
REPORT 2
(1215/52/IM)

STATEMENT OF PROPOSAL TO AMEND THE GAMING VENUES POLICY

1. Purpose of Report

To present a statement of proposal to amend the Gaming Venues Policy. If the Committee agrees, the Statement of Proposal can be referred to Council to initiate the special consultative procedure as required by the Gambling Act 2003.

2. Executive Summary

Council adopted a Gaming Venues Policy in March 2004 in accordance with the requirements of the Gambling Act 2003. The policy must be reviewed every 3 years.

The current Gaming Venues Policy enables residents' to access class 4 non-casino gaming machines (pokies) and TAB venues for the purposes of entertainment, while managing the growth of gambling in areas that are vulnerable to adverse effects of gambling. The policy places limits on the allowable number of machines on the basis of a ratio of 1 machine per 250 residents in each of the wards (as at September 2003). The policy does not limit the number of machines in the Central Business District. The policy allows for TAB venues to be established anywhere in the city.

Since the adoption of the Gambling Act 2003 gaming venues and machine numbers have fallen nationally and locally. Wellington has 21 fewer venues (82 in 2003 – 61 in 2006) and 174 fewer machines (1032 in 2003 – 858 in 2006) compared to 2003. This decline is generally attributed to greater restrictions and higher compliance costs introduced under the Gambling Act, and the impact of the Smoke Free Environments Amendment Act 2003 – rather than as a result of Council's policy.

The Act requires the Council to consider the social impacts of gambling to inform the policy approach. The updated social report shows that problem gambling remains a significant public health issue which affects not just individuals, but friends, families, colleagues, businesses and the wider community. Based on national prevalence data it is estimated that 3,000 – 4,000 residents are at risk or problem gamblers.

In reviewing the policy, officers noted the findings of the social report and the trends in gaming in Wellington. Council's current policy has prevented the growth of gaming in suburban areas with high machine density, such as Newtown. The policy is having the intended effect and is meeting its objectives.

The recommended policy caps machine numbers at current levels and therefore has the same impact as the current policy. The policy provides room for growth in gaming in the CBD, while limiting the growth of gaming machines in some suburban areas. It is recommended that TAB venues continue to be allowed to be established anywhere in the district.

Information appended to this report includes: *A Statement of Proposal which includes an updated Social Report and the recommended Draft Gaming Venues Policy, and a copy of the current Gaming Venues Policy.*

Council is required to undertake the special consultative procedure before adopting the revised policy.

3. Recommendations

It is recommended that the Committee:

1. *Receive the information.*
2. *Agree to the statement of proposal (attached as appendix 1) which includes an updated social impact report and the draft Gaming Venues Policy - noting;*
 - i. *that the term 'gaming venue zones' will be used to describe the geographic boundaries for the policy*
 - ii. *that the proposed draft policy retains the same limits on machine numbers as the current policy*
3. *Note that the Committee will consider a report on oral and written submissions, and a final draft Gaming Venues Policy, in February 2007*
4. *Recommends to Council that it:*
 - i. *Note the findings of the updated social impact report included in the statement of proposal*
 - ii. *Agrees to the draft Gaming Venues Policy and resolves to initiate the special consultative procedure as required by the Gambling Act 2003*
5. *Note that Council will consider a final draft Gaming Venues Policy in March 2007*

4. Background

4.1. The Gambling Act 2003

The Council adopted a Gaming Venues Policy on 18th March 2004 as required by the Gambling Act 2003. It is a legislative requirement to review our policy three yearly.

The purpose of the Gambling Act 2003 amongst other things is to control the growth of gambling, prevent and minimise the harm caused by gambling (including problem gambling), ensuring that money from gambling benefits the community and to facilitate community involvement in decisions about the provision of gambling.

4.2. Role of the Local Authority

The Act required local authorities to develop a policy for class 4 non-casino gaming machines, commonly referred to as 'pokie machines'. A Council's Gaming Venues Policy:

- must specify whether or not class 4 venues and Totalisator Agency Board (TAB) venues may be established in its district, and, if so, where they may be located. (The policy excludes TAB terminals in premises not owned or leased by the TAB E.g. hotels, bars and clubs).
- may specify any restrictions on the maximum number of gaming machines that may be operated at any class 4 venue.¹
- must have regard to the social impact of gambling within the district

Before a venue can install machines it must have a venue license issued by the Department of Internal Affairs (DIA). A prerequisite for such a licence is consent from the local authority. All consents must be in accordance with the adopted policy.

4.3. The role of Government Agencies

DIA is responsible for ensuring gaming societies distribute funds raised via pokie machines appropriately. The Act requires societies to distribute a minimum of 33% of gross proceeds for authorised purposes, e.g. community grants, a third is paid to the government in tax, with the balance covering administration costs.

The Ministry of Health is the lead agency responsible for addressing problem gambling. The work the Ministry undertakes to prevent and minimise gambling harm includes research, primary health initiatives and intervention services. The work is funded via a problem gambling levy specified in the Act.

¹ The maximum number of machines allowed in any venue licensed after 17th October 2001 is 9 machines. Venues licensed prior to this date are allowed a maximum of 18 machines, but no more than they legally held as at September 2003.

5. Discussion

5.1 The current Gaming Venues Policy

The current policy seeks to balance residents' access to class 4 non casino gaming machines, as a legitimate recreational activity, against the known negative impacts of problem gambling.

5.1.1 Policy objectives

The objectives of Wellington City Council's gambling venue policy are to:

- Manage the growth of gaming machines in areas of concern
- Ensure that, within the limits prescribed by the Gambling 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 of 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

5.1.2 Features of the current policy

To achieve the policy objectives the Council's Gaming Venues Policy sets a ratio of 1 gaming machine per 250 residents on an electoral ward basis (2003 ward boundaries). The policy ratio was set at a level to prevent the growth of gaming in Newtown and Johnsonville. The Central Business District is excluded on the basis that gaming in the inner city is associated with entertainment benefits of the central city. The absence of a casino in Wellington was also a consideration in this decision.

The policy restricts gaming machines to on licensed and club-licensed venues with a designation. This enables Council to take a responsible approach, within the context of the Act, of allowing gaming machines within venues that are supervised and have systems in place to manage their environment in a way that is also suitable for gaming activity – for example through responsible host policies and a gambling harm prevention and minimisation policy.

The policy allows stand alone TAB venues to be established in the district. Stand alone TAB venues are not permitted to have gaming machines under the policy.

Applications seeking Ministerial discretion to increase the number of gaming machines at a club venue above 9 will not receive consent from the Council. Clubs seeking to merge will receive consent from Council subject to the limits prescribed by the Gambling Act.

Council's ability to influence the total number of machines in the city is limited.

5.2 Review of the current policy

Since the introduction of the Gambling Act gaming availability has decreased in Wellington. In September 2006 Wellington had 21 fewer venues (82 in 2003 compared to 61 in 2006) and 174 fewer gaming machines (1032 in 2003 compared to 858 in 2006) than in September 2003.²

In 2004 the initial impact of the policy was the removal of a total of 18 machines from 2 venues in the Southern Ward. This was a one off impact. The remainder of the decline is not a result of the Council's policy, rather, it is largely attributed to increased regulation and higher compliance costs associated with the Gambling Act and the impact of smoke free legislation.

Table 1 and graph 1 outline the change in gaming machine venues and machines since the policy was introduced.

Table 1. Gaming Venues in Wellington by Ward - Sept 2006

2003 Wards	Gaming Venues Oct 2003	Gaming Venues Sept 2006	Variance
Southern	14	8	-6
Northern	11	11	0
Eastern	13	10	-3
Onslow	2	2	0
Western	3	3	0
Lambton (Excluding the CBD)	1	0	-1
CBD	38	27	-11
Total	82	61	-21

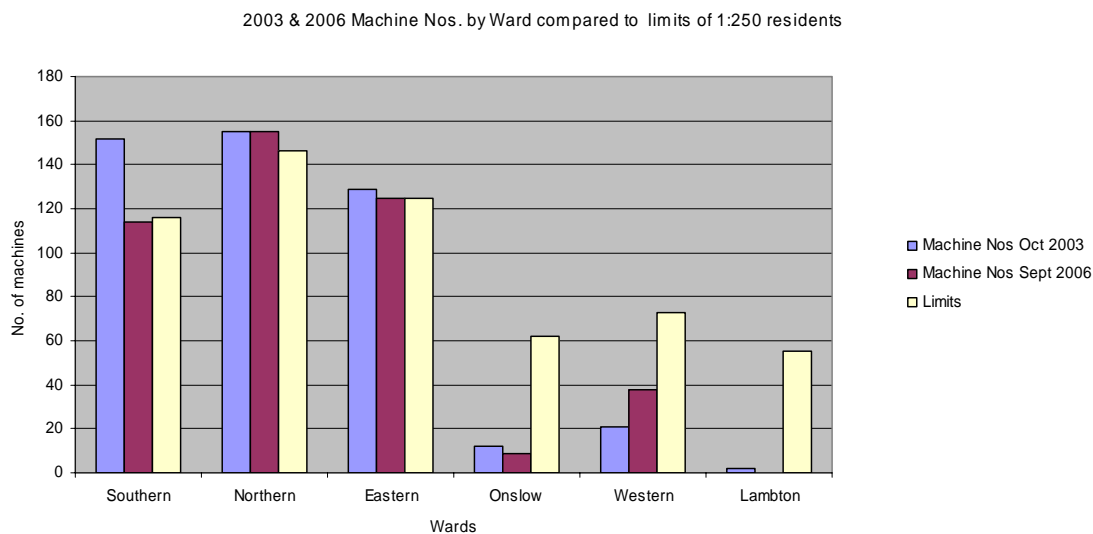
Source Data: Department of Internal Affairs

In the Central Business District, where no policy limits exist, venue numbers have fallen by 11 from 38 in 2003 to 27. There are currently 416 gaming machines in the CBD, 145 fewer than 2003.

The Hospitality Association of New Zealand (HANZ) attribute this decline (in addition to the Gambling Act and smoke free legislation) to the changing nature of licensed premises in the CBD - where gaming machines appear to be less appealing to business owners, who want to maximise the space they have and attract patrons who are not interested in gaming activity. Gaming societies expect the number of gaming venues to fall slightly over the next 9-12 months and then stabilise as the gaming industry finds its natural equilibrium under the full effects of the Gambling Act and smoke free legislation.

² Based on information from the DIA and Council's BCLS unit as at September 22 2006.

Graph 1.



Outside of the CBD pokie machines are predominately located in the Northern, Eastern and Southern Wards. Limits on machine numbers have been designed to prevent further growth of pokie gambling in these areas of the city while enabling growth to occur in parts of the city where fewer gaming machines are located.

The policy allows for growth to occur in parts of the city where few gaming machines are located. For example, a combined total of 143 gaming machines could be added to the Onslow, Western and Lambton Wards (excluding CBD). Although there has been an opportunity for that growth in these areas, machine numbers have remained low – indicating little demand exists for machines in these parts of the city.

There continues to be demand from corporate societies for additional machines in both the Southern and Eastern Wards. This is evidenced by applications being received and declined in accordance with the policy. Both wards were identified as areas where the Council wanted to prevent growth. This suggests the policy has had the desired impact of managing the growth of machines and the policy is meeting its objectives.

The number of standalone TAB venues (8) has remained unchanged since 1998. The Agency has adopted a business model focusing on social outlets in pubs and clubs. Sports betting via the internet is also available.

5.3 Key findings of the social report

A social report was prepared in 2003, as required by the Act, to inform the policy approach. The main findings from the 2003 social report have been revisited and updated and are appended to this report. In summary the key findings are:

Gambling is a popular activity in New Zealand.

Between 70% and 90% of adult New Zealanders engage in at least one form of gambling annually. 12% of people reported gambling on Pokie machines in 2002/3.

Expenditure on pokies is likely to have peaked in the medium term.

While other forms of gambling remained relatively static, expenditure on pokie machines increased from \$171 million in 1995 to \$1.034 billion in 2004. Expenditure decreased by 0.8% in 2005 to \$1.027 billion and is expected to level out at around \$900 million in 2006 which is close to spending levels in 2003.

The number of venues and machines have fallen across the country.

The Department of Internal Affairs attribute the decline in gaming availability to restrictions and higher compliance costs introduced under the Act and the impact of smoke free environments on gamblers behaviour. ³ Wellington has 22 fewer venues (82 in 2003 – 61 in 2006) and 174 fewer machines (1032 in 2003 – 858 in 2006) compared to 2003. Wellington currently has 4% of the population and 4% of machines in New Zealand.

The level of grants have fallen in Wellington.

Approximately \$42 million was lost on pokies in Wellington in 2005, compared to an estimated \$50 million in 2003. Gaming societies distributed around \$16 million of grants to Wellington groups (excludes national organisations based in Wellington) in 2005 down from around \$21 million in 2003. Sports groups receive around two thirds of all community grants in Wellington.

Those most at risk of developing gambling problems live in lower socioeconomic areas, are aged between 25-34, are Maori or Pacific Islanders, and have low educational attainment.

Problem gambling remains an ongoing concern in Wellington.

Problem gambling is recognised as a major public health issue. Gambling in a harmful way affects individuals, family, friends, colleagues, businesses and the wider community. One persons problem gambling is believed to affect 5 other people. Based on national prevalence data from the Ministry of Health it is estimated that 3,000-4,000 residents are at risk or problem gamblers.

³ In NZ approximately 60% of problem gamblers reported being smokers – a cigarette break creates a break from continuous gambling.

5.4 Policy options

Attached as appendix 1 is a statement of proposal which discusses four options for the Gaming Venues Policy. They are:

- 1. Cap machine numbers at existing limits*
- 2. Update the current policy to reflect population growth*
- 3. City wide ban on new machines (sinking lid)*
- 4. No intervention (Laissez faire)*

Officers recommend option 1 - cap machine numbers at existing limits. A draft policy reflecting this option is attached as part of the statement of proposal.

5.5 Consultation

A key purpose of the Gambling Act is to 'facilitate community involvement in decisions about the provision of gambling'. The Act requires Council to undertake the Special Consultative Procedure outlined in the Local Government Act 2002. Once Council approves the draft Gaming Venues Policy consultation will take place from December 4 2006 until 31 January 2007.

6. Conclusion

A review of the Gaming Venues Policy is a requirement of the Gambling Act 2003. A statement of proposal has been prepared which outlines Council's responsibilities under the Act and updates the main findings from the social report developed for the initial policy. Four policy options have been identified for consideration by the Committee. The options range from continuing with the current policy limits to removing all intervention. Officers recommend retaining the key features of the current policy (option 1) which controls the growth of gaming machines in areas of concern in the city, while allowing growth of gaming in areas with low numbers of machines.

7. Appendices

Appendix 1: Statement of proposal which includes the updated social report and a recommended draft Gaming Venues Policy

Appendix 2: Current Gaming Venues Policy (March 2004)

Contact Officer: *Mathew Powell, Senior Policy Advisor*

Supporting Information

1) Strategic Fit / Strategic Outcome

A review of the Gaming Venues Policy is required by the Gambling Act 2003. The policy supports Council's role in developing a responsible approach to gambling as a recreational activity and a public health issue. Outcome 6.5 "Wellington's population will enjoy a healthy lifestyle and high standards of public health".

2) LTCCP/Annual Plan reference and long term financial impact

The policy forms part of the work programme under the Social & Recreational Strategy. Activity 6.5.3 Regulator – Public Health. The project generates minimal costs and revenue associated with administering the policy.

3) Treaty of Waitangi considerations

No treaty issues have been identified. The Tenth Trust and Ngati Toa have been consulted as part of the review.

4) Decision-Making

The Gambling Act 2003 requires Council to undertake a special consultative procedure if the policy is amended.

5) Consultation

a) General Consultation

The revised draft policy will proceed to a special consultative procedure – the Gambling Act requires the Council to provide a copy of the draft policy to all gaming societies who operate class 4 non casino gaming machines in the district. Other identified stakeholders will be sent copies of the policy, e.g. social service agencies who deal with problem gambling. The policy will be made available in the usual places, e.g. Council Libraries and on the website.

b) Consultation with Maori

Mana whenua have been provided with a copy of the current policy and will be provided with the revised draft policy. Maori agencies who work with those with problem gambling will also receive copies.

6) Legal Implications

Council's lawyers have been consulted during the development of this policy.

7) Consistency with existing policy

The paper provides the Committee with options based on the existing policy.

Statement of Proposal

Draft Gaming Venues Policy

November 2006

APPENDIX 1

Introduction

The Wellington City Council is reviewing its Gaming Venues Policy. The policy was adopted in March 2004 in accordance with the requirements of the Gambling Act 2003.

The Gaming Venues Policy manages the number and location of class 4 non-casino gaming machines (commonly referred to as pokies) in Wellington. The policy also covers Totalisator Agency Boards (TAB) venues as detailed in the Racing Act 2003. These two policies are combined into one Gambling Venues Policy (attached as Appendix A). As required by section 87 of the Local Government Act 2002, this statement of proposal includes:

- A draft of the policy
- A statement of the reasons for the proposal
- An analysis of the reasonably practicable options

The social impacts of gambling have been considered as part of the policy review. (see Appendix B.)

The draft policy (attached as appendix 1) will have the same impact on machine numbers as the existing policy. It allows for class 4 gaming venues to be established anywhere in the Wellington district subject to the following restrictions:

- The total number of gaming machines in any gaming venue zone (areas based on 2003 ward boundaries), excluding the Central Business District, may not exceed the maximum machine limits outlined below.¹

Gaming Venue Zones	Maximum number of Machines
Southern	116
Northern	146
Eastern	125
Onslow	62
Western	73
Lambton (excluding the Central Area Zone)	55
Central Area Zone	No limits

- All gaming venues must have a full and current on-licence (with a designation) or club liquor licence under the Sale of Liquor Act 1989.
- Applications seeking Ministerial discretion to increase the number of gaming machines at a club venue above 9 will not receive consent.

¹ Maximum machine numbers for the proposed policy are the same as the current policy.

APPENDIX 1

- Applications seeking Ministerial discretion to increase the number of gaming machines at a club, as the result of clubs merging, will receive consent subject to the limits prescribed by the Gambling Act.
- Meeting application and fee requirements
- Obtaining any necessary resource consents under the Wellington City District Plan or Resource Management Act.

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.

In respect of TAB venues, the Gaming Venues Policy only applies to applications for the establishment of stand-alone Board venues. It does not cover the installation of TAB terminals in premises not owned or leased by the TAB (e.g. hotels, bars and clubs).

Reasons for the proposal

The Council is reviewing its Gaming Venues Policy as a requirement of the Gambling Act 2003. The policy must be reviewed every 3 years.

The purpose of the Gambling Act 2003 (the Act) amongst other things is to control the growth of gambling, prevent and minimise the harm caused by gambling (including problem gambling), ensuring that money from gambling benefits the community and to facilitate community involvement in decisions about the provision of gambling.

The Act requires local authorities to develop a policy for class 4 non-casino gaming machines, commonly referred to as 'pokie machines'. A Council's Gambling Venues Policy:

- must specify whether or not class 4 venues (hereafter referred to as gaming machine venues) and Totaliser Agency Board (TAB) venues 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.²
- must have regard to the social impact of gambling within the district

In addition the Racing Act 2003 required Councils to consider a policy for the establishment of new stand alone TAB premises. The policy excludes TAB terminals in premises not owned or leased by the TAB (E.g. hotels, bars and clubs).

Before a venue can install machines it must have a venue license issued by the Department of Internal Affairs (DIA). A prerequisite for such a licence is

² The maximum number of machines allowed in any venue licensed after 17th October 2001 is 9 machines. Venues licensed prior to this date are allowed up to a maximum of 18 machines, but no more than they legally held as at September 2003.

consent from the local authority. All consents must be in accordance with the adopted policy and other factors are not taken into account.

The Gambling Act also states that a venue hosting gaming machines cannot have gaming machines as its primary purpose. The Gambling Act provides for the policy to affect all gaming machines venues that:

- Are seeking a licence for the first time
- Are seeking to increase machine numbers
- The licence has lapsed for 6 months or more

The proposed policy has been developed to meet the requirements of the Gambling Act 2003.

Policy objectives

The objectives of Wellington City Council's gambling venue policy are to:

- Manage the growth of gaming machines in areas of concern
- Ensure that, within the limits prescribed by the Gambling 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 of 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

Current Situation

The current Gaming Venues Policy enables residents' to access class 4 non-casino gaming machines (pokies) and TAB venues for the purposes of entertainment, while managing the growth of gambling.

The policy places limits on the allowable number of machines in suburban areas. The Central Business District is excluded from a cap. The policy allows for TAB venues to be established anywhere in the city.

Since the introduction of the Gambling Act gaming availability has decreased in Wellington. In September 2006 Wellington had 22 fewer venues (82 in 2003 compared to 61 in 2006) and 174 fewer gaming machines (1032 in 2003 compared to 858 in 2006).

In 2004 the initial impact of the policy was the removal of a total of 18 machines from 2 venues in the Southern Ward. This was a one off impact. The remainder of the decline is not a result of the Council's policy, rather, it is largely attributed to increased regulation and higher compliance costs associated with the Gambling Act and the impact of smoke free legislation.

APPENDIX 1

Table 1 and graph 1 outline the change in gaming machine venues and machines since the policy was introduced.

Table 1. Gaming Venues in Wellington by Ward - Sept 2006

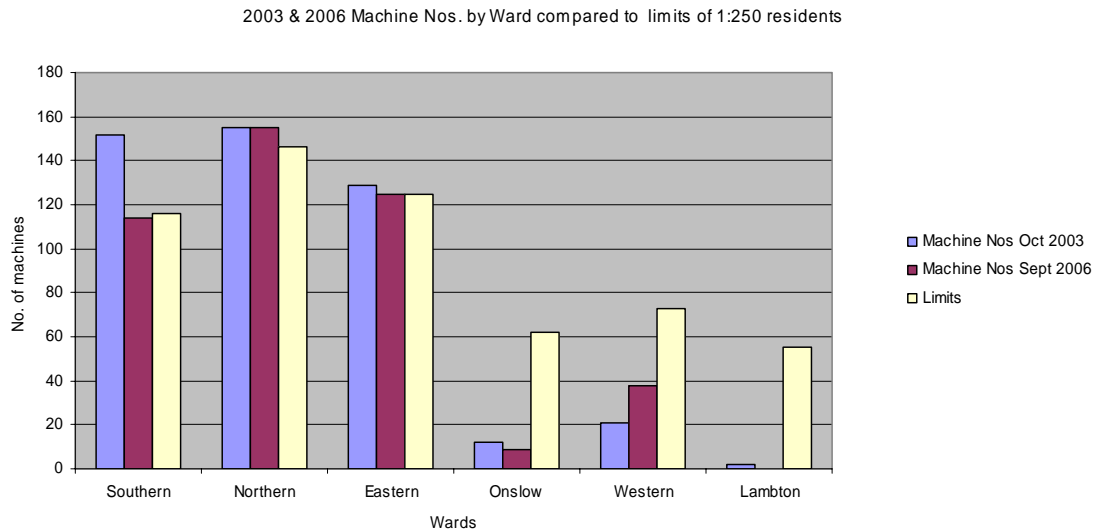
2003 Wards	Gaming Venues Oct 2003	Gaming Venues Sept 2006	Variance
Southern	14	8	-6
Northern	11	11	0
Eastern	13	10	-3
Onslow	2	2	0
Western	3	3	0
Lambton (Excluding the CBD)	1	0	-1
CBD	38	27	-11
Total	82	61	-21

Source Data: Department of Internal Affairs

In the Central Business District, where no policy limits exist, venue numbers have fallen by 11 from 38 in 2003 to 27. There are currently 416 gaming machines in the CBD, 145 fewer than 2003.

The Hospitality Association of New Zealand (HANZ) attribute this decline (in addition to the Gambling Act and smoke free legislation) to the changing nature of licensed premises in the CBD - where gaming machines appear to be less appealing to business owners, who want to maximise the space they have and attract patrons who are not interested in gaming activity. Gaming societies expect the number of gaming venues to fall slightly over the next 9-12 months and then stabilise as the gaming industry finds its natural equilibrium under the full effects of the Gambling Act and smoke free legislation.

Graph 1.



Outside of the CBD pokie machines are predominately located in the Northern, Eastern and Southern Wards. Limits on machine numbers have been designed to prevent further growth of pokie gambling in these areas of the city while enabling growth to occur in parts of the city where fewer gaming machines are located.

The policy allows for growth to occur in parts of the city where few gaming machines are located. For example, a combined total of 143 gaming machines could be added to the Onslow, Western and Lambton Wards (excluding CBD). Although there has been an opportunity for that growth in these areas, machine numbers have remained low – indicating little demand exists for machines in these parts of the city.

The current policy has prevented the growth of gaming machines in some suburban areas, that is, applications for consent have been received and declined because the limit would be exceeded. This suggests the policy has had the desired impact of managing the growth of machines and the policy is meeting its objectives. The policy allows for more machines in the CBD yet there has been a decline in numbers. It is likely that legislative changes and the changing character inner city venues have contributed to that decrease.

The number of standalone TAB venues (8) has remained unchanged since 1998. This is likely to be because the Agency has adopted a business model focusing on social outlets in pubs and clubs, and sports betting via the internet.

The key findings of a social report which accompanied the current policy have been updated and show that problem gambling remains a significant public health issue. Problem gambling affects not only individuals, but friends, families, businesses and the wider community. Rates of problem and at risk gambling are higher for people who are aged 25-34, for Maori and Pacific people, in areas of socioeconomic deprivation and for those with lower educational attainment. Based on national prevalence data it is estimated that 3,000 –4,000 residents are at risk or problem gamblers.

Apart from the city centre, the majority of gaming machines in Wellington are clustered in areas where communities have higher risk factors associated with problem gambling. Social service agencies in Wellington are concerned about the level of problem gambling and gaming availability in Wellington, particularly in those areas vulnerable to problem gambling.

The updated social report is attached as Appendix B.

In reviewing the policy Council officers noted the decline in pokies in some areas of the city and considered the argument that there is no need for the Council to control machine numbers. However, given that Council's policy has prevented the growth of gaming in areas with high machine density, and concerns about problem gambling – it is recommended that a policy which manages growth is still the most appropriate.

Analysis of options

In considering the main findings from the social report, the workings of our existing policy and initial feedback from stakeholders, four policy options have been considered in this Statement:

1. Cap machine numbers at existing policy limits
2. Update the current policy to reflect population growth
3. City wide ban on new machines (sinking lid policy)
4. No intervention (laissez faire)

Appendix A outlines the proposed policy - cap machine numbers at existing policy limits.

Common Elements

All options recommend that the current provisions outlined below be retained:

- that all gaming machine venues must have a current on-licence (with a designation) or club liquor licence under the Sale of Liquor Act 1989
- that no additional restrictions are placed on the location and number of TAB venues, beyond those prescribed in the Gambling Act
- Consent will not be given to applicants seeking Ministerial discretion to increase the number of gaming machines at a club venue to 18.
- Consent will be given to applicants seeking Ministerial discretion to increase the number of gaming machines as the result of clubs merging in accordance with the limits set in the Gambling Act.

APPENDIX 1

- Note the policy must be reviewed within three years. Council has the option to review the policy earlier than this statutory requirement.
- Fees will be charged for consideration of applications by the Building Consent and Licensing Services Business Unit of Council. The fees charged for consideration of the application are \$90 per hour (GST inclusive).

Option 1: Cap machine numbers at existing policy limits

This option assumes the existing policy, regardless of population growth, provides an adequate level of pokie provision in Wellington and adequately controls the growth of gaming availability in the district.

Limits on machine numbers were generated in electoral wards using 2001 census population data. A ratio of 1 machine per 250 residents was applied to each ward. In September 2006 Wellington had 1 machine per 214 residents compared to the national average of 1:201.

Consent for new gaming machines will not be granted in any policy zone, excluding the Central Business District, if the number of machines exceeds the maximum limits outlined in the table below.³

Table 1. Current limits on machine numbers

Gaming Venue Zones	Maximum number of Machines	Number of machines Sept 2006	Variance (a positive figure indicates growth is possible)
Southern	116	115	1
Northern	146	155	-9
Eastern	125	125	0
Onslow	62	9	53
Western	73	38	35
Lambton (excluding the Central Area Zone)	55	0	55
Central Area Zone	No limits	416	n/a

The policy prevents the growth of gaming machines in areas with a high density of machines, while enabling machine numbers to increase in areas where few machines are located. This approach accommodates turnover in gaming venues. Machine numbers in the Central Business District are determined by the market in conjunction with the regulatory framework. There are 145 fewer machines in the CBD compared to 2003.

The policy (outlined in 4.4) limits appears to be working well and officers recommend they be retained. However it is recommended that:

³ Maximum machine numbers for the proposed policy are the same as the current policy.

APPENDIX 1

The term 'gaming venue zones' be used instead of electoral ward.

The 2004 Gambling Venues Policy employed 2001 ward boundaries as a basis of grouping communities together. Linking the policy to the vagaries of ward boundaries generates unpredictable shifts in allowable machine numbers, introduces unnecessary complexity for those administering the policy and reduces the ability to accurately monitor the policy over time.

While 2001 ward boundaries continue to offer a useful way of grouping communities together in the city, using the term 'ward boundaries' is likely to cause confusion given that boundaries have already changed once since the policy was introduced and are likely to change periodically. Therefore, officers recommend decoupling the policy from ward boundaries and population increases. The wording will be revised from electoral ward to 'gaming venue zones', e.g. Northern Zone, Southern Zone, Eastern Zone, Western Zone, Onslow Zone, Lambton Zone and CBD Zone.

Impact of this policy option:

- Potential for a growth of gaming in areas in the CBD, Onslow, Western and Lambton zones
- Machine number limits prevents growth in the Southern, Eastern and Northern zones
- Fewer venues may result in less money being returned to the community, and may also have a positive impact on at risk and problem gambling.

This option is recommended and a draft policy reflecting this option is attached as Appendix A.

Option 2: Update the current policy to reflect population growth

The current policy was established on the basis of 1 machine : 250 people. This option retains that feature except it updates the machine numbers on the basis of population increases.⁴ This option would allow some growth in machine numbers across the city including areas with relatively high density of machines and higher vulnerability to problem gambling.

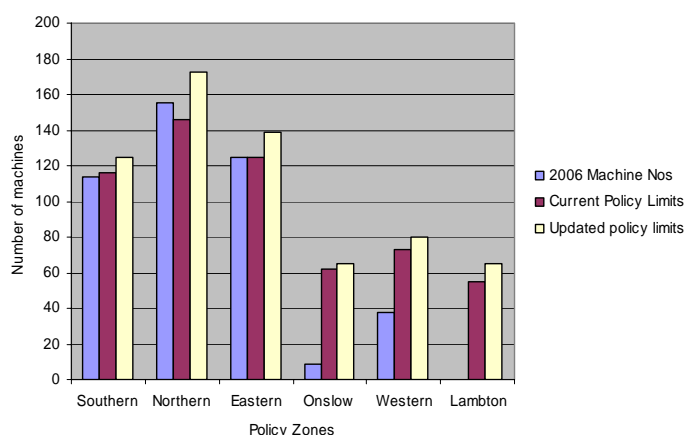
This option provides for an increase of approximately 70 machines over the existing limits. This will result in shifting the current limits (outside of the CBD) from 577 machines to 647 machines. The table below shows the revised machine limits compared to current machine numbers.

⁴ 2005 Population projections from Statistic NZ have been employed in lieu of 2006 Census Data. If this option proceeds to consultation then Final figures will incorporate Census data when this information becomes available.

Table 2. Machine limits with the updated population figures

Gaming Venue Zones	Maximum number of Machines	Number of machines Sept 2006	Variance (potential growth in machine numbers)
Southern	125	115	10
Northern	173	155	18
Eastern	139	125	14
Onslow	65	9	56
Western	80	38	42
Lambton (excluding the Central Area Zone)	65	0	65
Central Area Zone	No limits	416	n/a

Policy limits with 2006 population projections 1:250



The Onslow, Western and Lambton zones are unlikely, based on past experience to attract significant growth in gaming machines. This can be attributed in part to fewer available venues to house machines, and lower demand for gaming activity. An increase in machine numbers in the Southern, Eastern and Northern wards is of concern as these wards have a relatively high density of machines already.

Impact of this policy option:

- New venues are likely to be located in areas of concern
- Potential for growth of gaming in the CBD, Lambton, & Onslow Western Wards
- An increase in machines is likely to result in increased proceeds and issues related to problem gambling.

This option is not recommended

Option 3: City wide ban on new machines (sinking lid policy)

A sinking lid policy is the strongest position Council can adopt to prevent the growth, and affect a gradual decline, of gaming machines in the district.

Under this option consent would not be given for new gaming venues and machines and over time the number of machines would diminish through attrition. It implies that the current number of gaming machines (858) and venues (61) is considered too high.

A sinking lid policy is administratively simple. However, such a policy is not sensitive to variations within the district. While the policy ensures there is no increase in machine numbers, those areas with few machines such as the Onslow and Western zones, are unable to introduce machines. It would also lock in the current distribution of gaming machines in Wellington, and further entrench the advantaged position of those venues with a license for 18 machines. It is likely that the grants to community groups in Wellington by gaming societies would reduce.

Impact of this policy option:

- No new gaming machines allowed in the district – provides no flexibility
- Potential for a gradual decline in the number of gaming venues in the city.
- Fewer venues over time are likely to result in reduced rates of at risk and problem gambling as well as a lower level of grants to the community.

This option is not recommended

Option 4: No intervention (Laissez faire)

Under this policy the only restriction on venues are those stipulated by the Gambling Act and the Department of Internal Affairs. Wellington City Council would give its consent to all applications in Wellington. This option relies on the restrictions imposed by the Gambling Act to control gaming machines, i.e. a maximum of 9 machines per venue.

Since the introduction of the Gambling Act machine numbers and venues have dropped including in areas where Council allows for growth. There is an argument that there is no need for WCC to control venue and machine numbers. However, given the density of machines in some areas and that without our policy that density would have increased, it is recommended that a policy which manages growth and addresses density is still the most appropriate.

Impact of this policy option:

- Potential for unfettered growth of gaming venues in the district – particularly in areas of concern
- Increased availability to gaming opportunities may result in increased levels of grants to the community and increased negative impacts associated with problem gambling

This option is not recommended

TAB venues

The Gaming Venues Policy incorporates the TAB Venues Policy. The current policy enables stand alone TAB venues to be established anywhere in the district. Although the policy allows for growth, no new venues have been established in Wellington since 1998. There are currently 8 stand alone venues distributed across the city.

The TAB has 14 social outlets in pubs and clubs in the city and a website for sports betting. The Gambling Act does not enable Council to develop a policy for these activities.

Although no increases have occurred for some years it is recommended that the current policy be retained until the next review to provide flexibility should demand arise for an additional TAB venue.

Appendices

Appendix A: Update on the findings of the 2003 Social Report

Appendix B: Draft Gaming Venues Policy

APPENDIX 1 – Statement of Proposal Appendix A

Update on the findings of the 2003 social report

The main findings from the social report tabled in 2003 have been revisited and updated below with new information where available. The conclusions draw heavily on material provided by the Department of Internal Affairs, the Ministry of Health and meetings with local stakeholders.

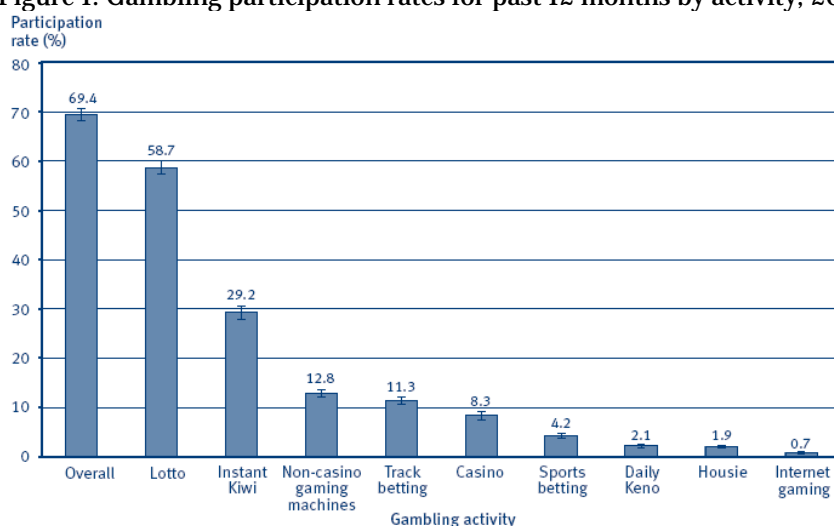
The conclusions are:

Gambling is a popular activity

A series of surveys over the past 15 years show that between 70% and 90% of adult New Zealanders engage in at least one form of gambling annually.

Gambling is associated with entertainment benefits.

Figure 1. Gambling participation rates for past 12 months by activity, 2002/03



Source: Ministry of Health (2006) Problem Gambling in New Zealand, Analysis of the 2002/03 NZ Health Survey

According to a 2002/3 survey the most popular forms of gambling in New Zealand are Lotto (58%), Instant Kiwi (29%), non casino gaming machines (12%), track betting (11%) and casinos (8%). Internet gaming was the lowest reported gambling activity in 2002/3 (0.7%).¹

Wellington has 39 lotto outlets, 22 TAB agencies and social outlets and 60 gaming machine venues spread across the city.

Expenditure on gaming appears to have peaked in the medium term

New Zealanders have practically tripled their expenditure on various forms of gambling over the past decade from 695 million in 1995 to 2 billion in 2005.²

Expenditure on non-casino gaming machines has been the primary mode of gambling responsible for elevated levels of spending. Spending on pokies increased by 600 percent between 1995 (171 million) and 2004 (1.034 billion).

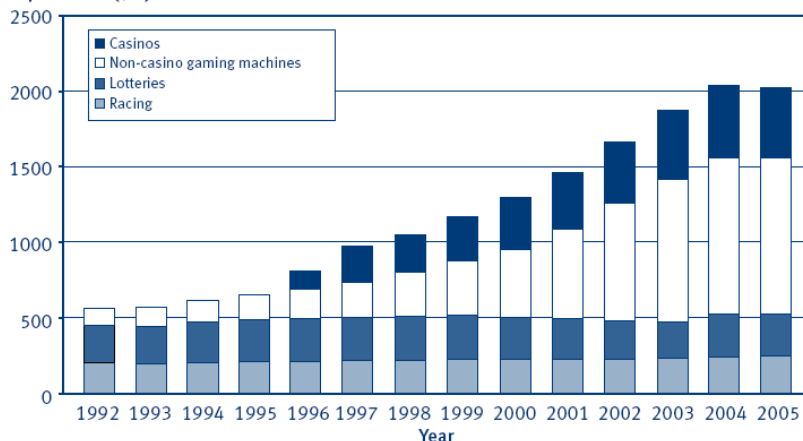
¹ The provision of Remote interactive gambling (Internet) is restricted to the TAB or the New Zealand Lotteries Commission. It is not illegal for New Zealanders to gamble on overseas sites. (source: DIA – Gambits – Sept 2006)

² Expenditure means gross amount wagered minus the amount paid out or credited as prizes or dividends

APPENDIX 1 – Statement of Proposal Appendix A

Over this same period expenditure on other activities such as racing and lotteries products have remained relatively static.

Figure 2. Gambling expenditure in New Zealand, by gambling activity, 1992-2005
Expenditure (\$m)



Source: Department of Internal Affairs 2004, 2006

Expenditure on pokie machines fell for the first time in 2005 from \$1.035 billion to \$1.027 billion (0.8%) and is expected to fall to around \$900 million in 2006.

A range of contributing factors, such as increased compliance costs associated with the Act, smoke free bars, and to a lesser extent local authority policies, are cited for the recent decline in gaming expenditure. The factors listed above have impacted on the number of corporate societies, venues and machines.

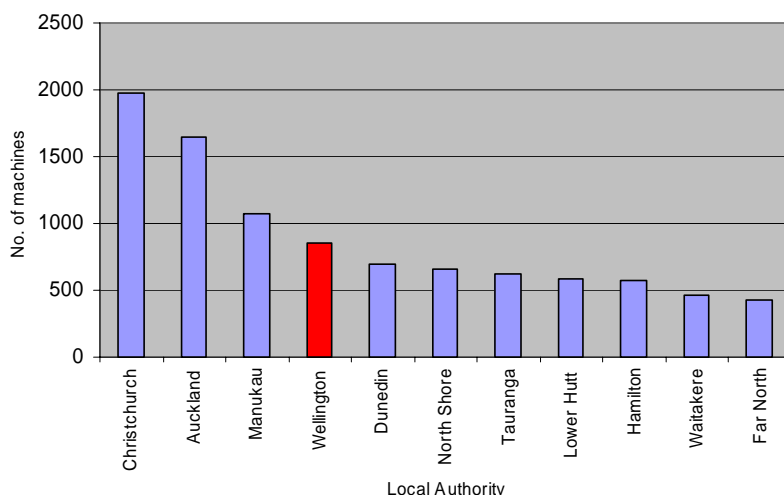
The number of corporate societies (gaming trusts) has fallen. Some smaller corporate societies and clubs have exited the industry due to their limited capacity to absorb the increased compliance costs, such as upgrading machines for an Electronic Monitoring System.

The number of gaming venues has decreased. There were 21 fewer gaming venues in Wellington in September 2006 (61) compared to 2003 (82). This represents a decline of 27% of venues compared to the decline of 19% which occurred nationally.³ Wellington has 3.6% of venues in New Zealand.

³ Statistics from the Department of Internal Affairs (DIA) show the number of gaming venues in New Zealand fell by 403 (-19%) from 2,104 to 1,701 between September 2003 and June 2006.

APPENDIX 1 – Statement of Proposal Appendix A

Non-casino gaming Machines by Local Authority - Sept 2006
(Source: DIA)



In September 2006 Wellington had 858 machines, 174 fewer machines than in October 2003 (1032) representing a 15% decrease compared to the average reduction across the country of 8%.⁴ Wellington has 4% of the population and 4% of non-casino gaming machines in New Zealand.

Wellington is ranked fourth in the country for non-casino gaming machines. It is worth noting that Christchurch, Auckland, Hamilton, Queenstown (2) and Dunedin have casinos in their district. Gaming machines which operate in casinos are not reflected in the graph above. Proceeds from gaming machines in casinos are returned back to the casino. The Gambling Act prevents new casinos being established.

It is estimated that approximately \$42 million was lost on gaming machines in Wellington in 2005 compared to \$50 million in 2003.⁵ The most active gaming society in our district reported a \$6.8 million decline in proceeds from \$30.4 million in 2003 to \$23.6 million in 2005. Several sports clubs reported reduced proceeds over the period. This decrease has been partially offset by one corporate society reporting a \$1.7 million increase, and another with an increase of \$0.3 million.⁶

⁴Gaming machines in New Zealand reached a peak of 25,221 in 2003. By June 2006 the number of gaming machines reduced by 4,482 to 20,739, closely reflecting gaming machines numbers in 2000.

⁵ Council Officers requested information about gaming proceeds from all corporate societies and clubs who operate machines in Wellington. Returns represent 70% of venues & 71% of machines in the district.

⁶ It has proved difficult to gain complete and comparable data from gaming societies on exactly how much has been gambled in Wellington and how much has been returned back to the community in the form of grants – therefore figures can only be treated as indicative

APPENDIX 1 – Statement of Proposal Appendix A

Grants

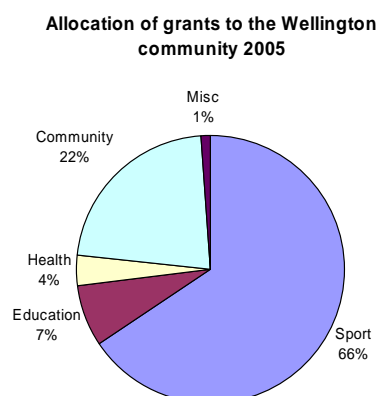
A 2002 study of the funding sources for New Zealand non-government and not for profit reported that grants from gaming machine trusts represent \$131 million or 8% of their revenue.

Philanthropic Trusts	\$142,801,284
Local Government	\$28,200,000
Gaming Machine Trusts	\$131,241,000
Lottery Board	\$91,381,417
Personal donations	\$281,905,620
Bequests	\$37,698,180
Central Government	\$920,595,000
Total	\$1,633,822,501

Source: Funding New Zealand – Hanley & Robinson 2002.

Many community groups and sports clubs apply for funding from gaming societies. For every dollar raised through pokies 33 cents goes to the government in the form of taxes, GST and levies, societies may spend up to 33 cents for authorised expenses and a minimum of 33 cents must be returned to the community in the form of a grant.

It is estimated that \$16 million in grants was returned to the Wellington community in 2005 compared to around \$21 million in 2003. In Wellington sports clubs and groups receive around 66% grants, while community groups receive 22% and those involved in health and education receive between 4% – 7% respectively.



Demand for community grants is high. The gaming society with the most venues and machines in Wellington (26 Venues, 411 machines) received grant requests from groups in the Wellington region totally \$18.7 million in 2005. The society was able to fund \$9.7 million.

While many groups, especially sporting groups, benefit from pokie funding – there is a general concern from social service agencies that proceeds are flowing from poorer parts of our community into more affluent sectors. Some

APPENDIX 1 – Statement of Proposal Appendix A

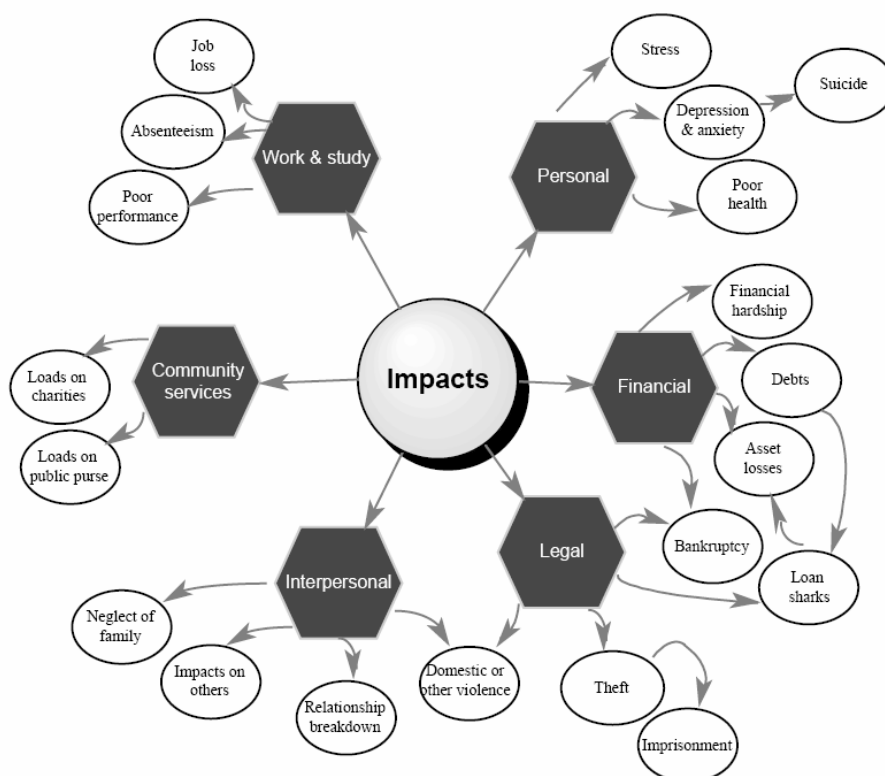
organisations, including church and Maori social service providers, choose not to apply for pokie funding as a matter of principle. These organisations oppose the use of the pokie funds because of the harm associated with problem gambling and the impacts on the clients they serve. The *Downtown Community Ministry* is one organisation who has taken this stand in Wellington.

Some argue that the social costs associated with non casino gambling outweigh the economic benefits community receive in the form of grants. A study in Bendigo in Australia noted that gaming revenue resulted in *'large leakages out of the economy in the form of taxes and payments to the machine owners with very little of the total revenue left to circulate in the regional economy.'*

Problem gambling is a significant public health issue

In reviewing our policy it is important to note the social impacts of harmful gambling on our community. While many people enjoy gambling as a recreational pursuit, for some gambling can become a major issue. Problem gambling is related to negative impacts upon health, debt, family relationships and crime.

Figure 3. Impacts of problem gambling



Source: The Productivity Commission (1999)

The Ministry of Health has responsibility for developing a public health approach to help prevent and minimise gambling related harm. A public health approach recognises the 'broader environmental context, (e.g. social, economic and cultural) in which gambling exists in New Zealand.' (see figure 3).

APPENDIX 1 – Statement of Proposal Appendix A

The Ministry's focus is on preventing harm according to the definition within Section 4 of the Gambling Act - which includes harm from gambling suffered by the person, the person's spouse, partner, family, whanau, or wider community. It is generally accepted that one person's problem gambling can impact on five or more people.⁷ Problem gambling in this context is not just about individuals but about the whole community.

The Ministry is currently working on a social marketing campaign that will go live in 2007. The campaign will include a television campaign on problem gambling. An extensive research programme is also being developed to help to better understand problem gambling in New Zealand and to help inform future policy approaches. One aspect of this will be the upcoming national health survey, where 12,000 New Zealanders will be interviewed on a range of health issues, including gambling.

A series of regulations introduced under the Gambling Act focus on harm prevention and minimisation. The regulations prohibit gaming venues in a range of locations such as supermarkets, sports stadiums, footpaths, internet café, theatres and cinemas. Gaming machines must have a feature that interrupts play at least every 30 minutes and displays how much the player has spent during the session. The interruption feature also asks the player whether or not they want to continue playing.⁸ Venue operators must provide information on the odds of winning, the characteristics of problem gambling and how people can seek advice if they are concerned about their gambling. Venues are able to ban a player for up to 2 years and players can ban themselves from venues.

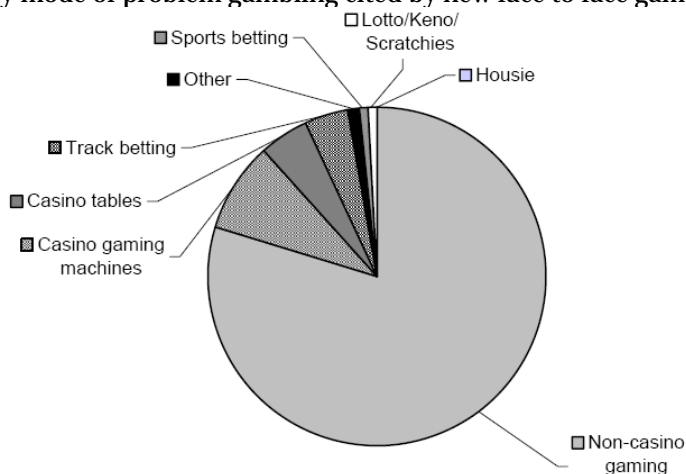
Other regulations include a ban on automatic teller machines in venues, prize limits (\$1000) and restrictions on signage and jackpot branding. The DIA is responsible for ensuring venues operate in accordance with the Gambling Act and associated regulations.

⁷ Problem Gambling Foundation of New Zealand

⁸ All new machines must have this feature, and existing machines must be upgraded by July 2009

APPENDIX 1 – Statement of Proposal Appendix A

Primary mode of problem gambling cited by new face to face gambling 2005



Source: Ministry of Health - Preventing and Minimising Harm

A 2005 survey of problem gambling found that rates of problem gambling and at risk gambling are higher for people who are aged 25-34, for Maori and Pacific people, in areas of socioeconomic deprivation and for those with lower educational attainment. Approximately 80% of those seeking help for problem gambling in New Zealand identified non-casino gaming machines (pokies) as their main mode of gambling.⁹ In recent times more women than men have sought help for gambling related problems.

Perhaps unsurprisingly the same survey reported that 'over five times as many gaming machines [in New Zealand] are located in the two most deprived deciles (deciles 9 & 10) than in the two least deprived deciles (deciles 1 & 2)'.¹⁰ TAB venues are also more likely to be located in more deprived areas. The findings of this national survey are consistent with the situation in Wellington where gaming machines are noticeably clustered in areas associated with the risk factors outlined above. Our policy approach, with the use of ratio based caps, prevents the growth of machine numbers in these areas of concern in the city.

Based on national data it is estimated that around 3,000 – 4,000 Wellingtonians are problem or at risk gamblers. This is a conservative figure as it is based on self reporting via surveys.¹¹ It is estimated that 12% of people with gambling problems seek help. Rates of reported problem gambling fell for the first time in 2005. Nationally, the number of clients seeking help from face to face services fell by 15% to 4761 clients and the Gambling Help-line service recorded a drop off around 20% to 10,414 clients between 2004-2005—although the website traffic increased from 60,000 to 100,000 visits.

Social service agencies in Wellington are concerned about the level of problem gambling despite the measures put in place by the Gambling Act to minimise

⁹ Ministry of Health (2005) Problem gambling intervention services in New Zealand – 2004 national statistics.

¹⁰ *ibid.*

¹¹ Ministry of Health (2005) Problem gambling intervention services in New Zealand – 2004 national statistics.

APPENDIX 1 – Statement of Proposal Appendix A

harm. These agencies suggest that caution is required in drawing firm conclusions from the help seeking statistics. The agencies noted that the method of data collection has changed – in some cases reducing those counted. One large agency noted that while they work with those affected by problem gambling, statistics are not yet being collected. Those who seek help for gambling problems tend to do so as a last resort, while statistics fail to capture those problem gamblers who may not seek help.

Social service agencies in Wellington told officers that clients they serve had committed crimes to support their gambling activity. This feedback supports results of a survey published in 2005 regarding recently sentenced inmates in four New Zealand male prisons – 19% reported they were in prison for gambling related offending. An earlier study by the same authors found similar rates of gambling in women inmates in New Zealand.¹²

The Salvation Army has surveyed those who use food banks in different parts of the country. 14% of those using the food banks reported having gambling problems. Many of those were in family situations with dependent children.

¹² Abbott MW, McKenna BG, Giles LC. (2005) Gambling and Problem Gambling among Recently Sentenced Male Prisoners in Four New Zealand Prisons.

APPENDIX 1 – Statement of Proposal Appendix B



Draft Gambling Venues Policy (November 2006)

Introduction

The Gambling Act 2003 (the Act) came into effect on 18 September 2003. Under that Act, Wellington City Council adopted a Gaming Venues Policy for the Wellington District on 18th March 2004.

The Council's Gaming Venues Policy:

- must specify whether or not class 4 venues (hereafter referred to as gaming machine venues) and Board¹ venues 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 establishes a limit of 9 machines on gaming machines venues)

In adopting the policy, the Council must have regard to the social impacts of gambling in its district.

Objectives of the policy

The objectives of the Gambling Act 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 growth of gaming machines in areas of concern

- Ensure that, within the limits prescribed by the Gambling 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 of 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.

General Conditions

A society requires Council's consent in respect of a class 4 venue:

- to increase the number of gaming machines that may be operated at such a venue

¹ 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.

APPENDIX 1 – Statement of Proposal Appendix B

- to start operating gaming machines at such a venue that was not on any society's licence within the previous 6 months
- to start operating gaming machines at such a venue for which a licence was not held on 17 October 2001

The New Zealand Racing Board requires the consent of the Council if it proposes to establish a Board/TAB venue. In respect of TAB venues, the Gambling Venues Policy will only apply to applications for the establishment of stand-alone Board venues. Board venues are premises that are owned or leased by the New Zealand Racing Board, where the main business is providing racing and/or sports betting services. It does not cover the installation of TAB terminals in premises not owned or leased by the TAB (e.g. hotels, bars and clubs).

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.

Where class 4 (Gaming Machine) venues may be established

Class 4 gaming 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 refusal to grant consent.

For the purposes of this policy the Wellington District is divided into 7 zones:

- Central Area Zone – is the central area as defined by the District Plan excluding land zoned residential
- Lambton Zone – is that area comprising the Lambton electoral ward as at September 2003 except for the central area.
- 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
- The total number of gaming machines in any zone may not exceed the machine levels detailed in the table below.

APPENDIX 1 – Statement of Proposal Appendix B

Gaming Venue Zones	Maximum number of Machines
Southern	116
Northern	146
Eastern	125
Onslow	62
Western	73
Lambton (excluding the Central Area Zone)	55
Central Area Zone	No limits

- All gaming machine venues must have a current on-licence with a designation, a club liquor licence, or a permanent club charter, under the Sale of Liquor Act 1989. ²
- Applications seeking Ministerial discretion to increase the number of gaming machines at a club venue above 9 will not receive local authority consent
- Applications seeking Ministerial discretion 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
- Meeting application and fee requirements
- Obtaining any necessary resource consents under the Wellington City District Plan or Resource Management Act.

Where TAB venues may be established

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.

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 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 can be required, with the actual fees incurred coming firstly off the amount of the deposit.

Decision making

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

² Note 1. applications where the operator is trading on a temporary authority under the Sale of Liquor Act 1989 will not be determined until an on licence has been granted for the operator.

APPENDIX 1 – Statement of Proposal Appendix B

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

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.

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.

Monitoring and review

The Council will complete a review of the policy within 3 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.

Commencement of Policy

The policy will take effect from the time the Council resolves to adopt it. The March 2004 policy will cease to have effect on the adoption of this policy.

Explanation of terms

Class 4 Venue - The Act 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

Gaming Machine – Refers to Class 4 non casino gaming machines

TAB/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 on at the premises is providing racing betting or sports betting services.



GAMING VENUES POLICY (MARCH 2004)

INTRODUCTION

The Gambling Act 2003 came into effect on 18 September 2003. Under that Act, Wellington City Council is required to adopt a Gambling Venues Policy for the Wellington District by 18 March 2004.¹ The Gambling Venues Policy must be adopted in accordance with the special consultative procedure set out in the Local Government Act 2002.

The Council's Gambling Venues Policy:

- must specify whether or not class 4 venues (hereafter referred to as gaming machine venues) and Board² venues 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 establishes a new limit of 9 machines on gaming machines venues that obtained licences after 17 October 2001.)

In developing this policy, the Council must have regard to the social impacts of gambling in its district. The Gambling Venues Policy will be reviewed three years after its adoption.

OBJECTIVES OF THE POLICY

The objectives of the Gambling Act 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 growth of gaming machines in areas of concern
- Ensure that, within the limits prescribed by the Gambling Act, people who wish to participate in gaming machine and TAB venue gambling can do so within the Wellington District

¹ The Council's Gambling Venues Policy also covers the requirement in section 65 of the Racing Act 2003 to adopt a Board Venue Policy

² 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.

APPENDIX 2

- Ensure that gaming machines are located within venues where there is a degree of 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.

GENERAL CONDITIONS

A society requires Council's consent in respect of a class 4 venue:

- to increase the number of gaming machines that may be operated at such a venue
- to start operating gaming machines at such a venue that was not on any society's licence within the previous 6 months
- to start operating gaming machines at such a venue for which a licence was not held on 17 October 2001
- to continue to operate gaming machines at such a venue for which a licence was not held on 17 October 2001, but which was added to a society's licence on a date after 17 October 2001 and before 19 September 2003.

The New Zealand Racing Board requires the consent of the Council if it proposes to establish a Board/TAB venue. In respect of TAB venues, the Gambling Venues Policy will only apply to applications for the establishment of stand-alone Board venues. Board venues are premises that are owned or leased by the New Zealand Racing Board, where the main business is providing racing and/or sports betting services. It does not cover the installation of TAB terminals in premises not owned or leased by the TAB (e.g. hotels, bars and clubs).

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.

WHERE CLASS 4 (GAMING MACHINE) VENUES MAY BE ESTABLISHED

Class 4 gaming 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 refusal to grant consent:

- The total number of gaming machines in any electoral Ward, excluding the central business district of the Lambton Ward, may not exceed the ratio of 1 machine to 250 people at any time. For the purposes of this policy:
 - the electoral Ward boundaries are those in place at the time this Policy is adopted
 - the central business district is the Central Area as defined by the District Plan, excluding the land zoned Residential
 - the population of each electoral Ward from which the ratios are calculated are as set out in the table below.³

³ The population figures are based on mesh block population numbers provided by Statistics New Zealand. For the Lambton Ward, the population is an estimate based on the total population of the Lambton Ward, minus the population of the central business district as defined above. Updated

APPENDIX 2

Electoral Ward	Population	Maximum Machines
Southern	28,886	116
Northern	36,557	146
Eastern	31,125	125
Onslow	15,558	62
Western	18,271	73
Lambton (Excluding the CBD)	13,644	55

- All gaming machine venues must have a current on-licence with a designation, a club liquor licence, or a permanent club charter, under the Sale of Liquor Act 1989
- Applications for consent to have gaming machines on TAB venues will not be approved
- Applicants whose licences were held on 17 October 2001 may have a maximum of either 9 machines, or the number of machines lawfully operated on 23 September 2003, whichever is the higher number
- Applications seeking Ministerial discretion to increase the number of gaming machines at a club venue above 9 will not receive local authority consent
- Applications seeking Ministerial discretion 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
- Meeting application and fee requirements
- Obtaining any necessary resource consents under the Wellington City District Plan or Resource Management Act.

WHERE TAB VENUES MAY BE ESTABLISHED

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.

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 Gambling Venue Consent Fee, which is prescribed by the Council pursuant to section 150 of the Local Government Act 2002.

population figures are expected to be available from Statistics New Zealand in 2005, at which time the population figures and subsequent maximum Ward ratios will be updated.

APPENDIX 2

Fees will be charged for consideration of applications, at the rate of \$90 per hour (GST inclusive). A deposit can be required, with the actual fees incurred coming firstly off the amount of the deposit.

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.

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.
- The assessment of electoral ward population will be based on the population figures outlined in table above. These figures will be updated from time to time as they become available from Statistics New Zealand, and publicised accordingly

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.

MONITORING AND REVIEW

The Council will complete a review of the policy within 3 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.

COMMENCEMENT OF POLICY

The adopted policy will take effect from 18 March 2004.

EXPLANATION OF TERMS

Class 4 Venue - The Act 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

Gaming Machine – Refers to Class 4 non casino gaming machines

TAB/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 on at the premises is providing racing betting or sports betting services.