

# STATEMENT OF PROPOSAL

## Draft Gambling Venues Policy

### Introduction

This statement of proposal relates to the review of the Gambling Venues Policy and Board Venues Policy, which are required under the section 101 of the Gambling Act 2003 and section 96 of the Racing Industry Act 2020.

Having completed the initial review it is proposed that the two separate gambling policies are combined into the one Gambling Venues Policy while maintaining the current sinking lid for gambling venues.

This statement of proposal has been prepared in accordance with section 83 of the Local Government Act 2002 and aims at helping the community to understand the Council's responsibilities and the review process to date. This statement of proposal also:

- outlines the reasons for the proposal; and
- provides an overview of the proposed policy; and
- invites the community to make a submission on the draft Gambling Venues Policy; and
- provides details on how to make a submission.

### Background

The Gambling Act 2003 and the Racing Industry Act 2020, require Council to have both a Class 4 Venue and TAB Venue Policy (previously known as Board Venues). These policies cover the likes of how many venues can provide electronic gaming machines and stand alone TAB venues and where these venues may be located within the District. They may also consider whether to adopt a policy on venues relocation or club merges.

We currently have a separate Gambling Venues Policy and a Board Venues Policy. The Gambling Venues Policy is considered a sinking lid policy as when the gambling machine numbers or venue numbers decrease, no new gaming machines or venues will be approved. The Board Venues Policy on the other hand currently enables one new Board Venue to be established.

Both the Gambling Venues Policy and a Board Venues Policy must be reviewed every three years. When reviewing the gambling policies, Council's must take into account the social impacts of gambling on the local community. A Social Impact Statement was prepared, outlining the impacts of gambling across New Zealand and more specifically in Kawerau District. The Social Impact Statement shows that while both gambling venues and gaming machine numbers have decreased, the expenditure has increased.

While gambling has a place in society as a form of entertainment, employment and community funding, this must be balanced with the harm that it may cause some of our vulnerable community.

While Council is required to adopt a gambling policy, it is the Department of Internal Affairs, who are responsible for issuing venue licences and undertaking the monitoring and enforcement of gambling licences issued. Council's role is solely the implementation of a community-focused policy.

## Reasons for the proposal

A policy review has been undertaken in order to ensure Council complies with legislative requirements and is meeting the objectives of its policies. Our current objectives are to provide a framework for transparent and consistent decision-making and contribute to the well-being of the Kawerau community through reducing the number of electronic gaming machines and class 4 venues and controlling the number of TAB venues.

Upon review, it was identified the current policies have been largely effective with reducing the numbers of gambling venues; however a reduction in social harm was not as evident. The review also identified improvements in the form and content of the policies to enable access to all gambling information in one place and improve clarity.

## Scope of the Policy

The proposed policy only relates to Class 4 Gambling and TAB Venues, it does not cover or control other types of gambling such as Lotto, online gambling or other forms of gambling such as raffles. The Gambling Act 2003 and the Racing Industry Act 2020 sets out what must be included in a policy and the consideration Council may make or include as outlined below.

### Gambling Act 2003

What we must do:

- Specify whether Class 4 venues may be established in the district and where they can be located; and

What we may do:

- Specify any restrictions on the maximum number of gaming machines at a venue; and
- Implement a relocation policy

### Racing Industry Act 2020

What we must do:

- Specify whether TAB venues may be established in the district and where they can be located.

What Council can't do under either policy is:

- Require existing venues to reduce the number of gaming machines; or
- Revoke previous consent given to operate a venue (gambling or TAB)

## Social Impact Assessment

When reviewing gambling policies, we must have regard to the social impact of gambling within the local district. In order to achieve this, a Social Impact Assessment was undertaken covering the national state of gambling and more specifically the Class 4 Gambling conducted within the Kawerau District. Data for the Social Impact Assessment was sourced from the Department of Internal Affairs, the Problem Gambling Foundation, the Ministry of Health and the gaming trusts that operate in Kawerau District.

The social impact assessment of gambling in Kawerau District showed:

- 69% of the population have participated in some form of gambling of which 10.9% participate in Class 4 Gambling and a further 10.9% in sports betting through the TAB.
- The total gaming machine profits generated from Kawerau District in 2023 was \$3,173,811. This equates to approximately \$546.41 per adult over 18 years living in Kawerau.
- A total of \$1,269,524 was available for distribution to the community (although it does not have to go back to the same community it was derived from). Kawerau organisations and community groups received \$640,006 in grants during the same period.
- In June 2024, Kawerau generated the 3<sup>rd</sup> highest gaming machine profits per gaming machine (\$22,250.57).
- 4.5% of New Zealand population have experienced gambling harm.
- The two major risk factors for gambling harm are living in high deprivation areas and ethnicity. Māori and Pacific Islanders are four times more likely to experience gambling related harm.
- Kawerau's Māori population is 62.3%, which is significantly higher than the national average of 17% and places our community at higher risk of gambling harm
- Kawerau's gambling prevalence rate (number of people seeking assistance) has ranged from 0.04% and 0.27% of all persons seeking help between 2018/2019 and 2022/2023. This is equivalent to between 4 to 29 people seeking help for gambling harm. This number is expected to be largely underestimated, as many people do not seek help.
- The density of gambling venues in Kawerau is 6.72 gaming machines per 1000 adults. This is made worse given the gambling venues are located in a high deprivation area (Deprivation rating of 9) and the two venues are close in proximity
- Since 2017, Kawerau has reduced the gambling venues from 4 to 2 and reduced the gaming machines from 54 to 36. During this period, Kawerau has also seen an increase in expenditure going into the gaming machines.
- Gambling is often a harmless form of entertainment which also provides social engagement and interactions and provides employment through venues and the associated Gambling Trusts.

For further details, the Social Impact Assessment is available on the Kawerau District Council website or during the consultation period, a copy will be available at the Kawerau District Council Office or the District Library.

## Options considered by Council

In considering the options, it is relevant to note the current policy has been effective in reducing class 4 venues and gaming machine numbers since implemented, resulting in 2 less venues and 18 less gaming machines since 2017.

It is arguable the current policy has been effective in reducing exposure to gambling through reductions, however the same cannot be said for reducing harm given the increase in funds being spent on gambling in Kawerau.

The options section is broken into two separate areas, the first considering the format of the two policies and the second considering the different policy options.

### Policy Format:

Two options were considered in regards to the format of the gambling policies.

#### Option 1 – Retain two separate policies

This option retains the current position with one policy for each the class 4 Gambling Venues and the TAB Venues.

##### Advantages

This option retains the current practice and will be familiar to those in Kawerau with an interest in this area.

##### Disadvantages

This may create confusion where individuals are not familiar with gambling policies and are unaware where to look for additional policies

May result in actions being taken based on lack of information, due to not locating the information required.

Having two separate gambling policies could create confusion, if unable to locate the information you are seeking.

#### Option 2 – Amalgamate the two separate policies into one Gambling Venues Policy (preferred option)

This option would see all gambling policy statements arranged into one single policy.

Advantages

This option combines all the relevant gambling policy information into one document.

Reduces the possibility of missing relevant information when making decisions relating to gambling.

With the exception of Kawerau, three other Councils in the Bay of Plenty have a single combined policy.

Disadvantages

This moves away from the existing practice in Kawerau and may create some confusion for those that expect to see two separate policies.

Policy Options:

There are three policy options considered in regards to the content of the gambling policies.

Option 1 – Retain the current Gambling Venues and Board Venues Policy without amendments

The current Gaming Venues Policy provides a sinking lid (no more venues or gaming machines are allowed), and also provides a district wide cap of 54 electronic gaming machines. The proposed electronic gaming machine cap essentially has no effect due to the sinking lid policy having reduced the numbers of electronic gaming machines well below the current cap.

The current TAB Venue Policy enables a maximum of one TAB Venue within the central business district.

Advantages:

Consistent approach is maintained.

Reduction of gaming machines is still enabled through natural attrition.

Is consistent with the current policy objectives.

Disadvantages:

This would retain both the sinking lid and the electronic gaming machine cap, which may create some confusion.

Where venue numbers decrease below the current two venues, this may drive gamblers underground or to online gambling, possibly resulting in more rather than less gambling harm, and reduced funding available to the community.

This option may result in reducing available funding for the community.

## Option 2 – Implement a policy based on a sinking lid

The current policy already has a sinking lid policy where Council will not grant consent for any new Class 4 venue or electronic gaming machines. This approach maintains the focus of reducing access to gambling with the objective of minimising gambling harm.

The sinking lid policy would not apply to the maximum number of TAB venues. The reasoning for this is there is no need to restrict the policy to a sinking lid as the current policy enables a maximum of one standalone TAB venue, however no interest has been shown in developing a venue locally.

### Advantages

Maintains a consistent approach to the existing policy.

Updates and removes unnecessary provisions.

Is consistent with the current policy objective to reduce the number of gambling venues and electronic gaming machines.

A similar approach has been taken by four of the five surrounding local Councils.

### Disadvantages

Where venue numbers decrease below the current two venues, this may drive gamblers underground or to online gambling, possibly resulting in more rather than less gambling harm, and reduced funding available to the community.

This option may result in reducing available funding for the community.

## Option 3 – Implement a policy based on a cap of venues and/or electronic gaming machines

Although the current policy includes a cap of 54 electronic gaming machines, this is currently ineffective, as the sinking lid policy has reduced the number of electronic gaming machines to 36, well below the current cap, removing its effectiveness.

This allows the setting of the maximum number of class 4 Gambling venues and electronic Gaming machines.

With only two gambling venues remaining within Kawerau District, this may be an effective means of retaining the current levels by setting the maximum number of venues at 2 and the maximum number of machines at 36. Alternatively, further reduction could be encouraged via natural attrition through setting the maximum number of machines to 27. This enables a new application for a venue where an existing venue closes, however they would only be able to open with a reduced number of 9 electronic gaming machines (reaching the maximum number of electronic gaming machines).

This is an alternative means to reducing the gaming machine numbers while maintaining more than one venue, reducing the risk of a monopoly.

The TAB Venue policy already provides a cap of one venue within the central business district.

Advantages: May be used to maintain or reduce (through natural attrition) the current availability of the gambling venues and electronic gaming machines.

Provides a balance between reducing gambling harm and providing business, employment and entertainment value for the community.

This is not inconsistent with the current policy objectives.

Updates and removes unnecessary provisions.

Disadvantages: This option may result in reducing available funding for the community.

No opportunity to completely remove gambling harm from the community.

#### Option 4 – Remove both the sinking lid policy, and electronic gaming machine cap

Kawerau District only has two class 4 gambling venues, being a reduction from four venues back in 2017. Given the low numbers, Council considered whether removing the restrictions on the number of gambling venues and electronic gaming machines was warranted.

A removal off all restrictions on gambling venues and electronic gaming machines would likely see an increase in gambling venues with limited mechanisms for Council to manage other than setting the areas in which venues may be located (e.g. the central business district).

The removal of all restrictions would not apply to the maximum number of TAB venues based on the current policy enabling a maximum of one standalone TAB venue, however no interest has been shown in developing a venue locally.

Advantages This would allow new operators to apply to Council for consent to establish a new venue.

Additional venues, depending of the overall gaming machine profits, may unlock additional community funding available through gaming trust grant applications.



Additional competition in the market may provide more diversity in electronic gaming machines and jackpots, enhancing player experience and entertainment.

**Disadvantages** This option does not align with the current objective of the gambling venues policy.

This option may see a rise in gambling venues and electronic gaming machines within the district, leading to increased gambling harm.

Council will have limited control over the number of gambling venues within the district but would still be able to determine guidelines for suitable locations for example central business district only.

### Option 5 – Enable relocation of existing venues

This option was considered as a standalone option, however is able to be combined with any of the options outlined above.

The current policy does not allow relocation of gambling venues. However, in some circumstances it may be reasonable to enable the relocation. Examples of this may be fire or earthquake.

**Advantages** This would allow venues to relocate to an alternative site providing they met key requirements.

This option is not inconsistent with the policy objectives.

This option provides a means for Council to support local businesses, without increasing the possibility of gambling harm.

**Disadvantages** Relocation could slow the reduction of gambling venues or gaming machine numbers.

Restrictions on relocation may be seen as restrictive to the development of businesses with existing Class 4 Venues.

Setting of key requirements for relocation (such as civil defence emergency) may be seen as restrictive for the development of businesses with existing Class 4 venues.

## **Our Proposed Changes**

Following a review of the options, while the currently policies have achieved the objective of the policy they contain some inconsistencies. The preferred approach is to combine the two policies into one document and implement a sinking lid policy,



removing the currently redundant cap on electronic gaming machines. The key changes to the policies are outlined below:

- Remove the maximum number of gaming machines;
- Add Council will not grant consent for any additional gaming machines;
- Enable relocation of gambling venues in exceptional circumstances;
- Amalgamate the two separate gambling policies into the one Gambling Venues Policy;
- Update the objectives of the policy;
- Include an introduction to the policy;
- Updating and amend the definitions.

Included in the proposed changes are some minor or technical changes to help improve the structure and clarity of the proposed Gambling Venues Policy. A summary of the changes are outlined below.

## Summary of Proposal

We are recommending the Gambling Venues and Board Venues Policies are incorporated into one Gambling Venues Policy. The amalgamation of the policies has been incorporated into the new Council Policy template, resulting in a significant number of changes. A summarised version of the amendments are outlined in the table below:

<b>Gambling Venues Policy Clause</b>	<b>Key amendments to the existing Board Venues Policy</b>
	Layout
	Title
	Contents
1	Introduction
2	Policy Objectives
3	Scope
4	Definitions
5	Establishing a class 4 venue
6	Maximum

	Number of Gaming Machines	Removed three clauses as they were no longer required.
7	Establishing a TAB Venue	New provisions outlining the maximum number of TAB venues and the available locations
8	Relocating Venues	Replaced clause to allow for relocation Added additional clauses to outline conditions of relocation
9	Applications	Amended to add additional requirements for applications
10	Application Fees	Amended one clause Simplified others to outline fees may be charged to cover costs and will be set annually.
	Schedule	Added map of the Central District Area

## Have Your Say On This Policy

Council is seeking your opinion on the Draft Gambling Venues Policy 2025. Any person or organisation is welcome to make a submission on this policy.

The consultation period for the Draft Gambling Venues Policy 2025 will begin on Friday 14 April and conclude on Friday 16 May 2025.

The Council will take all submissions into account when it decides on the final content of the policy.

Submission forms and copies of the Statement of Proposal are available:

- Online at the Council's website: [www.kaweraudc.govt.nz](http://www.kaweraudc.govt.nz)
- At the Council Office and Library
- By phoning (07) 306 9009 and requesting a copy.

There are many different ways you can tell us what you think.

### Submissions can be made:

**Online:** Visit our website - [www.kaweraudc.govt.nz](http://www.kaweraudc.govt.nz) and use our online submission form.

**Emailed to:** [submissions@kaweraudc.govt.nz](mailto:submissions@kaweraudc.govt.nz)  
Please use subject heading – *Gambling Venues Policy – Submission*

**Posted to:** Kawerau District Council  
Attn: *Gambling Venues Policy – Submission*  
Private Bag 1004  
Kawerau 3169

**Dropped in to:** Kawerau District Council  
2 Ranfurly Court, Kawerau

### Key Dates:

Submissions Open	14 April 2025
Submissions Close	16 May 2025
Proposed Submissions Hearing	11 June 2025
Council Deliberates and adoption (or not) of Proposed Policy	30 July 2025

Please note Kawerau District Council must receive written submissions by **5.00pm** on **Monday 16 May 2025**.

As part of the consultation process your submissions will be copied and made available to the public after the submission period closes.

You will have an opportunity to have your submission heard in person, during the hearing of submissions scheduled to be held on 11 June 2025. When you complete the submission form, please tell us if you would like to be heard. If you wish to speak, we will contact you with a confirmed date and time for the hearing.

Council will contact all submitters who wish to be heard, to confirm time, date and venue of the hearing.

Upon receiving the submissions Council will then deliberate on any changes required and choose whether or not to adopt the Gambling Venues Policy during the Council meeting on 30 July 2025.

If you have any further queries or would like more copies of the Gambling Venues Policy, please contact Council on 07 306 9009.