

**Subject:** Gisborne District Council Gambling Venue Policy Review

**Prepared by:** Angela Joe (Senior Environmental Health Officer)

**Meeting Date:** 7 December 2011

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## Report to ENVIRONMENT & POLICY Committee for decision

### SUMMARY

Territorial Authorities are required under the Gambling Act 2003 to have a Gambling Venue Policy for Class 4 Gambling Venues and Board Venues. This policy must consider the social impact of gambling within the Territorial Authority's district and specify whether or not Class 4 venues with gaming machines and Board venues such as TAB's may be established in the district and, if so, where they may be located.

This policy must be reviewed at least every three years. Gisborne District Council's policy was last reviewed in 2008 and a sinking lid approach was rolled-over. The current sinking lid policy provides that no new venues may be established and that if any venue is disestablished, no replacement venues be approved.

It is proposed to continue with the current "sinking lid" policy with four significant amendments. They are:

- to insert a statement restricting Board venues without gaming machines from establishing within 100 meters of schools, childcare centres and the like, and places of worship
- to insert clauses allowing Class 4 Venues to relocate, subject to a number of conditions that include placing specific limits on the number of machines that can be operated and where they may relocate to, and
- to prevent vacated venues from reestablishing as Class 4 venues
- to better define the level of monitoring carried out by the Gisborne District Council (appendix 1 and 2).

In October 2011, feedback was sought from various stakeholders in relation to the proposed policy review. Comments included that the Council retain the sinking lid policy as is, while others suggested Council replace the sinking lid policy with a less restrictive "capped" policy.

The policy can only be adopted, amended or replaced through the use of the special consultative procedure prescribed by section 83 of the Local Government Act 2002.

It is proposed to release the Statement of Proposal for the continuance and amendment of the Gisborne District Council Gambling Venue Policy for public comment (Appendix 4).

The submission period is intended to run from 23 December 2011 to 13 February 2012.

## RECOMMENDATIONS

That the Committee

1. receives the report
2. Recommends that Council
  - a) retains the sinking lid approach
  - b) amends clause 2.1 of the policy to restrict the establishment of Board Venues without gaming machines so that they do not establish within 100 meters of schools, early childhood centers and the like, or a place of worship
  - c) amends clause 3.2 to include clauses that allow the relocation of Class 4 Venues, subject to a number of conditions that include limiting the maximum number of machines that can be operated to nine, restrict the relocation of any Class 4 venue to Commercial zones and to prevent vacated venues from re-establishing as Class 4 venues
  - d) amends clause 5.1 to include a request for other relevant information not already specified when applications are made
  - e) amends clause 8.2 to better define the level of monitoring carried out by the Gisborne District Council
  - f) inserts any relevant definitions
  - g) agrees the special consultative procedure as prescribed by section 83 of the Local Government Act 2002 be adopted to proceed with the continuance and amendment of the Gisborne District Council Gambling Venue Policy
  - h) notes that the Hearings Committee will hear and decide on any submissions.

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**Keywords:** gambling venue, Class 4 venue, Board venue, gaming machine, problem gambling

## 1. BACKGROUND

Territorial Authorities are required under the Gambling Act 2003 to have a Gambling Venue policy. This policy must be reviewed every three years or therein following the special consultative procedure as prescribed by section 83 of the Local Government Act 2002. Gisborne District Council's policy was last reviewed in 2008 and the sinking lid approach was rolled-over.

The current sinking lid policy means:

- no new venues with gaming machines may establish
- no existing venue may increase the number of gaming machines
- if a Department of Internal Affairs (DIA) licence lapses for a period of more than six months at an existing venue, no new Territorial Authority consent will be issued.

The initial policy adopted in March 2004 was a "capped" policy allowing a maximum of 272 machines in the district. The "sinking lid" policy has been in place since July 2005.

In 2008 the number of operating machines was 214 in 15 premises.

There are currently 14 premises operating a total of 210 machines (existing licenses permit a total of 221 machines), one Board Venue (TAB outlet), an additional five TAB facilities as part of a pub or club operation, and 10 NZ Lotteries outlets.

This report focuses on the gaming machine sector as opposed to Board venues without gaming machines which have fewer restrictions on their establishment under this policy. With the proliferation of gaming machines over the years and the amount of money involved, the greatest concern voiced by the community has been in relation to gaming machines and the potential harm associated with their use.

### 1.1 Revenue Breakdown

For every dollar of gaming machine expenditure (i.e. the gross amount wagered minus the amount paid out or credited as prizes or dividends) a corporate society (e.g. a Trust owning machines) must pay out a minimum of 37.12 cents for "authorised purposes". This is commonly recognised as the grants distributed to various community groups. The only change since the last review has been a change to the problem gambling levy rate and the increase in GST.

The remaining revenue is subject to:

- 20c Gaming Machine Duty
- 15c GST
- 1.48c Problem Gambling Levy (the levy rate is reviewed every three years)
- a maximum of 16c goes towards venue costs that cover aspects such as the administration and maintenance of machines at venues
- the remainder goes towards the administration of a society, including the purchase of machines.

### 1.2 National Expenditure

Since 1994, the national expenditure on all forms of gambling which includes racing, lotteries, gaming machines and casino's, steadily increased reaching a peak of an estimated \$2.039 billion in 2004. Since then the level of expenditure has fluctuated (Appendix 5).

The expenditure from non-casino gaming machines echoes this trend, reaching a peak of \$1.035 billion in 2004. In the same year the Gambling Act was introduced to control the growth and proliferation of gambling. After increasing in 2007 (\$950m) the expenditure level has decreased on a yearly basis, and in 2010 the level had dropped to \$849m.

The number of non-casino gaming machines peaked at 25,221 in 2003 and has since steadily decreased to 18,167 as of September 2011. These are operated across 1,409 venues and owned by 360 corporate societies (including clubs).

From 1 July 2009 All electronic gaming machines were required to install player information displays (PIDs). The display advises the player of their wins and losses, duration of play and prompts the player to take a break.

### 1.3 Overseas and internet gambling

Although it is not illegal to gamble on overseas internet sites, Section 16 of the Act prohibits the publishing of or arranging to publish any overseas gambling advertisement.

The only organisations that can run internet gambling within New Zealand are the TAB and the NZ Lotteries Commission.

### 1.4 Gisborne Expenditure

The amount of money lost on gaming machines and monies paid out for authorised purposes for the Gisborne district since the last review in September 2008 is as follows:

	No. of GMs operating in district	No of Venues operating GMs	Expenditure -\$ (all venues)	Estimated amount paid out for authorised purposes from commercial societies (excl clubs) <sup>2</sup>	Estimated amount paid out for authorised purposes from clubs <sup>3</sup>	Estimated total paid out for authorised purposes
Nov 2008 – Oct 2009	208 <sup>1</sup>	15	9,392,482	1,156,043	764,753	<b>1,920,796</b>
Nov 2009 – Oct 2010	210	14	9,277,724	1,600,548	614,941	<b>2,215,489</b>
Nov 2010 – Oct 2011	210	14	9,917,050	1,582,708	571,940	<b>2,154,648</b>

1 – Some machines temporarily inactive at Sessions Bar & Music

2 - Estimated grants paid out per 12 month period are indicative only.

3 - Estimated grants paid out per 12 month period are indicative only as the financial year between clubs differs.

Since March 2007 when all gaming machines were required to be linked to an Electronic Monitoring System (EMS), accurate expenditure information has been available from the Department of Internal Affairs. However, the same cannot be said of the amount of monies that are paid out for authorised purposes by the corporate societies. Information obtained from the societies' websites and direct requests provide a relative estimate. The monies paid out across all corporate societies for authorised purposes are likely to be more than the figures stated above.

Since 2007, the level of expenditure in Gisborne has fluctuated. For the year ended 30 September 2008 expenditure was \$10.4m. This decreased over two years, and then increased again in 2011 to \$9,917,050 whilst the number of machines has reduced by four over this period. A further six inactive machines were reinstated.

### **1.5 Problem Gambling**

It is estimated about 1-2% of the population experience significant gambling problems, but that this group account for about 20% of total reported gambling expenditure.

Maori and Pacific adults are three and a half times more likely than adults in the total population to be problem gamblers. This is because these populations are statistically more likely to reside in lower socio-economic areas where there are greater numbers of machines (PGFNZ fact sheet *Problem Gambling* 2011).

There are currently two problem gambling counselling services operating in the Gisborne district, the Problem Gambling Foundation of New Zealand (PGFNZ) and Te Ara Tika. Te Ara Tika has a wider role in Health Promotion amongst Māori, and began offering services related to problem gambling from February 2011. Services offered by these two organisations range from educational information about problem gambling through to full face-to-face counselling of problem gamblers.

The number of people currently undertaking 'full counselling' services within the Gisborne area is 210. This number has doubled since 2009. Studies estimate at least five other people are affected by a problem gambler, usually whanau members or friends. Passive effects of problem gambling are manifest in the numbers of families seeking help from budgeting services, using women's refuge services, requiring child and family support, and mental health services (MOH Problem Gambling Resource for Local Government 2009).

## **2. DISCUSSION AND OPTIONS**

### **2.1 Proposed changes to the Gisborne District Council Gambling Venue Policy**

It is proposed to:

- retain the "sinking lid" policy in response to community feedback
- amend clause 2.1 of the policy to restrict the establishment of Board venues without gaming machines so that they do not establish within 100m of schools, early childhood centers and the like, or a place of worship
- amend clause 3.2 to allow the relocation of Class 4 venues, subject to a number of conditions that include limiting the maximum number of machines that can be operated to nine, restrict the relocation of any Class 4 venue to Commercial zones, and prevent vacated venues from reestablishing as Class 4 venues
- to better define the level of monitoring carried out by the Gisborne District Council.

#### **2.1.1 Retain, replace or change the Sinking Lid Approach**

From initial feedback from health providers and advocacy groups they have stated the sinking lid policy should remain and that some clauses should be made more restrictive. Those in favour of a sinking lid policy emphasise the actual negative impacts and harm resulting from gaming machine use and abuse and that the reduction in machine numbers would help minimize the harm especially the harm caused by gaming machines.

Corporate societies and some community organisations have voiced their opposition to retaining a sinking lid policy stating any further reduction in machine numbers will have a detrimental effect on the level of funds being returned to the community. However between 2008 and 2009 local gaming machine expenditure reduced by almost \$1m. At the same time four machines were lost to the district, whilst estimated grants were similar to what they were in 2011 - in the region of \$1.8m to \$2m. Based on this, fewer machines does not necessarily equate to less funding being distributed to community organisations. It remains to be seen whether this is proven as more accurate information on grants is collected in the future.

Given the feedback received and working on the presumption that those who have not submitted a response are happy with the current policy, the overall view of the local community is that the sinking lid policy be retained.

### **2.1.2 Return to a Capped Policy**

This proposal was raised during the last review. There is strong community feeling that if machines should operate at all, then a sinking lid policy is favoured over a policy placing a cap on the numbers of machines in order to limit the potential harm associated with their use.

There is no single method used by Territorial Authorities to determine cap numbers and cap ratio's can be determined on the basis of total population numbers and machine numbers on a particular day.

Any national average is subject to fluctuation as the population numbers and machine numbers change. Given the trend of decreasing machine numbers and the increase of sinking lid policies being adopted by an increasing number of Territorial Authorities, the national average is likely to decrease.

If consideration is given to returning a capped policy based on population, any ratio should exclude those under the age of 18 who are legally prohibited from playing machines.

### **2.1.3 Further Restrictions**

Representatives from Tairāwhiti District Health Board have recommended further restrictions, some of which were put forward in the last review. These include:

- reducing the maximum number of machines from 18 to 9 for clubs that have merged into one entity
- recommend hours of operation for gaming venues
- that alcohol not be sold in gaming venues
- that no further applications be received.

#### **2.1.3.1 Gaming within clubs**

Clubs are often considered in a different light from commercial gaming societies primarily because the revenue gathered is generally returned back to the club from which it was generated. Grants are largely funneled back into the club, providing services and facilities to club members in turn benefitting the community in which they are located. This compares with those societies that operate commercial venues, although they are required to return a minimum of 37% to the community, grants distributed do not necessarily return back to the community from which they were collected.

There is also a view from some sectors of the community that harm from problem gambling is tethered in a club environment where club staff have a more familiar relationship with club members and, therefore, may be more attune to identifying patrons who may have gambling problems. This compared with patrons who play gaming machines at commercial venues and who are better able to remain anonymous to venue staff by moving frequently between venues.

In addition, clubs generally do not have the same revenue gathering ability than those of commercial venues, as machines are generally only available to club members.

Little has changed since the last review. In 2007 clubs unanimously opposed a limit of nine machines in cases where clubs merge. A number of clubs have held discussions regarding mergers, but to date, none have done so.

Other concerns from clubs relate to the loss of funding from machine revenue should machine numbers significantly decrease. The clubs have come to rely on the income whether rightly or wrongly generated by gaming machines and predict that without them, or a significant drop in numbers (and revenue) would see them struggle to survive or even fold.

Since 2008 one of the five clubs that operated four machines has relinquished them because they were not economically viable. Three clubs continue to operate their maximum permissible numbers. One club voluntarily operates lesser machines than that permitted by their Territorial Authority consent. This is largely due to the significant costs involved in upgrading older machines, and the decision to not replace them. (Appendix 5).

For these reasons it is proposed to leave the existing club clauses within the policy as they are.

#### **2.1.3.2 Control of hours**

It has been recommended that Council should set or restrict the trading hours of premises that operate machines. The Territorial Authority is limited under the Gambling Act as to what issues its policy must consider and what conditions it may impose on a consent. This is essentially limited to the number of machines that can be operated at a venue and the location of the venue within the Territorial Authority's district.

The trading hours of a venue is largely determined by the hours permitted under any liquor licence issued to the premises. All Gisborne gaming venues hold a liquor licence. Any restriction on hours in existing premises could only be a result of limiting the hours of the liquor licence. To justify a reduction in the liquor licensing hours, there must be some evidence of poor management, liquor abuse issues or Council policy statement.

Clubs are the exception to this rule. Provided clubs do not sell liquor outside of their licensed hours they may be allowed to operate, subject to any other legislative requirement such as a resource consent.

If there is none of these and there is no other legislative requirement, then Council has no ability to limit the trading hours of existing premises on the basis that it operates gaming machines.

Should the policy allow the establishments of new venues, the trading hours are still not able to be set under this policy or as part of any Territorial Authority consent, but limits on operating hours may be subject to other legislative requirements.

### **2.1.3.3 Refuse applications**

It has been recommended that Council not receive applications in order to preserve the sinking lid approach. There may be circumstances where an application may be outside the policy and therefore under the existing clause, Council has the ability to consider it.

However, under the proposed policy there is no ability for any more machines to operate in the district. In cases where a relocation is sought there is under the proposed policy the ability to reduce machine numbers further.

### **2.1.4 Relocation of Venues**

It is proposed that existing Class 4 venues be permitted to relocate to commercial areas but not suburban commercial areas. Allowing this has some advantages. That being it does allow the objectives of the policy to be upheld by ensuring machine numbers are limited to a maximum of nine and, that such venues may be more appropriately located i.e. removed from residential to commercial areas.

Having the ability to relocate also allows the venue operators to continue operating a business and provide employment. In some cases relocation could result in an improvement such as the re-development of buildings.

Under the existing policy there is no ability for venues to relocate without losing their machines completely, discouraging operators from moving from their current premises, and in some cases forcing them to remain in low decile residential areas or to continue operating in old rundown premises.

A recent study found that the closer people live to gambling venues the more likely they are to be problem gamblers. Also, the more gambling venues there were within close driving distance (5 km) of a person's neighbourhood, the more likely it was that the person had gambled at a venue in the past year. Overall, the study found that gambling behaviour was strongly associated with the distance to the nearest gambling venue.

The authors of the research concluded that establishing gambling venues in a neighbourhood could possibly have a negative impact on the people living in that neighbourhood, due to the relationship between distance to the nearest gambling venue and gambling behaviour (MOH, Problem Gambling Resource for Local Government 2009).

By limiting the relocation of venues to commercial areas, and exclude suburban commercial areas, it could to some extent give operators the opportunity to move from residential areas to commercial areas. This in turn could be of benefit to low decile suburban communities who are statistically most vulnerable to the potential harm associated with gaming machine use and abuse.

It is proposed to limit the establishment of Board venues and Class 4 venues so that they do not locate within 100m of schools and churches on the basis that a gambling venue is incompatible with these types of community facilities. It also affords these community organisations a level of protection that may not be found with other legislation, policy or plans.

### **2.1.5 Monitoring**

Under the Gambling Act the Territorial Authority role is limited to adopting a policy and considering applications for consent. There is no ability to administer any other part of the Act or to monitor compliance with it. This function belongs to the Department of Internal Affairs and its inspectors.

Council staff do carry out some basic monitoring of venues but is limited to those premises that hold liquor licenses. So it is proposed to define clause 8.2 to better reflect this situation.

**3. DECISION MAKING PROCESS**

The following is the proposed timetable for the process of reviewing the Gisborne District Council Gambling Venue Policy:

Process	Timeframe
Presentation of report and Statement of Proposal to Environment and Policy Committee seeking continuance and amendment of the Gisborne District Council Gambling Venue Policy in accordance with the Special Consultative Procedure as prescribed in section 83 of the Local Government Act 2002	7 December 2011
▼	
Presentation of report and Statement of Proposal to Council - Council decision to approve Statement of Proposal be released for public comment	21 December 2011
▼	
Public notice to Gisborne Herald, notice published	23 December 2011
▼	
Submissions close	13 February 2012
▼	
Notification of Hearing letters to submitters	15 February 2012
▼	
Report presented to Hearings Committee dealing with written submissions	tba
▼	
Hearing and recommendation to Council	tba
▼	
Resolve any outstanding matters	tba
▼	
report presented to Council for approval for the continuance and amendment of the Gisborne District Council Gambling Venue Policy	tba
▼	
Council decision to approve	tba
▼	
Public notice to Gisborne Herald published, continuance and amendment of the Gisborne District Council Gambling Venue Policy	tba

**4. SIGNIFICANCE**

The recommendation to continue with the Gaming Venue Policy to retain the sinking lid approach with changes is not considered significant, measured against the criteria of the significance policy as provided for in the 2006-2016 Community Plan.

## 5. CONSULTATION

In October 2011 stakeholders were asked for their feedback on the existing policy and its proposed review. Those that responded included the two local Problem Gambling counselling organisations, TAB representatives, corporate society representatives, local clubs and health providers.

Points raised included:

- continue with the sinking lid policy as is
- restrict the trading hours of premises that operate machines
- the amount of return (i.e. grants) is disproportionate compared to the expenditure contributed particularly from local Maori communities
- full cost of gambling should be owned by the purveyor
- the proliferation of internet gambling as it relates to the need to keep gambling revenue in New Zealand
- replacing the sinking lid policy with a capped policy
- if the sinking lid approach is retained then include a clause that allows premises to relocate
- a reduction in machine numbers will result in less money being made available to the community
- grants provide a significant contribution to the continuation of community groups
- if machines become available preference should be given to premises that don't sell liquor
- better compliance monitoring of premises needed (by DIA) and publican's legal responsibilities.

## 6. FINANCIAL & LEGAL

There are no financial or legal implications involved in the decisions being considered in this report.

## APPENDIX 1 - PROPOSED AMENDMENTS TO THE POLICY

The proposed amendments are:

1. **Amend clause 2.1 of the policy to restrict the establishment of Board venues without gaming machines so that they do not establish within 100 meters of schools, early childhood centers and the like, or a place of worship.**

"2.1 Board venues without gaming machines may only be established in any Commercial or Industrial zone [but not within 100m radius of any school, early childhood centre and the like, or a place of worship.] This is subject to:"

2. **Amend clause 3.2 to include clauses that allow the relocation of Class 4 venues, subject to a number of conditions that include limiting the maximum number of machines that can be operated to nine, restricting the relocation of any Class 4 venue to commercial zones, and to prevent vacated venues from re-establishing as Class 4 venues.**

### **"3.2 Exceptions**

#### **[a. Relocation of existing Class 4 venues**

Council at its discretion may permit a Class 4 venue (that is not a club) to relocate to a new site subject to the following conditions:

- i) The new Class 4 Venue may be allowed to operate the existing number of gaming machines or nine (9) machines, whichever is the lesser.
- ii) The Class 4 venue may only relocate to any Commercial zone excluding any Suburban Commercial zone subject to any other regulatory approvals or provisions required by other legislation.
- iii) The new venue may not establish within 100m radius of any school, early childhood centre and the like, or a place of worship.

#### **b. Issuing of new venue consents**

Any consent to relocate a Class 4 venue under this clause will be subject to the following conditions:

- i) The operator i.e. the licence holder undertakes to surrender the existing venue licence for the venue that will cease to operate.
- ii) The Council shall not consent to the issue of a new venue consent - i.e. new site location unless the operator has first secured the surrender of the Class 4 venue licence issued for the original premises. Pursuant to 79(1) (b) of the Gambling Act 2003.
- iii) The vacated site shall not be able to be used as a Class 4 Venue.
- iv) The venue operator of the business at the new site shall be the same venue operator at the site to be vacated.]"

3. **Amend clause 5.1 to include a request for other relevant information not already specified when applications are made.**

“(vii) Other relevant information requested by the Territorial Authority, or that the applicant wishes to provide.”

**4. Amend clause 8.2 to better define the level of monitoring carried out by the Gisborne District Council.**

“ 8.2 Council will monitor the effect of this policy on ~~gambling in this district.~~”

Replace with “Class 4 venues in this district.”

**5. Insert any relevant definitions**

Insert “Suburban commercial zone” into list of definitions

# Draft Gambling Venue Policy



**POLICY REFERENCES**

- Sponsor: Group Manager
- Effective:
- Internal review due:
- Legal compliance: **Made for the purposes of Section 101 of the Gambling Act 2003 and Section 65D of the Racing Act 2003**
- Associated Documents/References:
- Policy Number: None

**1. Objectives of the Policy**

- (i) To exercise local influence over the location and extent of Class 4 venues and Board venues.
- (ii) To control the extent of Class 4 gambling within the Gisborne District in a manner which will prevent and minimise the potential harm caused by gambling, particularly problem gambling.
- (iii) To reduce the number of gaming machines in the Gisborne District to the extent that Council is empowered by the Gambling Act 2003.
- (iv) To recover costs where appropriate.

**2. Where Board venues may be established**

- 2.1 Board venues without gaming machines may only be established in any Commercial or Industrial zone but not within 100m radius of any school, early childhood centre and the like, or a place of worship. This is subject to:
- (i) meeting application and fee requirements; and
  - (ii) any other regulatory approvals or provisions required by other legislation.

## 3. Standards

### 3.1 Venues and Gaming Machines

Subject to clause 3.2 the Council will not grant territorial authority consent to:

- (i) operate gaming machines at any venue not already operating machines; or
- (ii) increase the number of gaming machines operating at an existing Class 4 venue or Board venue above that licensed by the Department of Internal Affairs or granted territorial authority consent at the time of this policy coming into force; or
- (iii) re-establish a Class 4 venue or a Board venue with gaming machines once a licence is no longer held for that venue and territorial authority consent is required.

*Note: This situation usually applies when no licence has been held by any society for a particular venue within the previous six months.*

### 3.2 Exceptions

#### a. Relocation of existing Class 4 venues

Council at its discretion may permit a Class 4 venue (that is not a club) to relocate to a new site subject to the following conditions:

- i) The new Class 4 venue may be allowed to operate the existing number of gaming machines or nine (9) machines, whichever is the lesser.
- ii) The Class 4 venue may only relocate to any Commercial zone excluding any Suburban Commercial zone subject to any other regulatory approvals or provisions required by other legislation.
- iii) The new venue may not establish within 100m radius of any school, early childhood centre and the like, or a place of worship.

#### b. Issuing of new venue consents

Any consent to relocate a Class 4 venue under this clause will be subject to the following conditions:

- i) The operator i.e. the licence holder undertakes to surrender the existing venue licence for the venue that will cease to operate.
- ii) The Council shall not consent to the issue of a new venue consent - i.e. new site location unless the operator has first secured the surrender of the Class 4 venue licence issued for the original premises. Pursuant to 79(1)(b) of the Gambling Act 2003.
- iii) The vacated site shall not be able to be used as a Class 4 venue.
- iv) The venue operator of the business at the new site shall be the same venue operator at the site to be vacated.

#### c. Clubs

- (i) Clubs that rebuild or relocate may be allowed a maximum of the number of gaming machines approved at the time of closing of the former premises.

- (ii) When two or more clubs wish to merge physically and legally they may be allowed to operate the sum of the number of gaming machines specified in all the clubs Class 4 venue licenses at the time of application or 18 machines, whichever is the lesser.

### **3.3 Visual and Sound**

3.1 The operation of gaming machines shall not be audible from beyond the venue property boundary.

- (i) Only one sign may make reference to the existence of class 4 gambling, and may be visible from the street or other public space, this sign shall not mimic or replicate the operation of gaming machines.
- (ii) No other sign shall promote or identify the existence on site, of gaming machines.
- (iii) Advertising signs and activities within the building associated with the operation of gaming machines shall not be visible from beyond the property boundary.

*Note: These requirements only apply to premises that are granted territorial authority consent.*

## **4. Primary activity of Class 4 venues**

4.1 The primary activity of any Class 4 venue shall not be the operation of gaming machines.

## **5. Applications**

5.1 Applications for territorial authority consent must be made on the approved form and must provide to the satisfaction of Council:

- (i) Name and contact details of the applicant.
- (ii) Street address and exterior photograph of the premises proposed for the Class 4 venue or Board venue.
- (iii) A copy of the proposed gambling harm minimisation policy, including the staff training programme and details of how underage access and use will be controlled effectively.

*Note: Any liquor licence details should be included.*

- (iv) Sufficient evidence to confirm compliance with Clause 4.

*Note: This may include a 12 month business plan or budget for the establishment, a site plan covering both gambling and other activities proposed for the venue, including details of each floor or confirmation of approval from the Department of Internal Affairs.*

- (v) Details of design and layout shall be provided to demonstrate how the venue will comply with clause 3.3.
- (vi) Written approval of the property owner.
- (vii) Other relevant information requested by the Territorial Authority, or that the applicant wishes to provide.

- 5.2 Any application for consent in respect of a Class 4 venue that is outside of the City Centre zone is required to be publicly notified by the applicant. This public notification shall include one notice in the Public Notices section of the Gisborne Herald newspaper and when located in an identifiable suburban or rural community such public place notices as the Council shall determine. The application shall include evidence of this notification. Submissions shall be invited and accepted for 15 working days from the date of publishing of the public notice.

## **6. Determining applications**

- 6.1 Any application for consent shall be considered and determined by the Hearings Committee and consideration shall include the following:
- (i) The application is in compliance with this policy.
  - (ii) The application details demonstrate compliance with the relevant parts of the Gambling Act and its objectives.
  - (iii) Where there have been submissions resulting from public notification, that the views of the local community have been given high regard.
  - (iv) The characteristics of that part of the district.
  - (v) The location of sensitive activities in the vicinity of the site.
  - (vi) The cumulative effects of additional opportunities for gambling in that part of the district, or the Gisborne District as a whole.

## **7. Fees**

- 7.1 Gambling Venue Consent application fees will be set by the Council from time to time, and may include consideration of:
- (i) The cost of processing the application, including any consultation and hearings related costs.
  - (ii) The cost of monitoring Class 4 venues and Board venues to ensure compliance with consent conditions.

## **8. Review**

- 8.1 A review of this policy shall be undertaken at least once every three years.
- 8.2 Council will monitor the effect of this policy on Class 4 venues in this district.

## 9. Definitions

Board venue	"as defined in the Racing Act 2003" <i>Note: This refers to a stand alone TAB which is not part of another business.</i>
Class 4 venue	"as defined in the Gambling Act 2003"
Gaming machine	"any non-Casino Class 4 venue gaming machine as defined by the Gambling Act 2003"
Gambling Venue Consent	"any territorial authority consent required pursuant to the Gambling Act 2003 or the Racing Act 2003"

The following terms where referred to in this Policy shall take the meaning as defined in the Gisborne District Combined Regional and Land District Plan:

Commercial Zone

Suburban Commercial Zone

Industrial Zone

Reserve Zone

City Centre

Sign

Adopted by the Hearings Committee acting under delegated authority from the Gisborne District Council.

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**Authorised by**

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**Date of approval**

## APPENDIX 3 - STATEMENT OF INTENT

### Executive Summary of Statement of Proposal for the Gisborne District Council Gambling Venue Policy

#### 1.0 Purpose

- 1.1 This Statement of Intent has been prepared by the Gisborne District Council for the Special Consultative Procedure to amend and continue the Gisborne District Council Gambling Venue Policy. The review of this policy is required under the Gambling Act 2003.
- 1.2 This consultation is being undertaken with the public so Council can receive and assess public support for the continuance and amendment of the policy.

#### 2.0 Council's determinations

- 2.1 As a result of the report to Council's Environment and Policy Committee on 7 December 2011 the following determinations were made:

Recommend that Council:

1. retains the sinking lid approach adopted by the current policy
2. amends clause 2.1 of the policy to restrict the establishment of Board venues without gaming machines so that they do not establish within 100m of schools, early childhood centers and the like, or a place of worship
3. amends clause 3.2 to include clauses that allow the relocation of Class 4 venues, subject to a number of conditions that include limiting the maximum number of machines that can be operated to nine, restricting the relocation of any Class 4 venue to Commercial zones, and to prevent vacated venues from reestablishing as Class 4 venues
4. amends clause 5.1 to include a request for other relevant information not already specified when applications are made
5. amends clause 8.2 to better define the level of monitoring carried out by the Gisborne District Council
6. inserts any relevant definitions
7. agrees the special consultative procedure as prescribed by s.83 of the Local Government Act 2002 be adopted to proceed with the continuance and amendment of the Gisborne District Council Gambling Venue Policy
8. determines the Hearings Committee to hear any submissions.

#### 3.0 Reasons for the proposal

- 3.1 Territorial Authorities are required under the Gambling Act 2003 to have a Class 4 Gambling Venue policy. This policy must consider the social impact of gambling within the territorial authority's district and specify whether or not Class 4 venues and Board venues may be established in the district and, if so, where they may be located.

This policy must be reviewed every three years or therein. Gisborne District Council's policy was last reviewed in 2008 and a sinking lid approach was rolled-over.

#### **4.0 Public consultation**

- 4.1 It is proposed to release the draft Gisborne District Council Gambling Venue Policy for public comment on Friday 23 December 2011. The consultation period will run for no less than 30 days and close at 4pm on Monday 13 February 2012.
- 4.2 The statement of proposal along with the draft policy will be made available at the Council offices on Fitzherbert Street, at the Te Puia Springs Service Centre and at the HB Williams Memorial Library during this period. These documents will also be available on the Gisborne District Council website: [www.gdc.govt.nz](http://www.gdc.govt.nz).

## **APPENDIX 4 - STATEMENT OF PROPOSAL**

### **For the Gisborne District Council Gambling Venue Policy**

#### **1.0 Introduction**

1.1 This statement of proposal is prepared pursuant to section 83 of the Local Government Act 2002.

#### **2.0 Proposal**

2.1 The Local Government Act 2002 requires Council to consult with the community using the special consultative procedure for the review of its gambling venue policy if it is to be amended or replaced. It is proposed to continue with the Gisborne District Council Gambling Venue Policy with amendments.

2.2 This Statement of Proposal includes a copy of the draft Gambling Venue Policy and the reasons for the proposal.

#### **3.0 Background**

3.1 Territorial Authorities are required under the Gambling Act 2003 to have a Class 4 Gambling Venue policy. This policy must consider the social impact of gambling within the territorial authority's district and specify whether or not Class 4 venues and Board venues may be established in the district and, if so, where they may be located.

This policy must be reviewed every three years or therein. Gisborne District Council's policy was last reviewed in 2008 and a sinking lid approach was rolled-over.

3.2 The current sinking lid policy means:

- No new venues may establish
- No existing venue may increase the number of gaming machines
- If a Department of Internal Affairs licence lapses for a period of not less than six months at an existing venue, no new Territorial Authority consent will be issued.

#### **4.0 Objectives of the Policy**

- 4.1
- (i) to exercise local influence over the location and extent of Class 4 venues and Board venues
  - (ii) to control the extent of Class 4 gambling within the Gisborne District in a manner which will prevent and minimise the potential harm caused by gambling, particularly problem gambling
  - (iii) to reduce the number of gaming machines in the Gisborne District to the extent that Council is empowered by the Gambling Act 2003
  - (iv) to recover costs where appropriate.

## **5.0 Reasons for the proposal**

5.1 Territorial Authorities are required under the Gambling Act 2003 to have a Class 4 Gambling Venue policy. This policy must consider the social impact of gambling within the territorial authority's district and specify whether or not Class 4 venues and Board venues may be established in the district and, if so, where they may be located.

To further endorse the objectives of the policy,

It is proposed to:

1. retain the sinking lid approach adopted by the current policy
2. amend clause 2.1 to restrict the establishment of Board Venues without gaming machines so that they do not establish within 100 meters of schools, early childhood centers and the like, or a place of worship
3. amend clause 3.2 to include clauses that allow the relocation of Class 4 Venues, subject to a number of conditions that include limiting the maximum number of machines that can be operated to nine, restricting the relocation of any Class 4 venue to Commercial zones, and to prevent vacated venues from reestablishing as a Class 4 venue
4. amend clause 5.1 to include a request for other relevant information not already specified when applications are made
5. amend clause 8.2 to better define the level of monitoring carried out by the Gisborne District Council
6. insert any relevant definitions.

## **6.0 The current position in respect of gambling venues**

6.1 There are currently 14 premises that operate a total of 210 machines within the district.

6.2 There is also one Board venue (TAB outlet), an additional five TAB facilities part of a pub or club operation, and 10 NZ Lotteries outlets

## **7.0 Council's determinations**

7.1 As a result of the report to Council's Environment and Policy Committee on 7 December 2011 the following determinations were made:

Recommend that Council:

1. retain the sinking lid approach adopted by the current policy
2. amend clause 2.1 to restrict the establishment of Board Venues without gaming machines so that they do not establish within 100m of schools, early childhood centers and the like, or a place of worship
3. amend clause 3.2 to include clauses that allow the relocation of Class 4 Venues, subject to a number of conditions that include limiting the maximum number of machines that can be operated to nine, restricting the relocation of any Class 4 venue to Commercial zones, and to prevent vacated venues from re-establishing as Class 4 venues.

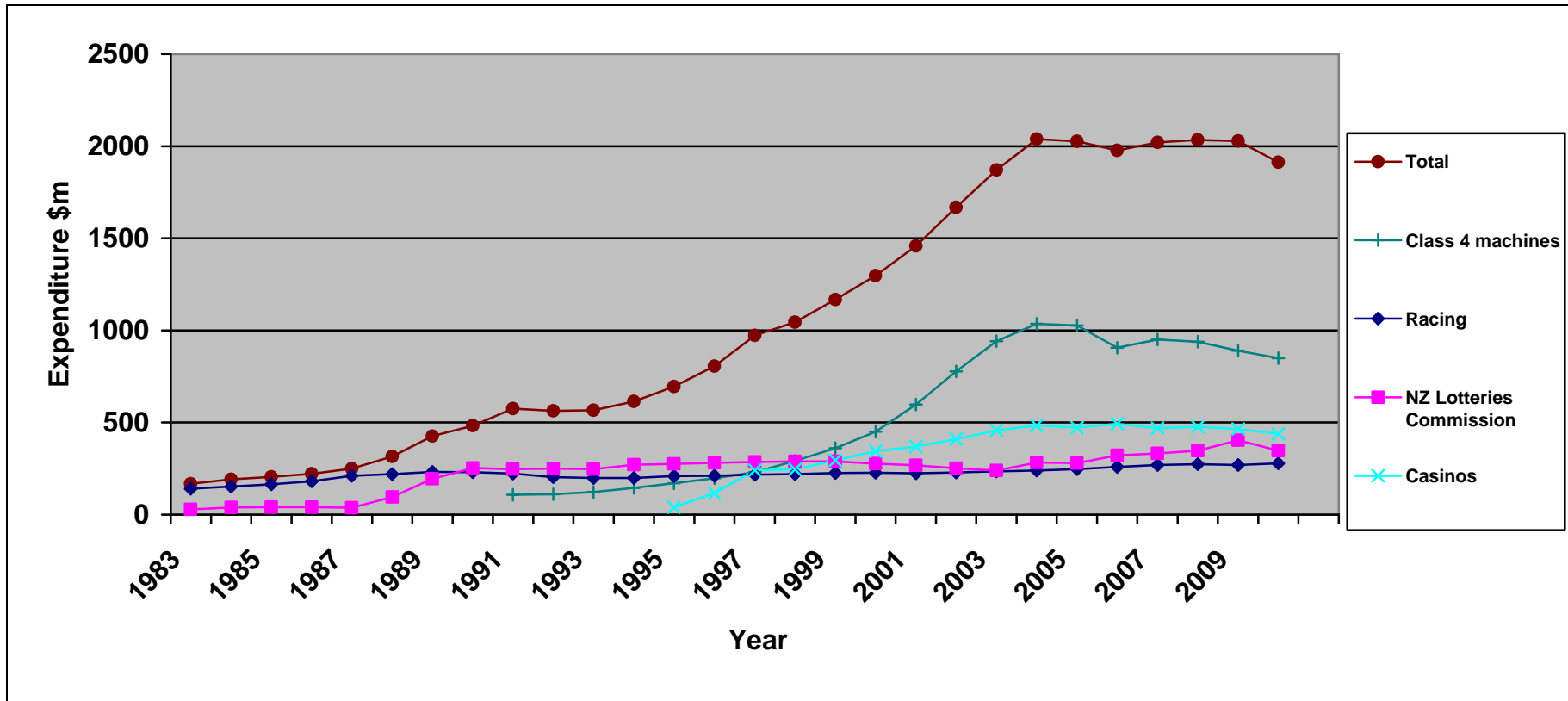
4. amend clause 5.1 to include a request for other relevant information not already specified when applications are made
5. amend clause 8.2 to better define the level of monitoring carried out by the Gisborne District Council
6. insert any relevant definitions
7. agrees the special consultative procedure as prescribed by s.83 of the Local Government Act 2002 be adopted to proceed with the continuance and amendment of the Gisborne District Council Gambling Venue Policy
8. determines the Hearings Committee to hear any submissions.

## **8.0 Public consultation**

- 8.2 It is proposed to release the draft Gisborne District Council Gambling Venue Policy for public comment on Friday 23 December 2011. The consultation period will run for no less than 30 days and close at 4pm on Monday 13 February 2012.
- 8.3 The draft Gisborne District Council Gambling Venue Policy is attached.
- 8.4 The statement of proposal along with the draft policy will be made available at the Council offices on Fitzherbert Street, at the Te Puia Springs Service Centre and at the HB Williams Memorial Library during this period. These documents will also be available on the Gisborne District Council website: [www.gdc.govt.nz](http://www.gdc.govt.nz).

APPENDIX 5 – NATIONAL GAMBLING EXPENDITURE STATISTICS 1983 – 2010

National expenditure statistics, 1983–2010 (actual dollars, non-inflation adjusted, for gambling operators' financial year end)



(from Ministry of Health. *Problem Gambling Resource for Local Government*. 2009)

## APPENDIX 6 - GISBORNE DISTRICT CLASS 4 VENUES

As at Sept 2011

	Premises	Address	Maximum allowed without new Territorial Authority Consent	Currently Operating	Notes
1	Aladdin Bar	63 Peel Street	18	18	Lion Foundation
2	Brezz 'n'	86 Derby Street	18	18	NZ Community Trust (NZCT)
3	Gisborne 2 <sup>nd</sup> NZEF Association	333 Palmerston Road	18	14	Owned by Club -Older machines not replaced
4	Gisborne Cosmopolitan Club Inc	161 Grey Street	18	18	Owned by Club
5	Shipwreck Bar	335 Gladstone Road	18	18	First Sovereign Trust
6	Gisborne RSA Club	184 Childers Road	15	15	Owned by Club
7	Gisborne Tatapouri Sports Fishing Club	54 The Esplanade	12	12	Owned by Club
8	Sessions	90 Peel Street	18	18	NZCT
9	Pick Six Kaiti TAB	Kaiti Mall 502 Wainui Road	15	15	Endeavour Community Trust
10	Trifecter Turf Bar	43 Peel Street	18	18	NZCT
11	The Green Frog	59 Peel Street	18	18	First Sovereign Trust
12	The Rivers	1 Gladstone Road	9	9	Pub Charity
13	Bollywood Spice Bar	355 Gladstone Road	9	9	NZCT
14	Ruatoria Hotel	145 Waiomatatini Road	17	10	Lion Foundation
	<b>TOTAL</b>		<b>221</b>	<b>210</b>	

## **APPENDIX 6 - PROPOSED PUBLIC NOTICE**

### **The Council is reviewing the Gisborne District Council Gambling Venue Policy**

#### **CONSULTATION**

The review of this policy is required under the Gambling Act 2003 and consultation is being undertaken with the public so that the Gisborne District Council can assess public opinion on the policy and consider changes as a result of public submissions received.

#### **WHAT IMPORTANT MATTERS DOES THE POLICY CONTAIN?**

This policy must consider the social impact of gambling within the territorial authority's district and specify whether or not Class 4 venues and Board venues may be established in the district and, if so, where they may be located.

The objectives of the policy are:

- (i) to exercise local influence over the location and extent of Class 4 venues and Board venues
- (ii) to control the extent of Class 4 gambling within the Gisborne District in a manner which will prevent and minimise the potential harm caused by gambling, particularly problem gambling
- (iii) to reduce the number of gaming machines in the Gisborne District to the extent that Council is empowered by the Gambling Act 2003
- (iv) to recover costs where appropriate.

#### **WANT TO KNOW MORE?**

A statement of proposal containing full information on the proposed policy will be available from Friday 23 December 2011, until 4pm Monday 13 February 2012. Copies can be inspected or obtained from:

- The Gisborne District Council, Fitzherbert Street building
- Te Puia Springs Service Centre
- HB Williams Memorial Library
- Online from [www.gdc.govt.nz](http://www.gdc.govt.nz)

#### **HOW TO HAVE YOUR SAY?**

Submissions must be in writing and contain:

- A heading for the policy that is being submitted on.
- The submitter's name, address and contact phone number.

Submissions on the proposed policy can be made by:

- Sending a written submission to Have Your Say Gambling Policy, Gisborne District Council, P O Box 747, Gisborne.
- Faxing a written submission to (06) 867 8076.
- Delivering a written submission to the front counter at the Gisborne District Council, Fitzherbert Street building or Te Puia Springs Service Centre.
- Emailing a submission to [service@gdc.govt.nz](mailto:service@gdc.govt.nz).

Submissions close 4pm on Monday 13 February 2012.