

## OVERVIEW | *Whakarāpopototaka*

This Class 4 Gambling and TAB Venue Policy (the Gambling Policy) aims to provide an informative reference document for applicants, the community, and Council staff.

## CONTENTS | *Rāraki take*

|   |   |
|---|---|
| 1. Introduction .....   | 2 |
| 1.1. What does the Queenstown Lakes District Council (QLDC) do? ..... | 2 |
| 1.2. Purpose of the policy .....                                      | 2 |
| 1.3. Background .....   | 2 |
| 1.4. Objectives .....   | 4 |
| 2. Interpretations .....  | 4 |
| 3. Strategic Alignment .....  | 5 |
| 4. Venue Criteria .....   | 5 |
| 4.1. Location .....   | 6 |
| 4.2. Primary Activity of Venue .....                                  | 6 |
| 4.3. Other Considerations .....                                       | 6 |
| 4.4. Maximum Permitted Electronic Gambling Machines (EGM's) .....     | 7 |
| 5. Venue Relocation .....   | 7 |
| 6. Application .....  | 8 |
| 7. Fees .....   | 8 |
| 8. Application Outcome .....  | 8 |
| 9. Policy Review Requirements .....                                   | 8 |
| 10. Commencement of Policy .....                                      | 9 |

## 1 INTRODUCTION | *Whakatakika*

We aspire to be a community that holds true to the values that collectively define what is unique about Queenstown Lakes District – our home.

### 1.1 WHAT DOES QUEENSTOWN LAKES DISTRICT COUNCIL (QLDC) DO?

QLDC is responsible for the administration and regulation of a wide range of functions across the district. These functions and QLDC's duties are provided for by a suite of legislation and include promoting, monitoring and enforcement.

The purpose of these functions is to protect the public, the environment and community groups.

The relevant legislation includes:

- Local Government Act 2002 (LGA)
- Resource Management Act 1991 (RMA)
- Building Act 2004 (BA04)
- Sale and Supply of Alcohol Act 2012 (SSAA)
- Bylaws, Council Plans and Regulations
- Racing Industry Act 2020 (RA)
- Gambling Act 2003 (GA)

### 1.2 PURPOSE OF THE POLICY

- Limit the opportunities for gambling in the community.
- Manage the impacts of gambling in the community.

### 1.3 BACKGROUND

Territorial authorities are required to adopt and review a gaming venue policy. The policy must state whether class 4 gaming venues or TAB venues can be established in an area and if so, where.

This sets out the general principles that guide QLDC, applicants and the general public in relation to new and amendment gambling consents and balancing harm reduction requirements under the GA and RA.

The policy may include restrictions on a maximum number of EGM in a venue, whether or not to include a relocation policy, and whether or not to restrict the number of EGM on one site should two or more clubs' merge.

Councils' obligations under sections 101 of the GA and 96 of the RA are:

## **101 Territorial authority must adopt class 4 venue policy**

- (1) A territorial authority must, within 6 months after the commencement of this section, adopt a policy on class 4 venues.
- (2) In adopting a policy, the territorial authority must have regard to the social impact of gambling within the territorial authority district.
- (3) The policy—
  - (a) must specify whether or not class 4 venues may be established in the territorial authority district and, if so, where they may be located; and
  - (b) may specify any restrictions on the maximum number of gaming machines that may be operated at a class 4 venue; and
  - (c) may include a relocation policy.
- (4) In determining its policy on whether class 4 venues may be established in the territorial authority district, where any venue may be located, and any restrictions on the maximum number of gaming machines that may be operated at venues, the territorial authority may have regard to any relevant matters, including:
  - (a) the characteristics of the district and parts of the district:
  - (b) the location of kindergartens, early childhood centres, schools, places of worship, and other community facilities:
  - (c) the number of gaming machines that should be permitted to operate at any venue or class of venue:
  - (d) the cumulative effects of additional opportunities for gambling in the district:
  - (e) how close any venue should be permitted to be to any other venue:
  - (f) what the primary activity at any venue should be.
- (5) A **relocation policy** is a policy setting out if and when the territorial authority will grant consent in respect of a venue within its district where the venue is intended to replace an existing venue (within the district) to which a class 4 venue licence applies (in which case section 97A applies).

## **96 Territorial authority must adopt TAB venue policy**

- (1) A territorial authority must adopt a policy on TAB venues.
- (2) In adopting a policy, the territorial authority must have regard to the social impact of gambling within the territorial authority district.
- (3) The policy must specify whether or not new TAB venues may be established in the territorial authority district and, if so, where they may be located.
- (4) In determining its policy on whether TAB venues may be established in the territorial district and where any TAB venues may be located, the territorial authority may have regard to any relevant matters, including—
  - (a) the characteristics of the district and parts of the district:
  - (b) the location of kindergartens, early childhood centres, schools, places of worship, and other community facilities:
  - (c) the cumulative effects of additional opportunities for gambling in the district.

The two policy requirements are consolidated into the Class 4 Gambling and TAB Venue Policy.

Where a special consultative procedure is a requirement, section 83A of the LGA permits more than one special consultative procedure to be carried out at the same time.

The Department of Internal Affairs (DIA) regulate all gambling licences. As part of the gambling licence application process, societies seeking to establish a class 4 gambling venue or a TAB venue, must obtain consent from the local territorial authority in accordance with sections 98 of the GA and 95 of the RA.

## 1.4 OBJECTIVES

QLDCs principal objectives are:

- Prevent and minimise harm to the community caused by gambling.
- Control and manage the growth of gambling in the district.
- Restrict the locations of gambling venues within the district.
- Facilitate community involvement in decisions about the provision of gambling.
- Ensure that money from gambling benefits the community.
- Ensure QLDC and the community have an influence over the delivery and location of new gambling venues in the district.

## 2 INTERPRETATION | *Whakamaoritanga*

The following definitions are relevant to this policy:

**Chief executive** means the chief executive of the department for the time being responsible for the administration of the GA

**Class 4 gambling** has the meaning given by section 30 of the GA

**Class 4 venue** the GA categorises gambling activities according to their intensity and potential for harm. Class 4 gambling (non-casino gaming machines) is the highest risk form outside of a casino. Racing and sports betting, which are covered by the Racing Industry Act 2020, do not fall within this classification system.

**Gambling** has the meaning set out in section 4 of the GA

**Gaming machine** refers to class 4 non-casino gaming machine or Electronic Gaming Machine (EGM)

**Harm** has the meaning set out in section 4 of the GA

**Licensed premises** means any premises for which an alcohol licence is held

**Minister** means the Minister of the Crown who, with the authority of the Prime Minister, is for the time being responsible for the administration of the GA

**Relocation Policy** has the meaning set out in section 101(5) of the GA

**Residential area** means any residential area/s described under the Operative District Plan and Proposed District Plan within the Queenstown Lakes District

**Secretary** means the Secretary for Internal Affairs

**Society** is a Corporate Society as defined under the GA. It is a not-for-profit organisation that may undertake class 4 gambling

**TAB venue** means premises owned or leased by TAB NZ and where the main business carried on at the premises is providing racing, betting, sports betting, or other racing or sports betting services under the RA

**Tavern** is defined under the Sale and Supply of Alcohol Act as a premises that principally provides alcohol and other refreshments to the public but does not include an airport bar.

**Territorial authority** –

- (a) has the same meaning as in section 5(1) of the Local Government Act 2002; but
- (b) does not include the Minister of the Crown who is, for the time being, responsible for that Act

**Territorial authority consent** means consent granted by a territorial authority under section 100 of the GA and 95 of the RA.

**Working day** as defined under the LGA, **means any day of the week other than -**

- (a) Saturday, Sunday, Waitangi Day, Good Friday, Easter Monday, Anzac Day, the Sovereign's birthday, Te Rā Aro ki a Matariki/Matariki Observance Day, and Labour Day; and
- (b) if Waitangi Day or Anzac Day falls on a Saturday or a Sunday, the following Monday; and
- (c) the day observed in the appropriate area as the anniversary of the province of which the area forms a part; and
- (d) a day in the period commencing with 20 December in any year and ending with 10 January in the following year.

## 3 STRATEGIC ALIGNMENT | *Te Whakarite Rautaki*

The Local Government (Community Well-being) Amendment Act 2020 amended the purpose of local government to promote the social, economic, environmental and cultural well-being of communities in the present and for the future. This policy has been written in alignment with the four wellbeing principles and QLDC's key strategic document, **Vision Beyond 2050**. In particular, the policy's objectives align with the vision statements of '**Thriving People**' whereby our services promote and support health and wellbeing for all, and '**Pride in Sharing our Places**'.

This policy also contributes to the following community outcomes as outlined in QLDC's Ten-Year Plan 2018-28:

- Appropriate public access; and
- Communities are inclusive for all.

## 4 VENUE CRITERIA | *Paearu Whare*

The provisions of this policy permit the establishment of class 4 gambling and TAB venues in the district under sections 101 of the GA and 96 of the RA.

The following criteria must be considered:

- Location
- Primary Activity of the Venue
- Other Considerations; and
- Maximum Permitted Electronic Gaming Machines

## 4.1 LOCATION

- Proposed new venues are not permitted in any residential area.

The following may also be considered when assessing the location of gaming venues:

- Proposed new venues are not to be located within 50 metres or adjacent to any school, early childhood centres, Kindergartens, pre-schools, places of worship or any other community facilities.
- New venues are not to be located within 50 metres of an existing gambling venue so that the concentration of gambling venues in a particular location is limited.

## 4.2 PRIMARY ACTIVITY OF THE VENUE

New gambling venues may only be established if the primary activity of the venue is one of the following:

- A venue that holds a tavern style on-licence issued under the Sale and Supply of Alcohol Act.
- TAB venue as defined under section 5 of the Racing Industry Act 2020 and in the Interpretations section of this policy.

## 4.3 OTHER CONSIDERATIONS

QLDC must have regard to the social impact of gambling with the district and may have regard to the following:

- The cumulative effects of additional opportunities for gambling in the district.
- The activity of the venue must not be associated with family or children's activities.
- Electronic gaming machines (EGM) must not be visible from outside the licensed venue or visible to underage persons within the venue.
- Signage regarding gambling activity, such as the presence of gaming machines, prizes or jackpots gained from gaming machines must comply with relevant legislation, district plan guidelines and council bylaws.

## 4.4 MAXIMUM PERMITTED ELECTRONIC GAMBLING MACHINES (EGM'S)

Section 92 – 97A of the GA restricts the number of gaming machines a society can operate in a gambling venue.

Under a policy, these numbers can be restricted further. In the Queenstown Lakes District, the following maximum numbers apply:

- All new Class 4 Gambling Venues may operate a maximum of no more than nine (9) gaming machines.
- Venues with a gambling licence issued after 17 October 2001 and operate less than nine (9) gaming machines may be permitted to increase that number to nine (9).

## 5 VENUE RELOCATION | *Te Nuku Waahi*

When a relocation of class 4 gaming machines to another venue is sought under this relocation provision, the effects of the relocation are stated under section 97A of the GA as:

### 97A Effect of relocation

- (1) This section applies when—
  - (a) a territorial authority has adopted a relocation policy (as defined in section 101(5)); and
  - (b) in accordance with that policy, the territorial authority grants consent in respect of a venue (the **new venue**) to replace an existing venue (the **old venue**); and
  - (c) a new class 4 venue licence is granted in respect of the new venue.
- (2) When this section applies,—
  - (a) the Secretary must cancel the class 4 venue licence that relates to the old venue, in which case—
    - (i) the cancellation takes effect on the date on which the new class 4 venue licence takes effect; and
    - (ii) there is no right of appeal against the cancellation; and
  - (b) despite section 100(1)(b)(i), the maximum number of gaming machines permitted to operate at the new venue at the time when the new class 4 venue licence takes effect is the same as the maximum number of gaming machines permitted to operate at the old venue immediately before the licence relating to the old venue is cancelled; and
  - (c) for the purposes of this Act,—
    - (i) if the old venue was a venue to which section 92 applied, the new venue must be treated as a venue to which section 92 applies; and
    - (ii) the old venue must be treated as if no class 4 venue licence had ever been held by any society for that venue (which means that, under section 98, consent will be required for that venue if a class 4 venue licence is subsequently applied for in relation to it).

A relocation consent may be issued by QLDC in the following circumstances:

- The new venue is intending to replace an existing venue within the district;
- The new venue owner consents to the relocation;

- The current venue operator consents to the relocation; and
- The proposed new venue location meets all requirements set out in this policy.

## 6 APPLICATION | *Tono*

An application for territorial consent under sections 99 of the GA and 94 of the RA must be made on the approved form. An application must provide:

- Name and address details for the applicant society;
- Physical address of the proposed class 4 venue or TAB venue;
- The names of management staff trained on the gambling policy;
- Evidence of how the separation of gambling areas from non-gambling areas will be achieved;
- TAB venue: evidence that the proposed venue meets the definition of a TAB Venue;
- Class 4 venue: a copy of the current alcohol on-licence for the premises; and
- Landlord approval for gambling to take place on the proposed premises.

## 7 FEES | *Utu*

An application fee of \$500 must be paid at time the application is made to council. This fee will need to be set in accordance with the principles and procedures of Consultation set out under sections 82 and 83 of the Local Government Act 2002. This proposal to charge a fee, and the fee itself, is reasonable and defensible as it contributes to the following costs:

- The processing of an application;
- The triennially reviewing the Class 4 Gambling and TAB venue policy;
- The triennial assessments of the economic and social impact of gambling in the Queenstown Lakes District.

## 8 APPLICATION OUTCOME | *Putanga Tono*

Application for territorial consent is considered by the Community and Services Committee.

Under section 100(3) of the GA, the determination of a territorial consent must be provided to the applicant within 30 working days after the date of receipt of the application.

Under section 95(2) of the RA, the determination of a territorial consent must be provided to TAB NZ and the chief executive within 30 working days after the date of receipt of the application.

## 9 POLICY REVIEW REQUIREMENTS | *Hereka o te Arotake Kaupapa*

Once the Class 4 and TAB Gambling Venue Policy has been amended, replaced or adopted, a copy must be provided to the Secretary as stated under 102(4) of the GA and to TAB NZ and the chief executive as stated under 97(3) of the RA.

The policy is required to be reviewed every three years as stated under section 102(5) of the GA and 97(4) of the RA.

## 10 COMMENCEMENT OF POLICY | *Te Timatanga o Te Kaupapa Here*

The Class 4 Gambling and TAB Venue Policy 2024 will take effect from the date of Council's resolution to adopt.

The Class 4 and TAB Gambling Venue Policy 2018 will be revoked on the adoption of this policy.

## QUEENSTOWN LAKES DISTRICT COUNCIL

### CLASS 4 AND TAB GAMBLING VENUE POLICY

#### Introduction

Under section 101 of the Gambling Act 2003 Council is required to adopt a policy to regulate the growth and location of Class 4 (non-casino electronic gaming machines) and Totalisator Agency Board (TAB) gambling within their district.

The areas where Council has authority to control are:

- To determine whether new class 4 and or TAB venues may be established within the district and if so to determine any restrictions to be placed on those locations; and
- If Class 4 venues are permitted in the district, to determine the maximum number of machines that may be in each venue, subject to statutory maxima.

#### Objectives of the Policy

- ensure the Council and the community has influence over the provision of new gambling venues in the district;
- To control and manage the growth of gambling in the district;
- To allow those who wish to participate in electronic gaming machine and totalisator (TAB) gambling to do so within the district;
- To prevent and minimise the harm caused by gambling;
- To create an information flow so that the ongoing effects of gambling in the district may be assessed.

#### Strategic Alignment

- This policy assists in the delivery of the following Council outcomes and goals:
- Protects the interests of the District and its community;
- Is cost effective and achieves the regulatory objectives; and
- Enables our community to comply with national and local legislation because they are well understood and easy to comply with.

#### Location of Class 4 Gambling or TAB Venues

Class 4 gambling and TAB venues may be established in the district subject to meeting the following criteria:

- a) A full application is submitted and fees paid;
- b) Proposed new venues must not be established in any **residential zone** and
- c) Proposed and existing venues are not located within 50metres of or adjacent to any school, early childhood centre, kindergarten, place of worship or other community facility. The applicant will be required to demonstrate that the proposed venue will not adversely impact on such institutions;
- d) Not being located so as to provide for a concentration of gambling venues;
- e) Not being a venue at which the primary activity is associated with family or children's activities;

- f) The electronic gaming machines being located within the venue must not be visible from the street, or visible to underage patrons at the venue; and
- g) No signage regarding either the provision of gaming machines or any prizes or jackpots available from gaming machines may be visible from any street or public place.

### **Maximum numbers of Electronic Gaming Machines permitted**

- New venues may be allowed a maximum of 9 (nine) electronic gaming machines.
- Venues with licenses issued after 17 October 2001 and operating fewer than 9 (nine) electronic gaming machines may be allowed to increase the number of machines operated at the venue to 9.

### **Primary activity of class 4 gambling premises**

New Class 4 gambling venues may only be established where the primary activity of the venue is:

- The sale and supply of alcohol for consumption on the premises as licensed under the Sale and Supply of Alcohol Act 2012.

### **Information Disclosure**

To provide information to enable Council to monitor activities at Class 4 gambling venues, each society operating electronic gaming machines in the Queenstown Lakes District shall provide the following information to the Council for each venue operated in the district:

Net expenditure (being the difference between money paid into and paid out as winnings from electronic gaming machines);

- Site fees paid to the site operator; and
- A copy of the responsible gambling policy in place at the venue.

In addition, each society shall provide information to the Council on the grants made by it directly to organisations within the Queenstown Lakes District including:

- The name and address of the organisation;
- The purposes for which the donation was made; and
- The amount of each donation made.

Information is to be provided to Council for each six-month period ending 30 June and 31 December each year. The information is to be provided to the Council within 2 months of the end of each reporting period, 31 August and 28 February.

### **Applications**

Applications for consent by the Queenstown Lakes District Council must be made on the approved form and must provide:

- Name and address details for the application;
- Physical address of premises proposed for the Class 4 venue;
- The names of management staff;
- Evidence that public notice of the intention to apply for a new venue (for either Class 4 or TAB venues) or an increase in electronic gaming machine numbers (for Class 4 venues) at an existing venue has been given;
- Evidence of police approval for owners and managers of the venue;
- Evidence that the primary purpose of the proposed venue complies with this policy;

- Evidence of the means by which the policy in respect of separation of gambling from non-gambling areas will be achieved; and
- A copy of the current alcohol on-licence for the premises.

### **Application Fees**

These will be set by the Queenstown Lakes District Council from time to time 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 and TAB venue policy;
- A contribution towards the cost of triennial assessments of the economic and social impact of gambling in the Queenstown Lakes District.

### **Public Notice Provisions**

Public notice of the intention to make application under this policy shall be made by placing notices in either the Southland Times or the Otago Daily Times on two consecutive Saturday editions. A similar notice shall be placed in at least two local newspapers that are delivered in the area surrounding the applicant venue over two consecutive weeks. If there are not two local newspapers circulated in the surrounding area then the notice shall be placed in both the Southland Times and Otago Daily Times and the one local newspaper.

The notice shall specify:

- The name of the society making the application;
- The physical location of the venue or proposed venue;
- The trading name of the venue or proposed venue;
- The number of electronic gaming machines that are proposed;
- Where the application is for an increase in the number of electronic gaming machines at the venue the notice shall specify the existing number and proposed number of machines;
- That objections to the granting of the application should be made in writing to Council's regulatory contractor and specify the name and address for service;
- The period during which objections may be made, which is twenty one (21) days from the date of first public notice in the Southland Times or Otago Daily Times.

### **Administration**

- Where any public objection is made to the application for a new venue or an increase in the number of machines at a venue under to this policy, then the application will be referred to the Community and Services Committee. This Committee will conduct a public hearing into the application that provides for community consultation.

### **Venue Relocation**

A new venue consent may be issued by Council in the following circumstances:

- (a) where the venue is intended to replace an existing venue within the district;
- (b) where the existing venue operator consents to the relocation; and
- (c) where the proposed new location meets all the other requirements of the Class 4 and TAB Gambling Venue Policy.

In accordance with section 97A of the Gambling Act 2003, when a relocation consent is sought under this relocation provision, the new venue may operate up to the same number of

machines that was permitted to operate at the old venue immediately before the old venue licence is cancelled as a result of the relocation, to a maximum of eighteen (18) machines.

In accordance with section 97A(2)(c) of the Gambling Act 2003, when the new venue is established following a consent being granted under this relocation provision, the old venue is treated as if no class 4 venue licence was ever held for the venue. The old venue will therefore require a new territorial authority consent from Council before being relicensed to host gaming machines and will be limited to a maximum of 9 machines if such a consent is issued by Council.

ADOPTED 8<sup>th</sup> February 2018

## QLDC Council

29 June 2023

### Report for Agenda Item | Rīpoata moto e Rāraki take [3]

**Department: Assurance, Finance & Risk**

**Title | Taitara :** Class 4 Gambling and TAB Venue Policy Review

#### **Purpose of the Report | Te Take mō te Pūroko**

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The purpose of this report is to address and rectify two errors that were in the draft Class 4 Gambling and TAB Venue policy (“Draft Policy”) presented to Council on 23 March 2023 as part of the Council’s obligation to review the policy.

The errors were discovered after the resolutions had been passed and the consultation period closed. The Statement of Proposal (“SOP”) correctly recorded the changes sought to the existing policy and did not contain the errors. That means that the Draft Policy and SOP were not aligned. Further, the errors do not support the key objectives of the Class 4 Gambling and TAB Venue Policy (“Existing Policy”).

This has been addressed by correcting the Draft Policy so that it now reflects only the changes intended in the SOP and excludes the unintended clauses.

Council officers now seek new resolutions from the Council to approve the correct Draft Policy.

#### **Executive Summary | Whakarāpopototaka Matua**

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Section 101 of the Gambling Act 2003 (GA) and section 96 of the Racing Industry Act 2020 (RA) requires a territorial authority to adopt a class 4 venue and TAB (Totalisator Agency Board) venue policy. Once a policy is adopted, it is required to be reviewed every three years.

If Council endorses the draft policy and adopts the statement of proposal for consultation, staff will undertake a consultation process in accordance with QLDC’s Special Consultative Procedure from 3 July 2023 to 4 August 2023.

#### **Recommendation | Kā Tūtohu**

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That the Council:

1. **Note** the contents of this report;
2. **Note** the following resolution made at the ordinary meeting held on 23 March 2023:
  - a. Appoint a panel of three Councillors Bartlett, Guy and Wong to consider submissions and make a recommendation to the Council on adoption of the policy;

3. **Adopt** the amended Statement of Proposal for consultation from 3 July 2023 to 4 August 2023 in accordance with the Special Consultative Procedure outlined in sections 83 and 86 of the Local Government Act 2002; and
4. **Authorise** the public notification of the Statement of Proposal as part of a Special Consultative Procedure for community feedback.

**Prepared by:**



**Name:** Sharon Dinneen  
**Title:** Alcohol Licensing Inspector  
8 June 2023

**Reviewed and Authorised by:**



**Name:** Brendan Peet  
**Title:** Acting GM Assurance, Finance and Risk  
8 June 2023

## **Analysis and Advice | Tatāritaka me kā Tohutohu**

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1. The errors in the Draft Policy (Attachment A) are as follows:

### **Section 5 – Club Venues**

- The Draft Policy included a clause that enabled two or more clubs (owned and operated by Societies) that have class 4 venue licences to merge.
- The Existing Policy does not permit two or more clubs that hold class 4 venue licences to merge, the Draft Policy does not intend any changes to the Existing Policy in respect of the merger of Class 4 Venue mergers.
- Accordingly, the drafting error is not consistent with the Existing Policy, was not intended to be the focus of the review put to Council and should not have been incorporated into the Draft Policy.

### **Section 4.4 – Maximum Permitted Electronic Gaming Machines (EGM)**

- The Draft Policy erroneously enables an increase in the number of EGMs to 18 where a Class 4 Venue held a licence on or before 17 October 2001.
  - The Existing Policy does not provide for this, and the Draft Policy did not intentionally seek a change to increase the number of EGMs permitted in a venue, to exceed nine EGMs.
  - The Draft Policy does not intend to allow for up to 18 EGMs.
2. Public consultation on the Draft Policy took place after Council adopted the SOP which only sought the following changes:
    - a. Remove information disclosure for societies.
    - b. Remove the requirement to publicly notify.
  3. These errors have been removed from the updated Draft Policy and SOP which are **attached** to this report as Attachments B and C.

### **Submissions**

4. Council received ten submissions on the Draft Policy. Two of those submitters referenced and opposed the club mergers at Clause 5. Otherwise, there was no interest in the “errors”. The period for submissions has closed.
5. The amended Draft Policy will need to be re-notified with the purpose for the amended draft made clear. For clarity, all submissions received so far will remain on file. Council will welcome any submissions but only on the corrections to the Draft Policy.

## OPTIONS

**Option 1:** Council adopt the amended Statement of Proposal.

### *Advantages:*

- The errors were noted before the Draft Policy was adopted; Gaming Societies are not given the opportunity to increase EGMs at a venue.
- Limiting the number of EGMs in the district aligns with the Policy's objectives.
- Council is meeting its legislative requirements to correctly inform the public of these errors and gives opportunity to provide feedback.

### *Disadvantages:*

- The public only have the opportunity to provide feedback on the removal of the two errors. They do not have a second opportunity to submit on the changes proposed to the draft Policy during the original consultation period which was held from 24 March 2023 to 30 April 2023.
- There could be an increase in the number of gaming machines in the district which could potentially increase gambling related harm in the District.

6. **Option 1** is the only reasonably practicable option as the original Draft Policy does not align with the previous SOP, therefore the Policy cannot be adopted. The Council is required by law to have a class 4 venue and TAB (Totalisator Agency Board) venue policy in place. Further, adoption of **Option 1** means:
- a. Council will have the opportunity to rectify two errors in the draft Policy.
  - b. The public will be fully informed of the proposed changes to the currently Policy.
  - c. The Council will meet the requirement to review this Policy every three years and the current review will ensure an up-to-date and fit-for-purpose Policy.

## Next steps

7. If endorsed by Council, the Draft Policy will go out for public consultation from 3 July 2023 to 4 August 2023.
8. It is intended that the written submissions received will be presented at a hearing on this matter to take place in September 2023, with the actual date yet to be confirmed. Those who would like to present their submission verbally will have an opportunity to speak and submissions received during the first consultation period will also be heard at this time.
9. Staff will present the Draft Policy to Council for consideration and adoption at its 12 October 2023 meeting. Subject to its adoption, the new Policy will come into effect the following day.

### Consultation Process | Hātepe Matapaki

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#### Significance and Engagement | Te Whakamahi I kā Whakaaro Hiraka

10. This matter is of medium significance, as determined by reference to the Council's Significance and Engagement policy because class 4 gambling contributes negatively to harm caused to the community but also increases the potential amount of funding available.
11. This report seeks the Council's approval to undertake a public Consultation process as required by section 102 of the Gambling Act 2003 and 97 of the Racing Industry Act 2020 on the changes proposed to the Class 4 Gambling and TAB Venue policy. The consultation process will comply with the requirements of section 83 of the Local Government Act 2002.

#### Māori Consultation | Iwi Rūnaka

12. The Council has not specifically consulted with iwi on this matter.

### Risk and Mitigations | Kā Raru Tūpono me kā Whakamaurutaka

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13. This matter relates to the Community & Wellbeing risk category. It is associated with RISK00006 Ineffective Management of Social Nuisance Issues within the QLDC Risk Register. This risk has been assessed as having moderate inherent risk rating.
14. The approval of the recommended option will support the Council by allowing it to retain the risk at its current level. This can be achieved by ensuring the proposed policy complies with legislative requirements under both the Gambling Act 2003 and the Racing Industry Act 2020.

### Financial Implications | Kā Riteka ā-Pūtea

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15. There are no financial implications to Council of this decision.

### Council Effects and Views | Kā Whakaaweawe me kā Tirohaka a te Kaunihera

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16. The following Council policies, strategies and bylaws were considered:
  - 'Thriving People', 'Pride in Sharing our Places' and 'Opportunities for All' principles of the Vision Beyond 2050 have been considered.
  - Class 4 and TAB Gambling Venue policy.
  - Significance and Engagement policy.
17. The recommended option is consistent with the principles set out in the named policies.
18. This matter is not included in the Ten Year Plan/Annual Plan as there are no financial implications as a result of the policy review.

**Local Government Act 2002 Purpose Provisions | Te Whakatureture 2002 o te Kāwanataka ā-Kiaka**

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19. The recommended option provides for the following:
- No funding is required under the Ten Year Plan and Annual Plan;
  - It is consistent with the Council's plans and policies; and
  - It would not significantly alter the intended level of service provision for any significant activity undertaken by or on behalf of the Council or transfer the ownership or control of a strategic asset to or from the Council.

**Attachments | Kā Tāpirihaka**

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|   |   |
|---|---|
| A | Previous Draft Class 4 Gambling and TAB Venue Policy 2023 |
| B | Amended Draft Class 4 Gambling and TAB Venue Policy 2023  |
| C | Amended Statement of Proposal                             |
| D | Existing Class 4 and TAB Venue Policy 2018                |

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**REVIEW OF THE CLASS 4 GAMBLING AND TAB VENUE POLICY**

**STATEMENT OF PROPOSAL (June 2023)**

## INTRODUCTION

1. This Statement of Proposal is prepared in accordance with section 83(1)(a) of the Local Government Act 2002 (LGA), in relation to the review of the Class 4 Gambling and TAB Venue Policy (the Policy) previously known as the Class 4 and TAB Gambling Venue Policy (Existing Policy).
2. The Class 4 Gambling and TAB Venue Policy (Draft Policy) was previously open for public consultation from 3 April 2023 to 5 May 2023.
3. Once public consultation period closed, it was noted that there were two errors in the draft Policy.
4. The Draft Policy has been amended with these errors removed. The Queenstown Lakes District Council (Council) is seeking public feedback on its amended draft Policy.
5. Once the submission period closes, Council will conduct a hearing for anyone who wishes to speak in support of their submissions.

## AMENDMENT

6. These errors were:
  - Section 4.4 – Maximum Permitted Electronic Gaming Machines (EGM)**
    - The Draft Policy enables an increase in the number of EGMs to 18 where a Class 4 Venue held a gambling licence on or before 17 October 2001.
    - The Existing Policy does not provide for this, and the Draft Policy did not seek a change to increase the number of EGMs permitted in a venue to exceed nine EGMs.
    - The Draft Policy does not intend to allow for a venue to provide up to 18 EGMs.
  - Section 5 – Club Venues**
    - The Draft Policy included a clause that enabled two or more clubs (owned and operated by Societies) that have class 4 venue licences to merge.
    - The Existing Policy does not permit two or more clubs that hold class 4 venue licences to merge, the Draft Policy does not intend any changes to the Existing Policy in respect of the merger of Class 4 Venue mergers.
    - Accordingly, the drafting error is not consistent with the Existing Policy, was not intended to be the focus of the review put to Council and should not have been incorporated into the Draft Policy.
7. These errors do not support the key objectives of the Policy which are:
  - Prevent and minimise harm to the community caused by gambling.
  - Control and manage the growth of gambling in the District.
  - Restrict the locations of gambling venues within the District.
  - Facilitate community involvement in decisions about how gambling should be provided for.
  - Ensure that money from gambling benefits the community.
  - Ensure the council and the community have an influence over the delivery and location of new gambling venues within the District.
8. The Draft Policy has now been amended; public consultation is required regarding the removal of these two errors. No other changes have been proposed.

9. Submissions received during the first consultation period will still be accepted and all submitters will be advised that their submissions will remain on file.

## OPTIONS

10. **Option 1:** Council adopt the amended Statement of Proposal. Note that it is open to Council to recommend changes to the draft bylaw as part of this option.

### **Advantages:**

- The errors were noted before the Draft Policy was adopted; gaming Societies are not given the opportunity to increase EGMs at a venue.
- Limiting the number of EGMs in the district aligns with the Policy's objectives.
- Council is meeting its legislative requirements to correctly inform the public of these errors and gives opportunity to provide feedback.

### **Disadvantages:**

- The public only have the opportunity to provide feedback on the removal of the two errors. They do not have a second opportunity to submit on the changes proposed to the Draft Policy during the original consultation period which was held from 24 March 2023 to 30 April 2023.
- There could be an increase in the number of gaming machines in the district which could potentially increase gambling related harm in the district.

11. **Option 1** is the only reasonably practicable option as the original Draft Policy does not align with the previous SOP, therefore the Policy cannot be adopted. The Council is required by law to have a class 4 venue and TAB (Totalisator Agency Board) venue policy in place. Further, adoption of **Option 1** means:

- a. Council will have the opportunity to rectify two errors in the Draft Policy.
- b. The public are now fully informed of the proposed changes to the Existing Policy.
- c. Council is required to review these policies every three years and the current review ensures they are up-to-date and fit-for-purpose.

## LEGISLATIVE FRAME WORK

12. Under section 102 of the Gambling Act 2023 (GA) and section 97 of the Racing Industry Act 2020 (RA), Council is required to adopt a class 4 gaming and TAB venue policy which must be reviewed every three years.
13. The Policy was last reviewed in 2018.
14. Sections 102(6) of the GA and 97(5) of the RA states that a policy does not cease to have effect because it is due for review or being reviewed.
15. Sections 102(2) of the GA and 97(2) of the RA states that a special consultative procedure be carried out should the Policy be amended or replaced.

## PROPOSAL

16. Council is undertaking its statutory requirement to review its Class 4 Gambling and TAB Venue Policy.

17. Council recommends that amendments to the current Policy be made by adopting the proposed Class 4 Gambling and TAB Venue Policy.
18. This Statement of Proposal has been prepared in accordance with the requirements of section 83 of the LGA.

#### INSPECTION OF DOCUMENTS AND OBTAINING COPIES

19. Copies of this Statement of Proposal and the proposed Class 4 Gambling and TAB Venue Policy can be inspected at the following location or a copy obtained at no cost from:
  - At any Council office in the district: 10 Gorge Road, Queenstown or 74 Shotover Street, Queenstown, or 47 Ardmore Street, Wānaka
  - Any library within the Queenstown Lakes District
  - The Consultation page on QLDC's website: <https://letstalk.qldc.govt.nz/>

#### RIGHT TO MAKE A SUBMISSION AND BE HEARD

20. Any person or organisation has a right to be heard in regard to this Proposal and the Council encourages everyone with an interest to do so. Submissions should be directed toward matters that are within the scope of the Proposal.
21. The Council would prefer that all parties intending to make a submission:
  - go to the Queenstown Lakes District Council website: [www.qldc.govt.nz](http://www.qldc.govt.nz) or
  - post their submission to: the Regulatory Department, Queenstown Lakes District Council, Private Bag 50072, Queenstown 9348.
22. Submissions will be open from 3 July 2023 and close 4 August 2023
23. The Council will give equal consideration to written and oral submissions.
24. The Council will permit parties to make oral submissions (without prior written material) or to make a late submission, only where it considers that special circumstances apply.
25. Every submission made to the Council will be acknowledged in accordance with the LGA, will be copied and made available to the public, and every submission will be heard in a meeting that is open to the public.
26. Section 82 of the LGA sets out the obligations of the Council in regard to consultation and the Council will take all steps necessary to meet the spirit and intent of the law.

#### MAKING AN EFFECTIVE SUBMISSION

27. Written submissions can take any form (e.g. email or letter) but we recommend your submission be made on a standard submission form available from Council. An effective submission references the clause(s) of the Draft bylaw you wish to submit on, states why the clause is supported or not supported, and states what change to the clause is sought.
28. Submissions on matters outside the scope of the Proposal cannot be considered by the Hearings Panel.

| <b>TIMETABLE FOR CONSULTATION</b>   |  |
|---|--|
| <b>Action</b>   | <b>Date</b>  |
| Council resolves to undertake public consultation regarding the Proposal                        | Thursday 29 June 2023  |
| Advertisement in:   | Otago Daily Times – Saturday 1 July 2023<br>Mountain Scene – Thursday 6 July 2023<br>Wānaka Sun – Friday 7 July 2023 |
| Submissions open  | Monday 3 July 2023   |
| Submissions close   | Friday 4 August 2023   |
| Submissions heard by subcommittee of Councillors  | Late August/ September 2023 (exact date to be advised)   |
| Council considers outcome of consultation process and whether to make decisions on the Proposal | Thursday 12 October 2023   |
| Public notice of final decision   | Friday 13 October 2023   |

APPENDIX 1 – (Amended) Draft Class 4 Gambling and TAB Venue Policy 2023

APPENDIX 2 – (Existing) Class 4 and TAB Gambling Venue Policy 2018

## QLDC Hearing Committee

1 February 2024

## Report for Agenda Item | Rīpoata moto e Rāraki take [10]

Department: Assurance, Finance &amp; Risk

Title | Taitara : Class 4 Gambling and TAB Venue Policy Review

Purpose of the Report | Te Take mō te Pūroko

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The purpose of this report is to present public submissions and objections, received by the Queenstown Lakes District Council (QLDC) on the notified proposal to review the Class 4 Gambling and TAB Venue Policy. The hearing has been scheduled to allow submitters and objectors to appear in support of their submission or objection.

A copy of all submissions are included in this report as **ATTACHMENTS C & D**.

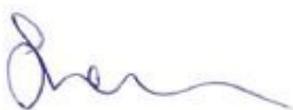
Recommendation | Kā Tūtohuka

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That the Hearing Panel:

- a. **Note** the contents of this report;
- b. **Consider** the submissions and objections received on the draft Class 4 Gambling and TAB Venue Policy;
- c. **Give full consideration** to the submissions and objections received and determine the extent to which the submissions have been allowed or accepted, or disallowed or not accepted;
- d. **Recommend to Council**, the position of the panel to either adopt or amend the proposed Class 4 Gambling and TAB Venue Policy, based upon the consideration of submissions and objections.

Prepared by:



**Name:** Sharon Dinneen  
**Title:** Alcohol Licensing Inspector  
17 January 2024

Reviewed and Authorised by:



**Name:** Stewart Burns  
**Title:** GM Assurance, Finance and Risk  
17 January 2024

## Context | Horopaki

1. The *Class 4 Gambling and TAB Venue Policy (Policy)* for the Queenstown Lakes District (**the District**) must be reviewed every three years: *Section 102 of the Gambling Act 2003 (GA)*, and *section 97 of the Racing Industry Act 2020 (RA)*.
2. The GA and RA sets out the obligations as follows:

### **102 Adoption and review of class 4 venue policy**

- (1) A policy on class 4 venues under section 101 must be adopted in accordance with the special consultative procedure in section 83 of the Local Government Act 2002 and, for the purpose of subsection (1)(e) of that section, the territorial authority must give notice of the proposed policy, in a manner that the territorial authority considers appropriate, to—
  - (a) each corporate society that holds a class 4 venue licence for a venue in the territorial authority district; and
  - (b) organisations representing Māori in the territorial authority district.
- (2) A policy may be amended or replaced only in accordance with the special consultative procedure, and this section applies to that amendment or replacement.
- (3) Subsection (1)(b) does not affect the ability of a territorial authority to take similar action in respect of any other population group.
- (4) A territorial authority must, as soon as practicable after adopting, amending, or replacing a policy, provide a copy of the policy to the Secretary.
- (5) A territorial authority must complete a review of a policy within 3 years after the policy is adopted and then within 3 years after that review and each subsequent review is completed.
- (5A) The first time that a territorial authority commences a review of a policy after the Gambling (Gambling Harm Reduction) Amendment Act 2013 comes into force, the territorial authority must (and may at any other time) consider whether to include a relocation policy (as defined in section 101(5)) in its class 4 venue policy.
- (5B) Whenever a territorial authority is considering whether to include a relocation policy in its class 4 venue policy, it must consider the social impact of gambling in high-deprivation communities within its district.
- (6) A policy does not cease to have effect because it is due for review or being reviewed.

### **97 Adoption and review of TAB venue policy**

- (1) A policy on TAB venues under section 96 must be adopted in accordance with the special consultative procedure set out in section 83 of the Local Government Act 2002.
- (2) A policy may be amended or replaced only in accordance with the special consultative procedure, and this section applies to that amendment or replacement.
- (3) A territorial authority must, as soon as practicable after adopting, amending, or replacing a policy on TAB venues, provide a copy of the policy to TAB NZ and the chief executive.
- (4) A territorial authority must complete a review of a policy within 3 years after the policy is adopted and then within 3 years after that review and each subsequent review is completed.
- (5) A policy does not cease to have effect because it is due for review or is being reviewed.

3. The Policy was first adopted in 2004 and subsequently reviewed in 2007, 2010, 2013 and 2017. The Policy was amended in 2018 to include a relocation clause in accordance with s101(3)(d) of the GA.
4. The current review process has taken more than three years however this does not mean that the policy ceases to have effect. **Section 102(6) GA and s97(5) of the RA** state:

*“a policy does not cease to have effect because it is due for review or is being reviewed”*

5. The key objectives of the Policy are:
  - Prevent and minimise harm to the community caused by gambling.
  - Control and manage the growth of gambling in the District.
  - Restrict the locations of gambling venues within the District.
  - Facilitate community involvement in decisions about how gambling should be provided for.
  - Ensure that money from gambling benefits the community.
  - Ensure the council and the community have an influence over the delivery and location of new gambling venues within the District.

### The Role of Territorial Authorities

6. The GA sets out a process for controlling the growth of gambling by territorial authorities. Territorial authorities are required to implement a policy in accordance with *Section 101*.
7. *Section 101* sets out what Council must consider in adopting its policy, and states:
  - 101 Territorial authority must adopt class 4 venue policy**
  - (1) A territorial authority must, within 6 months after the commencement of this section, adopt a policy on class 4 venues.
  - (2) In adopting a policy, the territorial authority must have regard to the social impact of gambling within the territorial authority district.
  - (3) The policy—
    - (a) must specify whether or not class 4 venues may be established in the territorial authority district and, if so, where they may be located; and
    - (b) may specify any restrictions on the maximum number of gaming machines that may be operated at a class 4 venue; and
    - (c) may include a relocation policy.
8. Of particular relevance is the social impact of gambling within the District. This is a matter that Council “must have regard to” when devising and adopting a policy. This is a mandatory requirement.
9. The other key requirements for a policy are:
  - Restrictions on the number of Electronic Gaming Machines (EGMs) in the District;
  - Informing the location of EGMs within the District; and
  - It may include a relocation policy: *Section 101(3)*.

### PUBLIC CONSULTATION & SUBMISSIONS

10. As part of the review process, public consultation was carried out in accordance with section 83 of the Local Government Act.
11. A total of 10 submissions have been received: eight (8) via email and two (2) via the on-line platform. Three (3) submitters have requested to be heard at a hearing.
12. Six (6) of the submissions support the draft Policy and share common reasons which are summarised as follows:
  - Society information is sensitive with some information already available and made public.
  - It is not a legal requirement for TAs to collect this information.
  - Possible risk to high turnover premises.
  - Opportunity to continue providing community funding.

- Increases efficiency (presumably to the TA application process).
  - There is no legal provision to expand the 30-working day decision timeframe for councils.
13. Four (4) of the ten submissions oppose the draft Policy with reasons summarised as follows:
- The removal for societies to disclose financial information reduces public awareness and decreases public trust.
  - There is no range in options presented.
  - There is no consideration to the impact of gambling harm to Māori, Pacific and Asian communities.
  - Gambling venues and gaming machines do not bring anything positive to the community.
  - Access to gambling should not be increased.
  - The relocation policy should be removed.
  - Queenstown's Policy has minimum base requirements.
14. Three (3) submissions oppose the relocation policy and have suggested that Council introduce a sinking lid policy.
15. Three (3) submissions also seek to include restaurants and hotels as premises permitted to have gaming machines.
16. These recommendations are not possible at this time as they have not been included in the draft policy and are outside the scope of the public consultation that has already taken place.
17. Public consultation, as required by section 102 of the Gambling Act 2003 and 97 of the Racing Industry Act 2020, took place from 3 April 2023 to 5 May 2023 and again from 3 July 2023 to 4 August 2023.
18. It was noted that there were two errors in the draft Policy during the first round of public consultation. The draft Policy had a clause relating to club venues, in that it enabled two or more clubs (owned and operated by Societies) that have class 4 venue licences to merge. The existing Policy does not permit club merges.
19. The second error related to the maximum number of EGM that a venue is permitted to have. The draft Policy enabled a venue to increase the number of EGM to 18 if a class 4 venue licence was held on or before 17 October 2001. The existing Policy stated that the maximum number of EGM at a venue must not exceed nine (9).
20. To remove these errors, public consultation was undertaken again from 3 July 2023 to 4 August 2023.
21. All of the ten public submissions were received during the first consultation period.
22. Three (3) submissions opposed the erroneous clause that enabled club venues to merge. As this has now been corrected, this opposition is now a moot point.

## Analysis and Advice | Tatāritaka me kā Tohutohu

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### CURRENT GAMBLING POLICY

23. The Policy generally covers all of the relevant considerations. However, additional clauses in the Policy are not required by either the GA or RA, and include:
- a) **Information Disclosure:** The Policy requires societies to disclose information relating to financial records regarding net expenditure (GMP), site fees and grants issued to local community groups, to Council every six months.
  - b) **Application process:** the evidence required for an application, and the requirement for fees to be paid.
  - c) **Public Notice Provisions:** including requirements to notify the public of any intention to make an application requiring 21 days for objections to be made.
  - d) **Public Objections:** objections to an application be made within 21 days of the first public notice.

### Proposed Changes to the Policy

24. The following changes are sought:
1. Remove information disclosure for societies.

- a) This requirement has not been actively monitored by Council and there is no record of this information ever being requested or received. The GA requires information to be provided to the Department of Internal Affairs (DIA), and it is accessible through the DIA, Problem Gambling Foundation Group, and by the Societies themselves. It is not a requirement under the GA for Council to request or to hold this information.
- b) As such, it is recommended that the requirement be removed from the Policy. The requirement creates an unnecessary and inefficient administrative burden, is not a mandatory statutory requirement, and the information is readily available from reliable sources.
2. Remove the requirement to publicly notify.
  - a) Neither the GA nor the RA require an application to be publicly notified. Council is required to act in accordance with the statutory requirements, it is not required to go above and beyond the requirements in its Policy.
  - b) A Territorial Authority is required to provide a decision within 30 working days from the date of an application: *Sections 100(3) of the GA and 95(2) of the RA.*
  - c) If it were required to give Public Notice of all applications Council would be unable to meet the statutory (mandatory) 30 working day timeframe.
  - d) The following internal administrative timeframes could not be met:
  - e) Public notice could not be advertised in a reasonable timeframe in order to administer a timely decision;
  - f) Objections arising from submissions could not be heard within this timeframe, and officers' reports could not be presented in time for a hearing, nor could a decision be delivered on the application within the statutory timeframe.
  - g) Other administrative concerns include:
    - i. Reports to council must be submitted three weeks before a scheduled meeting, and Council officers would not have sufficient time to do so and provide a decision within the statutory timeframe.
    - ii. Community and Services Committee are scheduled to meet every six weeks and an application would not be presented to the Committee in time to make a decision within the statutory timeframe.
    - iii. While an emergency committee could be called, it would be a further administrative burden to do so, at great cost, for no benefit, particularly when the Act does not require it.
  - h) Community involvement is more appropriate at the time the Policy is amended, in accordance with the purpose and intent of the Act (and in accordance with the principles of s 83 of the Local Government Act 2002), where public consultation is mandatory: *Section 102(2) of GA.*
  - i) As public notice of an application is not required under the GA and RA, Council's principal objective, when processing a TA consent application, is in meeting its statutory obligations under the Act/s: *sections 100(3) of the GA and 95(2) of the RA.*
  - j) On balance, it is recommended that the requirement for public notice be removed from the policy. This will ensure the council is able to meet its statutory obligation while ensuring community voice can still be captured through any consultation on the policy review and where public consultation is mandatory through section 102(2) of the GA.
3. Remove the public objection timeframe.
  - a) The policy provides a time frame to submit public objection, within 21 days of the first public notice.
  - b) Should the public notice requirement be removed, the objection period becomes redundant.
25. No changes are sought regarding the application process.

## **ADDITIONAL CONSIDERATIONS**

### **Cap on EGMs**

26. Territorial Authorities may choose to adopt a 'cap' on the number of EGM or venues within their district. This means Council can impose maximum number of EGM or venues in the Policy. The maximum number may be the same, more, or less than the number that it is currently operating.
27. A maximum number of EGM or venues (**CAP**) may be applied to the whole district, specific zones, or by ward<sup>1</sup>.
28. Alternatively, Territorial Authorities may decide not to consent to any new venues being established in their area (**Sinking Lid Policy**).
29. A sinking lid policy means that once a class 4 gambling venue closes, the council will not issue any other society consent to replace that venue<sup>2</sup>.
30. The number of EGMs and Class 4 Venues has reduced in the District. As such, there is no need for the Policy to require any further restrictions on the number of EGMs or Class 4 Venues.

## Application Fee

31. The GA and RA do not specifically provide for Council to charge an administration fee for the processing of applications under the Acts. Without such explicit provisions, Council cannot charge the Applicant what are fair and reasonable costs to administer the application. In order to appropriately apportion reasonable costs, Council must undertake a Special Consultative Procedure (SCP) under the LGA.
32. To date, Council has generally required an application fee (fee) of \$500 to be paid by an applicant. The Fee reasonably covers the administrative costs incurred by Council in complying with its obligations under the GA and RA and complies with the principles for charging fees under sections 82 and 83 of LGA.
33. On that basis, a resolution is required to formally to include the charging of a fee for applications in the SCP in accordance with ss 82 and 83 of the LGA.

## OPTIONS

34. This report identifies and assesses the following reasonably practicable options for assessing the matter as required by section 77 of the Local Government Act 2002.
35. **Option 1:** that Council endorses the draft Class 4 Gambling and TAB Venue Policy 2024. Note that it is open to Council to recommend changes to the draft bylaw as part of this option.

### *Advantages:*

36. Council will meet its legislative requirement to review these policies every three years.
37. Administrative inefficiencies will be minimised resulting in Societies being permitted to operate gaming machines at new venues and relocate gaming machines within the parameters set out in the Policy, without unnecessary bureaucracy.
38. The potential for administrative duplication will cease by removing the requirement for Societies to provide information to Council as well as to the DIA. The current regime has the potential to increase costs to Council and tie up valuable human resources in administering the process for no apparent benefits.
39. Funding for local community groups will remain assured, with an opportunity for growth in funding to benefit other community groups.
40. Council will be able to meet its statutory timeframe requirements to deliver decisions on Applications within 30 working days.
41. Public notification and the submissions process will ensure that the Policy meets the criteria under the GA and RA and provides for community involvement.
42. Council will be able to recoup reasonable administrative costs through application fees.

### *Disadvantages:*

43. There could be an increase in the number of gaming machines in the district which could potentially increase gambling related harm in the District.

<sup>1</sup> <https://www.dia.govt.nz/Gambling-territorial-authorities-policy-review-process-drafting-policy>

<sup>2</sup> <https://www.dia.govt.nz/Gambling-territorial-authorities-policy-review-process-drafting-policy>

44. People in the community may consider that there is less opportunity for their voices to be heard throughout the process.
45. **Option 2** that Council not endorse the draft Class 4 Gambling and TAB Venue Policy 2024 following the Special Consultative Procedure.
- Advantages:*
46. Further resource is not required to progress this work and the existing policy continues to have effect.
- Disadvantages:*
47. The Council will be in breach of its legislative obligations to review these policies every three years.
48. There could be an increase in the number of gaming machines in the district which could potentially increase gambling related harm in the District.
49. The current policy is not updated meaning that:
- i. Council is less likely to meet its legislative obligations for statutory timelines in delivering a decision on applications;
  - ii. Council will not have appropriate legal basis for charging a reasonable administrative fee for applications.
  - iii. Unnecessary administrative burdens and delays in processing could continue to apply to Societies and Others who apply for Venue 4 Gambling Licences.
50. This report recommends **Option 1** for the following reasons:
- a) Council is required to review these policies every three years and the current review ensures they are up-to-date and fit-for-purpose.
  - b) The restrictions under the current policy appear to be effective as there has not been any successful application for a new gaming venue in ten years, with only one successful relocation application.
  - c) Even without a cap or sinking lid policy, there is a natural reduction in the number of venues in the district resulting in less opportunity for the community to take part in gambling.
  - d) The policy would allow applications to be made to establish new venues which in turn could provide additional funding to the community.
  - e) Council's administrative burdens and costs would be reduced by:
    - i. Removing the need to hold information on file where it has already been provided to the appropriate statutory body;
    - ii. Removing the need to publicly notify each application where it is not statutorily obliged to do so;
    - iii. Fewer Officers will be required to administer the Policy.
  - f) Application Fees can be charged back to the applicants, covering Council's reasonable administrative costs.

## Next steps

51. Staff are due to hear submissions on 1 February 2024 and later present the draft Policy for deliberation at a following full Council meeting, and subject to its adoption would come into effect the following day.

## Consultation Process | Hātepe Matapaki

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## Significance and Engagement | Te Whakamahi I kā Whakaaro Hiraka

52. This matter is of medium significance, as determined by reference to the Council's Significance and Engagement Policy because class 4 gambling contributes negatively to harm caused to the community but also increases the potential amount of funding available.
53. Those who Council considers to be affected by, or interested in, this matter are:
1. Residence and community groups of the Queenstown Lakes District;

2. Class 4 venue operators; and
  3. Societies that own gaming machines; and
  4. Problem gambling services.
54. Public consultation, as required by section 102 of the Gambling Act 2003 and 97 of the Racing Industry Act 2020, took place from 3 April 2023 to 5 May 2023 and again from 3 July 2023 to 4 August 2023.

### **Māori Consultation | Iwi Rūnaka**

55. The Council has not specifically consulted with iwi on this matter. However, given the disproportionate impact of gambling harm on Māori, officers will consult specifically with Kāi Tahu partners on the policy to fully understand its perspectives and concerns in detail.

### **Risk and Mitigations | Kā Raru Tūpono me kā Whakamaurutaka**

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56. This matter relates to the Community & Wellbeing risk category. It is associated with RISK00006 Ineffective Management of Social Nuisance Issues within the QLDC Risk Register. This risk has been assessed as having moderate inherent risk rating.
57. The approval of the recommended option will support the Council by allowing it to retain the risk at its current level. This can be achieved by ensuring the proposed policy complies with legislative requirements under both the Gambling Act 2003 and the Racing Industry Act 2020.

### **Financial Implications | Kā Riteka ā-Pūtea**

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58. There are no financial implications to Council as a result of a decision on the preferred option or subsequent two other options – except to say that Council would have a legal basis to charge a reasonable fee for its administration of the GA and RA, and recoup any costs in doing so.

### **Council Effects and Views | Kā Whakaaweawe me kā Tirohaka a te Kaunihera**

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59. The following Council policies, strategies and bylaws were considered:
- ‘Thriving People’, ‘Pride in Sharing our Places’ and ‘Opportunities for All’ principles of the Vision Beyond 2050 have been considered.
  - Class 4 and TAB Gambling Venue Policy.
  - Significance and Engagement Policy.
60. The recommended option is consistent with the principles set out in the named policy.
61. This matter is not included in the Ten-Year Plan/Annual Plan as there are no financial implications as a result of the policy review.

### **Legal Considerations and Statutory Responsibilities | Ka Ture Whaiwhakaaro me kā Takohaka Waeture**

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62. Sections 101 of the GA and 96 of the RA requires a territorial authority to adopt a class 4 venue and TAB venue policy. Once a policy is adopted, it is required to be reviewed every three years, as required under section 102 of the GA and section 97 of the RA.
63. Legal advice was obtained regarding the removal of public notification of a societies intent in establishing a class 4 gambling venue. As it is not a requirement under legislation, legal advice was that this be removed as the paramount consideration is that Council meet its statutory obligations, namely that it provides decisions in accordance with the statutory timeframes set out in legislation.

### **Local Government Act 2002 Purpose Provisions | Te Whakatureture 2002 o te Kāwanataka ā-Kiaka**

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64. The recommended option provides for the following:

- No funding is required under the Ten-Year Plan and Annual Plan;
- Is consistent with the Council's plans and policies; and
- Would not significantly alter the intended level of service provision for any significant activity undertaken by or on behalf of the Council or transfer the ownership or control of a strategic asset to or from the Council.

## Attachments | Kā Tāpirihaka

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|   |   |
|---|---|
| A | Current Policy – Class 4 and TAB Gambling Venue Policy 2018 |
| B | Draft Policy – Class 4 Gambling and TAB Venue Policy 2024   |
| C | Submissions (8 via email)                                   |
| D | Submissions (2 via on-line)                                 |
| E | Submissions Summarised (Excel)                              |

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| Organisation  | Name               | Email      | Oppose | Support | Wish to speak | Submission  | Reason  | Recommends *recommendations cant be considered  |
|---|--------------------|------------|--------|---------|---------------|---|---|---|
| Asian Family Services<br>Charitable Trust providing support to Asian communities. | Ivan Yeo           | [REDACTED] | x      |         |               | <u>Oppose</u> - removal of society disclosure or removal of public notice procedure   | Reduced public awareness. Decreased public trust. Queenstown is one of six councils with base requirements .  | Sinking lid. No relocation. No club mergers   |
| Gaming Machine Association NZ<br>Represent majority of Societies.                 | Jarrold True       | [REDACTED] |        | x       | x             | Notes removal of relocation provision and introduction of sinking lid and a cap outside scope of consultation - as not proposed on Statement of Proposal - references case law. <u>Supports</u> -Option 1 - removal of society disclosure and public notice procedure and update fee provision. | Society information is sensitive. Possible risk to high turn over premises. Neither are required under GA. Council to meet 30 working day requirement - no provision to expand deadline if there is a hearing.  | Expand on the type of premises permitted to have EGM.                                   |
| Hospitality NZ<br>Not for profit organisation supporting hospialtiy premises.     | Darelle Jenkins    | [REDACTED] |        | x       | x             | <u>Supports</u> draft policy  | Increased efficiency. Already a reduction on number of venues.  |   |
| The Lion Foundation<br>Gaming Society.  | Samantha Alexander | [REDACTED] |        | x       |               | <u>Supports</u> - removal of society disclosure and public notice procedure. Not necessary to to restrict policy further with introduction of sinking lid or a cap. Rise in on-line Gambling a concern.   | Society information is sensitive. Possible risk to high turn over premises. Information already available through e.g. DIA.   |   |
| New Zealand Community Trust<br>Gaming Society.                                    | Don Martin         | [REDACTED] |        | x       |               | <u>Supports</u> - Option 1 - removal of society disclosure and public notice procedure and update fee provision. Rise in on-line Gambling a concern - don't contribute to the community.  | Opportunity to continue providing community funding.  | Expand on the type of premises permitted to have EGM.                                   |
| Problem Gambling Foundation (PGF)   | Kay Kristensen     | [REDACTED] | x      |         |               | <u>Oppose</u> options 1 and 2. States that there is no evidence that a sinking lid increases on-line gambling participation.  | No range in options available. No consideration to impact of gambling harm on Maori, Pacific and Asian Communities. Queenstown is one of six councils with base requirements.   | Sinking lid - No relocations or club mergers.   |
| Grassroots Trust Central Limited<br>Gaming Society.                               | Karmen McGrath     | [REDACTED] |        | x       |               | <u>Supports</u> - option1 - removal of society disclosure and public notice procedure and update fee provision.   | No legal obligation to provide society information which is commercially sensitive. Information already available through e.g. DIA. Public notices are not legally required. Council to meet 30 working day requirement - no provision to expand deadline if there is a hearing. Already a reduction on number of venues. | Expand on the type of premises permitted to have EGM to include hotels and restaurants. |

|  |                  |             |   |   |   |  |   |  |
|--|------------------|-------------|---|---|---|--|---|--|
| Te Whatu Ora<br>Public Health South        | Monica Theriault |             | x |   | x | <u>Opposes</u> the propped policy.   | proposes sinking lid. There are no problem gambling intervention services in the district. rise in GMP even with fall in EGM. Queenstown is one of six councils with base requirements. | Sinking lid. No relocation. No club mergers. |
| n/a  | Gail Kiernan     | via on-line | x |   |   | <u>Oppose.</u> Gambling venues and gaming machines do not bring anything positive to the community. nothing good comes from increasing access to gambling. |   |  |
| Aotearoa Gaming Trust &<br>Gaming Society. | Jocelyn          | via on-line |   | x |   | <u>Supports</u> Option 1   | There is no obligation to provide this information. it is sensitive information that should not be made available publically.   |  |

3 May 2023  
Queenstown-Lakes District Council  
Private Bag 50072,  
Queenstown 9348  
New Zealand

**Re: Submission on Queenstown-Lakes District Council's Class 4 Gambling and TAB Venue Policy 2023**

Asian Family Services (AFS) has been providing support to Asian communities living in Aotearoa New Zealand since 1998. Our organisation is a charitable trust and is New Zealand's only service provider for people of Asian backgrounds who are affected by mental health issues and gambling harm. Our gambling harm minimisation services are delivered under a Te Whatu Ora - Health New Zealand contract and funded from the gambling levy.

AFS supports neither option presented in the Statement of Proposal for the Class 4 Gambling and TAB Venue Policy 2023. The suggested amendments, such as removing the obligation for societies to disclose information and the mandate for public notification, could result in some adverse consequences. These include:

- **Reduced public awareness and input:** The removal of public notification requirements might result in less public awareness of proposed changes or new gambling venues. This could limit community input, and potentially lead to decisions being made without adequately considering the interests of all stakeholders.
- **Impact on trust and reputation:** These changes could result in decreased public trust due to reduced transparency and accountability.

We are disappointed to see that the Council will continue to grant consent to new Class 4 venues and maintain the sub-clause in venue relocations. This indicates the Council's intention to increase opportunities for gambling in the district. We note that Queenstown-Lakes is only one of six councils with base legislative requirements, meaning that the existing gambling policy has no further restrictions around the establishment and control of the number of pokies as set out in the Gambling Act 2003.

AFS also does not agree that the proposed "*policy has been written in alignment with the four wellbeing principles and QLDC's key strategic document, Vision Beyond 2050. In particular, the policy's objectives align with the vision statements of 'Thriving People' whereby our services promote and support health and wellbeing for all, and 'Pride in Sharing our Places'*". Much research has repeatedly shown that pokies in our pubs, clubs and TAB NZ outlets are the most harmful form of gambling in New Zealand. Most of the people who contact gambling help service providers say pokies are their main source of harm.

AFS, therefore, strongly urges Queenstown-Lakes District Council to further efforts to better protect the health and wellbeing of the community. We advocate for a 'gold standard' sinking lid policy with no relocations and club mergers permitted. We know that a sinking lid policy is one of the best policies available to reduce gambling losses and harm from gambling.

We also endorse PGF Group's submission and the recommendations that a sinking lid policy should have the following three provisions:

- **No relocations:** If a venue with electronic gaming machines (EGMs) is forced to close or voluntarily closes, the council will not permit the EGMs to be relocated to any venue within the council area.

- No club mergers: There will be no club mergers under any circumstances.
- A ban on any new venues: No permit will be given to operate any new venue or club in the council area if that venue proposes having EGMs, including TAB venues.

### Asian Population in Queenstown-Lakes District Council

According to the 2018 Census data, approximately 9.9% of the Queenstown-Lakes' population are Asian.

Table 1: Asian population in Queenstown-Lakes District Council, 2006, 2013 and 2018

|                  | 2006 (%) | 2013 (%) | 2018 (%) |
|------------------|----------|----------|----------|
| Asian population | 4.8      | 6.8      | 9.9      |

(Data resource: Stats NZ, [www.stats.govt.nz/tools/2018-census-place-summaries](http://www.stats.govt.nz/tools/2018-census-place-summaries))

As the Asian population in Queenstown-Lakes District Council is growing steadily, we recommend that Council consider Asian's voices at the policy level and strengthen the existing sinking lid policy to further protect Asian people from gambling harm.

### Asian Gambling Behaviour

Sobrun-Maharaj, Rossen, and Wong (2012) identified that one of the contributing factors for mental health issues for Asian peoples is problem gambling.

Analysis of data from the Health and Lifestyles Survey over several years shows that, after adjusting for a range of socio-economic factors and gambling predictors, when compared to European/Other, Asian people's risk for individual gambling harm was 9.5 times higher. Furthermore, pokies players were more than twice as likely to be at risk of some level of gambling-related harm compared to other gamblers.

Further research indicates that some aspects of Asian culture (e.g., yin-yang in Chinese culture) encourage Asian peoples to take greater risk on low-probability games compared to Europeans, which makes Asian peoples more susceptible to gambling harm (Dai, 2012).

Over the past 12 months, AFS provided 4664 counseling sessions to more than 1,447 gambling clients around Aotearoa. Our problem-gambling clients were afflicted with co-existing issues such as suicidal ideation, financial hardship, domestic violence and severe depressive and anxiety symptoms due to problem gambling.

According to the New Zealand Asian Responsible Gambling Report (2021) (Appendix 1) conducted by Asian Family Services, 74.7% of Asians engaged in some forms of gambling activity in the last 12 months. Unfortunately, due to being either new to the country, or unfamiliar with the health system and services in New Zealand, many who experienced gambling harm did not seek early intervention. The delay in seeking help was partially due to a lack of understanding of behavioural addiction concepts. Often addiction is only understood as a substance abuse issue. The report also indicated that 78.7% of Asian gamblers identified stigma as one of the reasons that prevented them from early help-seeking.

The main Asian groups who are most vulnerable to the harm of pokies

During the past 23 years, AFS has seen many Asian clients who were addicted to pokies. We particularly find that the groups below are most vulnerable to gambling harm from pokies:

Restaurant workers (chefs, kitchen hand, barista, etc.);

- Cleaners;
- Builders/construction workers;
- Older people;

- International students;
- Work visa holders.

The main reasons that Asian peoples play pokies

- The most common reasons why Asian people play pokies are because:
- Low-barrier game: No English requirement, easy to go and play solo;
- Emotional escape (release stress, run away from conflict with others, etc.);
- Combatting loneliness;
- Making easy money;
- Addiction-driven playing: to win back lost money.

### **Sinking Lid Policy**

We often hear from our clients that, “I don’t want to be hooked on the pokie machines. I want to take back control.” However, the outcome is the exact opposite. It is important to realise that pokie machines are specifically designed to lure people to keep playing and betting more money.

A ‘gold standard’ sinking lid policy will help reduce the gambling harm experienced by Asian people in the Queenstown-Lakes district. We strongly urge Council to consider a sinking lid to better protect the community.

Thank you for the opportunity to submit.

Ngā mihi nui,



Ivan Yeo  
Deputy Director



## Reference

- Asian Family Services & Trace Research Ltd. (2021). New Zealand Asian Responsible Gambling Report 2021. Auckland, New Zealand. Asian Family Services. <https://www.asianfamilyservices.nz/resources/resource-items/new-zealand-asian-responsible-gambling-report-2021/>
- Health Promotion Agency. (2018). 2018 New Zealand Mental Health Monitor: Questionnaire. Wellington: Health Promotion Agency.
- Ministry of Health. (2019). Progress on Gambling Harm Reduction 2010 to 2017: Outcomes report – New Zealand Strategy to Prevent and Minimise Gambling Harm. Wellington: Ministry of Health.
- Sobrun-Maharaj, A., Rossen, F., & Wong, A, S, K. (2012) The Impact of Gambling and Problem Gambling on Asian Families and Communities in New Zealand. Centre for Asian & Ethnic Minority Health Research, University of Auckland. <https://www.fmhs.auckland.ac.nz/assets/fmhs/soph/sch/cahre/docs/Final%20IGAF%20report%202012.pdf>
- Dai, Z. (2012). Delay discounting, probability discounting, reward contrast and gambling: a cross-cultural study. Unpublished PhD's thesis, University of Canterbury. [https://ir.canterbury.ac.nz/bitstream/handle/10092/7128/thesis\\_fulltext.pdf;sequence=1](https://ir.canterbury.ac.nz/bitstream/handle/10092/7128/thesis_fulltext.pdf;sequence=1).
- Stats NZ (2018). Retrieved 4th April, 2022, from <https://www.stats.govt.nz/tools/2018-census>.

Appendix One: New Zealand Asian Responsible Gambling Report 2021

### Gambling activities in the last 12 months

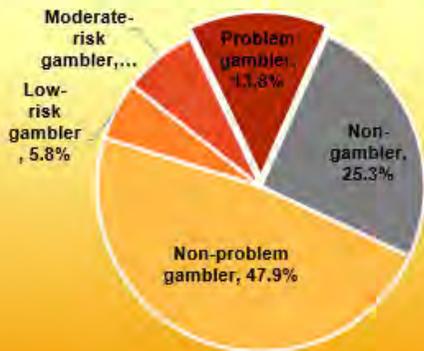
|   |       |
|---|-------|
| Bought lotto or instant scratch tickets | 67.8% |
| Private games with friends for money    | 27.7% |
| Played gaming machines, or pokies       | 27.6% |
| Played Casino table games               | 25.2% |
| Placed a bet with the TAB               | 23.9% |
| Online gambling and gaming              | 19.7% |

According to New Zealand's "The Gambling Act 2003", lotteries, prize competitions and instant games are also classified as parts of gambling. Are you aware of this classification?

Yes 53.5% No 46.5%

### Problem Gambling Severity Classification within NZ's Asian Population

Approximately 71,736 NZ Asians are problem gamblers



### Distribution of Problem Gamblers (13.8%) by Ethnicity (>3%)

|          |       |
|----------|-------|
| Indian   | 54.4% |
| Chinese  | 15.5% |
| Filipino | 8.7%  |

Asians perceive that Asian (76.5%) or Maori/Pacific Island (74.1%) gamblers are stigmatised by society to a slightly greater level compared to a European gambler (65.7%).

### Expressions of Self-Stigma about Gambling by Asian Gamblers

|                                      |       |
|--------------------------------------|-------|
| Disappointed in yourself             | 35.5% |
| Guilty                               | 27.8% |
| That you lack willpower/self-control | 27.0% |
| Ashamed                              | 26.2% |
| Weak                                 | 21.3% |

## New Zealand Asian Responsible Gambling Survey

2021



Asian Family Services  
Together enriching lives

### Top 5 Perceived Factors for Developing Gambling Addiction

|   |       |
|---|-------|
| Lack of financial budgeting/plan                              | 58.6% |
| Loneliness  | 49.9% |
| Job-related stress  | 48.0% |
| Certain personality characteristics: being competitive, or... | 47.8% |
| Environmental factors, such as family or friend...            | 47.3% |

### Expressions of Public Stigma about Gamblers with Addiction

|  |       |
|--|-------|
| Agree  |       |
| Have unrealistic beliefs about winning at gambling | 65.9% |
| Have an addictive personality                      | 61.4% |
| Are irresponsible with money                       | 57.9% |
| Are always in debt                                 | 51.8% |
| Are in denial about having a gambling problem      | 51.7% |

### Top 3 Channels for Seeking Gambling Support

|                                   |       |
|-----------------------------------|-------|
| From family or friends            | 51.3% |
| Through self-help strategies      | 34.9% |
| From a face-to-face support group | 27.8% |

### Top 3 Help Seeking Barriers

|                                      |       |
|--------------------------------------|-------|
| Lack of awareness regarding the...   | 49.3% |
| Limited knowledge of available...    | 46.7% |
| Harmful gambling is hidden due to... | 45.5% |

# **The Gaming Machine Association of New Zealand's Submission on Queenstown Lakes District Council's Gambling Venue Policy**

## Introduction

1. The Gaming Machine Association of New Zealand ("the Association") represents the vast majority of the gaming machine societies that operate in New Zealand. The Association wishes to provide the Queenstown Lakes District Council with pertinent information regarding gaming machine gambling to help Council to make a balanced, evidence-based decision.
2. It is noted that removing the relocation provision, and the introduction of a sinking lid or a cap, is outside the scope of the current consultation.
3. The Association supports the removal of the information disclosure provisions, the removal of the public notification provisions, and the update of the fee provisions (option 1).
4. The Association asks that the primary activity clause be expanded to allow for venues such as hotels and restaurants to host gaming machines. This would align the primary activity provision with the primary activity requirement in clause 4 of the Gambling (Harm Prevention and Minimisation) Regulations 2004 and is consistent with the gambling venue policies adopted by other councils.

## Consultation Scope – Removal of Relocation Provision and Adoption of Cap or Sinking Lid Out of Scope

5. It is anticipated that the Problem Gambling Foundation will advocate for the removal of the relocation provision and the adoption of a sinking lid. Such an option has not, however, been included in the statement of proposal, and has not been the subject of consultation. If Council wanted to explore removing the relocation provision and adopting a sinking lid, a fresh consultation process would need to be commenced, and this option included in the statement of proposal. A summary of the legal requirements is set out below.
6. If a territorial authority proposes to amend its gambling venue policy, it must undertake a special consultation procedure as set out in sections 83, 87(2)(b) and 87(3) of the Local Government Act 2002. The special consultation procedure requires a detailed statement of proposal to be prepared by the territorial authority and made publicly available. The statement of proposal must include:
  - (a) A statement of the reasons for the proposal; and
  - (b) An analysis of the reasonably practicable options: s 87(3) of the Local Government Act 2002.

7. In *Nelson Gambling Taskforce Incorporated v Nelson City Council* HC Nelson CIV-2010-442-368, 26 August 2011, the court stated:

Consistent with the fact that there is an existing policy, whether amending or replacing it, the requirement is to give notice of:

- (a) the proposed changes;
  - (b) the reasons for the changes;
  - (c) what alternatives to the changes are reasonably available.
8. In *Nelson Gambling Taskforce Incorporated v Nelson City Council* HC Nelson CIV-2010-442-368, 7 September 2011, the Nelson City Council's statement of proposal suggested only one proposed change to the policy, namely a reduction in the gaming machine cap from 301 to 269. The Council, after hearing submissions, amended the policy well beyond what was indicated in the statement of proposal. The amendments made were as follows:
- (a) The cap was reduced to 285 (not 269 as set out in the statement of proposal);
  - (b) The prohibition on locating machines within 100 metres of an automatic teller machine was removed;
  - (c) The prohibition on locating machines within 100 metres of schools, playgrounds and kindergartens was changed so that the only limit was that the venue could not be "immediately adjacent" to a school, playground, or kindergarten; and
  - (d) The TAB Board venue and the class 4 policy were separated.
9. The Nelson Gambling Taskforce argued that the above changes could not be made unless they had been contained in a detailed statement of proposal. The High Court challenge was successful. The court found that because the statement of proposal did not make any reference to three major amendments, that these three amendments were invalid.

#### Support for the Removal of the Information Disclosure Provisions

- 10. The Association supports the removal of the requirement on societies to provide information relating to financial records, net expenditure, venue payments, and grants.
- 11. This information has not been provided to Council in the past, despite the existing requirement to do so. There is no obligation in the Gambling Act to provide this information to Council.
- 12. Council cannot enforce the provision. The only condition a territorial authority can place on a consent is the maximum number of machines that may operate at the venue: ss 100(1)(b) and 101(3) of the Gambling Act 2003. A territorial authority cannot place other conditions on the consent, e.g., requirements regarding signage and harm

minimisation messages or the provision of financial information. Once a territorial authority has issued a consent it has no power to revoke the consent.

13. The provision and disclosure of venue specific gaming revenue and/or venue payments (a percentage of turnover) would result in high-turnover venues being at greater risk of armed robbery. The information is also commercially sensitive.

14. Individual venue revenue is never disclosed. However, there is value in knowing the total amount of gaming revenue generated in each territorial authority. This information is already collected by the Department of Internal Affairs and published quarterly:

<https://catalogue.data.govt.nz/dataset/gaming-machine-profits-gmp-dashboard/resource/60081bcd-f2ae-4b97-8a9f-fe449fa59969>

15. There is also value in being able to access details of the grants made in each territorial authority. This information is also already collected by the Department of Internal Affairs and published quarterly:

<https://granted.govt.nz/>

16. The additional requirement in the policy creates an unnecessary and inefficient administration burden.

#### Support for the Removal of the Public Notification Provision

17. There is no requirement in the Gambling Act 2003 for each application made under a gambling venue policy to be publicly notified. The Act provides for public notification and public input into the policy itself. This is a more efficient process than the public having input into each application made under the established policy.

18. If public notification was provided and members of the public were given the ability to submit on each application and attend the hearing for each application, Council would not be able to meet its statutory requirement to determine applications within 30 working days of receipt. This timeframe is an absolute requirement, with no ability to place the time period on hold pending consultation, or to extend the timeframe.

#### Support for Council Being Able to Recover its Costs

19. The determination of gambling venue consent applications should not place a burden on ratepayers. The Association supports Council being able to recoup its reasonable administration costs by charging a fee.

#### Primary Activity

20. The primary activity provision in the 2018 policy requires all gaming venues to have the sale and supply of alcohol as their primary activity (gaming machines may only be located in taverns).

21. The draft 2023 policy expands the primary activity requirement to include TAB board venues.

22. The Association asks that the primary activity clause be amended to provide that all class 4 venues must have a primary activity that is “entertainment, recreation or leisure focused on persons over 18 years of age”. This mirrors the requirement in regulation 4(a) of the Gambling (Harm Prevention and Minimisation) Regulations 2004 and would allow venues such as hotels and restaurants to host gaming machines.
23. Hotels and restaurants are suitable venues to host gaming machines. As of December 2022, there were 222 hotel venues that were licensed to host gaming machines and 45 restaurant venues that were licensed to host gaming machines.
24. It is inappropriate on harm minimisation grounds to require gaming machines to be only located in areas where the sale of alcohol is the main activity. There is a wealth of evidence confirming that there is a direct correlation between the consumption of alcohol and problem gambling.
25. The Baron and Dickerson study<sup>1</sup> found that two or more alcoholic drinks increased reports of difficulty in resisting urges to gamble. The study also found that continued alcohol consumption during a gambling session resulted in unplanned, extended gambling. The report stated:

Results indicated a consistent theme of alcohol use contributing significantly to impaired control of gambling behaviour...

...

A gambler’s choice to resist urges to either start or stop gambling and to limit expenditure may be seriously affected under the influence of alcohol.

...

These exploratory findings present a picture of a regular gambler drinking alcohol prior to a session of gambling and having increasing problems with control in resisting urges to begin a session of gambling (one in eight players (13.3%) found it ‘difficult to resist playing the card machines after having a few drinks’). Continued drinking of alcohol appears to be moderately associated with progressive levels of impaired control within a session of gambling, and appears to further add to the problems of ending a session of play for the gambler.

26. In the commentary associated with the special edition of the Journal of Gambling Studies,<sup>2</sup> Peter Nathan commented on the link between alcohol consumption and gambling and noted that it was no wonder that so many casinos provide free drinks to their patrons. The commentary stated:

Moderate intoxication, especially of pathological gamblers, apparently increases time spent gambling, rate of “power bets,” and proportion of losing hands played. All three reflect impaired judgement that presumably leads to greater gambling losses. No wonder so many casinos provide free drinks to their patrons.

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<sup>1</sup> Baron, E., and Dickerson, M.G. (1999). Alcohol consumption and self-control of gambling behaviour, Journal of Gambling Studies, 15(1), 3-15 ([www.gamblinglaw.co.nz/download/Misc/Baron\\_Dickerson.pdf](http://www.gamblinglaw.co.nz/download/Misc/Baron_Dickerson.pdf)).

<sup>2</sup> Nathan, P. (2005) Commentary, Special Issue, Journal of Gambling Studies, 21(3), 355-361 ([www.gamblinglaw.co.nz/download/Misc/Nathan.pdf](http://www.gamblinglaw.co.nz/download/Misc/Nathan.pdf)).

27. Council can take comfort in the fact that regulation 4 of the Gambling (Harm Prevention and Minimisation) Regulations 2004 expressly prohibits the following types of venues/places hosting gaming machines:
- (a) dairies, supermarkets or other similar venues;
  - (b) fast-food outlets or other similar venues;
  - (c) offices;
  - (d) private residences;
  - (e) sports stadiums;
  - (f) circuses, fairs, amusement parlours, arcades or parks, theme parks or other similar venues;
  - (g) a venue that is not a fixed permanent structure,
  - (h) footpaths (whether or not under cover);
  - (i) concourse areas (whether or not enclosed);
  - (j) internet cafés, cyber cafés, or any other venues at which the primary activity is electronic media (including games);
  - (k) libraries, art galleries, museums, theatres, cinemas, or other similar venues; and
  - (l) places of worship.

#### Council Conflicts of Interest

28. It is important that the committee of councillors that determines the gambling venue policy reflects the full views of the community. It has, however, become common for councillors who are involved in community and sporting groups to withdraw from the gambling venue policy deliberation as they consider the receipt of funding by a group that they are associated with constitutes a conflict. It has also been common for councillors with very strong, pre-determined anti-gambling views to refuse to withdraw from the policy deliberation, despite their strongly held views.
29. The Association has sought independent legal advice (copy attached) from Brookfields Lawyers regarding gambling venue policy conflicts. In summary, the key advice is:
- (a) Being a member of a club or organisation that receives funding from a gaming grant will not usually give rise to conflict of interest when it comes to deciding or discussing Council's gambling venue policy, unless that member holds a paid role (e.g., a coach who is paid for that service); and
  - (b) Where an elected member, outside of a debate on the issue, has expressed a view

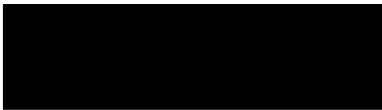
on the gambling venue policy that suggests that they do not and cannot have an open mind on the matter, this could give rise to a conflict of interest on the grounds of predetermination.

Oral Hearing

30. Jarrod True, on behalf of the Gaming Machine Association of New Zealand, would like to make a presentation at the upcoming oral hearing.

4 April 2023

**Jarrod True**  
Counsel  
Gaming Machine Association of New Zealand



[gmanz.org.nz](http://gmanz.org.nz)

15 March 2021

By Email: [REDACTED]

Gaming Machine Association of New Zealand  
c/o Peter Dengate-Thrush  
Independent Chair

**ATTENTION:** Peter-Dengate Thrush

## **GAMBLING VENUE POLICY - CONFLICT OF INTEREST**

We refer to your email instructions of 26 February 2021, seeking our advice regarding councillor conflicts of interest with respect to decision-making on Council's gambling venue policy.

### **YOUR QUESTIONS**

1. You have asked us to advise whether:
  - a. Membership of a club or organisation that receives gaming machine grant funding would constitute a conflict of interest that would require the councillor to withdraw from decision-making or discussion regarding a proposed gambling venue policy; and
  - b. If Council has itself received gambling grant funding, does this impact on its ability to decide on a gambling venue policy, such that the decision should be made by an independent commissioner?

### **EXECUTIVE SUMMARY**

1. In summary:
  - a. If an elected member has a financial interest in a club or organisation that may be impacted by the gambling venue policy, the member must not participate in any discussion or decision-making on the policy. It would be rare for a financial interest to arise in this context, but examples may be where the elected member is in a paid role at a club or organisation, and the role is funded from a gaming grant. A more remote interest may arise where the quantum of membership fees paid to a club or organisation may be impacted by a gaming grant. In those circumstances,

1851975 / 704677

it may be prudent to seek a decision from the Auditor-General as to whether the potential interest is deemed too remote to influence decision-making.

- b. Being a member of a club or organisation that receives funding from a gaming grant will not usually give rise to a conflict of interest when it comes to deciding or discussing Council's gambling venue policy, unless that member holds a paid role (e.g. a coach who is paid for that service).
  - c. Being a member of a club or organisation that operates a gaming licence will give rise to a conflict of interest, particularly where the elected member serves in an executive role at the club or organisation.
  - d. Where an elected member, outside of a debate on the issue, had expressed a view on the gambling venue policy that suggests that they do not and cannot have an open mind on the matter, this could give rise to a conflict of interest on the grounds of predetermination.
2. The fact that Council may have previously been the recipient of gaming grant money would not create a conflict of interest when deciding its gambling venue policy. Such democratic decision-making is fundamental to its role and is distinguishable from regulatory or quasi-judicial decision-making where appointment of an independent commissioner may be appropriate to avoid any appearance of bias. The decision-making processes in the Local Government Act 2002 (**LGA**) already impose important requirements to ensure that such decision-making involves consideration of broader community views and not just the interests of Council as an organisation. It would therefore be unnecessary and inappropriate to appoint an independent commissioner because Council initiatives may have previously benefited from gaming grants.

## ANALYSIS

3. Under section 101 of the Gambling Act 2003 (**GA**), territorial authorities must, using the special consultative procedure in section 83 of the LGA, adopt a policy that specifies whether class 4 venues may be established in the district, and if so, where they may be located (**the policy**). The policy may also specify any restrictions on the maximum number of gaming machines that may be operated at a class 4 venue and may include a relocation policy.

*Does membership of an organisation or club create a conflict of interest for participation in discussion or decision-making on gambling venue policies?*

4. It is not uncommon for councillors to be members of organisations and clubs, some of which may receive grant funding from gaming machines. This raises the question of whether membership of such a club or organisation would constitute a conflict of interest that would prevent the councillor from participating in discussion or decision-making regarding the policy.
5. Broadly speaking, a conflict of interest occurs when an elected member is affected by some other interest that he or she has in their private life. There are different types of conflict of interest:

- a. Financial conflicts of interest – where the member (or their spouse or partner) has a direct or indirect financial interest in a particular decision, they cannot discuss or vote on the matter.<sup>1</sup>
- b. Non-financial conflicts of interest.

Financial conflicts of interest

6. The applicable legislation is the Local Authorities (Members' Interests) Act 1968 (**LAMIA**). While the LAMIA does not define what a financial interest is, section 6(2) outlines a number of examples where a member will be deemed to have a financial interest:
  - The member, or his or her spouse, owns 10% or more of the issued capital of an incorporated company or any company controlling that company, that has a pecuniary interest (direct or indirect) in a matter before the local authority or committee; or
  - The member, or his or her spouse, is a member of the company and either of them is the managing director or the general manager of the company; or
  - The member, or his or her spouse, is a member of a company controlling the company having a pecuniary interest in the matter before the local authority or committee, and either the member, or his or her spouse, is the managing director or the general manager; or
  - The member, or his or her spouse, is the managing director or general manager of the company, and either of them is a member of a company controlling that company.
7. Other than these examples, the LAMIA does not define what a "financial interest" is. However, the Auditor-General has described a "financial interest" as "a reasonable expectation of financial loss or gain from the particular decision".<sup>2</sup>
8. It is unlikely that membership alone of a community organisation that receives gaming grant funding would give rise to a financial interest. This is because such organisations and clubs are usually run on a not-for-profit basis. One example where a financial interest could potentially arise would be if the member were in a paid position at the club or organisation, and the funding for that position comes from gaming grants. Another example may be where there is a prospect that membership fees or subscriptions to a club could be affected by the amount of gaming grant funding. However, given that gambling venue policies are relatively high-level in nature and do not directly address matters such as the licensing of particular venues (which involve a separate decision-

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<sup>1</sup> Section 6(1) of the Local Authorities (Members' Interests) Act 1968.

<sup>2</sup> Controller and Auditor-General, **Local Authorities (Members' Interests) Act 1968: A Guide for members of local authorities on managing financial conflicts of interest**, June 2020, at 4.15, referring to the definition of a financial interest in **Downward v Babington** [1975] VR 872.

making process, often by Council officers acting under delegated authority), or allocation of gaming grants (which are decided by the organisations that operate gaming licences subject to statutory requirements), any such potential impact is likely to be too speculative or remote to constitute a financial interest in the decision-making on a gambling venue policy.

9. Notwithstanding this view, where an elected member may receive a financial benefit of the kind described above from a club or organisation receiving gaming grant funding, they may as a matter of prudence wish to first obtain an exemption from the Auditor-General under section 6(3)(f) of the LAMIA (on the grounds that the financial interest is too remote or insignificant to be regarded as likely to influence him or her in voting or taking part in the discussion of the policy) before participating in discussion or decision-making on the policy. It is a relatively simple process to apply for such an exemption.

#### Non-financial conflicts of interest

10. A non-financial conflict of interest is any situation where a member is not affected financially by a decision but is affected in some other way that may constitute bias or the appearance of bias. Non-financial conflicts of interest are relevant to the avoidance of bias in decision-making. As opposed to financial interests, which can create personal liability for an elected member, bias is a matter of Council's accountability to the public. The avoidance of bias is part of the administrative law principles of natural justice, which require the Council to act fairly in reaching its decisions. The fairness principle has been described in these terms:<sup>3</sup>

In exercising that discretion, as in exercising any other administrative function, they [members] owe a constitutional duty to perform it fairly and honestly ... What is a fair procedure to be adopted at a particular enquiry will depend upon the nature of its subject matter.

11. The test for whether an interest may give rise to an apparent bias has been stated by the Court of Appeal as being where circumstances:<sup>4</sup>

...might lead a fair-minded lay observer to reasonably apprehend that the judge might not bring an impartial mind to the resolution of the instant case.

12. Unlike a financial conflict of interest, a potential non-financial conflict does not automatically exclude a member from participating in a decision. It will depend on how serious the conflict is. The Auditor-General has suggested a number of factors that may be relevant to an assessment of whether a potential conflict is serious enough to exclude a member from participation in decision-making. They include:<sup>5</sup>

- The type or size of the person's other interest;
- The nature or significance of the particular decision or activity being carried out by the public organisation;
- The extent to which the person's other interest could specifically affect, or be affected by, the public organisation's decision or activity; and

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<sup>3</sup> **Bushell v Secretary of State for the Environment** [1981] AC 75, 95.

<sup>4</sup> **Muir v Commissioner of Inland Revenue** [2007] 3 NZLR 495.

<sup>5</sup> Controller and Auditor-General, **Managing conflicts of interest: A guide for the public sector**, June 2020, at 4.31.

- The nature or extent of the person's current or intended involvement in the public organisation's decision or activity.

13. In our view, in the context of decision-making on a gambling venue policy, the mere fact that an elected member is also a lay member of an organisation or club that receives gaming grant funding is unlikely to give rise to a conflict of interest. This is because of the level of remoteness from any possible benefit or loss associated with the decision-making. In most cases, the contents of a gambling venue policy will not directly impact on funding that has or may be received by a club or organisation from gaming machine grants. The purpose of the policy is to specify whether class 4 venues may be established, and if so their location. It can also specify restrictions on the number of gaming machines that may operate at a class 4 venue. Such matters do not necessarily impact directly on whether a club or organisation may receive gaming grant funding, and if so, the amount of any such grant. Funding decisions are made by the organisations who operate the gaming machines, not the Council. The fact that a member, by virtue of membership of a club or organisation that has received gaming grants, has knowledge or experience of the beneficial impacts that gaming grants can have on the community does not give rise to a conflict of interest. To the contrary, it may contribute to a fair and balanced consideration of the issues arising when making decisions on a gambling venue policy. This would be consistent with the purpose of the GA, which is *inter alia* to ensure that money from gambling benefits the community and to facilitate community involvement in decisions about the provision of gambling.<sup>6</sup>

14. It is important to distinguish between membership of a club or organisation that receives gaming grants, and membership of a club or organisation that holds a gaming licence. In our view, while the former would not give rise to a conflict of interest in decision-making on a gambling venue policy, there is a much greater likelihood that the latter could give rise to a conflict of interest. This is particularly the case if the elected member holds an executive role in the club or organisation that operates a gaming licence. This is because, while a gambling venue policy does not specify whether or not a particular club or organisation is able to obtain a gaming licence *per se*, the policy may affect the eligibility of a club or organisation to hold a licence. As such, participation in the discussion or decision-making by a member of any such club or organisation could create an appearance of bias and therefore a conflict of interest.

15. Elected members should also always be mindful of avoiding predetermination, i.e., approaching decision-making with a closed mind. Elected members are entitled (and expected) to bring their previous knowledge and experiences to decision-making, but to approach any decision with an open mind. This means that elected members should be cautious about being vocal, other than in the course of Council debates, about particular views in a manner that may suggest that they do not and cannot have an open mind on a particular matter. This is because a conflict of interest may arise as a result of possible predetermination (i.e. actual or perceived bias).

16. In summary:

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<sup>6</sup> Section 3 of the GA.

- a. If an elected member has a financial interest in a club or organisation that may be impacted by the gambling venue policy, the member must not participate in any discussion or decision-making on the policy. It would be rare for a financial interest to arise in this context, but examples may be where the elected member is in a paid role at a club or organisation, and the role is funded from a gaming grant. A more remote interest may arise where the quantum of fees paid to a club or organisation may be impacted by a gaming grant. In those circumstances, it may be prudent to seek a decision from the Auditor-General as to whether the potential interest is deemed to remote to influence decision-making.
- b. Being a member of a club or organisation that receives funding from a gaming grant will not usually give rise to a conflict of interest when it comes to deciding or discussing Council's gaming venue policy.
- c. Being a member of a club or organisation that operates a gaming licence will give rise to a conflict of interest, particularly where the elected member serves in an executive role at the club or organisation.
- d. Where an elected member, outside of a debate on the issue, has expressed a view on the gambling venue policy that suggests that they do not and cannot have an open mind on the matter, this could give rise to a conflict of interest on the grounds of predetermination.

*Would Council be conflicted in deciding a gambling venue policy because it has previously received gaming grants?*

17. Council initiatives will frequently fall within the second category of the definition of an "authorised purpose" for which gaming proceeds may be used, as set out in section 4 of the GA i.e., "a non-commercial purpose that is beneficial to the whole or a section of the community". Notwithstanding the eligibility for Council initiatives to receive gaming grants, Parliament conferred territorial authorities with the responsibility of formulating a gaming venue policy for their districts. We do not consider that any conflict of interest would arise in relation to decision-making on a gambling venue policy because the Council may have previously been awarded gaming grants. This is because:
  - a. While individual elected members are subject to the LAMIA which prevents them from participating in decision-making where they have a financial interest, Council as an entity is not subject to the LAMIA.
  - b. Caselaw recognises the inevitability of a degree of conflict within councils when exercising certain statutory functions. It is established, for example, that a council may object to its own district plan, prosecute itself, and apply to itself for a resource consent.
  - c. The standard of impartiality for a Council is that it must approach its duty of inquiring into submissions with an open mind.<sup>7</sup> Given the requirement to undertake a special consultative process and the diverse views of individual members, it is unlikely that the fact that certain projects

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<sup>7</sup> *Lower Hutt City Council v Bank* [1974] 1 NZLR 545 at 550.

undertaken by Council have benefited from gaming grants would unduly influence Council decision-making on its gambling venue policy. For the same reasons outlined above in relation to individual members, the connection between gaming grant money and decision-making on gambling venues is too remote to constitute a conflict of interest. In any event, compliance with the statutory rules in the LGA regarding decision-making by local authorities<sup>8</sup> and the general principles relating to local authorities<sup>9</sup> are intended to ensure that Council decision-making is open, transparent, and has regard to the diversity of community interests, notwithstanding the many facets and activities undertaken by Council.

18. We note that Council is not undertaking a quasi-judicial role when formulating a gambling venue policy. There is greater need to avoid the appearance of bias when it comes to regulatory or quasi-judicial decision making (such as considering a resource consent application). In those circumstances, where there is an apparent conflict in Council's interests, it is common for Council to delegate its decision-making to an independent commissioner. To that end, the Resource Management Act 1991 (**RMA**) specifically allows for the appointment of independent commissioners to decide consent applications. However, while Council may delegate its decision-making on a gambling venue policy to a particular committee or sub-committee of Council, it would be unnecessary (and in our view, inappropriate) to delegate such decision-making to an independent commissioner.

Yours faithfully  
**BROOKFIELDS**



**Linda O'Reilly**  
Partner



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<sup>8</sup> Section 76 of the LGA.

<sup>9</sup> Section 14 of the LGA.



## **Hospitality New Zealand**

**TO QUEENSTOWN LAKES DISTRICT COUNCIL**

**SUBMISSION ON**

**REVIEW OF THE CLASS 4 GAMBLING AND TAB VENUE POLICY**

**MAY 2023**

**CONTACT DETAILS:** Hospitality New Zealand

Contact: Darelle Jenkins

Phone: [REDACTED]

Email: [REDACTED]

[www.hospitality.org.nz](http://www.hospitality.org.nz)

### **About Hospitality New Zealand:**

1. Hospitality New Zealand (“Hospitality NZ”) is a member-led, not-for-profit organisation representing approximately 3,000 businesses, including cafés, restaurants, bars, nightclubs, commercial accommodation, country hotels and off-licences.
2. Hospitality NZ has a 121-year history of advocating on behalf of the hospitality and tourism sector and is led by Chief Executive Julie White. We have a team of seven Regional Managers located around the country, and a National Office in Wellington to service our members.
3. We also have 18 local Branches covering the entire country, representing at a local level all those member businesses which are located within the region. Any current financial member of Hospitality NZ is automatically a member of the local Branch.
4. Our Central Otago branch comprises of 175 members, 134 of which operate within Queenstown lakes District Council (“the Council”).
5. This submission relates to the upcoming review of Class 4 Gambling and TAB Venue policy (“the policy”).
6. The national body of Hospitality New Zealand, while independent from, is a member of the Gaming Machine Association of New Zealand (GMANZ).
7. Enquiries relating to this submission should be referred to Darelle Jenkins, Senior Regional Manager – Lower South Island, at [darelle@hospitality.org.nz](mailto:darelle@hospitality.org.nz) and 0226834249.

### **General Comments:**

8. Hospitality New Zealand welcomes the opportunity to comment on Queenstown Lakes District Council’s review on Class 4 Gambling and TAB Venue policy.

### **What is your position on the proposed Class 4 Gambling and TAB Venue Policy 2023?**

9. Hospitality NZ supports Council’s proposed policy.
10. Hospitality NZ applauds Council for it’s pragmatic approach to increasing efficiency.
11. As Council have mentioned, there has been a natural reduction of venues in the district.
12. We acknowledge and recognise that there is an opportunity for EGM numbers to increase, however, we would like to draw attention to the work that Hospitality NZ is doing in the Harm minimisation training space.
13. Through this training and the nature of our members’ venues, we believe that if a customer wishes to engage in recreational gambling, that class 4 venues are the safest place to do so.

14. Staff are trained to notice any possible harm and intervene appropriately.
15. Hospitality New Zealand members are committed to working with the Queenstown Lakes District Council, and with the community in which we live and operate our venues. As responsible hosts and operators, we wish to continue to raise vital funding for this community, and to minimise any harm caused by gambling.

**Conclusion:**

16. We thank Queenstown Lakes District Council for the opportunity to provide input into the consultation.
17. We would be happy to discuss any parts of this submission in more detail, and to provide any assistance that may be required.
18. On behalf of our members, we wish to speak to our submission during the verbal deputation process.



Submission to QUEENSTOWN LAKES DISTRICT COUNCIL:  
Proposed Class 4 Gambling and TAB Venues Policy

MAY 2023

## 1. INTRODUCTION

We are pleased to submit The Lion Foundation's (TLF) response to the QLDC Review in respect of the Class 4 Gambling and TAB Venues Policy. Our submission relates to Class 4 Gambling only.

The Lion Foundation is one of New Zealand's largest gaming machine societies by venue number, machine number and money returned to the community through grants.

Formed in 1985, we have distributed over \$1 billion in grants to local, regional and national community causes since our inception and over \$38.6 mil in our 2022/2023 financial year.

The Lion Foundation acknowledges the thorough and comprehensive process undertaken by the Council Policy Advisors. The New Zealand community funding model is one of the most efficient in the world and we support any review that allows consideration to be given to the **total impact** that gambling has on and within our communities. In New Zealand, gaming is not operated for commercial gain, but rather for community gain.

## 2. RESPONSE TO STATEMENT OF PROPOSAL – Class 4 Gambling Venues

With reference to the Statement of proposal:

### Paragraph 20 Information Disclosure

- With reference to the existing provision to disclose venue specific gaming revenue and/or venue payments we note that to date no information has been supplied to Council by Class 4 societies (including ourselves). We support the removal of this requirement – simply put, the provision and disclosure of venue specific gaming revenue and/or venue payments (a percentage of turnover) would result in high-turnover venues being at greater risk of armed robbery. The information is also commercially sensitive.
- There is value in knowing the total amount of gaming revenue generated in each territorial authority. This information is collected by the Department of Internal Affairs<sup>1</sup>. Similarly, there is also value in having information related to grants in the QLDC district. This information is also collected by the Department of Internal Affairs<sup>2</sup>.

### Paragraph 21- 27 Public Notification

- The Lion Foundation supports the changes as proposed. Having recently applied to relocate a venue in Wanaka (September 2021), we have experienced first-hand the frustrations of having to publicly notify.

### Paragraph 28 - 32 Cap on EGMS

- We agree that there is in fact no need for the policy to be more restrictive – either by adopting a sinking lid policy or further reduce the number of EGMS or Class 4 Venues.

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<sup>1</sup> <https://catalogue.data.govt.nz/dataset/gaming-machine-profits-gmp-dashboard/resource/60081bcd-f2ae-4b97-8a9f-fe449fa59969>

<sup>2</sup> <https://granted.govt.nz/>

- We believe that the authors of the Report [for Agenda Item] dated 23 March 2023, and the Statement of Proposal have applied careful consideration to all issues, and the *final product* strikes the best balance for the QLDC and the sector as a whole. The approach taken in this process does, in our opinion, carefully address the benefit to the local community that funding generated at venues provides, as well as the potential for gambling harm to the small segment of the community that may be adversely affected by their gambling.

### Paragraph 37 Option 1

- We are supportive of the QLDC adopting this option.
- In respect to the disadvantages – more particularly *People seeking intervention for problem gambling could rise, without adequate treatment for problem gambling available in the District*, we would like to suggest that what has become evident over the past few years, and as was identified in the Gambling Harm Needs Assessment 2021<sup>3</sup> report (commissioned by the Ministry of Health) :-
  - ❖ The treatment providers have failed to encourage persons at risk to use their services.
  - ❖ The total number of clients for all interventions was 9,502 (including 2,875 existing clients and 6,627 new clients) – a decrease of 10.4% (-1,100 clients) compared with the previous year (page 42).
  - ❖ The total number of clients, excluding brief interventions, was 4,439 (including 2,487 existing clients and 1,952 new clients) – a decrease of 8.6% (-417 clients) compared with the previous year (page 42).
  - ❖ Users of the Gambling Helpline decreased by 30%, falling from 4,806 users in 2017 to 3,328 in 2019 (page 45).
- Despite rhetoric from the opponents of gambling, there is no evidence that a reduction in venues or machines results in a reduction in problem gambling<sup>4</sup>. Furthermore, the Gambling Harm Needs Assessment 2021 report has identified that:
  - ❖ The prevalence of harmful gambling remains relatively unchanged (page 7). The most recent gambling participation and prevalence data captured in the HLS survey showed that between 2016 and 2018, the prevalence of harmful gambling among adults (aged 15 years and over) in New Zealand remained relatively unchanged (Te Hiringa Hauora, 2018) (page 32 of the Report).
- Gaming machine numbers and the number of gaming venues has declined steadily since 2003. Since the peak in Class 4 gaming machine numbers of 25,221 in 2003, the number of machines has declined steadily with the latest figures showing 14,828 machines as at 31 March 2020. Venues numbers have declined from over 2000 venues in 2003, to 1078 at March 2020.<sup>5</sup>

<sup>3</sup> <https://www.health.govt.nz/system/files/documents/publications/gambling-harm-needs-assessment-2021.pdf>

<sup>4</sup> National Gambling Study, MOH, 2012-2015. *The National Gambling Study (NGS) was the first NZ longitudinal study into gambling, health, lifestyles, and attitudes about gambling. Evidence to date shows that there is no correlation between the number of machines and the prevalence of people seeking help for problem gambling.*

*Funded by the Ministry of Health, the NGS started in 2012 with a randomly selected national sample and followed those respondents over 4 years. The Study showed that despite a reduction in the number of machines from 18,000 in 2012 to 16,000 in 2018, the problem gambling risk did not change significantly from 2012 to 2015. Given population growth, per capita expenditure actually decreased over this period.*

<sup>5</sup> Department of Internal Affairs – Quarterly statistics

- The New Zealand National Gambling Study: Wave 4 (2018) noted that the problem gambling rate risk did not change significantly from 2012 to 2015 and had remained the same over the last 10-15 years despite gaming machine numbers decreasing<sup>6</sup>.
- Furthermore, TLF believes adopting Option 1 is appropriate given the significant measures that are already in place to minimise the harm from gaming machines. By way of example (not an exhaustive list):
  - ❖ There is a statutory age limit that prohibits persons under 18 years of age playing a gaming machine;
  - ❖ There are very restrictive limits on the amount of money that can be staked and the amount of prize money that can be won;
  - ❖ Gaming machines in New Zealand do not accept banknotes above \$20.00 in denomination;
  - ❖ ATMs are excluded from all gaming rooms;
  - ❖ All gaming venues have pamphlets and other resources that provide information about the characteristics of problem gambling and how to seek advice for problem gambling;
  - ❖ All gaming venues have signage that encourages players to gamble only at levels they can afford. The signage also details how to seek assistance for problem gambling;
  - ❖ All gaming venues have a harm minimisation policy;
  - ❖ All gaming venue staff are required to have undertaken comprehensive problem gambling awareness and intervention training;
  - ❖ It is not permissible for a player to play two gaming machines at once; and
  - ❖ The design of a gaming machine is highly regulated and controlled. For example, a gaming machine is not permitted to generate a result that indicates a near win (for example, if five symbols are required for a win, the machine is not permitted to intentionally generate four symbols in a row).

### **3. ABOUT THE LION FOUNDATION (TLF)**

TLF's purpose, simply put, is to effectively and efficiently sustain community funding. Our aim is to protect and help people build better communities in a way that is safe, ethical, transparent, and consistent with the intent of the Gambling Act.

Our focus is on compliance and the reduction of gambling harm. TLF is not here to grow or promote gambling. In September 2021, TLF applied to relocate a venue in Wanaka. As part of the process, TLF agreed to reduce the number of licenced EGMs allowed to operate at the venue. This does, in our opinion, reflect TLF's responsible approach to its gambling operation.

TLF aims to return at least 90% of funds back to the community of origin (where the funds were generated), with the remaining 10% of funds being returned to organisations providing a national benefit to all New Zealanders. It is important to note that funding can however only be distributed upon receipt of a compliant [Gambling Act,2003] grant applicaton.

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<sup>6</sup> The New Zealand National Gambling Study: Wave 4 (2015), final report March 2018

In May 2023 we received a wonderful letter of thanks from Bike Wanaka– which clearly identifies the benefit of Class 4 funding. TLF contributed \$30,000 to this project:

As a generous donor of the Lismore Park Rejuvenation Project, Bike Wānaka is excited to inform you that the construction stage of the rebuilt bike park has now been successfully completed. Work was undertaken by the professional trail builders, Flux Trail Limited, supported by community volunteers

Bike Wānaka is incredibly proud to have delivered its largest community project to date, which would not have been possible without the generous donation made by The Lion Foundation. Thank you for your support of this project which has created a safe, community focussed and professionally built environment, providing a meeting place for bikers of all abilities within the District.

With the construction phase now completed, Bike Wānaka will open the Park to the public this Saturday 6th May at 10am. This is a soft launch opening as there is still additional work to undertake prior to the official opening, including native tree planting and development of picnic areas for families to come together and enjoy the bike park environment. You will get a special invitation to the Official Opening in Spring 2023 where all donors and supporters of the Lismore Park Rejuvenation Project will be invited to attend. I will be in touch closer to the time.

We thank you again for your support with the development of this community facility which will be enjoyed by local residents for generations to come.

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Naomi McGregor

All local and regional grants are considered by a Regional Grants Committee, comprised of local South Island community members, who are extremely well placed to ensure that grant funding lands where it is most needed.

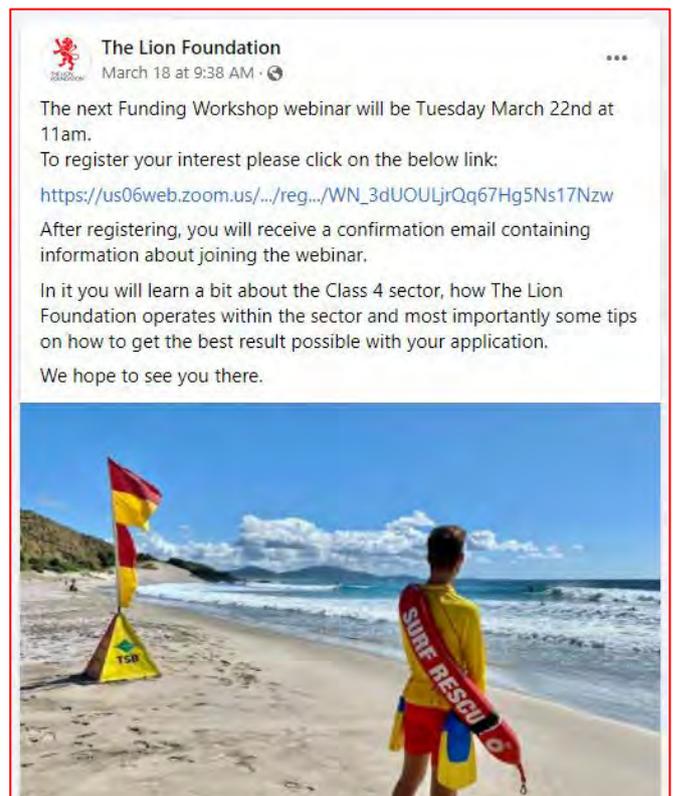
We are a broad based, inclusive funder - that is, we fund a wide range of organisations across all community groups. Our grants are committed to the following community sectors:

- Sport
- Community, Arts & Culture
- Health
- Education

It is also important to note that TLF has stringent processes that are employed when a grant is assessed and can only be distributed for authorised purpose (Gambling Act) and can only be distributed upon successful application.

TLF acknowledges that a vast majority of volunteer-based community organisations do not always have the ability to navigate the quagmire that is involved in applying for Class 4 funding. The highly regulated and complicated granting process is difficult enough for professional funding advisors to navigate. In an effort to ensure that all community organisations have a fair opportunity to access community funding, TLF has launched a series of educational webinars. The webinars provide valuable “*how to information*” and are proving to be a success.

In addition to the distribution of gaming proceeds to a variety of organisations, “pokies in pubs” contributes to the microeconomics of the district. Numerous anti-gambling research papers issued in support of sinking lid policies fail to identify the



economic value currently generated by the gambling sector when concluding that a sinking lid policy is required. Venues that are licenced to operate Class 4 gaming machines provide employment to numerous residents of the local community. Proceeds of grant funding often (if not always) end up in the points-of-sale of local community business. Payments are also made to Venue Operators that host gaming machines. This further supports the hospitality industry within the district.

#### **4. HARM MINIMISATION**

The Lion Foundation is committed to preventing and minimising harm from gambling, including problem gambling, whilst facilitating a responsible and legal form of recreational gambling.

We are committed to creating safe gambling environments in all our venues, and minimising the harm caused by problem gambling.

Venue Operators receive a limited/capped payment – defined by the Gambling Act and related Regulations, more specifically the Gambling (Venue Payments) Regulations 2016<sup>7</sup>. The venue payment is a fair and equitable payment designed to compensate the Venue Operators for the operational costs (staffing, etc) incurred in operating the EGMs for the Class 4 Society.

At TLF we certainly do play a considerable part in the prevention and minimisation of harm at the venues – *a fence at the top of the cliff* approach. We ensure our Venue Operators and their gaming staff are fully trained in all relevant areas of harm minimisation. We have recently released an online training system which has been developed by industry professionals. Input has been sought and received from all walks of life, including employees of the Salvation Army Oasis National Office. Irrespective of training already undertaken, all venue staff are required to complete this training within a set timeframe – ensuring that standardised training is delivered to all. The training records are recorded in our CRM system and records of training are available for audit purposes.

In addition to our online programme, all staff involved in the supervision of gaming at TLF venues undertake frequent face to face training courses (including refresher courses) run by experienced TLF personnel. All TLF personnel have a wealth of experience in the gaming and hospitality sectors. Training predominantly focuses on problem gambling – how to observe and identify problem gamblers, how to support problem gamblers and how to ensure that harm is minimised. Gaming rooms may not be operated unless a person fully trained in harm minimisation is on duty. In addition to the ongoing training, our industry trained staff are constantly in contact with the venue staff and operators and are available to assist with a variety of matters at a moment's notice – either in person or telephonically.

All venue staff are constantly reminded of their obligations in terms of the Harm Minimisation Policy. Our Account Managers are physically present in the venues on a weekly basis – ensuring compliance standards are met.

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<sup>7</sup> <https://www.legislation.govt.nz/regulation/public/2016/0191/latest/DLM6917617.html>

Facial recognition technology is in use at many of our venues. The Lion Foundation offers a range of harm minimisation material to the gambler in the venue – including, but not limited to, wallet cards with information for potential problem gamblers, signage in and around gaming rooms from the Health Promotion Agency, etc. Venue staff interaction, supervision and observation of patrons is also key to the minimisation of harm.

By accessing a customised *Venue Information Portal* (screenshot extract below), venue personnel have immediate access to a suite of harm minimisation products. These include educational videos, the suite of Health Promotion Agency material, training aids, industry updates, Health and Safety material etc. A Gambling Harm Service referral form is immediately accessible via the portal and assists problem gamblers receive the help that they require from the Salvation Army and other service providers.



We support the introduction of new harm minimisation measures, provided they are based on good evidence that they will have a positive impact on the reduction in harm caused by gambling.

### Contributing to the Problem Gambling Levy 2022-23 to 2024-25

Each year the Class 4 Gambling industry contributes significant amounts to a problem gambling levy in addition to in-house harm minimisation and prevention initiatives. With a budget of approximately \$76mil over a three-year period<sup>8</sup>, this funding allows the Ministry of Health to support and treat gambling addiction and to increase public awareness.

Has sufficient progress been made in previous years? In addition to extracts from The Gambling Harm Needs Assessment 2021 report referenced in previous paragraphs, the report has furthermore identified:

- ❖ There was a common perception among interviewed participants from all gambling stakeholder groups, and many workforce survey respondents, that limited progress had

<sup>8</sup> <https://www.health.govt.nz/publication/strategy-prevent-and-minimise-gambling-harm-2022-23-2024-25>

been made across most objectives set out in the Strategy to Prevent and Minimise Gambling Harm 2019/20-2021/22 (page 8).

- ❖ In relation to objectives 1 and 2 (MoH Strategy 2019-2022), reducing gambling-related harm inequities for Māori, Pacific and Asian peoples, and ensuring Māori have healthier futures through the prevention and minimisation of gambling harm; most interviewed participants and around half of the workforce survey respondents considered that little to no progress had been made against both objectives (page 55).

Responding to the Draft Strategy to Prevent and Minimise Gambling Harm 2022-23 to 2024-25, the Gaming Machine Association of New Zealand has implored the Ministry to do things differently<sup>9</sup>. One glaring omission from the strategy is any investment at the top of the cliff – instead of repeating failed investment at the bottom of the cliff.

It is disappointing to note that the recently released Strategy to Prevent and Minimise Gambling Harm 2022/2023- 2024/2025, which provides a budget of \$76 million over the period hasn't answered the call for change. The report of the Gambling Commission has highlighted these deficiencies:-

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<sup>9</sup> <https://www.gmanz.org.nz/resource/submission-strategy-to-prevent-minimise-gambling-harm-and-the-problem-gambling-levy-2022-2025/>

## 2. EXECUTIVE SUMMARY

2.1 The Commission's recommendations are as follows:

(a) The total amount of the levy for the period 1 July 2022–30 June 2025 be set at \$76.123 million.

(b) The weightings of W1 (expenditure) and W2 (presentations) should be set at 30:70.

(c) Within the next levy period, the Ministry should undertake a **major strategic review of its problem gambling strategy and use that review to determine the necessary funding requirements. Rather than accepting a historically determined budget envelope, the Ministry should re-assess the future analytical and operational requirements of an integrated problem gambling strategy and develop an updated comprehensive strategy with costings based upon those requirements.**

(d) As part of this review, the **Ministry should collaborate meaningfully** with the main participants of this process; the gambling industry operators, the problem gambling service providers and those with lived experience, **in order to make use of their collective wisdom as part of the process to develop the new strategy.** As part of this review, the Ministry should initiate a long-term research programme which looks beyond the 3-year levy cycle in order to inform future decision making about what makes a real difference in reducing gambling harm in New Zealand.

(e) **Serious consideration should be given to including online** gambling as a leviable sector within the problem gambling formula set out in section 320 of the Act. Online gambling is already responsible for a growing number of presentations to problem gambling service providers, a trend that is likely to continue as life moves increasingly online.

(f) The Ministry and the Department of Internal Affairs (the "Department") should investigate whether more refined data can be collected in relation to online gambling expenditure and presentations. At present, "online gambling" appears to be discussed generically but there may be important distinctions from a policy perspective between New Zealand gambling operators which also have an online presence (Lotto, TAB NZ and SKYCITY) and those online operators that are based entirely offshore. Consideration should also be given to refining data in relation to the New Zealand gambling operators which provide both online and terrestrial gambling (Lotto, TAB NZ and SKYCITY). **These data may show whether there are material harm differences between participation in the same form of gambling online or at a physical venue.**

Despite these deficiencies, we hope that the next three years will see a decline in the rates of recidivism [amongst problem gamblers] and a positive change in the prevalence rates which has to date not been witnessed despite substantial investment over the past 10 years.

## 5. UNREGULATED ONLINE OFFSHORE GAMBLING

Of great concern is the fact that problem gambling associated with **offshore based online gambling** is growing exponentially.

The Gambling Harm Needs Assessment 2021 report has identified that: -

- ❖ Access to online gambling for money has increased. Gambling Harm services, lived experience and gambling industry representatives (of which we are one) indicated (at page 26) :-

*"How easy it is to start to gamble. Just out of boredom. Instead of going to the pub, you can just stay home, download the apps and enter your card details. So it's definitely changed*

*within the past three years. It used to be going down to the pub. Now it's so effortless you just pop out your phone. (lived experience representative)"*

Recently New Zealanders have been informed of the stark realities of the dangers of offshore online gambling by the media:<sup>10</sup>

Online gambling, whether it be pokies or playing live blackjack, is booming.

"When we look at our own customers, what we see is there is about \$30 million a month that's being spent on online gambling and 80 percent of that is offshore," said Julia Jackson, Kiwibank's head of purpose and sustainability.

"It really is [an incredible amount] and what's a really interesting trend that we've seen is from the first COVID lockdown in 2020, that number has massively increased and it hasn't gone down."

The offshore sites raking in millions are based in places including Malta, Cyprus, Gibraltar, Estonia, and Lithuania, where registered companies benefit from low taxes and can offer internet gambling to anyone in the world.

Offshore online gambling providers do not have to operate in accordance with the Gambling Act, do not offer any harm minimisation features to protect players; do not contribute to New Zealand communities.

Furthermore, offshore based online gambling poses considerable risk in that:

- ❖ It is highly accessible, being available 24 hours a day from the comfort and privacy of your home;
- ❖ Has no restrictions on bet sizes;
- ❖ Has no capacity for venue staff to observe and assist people in trouble;
- ❖ Reaches new groups of people who may be vulnerable to the medium;
- ❖ Provides no guaranteed return to players;
- ❖ Is more easily abused by minors;
- ❖ Is unregulated, so online gamblers are often encouraged to gamble more by being offered inducements or by being offered the opportunity to gamble on credit. For example, many overseas sites offer sizable cash bonuses to a customer's account for each friend that they induce to also open an account and deposit funds.

And finally, the Gambling Commission in its recent commentary - **REPORT ON THE PROPOSED PROBLEM GAMBLING LEVY: 2022-2025, dated 10 February 2022**<sup>11</sup>, suggested to the Ministry of Health that –

<sup>10</sup> <https://www.newshub.co.nz/home/new-zealand/2022/03/kiwibank-customers-spending-30m-every-month-playing-on-online-gambling-sites.html>

<sup>11</sup> [https://www.gamblingcommission.govt.nz/GCwebsite.nsf/wpg\\_URL/Reports-Publications-Problem-Gambling-Levy-2022-2025!OpenDocument](https://www.gamblingcommission.govt.nz/GCwebsite.nsf/wpg_URL/Reports-Publications-Problem-Gambling-Levy-2022-2025!OpenDocument)

*“Serious consideration should be given to including online gambling as a leviable sector within the problem gambling formula set out in section 320 of the Act. Online gambling is already responsible for a growing number of presentations to problem gambling service providers, a trend that is likely to continue as life moves increasingly online”.*

## **6. CONCLUSION**

It is our submission that the Council’s policy needs to optimise the balance between reasonable controls over the incidence of problem gambling against the generation of funds for the community from legitimate gambling.

*For further comment or information please contact Tony Goldfinch at The Lion Foundation on [REDACTED] [REDACTED], or email: [REDACTED] or Samantha Alexander on [REDACTED] or email: [REDACTED]*

## Approved Grants - Payments by TLA

Date Field: Payment Date equals Previous 2 FY (30/03/2020 to 3/04/2022)

| Org TLA ↓                    | Category ↑                 | Grant Request No.                           | Organisation Name                               | Amount Requested | Allocated Amount from Waimakariri |
|------------------------------|----------------------------|---|---|------------------|-----------------------------------|
| Waimakariri District Council | Community - Culture - Arts | 9029151                                     | All Together Kaiapoi                            | \$5,782.00       | \$5,782.00                        |
|                              |                            | 9029186                                     | Community Watch Kaiapoi Inc                     | \$15,000.00      | \$10,000.00                       |
|                              |                            | 9034602                                     | Cust Community Swimming Pool                    | \$20,000.00      | \$20,000.00                       |
|                              |                            | 9031836                                     | Friends of Rangiora Town Hall Inc               | \$2,087.00       | \$2,087.00                        |
|                              |                            | 9030053                                     | Kaiapoi Promotion Assn Inc                      | \$18,425.00      | \$18,425.00                       |
|                              |                            | 9034315                                     | Kaiapoi Promotion Assn Inc                      | \$37,637.00      | \$20,000.00                       |
|                              |                            | 9033845                                     | R13 Youth Development Trust                     | \$4,054.70       | \$4,055.00                        |
|                              |                            | 9034026                                     | Rangiora Promotions Assn Inc                    | \$14,899.55      | \$14,000.00                       |
|                              |                            | 9029656                                     | Reflections Community Trust                     | \$4,181.00       | \$4,181.00                        |
|                              |                            | 9029210                                     | Standardbred Stable to Stirrup Charitable Trust | \$4,160.00       | \$4,160.00                        |
|                              |                            | 9032806                                     | Standardbred Stable to Stirrup Charitable Trust | \$5,914.00       | \$4,000.00                        |
|                              |                            | 9035286                                     | Standardbred Stable to Stirrup Charitable Trust | \$2,100.00       | \$2,100.00                        |
|                              |                            | 9031515                                     | Waimakariri Arts Trust                          | \$5,245.00       | \$5,245.00                        |
|                              |                            | Education                                   | 9032962   | Ashley School    | \$3,380.00                        |
|                              | 9030153                    |   | Kaiapoi Borough School                          | \$3,809.57       | \$3,810.00                        |
|                              | 9030757                    |   | Kaiapoi High School                             | \$3,006.00       | \$2,499.00                        |
|                              | 9035220                    |   | Rangiora High School                            | \$5,230.00       | \$5,230.00                        |
|                              | 9029848                    |   | Rangiora Youth Community Trust                  | \$12,091.55      | \$5,204.00                        |
|                              | 9033526                    |   | Southbrook School                               | \$15,000.00      | \$15,000.00                       |
|                              | Health                     | 9031695                                     | Community Wellbeing North Canterbury Trust      | \$3,957.00       | \$3,957.00                        |
|                              |                            | 9029242                                     | Good Night Sleep Tight Charitable Trust         | \$10,000.00      | \$4,000.00                        |
|                              | Sport                      | 9032989                                     | Ashley Rugby Football Club Inc                  | \$3,811.00       | \$3,811.00                        |
|                              |                            | 9032228                                     | Belfast Sports & Community Centre Inc           | \$5,795.00       | \$2,795.00                        |
|                              |                            | 9035559                                     | Belfast Sports & Community Centre Inc           | \$8,679.00       | \$7,392.00                        |
|                              |                            | 9030173                                     | Canterbury Country Cricket Assn Inc             | \$10,000.00      | \$5,000.00                        |
|                              |                            | 9034460                                     | Canterbury Country Cricket Assn Inc             | \$17,500.00      | \$5,000.00                        |
|                              |                            | 9033635                                     | Cure Boating Club Inc                           | \$10,159.00      | \$10,159.00                       |
|                              |                            | 9030984                                     | Eyreton Pony Club Inc                           | \$3,500.00       | \$3,500.00                        |
|                              |                            | 9034918                                     | Eyreton Pony Club Inc                           | \$4,000.00       | \$4,000.00                        |
|                              |                            | 9035977                                     | Kaiapoi Croquet Club Inc                        | \$12,189.11      | \$12,189.00                       |
|                              |                            | 9034877                                     | Kaiapoi Rugby Football Club Inc.                | \$5,252.00       | \$5,252.00                        |
|                              |                            | 9033925                                     | Mandeville Sports Club                          | \$10,000.00      | \$10,000.00                       |
|                              |                            | 9032338                                     | North Canterbury Basketball Assn                | \$19,440.00      | \$7,000.00                        |
|                              |                            | 9035928                                     | North Canterbury Basketball Assn                | \$39,720.00      | \$25,000.00                       |
|                              |                            | 9033981                                     | North Canterbury Netball Centre Inc             | \$1,089.00       | \$947.00                          |
|                              | 9032398                    | North Canterbury Sport and Recreation Trust | \$30,000.00                                     | \$20,000.00      |                                   |

|                              |                            |         |  |              |              |
|------------------------------|----------------------------|---------|--|--------------|--------------|
|                              |                            | 9031574 | Pioneers of Canterbury Masters Marching Team     | \$1,243.04   | \$1,243.00   |
|                              |                            | 9034791 | Rangiora Boxing Club Inc                         | \$16,523.04  | \$16,523.00  |
|                              |                            | 9035816 | Southbrook Community Sports Club Inc             | \$42,174.96  | \$30,744.00  |
|                              |                            | 9031740 | Waimakariri United Football Club Inc             | \$15,000.00  | \$15,000.00  |
|                              |                            | 9035619 | Waimakariri United Football Club Inc             | \$20,000.00  | \$20,000.00  |
|                              |                            | 9031563 | Woodend Bowling Club Inc                         | \$4,593.00   | \$4,593.00   |
|                              |                            | 9035369 | Woodend Bowling Club Inc                         | \$4,060.00   | \$3,530.00   |
| Selwyn District Council      | Sport                      | 9035626 | West Melton Rugby Football Club Inc              | \$3,500.00   | \$2,000.00   |
| Queenstown Lakes District    | Community - Culture - Arts | 9034659 | Good Bitches Trust                               | \$30,000.00  | \$5,000.00   |
| Marlborough District Council | Education                  | 9035870 | Outward Bound Trust of N Z Inc                   | \$20,000.00  | \$20,000.00  |
|                              | Sport                      | 9035783 | Marlborough Football Inc                         | \$4,983.84   | \$4,000.00   |
| LF National                  | Community - Culture - Arts | 9033485 | Blue Light Ventures Inc                          | \$245,927.68 | \$5,000.00   |
|                              |                            | 9035181 | Camp Quality N Z Inc                             | \$20,000.00  | \$2,500.00   |
|                              | Education                  | 9031808 | Kids for Kids Charitable Trust                   | \$20,000.00  | \$4,000.00   |
|                              | Health                     | 9035018 | Breast Cancer Foundation N Z                     | \$150,000.00 | \$5,000.00   |
|                              |                            | 9034790 | N Z Down Syndrome Assn Inc                       | \$25,044.60  | \$3,000.00   |
|                              | Sport                      | 9035433 | N Z Softball Assn Inc                            | \$60,000.00  | \$5,000.00   |
|                              |                            | 9035133 | Swimming N Z Inc                                 | \$90,000.00  | \$10,000.00  |
|                              |                            | 9034788 | Yachting N Z Inc                                 | \$76,700.00  | \$5,000.00   |
| Hamilton City Council        | Health                     | 9035142 | Prostate Cancer Foundation of N Z Inc            | \$72,500.00  | \$3,750.00   |
| Christchurch City Council    | Community - Culture - Arts | 9034836 | Battered Women's Trust (Christchurch)            | \$18,202.34  | \$4,000.00   |
|                              |                            | 9031842 | Living Springs Trust                             | \$36,300.96  | \$10,000.00  |
|                              | Education                  | 9034488 | Christchurch Childrens Holiday Camps Trust       | \$8,000.00   | \$2,000.00   |
|                              |                            | 9031775 | Life Education Trust - Canterbury                | \$24,461.54  | \$10,000.00  |
|                              |                            | 9035620 | Life Education Trust - Canterbury                | \$21,461.00  | \$10,730.00  |
|                              | Health                     | 9034508 | Bone Marrow Cancer Trust Inc                     | \$78,033.00  | \$5,000.00   |
|                              |                            | 9034262 | Canterbury Brain Collective Ltd                  | \$54,609.00  | \$5,000.00   |
|                              |                            | 9034388 | Cholmondeley Childrens Centre Inc                | \$60,000.00  | \$10,000.00  |
|                              |                            | 9034950 | Order of St John South Island Region Trust Board | \$554,656.00 | \$150,000.00 |
|                              |                            | 9035263 | Southern Hearing Charitable Trust                | \$100,000.00 | \$5,000.00   |
|                              |                            | 9035924 | Surf Life Saving N Z Inc - Southern              | \$80,000.00  | \$10,000.00  |
|                              | Sport                      | 9029934 | Canterbury Cricket Assn Inc                      | \$20,000.00  | \$2,500.00   |
|                              |                            | 9034208 | Canterbury Cricket Assn Inc                      | \$40,000.00  | \$5,000.00   |
|                              |                            | 9032002 | Canterbury Hockey Assn Inc                       | \$25,000.00  | \$4,000.00   |
|                              |                            | 9032239 | Canterbury West Coast Sports Trust               | \$40,000.00  | \$5,000.00   |
|                              |                            | 9035486 | Christchurch Pistol Club Inc                     | \$10,000.00  | \$5,000.00   |
|                              |                            | 9035346 | Tennis Canterbury Region Inc                     | \$20,000.00  | \$5,000.00   |
|                              |                            | 9035490 | The Pukeko Centre Inc                            | \$600,000.00 | \$25,000.00  |
| Auckland City Council        | Health                     | 9035087 | Deaf Aotearoa Holdings Ltd                       | \$17,200.00  | \$1,000.00   |
| <b>Total</b>                 | <b>Count</b>               |         | <b>75</b>  |              |              |



**Submission for  
Queenstown Lakes District Council  
on the proposed  
Class 4 Gambling Venues Policy**

**May 4, 2022**

# New Zealand Community Trust's submission on Queenstown Lakes District Council's Gambling Venue Policy

## Introduction

Established in 1998, New Zealand Community Trust (NZCT) is one of New Zealand's largest gaming trusts with 13% market share. Our publicans raise funds by operating gaming lounges within their pubs, hotels and other venues. In the 12 months to 30 September 2022, NZCT approved **\$39.2** million distributed in grant funding to sporting, local government and community groups nationwide.

## Gaming machine funding

The Gambling Act 2003 seeks to balance the potential harm from gambling against the benefits of using gaming machines as a mechanism for community fundraising.

NZCT provided to Queenstown Lakes District Council for the direct benefit of the community from March 2020 to February 2023 a total of **\$174,961** across **28** worthy grants. NZCT during the same period approved multi regional grants that benefit Queenstown Lakes of **\$176,736** and National Grants that benefit Queenstown Lakes of **\$41.627** - an overall total of **\$393,326**.

A list of all the grants made during this time are attached as appendix 1.

NZCT's contribution to community funding reflects its venue numbers and the turnover of each of those venues.

The 2021 TDB Advisory report, Gambling in New Zealand: A National Wellbeing Analysis, found that gambling in New Zealand had a net positive wellbeing benefit of between **\$1,740** million and **\$2,160** million each year.

New Zealand has a very low problem gambling rate by international standards – at 0.2% of people aged 18 and over (approximately 8000 people nationally). According to the New Zealand National Gambling Study: Wave 4 (2015).

Council gambling venue policies are critical to maintaining the infrastructure that allows community funding from gaming trusts to be sustainable long term. Councils need to take an informed and balanced approach to community benefit and potential harm from gambling.

All gaming machine societies contribute to a problem gambling fund – which provides some \$20 million per year to the Ministry of Health to support and treat gambling addiction.

Problem gamblers are currently supported using a range of measures. The controlled, class 4 environment is the one of the best environments to reduce gambling harm to people and communities.

Information is freely available in the community to enable support and identify risks associated with gambling by members of the public, individuals at risk, staff at venues, and by loved ones.

Where a sinking lid is used it is a blunt instrument that does little to address problem gambling and reduces community funding by removing the fundraising infrastructure (i.e., gaming machines within tightly controlled entertainment venues) over time. Problem gambling is a complex addiction.

A cap on gaming machine numbers and an effective broader relocation policy to include where landlords are imposing unreasonable terms and that allows venues to move out of deprived areas is much fairer to the community and hospitality business owners, as well as helping address problem gambling.

Online gambling incentivises spending and returns nothing to benefit the New Zealand community. The controlled environment around class 4 is recognized as one of the safest places in which to enjoy gambling, whilst providing benefit back to the community.

In addition to contributing some \$1 million each year to the problem gambling levy, NZCT contributes an estimated \$800,000 each year, to resources and initiatives that help minimise harm.

Class 4 societies must distribute or apply 100% of profits to community authorised purposes. It's important to appreciate this a not-for-profit model.

## **Option 1 is recommended**

- The removal of the information disclosure provisions, the removal of the public notification provisions, and the update of the fee provisions is supported.
- The primary activity clause be expanded to allow for venues such as hotels and restaurants to host gaming machines. This would align the primary activity provision with the primary activity requirement in clause 4 of the Gambling (Harm Prevention and Minimisation) Regulations 2004 and is consistent with the gambling venue policies adopted by other councils.

The current relocation policy is positive as it assists with the revitalisation of the area. It allows gaming venues to move to new, modern, refurbished premises. Allowing local businesses to upgrade their premises and provide a more modern, attractive offering.

### **The national picture - community organisations rely on pub gaming to survive**

The purpose of the pub gaming sector is to raise funds for the community. Many community sports, arts, and other groups, including councils accept grants and may depend on pub gaming grants to survive. It is crucial that this fundraising system is sustainable long term.

Seventy-five percent of groups surveyed in 2012 indicated their organisation is moderately or totally reliant on gaming funding to support their core business. Fifty-five percent said there would be a high to extreme risk to their organisation and their core business if they did not receive this funding.<sup>1</sup> There is no evidence that this situation has changed for the better since then.

The reduction in gaming trust funding has had a negative impact on community organisations, with many organisations and activities ceasing to operate and others severely reduced in capacity and capability. Grassroots community organisations are struggling with few alternative sources for funding available to replace the loss of gaming funding. Voluntary organisations are increasingly reliant on nationwide public donation campaigns to stay afloat. The Covid-19 pandemic has only worsened this situation.

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<sup>1</sup> Page iii, Community Funding Survey, Point Research 2012.

## Locally in QLDC

Queenstown Lakes organisations like these that have benefited from NZCT's grants since March 2020 would miss out in the future if less funding is available.

| Organisation                                     | Total Amount Approved |
|--|-----------------------|
| Arrowtown Promotion and Business Association Inc | \$8,000.00            |
| Arrowtown School                                 | \$15,000.00           |
| Aspiring Athletes Club Inc                       | \$1,500.00            |
| Aspiring Athletes Club Inc                       | \$1,500.00            |
| Aspiring Gymsports Inc                           | \$5,000.00            |
| Challenge Wanaka Sports Trust                    | \$9,500.00            |
| Challenge Wanaka Sports Trust                    | \$5,000.00            |
| Cycling Southland Inc                            | \$3,000.00            |
| Cycling Southland Inc                            | \$6,000.00            |
| Otago Cricket Association Inc                    | \$15,000.00           |
| Otago Cricket Association Inc                    | \$5,000.00            |
| Queenstown Associated Football Club Inc          | \$4,114.28            |
| Queenstown Associated Football Club Inc          | \$5,156.52            |
| Queenstown Bowling Club Inc                      | \$10,000.00           |
| Queenstown Ice Hockey Club Inc                   | \$5,000.00            |
| Queenstown Ice Hockey Club Inc                   | \$5,000.00            |
| Queenstown Swimming Club Inc                     | \$3,000.00            |
| Southern Ice Hockey League Inc                   | \$2,000.00            |
| Southland Triathlon and Multisport Club Inc      | \$2,000.00            |
| Te Atamira Whakatipu Community Trust Board       | \$5,000.00            |
| Wakatipu Netball Centre Inc                      | \$5,750.00            |
| Wakatipu Netball Centre Inc                      | \$7,000.00            |
| Wakatipu Yacht Club Inc                          | \$6,000.00            |
| Wanaka Associated Football Club Inc              | \$12,000.00           |
| Wanaka Associated Football Club Inc              | \$8,000.00            |
| Wanaka Biathlon Club Inc                         | \$4,000.00            |
| Wanaka Golf Club Inc                             | \$10,000.00           |
| Wanaka Rowing Club Inc                           | \$6,441.15            |
|  | <b>\$174,961.95</b>   |

While 90 cents of every dollar goes back to the person gambling, every year considerable funds are returned to the community by the non-club class 4 gambling sector. Refer 2020 grant distribution modelling by KPMG on behalf of DIA and industry, which analysed some \$294 million<sup>2</sup> of grants distributed to in 2019 to more than 9,700 worthwhile sports and community groups. The sector's

<sup>2</sup> Grant Distribution Modelling, KPMG, November 2020.

contribution to the community through funding, in addition to the contribution to government revenue from GST, other taxes and levies, is acknowledged by central government.

We anticipate that the Government will regulate to require gaming societies to return at least 80% of the net proceeds they generate to the region where the funds were raised. This means communities that do not operate gaming machines will be unlikely to receive gaming grants and their local sports and community groups will suffer. NZCT already aims to return 92% of our funds locally.

### **The pub gaming sector has already experienced a significant decline**

During the last 18 years the pub gaming sector has experienced a significant decline, yet problem gambling has remained static. Department of Internal Affairs (DIA) statistics show that, between 30 June 2003 and 31 Dec 2022:

- the number of gaming venues reduced from 2,122 to 1,028 (a 50% reduction)<sup>3</sup>
- the number of gaming machines operating reduced from 25,221 to 14,503 (a 41.7% reduction)<sup>4</sup>.

### **Online gambling is the unregulated threat to watch out for**

The public has access to a growing number of overseas gambling websites where they can spend their entertainment dollar. These sites are highly accessible, even to minors, often offer inducements to keep players betting, and have no bet size restrictions or guaranteed return to players. They do not return any funds to the New Zealand community or the New Zealand Government and have no harm minimisation measures in place.

During the Covid-19 lockdown in 2020, 8% of gamblers gambled online for the first time and an additional 12% gambled online more than usual.<sup>5</sup>

Offshore-based online gambling poses considerable risks because it:

- Is highly accessible, and is available 24 hours a day from the privacy of your home;
- Has no restrictions on bet sizes;
- Has no capacity for venue staff to observe and assist people in trouble;
- Reaches new groups of people who may be vulnerable to this online channel;
- Provides no guaranteed return to the person playing;
- Is more easily abused by under 18s;
- Has reduced protections to prevent fraud, money laundering or unfair gambling practices; and is unregulated, so on-line gamblers can be encouraged to gamble more by being offered inducements or by being offered the opportunity to gamble on credit. For example, many overseas sites offer sizable cash bonuses to a customer's account for each friend that they induce to open an account and deposit funds.

Offshore-based online gambling does not generate any community funding for New Zealanders, does not generate any tax revenue for the New Zealand Government, and does not make any contribution to the New Zealand health and treatment services as no contribution is made to the problem gambling levy<sup>6b</sup>.

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<sup>3</sup> DIA statistics: [https://www.dia.govt.nz/diawebsite.nsf/wpg\\_URL/Resource-material-Information-We-Provide-Summary-of-Venues-and-Numbers-by-Territorial-AuthorityDistrict](https://www.dia.govt.nz/diawebsite.nsf/wpg_URL/Resource-material-Information-We-Provide-Summary-of-Venues-and-Numbers-by-Territorial-AuthorityDistrict)

<sup>4</sup> Ibid.

<sup>5</sup> Impact on Covid-19: Topline results, April 17, 2020, Health Promotion Agency

## **Location of gaming machines is more important than their number**

Research<sup>6</sup> suggests that when it comes to preventing and minimising gambling harm, the location of gaming machines is more important than the number of gaming machines operating. The Government acknowledged this point in 2013 when it amended the Gambling Act<sup>7</sup> to require local authorities to consider adding relocation clauses to their gambling policies.

## **Primary Activity**

Hotels and restaurants are suitable venues to host gaming machines. As of December 2022, there were 222 hotel venues that were licensed to host gaming machines and 45 restaurant venues that were licensed to host gaming machines.

It is inappropriate on harm minimisation grounds to require gaming machines to be only located in areas where the sale of alcohol is the main activity. There is a wealth of evidence confirming that there is a direct correlation between the consumption of alcohol and problem gambling.

Council can take comfort in the fact that regulation 4 of the [Gambling \(Harm Prevention and Minimisation\) Regulations 2004](#) expressly prohibits unsuitable venues such dairies and fast-food outlets hosting gaming machines.

As well as harm minimisation benefits from allowing venues to relocate out of areas of high deprivation, relocation clauses provide sensible options for business owners who are otherwise at the mercy of building owners who know they have captive tenants. Relocation clauses also give councils more flexibility for re-zoning and town planning.

## **Helping reduce harm**

Research<sup>8</sup> by Auckland University of Technology shows that problem gambling behaviour is influenced more by the distance to the nearest gambling venue, rather than the number of gambling venues within walking distance.

The Ministry of Health's 2013 Gambling Resource for Local Government acknowledges this point and states that one of the major factors associated with increased prevalence of problem gambling is "location and/or density of gambling venues and machines".<sup>9</sup> The Ministry of Health also found "being a problem gambler is significantly associated with living closer to gambling venues."<sup>10</sup> Allowing gaming operations to move out of high-deprivation areas could potentially diminish gambling harm for at-risk communities.

## **Supporting local hospitality businesses**

Relocation clauses help ensure the continual improvement and growth of your local hospitality sector. Rather than tying gaming operations to a physical address, which may over time become a less desirable location, relocations allow gaming operators to move their business to more suitable premises. This is particularly important if premises are deemed unsafe or unusable for a lengthy period, such as after a fire or earthquake. The result is attractive and safe entertainment environments in your community.

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<sup>6</sup> *Brief Literature Review to Summarise the Social Impacts of Gaming Machines and TAB Gambling in Auckland*, Gambling & Addictions Research Centre, AUT University, 2012.

<sup>7</sup> Section 97A and 102(5A).

<sup>6b</sup> [http://www.gamblinglaw.co.nz/download/Online\\_gambling\\_Cabinet\\_paper.pdf](http://www.gamblinglaw.co.nz/download/Online_gambling_Cabinet_paper.pdf)

<sup>8</sup> *Brief Literature Review to Summarise the Social Impacts of Gaming Machines and TAB Gambling in Auckland*, Gambling & Addictions Research Centre, AUT University, 2012.

<sup>9</sup> Page 21, *Ministry of Health Gambling Resource for Local Government*, 2013.

<sup>10</sup> Ibid.

## Gaming machines can only be played in strictly controlled environments

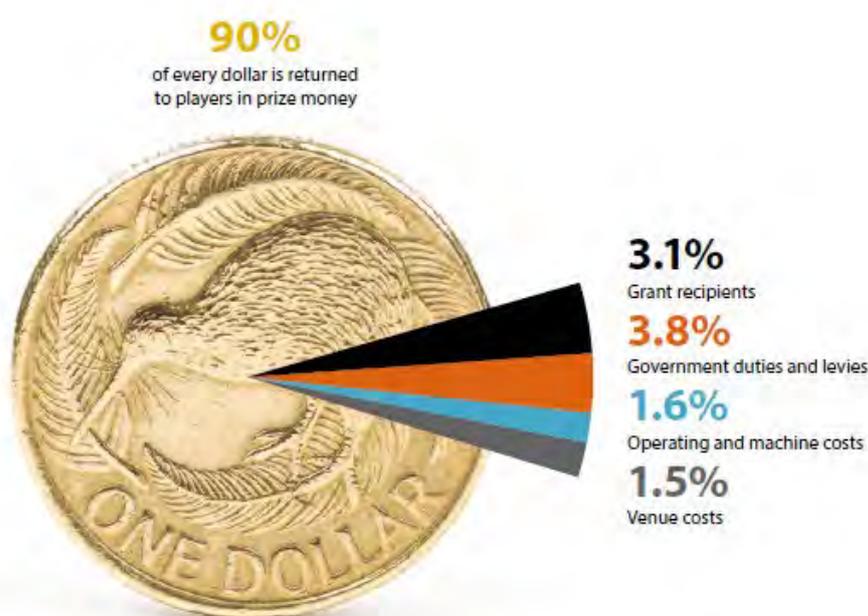
Corporate societies licensed to conduct class 4 gambling are fully aware of their obligations under the Gambling Act 2003. All gaming rooms are operated by trained staff at licensed venues.

The DIA is responsible for monitoring the class 4 gambling industry, including venue 'key persons', bar staff and societies, to ensure they adhere to legislative requirements. The penalties for non-compliance include fines, suspensions, loss of operating or venue licence and potential criminal charges.

## Pub gaming's vital support for the community

In most countries, gambling is purely for commercial gain. New Zealand is different. We are one of the few countries with a community-focused model for pub gaming, where the proceeds are returned to the community instead of the private sector.

### NZCT's revenue distribution in 2021/22



In the year ending 30 September 2022, NZCT distributed \$39.2 million through 1,442 grants.

NZCT provided to Queenstown Lakes District for the benefit of the community from October 2019 to September 2022 a total of **\$1,030,600** across **92** worthy grants.

NZCT during the same period approved multi regional grants that benefit the Queenstown Lakes of **\$870,471** and National Grants that benefit Queenstown Lakes of **\$74,876**, an overall total of **\$1,975,947**. (See appendix 1 for details).

Amateur sport has traditionally been our focus, yet we fund education, arts and health also. Between 75 and 80% of the grants we distribute go to sports organisations. Each year, NZCT funds around 50 different sports.

In 2021/22, we funded the equivalent of:

- uniforms for 49,998 rugby teams (one uniform costs \$60), or
- 2,999,867 footballs (one football costs \$15), or
- 5,625 four-person waka (one waka costs \$8,000), or
- more than 2.25 million hours – or 256.8 years – of coaching (one hour of coaching costs \$20), or
- 30 artificial playing fields (one field costs \$1.5 million).

To raise this much money themselves, our grant recipients would have had to:

- cook and sell more than 22.4 million \$2 sausages at sausage sizzles and every person in New Zealand would need to buy and eat five sausages, or
- sell five \$2 raffle tickets to every man, woman and child in New Zealand each year, or
- wash more than 8.9 million cars at \$5 a wash, which would take 10 people continuously washing cars for 30 minutes around 50 years to achieve.

Grants distributed by gaming machine trusts were 10% of the total philanthropic funding to the community and voluntary sector in 2011 and were at almost twice the level given by New Zealand businesses. In 2019, the amount of funds returned to the community from non-casino, non-club gaming grants was \$294 million.<sup>11</sup> Class 4 gaming societies are required to distribute a minimum return of 40% to the community, on top of government fees, levies and GST, site rental, and machine and operating costs (see the chart on the next page showing NZCT's revenue distribution for the 2018/19 reporting period).

Each year the gambling industry pays circa \$18 to \$20 million to the government, so the Ministry of Health can implement its Preventing and Minimising Gambling Harm Strategic Plan. These funds pay for the implementation of public health services, intervention services, research, evaluation and workforce development.

Pub gaming is tightly regulated and no more than 16% of gaming proceeds can be paid to gaming venue operators to cover site rental, including staff costs and business overheads relating to the gambling operation.

Gaming machines are an important component of your local hospitality sector and an important source of community funding, and the benefits are considerable.

### **Local hospitality sector**

Businesses that host gaming machines are typically pubs and hotels. Gaming machine venues contribute to your local economy by employing staff and providing hospitality options for residents and tourists.

### **Community funding**

Around \$294 million is returned to the community every year through grants awarded by class 4 gaming societies. Many community organisations, such as sports clubs, hospices, rescue services and arts groups, would struggle or cease to function without this funding. There is currently no sustainable alternative to this funding to the level provided by gaming societies.

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<sup>11</sup> *Grant Distribution Modelling*, KPMG, November 2020.

Class 4 gaming societies have probity processes we go through with every grant application to ensure the applicant is authentic and able to deliver the outcomes detailed in their grant application, and that any goods or services to be paid for by the grant are at arm's length and free from any conflicts of interest.

### The benefits are considerable

Recent research in 2021 carried out independently by TBD who produced the TBD Advisory report, *Gambling in New Zealand: A National Wellbeing Analysis*<sup>8</sup>, found that gambling in New Zealand had a net positive wellbeing benefit totalling around \$1.7 to \$2.1 billion per annum. The costs and benefits are summarised in table, which can be found on page 87 of the report (replicated below)<sup>7b</sup>

**Table 32: Quantifiable costs and benefits of gambling in New Zealand, p.a., \$ million,**

|                  | Gross benefits        | Costs        | Net benefits          |
|------------------|-----------------------|--------------|-----------------------|
| Consumption-side | 2,740 to 3,160        | 2,090        | 650 to 1,070          |
| Production-side  | 1,800                 | 990          | 810                   |
| Government       | 280                   | -            | 280                   |
| <b>Total</b>     | <b>4,820 to 5,240</b> | <b>3,080</b> | <b>1,740 to 2,160</b> |

The report for the first time reliably indicates benefits, as well as costs and shows that this net benefit is provided each year throughout New Zealand.

### Gaming machine numbers have little effect on problem gambling numbers

It is naïve, misleading, and wrong to assume that fewer gaming machines will result in fewer problem gamblers. A gambling addiction is a complex psychological condition, which is influenced by many factors and usually has co-morbidities, such as mental health issues and other addictions. Evidence show that problem gambling rates have plateaued.

### Gaming machines are a legal and valid entertainment choice

Pub gaming is a legal, valid, and enjoyable source of entertainment for residents and tourists alike. Most players regard gaming as light entertainment and know when to stop. The Gambling Commission has reminded councils and the regulator that "... conditions can only properly be imposed if they reduce the harm caused by problem gambling, as distinct from simply reducing gambling activity which is a lawful and permitted activity under the Act."<sup>12</sup>

We recognise that Queenstown Lakes Council aims, to balance the needs of visitors and residents while achieving a focus on wellbeing and economic development. If appropriate measures remain in place to support problem gambling, then funding structure should remain in the community for the good it will bring.

Pub gaming brings many benefits to New Zealand. Business and Economic Research Ltd (BERL)<sup>13</sup> calculated in 2015 that each year the entertainment value to recreational players was around \$250 million, the grants value to the community was also around \$250 million (now \$294 million), and the Government revenue value in the form of tax, duties and levies was around \$279 million.

### Problem gambling rates have plateaued

The New Zealand 2012 National Gambling Study found that the number of people who regularly participate in continuous forms of gambling, like gaming machines, decreased from 18% in 1991 to

<sup>12</sup> Gambling Commission decision GC 03/07.

<sup>13</sup> *Maximising the benefits to communities from New Zealand's Community Gaming Model*, BERL, February 2013.

6% in 2012.<sup>14</sup> The study concluded: “Problem gambling and related harms probably reduced significantly during the 1990s but have remained at about the same level despite reductions in non-casino EGM [electronic gaming machine] numbers and the expansion of regulatory, public health and treatment measures.”<sup>15</sup>

The 2016 National Gambling Study (the most recent) found the problem gambling rate was 0.2% and concluded: “From 2012 to 2015, overall gambling participation has declined whilst problem gambling and low-risk and moderate-risk gambling levels have remained static. This poses a public health challenge of identifying the factors to explain the persistence of harm despite declining gambling participation. One reason may be a high relapse rate [66%].”

The 2016 Health and Lifestyles Survey states that “In 2016, 3.1% of New Zealand adults 18 years and over had experienced an occasion when they had gambled more than intended, but this proportion has been dropping steadily”

It also states that the current problem gambling rate has now dropped to an all-time low of 0.1% of the adult population (around 7,500 people), despite an upward trend in gaming machine expenditure.<sup>16</sup>

### Problem gambling rates in New Zealand are relatively low

NZCT is committed to reducing and minimising the harm that can be caused by gambling. As can be seen in the table, New Zealand has one of the lowest rates of problem gambling in the world.<sup>17</sup> Relatively few New Zealanders are gambling at levels that lead to negative consequences; most people who gamble know when to stop.

| Country   | Problem gambling prevalence (% population*) |
|---|---|
| New Zealand   | 0.1–0.2                                     |
| UK  | 0.7   |
| Norway  | 0.7   |
| Australia   | 2.3   |
| USA   | 2.6   |
| Canada  | 3   |
| Mixture of CPGI, PGSI and SOGS scores <sup>18</sup> |   |

### Strict harm minimisation obligations

A key purpose of the Gambling Act is to prevent and minimise the harm that can be caused by gambling, including problem gambling. To that end, in all class 4 gambling venues:

- all venues must have staff trained in gambling harm minimisation on duty whenever gaming machines are operating
- all venues must have a gambling harm minimisation policy in place
- all venues must display pamphlets and signs directing gamblers to help services
- venue staff must be able to issue and enforce Exclusion Orders
- venue staff must help problem gamblers if they have an ongoing concern about them.
- stake and prize money are limited
- odds of winning are displayed

<sup>14</sup> Pg 8, *NZ 2012 National Gambling Study: Overview and gambling participation*.

<sup>15</sup> Pg 18, *ibid*.

<sup>16</sup> DIA media release: <http://livenews.co.nz/2017/04/21/new-zealand-gaming-pokie-spending-patterns-continue/>

<sup>17</sup> *Maximising the benefits to communities from New Zealand's community gaming model*, BERL, February 2013.

<sup>18</sup> A range of different measurements are available to measure problem gambling rates. CPGI refers to the Canadian Problem Gambling Index, PGSI is the Problem Gambling Severity Index and SOGS is the South Oaks Gambling Screen.

- gaming rooms are restricted to people over the age of 18 years
- gaming rooms can only be operated in adult environments, like pubs, nightclubs and clubs
- play is interrupted every 30 minutes with an update on how long the player has been at the machine, how much money they've spent, and their net wins and losses
- \$50 and \$100 notes are not accepted
- no ATMs are allowed in licensed gambling areas
- gaming advertising is prohibited
- the DIA monitors every gaming machine's takings
- syndicated play is prohibited

### Ongoing obligations

The Gambling Act obliges venue staff to provide ongoing help to a potential or current problem gambler. Offering help once, and then ignoring continued warning signs, is not sufficient.

A venue is automatically in breach of the law if an excluded person enters the gambling area. Venues must be able to show they have robust systems and processes in place that restrict excluded people from entering.

### Training

NZCT provides face-to-face and online problem gambling training to staff at each of its gaming venues and trains over 500 staff a year.

Trainers deliver a presentation on problem gambling and take staff members through each part of the problem gambling resource kit in detail. Venue staff also work through an online training tool, which includes an assessment that they must pass. Refresher training is provided annually. Gaming venues are continually reminded of their obligation to ensure a person trained in harm minimisation is always on duty when gaming machines are operating.



### Support is available for problem gamblers

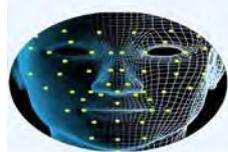
Each year the gambling industry pays circa \$18 - 20 million to the government in the form of a problem gambling levy, so the Ministry of Health can implement its Preventing and Minimising Gambling Harm Strategic Plan (PMGH). These funds pay for the implementation of public health services, intervention services, research, evaluation and workforce development.

### Harm minimisation activities

Gaming trusts take legal obligations very seriously, none more so than those around minimising the harm that can be caused by gambling. To meet our harm prevention and minimisation requirements, NZCT provides a problem gambling resource kit to each of its gaming venues. The kit includes:

- NZCT's Harm Prevention and Minimisation Policy
- a plain language harm prevention and minimisation manual and policy guide
- exclusion orders and guidance on the exclusion order process
- a pad of gambling host responsibility record sheets to record any problem gambling issues and action taken by staff
- signage, pamphlets and other problem gambling resources.

In addition to this toolkit, increasingly facial recognition technology is used to identify problem gamblers and assist them to be excluded. NZCT has strongly recommended to the Ministry of Health on the proposed Strategy to Prevent and Minimise Gambling Harm 2022/23 to 2024/25 that this technology be rolled out further as part of problem gambling harm minimisation work underway.



### The Guardian - Facial Recognition System

A fully integrated, market-leading system that identifies excluded persons as they enter a gaming room, by matching them against a centralised database.

Three short videos showing how the facial recognition system works can be viewed at: <https://www.coms.net.nz/the-guardian-facial-recognition/>

NZCT also provides all its gaming venues with the Health Promotion Agency's harm minimisation signs to display in and around the gaming area, wallet cards with information for potential problem gamblers and host responsibility resources for staff.



Two of the findings from the inaugural PMGH baseline report were that problem gambling services are effectively raising awareness about the harm from gambling, and interventions for gambling-related harm are moderately accessible, highly responsive and moderate to highly effective.<sup>19</sup>

The world's largest clinical trial<sup>20</sup> for problem gambling treatment found that, one year after calling the Gambling Helpline, three-quarters of callers had quit or significantly reduced their gambling.

## About NZCT

Established in 1998, New Zealand Community Trust (NZCT) is the one of the largest gaming trusts with 13% market share, operating in venues and communities throughout New Zealand. In the 12 months to 30 September 2022, NZCT approved \$39.2 million in grant funding to sporting, local government, education, the arts, health, and community groups nationwide.

NZCT's Board and management take risk mitigation and assurance seriously and our risk framework recognises the need for effective controls and mitigation tools/strategies to prevent and minimise harm from problem gambling.

While most New Zealanders gamble without experiencing any harm, a small minority who participate suffer some degree of harm and the impacts for them and people affected by their gambling, can be significant.

NZCT contributes through the problem gambling levy approximately \$1 million per annum to the collective annual levy of \$18-20 million. That is a significant amount, on top of an estimated \$800,000 which NZCT expends within the organisation each year, on training, resourcing, and technology, such as facial recognition technology (FRT), directed to identifying and mitigating problem gambling in our venues. We have a strong interest in seeing the levy spent effectively.

<sup>19</sup> Page 16, *Outcomes Framework for Preventing and Minimising Gambling Harm Baseline Report*, May 2013.

<sup>20</sup> *The Effectiveness of Problem Gambling Brief Telephone Interventions*, AUT, Gambling & Addictions Research Centre.

Over the last 10 years, the Ministry of Health has received more than \$186 million in funding from the four gambling sectors that contribute to the annual levy.

In that period, it appears the problem gambling rate has not reduced, and the key objectives of the strategy have not been met, as confirmed by the damning Needs Assessment Report.

We have twin goals of serving both our publicans and the communities in which they operate. At least 75% to 80% of the funds we currently distribute are directed towards sports activities, making NZCT the largest funder of amateur sports participation in New Zealand. We focus on sport because of the many positive benefits it offers communities, such as:

- crime reduction and community safety
- economic impact and regeneration of local communities
- education and lifelong learning
- participation
- physical fitness and health
- psychological health and wellbeing
- social capital and cohesion.<sup>21</sup>

Overseas research<sup>22</sup> has found participation in sport can lead to increased health and productivity for individuals, and increased wealth or wellbeing of society. While amateur sport is our main focus, we are also strong supporters of other worthy community activities, including local government projects.



## Further information about our submission

For further information, or if you have any questions about NZCT's information, contact Don Martin, Communications and Marketing Manager on (04) 495 1594 or [REDACTED]

## Our Trustees

### Alan Isaac

Board Chair

### David Pilkington

Board Member and Net Proceeds Committee Chair

### Dame Kerry Prendergast

Board Member and Audit and Risk Committee Chair

### Lesley Murdoch

Board Member

### Peter Miskimmin

Board Member

<https://www.nzct.org.nz/about-us/#meet-our-trustees>

<sup>21</sup> Sport England's Value of Sport Monitor.

<sup>22</sup> [http://www.ausport.gov.au/information/asc\\_research/publications/value\\_of\\_sport](http://www.ausport.gov.au/information/asc_research/publications/value_of_sport).

# Appendix 1

**Grants to Queenstown Lakes by NZCT –  
March 2020 to February 2023**

## Grants to Queenstown-Lakes District - March 2020 to February 2023

| Grant # | Organisation                                     | Total Amount Approved | Amount drawn from Queenstown-Lakes | Date of Approval | Purpose  |
|---------|--|-----------------------|------------------------------------|------------------|--|
| 92781   | Arrowtown Promotion and Business Association Inc | \$8,000.00            | \$8,000.00                         | 17/05/2022       | Light show and story-telling projections including installation                                |
| 89413   | Arrowtown School                                 | \$15,000.00           | \$15,000.00                        | 21/09/2021       | Mt Taranaki Duo Climbing Rig including installation  |
| 85816   | Aspiring Athletes Club Inc                       | \$1,500.00            | \$1,500.00                         | 23/02/2021       | Travel and accommodation   |
| 88080   | Aspiring Athletes Club Inc                       | \$1,500.00            | \$1,500.00                         | 20/10/2021       | Ground hire  |
| 91222   | Aspiring Gymsports Inc                           | \$5,000.00            | \$5,000.00                         | 18/01/2022       | Parallel bars including landing mats and beat board (excluding shipping if an additional cost) |
| 83886   | Challenge Wanaka Sports Trust                    | \$9,500.00            | \$9,500.00                         | 20/10/2020       | Event timing   |
| 94922   | Challenge Wanaka Sports Trust                    | \$5,000.00            | \$5,000.00                         | 20/09/2022       | Timing costs   |
| 83364   | Cycling Southland Inc                            | \$3,000.00            | \$3,000.00                         | 22/09/2020       | Sound system hire  |
| 88746   | Cycling Southland Inc                            | \$6,000.00            | \$6,000.00                         | 21/09/2021       | Sound systems hire and race manuals  |
| 90638   | Otago Cricket Association Inc                    | \$15,000.00           | \$15,000.00                        | 14/12/2021       | Salary for role covering Central Otago including Wanaka and Queenstown                         |
| 96071   | Otago Cricket Association Inc                    | \$5,000.00            | \$5,000.00                         | 21/11/2022       | Salary for role covering Central Otago including Wanaka and Queenstown                         |
| 82105   | Queenstown Associated Football Club Inc          | \$4,114.28            | \$4,114.28                         | 6/08/2020        | Premier Mens Coach and Premier Womens Coach  |
| 87031   | Queenstown Associated Football Club Inc          | \$5,156.52            | \$5,156.52                         | 18/05/2021       | Football; Coach (Term 1, 2022)   |
| 90611   | Queenstown Bowling Club Inc                      | \$10,000.00           | \$10,000.00                        | 14/12/2021       | New facilities building extension  |
| 83195   | Queenstown Ice Hockey Club Inc                   | \$5,000.00            | \$5,000.00                         | 6/08/2020        | Ice time   |
| 91399   | Queenstown Ice Hockey Club Inc                   | \$5,000.00            | \$5,000.00                         | 19/04/2022       | Ice time   |
| 93133   | Queenstown Swimming Club Inc                     | \$3,000.00            | \$3,000.00                         | 21/06/2022       | Contractor   |
| 92387   | Southern Ice Hockey League Inc                   | \$2,000.00            | \$2,000.00                         | 19/04/2022       | Ice rink hire  |
| 96128   | Southland Triathlon and Multisport Club Inc      | \$2,000.00            | \$2,000.00                         | 29/11/2022       | Traffic management for NZ Schools Triathlon Championships in Wanaka                            |
| 91302   | Te Atamira Whakatipu Community Trust Board       | \$5,000.00            | \$5,000.00                         | 22/03/2022       | Dance floors   |
| 87495   | Wakatipu Netball Centre Inc                      | \$5,750.00            | \$5,750.00                         | 22/06/2021       | Indoor court hire  |
| 92606   | Wakatipu Netball Centre Inc                      | \$7,000.00            | \$7,000.00                         | 17/05/2022       | Indoor court hire  |
| 90346   | Wakatipu Yacht Club Inc                          | \$6,000.00            | \$6,000.00                         | 14/12/2021       | Sail yachts  |
| 89423   | Wanaka Associated Football Club Inc              | \$12,000.00           | \$12,000.00                        | 21/09/2021       | Salary of Director of Football; Equipment  |
| 92889   | Wanaka Associated Football Club Inc              | \$8,000.00            | \$8,000.00                         | 21/06/2022       | Salary   |
| 88881   | Wanaka Biathlon Club Inc                         | \$4,000.00            | \$4,000.00                         | 21/09/2021       | Target lead catchers   |
| 81751   | Wanaka Golf Club Inc                             | \$10,000.00           | \$10,000.00                        | 6/08/2020        | Supply and installation of new irrigation system   |
| 83957   | Wanaka Rowing Club Inc                           | \$6,441.15            | \$6,441.15                         | 17/11/2020       | Quick release shoe plates; Rowing shoes  |
|         |  | <b>\$174,961.95</b>   | <b>\$174,961.95</b>                |                  |  |

| Grant #   | Organisation   | Total Amount Approved | Amount drawn from Queenstown-Lakes | Date of Approval | Purpose   |
|---|--|-----------------------|------------------------------------|------------------|---|
| <b>Regional grants that benefit Queenstown-Lakes District</b> |  |                       |                                    |                  |   |
| 96158   | Athletics Otago Inc  | \$2,000.00            | \$311.30                           | 13/12/2022       | Salary  |
| 91875   | Capital Football Inc - No 5 District Federation of NZ Football Inc | \$96,675.00           | \$556.53                           | 22/03/2022       | Travel costs for National Youth Development League (grant benefitting all Football Federations)   |
| 85485   | Capital Football Inc - No 5 District Federation of NZ Football Inc | \$106,049.00          | \$4,527.16                         | 19/01/2021       | Venue hire and flights for 2021 Futsal National Age Group Tournament (grant benefitting all Football Federations)   |
| 93131   | Capital Football Inc - No 5 District Federation of NZ Football Inc | \$112,000.00          | \$368.47                           | 19/07/2022       | Travel and accommodation for 2022 Futsal Youth Championships (grant benefitting all Football Federations)   |
| 87364   | Capital Football Inc - No 5 District Federation of NZ Football Inc | \$140,000.00          | \$814.71                           | 22/06/2021       | Accommodation and flights for 2021 National Age Group Tournament (grant benefitting all Football Federations)   |
| 95858   | Central Otago Wakatipu Cycle Club Inc                              | \$4,000.00            | \$3,550.00                         | 3/11/2022        | Traffic management (excluding traffic management plan)  |
| 93418   | Cycling Southland Inc  | \$2,000.00            | \$176.59                           | 23/08/2022       | Sound equipment hire and race manuals   |
| 87714   | Dunedin NZ Masters Games Trust                                     | \$10,000.00           | \$6,000.00                         | 2/09/2021        | Contractor  |
| 92022   | Netball South Zone Inc   | \$12,000.00           | \$9,720.00                         | 19/07/2022       | Salary  |
| 84578   | Netball South Zone Inc   | \$25,000.00           | \$8,750.00                         | 15/12/2020       | Salary  |
| 89815   | No 7 District Federation of NZ Football Inc - Football South       | \$20,000.00           | \$15,899.13                        | 20/10/2021       | Salaries of Football Development Officer and Futsal Development Manager   |
| 96126   | No 7 District Federation of NZ Football Inc - Football South       | \$15,914.00           | \$11,077.39                        | 13/12/2022       | Salaries of Football Development Officer– South Canterbury, Futsal Development Manager– Otago/Central, Women’s and Girls Development Officer Otago/Central Otago and Football Development Officer |
| 84179   | No 7 District Federation of NZ Football Inc - Football South       | \$30,000.00           | \$11,704.83                        | 20/10/2020       | Two Football Development Officers; Salaries of Futsal Competitions and Development Officer  |
| 93731   | Otago Country Cricket Association Inc                              | \$4,935.65            | \$3,997.88                         | 19/07/2022       | Cricket balls   |
| 84355   | Otago Cricket Association Inc                                      | \$30,000.00           | \$10,500.00                        | 17/11/2020       | Cricket Development Officer - North Otago Cricket Association, and salaries of General Manager Community Cricket and Cricket Development Officer (Queenstown/ Wanaka/ Central Otago)              |

| Grant # | Organisation                                    | Total Amount Approved | Amount drawn from Queenstown-Lakes | Date of Approval | Purpose   |
|---------|---|-----------------------|------------------------------------|------------------|---|
| 91692   | Otago Rugby Football Union Inc                  | \$15,000.00           | \$11,700.00                        | 22/03/2022       | Salaries of Game Development - Refereeing and Community Rugby Manager   |
| 86815   | Otago Rugby Football Union Inc                  | \$27,000.00           | \$15,930.00                        | 20/04/2021       | Salaries of Referee Education Officer and Community Rugby Manager   |
| 82815   | Otago Rugby Football Union Inc                  | \$30,000.00           | \$10,800.00                        | 29/06/2020       | Salaries of Referee Education Officer and Community Rugby Manager   |
| 93988   | Otago Secondary Schools Sports Association Inc  | \$2,500.00            | \$2,025.00                         | 23/08/2022       | Venue hire, first aid, athlete number printing, entry system, and PA and equipment hire   |
| 85754   | Otago Secondary Schools Sports Association Inc  | \$2,500.00            | \$875.00                           | 23/02/2021       | Equipment hire, venue hire, online entry system, first aid cover and traffic management   |
| 96960   | Otago Secondary Schools Sports Association Inc  | \$2,750.00            | \$466.82                           | 18/01/2023       | Costs Associated with Otago Secondary Schools Sports Championships 2023   |
| 86834   | Otago Southland Ice Skating Sub Association Inc | \$4,000.00            | \$2,301.42                         | 20/04/2021       | Ice time  |
| 89447   | Softball Mainland Inc                           | \$6,000.00            | \$268.56                           | 20/10/2021       | Contractor  |
| 96142   | Softball Mainland Inc                           | \$7,600.00            | \$108.59                           | 15/11/2022       | Contractor  |
| 93031   | South Island Masters Games Timaru Inc           | \$20,000.00           | \$460.59                           | 21/06/2022       | Contractor  |
| 82958   | Southern Zone of NZRL Inc                       | \$60,000.00           | \$1,944.00                         | 6/08/2020        | Salaries of Club Capability and Events Manager, Canterbury Rugby League Development Officer and General Manager   |
| 86219   | Southern Zone of NZRL Inc                       | \$120,000.00          | \$4,286.83                         | 22/03/2021       | Canterbury Rugby League Development Officer from 31 July 2021 and salaries of Club Capability and Events Manager and General Manager                            |
| 91946   | Southern Zone of NZRL Inc                       | \$120,000.00          | \$3,401.06                         | 22/03/2022       | Canterbury Rugby League Development Officer from 31 July 2022, and salaries of Club Capability and Events Manager and General Manager                           |
| 90975   | Sport Otago                                     | \$10,000.00           | \$8,500.00                         | 18/01/2022       | Salaries of Sport Central Play and Physical Education (PE) Advisor and Sport Central Community Sports Advisor   |
| 87071   | Sport Otago                                     | \$8,000.00            | \$4,720.00                         | 18/05/2021       | Production costs  |
| 96985   | Sport Otago                                     | \$12,000.00           | \$1,920.00                         | 16/02/2023       | Salaries of Sport Central Play and Physical Education (PE) Advisor, Sport Central Sport and Active Recreation Advisor and Sport Central Community Sport Advisor |
| 85312   | Sport Otago                                     | \$20,000.00           | \$7,000.00                         | 19/01/2021       | Salaries of Community Sport Adviser and Community and Schools Advisor   |
| 86303   | Tennis Otago Inc                                | \$2,500.00            | \$1,550.00                         | 20/04/2021       | Contractor  |
| 84239   | Tennis Otago Inc                                | \$1,500.00            | \$525.00                           | 17/11/2020       | Contractor  |
| 84855   | Wanaka Primary School                           | \$20,000.00           | \$10,000.00                        | 15/12/2020       | Salary  |
|         |   | <b>\$1,101,923.65</b> | <b>\$176,736.86</b>                |                  |   |

| Grant #  | Organisation                 | Total Amount Approved | Amount drawn from Queenstown-Lakes | Date of Approval | Purpose  |
|--|------------------------------|-----------------------|------------------------------------|------------------|--|
| <b>Grants to National organisations that benefit Queenstown-Lakes District</b> |                              |                       |                                    |                  |  |
| 83098  | Basketball NZ Inc            | \$65,555.40           | \$306.80                           | 6/08/2020        | Regional Coordinator contract fees   |
| 84535  | Golf NZ Korowha Aotearoa Inc | \$150,000.00          | \$819.84                           | 17/11/2020       | Salaries of Regional Support Manager - Lower North Island, Regional Support Manager - South Island, Regional Support Manager - Waikato/BOP and Regional Support Manager Northern                                       |
| 83157  | Gymsports NZ Inc             | \$100,000.00          | \$792.00                           | 6/08/2020        | Salaries of Community Sport Manager, National Support Administrator, Relationship Team Manager, Midlands Relationship Manager, Central Relationship Manager and Southern Relationship Manager                          |
| 91548  | Gymsports NZ Inc             | \$180,000.00          | \$1,701.50                         | 22/03/2022       | Salaries of Community Sport Manager, South Relationship Manager, Central Relationship Manager and Midlands Relationship Manager  |
| 86503  | Gymsports NZ Inc             | \$189,101.92          | \$1,641.84                         | 22/03/2021       | Salaries of Operations Manager, Community Sport Manager, National Support Administrator, Midlands Relationship Manager, Central Relationship Manager and Southern Relationship Manager                                 |
| 94861  | Halberg Foundation           | \$120,000.00          | \$465.41                           | 20/09/2022       | Salaries of Disability Sport Advisor - Canterbury, Lead Advisor - Taranaki, Manawatu, Whanganui, Junior Disability Sport Advisor - Bay of Plenty, Disability Sport Advisor - Bay of Plenty and Lead Advisor- Waitakere |
| 88504  | Scout Association of NZ      | \$50,000.00           | \$323.81                           | 2/09/2021        | Salaries of General Manager - Upper North Island, General Manager - Lower North Island and General Manager - South Island  |
| 94422  | Scout Association of NZ      | \$75,000.00           | \$232.71                           | 23/08/2022       | Salaries of General Manager South Island, General Manager Lower North Island and General Manager Upper North Island  |
| 82788  | Special Olympics NZ          | \$125,000.00          | \$450.00                           | 29/06/2020       | Salaries of Regional Sports Coordinators, Sports Director - Auckland, Team Lead RSC - Central North Island   |
| 92933  | Special Olympics NZ          | \$235,800.00          | \$22,680.00                        | 21/06/2022       | Salary of Regional Sports Coordinators   |
| 85902  | Special Olympics NZ          | \$250,000.00          | \$9,800.00                         | 23/02/2021       | Salaries of Regional Sports Coordinators   |
| 93090  | Surf Life Saving NZ Inc      | \$55,000.00           | \$345.44                           | 21/06/2022       | Salaries of Sport Manager Central, Sport Manager Southern and Sport Manager Eastern  |
| 91127  | Yachting NZ Inc              | \$145,000.00          | \$565.74                           | 21/02/2022       | Salaries of Regional Development Manager - Bay of Plenty, Regional Development Manager - Canterbury, Regional Development Manager - Central and Regional Development Manager - Northern                                |
| 96774  | Yachting NZ Inc              | \$145,000.00          | \$505.83                           | 17/01/2023       | Salaries of Regional Development Manager - Bay of Plenty, Regional Development Manager - Central, Regional Development Manager - Southern and Regional Development Manager - Northern                                  |
| 85826  | Yachting NZ Inc              | \$152,000.00          | \$996.92                           | 23/02/2021       | Salaries of Regional Support Officers  |
|  |                              | <b>\$2,037,457.32</b> | <b>\$41,627.84</b>                 |                  |  |
|  |                              | <b>\$3,314,342.92</b> | <b>\$393,326.65</b>                |                  |  |

# PGF Group Submission

## Queenstown-Lakes District Council

### Class 4 Gambling and TAB Venue Policy Review 2023

Submitted to Queenstown-Lakes District Council  
Class 4 Gambling and TAB Venue Policy Review  
via email submission to [letstalk@qldc.govt.nz](mailto:letstalk@qldc.govt.nz)

Details of Submitter Kay Kristensen  
Policy Advisor, PGF Group  
[REDACTED]

Physical Address Level 1, 128 Khyber Pass Road  
Grafton, Auckland 1023

Date of Submission 4 May 2023

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## EXECUTIVE SUMMARY

PGF Group thanks Queenstown-Lakes District Council for the opportunity to comment on the proposed Class 4 gambling and TAB venue policy 2023.

The Council's Statement of Proposal presents two key policy options for elected representatives and the general public to consider: to endorse the draft Class 4 gambling and TAB venue policy 2023 (establishment of new venues and relocation and club merger provisions) or not to endorse it. The options do not represent the range of policy options available to Council and therefore, PGF Group supports neither option.

Instead, our organisation recommends elected representatives adopt a sinking lid policy to safeguard the district's current Class 4 gambling environment and create a stronger alignment with the purpose of the Gambling Act 2003 and Council's key strategic documents and vision statements. A sinking lid policy is one of the best policies available to reduce harm and losses from gambling.

Currently, Queenstown-Lakes District Council has base legislative requirements, which means the existing gambling policy has no further restrictions around the establishment and control of the number of pokies as already set out in the Gambling Act 2003. Queenstown-Lakes District Council is one of only six councils with a policy that does not include further measures to minimise gambling harm, such as a district wide cap, per capita cap, or a sinking lid policy. Given that residents and tourists alike have further opportunities to gamble at the Queenstown Casino, a stronger Class 4 policy is needed. A sinking lid policy would be a commendable step towards reducing gambling harm in the district and recognises Council's efforts to better the health and wellbeing of the community.

Our submission is evidence-based and founded on what is known about gambling harm across Aotearoa New Zealand and broader. We encourage councils and the government to take a closer look at the relationship between harmful gambling, social disparity and a funding model that enables it.

Our organisation supports submissions submitted by Asian Family Services, Mapu Maia, and Te Whatu Ora, and asks Council to consider the feedback they have provided in their decision making.

## SUBMISSION AND RECOMMENDATIONS

1. PGF Group is **concerned** that only two options have been presented to elected representatives and the public for consideration. Given that Queenstown-Lakes District Council is only one of six councils with base legislative requirements, further considerations to prevent and minimise gambling harm in the district is needed.
2. PGF Group **recommends** Council adopt a sinking lid policy (with no relocations or club mergers allowed) to safeguard the district's current Class 4 gambling environment. A sinking lid policy would create a stronger alignment with the purpose of the Gambling Act 2003 and Council's key strategic documents and vision statements.

## INTRODUCTION

3. The Problem Gambling Foundation of New Zealand trades as PGF Group (PGF), the overarching brand for PGF Services, Mapu Maia Pasifika Services, and Asian Family Services.
4. PGF operate under contract to Te Whatu Ora and are funded from the gambling levy to provide clinical intervention and public health services.
5. As part of our public health work, we advocate for the development of public policy that contributes to the prevention and minimisation of gambling related harms.
6. This includes working with Territorial Local Authorities (TLAs) to encourage the adoption of policies that address community concerns regarding the density and locality of gambling venues; in this case, a sinking lid policy.

## PGF GROUP POSITION ON GAMBLING

7. It is important to note that we are not an 'anti-gambling' organisation. We are, however, opposed to the harm caused by gambling and advocate for better protections for those most at risk of experiencing gambling harm.
8. We recognise that the majority of New Zealanders are non-problem gamblers.

9. While most New Zealanders gamble without experiencing any apparent harm, a significant minority do experience harm from their gambling, including negative impacts on their own lives and the lives of others.
10. In 2021/22, total expenditure (losses, or the amount remaining after deducting prizes and payouts from turnover) across the four main forms of gambling – Class 4 Electronic Gaming Machines (EGMs), Lotto, casinos and TAB – was more than \$2.25 billion, or \$627 for every adult (1).
11. In 2022, over \$1 billion was lost to pokies across Aotearoa New Zealand (2). This was the highest annual loss since 2003.
12. Most money spent on gambling in New Zealand comes from the relatively limited number of people who play Class 4 EGMs, and most clients accessing gambling support services cite pub/club EGMs as a primary problem gambling mode (3).

## **ADVICE FOR COUNCIL DECISION MAKING**

### **GAMING MACHINE PROFIT (GMP) STATISTICS**

13. As at 31 December 2022, there were six Class 4 gambling venues in the Queenstown-Lakes District Council area, hosting 65 EGMs (2).
14. Since 2015, the Queenstown Lakes District has followed the national trend of a general growth in annual GMP. The largest spike was in 2022 with more than \$4.1 million being lost to EGMs across the district (2).
15. Using figures from 2022, every pokie machine in the district made, on average, around \$63,549. In comparison, the median income in Queenstown-Lakes District is \$40,600 (4). This means that each pokie machine makes around \$23,000 more than the average person in the district.

### **CLASS 4 GAMBLING**

16. The harms caused by different forms of gambling are not equal, as evidenced by the different classifications of gambling within the Gambling Act 2003.

17. Class 4 gambling – EGMs in pubs, clubs and TABs – is characterised as high-risk, high-turnover gambling, and is the most harmful form of gambling in New Zealand (3).
18. EGMs are particularly harmful because they are a form of continuous gambling (5). The short turnaround time between placing a bet and finding out whether you have won or lost, coupled with the ability to play multiple games in quick succession makes continuous gambling one of the most addictive forms of gambling available.

#### CLIENT INTERVENTION DATA

19. The Trusts and Societies who hold the licenses for the 14,503 Class 4 EGMs in New Zealand (as at 31 December 2022) (2) often submit that the relatively low number of people who seek help for a gambling problem is a positive indicator about the prevalence of harmful gambling in New Zealand. This assertion is disingenuous and should be disregarded.
20. The Ministry of Health’s *Strategy to Prevent and Minimise Gambling Harm* states that “needs assessment and outcomes monitoring reports show that only 16% of potential clients for gambling support services (that is, people whose reported harm results in a moderate to high PGSI<sup>1</sup> score) actually access or present at these services”, and that this low service use is also evident for other forms of addiction (3).
21. Furthermore, the Ministry of Health’s Continuum of Gambling Behaviour and Harm (Figure 2) estimates the number of people experiencing mild, moderate or severe gambling harm is more than 250,000 – that’s more than the population of Wellington (3).

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<sup>1</sup> The Problem Gambling Severity Index (PGSI) is commonly used to screen and categorise three levels of harm: severe or high risk (problem gambling), moderate risk and low risk.

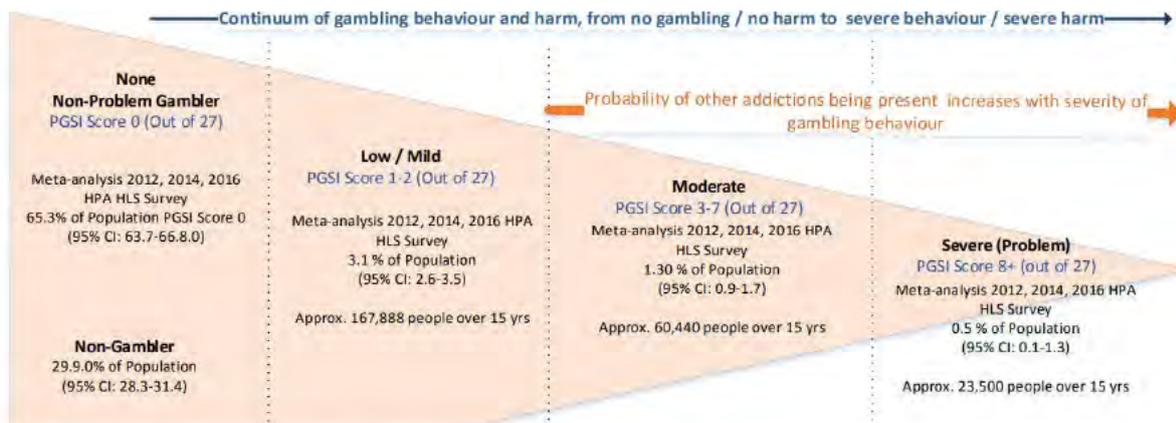


Figure 1: Continuum of Gambling Behaviour and Harm (Ministry of Health, 2019)

22. Moreover, a New Zealand gambling study estimate that 30% of EGM losses is from problem and moderate risk gamblers (6).
23. While the Ministry of Health’s client intervention data is not an accurate measure of the prevalence of gambling harm in New Zealand, it can tell us the rate of harm from different classes of gambling amongst those who have sought help.
24. Data for 2021/22 shows that of the 4,534 individuals who received full intervention support for their own or someone else’s gambling, 2,111 (46.6%) were for Class 4 EGMs (7).

| Primary Mode                                | Full Interventions | Percentage  |
|---|--------------------|-------------|
| Non-Casino Gaming Machines (EGMs or Pokies) | 2,111              | 46.6%       |
| Lotteries Commission Products               | 535                | 11.8%       |
| Casino Table Games (inc. Electronic)        | 388                | 8.6%        |
| Casino Gaming Machines (EGMs or Pokies)     | 420                | 9.3%        |
| TAB (NZ Racing Board)                       | 394                | 8.7%        |
| Housie                                      | 40                 | 0.9%        |
| Cards                                       | 41                 | 0.9%        |
| Other                                       | 605                | 13.3%       |
| <b>Total</b>                                | <b>4,534</b>       | <b>100%</b> |

Table 1: 2021/22 client intervention data by primary gambling mode.

25. Given that almost half of the clients in 2021/22 sought help due to Class 4 EGMs (7), this indicates the level of harm EGMs are causing in our communities.

## ONLINE GAMBLING

26. Online gambling is the purview of the DIA who have indicated that they will address online gambling within legislation.
27. We also note that online gambling is not within the scope of the Council's Class 4 gambling policy review.
28. In its submissions, the Gaming Machine Association of New Zealand (GMANZ) and other industry proponents suggest that an 'unintended consequence' of a reduction in physical gaming machines could be an increase in online gambling. There is no evidence that this occurs more rapidly due to a sinking lid policy.
29. Rather, the COVID-19 lockdowns have shown that while there was an increase in online gambling during lockdown (namely, MyLotto sales) (8, 9), people returned to Class 4 gambling after the lockdown. This was highlighted when the DIA saw an increase in GMP by 116% in the June to September 2020 quarter, which followed the COVID-19 lockdown in 2020 (10).

#### IMPACT OF GAMBLING HARM TO VULNERABLE POPULATION GROUPS

30. Gambling harm is an equity issue that disproportionately impacts Māori, Pacific peoples, and Asian peoples. These population groups have been identified in the Ministry of Health's *Strategy to Prevent and Minimise Gambling Harm 2022/23 to 2024/25* as bearing a burden of harm that greatly outweighs that being experienced by other groups (11).
31. The 2020 Health and Lifestyles Survey (HLS) estimates indicated that Māori were 3.13 times more likely to be moderate-risk or problem gamblers than non-Māori and non-Pacific peoples (12). Meanwhile, Pacific peoples were 2.56 times more likely to be moderate-risk or problem gamblers than non-Māori and non-Pacific peoples (12). We note that 5.3% and 1.0% of Queenstown-Lakes' population are Māori and Pasifika, respectively (4).
32. Asian peoples also experience gambling harm differently. The 2018 HLS found that Asian people's risk factor of harmful gambling was 9.5 times higher when compared with European/Other New Zealanders (13). In Queenstown-Lakes, almost 10% of the population are Asian (4).
33. Moreover, given that the Queenstown-Lakes district has a growing Asian population, consideration around how Class 4 gambling affects vulnerable groups must be deliberated.

34. The current statement of proposal does not consider how the impacts of gambling harm will affect Māori, Pacific, and Asian communities. Further efforts to reduce inequities is urgently needed.

#### EFFICACY OF A SINKING LID

35. From a public health perspective, there's a generally held view that the easier it is to access an addictive product, the more people there are who will consume that product.

36. It follows then that stronger restrictions on the number and location of addictive products, such as EGMs, constitute a public health approach to the prevention and minimisation of gambling harm.

37. Sections 92 and 93 of the Gambling Act mandate the maximum number of pokie machines a Class 4 venue can host (18 if the venue licence was held on or before 17 October 2001, nine if the licence was granted after that date). This is the minimum regulation a TLA must implement in its Class 4 gambling policy, however many TLAs have chosen to adopt stronger regulations.

38. The Auckland University of Technology's New Zealand Work Research Institute recently published a research paper, *Capping problem gambling in New Zealand: the effectiveness of local government policy intervention*, which aimed to understand the impact of public policy interventions on problem gambling in New Zealand (14).

39. This research focussed on Class 4 gambling to assess the impact of local government interventions (absolute and per capita caps on the number of machines and/or venues and sinking lid policies) on the number of machines/venues and the level of machine spending over the period 2010-2018.

40. Key findings from this research include:

- a. All three forms of policy intervention are effective in reducing Class 4 venues and EGMs, relative to those TLAs with no restrictions beyond those mandated by the Gambling Act.
- b. Sinking lids and per capita caps are equally the most effective at reducing machine spending.

- c. Those TLAs who adopted restrictions above and beyond those mandated by the Gambling Act experienced less gambling harm than those TLAs who have not.

## THE FUNDING SYSTEM

41. Following the removal of tobacco funding, EGMs were introduced with the primary purpose of funding communities.
42. Trusts and Societies are required to return 40% of GMP to the community by the way of grants or applied funding. This has inextricably linked gambling harm with the survival of community groups, sports and services.
43. However, it cannot be guaranteed that the GMP lost in the Queenstown-Lakes is returned to groups in the district. For example, of the \$3.6 million lost in Queenstown-Lakes in 2021 (2), just over \$907,000 was returned to Queenstown-Lakes based organisations (15). This is only 25% of Queenstown-Lakes' 2021 GMP.
44. Moreover, the unethical nature of the funding model cannot be ignored. The *Gambling Harm Reduction Needs Assessment (2018)*, prepared for the Ministry of Health, raises fundamental questions about the parity of this funding system (16).
45. Further research commissioned by the DIA revealed that there is a very strong redistributive effect from more deprived communities to less deprived communities when examining the origin of GMP and the destination of Class 4 grants (17).
46. Overall, less deprived communities (decile 1-5) provided 26% of the GMP but receive 88% of the grants. Conversely, more deprived communities (decile 6-10) provide 74% of the GMP but receive only 12% of the grants (17).

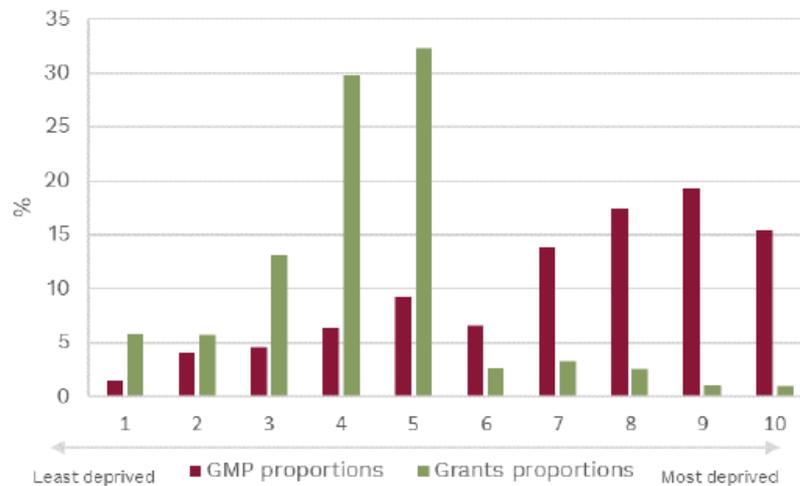


Figure 2: The origin of GMP and the destination of Class 4 grants by socio-economic decile (BERL, 2020)

47. There is a need for a transparent and sustainable funding system to support groups in our communities. This is a sentiment that is shared by other councils, including Hutt City Council, who have decided to take proactive steps to not apply for and accept Class 4 funding.

### PRIORITISING THE PREVENTION OF HARM

48. While a sinking lid is at present the best public health approach available to TLAs to prevent and minimise gambling harm in their communities, we contend that such a policy does not go far enough – or work fast enough – to do this.

49. Several councils have already expressed their frustration at the limited opportunities available to them in their attempts to reduce the harm from Class 4 gambling in their communities.

50. We also encourage the Council to advocate to central government for the following:

- a. Adoption of a more sustainable, ethical, and transparent community funding system.
- b. More powers for councils to remove EGMs from their communities.
- c. The urgent removal of Class 4 EGMs from high deprivation areas 7-10 in New Zealand.

### CONCLUSION

51. The Gambling Act 2003 was enacted to provide a public health approach to the regulation of gambling and to reduce gambling harm.
52. A sinking lid – with no relocations or venue mergers permitted – is the best public health approach available to councils who wish to prevent and minimise gambling harm in their communities.
53. PGF appreciates the opportunity to make a written submission on the Council’s proposed Class 4 gambling and TAB venue policy.

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Good Afternoon,

Thank you for the opportunity to provide a submission in support of the Queenstown Lakes District Council's review of their Class 4 Gambling and TAB Venue Policy 2023.

On behalf of **Grassroots Trust Central Limited**, we would like to provide the following email submission in **SUPPORT OF OPTION 1.**

1. Grassroots Trust Central Limited **supports** the removal of the information disclosure provisions.
2. Grassroots Trust Central Limited **supports** the removal of public notification provisions.
3. Grassroots Trust Central Limited **supports** the update of the fee provisions.

**Grassroots Trust Central Limited** also asks **COUNCIL TO CONSIDER** expanding the policy provision, **Clause 4.2 Primary Activity of the Venue to allow for venues such as hotels and restaurants to host gaming machines.**

#### Supporting the removal of the information disclosure provisions

There is no obligation in the Gambling Act for Class 4 Societies to provide the required information disclosure to Councils, and although this was an existing policy requirement this information has neither been provided or required, and just creates unnecessary and inefficient administration burdens. The only condition that a Territorial Authority can place on a consent is the maximum number of gaming machines that may operate at a venue [ss100(1)(b) of the Gambling Act 2003].

Requesting information from Class 4 Societies relating to venue specific gaming revenue and/or venue payments (a percentage of turnover) is considered commercially sensitive. The disclosure of this information would also result in high-turnover venues being at a greater risk of armed robberies. Individual venue revenue is never disclosed, however data is collected and published by The Department of Internal Affairs quarterly which is available directly from their website: <https://catalogue.data.govt.nz/dataset/gaming-machine-profits-gmp-dashboard/resource/60081bcd-f2ae-4b97-8a9f-fe449fa59969>.

Similarly, Councils can also access details regarding grant funding by territorial authority which is again collected and published by The Department of Internal Affairs quarterly at the following website: <https://granted.govt.nz/>

#### Supporting the removal of the public notification provisions

There is no requirement in the Gambling Act 2003 for applications made under a gambling venue policy to be publicly notified. The Act does provide for public notification and public input into the policy itself which is a far more efficient process than the public having input into each individual application made under the established policy. Council would be unable to meet its statutory requirements to determine applications within 30 working days of receipt of application. This 30-working day timeframe is an absolute requirement, with no ability to place the time period on hold pending consultation, or to extend the timeframe.

#### Primary Activity

The draft policy currently restricts new venues to taverns and TABs. By making this amendment the primary activity provision will align with the primary activity requirement in clause 4 of the Gambling (Harm Prevention and Minimisation) Regulations 2004 and is consistent with the gambling policies adopted by other Councils.

Hotels and restaurants are suitable venues to host gaming machines. As of December 2022, there were 222 hotel venues that were licensed to host gaming machines and 45 restaurant venues that were licensed to host gaming machines. It is inappropriate on harm prevention & minimisation grounds to require gaming machines to be only located in areas where the sale of alcohol is the main activity. There is direct correlation between the consumption of alcohol and problem gambling. Council can take comfort in the fact that regulation 4 of the Gambling (Harm Prevention and Minimisation) regulations 2004 expressly prohibits unsuitable venues such as dairies and fast-food outlets hosting gaming machines.

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## **ABOUT GRASSROOTS**

The Grassroots Group is one of the primary Class 4 Operators operating gaming machines in New Zealand, from Northland all the way down to Otago. Provided below are some KPIs for The Grassroots Group:

- The Grassroots Group is the **4<sup>th</sup> largest Class 4 Gaming Operator in New Zealand.**
- Currently operating a total of **1333 gaming machines nationwide.**
- A current partnership of **89 venues operating predominantly in the Northland, Auckland, Waikato, Bay of Plenty, Hawke's Bay, East Coast, Manawatu, Taranaki, Wellington, and Otago Regions.**
- Currently holds approximately **10.41% marketshare of venues in New Zealand.**
- Grassroots Trust Central Limited operates **9 gaming machines at the Water Bar (Wanaka) in the Queenstown Lakes District.**
- For the year ended 31 July 2022, **Grassroots Trust Central Limited returned \$6,038,853.88 (41.33%)** in funding to local communities.
- Grassroots Trust Central Limited has provided **\$70,138.45 in funding to the Queenstown Lakes District since May 2022** (The Water Bar has only been operating for 11 months with Grassroots Trust Central Limited).

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## **GAMING MACHINE NUMBERS**

The number of gaming machines operating in New Zealand continues to naturally decline without the need for Council's to impose stricter policies. A reduction in gaming machine numbers does not mean a reduction in gaming machine expenditure. It is also not the answer to reducing New Zealand's problem gambling rate. It ultimately does however mean a reduction in funding to our New Zealand communities and will only accelerate the migration of gambling to online providers where there is absolutely, no return, back to our communities and lastly migration to an environment that has no control or monitoring over problem gambling.

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## **Community Benefit**

Class 4 Gaming Societies generate considerable funding for the community through the supply and operation of gaming machines – approximately \$300m in gaming machines funds are provided to over 11,000 community groups each year. Class 4 Gaming Societies are the only gambling operators that focus on supporting grassroots community organisations.

Data published by The Department of Internal Affairs shows that \$481,834.00 in Class 4 grant funding was returned to the Queenstown Lakes District during the period January to June 2022 (6 months). In 2021, grant funding returned to Queenstown Lakes District was \$907,331.00 for the full 12-month period.

The Queenstown Lakes District is a relatively new operating area for Grassroots Trust Central and with only one venue operating in the Wanaka area funding from Grassroots Trust Central will only grow as organisations become familiar with funding availability. Some of the organisations that Grassroots Trust Central is proud to have assisted over the first 11 months of operation in the Queenstown Lakes District are:

- **Wheels at Wanaka Charitable Trust** - \$6,500.00 approved in November 2022 towards the costs associated with an Economic Impact Survey for Wheels at Wanaka being held in April 2023.
- **The Challenge Wanaka Sports Trust** – \$7,550.00 approved in November 2022 towards the costs associated with medical team fees for the annual Festival of Triathlon held in Wanaka in February 2023.
- **Wanaka Yacht Club Incorporated** - \$7,088.45 approved in February 2023 towards the costs associated with entry fees, transportation, and accommodation to attend the Regional and National competitions held in Auckland and Northland in April 2023.
- **Wanaka Rowing Club Incorporated** - \$5,000.00 approved in March 2023 towards the salary costs of the Club Coordinator.
- **Upper Clutha Rugby Football Club Incorporated** - \$5,000 approved in March 2023 towards the costs associated with supplying and installing LED lights for the playing grounds.

Without the funding that Class 4 Gaming provides, smaller community organisations would struggle to source the funds they need to meet costs.

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### **Harm Prevention & Minimisation Training, Resources & Signage**

Class 4 Gaming Societies are heavily regulated by The Department of Internal Affairs and very committed to Harm Prevention & Minimisation.

Grassroots has a comprehensive Society and Venue Harm Prevention & Minimisation Policy and aims to provide an environment that supports Responsible Gambling. Grassroots provides all venue management and staff with unlimited Harm Prevention & Minimisation Training, ongoing education on identifying the general and strong signs of problem gambling, information on the problem gambling services available, problem gambling resources such as a daily gaming diary, signage, and pamphlets. Our dedicated and experienced team provide all training and education face to face with venue management and staff as we believe this to be the most effective way to ensure venue staff learn.

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### **National Database of Problem Gamblers**

A national database of problem gambling exclusion orders (CONCERN) is operating within the Class 4 Gaming Industry and is administered by the Salvation Army. For the 12-month period July 2021 to June 2022, there were **only 8 new problem gambling clients** in the Queenstown Lakes District and during that same period there was only **11 problem gambling clients in total**. The Queenstown Lakes District's problem gambling rate is **very low**, when considered against a population of approximately 48,300 residents and a region that is considered a high growth district within New Zealand. New Zealand's problem gambling rate is very low at 0.2% of the adult population.

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### **Facial Recognition Technology**

Facial Recognition Technology is now widely used by Class 4 Gaming Societies, providing huge positive benefits to the Class 4 Gaming Industry, and assists Class 4 Venues with supervision and monitoring of gaming rooms. Grassroots is currently rolling this technology out across all venues which includes its member venue in the Queenstown Lakes District. The rollout is expected to be completed by August 2024 with 1005 of all Grassroots venues operating Facial Recognition Technology. Facial Recognition Technology enhances our commitment to providing a Culture of Care at venues. This technology uses high-definition cameras as a fully integrated solution for recognising registered excluded problem gamblers as they move around the gaming area and also has the ability to monitor non-registered patrons time on site. The system has the ability to send alerts to staff through their front of house management systems, which then prompts staff to actively approach individuals to offer problem gambling information, information regarding the venue's harm minimisation policy, problem gambling service provider contact details and educating patrons on the Exclusion Order Programme available to them.

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### **Online Gambling**

The migration to Online Gambling is now recognised as becoming an increasing problem in New Zealand. Any reduction in the local gaming machine offering in New Zealand will only lead to further increased activity in online gambling – gambling expenditure to offshore internet and mobile based offerings. While it is illegal to advertise overseas gambling in New Zealand, it is not illegal to participate in gambling on an overseas-based website or mobile phone application. Offshore-based online gambling is highly accessible to New Zealanders, being offered 24 hours a day from the comfort and privacy of a person's home, has no restriction on bet sizes and is not monitored for problem gamblers.

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We hope that the information above helps Council make an informed decision supporting the endorsement of **Option 1** provided in Council's Statement of Proposal.

Kind Regards



**Karmen McGrath** • Operations Manager  
[Redacted Signature]

# SUBMISSION ON PROPOSED QUEENSTOWN-LAKES DISTRICT CLASS 4 AND TAB GAMBLING VENUE POLICY 2023

5 May 2023

For more information please contact:

**Monica Theriault** (she/her)

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**Policy, Strategy and Support Team**

waea pūkoro:

imēra:

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**Te Whatu Ora**  
Health New Zealand

**Our Reference: 23Apr03**

## Submitter details:

1. Thank you for the opportunity to submit on the Queenstown-Lakes District Council's (QLDC) draft Class 4 TAB and Gambling Venue Policy 2023 consultation. This submission has been compiled by the National Public Health Service (NPHS) Southern team within Te Waipounamu. The National Public Health Service recognises its responsibilities to improve, promote and protect the health of people and communities of Aotearoa New Zealand under the Pae Ora Act 2022 and the Health Act 1956.
2. We would also appreciate the opportunity to appear before the Council to submit orally.

## General comments:

Gambling is correlated with harm at different levels (health problems, emotional or psychological distress, financial problems, issues with work, cultural and community problems and even criminal activity)<sup>2</sup>. Harm from gambling disproportionately affects vulnerable groups such as Māori, Pacifica, Asians and youth and contributes to and increases existing social inequalities. It also imposes a large economic burden on society as there is a need to research, develop, implement, and monitor strategies to prevent harm, but also to treat an individual's harmful gambling behaviors and services offered to the family.



Figure 1.<sup>1</sup>

NPHS-Southern opposes this proposed policy in its current form, and we strongly advocate that a sinking lid policy is instituted for the following reasons:

- a) A sinking lid policy is the best way to prevent and reduce gambling-related harm in the Queenstown-Lake's district.
- b) There are no problem-gambling intervention services available in the Queenstown-Lake's district.
- c) A sinking lid policy is of particular concern for Queenstown-Lakes District Council as the electronic gaming machines (EGM) in the SkyCity Queenstown Casino are not covered under this policy.
- d) Since 2016, the amount of class 4 gambling venues decreased by 40% and the number of EGM have decreased by 31.6%, but the gaming machine profits (GMP) have gone

1. Wardle et al., (2019) Gambling and public health: we need policy action to prevent harm. The British Medical Journal.

2. [Types of harm from gambling \(responsiblegambling.vic.gov.au\)](https://www.responsiblegambling.vic.gov.au/types-of-harm-from-gambling)

3. [gmp-quarterly-dashboard-december-2022.xlsx \(live.com\)](https://www.gmp-quarterly-dashboard-december-2022.xlsx)

4. [Strategy to Prevent and Minimise Gambling Harm 2022/23 to 2024/25 \(health.govt.nz\)](https://www.health.govt.nz/strategy-to-prevent-and-minimise-gambling-harm-2022/23-to-2024/25)

5. World Health Organisation (2017) The epidemiology and impact of gambling disorder and other gambling-related harm.

up 36.5% within the same period and the GMP's per EGM have increase 99.5% since 2015. In other words, even if the availability of venues and machines have decreased, people are losing more money in EGM's comparatively to previous years and the policy should be modified accordingly<sup>3</sup>.

- e) An increase in online gambling overseas is observable. This is due to the growth in online providers and products facilitated by rapid changes in technology, increased ease of access to the internet and prevalence of digital devices. This trend is predicted to continue growing<sup>4</sup>.
- f) Through local public health policies, local government has an opportunity to protect citizens of Queenstown-Lakes and prevent gambling related harm to the community.
- g) Good policy practice to reduce the prevalence of problem gambling and gambling related harm relies on reducing the gambling supply, reducing the potency of gambling activities and participation, and reducing demand<sup>5</sup>.
- h) QLDC is only one of six councils with base legislative requirements. Over half of councils in NZ have adopted a sinking lid policy – which is recognised as one of the most effective policies at reducing gambling expenditure.

## Conclusion:

NPHS-Southern:

- Does not support this policy in its current form.
- Our concerns would be mitigated if it incorporates a sinking lid policy.

The National Public Health Service - Southern thanks QLDC for the opportunity to comment on the draft Class 4 TAB and Gambling Venue Policy 2023.

Ngā mihi,



**Vince Barry**

Regional Director Public Health Te Waipounamu  
National Public Health Service

**Te Kāwanatanga o Aotearoa**  
New Zealand Government

1. Wardle et al., (2019) Gambling and public health: we need policy action to prevent harm. The British Medical Journal.  
2. [Types of harm from gambling \(responsiblegambling.vic.gov.au\)](https://www.responsiblegambling.vic.gov.au/types-of-harm-from-gambling)  
3. [gmp-quarterly-dashboard-december-2022.xlsx \(live.com\)](https://www.live.com/gmp-quarterly-dashboard-december-2022.xlsx)  
4. [Strategy to Prevent and Minimise Gambling Harm 2022/23 to 2024/25 \(health.govt.nz\)](https://www.health.govt.nz/strategy-to-prevent-and-minimise-gambling-harm-2022/23-to-2024/25)  
5. World Health Organisation (2017) The epidemiology and impact of gambling disorder and other gambling-related harm.

| SurveyTool:  |          | Submission Form          |                        |                        | 14-Jan-2019   | to   | 07-May-2023   |   |   |                                    |
|--------------|----------|--------------------------|------------------------|------------------------|---|--|---|---|---|------------------------------------|
| Tool Status  | Archived | Date of contribution     | Online Survey Response |                        |   |  |   |   |   |                                    |
| Visitors     | 12       |                          | Name:                  | Organisation (if any): | You have the right to be heard in person before the Council in support of your submission. Do you wish to speak at a hearing? | Privacy statement:   | What is your position on the proposed Class 4 Gambling and TAB Venue Policy 2023? | Please explain your position on the proposed Class 4 Gambling and TAB Venue Policy 2023:  | Do you have any other comments you wish to make as part of your submission? | Please provide your comments here: |
| Contributors | 2        | Apr 04 23<br>06:17:00 pm | Gail Kiernan           |                        | No  | I understand that all submissions will be treated as public information. | Oppose  | I do not like gambling venues, I do not think they bring anything positive to the community. I used to live in city where there was plenty of gambling and I know nothing good comes of increasing the access to gambling. That is not the community I want to live in.   | No  |                                    |
| Registered   | 2        | Apr 17 23<br>07:55:39 am | Jocelyn Faul           | Aotearoa Gaming Trust  | No  | I understand that all submissions will be treated as public information. | Support   | <p>AGT supports Option 1:<br/>There is no obligation in the Gambling Act to provide this information. Asking A gaming machine society to provide information that is commercially sensitive and would be available publicly is unfair.</p> <p>Further, disclosure of the information would constitute a significant safety risk to the venues. Providing this information to the wider community essentially lists amounts and availability of cash held on premises. There has been a notable increase in robberies and burglaries at AGT venues recently, therefore we are strongly opposed to any process that increases the risk of this happening.</p> <p>AGT supports communities knowing the value of grants made to in an area. This encourages community-based organisations to apply for funding and helps us achieve one of our primary purposes, that of support for community focused not-for-profit organisations. We note that this information is already available via the DIA website.</p> <p>AGT is a Class 4 Society that operates gaming machines in the QLD area. Reducing harm from Class 4 gambling is seen as an important responsibility for all our venues. Each of our venues has a venue specific policy and actively works to minimise harm for gamblers. We note that there were 8 new gambling clients obtaining assistance between July 2021 and June 2022. In total there are 11 clients. NB: The data refers to all forms gambling not just gaming machine related gambling.</p> | No  |                                    |