

SOUTH WAIRARAPA DISTRICT COUNCIL

6 APRIL 2016

AGENDA ITEM C1

REVIEW – PROPOSED GAMBLING VENUES POLICY AND PROPOSED TAB VENUES POLICY

Purpose of Report

To recommend reviewed Gambling Venues and TAB Venues Policies to Council for adoption and public notification under the Special Consultative Procedure of the Local Government Act.

Recommendations

Officers recommend that the Council:

1. *Receive the information.*
2. *Adopt the proposed draft Gambling Venues Policy (as reviewed 2016) for the purposes of consultation under the Local Government Acts "special consultative procedures".*
3. *Adopt the proposed draft TAB Venues Policy (as reviewed 2016) for the purposes of consultation under the Local Government Acts "special consultative procedures".*
4. *Delegate authority to the Policy Working Group to hear and consider any submissions; and make recommendations back to Council on the final policies for adoption.*

1. Executive Summary

The Wairarapa Combined Policy Review Working Group has recently completed work on a review of both the Gambling Venues and TAB Venues Policies. These reviews were due under legislative requirements.

The outcome is that the Working Group is recommending each of the Council's adopt the reviewed policies and proceed to publicly notify them under the special consultative procedures of the Local Government Act.

It is then proposed that the working group will hear and make recommendations on any submissions, before the policies can be finally adopted.

2. Background

Council is required by legislation to have a Gambling Venues policy and TAB Board Venue policy (Gambling Act 2003, Gambling (Gambling Harm Reduction) Amendment Act 2013 and Racing Act 2003). The key intent of these policies is to minimise harm to the community caused by gambling.

In 2003 the three Wairarapa councils elected to develop joint policies to enable a consistent approach across the region.

Both policies are required to be reviewed at three year intervals and were last reviewed in 2011. The Wairarapa Policy Working Group commenced the review process last year.

The Gambling Venue Policy 2012 and TAB Board Venue Policy 2012 remain in effect until Councils adopt the reviewed policies.

The overall objectives of both policies include:

- gambling harm minimisation;
- Council having regard to the social impacts of gambling;
- controlling the growth of gambling; and
- influencing the provision of gambling.

The Gambling Venues Policy 2012 has a sinking lid where no additional gambling venues or gambling machines are permitted throughout the Wairarapa.

The TAB Board Venue Policy 2012 requires any potential operator to seek approval from Council via an application and consent process prior to establishing a venue.

3. Policy Review Process

3.1 Legislative Changes

The Gambling (Gambling Harm Reduction) Amendment Act 2013 introduced provisions to allow for relocation policies, and requires Councils to consider whether to include a relocation policy when reviewing policies.

The Wairarapa Gambling Venues Policy 2012 includes provision for relocation to be considered "due to extraordinary circumstances" under Section 3.0. Relocation requires consent and could not take place without Council approval via the consent process.

The Act provides for relocation of up to a maximum of 18 machines if consent is granted. The legislative cap of 18 machines means that there couldn't be any increase in gaming machine numbers across the Wairarapa as a result of this.

The Wairarapa Policy Working Group have reviewed these policies with support from the Technical Advisory Group.

3.2 Adopting a Policy

When adopting a Gambling Venues policy councils must:

- specify whether or not gaming machines can be established in the district and any restrictions on the maximum number of gaming machines;
- consider whether to include a relocation policy; and
- have regard to the social impact of gambling within the district.

When adopting a TAB Board Venue policy councils must:

- specify whether or not Board Venues can be established in the district and its location;
- have regard to the social impact of gambling within the district and the characteristics of the district.

The policies include specifications. The Working Group has also considered the social impact of gambling in the Wairarapa and characteristics of the region (see Appendix 1).

Since the policies were last reviewed there has been an overall decrease in the number of machines and venues throughout the Wairarapa, from 19 venues to 14 venues and from 240 machines to 188 machines (see Appendix 2).

The reductions indicate that the sinking lid approach is effectively managing machine and venue numbers.

The Salvation Army currently hold the Ministry of Health contract to provide problem gambling services in the Wairarapa and have confirmed that they support the continuation of the sinking lid policy.

3.3 Outcomes of Review

As a result of the review, the Working Group has not recommended any changes to the intent of the policies. Minor changes have however been made and these are summarised below (see Appendix 3).

Copies of the proposed 2016 policies are included (see Appendix 4 and 5 - Gambling Venues and TAB Board venues respectively).

Council is required to use the special consultative process to consult with the community on the reviewed policies. Various other documents need to be prepared by officers for this process including a Statement of Proposal and public notices.

This process can commence once all three Wairarapa councils have adopted the policies for consultation. CDC adopted the policies for consultation at its last Council meeting. MDC is scheduled to make a decision at their 23 March council meeting.

4. Conclusion

The Gambling and TAB Venues Policies of Council have been reviewed by way of the Joint Policy Working Group. These reviewed policies are now ready for Council to adopt for the purposes of consultation under the special consultative procedures of the Local government Act.

Submissions will be called for and it is recommended that Council delegate the Working Group to hear and determine those submissions and recommend final policies to Council for adoption.

5. Appendices

Appendix 1 – Assessment of Social Impacts

Appendix 2 – Table Showing Numbers of Venues/Machines

Appendix 3 – Summary of Minor Amendments

Appendix 4 – Draft Gambling Venues Policy 2016

Appendix 5 – Draft TAB Venues Policy 2016

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Appendix 1 – Assessment of Social Impacts

Social Impact of Gambling

Gambling is a form of entertainment, a source of employment and mechanism for enhancing the community by providing funding for local level projects and activities.¹ There is also a negative aspect to gambling being the harm that can result from the activity for the gambler and others. The harmful effects of problem gambling can include²:

- financial problems
- problems at work (ranging from poor performance to fraud)
- poor parenting and other relationship problems
- family violence
- alcohol abuse
- mental health problems
- suicide

Gaming machines are deemed to be the most harmful form of gambling. The majority of people who seek help for their gambling problems do so because of non-casino pokies (i.e. those found in pubs).³

Ministry of Health data tells us that even though gambling affects people from all walks of life, demographic risk factors include:

- Falling into the age range of 18-44 years old
 - Compared to national statistics, the Wairarapa as a whole has an older population with more people aged 50+ and fewer people in the 20-49 age group. Of the Wairarapa towns, Featherston has the most people aged 18-44 (35.8%) but this still falls below the NZ average (39.6%).
- Being of Māori or Pacific ancestry
 - Overall, the Wairarapa has a less diverse population compared to the rest of NZ with a higher proportion of people identifying as European and about the same proportion of people identifying as Māori. There are variations however with Masterton (17.9%), Featherston (17.6%) and Martinborough (16.9%) all having a higher proportion of people identifying as Māori compared to the NZ average (14.1%).
- Having few educational qualifications

¹ *The Social Impact of Gambling in New Zealand* (1995) Department of Internal Affairs, page 74

² www.dia.govt.nz

³ *Gambling in New Zealand Factsheet* (2013) Problem Gambling Foundation of New Zealand <http://pgfnz.org.nz>

- The Wairarapa has more people with no qualifications (23.6%) compared to the NZ average (18.6%) and fewer people with bachelor or higher degree qualifications (12.7% vs 17.8%). Masterton East (32.0%) and Featherston (26.3%) have the highest proportion of people with no qualifications.
- Unemployment
 - Despite unemployment levels being lower than the New Zealand average, there are variations across the Wairarapa region. For example, the proportion of unemployed in Masterton East is almost twice the New Zealand average and Featherston is above the New Zealand average.
- Living in a neighbourhood of high deprivation.⁴
 - The deprivation index ranges from 1 to 10, with 10 indicating that the area is in the 10% most deprived in New Zealand. The Wairarapa has three areas that scored a 9 (Masterton Central, Masterton Railway, and Featherston) and one that is a 10 (Masterton East).

The demographic data suggests that some areas within the Wairarapa could be at greater risk of harm associated with gambling. The Salvation Army currently hold the Ministry of Health contract to provide problem gambling service in the Wairarapa and have advised that they would support a continuation of the current sinking lid policy. The number of venues and machines have reduced since 2012 under this policy approach.

In terms of location, Ministry of Health data points to non-casino pokies being more likely to be found in the more deprived areas of New Zealand rather than well-off areas.⁵ The majority of Class 4 venues in the Wairarapa region are located in the CBD areas of the Masterton, Carterton, and South Wairarapa districts, as opposed to being located in neighbourhoods.

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. Table 2 provides a breakdown of the gaming proceeds for each district to the year ending September 2015. The total percentage of gaming proceeds for the Wairarapa district is less than 1% of the total gaming proceeds for New Zealand.

⁴ *Gambling in New Zealand Factsheet* (2013) Problem Gambling Foundation of New Zealand <http://pgfnz.org.nz>

⁵ Ibid

Gaming Machine Proceeds (GMP) by District

Territorial Authority	January – March 2015		April – June 2015		June – September 2015	
	GMP	% of total (NZ)	GMP	% of total (NZ)	GMP	% of total (NZ)
Carterton District	\$252,859.45	0.13%	\$245,921.87	0.12%	\$239,487.81	0.11%
Masterton District	\$858,199.03	0.44%	\$835,183.45	0.40%	\$841,089.90	0.39%
South Wairarapa District	\$364,669.78	0.19%	364,490.94	0.18%	\$412,429.87	0.19%

The table above provides a breakdown of the gaming machine proceeds (GMP) in 2015 by Wairarapa district. The GMP for the Carterton district has shown a decrease for each quarter, with both Masterton and South Wairarapa showing a decline in the 2nd quarter and then spiking back up in the 3rd quarter.

The Charitable Gaming or Community Gaming Trusts who operate machines in pubs and hotels are required to distribute 40% of their revenue to community groups. The Lion Foundation, First Sovereign Trust Ltd, Pelorus Trust (the Marquis of Normanby has recently changed to Pelorus Trust from Infinity Trust), Prime Community Trust, and Trust House Foundation provide funding to communities across the Wairarapa region via gaming machine proceeds. The information provided below is an example of the types of projects that one of the Wairarapa Community Gaming Trusts has provided over the last financial year and the level of investment made for each project.

In 2014/15, the Trust House Foundation awarded 340 individual grants to clubs, associations and community groups.⁶ Major grant recipients from the Wairarapa region included:

2014/15 Trust House Foundation Funding – key recipients

Recipient	Project	Amount
Wairarapa Bush Rugby Football Union	Assisting with the re-development of Memorial Park	\$300,000
Pukaha Mount Bruce Board	Assisting with the development of a walk-through aviary	\$250,000
Destination Wairarapa Inc	Assisting with running costs of Destination Wairarapa	\$241,920
Netball Wairarapa Inc	Upgrading of facilities at Colombo Road	\$200,000
Wairarapa Sports Artificial Surface Trust	Assisting with the replacement of southern sand filled turf at Clareville with a water turf surface	\$190,000

In addition to the major grant recipients, approximately **\$283,239** of funding was awarded to Wairarapa clubs, associations, community groups and

⁶ Trust House Foundation funded regions include the Wairarapa, Tararua, Fielding, Flaxmere and Porirua.

Appendix 2 – Table Showing Numbers of Venues/ Machines

Number of Gambling Venues and Machines

	No. of Venues			No. of Machines		
	<i>Previous adoption date</i>	<i>Review dates</i>		<i>Previous adoption date</i>	<i>Review dates</i>	
	2012	2011	2015	2012	2011	2015
Carterton District	Max. 4	4	3	Max. 50	48	45
Masterton District	Max. 8	8	5	Max. 116	116	78
South Wairarapa District	Max. 7	7	6	Max. 76	76	65
TOTAL		19	14		240	188

Appendix 3 – Summary of Minor Amendments

Summary of Proposed Minor Changes

Policy	Proposed Changes
Gambling Venues Policy	<ul style="list-style-type: none">• Condense content in Introduction section• Add additional objective (currently located in Introduction section)• Update venue/machine numbers• Update legislation references• Update dates• Use new standardised policy layout/format
TAB Board Venues Policy	<ul style="list-style-type: none">• Update dates• Use new standardised policy layout/format

Appendix 4 – Draft Gambling Venues Policy 2016



Wairarapa Gambling Venues Policy

2016

DRAFT

Adopted by:	[insert relevant Council/s and/or Council Committee meeting where it was adopted/approved]
Date of Approval:	xx/xx/xx
Policy Number:	MDC006
Review Date:	xx/xx/xx

The Gambling Act 2003 (the Act) that came into effect on 18 September 2003 requires territorial local authorities to have in place a policy that:

- specifies whether or not class 4 venues (hereafter referred to as gaming machine venues) may be established in its district and, if so, where they may be located
- may specify any restrictions on the maximum number of gaming machines that may be operated at any class 4 venue (the Act established a limit of nine machines on gaming venues)
- specifies whether or not TAB stand-alone venues may be established in the district

1.0 Objectives

- 1.1 To minimise the harm to the community caused by Class 4 gambling
- 1.2 To have regard to the social impacts of gambling in the Wairarapa Region
- 1.3 To control the growth of Class 4 gambling in the Wairarapa Region
- 1.4 To ensure that Councils and their communities have influence over the provision of new Class 4 gambling in the Wairarapa Region.

2.0 New Class 4 gambling venues may be established in the Wairarapa Region subject to the following restrictions

- 2.1 The number of gaming machine venues operating or consented in the Wairarapa Region as of 1 January 2016 (14) will not be allowed to increase i.e. no additional new gaming machine venues will be permitted. There will be no consents granted for any new class 4 venue in Masterton, Carterton and South Wairarapa Districts except as provided for in clause 3.4. The effect in those districts is that if a venue ceases to operate gaming machines no new venue can take its place.

This will mean that Masterton will have a maximum of five venues, Carterton a maximum of three and South Wairarapa will have a maximum of six.

- 2.2 Gaming machine venues existing or consented as at 1 January 2016 and not ceasing operations for any period longer than six months will be regarded as existing venues under this policy, and will be granted consent to continue their operations automatically.
- 2.3 Where two or more clubs merge the combined club may:
 - 1) Continue to operate existing venues.
 - 2) Operate on an existing single venue, which will be regarded as an existing venue for the purposes of this Policy, subject to section 4.4 of the policy.
 - 3) Apply to the Council for a single new venue to be established subject to section 3 of this Policy, provided that all existing venues are closed, subject to section 4.4 of the Policy.
- 2.4 No limit will be imposed on the number of stand-alone TAB Venues.
- 2.5 New Class 4 gambling venues may be established subject to compliance with the Wairarapa Combined District Plan, fee and application requirements, and the conditions set out under 3.0:

3.0 The location of new Class 4 gambling venues will be subject to the following conditions

- 3.1 a) Council may permit a class 4 venue to re-establish at a new site where, due to extraordinary circumstances, the owner or lessee of the class 4 venue cannot

continue to operate at the existing site. Examples of such circumstances include, but are not limited to, the following:

- i. expiration of the lease; or
- ii. acquisition of property under the Public Works Act; or
- iii. site redevelopment

b) Any permission to establish any new class 4 venue under this clause will be subject to the following conditions:

- i. the gambling venue operator at the new site shall be the same venue operator at the site to be vacated;
- ii. the number of gaming machines permitted to operate at the new venue will not exceed the number permitted to be operated at the existing site with a maximum of nine machines as provided by Section 94 of the Gambling Act 2003

c) A TAB stand-alone venue with gaming machines may be considered as an alternate venue if a Class 4 Venue closed, subject to the conditions in this policy for Class 4 venues and conditions in the TAB Venues Policy.

- 3.2 New Class 4 gambling venues will not be permitted where the Council believes that the character of the district, or part of the district, for which the venue is proposed will be adversely affected, or where there is likely to be an adverse effect on any kindergartens, early childhood centres, schools, places of worship, or other community facilities.
- 3.3 To aid the Council in determining whether there is likely to be an adverse effect, all applications are required to be publicly notified. Applications will be determined by the Hearings Committee of the Council, which may receive submissions from the applicant and any interested parties at a public hearing.
- 3.4 Except in the case of a TAB stand-alone venue Class 4 gambling venues will not be approved outside premises authorised under the Sale and Supply of Alcohol Act 2012 to sell and supply liquor for consumption on the premise, and where the gaming area is designated as restricted and is visually and physically separated from family or children's activities.

4.0 Restriction on the number of gaming machines that are permitted to operate at any venue or class of venue

- 4.1 No increase in the number of gaming machines currently operating or consented in the Wairarapa Region as of 1 January 2016 (188) will be permitted.)
- 4.2 Further to the provision above, no additional new gaming machines will be approved in any district beyond the number operating as of 1 January 2016, i.e.

Masterton	78
Carterton	45
South Wairarapa	65

In Masterton, Carterton and South Wairarapa Districts any gaming machine that is relinquished for a period of longer than six months may not be replaced on that site and may not be transferred to another site under any circumstances.

- 4.3 No venue may operate more than 18 gaming machines if existing at 17 October 2001

and not ceasing operations for any period longer than six months, or more than 9 machines if not existing prior to the 18 October 2001 or having ceased operations for any period longer than six months.

- 4.4 Where two or more club venues merge, the combined club may operate the lesser of 18, or the number of gaming machines both clubs operated immediately prior to the merger, subject to section 2.4 and 5.1.6 of this policy, and section 97A of the Gambling Act 2003.

5.0 Applications

- 5.1 Applications must be made on the approved form and must provide:

- 5.1.1 A scale site plan covering both gambling and other activities proposed for the venue including any screening or separation from other activities proposed.
- 5.1.2 Evidence of the authority to sell or supply liquor for consumption on the premise under the Sale and Supply of Alcohol Act 2012.
- 5.1.3 Name and contact details of the applicant.
- 5.1.4 Street address of the proposed or existing Class 4 gambling venue or TAB.
- 5.1.5 A copy of any certificate of compliance or resource consent required for the primary activity of the venue under the Wairarapa Combined District Plan.
- 5.1.6 Where the application relates to the merging of two or more clubs, details of the number of machines operated at each venue immediately prior to merger and the number of machines intended to be operated at each site as applicable.

6.0 Application Fees

- 6.1 Fees will be set by the Councils annually and will include consideration of the cost of:
- processing the application.
 - establishing and triennially reviewing the Gambling Venues Policy.
 - the triennial assessment of the economic and social impact of gambling in the Wairarapa.

7.0 Review of Policy

- 7.1 The policy will be reviewed every three years.

Appendix 5 - Draft TAB Venues Policy 2016



Wairarapa TAB Board Venue Policy

2016

Adopted by:	[insert relevant Council/s and/or Council Committee meeting where it was adopted/approved]
Date of Approval:	xx/xx/xx
Policy Number:	MDC007
Review Date:	xx/xx/xx

The Racing Act 2003 (the Act) requires territorial local authorities to have in place a policy that specifies whether or not TAB stand-alone venues may be established in the district.

1.0 Objectives

- 1.1 To minimise the harm to the community caused by TAB Board Venue gambling
- 1.2 To Have regard to the social impacts of gambling in the Wairarapa Region
- 1.3 To ensure that Councils and their communities have influence over the provision of new TAB Board Venues in the Wairarapa region.
- 1.4 To adhere to the Act's purpose namely:
 - to provide effective governance arrangements for the racing industry;
 - to facilitate betting on galloping, harness, greyhound races, and other sporting events, and
 - to promote the long-term viability of New Zealand racing.

2.0 Applications

- 2.1 Applications must be made on the approved form and must provide:
 - 2.1.1 A scale site plan covering both gambling and other activities proposed for the venue including any screening or separation from other activities proposed.
 - 2.1.2 Name and contact details of the applicant.
 - 2.1.3 Street address of the proposed or existing TAB Board Venue.
 - 2.1.4 A copy of any certificate of compliance or resource consent required for the primary activity of the venue under the Wairarapa Combined District Plan.

3.0 Application Fee

Fees will be set by the Councils annually and will include consideration of the cost of:

- i. processing the application
- ii. establishing and triennially reviewing the TAB Board Venue Policy
- iii. the triennial assessment of the economic and social impact of gambling in the Wairarapa.

4.0 Review of Policy

- 4.1 The policy will be reviewed every three years.