

# **A G E N D A**

## **Extraordinary Council Meeting**

**Council Chambers  
36 Weld Street  
Hokitika**

**Thursday  
25 June 2015  
commencing at 1.00 pm**

His Worship the Mayor, M.T. Havill (**Chairperson**)  
Cr. J.H. Butzbach, Cr. P.M. Cox, Cr. M.S. Dawson,  
Cr. D.G. Hope, Cr. L.J. Martin, Cr. M.D. Montagu,  
Cr A. P. Thompson, Cr. C.A. van Beek



## **EXTRAORDINARY COUNCIL** **MEETING**

**NOTICE IS HEREBY GIVEN THAT AN EXTRAORDINARY MEETING OF THE WESTLAND DISTRICT COUNCIL WILL BE HELD IN THE COUNCIL CHAMBERS, 36 WELD STREET, HOKITIKA ON THURSDAY 25 JUNE 2015 COMMENCING AT 1.00 PM**

*Tanya Winter*  
*Chief Executive*

*19 June 2015*

### **COUNCIL VISION**

Westland District Council will facilitate the development of communities within its district through delivery of sound infrastructure, policy and regulation.

This will be achieved by:

- Involving the community and stakeholders.
- Delivering core services that meet community expectations and demonstrate value and quality.
- Proudly promoting, protecting and leveraging our historic, environmental, cultural and natural resource base to enhance lifestyle and opportunity for future generations.

### **Purpose:**

The Council is required to give effect to the purpose of local government as prescribed by section 10 of the Local Government Act 2002. That purpose is:

- (a) To enable democratic local decision-making and action, by and on behalf of, communities; and
- (b) To meet the current and future needs of communities for good-quality local infrastructure, local public services, and performance of regulatory functions in a way that is most cost-effective for households and businesses

**1. MEMBERS PRESENT AND APOLOGIES:**

**1.1 Apologies**

**1.2 Interest Register**

**2. SUBMISSIONS TO THE CLASS 4 GAMBLING POLICY:  
HEARINGS AND DELIBERATIONS**

*Hearings: Thursday 25 June 2015*

*Deliberations: Will be held at the conclusion of the hearings.*

Appendix 1 – Class 4 Gambling Venue Policy Hearing Memorandum	(Page 4-6)
Appendix 2 – Submissions Received	(Page 7-77)
Appendix 3 – Summary of Submissions	(Page 78-79)
Appendix 4 – Draft Class 4 Gambling Venue Policy	(Page 80-82)

# Appendix 1

## **CLASS 4 GAMBLING VENUE POLICY HEARING MEMORANDUM** **From Derek Blight, Community Development Advisor** **18 June 2015**

### **1. BACKGROUND**

1.1 The purpose of the Gambling Act is to “control the growth of gambling; to prevent and minimise the harm caused by gambling, including problem gambling; to authorise some gambling and prohibit the rest; to facilitate responsible gambling; to ensure the integrity and fairness of games; to limit opportunities for crime or dishonesty associated with gambling; to ensure that money from gambling benefits the community and to facilitate community involvement in decisions about the provision of gambling. “

1.2 The Gambling Act 2003 requires territorial authorities to have a gambling policy. Council first adopted a policy 15 July 2004 which has been reviewed two times since then. The current policy was adopted by Council at its meeting on 25 August 2011, so it is now past due for its three-yearly review.

1.3 The Community Development Advisor met with staff from Community and Public Health 24 November 2014 to discuss facilitating a Social Impact Assessment Workshop to assess the possible negative and positive impacts of gambling on the local economy, business and service and well-being of people within Westland. This was the same process that was used in the previous review in 2011.

### **2. CURRENT SITUATION**

2.1 Table 1 below outlines the current venues and machine numbers in the Westland District.

<b>Society Name</b>	<b>Venue Name</b>	<b>Number of Gaming Machines</b>
Air Rescue Services	Railway Hotel, Hokitika	18
Chartered Club	Hokitika Chartered Club	10
Pub Charity	Franz Josef Glacier Hotel	9 (only 6 operating at present)
Pub Charity	Pioneer Hotel, Hokitika	6
Lion Foundation	Beachfront Hotel	10
Lion Foundation	Stumpers	9
Southern Trust	Fox Glacier Hotel	3

2.2 A total of \$1,680,000 was put into these machines in Westland last year (Source: Problem Gambling Foundation of NZ). Table 2 below compares Westland spending in gaming machines to some other small South Island Territorial Authorities.

Table 2: Spending on Gaming Machines

Territorial Authority	Dollars put into machines, year ending September 2014, per head of population over 15 years old
Westland	\$249
Clutha	\$182
Waimate	\$163

Source: Community and Public Health

2.3 Table 3 below compares Westland and Hokitika's machine-to-population ratio 15+ years to that of New Zealand Sept.2014

NZ	Westland	Hokitika
1:204	1:109	1:46

Source: Community and Public Health

2.4 It is estimated that between 0.3% and 1.8% of the population of New Zealand are problem gamblers (Source: Department of Internal Affairs), and based on these estimates between 25 and 149 people in Westland could be problem gamblers.

2.5 A Social Impact Assessment Workshop facilitated by Dr Cheryl Brunton, Medical Officer for Health for Canterbury/West Coast was held 12 February 2015 to assess the possible negative and positive impacts of gambling on the local economy, business and services and well-being of people within Westland. Stakeholders with an interest in this topic were directly invited, and the workshop was publicly advertised in the local newspaper. Attendees included representatives from Community and Public Health, Hospitality New Zealand, Hokitika Chartered Club, Department of Internal Affairs and WestREAP. The participants at this workshop discussed the issues at length and made recommendations for a preferred policy direction outlined as follows:

### 3. NEW DRAFT POLICY AS ADOPTED BY COUNCIL 23 APRIL 2015

The following clauses are in the new draft policy:

3.1 That no stand-alone TABs may be established in the Westland District (in contrast to the current policy which allows stand-alone TABs but prohibits them from having gaming machines)

3.2 To avoid the growth of, and achieve a reduction in, Class 4 venues and machines in Hokitika, that no new venues should be permitted to establish within Hokitika (as per the current Policy).

3.3 If an existing Hokitika venue closes and relinquishes machines, the permitted number of venues and machines would reduce as per the current sinking lid policy.

3.4 The number of venues within the Westland District outside of Hokitika shall be capped at two (in contrast to the current policy which does not limit the number of venues outside Hokitika).

3.5 Any new venue outside of Hokitika shall be permitted to operate a maximum of four machines (this is a new amendment to current policy).

3.6 An existing Class 4 venue affected by earthquake-related risk or events shall be permitted to relocate within their current census mesh block area if Council grants consent in respect of a new venue to replace an existing venue (a matter not dealt with by current policy but required to be considered by the Gambling Amendment Act 2014).

#### **4. RIGHT TO MAKE SUBMISSIONS AND BE HEARD**

Any person or organisation had a right to be heard in regard to this proposal. The Council was using the Special Consultative Procedure set out in Section 83 of the Local Government Act 2002. The period for making written submissions was Friday 1 May 2015 and closed at 5.00 pm on Friday 29 May 2015.

Seven submissions have been received. These submissions can be found in **Appendix 2**.

**Appendix 3** contains a summary of the submissions.

## Appendix 2

### **Submissions Received**

#### **People who wish to speak to their submission:**

Submitter 1 - Jarrod True, NZ Racing Board

Submitter 2 - Ian Gilbertson, Westland Industrial Heritage Park

Submitters 3 - Steve Schmetz and Stephanie Rathbun, Hospitality NZ

Submitter 4 - Angela Paul, NZ Community Trust - via skype

#### **People who do not wish to speak to their submission:**

Submitter 5 - Barry Rieper, Clubs NZ

Submitter 6 - Emma Lamont-Messer, The Lion Foundation

Submitter 7 - Tony Crosbie, Northend Hotels

# The New Zealand Racing Board's Submission on Westland District Council's Gambling Venue Policy



Contact Person:

Jarrold True

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Mobile: 0274 527 763

Email: Jarrod.True@harkness.co.nz

NEW ZEALAND  
RACING BOARD



## **The New Zealand Racing Board's Submission on Westland District Council's Gambling Venue Policy**

### Background

1. The New Zealand Racing Board is a statutory body operating under the Racing Act 2003. The New Zealand Racing Board is the authority responsible for administering racing, racing betting and the racing judicial system in New Zealand and is the only entity which can legally conduct racing betting in New Zealand. The New Zealand Racing Board has approximately 80 standalone TAB Agencies ("TAB Board Venues") in New Zealand. The TAB Board Venues are owned or leased by the New Zealand Racing Board and controlled and run by the New Zealand Racing Board.
2. The New Zealand Racing Board also holds a class 4 operator's licence. This licence enables it to operate gaming machines at its TAB Board Venues. Approximately 30 of the 80 TAB Board Venues in New Zealand have gaming machines on-site.

### Executive Summary

3. The New Zealand Racing Board invites council to:
  - Retain the current provisions regarding TAB Board Venues;
  - Set a cap on gaming machine numbers at the current level (seven venues, 62 gaming machines); and
  - Expand the proposed relocation provision to allow venues to relocate in the event that:
    - The premises are subject to a fire;
    - The premises are subject to public works acquisition;
    - The current lease comes to an end; and/or
    - The venue wishes to relocate to new, modern, refurbished premises.

## TAB Board Venue Policy

### Racing in New Zealand and the Westland District

4. The New Zealand Racing Board via its TAB operation, funds and promotes racing in New Zealand. There is a very significant community interest in the racing industry in New Zealand. The racing industry provides considerable benefit to the New Zealand economy and New Zealand community:
  - Racing contributes more than \$1.6 billion to the New Zealand economy;
  - The industry generates the equivalent of 16,930 full time jobs;
  - The industry involves over 52,000 people who participate in the racing industry via employment or as a club member, volunteer or owner. This amounts to one in every 83 New Zealanders;
  - The industry holds more than 1,000 race meetings a year, attended by more than 1 million people;
  - The industry produces export sales of \$167 million;
  - The industry pays more than \$39 million to the Government each year from wagering taxes alone; and
  - Over 400 community groups and charities benefit from the sharing of racing club facilities and resources.
5. In economic terms, the New Zealand racing industry (\$1.6 billion) is comparable in size to the wine industry (\$1.5 billion) and the seafood industry (\$1.7 billion).
6. The racing industry is strong in the West Coast region. The racing industry in the West Coast region is responsible for the generation of more than \$5.85 million in value added contribution to GDP. In the West Coast region there are:
  - More than 688 full time, part time, casual and volunteer racing industry participants. This equates to more than 57 full time equivalent jobs,

generating more than \$2.65 million in wages and salaries for those employees;

- 7 racing clubs;
- 7 racing tracks;
- Over 1,314 racing club members;
- Over 10 race meetings held annually;
- Over 22,777 people who attend local race meetings each year;
- Over 58 breeders (who spent \$0.82 million in the 2008/2009 financial year);
- Over 25 trainers (who spent \$0.36 million in the 2008/2009 financial year);
- Over 21 racing animals in training; and
- Over 233 local owners (who received in the 2008/2009 financial year \$0.18 million in prize money).

7. The above findings are set out in full in an October 2010 report, *Size and Scope of the New Zealand Racing Industry*.<sup>1</sup>

#### Proposed Prohibition on the Establishment of a TAB Board Venue Opposed

8. Council's TAB policy only applies to standalone TAB Board Venues. The policy does not apply to Pub TABs, venues with TAB self service terminals and remote forms of TAB betting. Any restriction or prohibition on the establishment of a TAB Board Venue simply results in an increase in the number of TAB agencies which are incorporated in bars, clubs and hotels. Any restriction or prohibition on a TAB Board Venue also simply leads to an increase in betting via the phone or internet, with the TAB or with overseas betting providers (e.g. [www.centrebet.com.au](http://www.centrebet.com.au)). Overseas betting providers do not contribute to New Zealand via taxes. Overseas betting

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<sup>1</sup> [http://static.tab.co.nz/control/data/nzrb-other-reports/NZRB\\_Size\\_and\\_Scope\\_Final.pdf](http://static.tab.co.nz/control/data/nzrb-other-reports/NZRB_Size_and_Scope_Final.pdf).

providers do not contribute to the New Zealand problem gambling levy. Further, the harm minimisation procedures of offshore based betting providers are unknown.

9. A TAB Board Venue provides an environment with staff that are well trained to identify potential problem gamblers and to intervene and provide assistance. Such intervention and assistance is not as readily available when race and sports betting is conducted via a TAB agency which is incorporated in a bar, club or hotel, or when betting is done remotely via the phone or internet.

#### *Understanding the Different Types of TAB Venues*

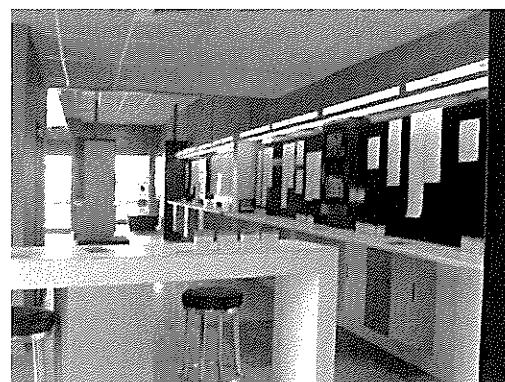
10. There are five Pub TABs and three venues with a TAB self service terminal in the Westland District:

Name	Address	Type of Outlet
Australasian Hotel	201 High Street, Greymouth	Pub TAB
Railway Hotel Greymouth	120 Mawhera Quay, Greymouth	Pub TAB
Railway Hotel Hokitika	34 Weld Street, Hokitika	Pub TAB
Hotel Reefton	75 Broadway, Reefton	Pub TAB
Black & White Hotel	198 Palmerston Street, Westport	Pub TAB
Recreation Hotel	68 High Street, Greymouth	Self service terminal
Runanga WMC	McGowan & Pitt Street, Runanga	Self service terminal
Club Buller	44 Queen Street, Buller	Self service terminal

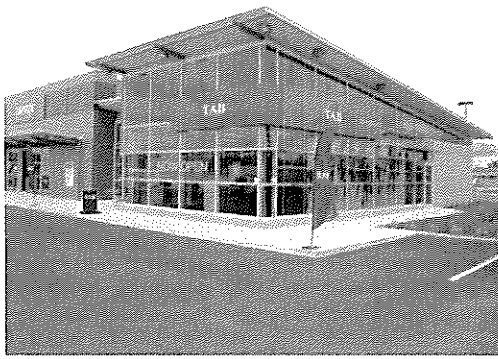
11. The Westland District currently has no TAB Board Venues, i.e. standalone TABs.

#### *TAB Board Venues*

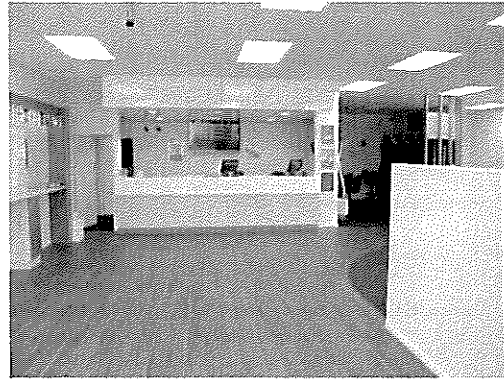
12. The photos below are of established TAB Board Venues (council has jurisdiction over these types of venues):



Te Rapa, Hamilton TAB Board Venue



Te Awamutu TAB Board Venue

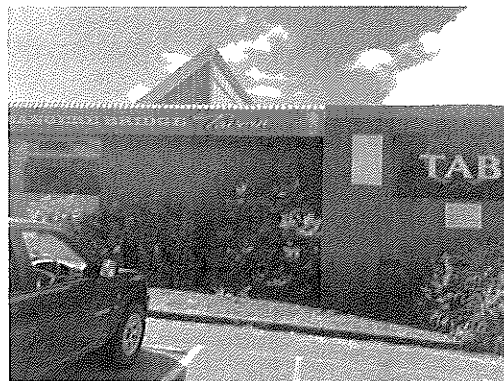


Albany, Auckland TAB Board Venue



### *Pub TABs*

13. The photos below are of a Pub TAB (council has no jurisdiction over these types of venues):

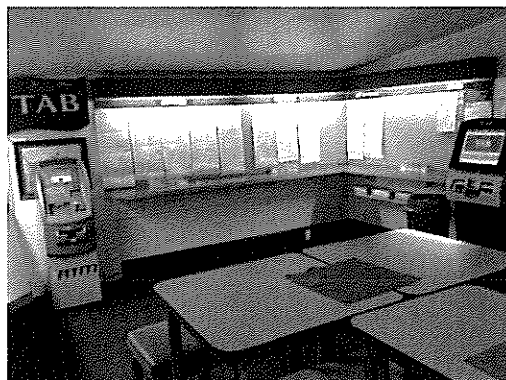


Mangere Bridge Tavern, Mangere



### *Venues with Self Service TAB Terminals*

14. The photos below are of a TAB self service terminal venue (council has no jurisdiction over these types of venues):



Kamo Club, Whangarei

### *TAB Board Venues and Harm Minimisation*

15. The New Zealand Racing Board takes its statutory responsibilities under the Racing Act 2003 to minimise problem gambling very seriously. The New Zealand Racing Board conducts its business activities with integrity and is committed to providing a safe and enjoyable environment for customers to wager responsibly.
16. The New Zealand Racing Board participates in the Problem Gambling Expert Advisory Group established by the Ministry of Health and the Department of Internal Affairs ("the Department"), to ensure that it has a high understanding of the issues associated with problem gambling, and the effective management of problem gambling.
17. All TAB Board Venues are connected via closed circuit television to a central monitoring office.
18. All TAB Board Venues have signage displayed which encourages players to gamble only at levels they can afford and provides advice on how to seek assistance for problem gambling.
19. TAB Board Venues are subject to regular internal audits and spot checks to ensure adherence to the legislative and regulatory requirements along with the New Zealand Racing Board's own problem gambling policy requirements.

20. No automatic teller machines are located at any TAB Board Venue.
21. The New Zealand Racing Board provides problem gambling awareness training to each employee and agent who is involved in supervising gambling. The New Zealand Racing Board is one of the few organisations which have contracted the Problem Gambling Foundation to undertake all its on-site training. The use of an independent third party ensures that a comprehensive training package is provided based on the latest research from around the world. The trainers are experts in their field, who have considerable experience in dealing with problem gamblers on a one on one basis.

*The New TAB Board Venues are Clean, Well-lit and Open*

22. The TAB Board Venues in New Zealand are being remodelled. Gone are the days of poorly lit venues that are designed to shield those inside from the gaze of the general public, and are attractive to people in low socio-economic areas. New TAB Board Venues are designed to ensure that the gambling activity is transparent and attractive to customers in higher socio-economic areas. The photos above show the clean, well-lit, modern look of the new TAB Board Venues.

*A New TAB Board Venue Will Normally Result in a Reduction of the TAB Offerings in Nearby Pubs and Hotels*

23. When a new TAB Board Venue is established, the New Zealand Racing Board would look to remove several TAB terminals in surrounding pubs, hotels and clubs in order to make the financial investment in the TAB Board Venue viable.

*Alcohol Free Environment a Positive*

24. It is counterproductive on harm minimisation grounds to require all race and sports betting to be available where alcohol is sold. It is well documented that alcohol is a factor which is known to contribute to problem gambling.
25. The Baron and Dickerson study<sup>2</sup> found that two or more alcoholic drinks increased reports of difficulty in resisting urges to gamble. The study also found that continued alcohol consumption during a gambling session resulted in unplanned, extended gambling. The report stated:

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<sup>2</sup> Baron, E., and Dickerson, M.G. (1999). Alcohol consumption and self-control of gambling behaviour, Journal of Gambling Studies, 15(1), 3-15 ([www.gamblinglaw.co.nz/download/Misc/Baron\\_Dickerson.pdf](http://www.gamblinglaw.co.nz/download/Misc/Baron_Dickerson.pdf)).

Results indicated a consistent theme of alcohol use contributing significantly to impaired control of gambling behaviour...

...

A gambler's choice to resist urges to either start or stop gambling and to limit expenditure may be seriously affected under the influence of alcohol.

...

These exploratory findings present a picture of a regular gambler drinking alcohol prior to a session of gambling and having increasing problems with control in resisting urges to begin a session of gambling (one in eight players (13.3%) found it 'difficult to resist playing the card machines after having a few drinks'). Continued drinking of alcohol appears to be moderately associated with progressive levels of impaired control within a session of gambling, and appears to further add to the problems of ending a session of play for the gambler.

26. The Kyngdon and Dickerson study<sup>3</sup> was a study involving gaming machine players who also regularly consumed alcohol. Participants received three alcoholic drinks (experimental group) or non-alcoholic drinks (control group) prior to gambling. The study demonstrated that alcohol consumption is associated with riskier styles of gambling among regular gamblers and problem gamblers. The report stated:

Subjects either received a prior intake of three alcoholic drinks each containing approximately 10 g of pure alcohol (beer or wine) or an equal volume of an equivalent non-alcoholic beverage. The alcohol group persisted for twice as many gaming trials as the placebo group with significantly more players who had consumed alcohol losing all their original cash stake (50% compared with 15% of the placebo group).

...

The result showed that relatively small quantities of alcohol have a significant effect on the psychological processes that underpin self-control over gambling.

...

...half the participants administered alcohol persisted at gambling until they had lost all their money. Only 15% of the participants in the placebo group did similarly. Thus it appears that the consumption of alcohol led to participants engaging in significantly greater persistence at gambling while losing.

...

The main finding of the present study was that in young men who were regular EGM players and drinkers, three standard drinks doubled the duration of gambling when losing and resulted in more players losing all their original stake.

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<sup>3</sup> Kyngdon, A., and Dickerson, M. (1999). An experimental study of prior alcohol consumption on simulated gambling activity, *Addiction*, 94, 697-707 ([www.gamblinglaw.co.nz/download/Misc/Kyngdon\\_Dickerson.pdf](http://www.gamblinglaw.co.nz/download/Misc/Kyngdon_Dickerson.pdf)).



27. In the commentary of the special edition of the Journal of Gambling Studies,<sup>4</sup> Peter Nathan commentated on the link between alcohol consumption and gambling and noted that it was no wonder that so many casinos provide free drinks to their patrons. The commentary stated:

Moderate intoxication, especially of pathological gamblers, apparently increases time spent gambling, rate of "power bets," and proportion of losing hands played. All three reflect impaired judgement that presumably leads to greater gambling losses. No wonder so many casinos provide free drinks to their patrons.

28. The Ellery, Stewart and Loba study<sup>5</sup> found alcohol significantly increased time spent playing and tended to also increase rate of power-betting (high risk type betting). The report stated:

... Gamblers from each SOGS category were randomly assigned to either a moderately intoxicating alcohol dose or a control beverage condition (n = 11 per cell in the 2 x 2 between-subjects design). Following beverage consumption and absorption, participants played a video poker VLT game for up to 30 minutes. Four behaviors were measured: "power-bets" (doubling bet after viewing only two cards of the five-card poker hand); total money spent; mean bet magnitude; and number of minutes played. Alcohol increased time spent playing and rate of power-bets, particular among the probable pathological gamblers.

29. The link between alcohol use, smoking and problem gambling was noted by the Ministry of Health in the 2009 document *A Focus on Problem Gambling: Results of the 2006/07 New Zealand Health Survey*<sup>6</sup> as follows:

Problem gambling was significantly associated with current smoking and hazardous alcohol consumption. Compared to people with no gambling problems, problem gamblers had:

- 3.73 times the odds of being a current smoker
- 5.20 times the odds of having hazardous drinking behaviour

after accounting for possible confounding factors.

30. In addition to the direct link between problem gambling and alcohol use, the serving of alcohol and food in bars is a distraction for venue staff and reduces the level of supervision and problem gambling monitoring. On busy Friday and Saturday nights, bar staff often spend their entire time addressing the queues at the bar, rather than paying close attention to the patrons at the venue who are gambling. In the

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<sup>4</sup> Nathan, P. (2005) Commentary, Special Issue, Journal of Gambling Studies, 21(3), 355-361 ([www.gamblinglaw.co.nz/download/Misc/Nathan.pdf](http://www.gamblinglaw.co.nz/download/Misc/Nathan.pdf)).

<sup>5</sup> Ellery, M., Stewart, S., Loba, P. (2005). Alcohol's Effect on Video Lottery Terminal (VLT) Play Among Probable Pathological and Non-Pathological Gamblers. Journal of Gambling Studies, 21(3), 233-254 ([www.gamblinglaw.co.nz/download/Misc/Ellery\\_Stewart\\_Loba.pdf](http://www.gamblinglaw.co.nz/download/Misc/Ellery_Stewart_Loba.pdf)).

<sup>6</sup> <http://www.health.govt.nz/system/files/documents/publications/a-focus-on-problem-gambling-results-200607-nz-health-survey.pdf>

standalone TAB Board Venue environment, the staff are solely dedicated to monitoring gambling and are never distracted from their core host responsibility role. The photos below demonstrate the difference between the two types of venues on a Friday night.



Friday Night at a Sports Bar with gaming



Friday Night at a TAB Board Venue

#### *TAB Board Venues Have Modest Trading Hours*

31. The TAB offering in bars, clubs and hotels is available until the early hours of the morning. The trading hours of TAB Board Venues are modest. The standard trading hours of TAB Board Venues are:

Monday: 11am - 7pm  
Tuesday: 11am - 7pm  
Wednesday: 11am - 8pm  
Thursday: 11am - 10pm  
Friday: 11am - 10pm  
Saturday: 9am - 8pm  
Sunday: 11am - 7pm

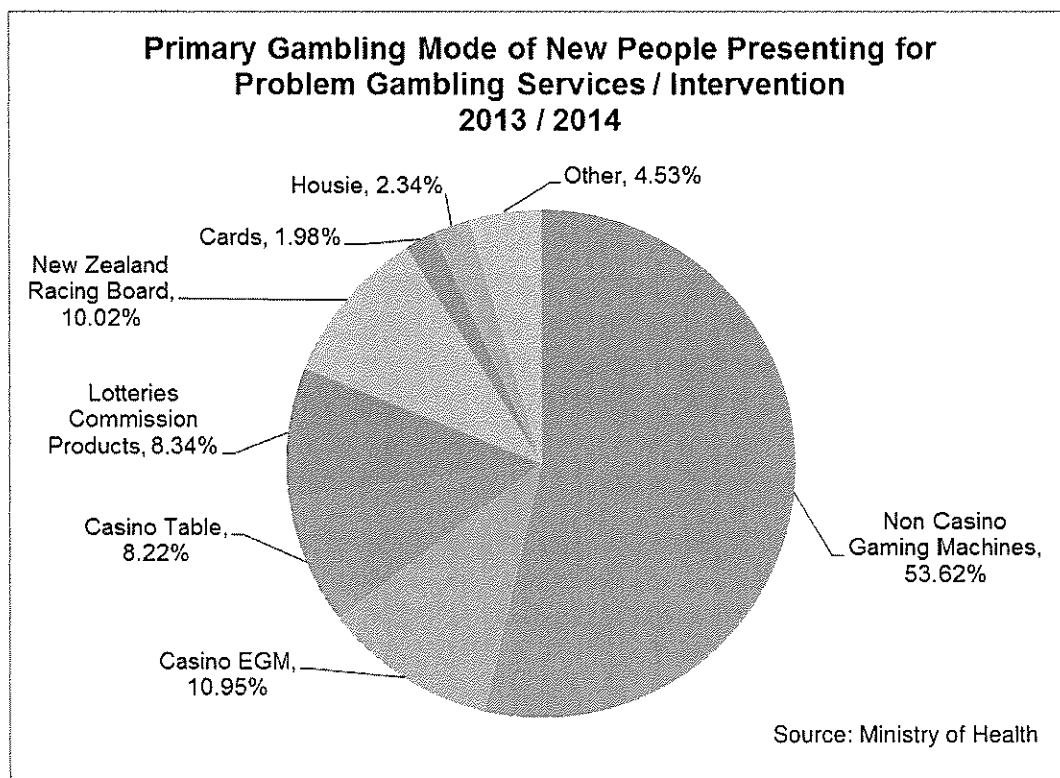
#### *Race and Sports Betting Does Not Need the Same Restrictions as Gaming Machine Gambling*

32. TAB Board Venues are different from gaming machine venues. Race and sports betting is different from the rapid and repetitive gambling undertaken on a gaming machine. Race and sports betting does not have a high prevalence of problem gambling. Only approximately 7.52%<sup>7</sup> of all new problem gamblers indicate a problem with race betting. Only 2.5%<sup>8</sup> of all new problem gamblers report a problem

<sup>7</sup> Source: Ministry of Health Website [http://www.health.govt.nz/our-work/preventative-health-wellness/problem-gambling/service-user-data/intervention-client-data#total\\_assisted](http://www.health.govt.nz/our-work/preventative-health-wellness/problem-gambling/service-user-data/intervention-client-data#total_assisted).

<sup>8</sup> Source: Ministry of Health Website [http://www.health.govt.nz/our-work/preventative-health-wellness/problem-gambling/service-user-data/intervention-client-data#total\\_assisted](http://www.health.govt.nz/our-work/preventative-health-wellness/problem-gambling/service-user-data/intervention-client-data#total_assisted).

with sports betting. In contrast to this, approximately 64.57%<sup>9</sup> of new problem gamblers report a problem with gaming machines (both casino gaming machines and non-casino gaming machines).



Source: Ministry of Health Website [http://www.health.govt.nz/our-work/preventative-health-wellness/problem-gambling/service-user-data/intervention-client-data#total\\_assisted\\_](http://www.health.govt.nz/our-work/preventative-health-wellness/problem-gambling/service-user-data/intervention-client-data#total_assisted_)

33. Several councils have a sinking lid in respect of their gaming machine policy but no restriction on TAB Board Venues. Examples include:
- Christchurch City Council
  - Gisborne District Council
  - Hastings District Council
  - Tararua District Council
  - Thames-Coromandel District Council
  - Wairoa District Council

<sup>9</sup> Source: Ministry of Health Website [http://www.health.govt.nz/our-work/preventative-health-wellness/problem-gambling/service-user-data/intervention-client-data#total\\_assisted\\_](http://www.health.govt.nz/our-work/preventative-health-wellness/problem-gambling/service-user-data/intervention-client-data#total_assisted_)

### *Allowing a New TAB Board Venue Does Not Automatically Result in More Gaming Machines*

34. There is sometimes confusion and concern by councils that allowing a new TAB Board Venue may result in additional gaming machines being established in breach of the gaming machine policy limit.
35. Approximately 30 of the 80 TAB Board Venues in New Zealand also host gaming machines. However, if a new TAB Board Venue was to be established and wished to host gaming machines it would need to obtain two consents, firstly a consent to establish a TAB Board Venue under the TAB policy provisions and secondly a consent to host gaming machines under the gaming machine policy provisions. If council's gaming machine policy prevented additional gaming machines being established due to a sinking lid policy or a cap at current numbers, the granting of a TAB Board Venue consent can in no way result in additional gaming machines being installed.

### **Gaming Machine Policy**

#### Gaming Machines - Key Facts

36. Gaming machines have been present in New Zealand communities since the early 1980s. Initially the machines were operated without a gaming licence. The first gaming licence was issued to Pub Charity on 25 March 1988, over 26 years ago.
37. Gambling is a popular form of entertainment that most New Zealanders partake in. The Health and Lifestyles Survey 2012<sup>10</sup> found that 70.3% of New Zealanders aged 15 and over had participated in some form of gambling in the previous 12 months.
38. The number of gaming machines in New Zealand has been in steady decline since 2003. In 2003, New Zealand had 25,221 gaming machines. In March 2015, New Zealand had 16,614 gaming machines. The Westland District has also experienced a natural decline in machine numbers. In 2003, the Westland District had 15 class 4 venues and 80 machines. The Westland District currently has seven venues and 62 machines.

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<sup>10</sup> [http://www.hpa.org.nz/sites/default/files/NZers\\_participation\\_in\\_gambling.pdf](http://www.hpa.org.nz/sites/default/files/NZers_participation_in_gambling.pdf)

39. New Zealand has a very low problem gambling rate by international standards. The 2012 New Zealand Health Survey<sup>11</sup> found the problem gambling rate was 0.3% of people aged 15 years and over (Problem Gambling Severity Index screen). A second 2012 National Gambling Survey<sup>12</sup> undertaken slightly later found that the problem gambling rate was 0.7% of people aged 18 years and over (Problem Gambling Severity Index screen). Both problem gambling rates related to all forms of gambling, not just gaming machine gambling.
40. The Ministry of Health keeps a record<sup>13</sup> of the number of problem gambling clients who are assisted in each territorial authority. The table below shows the number of new clients assisted and the total number of clients assisted each year in the Westland District. The very low number of problem gambling presentations, suggests that the total number of problem gamblers in the Westland District is also very low.

Year	New Clients Assisted	All Clients Assisted
July 2009 to June 2010	1	1
July 2010 to June 2011	0	0
July 2011 to June 2012	0	0
July 2012 to June 2013	1	1
July 2013 to June 2014	0	1

41. All gaming machine societies contribute to a problem gambling fund. This fund provides approximately \$18,500,000.00 per annum to the Ministry of Health to support and treat gambling addiction and to increase public awareness. The funding is ring fenced and not able to be redirected to other health areas.
42. An excellent, well-funded problem gambling treatment service exists. The problem gambling helpline is available 24 hours a day, 365 days per year. Free, confidential help is available in 40 different languages. Free face to face counselling is also available and specialist counselling is available for Maori, Pacifica and Asian clients. An anonymous, free text service (8006) is available. Support via email is also available (help@pgfnz.org.nz).

<sup>11</sup> <http://www.health.govt.nz/system/files/documents/publications/problem-gambling-preliminary-findings.pdf>

<sup>12</sup> [http://www.health.govt.nz/system/files/documents/pages/national\\_gambling\\_study\\_report\\_2.pdf](http://www.health.govt.nz/system/files/documents/pages/national_gambling_study_report_2.pdf)

<sup>13</sup> [http://www.health.govt.nz/system/files/documents/pages/table\\_10.xls](http://www.health.govt.nz/system/files/documents/pages/table_10.xls)

### Existing Gaming Machine Safeguards

43. Significant measures are already in place to minimise the harm from gaming machines.
44. Limits exist on the type of venues that can host gaming machines. The primary activity of all gaming venues must be focused on persons over 18 years of age. For example, it is prohibited to have gaming machines in venues such as sports stadiums, internet cafes, and cinemas.
45. There is a statutory age limit that prohibits persons under 18 years of age playing a gaming machine.
46. There are very restrictive limits on the amount of money that can be staked and the amount of prize money that can be won. The maximum stake is \$2.50. The maximum prize for a non-jackpot machine is \$500.00. The maximum prize for a jackpot linked machine is \$1,000.00.
47. All gaming machines in New Zealand have a feature that interrupts play and displays a pop up message. The pop up message informs the player of the duration of the player's session, the amount spent and the amount won or lost. The message is then displayed asking the player whether they wish to continue with their session or collect their credits.
48. Gaming machines in New Zealand do not accept banknotes above \$20.00 in denomination.
49. ATMs are excluded from all gaming rooms.
50. All gaming venues have a harm minimisation policy.
51. All gaming venues have pamphlets which provide information about the characteristics of problem gambling and how to seek advice for problem gambling.
52. All gaming venues have signage which encourages players to gamble only at levels they can afford. The signage also details how to seek assistance for problem gambling.

53. All gaming venue staff are required to have undertaken comprehensive problem gambling awareness and intervention training.
54. Any person who advises that they have a problem with their gambling is required to be excluded from the venue.
55. It is not permissible for a player to play two gaming machines at once.
56. All gaming machines have a clock on the main screen. All gaming machines display the odds of winning.
57. The design of a gaming machine is highly regulated and controlled. For example, a gaming machine is not permitted to generate a result that indicates a near win (for example, if five symbols are required for a win, the machine is not permitted to intentionally generate four symbols in a row).
58. It is not permissible to use the word "jackpot" or any similar word in advertising that is visible from outside a venue.

#### A Cap at Current Numbers Now Reasonable

59. In light of harm minimisation measures that are now in place and the low number of problem gambling presentations in the Westland District, it is submitted that it is reasonable to set a cap at current numbers (seven venues and 62 machines).
60. There is no direct correlation between gaming machine numbers and problem gambling rates. The table below details the problem gambling surveys that have been undertaken.

Survey Year	Survey Name	Screen	Problem Gambling Rate	Survey Size
1991	1991 National Prevalence Survey	SOGS-R	1.2% people were current pathological gamblers (SOGS-R score of 5)	3,933
1999	1999 National Prevalence Survey <sup>14</sup>	SOGS-R	0.5% of people aged over 18 years had a SOGS-R score of 5	6,452
2006/2007	2006/07 New Zealand Health Survey <sup>15</sup>	PGSI	0.4% of people aged 15 years and over	12,488
2010	2010 Health and Lifestyles Survey <sup>16</sup>	PGSI	0.70% of people aged 15 years and over	1,740
2011/2012	2011/12 New Zealand Health Survey <sup>17</sup>	PGSI	0.30% of people aged 15 years and over	9,821
2012 (March to October)	2012 National Gambling Survey <sup>18</sup>	PGSI	0.70% of people aged 18 years and over	6,251

61. The graph below details the machine numbers over time and the problem gambling rate. Between 1991 and 1999 the problem gambling rate declined considerably despite gaming machine numbers doubling and gaming machine expenditure trebling. Between 2006 and 2010 the problem rate increased, despite the number of gaming machines in New Zealand falling considerably in the same period. Between 2010 and 2012 the problem gambling rate stayed the same, despite a continual decline in gaming machine numbers. When viewed as a whole, the above survey results confirm that there is no direct correlation between gaming machine numbers and problem gambling rates. The reasons for an increase or decrease in problem gambling is complex and multi-faceted, not simply the direct by-product of an increase or decrease in machine numbers.

<sup>14</sup> [http://www.dia.govt.nz/pubforms.nsf/URL/TakingthePulse.pdf/\\$file/TakingthePulse.pdf](http://www.dia.govt.nz/pubforms.nsf/URL/TakingthePulse.pdf/$file/TakingthePulse.pdf)

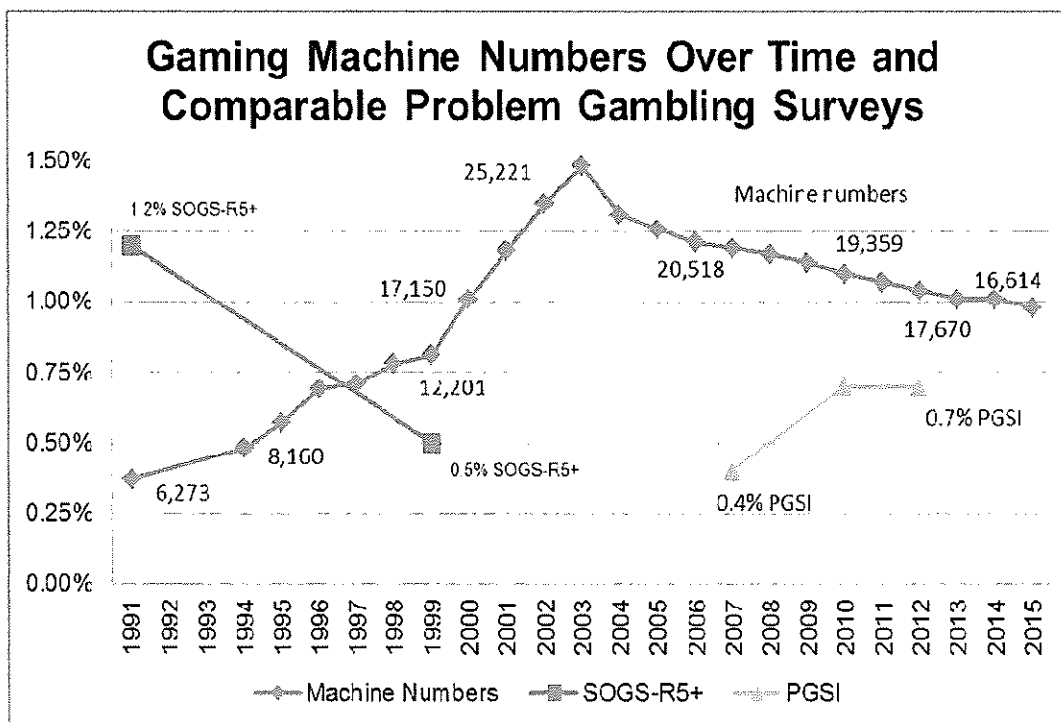
<sup>15</sup> <http://www.health.govt.nz/system/files/documents/publications/portrait-of-health-june08.pdf>

<sup>16</sup> Gray, R 2011 *New Zealanders' Participation in Gambling: Results from the 2010 Health and Lifestyles Survey* – Health Sponsorship Council [http://www.hsc.org.nz/sites/default/files/publications/Gambling\\_Participation\\_final-web.pdf](http://www.hsc.org.nz/sites/default/files/publications/Gambling_Participation_final-web.pdf) (page 14)

<sup>17</sup> <http://www.health.govt.nz/system/files/documents/publications/problem-gambling-preliminary-findings.pdf>

<sup>18</sup> [http://www.health.govt.nz/system/files/documents/pages/national\\_gambling\\_study\\_report\\_2.pdf](http://www.health.govt.nz/system/files/documents/pages/national_gambling_study_report_2.pdf)





62. The 2012 National Gambling Survey<sup>19</sup> concluded that the prevalence of problematic gambling reduced significantly during the 1990s and has since stayed about the same. The report stated on pages 17 and 18:

Problem gambling and related harms probably reduced significantly during the 1990s but have since remained at about the same level despite reductions in non-casino EGM numbers and the expansion of regulatory, public health and treatment measures. Given that gambling availability expanded markedly since 1987 and official expenditure continued to increase until 2004, these findings are consistent with the adaptation hypothesis. This hypothesis proposes that while gambling problems increase when high risk forms of gambling are first introduced and made widely available, over time individual and environmental adaptations occur that lead to problem reduction.

63. Professor Max Abbott is New Zealand's leading expert on problem gambling. In 2006, Professor Abbott published a paper *Do EGMs and Problem Gambling Go Together Like a Horse and Carriage?* The paper noted that gaming machine reductions and the introduction of caps generally appear to have little impact on problem gambling rates. Professor Max Abbott noted:

EGM reductions and the introduction of caps generally appears to have little impact (page 1).

<sup>19</sup> [http://www.health.govt.nz/system/files/documents/pages/national\\_gambling\\_study\\_report\\_2.pdf](http://www.health.govt.nz/system/files/documents/pages/national_gambling_study_report_2.pdf)

Over time, years rather than decades, adaptation ('host' immunity and protective environmental changes) typically occurs and problem levels reduce, even in the face of increasing exposure. (page 6).

Contrary to expectation, as indicated previously, although EGM numbers and expenditure increased substantially in New Zealand from 1991 to 1999, the percentage of adults who gambled weekly dropped from 48% to 40%. This is of particular interest because it suggests that greater availability and expenditure do not necessarily increase high-risk exposure. (page 14).

64. A more restrictive cap or sinking lid policy is unlikely to reduce problem gambling but will reduce the amount of funding available to Westland District community groups. Problem gamblers are people who are addicted to gambling. If a new bar is established and the policy prevents that bar from hosting gaming machines, a person who is addicted to gambling will simply travel the short distance to the next bar that has gaming machines or worse may move to another form of gambling such as offshore based internet and mobile phone gambling.

#### Temptation to Simply Reduce Gambling Activity

65. There may be a temptation to introduce a more restrictive cap or sinking lid policy to simply reduce the gambling spend as a whole. It must however be remembered that gambling is a lawful entertainment activity and that individuals in New Zealand remain free to make their own decisions as to how they spend their money on the lawful entertainment options that are available.
66. The Gambling Commission has been very critical of steps that have been taken in the past that have been aimed at reducing gambling spend as a whole. In the Gambling Commission decision GC16/06, the Commission stated:

...measures should only be imposed if they reduce the harm caused by problem gambling, as distinct from simply reducing gambling activity which is a lawful and permitted activity under the Act.

#### Gaming Machine Funding

67. The Gambling Act 2003 seeks to balance the potential harm from gambling against the benefits of using gaming machines as a mechanism for community fundraising. In the 2013 year, money returned to authorised purposes through grants totalled

approximately \$246 million.<sup>20</sup> This funding is crucial for a very large number of community groups.

68. By email dated 7 October 2013, the Department of Internal Affairs confirmed that in 2012, the Westland District received more than 40% of the possible available net proceeds from the gaming machines located within the district, back by way of grants or other authorised purpose payments. The annual total authorised purpose funding (including the non-published club authorised purpose payments) is therefore approximately \$678,000.00.

69. Recently, the Auckland Council commissioned a community funding survey. The survey data is summarised in the report *Community Funding: A Focus on Gaming Grants* dated 4 September 2012.<sup>21</sup> This report also confirmed how essential gaming machine funding is and how extremely difficult it would be for such funding to be obtained from alternative sources. The key findings of this survey were:

- Most respondents (75%) indicated that their organisation is moderately or totally reliant on gaming machine funding to fund core business activities.
- Most respondents (81%) believed that there would be a moderate to high risk to their organisation and their core business if they did not receive gaming funding.

70. The report concluded:

Gaming Trust funding is a major source of community funding for organisations in the Auckland Region. Most respondents believe that the funding for their organisations is not particularly secure and are highly dependent on gaming funding, not just for discretionary or extra activities, but to fund their core business. There is a dependence on this funding with over half the respondents believing that their organisations would be at extreme risk if they did not receive it. Most felt that if the funding was not available, they would struggle to find an alternative source of funding. Some would cut down the activities they undertook, others say they would be forced to close down.

71. The number of gaming venues in the Westland District is already modest. The district has six commercial venues and one club venue with gaming. Club venues do not typically make large external grants. Almost all gaming societies have a policy of returning funds to the area in which they are generated. A minimum amount of local

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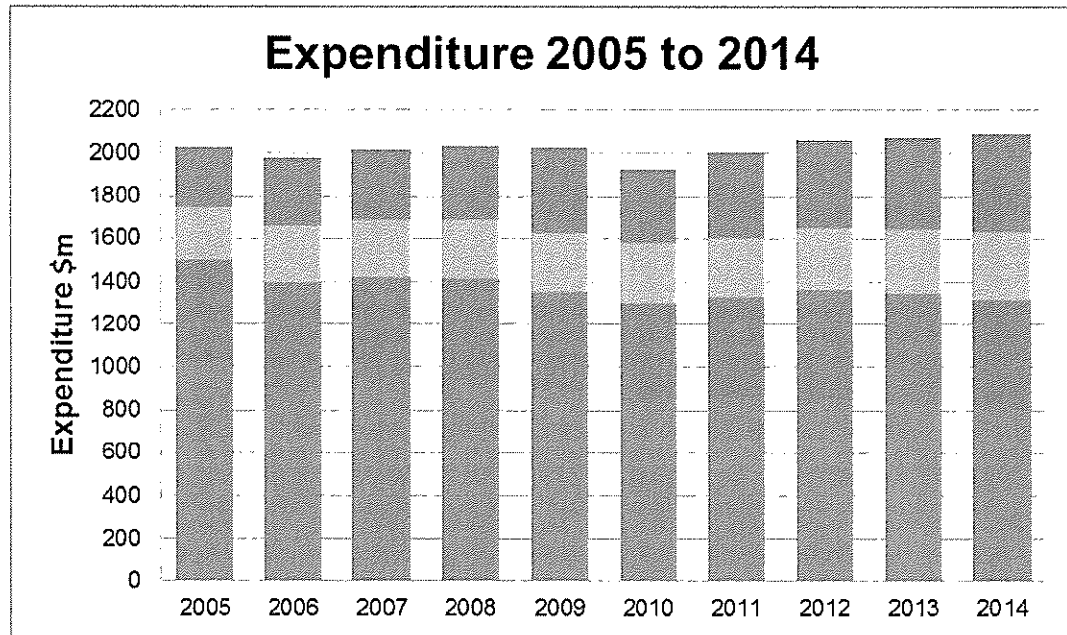
<sup>20</sup> [http://www.dia.govt.nz/pubforms.nsf/URL/Pokie-system-101-FAQs-February-2015-V2.docx/\\$file/Pokie-system-101-FAQs-February-2015-V2.docx](http://www.dia.govt.nz/pubforms.nsf/URL/Pokie-system-101-FAQs-February-2015-V2.docx/$file/Pokie-system-101-FAQs-February-2015-V2.docx)

<sup>21</sup> [www.gamblinglaw.co.nz/download/Research/Auckland\\_City\\_Community\\_Funding\\_Report.pdf](http://www.gamblinglaw.co.nz/download/Research/Auckland_City_Community_Funding_Report.pdf)

return (80% within each regional council area) will soon become a regulatory requirement. Once the new local return regulation is made, community organisations in the Westland District will, in practical terms, be only able to receive grants from the funds that are generated from the six commercial venues in the Westland District. Given the soon to be introduced mandatory requirement on local funds being used for local grants, any further reduction in the number of commercial venues in the district will have a direct, significant and immediate impact on the amount of grant funding that is available to Westland District community groups.

#### Unintended Consequences – Increase in Internet and Mobile Phone Gambling

72. Any reduction in the local gaming machine offering may have unintended consequences as this may simply lead to a migration of the gambling spend to offshore internet and mobile based offerings. While it is illegal to advertise overseas gambling in New Zealand, it is not illegal to participate in gambling on an overseas based website or mobile phone application.
73. The internet is progressively becoming a normal feature of commercial and social exchange. In 2013, 51% of music sales in New Zealand were via an online download or online music streaming service. We all know of someone who has an addictive like passion for the mobile and tablet game, Candy Crush. Candy Crush has been downloaded more than 500 million times worldwide. Candy Crush's addictiveness is evident by its revenue of \$US10 million a week.
74. The graph below shows the total gambling expenditure for New Zealand from 2005 to 2014.



75. The above data shows a downward trend for expenditure on non-casino gaming machines and an upward trend on the amount spent on TAB offerings and Lotteries Commission offerings. The total amount gambled from 2005 to date has remained reasonably steady. This data suggests that a reduction in gaming machine numbers reduces non-casino gaming machine expenditure, but not total gambling expenditure, i.e., it may promote a migration to other forms of gambling. Other forms of gambling have a lower return to player and a lower return to the community.
76. Traditionally overseas based online gambling has not been available to people in lower socio-economic areas due to limited access to computers, the internet and limited access to credit cards. However, this has all changed. The internet is progressively becoming a normal feature of commercial and social exchange. A Nextbook Android 4.4 Tablet (with a 7 inch screen and Wi-Fi) can currently be purchased from the Warehouse for a mere \$89.00. Today almost all cell phones include internet access and the ability to download apps. The introduction of Visa debit cards and Prezzy Cards mean that a bad credit rating is no longer a barrier to being able to spend money online or via mobile apps.

77. It now takes only a simple search and a few minutes to download to your computer, tablet or mobile phone any type of casino game your imagination desires, including an exact replica of the gaming machine programs currently available in New Zealand venues. International Gaming Technology (an international provider of pokie machines with a New Zealand presence) has produced a 58 page brochure<sup>22</sup> detailing their online and mobile offering. The catch phrase is *The Playing Field is Now Everywhere, Online and Mobile Gaming by IGT, It's a whole new game.*
78. In 2011, the Problem Gambling Foundation's Research Director at the time, Dr Philip Townshend, undertook a study on the harm caused by the various modes of Gambling. In Dr Townshend's 2011 paper *Quantifying the Harms of Internet Gambling Relative to Other Gambling Products*<sup>23</sup>, he described offshore based internet gambling as the most harmful mode of gambling and the new *crack cocaine of gambling.*
79. Without the need to cover GST and gaming duties, overseas based gambling providers are able to attract customers from New Zealand with a comprehensive gambling offer. Due to the lower margins and costs the overseas based providers can engage in extensive advertising and provide large rebates to players.
80. Offshore based online gambling however poses considerable risks:
- Offshore based online gambling is highly accessible, being available 24 hours a day from the comfort and privacy of your home;
  - Offshore based online gambling has no restrictions on bet sizes;
  - Offshore based online gambling has no capacity for venue staff to observe and assist people in trouble;
  - Offshore based online gambling reaches new groups of people who may be vulnerable to the medium;
  - Offshore based online gambling provides no guaranteed return to player;
  - Offshore based online gambling is more easily abused by minors;

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<sup>22</sup> [http://media.igt.com/marketing/PromotionalLiterature/IGT\\_Online\\_Mobile\\_Games\\_Portfolio.pdf](http://media.igt.com/marketing/PromotionalLiterature/IGT_Online_Mobile_Games_Portfolio.pdf)  
<sup>23</sup> [www.gamblinglaw.co.nz/research/Relative\\_Gambling\\_Harms\\_Townshend\\_2011.pdf](http://www.gamblinglaw.co.nz/research/Relative_Gambling_Harms_Townshend_2011.pdf)

- Offshore based online gambling has reduced protection to prevent fraud, money laundering or unfair gambling practices. The most notable recent example being 'Full Tilt Poker' which is alleged by the US Attorney's Office to have diverted \$USD444m from customer accounts to its directors and shareholders, despite being regulated by the Alderney Gambling Control Commission (Guernsey); and
- As an unregulated form of gambling, on-line gamblers are often encouraged to gamble more by being offered inducements or by being offered the opportunity to gamble on credit. For example, many overseas sites offer sizable cash bonuses to a customer's account for each friend that they induce to also open an account and deposit funds.

81. If a reduction in gaming machines only redirects gamblers to offshore based internet gambling there is no harm minimisation advantage in that strategy. In addition, there are further disadvantages in the fact that no community funding is generated for New Zealanders, no tax revenue is generated for the New Zealand Government and no contributions are made via the New Zealand problem gambling levy.

#### An Expanded Relocation Provision Should be Considered

82. The proposed relocation provision enables venues to relocate if the venue is damaged by an event and/or requires vacating as a result of earthquake risk. Enabling venues to relocate gives the Westland District Council and the Westland District community an additional tool to manage gambling related harm. However, a more flexible relocation provision that enabled all Westland District venues to relocate would remove the entrenchment and give venue owners the ability to move from undesirable areas without losing their ability to host the same number of gaming machines.

83. Allowing more flexible relocation also has other benefits.

84. A venue is sometimes required to relocate to adjacent premises due to its fixed lease coming to an end or public works acquisition. When it is clear that the same business exists but has simply relocated a short distance, it is fair and reasonable for the policy to permit the venue to continue its current gaming machine operation.

85. Currently, once a venue has obtained a licence to host gaming machines its value is artificially increased. This often leads to landlords demanding higher than normal rentals. Allowing flexible relocation prevents landlords demanding unreasonable rentals as it gives the venue operator the ability to relocate to an alternative venue.
86. The inclusion of an expanded relocation clause in the policy would also safeguard venues in the event of a fire. Allowing flexible relocation would enable venues to re-establish after a fire.
87. Allowing flexible relocation enables gaming venues to move to new, modern, refurbished premises. New, modern, refurbished premises tend to attract a clientele that are less susceptible to problem gambling.
88. The first venue to relocate under the amendments made to the Gambling Act 2003 was the Te Rapa Tavern in Hamilton. The photos below show the old rundown premises and the new modern premises. The redevelopment cost \$3,000,000.00.



The old Te Rapa Tavern



The new Te Rapa Tavern

89. It is submitted that the proposed relocation policy should be expanded to allow for relocation in the event that:
- The premises are damaged as a result of a fire;
  - The premises are subject to public works acquisition;
  - The current lease comes to an end; and/or
  - The venue wishes to relocate to new, modern, refurbished premises.



## Conclusion

90. The proposed prohibition on new TAB Board Venues is counterproductive on harm minimisation grounds. A prohibition simply results in TAB venues being established in bars, clubs and hotels and TAB betting being undertaken by remote methods such as the phone and internet. TAB Board Venues are highly supervised and the most controlled environment in which race and sports betting can take place. A prohibition on new TAB Board Venues will result in the TAB offering being established in an environment where there is alcohol and where the staff's primary focus is the serving of alcohol and food, rather than monitoring and supervising the patrons who are gambling. It is submitted that the current restrictions on new TAB Board Venues should remain.
91. It is acknowledged that the council needs to strike a balance between the costs and benefits of gaming machine gambling. It is accepted that a small percentage of people (0.7% of people aged 18 years and over) have a problem with their gambling (all forms of gambling). However, for the vast majority of people, casual expenditure on gaming machines is a form of entertainment that they participate in and enjoy, without any harm being caused. Gaming machines also provide a considerable amount of community funding to local community groups. This funding (\$678,000.00 per annum) is the lifeblood of many organisations within the Westland District.
92. Gaming machine numbers are in natural decline, gaming machine revenue is naturally trending down and gaming machine participation is reducing. However, the harm minimisation measures that are now in place have never been higher. In light of the new regulations which are now in place and the natural decline in machine numbers, it is submitted that a cap at current numbers (seven venues and 62 gaming machines) is appropriate. A more restrictive cap or sinking lid will not reduce problem gambling, but will reduce local community funding opportunities and may encourage people to seek out other forms of gambling, including offshore based internet and mobile phone based gambling. This form of gambling is very harmful and provides no return to the local community and no contribution to employment, taxation and health services in New Zealand.
93. The New Zealand Racing Board suggests that the proposed relocation provision be expanded. Allowing more flexible relocation will enable venues to move from undesirable areas to more desirable areas and the gaming offering moving from

rundown premises to new, modern, premises. An expanded relocation provision will also prevent artificially inflated rentals being charged and create fairness in the event of public works acquisition or a fire.

94. We wish to speak to our submission.



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Jarrod True  
Solicitor for New Zealand Racing Board  
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0800 426 254  
0274 527 763

19 May 2015

**Derek Blight**

*Speak - yes*

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**From:** Ian Gilbertson <private.arts@xtra.co.nz>  
**Sent:** Thursday, 14 May 2015 6:04 p.m.  
**To:** Derek Blight  
**Subject:** District Council gaming policy

Derek

on behalf of the Westland Industrial Heritage Park I wish to simply advise council that revenue from gaming machines has become one of our main funding sources for community benefit. We are concerned that council could develop a view based around some submitters who are focussing only on the harm caused by gaming and not recognising the benefits for the community. The public have since Hokitika was first established enjoyed a gamble and gaming if properly managed is a lawful form of recreation enjoyed by the majority of the community in one form or another.

Our park members obviously are as concerned as anyone about people who are addicted to gambling and believe the current processes under the Gaming Act make provision to identify and minimise this. If there is evidence that problem gambling needs to be addressed then we have no issue with that.

As stated, our concern is that Council is aware that gaming is a recreational activity that generates revenue for community benefit and should be allowed to continue.

Ian Gilbertson  
Secretary  
Westland Industrial Heritage Park

Speak - yes

# Hospitality

NEW ZEALAND

WESTLAND



Submission by  
**Hospitality New Zealand (Westland Branch)**

to the

**Westland District Council**

considering

**Westland District Council DRAFT CLASS 4 GAMBLING VENUE POLICY**

**21<sup>st</sup> May 2015**

**Hospitality New Zealand, Westland Branch.  
P O Box 3263, Richmond, Nelson**

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[www.hospitality.org.nz](http://www.hospitality.org.nz)

## 1. **Introduction**

- 1.1 Hospitality New Zealand is the industry organisation representing the majority of venues in which Class 4 gaming machines are operated.
- 1.2 The Association's membership accounts for approximately 15,000 gaming machines operated to raise funds for the community and provide entertainment to their patrons.
- 1.3 Hospitality NZ has approximately 2300 members throughout New Zealand and represents the majority of venue operators, operating class 4 gaming machines outside casino's and the club sector. In the Westland Branch the association has in excess of 40 members.

## 2. **Positive Aspects of Gambling for the Community**

- 2.1 The operation of gaming machines in Class 4 venues is a key fund raising mechanism for the community. Indeed, it is important to remember that Class 4 Gambling provides a major source of funding for community projects, educational institutes, ambulances, amateur sports teams and innumerable other socially beneficial activities. Millions of dollars are distributed to the community every year from gaming machine societies and trusts. Monies collected by corporate societies from gaming machines in clubs and bars provide community groups and organisations with access to funds that would otherwise not be available. Without the input of gaming funds Westland District Council and organisations involved would have had to undertake vast fund raising activities, probably including the raising of rates.
- 2.2 The Association and its members support the objectives of the policy with regard to the minimisation of harm to the community caused by gambling.

As responsible hosts our members take seriously the issue of problem gambling and their responsibilities in this area. It should be noted that while some 95% of New Zealanders gamble in some form or another, problem gambling equates to only 1-2% of the population and the vast majority of gaming machine players do so within their means for entertainment and enjoyment. Those who have a problem with gambling need to be helped. However they will not be helped by limiting the number and location of machines. Such limitations will only simply reduce grants available to the community.

- 2.3 Further, all class 4 venues are strictly monitored and controlled through electronic monitoring, trust auditing and enforcement testing.

## 3. **Where Class 4 Gambling Venues may be established**

- 3.3 If an existing Hokitika venue closes and relinquishes machines, the permitted number of venues and machines would reduce as per a sinking lid policy.

The Association seeks clarification on this clause, specifically around the meaning of the word "Closes".

If an establishment temporarily closes, for example due to fire damage, is the establishment able to re-open and continue to have their gaming machines?

The Association proposes that alternative wording be used to better effect what the council is wanting to achieve.

#### 4. Decision Making

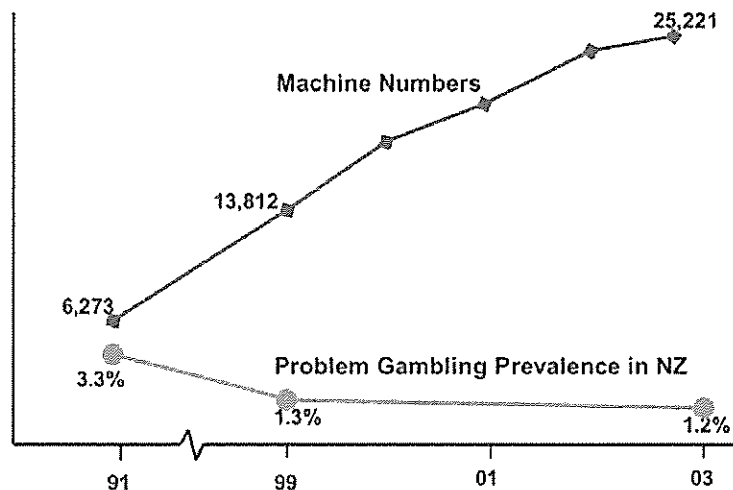
- 6.3 Where applications for Class 4 Gambling Consents can be demonstrated to be in full compliance with Council's Class 4 Gambling Policy, the approval of the application is delegated to the Chief Executive Officer.

The Association seeks clarify regarding what grounds an application could be declined on by the CEO once the application in demonstration to be in full compliance with the Policy, and what the appeal process would be in this situation.

*The Number of Class 4 Gaming Machines available in New Zealand has no discernible effect on the number of problem gamblers identified.*

- 5.1 There is strong evidence that the number of gaming machines available in a community has no correlation to the number of problem gamblers. The graph below has been prepared from figures from Ministry of Health reports and Department of Internal Affairs records.

### PG Prevalence risk and machine numbers



Moreover, despite the initial growth in the number of machines, shown above, the actual number of machines in New Zealand has been on a long term decline. As illustrated below (DIA, Reports).

DATE	(No of) LICENCE HOLDERS	(No of) VENUES	(No of) GAMING MACHINES
31 Dec 2012	357	1381	17,670
31 March 2012	359	1403	18,001
31 March 2010	374	1470	19,115
31 Dec 2009	378	1491	19,359
31 March 2009	394	1527	19,739
31 Dec 2008	399	1537	19,879

31 March 2008	421	1569	20,018
31 Dec 2007	428	1585	20,182
31 March 2007	444	1607	20,302

Interestingly during this time of reducing numbers of machines coupled with increased advertising and media attention of problem gambling services the number of problem gamblers remains static and in line with historical levels. Current estimates place the number of people in NZ at risk of problem Gambling at *possibly* 1 or 2% of the population (Fact Sheet 02, The Problem Gambling foundation of New Zealand, April 2011).

- 5.2 Problem gambling, like any addiction, is a destructive illness that requires focused treatment and attention. However, rather than reducing gaming machines as an easy visual measure the Association considers that education measures targeted at problem user to be more effective. These include the present measures of information on responsible gambling at venues, the use of personal exclusions and player information displays (PIDs or 'pop ups') displaying personal statistics to machine users.
- 5.3 Online Gambling represents a greater risk. To focus all the Council's attention on Class 4 Gambling ignores a real and growing area of problem gambling. Problem gambling rates among those who gamble on the Internet are 10 times higher than that of the general population. (Fact Sheet 04, The Problem Gambling foundation of New Zealand, July 2011). Indeed much online gambling is based overseas and therefore does not contribute in any way to New Zealand's economy, community or problem gambling treatments.

## 6. Summary

The Association reiterates the commitment of its members to working with the Council, and with the community in which they live and operate their premises, to continue to raise vital funding for that community, and to minimising any harm caused by gambling by acting as responsible hosts and operators.

The Association does not consider a sinking lid an effective response to problem gambling and instead recommends focused education measures including information on responsible gambling at venues, the use of personal exclusions and player information displays more effective measures to treat individual problem gamblers.

We appreciate the opportunity to make the above comments and continue to be available for consultation on this important issue for the community.

The Association wishes to be heard at any public meeting on this matter.

*Speak - yes*



**Submission to  
Westland District Council  
on the proposed  
Class 4 Gambling Policy**

**29 May 2015**



## Executive summary

The purpose of the pub gaming sector is to raise funds for the community. Although NZCT does not currently operate any gaming machines in your district, and we were not invited to contribute to your social impact assessment, we are committed to protecting this fundraising system. Therefore it is important Westland District Council (WDC) is made aware of the state of the Class 4 gambling sector and takes this into account when considering the proposed changes to its Class 4 Gambling Policy.

In 2013/14 alone, the pub gaming sector raised \$242 million for thousands of worthwhile sports and community groups. Many of these groups depend on pub gaming to survive<sup>1</sup> so it is important this fundraising system is sustainable. Unfortunately during the past 10 years the sector has seen a significant decline:

- The number of pub gaming venues has reduced from 1,850 to 1,287 (a 30% reduction)
- The number of gaming machines operating has reduced from 22,231 to 16,717 (a 25% reduction)
- Pub gaming revenue has fallen from \$1,035 million to \$808 million (a 22% reduction)<sup>2</sup>

As a result, pub gaming funding for the community has reduced by approximately \$90 million each year for the past 10 years (based on an average return of 40%).

One of the contributors to this decline is the inflexibility of some council gambling policies, based on the erroneous belief that limiting gaming machine numbers will limit problem gambling. In actual fact, despite the 25% reduction in gaming machine numbers during the past 10 years, New Zealand's problem gambling rate has remained consistently low (around 0.3% of the population). The New Zealand 2012 Gambling Study concluded "...there has probably been no change in the prevalence of current problem and moderate-risk gambling since 2006"<sup>3</sup>.

Latest research<sup>4</sup> suggests that when it comes to preventing and minimising gambling harm, the *location* of gaming machines is more important than the *number* of gaming machines operating. Therefore NZCT:

- **Supports** the proposal to allow gambling venues to relocate, but recommends the clause in the draft policy be re-worded to allow relocations to occur in a wider range of circumstances.
- **Opposes** the proposal to cap the number of gaming venues operating outside of Hokitika.
- **Opposes** the continuation of a sinking lid policy in Hokitika.
- **Opposes** the proposal to limit machine numbers at new venues to four machines.

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<sup>1</sup> Pg iii, Community Funding Survey, Point Research 2012, 75% of survey participants indicated their organisation is moderately or totally reliant on gaming funding to fund core business. 55% said there would be a high to extreme risk (and a further 26% said there would be a moderate risk) to their organisation and their core business if they did not receive this funding.

<sup>2</sup> DIA statistics

<sup>3</sup> Pg 7, New Zealand 2012 Gambling Study: Gambling harm and problem gambling.

<sup>4</sup> Brief Literature Review to Summarise the Social Impacts of Gaming Machines and TAB Gambling in Auckland, Gambling & Addictions Research Centre, AUT University, 2012

## About NZCT

Established in 1998, NZCT is one of New Zealand's largest gaming trusts. Our publicans raise funds by operating gaming lounges within their hotels. In the 12 months to 30 September 2014, NZCT distributed \$39.2 million to sporting, local government and community groups nationwide.

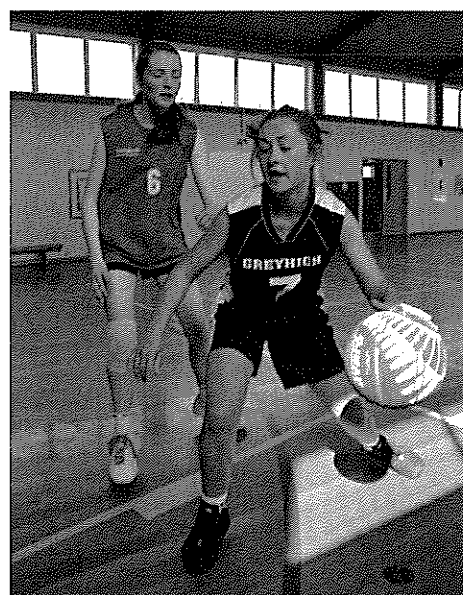
We have twin goals of serving both our publicans and the communities in which they operate. At least 80% of the funds we distribute are directed towards sports activities, making NZCT the largest funder of amateur sport in New Zealand. We focus on sport because of the many positive benefits it offers communities, such as:

- crime reduction and community safety
- economic impact and regeneration of local communities
- education and lifelong learning
- participation
- physical fitness and health
- psychological health and wellbeing
- social capital and cohesion<sup>5</sup>.

Overseas research<sup>6</sup> has found participation in sport can lead to increased health and productivity for individuals, and increased wealth or wellbeing of society as a whole.

While amateur sport is our main focus, we are also strong supporters of other worthy community activities, including local government projects. The list of grants appended to this submission shows the West Coast organisations that have benefited from NZCT funding recently.

We are proud of our robust grants system and of the quality of people involved with NZCT. Our trustees<sup>7</sup> are all highly-regarded business and community leaders with extensive governance experience. Our trustees are supported by an experienced staff and eight Regional Advisory Committees (RACs) who add local knowledge and insight to our grant decisions.



In 2013 NZCT gave the West Coast Basketball Association \$7,000 towards a new scoreboard and shot clock.

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<sup>5</sup> Sport England's Value of Sport Monitor.

<sup>6</sup> [http://www.ausport.gov.au/information/asc\\_research/publications/value\\_of\\_sport](http://www.ausport.gov.au/information/asc_research/publications/value_of_sport)

<sup>7</sup> Alan Isaac (NZCT chairman, professional director and sports administrator), Peter Dale (former Hillary Commission chief executive), David Pilkington (professional director), Kerry Prendergast (former mayor of Wellington) and Lesley Murdoch (Olympian and former New Zealand cricket captain, broadcaster).

## Current situation

In most countries, gambling is purely for commercial gain. New Zealand is different. We are one of only a few countries in the world with a 'community owned' model for pub gaming, where the proceeds are returned to the community instead of to the private sector. Unfortunately, during the past 10 years the sector has experienced a significant decline:

- The number of pub gaming venues has reduced from 1,850 to 1,287 (a 30% reduction)
- The number of gaming machines operating has reduced from 22,231 to 16,717 (a 25% reduction)
- Pub gaming revenue has fallen from \$1,035 million to \$808 million (a 22% reduction)

This means pub gaming funding for the community has reduced by approximately \$90 million each year for the past 10 years (based on an average return of 40%).

### Westland's gaming machine numbers

Westland's gaming sector has declined in line with national trends. Department of Internal Affairs (DIA) gambling statistics<sup>8</sup> show there are currently seven venues and 62 gaming machines operating in Westland. Since 2005 the number of gaming venues has fallen 30% and the number of gaming machine has fallen 11% (in 2005 there were 10 venues and 70 machines in operation).

## The Class 4 sector faces multiple challenges

The Class 4 gambling sector is vulnerable to a number of new cost pressures. These may contribute to (or indeed accelerate) the market decline noted above.

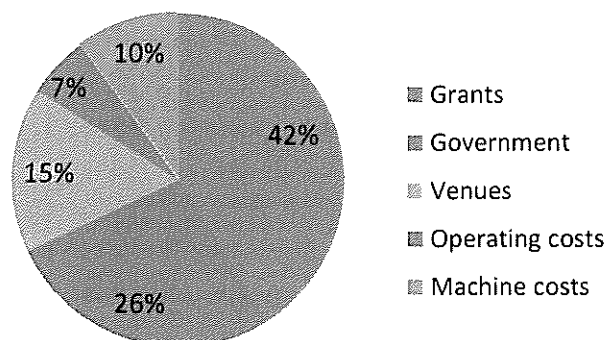
### 1. Increased minimum return

In September 2014 regulations were promulgated which set new minimum thresholds for the return of gaming funds to the community. In the first financial year following promulgation, societies must return a minimum of 40% of net proceeds (up from 37.12%). This rises to a minimum of 41% in year three and 42% in year five.

While NZCT achieved a 42% return in its last financial year, we have serious concerns about our ability to sustain this level of distribution. Indeed, we expect the increased minimum return will put pressure on many gaming societies.

It is highly likely many societies will be forced to shed their lower performing gaming venues in order to achieve the new percentage return. Such venues are typically located in provincial towns – so it is likely regions like the West Coast will see a significant reduction in gaming revenue (and therefore community grants) in the coming months.

**NZCT revenue distribution 2014 (\$91 million)**



<sup>8</sup> DIA website, Gaming machines venues and numbers by region at 31 March 2015

Within the gaming sector, there is a concern that the increased percentage requirement will result in a lower overall dollar amount being returned to the New Zealand community via pub gaming grants.

## **2. Proposed fee increase**

The DIA has proposed to increase Class 4 gambling licence fees by 53%. If this increase goes ahead it will be the equivalent of adding 1% (approximately \$1m) to NZCT's annual operating costs. This additional cost will exacerbate the financial pressure imposed by the new minimum return requirement.

## **3. Increased competition**

During the past four years, other modes of gambling (casinos, Lotteries products and the New Zealand Racing Board (NZRB)) have seen revenue increases – Lotto by an impressive 33%. While the Lotteries Commission does return funds to the community, casinos' profits go directly to their shareholders and the majority of NZRB distributions are directed towards the racing industry<sup>9</sup>.

In addition, the public has access to many overseas gambling websites where they can spend their entertainment dollar. While many Lotto and NZRB products are available online, the Class 4 gambling sector is prohibited from operating in the online space.

## **4. High compliance requirements**

The sector is closely monitored by the DIA to ensure it complies with a multitude of rules, regulations and laws. The resources needed to meet these compliance thresholds can be prohibitive and could explain why some people and organisations are exiting the sector.

## **5. Imminent one-off costs**

The introduction of new bank notes in 2015 and 2016 will require gaming societies to outlay considerable costs in terms of the software and hardware required for gaming machine note acceptor upgrades. For NZCT alone the cost of this project is in the order of \$1m.

In addition, by December 2015 all gaming machine jackpots must be downloadable. Each conversion from a manual to a downloadable jackpot costs somewhere between \$3,000 - \$20,000 per venue. Based on today's number of venues (1,287), this project has added a cost burden to the sector in the order of \$3.8m - \$25m.

As a result of these two projects, gaming societies have fewer funds available for distribution to the community.

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<sup>9</sup> Pg 6, NZRB Annual Report 2014 reports \$137.4 million total distributions, of which \$134.1m (97%) was directed to racing.

## Our position

In the following pages we provide six key reasons why NZCT opposes the continuation of the existing sinking lid policy in Hokitika, the proposal to cap gaming venue numbers and reduce gaming machine numbers in new venues. We also provide four reasons we support the proposed relocation clause.

### Reasons to allow market forces to determine the number of gaming operations:

#### 1. Gaming machines are a legal and valid entertainment choice

Pub gaming brings many benefits to New Zealand. Business and Economic Research Ltd (BERL) research<sup>10</sup> has calculated that each year the entertainment value to recreational players is circa \$250m, the grants value to the community is circa \$250m, and the government revenue value in the form of duties and levies is circa \$190m.

We recognise that Westland District Council aims, through its Long Term Plan, to balance the needs of visitors and residents while achieving economic development. We support this objective and believe a vibrant hospitality sector is a key component to achieving this. Pub gaming is a valid and enjoyable source of entertainment for residents and tourists alike, as long as the games are played responsibly. Most players, regard gaming as light entertainment and know when to stop.

#### 2. Gaming machines are an important component of your local hospitality sector and an important source of community funding

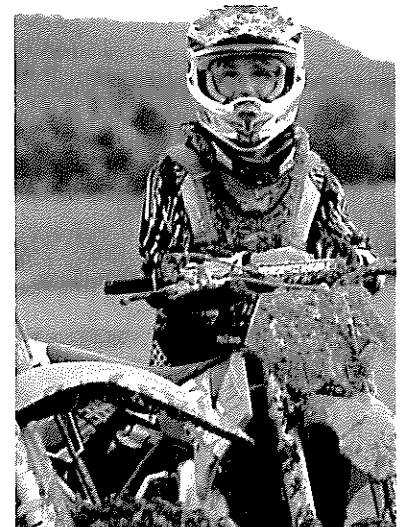
##### Local hospitality

NZCT does not currently operate any gaming venues in your district, but we hope this changes in future. The businesses that host gaming are typically pubs and hotels. They contribute to your local economy, employing staff and providing hospitality options for residents and tourists.

##### Community funding

As we do not have the opportunity to generate funds in your district, we distribute few funds to your local sports and community organisations. We do, however, operate nine machines at the Reefton Autolodge in Reefton and nine in the Recreation Hotel in Greymouth. In the last 12 months these venues have enabled us to raise \$376,725 for local community and sports groups in your region (see Appendix 1 for details).

We have also contributed \$800,000 towards the Miners' Memorial Event Centre in Greymouth.



Our \$30,000 grant to Westland Motorcycle Club helped it host the 2014 NZ Junior Motocross Champs.

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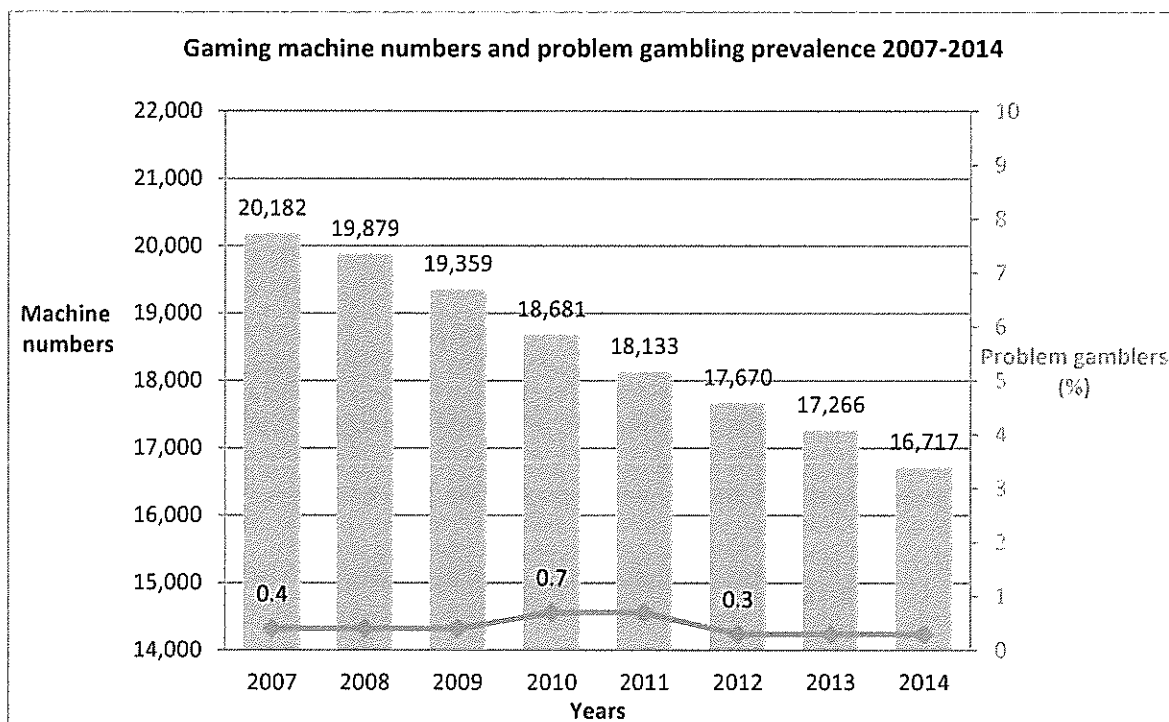
<sup>10</sup> Maximising the benefits to communities from New Zealand's Community Gaming Model, BERL, February 2013

### Difference between societies, clubs and NZRB

It is worth noting that the pub gaming model differs from clubs and NZRB. Those entities are able to apply funds to their own purposes (eg: maintaining clubrooms or funding race meetings), but Class 4 societies like NZCT must distribute funds to community groups. In its 2014 annual report, NZRB advised its distributions totalled \$137.4 million, with 97% of these funds (\$134.1 million) used for racing purposes.

### 3. Gaming machine numbers have little effect on problem gambling numbers

It is misleading and inaccurate to assume that fewer gaming machines will result in fewer problem gamblers. A gambling addiction is a complex psychological condition, which is influenced by many factors. As shown in the graph below, a reduction of nearly 4,000 machines across the country between 2007 and 2014 had almost no impact on the small percentage of problem gamblers nationally.



In the 2006/07 Ministry of Health NZ Health Survey 0.4% of the population were categorised as problem gamblers using the Problem Gambling Severity Index (PGSI), in 2009/10 it was 0.7%, and in the 2011/12 survey it was 0.3% of the population. The latest survey findings are based on a sample size of 9,821 adults aged 15 years and over.

### Problem gambling rates have plateaued

The latest problem gambling statistics come from the New Zealand 2012 National Gambling Study. This research found that the number of people who regularly participate in continuous forms of gambling (like gaming machines) has decreased from 18% in 1991 to 6% in 2012.<sup>11</sup> The study concluded that “Problem gambling and related harms probably reduced significantly during the 1990s but have remained at about

<sup>11</sup> Pg 8, NZ 2012 National Gambling Study: Overview and gambling participation

the same level despite reductions in non-casino EGM [electronic gaming machine] numbers and the expansion of regulatory, public health and treatment measures.”<sup>12</sup>

### Westland District’s gaming machine numbers

There has been a significant reduction in Westland’s Class 4 gaming operations during the past 10 years. The latest DIA gambling statistics<sup>13</sup> show there are currently seven venues and 62 gaming machines operating in the Westland District. This equates to a 30% reduction in gaming venues (in 2005 there were 10 venues) and an 11% reduction in gaming machine numbers (in 2005 there were 70 machines operating in your district). These figures are in line with national trends.

### Sinking lids are ineffective

Sinking lid policies became popular because councils believed they would help reduce gambling harm in their community. However, after studying the effectiveness of different council policies, the DIA acknowledged the limitations of sinking lid policies. In a briefing paper to the Minister of Internal Affairs dated 28 March 2013, the DIA noted that “Different types of territorial authority Class 4 venue policies, such as sinking lids, caps ....make little difference on gaming machine numbers and expenditure.....”. Relocation policies, which allow machines to be moved away from high risk areas, are considered more effective in reducing problem gambling than reducing machine numbers (see point seven below for more detail).

## 4. Problem gambling rates in New Zealand are relatively low

NZCT is committed to reducing and minimising the harm that can be caused by gambling. Thankfully, as can be seen in the table below, New Zealand has one of the lowest rates of problem gambling in the world<sup>14</sup>. The fact is relatively few New Zealanders are gambling at levels that lead to negative consequences. The majority of people who gamble know when to stop.

Country	Problem Gambling Prevalence (% population*)
New Zealand	0.3
UK	0.6
Norway	0.7
Australia	0.5 – 1.0
USA	2.3
Canada	2.6
* Mixture of CPGL, PGSI and SOGS scores <sup>15</sup>	

<sup>12</sup> Pg 18, *ibid*

<sup>13</sup> DIA website, Gaming machines venues and numbers by region at 31 December 2014

<sup>14</sup> Maximising the benefits to communities from New Zealand’s community gaming model, BERL, February 2013

<sup>15</sup> A range of different measurements are available to measure problem gambling rates. CPGL refers to the Canadian Problem Gambling Index, PGSI is the Problem Gambling Severity Index and SOGS is the South Oaks Gambling Screen.

### **The vast majority of Westland residents gamble responsibly**

The Health Promotion Agency's 2012 Health and Lifestyles Survey found that 13.6% of New Zealanders play gaming machines. The latest available statistics from the Ministry of Health show that during the 12 months to June 2013, no one in Westland sought help for problem gambling<sup>16</sup>.

This suggests residents are either not aware of the services available or there are barriers to accessing these services. We would recommend council investigate this situation. As you will read in section six below, New Zealand's problem gambling treatment services are well funded and effective. It would be disappointing if your residents were not able to avail themselves of the help that is available.

## **5. Gaming machines can only be played in strictly controlled environments**

As a corporate society licensed to conduct Class 4 gambling, NZCT is fully aware of its obligations under the Gambling Act 2003. All our gaming rooms are operated by trained staff at licensed venues. The DIA is responsible for monitoring the Class 4 gambling industry (including venue 'key people', bar staff and societies) to ensure they adhere to relevant rules, regulations and legislative requirements. The penalties for non-compliance include fines, suspensions, loss of operating licence and potential criminal charges.

### **Strict harm minimisation obligations**

A key purpose of the Gambling Act is to prevent and minimise the harm that can be caused by gambling, including problem gambling. To that end, in all Class 4 gambling venues:

- Stake and prize money is limited
- Odds of winning must be displayed
- Gaming rooms are restricted to people over the age of 18 years
- Gaming rooms can only be operated in adult environments (eg: pubs, nightclubs, clubs)
- Play is interrupted every 30 minutes with an update on how long the player has been at the machine, how much money they've spent and their net wins/losses
- \$50 and \$100 notes are not accepted
- No ATMs are allowed in licensed gambling areas
- Gaming advertising is prohibited
- The DIA monitors every gaming machine's takings
- Syndicated play is prohibited
- All venues must have staff trained in gambling harm minimisation on duty whenever gaming machines are operating
- All venues must have a gambling harm minimisation policy in place
- All venues must display pamphlets and signs directing gamblers to help services
- Venue staff must be able to issue and enforce Exclusion Orders.

### **NZCT's harm minimisation activities**

NZCT takes all its legal obligations very seriously, none more so than those around minimising the harm which can be caused by gambling. To meet our harm prevention and minimisation requirements, NZCT provides a problem gambling resource kit to each of its gaming venues. The kit includes:

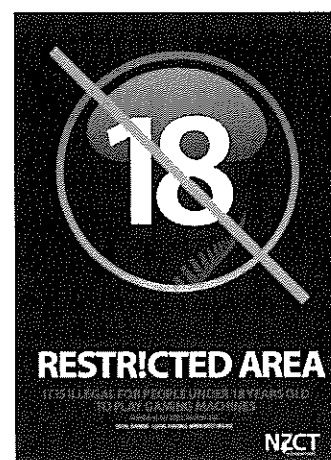
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<sup>16</sup> Intervention Client Data, Service User Data, Problem Gambling, Ministry of Health website, 2014



- NZCT's Harm Prevention and Minimisation Policy
- Exclusion Orders and guidance on the Exclusion Order process
- A Harm Minimisation Incident Register to record any problem gambling issues and action taken by staff, and
- Problem gambling pamphlets for distribution.

NZCT also provides all its gaming venues with harm minimisation signs to display in and around the gaming area.



### ***Training***

NZCT provides problem gambling training to staff at each of its gaming venues (during 2014 we provided harm min training to 394 venue staff). Trainers deliver a presentation on problem gambling and take staff members through each part of the problem gambling resource kit in detail. Refresher training is also provided at regular intervals. Gaming venues are continually reminded of their obligation to ensure a person trained in harm minimisation is on duty.

## **6. Support is available for problem gamblers**

Each year the gambling industry pays around \$18.5m to the government (in the form of a problem gambling levy) so the Ministry of Health can implement a Preventing and Minimising Gambling Harm Strategic Plan (PMGH). These funds pay for the implementation of public health services, intervention services, research, evaluation and workforce development.

Encouragingly, two of the findings from the inaugural PMGH baseline report were: problem gambling services are effectively raising awareness about the harms from gambling and; interventions for gambling-related harm are moderately accessible, highly responsive and moderate to highly effective<sup>17</sup>.

It is also pleasing to note that the world's largest clinical trial<sup>18</sup> for problem gambling treatment found that, one year after calling the Gambling Helpline, three-quarters of callers had quit or significantly reduced their gambling. This research provides a level of assurance for local communities, councils and the government.

<sup>17</sup> Pg 16, Outcomes Framework for Preventing and Minimising Gambling Harm Baseline Report, May 2013

<sup>18</sup> The Effectiveness of Problem Gambling Brief Telephone Interventions, AUT, Gambling & Addictions Research Centre

## **Reasons to allow gaming operations to relocate within Westland:**

### **1. Relocation clauses provide sensible options**

Research<sup>19</sup> by Auckland University of Technology shows that problem gambling behaviour is influenced more by the *distance* to the nearest gambling venue, rather than the *number* of gambling venues within walking distance. The Ministry of Health's 2013 Gambling Resource for Local Government acknowledges this point and states that one of the major factors associated with increased prevalence of problem gambling is 'location and/or density of gambling venues and machines'<sup>20</sup>. The Ministry of Health also found 'being a problem gambler is significantly associated with living closer to gambling venues'<sup>21</sup>. Therefore, allowing gaming operations to move out of high deprivation areas could potentially diminish gambling harm for at-risk communities.

### **2. Support local hospitality businesses**

Relocation clauses also help ensure the continual improvement and growth of your local hospitality sector. Rather than tying gaming operations to a physical address, which may over time become a less desirable location, relocations allow gaming operators to move their operations to more suitable premises. The DIA has recommended relocation policies as a way of allowing territorial authorities to 'future proof' their Class 4 gambling policies<sup>22</sup>.

Relocation clauses also help the hospitality sector respond to consumer demand for attractive and safe entertainment environments. This is particularly important if premises are deemed unsafe or unusable for a lengthy period of time (eg: in the event of a fire or earthquake). And they incentivise building owners to upgrade their premises in order to attract and retain quality tenants (hospitality and gambling operators).

### **3. Respond to future demand**

Relocation policies help ensure Class 4 gambling policies can accommodate urban growth, re-zoning changes or changes in population demographics. This is not possible while gambling machine entitlements are linked to a physical address.

### **4. Appropriate benefit/responsibility**

Gaming machine entitlements run with the property at a physical address, yet property owners are not regulated under the Gambling Act. In effect, the property owner holds the power, but has limited responsibility in terms of the gambling operation. There have been instances where building owners hike rents and/or do not maintain premises, because they know they have a 'captive' tenant where no

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<sup>19</sup> Brief Literature Review to Summarise the Social Impacts of Gaming Machines and TAB Gambling in Auckland, Gambling & Addictions Research Centre, AUT University, 2012

<sup>20</sup> Pg 21, Ministry of Health Gambling Resource for Local Government, 2013

<sup>21</sup> *ibid*

<sup>22</sup> Internal Affairs Policy Briefing 3: Options for improving territorial authority gaming machine policies, 28 March 2013.

relocation option exists. A relocation policy distributes the benefit and responsibility more fairly, enabling the gambling operator to choose where they wish to establish their business.

### **Proposed relocation clause**

The council's proposed Class 4 Gambling Policy only allows relocations in limited circumstances ("if the venue site is damaged by an event and/or requires vacating as a result of earthquake risk") and to limited locations ("permitted to relocate within their current census mesh block"). In our view gaming venues should have even greater freedom to move their premises - particularly where the existing venue is located in a highly deprived area and the operator has an opportunity to move to a more suitable location. We recommend the following clause in substitution to that contained in the proposed policy:

#### ***"Venue Relocation***

*A new venue consent will be issued by Council in the following circumstances:*

- (a) where the venue is intended to replace an existing venue within the district;*
- (b) where the existing venue operator consents to the relocation; and*
- (c) where the proposed new location meets all the other requirements in this policy.*

*In accordance with section 97A of the Gambling Act 2003, when consent is sought to relocate a venue under this relocation provision, the new venue may operate up to the same number of machines that was permitted to operate at the old venue immediately before the old venue licence is cancelled as a result of the relocation.*

*In accordance with section 97A(c) of the Gambling Act 2003, when the new venue is established following a consent being granted under this relocation provision, the old venue is treated as if no class 4 venue licence was ever held for the venue. The old venue will therefore require a new territorial authority consent from Council before being relicensed to host gaming machines and will be limited to a maximum of 9 machines if such a consent is issued by Council."*

## **What does the future hold?**

### **Online gambling a growing trend**

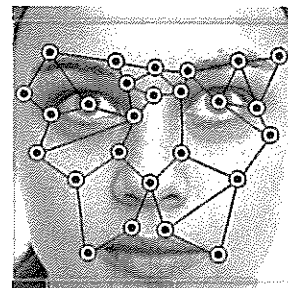
In the United Kingdom about the same proportion of gamblers who play gaming machines in person, play online<sup>23</sup>. Unfortunately the NZ Health Survey does not cover online gambling, but we can assume the numbers here are not too different to the UK. This is a major concern for the gaming sector and your community. It must also be a concern for your council. Not only is there no help available for online gamblers, but the money gambled does not return any funds to the community or the government.

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<sup>23</sup> British Gambling Prevalence Survey 2010, the Gambling Commission

### Harm minimisation tool being trialled

NZCT is assisting with the trial of a potentially ground-breaking harm minimisation tool. Using the facial recognition software found at international airports, a Hamilton company has developed a version that will cause a gaming machine to stop playing when it recognises a problem gambler that has requested to be excluded from playing. Subject to this software being approved by the regulatory authorities for use in the Class 4 gambling sector, this tool could be available in 12 to 18 months.



## Summary

We appreciate Westland District Council wants to do its best to protect its residents from any potential harm that may be caused by gambling. Thankfully New Zealand has a relatively low problem gambling rate and there is effective help available to those who need it. The Class 4 gambling sector exists to generate funds for the community. This model is working well, with thousands of people benefitting from the financial support provided to community and sports groups.

Unfortunately the Class 4 gambling sector, and therefore the money it generates for the community, is declining. If current trends continue, there could be a real funding shortfall for such groups in future. Our view is that it is unnecessary and undesirable to place any further restrictions which could limit the ability of gaming societies to generate community funds.

## Recommendations

Our recommendations are that the council:

1. **Accepts** the proposal to introduce a relocation clause, but re-words the clause in the draft policy to allow relocations to occur in a wider range of circumstances.
2. **Retains** the current open policy on gaming machine and venue numbers in towns outside of Hokitika.
3. **Replaces** the existing sinking lid policy in Hokitika with one that caps gaming machine numbers at today's rate (53 machines currently operating) to protect the current level of community funding.
4. **Retains** the existing maximum limit on gaming machine numbers (nine) for new gaming venues.

For further information, or if you have any queries about this submission, please contact:

**Angela Paul**  
**NZCT Communications Manager**  
Ph: 04 495-1594  
Email: [angela.paul@nzct.org.nz](mailto:angela.paul@nzct.org.nz).

## Appendix 1: NZCT Westland District and Regional Grants

In the 12 months to 1 May 2015, NZCT distributed \$376,725 to 40 sporting and community groups in your district. We also funded a range of national organisations that provide benefits to the Westland District.

Grants approved 1 Jan 2013 - 31 Dec 2014		
West Coast grants		
Organisation	Amount	Purpose
Bowls West Coast Inc	\$ 2,000	Towards hire of bowling club facilities in Greymouth & Hokitika for 2 tournaments in 2014
Bowls West Coast Inc	\$ 2,300	Towards annual Turf advisory support package from May 2014
Buller Board Riders Club	\$ 5,000	Towards judging system for Cape Classic Surfing Contest in Westport, October 2013
Buller Board Riders Club	\$ 5,000	Towards various costs associated with 2014 Cape Classic Surfing Contest
Buller Cricket Assn	\$ 15,300	Towards part salary of Development Officer from November 2013
Buller Cricket Assn	\$ 15,000	Towards salary of Development Officer from October 2014
Buller Gorge Marathon Trust	\$ 4,000	Towards bus hire for competitors to the start of the Buller Gorge Half Marathon event
Buller High School	\$ 3,800	Towards travel and accommodation for Girls Basketball team to Palmerston North
Buller High School	\$ 3,300	Towards travel and accommodation for Hockey team to Blenheim
Buller High School	\$ 5,000	Towards travel and accom for NZSS Basketball Premiership, September 2014
Buller Hockey Association	\$ 7,500	Towards Coachforce RDO and Capital Junior Programme Coordinator from May 2013
Buller Hockey Association	\$ 4,000	Towards travel and accommodation for Hockey Tournament in Blenheim in August 2014
Buller Rugby Football Union Inc	\$ 12,000	Accom and travel costs for Heartland and U16 teams to play in tournts from 7 Sept 2013
Cobden Kohinoor Rugby League Club Inc	\$ 5,000	Towards shorts, socks, balls, training gear, strapping tape, and first aid supplies
Dobson Bowling Club	\$ 1,700	Towards green sprayer
Grey United Tennis Club Inc	\$ 3,000	Towards coaching camps from March 2013
Grey United Tennis Club Inc	\$ 2,000	Towards balls and coaching
Greymouth Golf Club Inc	\$ 10,000	Towards re-cladding of clubhouse
Greymouth Volunteer Fire Brigade	\$ 2,000	Towards replacement of training equipment
Inangahua Agricultural & Pastoral Sports Assn	\$ 4,400	Towards various costs of hosting the A&P show at Reefton Sports Park in February 2014
Kidsfirst Kindergartens Karoro	\$ 3,000	Towards purchase of playground equipment
Life Education Trust West Coast	\$ 20,000	Towards salary of Educator
Marist Rugby Football Club Greymouth Inc	\$ 3,500	Travel and accom for 7s tournament in Wellington in February 2015
Mokihinui-Lyell Backcountry Trust	\$ 25,000	Towards aerial positioning, building materials and engineering design and approval
NBS Karoro Hockey Club	\$ 1,000	Towards turf hire from July 2013

Ngakawau Rugby Football Club Inc	\$ 5,000	Towards purchase of rugby training equipment
Paroa Playcentre	\$ 5,000	Towards salaries of Team Leader and Administrator
Paroa School Board of Trustees	\$ 1,000	Towards channel receivers and microphone for school hall upgrade
Paroa School Board of Trustees	\$ 4,600	Towards basketball backboard for school hall
Reefton Area School	\$ 1,000	Towards accom at Secondary Schools Netball Tournament in Invercargill, September 2014
Reefton Bowling Club	\$ 4,800	Towards upgrade of fences around bowling green
Reefton Bowling Club	\$ 3,800	Towards fertilisers/chemicals to maintain the greens
Reefton Golf Club Inc	\$ 16,500	Towards purchase of a fairway mower
Reefton Powerhouse Charitable Trust Inc	\$ 20,000	Construction and installation of a light marker
Reefton Rugby Football Club	\$ 4,400	Towards playing rugby jerseys and shorts
West Coast Basketball Assn	\$ 7,000	Towards scoreboard clock and 24-second shot clock
West Coast Historical & Mechanical Society Inc	\$ 3,200	Towards a defibrillator
West Coast Hockey Assn Inc	\$ 5,000	Towards travel and accom for U18 Mens Tournament in Pukekohe, July 2013
West Coast Rugby Football Union Inc	\$ 20,000	Towards salary of Rugby Development Officer and vehicle lease from March 2013
West Coast Rugby Football Union Inc	\$ 30,000	Towards salary of Rugby Development Officer from 16 April 2014
West Coast Speedway Assn Inc	\$ 5,000	Towards transport for Clay for track surface
West Coast Tennis Assn Inc	\$ 2,000	Towards tennis balls only for two tennis tournaments
Westport Amateur Swimming Club	\$ 625	Towards travel and accom to attend NZ Division 2 Comp in Hamilton, 12-15 March 2014
Westport Golf Club Inc	\$ 7,000	Towards a covered shed for storage of motorised golf carts
Westport Golf Club Inc	\$ 3,500	Towards irrigation sprinklers
Westport Municipal Band Society Inc	\$ 3,000	Towards travel and accommodation to Invercargill to National Championships
Westport Rugby Football Club Inc	\$ 6,500	Towards balls, junior jerseys, shorts and socks and first aid supplies for 2014 season
	\$ 323,725	
<b>Westland grants</b>		
Fox Glacier Emergency Services Charitable Trust	\$ 9,000	Towards building material to place a veranda around the existing building
West Coast Badminton Association Inc	\$ 400	Towards hall hire from July 2013
West Coast Badminton Association Inc	\$ 600	Towards hall hire from 20 May 2014
West Coast Riding for the Disabled	\$ 3,000	Towards equipment
Westland Motorcycle Club	\$ 10,000	Towards track and toilet hire, youth training prog from March 2013
Westland Motorcycle Club	\$ 30,000	Towards first aid, marshalls, toilet hire, track up-grade and trophies for event 25 April 2014
	\$ 53,000	
Subtotal	\$ 376,725	

Grey District Council		\$ 800,000	
Total grants approved		\$ 1,176,725	

## **Clubs New Zealand Submission**

### **Review of the Westland District Council**

#### **Class 4 Venues Gambling Act Policy**

*Speak - no  
See Page 7*

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#### **Clubs New Zealand**

Clubs New Zealand Incorporated is a not-for-profit organisation that represents more than 300 chartered clubs across communities throughout New Zealand including cosmopolitan clubs, workingmen's clubs, returned service associations, commercial traveller clubs and sporting clubs.

#### **Clubs Located in the Westland District**

The following club in the Westland District has gaming machines:

- Hokitika Chartered Club

#### **Policy Review**

Clubs New Zealand and the local member clubs don't agree with parts of the council's proposed gambling venue policy as it is inconsistent with the unique provisions in the Gambling Act 2003 that apply only to clubs, namely to:

- Allow two clubs that merge to host up to 30 gaming machines (section 95 of the Gambling Act); and
- Allow an existing club with 18 gaming machines to relocate and retain its 18 gaming machines (section 96 of the Gambling Act 2003).

Council's proposed policy does not provide for club mergers. While there may only be one club with class 4 gaming machines currently in the Westland District, this may change in the future.

Council's proposed policy may allow a club(s) to relocate and retain its current number of machines but only if the class 4 gambling venue was affected by earthquake events or earthquake-related risk (e.g. earthquake-prone building status).

#### **Club Mergers and 30 Machine Sites Expressly Permitted by the Gambling Act 2003**

It is a sign of the times that to survive clubs must think outside the square, work smarter and consolidate their assets and equity.

A number of clubs throughout New Zealand have or are in the process of merging or amalgamating with other clubs. This is creating better facilities for their members and more opportunities for clubs to support their communities.





The Gambling Act 2003 recognises that clubs offer a uniquely safe and secure gaming environment. Section 95 of the Gambling Act 2003 (a copy is set out in Schedule A) makes an express exemption for clubs from the general limits on gaming machine numbers. Section 95 permits a club venue to host up to 30 machines when two long standing clubs with gaming machines merge and operate from one single venue.

However, before the clubs can merge they first need to obtain territorial authority consent to host up to 30 machines and then the consent of the Minister of Internal Affairs to proceed with the merger.

Examples of previous club mergers are detailed in Schedule B.

Allowing club mergers and a 30 machine site will not result in a large number of merger applications. To qualify for Ministerial consent the clubs under section 95 must:

- Demonstrate a significant history of operating as a non-commercial club;
- Demonstrate a significant history of operating gaming machines;
- Operate from non-commercial premises; and
- Demonstrate that the merged club will have a substantial active membership.

The merger of two clubs is seen as a positive harm minimisation step. A merger results in:

- A reduction in gaming venues (from 2 to 1);
- A reduction in the total number of machines (two 18 machine sites i.e. 36 machines, being reduced to one venue with 30 machines); and
- A large single venue which can provide enhanced harm minimisation measures through specialisation and the concentration of dedicated resources.

The ability to merge and host up to 30 machines is limited only to clubs. Two commercial pubs cannot merge and increase their gaming machine numbers.

It is reasonably common for councils to permit club mergers. The following are some of the Territorial Authorities across the country that allows clubs which merge to host up to 30 machines:

- Central Otago District Council
- Clutha District Council
- Dunedin City Council
- Hastings District Council
- Horowhenua District Council
- Hutt City Council
- Kaipara District Council
- Kapiti Coast District Council
- Manawatu District Council
- Manukau City Council
- Marlborough District Council

- Matamata-Piako District Council
- Nelson City Council
- Porirua City Council
- Ruapehu District Council
- Tauranga City Council
- Upper Hutt City Council
- Wellington City Council
- Western Bay of Plenty District Council
- Whangarei District Council

Council is invited to review its proposed policy by including the following provision:

Two or more non-commercial clubs that merge may consolidate the number of gambling machines operated at the merged non-commercial club venue to the lesser of:

- a. 30 gambling machines; or
- b. the sum of the number of gambling machines previously operated by each non-commercial club individually.

### **Clubs Relocation and Retention of 18 Machines**

When a gaming venue relocates it is considered to be a new venue and accordingly is limited by the Gambling Act 2003 to a maximum of 9 gaming machines. Due to the unique nature of clubs, section 96 of the Gambling Act 2003 (a copy of which is set out in Schedule C) expressly allows a club with a substantial active membership to apply for Ministerial consent to increase the number of machines hosted from 9 to 18 at a relocated site.

Some examples of when section 96 has been used to allow a club to relocate are set out in Schedule D.

Council is invited to review and amend its proposed policy by including the following provision:

Notwithstanding any other provision in this policy, a non-commercial club may relocate and operate up to 18 gaming machines. It is noted that before a club can increase its machine numbers above 9 at the relocated site it must apply under section 96 of the Gambling Act 2003 and obtain the formal consent of the Minister of Internal Affairs.

Allowing a club to relocate and retain its gaming offering recognises that there are circumstances where it is either desirable or in fact necessary for a club to establish at a new site.

The ability to relocate gives a club the ability to consider more economical premises in hard economic times. The ability to relocate will also enable a club to move from “tired” premises to more modern premises. Allowing relocation will also make it possible for a club venue to locate from a residential area to a CBD area and from a high deprivation area to a low deprivation area.

Allowing relocation also creates fairness in the event of destruction or damage to existing premises (fire, earthquake etc), lease termination, and public works acquisition.

## Why Have Unique Provisions for Clubs?

### Clubs provide a safe and secure gaming environment

It is appropriate to have specific provisions for clubs in the policy as these provisions will mirror the provisions in the Gambling Act 2003. Further, different provisions for pub venues and club venues are appropriate because clubs provide a very safe and secure gaming environment.

The culture that exists in clubs is one of care and protection of the club's members. Clubs are a central community facility; they provide a social focal point, and a safe and secure venue in which members can enjoy food, gaming, sports, and alcohol.

Due to the club alcohol licence requirements clubs are only permitted to serve alcohol to members, visitors with reciprocal visiting rights and guests of members who are accompanied by members. As a result the people who frequent the club become well known to staff.

Staff quickly become aware of any member that shows any problem gambling symptoms. Due to the fact that the member is known personally by the staff and management it is easy to approach the person discreetly and enquire about the person's gambling and if appropriate, offer support or exclude the person from the gaming area. Members are less inclined to be defensive when such an approach is made in a club environment as opposed to a commercial establishment where there would be little (if any) rapport with the venue's management.

Clubs are not venues which focus on family or children's activities. The average age of club members is typically in excess of 45 years.

Clubs New Zealand and its member clubs are dedicated to having in place industry leading harm minimisation measures.

### *The ClubCare Programme*

The ClubCare problem gambling harm minimisation programme is used by clubs throughout New Zealand. The ClubCare program includes an industry leading harm minimisation training package that was developed by Clubs New Zealand in conjunction with the Problem Gambling Foundation.

The ClubCare programme includes:

- a. A comprehensive host responsibility policy. The policy details how to identify a potential problem gambler and what steps need to be taken when a potential problem gambler is identified;
- b. A full complement of harm minimisation and host responsibility posters. The posters include statements such as *Our staff can't ignore the signs; There is more to this Club than pokies – take a break and give it a go; What's your limit?*
- c. Club specific problem gambling brochure. The brochure is entitled *Gambling in Clubs, Looking out for each other*;
- d. A ClubCare wallet card – *Looking out for each other*
- e. A venue education inspection checklist – *What is problem gambling?*

- f. An exclusion order pad;
- g. Gaming machine stickers that detail the free problem gambling support available;
- h. A dedicated, unique 0800 problem gambling helpline number for club members; and
- i. Host responsibility training – a compulsory harm minimisation online training course for new staff members.

#### *Class 4 Audit Tool*

Clubs New Zealand in conjunction with the Doctor Philip Townshend has also developed a class 4 audit tool to ensure that clubs are offering class 4 gambling at the highest possible standards. The audit is completed by the gambling manager at each club. The audit documentation is then sent to Clubs New Zealand where all completed audits are reviewed and assessed.

The audit:

- a. Looks at the club culture and ensures that several other entertainment activities are being offered regularly by the club as an alternative to gambling;
- b. Looks at the degree of club contributions made to non-club activities and encourages a wider community focus;
- c. Looks at the revenue streams the club receives from all its activities and the level of reliance (if any) on proceeds from gambling;
- d. Looks at the gambling environment and policies/steps that can be taken to reduce harm including:
  - i. making jackpot pay outs by cheque, or holding money for collection at a later date;
  - ii. cashless gaming systems;
  - iii. gaming room layout and design (supervised entry points, lighting, openness of the gaming areas to the bar, location of gaming room to Eftpos machines or ATMs etc.); and
  - iv. frequency of staff visits into the gaming room.
- e. Checks that all the statutory requirements regarding identifying problem gamblers, exclusion orders, signage, harm minimisation policies, and training etc. are in place; and
- f. Surveys the club's staff's knowledge and general attitude towards harm minimisation.

#### *Supporting Evidence That Clubs Provide a Safer Environment*

There is a wealth of evidence that confirms that the club environment is a safer environment to gamble than the commercial pub environment.

In 2006, Dr Philip Townshend, Research Director for the Problem Gambling Foundation, produced a paper entitled *The Case for a Reduced Levy on Gambling in Clubs compared with Gambling in Hotels*. Dr Townshend reviewed several overseas studies and came to the conclusion that the club environment is different to the commercial environment. In his paper, he noted:

... there is clear evidence from both Australian and New Zealand research that clubs provide a safer gambling environment than hotels. The gambling experience is different in clubs from that in hotels, and as these differences are reflected in the reduced risk of harm while gambling in clubs as opposed to hotels ...

The finding that clubs provide a less harmful gambling environment was also found in a study commissioned by the Victorian Gambling Research Panel prepared by the Australian Institute for Primary Care at La Trobe University Melbourne 2006. Notably this study showed found

"that there are significant differentiations within the aggregated EGM [Electronic Gaming Machine] gambling consumption data"

...

This finding has been supported by New Zealand Research carried out jointly by the Problem Gambling Foundation of New Zealand and CBG Health Ltd (PGF-CBD) (2006, in print). This research indicates that though clubs operate 21% of the EGMs in New Zealand club patrons lose only 13% of the total money lost in this country.

In October 2006, a report was prepared by the Problem Gambling Foundation entitled *Host responsibility, venue type and comparative harm*. The report concluded that clubs incur less problem gambling harm than other gaming machine operators.

In 2008, the Ministry of Health engaged the Centre for Social Health Outcomes Research and Evaluation and Te Ropu Whariki ("SHORE/Whariki")<sup>1</sup> to conduct a survey on problem gambling. Shore and Whariki concluded that participants that played gaming machines located in clubs had far fewer negative associations than those players who played a gaming machine located in a commercial bar. The report records at page 63:

The length of time playing EGMs (electronic gaming machines) in different settings, however, had different impact on participants' domains of life. While playing EGMS in bars was associated with poorer self-ratings in regard to several life domains, playing EGMs in clubs showed only one negative association with quality of a life domain (namely, physical health).

In August 2009, Dr Philip Townshend produced a further paper entitled *Non-Casino Gambling Machines in Hotels and Clubs: Points of difference*. The paper was based on the helpline figures for problem gambler presentations. Dr Townshend concluded that club gaming machines are approximately seven times safer than hotel machines. In his paper, he noted:

... The gambling environment and gamblers' safety is demonstrably different in clubs from that in hotels ...

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<sup>1</sup> [http://research.uleth.ca/seiga/documents/SHORE&Whariki\\_2009\\_NZ.pdf](http://research.uleth.ca/seiga/documents/SHORE&Whariki_2009_NZ.pdf)

The Problem Gambling Foundation has acknowledged the very good host responsibility programmes that exist in clubs. By letter dated 1 June 2011, Graeme Ramsey, the CEO of the Problem Gambling Foundation stated:

Clubs have demonstratively shown that overall they are a safer environment than pubs. ...

Clubs are based on a collective ethos. Overall we have seen that Clubs take responsibilities to their members and guests seriously. They have worked hard on host responsibility.

A copy of the Problem Gambling Foundation letter is annexed in Schedule E.

In May 2012, Opus International Consultants Limited was engaged to produce a report on gambling venue characteristics. The Opus report<sup>2</sup> found that club players had significantly lower problem gambling severity index scores. The study recorded at page 38:

Chi square analyses suggest that non-problem gamblers were significantly more likely in the chartered club venues than the pub/bar venues and moderate risk gamblers were significantly more likely in pub/bar venues than chartered clubs.

## Conclusion

It is submitted that it is appropriate for council's policy to mirror section 95 of the Gambling Act and expressly permit two clubs to merge and operate up to 30 machines at the merged site. A 30 machine site will often see a reduction in overall machine numbers, and a reduction in overall venue numbers (two 18 machine venues will go from a total of 36 machines to 30). A single dedicated venue will see greater specialisation and harm minimisation support.

It is also submitted that it is appropriate for council's policy to reflect section 96 of the Gambling Act 2003 and enable a club to relocate and retain its current number of machines. This will enable a club to relocate to modern premises in a more desirable area and prevent unfairness in the event of a fire, earthquake or public works acquisition.

Clubs provide a uniquely safe and secure gaming environment and as such it is appropriate that council's policy mirrors the legislative provisions which expressly apply to clubs.

## Opportunity to Speak to Our Application

**Clubs New Zealand does not wish to speak to our written submission.** The contact person is:

Barry Rieper  
National Operations Manager  
Clubs New Zealand Inc.  
PO Box 11749  
Level 5, ANZAC House, 181 Willis Street  
Wellington  
Telephone: (04) 815 9936  
Fax: (04) 499 7222  
Email: [gus@clubsnz.com](mailto:gus@clubsnz.com)  
Website: [www.clubsnz.org.nz](http://www.clubsnz.org.nz)

<sup>2</sup> <http://www.gamblinglaw.co.nz/download/Research/Opus%20Report.pdf>

## Schedule A

### 95. Ministerial discretion to permit more gaming machines if clubs merge

- (1) This section applies to 2 or more corporate societies that the Minister is satisfied are clubs and—
  - (a) 2 or more of which hold class 4 venue licences; and
  - (b) can each demonstrate a significant history of—
    - (i) operating as clubs for club purposes; and
    - (ii) operating the number of machines specified in any class 4 venue licences held immediately before making an application to the Minister under subsection (2); and
  - (c) can each demonstrate that they intend to merge into a single club operating at a single class 4 venue to which section 92 applies; and
  - (d) can demonstrate to the Minister's satisfaction that the proposed class 4 venue is not a commercial premises; and
  - (e) can demonstrate to the Minister's satisfaction that the merged club will have a substantial active membership; and
  - (f) have obtained a territorial authority consent for the venue, either without a condition on numbers of gaming machines or with a condition on numbers that is consistent with the number of gaming machines that it is proposed to operate at the venue.
- (2) The corporate societies may apply jointly to the Minister for approval to operate up to the number of gaming machines consented to by the territorial authority at the proposed venue.
- (3) The Minister may approve an application under subsection (2) as the Minister thinks fit, but may not consider an application before the earlier of the following dates:
  - (a) when an electronic monitoring system approved by the Secretary is operating at the proposed venue;
  - (b) 1 January 2005.
- (4) The Minister's approval must specify the number of gaming machines that may be operated, but the number—
  - (a) must not exceed the number of gaming machines specified in a territorial authority consent; and
  - (b) must not in any case exceed the lesser of—
    - (i) 30; or
    - (ii) the sum of the number of gaming machines specified in all of the corporate societies' class 4 venue licences at the time of the application.
- (5) The corporate societies may then apply jointly to the Secretary for a class 4 venue licence for the proposed venue in accordance with section 65, but the Secretary must not issue a class 4 venue licence until the corporate societies have—
  - (a) merged; and
  - (b) obtained a class 4 operator's licence.
- (6) On issue of the class 4 venue licence,—
  - (a) the Secretary must cancel the previous class 4 venue licences held by the corporate societies, and there is no right of appeal against that cancellation; and
  - (b) the Secretary must not consider an application for a class 4 venue licence for any of the venues for which the corporate societies held class 4 venue licences within 6 months after the cancellation.
- (7) The limits in subsection (4) may be reduced by regulations made under section 314(1)(a).

## Schedule B

**Examples of clubs who have merged and obtained Ministerial consent to host up to 30 machines**

<b>Taradale Club and Napier Cosmopolitan Club</b>	
History of operating as a club:	TC was incorporated in 1970. NCC was incorporated in 1932.
History of operating gaming machines:	TC had operated gaming machines for more than 20 years. NCC had also operated gaming machines for more than 20 years.
Substantial active membership:	TC had a membership of approximately 2,000 members. NCC had a membership of approximately 1,500 members. It was anticipated that the merged club would have over 3,000 members.
Outcome:	Ministerial consent was granted in March 2013.

<b>Petone Workingmen's Club and Lower Hutt RSA</b>	
History of operating as a club:	PWMC was established in 1887. LHRSA was founded in 1926.
History of operating gaming machines:	PWMC had operated gaming machines since 2001. LHRSA had operated gaming machines since 2003.
Substantial active membership:	PWMC had a membership in excess of 10,500. LHRSA had a membership of 381. The merged club was considered to have a membership approaching 11,000.
Outcome:	Ministerial consent was granted on 4 December 2009.

<b>Opotiki Country RSA and Opotiki Club</b>	
History of operating as a club:	Both the RSA and the Club were formed in 1919.
History of operating gaming machines:	Both the RSA and the Club had operated gaming machines since 1994. The RSA operated 9 machines, the Club operated 6 machines. The request made was for the merged club to host 15 machines.
Substantial active membership:	The RSA had approximately 400 members. The Club had approximately 300 members. It was expected that the majority of the active members of the Club and the RSA would continue to be active members of the new merged club.
Outcome:	Ministerial consent was granted on 4 October 2007 for the merged club to host 15 machines.



<b>Invercargill Workingmen's Club and Invercargill RSA</b>	
History of operating as a club:	IWMC was formed in 1932. The RSA was formed in 1917.
History of operating gaming machines:	IWMC had operated gaming machines since 1996. The RSA had operated gaming machines since 1988.
Substantial active membership:	IWMC had approximately 3,000 members. The RSA had approximately 1,025 members.
Outcome:	Ministerial consent was granted on 12 December 2005.

<b>Blenheim Workingmen's Club and Marlborough RSA</b>	
History of operating as a club:	BWMC was formed in 1888. The RSA was formed in 1986.
History of operating gaming machines:	BWMC had operated gaming machines since 1985. The RSA had operated gaming machines since 1987.
Substantial active membership:	BWMC had a membership in excess of 4,500. The RSA had a membership in excess of 1,800. The merged club was considered to have approximately 6,300 members.
Outcome:	Ministerial consent was granted on 1 August 2005.

<b>Upper Hutt Cosmopolitan Club and Upper Hutt RSA</b>	
History of operating as a club:	UHCC was formed in 1961. The RSA was formed in 1931.
History of operating gaming machines:	UHCC had operated gaming machines since 1996. The RSA had operated gaming machines since 2003.
Substantial active membership:	UHCC had approximately 4,500 members. The RSA had approximately 800 members.
Outcome:	Ministerial consent was granted on 4 March 2005.

<b>Hastings RSA and Hibernian Catholic Club</b>	
History of operating as a club:	The latest two clubs to merge received Ministerial Consent in February 2014 to operate 30 gaming machines in the Hastings RSA venue.

### Schedule C

**96. Ministerial discretion to permit more than 9 machines at certain class 4 venues**

- (1) This section applies to a corporate society that the Minister is satisfied is a club that proposes to operate gaming machines at a class 4 venue and to which section 92 does not apply and that—
  - (a) holds a class 4 operator's licence; and
  - (b) can demonstrate a significant history of—
    - (i) operating as a club for club purposes; and
    - (ii) operating the number of machines specified in any class 4 venue licence held immediately before making an application to the Minister under subsection (2); and
  - (c) can demonstrate to the Minister's satisfaction that the proposed class 4 venue is not a commercial premises; and
  - (d) can demonstrate to the Minister's satisfaction that it has a substantial active membership; and
  - (e) has obtained a territorial authority consent for the venue, either without a condition on numbers of machines or with a condition on numbers that is consistent with the number of machines that it is proposed to operate at the venue.
- (2) The corporate society may apply to the Minister for approval to operate up to 18 gaming machines at the proposed venue.
- (3) The Minister may approve an application under subsection (2) as the Minister thinks fit, but may not consider an application before the earlier of the following dates:
  - (a) when an electronic monitoring system approved by the Secretary is operating at the proposed venue;
  - (b) 1 January 2005.
- (4) The Minister's approval must specify the number of gaming machines that may be operated but the number—
  - (a) must not exceed the number of gaming machines specified in the territorial authority consent; and
  - (b) must not in any case exceed 18.
- (5) The corporate society may then apply to the Secretary for a class 4 venue licence for the venue in accordance with section 65 or, if it holds a class 4 venue licence for the venue, an amendment to the licence in accordance with section 73.
- (6) The limits in subsection (4) may be reduced by regulations made under section 314(1)(a).

### Schedule D

**Examples of clubs who have obtained Ministerial consent to increase the number of machines hosted from 9 to 18**

<b>Club Mount Maunganui</b>	
History of operating as a club:	The Club was incorporated on 30 January 1951.
History of operating gaming machines:	The Club operated gaming machines since 2003.  The Club operated 18 gaming machines but wanted to relocate. The application was to increase the number of machines at the proposed new site from 9 to 18.
Substantial active membership:	The Club had approximately 3,000 members.
Outcome:	Ministerial consent was granted on 6 December 2010.

<b>Hastings Returned Services' Association</b>	
History of operating as a club:	The Club was incorporated on 9 July 1917.
History of operating gaming machines:	The Club had operated gaming machines since 1998.  The Club operated 18 gaming machines but wanted to relocate. The application was to increase the number of machines at the proposed new site from 9 to 18. Although the consent was granted, it was never implemented as the RSA chose not to relocate to the new site.
Substantial active membership:	The Club had 2,400 members.
Outcome:	Ministerial consent was granted on 6 November 2008.

<b>Palmerston North Cosmopolitan Club</b>	
History of operating as a club:	The Club was issued a Queen's Charter in 1889.
History of operating gaming machines:	The Club operated gaming machines from 1991. The Club operated 18 gaming machines but wanted to relocate.  The application was to increase the number of machines at the proposed new site from 9 to 18.
Substantial active membership:	The Club had approximately 1,000 members.
Outcome:	Ministerial consent was granted on 22 November 2005.



## Schedule E

### TE RŌPŪ ĀWHINA MATE PETIPETI O AOTEAROA Problem Gambling Foundation of New Zealand



1 June 2011

Gus Rieper  
Club Sports Advisor  
Clubs New Zealand  
P.O. Box 11749  
Wellington 6142

Dear Gus

I have recently had an opportunity to have a look at the oral submission that you have made to the Hauraki District Council.

I would like you to correct the spelling of my name if you are to quote me. In addition I would suggest that you might care to use the following quotes as opposed to relying upon your shorthand for my comments.

"Clubs have demonstratively shown that overall they are a safer environment than pubs. The Problem Gambling Foundation supports Clubs being treated differently than pubs for the purposes of the levy calculation which is based on problem gambling presentations".

"Clubs are based on a collective ethos. Overall we have seen that Clubs take responsibilities to their members and guests seriously. They have worked hard on host responsibility".

"PGF does not support any policy other than a sinking lid for Territorial Local Authorities. Given the harm that these machines do in our communities the responsible policy is to reduce the number of machines in total. If there was a choice between having machines in pubs or in clubs the Problem Gambling Foundation would choose to have these within a Clubs environment. However, our preference would be to have no machines at all".

I hope that these quotes are useful, and of course are entirely accurate.

Good luck in your future submissions!

Yours sincerely

  
**Graeme Ramsey**  
Chief Executive Officer

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Do not wish to make oral  
submission but want to  
be advised of date of  
hearing



# THE LION FOUNDATION

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Submission to Westland District Council: Class 4 Gambling  
Venue Policy

28 May 2015

## **Introduction**

Our submission outlines The Lion Foundation's response to the Westland District Council's Draft Class 4 Gambling Venue Policy.

The Draft Class 4 Policy proposes to cap the number of new venues within the Westland District (excluding Hokitika) to two venues, with a further cap of 4 gaming machines per venue. Within Hokitika, the proposal is to continue the present sinking lid policy which has been in place since January 2012.

The Draft Policy includes a relocation provision within a venues current census mesh block area if it is damaged by an event and/or earthquake risk. According to the Department of Internal Affairs website, as at 31 March 2015 there were 7 Class 4 venues and 62 gaming machines in operation within the Westland District.

The Lion Foundation provided written comments for the purposes of the Council's Social Impact Assessment meeting on 12 February 2015. We were grateful for the opportunity to have those comments read out at the meeting.

## **Our position on machine and venue numbers**

- We consider that the Council should introduce a cap at current machine numbers within Hokitika, rather than continuing with the sinking lid policy.
- While we are not opposed to a cap on new venues within the Westland District (outside of Hokitika), this should be set higher than two venues, as presently drafted. Similarly, a new venue should be able to operate the statutory maximum of 9 machines, rather than 4.
- This will ensure the class 4 sector can continue to put money back into the community and provide benefits by way of economic growth and employment in the local community. The present policy is working well and will ensure the levels of funding are maintained within the community.

## **We support the adoption of a relocation policy**

- If operators can relocate their gaming rooms they will be able to maintain the levels of funding that are currently in place in the area and also have the ability to relocate machines. We support the Council's adoption of a relocation policy.

## **We fully support harm minimisation measures that assist in reducing gambling harm**

- We have robust systems in place to minimise the harm caused by gambling and there is a high level of funding from the sector to support problem gamblers. We believe that making these measures more effective is a better

way of dealing with the issue of gambling harm than imposing a policy that will have the inevitable result of reducing funding to the community.

### **Introduction to the Lion Foundation**

- The Lion Foundation is one of New Zealand's largest gaming society by venue number, machine number and money returned to the community through grants. We operate 1,875 gaming machines in 140 venues across New Zealand.
- We aim to return 80% to 90% of funds back to the community of origin (where the funds were generated), with the remainder going to important national causes such as St John Ambulance, Coastguard, Plunket, Surf Lifesaving and many others. These national funds are usually spent providing services to regional areas or supporting projects implemented at regional level.
- Formed in 1985, we have given back over \$645m in grants to regional and national community causes since our inception and over \$41m in our 2013/2014 financial year, representing over 40% of gross machine revenue.
- We are a broad based funder - that is, we fund a wide range of organisations across all community groups. Our policy prescribes that our grants are committed to the following community sectors:  
  
Sport and Community: 70%  
  
Health and Education: 30%
- Our aim is to be New Zealand's leading charitable trust, nationally recognised and respected for helping people achieve great things in the community.

### **The Lion Foundation in the Westland District**

The Lion Foundation operates 19 gaming machines in two Class 4 venues in the Westland District: ***Beachfront Hotel*** and ***Stumpers***.

### **Grants**

In the last financial year, the Lion Foundation has given a total of \$134,395 in grants to 20 local groups operating in the Westland District (including local groups affiliated to a national or regional organisations). This is a significant and important contribution to local community groups, many of which would not survive without funding generated through gaming.

A full list of the grants given to groups and organisations in the Westland community is included as an appendix to this submission.

## **The Value of Gaming to Community Funding**

There is a significant reliance on gaming trusts for community funding. Research undertaken by Auckland Council<sup>1</sup> for their gambling policy review in 2013 clearly demonstrates the reliance on gaming funds to support community causes. A total of 990 grant recipients were contacted and 192 completed an on-line survey. One of the key findings from the research is that 75% of respondents indicate their organisation is moderately or totally reliant on this source of funding. Over two-thirds (68%) thought they would be unlikely to find another source of funding if gaming funding was unavailable.

## **Problem Gambling in Context**

The social costs associated with problem gambling are of a much smaller magnitude than alcohol, tobacco and other drugs. Problem gambling is 1 to 2 percent of the social cost of alcohol, tobacco or other drugs.<sup>2</sup> The costs of problem gambling are not to be trivialised, but the policy formulated to address this issue should be based on the evidence of its prevalence and impact, and considered in light of the magnitude and response to other products where there is harmful use.

We consider that maintaining a cap at present numbers will ensure that there is an incentive for the hospitality industry to invest in new premises, and will help with a continuation of funds available for distribution to the community.

We also support a policy that allows existing venues to relocate to a new site.

The majority of gamblers are recreational gamblers with only a very small proportion at risk of problem gambling. The prevalence of problem gambling is low and has dropped from a rate of 0.4% of the adult population in 2006/7 to 0.3% in 2011/12, as per the following table<sup>3</sup>.

Problem gambling level	2006/07	2011/12
No gambling	34.9%	47.9%
Recreational gambling	59.9%	49.0%
Low-risk gambling	3.5%	1.8%
Moderate-risk gambling	1.3%	1.0%
Problem gambling	0.4%	0.3%

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<sup>1</sup> Auckland Council Research - Community Funding: A Focus on Gaming Grants, Sept 2012

<sup>2</sup> BERL Report: Maximising the Benefits to Communities from New Zealand's Community Gaming Model

<sup>3</sup> Problem Gambling in New Zealand, preliminary findings from the NZ Health Survey, Ministry of Health, August 2012



Problem gambling rates bear no correlation with any change in the number of gaming venues and machines.

The Council's policy also needs to optimise the balance between reasonable controls over the incidence of problem gambling against the generation of funds for the community from legitimate gaming.

We consider that a cap on machine numbers and the ability for venues to relocate will maintain community funding and support local business, while being cognisant of the harm caused by gambling.

### **Gaming machine and venue numbers**

- Since the peak in Class 4 gaming machine numbers of 25,221 in 2003, the number of machines has declined steadily with the latest figures showing 16,614 machines as at 31 March 2015.<sup>4</sup>
- This decline has been across most territorial authorities throughout New Zealand, with present Class 4 venues (including Clubs and RSAs) totalling 1,277 venues nationwide.

### **Harm Minimisation**

- At the Lion Foundation we are committed to creating safe gambling environments in all our venues, and minimising the harm caused by problem gambling. In our last financial year we contributed over \$1.2 for intervention and treatment services through the Problem Gambling Foundation. We have also built strong relationships with problem gambling service providers such as The Salvation Army.
- We put a lot of effort into ensuring our venue operators and their gaming staff are fully trained in all relevant areas of harm minimisation. All staff involved in gaming at Lion Foundation venues undertake a 1 hour training course run by experienced Lion Foundation personnel. As well as the administration side of managing excluded persons, the training focuses on how to identify a potential problem gambler and what steps to take when one is identified.
- We, along with other trusts, have been heavily involved with problem gambling treatment providers and the DIA in helping to shape the Multi Venue Exclusion (MVE) programme being implemented currently across New Zealand. This allows problem gamblers to exclude themselves from multiple venues just by visiting a treatment provider, and not having to visit all or any venues.

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<sup>4</sup> Department of Internal Affairs website

- We fully support the aims of the programme and ensure our venue operators and staff understands the rationale and process to make the MVE programme work successfully.
- From 1 July 2009 all gaming machines were required to have software installed that advises players how long they have been playing a machine, how much they have spent, and whether they wish to continue playing. This is known as PID (Player Information Display), and pops up on the screen automatically every 30 minutes.
- We support the introduction of new harm minimisation measures, provided they are based on good evidence that they will have a positive impact on the reduction in harm caused by gambling.

Finally, we are not here to grow gambling; we believe though that pragmatic use of funds generated by this legalised form of entertainment make a hugely positive contribution to community life across New Zealand.

*For further comment or information please contact Niki Muaror, Account Manager at [niki.muaror@lionfoundation.org.nz](mailto:niki.muaror@lionfoundation.org.nz) or Emma Lamont-Messer, Compliance Manager, at [emma.lamont-messer@lionfoundation.org.nz](mailto:emma.lamont-messer@lionfoundation.org.nz)*

**Appendix: Lion Foundation grants to Westland District: 1 April 2013 - March 2014.** (Sourced from The Lion Foundation Grants List April 2013-March 2014. Includes allocated funding from national and regional grants.)

Buller Westland Playcentre Assn Inc	\$4,495
CCS Disability Action Canterbury	
West Coast Inc	\$30,000
Heritage Hokitika Soc Inc	\$2,000
Hokitika Dramatic Soc Inc	\$4,000
Hokitika Gymnastics Club Inc	\$6,600
Hokitika Lawn Tennis & Squash Racquets	
Club Inc	\$1,000
Hokitika Netball Centre Inc	\$2,500
Kaniere School	\$20,000
Kiwi Rugby Football Club Inc	\$6,500
Lake Kaniere Lodge Trust Inc	\$2,500
Nelson Marlborough West Coast	
Brass Band Assn Inc	\$400
Netball NZ Inc	\$5,000
Order of St John South Island Region	
Trust Board	\$20,000
Rock Quest Charitable Trust	\$1,000
Ross School	\$3,500
West Coast Badminton Assn	\$2,000
West Coast Basketball Assn Inc	\$6,000
West Coast Cricket Assn Inc	\$8,500
West Coast Rugby Football Union Inc	\$7,600
Westland Rural Education Activities Programme	\$800
Total:	\$134,395

27 May 2015

Westland District Council  
Private Bag 704  
Hokitika 7842



**RE: Submission on Amendment to 2011 Class 4 Gambling Policy**

My name is Tony Crosbie of Northend Hotels Limited which currently operates 7 Taverns with Class 4 Gambling throughout the South Island with another in Greymouth to come on board at the end of June 2015. Northend Hotels employs over 100 staff and I personally have been involved in tavern management for 26 years. I am an executive for HANZ for the Marlborough and Nelson regions which includes being the Gaming representative for these regions and feel I have very good know about Class 4 gaming in the South Island.

Firstly I would like to say I am in agreement with your objectives of the policy however I feel the policy changes you are proposing are not in line with your initial objectives. Your policy seems to be targeting businesses abilities to operate gaming as allowed under the gaming act rather than focusing on harm to the community.

**Comments on Draft Class 4 Gambling Policy - points 3 and 4**

Points 3.1, 3.2, 3.3

I do not support these points.

I feel by introducing a cap of only 2 Gambling Venues outside of Hokitika, no new Venues and a sinking lid policy in Hokitika doesn't target minimising the harm to the community and restricts business in the future for an operator to generate funds for the local community.

You have stated in the "Statement of Proposal" point 4.2 that

*"There is a need to balance the potential benefits of the establishment of Class 4 Venues against the wider social costs" and state "outlying areas are often the places that would be greatly at risk of problem gambling issues".*

I would challenge these statements as the Ministry of Health stats for the Westland District show in the 6 years between 2008/2009 and 2013/2014 only 2 people have sought help in all forms of gambling with no people registering in 4 of those 6 years. Nationally the New Zealand Health Survey completed in 2012 has also shown there has been a drop in risk of gambling problems in all Problem Gambling levels between 2006/2007 and 2011/2012.

Point 3.4

I support this point, however clarity around what "primarily associated with family or children's activities" need to be clearer.

Point 3.5

I do not support this point. I believe the policy misses the Central Government requirement for consideration of a relocation policy when Councils review their policies. The Relocation policy should be wider than a venue can relocate if the venue site is damaged by an event and/or requires vacating as a result of earthquake risk.

Point 3.6

I am neutral on this point.

Point 4.1

I do not support this point. I believe there is no need to differ Westland maximum number of machines from National maximum of 9 machines for a new venue.

Point 4.2

I support this point.

**Conclusion**

I believe the Council needs to consider two very important factors.

1/. The future Westland business restrictions this policy will have on business owners if Class 4 gambling is capped, prohibit new Venues and reduced by a sinking lid policy.

2/. The benefits and funding that supports the Westland community from Class 4 Gambling, I believe heavy outweigh the problem gambling effects, backed up by actual Ministry of Health stats and findings, show very minimum and declining harm to the community.

I do not wish to be heard in support of my submission.

Tony Crosbie  
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## Appendix 3

### Summary of Submissions

Sub no	Name	Section submission relates to in 2015 Draft Policy	Submission Summary from Submitters
1.	NZ Racing Board	2. No new stand alone TAB venues  4.1 4.2 No of machines allowed 3.5 Damage by an event	Retain the current provisions regarding TAB venues (i.e new venues may be established) Set a cap on machine numbers at current level Expand the current relocation provision – fire, acquisition, lease ends, new
2.	Westland Industrial Heritage Park	Community Benefit	Should be allowed to continue
3.	Hospitality NZ	Community benefit 1.4 Responsible participants	Raise funding for the community Education measures including information at venues for problem gamblers
4.	NZ Community Trust	3.5 Damage by an event 3.1 Two venues outside Hokitika Community benefit 4.1 new venues outside of Hokitika capped at two with four machines each.	Re-word relocation clause for wider range of circumstances Retains current policy on machine and venue numbers outside of Hokitika Cap machine numbers at today's rate (53) to protect community funding Retain existing limit on 9 machines for each new gaming venue
5.	Clubs NZ	No provision  3.5 Damage by an event	Two clubs may merge and have 30 machines or the sum of the number previously operated Relocation – tried to move modern, residential to CBD, high deprivation to low deprivation, event destruction, lease termination, acquisition

		No provision	Policy should mirror provisions which apply to Clubs
6.	Lion Foundation	3.2 No new venues in Hokitika 3.1 New venues outside Hokitika capped at two 3.5 Damage by an event 1.1 Minimising harm Support for problem gamblers	Cap current machine numbers within Hokitika, not venues Cap on new venues outside Hokitika should be higher than 2 and new venues should be able to go to 9 machines Support Council's relocation policy Fully support robust systems to minimise harm caused by gambling High level of funding to support problem gamblers
7.	Northend Hotels	3.1. 3.2,3.3 Sinking lid in Hokitika and cap of 2 outside 3.4 Not primarily associated with family or children's activities 3.5 Damage by an event 4.1 New venues outside Hokitika max of 4 machines 4.2 Increasing number of machines to 9 in Hokitika Community benefit	Restricts business in the future for an operator to generate funds for the local community Needs clarity  Needs to be in wider context No need to differ Westland maximum from national maximum of 9 machines for a new venue Agree  Benefits outweigh problem gambling effects show minimum and declining harm to the community.

### **DRAFT CLASS 4 GAMBLING VENUE POLICY**

**23 April 2015**

#### **1. Objectives of the Policy**

- 1.1 To minimise the harm to the community caused by gambling;
- 1.2 To control the growth of gambling in the District;
- 1.3 To ensure the Council and the community have influence over the provision of new gambling venues in the District;
- 1.4 To allow those who wish to participate in gaming machine or TAB gambling to do so responsibly within the District.

#### **2. TAB Venues**

No new TAB stand-alone TABs may be established in Westland.

#### **3. Where Class 4 Gambling Venues may be established**

- 3.1 The number of venues within the Westland District outside of Hokitika is capped at two.
- 3.2 No new venues may be established in Hokitika.
- 3.3 If an existing Hokitika venue closes and relinquishes machines, the permitted number of venues and machines would reduce as per a sinking lid policy.
- 3.4 In a neighbourhood not being primarily associated with family or children's activities.
- 3.5 An existing Class 4 venue is permitted to relocate within their current census mesh block area if the venue site is damaged by an event and/or requires vacating as a result of earthquake risk.
- 3.6 New venues must provide a separated area for Class 4 Gambling.



#### **4. Number of gaming machines to be allowed**

- 4.1 New venues outside Hokitika shall be allowed a maximum of no more than 4 gaming machines;
- 4.2 Venues with licences issued after 17 October 2001 and operating fewer than 9 gaming machines shall be allowed to increase the number of gaming machines operated at the venue to 9;
- 4.3 Existing venues with licences issued before 17 October 2001 shall be able to increase the number of gaming machines in the venue to no more than 9 and where, at the date of the adoption of this policy, existing numbers of machines are greater than 9, that number can be maintained.

#### **5. Applications**

Applications for consent for new venues must be made on the approved form and must provide:

- 5.1 Name and contact details of the applicant;
- 5.2 Street address of the premises;
- 5.3 A site plan covering both gambling and other activities proposed for the venue;
- 5.4 Details of any liquor licence(s) applying to the premises;
- 5.5 Any relevant gambling harm minimisation policies;
- 5.6 Suitability of the applicant.

#### **6. Decision Making**

- 6.1 Upon receipt of a complete application form containing all required information and the full application fee, the Council has 30 working days to determine a decision;
- 6.2 The decision on an application will be made by the appropriate Council Committee pursuant to delegated authority and be based on the criteria detailed in this policy.
- 6.3 Where applications for Class 4 Gambling Consents can be demonstrated to be in full compliance with Council's Class 4 Gambling Policy, the approval of the application is delegated to the Chief Executive Officer.

#### **7. Application Fees**

These will be set by the Council from time to time, and shall include consideration of:

- 7.1 The cost of processing the application, including any consultation and hearings involved;
- 7.2 The cost of establishing and triennially reviewing the Class 4 Gambling Venue and TAB Venue policy;
- 7.3 The cost of inspecting Class 4 Gambling Venues on a regular basis to ensure compliance with consent conditions;
- 7.4 A contribution towards the cost of triennial assessments of the economic and social impact of gambling in the district.

## **8. Monitoring and Review**

- 8.1 The Council will review the policy within 3 years of its adoption and then within 3 years after that review and after each subsequent review;
- 8.2 The Council will monitor the social and economic impact of gambling on the community as part of the policy review process;
- 8.3 The Council may amend this policy as a result of the findings of the social and economic impact monitoring;
- 8.4 Any review or amendment of this policy will be undertaken in accordance with the special consultative procedure outlined in the Local Government Act 2002.

## **9. Commencement of Policy**

- 9.1 This policy is required to be adopted by the Council in accordance with the special consultative procedure provided for in the Local Government Act 2002.
- 9.2 This policy will take effect from the day after its adoption by the Council.