### **ORDINARY MEETING**

### OF

### **COMMUNITY, SPORT AND RECREATION COMMITTEE**

### **AGENDA**

Time: 9.15 am

Date: Wednesday, 16 September 2015

Venue: Committee Room 1

**Ground Floor, Council Offices** 

101 Wakefield Street

Wellington

### **MEMBERSHIP**

Mayor Wade-Brown

Councillor Ahipene-Mercer
Councillor Coughlan
Councillor Eagle (Chair)
Councillor Foster
Councillor Free
Councillor Free
Councillor Lee
Councillor Lester
Councillor Councillor

### Have your say!

You can make a short presentation to the Councillors at this meeting. Please let us know by noon the working day before the meeting. You can do this either by phoning 803-8334, emailing <a href="mailto:public.participation@wcc.govt.nz">public.participation@wcc.govt.nz</a> or writing to Democratic Services, Wellington City Council, PO Box 2199, Wellington, giving your name, phone number and the issue you would like to talk about.

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### **AREA OF FOCUS**

The focus of the Community, Sport and Recreation Committee is to build strong, safe, healthy communities for a better quality of life. It will be responsible for social infrastructure (including social housing), social cohesion, encourage healthy lifestyles, support local community events, protect public safety, and provide a wide range of recreation and sporting facilities for residents and visitors to use and enjoy.

Quorum: 8 members

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### 1 Meeting Conduct

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### 1.1 Apologies

The Chairperson invites notice from members of apologies, including apologies for lateness and early departure from the meeting, where leave of absence has not previously been granted.

### 1. 2 Conflict of Interest Declarations

Members are reminded of the need to be vigilant to stand aside from decision making when a conflict arises between their role as a member and any private or other external interest they might have.

### 1.3 Confirmation of Minutes

The minutes of the meeting held on 12 August 2015 will be put to the Community, Sport and Recreation Committee for confirmation.

### 1.4 Public Participation

A maximum of 60 minutes is set aside for public participation at the commencement of any meeting of the Council or committee that is open to the public. Under Standing Order 3.23.3 a written, oral or electronic application to address the meeting setting forth the subject, is required to be lodged with the Chief Executive by 12.00 noon of the working day prior to the meeting concerned, and subsequently approved by the Chairperson.

### 1.5 Items not on the Agenda

The Chairperson will give notice of items not on the agenda as follows:

### Matters Requiring Urgent Attention as Determined by Resolution of the Community, Sport and Recreation Committee.

- 1. The reason why the item is not on the agenda; and
- The reason why discussion of the item cannot be delayed until a subsequent meeting.

### Minor Matters relating to the General Business of the Community, Sport and Recreation Committee.

No resolution, decision, or recommendation may be made in respect of the item except to refer it to a subsequent meeting of the Community, Sport and Recreation Committee for further discussion.

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### 2. General Business

# THREE NEW LEASES AND ONE NEW SUBLEASE UNDER THE RESERVES ACT 1977: NEW AND EXISTING TENANTS

### **Purpose**

To recommend that the Committee approves the following:

- 1. Three new ground leases to:
  - The Scout Association of New Zealand Johnsonville Branch (existing tenant)
  - Scorching Events Trust (new tenant)
  - P 8 NT Limited (existing tenant).
- 2. One new sublease to Wellington Softball Association.

### Summary

- 3. A schedule summarising the proposed tenancies is included as attachment 1.
- 4. Maps showing the areas and locations are included as attachments 2 to 5.
- 5. The proposed leases to The Scout Association of New Zealand (Johnsonville Branch) and Scorching Events Trust satisfy the assessment criteria laid out in the Section 7 of the Leases Policy for Community Recreation Groups.
- 6. The proposed lease to P 8 NT Limited satisfies the criteria for commercial activities laid out in the Section 8.8 of the *Leases Policy for Community Recreation Groups*.
- 7. The proposed sublease to Wellington Softball Association satisfies the subleasing criteria laid out in Section 8.9 of the Leases Policy for Community Recreation Groups.

### **Recommendations**

That the Community, Sport and Recreation Committee:

- 1. Receives the information.
- 2. Agrees to grant new leases to
  - a. The Scout Association of New Zealand
  - b. Scorching Events Trust and
  - c. P 8 NT Limited

under the Reserves Act 1977 (subject to the usual terms and conditions noted below).

- 3. Approves a sublease of part of the building leased to Netball Wellington Centre Incorporated to Wellington Softball Association Incorporated.
- 4. Notes that approval to grant the leases (referred to above) is conditional on:
  - a. Appropriate Iwi consultation
  - Public notification under s119 and s120 Reserves Act 1977

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- c. No sustained objections resulting from the above consultation and notification; and
- d. Legal and advertising costs being met by the respective lessee (where applicable).

### Discussion

### New Ground Lease: Scout Association of New Zealand (Johnsonville Branch)

- 8. The Scout Association of New Zealand Johnsonville Branch (Scouts) has occupied the proposed lease area since 1972. Scouts currently occupies the premise at Ohariu Road Reserve on a month-to-month basis based on a ground lease that expired last 1 November 2014.
- 9. The Scouts continue to satisfy the criteria required under the Section 7 of the Leases Policy for Community and Recreation Groups (see attachment 2 for the proposed lease area). The Scouts has good community support with membership currently at 121 members (18 Leaders, 89 Youths and 4 Committee members).
- 10. It is proposed that the Scouts is granted another ground lease for a term of 10 years consistent with the Leases Policy for Community and Recreation Groups.

### **New Premise Lease: Scorching Events Trust**

- 11. Wellington Triathlon & Multisports Club (WTMC) has held a lease of the Scorching Bay premises since 1991. The most recent lease expired last 31 March 2007 and WTMC currently occupies the premise on a month-to-month basis.
- 12. In 2012 Council resolved to grant a new lease to WTMC. However, after a series of talks between the Council and WTMC representatives, they have concluded that they are not able to renew their lease.
- 13. In the meantime Scorching Events Trust (SET), with the knowledge of WTMC, has expressed an interest in taking over the premises. In doing so, SET commits to support the existing community in the pursuit of fitness through outdoor activities.
- 14. SET had been operating in conjunction with WTMC when it started in May 2003 and branched out as an independent entity in 2005. SET was established for the promotion of outdoor sporting activities including triathlon, duathlon, running and open water swimming.
- 15. It holds up to 12 events a year with the most recent one on the 6<sup>th</sup> September expecting about 2000 finishers. The community support for the sport is evident by the large turnout for the events which cater to all ages from 10 to 70 plus.
- 16. SET continues to work with WTMC and the premises is used as storage for gear, including equipment that is rented out to participants. The location of the premises is essential in the logistics and and makes it an ideal place to launch events.
- 17. SET plans to expand their events to also include introductory sessions for participants to ease into the sport with priority given to safety and well-being.
- 18. It is proposed that SET is granted a new lease for a term of 10 years consistent with the Leases Policy for Community and Recreation Groups.
- 19. The proposed lease area is 110m<sup>2</sup> and is primarily unformed legal road. A small portion is held in fee simple title, classified under the Reserves Act 1977. Transport has advised that it is unlikely to widen this area of the road within the next 10 years.

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New Ground Lease: P 8 NT Limited

# 20. P 8 NT Limited (P8NT), a paintball business, has occupied the proposed lease area since 2009. It currently occupies the land at Carribean Drive Reserve on a month-to-month basis based on a lease that expired last 19 June 2012. Prior to that, the land

was leased for five years to Tag Wargames Limited, also a paintball business.

- 21. P8NT uses fully biodegradable paint cartridges which are non-staining, water soluble and edible, consistent with the environmental requirements under the Northern Reserves Management Plan.
- 22. It is proposed that P8NT is granted another lease for a term of 3 years. The shorter term is to recognise that as the surrounding area becomes more developed this reserve will increase in significance for its scenic values at which time the paintball activity may no longer be appropriate.

### **New Sublease: Wellington Softball Association**

- 23. Netball Wellington Centre (Netball) and Wellington Softball Association (Softball) are both existing tenants in Hataitai Park. Netball has a ground lease which is due to expire on 30 June 2023 and Softball has a premises lease which is due to expire on 31 August 2023.
- 24. Due to financial reasons, Softball has asked to surrender its existing lease and to sublease a small area within the building owned by Netball. The move to share the building is in line with overall objective of Council to maximise the use of buildings on reserve land.
- 25. In its current lease, Softball is responsible for the the maintenance and repair of the floodlights in the field. This responsibility will continue under a new licence agreement. The lease will be surrendered by agreement between the Council and Softball once the licence agreement is finalised.
- 26. It is proposed that the Committee support and allow Softball to have a sublease with Netball consistent with the Leases Policy for Community and Recreation Groups.

### Conclusion

27. Officers recommend that the Community Sport and Recreation Committee approves the proposed leases and sublease.

### **Attachments**

Attachment 1.	Summary	Page 11
Attachment 2.	Scout Association Map	Page 12
Attachment 3.	Scorching Events Trust Map	Page 13
Attachment 4.	P 8 NT Limited - Paint Tag Games	Page 14
Attachment 5.	Sublease to Wellington Softball Association	Page 15

Author	Fel Go, Property Advisor
Authoriser	Greg Orchard, Chief Operating Officer

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### SUPPORTING INFORMATION

### **Consultation and Engagement**

Public consultation will be undertaken as required under the Reserves Act 1977

### **Treaty of Waitangi considerations**

There are no Treaty of Waitangi considerations

### **Financial implications**

There are no financial implications

### Policy and legislative implications

The proposals will be broadly consistent with relevant Council policies

### Risks / legal

The proposals will be subject to the provisions of the Reserves Act 1977

### Climate Change impact and considerations

There no Climate Change impacts and considerations

### **Communications Plan**

Not applicable

Group	Site	Location	Area (m²)	Activity	Туре	Legal Description	CFR	Term	Final Expiry	Rent (per annum, plus GST)	Reserve Type	Since
Scout Association of New Zealand (Johnsonville Group)	0085	38 Ironside Road, Ohariu Reserve, Johnsonville	124	Scouts	Ground Lease	part of Section 20 Block VI Hawtrey Settlement	WN8B/1012	10	31 Oct 2025	\$197.92	Recreation	1972
Scorching Events Trust	0511	Building known as Scorching Bay Triathlon & Multisport Club, Scorching Bay, Karaka Bays	110	Triathlon	Premise Licence	legal road adjoining sec 93 Watts Peninsula District	legal road adjoining WN24A/84	5+5	31 Oct 2035	\$176.16	Legal Road	New
P 8 NT Limited	2204	Carribean Avenue Reserve, Grenada North	10,978	Paintball and related activity	Ground Lease	part of Part Section 168 Porirua District and Part Section 41 Horokiwi Road District	WN34C/629	3	19 Jun 2018	n/a	Scenic	2009
Wellington Softball Association	0872	Netball Wellington Centre, Hataitai Park, Hataitai	7	Softball	Sub Lease	Lot 1 DP 34024	WN15A/1225	8 and 10 months	29 Jun 2023	\$ 5,400.00	Recreation	New









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# REPORT ON THE GAMBLING VENUES POLICY AND FEEDBACK ON CONSULTATION

### **Purpose**

1. This paper presents the results of the consultation on the proposed Gambling Venues policy 2015 (the Policy) and recommends minor changes to the Policy.

### Summary

- 2. There were two broad contrasting views from submitters:
  - Gaming societies who own non-casino gaming machines (NCGMs) and distribute their proceeds, the NZ Racing Board, and those who benefited from the proceeds, were generally supportive of the Policy.
  - Those who focused on gambling harm thought stronger restrictions were needed
    to control gambling growth and associated harm, such as a sinking lid approach,
    further reducing maximum caps or introducing caps to the Central Area Zone.
    Objections to the relocation and on-licence requirement were raised as they were
    thought to increase the risk of problem gambling.
- 3. The proposed Policy reduces the existing limits by 21 percent, from 565 to 439 NCGMs in suburban zones (excluding the Central Area Zone). These limits can be further reduced in future reviews if the trend of falling venue and machine numbers continues.
- 4. After considering the issues raised by submitters amendments to the proposed Policy are recommended, as follows:
  - A limit for the Central Area Zone is introduced to limit the growth of new venues and NCGMs in that zone (although growth is considered unlikely), and bring it into line with existing approach for suburban zones.
  - The proposed relocation policy is retained but amended to only allow relocation to centres (excluding Neighbourhood Centres) and the Central Area Zone, away from residential areas. Relocation within centres has been removed.
  - The draft proposal permitted new venues to locate anywhere in a zone subject to number restrictions. It is now recommended that new venues be restricted to centres (excluding Neighbourhood Centres) in each of the zones and the Central Area Zone.
- 5. The Council also received legal advice on a change to section 100(1)(b)(i) of the Gambling Act 2003 (the Act). This advice is that Council should no longer impose a condition requiring the applicant for a class 4 venue licence to also hold an on-licence.

### **Recommendations**

That the Community, Sport and Recreation Committee:

- 1. Note the Summary of Submissions (Attachment 1 to the officers' report).
- 2. Note the Summary of Issues table including Officers Response (Attachment 2 to the officers' report).
- 3. Agree to amend the proposed Gambling Venues policy following consultation, to:

- a. set the maximum number of non-casino gaming machines (NCGMs) in the Central Area Zone, either at
  - the current number of NCGMs within the zone (relocation is only available if there is capacity within the zone limits), or
  - ii. the current number plus capacity for two new venues to allow relocation from suburban areas (*preferred option*).
- b. limit relocation of venues **to** the Central Area Zone and **to** "centres" defined in the Wellington City District Plan.
- c. exclude relocation to Neighbourhood Centres defined in the Wellington City District Plan.
- d. limit **new** venues to the Central Area Zone and to Centres excluding Neighbourhood Centres in each zone.
- e. make general clarifications and edits, including correction to the maximum NCGMs that will be permitted in the Lambton Zone.
- 4. Note recent changes to the Gambling Act 2003 means that Council should no longer impose a condition requiring the applicant for a class 4 venue licence to also hold an on-licence, and that this proposed Gambling Venues policy is consistent with that.
- 5. Agree to recommend to Council that it adopt the proposed Gambling Venues policy as amended (Attachment 3 to the officers' report).
- 6. Agree to delegate to the Chair of the Community, Sport and Recreation Committee and the Chief Executive the authority to amend the proposed Gambling Venues policy to include any amendments agreed by the Committee at this meeting, and any minor consequential edits, prior to it being presented to Council.

### **Background**

- 6. Under the Gambling Act 2003 and the Racing Act 2003, territorial authorities must have a class 4 (non-casino gaming machines) venue policy and a Racing Board (TAB) venues policy, respectively. The policies must be reviewed every three years.
- 7. The Council's Strategy and Policy Committee adopted the existing Policy covering both type of venues in 2010. On 18 March 2015, the Community, Sport and Recreation Committee resolved to release for consultation a statement of proposal and proposed Policy.

### The Gambling Act 2003

- 8. The objectives of the Gambling Act 2003 (the Act) most relevant to the Policy are to control the growth of gambling and prevent and minimise the harm caused by gambling, including problem gambling.
- 9. A range of harm prevention measures have been introduced in the Act and the Gambling (Harm Prevention and Minimisation) Regulations 2004 to achieve these objectives. Two key regulatory agencies are tasked with implementing them:
  - The Department of Internal Affairs, as regulator, administers the gambling legislation and is responsible for all forms of gambling law enforcement and licensing gambling outside casinos; and
  - The Ministry of Health is responsible for funding and co-ordinating problem gambling services.

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- 10. In contrast, the role of territorial authorities is limited to implementing restrictions on the number of NCGMs and the location of class 4 venues only. A territorial authority can:
  - specify whether or not class 4 venues may be established in its district and, if so, where they may be located;
  - specify any restrictions on the maximum number of NCGMs that may be operated at any class 4 venue (the Act sets a maximum of nine machines at venues established after October 2001 and 18 machines for venues established prior), and;
  - include a relocation policy.
- In adopting the Policy the Council must also have regard to the social impacts of gambling in its district.

### 2015 amendments to the Gambling Act relating to granting consents

12. Section 100(1)(b)(i) of the Act was amended in March this year, changing the powers of local authorities when considering and determining applications for territorial authority consent for a class 4 venue.

A territorial authority must—

- (a) consider and determine an application for a territorial authority consent in accordance with its class 4 venue policy; and
- (b) then either—
  - (i) grant a consent with or without a condition specifying the maximum number of gaming machines that may be operated at the venue (**but with no other condition**); or
  - (ii) not grant a consent.
- 13. The addition of words "but with no other condition" is significant. Legal advice on this amendment confirms that the Council should no longer impose a condition requiring the applicant for a class 4 venue licence to also hold an on-licence, and the proposed Policy is consistent with this.
- 14. The Council can nevertheless refer to the existence (or otherwise) of an on-licence as a relevant matter in its Policy. This would be a matter for the Council to take into account when deciding whether to grant or decline a consent under section 100(1) of the Act. That is, even though it cannot impose a related condition on any consent the lack of a relevant alcohol licence would simply be weighed up in any decision to grant a licence.
- 15. Officers recommend that the Council should not consider the existence of an onlicence when making consenting decisions. Controls specified in the Act and related regulations are designed to minimise harm including the possibility of individuals aged less than 18 years gaining access to class 4 gaming at a venue. These are regulated and monitored by the Department of Internal Affairs.

### Racing Act 2003

16. Section 65D of the Racing Act 2003 also requires territorial authorities to adopt a Board Venue policy. Board Venues are premises owned or leased by the NZ Racing Board and where the main business carried out at the premises is providing racing betting or sports betting services. Historically these were called TABs. It does not include any other place where the NZ Racing Board operates a TAB outlet or installs a self-service betting machine.

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17. Section 65(D)(3) states that the territorial authority must specify whether or not new Board Venues may be established in the territorial authority district and, if so, where they may be located.

### **Wellington City Council Gambling Venues Policy 2010**

- 18. The objectives of the existing Policy were to:
  - manage the risk of gaming machines in areas of concern;
  - ensure that, within the limits prescribed by the Act, people who wish to participate in gaming machine and TAB venue gambling can do so within the Wellington District.
  - ensure that gaming machines are located within venues where there is a degree and supervision and control of those using the machines, to assist in reducing the risk of problem gambling, and gambling by those under 18 years of age.
- 19. Under the existing Policy, Wellington city is divided into 7 zones based on the 2003 Ward Boundaries. The total number of NCGMs in any zone may not exceed a maximum number. The maximum cap was based on a machine to population ratio of 1 machine to 300 people at the time the limits were set. There was no limit for the Central Area Zone.
- 20. Population based caps in the suburban zones were introduced in 2010 as a way to address the risk of susceptible populations from NCGMs in areas of concern (Johnsonville, Tawa, Karori, Miramar and Newtown). The intended outcome of this would be to gradually reduce the number of NCGMs in the areas of concern over time, or at the very least, not go above existing caps. The approach allows NCGM numbers to increase in other parts of the city not considered "at risk" i.e. the Central Area Zone where no limits were placed. This would mean no immediate or sudden impact on community groups who are dependent on money derived from NCGM gambling to fund their activities.

### **Trends**

- 21. The Class 4 gambling sector is in decline. Since the Act was enacted:
  - the total number of venues in Wellington has fallen from 80 in 2003 to 44 in 2014 (down 45 percent). Over the same period, the number of NCGMs in Wellington has dropped by 35 percent from a high of 1050 to 679.<sup>1</sup>
  - the number of NCGMs in the Central Area Zone has fallen by 43 percent (250 machines) over the same period. In contrast, the total number of NCGMs in the suburban zones which have caps dropped by 25 percent.<sup>1</sup>
  - venues are closing in the Central Area Zone at a faster rate than new venues are opening. Between 2003 and 2014, 30 venues closed in the Central Area Zone but only 11 venues opened.<sup>1</sup>
  - the proportion of people playing NCGMs in the last 12 months decreased from 18 percent in 2006 to 13.6 percent in 2012.<sup>2</sup>
  - the proportion of people frequently playing NCGMs has fallen. People playing at least once a week fell from 2 percent in 2006 to 1.2 percent in 2012. People playing at least once a month fell from 4.7 percent to 3.4 percent.<sup>2</sup>
  - spending on NCGMs has decreased by 22 percent from its peak of \$1.035 million in 2004 to \$806 million in 2014<sup>3</sup>.

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- the amount of money going to communities has been falling in line with reduced gambling on NCGMs. In 2004, around \$303 million was distributed by class 4 nonclub societies to communities nationwide, in 2013 \$249 million was distributed<sup>4</sup>
- the number of clients in Wellington city who have received problem gambling treatment services and who have identified NCGMs as their primary mode of gambling causing them harm, dropping from a peak of 247 people in 2010 to 128 in 2014. We note that 2014 levels are not significantly lower than in 2005 and that there are limits to using intervention services data as gambling harm extends beyond those who access support for their problem gambling.<sup>5</sup>

### Discussion

### Consultation on the proposed policy

- 22. The review of the 2010 Policy found that there was no demonstrable need to further reduce the number and locations of the NCGMs in order to control the growth of gambling, based on the following key trends:
  - falling gambling revenue in real terms across NZ and this was likely to be the case in Wellington;
  - declining levels of harm from NCGMs, as evidenced by reduced NCGM use and reductions in the number of problem gamblers and continuous gambling;
  - no significant link between the number of NCGMs or venues in an area and the incidence of problem gamblers using NCGMs.
- 23. There was, however, some relationship between the proximity of gaming machines to residential areas that increased the likelihood of gambling, including problem gambling.
- 24. It was therefore proposed to facilitate people's reasonable access to class 4 and Board gambling while taking a prudent and precautionary approach to minimising harm where the Policy has a reasonable prospect of being effective. The key changes proposed are:
  - continuation of maximum limits on the number of machines in most gaming venue zones, except for the Central Area Zone where there were no limits.
  - lowering maximum limits so that no more than two further venues can be established in any zone.
  - allowing venues to relocate and take their existing entitlement of machines with them, but only to and within the Central Area Zone or to 'centres' identified in the Wellington City District Plan, and provided that a zone would not exceed its maximum limit.
  - remove requirements that only premises with an alcohol on-licence may have NCGMs, instead only allowing NCGM venues without an on-licence to be located in "centres" identified in the Wellington City District Plan.

### Feedback from consultation

- 25. A total of 751 submissions were received. Sixty three submitters requested to directly address the sub-committee.
- 26. Of the 751 submissions, 713 were part of a survey organised and delivered by the Problem Gambling Foundation of NZ (PGFNZ). It is understood that the majority of those did not have access to the statement of proposal explaining the Policy when completing the survey.

- 27. Most of the PGFNZ submissions preferred stronger restrictions on the number of machines and venues and did not agree with the proposal to remove liquor licencing requirement for gaming venues. Most did not want to retain the existing policy on Board venues.
- 28. The remaining 38 submissions came from 21 organisations and 17 individuals.
- 29. The table below breaks down these submitters by whether they did or did not support key elements of the proposed Policy. Those who did not support are in parenthesis.

Key element of Policy	Individuals	Community boards, committees, groups and clubs	Non- government organisations dealing with gambling harm	Gaming Societies/NZ Racing Board	Other
Maximum caps, no city limit	7 (8)	1 (3)	(4)	5	(1)
Lowering limits	6 (8)	3 (4)	1 (1)	1 (3)	1
Venue Relocation	6 (8)	3 (3)	(4)	5	(1)
Removing on-licence	4 (10)	(2)	(5)	3	(1)
Retaining Board venue policy	5 (8)	1	(4)	1 (2)	1

- 30. Of the 38 submissions made directly to the Council:
  - individuals and community groups were relatively evenly divided on key elements of the Policy, although individuals tended to oppose removing on-licences.
  - non-government organisations dealing with gambling harm were opposed to the proposed Policy whereas those operating NCGMs were supportive of the proposed changes.
  - 23 supported stronger restrictions on NCGMs and venues beyond what is proposed, specifically sinking lid, and/or lowering suburban caps, and/or caps in the Central Area Zone. These submitters were primarily concerned with issues of gambling harm.
  - One supported fewer restrictions on NCGMs and venues beyond what is proposed, specifically raising maximum limits and/or no maximum limits at all.
  - One supported maintaining the current maximum limits in the suburban zones with no cap in the Central Area Zone (i.e. the status quo).
- 31. Further analysis of the submissions is provided as part of the attached Summary of Submissions.

# **Item 2.2**

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### Key issues and alternatives raised by submitters

- 32. Overall, analysis of the submissions received does not justify significant change to the proposed Policy.
- 33. There are two broad contrasting views between those organisations and individuals who focused on gambling harm, and those organisations that own NCGMs and distribute proceeds (i.e. gaming societies), the NZ Racing Board and those who benefit from the proceeds of gambling.

### Gaming societies, the NZ Racing Board and those who benefit from proceeds

- 34. This group of submitters generally supported the proposed Policy as it stands, particularly retaining maximum caps, venue relocation and removing on-licences.
- 35. There were points of difference within this group as to whether the Policy represented a reasonable balance between access to gambling and the issues of gambling harm. There was concern that the proposed Policy unevenly focused on the "very small fraction" of individuals who have gambling issues rather than the benefits arising from fundraising. Gaming societies and those who benefit from proceeds did not support lowering limits and the reduction in the permitted number of NCGMs. These submitters noted that the national decline in machine numbers has negatively impacted on the ability of gaming societies to generate funds. Fewer machines might reduce funds further. This would have flow-on affects to the community, including hardship for already vulnerable organisations reliant on funds, as well as a reduction in services delivered by those groups.
- 36. Officers believe that the impact of the proposed Policy on current levels of community funding will be minimal. The proposed reduction in maximum caps will not reduce the existing capacity of licenced venues currently operating machines. Growth in the number of NCGMs is not anticipated. Where there is excess capacity within the existing limits, these limits have been lowered to allow for only two further venues above the current numbers. The limits can be further reduced in future reviews if there are continuing closures of venues.
- 37. The key issue raised by clubs was that they should be exempt from general limits of the proposed Policy. There is insufficient rationale to make clubs a special case and exempt them from the limits proposed.

### Those submitters who focused on the issues of gambling harm raised the following concerns

### 1) The Council should apply a sinking lid

- 38. Those submitters who focused on the issues of gambling harm supported a sinking lid approach. With this approach any consent for new venues/NCGM in Wellington city would be declined. A maximum cap would still be retained but NCGM numbers would reduce, or 'sink', as venues closed or chose to remove their NCGMs. There would be a gradual reduction in the total number of NCGMs and venues in the city.
- 39. Officers do not recommend a sinking lid approach to reduce gambling harm. The Council does not have powers to close venues or remove licences. Problem gamblers will be able to access gambling opportunities in the foreseeable future even with adopting a sinking lid. This is an issue that the wider regulatory framework operated by the DIA needs to address.

- 40. In addition gambling is a legal activity and in the long term application of a sinking lid could contravene the second objective of the Policy which is to ensure people who wish to participate in NCGM and Board Venue gambling in the city can do so.
- 41. A review undertaken by the Department of Internal Affairs<sup>6</sup> (the Department) found that class 4 venue policies applied by territorial authorities had very little impact on the number of NCGMs and expenditure. This is due to the few consents processed under the current framework and the large number of NCGMs in venues that pre-date the Act that are not affected by venue policies. The Department also noted that changes to the regulatory environment since 2003 have led to the amalgamation of societies and fed into the downward trend of falling NCGMs and venues irrespective of Council policies.
- 42. A sinking lid is not expected to materially reduce problem gambling and harm, but it may impact on the aggregate level of funding available to community organisations that depend on NCGM gambling to raise funds. Every venue that closes or ceases to operate without being replaced under the sinking lid would reduce the total funds available for redistribution purposes by the funds raised at that venue. As funds are generally redistributed to the geographic area from which they are raised, this would have a direct impact on local fundraising.
- 43. As noted in the trend section, since the Act was enacted the total number of venues in Wellington has fallen by 45 percent between 2003 and 2014, while the number of NCGMs has dropped from a high of 1050 to 679, a reduction of 35 percent. Indications are that levels of harm are falling (as evidenced by reduced NCGM use and reductions in the rate of problem gamblers and of continued gambling). The number of people accessing intervention services for NCGM problem gambling in Wellington has continued to drop from a high in 2010, although the current number is not significantly lower than 2005 levels.
- 44. The current policy approach is working with limits on the different zones alongside the regulation of the sector by the Department of Internal Affairs and there is no case at this point to change this approach. This approach balances the objectives of the revised policy to;
  - manage the risk of gambling harm created by non-casino gaming machines (NCGMs) and TAB gambling to the extent that this can be reasonably done through a gambling venues policy
  - ensure that, within the limits prescribed by the Gambling Act 2003 and Racing Act 2003, people who wish to participate in NCGM and Board venue (TAB) gambling can do so within the Wellington District
  - provide for the relocation of Class 4 venue licences in certain circumstances.
- 45. A sinking lid is an approach that the Committee could consider in the future if machine/venue numbers did not continue to decrease, or if there was an unexpected (but highly unlikely) increase in gambling harm.
  - 2) The limits are too high and in particular there should be a cap in the Central Area Zone
- 46. These submitters were concerned that limits were set too high and that there was no cap in the Central Area Zone. The result of this would be a growth in gambling and associated harm.
- 47. Officers accept that there are residential areas with populations susceptible to problem gambling, and that is why the number of NCGMs in each suburban zone was limited to a maximum number in 2010. Not all zones have reached their limit and the proposed

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Policy lowers these by 126 NCGMs or 21 percent in response to the lack of demand for new venues and machines.

- 48. There is not a strong case to further lower the proposed suburban maximum caps at this point. However there may be a case to apply a maximum cap for the Central Area Zone to bring it into line with existing approach for suburban zones.
- Officers believe that there is a low likelihood of growth in venues and NCGMs in the 49. Central Area Zone. Between 2003 and 2014, the number of NCGMs in the Central Area Zone fell by 43 percent (250 machines).
- Even if there was an increase in venues and NCGMs in the Central Area Zone, officers 50. believe that this will have little impact on people's behaviour. Currently 42 percent of gaming NCGMs and 41 percent of venues are located in the Central Area Zone, and resident populations, workers and visitors susceptible to problem gambling are already likely to have access to gaming opportunities.
- The relationship between the density of NCGMs in an area and problem gambling is 51. not clear cut however. The introduction of suburban caps in 2010 was premised on the growing body of research at the time that restricting the per capita density of NCGMs would lead to reduced gambling harm.
- 52. In light of the above, a maximum cap for the Central Area Zone is provided as an option to limit the growth of new venues and NCGMs, and bring the zone into line with existing approach for suburban zones. This is a prudent approach. It recognises that vulnerable groups live in the city and large numbers also come to the city to work and visit and are therefore proximate to NCGMs.

The Committee may choose to:

- Set the maximum cap to the current number of NCGMs within the Central Area (i) Zone (as at December 2014 there were 292 NCGMs) or
- Set the maximum cap to the current number of NCGMs plus capacity for 2 new (ii) venues (or 18 NCGMs). This sets the limit to 310 NGGMs. While not expected, this option provides for venues that may relocate as a result from the proposed relocation policy.
- Of those venues operating in the Central Area Zone at December 2014, only 11 of 53. these opened since 2003. Placing a limit on the Central Area Zone may further slow the rate at which new venues open if there is no capacity for new venues at the time when a consent application is made.

### 3) Objections to a relocation policy

- Concerns were raised by 15 submitters that the proposed relocation policy would allow 54. operators and their NCGMs to move to areas of deprivation, closer to vulnerable populations or to places where there is currently no problem gambling. Officers believe that the proposed approach will reduce such risks.
- 55. The proposed Policy permits operators to move into the Central Area Zone or to "centres" identified in the Wellington City District Plan, away from residential suburban areas. This would discourage moving venues to areas that do not currently have them (noting the proximity of residential areas and the nearest NCGM are associated with a risk of potential harm).
- 56. To further enhance the harm minimisation intent of a relocation policy, officers now propose to exclude movement to Neighbourhood Centres as defined in the Wellington

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- City District Plan. Relocation will be limited to the larger scale centres only in the Wellington City District Plan.
- 57. The proposed Policy also included a provision for operators to move within the Central Area Zone or within centres. Officers now propose to limit relocation of class 4 venues "to" these places only and not "within". While relocation within the zone or central zone may be desirable from a commercial perspective, the intent of the policy is to move NCGMs away from susceptible populations in residential areas.

### 4) Objections to removing the on-licence requirement

- 58. It is proposed to remove the requirement that only premises with an alcohol on-licence can be NCGM venues and only when located in "centres" identified in the Wellington City District Plan. Submitters were concerned that newly eligible venues would have fewer protective measures and may introduce new people to gambling and normalise gambling for the young.
- 59. As noted above, the recent amendment to section 100(1)(b)(i) of the Act states that the Council can grant a consent with or without a condition specifying the maximum number of gaming machines that may be operated at the venue (but with no other condition). That is, Council should no longer impose a condition requiring the applicant for a class 4 venue licence to also hold an on-licence, and the proposed Policy is consistent with this.
- 60. Controls specified in the Act and related regulations are designed to minimise harm including the possibility of individuals under 18 years gaining access to class 4 gaming at a venue.

### 5) Objections to the Board venue policy

- 61. The Council can specify whether or not new Board venues may be established and where they may be located. The proposed Policy would allow Board venues to be established anywhere in the city subject to the provisions of the Wellington City District Plan.
- 62. These submitters considered that restrictions should be applied to Board venues as they were located in areas of high deprivation or within vulnerable communities.
- 63. While officers are aware of the risk of having gambling problems related to this type of betting, any measure to limit the location of Board venues as a way of minimising problem gambling is unlikely to have significant impact. There are only seven Board venues and they represent 25 percent of all TAB outlets<sup>7</sup>. We also note that there has been no growth in betting turnover in the last five years.
- 64. These issues are considered in more detail in the attached Summary of Issues.

### Limiting New Venues to Centres (excluding Neighbourhood Centres) and the Central Area Zone

- 65. The Policy permits new venues to locate anywhere in a zone subject to number restrictions. Officers are recommending the option to restrict new venues to centres (excluding Neighbourhood Centres) in the Wellington City District Plan and the Central Area Zone. Maximum caps for each of the zones will still apply.
- 66. This option will reduce the risk of harm posed to susceptible populations in residential areas within the zones and is consistent with the relocation policy.
- 67. While most venues (with the exception of clubs) already operate in the centres/Central Area Zone having a formal restriction places a greater restriction on where new venues can operate.

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### 'Relevant matters' and the proposed Policy

- 68. As previously noted, the Council can take *relevant matters* into account when deciding whether to grant consent even if it cannot impose a specific condition on those matters. In accordance with section 100(1)(a) of the Act these must be set out in the Council's class 4 venues policy.
- 69. The list of such matters is set out in section 101(4) of the Act, including
  - a) the characteristics of the district and parts of the district:
  - b) the location of kindergartens, early childhood centres, schools, places of worship, and other community facilities;
  - c) the number of gaming machines that should be permitted to operate at any venue or class of venue;
  - d) the cumulative effects of additional opportunities for gambling in the district;
  - e) how close any venue should be permitted to be to any other venue;
  - f) what the primary activity at any venue should be.
- 70. Beyond suggestions on the general location of class 4 venues (e.g. away from places with susceptible populations) and the number of NCGMs to be permitted at each of these venues, submitters did not make suggestions about where venues and machines should be specifically located. Nor was there comment on what the primary activity at venues should be apart from general discussion as to whether venues should have an on-licence or not.
- 71. The matters Council may consider when deciding whether or not to grant consent are limited to section 101(3) of the Act.
- 72. If location specific issues arise these could be considered in in future reviews.

### **Next Actions**

73. The Committee recommend to Council that it adopt the revised Gambling Venues Policy as attached including any amendments agreed by the Committee.

### References

- <sup>1</sup> Department of Internal Affairs. All venues and numbers by territorial authority/district data
- <sup>2</sup> Health Promotion Agency, 2013, New Zealanders' Participation in Gambling Results from the 2012 Health and Lifestyles Survey.
- <sup>3</sup> Department of Internal Affairs, Gambling Expenditure Statistics.
- <sup>4</sup> Department of Internal Affairs, Pokie System 101 FAQs February 2015.
- <sup>5</sup> Ministry of Health, Clients assisted by Wellington City Council for non-casino gaming machines only, for 2004/05 to 2013/14 financial years (all intervention types).
- Department of Internal Affairs, Policy Briefing 3: Options for improving territorial authority gaming machine policies, 28 March 2013.
- <sup>7</sup> TAB outlets are TAB store, Pub TAB, TAB outlet, Pub with TAB self-service terminal.

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### **Attachments**

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### SUPPORTING INFORMATION

### **Consultation and Engagement**

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This is a report on a consultation that has taken place, and the implications of that on policy direction.

### **Treaty of Waitangi considerations**

There are no direct Treaty of Waitangi considerations.

### Financial implications

There are no financial implications for the Council although if gaming machine proceeds continue to fall there is likely to be an increased demand for funding from community and sporting groups.

### Policy and legislative implications

This Policy is required under the Gambling Act 2003 and the Racing Act 2003. There are no legislative implications.

### Risks / legal

Legal advice has been sought on changes to the Gambling Act 2003 and its implications on this Policy.

### Climate Change impact and considerations

There are no specific climate change implications for Council associated with this Policy.

### **Communications Plan**

There will be public interest in the adopted Policy.

### ATTACHMENT 1: REVIEW OF THE 2010 GAMBLING VENUES POLICY AND PROPOSED NEW POLICY: SUMMARY OF **SUBMISSIONS**

### Background

Under the Gambling Act 2003 and the Racing Act 2003, territorial authorities must have a class 4 (non-casino machines) venue policy and a Racing Board (TAB) venues policy, respectively. The policies must be reviewed every three years using the special consultative processes.

The Council's Strategy and Policy Committee adopted the existing policy (covering both types of venue) on 10 June 2010.

On 18 March 2015, the Community, Sport and Recreation Committee resolved to release for consultation a statement of proposal and proposed 2015 Gambling Venues Policy. Specifically, it resolved to agree to consult on the following recommended changes to the Gambling Venues Policy:

- To continue to place maximum limits on the number of machines in most geographic areas. As with the existing policy, no limit would apply in the central city area.
- To lower the maximum limits established in the 2010 Policy so that no more than two further venues can be established in any zone. In practice this means the new limits would be the lessor of:
  - the existing number of non-casino gaming machines in an area plus 18 (two further venues); or
  - the current cap.
- To allow venues to relocate and take their existing entitlement of machines with them, but only provided:
  - they relocate to or within the Central Area Zone; or 0
  - they relocate to or within an area identified as a "centre" in the Wellington 0 City District Plan; and
  - the Non-Casino Gaming Machines (NCGMs) at the new venue would not mean that any zone would exceed its limit of machines.
- To remove the requirement that only premises with an alcohol on-licence can be non-casino gaming machines venues, but only where any non-casino gaming machines venues without an on-licence are located in "centres" identified in the Wellington City District Plan.
- To retain the existing policy on Racing Board venues, meaning they may be established anywhere in the Wellington District, subject to the provisions of the Wellington City District Plan.

The public submission period ran from 20 April 2015 to 22 May 2015 and this was publicly notified on the Our Wellington page on 22 April 2015. During this period the statement of proposal and consultation document were available on the Council website, at the Council Service Centre, and from libraries. The statement of proposal and summary document was sent to a range of community groups.

A total of 751 submissions were received. A profile of those submitters follows. Sixty three submitters requested to directly address the sub-committee.

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### Who were the submitters?

There were two main types of submitters:

Problem Gambling Foundation of New Zealand (PGFNZ) survey submissions. The PGFNZ undertook a survey of the public, mainly as part of street surveys and its membership, which they then delivered to the Council. Each completed survey form was recorded as a submission. There were two types of survey – a full form with eight questions, and a short form with six questions.

Survey type	Number of submissions
Full form	567
Short form	146
Total	713

It is understood that those who took part in the street survey did not have access to a statement of proposal explaining the Policy at the time of completing the survey form.

2 Submissions other than from the PGFNZ. These were received from organisations and individuals.

Submitter type	Number of submissions
Individuals	17
Organisations	21
Total	38

Submissions from organisations came from two broad groups: those who focused on gambling harm (including community groups, the Problem Health Foundation and the Public Health Foundation), and gaming societies who own and distribute funds from their proceeds, the NZ Racing Board and those who benefit from the proceeds of gambling.

Submissions from organisations tended to be detailed and a few included substantive descriptions of research to support the submitter's feedback on proposed changes.

The table breaks down these submitters by those who supported, and who did not support, key elements of the proposed Policy. Those who did not support are in parenthesis:

Key element of Policy	Individuals	Community boards, committees, groups and clubs	Non-government organisations dealing with gambling harm	Gaming Societies/ NZ Racing Board	Other
Maximum caps, no city limit	7 (8)	1 (3)	(4)	5	(1)
Lowering limits	6 (8)	3 (4)	1 (1)	1 (3)	1
Venue Relocation	6 (8)	3 (3)	(4)	5	(1)
Removing on- licence	4 (10)	(2)	(5)	3	(1)
Retaining Board venue policy	5 (8)	1	(4)	1 (2)	1

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### **Summary of Submissions:**

### (1) PGFNZ Survey

A summary of response against each survey question is described below. The majority of those surveyed:

- preferred fewer gaming machines in each ward, or no gaming machines at all (currently there are no gaming machines in the Onslow Ward).
- preferred a sinking lid policy.
- did not agree with the proposal to remove the liquor licensing requirement for gaming venues.
- did not agree with the proposal to allow TAB venues to establish anywhere within Wellington.

Q: In these areas of Wellington, I would like there to be

	More pokies (% of PGFNZ submitters)	Same no. of pokies (% of PGFNZ submitters)	Fewer pokies (% of PGFNZ submitters)	Not specified (% of PGFNZ submitters)
Southern Ward	<1 %	2.8%	91.4%	5.6%
Northern Ward	<1 %	2.8%	89.5%	7.6%
Eastern Ward	<1 %	2.5%	89.5%	7.9%
Onslow Ward	<1%	25.3%	63.5%	10.3%
Western Ward	<1%	4%	86.8%	8.8%
Lambton	<1%	5.1%	84.1%	10.0%
Central Area Zone	<1%	2.8%	89.3%	7.2%

Q: A 'sinking lid' policy sees venues decrease; after a venue closes, the number of allowed venues decreases by one, reducing pokie numbers over time.

I support this policy	I do not support this policy	Not specified	Total number of submitters
695 (97.6%)	8 (1.1%)	9 (1.3%)	712

Q: The Council is proposing to remove the requirement for venues to have liquor licenses.

I support this policy	I do not support this policy	Not specified	Total number of submitters
31 (5.5%)	495 (87.5%)	40 (7.1%)	566

Q: The Council is proposing to continue to allow TAB venues to establish anywhere within Wellington. (Note: this question is not consistent with the proposed policy. The proposed policy would allow Racing Board venues anywhere in the Wellington District, subject to the provisions of the Wellington City District Plan.)

I support this policy	I do not support this policy	Not specified	Total number of submitters
37 (6.5%)	489 (86.4%)	40 (7.1%)	566

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### (2) Organisation and Individual Submissions

The submissions are summarised below by topic, which broadly cover:

- Policy objectives and balance
- Alternative policy proposed
  - Sinking Lid Policy
- Continuing maximum limits on the number of machines in most areas, but no limit in the central city
- Lowering maximum limits
- Allowing venues to relocate and take their existing entitlement of machines with them subject to specified provisions
- Removing alcohol on-licence requirement subject to specific provisions
- Retaining existing policy on Racing Board venues
- Other comment
  - Social harm, vulnerable groups
  - Declining community funding and associated impact

### Policy objectives and mix of instruments

There were differing views on the balance of mechanisms proposed to achieve intended objectives. For example, Pub Charity Ltd and the NZ Racing Board believed that the proposed Policy struck a good balance between the benefits and harm from gambling, "managing public health responsibilities, supporting commercial and community interests, public freedoms to participate in class 4 gambling, and limited control local government has on problem gambling". Others thought that the proposed Policy was weighted in the interests of a very small fraction of gamblers who have gambling addictions and that there should be fewer restrictions.

### Alternative policy proposed

The main policy alternative proposed by submitters, particularly by those concerned with gaming machine harm, was a 'sinking lid'. Sinking Lid was typically defined as a ban on additional class 4 gambling venues and machines in any zone (although reference was made to having specific sinking lids for high deprivation neighbourhoods and suburbs). As venues close or choose to remove their gaming machines the total number of gaming machines decline.

There was also a belief that restrictions on the number of venues is more crucial to reducing gambling harm than the number of machines due to existing numbers already present in the community. The Problem Gambling Foundation of NZ noted in their submission that when gambling was more dispersed it posed a greater hazard to problem gambling than when it is concentrated in a few locations.

Gaming societies who commented on a sinking lid approach did not support this approach and considered it ineffective as a harm prevention measure. It was thought that the reduction of machine numbers did not reduce harm. Reference was made to the Department of Internal Affairs' findings that sinking lids made little difference to gaming machine numbers

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and expenditure because "few venue consents processed under the current framework and the large number of gaming venues that pre-dated the [Gambling] Act".

One submitter believed market forces should be used to determine the number of gaming operations in Wellington, within the controls of the Gambling Act 2003.

### **Maximum limits**

**Proposed policy:** Continuing to place maximum limits on the number of machines in most geographic areas. As with the existing policy, no limit would apply in the central city area.

Gaming societies, those who benefited from grants and the NZ Racing Board generally supported maximum limits.

Most submitters did not support continuing with the current limits. Half of the submitters specifically disagreed with having no limits in the city. These submitters were concerned that:

- the CBD was easily accessed by people in the Wellington Region.
- there would be increased access to gaming machines by workers or visitors.
- there would be increased access to gaming machines by vulnerable groups, e.g. youths drinking, lower income groups, or to high deprivation areas.
- the CBD was where the city showcases its cultural identity, and gaming machines did not enhance this culture.

As an alternative to setting maximum limits, a few submitters preferred a sinking lid to manage gambling harm.

### **Lowering maximum limits**

**Proposed policy:** Lower the maximum limits that were established in the 2010 Policy so that no more than two further venues can be established in any zone. In practice this means the new limits would be the lesser of: the existing number of NCGMs in an area plus 18; or, the current cap.

More submitters were against lowering limits than supportive of it.

Gaming machine societies and those who benefitted from funds did not support lowering limits as they believed that reducing machine numbers does not reduce harm. They were concerned about:

- the negative impact on class 4 societies to generate community grants in the context of rising demand and already falling class 4 gambling expenditure
- the negative impact on fundraising opportunities
- the negative impact on social, economic, health or cultural outcomes, especially those associated with sport and recreation
- the soon to be introduced mandatory requirements requiring local funds to be used for local grants which would further constrain local fundraising opportunities.

Lowering limits was also opposed by some who did not want any new venues being established in any zone i.e. they preferred a sinking lid rather than a fixed limit.

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Fewer comments were provided by submitters who accepted lower limits, though it was suggested by one that restrictions needed to be further imposed on the number of machines in areas of high deprivation.

### Venue relocation

**Proposed policy**: Allow venues to relocate and take their existing entitlement of machines with them, but only provided:

- they relocate to or within the Central Area Zone; or
- they relocate to or within an area identified as a "centre" in the Wellington District Plan; and
- the NCGMs at the new venue would not mean that any Zone would exceed its limit of machines.

Gaming societies, clubs and those who raised funds from those activities supported this proposal. Gaming societies in particular thought that relocation gave operators greater commercial flexibility and options to support problem gambling initiatives, including options to:

- move away from vulnerable or at-risk communities
- move away from suburban or residential areas, to more desirable urban areas
- move to more appropriate or better premises, for example, that are safer or more attractive.

Clubs generally supported relocation, but sought to be exempted from the general conditions of the policy so that they could take their full entitlement of 18 with them should they have to relocate.

In contrast, those who did not favour the change and who provided comment were concerned that there may be relocation to already high deprivation or vulnerable neighbourhoods, or places where there is currently no significant problem with gambling machines. A number of submitters noted a preference for a sinking lid policy to reduce overall gambling machine numbers and harm. One form of sinking lid approach recommended was that the Council only allows venues to transfer a reduced number of gaming machines to new venues.

### Alcohol on-licence

**Proposed policy:** Remove the requirement that only premises with an alcohol on-licence can be NCGM venues, but only where any NCGM venues without an on-licence are located in "centres" identified in the Wellington District Plan.

The majority of submitters who commented on this proposed change were concerned about gambling harm and opposed removal of the on-licence requirement. Key concerns were:

- increased range of venues with NCGMs
- increased risk of attracting new young gamblers to NCGMs. Gambling harm in younger people is harder to deal with and could impact on "whole-of-life" outcomes.
- fewer protective measures to exclude underage access to gaming machines in new venues without an alcohol on-licence. On-licence requirements were thought to add an extra element of host responsibility when operating a venue.

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 children and young people would be exposed to gambling, thus normalising gambling and increasing their risk of becoming problem gamblers later in life.

Gaming machine societies supported the removal of the on-licence requirement, along with the NZ Racing Board which noted:

- the absence of alcohol is positive for harm minimisation
- there are explicit Gambling Act 2003 provisions which impose age restrictions to gaming machine venues.

### **Racing Board venues**

**Proposed policy:** Retain the existing policy on Racing Board venues, meaning they may be established anywhere in the Wellington District, subject to the provisions of the Wellington City District Plan.

Fewer submitters supported retaining the existing Racing Board policy than those who did not.

The NZ Racing Board offered the most substantive submission on this matter and supported the existing policy as it offered them flexibility to have a 'fit-for-purpose' retail network.

Reasons given for not supporting the policy included:

- no benefits accrued to the local communities where the Board venue is situated and funds are raised
- no maximum limits
- current location of stand-alone TAB venues in high deprivation or vulnerable communities.

Suggestions were made to impose maximum caps and/or restrictions on the number and location of Board venues.

### Other comments

### Social harm, vulnerable populations

Some submitters, in particular those who dealt with gambling harm, were very concerned about the social harm caused by gaming machines. Substantive research or information was often provided on this matter. Harm to vulnerable groups - Pacific people, youth, or those at the 'lower end' of the socio-economic spectrum - was of particular concern. Suggestion was made that the statement of proposal did not fully recognise the harm gambling caused by NCGMs in Wellington and to the most disadvantaged.

### Declining community funding and associated impact

The impact of proposed policy changes on community funding was a major concern for gaming machine societies and those who benefited from those funds. It was noted that declining machine numbers have impacted negatively on the ability of class 4 societies to generate funds. The impact of fewer machines will be fewer funds for organisations, greater hardship for already vulnerable organisations reliant on those funds, and fewer benefits to the community. A key question raised by a few submitters was how funding shortfalls should be met.

#### **ATTACHMENT 2: SUMMARY OF ISSUES**

Issue Raised	Officers Response
Apply Sinking Lid to all zones	Any consent application for new venues/NCGMs in the Wellington District would be declined under this approach. A maximum cap would still be retained but the total number of NCGMs would reduce, or 'sink', as venues closed or chose to remove their NCGMs gradually reducing the total number of NCGMs and venues in the District. The rate of change would be affected by variables such as the total number of existing NCGM venues licenced before 2001, and commercial choices made by licensed operators to close or remove their NCGMs.
	Officers do not support this approach. While the decrease in the number of venues and NCGMs is expected to continue, problem gamblers will be able to access gambling opportunities in the foreseeable future even with a sinking lid policy adopted. This is an issue for the wider regulatory framework at central government level to address. Gambling is a legal activity, and in the long term a sinking lid could contravene the second objective of the policy which is to ensure people who wish to participate in NCGM and Board Venue gambling in the District can do so.
	The Department of Internal Affairs has found that Sinking Lid policies applied by other territorial authorities have made little difference to gaming machine numbers and expenditure (Internal Affairs Briefing to the Minister, 28 March 2013).
	Further, while a sinking lid is not expected to materially reduce problem gambling and harm, it may impact on the aggregate level of funding available to community organisations that depend on NCGM gambling to raise funds. Every venue that closes or ceases to operate under the sinking lid would reduce the total funds available for redistribution purposes by the funds raised at that venue. As funds are generally redistributed to the geographic area from which they are raised, this would have a direct impact on local fundraising.
	Officers note that venue and NCGM numbers for the Wellington District have fallen since the enactment of the Gambling Act 2003. Data also shows declining levels of harm from NCGMs under the current policy of capped limits.
Apply Sinking Lid to high deprivation areas, or the suburbs	Any consent application for new venues/machines in areas identified as high deprivation and/or a suburban zone would be declined under this approach. As with an all-Zone sinking lid, a maximum cap would still be retained but would reduce, or sink, as venues closed or chose to remove their NCGMs. There would be a gradual reduction in total number of NCGMs and venues in the defined geographic area of concern. The rate of decline would be affected by variables such as the total number of existing NCGM venues that pre-date October 2001, and the commercial choices made by licensed operators to close or remove their NCGMs.
	Officers do not support this approach to reduce gambling harm. See officers comment for Sinking Lid. There are comparatively relatively low levels of deprivation in Wellington (compared with deprived areas in other centres), and as such, deprivation is not considered a significant issue in this regard. Nonetheless, the policy settings proposed, including relocation away from residential areas to centres and the Central Area Zone and permitting new venues in

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Issue Raised	Officers Response	
	those areas only, will discourage suburban growth of venues and NCGMs. These measures are expected to reduce the risk of problem gambling in Wellington's most deprived areas.	
Let market forces determine the number and distribution of NCGMs.	In adopting a Gambling Venues policy, the Council is required under the Gambling Act 2003 to consider the social impacts of gambling in its District. The proposed policy objective to manage the risk of gaming harm would not be achieved if there were no restrictions on the location and number of venues and NCGMs, and if market forces were used to match supply of and demand for NCGMs.	
Ban all gambling machines	Officers do not support a ban on all NCGMs and the Council does not have the power to implement such a ban.	
	A ban would impinge on the second objective of the proposed policy which is to ensure people who wish to participate in NCGM and Board Venue gambling in the District can do so.	
	Moreover, the Council is only authorised to limit <i>new</i> applications for NCGMs. It has no authority to remove approved consents or those grandfathered under the Gambling Act 2003.	
Unlimited NCGMs in the Central Area zone would lead to increased access to NCGMs, in particular to vulnerable groups, workers or visitors, increasing the likelihood of harm.	Officers believe there is low likelihood of significant growth in venues and NCGMs in the Central Area Zone, whether through increased demand, relocation, or new venues being able to host NCGMs with the required removal of the onlicence condition.	
	Despite the absence of a cap, the number of NCGMs in the Central Area Zone has fallen significantly since the enactment of the Gambling Act 2003. Attrition has been occurring as venues close or choose to remove their NCGMs. Compliance costs associated with holding an operator's licence may also discourage existing businesses from extending their services to host NCGMs.	
	The introduction of suburban caps in 2010 was premised on the growing body of research at the time that restricting the per capita density of NCGMs would lead to reduced gambling harm.	
	Even if there was an increase in venues and NCGMs in the Central Area Zone, officers believe that this will have little impact on people's behaviour. Currently 42 percent of all NCGMs and 41 percent of venues are located in the Central Area, and resident populations, workers and visitors susceptible to problem gambling already have access to NCGM opportunities.	
	In light of the above, a maximum cap for the Central Area Zone is now provided as an option to limit the growth of new venues and NCGMs and bring the Zone into line with existing policy for suburban zones.	
Retain existing maximum limits in all zones.	This alternative is not supported as it may allow for significant expansion of venues in Onslow, Western and Lambton Zones. Based on the current trend of declining demand, and taking a precautionary approach, the lowering of maximum limits as proposed is recommended.	

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Issue Raised	Officers Response
Apply further restrictions to the number of machines in areas of high deprivation.	Officers accept that there may be residential areas with a risk of increased gambling harm, and that is why maximum limits on suburban zones were first imposed in 2010. Given that levels of deprivation in Wellington are relatively low location specific concerns about vulnerable groups have not been a significant factor when considering location and number limits.
	The proposed policy will remove 126 NCGMs from existing caps in response to the lack of demand for new venues and machines. This 21 percent reduction is not immaterial and there is no strong case to lower limits further at this point.
Apply restrictions on the number and/or location of Board venues.	Board Venues are premises owned or leased by the NZ Racing Board (NZRB), and where the main business carried out at the premises are racing betting or sports betting services. Racing Board venues are currently located in the centres of Johnsonville, Kilbirnie, Newtown and Miramar, with a further three in the Central Area Zone.
The grounds raised for this include:  1. Current location of Racing Board venues in high-deprivation or vulnerable communities.  2. No benefits accrued to the local communities where Board Venues are situated and funds raised.	<ul> <li>Officers accept that the risk of having gambling-related problems is higher amongst those who prefer NCGMs and those who prefer horse racing, dog racing and sports betting, than other modes of gambling. However, there are only seven Board Venues in the current NZRB retail network. Given this represents 25 percent of all TAB outlets in Wellington any measure to limit the location of Board Venues as a way of minimising problem gambling is unlikely to have significant impact. We also note that betting turnover at TAB Board venues has dropped by 5.8 percent in the last five years, and the NZ Racing Board has no current plans to extend its current network of Board Venues in Wellington. On this basis, there is no strong rationale to reduce number or location of Board Venues in order to control the growth of gambling.</li> <li>NZRB profits are distributed to Racing Codes in accordance with the Racing Act 2003.</li> <li>Board Venues licenced to operate NCGMs are class 4 venues, and so are subject to the proposed Policy. As is the case for all class 4 operators, the NZ Racing Board is required by law to distribute net proceeds from its class 4 gaming activities for authorised purposes defined by the Gambling Act 2003.</li> </ul>
Relocation policy would allow operators to relocate NCGMs to areas of deprivation, vulnerable populations, or to places where there is currently no problem gambling.	The proposed relocation policy permits operators to move into the Central Area Zone or to "centres" identified in the Wellington City District Plan. It is proposed to exclude relocation to "Neighbourhood Centres".  Restricting relocation to these areas will encourage relocating venues to move away from residential areas including those that do not currently have venues (noting that proximity of residential areas and the nearest NCGM is associated with a risk of potential harm). This is expected to reduce the risk of problem gambling in Wellington's most deprived areas.

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Issue Raised	Officers Response
Removal of on-licence requirement would lead to increased gambling harm. Increased range of venues and fewer protective measures would attract new gamblers and normalise gambling for the young.	The proposed policy recommended removing the requirement that only premises with an alcohol on-licence can be NCGM venues, but only when located in "centres" identified in the Wellington City District Plan. Submitters were concerned that newly eligible venues would have fewer protective measures and this would attract new people to gambling and normalise gambling for the young.
	A recent amendment to section 100(1)(b)(i) of the Gambling Act 2003 states that the Council can grant a consent with or without a condition specifying the maximum number of NCGMs that may be operated at the venue "but with no other condition". This means the Council should no longer impose a condition requiring the applicant for a class 4 venue licence to also hold an on-licence and the proposed policy is consistent with this.
	The Council may nevertheless refer to the existence (or otherwise) of an on-licence as a relevant matter in its Gambling Venues policy. If it did so, it would be a matter the Council would to take into account when deciding whether to grant or decline a consent under section 100(1) of the Act. That is, even though it cannot impose a related condition on any consent the lack of a relevant alcohol licence would simply weigh against the decision to grant.
	Officers recommend that the Council should not consider the existence of an on-licence when making consenting decisions. Controls specified in the Gambling Act 2003 and related regulations are designed to minimise harm including the possibility of individuals under 18 years gaining access to class 4 gaming at a venue. These are regulated and monitored by the Department of Internal Affairs.
Limit relocating venues to transfer a reduced number of NCGMs, not their full entitlement.	In taking this approach, venues would be able to relocate and take a reduced number of their current entitlement of machines with them subject to meeting location and number limits in the proposed policy.
	This approach is not recommended as there is no significant evidence to suggest that reducing the number of machines at a venue will reduce the harm of problem gambling related to that venue.
Include provision in the proposed policy to 'mirror' sections 95, 96 and 97a of the Gambling Act 2003 as they relate to clubs and their gaming machine limits, to ensure that Council policy does not impinge on the number of machines a club may be allowed to operate according to the Gambling Act.	The Gambling Act 2003 defines a club as "a voluntary association of persons combined for a purpose other than personal gain". Currently there are five class 4 licenced clubs in the Wellington District: Johnsonville Club, Tawa RSA, Seatoun RSA, Island Bay Bowling Club, and the Island Bay Services Club.
	Officers response to the relevant sections of the Gambling Act 2003 as they relate to clubs:
	(a) Clubs that are new venues will need to apply for Ministerial discretion to permit more than 9 machines under section 96 if they are able to satisfy certain conditions. Conditions include that it is not a commercial premises, and that it has obtained territorial consent for the venue, either without a condition of the number of machines or with a condition on numbers. The number of machines must not in any case exceed 18.
according to the Samoning Floti	The proposed Policy is explicit about the limit the Council will set on the number of gaming machines.

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Issue Raised	Officers Response
Specifically,	Specifically, the proposed Policy states Applications seeking ministerial discretion, under section 96 of the Gambling Act, to increase the number of gaming machines at a club venue above nine will not receive local authority consent.
<ul> <li>(a) Clubs that obtained a venue licence after 17 October 2001 may apply under section 96 to operate up to 18 machines.</li> <li>(b) Clubs that merge shall be allowed to increase the number of machines operated at a venue in accordance with section 95 and must not exceed the lesser of 30 or the sum of the number of gaming machines specified in all of the corporate societies' class 4 venue licences at the time of application.</li> <li>(c) Clubs that relocate shall be allowed to take their existing entitlement with them but must not</li> </ul>	There is no special case for clubs to be exempt from this general limit which the Policy applies to all class 4 venues established after October 2001.
exceed 18 gaming machines	The proposed policy is consistent with section 97A. Under the proposed Council policy, venues will be able to relocate and take their existing entitlement if they meet location restrictions and if the number of NCGMs at the new venue would not mean that any zone would be above its limit of machines.
	There is no special case for clubs to be exempt from these restrictions. Submitters suggest that by not

### Absolutely Positively **Wellington** City Council

Issue Raised	Officers Response
Impact on NCGMs on groups vulnerable to problem gambling	relocating with their current number of machines this will limit their ability to relocate, whether to modern premises in more desirable areas or in response to fire, earthquake or other event that requires them to move. They say fewer machines can affect the viability of a site. No evidence was provided to support this. We further note that while some clubs may be reliant on class 4 funds to undertake particular activities within the prescription of the Gambling Act 2003, clubs should not be reliant on class 4 funds to run their operations.  Submitters, particularly those who dealt with the social impact of problem gambling, were very concerned about the social harm caused by NCGMs, and in particular harm to vulnerable groups, including Pacific people, youth, or those at the lower end of the socio economic spectrum.
	Officers recognise the harm caused by NCGM use and that harm is concentrated amongst particular groups. However the majority of people who gamble are not problem gamblers and this was also recognised by submitters (even those concerned with gambling harm).
	For problem gamblers, controls on the location and number of venues and NCGMs may not have significant impact on their behaviour. Multiple factors influence problem gambling behaviours other than accessibility, including personal characteristics and other social factors, game and venue features as well as regulation and related harm minimisation measures administered by central government.
	The proposed Policy aims to facilitate people's reasonable access to Class 4 gambling while taking a prudent and precautionary approach to minimising harm from NCGM's where there is a reasonable prospect of having some effect.
Negative impact on community funding	This was a major concern for gaming machine societies and those who benefit from funds, particularly those who believed a sinking lid may be adopted by the Council. It was noted that declining machine numbers nationally have impacted negatively on the ability of class 4 societies to generate funds. There was concern that if the proposed Policy resulted in fewer machines funds for organisations would be reduced, there would be fewer benefits to the community and greater hardship for already vulnerable organisations reliant on those funds. A key question was how these funding shortfalls should be met.
	It is the officers' view that the impact of the proposed Policy on current levels of community funding will be minimal. A sinking lid is not proposed. In addition, while a reduction in maximum caps is proposed to reflect falling demand for new venues and NCGMs, this will not reduce the capacity of licenced venues currently operating machines. There is a reasonable likelihood that the trend of reducing venues and NCGMs numbers will continue and community funding levels will be an ongoing issue which will need to be addressed separately to this Policy.
	In regard to the social impacts of gambling, we believe a good balance has been struck between the positive and negative social impacts of NCGM gambling.

#### **Attachment 3: Gambling Venues Policy 2015**

Draft as at 26 August 2015

#### 1. INTRODUCTION

The Gambling Act 2003 (the Act) came into effect on 18 September 2003 and requires territorial local authorities to have in place a policy that:

- specifies whether or not class 4 venues (non-casino gaming machine venues, NCGMs) may be established in its district and, if so, where they may be located
- may specify any restrictions on the maximum number of gaming machines that may be operated at any class 4 venue (the Gambling Act 2003 establishes maximum limits of either 18 machines or 9 machines on gaming machines venues, depending on whether the venue was established before or after October 2001).

The Racing Act 2003 requires territorial authorities to adopt a policy on Board venues<sup>1</sup>. The Board venues policy must:

 specify whether or not New Zealand Racing Board stand-alone venues may be established in the district and, if so, where they may be located.

In adopting both a class 4 venues policy and a Board venues policy, the Council must have regard to the social impacts of gambling in its district.

#### 2. OBJECTIVES OF THE GAMBLING VENUES POLICY

The objectives of the Gambling Act 2003 are, amongst other things, to control the growth of gambling and prevent and minimise the harm caused by gambling, including problem gambling. Beyond the objectives stated in the Act, the objectives of Wellington City Council's Gambling Venues Policy are to:

- manage the risk of gambling harm created by non-casino gaming machines (NCGMs) and TAB gambling to the extent that this can be reasonably done through a gambling venues policy
- ensure that, within the limits prescribed by the Gambling Act 2003 and Racing Act 2003, people who wish to participate in NCGM and Board venue (TAB) gambling can do so within the Wellington District
- provide for the relocation of Class 4 venue licences in certain circumstances.

#### 3. GENERAL PROVISIONS FOR CLASS 4 VENUES

A society requires the Council's consent in respect of a class 4 (NCGM) venue:

- to increase the number of gaming machines that may be operated at such a venue
- to operate gaming machines at a venue that was not on any society's licence within the previous 6 months

<sup>&</sup>lt;sup>1</sup> The Racing Act 2003 specifies that a "Board venue" means the premises that are owned or leased by the New Zealand Racing Board and where the main business carried on at the premises is providing racing betting or sports betting services. Historically, these venues were referred to as Totalisator Agency Board (TAB) venues.

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- to operate gaming machines at a venue for which a licence was not held on 17
   October 2001
- to relocate a venue to which a class 4 venue licence currently applies.

An applicant for Council consent under this policy must:

- meet the application conditions specified in this policy
- meet the fee requirements specified in this policy.

#### 4. WHERE CLASS 4 VENUES MAY BE ESTABLISHED

Class 4 (NCGM) venues may be established anywhere in the Wellington district, subject to the following restrictions. Failure to comply with any of the relevant restrictions will result in consent being refused.

For the purposes of this policy the Wellington district is divided into seven zones. The total number of gaming machines in any zone may not exceed the machine levels detailed in the table below.

Zone <sup>2</sup>	Maximum number of Machines
Southern	100
Northern	136
Eastern	114
Onslow	18
Western	53
Lambton (excluding Central Area Zone)	<del>24</del> - <u>18</u>
Central Area Zone	No limits-292 or 310

Refer to the attached Maps for area boundaries which are based on the electoral wards as at September 2003.

New venues will be restricted to the Central Area Zone and to "centres" in the District Plan. New venues in Neighbourhood Centres are not permitted.

Applicants whose licences were held on 17 October 2001 may have a maximum of either nine machines, or the number of machines lawfully operated on 23 September 2003, whichever is the higher number.

Lambton Zone is that area comprising the Lambton electoral ward as at September 2003 except for the Central

Southern Zone is that area made up of the Southern electoral ward as at September 2003.

Northern Zone is that area made up of the Northern electoral ward as at September 2003.

Eastern Zone is that area made up of the Eastern electoral ward as at September 2003.

Western Zone is that area made up of the Western electoral ward as at September 2003.

Onslow Zone is that area made up of the Onslow electoral ward as at September 2003.

 $<sup>^2</sup>$  Central Area Zone is the central area as defined by the District Plan <u>as at September 2003</u> excluding land zoned residential.

# Item 2.2 Attachment 3

## COMMUNITY, SPORT AND RECREATION COMMITTEE 16 SEPTEMBER 2015

Absolutely Positively **Wellington** City Council

Applications seeking ministerial discretion, under section 95 of the Gambling Act 2003, to increase the number of gaming machines at a club venue, as the result of clubs merging, will receive consent, subject to the limits prescribed by the Gambling Act.

Applications seeking ministerial discretion, under section 96 of the Gambling Act <u>2003</u>, to increase the number of gaming machines at a club venue above nine will not receive local authority consent.

Applicants must obtain any necessary resource consents under the Wellington City District Plan or Resource Management Act <u>1991</u>.

#### 5. RELOCATION CLASS 4 VENUES

This relocation policy sets out when the Council will grant consent in respect of a venue that replaces an existing venture. The effect of this relocation policy is prescribed in section 97A of the Gambling Act 2003.

Any class 4 (NCGM) venue may be relocated provided:

- · it relocates to or within the Central Area Zone; or
- it relocates to or within an area identified as a "centre", but excluding Neighbourhood Centres, in the Wellington District Plan; and
- the NCGMs in the new venue would not result in more NCGMs in a zone than is allowed under section 4 of this policy.

#### 6. WHERE BOARD VENUES MAY BE ESTABLISHED

The New Zealand Racing Board requires the consent of the Council if it proposes to establish a Board venue. For the avoidance of doubt, this policy only applies to applications for the establishment of stand-alone Board venues. These are venues in premises that are owned or leased by the New Zealand Racing Board, where the main business is providing racing and/or sports betting services. The policy does not cover the installation of TAB terminals in premises not owned or leased by the Board (for example hotels, bars and clubs).

TAB venues may be established anywhere in the Wellington District, subject to the provisions of the Wellington City District Plan and meeting application and fee requirements.

#### 7. APPLICATIONS AND FEES FOR CONSENTS

All applications for consents must be made on the approved form. All applications will incur a fee, to be known as the Gaming/Gambling Venue Consent Fee, which is prescribed by the Council pursuant to section 150 of the Local Government Act 2002.

Fees will be charged for consideration of applications, at the rate of \$90 per hour (GST inclusive). A deposit may be required.

#### 8. DECISION MAKING

The Council has 30 working days in which to determine a consent application.

That decision will be made at officer level pursuant to delegated authority and be based on the criteria detailed in this policy.

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In the case of an application relating to a class 4 venue the assessment of the number of gaming machines in the Wellington district will be based on Department of Internal Affairs' official records.

#### 9. APPEALS

Applicants have the right to request a review of the decision by Council officers, if it is believed that an error of fact or process has been made.

#### 10. MONITORING AND REVIEW

The Council will complete a review of the policy within three years of its adoption, in accordance with the special consultative procedure outlined in the Local Government Act 2002. Subsequent reviews will take place on a three-yearly cycle, as required by the Gambling Act 2003 and Racing Act 2003.

#### 11. COMMENCEMENT OF POLICY

The policy will take effect from the time the Council resolves to adopt it. The 2010 Gambling Venues Policy is revoked on the adoption of this policy. All applications for territorial local authority (Council) consent will be considered under the policy in place at the time the application is received.

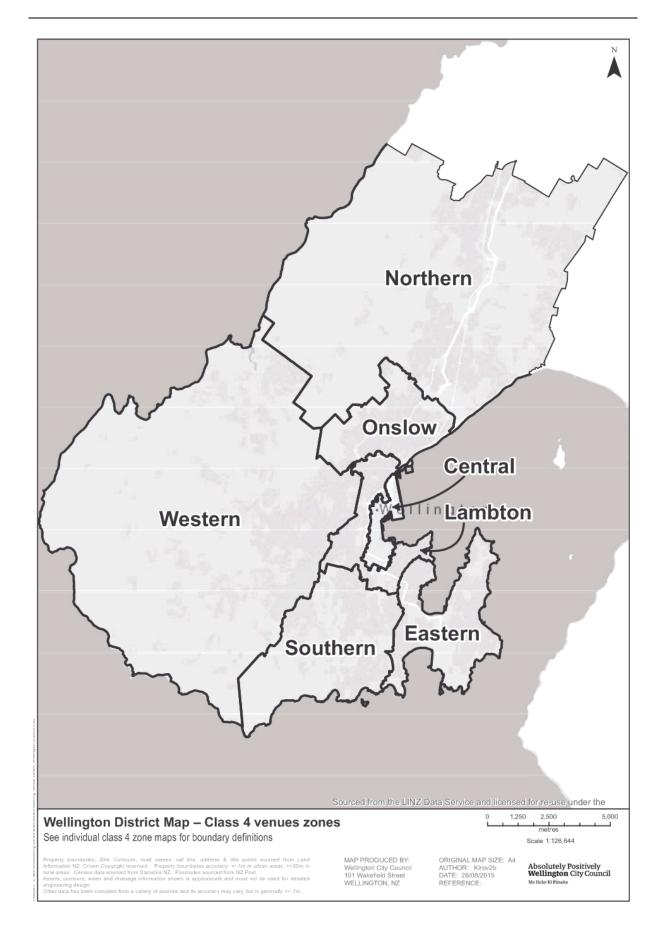
#### 12. EXPLANATION OF TERMS

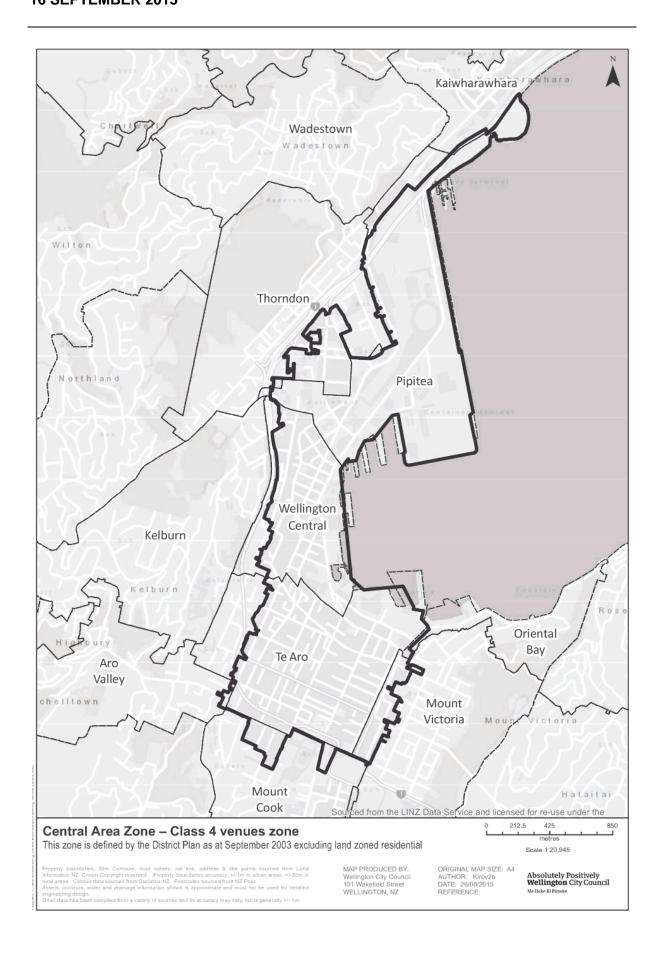
Class 4 venue - The Gambling Act 2003 categorises gambling activities according to their intensity and potential for harm. Class 4 gambling (non-casino gaming machines) is the highest-risk form outside of a casino. Racing and sports betting, which are covered by the Racing Act 2003, do not fall within this classification system

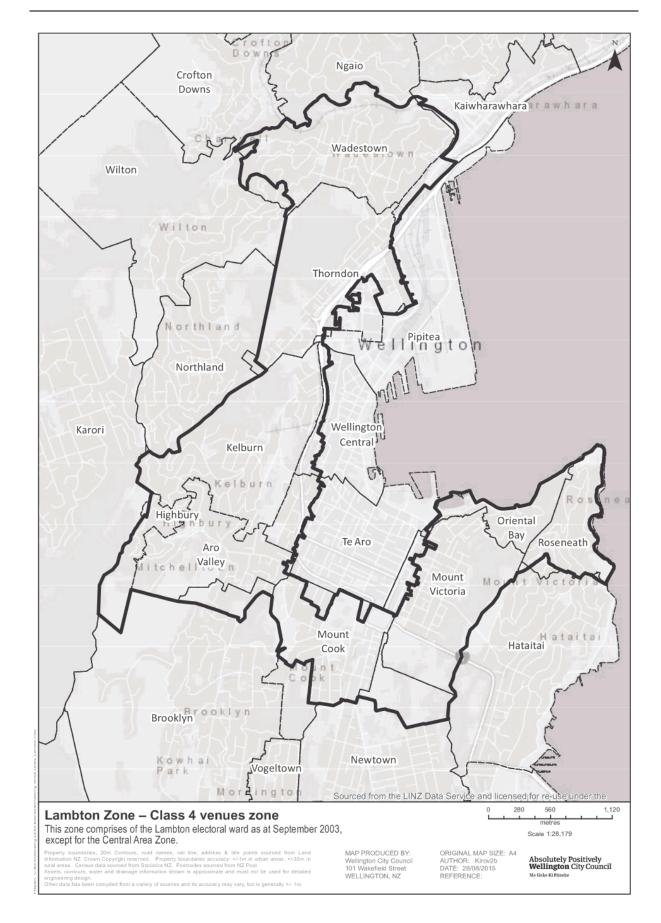
Society – is a Corporate Society as defined under the Gambling Act 2003. It is a not-for-profit organisation that may undertake class 4 gambling

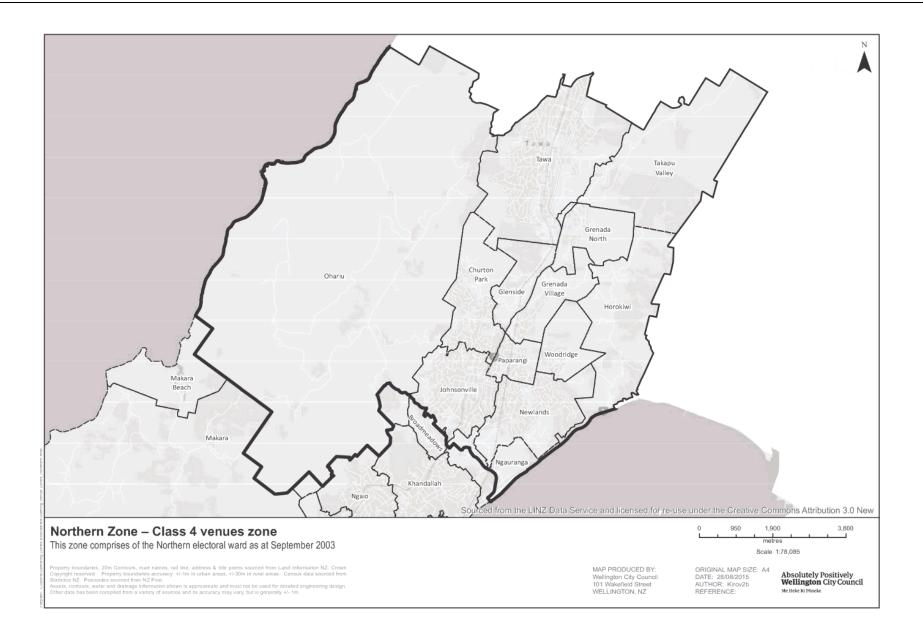
Gaming machine - Refers to class 4 non-casino gaming machine

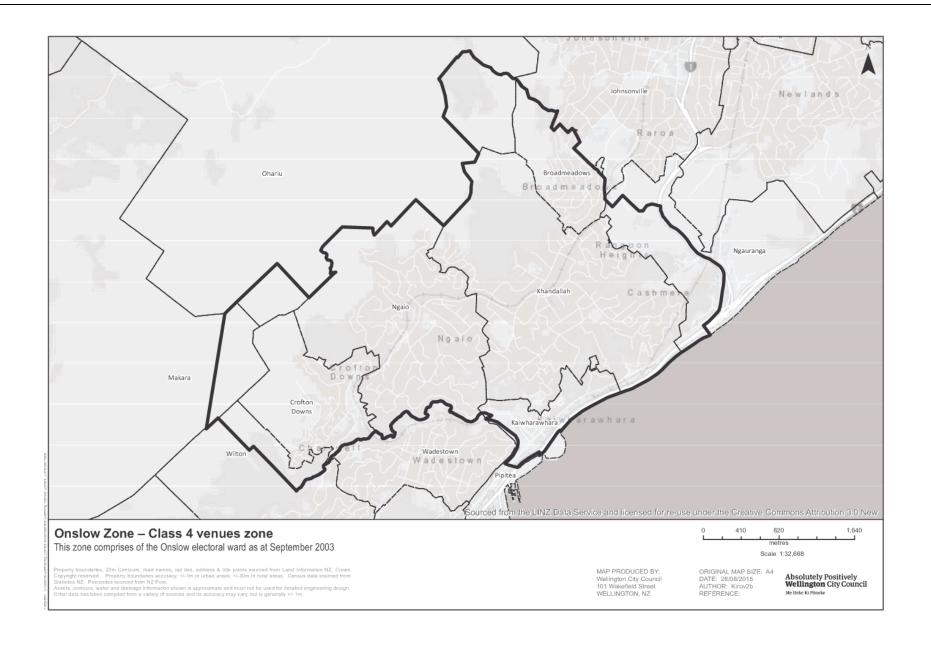
Board venue - The Racing Act 2003 specifies that a Board venue means the premises that are owned or leased by the New Zealand Racing Board and where the main business carried out at the premises is providing racing betting or sports betting services.

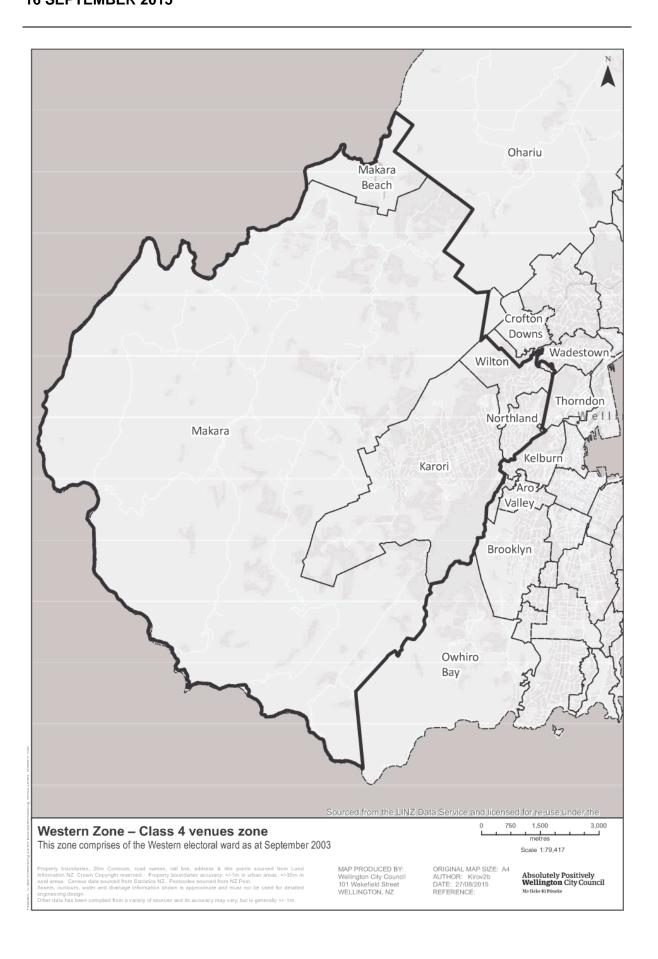


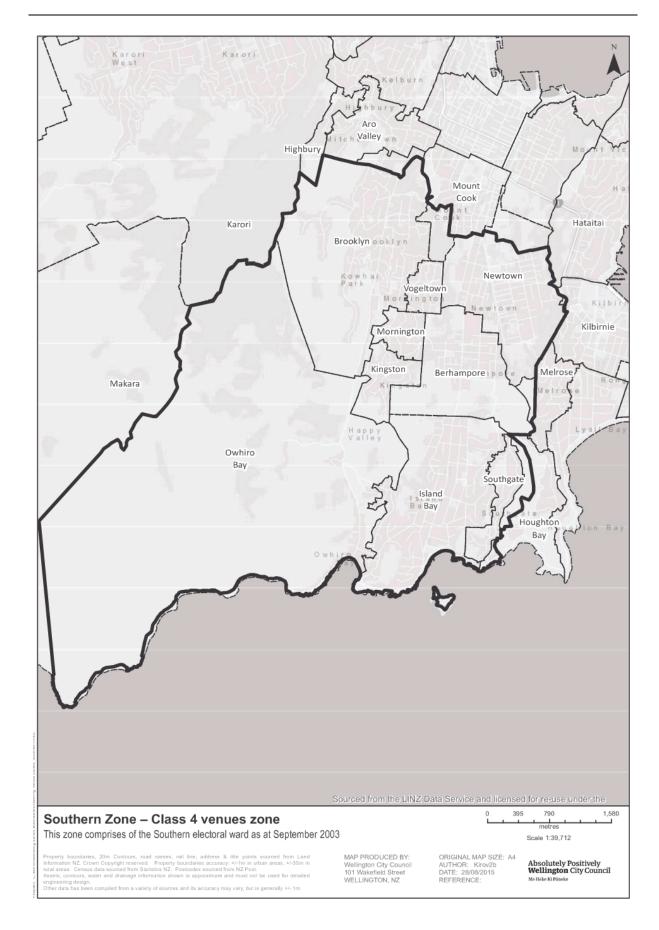


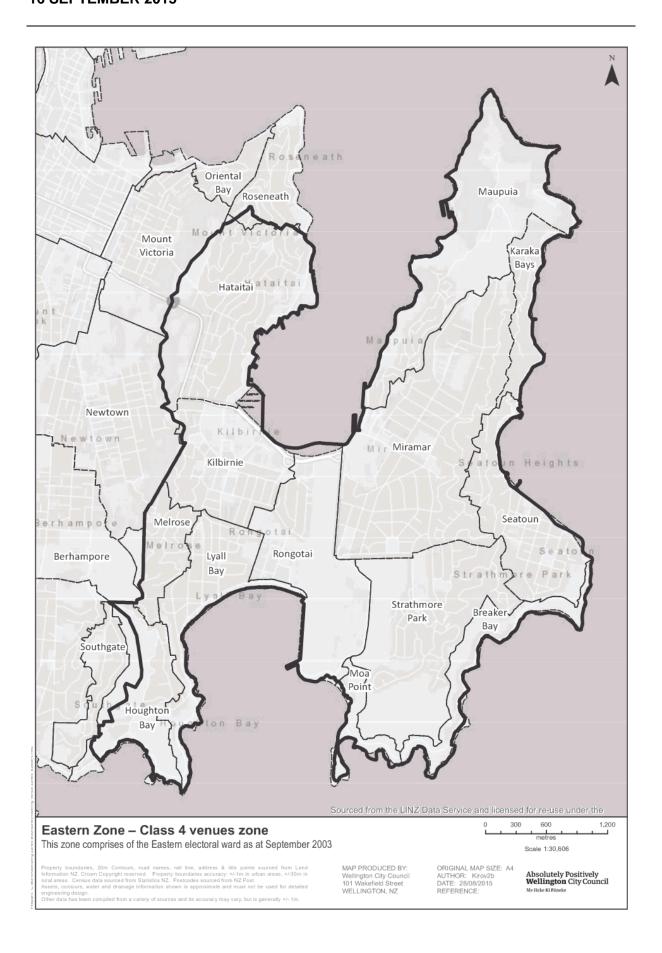












## COMMUNITY, SPORT AND RECREATION COMMITTEE

Me Heke Ki Pōneke

Absolutely Positively **Wellington** City Council

**16 SEPTEMBER 2015** 

#### 3. Public Excluded

Resolution to Exclude the Public:

THAT the Community, Sport and Recreation Committee:

Pursuant to the provisions of the Local Government Official Information and Meetings Act 1987, exclude the public from the following part of the proceedings of this meeting namely:

General subject of the matter to be considered

3.1 Site Redevelopment Options

Reasons for passing this resolution in relation to each matter

7(2)(h)

The withholding of the information is necessary to enable the local authority to carry out, without prejudice or disadvantage, commercial activities.

7(2)(i)

The withholding of the information is necessary to enable the local authority to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations).

Ground(s) under section 48(1) for the passing of this resolution

s48(1)(a)

That the public conduct of this item would be likely to result in the disclosure of information for which good reason for withholding would exist under Section 7.