



**CENTRAL  
HAWKE'S BAY**  
DISTRICT COUNCIL



## **Draft Class 4 Gambling and Board Venue Policy**

### **Statement of Proposal**

Draft Adopted: 26 August 2021

Review: August 2024

*Together we Thrive! E ora ngātahi ana!*

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## Introduction

The Gambling Act 2003 (the Act) requires the Central Hawke's Bay District Council to adopt a Class 4 Gambling Venue Policy for the District. Section 97 of the Racing Industry Act 2020 also requires that a Board Venue Policy for the District is included as part of the Class 4 Gambling Venue Policy. Both policies must be adopted in accordance with the Special Consultative Procedure set out in the Local Government Act 2002 and must be reviewed every three years.

Class 4 gambling involves the use of an electronic gaming machine outside a casino. It may only be conducted by a corporate society and the net proceeds can only be used for authorised purposes.

A society must apply for Council's consent before it:

- Establishes new gaming machine venues; or
- Increases the number of machines that may be operated from existing venues (there are maximum numbers specified in the Act).

Council is able to include a relocation policy to allow existing operators to relocate with the same number of machines. Council had a relocation policy in the 2018 Policy, but this has been removed in the 2021 review.

Class 4 gambling machine numbers have fallen significantly from 76 in 2009 to 29 in 2020, while Venue numbers have also dropped from 8 in 2009 to 2 in 2020. Compared to other rural and provincial areas, Central Hawkes Bay District (CHB) now has a low number of Class 4 gaming machines at 526 residents per machine. CHB has 0.2% of these Class 4 gaming machines generating 0.23% of the GMP in NZ with 0.3% of the population.

Overall gambling expenditure has fallen just 25% (inflation adjusted) from 2009.

## Application

The Act and the Racing Industry Act 2020 together state that the Gambling Venue and Board Venue Policies:

- Must specify whether or not Class 4 Venues (hereafter referred to as Gambling Venues) may be established in the 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 Gambling Venue. The Gambling Act 2003 established a maximum limit of nine (9) machines for new venues and those venues that obtained a licence after 17 October 2001.
- May consider whether to include a relocation policy and the distance from sensitive activities.
  - A relocation policy sets out if and when the Council will grant consent for an existing venue to transfer the gaming machines to a new venue (within the district) to which a class 4 venue licence applies.
- The Council must specify whether or not new Board Venues may be established in the district and, if so, where they may be located. This policy only applies to standalone venues and not other venues such as clubs and bars where TAB betting services are provided.

In the development of this policy Council must have regard for the social impacts of gambling on the Central Hawke's Bay district community. Council also needs to consider the benefits to the community from the grant funding that is generated by the corporate societies that run the venues.



## Policy Objectives

The purpose of the Act is to:

- a) control the growth of gambling; and
- b) prevent and minimise the harm caused by gambling, including problem gambling; and
- c) authorise some gambling and prohibit the rest; and
- d) facilitate responsible gambling; and
- e) ensure the integrity and fairness of games; and
- f) limit opportunities for crime or dishonesty associated with gambling; and
- g) ensure that money from gambling benefits the community; and
- h) facilitate community involvement in decisions about the provision of gambling.

The purpose of the Central Hawke's Bay District Council's Class 4 Gambling Venue and Board Venue Policy is:

- To provide for the continued availability of Class 4 Gambling within Central Hawke's Bay District in accordance with the purpose and intent of the Act.
- To establish an appropriate maximum level of opportunities for Class 4 Gambling activities in the Central Hawke's Bay District in order to avoid or minimise the harm caused by problem gambling.
- To ensure Gambling Venue Operators act responsibly and promote harm minimisation.
- To facilitate community involvement in decisions about the provision of gambling.

## Economic and social impact of gambling in the District

Council recognises that there are benefits and costs to the community from gambling activities. A minimum of 40% of Gross Machine Profits (the amount gambled net of winnings) must be distributed back to the community through grants. For CHB the following minimum in grants was:

2019 - \$832,000  
2020 - \$780,000

In addition, there are a number of businesses and jobs supported by the activity, as well as revenue to government and the societies that own the machines. The level of grants to the community is significant and will be important to a range of recreational and community groups. The Department of Internal Affairs carries out audits and monitors the venue payments and society expenses.

Recent trends are that gambling has shifted to more on-line activity. This is very hard to regulate and control and Council has no ability to do so. Trying to remove all Class 4 gaming machines would likely just drive more people to on-line gambling.

Policy Setting	Possible Benefits	Possible Negative Impacts
<p>Option – Status Quo</p> <ul style="list-style-type: none"> <li>Retain the cap at 300 residents per machine</li> <li>Relocations allowed</li> <li>Restrictions on any new / relocated venues to be &gt;100metres from sensitive sites / activities</li> </ul>	<p>Allowing more machines to operate would possibly increase the level of grant funding available and increase employment. The grant funding increases are likely to be modest as GMP per machine would likely fall.</p> <p>Restrictions on location continues to mitigate potential harm.</p> <p>Relocations allow businesses to invest in new premises that generally have better controls on gambling harm, and may provide safer premises in general (e.g., from earthquakes).</p>	<p>Would allow 2 new venues to be established with 9 machines each. This is not consistent with the legislation and Council policy of reducing gambling harm.</p> <p>Relocations make it easier for existing premises to continue operating.</p>
<p>Option 2 – More restrictive</p> <ul style="list-style-type: none"> <li>Increase ratio of max number of machines to 500 per resident</li> <li>'Sinking lid'</li> <li>Remove ability for relocations / mergers</li> </ul>	<p>Increasing the current ratio Cap from 300 to 500 would reflect the current number of machines operating. Setting the number higher (say 600) would continue to seek further reductions in machine numbers. Either would lock in the recent reductions in venues and machines. On the current policy 2 new venues could be established with the full 9 machines each allowed.</p> <p>A sinking lid provision would set a target of machines or the number of residents per machine that is more restrictive than the current numbers. Any reduction in machine numbers from closures or reductions would not be able to be replaced. This has a similar impact as increasing the ratio number above.</p>	<p>The current venue and machine numbers are low compared to the NZ average and many rural Districts.</p> <p>Further reductions from the current numbers may:</p> <ul style="list-style-type: none"> <li>inhibit general hospitality growth.</li> <li>reduce grant funding for the community over time.</li> <li>cause further movement toward online gambling which is unregulated.</li> <li>Will not allow for new Class 4 gambling opportunities in District</li> </ul> <p>Removing ability to relocate will remove options for existing businesses and could result in loss of employment / grants. Given only two venues are currently operating this could be seen as overly restrictive.</p>

Policy Setting	Possible Benefits	Possible Negative Impacts
Option 3 – Less Restrictive <ul style="list-style-type: none"> <li>Remove or reduce cap ratio to &lt;300 per resident</li> </ul>	Possible additional employment and community grants.	<p>Would allow more than 2 new venues to be established with 9 machines each. This is not consistent with the legislation and Council policy of reducing gambling harm.</p> <p>Grants are unlikely to increase much as evidenced by the modest reductions seen as venues and machines reduced over the last decade.</p>

Council in this Policy review has to strike a balance between permitting responsible gambling and minimising harm to the community as required by the Act.

Council has considered the issues and options and is proposing to further restrict the ability of new venues to be established. The two remaining venues are considered sufficient to allow residents access to class 4 gaming machines.

In order to 'lock in' the minimisation of harm to the community from recent reductions in gaming machines and venues, this Policy proposes to remove the ability to relocate an existing venue, and to increase the limit on class 4 gaming machine numbers to 1 per 500 residents from 1 per 300 residents in the 2018 Policy.

### Location of Class 4 Gambling Venues and Board Venues

No new Class 4 Gambling Venue shall be established where the total number of Gaming Machines in Central Hawke's Bay District exceeds the number of machines specified under Section 7 of this Policy.

A new Class 4 Gambling Venue and/or TAB (NZRB) Venue shall not be established in any zone other than within the Business Zones of Waipukurau and Waipawa as defined in the Central Hawke's Bay District Plan.

Consent will not be granted for a new Class 4 Gambling Venue or Board Venue where the location of the proposed venue is incompatible with other predominant uses of the proposed premises.

Consent will not be granted for a new Class 4 Venue at which the primary activity is associated with family dining, family activities (e.g., cinemas) or children's activities.

No new Class 4 Gambling Venue or TAB (NZRB) Venue may be closer than 100 metres pedestrian distance of any school, early childhood centre, kindergarten, place of worship or other community facility.

### Predominant Activity of Class 4

A new Class 4 Gambling Venue and/or TAB (NZRB) Venue shall only be established in a premises having an on-licence (where the principal purpose is the sale of liquor, and that the area is designated restricted) or club licence for the sale of liquor.

Every application must be able to satisfy Council that the primary purpose of the proposed venue is not the provision of Class 4 Gambling activities.

Any venue which operates as a brothel, as defined in Section 4 of the Prostitution Reform Act 2003, will not be granted a venue consent.

Subject to the provisions above, Class 4 Gambling Venues may be established in locations commonly used for organised sporting or other recreational non-profit purposes.

## Number of Gaming Machines Allowed District Wide

The total number of Gaming Machines in Central Hawke's Bay District, as specified by the Department of Internal Affairs, may not exceed the ratio of one machine per 500 residents, as determined by the latest Census data.

The cap on total numbers of Gaming Machines specified in Section 7 will apply from the date this policy is adopted.

## Relocation Policy

Council will not allow the relocation of a venue to which a Class 4 Venue Licence currently applies. The merging of existing venue conditions and transferred venue conditions is not permitted.

This Policy does not affect any new Class 4 Gambling Venue where a licence to operate Gaming Machines was held for the same premises by any operator within the previous six months.

## Number of Gaming Machines Allowed Per Venue

This section does not affect any Class 4 Gambling Venue established on or before 17 October 2001. All current licensed Class 4 venues that have not ceased operations for more than six months, do not require consent from the Council to continue their operations.

Class 4 Gambling Venues established between 18th October 2001 and 18th March 2004 shall be allowed a maximum of nine (9) Gaming Machines.

Class 4 Gambling Venues established after 18th March 2004 shall be allowed a maximum of nine (9) Gaming Machines, subject to Section 7.

Should two (2) or more existing Class 4 Gambling Venues merge; the merged venue shall be allowed a maximum of nine (9) Gaming Machines, subject to Section 7.

In all circumstances the number of Gaming Machines proposed for the venue will not result in the total number of Gaming Machines in the Central Hawke's Bay District exceeding the number of machines specified under Section 7 of this Policy. If this limit is exceeded, the number of machines will not be approved accordingly.

Any venue wishing to increase the number of Class 4 Gaming Machines additional to the number of machines operated as at the adoption date of this Policy may not do so if the proposed increase results in the total number of machines in the Central Hawke's Bay District exceeding the number of machines specified under Section 7 of this Policy.

## Applications

Applications for Council consent for a new Class 4 Gambling Venue or Board Venue must be made on an approved form and must provide:

- Name and contact details for the application.
- Street address of premises proposed for the Class 4 Gambling Venue consent or Board Venue consent.
- The names of all owners and managers.
- Details of liquor licence(s) applying to the proposed premises (if applicable).
- Evidence of Police approval for owners and managers to apply for consent to establish a Class 4 Gambling Venue or Board Venue consent.
- A copy of the proposed gambling harm minimisation policy and staff training programme.
- A site plan covering both Class 4 Gambling activities and other activities proposed for the venue, including details of each floor of the venue.
- Evidence of the pedestrian distance to the nearest school, early childhood centre, kindergarten, place of worship or other community facility.

## Application Fees

Application fees will be set by Council and shall include consideration of:

- The cost of processing the application, including any consultation and hearings involved,
- the cost of triennially reviewing the Class 4 gambling venue and Board Venue policy,
- A contribution to the cost to Council of inspecting Class 4 Gambling Venues and Board Venues to ensure compliance with consent or licence conditions.

Fees will be reviewed together with the Policy on a three-yearly basis.

## Policy Review

This policy will be reviewed on a three-yearly basis.

This policy may be reviewed at any time where there is an urgent concern or request from the community.

## Commencement of Policy and Review

This draft policy was adopted on 26 August 2021. The final policy will be adopted on xxxx and come into effect from the date of adoption.



## Definitions

**Class 4 Gambling:** Gambling that utilises or involves electronic gaming machines, otherwise known as “pokie machines”.

**Class 4 Gambling Venue:** Any venue that conducts Class 4 Gambling activities outside a casino.

**Community Facility:** Land or buildings which are used in whole or in part for the assembly of persons for such purposes as deliberation or social entertainment or similar purposes and including buildings used for clubrooms, arts, museum and cultural community premises, cinemas, theatres, conference rooms, church halls, marae and meeting rooms, but not including a chartered club or building designed specifically for indoor recreation.

**Pedestrian Distance:** the shortest distance a person on foot would take as opposed to the same distance in a straight line.

**Problem Gambler:** A person whose gambling causes harm or may cause harm, as defined in the Gambling Act 2003.

**Board Venues - standalone TAB venues.** There are none of these venues currently in Central Hawkes Bay.