

Statement of Proposal

DRAFT KĀPITI COAST DISTRICT COUNCIL CLASS 4 GAMBLING & TAB VENUE POLICY 2023

August 2023



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Have your say

The Kāpiti Coast District Council (Council) invites your views on the *Draft Kāpiti Coast District Council Class 4 Gambling & TAB Venue Gambling Policy 2023*.

The formal consultation period is from Wednesday 30 August to Monday 2 October 2023.

Submissions can be made either online via the submission portal [here](#), or in writing - you can complete the attached submission form and either:

- email it to haveyoursay@kapiticoast.govt.nz
- drop it off at the Council offices or a Council Service Centre, or
- post it to: Kāpiti Coast District Council, Private Bag 60601, Paraparaumu 5254.

Hard copies of the proposal and submission forms are also available from Kāpiti Coast District Council offices or the Council service centres at our libraries.

Submissions close 12pm Monday 2nd October 2023

Submissions will be heard on Thursday 19 October 2023

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.

What happens to your feedback?

Your submission, and those of other submitters, will help inform Councillors as we finalise the *Kāpiti Coast District Council Class 4 Gambling & TAB Venue Gambling Policy 2023*.

Your privacy

All submissions are public information. This supports our drive to be as transparent as possible, but, if there are any personal details you don't want made public, please let us know.

Want to know more?

If you have any questions, or would like a little more information, please email haveyoursay@kapiticoast.govt.nz or call 04 296 4700.

Introduction

This *Statement of Proposal* relates to the proposed adoption of a *Class 4 Gambling & TAB Venue Gambling Policy 2023* for Council. It is proposed that the two current separate policies being reviewed, the [Class 4 Gambling Policy 2019](#) and the [TAB Venue Gambling Policy 2019](#), are combined into one policy.

In reviewing both policies, consideration is given to the balance between the potential harm to health, and the benefits of gambling, on individuals, whānau and the wider Kāpiti community.

This *Statement of Proposal*:

- helps the community understand the Council's responsibilities and the review process to date;
- explains the areas of analysis we have undertaken and why we are proposing changes; and
- invites the community to make submissions on the *Draft Kāpiti Coast District Council Class 4 Gambling & TAB Venue Gambling Policy 2023* (draft 2023 policy).

Background

Council has had Class 4 gambling and TAB venue gambling policies (or a combined policy) since 2004.

Class 4 gambling refers to non-casino gambling using electronic gaming machines (EGMs) often referred to as "pokies", the proceeds of which are distributed for authorised purposes (e.g. community grants) by the club or non-club corporate societies that own and operate them.

TAB Venue gambling is where racing and/or sports betting is undertaken at a standalone venue owned/leased by TAB New Zealand (distinct from TAB betting services available at pubs).

Purpose

The purpose of the *Draft Kāpiti Coast District Council Class 4 and TAB Venue Gambling Policy 2023* is to minimise gambling harm in the Kāpiti District (the District) by implementing a 'sinking lid' approach for Class 4 gambling and TAB venue gambling. This will be achieved by:

- preventing any increase in the number of Class 4 gambling venues and standalone TAB gambling venues
- preventing the introduction of additional EGMs
- restricting the relocation of Class 4 gambling venues.

Legislative requirements

Under the Gambling Act 2003 (the Gambling Act), Territorial Authorities (TAs) like Kāpiti Coast District Council must adopt a policy on Class 4 venues and review it every three years. Since the last review of our gambling policies the Racing Act 2003 has been replaced with the Racing Industry Act 2020 (the Racing Industry Act). Under this new Act, TAs must adopt a policy on TAB venues and review it every three years.

Under each respective Act, TAs are required to set local limits on the location and number of Class 4 gambling venues and TAB venues. Under the Gambling Act 2003, TAs are also required to consider inclusion of a relocation policy within a Class 4 policy. This relates to whether venues can relocate their Class 4 gambling licence to new premises.

In developing and reviewing these policies, consideration must be given to the social impacts of gambling in the district.

In line with the three-year review cycle, both policies commenced review in 2022. As part of the review process, Council is required to consult with the community when making, amending, or reviewing these policies using the Special Consultative Procedure under section 87 of the Local Government Act 2002 (LGA).

To help the public understand the policy review process and the proposed amendments, the LGA requires Council to present this *Statement of Proposal*.

Limitations on role of Local Government in gambling regulation

Under the Gambling Act and the Racing Industry Act, TAs have the responsibility of setting limits on the number of gambling venues and EGMs in a district. However, TAs are unable to *actively reduce* the number of EGMs currently in operation (i.e. by requiring the closure of existing venues or the removal of existing machines). A reduction of this kind can only be achieved over time through the implementation of a ‘sinking lid’ policy where no new consents are granted so the number of venues and EGMs are permanently lowered as venues close, lose their licence, or look to relocate.

The review process so far

The opportunity to undertake Class 4 and/or TAB venue gambling in our District, whilst providing a recreational activity for enjoyment and some economic benefit, also introduces the risk of problem gambling. Some proceeds from Class 4 gambling are redistributed to sports and community groups in the District, which can benefit many of our residents. Given the different aspects gambling presents, it is important to invite our community to be involved in this policy review.

To develop the draft 2023 policy and this *Statement of Proposal*, Council undertook pre-engagement with key stakeholders, research and analysis, and completed a *Social Impact Study of Gambling in the Kāpiti Coast District (Social Impact Study)* (refer Appendix 2). This has informed an assessment of whether the current policies remain appropriate. In this early review and engagement work, Council:

- communicated with Ngāti Raukawa ki te Tonga, Āti Awa ki Whakarongotai, and Ngāti Toa Rangatira seeking an iwi perspective on the impacts of gambling in the District
- met with all Class 4 venue managers/owners and corporate society representatives to discuss current gambling trends at their venues and gather their opinions on Council’s existing Class 4 gambling policy
- communicated with TAB NZ on their opinion of Council’s existing TAB venue gambling policy and their intentions for the future with regards to venues in the District
- met with problem gambling service providers (the Problem Gambling Foundation and Salvation Army) to discuss their insights into problem gambling and the level of support sought and required in Kāpiti
- contacted other social service providers for their thoughts on the impact of gambling in the District
- contacted recipients of significant gaming trust grants in recent years for their thoughts on the impact of gambling in the District
- met with government stakeholders, including the Department of Internal Affairs (DIA), Ministry of Health (MOH) and Te Hiringa Hauora - Health Promotion
- assessed the *Class 4 Gambling Policy 2019* against the Gambling Act and the *TAB Venue Gambling Policy 2019* against the Racing Industry Act to check for any ambiguities or inconsistencies that required amendment
- undertook a review of gambling literature and statistics to help inform the *Social Impact Study*, which also drew from the engagement outlined above with key stakeholders.

Effects of gambling in the Kāpiti District

Gambling harm

The *Social Impact Study* developed as part of the review process provides an overview of the impacts of gambling (see Appendix 2 for the full report). The objective of this policy is to minimise the risk of gambling

harm - any distress arising from, or caused or exacerbated by, a person's gambling to themselves, their family, whānau, workplace or society. Class 4 gambling in particular is a high-risk activity:

- Harm is more likely to be associated with continuous forms of gambling such as EGMs where winnings can be immediately reinvested into further gambling.
- Most of the money spent on gambling in New Zealand comes from the relatively small number of people who play EGMs. The 2020 Health and Lifestyle Survey showed 50.3% of those who played EGMs in pubs or clubs at least once a month experienced some level of gambling harm.
- Despite declining numbers of EGMs, Class 4 gambling venues remain primarily in areas of economic deprivation. These areas are more likely to have an over-representation of Pacific or Māori residents who are most at risk of harmful gambling.
- Over half those who seek help with gambling cite Class 4 gambling as the cause.

Although our District as a whole does not have a prevalence for *all* the high-risk factors that may cause a higher rate of problem gambling compared to other parts of New Zealand, some areas within the District do have more risk factors. The Ōtaki township/Ward, where four Class 4 gambling venues and 61 EGMs are located, remains a concern with regards to the potential incidence of harmful gambling due to a range of risk factors highlighted in the *Social Impact Study* including:

- high deprivation rating¹
- accessibility to several Class 4 venues (which are also licenced premises) within a small geographic area
- the most EGMs for the adult population in the District
- the highest Māori population in the District (including relatively high youth numbers).

Distribution of Class 4 gambling proceeds

A benefit of Class 4 gambling is that a portion of non-club society gaming machine profits (GMP) are distributed back to sporting and community groups in the form of grants². This provides financial support for these groups to operate and run activities for the benefit of the community. However, legislation does not require that these grants are distributed back into the district and communities where the gambling took place. Non-club societies can set their own grant criteria and distribution policies. Most of those that operate in the District state they aim to return some or all of their available proceeds to the same area in which the spend originated.

The *Social Impact Study* indicates that in 2021, around 47% of the total Kāpiti-generated proceeds available for grants was distributed back to the District to locally-based groups. This means the remaining 53% was distributed to national bodies (that may have activities in the District) or groups outside of the District.

Introducing a sinking lid approach does not mean that grants from Class 4 gambling will immediately reduce, but it does mean that overtime, as venues and EGMs diminish, the funds available for grants from this source will also potentially diminish. Inevitably, in the long term, if a sinking lid approach is maintained at the three-yearly policy review cycle, funding for groups from this source will no longer be an option. There are however other sources of funding from gambling such as the Lotteries Commission and TAB but central and local government may need to look at how they assist funding such groups in future to enable them to continue their beneficial work for the wellbeing of communities.

Policy options

The following options were considered for this policy review:

¹socioeconomic deprivation based on Census variables.

² Club societies are allowed to use the proceeds of their EGMs to pay for the running costs of their organisations and to benefit their members.

1. Status Quo

The current (2019) Class 4 gambling policy with the districtwide absolute caps based on 2003 venue and EGM numbers and the caps by Ward set in 2011 (refer Table 1 in Appendix 1). The status quo also includes not permitting any new Class 4 venues in the Ōtaki Ward or Paekākāriki village.

The current (2019) TAB venue gambling policy with the districtwide absolute cap of two TAB venues.

2. Reduced Caps

We considered the option of updating the districtwide Class 4 venue and EGM absolute caps to match the current (2022/23) number of venues and EGMs and amending the caps by Ward to fit with population figures relevant to Ward boundary changes and population growth. This approach was intended to be more restrictive than the status quo.

Under this option, no further additional venues or EGMs could be added unless there was a reduction from current numbers and the cap would not be exceeded at a new proposed location (refer Table 2 in Appendix 1). There would also be no new venues or EGMs permitted in the Ōtaki Ward regardless.

This scenario would also reduce the absolute cap of TAB venues from two to zero to match the current (2022/23) situation.

3. Sinking Lid

We considered a sinking lid approach where no consents would be issued for additional Class 4 venues and EGMs. This is the type of approach taken by all but one of the six Councils surrounding us/in the Greater Wellington region and in many other TAs around the country. Our sinking lid approach would also apply to TAB venues and Class 4 venue relocations.

Policy considerations

1. Effectiveness at achieving the objective of the policy – reducing harm from Class 4 gambling

Caps on the number of venues and EGMs are an instrument used to keep the number of venues and/or EGMs relatively constant in a District. Venue and EGM numbers in the District have reduced through venue closures since the policy was first introduced.

Option	Assessment
Option 1: Status Quo	<p>While the number of Class 4 venues and EGMs have reduced since this policy has been introduced, the number of EGMs in Ōtaki remains well over its cap. Annual spend on EGMs has also continued to increase. This indicates the current policy has been ineffective at reducing gambling harm in Kāpiti, which continues to disproportionately impact our highest risk community (Ōtaki).</p> <p>This option retains the potential for an additional 4 venues and 44 EGMs to be established in the future, which will limit the ability of this option to effectively reduce gambling harm in the community.</p>
Option 2: Reduced Caps	<p>Updating the caps on gambling venues and EGMs to reflect the 2022/23 numbers, though less than the status quo, still enables the same level of access to Class 4 gambling as there is currently.</p> <p>We believe that providing for venues or EGMs to be potentially established in the District outside of Ōtaki (if there was a reduction there for example), would prevent this policy from effectively achieving a reduction in gambling harm from Class 4 gambling.</p>

	The higher risk Ōtaki Ward would continue to remain a concern, with existing EGM numbers exceeding this reduced cap by 34 EGMs.
Option 3: Sinking Lid	By preventing any new venues and EGMs from becoming established, this would most effectively achieve a reduction in harm from Class 4 gambling in the long term. However, problem gambling activities may be diverted towards unregulated overseas online gambling sites which have the potential to cause significant harm and provide no benefits to the community.

2. Effectiveness at achieving the objective of the policy – reducing harm from TAB venue gambling

At present:

- there are no TAB venues in the District
- there have been no TAB venues in the District since 2012
- TAB betting services are available at seven pubs/clubs in the District
- TAB NZ reports they have no plans to set up a TAB venue in the District.

Option	Assessment
Option 1: Status Quo	While there are currently no standalone TAB venues in the district, this option retains the potential for two venues to be established in the future. This limits the ability of this option to effectively reduce gambling harm in the community.
Option 2: Reduced Caps	This option presents the opportunity for the TAB venue cap to reduce to zero based on the current situation. This would likely result in a reduction in harm from TAB venue gambling.
Option 3: Sinking Lid	By preventing any new venues from becoming established, this would most effectively achieve a reduction in harm from TAB venue gambling.

3. Effectiveness at achieving the objective of the policy – relocation

Option	Assessment
Option 1: Status Quo	Currently enables the relocation of venues (within caps). This option does not utilise proposed relocations as an opportunity to reduce gambling availability and achieve the policy intent of minimising gambling harm.
Option 2: Reduced Caps	This option does not meaningfully differ from the status quo.
Option 3: Sinking Lid	By applying the sinking lid approach to relocations, venues are further restricted in their potential activities and an additional lever is introduced to reduce gambling availability in the District. Following DIA advice, the policy references it is permissible for a venue to relocate <i>in very close proximity</i> to its current location without consent.

4. Impact on funding for community groups

Option	Assessment
Option 1: Status Quo	Despite our existing policy settings, EGM spend has continued to increase year on year (excluding Covid-19 lockdown restricted periods). Therefore we do not consider that the

	status quo would have a negative impact on the availability of funding for community groups.
Option 2: Reduced Caps	We do not expect that the reduced caps would have a meaningful impact on gaming machine profits, noting the increased spending that has continued under the status quo. Therefore, we do not consider that this option would have a negative impact on the availability of funding for community groups.
Option 3: Sinking Lid	By more effectively reducing Class 4 gambling in the District over time, the sinking lid policy is expected to also reduce the overall amount of community grant funding available through “pokie trusts”. However, we expect that this reduction is likely to be gradual over a long timeframe. We therefore consider that affected clubs and community groups will have adequate time to explore other funding options as pokie trust fund availability slowly reduces.

What we propose

Following analysis, we concluded that, compared to the status quo, a sinking lid policy is the best approach to minimise gambling harm in the District. It is considered that a sinking lid policy will most effectively achieve the policy’s main objective of minimising gambling harm.

Based on the above considerations:

We propose that the revised policy remove all caps and implement a sinking lid policy with regards to Class 4 venues, EGMs and TAB venues. This means Council consent will not be granted for any:

- new venues
- additional EGMS
- venue relocations³.

Any consent applications will be considered in line with the policy objectives.

Other minor or technical adjustments

As well as the proposal above, the draft 2023 Policy includes some minor or technical changes to improve its intent, clarity and structure. These include:

- Combining the Class 4 gambling and TAB venue gambling policies into one succinct policy for practical reasons (similar purpose and intent, and the same three-yearly review cycle).
- New or amended definitions.
- Clarification of rules under the Gambling Act for existing venues.

Summary of proposed changes

All proposed changes in the draft 2023 Policy are summarised in the table below. Due to the change in approach from a caps policy to a sinking lid, there are significant changes to the content of the *Class 4 Gambling Policy 2019* including incorporating the *TAB Venue Gambling Policy 2019* to form the draft 2023 policy. These tracked changes are shown in the draft 2023 policy in Appendix 3 and a clean version of the policy is shown in Appendix 4.

³ Relocations in very close proximity to the existing venue will be able to occur without consent.

Class 4 gambling policy clause		Key differences between the draft 2023 policy and the Class 4 Gambling Policy 2019
	Title, commencement, and application	<ul style="list-style-type: none"> Amended to incorporate <i>TAB Venue Gambling</i> in title Amended to 2023
1	Policy validation	<ul style="list-style-type: none"> Amended to incorporate <i>TAB Venue Gambling</i> Amended to Council approval date TBC Amended to include <i>Racing Industry Act 2020</i> references
2	Interpretation	<ul style="list-style-type: none"> Removed the definition of <i>Council</i> and <i>Problem gambling</i> as unnecessary The following terms are newly defined (n) or amended (a) to: <ul style="list-style-type: none"> make the overall intent and scope of the policy clearer and/or to align with definitions in legislation. <ul style="list-style-type: none"> <i>Class 4 gambling</i> (a) <i>Gaming machine</i> (n) <i>Class 4 gambling venue</i> (a) <i>Harm</i> (replaces <i>Gambling Harm</i>) (n) <i>TAB venue</i> (added/amended from 2019 TAB venue policy) <i>Relocation/relocating</i> (n)
3	Objectives	<ul style="list-style-type: none"> Two clauses deleted as no longer relevant to policy context Four clauses amended to reflect sinking lid approach and incorporate reference to TAB venue gambling One clause added in relation to TAB venues
4	Rules Regarding Existing Class 4 Gambling Venues	<ul style="list-style-type: none"> <i>Gaming</i> corrected to <i>Gambling</i> in the title One clause deleted and three clauses amended to clarify relationship to the Gambling Act limits One clause relocated from former section 6 and amended
5	Where Class 4 Gambling Venues may be established	<ul style="list-style-type: none"> Title amended included <i>Gaming</i> corrected to <i>Gambling</i> Two clauses deleted and one clause amended to reflect sinking lid approach
6	Location of new Class 4 Gaming Venues	<ul style="list-style-type: none"> Section and five clauses removed as no longer required/relevant. One clause relating to primary activity of a Class 4 gambling venue moved to Section 4 (and amended)
7	Relocation of existing Class 4 Gambling Venues	<ul style="list-style-type: none"> Renumbered as section 6 (due to removal of section above) <i>Gaming</i> corrected to <i>Gambling</i> in the title Four clauses deleted as no longer relevant One clause amended to reflect sinking lid approach One clause added to clarify relocation to nearby site
7	Numbers of Class 4 Gaming Machines	<ul style="list-style-type: none"> Title amended Seven clauses and table removed and one clause amended to reflect sinking lid approach
8	Where TAB venues may be established	<ul style="list-style-type: none"> New section and clause added with regards to TAB venues (includes addition of footnote)
9	Applications and Fees for Consents	<ul style="list-style-type: none"> Numbering amended to 10 to follow insertion of above section Two clauses combined and amended to reflect scenario if consent application is made
10	Next Policy Review	<ul style="list-style-type: none"> Numbering amended to 11 for sequencing Amended to incorporate reference to the Racing Industry Act 2020 because of TAB venue gambling inclusion
TAB venue gambling policy clause		Key differences between draft 2023 policy and TAB Venue gambling policy 2019
All		<ul style="list-style-type: none"> The whole policy is deleted and relevant parts are added to the combined policy and amended as noted above

Appendix 1: Caps in other scenarios considered

Table 1. Status quo: 2019 policies

<i>2019 policies</i>	Actual number of Class 4 venues	Class 4 venue policy cap	Actual number of EGMs	Capped number of EGMs in policy	Change to meet EGM cap	Actual number of TAB venues	TAB venue policy cap
Ōtaki			61	42	-19		
Waikanae			18	52	+34		
Paraparaumu			86 (78)*	89	+3 (+11)*		
Paekākāriki-Raumati			27	45	+18		
Districtwide	12 (11)*	15	192 (184)*	228	+36 (+44)*	0	2

*As one venue in Paraparaumu has closed since the 2019 policy review the numbers in brackets represent actual numbers in 2022/23. However the caps remain the same in this scenario.

Table 2. Reduced caps

<i>Reduced caps (based on 2022/23 numbers)</i>	Actual number of Class 4 venues	Class 4 venue policy cap	Actual number of EGMs	Capped number of EGMs in policy	Change to meet EGM cap	Actual number of TAB venues	TAB venue policy cap
Ōtaki			61	27	-34		
Waikanae			18	51	+33		
Paraparaumu			78	79	+11		
Paekākāriki-Raumati			27	27	0		
Districtwide	11	11	184	184	0	0	0

Appendix 2: Social Impact Study of Gambling in the Kapiti Coast District



Social Impact Study of Gambling in the Kāpiti Coast District



2022

1. INTRODUCTION

1.1 What is the purpose of this report?

The purpose of this report is to review the social impacts⁴ of gambling on the Kāpiti Coast Council District (Kāpiti).

This social impact study⁵ has been compiled by Council staff based on comprehensive literature research, data gathering and early engagement with key stakeholders. This research builds a picture of gambling locally within the context of the national situation, with a focus on Class 4 and TAB venue gambling. It includes looking at what has happened since the last social impact study was undertaken in 2018 as part of the previous gambling policies review and aims to assist Council in determining the Class 4 gambling and TAB venue gambling policy appropriate for Kāpiti at this time.

1.2 What is Class 4 gambling?

Class 4 gambling refers to non-casino gambling utilising electronic gaming machines (EGMs) often referred to as “pokies”, the proceeds of which must be applied to, or distributed for, authorised purposes (i.e. grants or club member benefits). Class 4 gambling may only be conducted by a licenced not-for-profit corporate society or TAB New Zealand at a licenced venue. It has no NZ-based online portal, only taking place in-person.

1.3 What is TAB venue gambling?

A TAB venue is a premises owned or leased by TAB New Zealand (TAB NZ) where the main business is providing racing and/or sports betting (but it may also provide Class 4 gambling). It is a stand-alone venue not to be confused with Class 4 venues such as pubs and clubs which may also offer TAB betting services.

2. GAMBLING LEGISLATION AND ROLES AND RESPONSIBILITIES

2.1 Gambling Act 2003

The Gambling Act 2003 (the Gambling Act) declared gambling to be a public health concern. It incorporates oversight of Class 4 gambling and includes the following objectives:

- to control the growth of gambling; and
- prevent and minimise harm from gambling, including problem gambling; and
- ensure that money from gambling benefits the community; and
- facilitate community involvement in decisions about the provision of gambling.

The Act includes a requirement for a Territorial Authority (TA), such as Kāpiti Coast District Council, to adopt a policy on Class 4 venues and review this 3-yearly. It must specify:

- whether or not Class 4 venues may be established in the district and, if so, where they may be located⁶; and
- it may specify any restrictions on the maximum number of EGMs that may be operated at a Class 4 venue. (At a minimum the TA policy can restate the EGM thresholds provided in the Act which allows nine EGMs per Class 4 venue, and 18 if the EGM licence was issued before October 2001).

A 2013 amendment required TAs to consider whether to include a relocation policy. This sets out if, and when, the TA will grant consent in respect of a venue within its district where the venue is intended to replace an existing venue.

2.2 Racing Industry Act 2020

Regulation of racing and sports betting was previously administered under the Racing Act 2003. This has now been repealed and replaced with the Racing Industry Act 2020 (the Racing Industry Act). One purpose of this Act is to:

- prevent and minimise harm from gambling conducted under this Act, including harm associated with problem gambling.

⁴ A social impact can be defined as the effect that actions have on people, communities, and society.

⁵ [s.101\(2\) of the Gambling Act 2003](#) requires territorial authorities to “have regard to the social impact of gambling within the territorial authority district”.

⁶ [s.101\(4\)\(b\) of the Gambling Act 2003](#) notes territorial authorities must have regard to the location of kindergartens, early childhood centres, schools, places of worship, and other community facilities.

The racing and sports betting entity is now known as TAB NZ and the Act includes the requirement for TAs to have a policy that “must specify whether or not new TAB venues may be established in the territorial authority district and, if so, where they may be located.”

Where a TAB venue also operates Class 4 EGMs, these are administered under the Class 4 section of the Gambling Act.

2.3 What are the roles and responsibilities of those involved in the Class 4 and TAB venue gambling industry?

The government and gambling industry both have important roles to play in providing a balance between the costs and benefits of gambling and ensuring the costs of gambling are minimised. Appendix 1 shows a relationship diagram between gamblers, the four main types of gambling, regulatory roles, and community returns⁷. This highlights the limited role TAs play.

Department of Internal Affairs (DIA)

The DIA is the main gambling regulator and policy advisor to the government. They administer the Gambling Act and the Racing Industry Act and its regulations. Their role includes issuing licences for gambling activities, inspecting venues to assess whether the harm minimisation provisions are being implemented, encouraging best practice in the gambling sector, publishing gambling data and ensuring gambling proceeds benefit the community.

Territorial Authorities

TAs are required to develop, review, and apply policies on Class 4 EGM venues and TAB venues in their area.

Ministry of Health (MOH)

The MOH is responsible for developing an integrated gambling strategy that focuses on public health. This includes measures to promote public health by preventing and minimising gambling harm. They also fund (through a problem gambling levy) and implement the services (such as provided by the Problem Gambling Foundation) mandated by the strategy and undertake independent scientific research on gambling.

Gambling Commission

The Gambling Commission is an independent statutory decision-making body that hears complaints and appeals against decisions made by the DIA in relation to Class 4 gambling (they also issue casino licences).

TAB New Zealand

TAB NZ conducts racing and sports betting under the Racing Industry Act. Net proceeds from racing betting are applied to fund the racing industry. Net proceeds from sports betting are distributed to national sporting bodies (dependent of turnover and margin earned by each sport). Its' Class 4 proceeds are distributed back into racing and community sport groups.

Corporate Societies (“Pokie Trusts”)

Traditional (non-club) gaming societies own EGMs and make venue payments to separately owned pubs and bars in exchange for hosting the machines. Proceeds are distributed by the societies back to the community through grants based on their own decision-making criteria.

Club Societies

Club societies own and host EGMs in their clubrooms. Net proceeds are mainly applied by the club for the benefit of club members for authorised purposes such as building maintenance, staff wages, and club events.

2.4 Online gambling

Online gambling presents challenges for the New Zealand gambling regulatory system. In the past, regulating gambling has focused on licensing New Zealand gambling operators and their land-based gambling premises, and ensuring compliance with New Zealand domestic gambling legislation. Online gambling will require new and innovative regulatory approaches. The Government is in the process of developing its approach toward the regulation of online gambling⁸.

2.5 What is the scope and effectiveness of TA gambling policies?

2.5.1 Scope

For clarity, it is important to note that there is limited opportunity for TAs to manage gambling harm under the relevant Acts in relation to Class 4 and TAB venue gambling.

⁷ Relationship diagram is representative only. Source of statistics: [Health & Lifestyle Survey 2020 and 2018](#) plus MOH [Strategy to Prevent and Minimise Gambling Harm 2022/23 to 2024/25](#).

⁸ DIA website: [Gambling territorial authorities policy review process understanding gambling community - dia.govt.nz](#)

The Class 4 policy options available include⁹:

- No restrictions i.e. no limit on the number of total venues/EGMs.
- Restrictions on where Class 4 venues are allowed.
- Restrictions on the number of EGMs (through absolute cap or per capita cap).
- Sinking lid on venues – do not allow new Class 4 venues.
- Sinking lid on EGMs – do not allow new gaming machines.
- A “Relocation Policy” may be included.

Out of scope:

- Ability to reduce the *existing* number of EGMs and/or venues across the district (current legislation does not enable this).
- Control of the hours of operation of EGMs/venues (this aligns with Class 4 venue alcohol licence hours).
- Measures to reduce harm at the venue level (compliance managed by DIA).
- Ensuring the distribution of gambling proceeds goes directly back to the community from which it came (not a requirement under current regulations).
- TAB betting at Class 4 venues.

2.5.2 How effective are TA policies?

A study in 2020 found that any of the three forms of policy intervention outlined below are effective in reducing Class 4 venues and EGMs, noting that a reduction in access to Class 4 gambling reduces gambling expenditure (however, an earlier 2018 analysis of sinking lids indicated that reductions in EGMs were not strongly correlated with reduced EGM expenditure in high deprivation areas)¹⁰.

Policy intervention types:

- **Absolute caps** and **per capita** (proportional to the resident population) **caps** on the number of EGMs and venues within a TA are an instrument used to keep the number of EGMs and/or venues relatively constant.
- **Sinking lids**: a cap which sinks as venues lose their licenses, meaning no new licences are granted and are non-transferable; and so Class 4 venue closures or relocations serve to permanently lower the absolute cap on EGMs within the TA over time.

Gambling policies enacted at the TA-level are a community approach to minimising gambling related harm associated with EGMs. However, policies that reduce access to in-person Class 4 gambling may just redirect this activity towards unregulated online gambling channels that may put users at risk of greater harm.

As of 10 May 2021, 40% of TAs had sinking-lid policies in place for Class 4 EGMs and a further 48% had caps on the number of venues and/or EGMs in their area.¹¹ All the districts/cities surrounding Kāpiti and in the Greater Wellington area currently (2023) have sinking lid policies except for Upper Hutt City Council.

3. BACKGROUND

3.1 What is Council’s Class 4 gambling policy history?

Kāpiti Coast District Council (Council) first developed a Class 4 gambling policy in 2003/04 following introduction of the Gambling Act in 2003. It was then reviewed in 2007, 2010/11 and 2018/19. The previous and current policy positions can be briefly summarised in the following table.

⁹ Malatest International (2021) [Gambling Harm Needs Assessment 2021](#) (for the Ministry of Health).

¹⁰ Erwin, C., Lees, K., Pacheco, G. & Turcu, A. (2020) [Capping gambling in NZ: The effectiveness of local government policy intervention](#). Auckland.

¹¹ Ministry of Health (2022) [Strategy to Prevent and Minimise Gambling Harm 2022/23 to 2024/25](#). Wellington.

Table 1: History of Council Class 4 gambling policies

Review date	2003/04	2007	2010/11	2018/19
Policy type	Districtwide (DW) absolute cap on venues (15) & EGMs (228) set.	Retained DW absolute cap (15 & 228) & applied caps <i>by ward</i> . No new EGMs permitted in Ōtaki & Paekākāriki.	Retained DW absolute cap (15 & 228) but ward caps amended for population change. No new EGMs permitted in Ōtaki & Paekākāriki.	Retained DW absolute cap (15 & 228) but ward caps amended for population change. No new EGMs permitted in Ōtaki & Paekākāriki.
National trends	Number of venues/EGMs rising significantly. 84% of those seeking help - Class 4 gambling the cause.	Decline in Class 4 expenditure due to spend on other gambling types. 78% of those seeking help - Class 4 gambling the cause.	Decline in Class 4 expenditure due to spend on other gambling types. Class 4 noted as a more addictive type of gambling.	Decline in number of Class 4 venues/EGMs but an increase in spend. Class 4 gambling remains main form help is sought for.
Kāpiti District SIA	Scored low in terms of overall susceptibility to harm but higher risk areas e.g. Ōtaki.	Continuing disparity in distribution of EGMs across district i.e. Ōtaki high ratio.	Higher EGM ratio in Ōtaki in particular, and Paraparaumu.	Ōtaki continues to be high risk area despite one venue closing since 2010.
DW ratio EGMs:adults	1:149	1:154	1:162	1:199

3.2 What is Council’s TAB venue gambling policy and venue history?

Historically there has been one stand-alone TAB venue in Kāpiti which closed in February 2012. There are currently none (however seven Class 4 venues currently have TAB betting facilities available).

Table 2: History of Council TAB venue gambling policies

Review date	2003/04 (First policy)	2007	2011	2019
Policy type	DW cap of 1. Policy combined with Class 4.	DW cap of 2. Policy combined with Class 4.	DW cap of 2. Policy separate to Class 4.	DW cap of 2. Policy separate to Class 4.

4. GAMBLING IN NEW ZEALAND - AN OVERVIEW

4.1 Why do people gamble and what are they gambling on?

For most participants gambling is one of many different forms of entertainment and provides enjoyment (despite losing some money). For a small portion of participants however, gambling can become an addiction and lead to harm-related costs¹².

The four main types of legalised gambling in New Zealand are:

1. New Zealand lotteries products (Lotto)
2. TAB NZ racing and sports betting (TAB)
3. Class 4 EGMs operated in bars, pubs, clubs, and TAB venues
4. Casino gambling.

4.2 How accessible is gambling in New Zealand and Kāpiti?

The four main types of regulated gambling are accessible throughout the country through venues and outlets (and in the case of TAB betting and Lotto products, also online/through apps).

¹² TDB Advisory (2021) [Gambling in New Zealand: A National Wellbeing Analysis](#) (A report prepared for the Gaming Machine Association of New Zealand). Wellington.

Table 3: Accessibility in numeric terms of the four main types of legalised gambling in New Zealand & Kāpiti

Gambling type	New Zealand	Kāpiti
Class 4* venues	1015	11
Hotel/tavern type venues with EGMs	803 (79%)	8
Club venues with EGMs (104 chartered clubs, 57 RSAs, 28 sports clubs)	168 (17%)	3
TAB NZ** standalone venues with EGMs	44 (4%)	0
Non-casino EGMs	14,704	184
Non-club gaming societies	34	5
TAB NZ standalone venues (of which 44 have Class 4 gambling)	53	0
TAB retail outlets at pubs	c.480	7
TAB NZ active customers	233,000	-
Casinos	6	0
Lotto outlets***	1309	14

*All Class 4 figures provided by DIA as at 31.10.22

**All TAB figures provided by TAB NZ as at 20.10.22 (except active customers: 12 months to 31.7.22)

***Lotto figures provided by Lotto NZ as at 14.11.22

4.2.1 Online gambling accessibility

Only Lotto and TAB NZ are authorised to operate online gambling in New Zealand. It is illegal for overseas online gambling operators to advertise to New Zealanders.

However, the current regulatory framework does not prevent New Zealanders from participating in online gambling with operators based outside New Zealand. This provides gamblers with 24/7 access to gambling from any location (with internet connectivity) without any of the restrictions or monitoring of problem gambling that can occur in Class 4 venues. There is very little data on who is participating in online gambling and how much is spent, however given the ease of access, it is likely that it is becoming popular among problem gamblers.

4.3 Who is taking part in the four main regulated gambling types nationally?

According to the MOH *Strategy to Prevent and Minimise Gambling Harm 2022/23 to 2024/25 (MOH Strategy)*, the majority of New Zealanders gamble at least occasionally. Te Hiringa Hauora's 2020 *Health and Lifestyle Survey (2020 HLS)* recorded that 69.3% of adults (correlating to about 2.84 million New Zealanders aged 16 and over) were involved in at least one gambling activity in the previous 12 months.

4.3.1 Who and how many people are participating in Class 4 gambling in a pub/club nationally?

The general participation rate of EGMs in pubs or clubs from the 2020 HLS is 9.6% (or an estimated 395,000 adults) with the highest rates participation found among:

- *Ethnicity*: Māori (Māori are twice as likely to participate in Class 4 Gambling than non-Māori)
- *Age*: 16-24 years¹³
- *Gender*: Men
- *Neighbourhood deprivation*¹⁴: Most deprived (8-10)
- *Problem gambling severity*¹⁵: "Moderate risk" or "problem gambler"

Furthermore the 2020 HLS shows 0.9% (or an estimated 36,000 adults) played EGMs in a pub or club *weekly* in the previous 12 months with the same highest participation factors as above except those in the 65+ years age group were the highest users by age.

4.4 How much is being spent on the four main regulated gambling types nationally?

In terms of total expenditure per type of gambling activity, Class 4 is by a significant margin the largest of the four main regulated gambling types. This is of note given the relatively low participation rates as indicated in Table 4 below (and as show in the diagram in Appendix 1).

¹³ The 2020 HLS includes adults as aged 16 & over, but Class 4 gambling is restricted to 18+ years.

¹⁴ Deprivation ratings on a scale of 1-10 with 10 being the most deprived using the *New Zealand Index of Deprivation*.

¹⁵ Refer section 5.2 for a definition of the *Problem Gambling Severity Index*.

Total gambling expenditure in 2020/21 was the highest ever recorded at \$2.624 billion for the four main types combined¹⁶ (this includes the highest on record for Class 4 gambling).

Table 4: Four main types of regulated gambling participation and expenditure in 2020/21

	Expenditure 2020/21*	Percentage of \$ total	Participation rates**
Class 4 gambling	\$987m	37.6%	9.6%
Lotto products	\$694m	26.4%	59.1%
Casinos	\$559m	21.3%	5-8%
TAB sports & racing betting	\$385m	14.7%	10.9%

*MOH Strategy

**2020 HLS (except casinos from 2016 HLS)

4.4.1 How much is being spent on Class 4 gambling nationally?

Table 5 shows Gaming Machine Profits (GMP)¹⁷ specifically for Class 4 gambling in recent years in relation to EGMs and venues. The drop in expenditure in 2020 and 2021 can be attributed to COVID-19 lockdowns during those years when EGMs were inaccessible. During this time, it is likely some of this usual EGM spend went to online gambling. These statistics are not captured so the reduction in EGM spend does not necessarily reflect a reduction in harm¹⁸.

Table 5: National Class 4 Gambling Machine Profits, venues & EGM nos. 2019-2021¹⁹

Year ending	GMP	GMP/EGM	No. EGMs	No. venues	GMP/capita*
Dec-2019	\$939m	\$16,310	14,856	1080	\$62.71
Dec-2020	\$811m	\$17,070	14,781	1068	\$63.91
Dec-2021	\$859m	\$12,289	14,743	1050	\$45.55

*Dot Loves Data Gambling Dashboard

4.5 What are the national gambling trends?

The key findings of the *Gambling Harm Needs Assessment 2021* which informs the *MOH Strategy* included:

- All forms of gambling remain widely accessible, and access to online gambling for money has increased.
- Venue-based gambling expenditure decreased during COVID 19 lockdowns but returned to pre-COVID levels shortly after the lockdowns lifted.
- Although gambling participation has decreased for the general population, harmful gambling prevalence has not declined.
- Harms and risks from gambling remain widespread and are more prevalent among Māori, Pacific peoples and young people/rangatahi than among other groups. Harmful gambling affects all aspects of wellbeing for individuals and their whānau.

Much evidence suggests the costs (individual, family and community harms) associated with gambling outweigh the benefits, such as employment and availability of community funding.

There is some evidence indicating that New Zealanders are gambling more online, including spending more on Lotto and racing/sports betting online products which are regulated in New Zealand. More research is underway to find out the extent of money being spent by New Zealanders on online gambling²⁰.

In relation to Class 4 gambling nationally:

- EGMs peaked at over 25,000 in 2003 and are now at 58% of this level. Despite the declining numbers, total Class 4 expenditure continues to increase. (Club-based expenditure continues to decrease while non-club

¹⁶ Ministry of Health (2022) [Strategy to Prevent and Minimise Gambling Harm 2022/23 to 2024/25](#). Wellington.

¹⁷ GMP is expenditure or player loss on EGMs – refer section 6.2.

¹⁸ Related article: [Inequitable burden of COVID-19 changed Māori drinking, smoking, and gambling habits during lockdown | New Zealand Doctor \(nzdoctor.co.nz\)](#)

¹⁹ DIA [Gaming Machines Statistics Dashboard](#) (except GMP/capita data).

²⁰ DIA website: [Gambling territorial authorities policy review process understanding gambling community - dia.govt.nz](#)

expenditure increases).²¹The highest quarterly GMP levels on record were in June 2021 at \$260.6m, and the second highest in June 2022.²²

- Spending on Class 4 gambling is not spread evenly across communities. *Dot Loves Data* reports that GMP per capita levels increase with socio-economic deprivation. This is partly due to accessibility, with over 60% of Class 4 EGM venues located in the most socioeconomically deprived areas. People in these areas spend up to three times as much on EGMs than people in the least-deprived areas. Whilst some people may gamble outside their neighbourhoods, research shows problem gambling is significantly associated with living closer to a gambling venue.²³

With regards to TAB gambling, according to the *MOH Strategy*, spending on TAB NZ products was relatively flat for some years. However, 2020/21 saw a shift against this trend with their highest year on record. DIA anticipates flat to modest expenditure growth in the next three-year period.

With regards to online and offshore online gambling, conservative estimates place total online gambling revenue as having increased from \$139.3m to \$332.6m between 2014 and 2020 because of aggressive targeting from offshore platforms.²⁴

4.6 What are people's attitudes to gambling harm nationally?

Based on the 2020 HLS, around 48% of adults have some degree of concern with the level of gambling in the community. It also found 49% think raising money through gambling does more harm than good in the community.

Those affected by harmful gambling described gambling participation in New Zealand as a normalised activity.²⁵

The Problem Gambling Foundation (PGF) website states that EGMs give players unrealistic impressions of the odds of winning, confuse people about how much money they have lost, and encourage sustained periods of gambling – often in the hope of recovering losses. Players may lose all sense of self and time when playing EGMs. The uninterrupted play and solitude keeps players in “the zone.” Furthermore, EGMs are a continuous activity with up to 1200 unique games that can be played in an hour, meaning the player is drawn into the next game and the next and so on.

The Gaming Machine Association of New Zealand (GMANZ) reports that New Zealand has a very low problem gambling rate by international standards.

5. THE COSTS OF GAMBLING

5.1 What is gambling harm?

The Gambling Act defines gambling harm as “distress of any kind arising from or caused or exacerbated by, a person’s gambling” to themselves, their family, whānau, workplace or society.

Gambling harm is a significant social and economic issue. About one in five people in New Zealand will experience harm in their lifetime due to their own or someone else’s gambling. Harm may include damage to relationships, emotional and psychological distress, disruptions to work or study, loss of income, the financial cost of gambling, and fraud and related crimes. Gambling may also cause financial stress and anxiety and contribute to child neglect and family violence.²⁶ The following diagram from the PGF indicates the potential impacts from harmful gambling.

According to the *MOH Strategy*, Australian research suggests that between five and ten other people are adversely affected by a person who has a severe problematic gambling behaviour. In New Zealand, we know that

²¹ Ministry of Health (2022) [Strategy to Prevent and Minimise Gambling Harm 2022/23 to 2024/25](#). Wellington.

²² DIA [Gaming Machines Statistics Dashboard](#)

²³ As above 21

²⁴ [Unregulated Online Gambling 'Extremely Risky' For New Zealanders, Minister Days | Newsroom](#)

²⁵ Malatest International (2021) [Gambling Harm Needs Assessment 2021](#) (for the Ministry of Health).

²⁶ Ministry of Health (2022) [Strategy to Prevent and Minimise Gambling Harm 2022/23 to 2024/25](#). Wellington.

harmful gambling behaviour is strongly correlated with family, whānau or partner violence, with half of problem gamblers reporting having experienced this type of violence.

The broader impacts on society of gambling come from the expenditure that could have been spent elsewhere such as on retail.



5.2 How is gambling harm measured?

At the individual level, treatment of gambling harm has a public-health approach, which recognises harm on a continuum. Where a gambler sits on this continuum can be understood using the Problem Gambling Severity Index (PGSI), the current international standard for measuring problem gambling severity (used by the MOH)²⁷.

The PGSI asks nine behavioural questions to generate a score from 0 to 27 to categorise respondents as:

- Non-gambling (not gambled in the past 12 months)
- Non-problem gambling (0)
- Low risk gambling (1-2.5) – likely will not have experienced any adverse consequences from gambling.
- Moderate risk gambling (3-7.5) – may or may not have experienced adverse consequences from gambling.
- Problem gamblers (8-27) – have experienced adverse consequences from their gambling and may have lost control of their behaviour.

5.3 How much gambling harm is there in New Zealand?

Using the PGSI, the 2020 HLS indicators estimated 65,000 adults aged 16 years and older (1.6%) as moderate risk and problem gamblers and 119,000 (2.9%) as low risk. The 2018 HLS had the same 1.6% result with the split between moderate risk gamblers at 1.5% and problem gamblers 0.1%.

Although gambling harm rates may appear unchanged, the total number of people experiencing harm may have increased as New Zealand's population has increased.

The MOH monitors the data on clients seeking assistance for gambling harm. The number of people seeking help for gambling nationally in 2020/21 (including for “brief interventions” such as a phone call) was 10,946 (60% gambler:40% family/affected other). 5,538 people sought help for Class 4 gambling which is over half those seeking help.²⁸

²⁷ TDB Advisory (2021) [Gambling in New Zealand: A National Wellbeing Analysis](#) (A report prepared for the Gaming Machine Association of New Zealand). Wellington.

²⁸ [Intervention client data | Ministry of Health NZ](#)

The MOH notes that the number of people seeking help for their own gambling is substantively lower than expected, representing only 10% of the 65,000 New Zealanders estimated to be affected by moderate to severe gambling harm. The likely causes include the high level of stigma associated with gambling harm and societal attitudes towards gambling.

According to the MOH, the number of gamblers seeking treatment continues to decline despite the increase in real numbers of people experiencing gambling harm (COVID-19 restrictions exacerbated this decline).

It is difficult to predict the extent to which an increase in online gambling may result in an increase in problem gamblers and gambling-related harm. We do know that some forms of online gambling are addictive, particularly those that provide an opportunity for continuous gambling, such as online pokies²⁹.

5.3.1 What level of harm is there in relation to Class 4 gambling nationally?

Harm is more likely to be associated with continuous forms of gambling such as EGMs where winnings can be immediately 'reinvested' into further gambling.³⁰

Most of the money spent on gambling in New Zealand comes from the relatively small number of people who play EGMs (9.6% as indicated in section 4.4). Analysis from the 2020 HLS shows 50.3% of those who played EGMs in pubs or clubs at least once a month experienced some level of gambling harm.

5.4 What are gambling harm risk factors?

The *MOH Strategy* reports that research shows that Māori and Pacific peoples, some Asian communities and rangatahi disproportionately experience gambling harm. According to the 2020 HLS about 45.7% of youth aged 16-24 had gambled in the past year. Māori were 3.13 times more likely to be moderate-risk or problem gamblers than non-Māori. In the Māori adult population, approximately 3.7% were moderate-risk or problem gamblers. After adjusting for deprivation level, the 2020 HLS found Māori were over 3.39 times more likely to report either gambling-related arguments or money problems related to gambling compared with non-Māori.

Furthermore, despite declining numbers of EGMs, Class 4 venues remain primarily in areas of economic deprivation. These areas are more likely to have an over-representation of Pacific and Māori residents who are most at risk of harmful gambling.³¹

Women (who are commonly primary caregivers) may be at heightened risk of experiencing problems where gambling venues in local communities may offer them respite, distraction, comfort, time out and/or connection³².

5.5 What measures are in place to prevent and minimise gambling harm?

Key sector-wide requirements include:

- You must be 18 years or older to play Class 4 EGMs or bet at the TAB.
- Venue admission policies: allows gambling operators to remove/exclude problematic players.
- Problem gambling levy: collected from all gambling operators and used to fund the *MOH Strategy*.
- Licensing: regulator has power to grant and remove licences based on adherence to harm prevention and minimisation.

With regards to Class 4 gambling, measures include:

- Primary activity of venue must be focused on persons over 18 years of age.
- Limits on stakes, maximum bets and prize money/jackpots.
- Display odds of winning, messages to players every 30 minutes to show length of play, wins and losses.
- Not accepting \$50 and \$100 notes and no ATMS in gaming areas.
- Prohibition of advertising of EGMs outside venue.

²⁹ DIA website: [Gambling territorial authorities policy review process understanding gambling community - dia.govt.nz](https://www.dia.govt.nz/gambling-territorial-authorities-policy-review-process-understanding-gambling-community)

³⁰ Ministry of Health (2022) [Strategy to Prevent and Minimise Gambling Harm 2022/23 to 2024/25](#). Wellington.

³¹ Malatest International (2021) [Gambling Harm Needs Assessment 2021](#) (for the Ministry of Health).

³² As above 30.

- Ability for players to self-exclude from one or multiple venues.
- Facial recognition software at some venues to identify excluded gamblers.
- Gambling harm prevention and minimisation policy in place, including monitoring behaviour, keeping records of at-risk players, and excluding players where necessary. Plus, problem gambling awareness and intervention training for staff.

Kia Manawanui Aotearoa – Long-term pathway to mental wellbeing is a whole-of-government action plan for the long-term transformation of the mental health and addiction sector. The plan includes an action to review the Gambling Act, with specific reference to preventing and minimising harm from online gambling and EGMs.³³

5.6 What help is available to at-risk and problem gamblers and affected others?

Intervention services such as those provided by the Problem Gambling Foundation and Salvation Army are available for free to those that seek help for their gambling problem or as someone affected by a problem gambler. They provide a confidential support system and strategies to help those with a gambling addiction and/or their affected family members. This includes face-to-face counselling and specialist counselling for Māori, Pasifika, and Asian clients.

6. THE BENEFITS OF GAMBLING

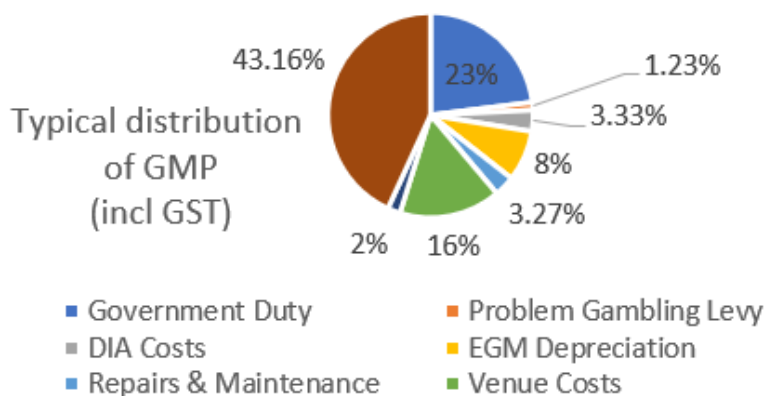
6.1 What are the benefits of gambling?

The main benefits of gambling are:

- the entertainment enjoyment it brings recreational players (non-problem gamblers), even if they lose money (e.g. fun, excitement, socialising, relaxation and a reprieve from stress and worry).
- the wellbeing arising from the funding to sport, arts, and community activities.
- the substantial duty revenue gambling generates for the government (and therefore more broadly the flow-on benefits for New Zealanders in general).
- economic development and employment.

6.2 Where does the money from EGMs go?

GMANZ reports that on average for every dollar gambled, 91.5 cents is returned to players in winnings. The money retained, that is, the money lost by players (GMP), is typically distributed in the following way by non-club societies:



6.3 How much has been returned to the New Zealand community in Class 4 gambling grants?

In 2021, \$269.56m worth of funding from Class 4 gambling proceeds went to 9,054 organisations. A total of 19,178 grants were accepted from 35 grant making gaming societies. Table 6 shows Class 4 grant returns to New Zealand community organisations by category for the calendar years 2019 through 2022 (first half).

³³ Ministry of Health (2022) [Strategy to Prevent and Minimise Gambling Harm 2022/23 to 2024/25](#). Wellington.

Table 6: Class 4 grant returns to New Zealand groups by category 2019-2022³⁴

Category	2019	2020	2021	2022 (Jan-Jun)
Sport	\$153.88m	\$110.67m	\$144.34m	\$76.21m
Community	\$58.19m	\$39.65m	\$50.34m	\$27.32m
Health/Welfare/Rescue Services	\$25.39m	\$15.77m	\$27.95m	\$19.98m
Arts & Culture	\$23.79m	\$12.83m	\$16.17m	\$11.63m
Research & Education	\$33.54m	\$17.41m	\$15.45m	\$13.27m
Unspecified	\$496.9k	\$18.99m	\$13.17m	\$0.5m
Environment & Animals	\$2.5k	\$19.9k	\$2.14m	\$2.24m
TOTAL	\$295.28m	\$215.34m	\$269.56m	\$151.15m
Total organisations funded	9,669	7,758	9,054	5,779
Total accepted grants	26,439	16,292	19,178	10,294
Grant making societies involved (incl TAB NZ)	34	34	35	34

Note: Regulation 10(1) of the Gambling (Class 4 Net Proceeds) regulations for the fiscal years ending in 2020 and 2021 were suspended meaning the 40% grants obligation was relaxed due to COVID-19.

Community and sports group funding recipients have become dependent on the grants system for survival. Without funding from Class 4 gambling, sports funding would need to look at alternate funding mechanisms such as central or local-government funding. Given the current magnitude and reach of gambling’s contribution to sports in New Zealand, alongside the funding pressure on alternate mechanisms, it is reasonable to assume that without gambling, sporting activities would not occur to the same extent as they currently do.³⁵

7. THE KĀPITI COAST DISTRICT PROFILE AND LEVEL OF GAMBLING

7.1 How many Class 4 gambling venues and EGMs are there in Kāpiti?

There are currently 11 Class 4 venues in Kāpiti (refer Appendix 2 for geographic location maps) licenced for a total of 184 EGMs operated by eight corporate societies (three clubs and five non-clubs). As part of preengagement with venue and society representatives it was determined that every EGM venue is currently operating the maximum number of EGMs they are licenced for except for *The Black Stag* that has one less in use due to space in their gaming room. All venues stated they would run the maximum EGMs they are able to.

As EGMs cannot be the main activity at a Class 4 venue, in Kāpiti, EGMs are located in a pub or club environment where the sale of alcohol is usually the primary activity on site (with the additional requirement for food being available) and TAB betting services may also be offered. Therefore, some or all these activities may be carried out simultaneously at a venue by customers. Co-location to alcohol may contribute to problem gambling behaviour as it inhibits good decision-making. Typically, EGMs are accessible for the same period as the venue’s opening hours (which are based on their alcohol licencing hours) and shown in Table 7.

³⁴ DIA grants dashboard granted.govt.nz

³⁵ TDB Advisory (2021) [Gambling in New Zealand: A National Wellbeing Analysis](#) (A report prepared for the Gaming Machine Association of New Zealand). Wellington.

Table 7: Class 4 gambling societies, venues and EGMs operating in Kāpiti by ward in 2022

Corporate Society owner of EGMs	Venue name 2022	EGM nos. (licenced for)	Hours/week each EGM is accessible [^]	Ward & total EGMs
NZ Community Trust	Family Hotel	17	103	Ōtaki (61)
Otaki & District Memorial RSA Inc	Ōtaki RSA Clubrooms	18	112	
The Lion Foundation	The Railway Hotel*	18	118.5	
One Foundation Charitable Trust	The Telegraph Hotel *	8	102	
Waikanae Chartered Club Inc	Waikanae Chartered Club*	18	112	Waikanae (18)
NZ Community Trust	The Jolly Pub & Kitchen*	18	107	Paraparaumu (78)
Kāpiti Club Inc	Club Vista	24	112	
Pub Charity Ltd	The Pinetree Arms*	18	118	
Pelorus Trust	The Black Stag*	18	119	
Pelorus Trust	Finn's Hotel 2021	9	112	Paekākāriki-Raumati (27)
The Lion Foundation	Boundary Tap & Kitchen*	18	109	
		184	1224.5	

*operate TAB betting facilities

[^]in a typical week assuming gaming rooms are open the same time as alcohol licence opening hours (as at Nov-22)

7.1.1 What is the ratio of one EGMs to adults per ward?

The current districtwide ratio is one EGM for every 237 adults aged 18 years and older (based on 2018 census population statistics and current ward boundaries and EGM numbers). Ratios for actual EGMs by ward, district and nationally are shown in Table 8 below.

Table 8: EGM:adult ratio in Kāpiti by ward

Ward	Population 18 yrs+	No. licenced EGMs	Ratio of one EGM to no. adults
Ōtaki	6,490	61	1:106
Waikanae	12,100	18	1:672
Paraparaumu	18,700	78	1:240
Paekākāriki-Raumati	6,280	27	1:233
District	43,570	184	1:237
New Zealand	3,595,512	14,503*	1:248

*as at 31.12.22

7.2 What is the demographic profile of the Kāpiti Community?

According to the 2018 census, the usual resident population of the Kāpiti Coast district is 55,200. Appendix 3 shows the age and sex make-up of the Kāpiti population and Kāpiti Māori population as well as other ethnicity figures. This indicates the level of higher risk gambler types we have in the district as noted in section 4.3.1

Since the last gambling policy review in 2019, the ward boundaries for the district have changed as shown in Appendix 4. This influenced to a degree changes in the policy cap scenarios as outlined in the Statement of Proposal. Table 9 provides some key population statistics by ward.

Table 9: Kāpiti population and Class 4 gambling age, Māori vs non-Māori & age group populations by ward

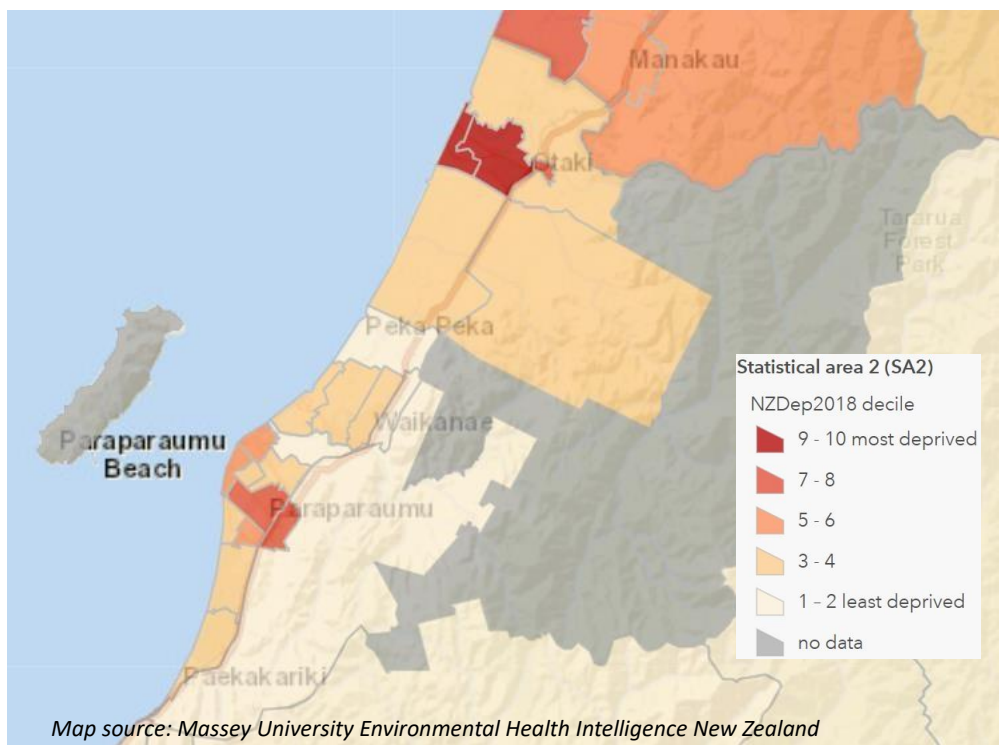
Ward	Total population	Gambling age (18+ yrs) population			Age group population			
		Population	Māori	Non-Māori	0-14	15-39	40-64	65+
Ōtaki	8,340	6,490	1,750	4,750	1,550	2,040	2,750	2,000
Waikanae	14,700	12,100	850	11,250	2,150	2,850	4,700	5,000
Paraparaumu	23,700	18,700	1,900	16,800	4,000	6,000	7,700	6,000
PaekākārikiRaumati	8,450	6,280	710	5,570	1,740	2,060	3,350	1,290
District	55,200	43,600	5,200	38,400	9,500	13,000	18,500	14,200

Source: Stats NZ – 2018 census statistics applied to 2022 ward boundaries (some figures supplied rounded)

7.3 What is the level of deprivation in Kāpiti?

Using the New Zealand Index of Deprivation (NZDep)³⁶ the level of socioeconomic deprivation in Kāpiti is mapped out in Statistical Area 2 (SA2) areas³⁷ in Map 1 following. Parts of Ōtaki and Ōtaki Beach contain the most deprived areas of the district with a decile rating of 9-10 followed by parts of Paraparaumu central with a rating of 7-8. Other parts of Paraparaumu and Paraparaumu Beach have a decile rating of 5-6. And Raumati and Paekākāriki have a rating of 3-4, as does much of Waikanae. As noted previously, Class 4 venues being located in higher deprivation areas presents a higher risk factor for problem gambling.

Map 1: NZDep scores for the Kāpiti Coast district based on the 2018 census



³⁶ NZDep is an area-based measure of socioeconomic deprivation based on nine Census variables. NZDep is displayed as deciles with 1 representing areas with the least deprived scores and 10 with the most deprived scores.

³⁷ SA2 is an output geography that provides higher aggregations of population data than can be provided at SA1 level. SA2 geography aims to reflect communities that interact together socially and economically. In populated areas, SA2s generally contain similar size populations (typically 1,000-3,000 residents in district council areas) (Stats NZ).

7.3.1 Where are Class 4 gambling venues located in relation to deprivation and community facilities?

Gambling venues tend to be found in areas of higher deprivation. Appendix 2 contains local maps showing SA2 NZDep 2018 levels in relation to the location of current EGM venues. This can also be viewed through applying filters on Council’s licensing maps³⁸.

7.4 Who is taking part in gambling in Kāpiti and how often?

If we apply the national trend of 69.3% participation in any form of gambling, then just over 30,000 adults (18+ years) in Kāpiti are gamblers. More specifically, 9.6% or 4,185 adults may participate in Class 4 gambling and around 11% or 4,796 adults may participate in TAB racing & sports betting.

With Māori having twice the participation rate as non-Māori for using EGMs, this highlights the Ōtaki ward as a potentially higher risk Class 4 gambling environment because of its higher Māori population base and high NZDep decile areas (refer Map 1), along with the higher ratio of EGMs locally accessible (refer Table 8).

With the highest participation rate for using EGMs in a pub or club *weekly* being 65+years, our district’s significant older population (as shown in Appendix 3) also provides a potential higher risk element.

In early engagement local EGM venue managers/owners were asked what type of customers use their EGMs the most and their thoughts/insights are summarised in Table 10 below. This is indicative only. Nine of eleven venues also self-reported that their EGMS are never, or are rarely at, full capacity.

Table 10: EGM user characteristics and trends in Kāpiti

Venue location	Type	M:F	Customer age range (most common)	Non-Māori: Māori (approx.)	Venue trends e.g. popular times, common customer type
Ōtaki township	Pub	50:50	Broad range	Mostly non-Māori	Steady across week; Sunday quietest
Ōtaki township	Club	50:50	Mostly retired	Mostly non-Māori	More younger/Māori during day; more females when bingo on; club nights busy; public and members
Ōtaki township	Pub	40:60	40+ years	35:65	Locals; post-work busy
Ōtaki township	Pub	60:40	Full range	50:50	Post-work busy; earlier Fri/Sat
Waikanae township	Club	50:50	50-60+ years	95:5	Higher use when club activities on; members only
Paraparaumu central	Pub	50:50	50s	Mixture	Females play longer; Fri evening, Sat day and Weds (darts) popular times
Paraparaumu Beach	Pub	50:50	Retired/older	Mostly non-Māori	Regulars; workers
Paraparaumu Beach	Pub	40:60	A range but more older	Mostly non-Māori	Regulars; females during day; some tourists
Paraparaumu Beach	Club	60:40	50-70yrs+	Mostly non-Māori	More females when club events on; post-work and weekends busy; members (often couples)
Raumati Beach	Pub	40:60	40+ years	Mix Pakeha/Asian/Māori	Older people during day; post-work busy; regulars; wet days busier
Paekākāriki	Pub	50:50	All ages	Mixture	More males during day; younger people - waiting for lunch takeaways; post-work busy

³⁸ [Licensing Map](#)

7.5 How much is being spent on Class 4 gambling in Kāpiti?

The following table shows Gaming Machine Profits for Kāpiti in recent years (the amount of money lost by players on EGMs).

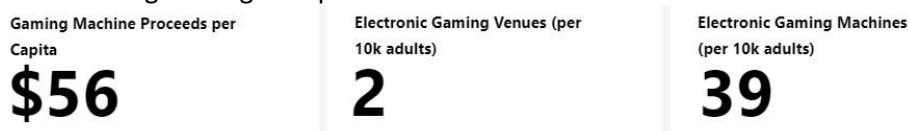
Table 11: Kāpiti Class 4 Gaming Machine Profits, venues & EGM nos. 2019-22

Year ending	GMP	GMP/EGM	No. EGMs (as@31-Dec)	No. venues (as@31-Dec)
Dec-2019	\$9.30m	\$9,295	191	12
Dec-2020	\$8.37m	\$8,367	184	11
Dec-2021	\$9.84m	\$9,842	184	11

Source: DIA Gaming Machine Statistics Dashboard

Like the national figures, the 2020 dip in GMP can be attributed to Covid-19 lockdowns when venues were inaccessible. GMP then returned to beyond their pre-pandemic levels. We expect some of the Class 4 spend will have been redirected to online gambling during this time, which may or may not have reduced to pre-Covid levels once Class 4 venues reopened i.e. there may be a hidden increase in gambling that is not easily reported.

Dot Loves Data also provides the following estimates as of 30 June 2022 which provides a further useful insight into Class 4 gambling in Kāpiti.



7.6 What is the level of gambling harm in Kāpiti?

According to MOH statistics the number of Kāpiti residents that sought assistance for gambling harm in 2020/21, either for themselves or others, (including “brief interventions”) was 37.

If applying the estimated 0.1% of the adult population being problem gamblers as noted in section 5.3, that equates to around 43 individuals in the Kāpiti community, and an estimated 215-430 others affected by their gambling (if applying the scenario of five to ten affected other as noted in section 5.1). Similarly, if applying the 1.5% estimate of moderate risk gamblers, that equates to a further 654 individuals (these figures are for nonspecific gambling type harm but noting that over half the people nationally that seek help cite Class 4 gambling as the cause).

There is currently no Problem Gambling Foundation or Salvation Army offices located in Kāpiti. Problem gamblers (and/or their affected others) can seek assistance through these and other support organisation’s websites or call centres, and a Porirua or Wellington-based counsellor can meet with them.

7.7 How much has been returned to the Kāpiti Community in Class 4 gaming grants?

Table 12 shows the non-club corporate society grant returns in recent years by category to Kāpiti-based groups. GMANZ reports that around 6% of all grants are made to national and regional organisations. As is the case nationally, the majority of funding goes to sports groups, followed by community groups. This is also represented in the graph below.

Distribution of GMP to Kāpiti groups by category 2019-2021

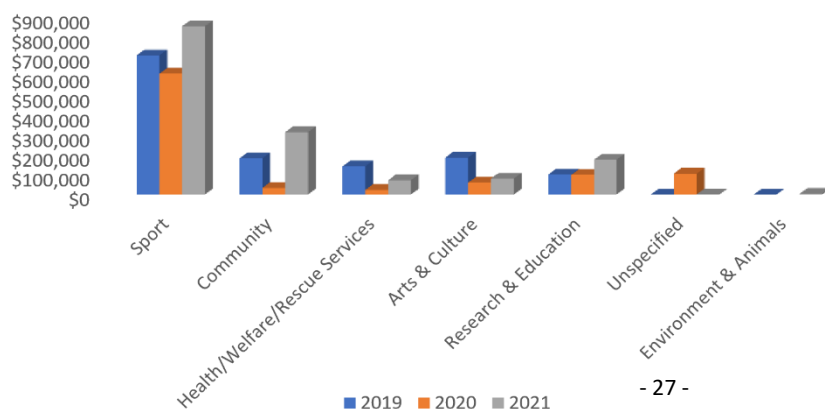


Table 12: Class 4 grant returns to Kāpiti-based groups by category 2019-2022³⁹

Category	2019	2020	2021	2022 (Jan-Jun)
Sport	\$709,102	\$615,611	\$857,024	\$352,842
Community	\$184,193	\$33,073	\$317,497	\$107,384
Health/Welfare/Rescue Services	\$143,978	\$23,589	\$72,574	\$70,257
Arts & Culture	\$188,260	\$60,454	\$81,180	\$25,264
Research & Education	\$102,361	\$100,538	\$177,590	\$94,051
Unspecified	-	\$106,923	\$955	\$5,000
Environment & Animals	-	-	\$3,760	-
TOTAL	1,327,894	\$940,188	1,510,580	\$654,798
Total organisations funded	94	62	84	51
Grant making societies involved (incl TAB NZ)	9	6	9	6
Largest annual grants made to:	2019	2020	2021	2022 (Jan-Jun)
Ōtaki Bowling Club (2019)	\$80,000	\$123,005	\$120,739	\$51,000
Kapiti Coast United Sports Club (2020)				
Ōtaki Sports Club (2021)				
Horowhenua Kapiti Rugby Football Union (2022)*				

**although listed against Kāpiti in the data, it is expected only a percentage of this wider regional amount would be attributed locally*

During pre-engagement with stakeholders, one community organisation that has received several gaming society grants including for significant amounts, commented that they rely heavily on gaming trusts for funding especially in the current climate where it is difficult to gain sponsorship. But they also seek funding through other sources such as Lotteries grants and TAB NZ.

7.7.1 How much goes out versus how much is returned through non-club society grants to Kāpiti?

Legislation does not require gaming society grants to go back into the district (or part of the district) where the money was spent. Societies can set their own policies on how and where they distribute grants. A Berl report (2020) shows an inequitable distribution of community grants, with disproportionately low grant returns to the most deprived communities where the majority of Class 4 venues are located, and EGM expenditure is high.⁴⁰

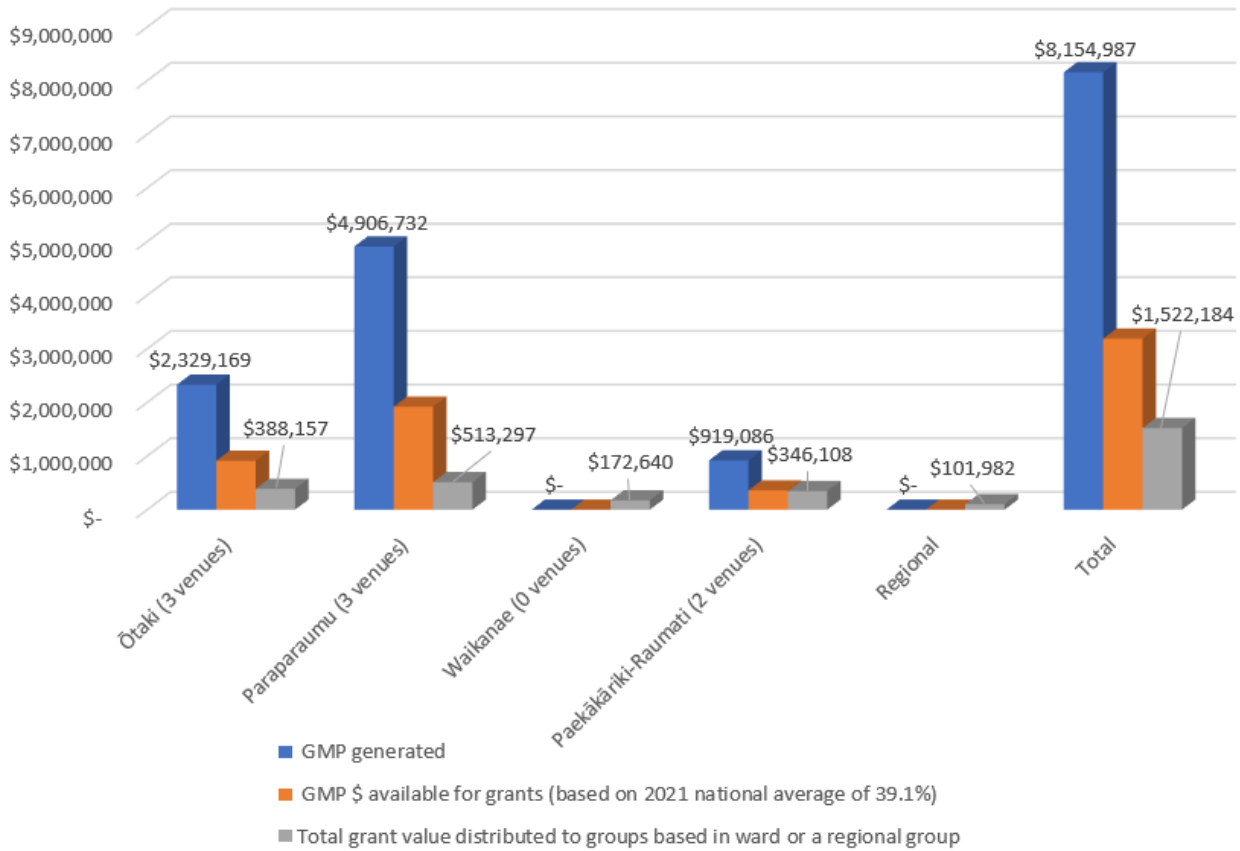
In 2021, 47% of the total Kāpiti-generated GMP (non-club) available for grants was returned to the district through grants to locally based groups. Therefore, the remaining 53% would have been distributed to groups outside the region and national organisations, benefiting from money gambled in our district.

The following graphs provide further detail as to the level of GMP and how it has been returned to the district and individual wards for 2021. The tables represent the same amount distributed but shown in different ways. That is, for example, only 12% of the district total non-Club GMP available for grants was returned to groups based in the Ōtaki ward. However, when you look at how much non-Club GMP available for grants that was generated in that ward was returned to Ōtaki-based groups, it is higher, at 43%.

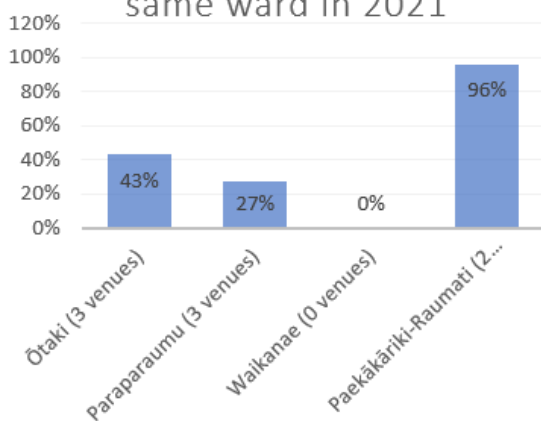
³⁹ DIA grant dashboard: granted.govt.nz

⁴⁰ Malatest International (2021) [Gambling Harm Needs Assessment 2021](#) (for the Ministry of Health).

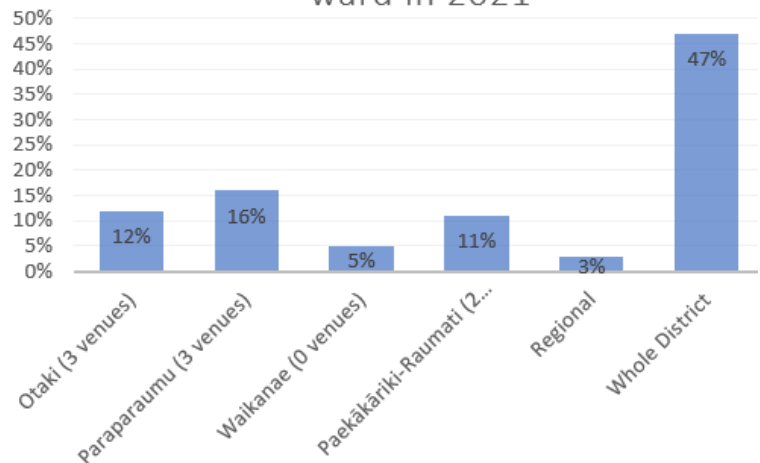
2021 Kāpiti GMP (non-Club) & its distribution in grants back to Kāpiti-based groups



% of ward-generated available GMP (non-Club) returned through grants to groups based in the same ward in 2021



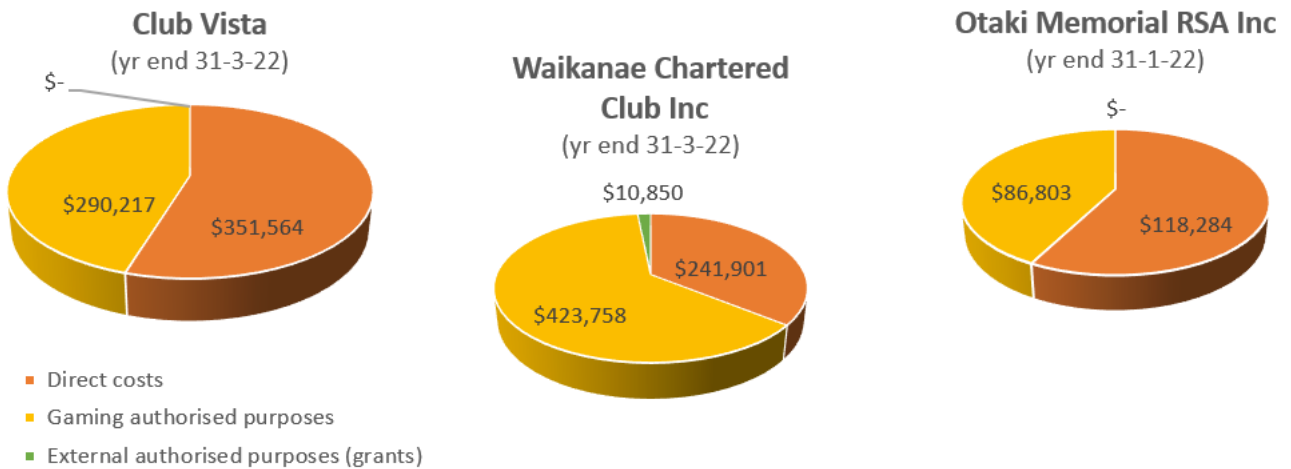
% of district available GMP (non-Club) returned through grants to groups based in ward in 2021



Source: granted.govt.nz and DIA

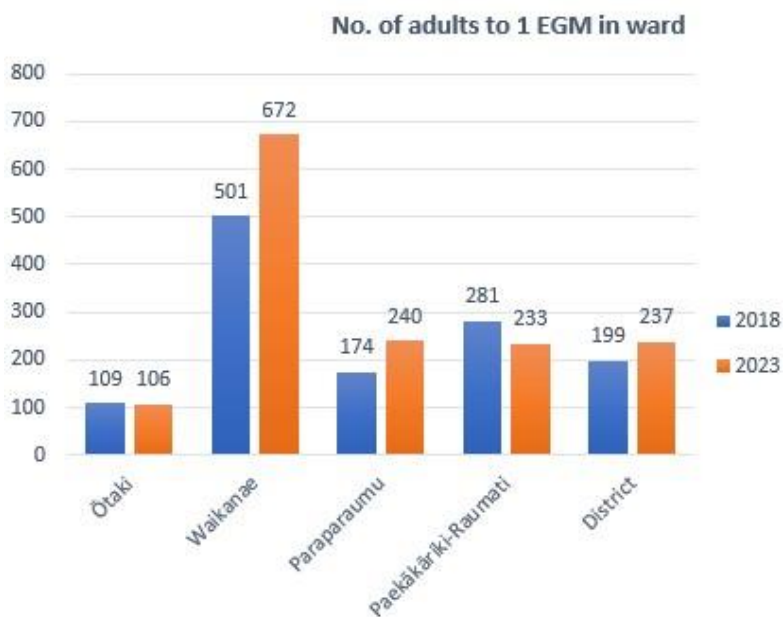
7.7.2 How much income from club EGMs has been returned to the community?

Club corporate societies are not required to make the same GMP grant returns to the community as society trusts, but rather to their own club “authorised purposes” to benefit their members. The cost distribution shown below relates to income from EGMs only from the latest annual financial reports available at the time of writing. Just one club provided a small level of support to local groups to the value of \$10,850.



7.8 What has happened in Kāpiti since the last gambling policies review in 2019?

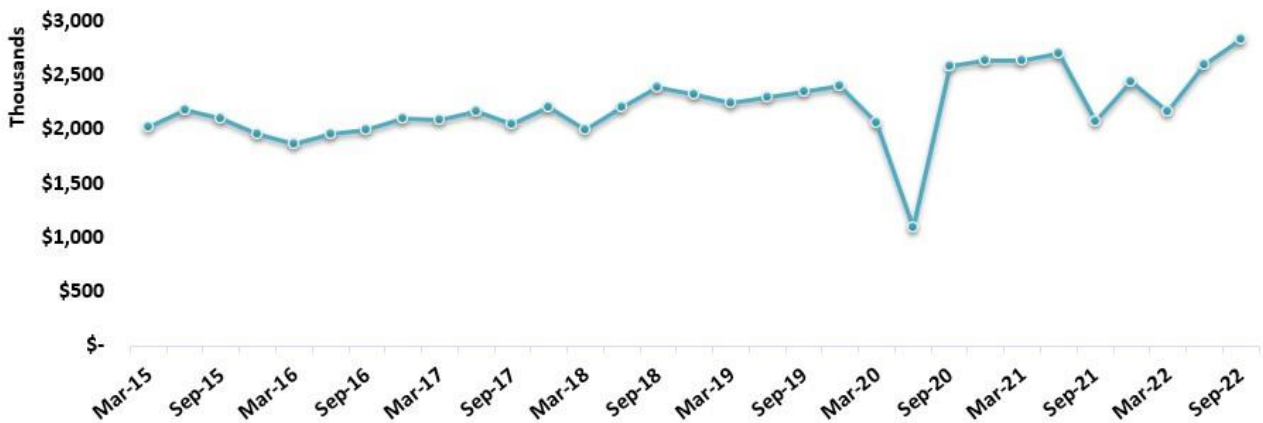
- There has been an increase in around 5,400 adults in the Kāpiti district (between the 2013 and 2018 census data).
- Between 2013 and 2018 the NZDep decile rating has improved for Waikanae Beach, Otaihangā, Paraparaumu North and Raumati Beach. Otherwise, ratings remain the same throughout the district.
- The district’s ward boundaries have changed since the last policy review (refer Appendix 4). This has not affected the Class 4 venue count within those wards, which remain the same. The ratio of one EGM to adults by ward has been recalculated to reflect this change and using the most recently available census figures (as show in section 7.1.1). The graph below shows that districtwide there are now 38 more adults per EGM since the 2019 policy review. Waikanae has the highest number of, and most significant increase in, the number of adults for each EGM in that ward. The Paraparaumu ratio has also increased. However, there are slightly fewer adults to one EGM in Ōtaki and 48 less in Paekākāriki-Raumati.



- Class 4 gambling remains accessible across the district through pubs and clubs (refer Table 3). However, one venue (in the Paraparaumu ward) closed its doors in 2021 resulting in a reduction of eight EGMs in the district. All but one venue operates all the EGMs they can under their licence (the exception is the Black Stag operating one less due to space). There have been no new applications or relocation requests for Class 4 venues in recent years.

- Covid-19 lockdowns affected people’s ability to access Class 4 gambling for a time, however records show EGM spend has returned to its pre-Covid levels and in fact is exceeding it.
- When looking at the GMP trends in recent years, GMP per quarter for Kāpiti has increased (excluding 2020) as has the GMP per EGM (refer Table 11). GMP per capita in Kāpiti has also increased by more than \$4 from \$51.08 in June 2019 to \$55.73 in June 2022⁴¹.

GMP per quarter



Source: DIA Gaming Machines Statistics Dashboard

- The number of individuals seeking help for gambling has increased marginally from 34 in 2018/19 to 36 the following year and 37 in 2020/21.
- More of the available GMP from the district is being returned directly back to the district in the form of grants but this is not distributed consistently across the district. There has been an increase between 2019 and 2021 of the total amount of grants distributed to Kāpiti-based groups.
- The Ōtaki ward continues to have the worst ratio of one EGM to adults, also impacted slightly by the change in ward boundaries.
- There continues to be no standalone TAB venue in the district. TAB NZ reported in October 2022 that there are no plans to set up a TAB NZ standalone venue within the district however they prefer the protection of the ability (provided all other matters are met etc.) to be able to because their retail offering is still important to them and a venue may be required if other facilities cannot operate due to e.g. unsustainable business practices, not wanting to offer TAB services anymore or natural disaster implications.

7.9 How does Kāpiti compare to the national situation?

Of the four main types of gambling, all but casino gambling are accessible to Kāpiti residents.

According to *Dot Loves Data* the Kāpiti TA ranks 43/68 for both the number of EGMs/10,000 adults and GMP/capita. With regards to the number of venues per 10,000 adults, we rank 55/68. These figures indicate Kāpiti has less Class 4 venues and EGMs per capita than many other TAs in the country. However, Kāpiti continues to follow the national trend of an increase in GMP despite a reduction in EGMs.

The ratio of one EGM to adults for the district (1:237) is slightly less than the National figure (1:248) meaning we have slightly more EGMs/capita (18+ years) than the national average.

Many venues reported their main clientele being “older.” Nationally this is the highest statistical age group in relation to the level of weekly participation in Class 4 gaming.

As of 30 June 2022 *Dot Loves Data* rates the Kāpiti district 58/68 with regards to their “Dynamic Deprivation Index rating” (with one being the most deprived area) meaning from a socioeconomic perspective, as a district we don’t have this as such a high risk factor which may influence the prevalence of harmful gambling. Importantly however, when this index is broken down to community level, Ōtaki township is ranked 508/2253 areas which places it in the top 23% of the most deprived areas in the country and therefore more susceptible

⁴¹ Dot loves data *Community Compass Report* (June 2022)

to this Class 4 gambling risk factor. 45% of our Class 4 venues are located in our most deprived areas and the percentage of GMP returns in the form of grants to these communities is low⁴².

Like the national trend, only a small percentage of the statistically predicted number of severe and problem gamblers and affected others in Kāpiti seek help for their gambling and there are no physical offices of support service providers such as PGF or Salvation Army in Kāpiti (nor in many other parts of the country).

8. SUMMARY

It is commonly reported and evident by the figures on spend and help sought, that EGMs are the most harmful form of gambling in New Zealand affecting the wellbeing of those impacted. For the statistically small percentage of problem gamblers, this harm not only affects them but also their whānau, and furthermore may be associated with other health issues/addictions. Despite the measures in place at venues to minimise harm, MOH's preventative promotion and the services available to help those affected, gambling harm is still a concern for communities throughout New Zealand.

The Kāpiti district as a whole does not have a prevalence for *all* the high-risk factors that may cause a higher rate of problem gambling compared to other parts of New Zealand, however some areas within the district do have more risk factors. The Ōtaki township/ward where four Class 4 gaming venues and 61 EGMs are located remains a concern with regards to the potential incidence of harmful gambling due to a range of risk factors highlighted in this report including:

- high deprivation rating.
- accessibility to several Class 4 venues (which are also licenced premises) within a small geographic area.
- the most EGMs for the adult population.
- the highest Māori population in the district (including relatively high youth numbers).

The government and the gambling industry both have important roles to play in providing a balance between the costs and benefits of gambling and ensuring the costs of gambling are minimised. As a TA, Council only has the ability to determine whether new Class 4 gambling venues or TAB venues can be established in the district and, if so, where they may be located. Council's 2019 Class 4 gambling policy (based on 2013 census figures) allows for a further four Class 4 venues and 48 EGMs to be installed in the district (but not in Ōtaki or Paekākāriki). The TAB venue policy currently allows for two stand-alone TAB venues to be established in the district.

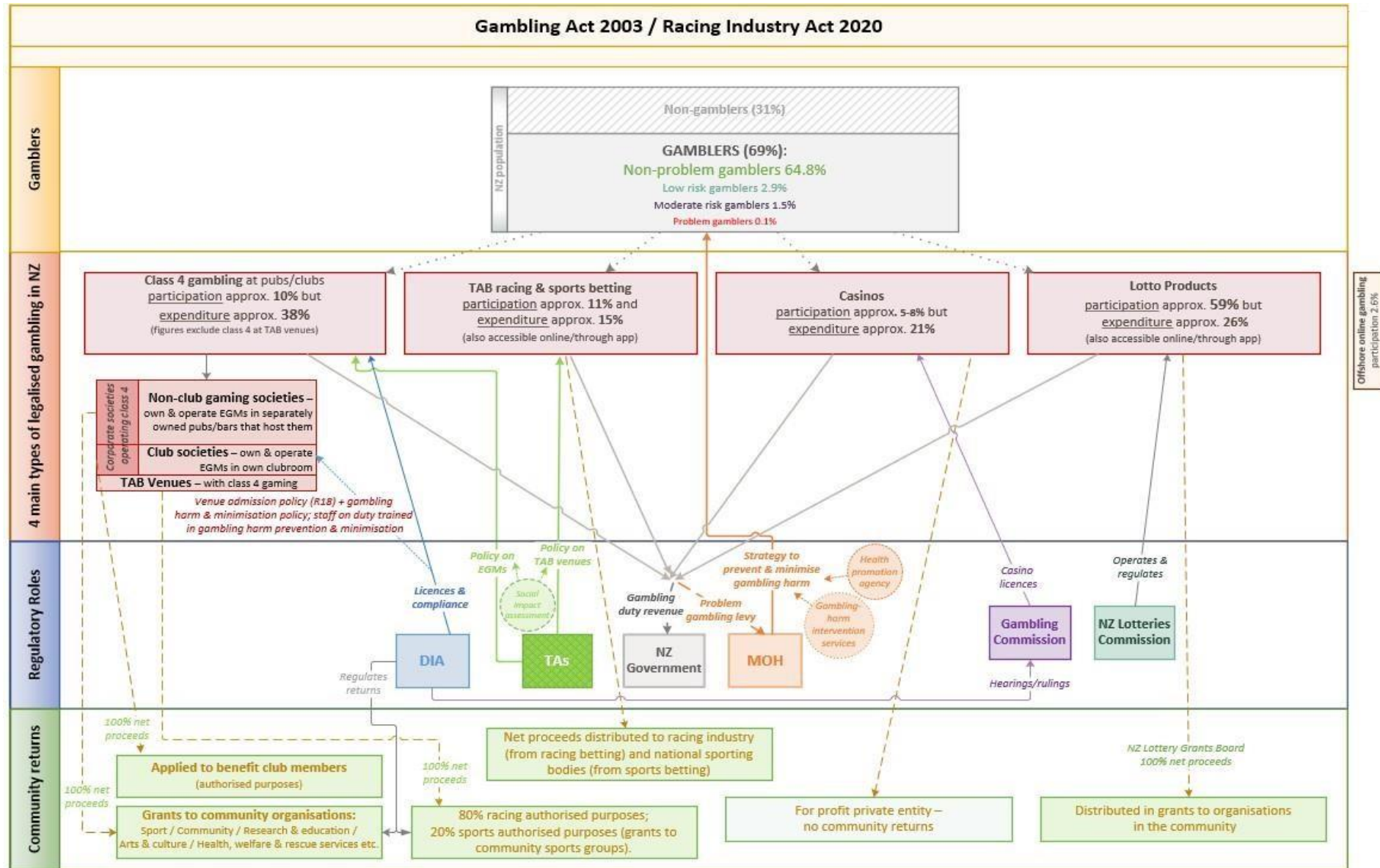
The current policy caps have not inhibited Class 4 gambling spend. The existing districtwide policy cap of 228 EGMs (and 15 venues) was set when the first 2004 policy was developed and was based on the number of EGMs in the district. This was designed to curb the increasing numbers of EGMs and venues at the time. Venue and EGM numbers have declined since then but despite this GMP has continued to increase.

GMP from EGMs continues to be returned to Kāpiti groups through grants, primarily in the sport sector, but also to groups from the community, art and culture, and health and welfare sectors. The benefits of this funding and the flow on affect to Kāpiti residents contributes to the wellbeing of the community.

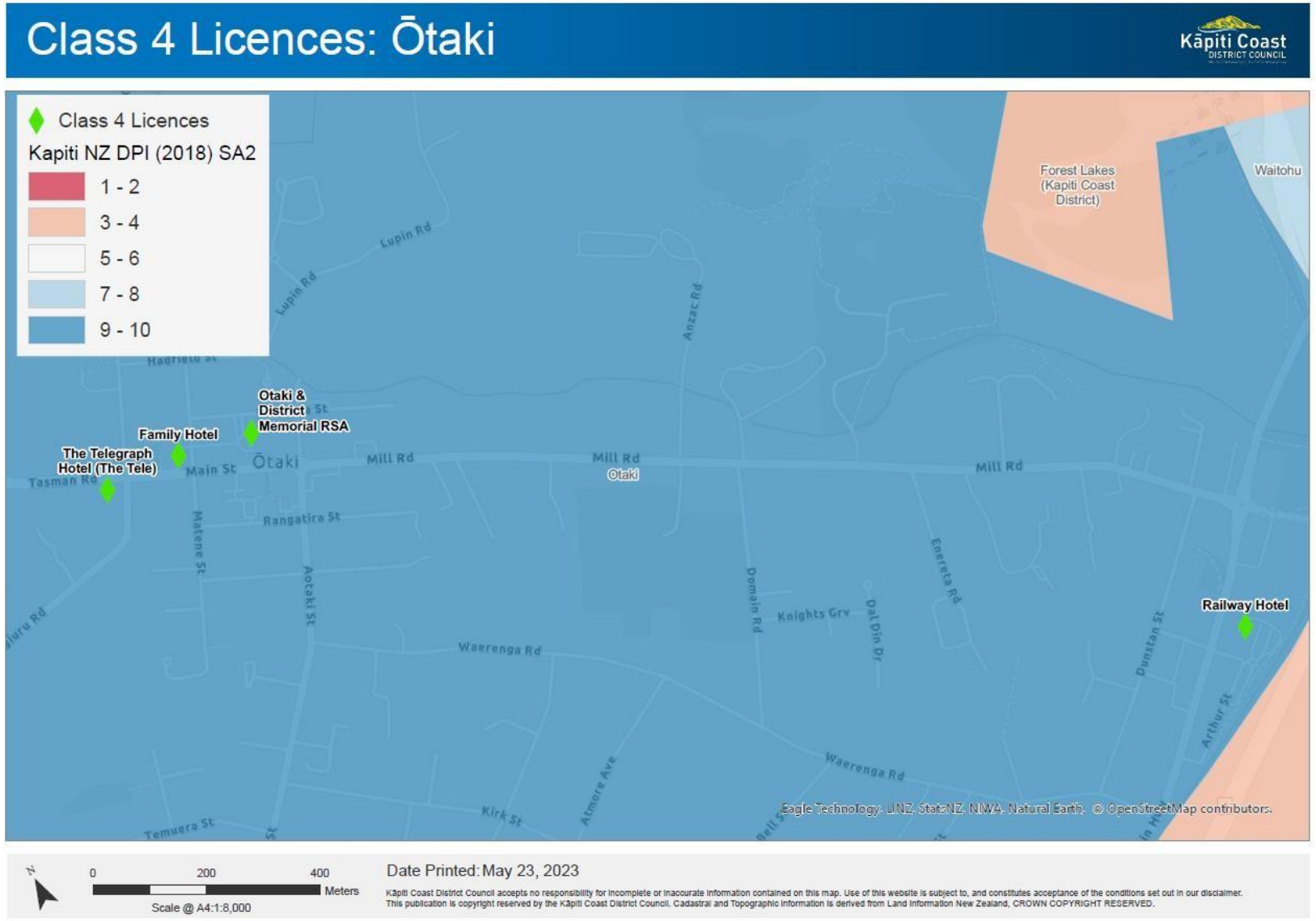
However, only a relatively small percentage of the available GMP is being returned in the form of grants directly to the communities from where the dollars originated in gaming spend, and to the Kāpiti community as a whole. Ideally gaming trusts should allocate a greater proportion of their grants to community groups and social/health services in an effort to mitigate any gambling harm caused by Class 4 gambling in the district.

⁴² The Dynamic Deprivation Index rating mentioned in this section is specific to *Dot Loves Data* so may not correlate exactly to the NZDep 2018 scale used previously in this document, however it still provides relevant statistical context

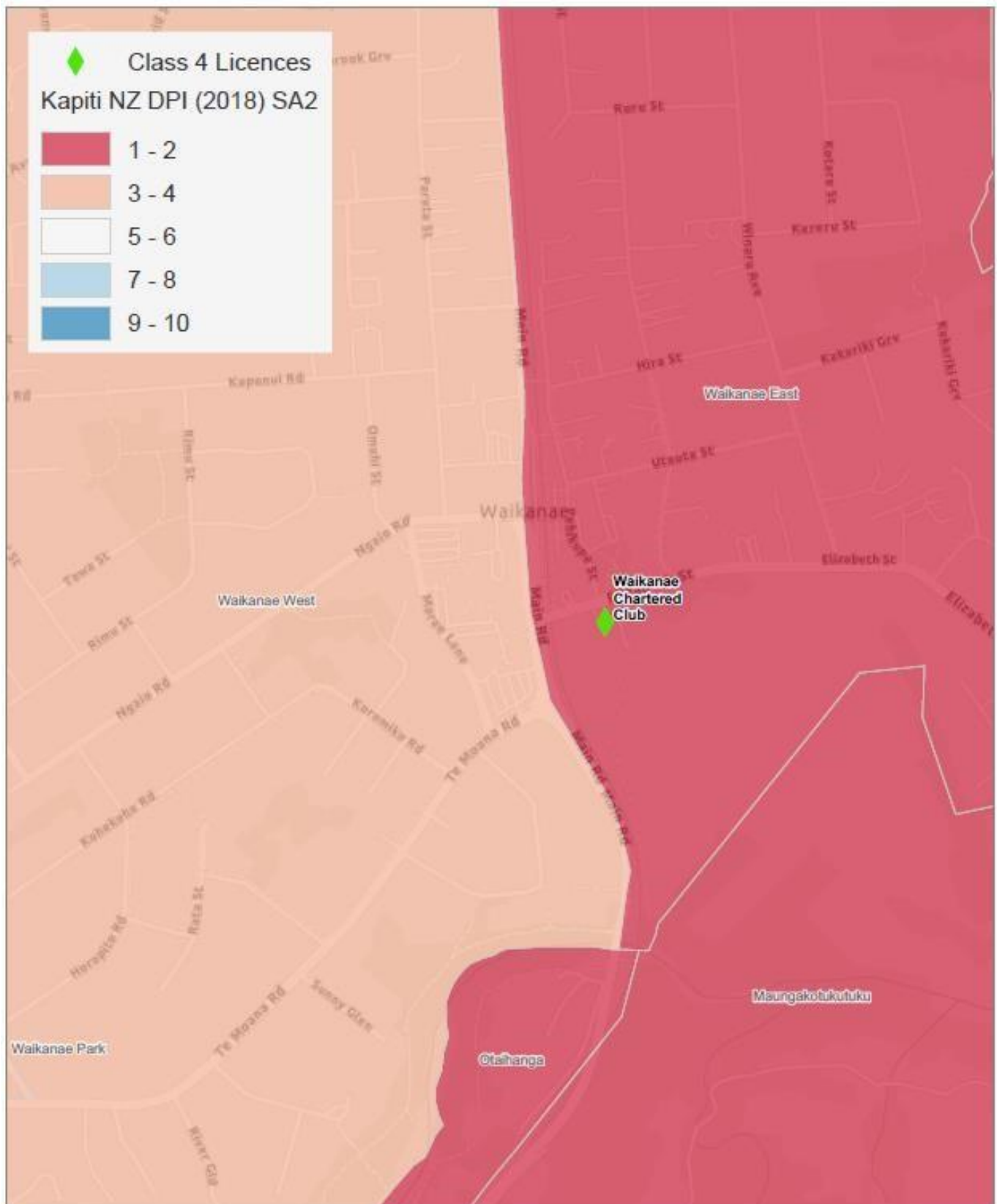
APPENDIX 1 – RELATIONSHIP BETWEEN GAMBLERS, MAIN TYPES OF GAMBLING, REGULATORS & RETURNS



APPENDIX 2 – LOCATION OF CLASS 4 VENUES IN KĀPITI WITH DEPRIVATION LEVELS



Class 4 Licences: Waikanae



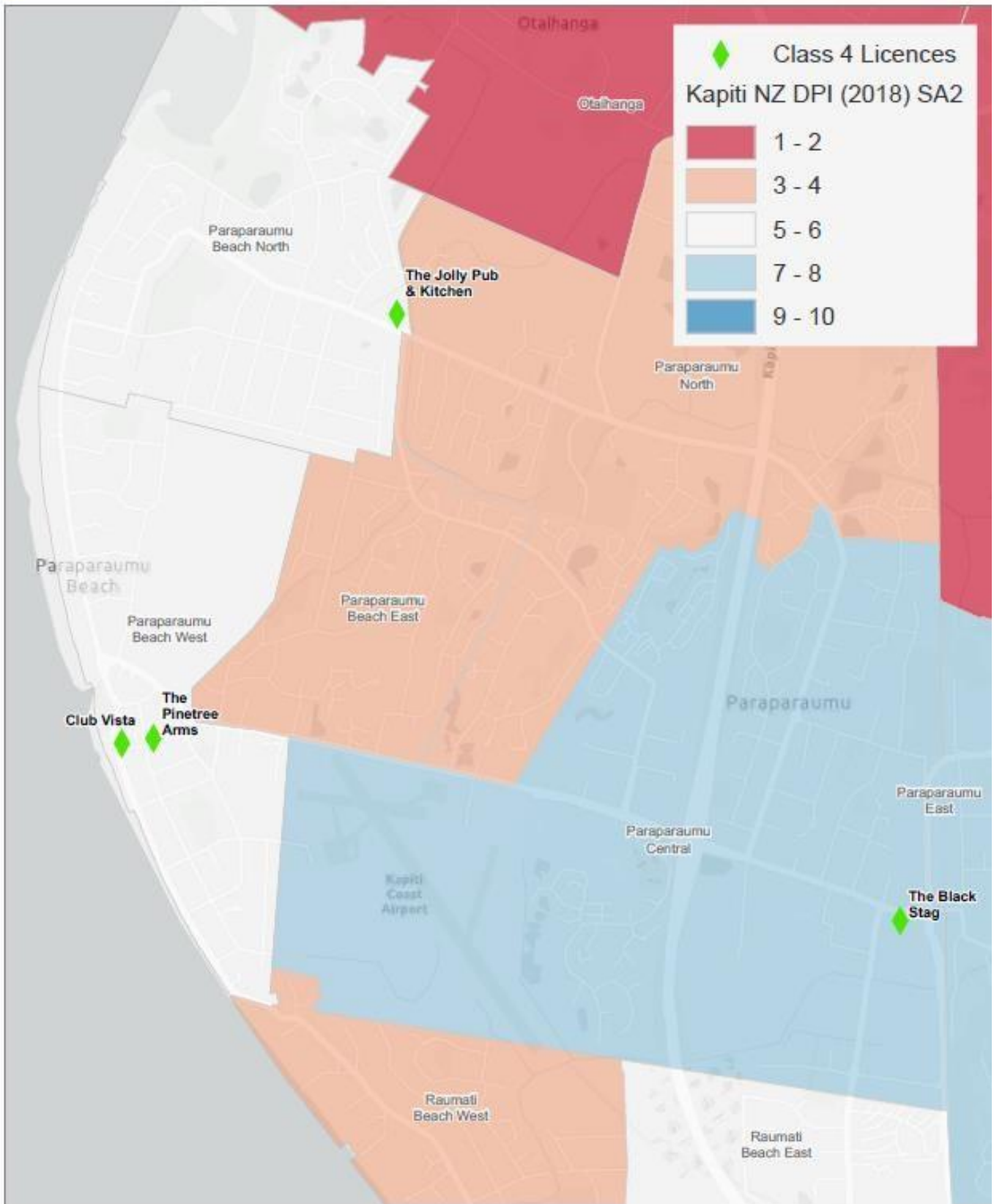
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Date Printed: May 23, 2023

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Class 4 Licences: Paraparaumu



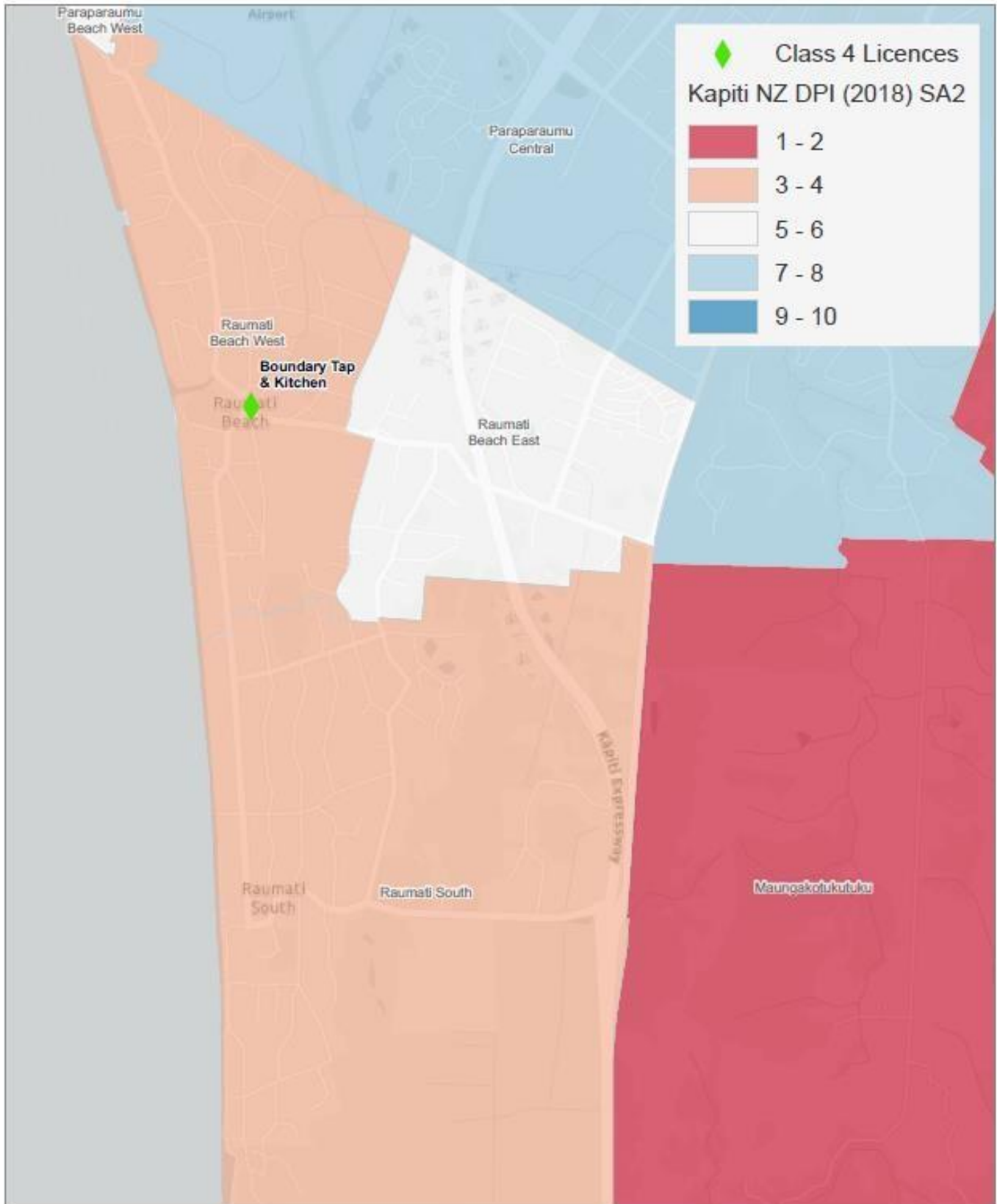
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Class 4 Licences: Raumati



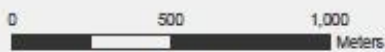
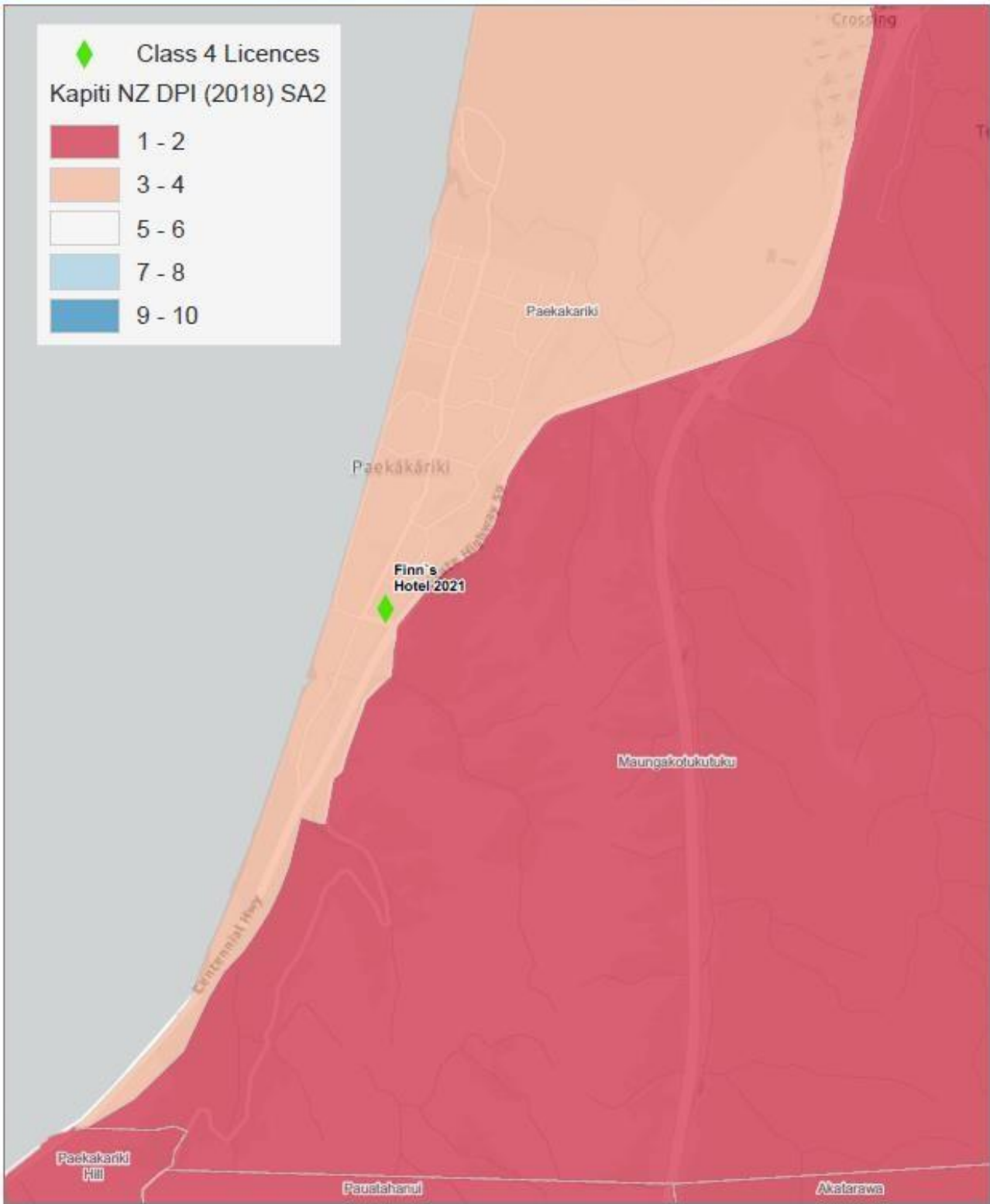
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Class 4 Licences: Paekākāriki



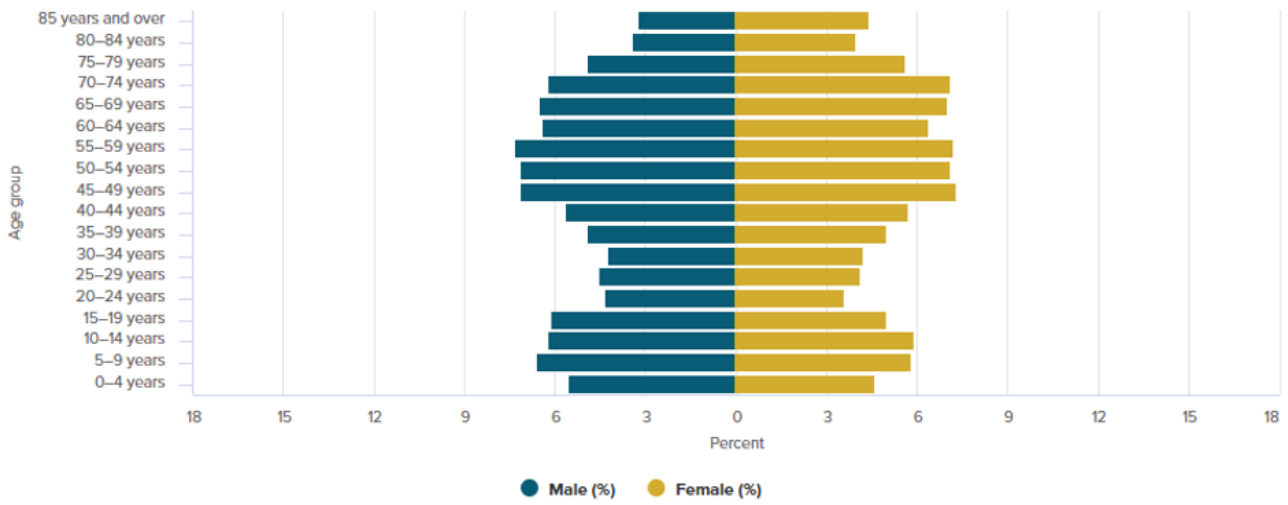
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Date Printed: May 23, 2023

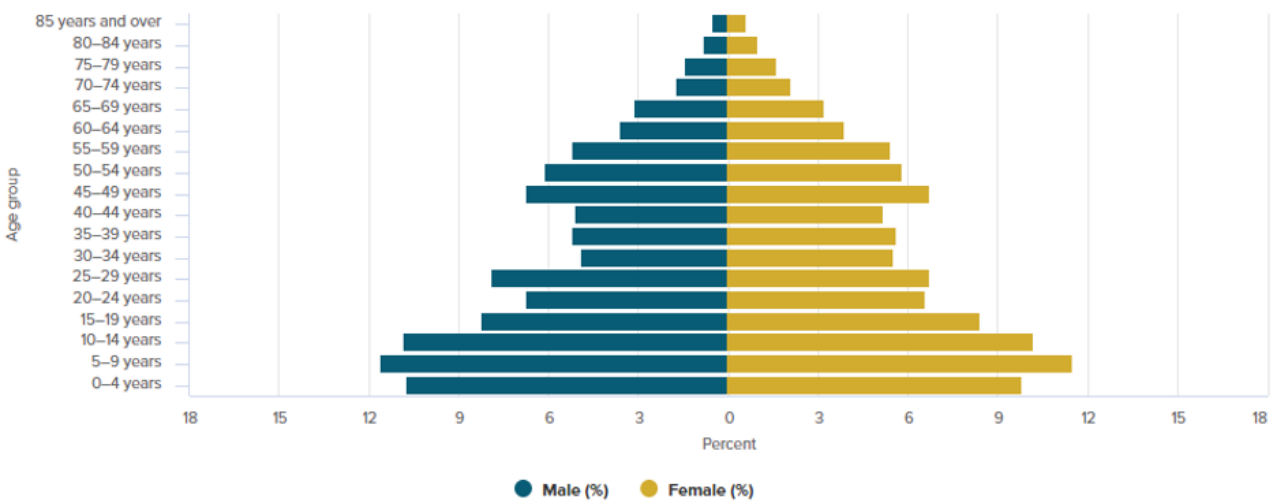
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APPENDIX 3 – KĀPITI COAST DISTRICT DEMOGRAPHICS FOR AGE, SEX AND ETHNICITY

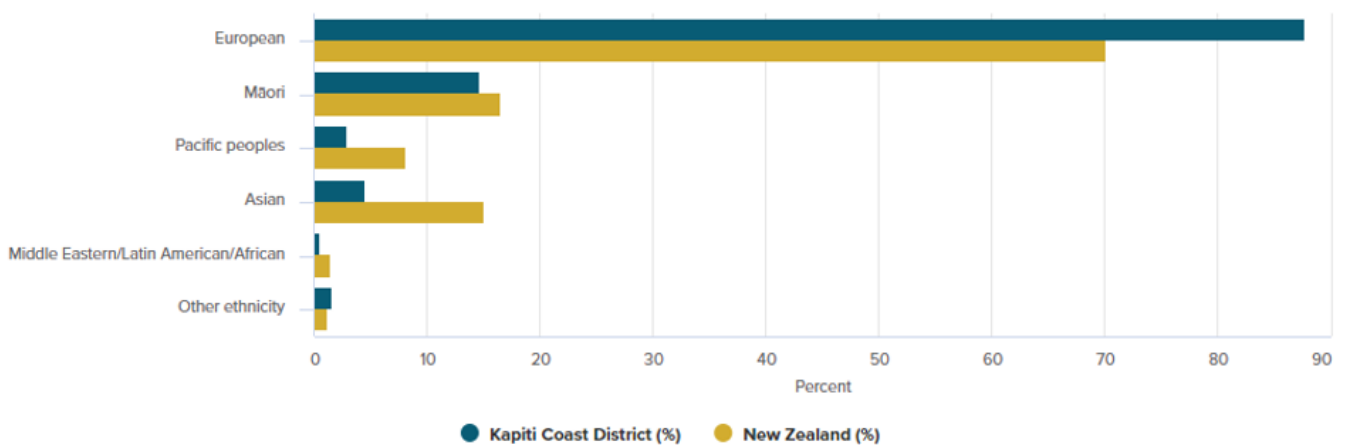
Age and sex of people in Kapiti Coast District, 2018 Census



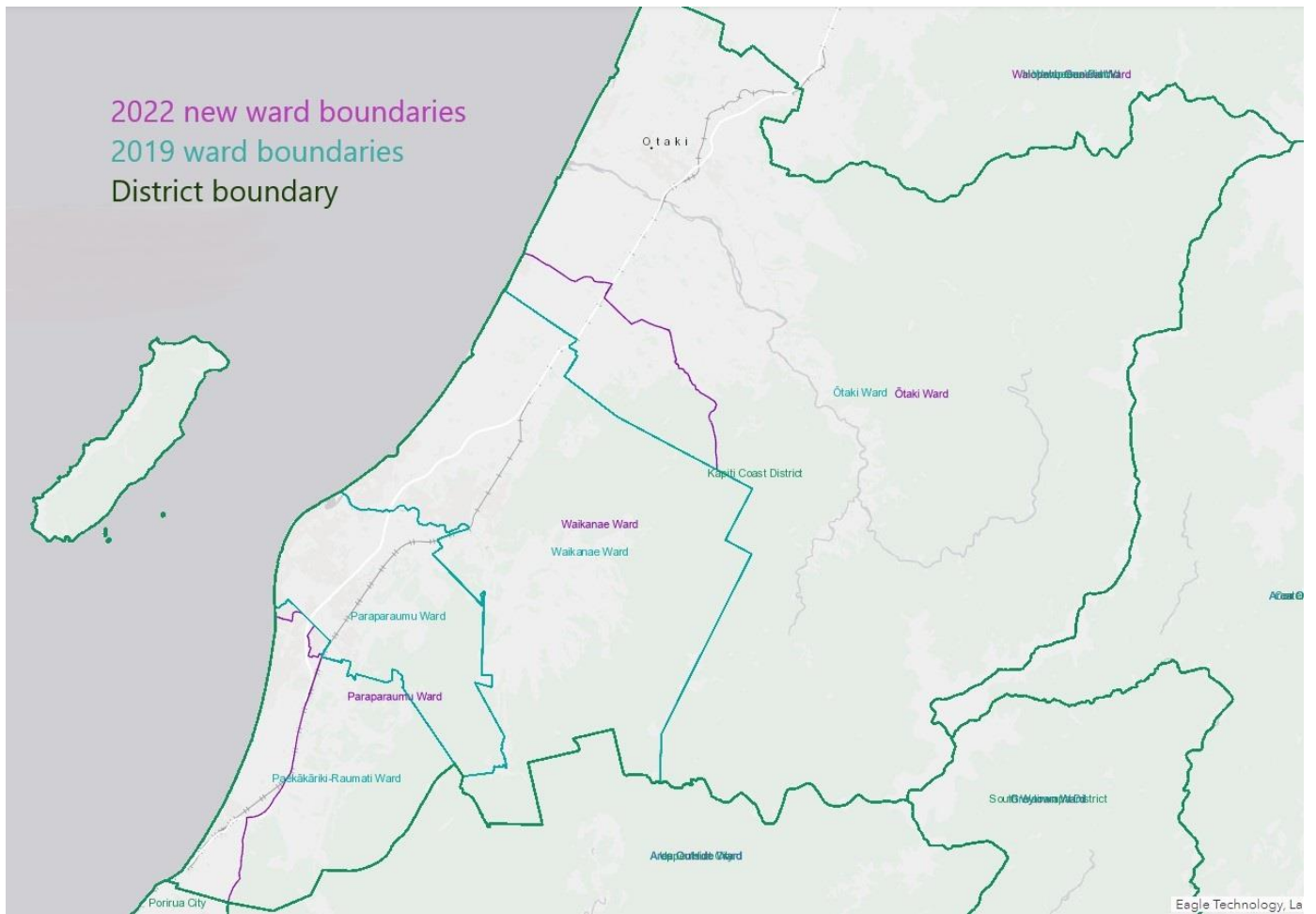
Age and sex of Māori in Kapiti Coast District, 2018 Census



Ethnic groups for people in Kapiti Coast District and New Zealand, 2018 Census



APPENDIX 4 – CHANGE IN KĀPITI COAST DISTRICT WARD BOUNDARIES BETWEEN 2019 & 2022



Appendix 3: Draft Kapiti Coast District Council Class 4 Gambling & TAB Venue Gambling Policy 2023 (with tracked changes)



Kapiti Coast District Council Class 4 Gambling & TAB Venue Gambling Policy 202319

1. Policy Validation

- 1.1 The Kapiti Coast District Council Class 4 Gambling & TAB Venue Gambling Policy 202319 was approved at a meeting of the Kapiti Coast District Council (Council) held on 11 April 2019 [TBC], after completion of a public consultation process.
- 1.2 This Policy has been made pursuant to Ssection 101 of the Gambling Act 2003 (the Gambling Act) and section 96 of the Racing Industry Act 2020 (the Racing Industry Act) and reviewed in accordance with the requirements of Ssection 102 of the Gambling Act and section 97 of the Racing Industry Act.

2. Interpretation

- 2.1 In this Policy, unless the context requires otherwise:

Class 4 gambling venue	means a place that conducts Class 4 gambling
Class 4 gambling	means <u>it meets the definition under section 30 of the Gambling Act which in summary is gambling that satisfies the following criteriagambling:</u> <u>i. the net proceeds are distributed for authorised purposes; and</u> <u>ii. no commission is paid for conducting the gambling; or the only commission that is paid is to a venue operator that complies with regulations made under the Gambling Act; and</u> <u>iii. there are game rules for the gambling; and</u> <u>iv. the gambling satisfies relevant game rules; and</u> <u>v. either the Secretary for Internal Affairs categorises the gambling as Class 4 gambling, or the gambling utilises or involves a gaming machine.</u> <u>i. that utilises or involves a gaming machine;</u> <u>ii. where the proceeds are distributed for authorised purposes;</u> <u>iii. where no commission is paid;</u> <u>iv. that satisfies relevant gaming rules; and</u> <u>v. is categorised by the Secretary for Internal Affairs as Class 4 gambling.</u>
<u>Class 4 gambling venue</u>	<u>means a place that conducts at which Class 4 gamingbling machines (also known as pokies) are located, or for the purposes of application, at which it is proposed that gaming machines be located.</u>
<u>Gaming machine</u>	<u>means a gaming machine as defined under section 4 of the Gambling Act, which in summary, is a device, whether totally or partly mechanically or electronically operated, that is adapted or designed and constructed for gambling; and is played by the insertion of money. It is also commonly known as a "pokie" machine.</u>
<u>Gambling hHarm</u>	<u>means harm or distress of any kind arising from, or caused or exacerbated by, a person's gambling; and includes personal, social, or economic harm suffered—</u> <u>i. by the person; or</u> <u>ii. by the person's spouse, civil union partner, de facto partner, family,</u>

	<p>iii. whanau, or wider community; or</p> <p>iv. in the workplace; or</p> <p>v. by society at large</p> <p>means the adverse impact problem gamblers have on themselves, their family and friends, and wider society. For instance, problem gamblers suffer from increased rates of bankruptcy, arrest, imprisonment, unemployment, divorce, and poor physical and mental health. There is also evidence to suggest that problem gamblers have higher rates of suicide.</p>
Problem gambling	means a pattern of gambling behaviour that disrupts and damages a person's life, their friendships, family relationships and job interests.
Relocation/relocating	means where a new venue replaces an existing venue in a different location.
TAB venue	means premises owned or leased by TAB NZ and where the main business carried on at the premises is providing racing betting, sports betting, or other racing or sports betting services under the Racing Industry Act.
Council	means the Kapiti 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

- 3.1 To minimise ~~gambling~~ harm to Kapiti Coast ~~District~~ communities caused by Class 4 ~~gambling and TAB venue gambling to the extent this can be reasonably done through a gambling policy.~~
- 3.2 To ~~use a sinking lid¹ approach to: control the growth of~~
- ~~3.2.1 ensure no additional Class 4 gambling venues and gaming machines are established in the Kapiti Coast Council District (the District).~~
- ~~3.3 3.2.2 ensure no Class 4 gambling venues relocate within the District. To ensure Class 4 gambling venues are appropriately located.~~
- ~~3.4 3.2.3 ensure no new TAB venues are established in the District.~~
- ~~3.3 To ensure that the Kapiti Coast District Council and its communities have influence involvement in decisions about ever the provision of new Class 4 gambling venues and TAB venues in the Kapiti Coast District.~~
- ~~3.5 To control the number of Class 4 gaming machines in the Kapiti Coast District.~~
- ~~3.6 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 (as measured at April 2018).~~

4. Rules Regarding Existing Class 4 Gambling Venues

- 4.1 The ~~Gambling Act imposes a number of restrictions on gaming machines including: provides that venues~~

¹ A sinking lid approach means when a venue closes, loses its licence or looks to relocate, no consent will be issued for any new or re-establishing venue.

~~4.1.1 section 92 provides that venues that held a licence on licensed before 17 October 2001 are restricted can operate up to a maximum of 18 gaming machines, but this number will be considered relative to the objectives outlined in section 3.~~

~~4.1.2 section 93 provides that venues that did not hold a licence on 17 October 2001 are restricted to a maximum of nine gaming machines. 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.~~

~~4.1.34.4 sSection 95 of the Act provides that clubs that may merge subject to certain criteria and are able to be licensed to may operate the lesser of up to 30 gaming machines or the lesser sum of the number of gaming machines in all the venue licences at the time currently operated in each of the merging clubs. However, they must first obtain territorial authority consent, which will be considered relative to the objectives outlined in section 3, and must then apply for Ministerial approval of this Policy.~~

~~4.2. The primary activity of all Class 4 gambling venues must not be the operating of gaming machines.~~

~~4.3 Section 96 of the Act provides that clubs that were licensed after 17 October 2001 and are only able to operate 9 machines can apply to operate up to 18 machines. However, they must first obtain territorial authority consent, which will be considered relative to the objectives outlined in section 3, and 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 first obtain territorial authority consent, which will be considered relative to the objectives outlined in section 3, and must then apply for Ministerial approval.~~

5. Rules Regarding New Where Class 4 Gambling Venues may be Established

~~5.1 No additional Class 4 gambling venues are to be established in any part of the District without Council consent. Further to the provisions above, this Policy maintains the Districtwide Class 4 gaming venue cap at 15 venues (as per the 2011 Policy). No new Class 4 gaming venues will be approved in any part of the Kapiti Coast District if it means this cap will be exceeded.~~

~~5.2 No new Class 4 gaming venues and no new Class 4 gaming machines will be allowed in the Ōtaki Ward.~~

~~5.3 Outside of the Ōtaki Ward, 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, 7, and 8 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 or family recreational venues).~~
- ~~6.4 Class 4 gaming venues will only be approved in premises licensed under the Sale and Supply of Alcohol Act 2012 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 A Class 4 gaming venue consent is for one venue (one premises) and is not transferable to another venue (premises) unless consent is obtained from the Council. The consent is given to a venue at a given address, not to a person or business.~~

7.6. Relocation of Class 4 Gambling Venues

- ~~67.1 Class 4 gambling venue licences cannot be transferred to a new location in the District without Council consent. A new venue consent will be issued by Council in the following circumstances:
 - a) Where the venue is intended to replace an existing venue within the District;
 - b) Where the existing venue operator consents to the relocation; and
 - c) Where the proposed new location meets all the other requirements in this Policy.~~
- ~~76.2 When a Class 4 gambling venue proposes to move to a new location **nearby**, the following criteria must be met:
 - ~~6.2.1 the new building will be in a site that is very close to the existing site.~~
 - ~~6.2.2 the Class 4 venue's name will be the same.~~
 - ~~6.2.3 the ownership and management of the venue will be the same.~~
 - ~~6.2.4 for all intents and purposes, the patrons and the public will regard the venue as being the same venue, even though its physical location will change in a relatively minor way.~~~~
- ~~7.3 No relocation will be allowed in any Ward where the number of Class 4 gaming machines exceeds the cap.~~
- ~~7.3 In accordance with section 97A of the Act, when a relocation consent is sought under this relocation provision, the new venue may operate up to the same number of machines that were permitted to operate at the old venue immediately before the old venue licence was cancelled as a result of the relocation.~~
- ~~7.4 In accordance with section 97A(c) of the Act, when the new venue is established following a consent being granted under this relocation provision, the old venue is treated as if no Class 4 venue licence was ever held for the venue. The old venue will therefore require a new territorial authority consent from Council before being relicensed to host gaming machines and will be limited to a maximum of 9 machines if such a consent is issued by Council.~~
- ~~7.5 Council will publicly notify applications for the relocation of Class 4 gambling venues and allow for public submissions to be lodged and heard.~~

8.7. Restrictions on the Numbers of Class 4 Gaming Machines

- ~~78.1 No increase in Class 4 gaming machine numbers at Class 4 gambling venues in any part of the District is permitted without Council consent. In 2011, Ward-based restrictions on the number of Class 4 gaming machines were established using the Districtwide average~~

of Class 4 gaming machines to the adult population. With each Class 4 Social Impact Review, which is conducted every three years, current Districtwide averages are calculated using the most recent population data.

8.2 The current Districtwide ratio is 1 machine to 167 adults aged 18 years and older (determined from the District average calculated in April 2018²). The number of permitted machines in each Ward is stated in Table 1.

Table 1: Permitted number of machines in each Ward

Ward	Population over 18 years	Current no. of gaming machines	Permitted no. of gaming machines in each Ward	Difference between cap and current no. of machines	Ratio of permitted no. of gaming machines (as per the cap) to adults
Paekākāriki – Raumati	7,587	27	45	+18	1:169
Paraparaumu	14,937	86	89	+3	1:168
Waikanae	9,018	18	52	+34	1:173
Ōtaki	6,642	61	42	-19	1:158
Total District	38,184	192	228	+36	1:167

Note: Current number of gaming machines as at April 2018. Population and ratio of gaming machines to adults measured with Statistics New Zealand 2013 Census data.

8.3 The total District Class 4 gaming machine cap is 228 gaming machines (refer Table 1).

8.4 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, the District machine cap of 228, or the Ward cap of 45.

8.5 Additional gaming machines will only be considered in the Paraparaumu Ward if the increase does not breach the District venue cap of 15, the District machine cap of 228, or the Ward cap of 89.

8.6 Additional gaming machines will only be considered in the Waikanae Ward if the increase does not breach the District venue cap of 15, the District machine cap of 228, or the Ward cap of 52.

8.7 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, 7 and 8 of this policy.

8.8 The number of gaming machines permitted in new venues (licensed after the Act came into force) will be subject to the consent criteria contained in this Policy limited to a maximum of 9 machines, as specified by the Act.

8. Where TAB venues may be established

² 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.

8.1 No new TAB venues are to be established in any part of the District without Council consent³.

9. Applications and Fees for Consents

~~9.1 Any consent applications will be reviewed in line with this Policy and processed Applications for new Class 4 gaming venues or additional gaming machines at existing venues must be made on the approved form (available from the Council).~~

~~9.2 Applications are processed in accordance with the Environmental Compliance Officer hourly rate for extraordinary activities as set in the current Annual Plan, section 'General compliance fees – Environmental Protection' in the Kāpiti Coast District Council Long term plan 2018-38.⁴~~

9.10. Next Policy Review

10.1 In accordance with section 102 of the Gambling Act ~~2003~~ and section 97 of the Racing Industry Act, this Policy will be reviewed by ~~the~~ Council in ~~2026~~2024.

³ For the avoidance of doubt, this Policy only applies to TAB venues as defined in this Policy. It does not cover TAB betting services in premises not owned or leased by TAB NZ (such as in bars and clubs).

⁴ Fees and charges are regularly reviewed and may be amended through the Annual Plan/Long Term Plan process. For potential fee updates, please see the latest Annual Plan.

Appendix 4: Draft Kapiti Coast District Council Class 4 Gambling & TAB Venue Gambling Policy 2023 (clean version)



Kapiti Coast District Council Class 4 Gambling & TAB Venue Gambling Policy 2023

1. Policy Validation

- 1.1 The Kapiti Coast District Council Class 4 Gambling & TAB Venue Gambling Policy 2023 was approved at a meeting of the Kapiti Coast District Council (Council) held on [TBC], after completion of a public consultation process.
- 1.2 This Policy has been made pursuant to section 101 of the Gambling Act 2003 (the Gambling Act) and section 96 of the Racing Industry Act 2020 (the Racing Industry Act) and reviewed in accordance with the requirements of section 102 of the Gambling Act and section 97 of the Racing Industry Act.

2. Interpretation

- 2.1 In this Policy, unless the context requires otherwise:

Class 4 gambling	means it meets the definition under section 30 of the Gambling Act which in summary is gambling that satisfies the following criteria: i. the net proceeds are distributed for authorised purposes; and ii. no commission is paid for conducting the gambling; or the only commission that is paid is to a venue operator that complies with regulations made under the Gambling Act; and iii. there are game rules for the gambling; and iv. the gambling satisfies relevant game rules; and v. either the Secretary for Internal Affairs categorises the gambling as Class 4 gambling, or the gambling utilises or involves a gaming machine.
Class 4 gambling venue	means a place at which Class 4 gaming machines (also known as pokies) are located, or for the purposes of application, at which it is proposed that gaming machines be located.
Gaming machine	means a gaming machine as defined under section 4 of the Gambling Act, which in summary, is a device, whether totally or partly mechanically or electronically operated, that is adapted or designed and constructed for gambling; and is played by the insertion of money. It is also commonly known as a "pokie" machine.
Harm	means harm or distress of any kind arising from, or caused or exacerbated by, a person's gambling; and includes personal, social, or economic harm suffered— i. by the person; or ii. by the person's spouse, civil union partner, de facto partner, family, iii. whanau, or wider community; or iv. in the workplace; or v. by society at large
Relocation/relocating	means where a new venue replaces an existing venue in a different location.
TAB venue	means premises owned or leased by TAB NZ and where the main business carried on at the premises is providing racing betting, sports betting, or other racing or sports betting services under the Racing Industry Act.

3. Objectives of the Policy

- 3.1 To minimise harm to Kapiti Coast District communities caused by Class 4 gambling and TAB venue gambling to the extent this can be reasonably done through a gambling policy.
- 3.2 To use a sinking lid¹ approach to:
 - 3.2.1 ensure no additional Class 4 gambling venues and gaming machines are established in the Kapiti Coast Council District (the District).
 - 3.2.2 ensure no Class 4 gambling venues relocate within the District.
 - 3.2.3 ensure no new TAB venues are established in the District.
- 3.5 To ensure that Council and its communities have involvement in decisions about the provision of Class 4 gambling venues and TAB venues in the District.

4. Rules Regarding Existing Class 4 Gambling Venues

- 4.1 The Gambling Act imposes a number of restrictions on gaming machines including:
 - 4.1.1 section 92 provides that venues that held a licence on 17 October 2001 are restricted to a maximum of 18 gaming machines.
 - 4.1.2 section 93 provides that venues that did not hold a licence on 17 October 2001 are restricted to a maximum of nine gaming machines.
 - 4.1.3 section 95 provides that clubs may merge subject to certain criteria and may operate the lesser of: 30 gaming machines or the sum of the number of gaming machines in all the venue licences at the time. However, they must first obtain territorial authority consent, which will be considered relative to the objectives of this Policy.
- 4.2. The primary activity of all Class 4 gambling venues must not be the operating of gaming machines.

5. Where Class 4 Gambling Venues may be Established

- 5.1 No additional Class 4 gambling venues are to be established in any part of the District without Council consent.

6. Relocation of Class 4 Gambling Venues

- 6.1 Class 4 gambling venue licences cannot be transferred to a new location in the District without Council consent.
- 6.2 When a Class 4 gambling venue proposes to move to a new location **nearby**, the following criteria must be met:
 - 6.2.1 the new building will be in a site that is very close to the existing site.
 - 6.2.2 the Class 4 venue's name will be the same.

¹ A sinking lid approach means when a venue closes, loses its licence or looks to relocate, no consent will be issued for any new or re-establishing venue.

6.2.3 the ownership and management of the venue will be the same.

6.2.4 for all intents and purposes, the patrons and the public will regard the venue as being the same venue, even though its physical location will change in a relatively minor way.

7. Numbers of Class 4 Gaming Machines

7.1 No increase in Class 4 gaming machine numbers at Class 4 gambling venues in any part of the District is permitted without Council consent.

8. Where TAB venues may be established

8.1 No new TAB venues are to be established in any part of the District without Council consent².

9. Applications and Fees for Consents

9.1 Any consent applications will be reviewed in line with this Policy and processed in accordance with the Environmental Compliance Officer hourly rate for extraordinary activities as set in the current Annual Plan.

10. Next Policy Review

10.1 In accordance with section 102 of the Gambling Act and section 97 of the Racing Industry Act, this Policy will be reviewed by Council in 2026.

² For the avoidance of doubt, this Policy only applies to TAB venues as defined in this Policy. It does not cover TAB betting services in premises not owned or leased by TAB NZ (such as in bars and clubs).