

#### 4. GAMBLING VENUE POLICY

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The purpose of this report is to advise the Council of its possible responsibility to adopt a Gambling Venue Policy under the Responsible Gaming Bill and to suggest the commencement of consultation on such a policy.

##### CONTEXT

The Responsible Gaming Bill was introduced into Parliament earlier this year and this Council made submissions on a number of its provisions. It should be noted that the Bill has not yet been passed.

In its original form it requires that territorial authorities must, by 1 January 2003, adopt a policy on Class 4 venues, these being premises where gaming machines (commonly called 'pokies') are used. In addition there is a requirement in an amended Racing Act 1971 to adopt a Totaliser Agency Board policy that would specify where those venues might be located in the district.

The Council's venue policy will identify the location of new gambling venues and the number of machines. It cannot include requirements regarding the display of information, operating hours or gaming operators. The Department for Internal Affairs will continue to be responsible for the consideration and granting of licences for new operators and for the suspension and cancellation of existing licences. The Department, through its gaming inspectors, will also continue to be responsible for the enforcement of gaming laws.

In the first case the Council may have regard to the following matters:

- (a) The characteristics of the district and parts of the district;
- (b) Location of kindergartens, early childhood centres, schools, places of worship and other community facilities;
- (c) The number of gaming machines proposed to operate at the venue;
- (d) The community effects of additional opportunities for gambling in the district;
- (e) The primary purpose of the proposed venue;
- (f) Whether it is otherwise desirable to increase the opportunities for Class 4 gambling in the district.

In the case of Totalisator Agency Board venues the Council may have regard to the following matters (for non-pub venues only):

- (a) The characteristics of the district and parts of the district;
- (b) Location of kindergartens, early childhood centres, schools, places of worship and other community facilities;
- (c) The community effects of additional opportunities for gambling in the district;
- (d) Whether it is otherwise desirable to increase the opportunities for gambling conducted by the Board in the district.

In both cases the policy must be adopted in accordance with the special consultative procedure in Section 716A of the Local Government Act 1974 and must give specific notice of the draft policy to each society or the Totalisator Agency Board in the district.

##### CURRENT POLICY

Currently, the Council has no formal policy on gambling, although its views were expressed through its submissions on the Responsible Gaming Bill to some degree.

It was pointed out that the Council has a strong interest in issues concerning gambling as an advocate for the people of Christchurch, as an agent for Creative New Zealand and Sport and Recreation New Zealand, as a recipient of gaming profits, and as a funder of community initiatives. The Council supported the view that gambling should be prohibited unless it is run to raise money for community purposes. It supported the view that allows local communities, through territorial authorities, to exercise control over the licensing and location of new gambling venues.

The Council considered that New Zealand based or owned Internet gambling websites, or other forms of interactive electronic gambling should be prohibited. It was also considered that electronic monitoring of gaming machines in bars, clubs and hotels should be made mandatory and funded by the industry.

The Council supported restrictions on the availability of certain types of gaming and limitations on the number of machines on one site and some restrictions on individuals' access to gaming in the interests of overall community health. It also supported the restriction on non-casino gambling sites from using the title of 'casino' and that the period of phase out should be one year rather than the suggested three years.

The Council supported the provision that renewal of casino licence applications must be accompanied by an impact report on the expected social and economic effects on the local and regional areas affected by the operation of the casino or continuation or closure of the casino. The Council considered also that the Ministries of Health and Economic Development should commission independent longitudinal social and economic studies to determine the effects of the casino operation on the surrounding community.

The Council supports the use of gaming profits to fund community benefits and would support a community levy on all parts of the gaming industry, including casinos, to fund community purposes. The Council considered that the Bill did not recognise that gambling is a major public health issue and that continuous forms of gambling have much stronger links to problem gambling than do non-continuous forms. The Council considered there should be a cap on the maximum number of gaming machines that may be operated in New Zealand and suggested this should be the 20,000 licensed machines present at the time of the announcement of the proposed Bill in October 2001. It was also considered that the cap on such machines in each local authority district should be no more than five machines per 1,000 population.

The Council supported the introduction of a compulsory problem gambling levy but considered that funding from this levy should be available to territorial authorities and community organisations to support local research, monitoring, advocacy and policy development.

## **DISCUSSION**

Information recently received is that the Select Committee is intending to start consideration of the Bill shortly, with a proposed reporting date to Parliament by 29 November 2002. While it cannot be said with any certainty, it would be expected the date by which territorial authorities must have a policy in place, is unlikely to be January 2003. While there may be changes to the Bill once it is considered by the Select Committee, it appears unlikely that these will significantly change the criteria for territorial authorities to consider in developing the venue policy.

Clause 91(4) requires that the policy be adopted in accordance with the special consultative procedure in Section 716A of the Local Government Act 1974. Section 716A provides that a territorial authority must give between one and three months' public notice of a proposal, in this case the proposed gambling venue policy. Given that this policy is completely new, the Council's usual preferred course of action would be to give the maximum three month period for societies who have gambling machines, together with the public generally, to comment on the policy. Ideally the Council would also wish to have the draft policy circulated to societies and the public before it commenced the formal processes under Section 716A.

Given the time frame needed to undertake policy development and to undertake the special consultative procedure required, it is considered that this should commence shortly. Some other territorial authorities have commenced the policy development process and it is considered that this Council should do likewise.

**Recommendation:** That the Policy Unit begin work on the development of a Gaming Venue Policy, including a consultation process with stakeholders.