of receiving a formal complaint and will consider the complaint and identify and assess the options that are available to resolve the complaint.

The Audit and Risk Committee has flexibility in deciding which option for resolution of the complaint will apply and may include the following:

- Informal discussion with the elected member(s) involved
- Written confirmation of the expected standards of behaviour
- Training
- Counselling
- Mediation

Elected members must comply with all procedural directions of the Audit and Risk Committee

If the complaint is not resolved to the satisfaction of the Audit and Risk Committee, they may recommend to the full Council that a sanction be imposed. The sanctions that may be recommended may include but are not limited to:

- Apology
- Censure
- Removal of elected member from Council committees or subcommittees
- Removal of elected member from a position such as deputy mayor, chair or deputy chair of a committee or subcommittee, portfolio lead etc

The Council (excluding the elected member(s) involved in the complaint) will consider the recommendation from the Audit and Risk Committee and make a decision on what (if any) sanctions will be imposed.

The Council (excluding the elected member(s) involved in the complaint) will consider the recommendation from the Independent Resolution Panel and make a decision on what (if any) actions will be taken to resolve the complaint.

The Elected Member, after consultation with the CEO, may elect to go before the Independent Resolution Panel.

5. Review or Changes to the Code

Once adopted, the code of conduct continues in force until amended by council. The code can be amended at any time but cannot be revoked unless council replaces it with another code of conduct. Once adopted, amendments to the code require a resolution supported by 75 per cent or more of the members of council present.
Council will formally review the code as soon as practicable after the beginning of each triennium. The results of that review will be presented to Council for their consideration and vote.
ATTACHMENT 1

Notice of complaint under clause 4 of Rotorua Lakes Council Code of Conduct for Elected Members (‘Code of Conduct’)

To: The Mayor (or CEO if the complaint involves the Mayor)
Rotorua Lakes Council

I [full name], wish to make a formal complaint under clause 4 of the Code of Conduct.

The details of the complaint are as follows:
(provide full details of the complaint)

The steps that have been taken to resolve the complaint are as follows:
(provide full details of the steps that have already been taken to resolve the complaint)

I attach the following documents to this notice:
(attach any documents to this notice that are relevant to the complaint (the evidence) and list those documents here).

Signed by:

Date:

Contact details: (provide your full contact details here)
ATTACHMENT 2 - Relevant Legislation

There are a number of pieces of legislation that are binding in respect of the conduct of elected members. Short explanations of the obligations under each are given below.

Local Government Act 2002 (‘LGA’)
Elected Members are required by clause 15 of Schedule 7 of the LGA to comply with the code of conduct adopted by Council. Further, elected members have a duty to act in good faith and to perform their role to the best of their skill and judgment.

Under sections 43 to 47 of the LGA, elected members of a local authority are indemnified (except for any loss found by the Auditor-General) by the local authority for:

- costs and damages for any civil liability arising from any action brought by a third party if the member was acting in good faith and in pursuance (or intended pursuance) of the responsibilities or powers of the local authority (or committee, community board, or other subordinate decision-making body of that local authority), and
- costs arising from any successfully defended criminal action relating to acts or omissions in his or her capacity as a member.

Therefore, the question as to whether elected members have acted in good faith and for a proper purpose is relevant to the assessment of personal liability.

A local authority must act in accordance with the principles set out in section 14 of the LGA. These principles, which are relevant to the conduct of elected members, are as follows:

(a) a local authority should—
   (i) conduct its business in an open, transparent, and democratically accountable manner; and
   (ii) give effect to its identified priorities and desired outcomes in an efficient and effective manner;

(b) a local authority should make itself aware of, and should have regard to, the views of all of its communities; and

(c) when making a decision, a local authority should take account of—
   (i) the diversity of the community, and the community's interests, within its district or region; and
   (ii) the interests of future as well as current communities; and
   (iii) the likely impact of any decision on the interests referred to in subparagraphs (i) and (ii);

(d) a local authority should provide opportunities for Māori to contribute to its decision-making processes;

(e) a local authority should collaborate and co-operate with other local authorities and bodies as it considers appropriate to promote or achieve its priorities and desired outcomes, and make efficient use of resources; and

(f) a local authority should undertake any commercial transactions in accordance with sound business practices; and

(g) a local authority should periodically—
   (i) assess the expected returns to the authority from investing in, or undertaking, a commercial activity; and
   (ii) satisfy itself that the expected returns are likely to outweigh the risks inherent in the investment or activity; and

(h) in taking a sustainable development approach, a local authority should take into account—
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(i) the social, economic, and cultural interests of people and communities; and
(ii) the need to maintain and enhance the quality of the environment; and
(iii) the reasonably foreseeable needs of future generations.

Section 39 of the LGA also states that a local authority must act in accordance with the following principles in relation to its governance:

(a) a local authority should ensure that the role of democratic governance of the community, and the expected conduct of Elected Members, is clear and understood by Elected Members and the community; and
(b) a local authority should ensure that the governance structures and processes are effective, open, and transparent; and
(c) a local authority should ensure that, so far as is practicable, responsibility and processes for decision-making in relation to regulatory responsibilities is separated from responsibility and processes for decision-making for non-regulatory responsibilities; and
(d) a local authority should be a good employer; and
(e) a local authority should ensure that the relationship between Elected Members and management of the local authority is effective and understood.

Section 42 of the LGA provides that the CEO is the principal administrative officer of the local authority.

Therefore, it is the CEO, not the elected members, who is responsible for implementing decisions of the elected members as council and the employment and management of council staff.

Schedule 7 of the LGA sets out the statutory provisions for, amongst other things:

- The vacation of office by Elected Members (e.g. disqualification of members if convicted of an offence and other provisions);
- Remuneration of Elected Members;
- Conduct of Elected Members;
- Election and removal of chairperson, deputy chairperson and deputy mayor;
- Calling of meetings;
- Conduct of meetings;
- Procedures at meetings;
- Subordinate decision-making structures;
- Delegations; and
- Employment of staff (including an obligation to be a good employer).

Local Authorities (Members’ Interests) Act 1968 (‘LAMIA’)

This Act regulates situations where members’ personal interests impinge, or could be seen as impinging on their duties as an elected member.

The Act provides that an elected member is disqualified from office if that member is concerned or interested in contracts under which payments made by or on behalf of the local authority exceed $25,000 in any financial year.

Additionally, elected members are prohibited from participating in any Council discussion or voting on any matter in which they have a pecuniary interest, other than an interest in common with the general public. The same rules also apply where the member’s spouse contracts with the authority or has a pecuniary interest.

Members may also contact the Audit Office for guidance as to whether that member has a pecuniary interest, and if so, may seek an exemption to allow that member to participate or vote on a particular issue in which they may have a pecuniary interest. The latter must be done before the discussion or vote. The Chief Executive must also seek
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approval from the Audit Office for contractual payments to members, their spouses or their companies that exceed the $25,000 annual limit.

Failure to observe these requirements could also leave the elected member open to prosecution under the Local Authority (Members' Interests) Act 1968. In the event of a conviction elected members can be ousted from office.

Local Government Official Information and Meetings Act 1987

The Local Government Official Information and Meetings Act 1987 sets out a list of meetings procedures and requirements. Of particular importance for the roles and conduct of elected members is the fact that the chair has the responsibility to maintain order at meetings, but all elected members should accept a personal responsibility to maintain acceptable standards of address and debate. No elected member should:

- create a disturbance or a distraction while another Councillor is speaking
- be disrespectful when they refer to each other or other people
- use offensive language about the Council, other Councillors, and any employee of the Council or any member of the public.

Secret Commissions Act 1910

Under this Act it is unlawful for an elected member (or officer) to advise anyone to enter into a contract with a third person and receive a gift or reward from that third person as a result, or to present false receipts to Council.

If convicted of any offence under this Act a person can be imprisoned for up to 2 years, or fines up to $1000, or both. A conviction therefore would trigger the ouster provisions of the Local Government Act 2002 and result in the removal of the member from office.
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Crimes Act 1961

Under this Act it is unlawful for an elected member (or officer) to:

- accept or solicit for themselves (or anyone else) any gift or reward for acting or not acting in relation to the business of Council
- use information gained in the course of their duties for their, or another persons, monetary gain or advantage.
- These offences are punishable by a term of imprisonment of 7 years or more. Elected members convicted of these offences will also be automatically ousted from office.

Securities Act 1978

The Securities Act 1978 essentially places elected members in the same position as company directors whenever Council offers stock to the public. Elected members may be personally liable if investment documents such as a prospectus contain untrue statements and may be liable for criminal prosecution if the requirements of the Act are not met.
1. PURPOSE

The purpose of this report is to approve for special consultation the Easter Sunday Shop Trading Policy and Statement of Proposal.

The timing of this report is influenced by the desire to provide certainty to Rotorua retailers prior to Easter Sunday 2017 (16 April); and to allow time for notification between employers and employees regarding working on this day if the Policy is adopted.

The policy direction has been informed by the past position taken by Rotorua Lakes Council to lobby for this change, and is supported by an online survey conducted by Colmar Brunton in 2014 which showed 79% of residents surveyed were in support of allowing Easter trading.

2. RECOMMENDATION 3:

1. That the report “Easter Sunday Shop Trading Policy and Statement of Proposal” be received.

2. That consideration is given to the requirements of the Shop Trading Hours Act 1990 and the Local Government Act 2002.

3. That the Statement of Proposal and draft Easter Sunday Shop Trading Policy be approved for special consultation and that the Strategy, Policy and Finance committee hear and deliberate on any public submissions made to the Proposal and the draft Policy.

3. BACKGROUND

Currently most shops in Rotorua cannot open on Easter Sunday with the exception of dairies, service stations, pharmacies, take away bars, restaurants and cafes, garden centres, souvenirs and duty free stores.

Although some tourist areas (such as Taupō) have had exemptions to open on Easter Sundays in the past, Rotorua did not have an exemption.
Earlier this year, the government amended the Shop Trading Hours Act 1990 to allow territorial authorities to adopt a policy to permit shops to open on Easter Sundays. Specifically, a policy can be developed which:

- Determines whether to allow shop trading on Easter Sunday.
- Determines whether to allow shop trading on Easter Sunday across the entire district or in certain (limited) areas.

**Easter in Rotorua**

Easter in Rotorua, along with the Christmas holiday period, is a time of high visitor numbers. The i-Site on Fenton Street, for example, has between 30%-40% more visitors on Easter weekends than regular weekends throughout the year.

Easter brings an increased demand for food, refreshments and other products and services. Also, visitors to Rotorua want to shop. Visitors find it difficult when important businesses and service providers are closed down as a matter of legal requirement.

**2014 Community Survey**

In 2014, Council commissioned independent research carried out by Colmar Brunton to ascertain community views about Easter trading. The findings revealed overwhelming community support for Easter trading, with 79% of residents surveyed wanting an end to current restrictions at Easter. 18% did not support Easter trading and 3% did not know. This compares with a national survey in 2012 where only 46% of New Zealanders supported Easter Trading.

Of the 79% in support for Easter trading in Rotorua, 72% supported trading on both Good Friday and Easter Sunday, 15% on Easter Sunday only, and 8% on Good Friday only.

**Religious Beliefs**

At the 2013 Census 27,210 Rotorua people (41.7% of the population) reported as having a Christian based religious affiliation. While the survey above shows that there are some people in the Rotorua community who believe Easter Sunday should be observed with no or only minimal commerce, the proportion is a lot less than those with Christian beliefs.

To understand this further, Council officers met with the Rotorua church leaders group. While only the personal views of those leaders were able to be expressed, they informed officers that they were not opposed to businesses trading on Easter Sunday. They appreciated that Rotorua was a tourist destination and that Easter weekend was an important one for tourism. They considered it important that employees’ rights not to work were protected and that Good Friday and Christmas Day should remain largely free of commerce. They also considered that the Policy should apply to the entire Rotorua District.

4. **DISCUSSION AND OPTIONS**

Under the amended Shop Trading Hours Act 1990, Council is empowered to adopt a policy that allows shops to trade on Easter Sunday. Alternatively, Council may decide not to adopt a policy, in which case, shops must remain closed.

The policy can also determine whether shops in the whole of the district can trade or only those in some parts of the district (for example, only the CBD or main tourist attraction areas).
However, the policy cannot:

(a) permit shops to open only for some purposes;
(b) permit only some types of shops to open;
(c) specify times at which shops may or may not open;
(d) require shops to open;
(e) limit Council’s ability to undertake its duties under any other Act (e.g. the regulation of the sale and supply of alcohol)
(f) address shop employees’ rights (which are governed by the requirements of the Shop Trading Hours Act 1990 and which allows shop employees to refuse to work on Easter Sunday)

Council is not responsible for enforcement of the Policy. Enforcement is undertaken by central government.

Accordingly, the Council has two options:

(1) to adopt a policy and allow shops to open (and also under this option to either allow shops to trade in the whole of the district or only in certain parts of the district); or
(2) to not adopt a Policy (in which case most shops must remain closed on Easter Sunday).

If Council decides to adopt a policy, Council is required to:
• Consult the community using the Special Consultative Procedure (SCP).
• Review the policy no later than five (5) years after its adoption.
• Consult using the SCP if it decides to amend or revoke the adopted policy.
• Include a map of the area and a description of the boundaries to which the policy applies.

It is proposed that the community be consulted on a draft Policy that allows shops in the whole of the district to be open on Easter Sunday.

5. ASSESSMENT OF SIGNIFICANCE

As the decisions of this report concern adoption of a Policy, they are considered significant in accordance with the Local Government Act 2002 and the Council’s Policy on Significance.

As significant decisions, the Council must apply greater diligence with regard to the decision making requirements of the Local Government Act 2002. This includes, but is not limited to, the degree to which different options are identified and assessed and the extent to which community views are considered.

In addition, the Council is required to consult publicly on the Policy in accordance with the special consultative procedure.

6. COMMUNITY INPUT/ENGAGEMENT AND PUBLICITY

Following approval from the committee, the Statement of Proposal on the Policy will be available for community engagement using the special consultative procedure from 19 December 2015 to 27 January 2016.

Following written submissions, hearings will be convened to hear any submitters and deliberate on the submissions. A report will then be drafted for adoption by the Council at its meeting in February 2017.
This allows sufficient time for shops and employees to prepare as Easter Sunday in 2017 occurs on 16 April. Employees have a four week notice period to advise employers of their refusal to work Easter Sunday. This runs from 19 February to 19 March in 2017.

7. CONSIDERATIONS

7.1 Financial/budget considerations

Costs associated with adopting the Policy are within existing budgets. Any Policy adopted will have minimal impact on future operating costs.

7.2 Policy and planning implications

The draft Policy is consistent with the Rotorua 2030 Vision particularly the goals of Vibrant City Heart and Business Innovation and Prosperity.

7.3 Risks

No significant risks have been identified.

7.4 Authority

The Committee has the authority to make the resolutions included within this report.

8. ATTACHMENTS

Attachment 2: Draft Easter Sunday Shop Trading Policy
DRAFT EASTER SUNDAY SHOP TRADING POLICY

STATEMENT OF PROPOSAL – DECEMBER 2016

Introduction

Earlier this year, the government amended the Shop Trading Hours Act 1990 (Act) to allow territorial authorities to have a policy to permit shops to open on Easter Sundays.

In accordance with the Act, the Rotorua Lakes Council (Council) is proposing a new Easter Sunday Shop Trading Policy and is seeking your views.

This Statement of Proposal has been prepared in accordance with section 83 of the Local Government Act 2002 and relates to the new powers under the Shop Trading Hours Act 1990.

The Statement includes:

- the reasons for the proposal
- an overview of the proposed policy
- how to provide your feedback

Reasons for the Proposal

Currently most shops in Rotorua cannot open on Easter Sunday, with the exception of dairies, service stations, take away bars, restaurants and cafes, garden centres and duty free stores.

Although some tourist areas have had exemptions to open on Easter Sundays in the past, Rotorua didn’t have an exemption.

Under the amendment to the Shop Trading Hours Act 1990, Council may adopt a policy to permit shops to open on Easter Sundays.

Easter in Rotorua

Easter in Rotorua, along with the Christmas holiday period, is a time of high visitor numbers. The i-Site on Fenton Street, for example, has between 30%-40% more visitors on Easter weekends than regular weekends throughout the year.

Easter brings an increased demand for food, refreshments and other products and services. Also, visitors to Rotorua want to shop. Visitors find it difficult when important businesses and service providers are closed down as a matter of legal requirement.

Community Survey

In 2014, Council commissioned independent research carried out by Colmar Brunton about community views for Easter trading.

Colmar Brunton’s findings revealed overwhelming community support for Easter trading, with 79% of residents surveyed wanting an end to current restrictions at Easter. Of those 72% supported trading on both Good Friday and Easter Sunday, 15% on Easter Sunday only, and 8% on Good Friday only.

18% of those surveyed did not support Easter trading and 3% did not know.
Religious Beliefs

As the survey appears to show, there are people in the Rotorua community who believe that Easter Sunday should be observed with no or only minimal commerce.

Overview of the Proposed Policy

Under the amended Shop Trading Hours Act 1990, Council is empowered to adopt a policy that allows shops to trade on Easter Sunday. Alternatively, Council may decide not to adopt a policy, in which case, shops must remain closed.

The policy can also determine whether shops in the whole of the district can trade or only those in some parts of the district (for example, only the CBD or main tourist attraction areas).

However, the policy cannot:
(a) permit shops to open only for some purposes;
(b) permit only some types of shops to open;
(c) specify times at which shops may or may not open;
(d) require shops to open;
(e) limit Council’s ability to undertake its duties under any other Act (e.g. the regulation of the sale and supply of alcohol)
(f) address shop employee’s rights (which are governed by the requirements of the Shop Trading Hours Act 1990 and which allows shop employees to refuse to work on Easter Sunday)

Accordingly, the Council has two options:

(1) to adopt a policy and allow shops to open (and also under this option to either allow shops to open in the whole of the district or only in certain parts of the district); or

(2) to not adopt a Policy (in which case most shops must remain closed on Easter Sunday).

Having regard to all of the above, the Council is proposing a Policy that allows shops in the whole of the district to be open on Easter Sunday.

How to provide your feedback

Any interested person or organisation is welcome to make a submission or comment on the proposed Policy.

Don’t forget; get your submission to Council by 5:00 pm on 27 January 2017.

Council will take account of all submissions made when making decisions on the proposed policy. There will be a Council hearing in February for those submitters who indicate they wish to speak in support of their submission.

Submissions can be made by:

Email to: submissions@rotorualc.nz
Fax: 07 346 3143
Visit our website: www.rotorualc.nz
Post to: Rotorua Lakes Council
Private Bag 3029
Rotorua Mail Centre
Rotorua 3046
Attachments

Draft Easter Sunday Shop Trading Policy
EASTER SUNDAY SHOP TRADING POLICY

Date Adopted | Next Review             | Officer Responsible
-------------|-------------------------|----------------------
xxxxxxx       | 5 Years after adoption  | Strategy Manager

Policy Purpose

The Policy is made under the Shop Trading Hours Act 1990 (the ‘Act’). The Act was amended in 2016 to allow territorial authorities to have a policy to permit shops to open on Easter Sundays.

The Policy aims to meet demand for goods and services from visitors and residents in Rotorua during the Easter holiday weekend.

The Policy permits shops to open for trading on Easter Sunday within the entire Rotorua district.

Interpretation

“shop” has the same meaning as in the Shop Trading Hours Act 1990, that is:

- a shop is a building, place, or part of a building or place, where goods are kept, sold, or offered for sale, by retail and includes an auction mart, and a barrow, stall, or other subdivision of a market; but does not include-

  (a) a private home where the owner or occupier’s effects are being sold (by auction or otherwise); or

  (b) a building or place where the only business carried on is that of selling by auction agricultural products, pastoral products, and livestock, or any of them; or

  (c) a building or place where the only business carried on is that of selling goods to people who are dealers and buy the goods to sell them again.

Policy

The Rotorua District Council will permit shop trading in the whole of the Rotorua district on Easter Sunday as provided for by the Shop Trading Hours Act 1990.

The extent of the Rotorua district is shown on the map below.
Review

The Act requires that the Policy must be reviewed no later than five years after the date on which it was adopted. Section 5C (4) of the Shop Trading Hours Act requires the use of the Special Consultative Procedure when undertaking a review and determining whether to amend, revoke, replace or continue the policy.

Council cannot delegate the power to make the final decision on whether to adopt, amend or revoke the policy.

Section 5E requires a council to provide a copy of any decision to adopt, amend or revoke a policy to the Chief Executive of the Ministry of Business, Innovation and Employment within 10 days of the decision being made.

Map of Rotorua district
1. PURPOSE

The purpose of this report is to provide an assessment of the Social Impact of Gambling in the Rotorua District and to seek endorsement of the proposed process to develop a revised “Class 4 Gambling Venue and Board Venue Policy”. This process includes obtaining a view on gambling machine (‘pokie’) gambling from the general Rotorua community by way of an independent survey, prior to a councillor workshop, followed by committee paper containing a recommended policy and Statement of Proposal for formal consultation.

2. RECOMMENDATION 4:

1. That the report “Assessing the Social Impact of Gambling” be received.
2. That the Council notes the contents of that report.
3. That Council endorses the approach to supplement the review of the ‘Class 4 Gambling Venue and Board Venue Policy 2011’ with an independent community survey.

3. BACKGROUND

In 2004, all local authorities were required to adopt a policy about gambling machines (or pokie machines) in their districts as a requirement of Gambling Act 2003 (the ‘Gambling Act’), as well as a Policy on TAB Board Venues under the Racing Act 2003 (the ‘Racing Act’).

Rotorua Lakes Council (‘Council’) adopted a Policy in 2004, which has subsequently been reviewed and is currently titled the ‘Class 4 Gambling Venue and Board Venue Policy 2011’ (‘Policy’).

The objectives of the Policy are to: control the growth of gambling; prevent and minimise the harm from gambling; facilitate responsible gambling; and facilitate community involvement in decisions about gambling.

The Policy is made within the powers given to local authorities under both the Gambling Act and Racing Act. In particular, the Policy:
- establishes a ‘cap’ of 380 on the number of gambling machines in the district;
- sets the number of gambling machines allowed per venue (in line with the Gambling Act);
- allows for the relocation of gambling machines between venues when a venue closes; and
establishes certain criteria and conditions about where ‘gambling machine’ venues and TAB Board venues may establish in the Central Business District, other commercial zones and other locations in the district.

As at November 2016 there was one TAB Board Venue in the district, and 26 Class 4 gambling venues licenced to contain 389 gambling machines. This continues to be above the current cap of 380.

Section 102 of the Gambling Act and section 65E of the Racing Act require the Policy to be reviewed every three years. The last review took place in 2011. Both Acts provide that the Policy does not cease to have effect because it is being reviewed.

The Gambling Act requires that the review consider the social impact of gambling in the district. This review has started with an assessment of the social impact of gambling in the district and how this may have changed over the years, particularly since the last review. This is contained in the report in Attachment 1.

4. DISCUSSION AND OPTIONS

The Social Impact Report (Attachment 1) outlines the situation and trends nationally and locally, the benefits and the costs from gambling machine gambling. It concludes that it is reasonable to believe that the ongoing social costs to Rotorua from gambling machines outweigh the benefits.

In summary, Rotorua has a relatively high number of machines per person and a higher spend per person than the national average. Machines are located both within the inner city and in higher deprivation suburbs. The number of machines has been relatively stable in recent years and remains higher than the cap of 380. The relocation allowance within the Policy has enabled 36 machines to relocate within the inner city in the last 12 months.

The main social benefits are entertainment and the provision of grants to sports, education, culture, arts, conservation and other community organisations based in Rotorua. It should be noted however that for every dollar granted, $2.50 has been lost by a gambler. Also determining the precise amount that is returned to the district by gaming machine societies is difficult as there is not a requirement to return proceeds locally. Note: employment benefits were concluded to be equal or higher from alternatives to gambling spend such as retail or other entertainment.

In terms of the main social costs, gambling machine gamblers lose around $53,000 a day in Rotorua. While not all of these losses will be borne by problem gamblers, based on national averages there are estimated to be at least 500 to 1,000 problem gamblers in Rotorua. The economic, social and health impacts are felt beyond the gamblers themselves with direct effects on as many as 10,000 people, among which children are often most negatively affected. The figures may be higher than this as Rotorua has a higher proportion of factors which New Zealand research shows lead to greater problem gambling and gambling-related harm, including a high proportion of people living in high deprivation neighbourhoods and a higher proportion of Māori residents.

In addition to this report staff have undertaken some initial engagement to inform thinking on the review of this Policy. A meeting was held with people dealing with gambling related harm, most of whom strongly support a sinking lid policy which would result in reducing venue and machine numbers over time. They were also very clear that should relocations of venues and machines be allowed in the future, the current Policy needed to be amended to stop situations where venues relocated too close to schools.
A second meeting included societies and venue operators. The view here was broadly that the status quo should remain and there was a strong view that relocations should be allowed for the sustainability of their businesses.

In addition, the topic of gambling policy was discussed at the Destination Rotorua Board in early 2016 to understand any impact to the visitor sector. Their agreed position was “there is minimal support for continued proliferation of existing arrangements; such as pokie gaming rooms and machines attached to various public bar environments across Rotorua.”

While there is a significant amount of information available on which to base the Policy review, staff believe that council will be better informed if the views of the general public are also available. In a similar way to both the upcoming Easter Trading Policy proposal and Smokefree Outdoor Spaces, staff are proposing an independent survey is undertaken to add to the information available. This would be followed by a councillor workshop, then committee paper with a recommended option and draft Statement of Proposal for special consultative procedure.

The options for policy change are essentially:
1. Status quo with refinement to the relocation rules
2. A reduced cap to closer to national average machine numbers with refinement to the relocation rules
3. A sinking lid (no new licenses granted) with relocations in certain circumstances
4. A sinking lid without any relocations.

It is worth noting that there is no ability for the Council to force a reduction in machine numbers or to allow aggregation of machines at one venue beyond 30 machines (in the case of venue mergers).

The alternative option to above is to proceed to either a workshop or recommended policy option directly.

5. ASSESSMENT OF SIGNIFICANCE

The decisions of this report are not considered to be significant.

6. COMMUNITY INPUT/ENGAGEMENT AND PUBLICITY

As noted above three pre-consultation meetings have been held with people dealing with gambling related harm, societies and venue operators, and Destination Rotorua. In addition an independent community survey is proposed, followed by the special consultative procedure as prescribed in the Gambling Act.

7. CONSIDERATIONS

7.1 Financial/budget considerations

The cost for a 300 person survey has been quoted at $17,530. These costs can be accommodated within existing budgets.
7.2 Policy and planning implications

The review of this Policy is required by the Gambling Act. The policy review recommendations will take into consideration the Rotorua 2030 Goals and the portfolio strategies, particularly the Resilient Communities goal and the Sustainable Living Strategy.

7.3 Risks

No significant risks have been identified.

7.4 Authority

The Council has authority to make the resolutions included in this report.

8. ATTACHMENTS

Attachment 1: Report ‘Assessing the Social Impact of Gambling’
ASSESSING THE SOCIAL IMPACT OF GAMBLING IN THE ROTORUA DISTRICT

November 2016
Prepared by: Aimee McGregor, Strategy Manager

1. Introduction

In 2004, all local authorities were required to adopt a policy about gambling machines (or pokie machines) in their districts as a requirement of the Gambling Act 2003 (the ‘Gambling Act’) as well as a Policy on TAB Board venues under the Racing Act 2003 (the ‘Racing Act’). Rotorua Lakes Council (‘Council’) adopted a Policy in 2004, which has subsequently been reviewed and is currently titled the ‘Class 4 Gambling Venue and Board Venue Policy 2011’ (‘Policy’).

Section 102 of the Gambling Act and section 65E of the Racing Act require the Policy to be reviewed every three years. However it also notes that the policy does not cease to have effect because it is due for review or being reviewed. Further, section 102 of the Gambling Act requires the Council to consider a relocation policy and the social impact of gambling in high deprivation communities within its district. The nature of a review should start with an assessment of the social impact of gambling and how this may have changed over the years, particularly since the last review.

This report reviews:
- gambling at the national level
- gambling machine and gambling venue trends since 2010 at the local level
- the social benefits from gambling machines, and
- the social costs from gambling machines.

2. National Level

Gamblers in New Zealand spent $2,091 million dollars on the four main forms of gambling in the 2014/15 financial year, $25.5 million (1.2 per cent) more than the previous year. They spent more in casinos, on non-casino pokies, racing and sports betting; but less on Lottery products.

Analysis of the expenditure in the 2015 year compared to the 2014 year shows that:
- TAB racing and sports betting expenditure increased by 4.8% from $310 million to $325 million. This increase was driven by an increase in sports betting and the introduction of a new TAB mobile app that attracted thousands of new customers.
- Expenditure on NZ Lottery products decreased by 9.2% from $463 million to $420 million. In 2015, fewer customers were drawn to Lotto products, since there was only one week in which the Powerball jackpot went above $20 million. Prior to 2015, Lotto sales were on an upward trend, with an average increase of 5.0 per cent per annum from 2010-2014.
- Casino gambling expenditure increased by 8.5% from $486 million to $527 million. This increase followed a period of significant capital investment by the SkyCity casino operator in particular.

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1 Expenditure is amount wagered less winnings, it is also termed Gaming Machine Proceeds (GMPs). Gross Profit, Losses, which is different to turnover which equals the total amount wagered.
Expenditure on non-casino gambling machines in pubs and clubs increased by 1.5% from $806 million to $818 million. This increase in expenditure occurred against a backdrop of declining numbers of venues and machines, but a higher average expenditure per machine and venue.

When adjusted for inflation, gambling behaviour has varied only slightly over the past six years, ranging from a low of $2,060 million in 2011 to a high of $2,099 in 2012.

Of the $2,091 million spent by gamblers, an estimated $655 million (31.4 per cent) was distributed to a variety of community purposes from gambling proceeds nationally.

Non-casino gambling machine trusts raised an estimated $260 million for authorised purposes. NZ Lotteries transferred $201 million to the Lottery Grants Board for community services and projects. The New Zealand Racing Board allocated $140 million, mostly to support racing club activities and infrastructure. Casinos paid just over $4 million to their community trusts. In addition, gambling operators were required to pay a levy from their profits to meet the costs of an integrated problem gambling strategy – estimated to be $54 million (GST exclusive) for the current 2013-16 levy period.

From 2010 to 1 July 2016, the number of gaming machines nationally decreased by 15 percent from 19,115 to 16,250.

3. Local trends

Of the $818 million spent by gamblers nationally on pokie machines in the 2014/15 financial year, $19.5 million was spent in the Rotorua district (or 2.3 per cent), when Rotorua has only 1.5 per cent of New Zealand’s population.

At November 2016, there were 26 Class 4 gambling venues in the Rotorua district, which represents 2.13 per cent of venues nationally. The venues are licensed to contain a total of 389 gambling machines or 2.39 per cent of national gambling machines. As Rotorua has only 1.5 per cent of the population this means Rotorua has a higher proportion of venues and machines than the national average. If Rotorua had the “national average” numbers of machines for population we would have 247 machines.

Specifically, for every thousand people in Rotorua there are 5.9 machines available versus a national average of 3.8. If average Rotorua visitors are included within the population, this is 5.4 machines per thousand people.

Rotorua also has a higher than average adult (20 and over) spend on gambling machines versus the national average, despite having a lower median income.

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4 Authorised Purposes are the purposes for which societies can make grants. Different societies have different authorised purposes, but all must benefit the community.
5 Department of Internal Affairs, Gambling Expenditure Statistics
6 Department of Internal Affairs, Gambling Expenditure Statistics
The effect of the Council’s current Policy has been the gradual reduction of venues and machines within the district over the past 10 years, with a plateau more recently. From 2010 to 2016 the number of machines reduced from 416 to 389 licenses for machines (6.5 percent reduction compared with 15 per cent nationally).

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**Current venues and the number of gambling machines for the Rotorua district**

<table>
<thead>
<tr>
<th>Society Name</th>
<th>Venue Name</th>
<th>Venue Physical Address</th>
<th>Number of Gambling Machines Licensed (Operating as at Nov 2016)</th>
</tr>
</thead>
<tbody>
<tr>
<td>First Sovereign Trust Limited</td>
<td>The Outlaw Bar</td>
<td>1153 Arawa Street</td>
<td>18</td>
</tr>
<tr>
<td>Four Winds Foundation Ltd</td>
<td>Crates n Cues Bar</td>
<td>1237 Pukuatua Street</td>
<td>18</td>
</tr>
</tbody>
</table>

It should be noted that while VC’s Turf Bar and Hennessy’s Irish Bar are licensed to have 18 and 9 gambling machines, at November 2016, their actual numbers of gambling machines were 15 and 0 respectively (Hennessy’s is undergoing new building work).
<table>
<thead>
<tr>
<th>Society Name</th>
<th>Venue Name</th>
<th>Venue Physical Address</th>
<th>Number of Gambling Machines Licensed (Operating as at Nov 2016)</th>
</tr>
</thead>
<tbody>
<tr>
<td>The Southern Trust</td>
<td>Brookland Glassy Junction</td>
<td>Shops 5-6, 2 Brookland Road, Mangakakahi</td>
<td>15</td>
</tr>
<tr>
<td>First Sovereign Trust Limited</td>
<td>Colonial Tavern</td>
<td>Te Ngae Shopping Centre, Te Ngae Road, Rotorua Central</td>
<td>18</td>
</tr>
<tr>
<td>New Zealand Community Trust</td>
<td>Hennessy’s Irish Bar</td>
<td>1208-1210 Tutanekai Street, Rotorua Central</td>
<td>9 (0)</td>
</tr>
<tr>
<td>Trillian Trust</td>
<td>Kalah Bar</td>
<td>11B Hall Road, Ngongotaha</td>
<td>12</td>
</tr>
<tr>
<td>New Zealand Community Trust</td>
<td>Kaspers Sports Bar</td>
<td>1302 Tutanekai Street, Rotorua Central</td>
<td>18</td>
</tr>
<tr>
<td>The Lion Foundation</td>
<td>Copthorne Hotel</td>
<td>Corner Fenton Street and Ward Avenue, Fenton Park</td>
<td>15</td>
</tr>
<tr>
<td>The Southern Trust</td>
<td>Kiwi Spirit</td>
<td>1232 Arawa Street, Rotorua Central</td>
<td>18</td>
</tr>
<tr>
<td>New Zealand Community Trust</td>
<td>Malfroy Tavern</td>
<td>172-176 Malfroy Road, Rotorua Central</td>
<td>12</td>
</tr>
<tr>
<td>The Lion Foundation</td>
<td>Mitchell Downs Tavern</td>
<td>12 Goldie Street, Pukehangi</td>
<td>18</td>
</tr>
<tr>
<td>New Zealand Community Trust</td>
<td>Mo’s Bar</td>
<td>1142-1144 Tutanekai Street, Rotorua Central</td>
<td>18</td>
</tr>
<tr>
<td>Rotorua Citizens Club Inc</td>
<td>Rotorua Citizens Club</td>
<td>Corner Arawa and Rangiuru Streets, Rotorua Central</td>
<td>18</td>
</tr>
<tr>
<td>Rotorua Club Incorporated</td>
<td>Rotorua Club</td>
<td>274 Fenton Street, Rotorua West</td>
<td>8</td>
</tr>
<tr>
<td>Rotorua Commercial Travellers Association Incorporated</td>
<td>Rotorua Commercial Travellers Association Incorporated</td>
<td>Moncur Drive, Tihiotonga</td>
<td>12</td>
</tr>
<tr>
<td>First Sovereign Trust Limited</td>
<td>Ruck N Maul</td>
<td>1279 Amohia Street, Rotorua Central</td>
<td>18</td>
</tr>
<tr>
<td>The Southern Trust</td>
<td>Selwyn Tavern</td>
<td>14-16 Kokako Street, Selwyn Heights</td>
<td>8</td>
</tr>
<tr>
<td>New Zealand Racing Board</td>
<td>TAB Rotorua</td>
<td>1156 Eruera Street, Rotorua Central</td>
<td>18</td>
</tr>
<tr>
<td>Infinity Foundation Limited</td>
<td>The Fentons Bar</td>
<td>1295 Fenton Street, Rotorua Central</td>
<td>18</td>
</tr>
<tr>
<td>New Zealand Community Trust</td>
<td>The Sidepocket Bar</td>
<td>1129 Hinemoa Street, Rotorua Central</td>
<td>18</td>
</tr>
<tr>
<td>The Southern Trust</td>
<td>Vault Bar</td>
<td>1122 Hinemoa Street, Rotorua Central</td>
<td>18</td>
</tr>
<tr>
<td>Four Winds Foundation Ltd</td>
<td>VC’s Turf Bar</td>
<td>1184 Arawa Street, Rotorua Central</td>
<td>18 (15)</td>
</tr>
<tr>
<td>Pub Charity Limited</td>
<td>Village Sports Bar/Cafe</td>
<td>262 Ngongotaha Road, Ngongotaha</td>
<td>14</td>
</tr>
<tr>
<td>The Southern Trust</td>
<td>West End Tavern</td>
<td>221-223 Old Taupo Road</td>
<td>9</td>
</tr>
<tr>
<td>New Zealand Community Trust</td>
<td>H2O Gaming &amp; Sports Bar</td>
<td>318 Malfroy Road, Hillcrest</td>
<td>18</td>
</tr>
<tr>
<td>First Sovereign Trust Limited</td>
<td>Woolshed Tavern</td>
<td>3820 Broadlands Road, Reporoa</td>
<td>5</td>
</tr>
</tbody>
</table>

There is one TAB Board Venue in the district: Rotorua Central, located at 1154-1156 Eruera Street.  

Note that since around the time of the last Review of the Gambling Policy in 2011:

- 18 gambling machines operated by the Rotorua RSA were moved to the Outlaw Bar on Arawa Street (Inner City to Inner City) in December 2015;
- 18 gambling machines operated by Kiwispirit were moved from Hinemoa Street to Arawa Street (Inner City to Inner City) in September 2015;
- 8 gambling machines operated by the Rotorua Club on Fenton Street moved to the Racing Club immediately behind them on Fenton Street (City fringe to City fringe) in August 2010;
- 9 machines operated by Valentines were removed 6 months after that business closed down in February 2016; and

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9 A TAB Board Venue is a premise that is owned or leased by the New Zealand Racing Board and where the main business carried is providing racing betting or sports betting services under the Racing Act. In addition, there were eight premises that hosted a Pub TAB and two that hosted a TAB self-service terminal, but these facilities are not such to territorial authority control under the Racing Act.
• 18 machines operated by the Locker Room were removed when that business closed down in February 2014.

4. The social benefits from gambling machines

Entertainment

The fact that people pay money to gamble (rather than spending the money on some other commodity or service) suggests that there is entertainment value derived from gambling.

A Department of Internal Affairs (‘DIA’) survey, People’s Participation in and Attitudes to Gambling 1985-2005 found that around two-thirds of participants had gambled on gambling machines as a form of entertainment, with participants also saying this was a way to be with people or to get out of the house.\(^\text{10}\) While no updated DIA survey has been prepared regarding gambling as a form of entertainment since the last review, more recent 2011 research suggests that the vast majority of adults (84%) never use gambling machines.\(^\text{11}\)

A 2007 research project, Whakatau Mai Ra: The Impacts of Gambling for Maori Communities: A National Maori Collaborative Approach, drew a conclusion that “… socialising, enjoyment and fun was directly related to more communal activities such as housie and community raffles. Based on the findings, there is a clear view that people genuinely do enjoy participating in gambling activities, and the benefits of being able to socialise with others, particularly whanau members.”\(^\text{12}\) No updated report has been found regarding gambling and Maori communities since the last review.

Employment

The Community Gaming Association (an association of non-club corporate societies who run Class 4 gambling machines), completed a survey in 2009 that estimated there were 300 full-time equivalents directly employed by Class 4 non-club corporate societies. It estimated there were 215 employees of external service providers and contractors providing either full-time or part-time services directly to the societies. No updated survey has been found regarding gambling and employment since the last review.\(^\text{13}\)

A report from 2010 by the Australian Productivity Commission concluded that employment in the gambling industry, and economic activity as a result of gambling, was not likely to result in significant benefits because there were alternatives available for consumer spending (retail products or other forms of entertainment) that, if gambling did not exist, would contribute to the economy in terms of the labour and capital and the benefits people derive from these activities (retail and entertainment).\(^\text{14}\) Another Australian report found that every million dollars spent on gambling created half the number of jobs versus retail.\(^\text{15}\)

Consideration has been given as to whether Class 4 Gambling is a significant part of the visitor industry in Rotorua. When reviewing expenditure by quarter there is no uplift (in fact there is a drop) of expenditure during the higher visitor periods, which suggests this is not the case.

\(^{10}\) Department of Internal Affairs, People’s Participation in and Attitudes to Gambling 1985-2005: Final Results From the 2005 Survey, page 21.
\(^{15}\) South Australian Centre for Economic Studies with the Department of Psychology, University of Adelaide (2005, November).
Community Funding

The Gambling Act provides for Class 4 gambling to be permitted only where it is used to raise funds for community purposes. Gaming machine societies are required under the Gambling Act and the Gambling (Class 4 Net Proceeds) Regulations 2004 to distribute a minimum amount of 40 per cent of their proceeds to the community.

Recipients may include sports, arts, heritage, conservation, education, leisure, hobby groups and other activities and organisations. Often the work of these organisations is carried out by volunteers. Without the financial resources available from the proceeds of gambling, the levels of such activities would likely be less. Moreover, the financing of community organisations has moved to reflect the availability of funds from gaming societies to an extent that some may find it hard to operate were this source of funding removed or reduced, at least in the short term.

Aggregated national figures show sporting organisations receive almost half of the funding made available from gaming machine societies, with rugby union receiving the largest portion, followed by horse racing, soccer, cricket and netball. Social and community services received most of the remainder.\textsuperscript{16}

Determining the amount of funding that is allocated to the Rotorua district by gaming machine societies is difficult, as there is no single comprehensive source of this information. In addition, grants recipients are published predominantly on a regional basis, making it difficult to accurately identify which districts are benefiting. As the name of the grant recipient often does not allow district identification either, there is little ability for the Council to make the calculations.

As gaming machine societies are not required by legislation to allocate funding to community groups and organisations on the basis of the region/district where the money was lost, it is very likely the portion of proceeds from gaming in Rotorua that could be returned is not entirely returned to the district. Analysis undertaken by the Problem Gambling Foundation ('PGFNZ') using a database of grant data collected from publications and websites concluded that for the January 2012 – June 2014 period grants totaling $11,776,086 were allocated to Rotorua by gaming machine societies. This is equivalent to 33.6 per cent of expenditure versus the minimum requirement at that time to grant 37.12 per cent (and actual national average of 42.1 percent for 2013). This equates to a net result of Rotorua gamblers funding approximately $1 - 2m to grant recipients outside Rotorua each year. However, it should also be noted that residents of Rotorua likely benefit to some extent from activities funded outside the district when they participate in or benefit from those activities (e.g. surf lifesaving activities).

The biggest contributor (39% or $4,624,113) of the grants was First Sovereign Trust, which is based in Rotorua. It had 72 gambling machines in 4 venues. The second biggest contributor was the NZ Community Trust (21% or $2,507,338), with 93 machines in 7 venues. Education was the biggest recipient of grants ($2,124,090), which was 18% of the total grants. The next biggest type of recipient was Māori ($1,329,383), which was 11% of total grants followed closely by Community Groups which amounted to $1,300,637 (or 11% of the total).\textsuperscript{17}

5. The social costs from gambling

The costs associated with gambling include: the private impacts of problem gambling; the social and health impacts of problem gambling; net reduction in income and employment (diversion of expenditure from more productive industries); tax and administrative leakage from the local economy; and a net reduction in the contribution to social cohesion compared with other forms of fundraising.

\textsuperscript{16} Department of Internal Affairs, \textit{The Distribution of Non-Casino Gaming Machine Profits in New Zealand} (2011), page 4.

\textsuperscript{17} Problem Gambling Foundation of New Zealand, \textit{Gambling Report with Grants and Analysis January 2012 – June 2014}
Gambling machine gamblers in Rotorua lose around $19.5 million per year or around $53,425 per day.\textsuperscript{18} This loss is not borne evenly across the community, with the majority of losses borne by a small minority of gamblers.

Not all problem gamblers will incur serious negative effects beyond their personal gambling losses. However, evidence suggests that their behaviour is likely to adversely affect 5-10 additional people through their actions/issues with domestic violence, alcohol abuse, theft, bankruptcy, poor employment performance and poor mental health.

Based on the national prevalence of problem gambling, the number of problem gamblers in Rotorua district is estimated to be in the range of 459 to 918 people. As the behaviour of each severe problem gambler is likely to affect between 5 and 10 other people, this suggests that there could perhaps be as many as 9,183 people affected by problem gambling in Rotorua.\textsuperscript{19}

Children will be amongst those negatively affected if their parents have problems with gambling. Gambling can lead to neglect, broken homes, damaged relationships between children and parents, physical and emotional harm, and a higher risk of children becoming problem gamblers themselves.\textsuperscript{20}

New Zealand research shows that gambling-related harm affects some sections of the community more than others. In particular: (a) people living in high deprivation neighbourhoods are more likely than people living in other neighbourhoods to be problem gamblers, and are more likely to suffer gambling-related harm; (b) Māori and Pacific peoples are more likely than other groups to be problem gamblers, and are more likely to suffer gambling-related harm; and (c) Māori and Pacific women are more likely than other groups to suffer harm related to non-casino gaming machines.\textsuperscript{21}

Across New Zealand there is a clear trend in the concentration of machines across deprivation areas: electronic gambling machines are more likely to be found in the more deprived areas of New Zealand.\textsuperscript{22}

It has been stated that 71\% of the gambling machines are in the poorest 30\% of the Rotorua district.\textsuperscript{23} The map in Appendix A shows the location of all 26 Class 4 Pokie Venues in the Rotorua district against the deprivation index. The map confirms that Class 4 Pokie Venues are predominantly located in areas of higher deprivation in Rotorua.

Drawing on these factors, the Rotorua district is at risk of greater impacts of problem gambling due to: a relatively high rate of unemployment and benefit dependency (including sole parent families); a relatively high proportion of residents aged less than 25 years; a relatively high proportion of Māori residents; increasing numbers of Māori, Pacific Island and Asian residents; over 50\% of the district’s population living in areas that are considered the most deprived in New Zealand; and increasing numbers of older residents on fixed incomes.\textsuperscript{24}


\textsuperscript{19} At any given time, between 0.3\% and 1.8\% of adults living in the community in New Zealand are likely to score as problem gamblers on standard questionnaires. This is between about 10,000 and 60,000 people. See Department of Internal Affairs, \textit{Problem Gambling in New Zealand – A Brief Summary}, paragraphs 1 and 24.

\textsuperscript{20} Problem Gambling Foundation of New Zealand, \textit{Submission on the Rotorua District Council Gambling Venues Policy} (2015), paragraphs 45-54. See also the research of Laurie Morrison at www.aut.ac.nz/profiles/laurie-morrison

\textsuperscript{21} At any given time, between 0.3\% and 1.8\% of adults living in the community in New Zealand are likely to score as problem gamblers on standard questionnaires. This is between about 10,000 and 60,000 people. See Department of Internal Affairs, \textit{Problem Gambling in New Zealand – A Brief Summary}, paragraphs 1 and 24. See also the research of Laurie Morrison at www.aut.ac.nz/profiles/laurie-morrison

\textsuperscript{22} Francis Group. \textit{Informing the 2009 problem gambling needs assessment: Report for the Ministry of Health (2009)}

\textsuperscript{23} Problem Gambling Foundation of New Zealand, \textit{Submission on the Rotorua District Council Gambling Venues Policy} (2015), paragraph 6

\textsuperscript{24} For more detailed information about Rotorua’s demographic profile, see http://nzdotstat.stats.govt.nz/wbos/Index.aspx
Research by the Problem Gambling Foundation suggests that the problem gambling statistics for Rotorua are higher than other selected territorial authorities. Data from the Ministry of Health shows that from July 2012 to June 2013, there were 328 new clients who contacted an intervention service for the first time for psychosocial support either by phone or face-to-face. This compares with 52 in July 2004 – June 2005.

A 2009 New Zealand Research Report concluded that: “from the perspective of public policy, and particularly harm minimisation, holding or reducing EGM [electronic gambling machine] numbers would appear to be prudent ... and is likely to lead to reduced harm both through reduced availability and by enabling adaption processes.”

6. Conclusion

As of November 2016, there were 26 Class 4 gambling venues in Rotorua district, with the venues licensed to contain 389 gambling machines. The Rotorua district ratio of persons per machine and spend per person is higher than the national ratios. In addition, there was one TAB Board Venue in the district.

In terms of the main social benefits, although sports, arts, conservation and other community organisations based in Rotorua are the recipients of grants related to the proceeds from gambling machines, determining the precise amount that is returned to the district by gaming machine societies is difficult to quantify.

In terms of the main social costs, the problem gambling statistics show that Rotorua has higher levels than nearby districts. In addition, Rotorua has a higher proportion of factors leading to greater gambling-related harm, such as people living in high deprivation neighbourhoods, a higher proportion of Māori residents and people on benefits.

From the information available, it is reasonable to conclude that there are ongoing social costs to Rotorua from gambling machines that outweigh the social benefits.

7. Response

The Gambling Act and Racing Act give local authorities certain limited powers to regulate the number and location of venues and gambling machines through Class 4 Gambling Venue and Board Venue policies. Essentially, local authorities can opt to have a ‘cap’ on the number of machines in their district or apply a ‘sinking lid’ approach.

The current Rotorua Policy:

- establishes a ‘cap’ of 380 on the number of gambling machines in the district;
- sets the number of gambling machines allowed per venue;
- allows for the movement of gambling machines between venues; and
- establishes certain criteria and conditions about where gambling machine venues and TAB Board venues may establish in the Central Business District, other commercial zones and other locations in the district.

Although this Policy had the effect of significantly reducing the number of venues and gambling machines in its first five years of operation, the reductions have been far less in the last five years. Indeed, the

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number of venues and gambling machines has remained at around the same level since 2010. The number of gambling machines licensed is currently 389, which is still above the cap of 380 set in 2004. There have been no relocations from outside the Inner City into the Inner City since the last review.

In light of the overview above concerning the social costs of gambling in Rotorua, it is opportune for the Council to consider how the current Policy might be adjusted to address further the social costs of gambling and workshop options before consulting with the community.
Appendix A

Class 4 Venues and Deprivation Index

- CBD Inset Map
- Reporoa Inset Map

Lake Rotorua
Ngaripitaia
Kawaha Point
Motutara Point
Mokoia Island

Reference | Name
--- | ---
A | Colonial Tavern
B | Sunrise Tavern
C | Oceana Bar
D | Braums Tavern
E | Eagles on Oak Bar
F | City's Turf Bar
G | The Santon Bar
H | ROTAR Caring and Support Bar
I | Heritage & Thirst Bar
J | Rotaroa Sports Bar
K | Mullro Tavern
L | Main Bar
M | Depoished Bar
N | Till
O | Tongariro Tavern
P | Rotorua Golf Club
Q | Rotorua Club
R | Commercial Travellers Club
S | Charleville Hotel
T | Michael Daisy Tavern
U | Blackbird Stereo Justice
V | Kia Ora
W | Rotarua Tavern
X | Youth Bar
Y | Peak Trail Tavern
Z | Kaka Bar

1 December 2016
1. PURPOSE

This report seeks Council approval to prioritise the major entryway sculpture, as part of the Hemo Gorge roundabout development, from the percent for art budget. The percent for art budget for 2016/17 is $345,000.

The Council contribution is within budget but if expected external funding is not received a proposed Council underwrite will require the majority of the 2016/2017 budget to be allocated to this project only. As a consequence, this report seeks permission to prioritise the percent for art budget on this project with the recognition that a number of smaller art projects may not be undertaken this year if the underwrite is required.

2. RECOMMENDATION 5:

1. That the report “Prioritising percent for art budget for sculpture at Hemo Gorge roundabout” be received.

2. That Council confirm the prioritisation of the 2016/2017 percent for art budget to support proposed funding and the project underwrite for the Hemo Gorge roundabout sculpture.

3. BACKGROUND

The Rotorua Lakes Council’s Public Art Policy (adopted in 2012) required the inclusion of art as an integral component of the design and total budget of capital works projects. However, no budgeting parameters were defined which meant the scope of proposed art works was uncertain and these were often cut if project costs changed.

In 2013 the percent for arts approach was adopted. The approach provided a foundational level (1%) of direct funding for art and was subtracted from all capital project sums identified within the Long-term Plan (LTP).

The percent for arts funding approach has helped in lifting the profile of our creative community with a number of murals, sculptures and art initiatives being established. This work has improved the appearance of the city centre, a number of parks and reserves and has reduced costs associated with vandalism and graffiti removal. Art is also important in ‘place shaping’ and in building a stronger sense of community and cultural identity.
The adoption of the percent of art approach saw Rotorua Lakes Council as a finalist at the Local Government Excellence Awards 2015 in the category of Best Creative Place.

While the policy was approved in 2013, Council also consulted on the funding as part of the 2014/2015 Annual Plan and included the funding across the 10 years of the Long-term Plan 2015-2022. Funding levels vary depending on the capital works programme, typically in the region of $220,000-$340,000 per annum. To date, projects have included:

- Sulphur Lake Sculpture Trail – In 2014 there was 17 artists over 10 days creating artwork for inclusion in the sculpture trail in Government Gardens and was held again in November 2016
- Multiple alleyway and city murals
- Multiple sculptures throughout the city
- Toilet enhancements including the lakefront, Puketawhero Park and the Blue Lake
- Performing arts events such as Music Month
- Murals at suburban centres such as Ranolf Street dairy, Western Heights and Selwyn Heights Shopping Centres
- Creation of a public arts brochure to promote our artwork.

**State Highway 5 – Hemo Gorge Intersection**

NZTA’s Urban Design Guidelines 2013 sets out 10 fundamental urban design principles which guide the development of nationwide transport projects. Since the implementation of these guidelines, NZTA projects include artwork or a higher level of aesthetic enhancement. Examples in our region include pou on the recently installed Waikato Expressway as well as the “Spinifex” and “Bound Around” art work on the Tauranga Eastern Link.

The SH5 redevelopment at Hemo Gorge was confirmed by NZTA in September 2015. In the early design stages, NZTA engaged with Council on cycling and pedestrian connectivity, lighting, signage, landscaping and artwork.

As part of this design process, NZTA expressed an interest in partnering to significantly improve this southern gateway to the city. NZTA agreed that Council could lead the process to commission a major entry artwork and Council’s Community Arts Advisor, Marc Spijkerbosch, was asked to lead the process. A tight timeframe was identified with a July 2017 installation date.

**The Selection Process**

In November 2015 and in accordance with Council art policy, a request for proposals (RFP) for artists was sent out nationwide asking for artists to submit concepts for a suitable sculpture for the site. Thirteen designs were submitted and an external reference group was formed to select the top five designs. The five artists were then invited to present their design philosophy to the reference group. The group then went on to select the winning design.

The group selected the design from the New Zealand Maori Arts and Crafts Institute (trading as Te Puia) as the winner. Te Puia were asked to develop the concept through to working drawings, structural engineer checks, lighting designs as well as finalising artistic elements.

**The Design**

The design is inspired by the story of a notable Te Arawa chief, Ngatoroirangi, who was responsible for the safe passage of people to New Zealand. Ngatoroirangi called for his sisters Kuwai and Haungaroa while in desperate times and they travelled beneath both the sea and land in the form of
fire creating the geothermal corridor that remains today. Whakarewarewa Valley was one of the locations in which they surfaced looking for their brother.

The sculpture is designed to sit on a 1.8m high plinth, scripted with the traditional narrative of Ngatoroirangi. Stainless steel haehae represents movement and wind up in a spiral to approximately 7m forming an outer vortex. Inlaid in the lower section of the haehae are carvings representing Kuiwai and Haungaroa.

An inner vortex stands within the outer vortex up to 10m tall and expresses the values of kaitiakitanga and manaakitanga.

**Strategic Fit**

In July, Professor Terry Stevens was contracted by Destination Rotorua and Grow Rotorua to help provide some key destination insights for the tourism sector.

Terry’s report recommends that consideration should be given to investing in a destination gateway and a specifically designed welcome and point of arrival to let the visitor know they have arrived and that they are welcomed. It is also recommended that Rotorua builds upon its heritage of guiding, guide training and storytelling to create a global centre of excellence in heritage interpretation based upon these local traditions.

Partnering with NZTA on this project ensures that there is a higher form of amenity at this location with landscaping included.

This is a significant and important opportunity to enhance the city gateway. Furthermore, this partnership is a platform to support further partnership working with NZTA and further gateway improvements such as the Te Ngae Road upgrades including a gateway feature near the airport.

**Costings and Budget**

Installation of artwork of this scale and significance are costly. They include significant engineering detail, structure and foundations to ensure they are safely installed and have the appropriate lifespan.

Cost estimates based on the detailed design are approximately $570,000 for the build and installation. NZTA will contribute $200,000 over and above the cost of the foundations and plinth as well as the extensive landscaping.

From the allocated percent for art budget, Council has already contributed $75,000 in the 2014/2015 financial year, with an additional $75,000 set aside in the 2015/2016 financial year’s budget.

The tender for construction will give more accurate costings. Within that tender, Council will seek partnerships with potential suppliers to reduce the overall project cost. An additional $120,000 will be sought from outside funding partners.

However, should for some reason, the external funding not be available or costs are higher, Council would look to provide additional funding from within the existing approved percent for art budget. This is the proposed project underwrite signalled in the reports recommendation to Council.
4. **DISCUSSION AND OPTIONS**

This proposal seeks to prioritise a large proportion of the percent for arts budget approved in the Long-term Plan if external funding is not received or the cost of construction is substantially higher. If this occurs other arts projects will be put on hold until budget becomes available in the following years.

There are three options for consideration:

1. Decline to support the project. This would not achieve Council’s goals for a major entry for the city and cause reputational impacts with partners.
2. Prioritise funding for the project from the percent for arts budget and delay smaller art projects to subsequent years.
3. Approve unallocated budget for the remaining project total.

The roundabout is currently under construction and once complete will be a significant infrastructure piece at one of our key gateways.

Option 1 is considered to be a lost opportunity to complete this roundabout with a significant cultural piece that welcomes visitors and expresses the district’s uniqueness.

Council is committed to working within our current funding envelope as set out in the Long-term Plan and as such option 3 should not be considered.

Option 2 meets our commitment to work within existing budgets, meets the objectives of the Creative Strategy and recommendations of Terry Stevens, and continues our relationship with NZTA and other partners.

There remains the potential of some delay in smaller art projects that are typically undertaken throughout the year, however all efforts will be made to confirm external sponsorship and funding to limit the potential underwrite of Council.

5. **ASSESSMENT OF SIGNIFICANCE**

The decisions or matters of this report are not considered significant in accordance with the Council’s Significance and Engagement Policy.

6. **COMMUNITY INPUT/ENGAGEMENT AND PUBLICITY**

The percent for art allocation was established during a public consultation process around the 2013 Annual Plan and was included in the budgeting and consultation process in the Long-term Plan (2015-2022).

The selection of the artwork was a public process with opportunities for any artist within New Zealand to submit concepts. The selection of the final design was through an external reference panel.
7. CONSIDERATIONS

7.1 Financial/budget considerations

The Community Arts Advisor will ensure total spend will not exceed the Long-term Plan budgeted amount.

At this stage Council has provided $75,000 to Te Puia to enable completion of the detailed design, engineering specifications, and to establish the tender documents. This funding was provided for from the percent for art budget set aside in the Long-term Plan.

NZTA has now confirmed their funding level and has asked Council to confirm its financial support for the artwork for installation in July 2017.

7.2 Policy and planning implications

This project is not considered to be significantly inconsistent with any of Council’s policies or plans.

7.3 Risks

There is risk of not receiving external funding and further contribution from Council of approximately $120,000 from the percent for arts budget. Conversations have already begun with funding partners. Furthermore, in the tender process there will be opportunities for suppliers to partner/sponsor the artwork to reduce the overall cost.

7.4 Authority

Because this report does not seek unbudgeted funds but the prioritising of budget that was approved in the Long-term Plan, this Committee has the approval to make a recommendation to Council.

8. ATTACHMENTS

Attachment 1: Percent for Arts Results and Projects
Attachment 2: State Highway 5 Intersection Design
Attachment 3: Sponsorship document
SULPHUR LAKE SCULPTURE TRAIL
From Wasteland to Outdoor gallery

First significant project funded by Percent for Arts was the transformation of a neglected and unsafe area in the Government Gardens known as Sulphur Lake. Improvements included vegetation removal, establishment of lime chip pathways, and the restoration and installation of a 20 metre footbridge over the middle of the lake – rescued from a recent road project; it has become ‘Memorial Bridge.’

Following trail establishment, the inaugural Sulphur Lake Sculpture Symposium was held at the Arts Village Green in November, 2014. Artists were invited to create a form which reflects the theme of 'The Returning Soldier' - in keeping with the historic linkages of the Sulphur Lake area, and the co-incidence of WW1 commemorations.

The Symposium was limited to 17 participants, including 8 local sculptors.

At the end of the Symposium, one piece was selected as the 'Judge's Award'. This award is acquisitive, with the recipient receiving $10,000.00, and the winning piece becoming a permanent part of Rotorua’s public art collection. All sculptures were then installed at the Sulphur Lake Sculpture Trail to form 'The Returning Soldier' exhibition for a period of 24 months. Artworks are for sale, at a price set by the artist, and subject to a 20% commission. Any sculptures sold are replaced by the artist with a piece of similar size and nature to ensure a constantly refreshing art trail.

Aside from the aesthetic improvements and increased amenity value, the sculpture trail has provided a key connection for the Arts Village to the other Government Gardens attractions – Rotorua Museum, Blue Baths, and Polynesian Spa.
It showcases and supports local sculptors, plays a key role in Rotorua’s WW1 commemorations, and is recognised as a key contributor to the greater CBD revitalisation programme.

**RLC community arts advisor, Marc Spijkerbosch, said community feedback on the Sulphur Lake Sculpture Trail had been phenomenal.**

“It’s a wonderful new asset to the city and in such an appropriate and tranquil location. It’s hard to believe this area was a forgotten wasteland only 18 months ago.” – Media release 28/01/2015

**Huge congratulations on the Memorial burial and the sculpture walk. ... It’s got to be one of Rotorua’s hidden gems! I’m now suggesting it to locals and visitors as a ‘must see’. The Ghost Soldier is my favourite - can’t wait to see it when the weather is cooler and steam rises off the lake.**

– Julie Hill, resident.

### CBD REVITALISATION
**Murals, Sculpture, Performance, Events**

- Alleyway Murals
- Large Scale CBD murals
- ‘Tui Nui’

- Installing “Shavings” sculpture
- ‘Matau a Maui’
- Temporary Installations

- ‘Green Corridor’, Artwork
- Toilet Enhancements
- Inner City Events
ENHANCED INFRASTRUCTURE

Suburban Shopping Centres, Parks and Facilities

Establishing partnerships
Selwyn Heights Shopping Centre project represented a partnership between schools, community, police, shop owners and Rotorua Lakes Council.

The resultant murals and plantings not only revitalized the Western Heights Shopping Complex aesthetically, but also enriched community identity, spirits and pride.

The Ranolf Street corner Dairy (below) enjoyed a similar community-based public art solution.

Opportunities for local artists
Aside from an explosion of Public Art Commissions now becoming available for local artists, there have been opportunities arising for others, including Arts students and graduates of the local Waikari Institute of Technology (pictured) engaged to work with communities - turning spaces into places, enhancing infrastructure.
Enhancing Infrastructure

- Community park enhancements – Council, students and community partnerships
- Puketawhero Park – Enhancing new facilities
- Ownership through Participation
- Public art maintenance
- Airport enhancement – collaboration with schools

Identity and pride

Iconic gateway Sculpture – projected vision for major roading project in partnership with the New Zealand Transport Agency
GATEWAY SCULPTURE
HEMO SH5/30 INTERSECTION
INTRODUCTION

Rotorua Lakes Council, the New Zealand Transport Association and Te Puia | the New Zealand Māori Arts and Crafts Institute are seeking financial support from interested individuals or groups to contribute to a major sculptural work to be installed within a 50m diameter roundabout at the southern entrance to the City of Rotorua.

New Zealand Māori Arts and Crafts Institute (‘NZMACI’) have designed a concentric gateway concept that acknowledges mana whenua and Rotorua organisations and is reflective of Rotorua’s rich Māori history and geothermal activity.

This proposal provides the background to the process and concept including the costs associated with this project, which is due for installation in July 2017.

Within the Waikato region lives a single confederation of tribes known collectively as Te Arawa.
ROTORUA AND THE ROUNDBOX

In collaboration with the New Zealand Transport Agency, Rotorua Lakes Council sought tenders from interested individuals or groups to create or contribute to a major sculptural work to be installed within a new 50 metre diameter roundabout. The roundabout has a 7 metre circulating lane and three legs which feed into SH5/Old Taupo Road, SH30/Hemo Road towards Rotorua CBD and SH5/Hemo Road towards Taupo, with an additional access to Te Puia carpark. The roundabout will have three underpasses into its centre.

Using an external selection committee, Te Puia | New Zealand Māori Arts and Crafts Institute were successful in this competitive process. The following initial considerations were identified:

- It is a high-profile gateway to Rotorua;
- The artwork should be viewable below road level by cyclists and pedestrians using the underpass;
- It was anticipated to have a height from foundation of 7 – 10 metres;
- It was unable to overhang into the roading corridor;
- A high level of structural and roading engineer involvement was required;
- Up-lighting was permitted;
- Materiality and timeframe for construction were critical to the design and process; and,
- This represents a significant opportunity for interested individuals or groups with proven experience in the creation and development of major artworks/structures.

The following proposal has been developed between Te Puia | New Zealand Māori Arts and Crafts Institute, the Rotorua Lakes Council, the New Zealand Land Transport Agency and Opus.

The sculpture has been designed to acknowledge the mana whenua and to celebrate the uniqueness of Rotorua.

They are all descendants of a migrant group who arrived in New Zealand between six and seven hundred years ago on a waka (canoe) bearing the same name, Te Arawa.
CONCEPT OVERVIEW

Te Wera me te Ahi

Most oral traditions from Te Arawa-Tuwharetoa and Mataatua sources ascribe the origin of Geothermal activity in the Taupo Volcanic Zone to the exploits of Ngātoroirangi, and his sisters Kuwai and Haungaroa, aided by the Atua (supernatural deity’s) Te Pupú and Te Hoata. Te Arawa a confederation of tribes “Mai Maketu ki Tongariro” have held firm to their oral traditions passing these from generation to generation in perpetuity ensuring the continuation of their culture, their customs and the practice of ancient traditions through which they maintain a strong sense of spiritual connection to their spiritual homeland of Hawaiiki. One such narrative recounts the indigenous world view of geothermal origins. A journey of exploration by Te Arawa ancestor Ngātoroirangi who ascended Tongariro, where he almost perished, so intense was the cold on that mountain. Ngātoroirangi called upon his tūahine (sisters) Kuwai and Haungaroa to send heat and warmth to him lest he perish. There is a clear correlation made within these traditions between the volcanic mountains and areas of surface geothermal activity, the hot springs, geysers, mud pools, sinter terraces and steam vents.

“ME TINATA” (The beginning) Composed in waiata tawhito (traditional song) style, recalls an oral tradition maintained by Te Arawa within the Whakarewarewa “Mai Maketu ki Tongariro” (from Maketu to Tongariro). It's among the opening lines of this waiata record those origin are once again revealed.

Me tinata ia Ngātoroirangi i pikita ake ai i te tiki o Tongariro
Ka kīnonga tana kiri i te matao
Ka aue atu nā ki ūna tūahine, kia haria mai te ahi, i te wā kainga
Kia ngata rā te hāhua, ka haruru mai te whenua te Ao, te whenua Po
Ka tahi mai ki tana tāha, Mahue atu i a rāua te wera me te ahi i te taha tā
Ka matatau, ka maraata
Noko iho rā te mamāoa ki te Whakarewarewa, te tōnga o te ope taua a Wāhiao o
My journey begins way back in time when Ngātoroirangi climbed the peak of Mount Tongariro. Suddenly his skin snowed signs of deadly frostbite. He called to his sisters in Hawaiiki to bring him warmth. Hearing his plea, they travelled above and below ground. Wherever they rested they left their warmth (heat and fire). That warmth spread throughout the Bay of Plenty. Some of it was left at Whakarewarewa home of the chief Wahiao and his warriors.

Te Pupu and Te Hoata, the Atua (supernatural deity’s) of heat and fire, are remembered for creating the geothermal imprint from far-off Hawaiiki throughout the subterranean Tongan and Kermidec Trench’s, to the Volcanic landscapes of Whakaari (White Island), Motutara (Whale Island), just off the East Coast of the North Island near Whakatane through to Mt Tongariro in the Central Plateau, in search of Ngātoroirangi, the great Ariki and tohunga of the Te Arawa Waka (canoe).

For the first time in Rotorua history we will have a contemporary artwork which commemorates this subterranean journey of these Atua and a direct correlation between their journeys throughout the subterranean catacombs and the post eruption surface features. These strands of rising heat and steam symbolically represent the connectedness of the communities who have made these special places their homes among Geothermal fields and the post eruption caldera’s within the Taupo volcanic zone.
In the lines of the waiata, “Ka eke ki Wairaka…” composed by Riki Putikana of Ngati Tuwharetoa, Te Hoata and Te Pilipu are described symbolically as sisters of Ngatoroirangi, responsible for the boiling pools at the region.

12 metres.

Outer stainless tube: 162 mm
Outer stainless tube: 101.6 mm
Corten steel manaka

I te wai koropupū i haia mai nei, i Hauaiki rānō mō Ngatoroirangi, e ona tuahine Te Hoata me Te Pupu, e hura i Tongariro ka mahana i taku kiri ...

The boiling waters brought here from Hauaiki by Ngatoroirangi and his sisters Te Hoata and Te Pupu, bubbling up at Tongariro and warming my body.
KO TE WHAKAPAPA (Explaining the Layers)

Ngā Pūmanawa e Waru e Te Arawa: (The eight beating hearts of Te Arawa)
The total number of ascending flame like streams of energy an appropriate acknowledgement of location highlighting Rotovua regions: traditional, cultural and spiritual uniqueness.

Whakaki: Symbolise the intrinsic links that surface and subterranean energies have to our traditional narrative around the creation of Ranginui (heaven) and Papatuanuku earth.

Kātua: Inner layer: the core response by the gods to Ngatoroianga. Symbolic of his command over natural and spiritual realms.

Manaha: (Double sided half profile figures) surrounded by the intensity of the energy they bring rising to the surface. Symbolically represent both the foararame (sisters) and atua (deities) emissaries of Matauka (Goddess of heat and fire)

Pekeraangi: outer layer
Ngā hau e whā (Of the four winds) A reflection of the cultural diversity of resident and visitor communities entering or exiting through this portal.

Ngā Uni o Rūaumoko (The forces of Rūaumoko)
Te Ihi (Essential force)
Te Wēhi (Awe inspiring force)
Te Wana (Moving force)
Te Mana (Spiritual force)

Te Putanga o Haturau (The gateway of Haturau) This name reinforces the oral tradition relating to where Haturau took rest in the southern entrance when being pursued by Kurangakuku into the Whakarorora valley and where she ultimately met her death. Te Hemokanga o Haturau (Hemu Gorge)
THE DESIGN

The following designs were the initial concept drawings for the development of the sculpture. The designs took into account the unique nature of the site and the history of the region.

While on the mountain, Ngatoroirangi fell victim to the freezing weather and in desperation called to his sisters Kuwai and Haungaroa to save him.
Design Process

Alongside the conceptual and creative leadership of Te Puia | New Zealand Māori Arts and Crafts Institute, the team have worked with a range of technical experts in digital design, fabrication and engineering. This process will ensure design and manufacturing accuracy, mitigate potential installation issues and manage long-term repair and maintenance concerns.

3D modelled and manufactured
Te Puia | New Zealand Māori Arts and Crafts Institute have worked alongside Derek Kaviti in the digitisation of the original concepts. The original drawings have been brought to life digitally and modelled in 3 dimensions. This will allow the team to output the finished sculpture using digital fabrication techniques.

Following on from the digital design data, Opus have modeled the design to provide the engineering requirements and structural design of the sculpture for it to be manufactured, including the foundations within the roundabout.

Hand-finishing
The two manaia (figurative elements) representing the subterranean goddesses of fire, Te Pupu and Te Hoata, will be made from corten steel. The richness of the corten steel will contrast with the stainless steel tubing and will be distinctly lit to give full effect at night. The drawing on the left shows the early developmental design concepts of the two manaia.

His sisters called to the subterranean goddesses of fire, Te Pupu and Te Hoata who channeled under the earth and toward Aotearoa.
The sisters emerged at Mountcullere (White Island) on the east coast of the Bay of Plenty, at Tarawera, Whakarewarewa and on to Mount Tongariro.
THE DESIGNER: STACY GORDINE

Internationally acclaimed for his small scale adornment works, Stacy Gordine is the tumu (head of school) for Te Takapū o Rotowhio (National Stone and Bone Carving School) at the New Zealand Māori Arts and Crafts Institute (NZMACI).

With over 25 years’ experience as a multimedia carver and adornment artist, Stacy has carved alongside the indigenous peoples of both Alaska and Hawai’i, serving not only as tutor but also as student as he practiced his craft alongside the indigenous master artists.

Arriving to NZMACI in 2013, Stacy continues the legacy of his great-uncles’ Pineamine and Hone Te Kauru Tailapa, who were students of the original carving school in Rotorua in 1927 and tutored many of today’s master carvers. Stacy has led the design of Tū Awhioenuku with the support of the NZMACI team.

Wherever they paused and rose to the surface they left part of the fire they carried, creating the geothermal corridor that remains today.
When they reached Tongariro, the found Ngātaroangi and warned him, saving his life.
FURTHER INFORMATION

For further information on this initiative please contact:

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The journey of Hgetaroaerae from Muka to the mouth of the central plateau marks the extent of Te Anawhutte settlement in Aotearoa New Zealand. For the people of this region, the geothermal trail is not just a spectacle of nature but a pathway of fire that recounts first arrival in this land and memorialises historic connections.