

Chairperson and Committee Members
STRATEGY AND POLICY COMMITTEE

18 OCTOBER 2018

Meeting Status: **Public**

Purpose of Report: For Decision

REVIEW OF THE CLASS 4 GAMBLING POLICY 2011 AND TAB BOARD VENUE GAMBLING POLICY 2011

PURPOSE OF REPORT

- 1 This report seeks the Committee's approval for:
 - a) Proposed amendments to the Class 4¹ Gambling Policy 2011 to create a draft Kapiti Coast District Council Class 4 Gambling Policy 2018 (draft Policy, see Appendix 1); and
 - b) Proposed amendments to the TAB Board Venue Gambling Policy 2011 to create a draft Kapiti Coast District Council TAB Board Venue Gambling Policy 2018 (draft Policy, see Appendix 2); and
 - c) Publicly notifying the draft Statement of Proposal for the draft 2018 Policies using the special consultative procedure (see Appendix 3).

DELEGATION

- 2 Under Section B1 of the Governance Structure and Delegations for the 2016-2019 Triennium, the Strategy and Policy Committee is responsible for the development and review of strategies, plans, policies and bylaws.

BACKGROUND

Legislative Requirements

- 3 The Gambling Act 2003 (the Act) was established to control the growth of gambling and prevent and minimise the harm caused by gambling, including problem gambling. It also ensures that money from gambling benefits the community.
- 4 The Act covers both casinos and premises containing gaming 'pokie' machines including TAB Board venues², however territorial authorities are only required to set limits for non-casino venues and pokie machines. These limits are to be set on location and number of Class 4 venues and pokie machines (Section 101 of the Act) following a social impact study of Class 4 gambling within an authority's community.

¹ Class 4 gambling encompasses pubs and clubs that operate non-casino gaming (pokie) machines, it also includes TABs and sports betting outlets.

² TAB Board venue is a New Zealand Racing Board venue. It can hold a Class 4 gambling licence to operate pokie machines.

- 5 Section 102(5A) of the Act requires territorial authorities to consider whether to include a relocation policy in their class 4 venue policies, the first time a review is commenced after 2013³ and this applies to the current review.
- 6 Section 102 of the Act requires that the Class 4 Gambling Policy be reviewed every three years after the Policy was adopted.
- 7 Section 65D of the Racing Act 2003 requires every territorial authority to have a policy on TAB Board venues, specifically number and location of venues within the authority's district.
- 8 Section 65E of the Racing Act requires that the TAB Board Venue Policy be reviewed every three years after the Policy was adopted.
- 9 The LGA 2002 requires that Council consider any implications that could arise under the New Zealand Bill of Rights Act 1990 (NZBORA).
- 10 The LGA 2002 also requires that Council consult with the community on both policy reviews, and give public notice of when the new policies come into operation. This process would involve revoking the existing Class 4 Gambling Policy 2011 and TAB Board Venue Gambling Policy 2011, and adopting the proposed Class 4 Gambling Policy 2018 and TAB Board Venue Gambling Policy 2018 in place of both these separate policies.
- 11 To enable public understanding of the policy review process and the proposed amendments to both policies, Section 83 of the LGA 2002 requires Council to present a Statement of Proposal.

Purpose of the Policies

- 12 The purpose of the Class 4 Gambling Policy is to manage the growth and social impact of 'Class 4 gambling' in communities. The purpose of the TAB Board Venue Gambling Policy is to manage the number and location of stand-alone TAB Board venues within the District.
- 13 Class 4 gambling involves gambling:
 - that uses or involves a gaming machine ('pokie' machine);
 - where the proceeds are distributed for authorised purposes, e.g. sports clubs;
 - where no commission is paid;
 - that satisfies relevant gaming rules; and
 - is categorized by the Secretary for Internal Affairs as class 4 gambling.
- 14 A class 4 venue is a place that conducts class 4 gambling (e.g. a 'pub') and can include a venue owned or leased by the NZ Racing Board or a Racing Club – called a 'TAB Board venue'.
- 15 Class 4 pokie machines are owned and operated by club and non-club societies. These non-profit organisations are required to distribute a portion of gaming (pokie) machine proceeds to community groups. Remaining proceeds are distributed as prizes, operating expenses and government fees.

³ Gambling (Gambling Harm Reduction) Amendment Act 2013

Problem Gambling

- 16 Problem gambling is a pattern of gambling behaviour that disrupts and damages a person's life, their friendships, family relationships, employment and finances. Problem gamblers suffer from increased rates of bankruptcy, arrest, imprisonment, unemployment, divorce, alcohol abuse and poor physical and mental health. A 2010 Ministry of Health Report estimated that every person with a gambling problem affects between five and ten other people with their gambling behaviour. A majority of New Zealanders with gambling problems say pokies are the way they usually gamble.

Kāpiti's Previous Gambling Policies

- 17 The 2004 Class 4 Gambling Policy introduced a district-wide cap on:
- stand-alone TAB Board venues (1);
 - Class 4 venues (15);
 - and pokie machines (228), effectively holding the December 2003 levels.
- 18 This was in response to the increased numbers of both Class 4 venues and pokie machines and the potential negative effect of problem gambling on the District.
- 19 The 2007 Policy kept the district-wide cap on venues and pokie machines at existing levels by keeping the ratio of pokie machines to adults at 1:154, but applied the ratio at a ward, rather than district level. The Policy recognised the vulnerability of some members of the community to the effects of problem gambling.
- 20 It meant that some wards, such as Ōtaki and Paekākāriki, were left with a 'sinking lid'⁴ on pokie machine numbers, while other areas could increase their number of pokie machines. However, increases could only occur if there were corresponding decreases in Ōtaki and Paekākāriki first. The overall district-wide number of venues (15) and pokie machines (228) stayed at 2003 levels. However, the number of stand-alone TAB Board venues increased from one to two.
- 21 The 2010 review noted an overall reduction in the ratio of pokie machines to adults (18 years+) due to population increase and adherence to the policy district cap on both venue and pokie machine numbers. The Ōtaki ward continued to record a high number of problem gambling risk indicators, as well as the highest proportion of venues and pokie machines to the adult population.
- 22 The 2011 Policy (following the 2010 review) kept machine and venue numbers across the District to 228 and 15 respectively. Caps on pokie machines were set at ward levels, based on population per ward and the District ratio of one machine to 162 adults⁵. The Policy restricted the entry of any new machines to Ōtaki and shifted existing allocation caps to other wards with a lower average of machines to local adult population.

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

⁵ The total district population was 36,910 and there were 228 machines across the wards. This set the ratio of one machine to 162 adults. This ratio was applied against each ward population to determine the number of machines allowed to operate at the ward level.

ISSUES AND OPTIONS

Review Process 2018

- 23 In reviewing both the Class 4 Gambling Policy 2011 and the TAB Board Venue Gambling Policy 2011, consideration was given to the balance between the potential harm to health and the economic and recreational benefits of pokie machine gambling, upon individuals, families and the Kāpiti Coast community.
- 24 The review is a legal requirement and was carried out to determine whether both policies were fit for purpose.
- 25 This review included:
- a social impact study on both national and local gambling trends and specifically, the impact of Class 4 gambling in the Kāpiti Coast District;
 - informal consultation with stakeholder groups, including: Problem Gambling Foundation, Department of Internal Affairs, Ministry of Health, New Zealand Racing Board, local community groups, class 4 venue operators, Council Iwi Partnership Committee, Te Whakaminenga o Kāpiti and Council's Iwi Relationships Manager; and
 - a legal review to assess whether existing policies still achieved objectives outlined in the Gambling Act 2003 and the Racing Act 2003.
- 26 The review identified four points for analysis. These are:
1. caps on pokie machines and class 4 venue numbers;
 2. relocation policy inclusion within the class 4 gambling policy;
 3. changes to the Fees charged for venue and pokie machine applications; and
 4. caps on TAB Board venue numbers.

These points are addressed as follows:

Caps on pokie machine and venue numbers

- 27 As at April 2018, the District had 12 Class 4 gaming venues and 192 pokie machines in operation (see Table 1 & Table 2).

Table 1: Changes in venue and pokie machine numbers in the Kāpiti Coast District from 2010 to 2018

	2010/11	2018	Change
Venues	15	12	-3
Pokie Machines	228	192	-36

28 The ward breakdown for the above table is as follows in Table 2.

Table 2: Changes in venue and pokie machine numbers across wards from 2010 to 2018

Ward	Venues		Pokie Machines		Current Policy Cap
	Change since 2010	Current number	Change since 2010	Current number	
Paekākāriki - Raumati	No change	2	No change	27	45
Paraparaumu	-1	5	-9	86	89
Waikanae	-1	1	-12	18	52
Ōtaki	-1	4	-15	61	42
TOTAL	-3	12	-36	192	228

29 Since 2010 there has been a reduction of 36 machines and three venues across the district. By ward, there have been the following changes:

- Paekākāriki-Raumati ward – no change
- Paraparaumu ward – less one venue and nine pokie machines
- Waikanae ward – less one venue and 12 pokie machines
- Ōtaki ward – less one venue and 15 pokie machines.

30 This means that if the current caps are retained, there is room within the caps for 36 machines and 3 venues to be established in the District. However, these would not be permitted in Ōtaki, which already exceeds its pokie machine cap.

31 Kāpiti's overall ratio of machines to adults over the age of 18 years of age has reduced since 2010 from 1:162 to 1:199 as a result of population increases and a district cap on venue and machine numbers. This latest district ratio is comparable with the current national ratio of 1:206 adults.

32 The Ōtaki Ward continues to hold the highest ratio of machines to persons, 1:108, however this has improved from the previous ratio of 1:90 in 2011. Since then, the number of venues has dropped from five to four, and the number of pokie machines has fallen by 15 from 76 to 61.

33 Ōtaki continues to be a high risk area according to the criteria for assessing problem gambling, however under the current policy rules, the 'sinking lid' policy prohibits any new or additional pokie machines and venues from establishing in the ward.

Economic cost/Benefit from Class 4 Gambling

34 Despite a national decline in numbers of class 4 venues and pokie machines, nationwide spending on pokie machines continues to rise. In contrast, venue/machine numbers in Kāpiti have fallen, along with spending on

gambling, and grants returned to the District have fluctuated⁶. In 2017 \$573,000 in grants was given by non-club societies to the District compared to a return of \$1,887,974 in 2010. The predominant recipients of grants have been sports groups followed by community groups and education.

- 35 According to a recent Problem Gambling Foundation report, the District has an overall low-to-mid range problem gambling risk.
- 36 As pokie machine and venue numbers are operating below the cap requirements; there is some financial benefit to the District; and Kāpiti is an overall low-to-mid range problem gambling risk, it is proposed that no changes be made to the current policy caps.

Relocation policy

- 37 Council's current Class 4 Gambling Policy contains a relocation policy that applies only when an existing class 4 gambling venue ceases to operate.
- 38 When this happens, the Class 4 venue licence can be relocated to another venue. This allows the conditions of the venue that is closing to be moved, e.g. if 18 machines in the existing venue, then 18 machines can be relocated to another venue.
- 39 However, the policy is silent on existing venues that stay open, (e.g. as a pub, club or TAB Board venue) but no longer wish to run pokie machines (class 4 venue licence).
- 40 When a venue operator does wish to stay open but no longer have pokie machines, then under the current policy, machines cannot be relocated to another venue.
- 41 If the community wanted to allow those machines to be relocatable, a clause must be added to the policy permitting their relocation.
- 42 In the current climate, such a relocation policy is not required as the machine numbers operating at present, are below cap requirements. Therefore, Council is not proposing any change to the existing relocation policy.

Changes to the Fees charged for venue and pokie machine applications

- 43 The current Class 4 Gambling Policy requires applicants for new venues and pokie machines to pay the following application fees:
 - i. Deposit of \$2000.00 for new venue applications.
 - ii. Deposit of \$400.00 for all other applications.
 - iii. Hearing fee: \$125 per hour per Elected Member.
 - iv. Processing time at \$125/hour.
- 44 These fees are outdated. It is proposed that in Council's next Annual Plan (2019/20) these outdated fees be removed entirely from the Policy and an application processing fee be charged as per the *Schedule of User Fees and Charges*. The current equivalent application processing fee is \$155.

⁶ See Social Impact Review for further information: 6.3 - Economic Cost/Benefit from Class 4 Gambling on the Kāpiti Coast

Caps on TAB Board venue numbers

- 45 Council's current TAB Board Venue Policy has a cap of two on TAB Board venues within the district. At present there are no TAB Board venues operating in Kāpiti and this has been the case for several years since the 2011 review.
- 46 The *status quo* would mean keeping the two TAB Board venues policy cap. While there are no venues operating at present, this would allow for their establishment (up to the cap of two) without increasing any more potential harm than exists already under the current policy conditions. With regard to hosting pokie machines, TAB Board venues are subject to the same policy criteria and application process as any other venues that apply for a class 4 venue (pokie machine) licence.
- 47 Therefore, it is proposed that no changes be made to the current policy cap.

CONSIDERATIONS

Policy considerations

- 48 Council is not proposing any significant amendments to the existing Class 4 Gambling Policy or TAB Board Venue Policy, but would like to propose some minor changes to the Class 4 Gambling Policy to align the Class 4 gambling fees structure with current charges and fees as set out in the Council's Fees and Charges Schedule. (A summary of all proposed changes in the draft 2018 policies can be found in Table 3 of the Statement of Proposal).

Legal considerations

- 49 Council is required by both the Gambling Act 2003 and the Racing Act 2003 to review its Class 4 Gambling Policy and TAB Board Venue Gambling Policy respectively, every three years. The process for reviewing and adopting both policies is prescribed by the LGA 2002.
- 50 Both Acts also require that once policies are adopted, amended or replaced, the territorial authority must provide copies of the final policies to the Secretary for Internal Affairs and in the case of the Board Venue policy, to the New Zealand Racing Board.
- 51 Council's Legal Counsel has been involved in all stages of these policy reviews.

Financial considerations

- 52 There are no financial implications for the Council to consider in approving the release of the Draft Kapiti Coast Class 4 Gambling Policy 2018 or the Draft Kapiti Coast TAB Board Venue Gambling Policy 2018 for public consultation.

Tāngata whenua considerations

- 53 Te Whakaminenga o Kāpiti and the Iwi Relationships Manager have been briefed on this review project.
- 54 Section 102(1) of the Gambling Act 2003 and Section 65E both set requirements for the territorial authority to give notice of proposed policies under the two Acts, in a manner that the authority considers appropriate, to organisations representing Māori in the territorial authority district.

SIGNIFICANCE AND ENGAGEMENT

Significance policy

- 55 Both the Class 4 Gambling Policy and TAB Board Venue Gambling Policy are deemed to have a low level of significance in accordance with Council's Significance and Engagement Policy; however, the legislation requires that the public be invited to participate in this review using the special consultative procedure as outlined under the LGA 2002.
- 56 Section 102(1) of the Gambling Act 2003 and Section 65E both set requirements for the territorial authority to give notice of proposed policies under the two Acts, in a manner that the authority considers appropriate, to each society that holds a Class 4 venue licence for a venue in the territorial authority district and to the New Zealand Racing Board.

Consultation already undertaken

- 57 Council officers have consulted with Department of Internal Affairs, Ministry of Health, Problem Gambling Foundation, local community groups, the New Zealand Racing Board and venue operators on this review of the two policies.

Engagement planning

- 58 Engagement has been planned in two phases:
 - a) During the pre-consultation review period, the existing policies were discussed with community groups, Department of Internal Affairs (DIA), Ministry of Health, Problem Gambling Foundation (PGF) and the New Zealand Racing Board.
 - b) The second stage of engagement will begin with the release of the Statement of Proposal calling for submissions from partners, community members, and interested stakeholders (proposed to begin 29 October 2018).
- 59 A communications plan has been developed for this project, and a range of communications channels are being used to inform key stakeholders and audiences.

Publicity

- 60 The Council is required to use the special consultative procedure to seek input into the draft 2018 Class 4 Gambling Policy and draft TAB Board Venue Gambling Policy.
- 61 A Statement of Proposal has been prepared which sets out information on the review process, what is being proposed, and how to make a formal submission.
- 62 If Council agrees with the recommendations to (i) adopt for consultation the Statement of Proposal and (ii) make it publicly available as part of a special consultative procedure under Section 83 of the LGA 2002, Council will use a variety of communication channels to publicise the consultation, including: our website; our Facebook page; newsletters such as Kapiti Update, Otaki Update, and Everything Kapiti; newspaper ads; radio advertising; media advisories; posters and flyers; and direct mail-outs.

RECOMMENDATIONS

63 That the Strategy and Policy Committee:

- a) Determines, subject to consultation, that the Draft Kapiti Coast District Council Class 4 Gambling Policy (Appendix 1) and the Draft Kapiti Coast District Council TAB Board Venue Gambling Policy (Appendix 2) are the most appropriate forms of policy and that there are no inconsistencies with the New Zealand Bill of Rights Act 1990;
- b) Adopts for consultation the Statement of Proposal to adopt the Draft Kapiti Coast District Council Class 4 Gambling Policy and the Draft Kapiti Coast District Council TAB Board Venue Gambling Policy (Appendix 3); and
- c) Agrees that the Statement of Proposal to adopt the Draft Kapiti Coast District Council Class 4 Gambling Policy and the Draft Kapiti Coast District Council TAB Board Venue Gambling Policy is made publicly available as part of a special consultative procedure under section 83 of the Local Government Act 2002.

Report prepared by	Approved for submission	Approved for submission
Sally Matich	Natasha Tod	Kevin Black
Policy Planner, Strategy and Planning	Group Manager Regulatory Services	Acting Group Manager Strategy and Planning

ATTACHMENTS

- Appendix 1 Draft Kapiti Coast District Council Class 4 Gambling Policy
- Appendix 2 Draft Kapiti Coast District Council TAB Board Venue Gambling Policy
- Appendix 3 Statement of Proposal to adopt the Draft Kapiti Coast District Council Class 4 Gambling Policy and the Draft Kapiti Coast District Council TAB Board Venue Gambling Policy

COUNCIL REPORT – APPENDIX 1

Council Policy
Title:

KAPITI COAST DISTRICT COUNCIL CLASS 4 GAMBLING POLICY 2018

1. Policy Validation

The Kapiti Coast District Class 4 Gambling Policy 2018 was approved at a meeting of the Kāpiti Coast District Council held on XXX 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
Class 4 Gambling	means gambling: <ul style="list-style-type: none">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; andv. 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

- i. To minimise gambling harm to Kāpiti Coast communities caused by Class 4 gambling.
- ii. To Control the growth of Class 4 gambling in the Kāpiti Coast District.
- iii. To ensure Class 4 gambling venues are appropriately located.
- iv. 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.
- v. To control the number of Class 4 gaming machines in the Kāpiti Coast District.
- vi. 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 district average (measured at April 2018).

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 (as per 2011 Policy). 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 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 and restrictions outlined in section 3, 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 are 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.
- 6.6 Where an existing Class 4 gambling venue is ceasing to operate, the Council may, at its own discretion, allow the transfer of existing venue conditions to another location(s) that meets the criteria of the policy.

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 district 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 167 adults aged 18 years and older (determined from the District average calculated as at April 2018¹) applies and is distributed in accordance with Table 1.

¹ District average calculated as follows: 38,184 adults/228 non-casino gaming machines = 167 adults to 1 gaming machine as at April 2018. Data sourced from Statistics New Zealand, Census of Population and Housing 2013 and 2006.

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

Ward	Population over 18 yrs ²	Current no. of gaming machines as at April 2018	Permitted no. of gaming machines in each ward under 2018 Policy	Approx Change Required	Gaming machines to adults
Paekākāriki – Raumati	7,587	27	45	+18	1:167
Paraparaumu	14,937	86	89	+3	1:167
Waikanae	9,018	18	52	+34	1:167
Ōtaki	6,642	61	42	-19	1:167
TOTAL DISTRICT	38,184	192	228	+36	1:167

- 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.
- 7.6 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 and rules outlined in sections 3, 4, 6 and 7 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 limited to a maximum of 9 machines; as specified by the Act.

8. Applications and Fees for Consents

- 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) and must provide:
- A site plan covering both gambling and other activities proposed for the venue.
 - A copy of the current on licence or club licence under the Sale of Liquor Act 1989.
 - The name and contact details of the applicant.
 - The street address of the proposed or existing Class 4 gaming venue.
 - A copy of any certificate of compliance or resource consent required for the primary activity of the venue under the District Plan.

² Data sourced from Statistics New Zealand, Census of Population and Housing 2013 and 2006.

8.2 Application fees are as follows³:

- i. Deposit of \$2000.00 for new venue applications.
 - ii. Deposit of \$400.00 for all other applications.
 - iii. Hearing fee: \$125 per hour per Elected Member.
 - iv. Processing time at \$125.00/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 is available.

8.5 Applications lodged with the Council (but not actioned because no additional Class 4 venue or gaming machine capacity exists) will be kept until the commencement of the next Gambling Policy Review, when at this time, applicants will be advised to re-lodge their application or allow it to expire.

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 2021.

³ Application fees are to be paid at the time an opportunity becomes available for additional venues or gaming machines. This set of fees will be removed and replaced by an application processing fee at the next Annual Plan 2019/20.

COUNCIL REPORT – APPENDIX 2

Council Policy Title:	KAPITI COAST DISTRICT COUNCIL TAB BOARD VENUE GAMBLING POLICY 2018
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1. Policy Validation

The Kapiti Coast District TAB Board Venue Gambling Policy 2018 was approved at a meeting of the Kāpiti Coast District Council held on XXX after completion of a public consultation process.

This Policy has been made pursuant to section 65D of the Racing Act 2003. It has also been reviewed in accordance with section 65E of the Racing Act 2003.

2. Interpretation

In this Policy, unless the context requires otherwise:

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.
TAB Board Venue	means a stand-alone venue that is owned or leased by the New Zealand Racing Board and is: <ul style="list-style-type: none">i. used mainly for racing or sport betting; orii. a racecourse

3. Objectives of the Policy

- 3.1 To support the purpose and intent of the Racing Act 2003.
- 3.2 To provide for the continued availability of TAB Board Venue gambling within the Kāpiti Coast District in accordance with the purpose and intent of the Racing Act 2003.
- 3.3 To encourage responsible gambling practices and attitudes in TAB Board Venues.

4. Scope of the Policy

- 4.1 This Policy covers stand-alone TAB Board Venues, which are owned or leased by the New Zealand Racing Board. Council consent is not required under current legislation to establish a TAB facility in a bar, hotel or club. If a TAB Board Venue wishes to host gaming machines a separate application must be made under Council's Class 4 Gambling Policy and the TAB Board Venue must also meet the additional criteria set out in that policy.

5. Rules Regarding TAB Board Venues

- 5.1 This Policy maintains the existing cap on stand-alone TAB Board Venues at **2**. No new stand-alone TAB Board Venues will be approved in any part of the Kāpiti Coast District if it means this cap will be exceeded.
- 5.2 Where an existing TAB Board Venue is ceasing to operate, the Council may, at its own discretion, allow the relocation of existing venue conditions to another location(s) that meets the criteria of the policy.

6. Next Policy Review

- 9.1 In accordance with section 65E of the Racing Act 2003 this policy will be reviewed by the Council in 2021.

COUNCIL REPORT – APPENDIX 3



STATEMENT OF PROPOSAL TO REVIEW THE KAPITI COAST DISTRICT CLASS 4 GAMBLING POLICY AND THE KAPITI COAST DISTRICT TAB BOARD VENUE GAMBLING POLICY

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MAKING A SUBMISSION

Council is requesting feedback on its draft Class 4 Gambling Policy and TAB Board Venue Gambling Policy. Submissions can be made in writing using the submission form, or via the Council's online submission portal. Hard copies of the submission forms are available from District libraries and service centres. To log your submission via Council's online submission portal, go to <http://consult-kapiticoast.objective.com/portal> and click on '2018 Review of Class 4 Gambling Policy and TAB Board Venue Gambling Policy'.

**The formal consultative period will last for five weeks, running
from
29 October 2018 to 30 November 2018.**

Persons who wish to be heard by Council will be given the opportunity to do so. If you wish to make an oral submission to councillors, please indicate YES on the submission form and ensure you have included your contact details. We will contact you to arrange a time for you to speak.

Submissions will be heard in February 2019.

INTRODUCTION

- 1.1 This Statement of Proposal relates to the proposed adoption of a **Class 4 Gambling Policy 2018** and the accompanying **TAB Board Venue Gambling Policy 2018** for Kāpiti Coast District Council.
- 1.2 The purpose of the Class 4 Gambling Policy is to manage the growth and social impact of 'Class 4 Gambling' in communities. The purpose of the TAB Board Venue Gambling Policy is to manage the number and location of stand-alone TAB Board venues within the District.
- 1.3 In reviewing both policies, consideration is given to the balance between the potential harm to health and the economic and recreational benefits of pokie machine gambling, upon individuals, families and the Kāpiti Coast community.
- 1.4 The Council has reviewed the current policies and is proposing no changes except for some minor amendments to align the Class 4 gambling fees structure with current charges and fees as set out in the Council's Fees and Charges Schedule.
- 1.5 Council is requesting feedback and this Statement of Proposal is to help understand the Review of the two policies.

LEGISLATIVE REQUIREMENTS

Gambling Act 2003 and Racing Act 2003

- 1.6 The Gambling Act 2003 requires that the Class 4 Gambling Policy be reviewed every three years from the day it was adopted.
- 1.7 The Racing Act 2003 also requires that the TAB Board Venue Policy be reviewed every three years from the day it was adopted.
- 1.8 Under both Acts, councils are required to set local limits on the location and number of Class 4 gambling venues, including TAB Board venues and 'pokie' machines, within their districts.
- 1.9 Under the Gambling Act 2003 the Council is also required to consider inclusion of a relocation policy within the Class 4 Gambling Policy. This would allow venues to relocate their class 4 gambling licence to another premise. There is a relocation policy already but it does not fit the Act's criteria for a relocation policy. Deliberation on a relocation policy

does not mean that such a policy is required, simply that consideration is given to such a policy.

1.10 While undertaking this review, the LGA 2002 requires Council to consider whether the policies give rise to any implications under the New Zealand Bill of Rights Act 1990 (NZBORA).

1.11 The LGA 2002 also requires that Council consult with the community on the policies review, and give public notice of when the new policies come into operation.

1.12 To enable public understanding of the policy review process and the proposed amendments, the LGA 2002 requires Council to present this Statement of Proposal.

BACKGROUND

Class 4 Gambling Venues and TAB Board Venues

1.13 A class 4 venue is a place that conducts class 4 gambling and can include a venue owned or leased by the NZ Racing Board or a Racing Club – called a ‘TAB Board venue’.

1.14 Class 4 gambling involves gambling:

- that uses or involves a gaming machine (‘pokie’ machine);
- where the proceeds are distributed for authorised purposes, e.g. sports clubs;
- where no commission is paid;
- that satisfies relevant gaming rules; and
- is categorized by the Secretary for Internal Affairs as class 4 gambling.

1.15 Class 4 pokie machines are owned and operated, by club and non-club societies (refer Terms and Abbreviations). These non-profit organisations are required to distribute a portion of gaming (pokie) machine proceeds to community groups. Remaining proceeds are distributed as prizes, operating expenses and government fees.

Problem Gambling

1.16 Problem gambling is a pattern of gambling behaviour that disrupts and damages a person’s life, their friendships, family relationships, employment and finances. Problem gamblers suffer from increased rates of bankruptcy, arrest, imprisonment, unemployment, divorce, alcohol abuse and poor physical and mental health. A 2010 Ministry of Health Report estimated that every person with a gambling problem affects between five and ten other people with their gambling behaviour.

Kapiti's Gambling Policies

- 1.17 The 2004 Class 4 Gambling Policy introduced a district-wide cap on stand-alone TAB Board venues (1), Class 4 venues (15) and pokie machines (228), effectively holding the December 2003 levels. This was in response to the increased numbers of both Class 4 venues and pokie machines and the potential negative effect of problem gambling on the District.
- 1.18 The 2007 Policy kept the district-wide cap on venues and pokie machines at existing levels by keeping the ratio of pokie machines to adults at 1:154, but applied the ratio at a ward, rather than district level. The Policy recognised the vulnerability of some of the District's communities, to problem gambling.
- 1.19 It meant that some wards, such as Ōtaki and Paekākāriki, were left with a 'sinking lid'¹ on pokie machine numbers, while other areas could increase their number of pokie machines. However, increases could only occur if there were corresponding decreases in Ōtaki and Paekākāriki first. The overall district-wide number of venues (15) and pokie machines (228) stayed at 2003 levels. However, the number of stand-alone TAB Board venues increased from one to two.
- 1.20 The 2010 review noted an overall reduction in the ratio of pokie machines to adults (18 years⁺) due to population increase and adherence to the policy district cap on both venue and pokie machine numbers. The Ōtaki ward continued to record a high number of problem gambling risk indicators, as well as the highest proportion of venues and pokie machines to adult population.
- 1.21 The 2011 Policy (following the 2010 review) kept machine and venue numbers across the District to 228 and 15 respectively. Caps on pokie machines were set at ward levels, based on population per ward and the District ratio of one machine to 162 adults². The Policy restricted the entry of any new machines to Ōtaki and shifted existing allocation caps to other wards with a lower average of machines to local adult population.

¹ A sinking lid policy means that if a current venue loses its trading licence for a period of 6 months or more then it also automatically loses its licence to run pokie machines.

² The total district population was 36,910 and there were 228 machines across the wards. This set the ratio of one machine to 162 adults. This ratio was applied against each ward population to determine the number of machines allowed to operate at the ward level.

THE REVIEW PROCESS

- 1.22 An assessment of Council's two gambling policies was carried out to determine whether they were both fit for purpose.
- 1.23 This assessment included:
- a social impact study on both national and local gambling trends and considering the impact of Class 4 gambling in the Kāpiti Coast District; and
 - informal consultation with stakeholder groups, including: Problem Gambling Foundation, Department of Internal Affairs, Ministry of Health, New Zealand Racing Board, local community groups, class 4 venue operators and Council's Iwi Relationships Manager.
- 1.24 Council also undertook a legal review to assess whether existing policies still achieved objectives outlined in the Gambling Act 2003 and the Racing Act 2003.

CONSIDERATIONS

- 1.25 A review of the policies to date has identified four points for analysis. These are:
1. caps on pokie machines and class 4 venue numbers;
 2. relocation policy inclusion within the class 4 gambling policy;
 3. changes to the Fees charged for venue and pokie machine applications; and
 4. caps on TAB Board venue numbers.

These points are addressed as follows:

Caps on pokie machine and venue numbers

- 1.26 As at April 2018, the District had 12 Class 4 gaming venues and 192 pokie machines in operation (see Table 1 & Table 2).

Table 1: Changes in venue and pokie machine numbers in the Kāpiti Coast District from 2010 to 2018

	2010/11	2018	Change
Venues	15	12	-3
Pokie Machines	228	192	-36

- 1.27 The ward breakdown for the above table is as follows in Table 2.

Table 2: Changes in venue and pokie machine numbers across wards from 2010 to 2018

Ward	Venues		Pokie Machines		Current Policy Cap
	Change since 2010	Current number	Change since 2010	Current number	
Paekākāriki - Raumati	No change	2	No change	27	45
Paraparaumu	-1	5	-9	86	89
Waikanae	-1	1	-12	18	52
Ōtaki	-1	4	-15	61	42
TOTAL	-3	12	-36	192	228

1.28 Since 2010 there has been a reduction of 36 machines and three venues across the district. By ward, there have been the following changes:

- Paekākāriki-Raumati ward – no change
- Paraparaumu ward – less one venue and nine pokie machines
- Waikanae ward – less one venue and 12 pokie machines
- Ōtaki ward – less one venue and 15 pokie machines.

1.29 This means that if the current caps are retained, there is room within the caps for 36 machines and 3 venues to be established in the District. However, these would not be permitted in Ōtaki which already exceeds its pokie machine cap.

1.30 Kāpiti's overall ratio of machines to adults over the age of 18 years of age has reduced since 2010 from 1:162 to 1:199 as a result of population increases and a district cap on venue and machine numbers. This latest district ratio, is comparable with the current national ratio of 1:206 adults.

1.31 The Ōtaki Ward continues to hold the highest ratio of machines to persons, 1:108, however this has improved from the previous ratio of 1:90 in 2011. Since then, the number of venues has dropped from five to four, and the number of pokie machines has fallen by 15 from 76 to 61.

1.32 Ōtaki continues to be a high risk area according to the criteria for assessing problem gambling, however under the current policy rules, the 'sinking lid' policy prohibits any new or additional pokie machines and venues from stabling in the ward.

Economic cost/Benefit from Class 4 Gambling

1.33 Despite a national decline in numbers of class 4 venues and pokie machines, nationwide spending on pokie machines (pokies) continues to rise. In contrast, venue/machine

numbers in Kāpiti have fallen, along with spending on gambling, and hence grants returned to the District³.

1.34 According to a recent Problem Gambling Foundation report, the District is an overall low-to-mid range problem gambling risk.

1.35 As pokie machine and venue numbers are operating below the cap requirements, and the District is an overall low-to-mid range problem gambling risk, it is proposed that no changes be made to the current policy caps.

Relocation policy

1.36 Council's current Class 4 Gambling Policy contains a relocation policy that applies only when an existing class 4 gambling venue ceases to operate.

1.37 When this happens, the Class 4 venue licence can be relocated to another venue. This allows the conditions of the venue that is closing to be moved, e.g. if 18 machines in the existing venue, then 18 machines can be relocated to another venue.

1.38 However, the policy is silent on existing venues that stay open, (e.g. as a pub, club or TAB Board venue) but no longer wish to run pokie machines (class 4 venue licence).

1.39 When a venue operator does wish to stay open but no longer have pokie machines, then under the current policy, machines cannot be relocated to another venue.

1.40 If the community wanted to allow those machines to be relocatable, a clause must be added to the policy permitting their relocation.

1.41 In the current climate, such a relocation policy is not required as the machine numbers operating at present, are below cap requirements. Therefore, Council is not proposing any change to the relocation policy.

Changes to the Fees charged for venue and pokie machine applications

1.42 The current Class 4 Gambling Policy requires applicants for new venues and pokie machines to pay the following application fees:

- i. Deposit of \$2000.00 for new venue applications.
- ii. Deposit of \$400.00 for all other applications.
- iii. Hearing fee: \$125 per hour per Elected Member.
- iv. Processing time at \$125/hour.

³ See Social Impact Review for further information: 6.3 - Economic Cost/Benefit from Class 4 Gambling on the Kāpiti Coast

- 1.43 These fees are outdated. It is proposed that these outdated fees be removed entirely from the Policy and an application processing fee be charged as per the *Schedule of User Fees and Charges* specified in Council's Annual Plan/Long Term Plan.

Caps on TAB Board venue numbers

- 1.44 Council's current TAB Board Venue Policy has a cap of two on TAB Board venues within the district. At present there are no TAB Board venues operating in Kāpiti and this has been the case for several years since the 2011 review.
- 1.45 The *status quo* would mean keeping the two TAB Board venues policy cap. While there are no venues operating at present, this would allow for their establishment (up to the cap of two) without increasing any more potential harm than exists already under the current policy conditions. With regard to hosting pokie machines, TAB Board venues are subject to the same policy criteria and application process as any other venues that apply for a class 4 venue (pokie machines) licence.
- 1.46 Therefore, it is proposed that no changes be made to the current policy cap.

CONSIDERATION OF NZBORA

- 1.47 When making or reviewing policies, Council is required by the LGA 2002 to consider any implications that could arise under the New Zealand Bill of Rights Act 1990 (NZBORA). No bylaw or policy may be made that is inconsistent with that Act. It is not foreseen that the proposed policies will contain any provisions that will be in conflict with the New Zealand Bill of Rights Act 1990.
- 1.48 The final drafts of the policies will be considered by the Council following the prescribed special consultative procedure and the Council may then consider the final format of the policies and their New Zealand Bill of Rights Act 1990 implications, if any.

PROPOSED AMENDMENTS TO THE POLICIES

- 1.49 Council is not proposing any significant amendments to the existing Class 4 Gambling Policy or TAB Board Venue Policy, but would like to propose some minor changes to the Class 4 Gambling Policy to align the Class 4 gambling fees structure with current charges and fees as set out in the Council's Fees and Charges Schedule. (A summary of all proposed changes in the draft 2018 policies can be found in Table 3).

Table 3: Summary of all proposed changes for the draft policies

	Proposed draft 2018 Class 4 Gambling Policy clause names	Key differences between proposed draft 2018 Class 4 Gambling Policy and existing 2011 Class 4 Gambling Policy
1	Title and Commencement	Carried over from existing 2011 Policy with minor amendment.
2	Class 4 Gambling Policy Validation	Carried over from existing 2011 Policy with minor amendment.
3	Objective	Carried over from existing 2011 Policy with minor amendment.
4	Location of New class 4 Gaming Venues	No change to current relocation policy at clause 6.6
5	Restriction on the number of Class 4 pokie machines	Carried over from existing 2011 Policy with minor amendments – replace ‘national’ with ‘district’ (error) and update date and machine ratio number.
6	Application for New Venues	Clause 82 – changes to fee structure.
7	Next Policy Review	Carried over from existing 2011 Policy with minor amendment.
	Proposed draft 2018 TAB Board Venue Gambling Policy clause names – OPTION ONE	Key differences between proposed draft 2018 TAB Board Venue Gambling Policy and existing 2011 TAB Board Venue Gambling Policy
1	Title and Commencement	Carried over from existing 2011 Policy with minor amendment.
2	TAB Board Venue Policy Validation	Carried over from existing 2011 Policy with minor amendment.
3	Next Policy Review	Carried over from existing 2011 Policy with minor amendment.

CONSULTATIVE PROCEDURE

- 1.50 Both the Gambling Act 2003 and the Racing Act 2003 require use of the special consultative procedure when consulting on these Policies. Both Acts also require direct consultation with gambling societies and organisations representing Māori. Accordingly, the Council is using the special consultative procedure, which requires the initiation of a formal submission process.
- 1.51 The Council would like to know what residents, ratepayers and stakeholders think about the Draft Kapiti Coast District Council Class 4 Gambling Policy and the Draft Kapiti Coast District Council TAB Board Venue Gambling Policy.

The proposed plan is as follows:

TASK	DATE
Council's Strategy & Policy Committee approval of Statement of Proposal for public consultation	18 October 2018 (S&P)
Submissions Open	29 October 2018
Submissions Close	30 November 2018
Hearing Submissions	February 2019
Council Decision	TBA

METHODS FOR MAKING SUBMISSIONS

1.52 Submissions may be made in writing by mail, by fax or by email.

1.53 To make a submission in writing, use the submission form. Submissions can be dropped off at Council or a Council Service Centre or they can be mailed to:

Kapiti Coast District Council
Private Bag 60601
Paraparaumu 5254

1.54 Submissions can be faxed to 04 296 4830, or emailed to submissions@kapiticoast.govt.nz marked draft 2018 C4G Policy and or TAB Policy.

Submission Period

1.55 The formal consultative period will be 5 weeks running from 29 October 2018 to 30 November 2018.

Hearing of Submissions

1.56 Persons making written submissions who wish to be heard by Council will be given the opportunity to do so. Submissions will be heard in February 2019 with the exact date to be confirmed. Submitters wishing to speak to the Council in support of their submission must indicate YES on the Official Submission Form.

TERMS AND ABBREVIATIONS

1.57 The following are terms and abbreviations that are mentioned in this Statement of Proposal.

- **Class 4 Gambling** - gambling with pokies in non-casino venues e.g. pubs, workingmen's clubs, TAB Board venues. Pokies are also hosted in casinos but come under a different

class of gambling, not covered by the Class 4 Gambling Policy. Councils are not required to have policies on casino pokies or casino venues.

- **Club and non-club societies** – corporate societies licensed to operate pokie machines to raise and distribute funds for ‘authorised purposes’. These include societies incorporated under the Incorporated Societies Act 1908, the Charitable Trust Act 1957 or the Companies Act 1993. Workingmen’s clubs registered under the Friendly Societies and Credit Unions Act 1982 are also included. These organisations are referred to as ‘club’ and ‘non-club’ societies.
- **LGA 2002** - Local Government Act 2002
- **Pokies** - electronic gaming machines
- **TAB Board venue** – also called a TAB venue or a stand-alone TAB Board venue is leased by the New Zealand Racing Board and is different to a ‘pub TAB’ which is run by a society. The main purpose of TAB Board venues is for race and sports betting and they do not require a Class 4 venue licence unless they operate pokie machines
- **Territorial authority** – means a city council or a district council (Sn 5 LGA 2002)

APPENDICES

Appendix 1: Draft Kapiti Coast District Council Class 4 Gambling Policy (with tracked changes from the 2011 Policy)

Appendix 2: Draft Kapiti Coast District Council TAB Board Venue Gambling Policy (with tracked changes from the 2011 Policy)

Appendix 3: Social Impact Review of Class 4 Gambling 2018

Appendix 4: Official Submission Form

**APPENDIX 1: DRAFT KAPITI COAST DISTRICT COUNCIL CLASS 4 GAMBLING
POLICY (with tracked changes from the 2011 Policy)**

DRAFT

STATEMENT OF PROPOSAL – APPENDIX 1

Council Policy Title:	KĀPITI COAST DISTRICT COUNCIL CLASS 4 GAMBLING POLICY 20112018
Policy Number:	POL: 1.1.0
Active Date:	9 June 2011

1. Policy Validation

The Kapiti Coast District Class 4 Gambling Policy ~~2011~~2018 was approved at a meeting of the Kāpiti Coast District Council held on ~~9 June 2011~~XXX 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
Class 4 Gambling	means gambling: <ul style="list-style-type: none">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; andv. 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.

STATEMENT OF PROPOSAL – APPENDIX 1

3. Objectives of the Policy

- i. To minimise gambling harm to Kāpiti Coast communities caused by Class 4 gambling.
- ii. To Control the growth of Class 4 gambling in the Kāpiti Coast District.
- iii. To ensure Class 4 gambling venues are appropriately located.
- iv. 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
- v. To control the number of Class 4 gaming machines in the Kāpiti Coast District.
- vi. 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 district average (measured at ~~June 2010~~ [April 2018](#)).

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~~ [as per 2011 Policy](#)). 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 New Class 4 gaming venues may be established subject to a vacancy in the current venue caps and in compliance with the Kapiti Coast District Plan, fee and application requirements, and sections 3, 6 and 7 of this policy.

STATEMENT OF PROPOSAL – APPENDIX 1

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 and restrictions outlined in section 3, 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 are 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.
- 6.6 Where an existing Class 4 gambling venue is ceasing to operate, the Council may, at its own discretion, allow the transfer of existing venue conditions to another location(s) that meets the criteria of the policy.

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~~ district 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~~¹ adults aged 18 years and older (determined from the District average calculated as at ~~June 2010~~April 2018¹) applies and is distributed in accordance with Table 1.

¹ District average calculated as follows: ~~36,910 adults/228 non-casino gaming machines = 162 adults to 1 gaming machine as at June 2010. Data sourced from 2010 KCDC electoral role data and Problem Gambling Foundation gaming machine data.~~ 38,184 adults/228 non-casino gaming machines = 167 adults to 1 gaming machine as at April 2018. Data sourced from Statistics New Zealand, Census of Population and Housing 2013 and 2006.

STATEMENT OF PROPOSAL – APPENDIX 1

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

Ward	Population over 18 yrs ² at 2006 census	Current no. of gaming machines as at June 2010 April 2018	Permitted no. of gaming machines in each ward under 2010 2018 Policy	Approx Change Required	Gaming machines to adults
Paekākāriki – Raumati	7,290 7,587	27	45	+18	1:16 27
Paraparaumu	14,353 14,937	86	89	-6 +3	1:16 27
Waikanae	8,505 9,018	18	52	+22 +34	1:16 27
Ōtaki	6,847 6,642	61	42	-34 -19	1:16 27
TOTAL DISTRICT	36,910 38,184	192	228	0 +36	1:16 27

- 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.
- 7.6 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 and rules outlined in sections 3, 4, 6 and 7 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 limited to a maximum of 9 machines; as specified by the Act.

8. Applications and Fees for Consents

- 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) and must provide:
- A site plan covering both gambling and other activities proposed for the venue.
 - A copy of the current on licence or club licence under the Sale of Liquor Act 1989.
 - The name and contact details of the applicant.
 - The street address of the proposed or existing Class 4 gaming venue.

² [Data sourced from Statistics New Zealand, Census of Population and Housing 2013 and 2006.](#)

STATEMENT OF PROPOSAL – APPENDIX 1

- v. A copy of any certificate of compliance or resource consent required for the primary activity of the venue under the District Plan.
- 8.2 Application fees are as follows³:
- i. Deposit of \$2000.00 for new venue applications.
 - ii. Deposit of \$400.00 for all other applications.
 - iii. Hearing fee: \$125 per hour per Elected Member.
 - iv. Processing time at \$125.00/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 is available.
- 8.5 Applications lodged with the Council (but not actioned because no additional Class 4 venue or gaming machine capacity exists) will be kept until the commencement of the next Gambling Policy Review, when at this time, applicants will be advised to re-lodge their application or allow it to expire.

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 [2015/2021](#).

³ Application fees are to be paid at the time an opportunity becomes available for additional venues or gaming machines. [This set of fees will be removed and replaced by an application processing fee at the next Annual Plan 2019/20.](#)

**APPENDIX 2: DRAFT KAPITI COAST DISTRICT COUNCIL TAB BOARD VENUE
GAMBLING POLICY (with tracked changes from the 2011 Policy)**

DRAFT

STATEMENT OF PROPOSAL – APPENDIX 2

Council Policy Title:	KĀPITI COAST DISTRICT COUNCIL TAB BOARD VENUE GAMBLING POLICY <u>20112018</u>
Policy Number:	<u>POL: 1.1.1</u>
Active Date:	<u>9 June 2011</u>

1. Policy Validation

The Kapiti Coast District TAB Board Venue Gambling Policy 20112018 was approved at a meeting of the Kāpiti Coast District Council held on 9 June 2011XXX after completion of a public consultation process.

This Policy has been made pursuant to section 65D of the Racing Act 2003. It has also been reviewed in accordance with section 65E of the Racing Act 2003.

2. Interpretation

In this Policy, unless the context requires otherwise:

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.
TAB Board Venue	means a stand-alone venue that is owned or leased by the New Zealand Racing Board and is: <ul style="list-style-type: none">i. used mainly for racing or sport betting; orii. a racecourse

3. Objectives of the Policy

3.1 To support the purpose and intent of the Racing Act 2003.

STATEMENT OF PROPOSAL – APPENDIX 2

- 3.2 To provide for the continued availability of TAB Board Venue gambling within the Kapiti Coast District in accordance with the purpose and intent of the Racing Act 2003.
- 3.3 To encourage responsible gambling practices and attitudes in TAB Board Venues.

4. Scope of the Policy

- 4.1 This Policy covers stand-alone TAB Board Venues, which are owned or leased by the New Zealand Racing Board. Council consent is not required under current legislation to establish a TAB facility in a bar, hotel or club. If a TAB Board Venue wishes to host gaming machines a separate application must be made under Council's Class 4 Gambling Policy and the TAB Board Venue must also meet the additional criteria set out in that policy.

5. Rules Regarding TAB Board Venues

- 5.1 This Policy maintains the existing cap on stand-alone TAB Board Venues at **2**. No new stand-alone TAB Board Venues will be approved in any part of the Kapiti Coast District if it means this cap will be exceeded.
- 5.2 Where an existing TAB Board Venue is ceasing to operate, the Council may, at its own discretion, allow the relocation of existing venue conditions to another location(s) that meets the criteria of the policy.

6. Next Policy Review

- 9.1 In accordance with section 65E of the Racing Act 2003 this policy will be reviewed by the Council in ~~2015~~[2021](#).

APPENDIX 3: SOCIAL IMPACT REVIEW OF CLASS 4 GAMBLING 2018

DRAFT

STATEMENT OF PROPOSAL – APPENDIX 3

THE GAMBLING ACT 2003: SOCIAL IMPACT REVIEW OF CLASS 4 GAMBLING 2018

1.0 PURPOSE OF REPORT

The purpose of this report is to review the social impact of the Class 4 gambling¹ industry at a national and local level. It considers the number of class 4 pokie machines in relation to Kāpiti Coast District's population base and the distribution of machines across the District's four wards. This is in order to assist Council planners to establish updated Class 4 Venue and TAB Board Venue Gambling policies, appropriate for the Kāpiti Coast District, in accordance with Section 102 of the Gambling Act 2003 and Section 65E of the Racing Act 2003.

2.0 Background

The Kāpiti Coast District Council last reviewed its Class 4 Venue Policy in 2010/11. Council resolved that the existing Gambling Policy 2007, be replaced with two policies:

- the Kapiti Coast District Council Class 4 Gambling Policy 2011; and
- the Kapiti Coast District Council TAB Board Venue Gambling Policy 2011.

Both policies are overdue for review and Council now needs to consider the impact that Class 4 ('pokie' machine) gambling has on the Kāpiti Coast Community and determine if any changes are required to either policy.

3.0 Statutory Considerations

Gambling Act 2003

The Gambling Act 2003 came into effect on 18 September 2003. It covers both casinos² and premises containing pokie machines including TAB Board³ venues.

Under Section 101 of the Act every territorial authority is required to have a Class 4 Venue Policy and under Section 102 the policy must be reviewed every three years.

Relocation Policy

In addition, the Gambling Act was amended in 2013 (Sn 5A,5B) to require consideration of whether a relocation policy need be included within a territorial authority's class 4 gambling venue policy.

¹ 'Class 4 Gambling' refers to 'pokie or gaming machines' where proceeds are partly redistributed within communities – refer to section 3.2 of this report. These are operated in Class 4 venues and are identified as 'non-casino' as distinct from gaming machines in casinos.

² Casinos are NOT Class 4 venues and casino 'pokie' gaming machines are NOT the 'pokie' non-casino machines covered by the Class 4 Gambling Policy. This review only relates to non-casino pokies.

³ TAB Board venues are owned by the New Zealand Racing Board.

If it is decided that the policy be amended or replaced, by inclusion of a relocation policy and/or amending the current policy restrictions, then the special consultative procedure will apply (Sn 83 of the Local Government Act 2002).

The Gambling Act 2003 has four main objectives:

- to control the growth of gambling;
- to prevent and minimize 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.

Racing Act 2003

Under Section 65D of the Racing Act 2003 every territorial authority is required to have a policy on TAB Board venues⁴. Section 65E of the Act further requires that the policy be reviewed every three years.

3.1 Territorial Authorities Responsibilities under the Gambling Act 2003 and Racing Act 2003

Both Acts require councils to assess the impact of gaming in their respective communities and if necessary regulate this activity through the following means:

- Regulate the number of pokie machines operating within their district;
- Have some control over the number of machines per venue;
- Restrict where those machines can be located in the District; and
- Restrict the number of TAB Board Venues and, where they can be located in the District.

3.2 Class 4 Gambling Venues and TAB Board Venues

A class 4 venue is a place that conducts class 4 gambling and can include a venue owned or leased by the NZ Racing Board or a Racing Club – called a ‘TAB Board venue’⁵.

Only a licensed ‘corporate’ society may operate pokie machines. This includes societies incorporated under the Incorporated Societies Act 1908, the Charitable Trust Act 1957 or the Companies Act 1993. Workingmen’s clubs registered under the Friendly Societies and Credit Unions Act 1982 are also included. These organisations are referred to as ‘club’ and ‘non-club’ societies.

Corporate societies are licensed to operate pokie machines to raise and distribute funds for ‘authorised purposes’. For class 4 gambling, these include a charitable purpose, a non-commercial purpose that is beneficial to the whole or a section of the community, or promoting, controlling and conducting race meetings under the Racing Act 2003.

⁴ A TAB Board venue, also called a TAB venue or a stand-alone TAB Board venue is leased by the New Zealand Racing Board and is distinct from a ‘pub TAB’ which is run by a society or private company.

⁵ The main purpose of TAB Board venues is for race and sports betting and they do not require a Class 4 venue licence unless they operate pokie machines.

Table 1: Different configurations of Class 4 venues and pokie machine operators

Class 4 Venues	Pokie Machine Operator
Pubs – sometimes include ‘Pub TABs’ -	Non-club corporate societies, e.g. NZ Community Trust
Clubs	Club corporate societies, e.g. RSAs
‘Stand-alone’ TAB Board Venues	NZ Racing Board

TAB Board Venues	Leased by NZ Racing Board	
‘Stand-alone’ TAB Board Venues <i>Used mainly for racing or sports betting or a race course</i>	WITH pokie machines	NO pokie machines
	<i>Need Class 4 Venue licence</i>	<i>Don’t need Class 4 Venue licence</i>

Class 4 gambling involves gambling:

- that utilises or involves a gaming machine (‘pokie’ machine);
- where the proceeds are distributed for authorised purposes;
- where no commission is paid;
- that satisfies relevant gaming rules; and
- is categorized by the Secretary for Internal Affairs as class 4 gambling

4.0 What is ‘problem gambling’?

Problem gambling is a pattern of gambling behaviour that disrupts and damages a person’s life, their friendships, family relationships, employment and finances⁶.

Figure 1. – The burden on society



Source: Problem Gambling Foundation of New Zealand : Fact Sheet 5, July 2011

⁶ Abbott M et al, 2014 NZ 2012 National Gambling Study: Gambling harm and problem gambling. Wellington, MOH

It is recognised as a serious issue, and concern about it continues to grow across New Zealand. Under the Gambling Act 2003, the Ministry of Health is responsible for funding and coordinating problem gambling services to address these concerns. These include the Gambling Helpline and other specialist helplines, e.g. Māori Gambling Helpline. It also contracts providers to deliver problem gambling services including the Problem Gambling Foundation, a nationwide charitable organization established to advocate the need to address problem gambling, and other regional problem gambling help services.

4.1 What harm is suffered by problem gamblers?

Problem gamblers may typically suffer from a suite of related stresses including: increased rates of bankruptcy, arrest, imprisonment, unemployment, relationship breakdowns and poor physical and mental health. There is also evidence to suggest that problem gamblers have higher rates of alcohol abuse and suicide⁷.

Problem gamblers come from all 'walks of life' but there are certain groups most at risk⁸ including those who are:

- unemployed;
- have fewer educational qualifications;
- those who are depressed, lonely or have compulsive disorders;
- Māori and Pacific men - nearly four times more likely than the average person to have gambling problems; and
- People who live in areas of high socioeconomic deprivation.

4.2 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. A 2010 Ministry of Health report⁹ estimated that every person with a gambling problem affects between five and ten other people with their gambling behaviour.

Problem gambling can often lead to family break-ups, alcohol abuse, poor health, workplace problems and 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 (*Refer Figure 1*).

5.0 KAPITI COAST CLASS 4 GAMBLING POLICIES

Social impact studies on the effects of Class 4 Gambling in Kāpiti District were undertaken in 2003, 2007 and again in 2010 and provided the evidence base for each gambling policy review. These are each addressed in turn, in the following sections of this report.

⁷ Australian Productivity Commission. 1999 *Australia's Gambling industries Inquiry Report. Chapter 7 The impacts of problem gambling*

⁸ Abbott M et al, 2014 *NZ 2012 National Gambling Study: Gambling harm and problem gambling*. Wellington, MOH

⁹ Gambling & Addictions Research Centre, AUT University, 2014 – *New Zealand 2012 National Gambling Study; Gambling harm and problem gambling – Report 2*.

5.1 Kapiti Coast District Council Class 4 Gambling Policy 2003

At the time of the 2003 review, national gambling surveys indicated that the number of Class 4 gambling venues and machines were rising significantly, with 83.6 percent of callers to the Gambling Helpline citing Class 4 gambling as their primary problem¹⁰.

Various studies from Government Departments (Ministry of Health) and universities, also revealed that Māori¹¹, Pacific Island¹² and Asian¹³ people from low socio economic groups were more vulnerable to problem gambling, and once 'hooked' were the least able to afford to gamble but tended to spend a greater portion of their income on gambling.

Analysis established that key risk factors 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'.¹⁴

Results from a Kāpiti Coast gambling social impact study showed that Kāpiti Coast District in general scored low in terms of susceptibility to problem gambling, but there were specific areas, such as Ōtaki, that were at higher risk¹⁵.

Ōtaki, with a lower median income level, younger population, and high Māori and Pacific Island population, had a higher potential (according to the problem gambling indicators) for more people to be gamblers, when compared to the rest of the District.

The Council's 2004 Class 4 Gambling Policy introduced a District-wide cap on stand-alone TAB Board Venues (1), Class 4 gaming venues (15) and pokie machines (228). This held both machine and venue numbers at December 2003 levels and was a response to the increased numbers and, to the potential negative effect of problem gambling across the District.

5.2 Kapiti Coast District Council Class 4 Gambling Policy 2007

In 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 time, national statistics showed Class 4 gambling expenditure had declined (less than 1%), possibly due to the introduction of the Gambling Act 2003, but also, likely as a

¹⁰ Statement of Proposal KCDC Gambling Policy 2003

¹¹ Ministry of Health, 2017 '*Intervention Client Data*' MOH website

¹² Y Guttenbeil-Po'uhila 2004 *Tongan Gambling URL* Pacific Health website

¹³ Devlin, M 2011 *Groups at risk of at-risk gambling*. Wellington: Health Sponsorship Council

¹⁴ Ministry of Health, May 2009, *A Focus on Problem Gambling, Results of the 2006/07 NZ Health Survey*

¹⁵ KCDC Social Impact Study – In June 2004 a study was conducted to measure the demographics of the Kāpiti District relative to the indicators used to identify problem gamblers. While the district was of low vulnerability, the study highlighted considerable disparity within the district with Ōtaki and Paekākāriki wards having both the highest number of venues and machine and the highest level of problem gambling risk factors.

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.

Even with a slight reduction in Class 4 gambling expenditure, the Problem Gambling Foundation of New Zealand¹⁶ (PGF) reported that the most addictive mode of gambling remained non-casino pokie machines. At the time of the 2007 review, 78% of problem gamblers cited pokies as their primary mode of gambling¹⁷.

As with the previous policy review, the 2007 review also revealed a disparity in the spread of machines across the district, with high-risk locations, like Ōtaki, continuing to record a higher proportion of gambling machines to adults.

The primary goal of the 2007 Policy was to acknowledge and manage the disproportionate number of Class 4 pokie machines in some of the District's most vulnerable locations. In response to this concern, the 2007 Policy kept the district-wide cap of venues and pokie machines at existing levels, by keeping the ratio of pokie machines to adults at 1:154, but applied it 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, such as Ōtaki and Paekākāriki, were left with a 'sinking lid'¹⁸ on pokie machine numbers, while other areas could increase their number of pokie machines. However, increases could only occur if there were corresponding decreases in Ōtaki and Paekākāriki first. The overall district-wide number of venues (15) and class 4 pokie machines (228) remained at 2003 levels. However, the number of stand-alone TAB Board Venues increased from one to two.¹⁹

Despite adopting a sinking lid policy in the wards with the highest vulnerability, Council could not force existing venues in those locations to reduce the number of pokie machines in operation. The policy was effective at stopping new venues and pokie machines from entering the District, but only impacted existing Class 4 gambling activities when venues closed for six months or more and lost their Class 4 vending licence.

5.3 Kapiti Coast District Council Class 4 Gambling Policy 2011

In August 2010, Kāpiti District Council conducted a third review of its Class 4 Gambling Policy. National trends at the time (2008/2009) showed a reduction in gambling expenditure (player losses) with a non-casino pokie machine expenditure decrease by

¹⁶ 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

¹⁷ Ministry of Health (2008) *Problem Gambling intervention Services in New Zealand Statistics, 2007 service user statistics*, Wellington: MOH

¹⁸ 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 consent to run gaming machines.

¹⁹ An increase to two TAB Board venues was agreed provided the extra venue was located at the Ōtaki Māori Race Club. This did not eventuate.

5.3% from \$938 million to \$889 million, following on from a previous 1.3% reduction in spending in 2007/2008. The reason for this drop was considered the result of an increase in expenditure on Lotteries Commission products (16.7% rise compared to 4.7% in 2007/2008).

It was noted in the review that there were a wide range of gambling activities available in New Zealand including, but not limited, to class 4 pokie machines. However, pokie machines (both casino and non-casino), track betting and casino games were more addictive, and the cause of more problems, than other types of gambling because these activities allowed people to engage in continuous gambling.²⁰

Following the 2007 policy review, there was a reduction in the number of pokie machines in the Paekākāriki-Raumati ward by five. As per the existing 2003 policy, Paraparaumu was able to increase its number of machines by five yet still, remain within its venue quota of 108.

Kāpiti's overall ratio of machines-to-adults over the age of 18 years of age improved from 2007 due to population increase and adherence to the policy district cap on venue and pokie machine numbers.

In 2010, the district ratio was 1 machine to 162 adults (compared to the national ratio of 1 machine to every 156 adults.)²¹

Nonetheless, the ratio of pokie machines per ward showed disparities in the spread of machines across each ward, and in particular also highlighted the higher ratios of machines to population in both Paraparaumu and Ōtaki wards.

The Policy was adopted by Council after completion of a public consultation process. This option concentrated on preventing any further clustering of pokie machines in communities such as Ōtaki, by restricting the entry of any new machines and shifting existing allocation caps to other wards with a lower average of machines to local adult population.

5.4 Kapiti Coast District Council TAB Board Venue Gambling Policy 2011

Council also approved a separate TAB Board Venue Gaming Policy 2011 in addition to its Class 4 Gambling Policy 2011. This followed a submission from the NZ Racing Board that the stand-alone TAB gambling and Class 4 gambling should be separated out into two policies that would be considered separately in future policy reviews.²²

This Policy maintained the existing cap on stand-alone TAB Board Venues at two with any new stand-alone venues requiring approval if this meant exceeding the cap. Since the review, the TAB Board Venue at the Kapiti Lights complex has been incorporated into the adjacent pub, and is now a 'Pub TAB'. The previous *Social Impact Review* report referred to a TAB Board Venue at the Ōtaki Māori Race Course, increasing the number of TABs in the district to two. The New Zealand Racing Board has confirmed that there

²⁰ Abbott and Volberg 2000, *Research on the Social Impacts of Gambling*

²¹ *The Gambling Act 2003: Social Impact Review of Class 4 Gambling 2010*

²² This was on the grounds that the two forms of gambling are regulated by different Acts with different objectives and consulting on both together resulted in discussion being dominated by Class 4 gambling with less consideration given to TAB gambling.

has only been one TAB Board Venue, which was at the former Kapiti Lights. At present, there are no TAB Board Venues operating in the District.

Under the existing policy, if a TAB Board Venue wishes to host pokie machines, a separate application must be made under Council's Class 4 Gambling Policy, and the TAB Board Venue must also meet the additional criteria set out in that policy.

6.0 WHAT HAS HAPPENED SINCE THE LAST GAMBLING REVIEW IN 2010?

6.1 National Trends since the 2010 Policy Review

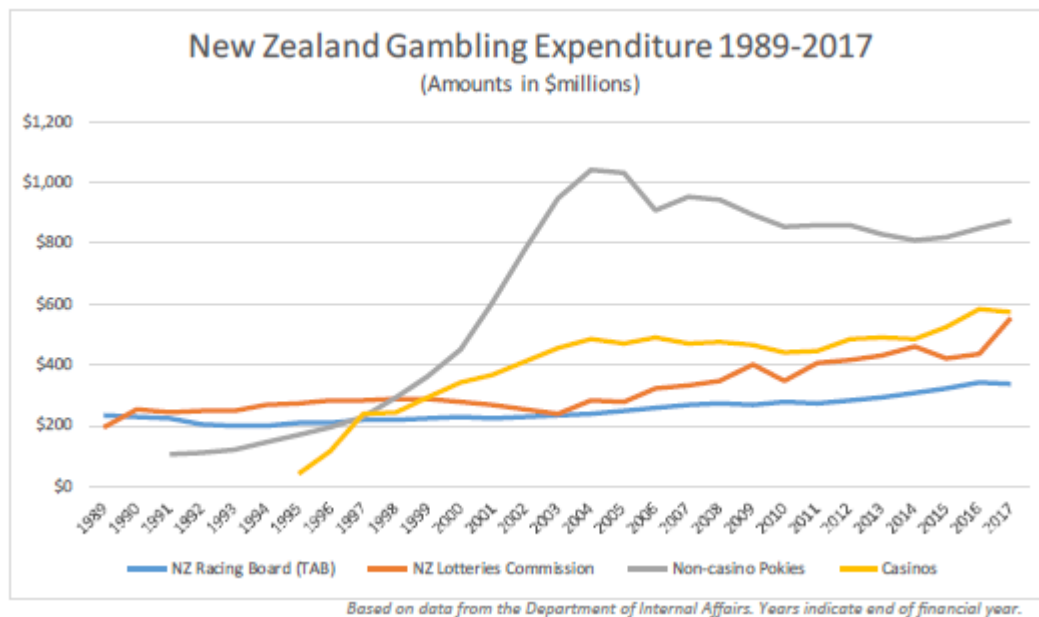
Gamblers in New Zealand spent over \$2.33 billion dollars on the four main forms of gambling in 2017 - \$125 million more than in 2016 (Refer Figure 2).

Despite a decline in numbers of class 4 venues and non-casino pokie machines from 2016 numbers, the gambling spend for 2017 on non-casino pokies increased from \$2.2 million to \$2.4 million per day.

Table 2: National gambling statistics²³

	2016	2017
Class 4 gambling venues	1,287	1,156
Non-casino pokie machines	16,717	15,632
Casinos	6	6
Casino pokie machines	2,826	3,056

Figure 2. New Zealand Gambling Expenditure²⁴



The Department of Internal Affairs is unable to determine the reason for this trend.²⁵

²³ Fact Sheet 1 – 2018 – Gambling in New Zealand – Problem Gambling Foundation

²⁴ Fact Sheet 1 – 2018 – Gambling in New Zealand – Problem Gambling Foundation

²⁵ Press Release, *Pokie spend up over the last 12 months* DIA 10 January 2018

In 2015/16 an estimated \$654 million (29.6 per cent of total gambling expenditure) was distributed to a variety of community purposes from gambling proceeds. These included:

- TAB racing distributions and national sporting organization grants totaling \$143 million;
- The Lottery Grants Board distributed \$182 million across a range of sectors, including sports, culture, health and community services;
- Non-casino pokie machine trusts raised an estimated \$275 million for authorised purposes;
- Non-casino pokie machine clubs raised an estimated \$49 million for club purposes; and,
- Casinos paid just over \$5 million to their community trusts²⁶.

6.2 Local trends since the 2010 Policy Review

Venue & Machine Numbers

As at April 2018, the District had 12 Class 4 gaming venues and 192 pokie machines in operation (see Table 3 below for a summary of venues and machines).

Table 3: Summary of Class 4 Gambling in the Kāpiti Coast District, April 2018

Pokie Society (clubs and non-clubs)	Venue	Pokie Numbers	Ward
The Ōtaki RSA Inc	Ōtaki RSA Clubrooms	18	Ōtaki
First Sovereign Trust	Punters Corner Sports Bar & TAB (<i>The Tele</i>)	8	Ōtaki
NZ Community Trust	The Railway Hotel	18	Ōtaki
NZ Community Trust	Family Hotel	17	Ōtaki
Pelorus Trust	Finns Paekākāriki	9	Paekākāriki-Raumati
The Lion Foundation	Boundary Tap & Kitchen	18	Paekākāriki -Raumati
Golden Coast Chartered Club Inc	Golden Coast Chartered Club	8*	Paraparaumu
Kāpiti Club Inc	Kāpiti Club	24	Paraparaumu
NZ Community Trust	Jolly Sandbar	18	Paraparaumu
Air Rescue Services Ltd	The Pinetree Arms	18	Paraparaumu
Infinity Foundation Ltd	Black Stag Pub	18	Paraparaumu
Waikanae Chartered Club	Waikanae Chartered Club	18	Waikanae

*Licensed for 8 but only operating 7.

²⁶ Dept of Internal Affairs website – *Gambling Expenditure Statistics*

Since 2010 there has been a reduction of 36 machines and three venues across the district. By ward, there have been the following changes:

- Paekākāriki-Raumati ward – no change
- Paraparaumu ward – less one venue and nine pokie machines
- Waikanae ward – less one venue and 12 pokie machines
- Ōtaki ward – less one venue and 15 pokie machines.

Table 4: Changes to Kāpiti Coast District Class 4 Venue and Pokie Machine Numbers since the 2010 Gambling Policy Review.

Ward	Number of Class 4 Venues		Number of Pokie Machines		Permitted no. of Pokie Machines (Cap) under 2011 Policy
	2011	2018	2011	2018	
Paekākāriki-Raumati	2	2	27	27	45
Paraparaumu	6	5	95	86	89
Waikanae	2	1	30	18	52
Ōtaki	5	4	76	61	42
Total	15	12	228	192	228

Ward ratios now stand as follows:

Table 5: Ratio of Class 4 Pokie Machines per Ward as at April 2018.

Ward	*Population over 18 yrs	Number of Licensed Machines	Ratio of Class 4 Pokie Machines to Adults
Paekākāriki-Raumati	7,587	27	1:281
Paraparaumu	14,937	86**	1:173
Waikanae	9,018	18	1:501
Ōtaki	6,642	61	1:108
Total District	38,184	192	1:199
New Zealand	3,198,489	15,490***	1:206

* Source: Statistics New Zealand, Census of Population and Housing 2013 and 2006,

Licensed for 86 but only operating 85. *Source: DIA email 20 April 2018

Kāpiti's overall ratio of machines to adults over the age of 18 years of age has improved since 2010 from 1:162 to 1:199 because of population increases and a district cap on venue and machine numbers. This latest district ratio is comparable with the current national ratio of 1:206 adults.

The Ōtaki Ward continues to hold the highest ratio of machines to persons, 1:108, however this has improved from the previous ratio of 1:90 in 2011. Since then, the number of venues has dropped from five to four, and the number of pokie machines has fallen by 15 from 76 to 61. While other wards in the District can increase numbers, as Ōtaki is already beyond its caps on both, no more machines or venues can establish there.

According to the indicators for problem gambling Ōtaki remains high-risk. This is consistent with a report on the deprivation profile in Kāpiti, where Ōtaki holds the highest median deprivation rank of the District's four wards. The profile quantifies levels of socio-economic deprivation based upon rankings of seven determinants: employment, income, crime, housing, health, education and access.²⁷

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

Class 4 pokie machines are owned and operated, by club and non-club societies (refer section 3.2 for definition). These non-profit organisations are required to distribute a portion of gaming (pokie) machine proceeds to community groups. Remaining proceeds are distributed as prizes, operating expenses and government fees.

Gaming Society Proceeds – Club societies

Clubs operating in their own clubrooms and raising funds for the local community (including their own club) are required to return a minimum of 25-37% of net proceeds. In 2017 the total proceeds distributed by the four Kāpiti District clubs was \$549,542 (refer Table 2). Proceeds have fluctuated for the last five years, between \$316,000 and the latest 2017 figure. Grant proceeds have included welfare assistance to members; provision of scholarships to needy students; donations to recognized charities and community groups; amateur sporting and youth organisations; and maintenance of club facilities excluding bar area/facilities.

Gaming Society Proceeds – Non-club societies

For the same period, the total sum of all grants given by non-club societies in the District was \$573,000, an average of \$4,696.90 per grant. The largest grant was \$30,000 given to the Paraparaumu Beach Golf Club.²⁸ In comparison, the 2010 return was \$1,887,974²⁹. Non-club gaming societies are required to pay out up to 40% of gambling player losses to charities and non-profit organisations, but not necessarily in the same district where the money was taken. The grants information excludes multi-area recipients and New Zealand recipients where residents of Kāpiti might benefit. An example of a New Zealand grant is a national sporting body where participants of that sporting code in Kāpiti benefit from grants funding.

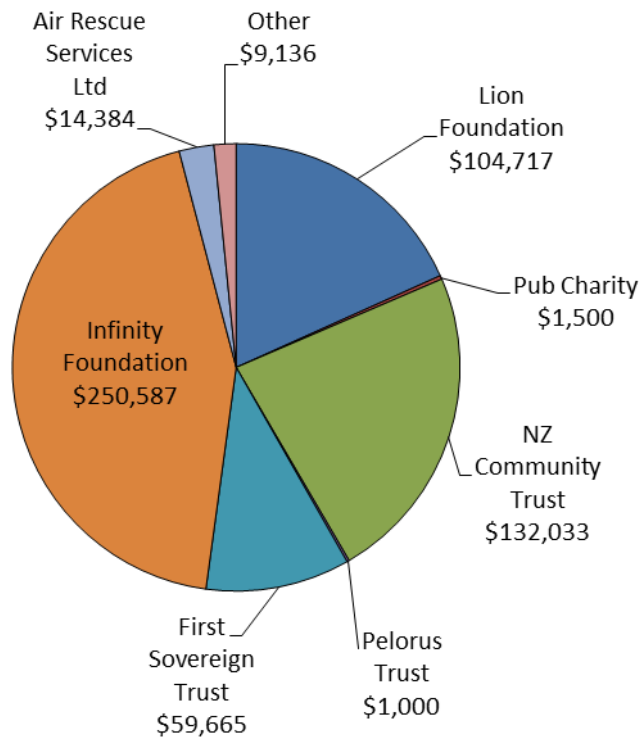
It is not always easy to get an accurate summary of gaming societies' charitable payouts but the following information collated by the Problem Gambling Foundation provides a reasonable summary of the gaming non-club societies payout to charities, non-profit organisations and sports clubs in the Kapiti District.³⁰

²⁷ D Exeter & M Browne , 21/02/2018 *A deprivation profile of the Kapiti Coast District*,

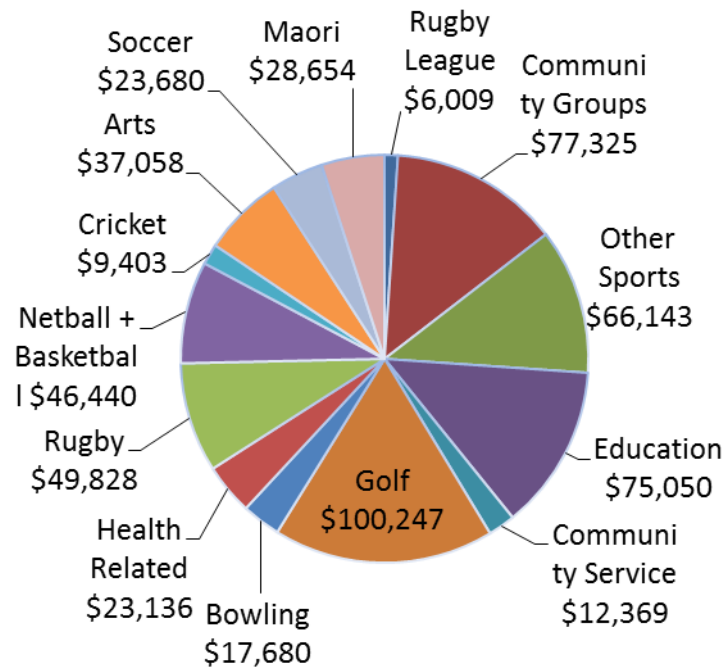
²⁸ Source: DIA – using data compiled from Problem Gambling Foundation, 13/02/2018 T Hawkins email with spreadsheet.

²⁹ Source: DIA – using data compiled from Problem Gambling Foundation, 3/05/18 J Chand email

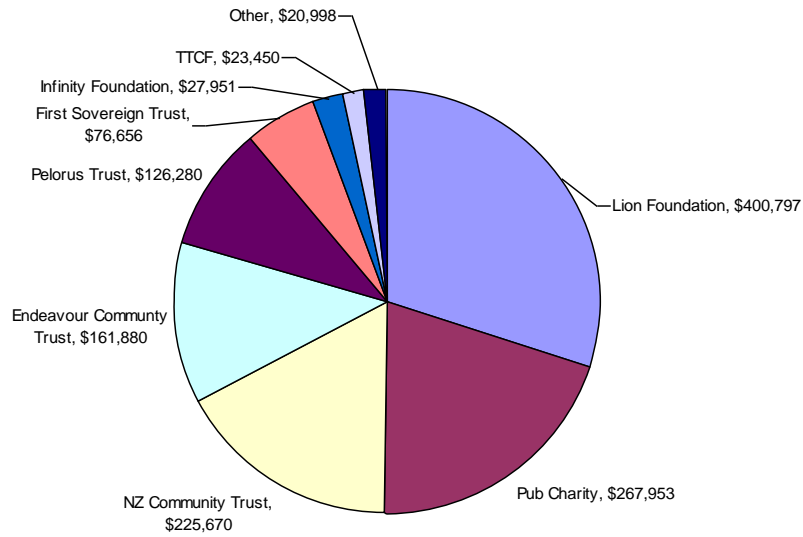
³⁰ Source: DIA – using data compiled from Problem Gambling Foundation, 13/02/2018 T Hawkins email with spreadsheet.



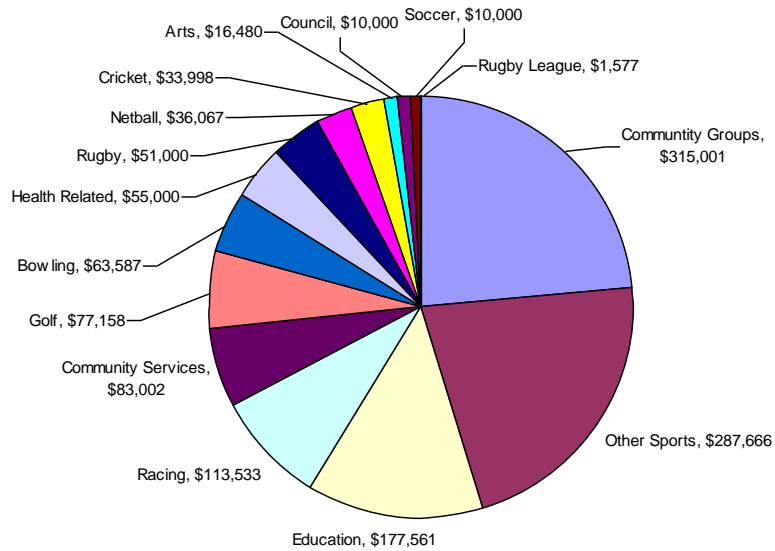
Graph 1: Recent Pokie Grants to Kāpiti 2017 – Sorted by Pokie Trust



Graph 2: Recent Pokie Grants to Kāpiti 2017 – Sorted by Non-Profit Type



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



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

6.4 Summary of Leading Pokie Trusts Operating in the Kāpiti District

The main contributor to the Kāpiti District was Infinity Foundation Ltd. This Trust contributed 35% of total grants for the 1/1/17 – 31/3/18 period. The actual amount granted by this Trust was \$250,586.87. It has one venue housing 18 pokies.³¹

The second highest contributor to the District was the NZ Community Trust granting \$132,032.98 – 19% of total grants, for the same period. This Trust has three venues housing 53 machines, considerably more pokies than the Infinity Foundation Ltd, yet it contributed approximately half the grants amount given by the latter (Infinity Foundation Ltd). The Problem Gambling Foundation suggests that some of the grants for the latter may have come from other territorial authority takings³².

Overall, 'Sports' received the most grants – followed by Education and Community Groups. The biggest single donation in the District went to Manakau School for \$40,000 (First Sovereign) and then Paraparaumu Beach Golf Club Inc for \$30,000 (Infinity Foundation Ltd).³³

7.0 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.

The Kāpiti District demographic, on average, records a low propensity for problem gambling, and as a whole the District spends less on gambling than the national average. (Overall the District has the 52nd highest loss per head (18yrs and over) of all 67 territorial local authorities.)³⁴

However, there are communities within the District that go against this trend and are extremely vulnerable to problem gambling. In spite of decreases in pokie machine numbers across the District, the Ōtaki Ward in particular continues to have a higher proportion of pokie machines and venues to adult population than any other ward in the District.

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 spent. 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.

³¹ Problem Gambling Foundation, 29 May 2018 – Pokie Analysis for Kapiti Coast TLA

³² As above

³³ As above

³⁴ Problem Gambling Foundation, 29 May 2018 – Pokie Analysis for Kapiti Coast TLA

TERMS AND ABBREVIATIONS

The following are terms and abbreviations that are mentioned in this Statement of Proposal.

- **Class 4 Gambling** - gambling with pokies in non-casino venues e.g. pubs, workingmen's clubs, TAB Board venues. Pokies are also hosted in casinos, but come under a different class of gambling, not covered by the Class 4 Gambling Policy. Councils are not required to have policies on casino pokies or casino venues.
- **Club and non-club societies** – corporate societies licensed to operate pokie machines to raise and distribute funds for 'authorised purposes'. These include societies incorporated under the Incorporated Societies Act 1908, the Charitable Trust Act 1957 or the Companies Act 1993. Workingmen's clubs registered under the Friendly Societies and Credit Unions Act 1982 are also included. These organisations are referred to as 'club' and 'non-club' societies.
- **LGA 2002** - Local Government Act 2002
- **Pokies** - electronic gaming machines
- **TAB Board venue** – also called a TAB venue or a stand-alone TAB Board venue is leased by the New Zealand Racing Board and is different to a 'pub TAB' which is run by a society. The main purpose of TAB Board venues is for race and sports betting and they do not require a Class 4 venue licence unless they operate pokie machines
- **Territorial authority** – means a city council or a district council (Sn 5 LGA 2002)

APPENDIX 4: OFFICIAL SUBMISSION FORM

DRAFT

STATEMENT OF PROPOSAL – APPENDIX 4 SUBMISSION FORM



Admin only:

Date received	Submission number

2018 REVIEW OF THE CLASS 4 GAMBLING POLICY AND TAB BOARD VENUE GAMBLING POLICY

Please refer to the current 2011 Policies, the draft Policies, and the Statement of Proposal

Submissions Close 5.00 pm, Friday 30 November 2018

How to lodge your submission:

Online: consult.kapiticoast.govt.nz click on '2018 Class 4 Gambling Policy and TAB Board Venue Policy Review'

You can also email, post or deliver your submission as follows:

Email: kapiti.council@kapiticoast.govt.nz

Post: Kāpiti Coast District Council
Private Bag 60-601,
PARAPARAUMU 5254

Deliver: Paraparaumu Service Centre, 175 Rimu Road,
Waikanae Service Centre, Mahara Place
Ōtaki Service Centre, 81-83 Main Street

If hand-writing **your submission**, please write your contact details in clear **BLOCK CAPITAL** letters

Submitter details						
Is this an individual submission?			Yes		No	
If this submission is on behalf of an organisation, please state the name of the organisation:						
Organisation:						
Title (tick one)		Mr		Mrs		Other (please specify)
First Name:						
Last Name:						
Address (*indicate your preference for response)						
*Address:						
*Email:						
Phone number:					Mobile:	

STATEMENT OF PROPOSAL – APPENDIX 4 SUBMISSION FORM

Do you want to speak to the council about your submission at the consultation hearings?	Yes	No
Signature of submitter (or person authorised to sign on behalf of the submitter) (Note: A signature is not required if you make your submission online or by email)		
		Date:2016

CLASS 4 GAMBLING POLICY		
Question 1: Do you agree with the proposed amendments to the Class 4 Gambling Policy 2011? Go to FAQs link for more information		
Please indicate	Yes	No
Comments <div></div>		
RELOCATION POLICY		
Question 2: Do you agree with the proposal to keep the current Relocation Policy for relocating pokie machines when a venue closes? Go to the Summary of information		
Please indicate	Yes	No
Comments <div></div>		
Question 3: Should the policy allow for pokie machines to be relocated when a venue stays trading but no longer wants to have pokie machines? Go to the Summary of information		
Please indicate	Yes	No
Comments <div></div>		
Question 4: Is there anything you would like to see added or removed from the draft Class 4 Gambling Policy 2018? Go to the Summary of information		
Please indicate	Yes	No
Comments <div></div>		

STATEMENT OF PROPOSAL – APPENDIX 4 SUBMISSION FORM

TAB BOARD VENUE GAMBLING POLICY		
Question 5: Do you agree with the proposed amendments to the TAB Board Venue Gambling Policy 2011? <i>Go to the Summary of information</i>		
Please indicate	Yes	No
Comments <div></div>		
Question 6: Is there anything you would like to see added or removed from the draft TAB Board Venue Gambling Policy 2018? <i>Go to the Summary of information</i>		
Please indicate	Yes	No
Comments <div></div>		