



**WHANGANUI
DISTRICT COUNCIL**
Te Kaunihera a Rohe o Whanganui

Statement of Proposal

Review of Gambling Venues Policy

1. SUMMARY OF INFORMATION

Whanganui District Council ('the Council') is seeking feedback on the review of the Gambling Venues Policy. The Council is proposing to retain the existing sinking lid policy but make changes to the drafting of the policy to improve its clarity and usability; and give effect to the intent of the policy.

2. INTRODUCTION

In 2004, the Council adopted a Gambling Venues Policy and is required to review its policy within three years of the date on which it was made and every subsequent review.

The Council has reviewed the policy and is proposing to retain the existing sinking lid policy with changes to the drafting to improve its clarity and usability. The proposed changes to the drafting of the policy include minor grammatical fixes; clarification of existing rules; closing minor gaps; and adding a definition of "new venue" and "existing venue".

3. REASONS FOR PROPOSAL

Background

The Gambling Act 2003 ('Act') came into force 18 September 2003 and required territorial authorities to implement policies on class 4 gambling venues. They are required to consider the social impact of gambling within the district, must specify whether and where class 4 venues may be established, and may also provide restrictions on the number of machines in any venue and include a policy on relocation. The Gambling Venues Policy does provide for relocation, but does not provide a specific limit on gaming machines.

Class 4 gambling is gambling that has and follows set rules, where a set proportion of the proceeds are contributed to community groups and causes, and which involves gaming machines. A venue is required to have consent from the territorial authority under that authority's class 4 gambling policy before it can provide class 4 gambling.

Under the Gambling (Class 4 Net Proceeds) Regulations 2004 ('Regulations') the set proportion is usually 40%, but this rule has been relaxed for 2020 and 2021. Currently there is no minimum amount of proceeds that must be contributed.

In 2004, the Council adopted its Gambling Venues Policy, and is required to review its policy within three years of the date on which it was made and within 3 years of each subsequent review.

The Council has reviewed the policy and is proposing to retain the existing sinking lid policy with changes to the drafting to improve its clarity and usability.

The proposed changes to the drafting of the policy include:

- spelling and grammatical fixes;
- clarification of existing rules;
- closing minor gaps; and
- including a definition for “new venue” and “existing venue”.

The Gambling Venues Policy operates as a “sinking lid”, allowing existing venues to continue operating, but not allowing consent for new venues to be issued. Venues may relocate under very limited circumstances, and can merge together provided the merging venues reduce their machine numbers by a third.

The existing policy allows for no new licences to be issued, but also states that an application for clubs to merge is to be treated as a new consent application. This has been clarified by allowing no new consents to be issued except under the rule allowing clubs to merge.

Under the Gambling Act 2003, Council consent is not required if a venue licence has been held for that venue within the last 6 months. Under the existing policy, if a venue relocated or clubs merged under the policy, they could hold onto their venue licence until it expired, pushing back the operation of that 6-month window. This created an extended gap where a new club could open without Council consent, increasing the number of venues in Whanganui. As this was contrary to the purpose of the policy, the proposed amendment requires clubs applying for a licence by relocating or merging to surrender their existing licences. This does not remove the 6-month gap, but it does reduce it as far as the Council is able to.

Options

Option 1 – Retain the Gambling Venues Policy (Status-quo)

Under this option, Council would retain the existing Gambling Venues Policy.

Advantages	Disadvantages
<ul style="list-style-type: none"> • A Gambling Venues Policy complies with the Act and enables Council to restrict venue licencing, relocation, and merging. 	<ul style="list-style-type: none"> • The drafting of the existing policy could be improved to make the policy clearer and more consistent.

Option 2 – Amend the Gambling Venues Policy (Preferred)

Under this option, Council would amend the Gambling Venues Policy to make minor changes, and include a definition of “new venues” and “existing venues”.

Advantages	Disadvantages
<ul style="list-style-type: none"> • A Gambling Venues Policy complies with the Act and enables Council to restrict venue licencing, relocation, and merging. • The amendments to the drafting of will bring the policy into line with Council’s current strategic framework and increase the clarity and consistency of the policy. 	<ul style="list-style-type: none"> • None

4. CONSULTATION AND SUBMISSION

In making, amending, or revoking the policy, Council must use the Special Consultative Procedure set out in section 83 of the LGA 2002. Council has prepared and adopted the proposed policy for public consultation. Any person can make a submission on the proposed policy.

A copy of the Statement of Proposal, including the proposed bylaw and information about making a submission can be obtained from the Council website www.whanganui.govt.nz

Submissions can be made online at <http://www.whanganui.govt.nz/have-your-say> , or alternatively, submission forms are available from the Whanganui District Council Customer Service counter at the main municipal building located at 101 Guyton Street, the Davis Central City Library and Gonville Library. Submitters can indicate whether they would like to speak to their submission and include contact details. People who wish to be heard by Council will be given the opportunity to do so. The time and venue for the hearing of submissions is yet to be confirmed.

For any queries please contact William Johnston, Policy Adviser on (06) 349 0001.

The period for making submissions is from **14 October to 20 November 2020**.

5. ATTACHMENTS

Attachment 1 – Gambling Venues Policy



Gambling Venues Policy

Whanganui District Council
As at ##/##/2020 (Resolution 2020/##)

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1.0 Executive Summary

- 1.1. The Gambling Venues Policy (this policy) outlines Whanganui District Council's (the Council) policy on class 4 venues and TAB venues, specifically, where these venues are permitted to locate, when they are permitted to merge, and total gaming machines allowed.
- 1.2. The purpose of this policy is to minimise the harm to our communities caused by gambling by continuing to set a sinking lid on class 4 venues and gaming machines, a limit of one standalone TAB venue, allows for the relocation of existing class 4 venues within conditions, and allows clubs to merge class 4 licences provided total gaming machines are reduced.

2.0 Background

- 2.1. The Council adopted its first Gambling Venues Policy in April 2004, and since then the policy has had several iterations and reviews.
- 2.2. The Gambling Act 2003 and Racing Industry Act 2020 provide tools for territorial authorities to limit the impact of gambling harm on communities through controlling the number of gambling venues and their locations, and gaming machine numbers.
- 2.3. The Council recognises not all gambling behaviour is harmful and that gambling can be a form of entertainment when responsibly undertaken. Some proceeds from class 4 gambling are redistributed through community grants.
- 2.4. The Council has conducted a social impact assessment of gambling which presents the current setting for this policy. Key findings from the social impact assessment are as follows:
 - a) Gaming Machine Proceeds (total pokie revenue generated minus payouts) totalled \$10,736,000 in 2019 and has been steadily rising since 2014.
 - b) A total of \$1,266,000 was distributed as community grants generated from Gaming Machine Proceeds for the period 2019.
 - c) International and domestic visitors spent a total of \$2,580,000 on cultural, recreation, and gambling services in 2018.
 - d) Total number of pokies have decreased since 2013 from 257 to 208 as of June 2020; Whanganui has one standalone TAB venue.
 - e) Gambling harm is often hidden, but can be recognised in poverty and loss of savings, damage to mental health, susceptibility to other addictive behaviours, crime, violence, broken down relationships, and poor performance in study or at work.
 - f) Nationally, 0.2% of the adult population are estimated to be problem gamblers¹; applied to Whanganui this is 91 people.
 - g) A 2014 local non-representative study found 18% of respondents said gambling had had a negative effect on their lives.
 - h) While there are no class 4 venues in high socio-economic areas in Whanganui, the ratio of gaming machines to people in middling socio-economic areas were 1 to 394, compared to 1 to 136 in poorer areas of the community.² For Whanganui, all gambling venues bar one are located in high deprivation areas.
 - i) Gambling makes positive contributions to our local economy, and can be a form of entertainment.

¹ Abbott, M., Bellringer, M., & Garrett, N. (2018). *New Zealand National Gambling Study: Wave 4 (2015). Report number 6*. Auckland: Auckland University of Technology, Gambling and Addictions Research Centre.

² Dot Loves Data info on population numbers combined with DIA information on machine numbers and locations

3.0 Strategic Context

- 3.1. The Gambling Act 2003 and Racing Industry Act 2020 require territorial authorities to adopt a class 4 venues and TAB NZ venues policy, and review those policies every 3 years.
- 3.2. The Gambling Venues Policy covers both class 4 venues and TAB NZ venues.
- 3.3. This policy has been developed with regard to the social impact of gambling within the Whanganui District and serves the purpose of contributing to the prevention and minimisation of harm from gambling through the regulation of class 4 gambling and TAB NZ venues.
- 3.4. This policy supports the goal of Council's Leading Edge Strategy in improving health targets, pursuing actions to support the welfare of the community, and in securing a district that works for everyone.

4.0 Purpose of the Policy

- 4.1. The policy objectives are to:
 - a) Control the growth of gambling;
 - b) Contribute to the minimisation of harm caused by gambling in the Whanganui District; and
 - c) Ensure community involvement in decisions about the provision of gambling.

5.0 Application and Scope

- 5.1. This policy is made under section 101 of the Gambling Act 2003 and section 96 of the Racing Industry Act 2020 and applies to ALL applications to the Council for a licence to operate a class 4 gambling venue or standalone TAB venue within the Whanganui District from the date that this policy comes into force.
- 5.2. With relation to class 4 gambling, under section 101(3) of the Gambling Act 2003, this policy:
 - a) specifies whether or not class 4 venues may be established in the Whanganui District and, if so, where they may be located;
 - b) specifies any restrictions on the maximum number of gaming machines that may be operated at a class 4 venue; and
 - c) includes a relocation policy.
- 5.3. Section 101(3)(b) of the Gambling Act 2003 also allows territorial authorities to set conditions on the number of gaming machines at a venue when two or more clubs merge.
- 5.4. As per section 96(3) of the Racing Industry Act 2020, this policy specifies whether or not new TAB NZ venues may be established within the district and, if so, where they may be located.

- 5.5. This policy does not cover any class 4 gaming machine or TAB NZ venues licenced on or before 17 October 2001.

Definitions

TAB NZ Venue means a premises that is owned or leased by TAB NZ and where the main business carried on at the premises is providing racing better or sports betting services under the Racing Industry Act 2020.

Class 4 Venue means a place used to operate class 4 gaming machines (or pokies).

Class 4 Venue Licence means:

- a) a licence granted under section 67; or
- b) a site approval

Club as defined under the Gambling Act 2003 means a voluntary association of persons combined for a purpose other than personal gain.

Existing Venue means any venue that holds a current licence to operate a TAB or gambling machines from.

Gaming Machine as defined in the Gambling Act 2003 means a device, whether totally or partly mechanically or electronically operated, that is adapted or designed and constructed for use in gambling. Also commonly known as 'pokies'.

New Venue means a venue that is proposed as a venue to operate gaming machines from under the relocation provision or the merging provision.

6.0 Establishment of Class 4 Venues and Machine Numbers

- 6.1. The Council will not grant consent for the establishment of any additional class 4 venues except as provided for in section 7 of this policy.
- 6.2. The Council will not grant consent for any venue or club to operate additional gaming machines.

7.0 Mergers of Clubs which hold Class 4 Venue Licences

- 7.1. Applications to continue operating gaming machines where two or more existing clubs combine will be considered a new application for consent.
- 7.2. The Council will issue a consent where two or more existing clubs combine, provided the total number of gaming machines in the new venue does not exceed two thirds of the combined original total of machines permitted under the merging venue licences.
- 7.3. Any application for consent for the mergers of clubs which hold class 4 venue licences is required to provide information as detailed in section 11.1 of this policy, and in addition:
 - a) The street address of the new venue; and
 - b) Copies of the class 4 venue licences held by all the proposed merging clubs, confirming the current number of machines licenced to be operated in the existing venues.

- 7.4. A consent will only be granted where all applicants surrender any licences for existing venues.

8.0 Relocation of Class 4 Venues

- 8.1. The Council will only consider granting consent for the relocation of a class 4 venue if the premises cannot continue to operate at the existing venue. Examples include, but are not limited to:
- a) Expiration of the existing venue's lease;
 - b) The existing venue becoming unfit to continue operation due to a natural disaster or fire;
 - c) The existing venue being acquisitioned under the Public Works Act 1981; and
 - d) The existing venue's site undergoing redevelopment.
- 8.2. Other exceptional circumstances consistent with this policy may be considered in determining relocation consent.
- 8.3. The Council will not grant consent for a class 4 venue to relocate if the proposed new venue:
- a) Is within 100 metres of the legal site boundary of an early childhood centre, primary or secondary school, marae, place of worship, or playground; or
 - b) Is within 100 metres of the legal site boundary of any other licenced class 4 venues at the time of application.
- 8.4. The Council will only grant consent for a class 4 venue to relocate if the applicant surrenders any class 4 licences held for the existing venue.
- 8.5. When determining an application, the Council will consider the levels of deprivation that the population residing within the geographic location of the new venue is experiencing.
- 8.6. A new venue licence for a relocating venue may not permit more gaming machines to operate than the licence for the existing venue does.

9.0 Establishment of TAB Venues

- 9.1. The Council will permit only one standalone TAB venue in the Whanganui District at any one time.

10.0 TAB Venue Locations

- 10.1. In accordance with section 9 of this policy, the Council will only consider granting consent for a new standalone TAB as per the criteria set out under sections 8.3 and 8.4 of this policy.

11.0 Consent Applications

- 11.1. Applications for Council consent for the relocation of an existing class 4 venue or merge of two or more existing class 4 venues must be made to the Council and include:
- a) The name and contact details of the applicant(s);
 - b) The names of management staff for the existing venue and new venue;
 - c) The street address of the existing venue and new venue;
 - d) Any prescribed fees; and
 - e) Any other information that may be reasonably required to allow proper consideration of the application, including how the applicant will encourage responsible gambling practices.
- 11.2. All applications will incur a fee which will be prescribed by the Council pursuant to section 150 of the Local Government Act 2002 and shall include the cost of processing the application, including any consultation or hearings involved.

12.0 Decision Making

- 12.1. A decision whether to grant consent for relocation of existing class 4 venues, or for mergers of clubs holding class 4 licences, will be made by the Council's Compliance Team Leader or Chief Alcohol Licencing Inspector.