

GAMBLING VENUE POLICY REVIEW

DRAFT STATEMENT OF PROPOSAL



MARCH 2019

1. INTRODUCTION

Gisborne District Council ("Council") has a single combined policy that guides if, where and how many Class 4 (pokies) and New Zealand Racing Board (TAB) venues may be established in the district. This is called the Gambling Venue Policy.

This Policy was prepared in accordance with Section 101 of the Gambling Act 2003 and section 65D the Racing Act 2003.

Both Acts require that the policy be reviewed every three years.

This Policy was last reviewed in 2015 and remains in effect until Council adopts a new policy. The intention is for a new policy to be in place by mid-2019.

The Council does not have any power under the Gambling Act or Racing Act to close existing venues. The Department of Internal Affairs has the sole authority for issuing venue licences and ensuring venues are complying with the Gambling Act 2003.

2. BACKGROUND

2.1 CLASS 4 VENUES

In the Gisborne District there are 12 venues licensed to operate Class 4 gambling (pokie) machines. These venues are in the Gisborne urban area, except for one in Ruatoria. Collectively the venues operate 180 machines. There are between 9 and 18 pokie machines in each venue.

2.2 NEW ZEALAND RACING BOARD (TAB) VENUES

There is currently one Racing Board venue in the district, which also operates pokie machines. There are also New Zealand Racing Board 'kiosk' facilities in clubs across the district. These are automated internet sports betting machines that allow individuals to place their own bets. Territorial authority consent is not required to install an internet sports betting kiosk in any establishment.

Racing Board venues are defined as standalone even when they have pokie machines or operate as a bar or entertainment venue. This is because their territorial authority consent is assessed and issued under the Racing Act (2003).

2.3 THE CURRENT GAMBLING VENUE POLICY

The current (2015) policy states:

- No more than two Racing Board venues (TAB) can operate in the region.
- No new, nor reopening Class 4 gambling machine (pokies) venues are permitted.
- Venues cannot increase the number of Class 4 gambling machines.
- Racing Board venues and Class 4 venues can apply for permission to relocate if, due to circumstances beyond their control, the venue cannot continue to operate at the existing site (new provision in 2015 policy).
- Class 4 venues can only relocate out of suburban areas into the inner commercial zone defined by the district plan.
- Venues may apply for consent to merge into one venue at an existing site. The resulting venue can either operate all of the Class 4 machines licensed by both clubs or 18 machines, whichever is the less.
- Venues can only have one sign making reference to Class 4 gambling.
- The operation of a Class 4 machine shall not be audible outside the venue property.
- The operation of Class 4 machines must not be the primary activity of the venue.

3. REVIEW OF THE POLICY

3.1 LOCAL TRENDS

A review of the state of gambling in the region showed that:

- The number of gambling venues is decreasing.
- Class 4 gambling machine numbers are decreasing.
- Gambling machine proceeds are steadily increasing.
- Gisborne's 'loss per head' figure of \$88.03 places the region 19th out of 67 districts in New Zealand. (Total GMP (Gambling Machine proceeds) divided by the district's gambling age population).
- It is estimated that Gambling Machine Proceeds for the district will approach \$11m for 2018.
- Data on problem gambling in the region is difficult to assess.
- The district does not currently have a dedicated problem gambling support service.

The review showed that the 'sinking lid' approach adopted for Class 4 gambling machines is working to reduce the number of gambling machines in the region. However, the amount of money spent at gambling machines is increasing.

3.2 PROBLEM GAMBLING HARM MINIMISATION

The district's high levels of deprivation means problem gambling is likely to be disproportionately affecting certain parts of our community.

Part 4 of the Gambling Act 2003 "*Harm prevention and minimisation, enforcement and other matters*" requires every holder of a Class 4 venue licence to develop a policy for identifying problem gamblers, which often includes training on how to spot a potential problem gambler. Under the Gambling Act 2003, a licence holder has the ability to ban problem gamblers. Likewise a self-identified problem gambler can ask to be banned.

3.3 COMMUNITY FUNDING

The Gambling Act 2003 provides for Class 4 gambling to be permitted only where it is used to raise funds for community purposes.

Corporate societies are required by the Gambling Act 2003 to distribute a minimum amount of their proceeds to the community.

Gambling machine proceeds are a major source of community funding in Tairāwhiti. The district received approximately \$3.59 million in community grants in the year to 30 June 2018.

4. PROPOSED CHANGES TO THE GAMBLING VENUES POLICY

4.1 POLICY OBJECTIVES

It is proposed to remove objective c) "Facilitate responsible gambling" from the 2019 policy. Council is focussed on preventing the growth of gambling and minimising harm. While agreeing with the sentiment of the objective, Council has no means to facilitate responsible gambling through this policy.

4.2 NUMBER OF RACING BOARD VENUES

The proposed Gambling Venue Policy 2019 caps the total number of Racing Board venues in the Gisborne District at one.

The reasons for Council seeking to introduce greater restrictions for Racing Board venues include that it:

- 1) Is in keeping with Council's 'sinking lid' approach.
- 2) Enables Council to minimise harm caused by problem gambling within the district.
- 3) Better aligns with Council's Community Outcomes of Tairāwhiti Tangata (our people) and Tairāwhiti Taonga (our environment, culture and economy).

This policy does not apply to automated internet sports betting kiosks, which are not covered under the current legislation.

4.3 RELOCATION OF CLASS 4 VENUES

The proposed Gambling Venue Policy 2019 removes the ability for Class 4 gambling venues to relocate. Under the new policy, if an existing licence holder is required to move premises, they will lose their consent to operate as a gambling venue.

Preventing relocations is in keeping with Council's 'sinking lid' approach.

Council is aware of potential unintended consequences arising from prohibiting relocation:

- Class 4 venue operators can become 'captive' to a venue. This can lead to landlords being reluctant to maintain premises to a high standard because the lease will be 'protected' by the gaming societies, should the venue operator decide to leave.
- If Class 4 venues become rundown in appearance, parts of the CBD look and feel undesirable for other CBD users.

5. HOW TO GET A COPY TO THE DRAFT POLICY AND MAKE A SUBMISSION

5.1 LOOKING AT OR GETTING A COPY

You can view or get a copy of the draft Gambling Venue Policy 2019 and this Statement of Proposal from Friday 1 March 2019 until 4pm Tuesday 9 April 2019 from:

- Gisborne District Council, Fitzherbert Street
- Te Puia Springs Service Centre
- HB Williams Memorial Library
- website www.gdc.govt.nz/

5.2 MAKING A WRITTEN SUBMISSION

You can fill in an online submission form, or write your own and email or post it to us.

If you write your own be sure to include your name, address, email address and contact phone number. Please also clearly state that it is a submission to the Gambling Venue Policy 2019, and indicate if you would like to present your submission in person to the Hearings Committee.

The hearing of submissions is planned for Wednesday 8 May 2019.

Submissions on the proposed policy can be made:

- On Council's 'Have Your Say' website www.gdc.govt.nz/
- By email to: Customer.Service@gdc.govt.nz
- By post: Gambling Venue Policy Review, Gisborne District Council, PO Box 747, Gisborne 4040
- By hand delivery to the Council's Customer Service counter, Fitzherbert Street, or to Te Puia Springs Service Centre.

SUBMISSIONS CLOSE 4:00PM ON TUESDAY 9 APRIL 2019

6. EXPLANATION OF TERMS

Class 4 gambling: is the term used to describe non-casino gaming machines (pokies). Under the Gambling Act (2003) Class 4 gambling satisfies the following criteria:

- a. The net proceeds from the gambling are applied to, or distributed for, authorised purposes; and
- b. No commission is paid to, or received by, a person for conducting the gambling; and
- c. The gambling, and the conduct of gambling, satisfies relevant game rules; and
- d. Either –
 - i. The secretary has categorised the gambling as Class 4 gambling and not as another class of gambling; or
 - ii. The gambling utilises or involves a gaming machine.

Class 4 venue: means a place used to operate Class 4 gambling as defined by the Gambling Act 2003.

Club: means a voluntary association of persons combined for a purpose other than personal gain.

Gaming societies: are the organisations that own and operate gaming machines and make grants to non-profit community organisations. They are not the venue operators.

Problem gambler: means a person whose gambling causes harm or may cause harm.

Racing Board venue: means premises that are owned or leased by the New Zealand Racing Board (TAB) and where the main business carried on at the premises is providing racing betting or sports betting services under the Racing Act 2003.

Society: an association of persons established and conducted entirely for purposes other than commercial purposes.

Sinking Lid: refers to the clause in Council's existing gambling venues policy that restricts the establishment of new Class 4 gambling venues, prohibits gaming societies from increasing the number of machines in the district and prevents venue operators from relocating (unless they wish to surrender their pokie machine licence).

Territorial Authority: is the term used in the Local Government Act 2002 to describe city and district councils.