

Mayor and Councillors
COUNCIL

16 DECEMBER 2010

Meeting Status: Public

Purpose of Report: For Decision

APPROVAL TO RELEASE THE DRAFT CLASS 4 GAMBLING POLICY 2010

PURPOSE OF REPORT

- 1 In accordance with the Gambling Act 2003, the purpose of this report is to present the findings of a recent social impact review of Class 4 gambling in the Kāpiti Coast District, and based on the results from this study, recommend to Council a draft Class 4 Gambling Policy appropriate for the Kāpiti Coast District to be released for public consultation.

SIGNIFICANCE OF DECISION

- 2 The Council's Significance Policy is not triggered by this report.

BACKGROUND

- 3 The Gambling Act 2003 (the Act) came into effect on 18th September 2003 and replaced the Gaming and Lotteries Act 1977 and the Casino Control Act 1990. It covers casinos, premises containing electronic gambling machines, and TABs.
- 4 The Gambling Act 2003 was introduced at time when the country was experiencing very rapid growth in Class 4 gaming venues and gaming machine numbers¹. This growth in Class 4 gambling opportunities was causing serious concern amongst many communities and social agencies. Domestic and overseas studies were presenting more evidence to show that Class 4 gambling was a significant driver of problem gambling.
- 5 A nationwide gambling survey conducted in 2003 showed that 83.6% of callers to the gambling helpline blamed Class 4 gambling machines (pokies) as the primary cause for their gambling addiction. TABs and other forms of sports betting did not appear to be so addictive.
- 6 Problem gambling is described as a pattern of gambling behaviour that disrupts and damages a person's life, their friendships, family relationships and job interests. Problem gamblers suffer from increased rates of bankruptcy, arrest, imprisonment, unemployment, divorce and poor physical and mental health. There is also evidence to suggest that problem gamblers have higher rates of alcohol abuse and suicide. The effect on the community is far reaching and a

¹ Class 4 gambling encompasses pubs and clubs who operate non-casino gaming machines (commonly referred to as 'pokies'), it also includes TABs and sports betting outlets.

1999 Australian report estimated up to seven other people are affected by a single problem gambler's behaviour.

- 7 Two key sections of the Gambling Act 2003 focused on attempting to manage the growth and social impact of Class 4 Gambling. Section 101 of the Act empowered territorial authorities to set their own local limits on the location and number of Class 4 gambling venues and machines, following an assessment of the social impacts of Class 4 gambling in their respective communities. Section 102 of the Act established an additional requirement that every territorial authority must review their policy every 3 years. The Council last reviewed its Class 4 Gambling Policy in 2007 and this report is presented in accordance with legislative requirements

CONSIDERATIONS

Kāpiti Coast District Council Gambling Policy 2004

- 8 In June 2004 a study was conducted to measure the demographics of the Kāpiti Coast District relative to the indicators that identify problem gamblers. The indicators for problem gambling were: *aged 25 – 34, Maori, Asian or Polynesian, no formal qualifications, unemployed, plant and machine operators and other elementary occupations, lower income earners and larger household size*². Overall the Kāpiti Coast District scored low in terms of susceptibility to problem gambling, but there were specific areas such as Ōtaki that were at higher risk.
- 9 In late 2003 the Kāpiti Coast District Council recognised the negative potential impact of problem gambling and the spiralling growth of Class 4 venue and gaming machine numbers at that time. The 2004 Class 4 Gambling Policy introduced a cap on stand-alone TAB venues (1), Class 4 gaming venues (15) and gaming machines (228), effectively holding them at December 2003 levels.

Kāpiti Coast District Council Gambling Policy 2007

- 10 In July 2007 in accordance with section 102 of the Gambling Act 2003 the Kāpiti Coast District Council conducted a second review of its Class 4 Gambling Policy.
- 11 At that time national statistics showed that Class 4 gambling expenditure had experienced a slight decline (less than 1%), possibly as a result of the impact of the Gambling Act 2003, but more likely as a result of competition from other modes of gambling, such as internet gambling, Lotto or racing and sports betting, which all experienced an increase in gambling expenditure.
- 12 Despite this slight reduction in Class 4 gambling expenditure the Problem Gambling Foundation of New Zealand³ (PGF) reported that the most addictive mode of gambling remained non-casino gaming machines (pokies), with 78.6%

² Why Do People Gamble, Tse et al (2005)

³ The Problem Gambling Foundation of New Zealand is a national non-profit organisation predominantly funded by the Ministry of Health with funds received from the gambling levy. PGF is the largest single treatment provider for problem gambling in Australasia with over 60 locations throughout New Zealand and a website providing information on gambling statistics, gambling harm and trends: www.pgfnz.org.nz

of callers to the Gambling Helpline still reporting that pokies were their primary problem (PGF 2005).

- 13 The 2007 Social Impact Review showed that the 2004 Gambling Policy Cap on stand alone TABs, gaming venues and machines, had been beneficial for the Kāpiti Coast District in terms of curtailing the rapid growth of Class 4 gambling opportunities. By December 2007 the District recorded an average of 1 gaming machine to 154 adults over the age of 18 years compared to 1 gaming machine to 149 adults in December 2003.
- 14 Over the same period a combination of factors such as the impact of territorial authorities' gambling policies, industry consolidation of venues and gaming machine numbers, and a rising national population, resulted in a national improvement of 1 machine for every 121 adults in December 2003, to 1 machine to 152 adults in December 2007.
- 15 The 2007 Social Impact Review also continued to show a significant disparity in the spread of machines across the District, with higher risk locations like Ōtaki continuing to record a far higher ratio of gambling machines to adults. The review also showed that from the grants information supplied, on average only 24%⁴ of the monies spent on gambling in the Kāpiti Coast Community was directly returned to charities or sports institutions in the District. This is well below the 33% that societies are required to return, which means that the Kāpiti Coast loses money to charities outside the District⁵.
- 16 The primary goal of the Kāpiti Coast District Council Gambling Policy 2007 was to acknowledge and deal with the disproportionate number of Class 4 gambling machines in some of the District's most vulnerable locations. In response to this issue the 2007 Policy retained the district wide cap of venues and gaming machines at existing levels thereby retaining the ratio of gaming machines to adults at 1:154, but applied this ratio at a ward rather than district level. The Policy acknowledged the vulnerability of some communities in the District to problem gambling. It meant that some wards in the District, such as Ōtaki and Paekākāriki, were left with a 'sinking lid'⁶ on gaming machine numbers, while other areas of the District could increase their number of gaming machines. However, increases could only occur if there were corresponding decreases in Ōtaki and Paekākāriki first.
- 17 Despite adopting a sinking lid policy in the wards with the highest vulnerability, the Council could not force existing venues in those locations to reduce the number of gaming machines in operation. The Policy is very effective at stopping new venues and gaming machines from entering the District, but only has an impact on existing Class 4 gambling activities when those venues close for six months or more and lose their Class 4 vending license.

⁴ This figure may not include regional charities or sports groups that serve the wider region including Kāpiti.

⁵ Some of this money may be given to charities or sports organisations who service the wider region including Kāpiti.

⁶ A sinking lid policy means that if a current venue loses its trading license for a period of 6 months or more then it also automatically loses its license to run gaming machines.

18 In addition to the above changes, the 2007 Policy also approved a TAB venue at the Ōtaki Māori Racing Club. This was done in recognition of the Māori Racing Club's importance to the District and the need to help secure its ongoing financial viability. This change increased the number of TABs in the District to a maximum of two, but made no provision for the Ōtaki Maori Racing Club to install Class 4 gaming machines.

Summary of the Kāpiti Coast District Council Social Impact Review 2010

19 Attachment One is a social impact study conducted in July this year. This study covers both national and local gambling trends and considers the impact of Class 4 gambling in the Kāpiti Coast District. Key trends from the study are as follows:

- There is a continuing decline at a national level in gambling expenditure on Class 4 gambling (including TABs), and a shift to other modes of gambling such as Lotto.
- Class 4 gambling still accounts for a significant proportion of problem gambling calls to the gambling hotline⁷.
- The Kāpiti Coast District now records on average more gaming machines to adults than the national average (refer Table 1).
- At a ward level, Ōtaki continues to record a very high number of machines to adults – over double the national average.
- In terms of problem gambling indicators, the District continues to show an overall low to mid range problem gambling risk. However, at a ward level, Ōtaki records a much higher potential risk for problem gambling.
- The District spends slightly less on Class 4 gambling than the national average.
- There has been little change to venue and gaming machine numbers in Ōtaki despite a sinking lid policy being adopted in July 2007.
- Since the last Policy review in July 2007 five Class 4 gaming machines have moved from Paekākāriki to the Paraparaumu Ward.
- It appears that the Ōtaki community continues to subsidise sports and charity groups throughout the District and wider region.

Table 1: Ratio of Class 4 Gaming Machines to adults per Ward as at June 2010.

Ward	*Population over 18 yrs	Number of Licensed Class 4 Gaming Machines as at June 2010	Gaming machines to adults
Paekākāriki-Raumati	7,290	27	1:270
Paraparaumu	14,353	95	1:151
Waikanae	8,505	30	1:283
Ōtaki	6,847	**76	1:90
Kāpiti Coast District	36,910	228	1:162

⁷ PGF Gambling Hotline Survey, 2007.

Ward	*Population over 18 yrs	Number of Licensed Class 4 Gaming Machines as at June 2010	Gaming machines to adults
New Zealand	4,184,600	19115	1:218

*Total population statistics for NZ and Kāpiti District have been sourced from the Department of Statistics using 2006 Census results. Kāpiti ward population statistics have been calculated by KCDC Electoral Role counts which in total show an 85 person difference to the total Kāpiti District Population as recorded in the 2006 Census results.

**Licensed for 76 but only operating 72

- 20 The area of greatest concern remains the Ōtaki Ward. With five venues (one less than the Paraparaumu Ward), the second highest number of machines, and the lowest ward population, it is clearly an area where there is a greater exposure to gambling opportunities and a community which would appear to have the characteristics of a higher likelihood of gambling. According to the indicators for problem gambling Ōtaki remains high risk. It has the highest Māori, Asian and Pasifika population in the District and the lowest socio-economic indicators. It is the ward with the least money to spend but is oversupplied with gaming machines to adult population.
- 21 Compounding the situation is the fact that many of Ōtaki's gambling machines are highly concentrated in a shopping area more popular with locals than visitors⁸. Four venues and fifty four gaming machines are in close proximity of each other along Main Street, Ōtaki. These venues are well away from the State Highway One retail area which receives the greatest volume of visitors from outside the Ōtaki area. The argument that these venues and gaming machines service a large number of visitors in addition to local residents is less persuasive than for the Paraparaumu Ward for example. In some cases there are exceptions, such as the Ōtaki Returned Services Association whose members come from throughout the wider area. However, some of the worst deprivation statistics in the District are recorded in the immediate vicinity of Main Street. This area is the least able to afford gambling losses, placing extra pressure on the community's wellbeing⁹.
- 22 Under existing legislation the Council has no capacity to arbitrarily reduce existing Class 4 venue or machine numbers, no matter how vulnerable the community is to problem gambling. However, despite this limitation, it is still important that the Council implements a Policy that recognises the risk of problem gambling in some of Kāpiti's most vulnerable communities, and at the very least, continues to take steps to ensure these vulnerable communities are not made any worse off.

⁸ The availability of gambling opportunities is fundamental to problem gambling and gambling-related harm. The opportunity to gamble has been identified for some time as an important risk factor for problem gambling. Both participation in gambling and the likelihood of problem gambling increase when gambling opportunities increase (Dickson et al 2002; Korn and Shaffer 1999; Lester 1994; Volberg 1994). Marshall (2005), in a study of two communities on the Gold Coast of Australia, showed that this was the case even when the average distance to a gambling venue was the same, but the density of gambling venues was higher. Marshall went as far as to suggest that his data supported the notion that gambling was 'supply' rather than 'demand' driven.

⁹ Refer to PGF report: 'Pokies, poverty, foodbanks and problem gambling in New Zealand', Problem Gambling Foundation, June 2010. www.pgfnz.org.nz.

Proposed Changes to the Kāpiti Coast District Class 4 Gambling Policy

Option One

- 23 Option One proposes an amendment to the current Gambling Policy, whereby the national ratio of gaming machines to adults rather than the district ratio is used to set district and ward caps. The current 2007 Gambling Policy maintained the existing 2003 venue and gaming machine caps, but also uses the District wide ratio of gaming machines to adult population (as measured at the time of the last social impact review) to set gaming machine limits at a ward level. Using the District ratio to set ward limits does not measure the District's controls on gaming machines against the rest of the country. Using the national ratio of machines to adults as a benchmark to set ward limits is a more useful measure to ensure Kāpiti's gaming machine objectives are both reasonable and consistent in the national context.
- 24 The national ratio (or average) of gaming machines to adults is a reliable goalpost that helps to ensure Kāpiti's Gambling Policy is continuing to aim for a 'middle of the road' policy position that is neither 'anti' nor 'pro' Class 4 gambling. This policy position is justified by:
- the District's low to mid level overall gambling risk;
 - the potential for problem gambling in specific communities; and
 - the benefits Class 4 gambling proceeds bring to many local charities and sports groups.
- 25 Of course this national average is constantly changing, but it is recommended that the Kāpiti Coast District Council continue to gauge its policy position relative to the national average every three years when the social impact review is done.
- 26 Making this change will result in a policy goal for the next three years that encourages the following shift in gaming machines across the District:

Table 2: Gaming Machine Limits Under Option One

Ward	Current no. of gaming machines as at June 2010	Permitted no. of gaming machines in each ward under 2010 Policy	Potential Change	Gaming machines to adults (apprx)
Paekakariki – Raumati	27	33	+6	1:218
Paraparaumu	95	66	-29	1:218
Waikanae	30	39	+9	1:218
Ōtaki	76	31	-45	1:218
TOTAL DISTRICT	228	169	-59	1:218

- 27 The changes proposed in Table 2 will result in the current sinking lid policy on gaming machines remaining in place for the Ōtaki Ward. It will also mean a sinking lid policy on gaming machines in the Paraparaumu Ward. The overall result of these two sinking lid policies is a district wide reduction of 59 gaming

machines. This will mean that for the next three years the district wide cap on gaming machines will change from 228 machines to 169 machines.

- 28 Table 2 also shows that there are opportunities for more gaming machines in the Paekākāriki-Raumati and Waikanae Wards, but only once the new district wide cap of 169 non-casino gaming machines has been achieved and subject to the following conditions:
- the total overall district wide venue cap (15) is not breached;
 - that any additional gaming machines in the Paekākāriki-Raumati Ward will only be placed in Raumati;
 - Section One of the Kāpiti Coast District Gambling Policy is not breached, and
 - the Gambling Act 2003 is not breached.
- 29 Option One directly focuses on the Kāpiti Coast's biggest issue with regard to Class 4 gambling – the clustering of gambling machines in Kāpiti's most vulnerable communities. The national average will be subject to rises and falls but is unlikely to ever record ratios of gaming machines to adults as intense as Ōtaki's. Aiming for the national average is a mid range goal for a District with an overall mid range problem gambling risk.
- 30 An example of what Option One would look like as a Draft Policy is attached as Attachment 2.

Option Two

- 31 Option Two proposes no change to the existing district and ward caps in the 2007 Kāpiti Coast District Class 4 Gambling Policy. This would mean the District's wards would continue to aim for the District average which now stands at a ratio of 1 machine to 162 adults (as at June 2010). Although a slight improvement on the 2007 average (as a result of population increase), this ratio is now well behind the national ratio of 1:218. Three years ago Kāpiti recorded a better ratio than the national average. Table 3 provides a summary of Class 4 gaming machine controls under Option Two.

Table 3: Gaming Machine Limits Under Option Two.

Ward	Current no. of gaming machines as at June 2010	Permitted no. of gaming machines in each ward under 2010 Policy	Potential Change	Machines to adult ratio if changes are made (apprx)
Paekākāriki – Raumati	27	45	+18	1:162
Paraparaumu	95	88	-6	1:162
Waikanae	30	53	+23	1:162
Ōtaki	76	42	-34	1:162
TOTAL DISTRICT	228	228	0	1:162

- 32 Retaining the District average to set ward gaming machine limits would mean a sinking lid policy would remain in place in the Ōtaki Ward. Paraparaumu Ward would also be subject to a sinking lid policy for the next three years and increases in other wards would only be able to occur if there were corresponding decreases in Ōtaki and Paraparaumu first. Increases in these other wards with spare capacity would also only occur subject to the following conditions:
- the total overall district wide venue cap (15) is not breached;
 - that any additional gaming machines in the Paekākāriki-Raumati Ward will only be placed in Raumati;
 - section one of the Kāpiti Coast District Gambling Policy is not breached, and
 - the Gambling Act 2003 is not breached.
- 33 Option Two, like Option One, prevents Kāpiti's most vulnerable community, Ōtaki, from getting any worse and encourages gaming machine reductions in the most oversupplied wards. The difference between the options is that Option One is measured against national trends and Option Two compares Kāpiti against itself.
- 34 An example of what Option Two would look like as a Draft Policy is attached as Attachment 3.

Recommended Option

- 35 It is recommended that the Council approves the release of Option One as the proposed Policy to be released for public consultation. Setting a benchmark against the national average establishes a middle ground Class 4 gaming machine policy position appropriate to Kāpiti's mid range level of gambling risk.
- 36 The strength of Option One is that, while adopting a middle ground approach overall, it also targets the greatest area of concern in the District with regard to social well-being.
- 37 Option One aims to achieve a more even spread of gaming machines to adults across each ward by adopting a policy approach that determines gaming machine numbers based on the national average of gaming machines to adult population. Using the national average as a guide to setting gaming machine controls is justified on the basis that Kāpiti's latest Social Impact Review continues to indicate that the District (as a whole) is at low to mid range risk of problem gambling harm.
- 38 The only significant issue with this policy approach is that it is a fairly simplistic instrument, in that it only uses one measure (machines to adult population) to determine appropriate ward caps. It fails to take into account other factors such as the potential for outside visitors to each ward, the average age of ward residents or their respective incomes. For example some wards such as Paraparaumu could possibly accommodate more machines than the national average, while others such as Waikanae, with a high number of elderly resident on fixed incomes, fewer. Overall however, the national average is a sound guide

that helps to ensure the Council cannot be perceived as holding a position of bias for or against Class 4 gambling (particularly when the District records a low to medium risk of gambling harm) while still allowing the targeting of areas of concern.

Financial Considerations

- 39 There are no financial implications for the Council to consider in approving the release of the Draft Kāpiti Coast Class 4 Gambling Policy 2010 for public consultation.

Legal Considerations

- 40 The Council is required by the Gambling Act 2003 to review its Class 4 Gambling Policy every three years. This report recommends a process that meets that requirement.

Delegation

- 41 The Council has authority to approve the Draft Class 4 Gambling Policy for public consultation.

Consultation

- 42 Section 102(1) of the Gambling Act 2003 sets a requirement that gambling policies must be adopted in accordance with section 83 of the Local Government Act 2002; and in accordance with subsection (1)(e) of that section, the territorial authority must give notice of the proposed policy, in a manner that the territorial authority considers appropriate, to:
- a) each society that holds a Class 4 venue license for a venue in the territorial authority district; and
 - b) organisations representing Maori in the territorial authority district.
- 43 The Gambling Act 2003 also sets a requirement that once a Policy is adopted, amended or replaced, the territorial authority must provide a copy of the final policy to the Secretary for Internal Affairs

Proposed Consultation Plan

TASK	DATE
Council approval of Statement of Proposal for public consultation	16 December 2010
Submissions Open	21 January 2011
Submissions Close	25 February 2011
Hearing Submissions	TBA
Council Decision	TBA

Policy Implications

44 The proposed Policy is an amendment to the existing Gambling Policy 2007.

Publicity Considerations

45 The proposed Gambling Policy will be advertised in local papers and copies made available on the Council's Website and at Council Service Centres.

RECOMMENDATIONS

46 That the Council approves Option 1 in report SP-10-990 as the most appropriate draft Class 4 Gambling Policy option for the Kapiti Coast District.

47 That the Council approves the release of the Draft Class 4 Gambling Policy 2010 (Attachment 2), Statement of Proposal (Attachment 4) and Summary of Information (Attachment 5) appended to report SP-10-990 for public consultation, subject to any amendments.

Report prepared by:

Scott Dray
Strategic Policy Analyst
Strategy & Partnerships

Approved for submission by:

Gael Ferguson
Group Manager
Strategy & Partnerships

ATTACHMENTS:

Attachment One: Social Impact Review of Class 4 Gambling 2010
Attachment Two: Draft Option One Gambling Policy 2010
Attachment Three: Draft Option Two Gambling Policy 2010
Attachment Four: Statement of Proposal
Attachment Five: Summary of Information.

THE GAMBLING ACT 2003: SOCIAL IMPACT REVIEW OF CLASS 4 GAMBLING 2010

1.0 PURPOSE OF REPORT

In accordance with section 102 of the Gambling Act 2003, the purpose of this report is to review the social impact of the Class 4 gaming industry at a national and local level in order to assist Council planners to establish an updated Class 4 Venue Policy appropriate for the Kāpiti Coast District.

2.0 INTRODUCTION

The Gambling Act 2003 (“the Act”) came into effect on 18th September 2003 and replaced the Gaming and Lotteries Act 1977 and the Casino Control Act 1990. It covers both casinos and premises containing electronic gambling machines as well as TABs.

Section 101 of the Act sets a requirement for every territorial authority to have a Class 4 Venue Policy. Section 102 of the Act established an additional requirement that every territorial authority must review this Policy every 3 years.

The Kāpiti Coast District Council last reviewed its Class 4 Venue Policy in July 2007 and therefore now needs to review the impact Class 4 Gambling has on the Kāpiti Coast community and consider if any changes are required to the existing Class 4 Venue and Gaming Machine Policy.

2.1 What is a Class 4 Gambling Venue

A class 4 venue is a place that conducts class 4 gambling or is a venue owned or leased by the NZ Racing Board or a Racing Club that is:

- i) used mainly for racing or sports betting or
- ii) a racecourse

Class 4 gambling involves gambling:

- i) that utilises or involves a gaming machine (aka: ‘pokie’ machine);
- ii) where the proceeds are distributed for authorised purposes;
- iii) where no commission is paid;
- iv) that satisfies relevant gaming rules; and

v) is categorised by the Secretary for Internal Affairs as class 4 gambling

2.2 What is problem gambling?

Problem gambling is a pattern of gambling behaviour that disrupts and damages a person's life, their friendships, family relationships and job interests. It is a serious issue and concern about it is growing.

2.3 What harm is suffered by problem gamblers?

Problem gamblers suffer from increased rates of bankruptcy, arrest, imprisonment, unemployment, divorce and poor physical and mental health. There is also evidence to suggest that problem gamblers have higher rates of alcohol abuse and suicide.

2.4 How does problem gambling affect our communities?

The effect on the community is far reaching but there remains insufficient research to identify how many people are affected by a person's problem gambling. However, a 1999 Australian report estimated that around seven other people are affected to some extent by a single problem gambler's behaviour.

Problem gambling can often lead to family break-ups, alcohol abuse, poor health, workplace problems and can result in crime. It puts pressure on health services and the criminal justice system. Problem gamblers may also spend money gambling instead of providing the essentials of life, like food or housing, for themselves and their families.

2.5 Objectives of the Gambling Act 2003

The Gambling Act 2003 has four main objectives:

- to control the growth of gambling;
- to prevent and minimise harm caused by gambling;
- to ensure money from gambling benefits the community; and
- to ensure community involvement in some decisions about the provision of gambling.

2.6 Territorial Authorities Responsibilities under the Gambling Act 2003

The Act required Councils to assess the impact of gaming in their respective communities every three years, and if necessary regulate this activity through the following means:

- Regulate the number of non-casino gaming machines operating within their District.

- Have some control over the number of machines per venue.
- Restrict where those machines can be located in the venue.

3.0 KĀPITI COAST CLASS 4 GAMBLING POLICIES

3.1 Kāpiti Coast District Council Class 4 Gambling Policy 2003

A social impact study on Class 4 Gambling has been carried out every three years starting in late 2003 and again in early 2007. At the time of the 2003 review the country was experiencing significant growth in Class 4 gambling venues and machines, and 83.6 percent of callers to the Gambling Helpline said that Class 4 gambling was their primary problem (PGF 2003).

Studies also showed that Māori, Pacific Island and Asian people from low socio economic groups were the most vulnerable to problem gambling, were the least able to afford to gamble, but tended to be the largest spenders. This was recognised by gaming machine societies through their placing of high concentrations of machines in areas where these groups live¹.

In June 2003 a study was conducted to measure the demographics of the Kāpiti Coast District relative to the indicators that identify problem gamblers. The indicators for problem gambling were: 'aged 25 – 34, Māori or Polynesian, no formal qualifications, unemployed, plant and machine operators and other elementary occupations, lower income earners and larger household size'. The Kāpiti Coast District in total scored low in terms of susceptibility to problem gambling, but there were specific areas such as Ōtaki that were at higher risk.

Ōtaki, with a lower median income level, younger population, and higher Māori and Pacific Island population when compared to the rest of the District, had a higher potential (according to the problem gambling indicators) for more people to be gamblers. The Ōtaki Ward also had the lowest ratio of gaming machines per adult over 18 years of age in the District.

In 2003 the Kāpiti Coast District Council recognised the negative potential impact of problem gambling and the spiraling growth of Class 4 venue and gaming machine numbers at the time. The 2003 Class 4 Gambling Policy introduced a cap on stand-alone TAB venues (1), Class 4 gaming venues (15) and gaming machines (228), effectively holding them at December 2003 levels.

¹ Problem Gambling Foundation of New Zealand, June 2006 Newsletter.

3.2 Kāpiti Coast District Council Class 4 Gambling Policy 2007

In early 2007 in accordance with section 102 of the Gambling Act 2003 the Kāpiti Coast District Council conducted a second review of its Class 4 Gambling Policy.

At that point national statistics showed that Class 4 gambling expenditure had experienced a slight decline (less than 1%), possibly as a result of the impact of the Gambling Act 2003, but more likely as a result of competition from other modes of gambling, such as internet gambling, Lotto or racing and sports betting, which all experienced an increase in gambling expenditure.

Despite this slight reduction in Class 4 Gambling expenditure the Problem Gambling Foundation of New Zealand² reported that the most addictive mode of gambling remained non-casino gaming machines (pokies), with 78.6% of callers to the Gambling Helpline stating that pokies were still their primary problem (PGF 2005).

The 2003 Policy cap on stand alone TABs, Class 4 gaming venues, and Class 4 machines had been beneficial for the Kāpiti Coast District in terms of curtailing the rapid growth of this gambling activity. By December 2007 the District recorded an average of 1 gaming machine to 154 adults over the age of 18 years compared to 1 gaming machine to 149 adults in December 2003. Over the same period a combination of factors such as the impact of Territorial Authorities Gambling Policies, industry consolidation of venues and gaming machine numbers, and a rising national population, resulted in a national improvement of gaming machines to adults over 18 years of age from 1 machine for every 121 adults in December 2003 to 1 machine to 152 adults in December 2007.

The 2007 Social Impact Review also continued to show a significant disparity in the spread of machines across the District, with higher risk locations like Ōtaki continuing to record a far higher ratio of gambling machines to adults. The review also showed that from the grants information supplied, on average only 24%³ of the monies lost on gambling in the Kāpiti Coast Community was directly returned to charities or sports institutions in the District. This is well below the 33% that societies are required to return, which means that the Kāpiti Coast loses money to charities outside of the District⁴.

The primary goal of the Kāpiti Coast District Council Gambling Policy 2007 was to acknowledge and deal with the disproportionate number of Class 4 gambling machines in some of the District's most vulnerable locations. In response to this issue the 2007 Policy retained the district wide cap of venues and gaming machines at existing levels thereby retaining the ratio of gaming machines to adults at 1:154, but applied this ratio

² The Problem Gambling Foundation of New Zealand (PGF) is a national non-profit organisation predominantly funded by the Ministry of Health with funds received from the gambling levy. PGF is the largest single treatment provider for problem gambling in Australasia with over 60 locations throughout New Zealand and a website providing information on gambling statistics, gambling harm and trends: www.pgfnz.org.nz

at a ward rather than district level. The Policy acknowledged the vulnerability of some communities in the District to problem gambling. It meant that some wards in the District, such as Ōtaki and Paekākāriki, were left with a 'sinking lid'⁵ on gaming machine numbers, while other areas of the District could increase their number of gaming machines. However, increases could only occur if there were corresponding decreases in Ōtaki and Paekākāriki first.

Despite adopting a sinking lid policy in the wards with the highest vulnerability, the Council could not force existing venues in those locations to reduce the number of gaming machines in operation. The Policy is very effective at stopping new venues and gaming machines from entering the District, but only impacts on existing Class 4 gambling activities when those venues close for six months or more and lose their Class 4 vending license.

In addition to the above changes the 2007 Policy also approved a TAB venue at the Ōtaki Māori Racing Club. This was done in recognition of the Māori Racing Club's importance to the District and the need to help secure its ongoing financial viability. This change increased the number of TABs in the District to a maximum of two, but made no provision for the Ōtaki Māori Racing Club to install Class 4 gaming machines.

4.0 WHAT HAS HAPPENED SINCE THE LAST GAMBLING REVIEW IN 2007?

4.1 National Trends since the 2007 Policy Review

In 2008/09 gambling expenditure (player losses) decreased by 0.3%, from \$2.034 billion in 2007/08 to \$2.028 billion. This is a result of an increase in expenditure on Lotteries Commission products, but decreases in expenditure on racing and sports betting, non-casino gaming machines and casino gambling. The 2008/09 figure is below the peak expenditure figure of \$2.039 billion in 2003/04.

- **Non-casino gaming machine expenditure decreased by 5.3% from \$938 million to \$889 million.** This continues the decrease in expenditure of 1.3% in 2007/08. Expenditure on non-casino gaming machines had previously peaked at \$1.035 billion in 2003/04.
- **Expenditure on racing and sports betting decreased by 1.2% from \$272 million to \$269 million.** This reverses the recent growth in racing and sports betting of 4.2% in 2007 and 1.2% in 2008. This year's nominal figure is the same as in 2007. When inflation is taken into account, however, expenditure is still behind the \$232 million figure of 1989, which was for racing only.

³ This figure may not include regional charities or sports groups that serve the wider region including Kāpiti.

⁴ Some of this money may be given to charities or sports organisations who service the wider region including Kāpiti.

⁵ A sinking lid policy means that if a current venue loses its trading license for a period of 6 months or more then it also automatically loses its license to run gaming machines.

- **Expenditure on Lotteries Commission products increased by 16.7% from \$346 million to \$404 million.** This is a dramatic increase compared to the previous year's 4.7% increase, and is the highest ever expenditure for the Commission.
- **Casino gambling expenditure (which includes casino gaming machines) decreased by 2.4% from \$477 million to \$465 million.** This reverses the 1.6% increase from the previous year.

4.2 How big is the Class 4 gambling problem and who is at greatest risk?

A wide range of gambling activities are available in New Zealand, including casino gambling, electronic gaming machines, Lotto, Instant Kiwi (scratch tickets), track betting, sports betting, Keno, housie, internet gambling and telephone gambling.

Electronic gaming machines, track betting and casino games have been cited as being more addictive and for causing more problems than other types of gambling such as lotteries, because they are forms of gambling that allow people to gamble continuously without stopping (Abbott and Volberg 2000). The majority of new clients at problem gambling intervention services in 2007 cited class 4 gaming machines as their primary mode of harmful gambling (see Table 1).

Table 1: Primary mode of gambling for face-to-face problem gambling intervention services and Gambling Helpline, 2007.

Primary mode of gambling	Face-to-face intervention services (% of new clients)	Gambling Helpline (% of new gambler clients)
Class 4 gaming machines	66.8	75.6
Casino gaming machines	9.7	9.1
Casino tables	10.1	5.7
Track betting	3.4	5.5
Sports betting	3.0	1.5
Other	7.0	2.5

Results from a 2006/07 New Zealand Health Survey conducted by the Ministry of Health indicate that:

- serious problem gambling affects 0.4% or 13,100 of New Zealand adults over the age of 15;
- moderate-risk gambling affected 1.3% or 40,100 of New Zealand adults over the age of 15;
- people aged 35-44 years had the highest prevalence of problem gambling;
- Māori and Pacific adults were approximately four times more likely to be problem gamblers; and
- the highest prevalence of problem gambling was amongst adults living in neighbourhoods of high deprivation with fewer educational qualifications.

Overall, 2.8% of people aged 15 years and over had experienced problems in the last 12 months due to someone's gambling, representing about 87,000 adults. Whilst these numbers are relatively small compared to the number of adults with hazardous drinking behaviour (551,300) or who are current smokers (619,000) (Ministry of Health 2008), this study has shown that there is still a burden of gambling-related harm in the New Zealand community.

5.0 LOCAL TRENDS SINCE THE 2007 POLICY REVIEW

5.1 Venue & Machine Numbers

As at March 2010 the District had 15 Class 4 gaming venues and 224 gaming machines in operation (see Table 2 for a summary of venues and machines).

Table 2: Summary of Class 4 Gambling in the Kāpiti Coast District, June 2010

Pokie Trust	Venue	Pokie Numbers	Ward
The Ōtaki RSA Inc	Ōtaki RSA Clubrooms	18	Ōtaki
First Sovereign Trust	Punters Corner Sports Bar & TAB	8	Ōtaki
NZ Community Trust	Telegraph Hotel	15	Ōtaki
NZ Community Trust	The Railway Hotel	18	Ōtaki
Pub Charity	Family Hotel	*13	Ōtaki
The Lion Foundation	Finn's Paekākāriki	9	Paekākāriki-Raumati
Pelorus Trust	The Village Inn	18	Paekākāriki -Raumati
Golden Coast Chartered Club Inc	Golden Coast Chartered Club	8	Paraparaumu
Kāpiti Club Inc	Kāpiti Club	15	Paraparaumu
NZ Community Trust	The Jolly Miller Inn	18	Paraparaumu
Pub Charity	The Pinetree Arms	18	Paraparaumu
The Lion Foundation	Debo's Tavern	18	Paraparaumu
The Paraparaumu RSA	Paraparaumu RSA Club	18	Paraparaumu
Endeavour Community Trust	Waikanae Hotel	18	Waikanae
Waikanae Chartered Club	Waikanae Chartered Club	12	Waikanae

*Licensed for 17 but only operating 13.

Since 2007 there has been a reduction of 5 machines in the Paekākāriki-Raumati ward. This reduction has resulted in a more even spread of machines across this ward with Paekākāriki Township being less targeted. The five machines lost in Paekākāriki-Raumati have now moved to Paraparaumu, and the ward ratios now stand as follows (see Table 3):

Table 3: Ratio of Class 4 Gaming Machines per Ward as at June 2010.

Ward	*Population over 18 yrs	Number of Licensed Class 4 Gaming Machines as at June 2010	Gaming machines to adults
Paekākāriki-Raumati	7,290	27	1:270
Paraparaumu	14,353	95	1:151
Waikanae	8,505	30	1:283
Ōtaki	6,847	**76	1:90
Kāpiti Coast District	36,910	228	1:162
New Zealand	4,184,600	19115	1:218

*Total population statistics for NZ and Kāpiti District have been sourced from the Department of Statistics, using 2006 Census results. Kāpiti ward population statistics have been calculated by KCDC Electoral Role counts which in total show an 85 person difference to the total Kāpiti District Population as recorded in the 2006 Census results.

**Licensed for 76 but only operating 72.

Kāpiti's overall ratio of machines to adults over the age of 18 years of age has improved slightly since 2007 as a result of population increases and a District cap on venue and machine numbers. However, the latest District ratio of 1 machine to 162 adults (as at July 2010) is worse than the national ratio of 1 machine to every 218 adults (as at June 2010). This is a significant shift, with the District recording a better ratio than the national average when the social impact review was last conducted in July 2007. More importantly, the above ratios highlight that the District continues to show significant disparities in the spread of machines across each ward. Some of these disparities can be explained by factors other than the assumption gaming societies are targeting highly vulnerable communities. For instance, it could be argued that Paraparaumu Ward is the District's commercial and entertainment centre. It therefore has the higher concentration of pubs and clubs and a correspondingly higher number of Class 4 gaming machines. Whilst the ward ratio of machines to adults (1:151) appears to be reasonably poor when compared to Paekākāriki-Raumati, Waikanae and the overall District and National ratio, it could be argued that Paraparaumu receives a large number of visitors from neighbouring wards and areas outside of the District. These visitors also use these facilities and their gaming machines, making the impact of these machines on the local ward population less severe.

The area of greatest concern remains the Ōtaki Ward. With five venues (one less than the Paraparaumu Ward), the second highest number of machines, and the lowest ward population, it is clearly an area being targeted because of the community's higher likelihood of gambling. According to the indicators for problem gambling Ōtaki remains high risk. It has the highest Māori, Asian and Pasifika population in the District and the lowest socio-economic indicators. It is the ward with the least money to spend but higher numbers of gaming machines to adult population.

Compounding the situation is the fact that many of Ōtaki's gambling machines are highly concentrated in a shopping area more popular with locals than visitors⁶. Four

⁶ The availability of gambling opportunities is fundamental to problem gambling and gambling-related harm. The opportunity to gamble has been identified for some time as an important risk factor for problem gambling. Both participation in gambling and the likelihood of problem gambling increase when

venues and fifty four gaming machines are in close proximity of each other along Main Street, Ōtaki. These venues are well away from the State Highway One retail area which receives the greatest volume of visitors from outside of the Ōtaki area. The argument that these venues and gaming machines service a large number of visitors in addition to local residents is less persuasive than for the Paraparaumu Ward for example. In some cases there are exceptions, such as the Ōtaki Returned Services Association whose members come from throughout the wider area. However, some of the worst deprivation statistics in the District are recorded in the immediate vicinity of Main Street. It is an area least able to afford gambling losses, placing extra pressure on the community's wellbeing⁷.

Under existing legislation the Council has no capacity to arbitrarily reduce existing Class 4 venue or machine numbers, no matter how vulnerable the community is to problem gambling. However, despite this limitation, it is still important that the Council implement a Policy that recognises the risk of problem gambling in some of Kāpiti's most vulnerable communities, and at the very least, continues to take steps to ensure these vulnerable communities are not made any worse off.

5.2 Economic Cost/Benefit from Class 4 Gambling on the Kāpiti Coast

A recent summary compiled by the Problem Gambling Foundation found that the quarterly loss to Class 4 gambling in the Kāpiti District was \$59.13 per head of adult population⁸, this figure was slightly down on the rest of the year, but it still means that Kāpiti has the 29th biggest loss per head of population out of all 73 Territorial Authorities (as at June 2010). This 29th gambling loss position is positive when considering that Kāpiti has the 27th highest number of Class 4 gaming machines.

This indicates that the Kāpiti District loses less money per person than the national average. However, this loss per person is averaged out over all adults in the Kāpiti District, and does reflect the fact that venues and gaming machines are not evenly spread across each community. Some wards (such as Ōtaki and Paraparaumu) are likely to experience a far greater loss per person than the District average, while others such as Waikanae, experience far less.

Gaming societies are required to pay out up to 33% of gambling player losses to charities and non-profit organisations, but not necessarily in the same district where the money was taken. The last social impact study in July 2007 indicated that Kāpiti tended

gambling opportunities increase (Dickson et al 2002; Korn and Shaffer 1999; Lester 1994; Volberg 1994). Marshall (2005), in a study of two communities on the Gold Coast of Australia, showed that this was the case even when the average distance to a gambling venue was the same, but the density of gambling venues was higher. Marshall went as far as to suggest that his data supported the notion that gambling was 'supply' rather than 'demand' driven.

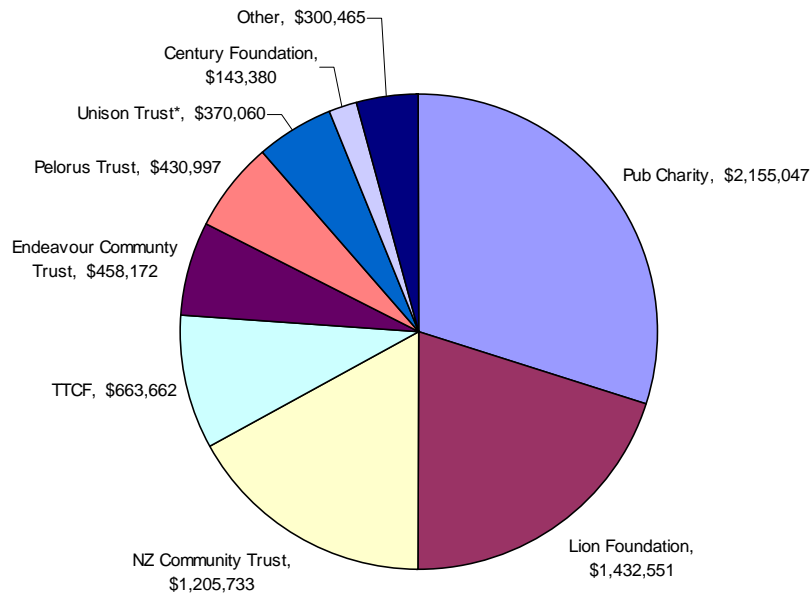
⁷ Refer to PGF report: 'Pokies, poverty, foodbanks and problem gambling in New Zealand', Problem Gambling Foundation, June 2010. www.pgfnz.org.nz.

⁸ PGF Gambling Report – Kāpiti Coast District June 2010.

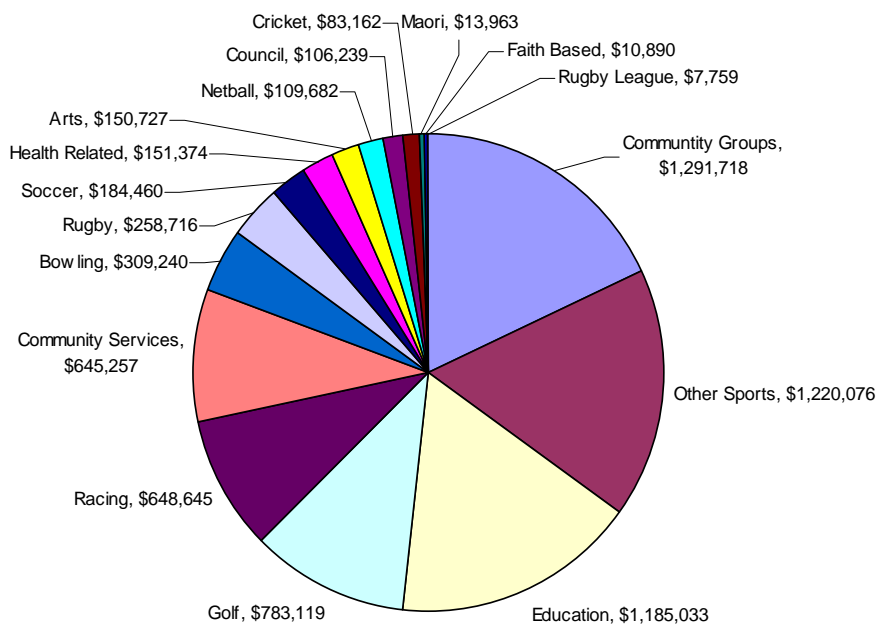
to not receive its full percentage of charitable pay outs, and was instead helping fund charities and non-profit organisations outside of the District.

It is not always easy to get an accurate summary of gaming societies' charitable payouts but the following information collated by the Problem Gambling Foundation provides a reasonable summary of the gaming societies payout to charities, non-profit organisations and sports clubs in the Kāpiti District.

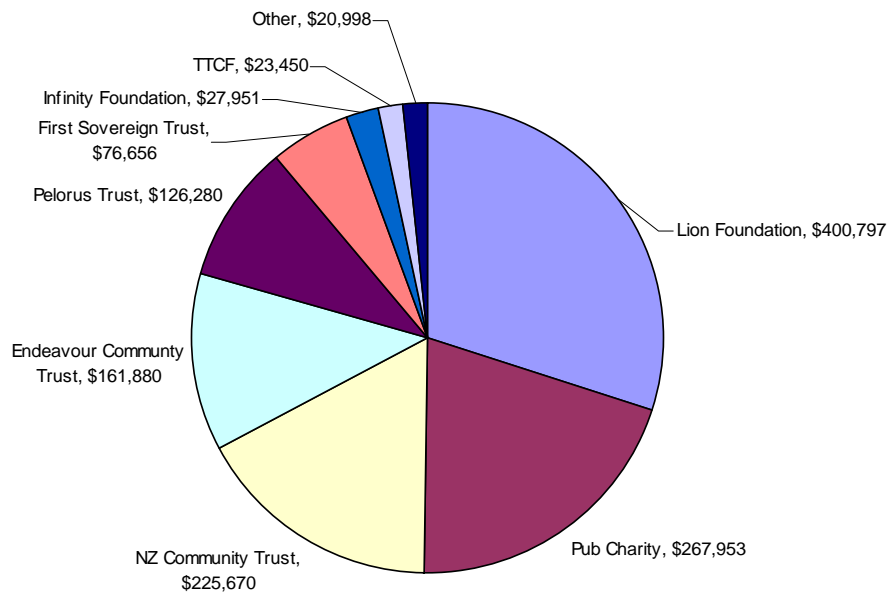
Graph 1: Historical Grants to Kāpiti 1/04/05 – 31/3/09 – Sorted by Pokie Trust



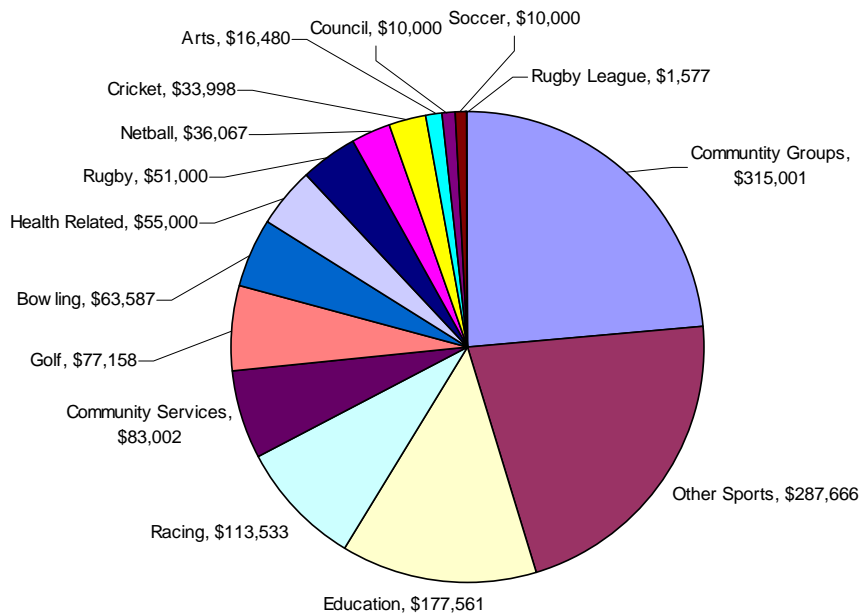
Graph 2: Historical Grants to Kāpiti 1/04/05 – 31/3/09 – Sorted by Non-Profit Type



Graph 3: Recent Pokie Grants (April 09 – March 2010) – Sorted by Pokie Trusts



Graph 4: Recent Pokie Grants (April 09 – March 2010) – Sorted by Non-Profit Type



5.3 Summary of Leading Pokie Trusts Operating in the Kāpiti District

1. The Lion Foundation operates 149 venues across the country with 3902 pokies nationwide (as at Sept 2009). In January 2010 it merged with the Perry Foundation making it the biggest Gaming Trust in the country.

It has 2 venues (Finn's Paekākāriki & Debo's in Paraparaumu) and 27 pokie machines in the Kāpiti Coast. It made 57 separate grants to the Kāpiti Coast TLA for the period 1/3/2009 – 31/3/2010. Its main grant is to Community Groups (27% of total recent grants). Its biggest single grant was to the Kāpiti Emergency Medical Service Trust - \$45,000.

Traditionally the Lion Foundation has been one of Kāpiti's most generous Trust organisations.

2. Pub Charity was the first organisation in New Zealand licensed to operate gaming machines. Pub Charity has 1838 pokies nationwide (as at Sept 2009).

It has 2 venues with 31 pokies in the Kāpiti Coast District. It is the 2nd biggest contributor to the District granting \$267,953.97 for the period 1/4/2009 – 31/3/2010. It administered 55 separate grants to the Kāpiti Coast in the recent year. The largest single grant was to the House of Hope Trust for \$26,602.

3. The New Zealand Community Trust (NZCT) is based in Wellington and operates 2354 pokie machines nationwide.

NZCT has 3 venues (Telegraph & Railway Hotel, Ōtaki and The Jolly Miller Inn, Paraparaumu) with 51 pokie machines. It is the third biggest contributor to the Kāpiti Coast TLA but has the most venues and pokies in the area.

Historically (refer Graph 1 for details) the New Zealand Community Trust has consistently underperformed in terms of returning a fair percentage of gambling losses directly back to the Kāpiti Community. This record is even worse when one considers the fact that it draws the majority of its gambling revenue from one of Kāpiti's most vulnerable communities (Ōtaki). Of note is that very little of the Trust's grants over the previous financial year went to Community groups or services that could potentially help counteract any gambling harm caused to communities like Ōtaki. Instead the NZCT's main grant over the previous financial year went to Racing (35% of total grants), with the biggest recipient being three grants to the Ōtaki Māori Racing Club Inc for \$65,000.

6.0 SUMMARY

Problem gambling is a concern for all communities in New Zealand. One problem gambler has the potential to adversely affect on average up to seven other people. Problem gambling can lead to family break-ups, alcohol abuse, poor health, work place problems and crime. Problem gambling indicators also show that the people least able to afford to gamble are often the most vulnerable to gambling opportunities. This is perhaps reflected by the propensity for gambling societies to cluster Class 4 venues and gaming machines in low decile communities with a high proportion of Māori, Pacific Island or Asian residents.

The Kāpiti Coast demographic on average records a low propensity for problem gambling, and as a whole the District spends less on gambling than the national average.

However, there are communities within the District that go against this trend and are extremely vulnerable to problem gambling. The Ōtaki Ward in particular has a far higher proportion of gambling machines and venues to adult population than any other ward in the District and, despite a sinking lid policy on Class 4 gaming machines in this ward, little has changed for this community over the last three years since the last social impact review was conducted. In many ways the Ōtaki Ward, through its gambling losses, disproportionately funds much of the wider District charities and non-profit organisations receiving gambling grants, when it is the ward least able to do so. This must put tremendous pressure on many families and individuals in the Ōtaki community.

Gaming societies do return a percentage of player losses to non-profit organisations, but not always to the same district or ward where the money was lost. Of particular concern is the consistently low return from the New Zealand Community Trust, the District's largest pokie trust. The New Zealand Community Trust coincidentally also has the highest number of gaming machines operating in the Ōtaki Ward. Their biggest payout in the District last financial year was to the Ōtaki Māori Racing Club, a gambling venue. There should be greater emphasis, particularly in vulnerable communities like Ōtaki, for pokie trusts to allocate a greater proportion of their gambling grants to community groups and social/health services in an effort to counteract any gambling harm caused by Class 4 gambling.

Council Policy Title:	KĀPITI COAST DISTRICT COUNCIL CLASS 4 GAMBLING POLICY 2010
Policy Number:	POL: 1.1.0
Active Date:	

1. Policy Validation

The Kāpiti Coast District Class 4 Gambling Policy 2010 was approved at a meeting of the Kāpiti Coast District Council held on after completion of a public consultation process.

This Policy has been made pursuant to section 101 of the Gambling Act 2003. It has also been reviewed in accordance with the requirements of section 102 of the Gambling Act 2003.

2. Interpretation

In this Policy, unless the context requires otherwise:

Class 4 Gambling Venue means a place that conducts class 4 gambling or that is a venue owned or leased by the NZ Racing Board or a Racing Club that is:

- i. used mainly for racing or sports betting; or
- ii. a racecourse

Class 4 Gambling means gambling:

- i. that utilises or involves a gaming machine;
- ii. where the proceeds are distributed for authorised purposes;
- iii. where no commission is paid;
- iv. that satisfies relevant gaming rules; and
- v. is categorised by the Secretary for Internal Affairs as class 4 gambling

Gambling Harm means the adverse impact Problem gamblers have on themselves, their family and friends, and wider society. For instance problems gamblers suffer from increased rates of bankruptcy, arrest, imprisonment, unemployment, divorce and poor physical and mental health. There is also evidence to suggest that problem gamblers have higher rates of suicide.

Problem Gambling means a pattern of gambling behaviour that disrupts and damages a person's life, their friendships, family relationships and job interests.

The Council

means the Kāpiti Coast District Council or any committee, community board, or an enforcement officer authorised to exercise the authority of the Council.

3. Objectives of the Policy

To minimise gambling harm to Kāpiti Coast communities caused by Class 4 gambling.

- i. To Control the growth of Class 4 gambling in the Kāpiti Coast District.
- ii. To ensure Class 4 gambling venues are appropriately located.
- iii. To ensure that the Kāpiti Coast District Council and its communities have influence over the provision of new Class 4 gambling venues in the Kāpiti Coast District
- iv. To control the number of Class 4 gaming machines in the Kāpiti Coast District.
- v. To redistribute existing Class 4 venues and gaming machines in the District so that they are more evenly spread amongst the adult ward population and closer to the national average (measured at June 2010).

4. Rules Regarding Existing Class 4 Gaming Venues

- 4.1 The Act provides that venues licensed before 17 October 2001 can operate up to a maximum of 18 machines; but this number will be considered relative to the objectives outlined in Section 3.
- 4.2 The Act provides that venues licensed after 17 October 2001, but before the Act came into force, can operate up to a maximum of 9 machines, but this number will be considered relative to the objectives outlined in Section 3.
- 4.3 Section 96 of the Act provides that clubs that were licensed after 17 October 2001 and only able to operate 9 machines can apply to operate up to 18 machines. However they must obtain territorial authority consent, which will be considered relative to the objectives outlined in Section 3, and if given must then apply for Ministerial approval.
- 4.4 Section 95 of the Act provides that clubs that merge are able to be licensed to operate up to 30 machines or the lesser of the number currently operated in each of the merging clubs. However they must obtain territorial authority consent, which will be considered relative to the objectives outlined in Section 3; and if given must then apply for Ministerial approval.

5. Rules Regarding New Class 4 Gaming Venues:

- 5.1 Further to the provisions above, this Policy maintains the Class 4 gaming venue cap at **15** venues (set on 31 December 2003). No new Class 4 gaming venues

will be approved in any part of the Kāpiti Coast District if it means this cap will be exceeded.

- 5.2 This Policy maintains the existing cap on stand alone TAB venues at **2**. No new stand alone TAB venues will be approved in any part of the Kāpiti Coast District if it means this cap will be exceeded.
- 5.3 New Class 4 gaming venues may be established subject to a vacancy in the current venue caps and in compliance with the Kāpiti Coast District Plan, fee and application requirements, and sections 3, 6 and 7 of this policy.

6. Location of New Class 4 Gaming Venues

- 6.1 No additional Class 4 gaming venues will be permitted in areas where additional gaming machine numbers will breach the objectives outlined in section 3 and 7 of this policy.
- 6.2 New Class 4 gaming venues will not be permitted where the Council believes that the amenity of the area for which the venue is proposed will be adversely affected, or where there is likely to be an adverse effect on any community facilities including kindergartens, early childhood centres, schools, and places of worship.
- 6.3 Class 4 gaming venues prohibited in commercial premises where family and/or children's activities are promoted (e.g. family dining, family recreational venues).
- 6.4 Class 4 gaming venues will only be approved in premises licensed under the Sale of Liquor Act 1989 with a restricted designation. Stand alone TAB venues are exempt from this requirement.
- 6.5 The primary activity of a Class 4 gaming venue must not be Class 4 gambling.

7. Restriction on the number of Class 4 gaming machines

- 7.1 Ward based restrictions on the number of Class 4 gaming machines will be established using the national average of Class 4 gaming machines to adult population. The average will be calculated at the time of the Class 4 Social Impact Review conducted every three years.
- 7.2 A ward based ratio of 1 machine to 218 adults aged 18 years and older (determined from the national average calculated as at June 2010¹) now applies and is distributed in accordance with Table 1.

¹ National average calculated as follows: 4,184,600 adults/19,115 non-cassino gaming machines = 218 adults to 1 gaming machine as at June 2010. Data sourced from 2006 census and Problem Gambling Foundation gaming machine data.

TABLE 1: Class 4 Gaming Machines permitted in each Ward.

Ward	Current no. of gaming machines as at June 2010	Permitted no. of gaming machines in each ward under 2010 Policy	Change Required	Gaming machines to adults
Paekākāriki – Raumati	27	33	+6	1:218
Paraparaumu	95	66	-29	1:218
Waikanae	30	39	+9	1:218
Ōtaki	76	31	-45	1:218
TOTAL DISTRICT	228	169	-59	1:218

- 7.3 The total District Class 4 Gaming Machine Cap is **169** gaming machines (refer Table 1).
- 7.4 Additional gaming machines will only be considered in the Paekākāriki/Raumati Ward if the machines are located in the Raumati Township and the increase does not breach the District venue cap of 15 or District machine cap of 169.
- 7.5 Additional gaming machines will only be considered in the Waikanae Ward if the increase does not breach the District venue cap of 15 or District machine cap of 169.
- 7.6 In the event that, for example, two or more existing clubs amalgamate, then the location, population and proposed number of machines will be considered relative to the objectives outlined in sections 3 and 6 of this policy.
- 7.7 The number of gaming machines permitted in new venues, (licensed after the Act came into force), will be subject to consent criteria contained in this policy and limited to a maximum of 9 machines; as specified by the Act.

8. Applications for New Venues

- 8.1 Application for new Class 4 gaming venues or additional gaming machines at existing venues must be made on the approved form (available from the Council Compliance Manager) and must provide:
- i. A site plan covering both gambling and other activities proposed for the venue.
 - ii. A copy of the current on licence or club liquor licence under the Sale of Liquor Act 1989.
 - iii. The name and contact details of the applicant.
 - iv. The street address of the proposed or existing Class 4 gaming venue.
 - v. A copy of any certificate of compliance or resource consent required for the primary activity of the venue under the District Plan.
 - vi. Application Fees

8.2 Application fees are as follows:

- i. Deposit of \$2000.00 for new venue applications.
- ii. Deposit of \$400.00 for all other applications.
- iii. Hearing fee of \$675.00.
- iv. Processing time at \$90.00/hour.

(All fees are inclusive of GST. Deposits are non-refundable)

8.3 Applications will be considered by order of the date completed applications are received at the Council Offices.

8.4 Applicants will be advised when additional Class 4 Venue or Machine capacity is available.

9. Next Policy Review

9.1 In accordance with section 102 of the Gambling Act 2003 this policy will be reviewed by the Council in 2013.

OPTION ONE

Council Policy Title:	KĀPITI COAST DISTRICT COUNCIL CLASS 4 GAMBLING POLICY 2010
Policy Number:	POL: 1.1.0
Active Date:	

1. Policy Validation

The Kāpiti Coast District Class 4 Gambling Policy 2010 was approved at a meeting of the Kāpiti Coast District Council held on after completion of a public consultation process.

This Policy has been made pursuant to section 101 of the Gambling Act 2003. It has also been reviewed in accordance with the requirements of section 102 of the Gambling Act 2003.

2. Interpretation

In this Policy, unless the context requires otherwise:

Class 4 Gambling Venue means a place that conducts class 4 gambling or that is a venue owned or leased by the NZ Racing Board or a Racing Club that is:

- i. used mainly for racing or sports betting; or
- ii. a racecourse

Class 4 Gambling means gambling:

- i. that utilises or involves a gaming machine;
- ii. where the proceeds are distributed for authorised purposes;
- iii. where no commission is paid;
- iv. that satisfies relevant gaming rules; and
- v. is categorised by the Secretary for Internal Affairs as class 4 gambling

Gambling Harm means the adverse impact Problem gamblers have on themselves, their family and friends, and wider society. For instance problems gamblers suffer from increased rates of bankruptcy, arrest, imprisonment, unemployment, divorce and poor physical and mental health. There is also evidence to suggest that problem gamblers have higher rates of suicide.

Problem Gambling means a pattern of gambling behaviour that disrupts and damages a person's life, their friendships, family relationships and job interests.

The Council

means the Kāpiti Coast District Council or any committee, community board, or an enforcement officer authorised to exercise the authority of the Council.

3. Objectives of the Policy

To minimise gambling harm to Kāpiti Coast communities caused by Class 4 gambling.

- i. To Control the growth of Class 4 gambling in the Kāpiti Coast District.
- ii. To ensure Class 4 gambling venues are appropriately located.
- iii. To ensure that the Kāpiti Coast District Council and its communities have influence over the provision of new Class 4 gambling venues in the Kāpiti Coast District
- iv. To control the number of Class 4 gaming machines in the Kāpiti Coast District.
- v. To redistribute existing Class 4 venues and gaming machines in the District so that they are more evenly spread amongst the adult ward population and closer to the national average (measured at June 2010).

4. Rules Regarding Existing Class 4 Gaming Venues

- 4.1 The Act provides that venues licensed before 17 October 2001 can operate up to a maximum of 18 machines; but this number will be considered relative to the objectives outlined in Section 3.
- 4.2 The Act provides that venues licensed after 17 October 2001, but before the Act came into force, can operate up to a maximum of 9 machines, but this number will be considered relative to the objectives outlined in Section 3.
- 4.3 Section 96 of the Act provides that clubs that were licensed after 17 October 2001 and only able to operate 9 machines can apply to operate up to 18 machines. However they must obtain territorial authority consent, which will be considered relative to the objectives outlined in Section 3, and if given must then apply for Ministerial approval.
- 4.4 Section 95 of the Act provides that clubs that merge are able to be licensed to operate up to 30 machines or the lesser of the number currently operated in each of the merging clubs. However they must obtain territorial authority consent, which will be considered relative to the objectives outlined in Section 3; and if given must then apply for Ministerial approval.

5. Rules Regarding New Class 4 Gaming Venues:

- 5.1 Further to the provisions above, this Policy maintains the Class 4 gaming venue cap at **15** venues (set on 31 December 2003). No new Class 4 gaming venues

will be approved in any part of the Kāpiti Coast District if it means this cap will be exceeded.

- 5.2 This Policy maintains the existing cap on stand alone TAB venues at **2**. No new stand alone TAB venues will be approved in any part of the Kāpiti Coast District if it means this cap will be exceeded.
- 5.3 New Class 4 gaming venues may be established subject to a vacancy in the current venue caps and in compliance with the Kāpiti Coast District Plan, fee and application requirements, and sections 3, 6 and 7 of this policy.

6. Location of New Class 4 Gaming Venues

- 6.1 No additional Class 4 gaming venues will be permitted in areas where additional gaming machine numbers will breach the objectives outlined in section 3 and 7 of this policy.
- 6.2 New Class 4 gaming venues will not be permitted where the Council believes that the amenity of the area for which the venue is proposed will be adversely affected, or where there is likely to be an adverse effect on any community facilities including kindergartens, early childhood centres, schools, and places of worship.
- 6.3 Class 4 gaming venues prohibited in commercial premises where family and/or children's activities are promoted (e.g. family dining, family recreational venues).
- 6.4 Class 4 gaming venues will only be approved in premises licensed under the Sale of Liquor Act 1989 with a restricted designation. Stand alone TAB venues are exempt from this requirement.
- 6.5 The primary activity of a Class 4 gaming venue must not be Class 4 gambling.

7. Restriction on the number of Class 4 gaming machines

- 7.1 Ward based restrictions on the number of Class 4 gaming machines will be established using the ward average of Class 4 gaming machines to adult population. The average will be calculated at the time of the Class 4 Social Impact Review conducted every three years.
- 7.2 A ward based ratio of 1 machine to 162 adults aged 18 years and older (determined from the district average calculated as at June 2010¹) now applies and is distributed in accordance with Table 1.

¹ District average calculated as follows: 36,910 adults/228 non-cassino gaming machines = 162 adults to 1 gaming machine as at June 2010. Data sourced from 2006 census and Problem Gambling Foundation gaming machine data.

TABLE 1: Class 4 Gaming Machines permitted in each Ward.

Ward	Current no. of gaming machines as at June 2010	Permitted no. of gaming machines in each ward under 2010 Policy	Change Required	Machines to adult ratio if changes are made (apprx)
Paekākāriki – Raumati	27	45	+18	1:162
Paraparaumu	95	88	-6	1:162
Waikanae	30	53	+23	1:162
Ōtaki	76	42	-34	1:162
TOTAL DISTRICT	228	228	0	1:162

- 7.3 The total District Class 4 Gaming Machine Cap is **228** gaming machines (refer Table 1).
- 7.4 Additional gaming machines will only be considered in the Paekākāriki/Raumati Ward if the machines are located in the Raumati Township and the increase does not breach the District venue cap of 15 or District machine cap of 228.
- 7.5 Additional gaming machines will only be considered in the Waikanae Ward if the increase does not breach the District venue cap of 15 or District machine cap of 228.
- 7.5 In the event that, for example, two or more existing clubs amalgamate, then the location, population and proposed number of machines will be considered relative to the objectives outlined in sections 3 and 6 of this policy.
- 7.6 The number of gaming machines permitted in new venues, (licensed after the Act came into force), will be subject to consent criteria contained in this policy and limited to a maximum of 9 machines; as specified by the Act.

8. Applications for New Venues

- 8.1 Application for new Class 4 gaming venues or additional gaming machines at existing venues must be made on the approved form (available from the Council Compliance Manager) and must provide:
- i. A site plan covering both gambling and other activities proposed for the venue.
 - ii. A copy of the current on licence or club liquor licence under the Sale of Liquor Act 1989.
 - iii. The name and contact details of the applicant.
 - iv. The street address of the proposed or existing Class 4 gaming venue.
 - v. A copy of any certificate of compliance or resource consent required for the primary activity of the venue under the District Plan.
 - vi. Application Fees

8.2 Application fees are as follows:

- i. Deposit of \$2000.00 for new venue applications.
- ii. Deposit of \$400.00 for all other applications.
- iii. Hearing fee of \$675.00.
- iv. Processing time at \$90.00/hour.

(All fees are inclusive of GST. Deposits are non-refundable)

8.3 Applications will be considered by order of the date completed applications are received at the Council Offices.

8.4 Applicants will be advised when additional Class 4 Venue or Machine capacity is available.

9. Next Policy Review

9.1 In accordance with section 102 of the Gambling Act 2003 this policy will be reviewed by the Council in 2013.

OPTION TWO



Statement of Proposal

**PROPOSAL TO REVIEW POLICY THE KĀPITI COAST DISTRICT CLASS 4
GAMBLING POLICY**

January 2011

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INTRODUCTION

The Gambling Act 2003 (the Act) came into effect on 18th September 2003 and replaced the Gaming and Lotteries Act 1977 and the Casino Control Act 1990. It covers both casinos, premises containing electronic gambling machines, and TABs.

The Gambling Act 2003 was introduced at time when the country was experiencing very rapid growth in Class 4 gaming venues and gaming machine numbers. This growth in Class 4 gambling opportunities was causing serious concern amongst many communities and social agencies. Domestic and overseas studies were presenting more evidence to show that Class 4 gambling was a significant driver of problem gambling. Class 4 gambling encompasses pubs and clubs who operate non-casino gaming machines (commonly referred to as 'pokies'), it also includes TABs and sports betting outlets.

A gambling survey conducted in 2003 showed that 83.6% of callers to the gambling helpline blamed Class 4 gambling machines (pokies) as the primary cause for their gambling addiction. TABs and other forms of sports betting did not appear to be so addictive.

Problem gambling is described as a pattern of gambling behaviour that disrupts and damages a person's life, their friendships, family relationships and job interests. Problem gamblers suffer from increased rates of bankruptcy, arrest, imprisonment, unemployment, divorce and poor physical and mental health. There is also evidence to suggest that problem gamblers have higher rates of alcohol abuse and suicide. Their effect on the community is far reaching and a 1999 Australian report estimated that around seven other people are affected to some extent by a single problem gambler's behaviour.

Two key sections of the Gambling Act 2003 focused on attempting to manage the growth and social impact of Class 4 Gambling. Section 101 of the Act empowered territorial authorities to set their own local limits on the location and number of Class 4 gambling venues and machines, following an assessment of the social impacts of Class 4 gambling in their

respective communities. Section 102 of the Act established an additional requirement that every territorial authority must review their policy every 3 years.

KĀPITI COAST DISTRICT COUNCIL GAMBLING POLICY 2004

In June 2004 a study was conducted to measure the demographics of the Kāpiti Coast District relative to the indicators that identify problem gamblers. The indicators for problem gambling were: 'aged 25 – 34, Maori, Asian or Polynesian, no formal qualifications, unemployed, plant and machine operators and other elementary occupations, lower income earners and larger household size'. Overall the Kāpiti Coast District scored low in terms of susceptibility to problem gambling, but there were specific areas such as Ōtaki that were at higher risk.

In late 2003 the Kāpiti Coast District Council recognised the negative potential impact of problem gambling and the spiralling growth of Class 4 venue and gaming machine numbers at that time. The 2004 Class 4 Gambling Policy introduced a cap on stand-alone TAB venues (1), Class 4 gaming venues (15) and gaming machines (228), effectively holding them at December 2003 levels.

KĀPITI COAST DISTRICT COUNCIL GAMBLING POLICY 2007

In July 2007 in accordance with section 102 of the Gambling Act 2003 the Kāpiti Coast District Council conducted a second review of its Class 4 Gambling Policy.

At that point national statistics showed that Class 4 Gambling expenditure had experienced a slight decline (less than 1%), possibly as a result of the impact of the Gambling Act 2003, but more likely as a result of competition from other modes of gambling, such as internet gambling, Lotto or racing and sports betting, which all experienced an increase in gambling expenditure.

Despite this slight reduction in Class 4 gambling expenditure the Problem Gambling Foundation of New Zealand¹ reported that the most addictive mode of gambling remained non-casino gaming machines (pokies), with 78.6% of callers to the Gambling Helpline still reporting that pokies were their primary problem (PGF 2005).

The 2007 Social Impact Review showed that the 2004 Gambling Policy Cap on stand alone TABs, gaming venues and machines, had been beneficial for the Kāpiti Coast District in terms of curtailing the rapid growth of Class 4 gambling. By December 2007 the District recorded an average of 1 gaming machine to 154 adults over the age of 18 years compared to 1 gaming machine to 149 adults in December 2003. Over the same period a combination of factors such as the impact of territorial authorities' gambling policies, industry consolidation of

¹ The Problem Gambling Foundation of New Zealand (PGF) is a national non-profit organisation predominantly funded by the Ministry of Health with funds received from the gambling levy. PGF is the largest single treatment provider for problem gambling in Australasia with over 60 locations throughout New Zealand and a website providing information on gambling statistics, gambling harm and trends: www.pgfnz.org.nz

venues and gaming machine numbers, and a rising national population, resulted in a national improvement of gaming machines to adults from 1 machine for every 121 adults in December 2003, to 1 machine to 152 adults in December 2007.

The 2007 Social Impact Review also continued to show a significant disparity in the spread of machines across the District, with higher risk locations like Ōtaki continuing to record a far higher ratio of gambling machines to adults. The review also showed that from the grants information supplied, on average only 24%² of the monies lost on gambling in the Kāpiti Coast Community was directly returned to charities or sports institutions in the District. This is well below the 33% that societies are required to return, which means that the Kāpiti Coast loses money to charities outside of the District³.

The primary goal of the Kāpiti Coast District Council Gambling Policy 2007 was to acknowledge and deal with the disproportionate number of Class 4 gambling machines in some of the District's most vulnerable locations. In response to this issue the 2007 Policy retained the district wide cap of venues and gaming machines at existing levels thereby retaining the ratio of gaming machines to adults at 1:154, but applied this ratio at a ward rather than district level. The Policy acknowledged the vulnerability of some communities in the District to problem gambling. It meant that some wards in the District, such as Ōtaki and Paekākāriki, were left with a 'sinking lid'⁴ on gaming machine numbers, while other areas of the District could increase their number of gaming machines. However, increases could only occur if there were corresponding decreases in Ōtaki and Paekākāriki first.

Despite adopting a sinking lid policy in the wards with the highest vulnerability, the Council could not force existing venues in those locations to reduce the number of gaming machines in operation. The Policy is very effective at stopping new venues and gaming machines from entering the District, but only impacts on existing Class 4 gambling activities when those venues close for six months or more and lose their Class 4 vending license.

In addition to the above changes the 2007 Policy also approved a TAB venue at the Ōtaki Māori Racing Club. This was done in recognition of the Māori Racing Club's importance to the District and the need to help secure its ongoing financial viability. This change increased the number of TABs in the District to a maximum of two, but made no provision for the Ōtaki Maori Racing Club to install Class 4 gaming machines.

SUMMARY OF THE KĀPITI COAST DISTRICT COUNCIL SOCIAL IMPACT REVIEW 2010

The Kāpiti Coast District Council last reviewed its Class 4 Gambling Policy in early 2004 and again in July 2007. Three years on, it is now time to review the social impact of Class 4 gambling and determine if the existing Policy requires any modifications. Attached as Appendix One is a social impact study conducted in July this year. This report covers both

² This figure may not include regional charities or sports groups that serve the wider region including Kāpiti.

³ Some of this money may be given to charities or sports organisations who service the wider region including Kāpiti.

⁴ A sinking lid policy means that if a current venue loses its trading license for a period of 6 months or more then it also automatically loses its license to run gaming machines.

national and local gambling trends and considers the impact of Class 4 gambling in the Kāpiti Coast District. Key trends from the study are as follows.

- There is a continuing decline at a national level in gambling expenditure on Class 4 gambling (including TABs), and a shift to other modes of gambling such as Lotto.
- Class 4 gambling still accounts for a significant proportion of problem gambling calls to the gambling hotline⁵.
- The Kāpiti Coast District now records on average more gaming machines to adults than the national average (refer Table 1).
- At a ward level Ōtaki continues to record a very high number of machines to adults – over double the national average.
- In terms of problem gambling indicators the District continues to show an overall low to mid range problem gambling risk. However, at a ward level, Ōtaki records a much higher potential risk for problem gambling.
- The District spends slightly less on Class 4 gambling than the national average.
- There has been little change to venue and gaming machine numbers in Ōtaki despite a sinking lid policy being adopted in July 2007.
- Since the last Policy review in July 2007 there has been some policy success with five Class 4 gaming machines shifting from the Paekākāriki community to Paraparaumu Ward.
- It appears that the Ōtaki community continues to subsidise sports and charity groups throughout the District and wider region. More gambling money could be spent on appropriate community groups and social services that directly mitigate the affects of problem gambling in this community.

Table 1: Ratio of Class 4 Gaming Machines to adults per Ward as at June 2010.

Ward	*Population over 18 yrs	Number of Licensed Class 4 Gaming Machines as at June 2010	Gaming machines to adults
Paekākāriki-Raumati	7,290	27	1:270
Paraparaumu	14,353	95	1:151
Waikanae	8,505	30	1:283
Ōtaki	6,847	**76	1:90
Kāpiti Coast District	36,910	228	1:162
New Zealand	4,184,600	19,115	1:218

*Total population statistics for NZ and Kāpiti District have been sourced from the Department of Statistics using 2006 Census results. Kāpiti ward population statistics have been calculated by KCDC Electoral Role counts which in total show an 85 person difference to the total Kāpiti District Population as recorded in the 2006 Census results.

**Licensed for 76 but only operating 72

⁵ PGF Gambling Hotline Survey, 2007.

The area of greatest concern remains the Ōtaki Ward. With five venues (one less than the Paraparaumu Ward), the second highest number of machines, and the lowest ward population, it appears to be targeted because of the community's higher likelihood of gambling. According to the indicators for problem gambling Ōtaki remains high risk. It has the highest Māori, Asian and Pasifika population in the District and the lowest socio-economic indicators. It is the ward with the least money to spend but has the largest number of gaming machines to adult population.

Compounding the situation is the fact that many of Ōtaki's gambling machines are highly concentrated in a shopping area more popular with locals than visitors⁶. Four venues and fifty four gaming machines are in close proximity of each other along Main Street, Ōtaki. These venues are well away from the State Highway One retail area which receives the greatest volume of visitors from outside of the Ōtaki area. The argument that these venues and gaming machines service a large number of visitors in addition to local residents is less persuasive than for the Paraparaumu Ward for example. In some cases there are exceptions, such as the Ōtaki Returned Services Association whose members come from throughout the wider area. However, some of the worst deprivation statistics in the District are recorded in the immediate vicinity of Main Street. It is an area least able to afford gambling losses, placing extra pressure on the community's wellbeing⁷.

Under existing legislation the Council has no capacity to arbitrarily reduce existing Class 4 venue or machine numbers, no matter how vulnerable the community is to problem gambling. However, despite this limitation, it is still important that the Council implement a Policy that recognises the risk of problem gambling in some of Kāpiti's most vulnerable communities, and at the very least, continues to take steps to ensure these vulnerable communities are not made any worse off.

PROPOSED OPTIONS FOR THE CLASS 4 GAMBLING POLICY 2010

Option One

Option One proposes an amendment to the current Gambling Policy, whereby the *national* ratio of gaming machines to adults rather than the *district* ratio is used to set district and ward caps.

⁶ The availability of gambling opportunities is fundamental to problem gambling and gambling-related harm. The opportunity to gamble has been identified for some time as an important risk factor for problem gambling. Both participation in gambling and the likelihood of problem gambling increase when gambling opportunities increase (Dickson et al 2002; Korn and Shaffer 1999; Lester 1994; Volberg 1994). Marshall (2005), in a study of two communities on the Gold Coast of Australia, showed that this was the case even when the average distance to a gambling venue was the same, but the density of gambling venues was higher. Marshall went as far as to suggest that his data supported the notion that gambling was 'supply' rather than 'demand' driven.

⁷ Refer to PGF report: 'Pokies, poverty, foodbanks and problem gambling in New Zealand', Problem Gambling Foundation, June 2010. www.pgfnz.org.nz.

The current 2007 Gambling Policy maintained the existing 2003 venue and gaming machine caps, but also uses the District wide ratio of gaming machines to adult population (as measured at the time of the last social impact review) to set gaming machine limits at a ward level. However, using the district ratio to set ward limits does little to ensure that this District's controls on gaming machines are measurable against the rest of the country. Using the national ratio of machines to adults as a benchmark to set ward limits is a more useful measure to ensure Kāpiti's gaming machine objectives are both reasonable and consistent in the national context.

The national ratio (or average) of gaming machines to adults is a reliable goalpost that helps to ensure Kāpiti's Gambling Policy is continuing to aim for a 'middle of the road' policy position that is neither 'anti' or 'pro' Class 4 gambling. This policy position is justified by:

- the District's low to mid level overall gambling risk;
- the potential for problem gambling in specific communities; and
- the benefits Class 4 gambling proceeds bring to many local charities and sports groups.

The national average is constantly changing, but it is recommended that the Kāpiti Coast District Council gauge its policy position relative to the national average every three years when the social impact review is done.

Making this change will result in a Policy goal for the next three years that encourages the following shift in gaming machines across the District:

Table 2: Gaming machine limits under Option One

Ward	Current no. of gaming machines as at June 2010	Permitted no. of gaming machines in each ward under 2010 Policy	Potential Change	Gaming machines to adults (apprx)
Paekakariki – Raumati	27	33	+6	1:218
Paraparaumu	95	66	-29	1:218
Waikanae	30	39	+9	1:218
Ōtaki	76	31	-45	1:218
TOTAL DISTRICT	228	169	-59	1:218

The changes proposed in Table 2 will result in the current sinking lid policy on gaming machines remaining in place for the Ōtaki Ward. It will also mean a sinking lid policy on gaming machines in the Paraparaumu Ward. The overall result of these two sinking lid policies is a district wide reduction of 59 gaming machines. This will mean that for the next three years the district wide cap on gaming machines will change from 228 machines to 169 machines.

Table 2 also shows that there are opportunities for more gaming machines in the Paekākāriki-Raumati and Waikanae Wards, but only once the new district wide cap of 169 non-casino gaming machines has been achieved and subject to the following conditions:

- the total overall district wide venue cap (15) is not breached;
- that any additional gaming machines in the Paekākāriki-Raumati Ward will only be placed in Raumati;
- Section One of the Kāpiti Coast District Gambling Policy is not breached, and
- the Gambling Act 2003 is not breached.

Option One directly focuses on the Kāpiti Coast’s biggest issue with regard to Class 4 gambling – the clustering of gambling machines in Kāpiti’s most vulnerable communities. The national average will be subject to rises and falls but is unlikely to ever record ratios of gaming machines to adults as intense as Ōtaki’s. Aiming for the national average is a mid range goal for a District with an overall mid range problem gambling risk.

An example of what Option One would look like as a Draft Policy is attached as Appendix 2.

Option Two

Option Two proposes no change to the existing district and ward caps as proposed in the 2007 Kāpiti Coast District Class 4 Gambling Policy. This would mean that the District’s wards would continue to aim for the District average which now stands at a ratio of 1 machine to 162 adults (as at June 2010). Although a slight improvement on the 2007 average (on account of population increase), this ratio is now well behind the national ratio of 1:218. Three years ago Kāpiti recorded a better ratio than the national average. Table 3 provides a summary of Class 4 gaming machine controls under Option Two.

Table 3: Gaming machine limits under Option Two.

Ward	Current no. of gaming machines as at June 2010	Permitted no. of gaming machines in each ward under 2010 Policy	Potential Change	Machines to adult ratio if changes are made (apprx)
Paekākāriki – Raumati	27	45	+18	1:162
Paraparaumu	95	88	-6	1:162
Waikanae	30	53	+23	1:162
Ōtaki	76	42	-34	1:162
TOTAL DISTRICT	228	228	0	1:162

Retaining the District average to set ward gaming machine limits would still mean that a sinking lid policy would remain in place in the Ōtaki Ward. Paraparaumu Ward would also be

subject to a sinking lid policy for the next three years and increases in other wards would only be able to occur if there were corresponding decreases in Ōtaki and Paraparaumu first. Increases in these other wards with spare capacity would also only occur subject to the following conditions:

- the total overall district wide venue cap (15) is not breached;
- that any additional gaming machines in the Paekākāriki-Raumati Ward will only be placed in Raumati;
- section one of the Kāpiti Coast District Gambling Policy is not breached, and
- the Gambling Act 2003 is not breached.

Option Two, like Option One, prevents Kāpiti's most vulnerable community, Ōtaki, from getting any worse and encourages gaming machine reductions in the most oversupplied wards. The difference between the two Options is that Option One is measured against national trends, Option Two compares Kāpiti against itself.

RECOMMENDED OPTION

It is recommended that the Kāpiti Coast District Council adopt Option One. Setting a benchmark against the national average establishes a middle ground Class 4 gaming machine policy position appropriate to Kāpiti's mid range level of gambling risk.

The strength of Option One lies in that, while adopting a middle ground approach overall, it also targets the greatest area of concern in the District with regard to social well-being.

Option One aims to achieve a more even spread of gaming machines to adults across each ward by adopting a policy approach that determines gaming machine numbers based off the national average of gaming machines to adult population. Using the national average as a guide to setting gaming machine controls is justified on the basis that Kāpiti's latest Social Impact Review continues to indicate that the District (as a whole) is at low to mid range risk of problem gambling harm.

The only significant issue with this policy approach is that it is a fairly simplistic instrument, in that it only uses one measure (machines to adult population) to determine appropriate ward caps. It fails to take into account other factors such as the potential for outside visitors to each ward, the average age of ward residents or their respective incomes. For example some wards such as Paraparaumu could possibly accommodate more machines than the national average, while others such as Waikanae, with a high number of elderly fixed income residents, less. Overall however, the national average is a sound guide that helps to ensure the Council cannot be perceived as biased for or against Class 4 gambling (particularly when the District records a low to medium risk of gambling harm) while still allowing the targeting of areas of concern.

NEW ZEALAND BILL OF RIGHTS IMPLICATIONS

The Local Government Act 2002 requires that the Council determine whether there are any implications for the policy under the New Zealand Bill of Rights Act 1990. No bylaw or policy may be made that is inconsistent with that Act. It is not foreseen that the proposed policy will contain any provisions that will be in conflict with the New Zealand Bill of Rights Act 1990.

The final draft of the policy will be considered by the Council following the prescribed special consultative procedure and the Council may then consider the final format of the policy and its New Zealand Bill of Rights Act 1990 implications, if any.

CONSULTATIVE PROCEDURE

Section 102 of the Gambling Act 2003 stipulates that the must be used when consulting on this Policy. The Gambling Act 2003 also requires direct consultation with gambling societies and organisations representing Maori. The Special Consultative Procedure requires the initiation of a formally advertised Summary of Information, presentation of a Statement of Proposal with a submission form (Appendix 4), and a minimum 1 month public consultation period.

The proposed consultation plan is as follows:

TASK	DATE
Council approval of Statement of Proposal for public consultation	16 December 2010
Submissions Open	21 January 2011
Submissions Close	25 February 2011
Hearing of Public Submissions	TBA*
Council Decision	TBA*
Effective Date of Bylaw	TBA*

** Meeting dates will be confirmed in the New Year*

METHODS FOR MAKING SUBMISSIONS

Submissions may be made in writing. A submission form is attached. Additional forms can be obtained from the Council website: www.Kāpiti.coast.govt.nz, at Council service centres or requested through the mail.

THE PERIOD WITHIN WHICH SUBMISSIONS CAN BE MADE

The closing date for submissions is 4pm on Friday 25 February 2011.

Submissions may be delivered by hand to the above-named service centres or posted to:

Kāpiti Coast District Council
Private Bag 60601
PARAPARAUMU

Submissions can also be faxed to 04 296 4830 or e-mailed to:
kapiti.council@kapiticoast.govt.nz

All submissions should be marked: **“Draft Kapiti Coast District Council Gambling Policy 2010”**

HEARING OF SUBMISSIONS

Persons making submissions who wish to be heard by Council will be given the opportunity to do so. The time and venue for the hearing of submissions will be advised later. Submitters wishing to be heard will be advised individually but must indicate on their written submission that they wish to also present an oral submission.

ATTACHMENTS

Appendix 1: **Class 4 Gambling Social Impact Review 2010**

Appendix 2: Draft Class 4 Gambling Policy

Appendix 3: Submission Form

APPENDIX ONE:

Social Impact Review

APPENDIX TWO:

Class 4 Gambling Policy

APPENDIX THREE:

Submission Form

Pursuant to the Gambling Act 2003

SUBMISSION to the Draft Kapiti Coast District Class 4 Gambling Policy 2010

Name:

Address:

.....

.....

Phone Number:

Fax Number:

Email Address:

Do you wish to be heard in support of your submission?

- Yes No

If others wish to make a similar submission would you be prepared to consider presenting a joint case?

- Yes No

I have attached pages to this submission

Signature:

(Signature of person making submission or person authorised to sign on behalf of person making submission)

Date:

Please note that all submissions (including names and contact details) may be made publicly available at council offices, public libraries and on the Kapiti Coast District Council website. A summary of submissions, including the name of the submitter may also be made available. Personal information will also be used for administration relating to the subject matter of the submissions, including notifying submitters of subsequent steps and decisions. All information will be held by the Kapiti Coast District Council at 175 Rimu Road, Paraparaumu, with submitters having the right to access and correct personal information.



Office Use only

File Ref:

Draft KCDC Gambling Policy 2010

Submission No:

Date Received:

Submissions close:

Friday 25 February 2011 at 4pm

Please send your submission to:

*Kapiti Coast District Council
Private Bag 60601
PARAPARAUMU*

Fax: 04 296 4830

Email: kapiti.council@kapiticoast.govt.nz

SUMMARY OF INFORMATION

Proposal to Review the Kapiti Coast District Council Class 4 Gambling Policy in accordance with Section 102 of the Gambling Act 2003.

In accordance with section 102 of the Gambling Act 2003 the Kāpiti Coast District Council has conducted its third study on the local impact of Class 4 Gambling, with the intent to review its Class 4 Gambling Policy.

The primary goal of the current Kāpiti Coast District Council Class 4 Gambling Policy was to acknowledge and deal with the disproportionate number of Class 4 gambling machines in some of the District's most vulnerable communities. The Draft Policy being proposed for 2010 aims to continue this focus.

The Kapiti Coast District Council is committed to reducing real or potential gambling harm in the Districts most high risk locations; whilst also acknowledging the importance of gambling grants for the financial viability of many local sports clubs and charities and the Districts overall mid to low risk to problem gambling.

The Kapiti Coast District Council has considered these factors and proposed an amendment to the current Gambling Policy. This amendment involves setting a cap on the number of Class 4 gaming machines at a ward level using the national average of Class 4 gaming machines to adults as a benchmark.

In accordance with section 83 of the Local Government Act 2002 the Council will use the Special Consultative Procedure to consult with the public. A Statement of Proposal with the latest Social Impact Review and Draft Policy attached has been produced, and is available for the general public to view and provide feedback on. The public submission period starts today and will run for one calendar month.

WHERE TO INSPECT THE STATEMENT OF PROPOSAL AND THE METHOD OF OBTAINING COPIES

Council Service Centres at:

Otaki: Main/Aotaki Street, 06 364 8039

Waikanae: Mahara Place, 04 296 4761

Paraparaumu: Council Offices, 175 Rimu Road, Private Bag 60601, 04 296 4700

Copies may also be obtained from the Council website: www.kapiticoast.govt.nz and by mail. Please phone 04 296 4700 to request a copy by mail.

METHODS OF MAKING SUBMISSIONS

Submissions may be made in writing. Submission forms can be obtained from Council Service Centres, from the website or by mail.

Submissions can be mailed to:

Kapiti Coast District Council

Private Bag 60601

Paraparaumu

Or faxed to 04 296 4830 or email: kapiti.council@kapiticoast.govt.nz.

And marked: **Draft Kapiti Coast District Council Gambling Policy 2010**

THE PERIOD WITHIN WHICH SUBMISSIONS MAY BE MADE

The closing date for submissions is **4pm on Friday 25 February 2011.**