

## NOTICE OF MEETING/HEARING

# PLANNING AND REGULATORY COMMITTEE

I hereby give notice that a Hearing of the Planning and Regulatory Committee will be held on:-

<b><u>DATE:</u></b>	<b>Monday, 20 July 2009</b>	<b><u>TIME:</u></b>	<b>9.30 am</b>
	<b>Tuesday, 21 July 2009</b>		<b>9.30 am</b>
	<b>Wednesday, 22 July 2009</b>		<b>9.30 am</b>

**MEETING ROOM:** Council Chamber

**VENUE:** Waitakere Central, 6 Henderson Valley Road, Henderson, Waitakere

to hear submissions and make a decision on the Waitakere City Council Gambling Venue Policy 2009 and to take any necessary action connected therewith.



9 July 2009

Desiree Tukutama  
**COMMITTEE SECRETARY**

Telephone (09) 836 8000 extn 8815

### MEMBERSHIP:

Councillors	VS	Neeson, JP (Chairman)
	WW	Flaunty, QSM, JP (Deputy Chairman)
	DQ	Battersby, QSM, JP
	BA	Brady, JP
	MFP	Chan, JP
	JM	Clews, QSO, JP
	RI	Clow
	LA	Cooper, JP
	AK	Corban, OBE, JP
	RP	Dallow, QPM, JP
	MM	Jolley
	JP	Lawley, JP
	PG	Mitchell

Mayor RA Harvey, QSO, JP (ex officio)  
Deputy Mayor (ex officio)

(Quorum 5 members)

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(Meeting Room could be subject to change)

(The reports and recommendations contained in all agendas are reports and recommendations only and are not to be construed, in any way, as Council policy until adopted.)

**AGENDA FOR A MEETING/HEARING OF THE PLANNING AND REGULATORY COMMITTEE  
TO BE HELD IN THE COUNCIL CHAMBER AT WAITAKERE CENTRAL, 6 HENDERSON  
VALLEY ROAD, HENDERSON, WAITAKERE, ON MONDAY, 20 JULY 2009,  
COMMENCING AT 9.30 AM**

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**AGENDA FOR A MEETING/HEARING OF THE PLANNING AND REGULATORY COMMITTEE  
TO BE HELD IN THE COUNCIL CHAMBER AT WAITAKERE CENTRAL, 6 HENDERSON  
VALLEY ROAD, HENDERSON, WAITAKERE, ON MONDAY, 20 JULY 2009,  
COMMENCING AT 9.30 AM**

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**1 APOLOGIES**



**2 CONFLICTS OF INTEREST**

The Council has acknowledged in its Code of Conduct that Elected Members need to be vigilant to stand aside from decision making when a conflict arises between their role as a member of the Council and any private or other external interest they might have. This note is provided as a reminder to members to check that no such conflicts arise in relation to any items on this agenda.



**3 GAMBLING VENUE POLICY**

**GLOSSARY**

Gambling Venue Policy	(the policy)
Planning and Regulatory Committee	(the Committee)
New Zealand Racing Board Venue	(TAB)
Special Consultative Procedure	(SCP)
The Gambling Act 2003	(the Act)
Electronic Gaming Machines	(EGM/pokies)
Department of Internal Affairs	(DIA)
Ministry of Health	(MoH)

**EXECUTIVE SUMMARY**

The purpose of this report is to enable the Planning and Regulatory Committee (the Committee) to consider which policy option it will approve for the Gambling Venue Policy (the policy). The recommended policy option is based on available evidence and an analysis of written submissions received following the Special Consultative Procedure (SCP) required for territorial authority Gambling Venue Policy reviews where the policy is to be amended or replaced.

A1-A25

Feedback from the submitters, the results from a Waitakere City Council survey question on gambling policy and relevant information from other councils, has been incorporated into this report as well as the amended draft form of the policy options as attached at pages A1 to A25.

Once the Committee has resolved to adopt the selected policy option, this policy will then be placed before the Council for approval and promulgation as the Gambling Venue Policy (2009) and will come into immediate effect following the Council's approval.

## **RECOMMENDATIONS**

It is recommended that the Planning and Regulatory Committee resolve to:

1. **Receive** the Gambling Venue Policy report.
2. **Agree** to consider the following two policy options (as attached at pages A1 to A25), after consideration of the submissions received and the hearing process:
  - a. *Maintaining the status quo of the current cap on venue and machine numbers as stated in the existing policy, or*
  - b. *Including a sinking lid policy, where the cap on venue and machine numbers as stated in the existing policy will reduce each time a venue closes and no new venues be permitted.*
3. **Agree** to recommend approval of the amendments (noted in Paragraphs 41 and 45) as reflected in the amended versions of both of the policy options (Section 6) attached at pages A6 to A20.
4. **Agree** to recommend that Council include in the Gambling Venue Policy, under review, one of the following policy options:
  - a. *Maintaining the status quo of the current cap on venue and machine numbers as stated in the existing policy, or*
  - b. *Including a sinking lid policy, where the cap on venue and machine numbers as stated in the existing policy will reduce each time a venue closes and no new venues be permitted.*

## **BACKGROUND**

1. Waitakere City Council's Gambling Venue Policy is currently under review in accordance with the Gambling Act 2003, which requires each territorial local authority to review its policy every three years.
2. A full report on the current status of Class 4 gambling venues and Electronic Gaming Machines (EGM/pokies) in Waitakere (including four policy options for controlling these) was presented to the Planning and Regulatory Committee on 10 June 2008. At a subsequent meeting of the Committee on 8 July 2008 it was resolved to:

*“The Planning and Regulatory Committee resolved to:*

2. *Agree that the community be consulted on whether to include in the Gambling Venue Policy:*
  - c. *Maintaining the status quo of the current cap on venue and machine numbers as stated in the existing policy, or*
  - d. *Including a sinking lid policy, where the cap on venue and machine numbers as stated in the existing policy will reduce each time a venue closes and no new venues be permitted.*
3. *Agree that the Council determine its position on the Gambling Venue Policy after consultation with the community.”*

3. On 10 February 2009, a report was presented to the Planning and Regulatory Committee outlining the SCP process and tabling key documents to go out for public consultation. It was resolved that the Committee:

*“The Planning and Regulatory Committee resolved to:*

1. **Receive** the Gambling Venue Policy report.
2. **Agree** to endorse the attached documents with amendments, including the Statement of Proposal for Waitakere City Council’s draft Gambling Venue Policy, for public consultation.”

48/2009

A26-A34

4. The SCP has taken place. The submission process opened on 16 February 2009 and closed on 25 March 2009. A total of 4600 submissions were received (including 3 late submissions) with 119 disallowed due to no legible name or contact details, resulting in a final total of 4491 submissions. There were 4396 submitters (approximately 95%) indicating support for the Sinking Lid policy option, 201 submitters (approximately 5%) indicating support for the Status Quo/Capped policy option, with two other submitters requesting another option (unrestricted or increased numbers of venues and machines). Some of those supporting a Sinking Lid policy also made comments about wanting to eliminate rather than reduce EGM/pokies in the city. Of the 86 groups and/or individuals requesting to be heard, 51 supported the Status Quo/Capped policy and 35 supported the Sinking Lid policy as attached at pages A26 to A34.
5. In accordance with resolution no. 939/2008 the Committee now needs to consider submissions on the draft policy options and determine which policy option will be recommended to the Council for adoption.

## DECISION MAKING

### Issues

#### Statutory Requirements

6. The Gambling Act 2003 (the Act) requires all territorial authorities to have a policy on the location and number of new Class 4 EGM/pokies venues and the number of EGM/pokies as well as New Zealand Racing Board venues (TABs). The policy is required to be reviewed every three years. This policy should address the main purpose of the Act which aims to control the growth of gambling, prevent and minimise the harm caused by gambling, including problem gambling, facilitate responsible gambling, ensure that money from gambling benefits the community and facilitates community involvement in decisions about the provision of gambling. In adopting the policy, the territorial authority must have regard to the social impact of gambling within its district.
7. Both policy options under consideration have objectives that are consistent with the intent of the Act:
- To control the growth of Class 4 gambling venue numbers and gambling machine numbers within Waitakere;
  - To enable people who wish to participate in Class 4 and TAB gambling in Waitakere to do so, in accordance with the purpose and intent of the Act;
  - To encourage responsible gambling practices and attitudes in Class 4 gambling venues;

- To facilitate community access to information about the operation of Class 4 gambling venues within the City; and the distribution of monies from Class 4 gambling machines;
  - To ensure as far as practicable that actual and reasonable costs relating to venue consent applications are borne by the applicant(s).
8. The SCP ensures there is community involvement in decisions about the provision of gambling venues in the city.

#### **Options Identified**

9. The two options which the Committee wished to have considered are:
- a) Gambling Venue Policy (Status Quo/Capped); or
  - b) Gambling Venue Policy (Sinking Lid).
10. The Status Quo/Capped policy provides for a cap of 38 venues and 501 EGM/pokies. This cap has now been reached, with full allocation of the last venue and machine consents. Under this policy, it is allowable for two or more corporate societies to merge. This is subject to meeting the requirements of the Act (section 95) and Ministerial approval for the number of machines to be operated, as specified in Council consents. An Expressions of Interest register would be kept at the Council to allow for future venues or EGM/pokies that may become available to be re-allocated. As the population grows, the cap would not change as it is not based on per capita population change.
11. The Sinking Lid policy would not allow for mergers or re-allocation of existing gambling venue consents other than where there was compulsory acquisition of a venue under the provisions of the Public Works Act 1981. A new venue consent could be granted in these circumstances. Amendments have been proposed to section 6 of both policies (see underlined sections) to this effect. Reduction of venues and EGM/pokies would occur by natural attrition. In practice this may mean little change to the current well established gaming environment comprised of local Portage and Waitakere Licensing Trust venues, service/sports clubs, TABs and entertainment venues.

#### **Assessment of Options**

##### **Summary of Community Views**

- A35-A112* 12. A total of 4491 legible submissions were received with 4396 submitters (approximately 95%) indicating support for the Sinking Lid policy option and 201 submitters (approximately 5%) indicating support for the Status Quo/Capped policy option. Two other submitters requested another option (unrestricted numbers of venues and machines). Key points are included in the Summary of Submissions (included with this report in a CD ROM) as attached at pages A35 to A112.
- A113* 13. A Council generated telephone survey of 292 people in Waitakere was conducted in April/May 2009. It included a question as attached at page A113, asking which of the Council's current two policy options was preferred. 68.7% preferred the Sinking Lid option, 19.3% preferred the Status Quo/Capped and 12% were undecided.

14. An unusually large number of submissions were received from wide-ranging community organisations, as well as numerous groups and individuals representing many different ethnic groups. These included Maori, Samoan, Tongan, other Pacific peoples, Asian including Chinese, Korean, Vietnamese, Thai, Indian as well as Burmese refugees from Myanmar. Almost all the submissions from Maori favoured a Sinking Lid policy option. The overwhelming majority of submissions from different ethnic groups/individuals also indicated a preference for the Sinking Lid policy option. Minority groups were well represented in submissions given the findings of recent Ministry of Health (MoH) research indicating disproportionate harm to different ethnic groups from gambling. The economic impacts noted in the findings from the Christchurch economic study discussed below in paragraph 19 also support the views of ethnic group submitters.
15. Both the Status Quo/Capped and Sinking Lid policy options provide a managed approach to the growth of gambling in the city. Some submissions called for other options. One charity gaming association wanted a “no restrictions” policy. Some of those who supported the Sinking Lid policy also wanted the total removal of EGM/pokies. These other options had been considered previously and eliminated by the Committee when the policy was originally introduced and more recently when the policy first came up for review. Gambling is a legal permitted activity under the Act. Controlling the growth of gambling is one of its stated purposes and all gambling venue policies are required to be consistent with the Act. There is no substantive evidence currently to indicate that either of these options would be viable or supported by many sectors in the community, who favour the retention of some access to gaming proceeds within a controlled environment.
16. Sinking Lid policies or their equivalents (reducing caps) have been adopted by 14 of the 64 territorial local authorities including three of our five largest cities, Auckland, Manukau and Christchurch. These Councils have adopted their policies to control the growth of venues and licenses in their areas and to address significant public concern about the effects of EGM/pokies in contributing to social harm because of their accessibility and addictive qualities. Discussion with the policy analysts in these Councils and reports they have supplied indicate that the majority of the public continue to strongly support these policies. A telephone survey, focus groups, and in-depth interviews, to ascertain community views on gambling were undertaken by Auckland City in March 2009; approximately 1600 people took part. These surveys found that most residents were unaware of the rules and regulations governing Class 4 (EGM/pokies and TAB) venues or the requirement to return a percentage of profits from EGM/pokies as local community funding. Once made aware, most residents were of the opinion that the social costs of this form of gambling outweighed any potential benefits.

#### **Community concerns regarding economic impacts of the policy options**

17. Considerable concern has been expressed by some submitters about a likely reduction in community funding grants from charitable gaming trusts if a Sinking Lid policy with fewer venues and EGM/pokies is adopted. Nationally, total gambling expenditure from EGM/pokies has been declining since its peak in 2004 (\$1.035 billion in 2004) to \$938 million in 2008. This trend is predicted by the Department of Internal Affairs (DIA) to continue due to the effects of tighter industry regulation and recessionary impacts. A just-released MoH gambling consultation paper states that *“it remains to be seen what effect the economic downturn will have on New Zealand and whether gambling will contract or become a preferred choice for discretionary spend”* (p.1, *“Preventing and Minimising Gambling Harm 2010-2016, May 2009*).

18. There is considerable evidence to suggest that a reduction in venues and machines does not automatically mean less money spent on EGM/pokies and less profits available to distribute to communities. Councils who have Sinking Lid policies report that most of the attrition in venues and machines is due to smaller and/or less compliant operators going out of business with the larger well-managed venues who distribute the vast majority of community funds still remaining. The DIA is currently making a concerted effort to challenge and motivate gaming machine societies to focus on their purpose and increase their level of return to the community with closer monitoring of administrative expenses and operational costs and practices. Economic analysis also indicates that a drop in the number of venues and machines does not necessarily equate with a drop in income, nor a drop in profits available for community funding.
19. Christchurch City Council commissioned an independent economic impact report on non-casino gambling machines in preparation for their Gambling Venue Policy review this year. This study was to gauge the financial impacts of possible changes in machine numbers and estimate net economic impacts of EGM/pokies. They found no statistical relationship between the number of venues and machines and how much money is spent gambling on pokies. Reducing machine numbers appeared to have little impact on expenditure and fewer machines were likely to result in more money spent and vice versa (Covec, May 2009).
20. Many submitters considered the harmful impact of EGM/pokies fell disproportionately on people living in high deprivation index areas who could least afford to lose money from gambling. The Christchurch economic impact report noted that low socio-economic groups were found to be the main players of EGM/Pokies, whilst community organisations who received funds from the gaming trusts were representative of all income groups. The study concluded that the redistribution of gambling proceeds from gamblers to community organisations contributes to increasing inequalities of income. Their analysis of economic impacts also found gambling had a strong negative effect in reduced personal income and on employment. (Covec, May 2009).

### **TABs**

21. Analysis of TAB racing gambling data shows that, in contrast to the drop in spending on EGM/pokies, total racing gambling expenditure in New Zealand has continued to trend upward since 1993, totalling \$198 million in 1993 and reaching \$273 million nationally in 2008 (*Problem Gambling Resource for Local Government*, MoH, May 2009). All profits made in TABs (other than from EGM/pokies at TAB venues) are returned directly to the New Zealand Racing Board. There is currently no cap on TAB venues in Waitakere. If a Sinking Lid policy is adopted this would mean that no new consents would be issued for any further TABs.

### **Consideration of Maori Community Views**

22. The Act provides that for the purpose of subsection 83(1) (e) of the Local Government Act 2002, the territorial authority must give notice of the proposed policy, in a manner that the territorial authority considers appropriate, to organisations representing Maori in the territorial authority district. This provision also applies to the Racing Act 2003 that covers TABs.
23. A strong preference for a Sinking Lid policy was expressed by Te Taumata Runanga and all but one of the Maori organisations and whanau who made submissions.

24. Reasons for supporting the Sinking Lid policy largely centred on the disproportionate impact of harm from gambling on Maori families and perceived inequitable community funding received from the profits of charitable gaming trusts. Maori are reported by the MoH as being four times more at risk of problem gambling than non-Maori. The harms resulting from gambling was considered to far outweigh any benefits from the small amount of community funding accessed from charitable gaming trusts. The Problem Gambling Foundation's recent paper (February 2009) which provided an analysis of all grants distributed by charitable gaming organisations in Waitakere from 2005- 2008 was widely cited. It reported that approximately 1% in grants goes directly to Maori organisations from the distribution of gambling profits in Waitakere. The data was collected through on-line and published grants information from both the DIA and gaming trusts.

**Preferred Option**

25. Overall the Sinking Lid policy option has clearly emerged as the preferred option from both the public submissions received and the telephone survey undertaken in Waitakere.

**Officers' Comments**

26. If the Sinking Lid policy option is adopted, it is unlikely that there would be any sudden shift or drop in proceeds attributed to loss of venues/machines given the composition and stability of present venues with EGMs/pokies in Waitakere. The full cap of venues and machines has only recently been reached. This means that there may actually be some increase in overall proceeds available because of the newly licensed EGM/pokies who will be required to make returns to the community.
27. Despite the concern expressed about a Sinking Lid policy option causing less community grant funding available, the evidence from economic impact analysis suggests that fewer machines does not mean less money spent. This is in line with recent data on machine expenditure in Waitakere which indicates that there is already more money spent per machine in Waitakere than in many other cities which have far more machines e.g. North Shore, Dunedin, Hamilton and Lower Hutt.

**Quadruple Bottom Line Assessment of Options**

28. The following table briefly summarises the main advantages and disadvantages of each policy option, based on submissions and available evidence.

	Option 1 : Status Quo/Capped		Option 2 : Sinking Lid	
	Disadvantages	Advantages	Disadvantages	Advantages
<b>Social</b>	Allows higher concentration of EGM/pokies in higher deprivation areas.	<p>Effective way to manage growth of the gambling industry.</p> <p>Population keeps growing but the cap stays the same.</p> <p>Allows for range of entertainment options in existing venues.</p>	<p>Fewer opportunities for recreational gambling.</p> <p>Potential displacement of some problem gamblers to other areas with more EGM/pokies.</p> <p>Perceived potential loss of profits to return to communities for social activities</p>	<p>Effective way to manage growth of the gambling industry.</p> <p>Reduction in venues leads to reduced accessibility and potential reduction in harm.</p> <p>Potentially less crime.</p>

	Option 1 : Status Quo/Capped		Option 2 : Sinking Lid	
	Disadvantages	Advantages	Disadvantages	Advantages
<b>Economic</b>	<p>Increased risk of financial hardship for problem gamblers and their families.</p> <p>Continues to extend the dependence of community organisations on funding from gambling proceeds.</p>	<p>Maintains current significant level of funding to community organisations, assuming the spend on EGM/pokies remains at a similar or higher level.</p>	<p>through grants.</p> <p>Risk of less funding available for community organisations.</p> <p>Would exclude new operators from entering the industry. Some venues could lose their resale value without an option to offer EGM/pokies. Could deter potential business investors.</p>	<p>More money to spend on household necessities, particularly important during an economic recession.</p> <p>Potential for reduced household debt, particularly in households affected by problem gambling. \$35 million spent on EGM/pokies in 2008 in Waitakere.</p> <p>Contributes to promoting more sustainable funding options for community organisations.</p>
<b>Cultural</b>	<p>Maori / Pacific / Asian are disproportionately affected by gambling harms.</p>	<p>Social entertainment elements of venues.</p>	<p>Potential for displacement of some problem gamblers to other localities.</p>	<p>More money to spend on household necessities, less debt, fewer opportunities for "loss of face" as an outcome of problem gambling and the negative financial and emotional wellbeing impacts experienced by individuals, their families and the wider community.</p>
<b>Environment</b>	<p>Gambling can be viewed by some community and business people as detracting rather than contributing to town centres.</p> <p>Anecdotal evidence suggests loitering and undesirable behaviour often occurs outside gambling venues in town centres.</p>	<p>Adds to the entertainment mix of retail facilities and community amenities.</p>	<p>Less funding from gaming profits, may mean less money available for amenities and environmental activities.</p>	

### **Submissions on the Status Quo/Capped and Sinking Lid Gambling Venue Policy Options**

29. In total, 4600 submissions were received. All but 3 submissions were received in the notified timeframe which was 25 May 2009 (extended from 17 May 2009 due to viral computer problems affecting the Council website and Information Technology system). The overwhelming majority of submitters 4396 (95%) supported the Sinking Lid option with 201 submitters (5%) supporting the Status Quo/Capped option.

#### **Support for the Sinking Lid Policy option**

30. Most submissions focused on the harms associated with gambling, particularly the negative financial and social impacts on families and more vulnerable population groups. There were perceived inequities perpetuated through location of EGM/pokies, disproportionate gambling expenditure by people on low incomes who were also seen to be disproportionately disadvantaged in distribution of benefits. A range of statistics and personal experiences was provided. Key points emphasised were:

- Wide-ranging harms such as family breakdown and children suffering from neglect and poverty, increased risks of depression and suicide. Anti-social behaviour, anger, mood swings and physical abuse/intimidation;
- Concern at the increased concentration of EGM/pokies in areas of high economic deprivation in Waitakere, which is perceived to take from the families and communities that can least afford it (Maori and Pacific) and who are the most vulnerable;
- Front-line social services reporting increase in requests for emergency assistance such as food parcels, budget help, problems with debt/loan sharks/asset stripping;
- Problem gamblers spend a disproportionate percentage of the total gambling expenditure. New Zealand National Prevalence Survey attributes 20% of the total reported gambling expenditure to problem gamblers;
- Although problem gamblers only comprise 0.3% to 1.8% of the population they are estimated to adversely affect at least seven people around the problem gambler, more in extended Maori and Pacific family networks;
- Maori are reported as far more at risk of problem gambling than non-Maori and more likely than other ethnicities to gamble on pokies in bars and clubs. Gambling problems affect more people, as family structures are more connected with their wider community. Most Maori organisations receive little direct funding from EGM/pokies;
- Pacific submitters reported higher rates of problem gambling and specific harms such as: monies spent on EGM/pokies creating financial hardship, poverty, family breakdown, poor parenting, child abuse, suicide, violence, and killings;
- Other ethnic groups (particularly Chinese and Korean and refugee services) expressed concern about the significant adverse effects of gambling on EGM/pokies for new settlers coming from societies where gambling was minor and this form of gambling was non-existent. They considered gambling to be responsible for devastating effects on individuals and families such as financial and mental stress/ psychological depression and contributing to crime; and

- Concern at level of dependence by community groups on funding from EGM/pokies. Community organisations had managed without this funding until EGM/pokies were introduced about 15 years ago. Considered that there were lessons in the shift away from tobacco sponsorship funding. Need to address other funding alternatives.

### **Support for the Status Quo/Capped Policy option**

31. All submissions that favoured this option wanted to ensure the continuance of the substantive community funds currently available from the profits distributed by the charitable gaming trusts in Waitakere. There was widespread concern that a Sinking Lid policy would mean a reduction in funding available. Many expressed their reliance on what they considered a critical funding source for a large percentage of their varied activities and stated they would be unable to continue significant essential activities if funding reduced. Key points emphasised were:
- Current policy was seen to be working well. Waitakere has fewer EGM/pokies, compared to other cities and they are responsibly managed;
  - Not aware of higher than average gambling problems in Waitakere. Assertion that research suggests people adapt to introduction of EGM/pokies with eventual drop-off in problem gambling behaviour;
  - General acknowledgement of the need to place limits on the gaming market to address gambling harms;
  - A small minority have a problem but the majority gain from EGM/pokies proceeds distributed to community organisations. Needs to be an appropriate balance between the societal costs of gambling and the benefits of providing financial support to a large number of community organisations, particularly in a recessionary environment when funding is shrinking and hard to find;
  - The Trusts environment is unique to Waitakere in the level of profits returned to the community;
  - Gambling funding has been used to address social inequities in the City from large projects like the Trusts Stadium to community organisations who stated poorer members could not afford their services without the Trusts support;
  - Many organisations spoke strongly of the great benefits, successes and huge difference to the effectiveness of their services/schools/sports clubs/events due to receiving funding from the charity gaming trusts;
  - Considerable concern expressed at what will happen if funding is reduced as a result of change in policy. There is an expectation that the Council should then provide this funding to community groups who rely on charitable gaming trust funding but seen as unlikely;
  - Many services would struggle to survive without Trusts funding. If there was less funding, some services contended that there could be loss of life as well as fewer services and activities;
  - Perceived lack of evidence to suggest that a reduction in the number of venues or machines would lead to demonstrably positive outcomes; and
  - Belief that if there were fewer venues and machines, this would encourage people to gamble outside Waitakere and profits would be lost to the local community, as well as problem gamblers becoming more hidden.

### **Changes Sought**

32. Almost all the submissions were directed at the intent of the policy rather than the substance so there are no significant amendments sought to the policies as presented.

33. **Te Atatu RSA: Submission 249** seeks an amendment of the policy to allow venues that already have a license for 18 machines from the DIA to apply for up to 18 machines (based on the council ballot system) as machines become available for redistribution. They submitted that this would enable the RSA to commit greater funding to the local community.
34. **The Perry Foundation: Submission 360 and the New Zealand Racing Board: Submission 346** propose an increase of six EGM/pokies from 501 to 507 to enable the Glen Eden TAB venue to increase its EGM/pokies to nine. They consider this would enable the venues to be financially viable.
35. **Portage and Waitakere Licensing Trusts: Submission 167 and The Trusts Charitable Foundation: Submission 292** propose that the policy require all Gaming Trusts and venue operators to provide full information identifying how much 'gaming machine profit' is produced locally, what gaming funds are available for distribution, applicants, recipients and value of the donation made.
36. **Netball Auckland Waitakere Inc: Submission 299 and Auckland Netball Centre: Submission 342** seek an amendment to permit the moving of gaming machines to another licensed venue with territorial gambling consent to allow for a change in circumstances of a venue.
37. Some submitters sought changes with regard to the location of EGM/pokies:
  - Re-allocation of TAGC/machines to be prioritised in accordance with the deprivation index 2006, i.e. first consideration given to applicants in the 1-2 category, then 3-4 etc;
  - Council to develop a programme and timetable with agreement from the pokie operators to shift pokies out of venues in deprived areas and re-locate them in venues located in the wealthier areas; and
  - Request that pokies not be located in restaurants and family entertainment facilities (e.g. ten pin bowling premises).
38. Others wanted more robust host responsibility practices and more training and involvement of Council staff in monitoring premises as well as provision of information on problem gambling available outside of venues and in languages of vulnerable ethnic groups.
39. Two organisations proposed that the Council lobby Central Government to:
  - i) Set up a Gambling Commission as an independent regulatory agency to protect the consumer and the public interest, along with an independent research unit; and
  - ii) Enact stronger laws to protect residents from gambling harm (unspecified).
40. Council was also requested to support a "Life After Pokies" Symposium in September 2009 and the development of a regional forum on Gambling and Impacts for Maori.

**Council Officers' Response to Changes Sought in response to Status Quo/Capped Policy option**

41. **Te Atatu RSA: Submission 249** - The issue of having a license without consent is an anomaly. Consent cannot be applied for retrospectively. The current policy and the proposed Status Quo/Capped policy option 6.3, state Council's clear intent to restrict consents to nine machines per venue for all new and existing consents, in line with the Act (section 94). This has raised other issues in relation to expiry of consents and an amendment is proposed by Council officers to section 6 of both policy options to address this:

*“If a consent is not acted upon within two years from the date of issue it will be deemed as expired.”*

42. **The Perry Foundation: Submission 360 and the New Zealand Racing Board: Submission 346** - The policy cannot be used to obtain a pre-allocation of licenses.
43. **Portage and Waitakere Licensing Trusts: Submission 167 and The Trusts Charitable Foundation: Submission 292** - The policy cannot stipulate this as a legal requirement. However it will be recommended to Council that they enter into Memorandums of Understanding (based on the Code of Conduct attached to the policy) with all the gaming trusts operating in Waitakere to make all this information freely available on the Council website.
44. **Netball Auckland Waitakere Inc: Submission 299 and Auckland Netball Centre: Submission 342** - The policy is constrained by the Act which currently has no provision for the transfer of venue license conditions from one physical location to another, other than as part of a new licensing consent application process or as a merger of corporate societies. Therefore when a venue wants to move location, even for reasons beyond their control, the license must be terminated and a new license applied for in relation to the new venue.
45. An amendment is proposed by Council officers to both policy options with a new clause to cover compulsory acquisition, as below:

*“If there is a compulsory acquisition of a venue under the provisions of the Public Works Act, a new consent may be issued for a new venue. This exception would mean that business owners are not prejudiced as a result of circumstances that are outside their control.”*

#### **Council Officers’ Response to Other Issues raised**

46. **Location** is most appropriately dealt with through the District Plan. Guidelines are difficult to implement and subject to challenge as noted through the legislation to legalise brothels.
47. **Host Responsibility** - is primarily the role of the DIA as Council’s liquor licensing inspectors do not have statutory powers as gambling inspectors. They do, however liaise closely with DIA staff. It is recommended that the Council advocate for integration of functions, similar to the existing Liquor Licensing model. Council officers will discuss with DIA staff, the issue of information in different languages being made readily available.
48. **Gambling Commission and independent research unit** - There is already an independent body and independent research is currently commissioned from a range of different research units.
49. **Support for both the “Life After Pokies” symposium and regional Maori Gambling Forum** - The request for support for these is not within the scope of this Committee. Approaches can be made directly to the Council to support these events.

#### **STRATEGIC CONTEXT**

50. This policy initiative is aligned with the Council’s commitment to Te Tiriti O Waitangi, a Safe City, and First Call for Children, as well as the Citywide Alcohol Strategy and the Social Strategy outcomes adopted by the Council in May 2009. It is also aligned to the Council’s strategic platform of Strong Communities and Toi Ora, supporting the health and wellbeing of the City’s residents.

51. Several of the Council's strategic priorities are relevant to the review, particularly those that cover the areas of community safety, economic wellbeing, and the health and wellbeing of individuals and communities. It is also guided by a key strategic outcome of the Department of Internal Affairs' gambling objectives, that *"the benefits of gambling outweigh the costs"*.
52. Policy decisions regarding the regulation of gambling venues must have regard to both the positive and negative impacts that gambling has in the community. Playing EGM/pokies has entertainment value for many and \$12-14 million per annum is returned back into the local community through grants providing significant support for many community organisations. Harm from problem gambling associated with EGM/pokies is extensive and disproportionate to the small percentage of problem gamblers as it affects more vulnerable populations and their families and communities, contributing to considerable social and economic costs such as poverty, family breakdown, violence, mental health issues, debt and crime.

### CONSULTATION

53. A full SCP process has been observed with public notification and call for submissions. Public notices were published in the NZ Herald on 14 February 2009 and in the Western Leader on 13 February 2009 and 5 March 2009. The notices advised how to obtain a copy of the consultation documents. The Council website also advertised that the Gambling Venue Policy was being reviewed and provided all the relevant information including the date by which submissions were required to be submitted by, being 17 March 2009. Copies of the same documents which were on the Council website were also placed in each of the libraries in the City in Te Atatu Peninsula, Henderson, New Lynn, Glen Eden, Titirangi, Ranui and Massey, as well as Citizens Advice Bureaux.
54. The SCP documents were also sent out to key stakeholders for their consideration. Some of these key stakeholders were involved in preliminary consultation that Council officers undertook in 2007-2008. The group included licensed gaming operators in the City, charitable gaming trusts, problem gambling organisations and local business organisations.
55. Flyers and media releases were prepared and distributed widely to mainstream, Maori and specific ethnic media (Pacific/Samoan/Tongan/Niuean, Chinese/Korean) representing print, radio and TV. The consultation was also publicised extensively in newsletters/e-bulletin boards of local community networks with details of the review and submission process.
56. The community boards, Te Taumata Runanga, Waitakere Pacific Board and Waitakere Ethnic Board all received full information. Presentations explaining the policy review and process were requested by Te Taumata Runanga and the Waitakere Pacific Board. Te Taumata Runanga also organised a workshop for Maori during the consultation period.

### RESOURCES

57. Staff time is available to enable the implementation of this policy.

### IMPLEMENTATION

58. Once the policy is adopted it can take immediate effect. Liaison will be required with all relevant external stakeholders, DIA, venue operators and charitable gaming trusts to ensure there is full understanding and compliance with any changes. There may be implications with regard to the life of this policy when future decisions are made by the new Auckland Council.

## AUCKLAND COUNCIL TRANSITION ISSUES

59. The decision making proposed in this report is not constrained by section 31 of the Local Government (Tamaki Makaurau Reorganisation) Act 2009. There are no financial consequences arising from adoption of the policy, which flows from a requirement to renew the policy and a process which commenced long before the commencement of that Act on 23 May 2009. A policy once adopted can be renewed at any time in accordance with the process set out in the Gambling Act 2003. There is therefore no potential for any significant future constraint upon the powers and capacities of the new Auckland Council and the reorganisation will not be prejudiced as a consequence.

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