

# 1. CHRISTCHURCH CITY COUNCIL GAMBLING VENUE AND TOTALISATOR AGENCY BOARD (TAB) VENUE POLICY

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The purpose this report is twofold; (1) to summarise the issues arising from submissions received by the Council on the proposed gaming venue policy and (2) to recommend that the Council adopts the Christchurch City Council Gambling Venue and Totalisator Agency Board (TAB) Venue Policy (Appendix 1).

## INTRODUCTION

The Gaming Act 2003 came into force on 18 September 2003 and gives territorial authorities new responsibilities as partial regulators of gaming machine numbers and their locations.

The Act requires the Council to introduce policies covering both on class 4 gaming venues<sup>1</sup> and TAB<sup>2</sup> venues by 18 March 2004.

On 26 November 2003, the Council approved release of a draft gaming venue policy and initiated a special consultative procedure required under s.83 of the Local Government Act 2002. The submission period closed on 5 February 2004.

The Regulatory and Consents Committee was delegated authority to hear verbal submission and hearings occurred on 1,2,3,4 and 9 March 2004. A detailed report on the submission process and issues considered by the Committee is attached as Appendix 2.

## KEY ISSUES CONSIDERED BY THE COMMITTEE

The Committee has reviewed the draft policy based on the issues raised during the public consultation process and has considered the social impact report, including;

- (a) Statistics on levels of class 4 gaming in Christchurch.
- (b) Relevant Christchurch City Council's policies.
- (c) Social and economic impacts of gaming.
- (d) Public attitudes.
- (e) Impact of legislation.
- (f) Other territorial authorities draft policies.

## Levels of Gaming in Christchurch

Christchurch City has one of the largest collections of gaming machines in the country and one of the highest ratios of gaming machines to residents of New Zealand cities. The TAB has 10 Board venues in Christchurch (refer Appendix 2, page 13).

## Relevant Council Policies

The Council has no formally adopted policy on gambling. However, by resolution, the Council has previously supported restrictions on the availability of certain types of gambling; limitations on the number of non-casino gaming machines; and has supported a public health approach to gaming.

The Healthy Christchurch Charter of which the Council is a signatory, requires a public health approach to gaming. If the Council does not take action to restrict the growth of gaming, it could be seen to be contravening the Charter (refer Appendix 2, page 16).

<sup>1</sup> Class 4 gambling is gambling that is not of any other class and relates to a type that utilizes or involves a gaming machine and may be only conducted by a corporate society that holds both an operator's licence for the gambling and a venue licence for the place at which the gambling is conducted.

<sup>2</sup> A Board venue is a stand alone TAB operated by the New Zealand Racing Board (The Racing Act 2003 specifies that a Board venue means the premises that are owned or leased by the New Zealand Racing Board and where the main business carried out at the premises is providing racing betting or sports betting services).

## **Social Impact**

The benefits of gambling include aspects such as consumer enjoyment and availability of funding to the community. At least one third of non-casino gaming machine losses are used for community funding purposes. This has been estimated to be in the order of \$36 million. A moratorium on new venues would not reduce current community funding levels. Funding from TAB venues is returned to the racing industry (Appendix 2, page 17).

The largest cost from gaming is to the problem gambler and their families. Problem gambling is a health issue of increasing importance for Christchurch. Christchurch also has one of the largest groups of problem gamblers. By placing a moratorium on new venues, the Council can limit some of the harm caused by gambling, and in doing so can help protect the health of some of the community's most vulnerable citizens.

The Regulatory and Consents Committee was of the view that a moratorium was the appropriate and prudent approach until a greater understanding about local patterns of recreational and problem gambling could be gained.

## **Economic Impact**

Current research indicates that the net gains from gaming in terms of jobs and economic activity are small once the impact of the diversion of consumer spending from other industries is taken into account. The domestic tourist expenditure on gaming is less than 1% (including casino spending) (Appendix 2, page 17).

The tax revenue from non-casino gaming machines is estimated at \$320 million per year. However, it has been suggested that gambling and societal costs resulting from problem gambling and gaming regulation, costs the government more than this amount (Appendix 2, page 17).

## **Consultation Feedback**

The draft gaming venue policy has undergone the special consultative procedure required under the Local Government Act 2002 and was available for comment from November to February 2004. The draft policy was made available on the Council's website, at Council Service Centres and in libraries. It was also published in City Scene and in notices in the Press and Star.

The draft policy was also sent to key stakeholder. A series of public meetings was held in December 2003 and January 2004.

The Gambling Act 2003 also requires Councils to ensure Maori participation in consultation. He Oranga Pounamu was contracted to undertake targeted consultation with Maori.

One hundred and two submissions were received. Fourteen people representing individuals and organisations, requested to be heard by the Committee on 1, 2, and 3 March 2004.

The majority of submissions considered by the Regulatory and Consents Committee supported restrictions on non-casino gaming.

Many submitters raised matters which were outside the scope of the Council's role and are the responsibility of other agencies such as Department of Internal Affairs (Appendix 2, page 20).

## **Public Attitudes to Gaming**

According to national surveys of gambling, conducted in 1985, 1990, 1995 and 2000, New Zealanders have become increasingly concerned about the negative social impacts of gambling. Increasing proportions of people saw non-casino gaming as undesirable. The majority of respondents wanted controls placed on gaming (Appendix 2, page 20).

## **Lack of Clarity about Legislation**

There is a lack of clarity about the interpretation of the new Gambling Act 2003. For example, the Department of Internal Affairs is still seeking legal advice in order to develop its own position on several issues such as the withdrawal of territorial consents and the placing of conditions on consents. Accordingly, the Committee considers that the Council needs further information regarding the interpretation of the legislation prior to granting consents (Appendix 2, page 22).

## **Secondary Legislation**

The Gambling Act 2003 has not been fully implemented and it is difficult to assess the impact of the new legislation. The Act has also left a lot of the detail to secondary regulations which have yet to be determined.

These matters are beyond the Council's control. It is impossible to know the scope of the harm minimisation measures that are likely to be included in the secondary legislation.

The Ministry of Health released a Draft National Plan for Minimising Gambling Harm in October 2002. This Plan has yet to be updated. The Council has been unable to find any evaluation of the implementation of the plan.

Accordingly, the Committee believed that without evidence that problem gambling services are successful, the responsible approach in order to limit some of the harm caused by gambling, is to control the numbers and locations of gaming machines.

## **Other Territorial Authorities' Policies**

A moratorium on the numbers and locations of gaming machines is consistent with other city councils' approach. Most have set caps well below current levels which in effect means a moratorium.

The Regulatory and Consents Committee believes that a moratorium is a more transparent approach and would minimize costs for Council and the sector (Appendix 2, Background Report page 22).

## **Assessment of Options**

The Regulatory and Consents Committee considered the following options:

1. A policy that places no restrictions on the number and location of class 4 and Board gaming venues
2. A policy that allows new venues but places restrictions on:
  - the number of venues;
  - the location of venues and/or
  - the primary activity of the venue (eg sale of liquor)
3. A policy that places a moratorium on new gaming venues

The Summary of Options Assessment in Appendix 2 page 4, provides a summary of all options.

## **CONCLUSIONS**

Having heard the submissions and considered the social impact of gaming, the Regulatory and Consents Committee has concluded that problem gambling is a health issue of increasing importance for Christchurch.

The Committee is of the view that the Council could limit some of the harm caused by gambling and protect the health of its most vulnerable citizens by placing a moratorium on non-casino gaming machines.

The apparent absence of any mechanism for review of venue consents once issued was also of concern to the Committee and the Committee suggests that an initially conservative approach is needed by the Council, with the ability to relax controls in the future.

It is the Committee's view, having considered the issues, that a moratorium is the only option for the Council that fulfils the requirements of the legislation. The Committee was not convinced that the other policy options would be satisfactory.

**Recommendation:** That the Council:

1. Adopt the Gambling Venue and Totalisator Agency Board (TAB) Venue Policy (Appendix 1), which:
  - (a) Allows for the establishment of new Board (TAB) venues in Christchurch. (The Board must meet all other statutory requirements, including City Plan requirements, in respect of such proposed venues).
  - (b) Places a moratorium on the establishment of new class 4 venues in Christchurch.
  - (c) Allows two or more corporate societies which are merging to seek Ministerial approval to operate more than the statutory limit in Christchurch.
2. That the Council refer other gaming matters raised in submissions, which are outside the scope of the Gambling Venue and Totalisator Agency Board (TAB) Venue Policy, to the appropriate Committee and officers to consider.