



19. REPORT FROM CHAIR OF SUBMISSIONS PANEL: SUBMISSION ON GAMBLING (GAMBLING HARM REDUCTION) AMENDMENT BILL

General Manager responsible:	General Manager Strategy and Planning, DDI 941-8281
Officer responsible:	Programme Manager Strong Communities
Author:	Siobhan Storey, Senior Policy Analyst

PURPOSE OF REPORT

1. This report seeks endorsement of a draft Council submission on the Gambling (Gambling Harm Reduction) Amendment Bill (**Attachment 1**).

EXECUTIVE SUMMARY

2. The Gambling (Gambling Harm Reduction) Amendment Bill (the Bill) (**Attachment 2**) is a private member's Bill, introduced by Te Ururoa Flavell. It passed its first reading and was referred to the Commerce Committee on 9 May 2012. The Commerce Committee has asked for submissions on the Bill by 21 June 2012.
3. The purpose of the Bill "is to provide additional measures to implement the following purposes of the Gambling Act 2003:
 - (a) to prevent and minimise the harm caused by gambling, including problem gambling;
 - (b) to ensure that money from gambling benefits the community;
 - (c) to facilitate community involvement in decisions about the provision of gambling."
4. The Bill proposes the following:
 - (i) That public sentiment and evidence of harm be added to the major criteria to be applied in developing a territorial authority's gambling venue policy. It empowers local authorities, after consulting the community and affected operators, to eliminate or reduce the number of pokie machines and venues in particular suburbs or towns where public sentiment or evidence of harm justifies this.
 - (ii) That racing and racing-stake money are no longer considered to be an authorised "charitable" purpose.
 - (iii) That the distribution of proceeds are to be carried out primarily for the benefit of community, sporting, and social-service organisations operating within and for the benefit of the geographic community in which the venue is located. It specifically requires all pokie machine trusts, corporate societies and other distributors of the proceeds of gambling machines to return at least 80 per cent of these funds generated by gamblers' losses on local pokie machines back into the charitable organisations that are meeting priority needs. These funds are to be returned to the same local authority area as the venue and within the same local authority ward, local board subdivision, or community board area (where such subdivisions exist).
 - (iv) That the "pokie trusts" or corporate societies be phased out as the distributors of community benefit money from pokie machines, and within a year's time passes over responsibility for these distributions to special committees of local authorities with a majority of representation from community organisations.
 - (v) That player tracking devices and pre-commit cards be required conditions of a pokie machine venue operator's licence as issued by the Secretary of Internal Affairs.

19 Cont'd

5. Workshops were held with the Regulatory and Planning Committee on 2 May and 30 May 2012 to discuss the implications of the Bill and seek the Committee's views on a draft submission. The attached submission has been agreed by the Council's Submissions Panel Chair who requested that the submission be put to Council at its meeting of 14 June 2012. The submission addresses the issues raised by the Regulatory and Planning Committee. The submission argues that the role of territorial authorities should be more limited than proposed in the Bill and than currently provided by the Gambling Act 2003 (the Act), and that the Department of Internal Affairs should have the primary responsibility for the application of class 4 gambling venue policies developed by councils in consultation with their communities, through the granting of licences. The submission also:
- Seeks greater clarity about the additional criteria to be taken into account in developing class 4 gambling venue policies
 - Requests that any power to prohibit and/or reduce venues across the whole district be clearly stated, with additional guidance provided in the Act
 - Advocates that, if the submission that the Department of Internal Affairs take on responsibility for applying a council's policy to a venue licence is not accepted, councils should not be required to reconsider class 4 venue consents every three years
 - Suggests that the proceeds from class 4 gambling be distributed through the Community Organisation Grants Scheme rather than special committees of territorial authorities
 - Supports the return of 80 per cent of funds to the local community but argues that this should occur at the territorial authority level rather than the level of the smallest electoral subdivision.
6. No specific comments are made on the Bill's proposals in relation to racing stake money or player tracking devices. The submission makes a general comment made that the Council supports all measures that reduce the harm from problem gambling.

FINANCIAL IMPLICATIONS

7. There are no financial implications associated with the recommendations of this report. However, if the Bill were passed in its current form It proposes that venue licences be renewable every three years. At present, Christchurch has 108 licensed venues. There would be a significant increase in the Council workload if consents for these venues had to be re-issued every three years and this would have financial implications.
- 8 The proposed committee process for the distribution of funds would increase staff time. The amount of extra resource and funding required would depend on how often the committee would be required to meet and how the geographical responsibility would be divided up.

Do the Recommendations of this Report Align with 2009-19 LTCCP budgets?

9. Not applicable.

LEGAL CONSIDERATIONS

10. There are no legal implications associated with the recommendation of this report.

Have you considered the legal implications of the issue under consideration?

11. Not applicable.

ALIGNMENT WITH LTCCP AND ACTIVITY MANAGEMENT PLANS

12. Not applicable.

Do the recommendations of this report support a level of service or project in the 2009-19 LTCCP?

13. Not applicable.

19 Cont'd

ALIGNMENT WITH STRATEGIES

14. The Council's position is consistent with its established policy direction on gambling.

Do the recommendations align with the Council's strategies?

15. The Council does not wish to see additional licensing and regulatory added to Council's suite of responsibility.

CONSULTATION FULFILMENT

16. No consultation was undertaken but in formulating the submission regard has been taken to the Council's current policy position which was established following extensive consultation in recent years. In addition any member of the public can make their own submission.

STAFF RECOMMENDATION

17. It is recommended that the Council resolve to:

- (a) Approve the draft submission on the Gambling (Gambling Harm Reduction) Amendment Bill.
- (b) Determine whether the Council should make an oral submission on the Bill and, if so, appoint a Councillor or Councillors to represent the Council at the Select Committee hearing.

21 June 2012

To: **Secretariat
Commerce Committee
Parliament House
Wellington**

Submission of the Christchurch City Council on the Gambling (Gambling Harm Reduction) Amendment Bill

Introduction

1. The Christchurch City Council (**Council**) would like to thank the Committee for the opportunity to make submissions on the Gambling (Gambling Harm Reduction) Amendment Bill (**the Bill**). This submission was approved by the Council at its meeting on [xxx].
2. The Council [*wishes/does not wish*] to appear in support of its submission.
3. The Council has a large body of knowledge about class 4 gambling in its district as a result of the work done in preparing and reviewing its Class 4 Venue Gambling Policy. This submission presents some of that information as background for the Committee and to support the Council's submission.
4. The Council does not have a submission to make on every amendment proposed in the Bill. In general it supports measures to reduce the harm caused by gambling and the harm caused to problem gamblers and their whanau/families.
5. The Council's key submission is that the Department of Internal Affairs should have responsibility for all matters under the Gambling Act 2003 (**the Act**). The only role for territorial authorities should be in developing a policy with their communities, that the Department can then apply when carrying out its functions.
6. The Council's other main submissions relate to the proposed amendments to territorial authorities' powers in respect of their class 4 gambling policies, and the requirement for special committees of territorial authorities to become the distributors of money from class 4 gambling.

Background - Council involvement in gambling issues in its district and the views of its community

7. The Council has knowledge of gambling issues in its district as a result of the work done in preparing and reviewing its Class 4 Venue Gambling Policy in 2003, 2006, 2009 and 2012. The clear message the Council has gained over this time is that the majority of the community want to see a reduction in gaming (pokie) machines.
8. The need for a Gambling Policy was a new requirement on territorial authorities introduced by the Act. In 2003 and 2004 the Council carried out investigations on the social impact of gambling in its district and consulted with its community on this new policy, as required by the Act. A "sinking lid" policy was adopted by the Council, with its purpose being to prevent any increase in the numbers of gambling venues or machine numbers in the city. This would lead to a natural reduction in machines over time.

9. When Council reviewed the policy in 2006, it decided to amend the policy so there would be only limited restriction on obtaining a territorial authority consent under the Act. However, the community provided the clear message that this was not their preferred option for dealing with class 4 gambling in its district. The Council received a total of 2,062 submissions, with 138 groups/organisations or individuals requesting to make a verbal submission to the Council Hearings panel. There were 2,030 submitters (98 per cent) that indicated they did not support the proposed changes to the Policy, and of these, 1,923 (95 per cent) said they would prefer to retain the current policy.
10. The Council listened to its community and the sinking lid policy was retained.
11. The Council reviewed its policy again in 2009, and determined it would not amend the policy. This was on the recommendation of the Council's Regulatory and Planning Committee and the Gambling Venue Policy Review 2009 Working Party set up by the Committee. The working party's report and the background information that it considered can be found at:
<http://www1.ccc.govt.nz/council/agendas/2009/august/regulatoryplanning6th/gamblingvenue.pdf>
12. The working party report included a detailed background information paper on the following:
 - the Gambling Act 2003
 - the role of territorial authorities
 - gambling harm prevention and minimisation
 - return of funds to the community
 - history of gambling in New Zealand
 - history of current Council policy, and
 - the current Christchurch City Council Gambling Venue and Totalisator Agency Board (TAB) Venue Policy.
13. That paper also included a number of appendices including: Department of Internal Affairs: Gambling Fact Sheet 6, and a summary of changes in territorial authorities' gambling venue policies. The report also included summaries of the Social Impact Assessment prepared by staff and the Economic Impact Assessment prepared by Covec Ltd, as well as information that major stakeholders provided in discussions with staff.
14. In 2012 the Council carried out a slightly early review of its policy, in light of issues that had been raised by venue operators following the Canterbury earthquakes. The report to Council can be found at:
<http://www1.ccc.govt.nz/council/proceedings/2012/february/cnclcover23rd/11.review2009gamblingvenuepolicy.pdf>
15. The Council's decision was not to carry out a special consultative procedure but to retain the 2009 (2006) Policy unamended, as best achieving the objective of minimising gambling harm through the reduction of gaming venues and machines over time.
16. The previous work the Council has done on this issue leads to its full support of all incentives that will reduce the harm caused by gambling and the harm caused to problem gamblers. However, the Council believes that its role under the Act should be more limited than is proposed in the Bill, and than is currently provided for in the Act.

Submission

Limited role for Councils and a greater role for the Department of Internal Affairs

17. The Council submits that the role for territorial authorities under the Act should be limited to developing a policy on class 4 gambling with its community. It should not be required to issue consents in relation to class 4 gambling venue licences and it should not be required to distribute class 4 gambling proceeds. These matters should be the responsibility of the Department of Internal Affairs.
18. There is no need for a two-step licensing process that involves territorial authorities. This is unnecessary regulation (red-tape) that adds to the cost for the venue licence applicant. The Council believes that the unit in the Department of Internal Affairs that handles the class 4 venue licence applications should be required to apply the Council's Class 4 Gambling Venue policy when determining whether or not to grant a venue licence.
19. The territorial authority consent provides no real value in the process of granting the licence as it simply translates a Council's policy into a consent (or the refusal to grant a consent). The Department of Internal Affairs cannot currently override a Council's policy or its decision in relation to the territorial authority consent. The Department could just as easily apply a Council policy, instead of a consent, even one that provides for the reduction or prohibition of venues, which might be the case if other provisions of the Bill are passed.
20. The Local Government Act 2002 Amendment Bill 2012 (**LGA Amendment Bill**) proposes a significant change to Councils' roles in the future. The LGA Amendment Bill intends replacing "*promoting the social, economic, environmental, and cultural well-being of their communities, taking a sustainable development approach*" with "*meeting the current and future needs of their communities for good-quality local infrastructure, local public services, and performance of regulatory functions*"
21. The aim of the LGA Amendment Bill, as set out in its explanatory note, is to reduce red tape, minimise the rates burden on households and businesses, limit debt, and to ensure the cost-effective provision of good-quality infrastructure. The explanatory note for the LGA Amendment Bill also refers to the current purposes of the 2002 Act as "*..[diverting] councils into areas already covered by central government and the private sector.*"
22. The Gambling Bill puts additional requirements on Councils in relation to gambling and its social issues that do not appear to fit with the new purposes proposed in the LGA Amendment Bill. Addressing gambling issues is not infrastructure delivery, or a local public service. The issuing of territorial authority consents for gambling has only become a regulatory function of territorial authorities since 2003. Since central government already carries out regulatory responsibilities in relation to gaming licences this function is better left to central government rather than involving territorial authorities.
23. However, the Council believes it is best placed to make a Gambling Policy in conjunction with its community that can assist in informing central government with its regulation of gambling function. It believes this responsibility on the Council should be retained in the Gambling Act despite the local government reforms.
24. Despite this view on the policy, the Council considers it should not be required to carry out other functions under the Gambling Act, which will need to be funded by its household and business community, but which truly fall within the scope of the existing regulatory functions of the Department of Internal Affairs.
25. If the Department takes on the greater role suggested by this submission then that will assist in minimising costs for households and businesses, reduce red-tape, and reduce the diversion of the Council into an area covered by the Government.

Substitution of section 101(2) – clarification of the additional criteria to be considered when adopting a policy

26. The Bill proposes adding to section 101(2) to provide that when Council adopts its policy it must have regard to "*public sentiment about the extent and location of gambling venues*" and the "*evidence of harm from gambling*" in addition to the existing criteria of the "*social impact of gambling*".
27. The Council is fully supportive of the additional criteria it will be able to consider in developing its policy but would like clarification on the meaning of "public sentiment". Does this mean it has to do anything different or obtain any specific information as part of a special consultative procedure on a policy?
28. It would also like clarification on how "public sentiment about the extent and location of gambling venues" must be weighed up against the "evidence of harm" and "social impact of gambling" criteria. For example, would evidence that there is little harm in a particular area outweigh any public sentiment against gambling or would public sentiment take precedence (despite any evidence the Council may have gathered). If none of the criteria are to have any greater weight than another one of the criteria then it would be useful to provide for this in the section to avoid any doubt.

Section 101(3) amendments

29. Section 101(3) proposes that a council policy will be able to specify the prohibition and/or reduction of class 4 venues "*in all or specified parts of the district*", and that any such prohibitions or reductions will apply to existing venues.
30. The Council applauds this amendment. It will allow the Council to consult with its community about whether or not it wants to go further than a sinking lid policy in order to deal with the issues raised by class 4 gambling in its district.
31. However, it does not believe the policy making power should include the ability to prohibit all class 4 gambling machines across the whole of its district. This would have a significant effect for venue operators but it appears to be one possible implication of the proposed amendment.
32. If it has correctly interpreted this power, and that provision is to remain in the Act, then the Council would like the power to prohibit across the whole district clearly stated to avoid the future risk of judicial review challenge (in the event its community ever sought that such a policy be introduced).
33. Greater guidance around the scope of any policy to prohibit and/or reduce venues in certain areas or all of the district would also be useful. Even without a total prohibition power this "retrospective" provision could still significantly affect existing venue operators. Again, the statutory powers available to councils need to be quite clear to assist in minimising the risk of future judicial review challenge to decisions.
34. A new section 101(5) could be included in the Act, that applies if a council proposes adopting a policy that covers the matters in section 101(3)(c). The new subsection could specify the types of matters a policy could cover, in order to assist the Council with the potentially complex process of developing a policy that will reduce or prohibit venues.

3 yearly renewal of territorial authority consents (section 98 amendments)

35. If a territorial authority has a class 4 gambling venue policy that prohibits or reduces the number of venues in a particular area, and applies the prohibition or reduction in numbers to venues that were operating before the Bill came into force, the licences for those venues expire one year after the date the policy is in force. A consent that is subject to such a policy may be issued for a maximum of three years.
36. If the Council's submission is accepted, that the Department of Internal Affairs should be responsible for applying the Council's policy to a venue licence without the need for a consent, then this proposed amendment would not affect the Council. However, if that submission is not accepted then the Council submits there should be no requirement for the Council to reconsider class 4 venue consents every 3 years (in the event it adopts a policy that would lead to such a requirement).
37. At present, Christchurch has 108 licensed venues. There would be a significant increase in the Council workload if consents for these venues had to be re-issued every three years. That would mean additional costs for Council, at a time it is seeking to reduce costs and put additional resources into earthquake recovery.
38. If the Council's Gambling Policy is not changed then it should not be required to reconsider a consent. It should be for the Department of Internal Affairs to monitor the behaviour and practice of licensees. The requirement to renew a territorial authority consent should only arise when and if a Council's policy is significantly amended.

New section 110B - Local authority committees - should be replaced with a special community committee under COGS

39. Section 110B proposes that territorial authorities will be responsible for the distribution of proceeds from class 4 gambling venues located in their districts, and that a special committee should be set up for this purpose.
40. At a high level the Council has some concerns about the distribution of money from gambling generally. It tends to suggest there is some public good from what is regarded by many as a pernicious activity. Considering this particular proposal, the Council disagrees that a special council committee should be the vehicle used to distribute such funds and recommends another body for this purpose.
41. The Community Organisation Grants Scheme (COGS) is a community-driven fund that provides grants to non-profit community organisations that deliver community-based social services. It is administered by the Department of Internal Affairs and has 37 Local Distribution Committees (LDCs), served by volunteers, who consider and make decisions on grant applications from community organisations within each LDC's local community.
42. The COGS organisation and its LDCs, or another special committee coming under COGS, is much more suited to distributing the net proceeds from class 4 gambling to community groups in the territorial authority district, than a special council committee. It is already administered by the Department of Internal Affairs so this proposal aligns with the Council's earlier submission.
43. However, even if the Council's submission is not accepted in respect of a greater role for the Department of Internal Affairs, there is an inherent conflict in Council being the regulator (through its role in issuing consents) under the Act and also the distributor of funding under the Act. Some other body should manage that process, rather than the Council. If the Council was required to carry out this role there would again be additional cost to the Council as a result of additional staff time needed to assist the committee and other administration costs.

Addition of section 106(1A) - 80% of net proceeds

44. New section 106(1A) proposes that 80% of the net proceeds from class 4 gambling must be distributed primarily for the benefit of community, sporting, and social-service organisations operating within and for the benefit of the geographic community in which the venue is located. This is proposed to be the same territorial authority district as the venue, or the smallest of the same local council ward, local board subdivision, or community board area as the venue.
45. The Council supports this amendment except that it considers the amendment should only be as far down as the territorial authority district level. If it is reduced to the smallest electoral subdivision possible, that could place pressure on that area to retain class 4 venues even if they are not wanted, in order to receive 80% of the net proceeds. If it is kept at the territorial authority district level there can be a better distribution of funds without the same level of pressure to keep pokie machines in a particular part of the district.

Conclusion

46. The Council supports much of the Bill but believes territorial authority responsibilities in respect of gambling should be limited to consultation with its community and the adoption of a policy reflecting the wishes of the greater community. Other changes are also suggested in this submission to enhance the amendments in the Bill that are supported by the Council.
47. If you require clarification of the points raised in this submission, or any additional information, please contact Alan Bywater (Programme Manager, Strong Communities, ph 03 941-6430, email: alan.bywater@ccc.govt.nz) or Judith Cheyne (Solicitor, Legal Services Unit, ph 03 941-8649, email: judith.cheyne@ccc.govt.nz).
48. [The Council looks forward to presenting its submission to the Select Committee, and will be represented by Councillor [?].]

Yours faithfully

Peter Mitchell
General Manager Regulation and Democracy Services
CHRISTCHURCH CITY COUNCIL

Gambling (Gambling Harm Reduction) Amendment Bill

Member's Bill

Explanatory note

General policy statement

Electronic gambling machines (**pokies**) venues tend to be overly represented in lower income communities and town centres. Māori and Pasifika populations are effectively being disproportionately targeted and often severely harmed by them. The harm generated by pokies in terms of poverty, relationship break-up, depression, domestic violence, crime, neglected children, and the greatest losses by gamblers from pokie machines tend also to be drawn disproportionately from Māori, Pasifika, and lower income communities and families.

This Bill seeks to overcome these inequities of harm in the location and excessive numbers of pokies by enabling local authorities, in consultation with their communities, to reduce the number of, or even eliminate, pokies from those suburbs and towns where they are particularly concentrated or doing particular harm. It also changes the responsibility for distributing pokie funds to provide an informed and democratically accountable distribution method, and to end the inefficiencies, lack of transparency, risks of unethical behaviour, and failure to appreciate and respond to the greatest needs of particular geographical and ethnic communities in the distribution of the “community benefit” funds from pokies. It also proposes to give gamblers more ability to limit and control their own gambling behaviour

through player tracking and pre-commit cards. The Bill proposes to do so in 5 ways.

First, this Bill responds to the public sentiment and evidence that there are already too many pokies and venues in some locations and districts by adding public sentiment and evidence of harm to the major criteria to be applied in developing a territorial authority's gambling venue policy. It empowers local authorities, after consulting the community and affected operators, to eliminate or reduce the number of pokie machines and venues in particular suburbs or towns where public sentiment or evidence of harm justifies this. There is a specific new power to phase out venues that were in operation at the time the Gambling Act 2003 (the **principal Act**) came into force or have since commenced operation, while permitting operators who have not otherwise breached any licence conditions, the opportunity to phase out their pokies over a 1 year period. There is an explicit new power that this is an option to be decided on through the triennial reviews of that local authority's Gambling Venue Policy which would also be applied by all licences being for 3 year renewable periods only.

Second, it cuts out racing and racing-stake money as an authorised "charitable" purpose that is inconsistent with the community benefit tenor of the rest of the principal Act. Special consideration to this industry alone should not continue when community and iwi organisations are desperately short of funding.

Third, it requires the distribution of proceeds to be carried out primarily for the benefit of community, sporting, and social-service organisations operating within and for the benefit of the geographic community in which the venue is located. It specifically requires all pokie machine trusts, corporate societies and other distributors of the proceeds of gambling machines to return at least 80% of these funds generated by gamblers' losses on local pokie machines back into the charitable organisations that are meeting priority needs in the same local authority area as the venue and within the same local authority ward, local board subdivision, or community board area where such subdivisions exist. Currently pokie machine trusts and corporate societies are obliged to make grants for authorised purposes as defined in the principal Act from the net proceeds from their gambling machines. However only a small proportion of the pokie gamblers' losses are distributed in grants for community benefit back into the

same communities that generated them. This is because the majority of the gamblers' losses go to pay machine site rentals, machine maintenance, trustee fees for pokie trust members, and other administrative costs. Gambling losses are occasionally siphoned off into corrupt purposes and other rorts; go into paying taxes; and into grants made to organisations based in other local authorities altogether, sometimes even in the other Island, or to national bodies.

Fourth, this Bill also phases out the "pokie trusts" or corporate societies as the distributors of community benefit money from pokie machines, and within a year's time passes over responsibility for these distributions to special committees of local authorities with a majority of representation from community organisations, modelled on the Creative New Zealand creative communities fund committees and the former Hillary Commission local committees. The creative communities fund committees in particular already make full use of the provisions of clause 31(3) of Schedule 7 of the Local Government Act 2002 which permit councils to appoint members to council committees and subcommittees who are not members of the council. Every local authority in New Zealand is granted money from Creative New Zealand on a per head of population basis and distributes it through a council committee which has one or more councillors on it but a majority of whose members are drawn from knowledgeable people from arts and cultural groups in that district. This Bill would set up a parallel system to grant money to community, social-service, iwi, and sporting groups in their district on a fair, informed, transparent, and accountable basis.

Fifth, gamblers who are having problems with their behaviour when using pokie machines frequently have their problems exacerbated by losing track of the amount of their losses or of the passage of time. Gamblers could more often be able to manage their gambling if pokie machine venue operators were obliged to keep track of each gambler's overall losses and time spent gambling through using common technological devices like player tracking systems. If, in addition, gamblers were equipped with pre-commit cards in which the gambler pre-set, away from the gambling venue, limits on the amount of losses and time spent gambling on pokie machines then they could restore control over their own behaviour and greatly reduce the problems they could face from pokie gambling. The Bill proposes making such player tracking devices and pre-commit cards a required condi-

tion of a pokie machine venue operator's licence as issued by the Secretary of Internal Affairs.

Clause by clause analysis

Clause 1 states the Bill's Title.

Clause 2 is the commencement provision. It provides that the Bill will come into force on 1 July 2011. Provisions phasing out the role of the existing pokie machine corporate societies and replacing them with local committees will not come fully into force until a year later under the terms of *clause 10*.

Clause 3 states that the Bill amends the Gambling Act 2003.

Clause 4 states the Bill's purpose.

Clause 5 amends section 4(1) to restrict the definition of "authorised purpose" in the Interpretation section to exclude promoting, controlling, and conducting race meetings under the Racing Act 2003, including the payment of stakes.

Clause 6 amends section 53 to—

- require the distribution of funds derived from pokie machine gambling to be done in such a way that the outcome is that at least 80% of these proceeds are distributed for charitable purposes that are located in and benefit the same territorial authority district. Where a local authority is divided for electoral purposes into wards or contains local boards or community boards this 80% local distribution requirement is applied to that smaller electoral subdivision; and
- enable specific conditions requiring player tracking devices, pre-commit cards and/or similar devices designed to give gamblers more control over their gambling and therefore help achieve the purpose of minimising gambling-related harm in respect of class 4 gambling venues.

Clause 7 amends section 98 to provide for—

- the expiry of all class 4 venue licences that are subject to a policy under section 101(3)(c) prohibiting or reducing the number of class 4 venues, 1 year after the policy enters into force; and
- all replacement class 4 venue licences to have a maximum life of 3 years.

Clause 8 amends section 101 by adding—

- “evidence of harm from gambling” and “public sentiment about the extent of Opportunities for Gambling” as matters that a territorial authority is obliged to have regard to in reviewing and adopting its gambling venue policy; and
- a new power to territorial authorities in the course of the reviews of their class 4 gambling venue policy, namely, if they so determine, to prohibit or reduce the numbers of existing venues, including those that were in operation when the Act came into force.

Clause 9 amends section 106 by adding a *new subsection (1A)* requiring pokie machine trusts and corporate societies to distribute at least 80% of their distributable funds for societies or purposes located in the same territorial authority district, or the smallest of any local authority ward, local board subdivision, or community board area where they exist, as that in which the originating venue is located, and by amending subsection (2) to apply appropriate penalties for failure to comply.

Clause 10 inserts *new sections 110A and 110B*. *Section 110A* phases out the existing pokie trusts and corporate societies from having a role in conducting class 4 gambling or in distributing net gambling proceeds. They must cease distributing proceeds by 30 June 2012. *Section 110B* requires the existing pokie trusts and corporate societies to hand over their roles in conducting gambling and distributing its proceeds to committees of the territorial authority where a venue is located. The territorial local authority is obliged to consult with its community and community organisations about the membership of this committee and to include a majority of members who are not elected members of councils, local boards, or community boards.

Te Ururoa Flavell

Gambling (Gambling Harm Reduction) Amendment Bill

Member's Bill

Contents

	Page
1 Title	1
2 Commencement	2
3 Principal Act amended	2
4 Purpose	2
5 Interpretation	2
6 Content and conditions of class 4 operator's licence	2
7 When territorial authority consent is required	3
8 Territorial authority must adopt class 4 venue policy	3
9 Corporate society must apply or distribute net proceeds from class 4 gambling to or for authorised purpose	4
10 New sections 110A and 110B	4
110A Corporate societies to cease to distribute proceeds from class 4 gambling	4
110B Corporate societies to be succeeded by council and local board committees	4

The Parliament of New Zealand enacts as follows:

- 1 Title**
This Act is the Gambling (Gambling Harm Reduction) Amendment Act **2010**.

- 2 Commencement**
This Act comes into force on 1 July 2011.
- 3 Principal Act amended**
This Act amends the Gambling Act 2003.
- 4 Purpose** 5
The purpose of this Act is to provide additional measures to implement the following purposes of the Gambling Act 2003:
- (a) to prevent and minimise the harm caused by gambling, including problem gambling (section 3(b));
 - (b) to ensure that money from gambling benefits the community (section 3(g)); 10
 - (c) to facilitate community involvement in decisions about the provision of gambling (section 3(h)).
- 5 Interpretation**
Section 4(1)(b) is amended by omitting “paragraph (a)(i) to (iii)” and substituting “paragraph (a)(i) and (ii)”. 15
- 6 Content and conditions of class 4 operator’s licence**
- (1) Section 53(1) is amended by inserting the following paragraph after paragraph (c):
- “(ca) a condition that at least 80% of all funds derived from gambling under the licence must be distributed for purposes that are located in the same territorial authority district or, where such electoral subdivisions exist, in the smallest of the local council ward, local board subdivision, or community board area; and”. 20
25
- (2) Section 53(2) is amended by inserting the following paragraph after paragraph (f):
- “(fa) conditions requiring the use of player tracking devices, pre-commit cards or other devices designed to permit responsible gambling and— 30
- “(i) maximise player knowledge about, and control over, their gambling; or
 - “(ii) minimise gambling related harm originating at the venue.”.

7 When territorial authority consent is required

(1) Section 98 is amended by omitting paragraph (c) and substituting the following paragraph:

“(c) if a corporate society applies for a class 4 venue licence and— 5

“(i) a class 4 venue licence has not been held by any society for the venue within the last 6 months; or

“(ii) the corporate society holds or has held a class 4 venue licence to which **subsection (2)** applies.”

(2) Section 98 is amended by adding the following subsections: 10

“(2) If a territorial authority adopts a class 4 gambling venue policy under section 101(3)(c) that prohibits or reduces the number of venues in a district or area, and applies the prohibition or reduction in numbers to venues operating before this Act came into force, the licences for those class 4 venues expire 1 year 15 after the date the policy enters into force.

“(3) A consent for a class 4 gambling venue that is subject to a policy adopted under section 101(3)(c) may be issued for a period not exceeding 3 years.”

8 Territorial authority must adopt class 4 venue policy 20

(1) Section 101 is amended by omitting subsection (2) and substituting the following subsection:

“(2) In adopting a policy, the territorial authority must, in respect of the territorial authority district, have regard to—

“(a) the social impact of gambling; and 25

“(b) evidence of harm from gambling; and

“(c) public sentiment about the extent and location of gambling venues.”

(2) Section 101(3) is amended by adding the following paragraph:

“(c) may specify that class 4 venues are prohibited or reduced in numbers in all or specified parts of the district and that any prohibition or reduction shall apply to existing venues, including venues that operated on the date this Act came into force.” 30

9 Corporate society must apply or distribute net proceeds from class 4 gambling to or for authorised purpose

(1) Section 106 is amended by inserting the following subsection:

“(1A) A corporate society must apply at least 80% of such net proceeds to societies or for purposes located in the same territorial authority district or, where such electoral subdivisions exist, to the smallest of the local council ward, local board subdivision, or community board area, as that in which the class 4 venue from which the proceeds originated is located.”

(2) Section 106(2) is amended by omitting “subsections (1)” and substituting “subsections (1) and **(1A)**”.

10 New sections 110A and 110B

The following sections are inserted after section 110:

“110A Corporate societies to cease to distribute proceeds from class 4 gambling

Any corporate society whose principal purpose or activity is to distribute proceeds from class 4 gambling must cease to distribute proceeds from class 4 gambling and must have distributed all its proceeds from class 4 gambling by 30 June 2012.

“110B Corporate societies to be succeeded by council and local board committees

“(1) A territorial authority is responsible for the distribution of proceeds from class 4 gambling venues located in its district from 1 July 2012.

“(2) A territorial authority must consult the community, iwi, and community organisations about suitable members of the council or local board committee which shall be responsible for the distribution of such proceeds for community purposes.

“(3) The council committee responsible for the distribution of such proceeds must have a majority of its members who—

“(a) live or are active in the local district; and

“(b) are not members of the local council, local board, or community board.

“(4) The Auckland Council must ensure that at least 80% of the proceeds from class 4 gambling are distributed by committees

of the local boards from whose area the class 4 gambling proceeds originated, and such local board committees must have a majority of members who—

- “(a) live or are active in the local board area; and
 - “(b) are not members of the Auckland Council or local board.”
-