

Statement of Proposal

Gisborne District Council Draft Gambling Venue Policy 2022

The Gisborne District Council (Council) proposes to amend its Gambling Venue Policy 2019. This Policy is made under section 101, and 102 of the Gambling Act 2003 and sections 96 and 97 of the Racing Industry Act 2020 and allows Council to minimise gambling harm in the community.

This document is the Statement of Proposal for the purposes of Section 83(1)(a) of the Local Government Act 2002. This document contains:

- A summary of relevant information
- Legislative requirements
- A description of the problem and the options to address these problems
- How you can have your say
- A draft of the proposed policy

Summary of Information

Council is proposing some changes to its Gambling Venue Policy and wants to hear what ratepayers and stakeholders think about them.

The draft policy retains the current 'sinking lid' approach, meaning no new venues can establish, and when a venue closes for longer than 6 months it cannot reopen.

The changes being suggested include:

- Further restricting the ability for venues to relocate
- Lowering the number machines permitted after a club merger
- Developing an Ethics Policy to inform future external funding decisions

More details about why Council is proposing each of these changes can be found under each individual proposal.

Have your say: Before making any final decisions, we'd like to have your input. You can make a submission:

- Online: www.gdc.govt.nz
- By Post: P.O Box 747, Gisborne 4040

If you would like to speak to your submission, please indicate this and provide your contact details. We will be in touch to let you know the date and time for verbal submissions.

Timeline:

Consultation period begins: Thursday 17 February 2022

Closing date for submissions: 5pm Monday 21 March 2022

Public hearing to hear oral submissions: 19 May 2022

Decision of Council: 23 June 2022

Proposals

The following tables describe what Council is proposing, the reasoning for the proposal, the options considered, and Council's preferred option.

Restricting Relocation

Proposal (1)	Further restrict relocation of gambling venues
<i>Reasoning</i>	The proposed Gambling Venue Policy 2022 reduces the ability of venues to relocate, by ensuring venues can only move when their buildings require earthquake repairs/proofing.
<i>Options Considered</i>	<p>Option One - Status quo: allow venues to relocate under circumstances beyond their control. This requires a consideration of strict criteria and provides an avenue for venues to ensure they retain their pokies.</p> <p>Option Two – Only allow relocation for earthquake strengthening during a fixed period. This option enables Council to work towards a pokie free status and utilise a more restrictive approach. This aligns with Council's objectives and employs the full range of legislative controls available.</p> <p>The Building (Earthquake-prone Buildings) Act 2016 provides timeframes and guidance for areas of high seismic risk. Gisborne meets the high-risk criteria and Council has already issued section 124 notices on all earthquake prone buildings. This means that most of the region's earthquake strengthening is due by September 2022 or September 2023. This is important to consider if Council intends on implementing a fixed timeframe.</p> <p>Option Three – Allow relocation only to complete earthquake strengthening for an open-ended timeframe. Whilst this option is more restrictive than the status quo, venues may exploit this opportunity to upgrade their premises. Instead, a fixed period similar to the Building Act might be a reasonable timeframe for solely strengthening/ repairing.</p> <p>Furthermore, outside of this policy, earthquake strengthening timeframes will still need to be followed to ensure compliance with the Building Act.</p> <p>Option Four – Remove the relocation clause. This would prevent the movement of venues. If there is no relocation policy, then an operator will have no ability to transfer their entitlement from the existing venue to a new location.</p> <p>If Council wish to allow venues to move from a premise for work to be done but not permit machines to operate at a temporary location, then it is no longer classed as a gaming venue. This means a relocation clause would not apply and a tavern, for example, that normally has gaming machines may be able to relocate temporarily under the Alcohol Act. However, when the venue is returned to the gaming machines can resume operating.</p>
<i>Preferred Option</i>	Option Two – Only allow relocation for earthquake strengthening over a fixed period

Less gambling machines after club mergers

Proposal (2)	Reduce the maximum number of machines permitted after a club merger
<i>Reasoning</i>	The proposed gambling venue policy 2022 lowers the maximum number of machines permitted at a merged club from 18 to 10.
<i>Options Considered</i>	<p>Option One - Status quo: continue with the Club Merger approach. The current policy outlines that the number of machines allowed to merge can be the sum 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. This option would result in the loss of at least six machines if a merger occurs and enables Council to work towards a pokie free Tairāwhiti.</p> <p>Option Two - Reduce the number of machines permitted in a merge from 18 down to 10.</p> <p>The Act specifies that merging machine numbers must not exceed the number of gaming machines specified in a territorial authority consent. This option would result in the loss of at least 14 machines if a merger occurs and enables Council to work towards a pokie free Tairāwhiti.</p> <p>However, a cost of further reducing the maximum is that clubs may be deterred from merging. Consequently, the district would be less likely to lose a reasonable number of machines.</p> <p>Option Three – Prevent clubs from merging completely. This could prevent the region from losing a significant number of machines, as it makes a merger less attractive. On the other hand, if one club is no longer viable and closes, all that club's machines would be removed from the community.</p>
<i>Preferred Option</i>	Option Two - Reduce the number of machines permitted in a merge from 18 down to 10.

Ethics policy on gambling related funds

Proposal (3)	Introduce an Ethics Policy
<i>Reasoning</i>	An Ethics Policy could be a standalone policy document or included in another financial policy. An Ethics Policy would state Council's position on using proceeds from gaming and other forms of gambling to directly fund Council activities. It does not necessarily mean a blanket 'ban' on using funds derived from gaming or other forms of gambling (such as Lottery).
<i>Options Considered</i>	<p>Option One - Status quo: proceed without an Ethics Policy. This option may be perceived as a conflict of interest as Council will continue to access and regulate funding from gambling.</p> <p>Option Two – Develop an Ethics Policy. This option will ensure Council takes a strong stance against gambling in the community and will require ethical alternative funding to be sought.</p> <p>Council has not received direct funding from gaming trusts since 2018/2019, when funding was received for projects including:</p> <ul style="list-style-type: none"> • Playzone at the library, 2018 - \$349,000 • Lawson Field Theatre, 2019 - \$400,000 • Lions Cycle Park, 2018 - \$97,756 <p>However, we have recently made funding applications to the NZCT for individual playgrounds in the Township Upgrades programme.</p> <p>As noted by the Gaming Association NZ, even if Council elect not to receive funding directly, large amounts of gaming revenue will be obtained indirectly. Council receives playing field hire, swimming lane hire, venue hire, and rates from community groups who pay for these items from gambling grant money.</p>

	Council has also received several Lottery grants for a variety of projects.
Preferred Option	Option Two – Develop an Ethics Policy. Time and resourcing requirements are dependent on whether Council implements a stand-alone policy or incorporates an ethics clause into a pre-existing strategy.

Initiative beyond the gambling policy

Proposal (4)	Non-Policy Options
Reasoning	The proposed Gambling Venue Policy 2021 refers to lobbying to Central Government.
Options Considered	<p>Option One - Status quo: proceed without lobbying to Central Government. This option would prevent Council from sending the message of achieving a 'pokie free Tairāwhiti'.</p> <p>Option Two – Lobby the Government to regulate online gambling and minimise problem gambling. This option could be crucial for tighter restrictions in the Class 4 gambling space. However, it may drive patrons to foreign online sources which have significantly less controls around them.</p> <p>Option Three – Write to a local MP or/and the Department of Internal Affairs (DIA) Minister Hon Jan Tinetti. This option would allow Council to emphasise the dire situation in Tairāwhiti and therefore apply more pressure to Central Government.</p> <p>Option Four – Form a coalition with other interested Councils and petition to Central Government. This option would help apply pressure to Central Government but would be a more ad hoc approach than Option Five.</p> <p>Option Five – Prepare a remit for Local Government New Zealand's (LGNZ) Annual General Meeting (AGM) 2022. This option could have greater standing and more impact than a coalition petition to Central Government. This would require Council to begin preparing in March 2022.</p>
Preferred Options	Options two, three and five are preferred as this reflects a timely, yet coordinated

Legislative Framework

Gambling Act 2003

Under the Gambling Act, a territorial authority must adopt a policy on class 4 venues and follow the special consultative procedure set out by the LGA to do this. Under the Act, once a policy has been adopted it must be reviewed every three years.

Section 83 of the LGA 2002 outlines that when using the special consultative procedure, a local authority must-

- a) Prepare and adopt-
 - I. A statement of proposal; and
 - II. If the local authority considers on reasonable grounds that it is necessary to enable public understanding of the proposal, a summary of the information contained in the statement of proposal; and
- b) Ensure that the following is publicly available:
 - I. The statement of proposal; and
 - II. A description of how the local authority will provide persons interested in the proposal with an opportunity to present their views to the local authority in accordance with section 82(1)(d); and
 - III. A statement of the period within which views on the proposal may be provided to the local authority (the period being not less than 1 month from the date the statement is issued); and
- c) Make the summary of information contained in the statement of proposal prepared in accordance with paragraph (a)(ii) (or the statement of proposal, if a summary is not prepared) as widely available as is reasonably practicable as a basis for consultation; and
- d) Provide an opportunity for persons to present their views to the local authority in a manner that enables spoken (or New Zealand sign language) interaction between the person and the local authority, or any representatives to whom an appropriate delegation has been made in accordance with Schedule 7; and
- e) Ensure that any person who wishes to present his or her views to the local authority or its representatives as described in paragraph (d) –
 - I. Is given a reasonable opportunity to do so; and
 - II. Is informed about how and when he or she may take up that opportunity.
- f) For the purpose of, but without limiting, subsection (1)(d), a local authority may allow any person to present his or her views to the local authority by way of audio link or audiovisual link.
- g) This section does not prevent a local authority from requesting or considering, before making a decision, comment or advice from an officer of the local authority or any other person in respect of the proposal or any views on the proposal, or both.

Racing Act 2003

Under the Racing Act 2003, a local authority must adopt a policy on Agency (or TAB) venues and follow the special consultative procedure set out by the LGA to do this.

Attachment

Draft Gambling Venue Policy 2022