

Draft Gambling Policy 2019

Statement of Proposal

What is Gambling Policy?

The Gambling Act 2003 (the Act) and the Racing Act 2003 require all territorial authorities to have a policy relating to Class 4 Venues and Board Venues respectively. Both Acts specify that the policy must be reviewed every three years, taking into account the social impacts of gambling in the District.

The Gambling (Class 4 Venue and Board Venue) Policy focuses on non-casino gaming machines (pokies) and Board Venues (stand-alone TABs). It specifies whether or not gaming machine venues may be established in the District, and if so, where they may be located. It specifies any restrictions on the maximum number of gaming machines that may be operated at that venue. The Gambling Policy also determines whether or not new TABs may be established in the District and if so, where they may be located.

In reviewing this policy, the Council must have regard to the social impact of gambling within the District. A comprehensive Social Impact Assessment (SIA) has been undertaken by staff at the Whakatāne District Council staff.

Objectives of the Gambling Policy

- To control the growth of gambling
- To prevent and minimize the harm caused by gambling, including problem gambling
- To reduce the exposure of under 18s to gambling
- To reduce the total number of gaming machines in the District
- To facilitate community involvement in decisions about the provision of gambling.

Draft Social Impact Assessment

The draft SIA explores the level of risk and the costs and benefits of gambling to the District. The demographic profile of Whakatāne District has not radically changed since 2016, and many of the gambling risk factors evident at that time are currently measuring at a similar level.

Following guidance from the Ministry of Health, a medium risk assessment suggests that the policy response should restrict Class 4 and Board Venue locations, as well as the total number of machines allowed in the District. Given this guidance it is considered prudent that the current policy be retained.

Policy Options

The sections below discuss the main policy options of the Draft Gambling Policy which include:

1. Limit on the number of gaming machines in the District
2. Limit on the location of venues in the District
3. Limit on the number of gaming machines in a venue
4. Limit on the number of Board Venues
5. Primary activity of a venue
6. Merging of clubs
7. Relocation of a venue

1. *Limit on the number of gaming machines in the District*

The current policy sets a limit of gaming machines at 141, which equates to 6 machines per 1,000 residents aged 18 years or older in the District¹. This means that any application for new machines would be declined until this limit was reached.

1.1 Option 1: Status quo – Limit the number of gaming machines to 141 – Preferred Option

Under this option, the current limit on the number of machines is retained. The intention of this stance is to allow gaming machine numbers to naturally drop to close to the national average density of 5 machines per 1,000 residents aged 18 years and older.

Analysis:

There is conflicting evidence regarding the links between the number of machines and the problem gambling prevalence. Some research states there is a direct link, while other research shows that over time the problem gambling rate has declined considerably despite machine numbers doubling and gaming machine expenditure trebling.

This option could negatively affect the current positive outcomes of gambling in the District by reducing employment, opportunities for social entertainment and the funds provided to the community from trusts. However, this approach is regarded by some as the most effective way to reduce gambling harm by not allowing for the replacement of any machines going forward until the current number has been significantly decreased.

1.2 Option 2: Ease restrictions – allow more gaming machines

Under this option, the Council would increase the number of machines allowed in the District, either by setting a higher cap, or by removing any limitation on the number of machines in the District beyond those specified in the legislation. The Gambling Act 2003 limits the maximum number of gaming machines for venues that held a licence before 17 October 2001 to 18. Venues that obtained a licence after this date may operate nine machines (except with the approval of the Minister for a club to operate up to 18).

¹ Using New Zealand Statistics 2013 Census population data (27,900 aged 18+)

Analysis:

This approach would be more enabling for businesses, allowing a greater number of machines within the District as a whole, and possibly in each Class 4 Venue. As such, it could help enhance the benefits of gambling, including the economic success of local businesses, social enjoyment and the availability of funding for the District. However, many public submissions in the 2016 review wanted a reduction in the number of venues and gaming machines in the District and no submission sought an easing of restrictions. This option might result in an increase in the current levels of gambling risk, which is not consistent with the general objectives of this policy.

1.3 Option 3 – Limit number of gaming machines to 117

This option caps the total number of gaming machines in the District to 117. This figure equates to 5 machines per 1,000 residents aged 18 or older, in line with the current national average.

Analysis:

This option proposes a sinking lid approach to new applications until the number of machines in the district reaches 117 or below. However, the figure of 117 is based on 2013 data which is now outdated as the number of residents both nationwide and in the District have risen since then. It is proposed that this figure be revised at the next Gambling Policy review in 2022, when the latest population Census data will be available. The cap can be updated to reflect the national and district average ratio at that time.

2. Limit on the location of venues

Section 101 (3) of the Gambling Act states that the Council's gambling policy must consider the location of Class 4 venues in the District. Some research has shown that living in close proximity to gambling venues increases the potential for problem gambling. In particular, areas with high deprivation and Māori or Pacific populations are considered to be more vulnerable.

By limiting the locations where gambling venues can be established, it is hoped that this risk factor will be reduced.

2.1 Option 1: Status Quo – Restrict location of Class 4 and Board Venue operations - Preferred option

The current policy limits proposed venue locations to 'Business Centre Zone as defined in the District Plan' and prevents the establishment of a Class 4 venue within 50 metres of a parcel of land with sensitive use. Sensitive use land includes educational institutes, childcare centres, playgrounds, parks, community facilities including swimming pools and community halls, places of worship, funeral homes, marae, Work and Income New Zealand offices, and medical centres. This option retains these conditions.

Analysis:

The intention of the current policy is to prevent the normalisation of gambling for children, limit cultural offence, and reduce the potential for gambling related harm. The research suggests that location restrictions might be more effective than reducing machine numbers to achieve these outcomes.

The maps attached to the Policy set out the locations of the *Business Centre Zones*, and indicate a 50 metre zone around parcels of land with sensitive uses.

2.2 Option 2 – No restrictions on locations of Class 4 or Board Venues

This option does not restrict the location of proposed Class 4 or Board Venues.

Analysis:

Under the Act, the Council must have regard to the location of kindergartens, early childhood centres, schools, places of worship and other community facilities when considering the location of Class 4 venues, as well as the general characteristics of the District. To fulfil the Council's obligations under the Act, and to minimise gambling related harm to the community, it is not recommended that this option be adopted. It is also not well aligned with public opinion.

3. Limit on the number of gaming machines in a venue

The current Council policy limits the maximum number of gaming machines for a venue to four for the first 12 months of its licence.

The Gambling Act 2003 limits the maximum number of gaming machines for venues that held a licence before 17 October 2001 to 18. Venues that obtained a licence after this date may operate nine machines (except with the approval of the Minister for a club to operate up to 18).

3.1 Option 1 – Status Quo - Limit the number of gaming machines in a venue – Preferred option

This option retains the maximum number of gaming machines in a venue to four for the first 12 months of its licence, and to nine after this time (as long as this does not breach the limit on the total number of machines in the District outlined above).

Analysis:

This approach protects the District from increased levels of gambling harm, and also assists in ensuring that gaming machines are not the primary purpose for a new venue.

However, this option is more restrictive than the legislation, and may be seen as not being enabling for local business.

3.2 Option 2 – No restrictions

This option does not restrict the number of gaming machines in a venue beyond the restrictions already contained in the Act.

Analysis:

This option is not consistent with the general approach proposed for the policy, to encourage a reduction in the number of machines in the district. In order to minimise gambling related harm to our community, it is not recommended that this option be adopted.

4. Limit the number of Board Venues

Section 65D (3) of the Racing Act stipulates that the Council's Board Venue Policy must specify whether or not new Board Venues may be established in the district and, if so, where they may be located.

OBJECTIVE: DATE: REF:

4.1 Option 1 – Status Quo - Allow Board Venues in the District – Preferred option

At this time, there are no Board Venues in the Whakatāne District. The current policy allows for the establishment of Board Venues under the same conditions as those for new Class 4 Venues. This option retains these conditions, and clarifies that Board Venues will only be allowed to operate gaming machines if their application to do so does not breach the limit on overall gaming machine numbers set out above.

Analysis:

This option enables Board Venues to apply for a licence to operate in the District. If established, Board Venues could contribute to economic growth in the District, and provide new social entertainment options for the community. However, allowing such a venue to open might contribute to gambling harm in the District, whether or not the venue operated gaming machines.

4.2 Option 2 – Disallow Board Venues in the District

This option disallows the establishment of any Board Venues in the District.

Analysis:

This option provides an opportunity to reduce gambling related harm in the District. However, disallowing Board Venues altogether may be seen as an inhibitor of economic growth and as overly restrictive. As there are currently no Board Venues in the District, such locations do not present any issues to the community at this time.

5. Primary activity of venues

Under Section 101 (4)(f) of the Gambling Act, the policy may have regard to the primary activity of a venue when considering Class 4 Venue applications. The current policy requires that the primary activity of a Class 4 Venue be the authorised sale and supply of alcohol for consumption on the premises - specifically excluding venues promoted for family dining or activities (e.g. cinemas). A Board Venue, as defined by the Racing Act 2003, is the only alternative as a non-liquor venue for gaming machines.

5.1 Option 1 – Status Quo – Primary Activity of Class 4 Venues is the Sale and Supply of Alcohol - Preferred option

This option would see the current policy limitations on the primary activity of a Class 4 Venue to be carried over.

Analysis:

This option helps to prevent the normalisation of gambling for children and to ensure Class 4 gambling machines are only allowed alongside suitable age-appropriate activities.

5.2 Option 2 – No restrictions

An alternative option would expand the primary purpose of Class 4 venues from selling and supplying alcohol, to include other activities such as family dining or family activities (cinemas).

Analysis:

This would open the opportunity for operating gaming machines in the District and the associated benefits of doing so, to a wider range of businesses in the district. However, it would also create the possibility of gaming machines being operated in venues that are not socially compatible with gambling. This option does not meet some of the objectives of the Council's gambling policy. To fulfil the Council's obligations under the Act and to minimise harm to our community, this option is not recommended.

6. Merging of clubs

Section 95 (1)(f) of the Act states that clubs wishing to merge must first have consent from the Council to operate from their proposed venue. The current policy requires that where clubs legally and physically merge, the number of machines they will be allowed to operate is 18 or less (and no more than the total number of machines operated by the clubs before the merger).

This is more restrictive than the legislation, which states that merged clubs may have a total of 30 machines, but only with the approval of the Minister of Internal Affairs. However, it is consistent with the general provisions of the Act that no venue may have more than 18 machines, except by the Minister's approval.

6.1 Option 1 – Status Quo - Merged clubs may operate 18 machines or less – Preferred option

This option retains the current policy position which allows clubs to merge but retains the maximum number of machines for any one venue to 18 or the sum of the number of machines specified in the Class 4 Venue Licences, whichever is the lesser.

Analysis:

This option would provide an opportunity to reduce the number of venues in the District whilst allowing clubs to merge and continue to operate their machines. This avoids an overly restrictive approach, but is consistent with the general objectives of the policy.

6.2 Option 2 – No restrictions

An alternative option would be to not restrict the number of machines that merged clubs can operate beyond the restriction of 30 machines already contained in the Act.

Analysis:

This option would remove the opportunity to reduce the number of machines in our District, and as such is not consistent with the general objectives of the policy.

7. Relocation of a venue

This allows class 4 Venues to relocate as long as the proposed new venue is:

- a. Within a Business Centre zone in the District; and
- b. Not within 50 metres of a parcel of land with a sensitive use as defined in Section 12 of the policy.

The number of licensed gaming machines at the new venue will be the same as the number at the old venue.

7.1 Option 1 – Status Quo - Relocation allowed in certain circumstances – Preferred option

This option enables Class 4 operators to relocate provided they meet the requirements of being within a Business Centre Zone and not within 50 metres of land parcels with a sensitive use.

Analysis:

This option allows for the relocation of venues into more appropriate locations, while retaining the restrictions on the existing licences. This option does not actively facilitate the changing of venues by corporate societies, and may be seen by some to be overly restrictive and not enabling for local business.

7.2 Option 2 – Relocation allowed in areas outside the Business Centre zone or within 50 metres of Sensitive Use land

This option could allow any current Class 4 Venues to relocate to areas outside the Business Centre zone and within 50 metres of sensitive land uses.

Analysis:

This option would enable current businesses to continue operating their machines, potentially in a more financially viable venue. However, this option is not aligned with some policy objectives or with public opinion in Whakatāne during the last review, which primarily sought to extend the list of sensitive sites around which gaming machines should be prohibited.

How can I have my say on the Policy?

The Council has not yet made a final decision about the Policy and welcomes your feedback. Any person or organisation is welcome to make a submission on the Draft Gambling Policy. The Council will take into account all submissions when it decides on the final content of the Policy.

The following documents are available on Whakatāne District Council's website:

- Draft Gambling Policy 2019
- Draft Gambling Policy 2019 - Maps
- Draft Gambling Policy 2019 - Social Impact Assessment
- Draft Gambling Policy 2019 – Statement of Proposal
- Draft Gambling Policy 2019 – Summary of Proposal
- Draft Gambling Policy 2019 – Fact Sheet

Hard copies are available from:

- Whakatāne District Council, 14 Commerce Street, Whakatāne
- Whakatāne Library, 49 Kahahoroa Drive, Whakatāne
- Edgecumbe Library, 38 College Road, Edgecumbe
- Ōhope Library, 4 Harbour Road, Ōhope
- Murupara Library / Service Centre, Civic Square, 48 Pine Drive, Murupara.

Consultation will take place during the period from **25 March to 29 April 2019**.

Formal submissions can be made:

- Online at www.whakatane.govt.nz/haveyoursay
- In hard copy by filling in the attached submission form and delivering to the Council office.

Informal submissions can be made by commenting on the Gambling Policy post on our Facebook page at www.facebook.com/WhakataneDistrictCouncil/

Submissions close at 5pm on Friday 29 April 2019.

Submitters should note that their submission will be copied and made available to the public after the submission period closes.

Submissions should include your name, address, telephone number and email address and should state if you wish to speak to Council in support of your submission. Hearings of submissions are scheduled to be held in May. The Council will contact in writing, all submitters who wish to be heard to advise the confirmed time, date and venue of the hearing.

Council will then deliberate on any changes required and adopt the final Gambling Policy.