



STATEMENT OF PROPOSAL

**OPTIONS TO AMEND
BULLER DISTRICT
COUNCIL'S CLASS 4
GAMBLING AND
TOTALISATOR AGENCY
BOARD (TAB) VENUE
POLICY**

Buller District Council

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OPTIONS TO AMEND BULLER DISTRICT COUNCIL'S CLASS 4 GAMBLING AND TOTALISATOR AGENCY BOARD (TAB) VENUE POLICY

Gaming machines or 'pokies' in pubs and clubs are classified as 'Class 4' gambling. Every Territorial Authority (Council) in New Zealand must adopt a policy on Class 4 gambling venues, and that policy must be reviewed every three years.

Buller District Council's Class 4 Gambling and Totalisator Agency Board (TAB) Venue Policy 2018 is currently under review. During this review Council will consider options to amend the policy. We are seeking feedback from the community on proposed options for:

- Number of gaming machines in the district
- Number of venues in the district
- Venue location – both Gambling Venues and Board (TAB) venues
- Number of gambling machines per venue
- Relocation of licenses to other venues.

This Statement of Proposal has been prepared in accordance with section 83 of the Local Government Act 2002. It includes information about the review process and on the proposed options which the Council will consider to amend the policy.

MAKING A SUBMISSION

The consultation period is between the 24 July and 21 August 2023. There are several ways you can find out more about the review of the Class 4 Gambling and Totalisator Agency Board (TAB) Venue Policy

- Download the Statement of Proposal and the current Class 4 Gambling and Totalisator Agency Board (TAB) Venue Policy 2018 from Council's website.
- Consultation Documents and submission forms can be collected from Council's offices and libraries in Westport and Reefton, i-Sites, and Resource Centres across the district.
- Make a submission online through Council's website.
- Download the submission form from Council's website and drop it off at Council's offices in Westport and Reefton or send them to Buller District Council, PO Box 21, Westport 7866.

You can request copies or ask questions by sending an email to info@bdc.govt.nz with the subject **Gambling Policy**.

The next stages are:

- After the consultation period has finished, Buller District Council will hold a hearing where members of the public who have made a written submission can choose to speak to their submission.
- Council will deliberate and decide about whether or not to amend the current policy.

BACKGROUND

Introduction

The Buller District Council, under the Gambling Act 2003 and the Racing Industry Act 2020, must have a Class 4 Venue and Board (TAB) Venue Policy. Although there are several types of gambling available in the District including Lotto, scratch tickets, and – increasingly - internet gambling, the Council only has regulatory powers with regard to Class 4 gambling machines (also called pokies), Class 4 gambling Venues, and Board (TAB) Venues (stand-alone TABs).

The Class 4 Gambling and Totalisator Agency Board (TAB) Venue Policy 2018 focuses on non-casino gaming machines (pokies) and Board (TAB) Venues (stand-alone TABs). It specifies the circumstances under which gaming machine venues may be established in the District and specifies the maximum number of gaming machines that may be operated at that venue. The Policy also determines how and under what circumstances new stand alone TABs may be established in the District.

The under Section 3 of the Gambling Act 2003 the purpose of the Act is outlined. Some of these objectives can be used to guide council in the making of the policy regarding gambling venues. In particular the following are included in the purposes of the ACT:

- Control the growth of gambling
- Prevent and minimise harm from gambling, including problem gambling
- Facilitate community involvement in decisions about the provision of gambling

The current policy is under review and Council is taking the opportunity to ask the community for their opinion on how gambling and TAB venues should be managed in the future. The options available are around the following questions:

- Number of gaming machines in the district
- Number of venues in the district
- Venue location – both Gambling Venues and Board (TAB) venues
- Number of gambling machines per venue
- Relocation of licenses to other venues.

What are Class 4 Gambling Venues?

Class 4 gambling venues are places outside of casinos (usually pubs, restaurants or clubs) where electronic gaming machines (EMGs), i.e. pokies, are operated.

What are Board (TAB) venues?

A Board (TAB) Venue is any premises owned or leased by the New Zealand Racing Board and where the main business carried out is providing racing-betting or sports-betting services. These are standalone venues and do not include TAB outlets or agencies that are additional activities of a bar or hotel, such as self-service TAB terminals.

How is gambling controlled in New Zealand?

The oversight of Class 4 Gambling venues and TAB venues sits with the Department of Internal Affairs (DIA) which is responsible for the licensing of operators. The DIA also regulates, audits and investigates all types of gambling activity.

Councils are responsible for issuing consents to venues that wish to provide Class 4 or TAB gambling services.

Council Gambling and TAB venue policies specify:

- where new Class 4 venues and TAB venues may be located; and
- the number of machines that can operate in the venue.

Venue policies cannot take away licences that have already been granted.

Class 4 gambling and TAB operators must hold both an operator's and a venue license.

Buller District Council's current policy

The main purpose of the current policy is to manage the establishment of Class 4 gambling and TAB venues to minimise the adverse effects of gambling on the Buller district.

Where venues may be established:

Buller District Council's current policy places restrictions on the type of premises that new Class 4 gambling and TAB venues may be established being as follows:

- The primary activity of the premises being onsite entertainment, recreation, or leisure focused on persons 18 years and over; and
- The premises being authorised under the Sale of Liquor Act 1989 to sell and supply liquor for consumption on the premises.

Maximum Number of Gaming Machines:

A maximum number of gaming machines set per venue with those venues licenced after 2001 being limited to nine gaming machines.

Applications and public submissions:

Applications for gambling and TAB facilities must be made to council and these applications are available for the public to make submissions on. A hearing will be held if submitters wish to speak to submissions and council will consider all submissions. Council will consider factors such as the characteristics of the district, location of community facilities (e.g. schools and early childhood centres) and the cumulative effects of any other nearby venues.

Current Situation:

As of March 2023 in Buller District there are a total of 72 Electronic Gaming Machines (EGMs) spread across 8 separate venues. There are five venues in Westport (53 EGMs), two venues in Reefton (15 EGMs) and one venue in Karamea (4 EGMs).

Social Impact Indicators and Consideration

Policy reviews must have regard to the social impact of gambling within the District. Gambling has both positive and negative impacts. Positive impacts mainly relate to recreational and community funding benefits, and negative to gambling expenditure and problem gambling costs.

There are three main groups or areas to consider:

- the groups and organisations that benefit from class 4 gambling by way of grants from gaming societies;
- the populations that are disproportionately harmed by gambling, and
- the economic and entertainment benefits for the community.

An overview of the current situation in the community in regard to the above matters is attached as Attachment 1.

It includes information on:

- Electronic Gaming Venues and Machines
- Gaming Machine Proceeds (GMP)
- Socioeconomic deprivation
- Support Services uptake
- Grants

In summary the following has been identified:

- The population of Buller has a relatively high exposure rate to gambling opportunities, particularly in Westport and Reefton.
- Over time gaming machine profits have increased but at a rate considerably lower than the national figure
- The decrease in the number of machines and increase in profits indicates that players are spending longer hours playing gaming machines, betting more per game or more players are playing pokie machines
- Sports groups in particular benefit from grants from the gambling trusts in Buller

- Buller has an extremely high level of socioeconomic deprivation and all current venues are located in areas with a level of 9 or 10.
- The number of people seeking help from gambling harm advice service providers has increased rapidly in recent years.

POLICY REVIEW:

Matters for consideration:

Council has a number of matter to consider and evaluate for effectiveness while taking into account the social impact of ambling and also the overall objective to prevent and minimise harm from gambling in the community.

Under the Gambling Act 2003, Council's policy:

- Must specify whether or not Class 4 venues may be established and, if so, where they may be located within the District;
- May specify any restrictions on the maximum number of gaming machines that may be operated at a venue, and;
- May include a relocation policy.

The Gambling Act 2003 sets a maximum number of nine machines for new venues. Council is able to set a lower limit through its policy. Council cannot close Class 4 gaming venues.

Under the Racing Industry Act 2020, Council's policy:

- Must specify whether or not new TAB venues may be established and, if so, where they may be located within the District

Issues to be addressed in the Policy:

There are a number of issues which need to be addressed in the policy. Council has been looking at various options to address each of these issues and are seeking the community's input through submissions into the final decision.

- Number of gaming machines in the district
- Number of venues in the district
- Venue location – both Gambling Venues and Board (TAB) venues
- Number of gambling machines per venue
- Relocation of licenses to other venues

Number of Gaming Machines Allowed in the District	
Option a.	
Status Quo	Currently there is no limit on the number of venues in the District. Applications are received and considered on their merits and are evaluated on the matters set out in the Policy in Key Issue three.
Analysis	
<p>This approach allows for venues to be established provided applications are successful. Whilst the cumulative effects of additional opportunities to gamble in the district is one of the matters for consideration it is just one of the matters for consideration nor is it prioritised. The community has no indication of how many venues could be established in the district. Given the district's socioeconomic deprivation level it also likely increases the risk of harm to vulnerable members of the community.</p> <p>It is enabling for businesses and allows for growth in the positive outcomes of gambling including entertainment opportunities, economic benefits for local business and the availability of funding.</p>	
Option b.	
Set a cap - limit the number of gaming machines across the district	Some councils have policies which limit the number of machines in their areas. This is usually based on the size of the adult population and a ratio. The ratio can be the national average (36 machines per 10,000 adult population) or another figure. Some limits are set at the total of machines at the time the policy was introduced, in this case 72.
Analysis	
<p>This policy gives both businesses and the community reassurance regarding the future opportunities for gambling machines in the district.</p> <ul style="list-style-type: none"> • Having a cap at the national average would limit the number of machines to 36 per 10,000 adults which would bring the actual number permitted well below the current number operating. It would effectively be a sinking lid policy until that number was reached. • Limiting the number to 72 would mean that no new machines were permitted unless the number of machines in the District dropped. 	

Option c.	
Sinking Lid	No new gaming machines permitted
Analysis	
<p>This approach provides the most effective way to reduce gambling harm by not allowing for the replacement of any machines going forward, regardless of the total number in the District. It may have some negative impact on the benefits of gambling such as employment, social entertainment, and funds available from trusts.</p>	

Number of Venues in the District	
Option a.	
Status Quo	No limit (Key Issue 1)
Analysis	
No limit on the number of venues however each application would be assessed against the criteria in the policy.	
Option b.	
Set a cap on number of venues	The cap could be the current number (8) or the national average of 2.6 venues per 10,000 adult population (currently Buller has an average of 10 venues per 10,000 adult population)
Analysis	
A cap on the number of venues would limit the number of gambling venues available to the community. If the national average cap was put into place it would effectively be a sinking lid policy until the number had been reached. By itself it will not reduce the possible number of machines in the district. It could also limit local businesses opportunities to operate as gambling venues as it may become uneconomic to operate with fewer machines	
Option c.	
Sinking lid	Prevent new gaming machine venues from opening and no venue replaced
Analysis	
This option would reduce the number of venues over time and prevent new venues from opening. It would mean there were no further local businesses opportunities to operate as gambling venues.	

Venue Location – Both Gambling Venues and TAB	
Option a.	
Status quo	No detailed restrictions stated (Key Issue 3) but includes general references to sensitive sites such as schools
Analysis	
<p>Existing guidance does not provide any certainty for the applicant, the submitter or the community. Some of the matters for consideration are set out but no specifics are given. Under the Act, the Council must have regard to the location of kindergartens, early childhood centres, schools, places of worship and other community facilities when considering the location of Class 4 venues, as well as the general characteristics of the District.</p>	
Option b.	
Limit venues to commercial areas with buffer zones	This would limit the establishment of new venues to commercial areas where pubs and clubs are usually located. It would also include a 50m 'buffer zone' around established sensitive uses (kindergartens, early childhood centres, schools, places of worship, and other community facilities such as marae)
Analysis	
<p>The intention of this limitation is to prevent the normalisation of gambling for children, limit cultural offence, and reduce the potential of gambling related harm. Research has shown that living in close proximity to gambling venues increases the potential for problem gambling. Location restrictions might be considered to be more effective than reducing machine numbers to achieve these outcomes or add to the effectiveness if used in combination.</p>	
Option c.	
Sinking Lid	No further venues regardless of location
Analysis	
<p>Any reference to location would be redundant as no new venues would be permitted nor would any venues have the opportunity to apply to relocate.</p>	

Number of Gaming Machines Allowed per Class 4 Gambling venue	
Option a.	
Status Quo	Maximum number : <ul style="list-style-type: none"> • Licenced after 17 October 2001 – 9 • Licenced before 17 October 2001 - 18
Analysis	
<p>This approach reflects the Gambling Act 2003, Sections 92 and 93. It gives both operators and the community certainty around the number of machines that will be permitted and complies with the Act.</p>	
Option b.	
Set a cap - limit the number of gaming machines per venue	Some councils have policies which specifically limit the number of machines per venue. Some limit the number of machines to a lesser number (e.g. 4) than that allowed under the Act for a specific period, such as 6 months to give Council an opportunity to review the venue operation prior to the allowing the maximum number of 9.
Analysis	
<p>A limit lower than that permitted under the Act lessens the exposure of at risk individuals to gambling opportunities however in itself, without a maximum number of machines and venues across the district it would seem to do little to assist. It could, without the other restrictions, lead to gambling opportunities being available across more venues. Providing for a lower number in the establishment period would seem unnecessary the DIA oversees all licences and compliance.</p>	
Option c.	
Sinking Lid	No new gaming machines permitted
Analysis	
<p>This approach provides the most effective way to reduce gambling harm by not allowing any new machines. It may have some negative impact on the benefits of gambling such as employment, social entertainment, and funds available from trusts.</p>	

Relocation of existing venues	
<p>The Council is legislatively required under the Gambling (Gambling Harm Reduction) Amendment Act 2013 to consider whether to include such a clause. The purpose of the clause would be to clearly set out when the Council would grant consent for a Class 4 Venue in cases where the venue is intended to replace an existing Class 4 Venue. The current policy has no reference to relocation of venue.</p>	
Option a.	
Relocation allowed	This option would allow any current Class 4 Venues to relocate, as long as the new venue was within a location permitted under the Policy
Analysis	
<p>This option would enable current businesses to continue operating their machines, potentially in a more financially viable venue. However it will not reduce the number of machines in the District</p>	
Option b.	
Relocation only allowed in certain circumstances	<p>Relocation would be treated as an application for a new venue under certain circumstances:</p> <ul style="list-style-type: none"> • The current venue must be relocated due to extenuating circumstances such as (but not limited to) fire or natural disaster. • The current venue is located outside of a permitted area for new venues, and is proposing to relocate into a permitted area
Analysis	
<p>This option is intended to potentially assist in decreasing the number of gaming machines in the district, consistent with the general approach of the policy. However, it also provides for local businesses that are experiencing extenuating circumstances and encourages certain current venues to relocate to more desirable areas without being penalised.</p>	
Option c.	
Sinking Lid	No venues permitted to relocate
Analysis	
<p>If a venue ceased to operate, regardless of the circumstances, the number of machines previously operating in that venue would not be able to be relocated elsewhere.</p>	

SOCIAL INDICATORS OVERVIEW AND ASSESSMENT

Where are we now:

The matters outlined below are considered to be indicators of the level of risk that residents experience in relation to the problems that gambling can pose. These problems include financial strain, family problems and social harm.

Please note: Unless otherwise stated the following data tables been compiled for Buller District by the data science company DOT as part of the Buller District Council Community Compass data set. They use data from many sources to provide a picture of what is happening in the district.

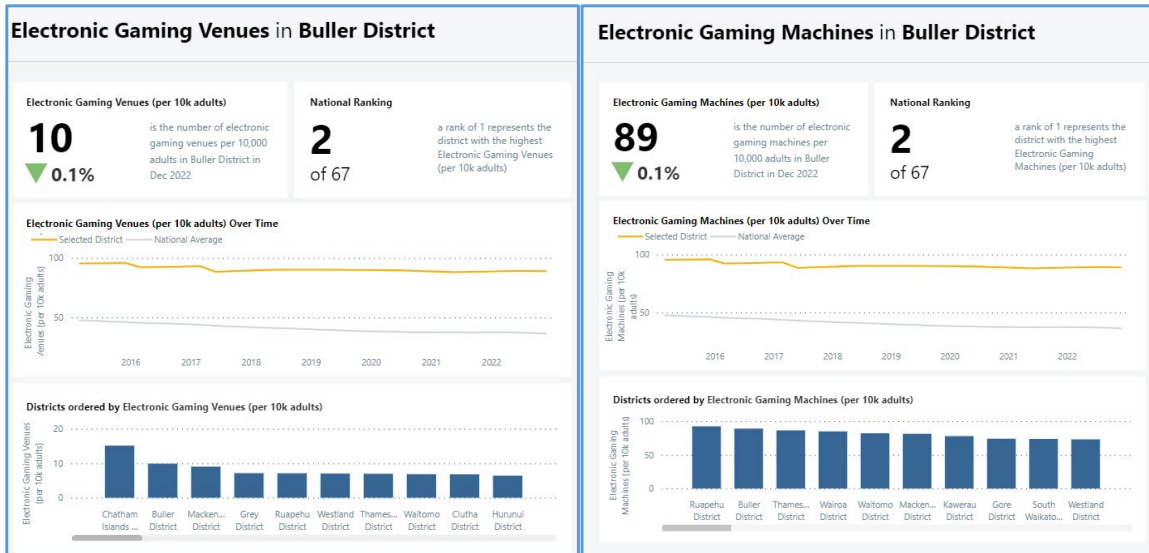
Please note that the information provided below is based on an estimated total population as at September 2021 of 9,665. The figures used are based on the estimated calculations per 10,000 (10K) adult (18 years plus) people to allow for comparisons to be made between other communities and New Zealand as a whole. They are the most recent figures available being December 2022.

Electronic Gaming Venues and Machines in Buller District

The density of gaming machines is important because research has shown that the more opportunities there are to gamble, the more at risk the community can be of experiencing gambling related harm. Gambling density comprises of two components:

- Number of gaming machines per person; and
- Expenditure per person.

Electronic Gaming Venues and Machines in Buller District per 10K adults:

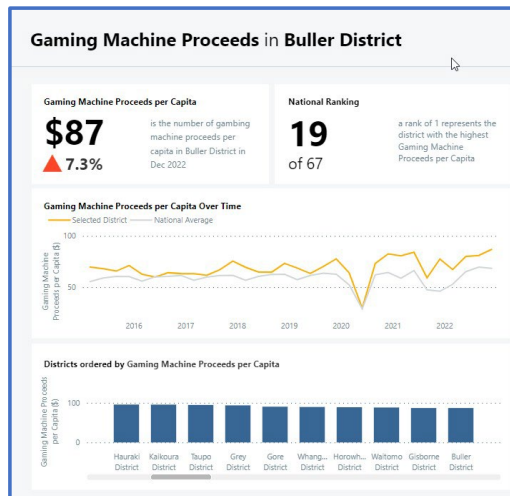


Buller District has the second highest number of both gaming venues and gaming machines in New Zealand. The National Average for Gaming Venues is 2.6 per 10K adults and for Gaming Machines it is 36.4 per 10K adults. Comparing Buller with similar districts Westland District is ranked 6th with 7 Gaming Venues and 10th with 73 machines per 10K adults.

These figures indicate that Buller District residents have a much greater exposure to Class 4 gambling than the national population.

Gaming Machine Proceeds (GMP)

These figures show the amount of money lost by individuals through electronic gaming machines over a given period divided by the adult population (over 18 years old). The DIA monitors every gaming machine electronically; therefore expenditure data on gaming machines is accurately recorded and attributed.



In December 2022 the national average was \$68 and by comparison in Westland District it was \$64. With a figure of \$87 Buller District ranks 19th out of the 67 local authorities in New Zealand.

From the March 2015 to December 2022 quarters, GMP for Buller District increased by a total of \$125,864 or by 21.8% compared to New Zealand as a whole which increased by 41.1%.

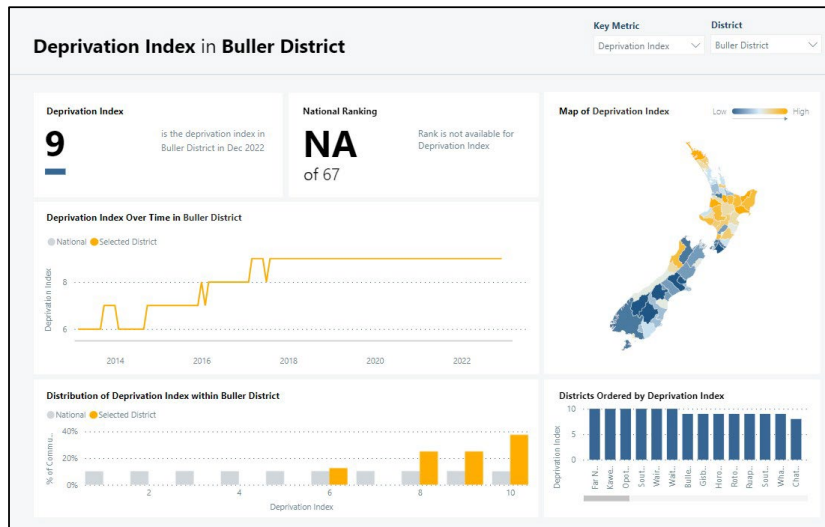
The DIA have calculated the GMP for Buller District in the year to December 2022 to be a total of **\$2,545,217.43** .

Socioeconomic deprivation:

Approximately 50% of all EGM venues in New Zealand are clustered in geographic areas representing the three most socioeconomically deprived populations (ie, poorest areas of the country, those with the highest deprivation scores of 8 to 10). In economic terms, these are the groups who can least afford the financial losses from gambling, who experience the lowest returns from gambling proceeds to their communities, and who can least afford the health harm arising from risky gambling activity (Problem Gambling Foundation, Fact Sheet 01/Dec 2019).

The Health and Lifestyles Survey 2016 found that gambling harm is experienced disproportionately by those living in areas with a high New Zealand Deprivation index score (8/10 or higher), who were 4.5 times as likely to experience gambling-related arguments or money problems related to gambling. (<https://www.hpa.org.nz/research-library/research-publications/new-zealanders-participation-in-gambling-results-from-the-2016-health-and-lifestyles-survey>)

Deprivation Scores for populations in NZ are based on Census variables around Employment, Crime, Housing, Health, Education and Access to Services. The resulting scores range from 0 (lowest level of deprivation) to 10 (highest level of deprivation).



Each of the communities (Statistical Areas level 2 or SA2) identified in the census in Buller District has been ranked using the variables identified. The score for the district overall is 9. Based on this information the majority (87%) of Buller District has been classified as having a deprivation score of between 8 and 10. These scores are high and place Buller 8th out of 67 local authority areas.

All the venues and EGMs are located in Westport, Reefton and Karamea which have scores of either 9 or 10 on the index.

Support Services:

To address the potential ‘harms’ of gambling there are a range of problem gambling service providers across New Zealand, some of which specifically target ethnic groups most at risk from harm (Māori, Pacific Island and Asian).

Funding for the development and implementation of problem gambling intervention services in New Zealand comes from the problem gambling levy, which is collected from gambling proceeds by the Inland Revenue Department. The Ministry of Health (MoH) is charged with funding and coordinating intervention services which are then delivered by a range of service providers by contractual agreement. In addition, the Gambling Helpline is available 24 hours a day, 7 days a week.

The Ministry of Health provides Intervention client data which represents the number of clients who have received gambling harm treatment services and who have identified to the service provider a primary problem gambling mode causing them harm.

This data shows that for the years from July 2004 and to June 2020 between 1 and 6 clients were assisted in Buller District each year however for the period July 2020 to June 2021 that number jumped to 54 and for July 2021 to June 2022 the number of clients was 81.

This latest statistic represents **.84%** of all clients assisted in New Zealand in 2021/2022, the

population of Buller District makes up only **.18%** of the total New Zealand population.

Grants to Buller:

The major benefit of Class 4 gambling to the community is in the form of grants. Pokie trusts must pay the current minimum of 40% of GMP to community groups New Zealand wide in the form of authorised purpose grants. These are meant to benefit the community by funding non-profit organisations.

Authorised purposes include amateur sport, charity, non-commercial purposes with community benefits, and the operation of racing. The table below shows grants made from 2019 to June 2022 by general category. In total \$1,094,969 was granted to Buller organisations in this period.

Category 1	2019	2020	2021	2022 (Jan - June)
Sport	\$212,630	\$127,379.36	\$199,734.05	\$331,522.7
Community	\$52,279	\$10,999.5	\$33,681.39	\$67,526.4
Health / Welfare / Rescue Services	\$15,964	\$9,797	\$3,500	
Research and Education	\$3,000	\$1,912.56	\$7,000	\$5,072.38
Arts and Culture		\$8,689		
Unspecified				\$4,282.06

Details of which groups received grants can be found on the [granted.govt.nz](https://www.granted.govt.nz) website (<https://www.granted.govt.nz/dashboard.html>).

Sport is the biggest recipient of grants – with Buller Rugby Union receiving the greatest proportion by some way with a total of \$236,256 over the period. Buller Basketball Association received \$65,210 and Reefton Trotting Club received \$50,000 over the same period.

In the years 2019 to 2021 the return of GMPs directly to the Buller area is outlined below:

Year	GMP	Grants (granted.govt.nz)
2019	\$2,235,480	\$283,873
2020	\$2,006,951	\$158,776
2021	\$2,418,000	\$243,915
TOTAL	\$6,660,431	\$686,564

Over this period of time the return of Buller generated GMP to the Buller community directly was **10.3%**. Distribution to national or regional groups will also benefit people in our community who need or use the services these organisations provide locally. Unfortunately, this figure would be almost impossible to calculate.