

**Community & Services Committee  
6 April 2017**

**Report for Agenda Item 6**

**Department: Finance & Regulatory**

**Class 4 and TAB Gambling Venue Policy Review 2017**

**Purpose**

- 1 To provide Council direction to assist in the review of the Queenstown Lakes District Council Class 4 and TAB gambling policy.

**Recommendation**

- 2 That Council:
  1. **Note** the contents of this report and in particular;
  2. **Recommend to Council** that it approves the amended Class 4 and TAB gambling venue policy for public consultation.

Prepared by:



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28/03/2017

Reviewed and Authorised by:



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Chief Financial Officer

28/03/2017

**Background**

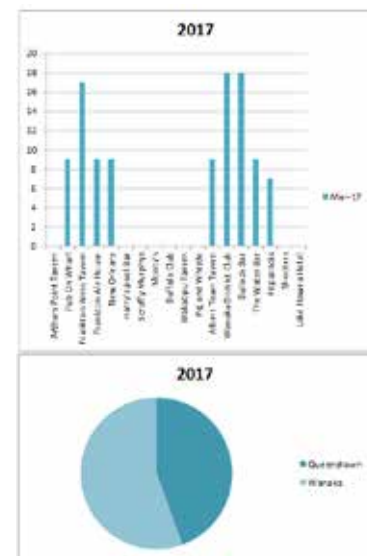
- 3 Under section 101 of the Gambling Act 2003 Council is required to adopt a policy to regulate the growth and location of Class 4 (non-casino electronic gaming machines) and Totalisator Agency Board (TAB) gambling within their district.
- 4 Queenstown Lakes District Council adopted their Class 4 and TAB gambling venue policy on 19 March 2004. It was reviewed on the 2 March 2007, 2 March 2010 and 12 April 2013. It is now due for review again.

**Comment**

- 5 The current policy has effectively worked for the past 12 years by decreasing four premises that contain gambling machines and we have seen a decrease of 50 overall machines around our district.

Location	Premises name	Sep-03	Sep-2006	Sep-10	Mar-17 TAR
Queenstown	Arthurs Point Tavern	4	0	0	0
Queenstown	Pub On Wharf	0	0	9	9 N
Queenstown	Frankton Arms Tavern	18	18	18	17 Y
Queenstown	Frankton Ale House	0	0	9	9 N
Queenstown	New Orleans	8	8	8	9 N
Queenstown	Harry's pool Bar	0	0	0	0 N
Queenstown	Scruffy Murphys	9	9	0	0 N
Queenstown	Monty's	9	0	0	0 N
Queenstown	Buffalo Club	18	1	1	0 N
Queenstown	Wakatipu Tavern	18	18	18	0 N
Queenstown	Pig and Whistle	12	1	0	0 N
Wanaka	Albert Town Tavern	12	9	7	9 N
Wanaka	Wanaka District Club	18	18	18	18 N
Wanaka	Bullock Bar	18	18	18	18 Y
Wanaka	The Water Bar	0	0	0	9 N
Wanaka	Fitpatricks	0	0	0	7 N
Wanaka	Shooters	9	9	9	0 N
Lake Hawea Hotel	Lake Hawea Hotel	2	6	0	0 N

Total number of premises		13	11	10	9
Total number of machines		155	115	115	109
Average number of machines		11.9	10.5	11.5	11.7
Total premises in Queenstown	Queenstown	8	6	6	4
Total premises in Wanaka	Wanaka	5	5	4	5



- 6 A review of policies from other Councils (Auckland, Dunedin and Christchurch) has shown that we all have similar policies regarding the location, primary activity of venues and visibility of machines both inside and outside the premises.
- 7 Dunedin City Council also has an extra condition, which would potentially be beneficial to add to our policy. The extra condition would prevent new gambling venues being established in residential zones.
- 8 This new condition would states "Class 4 gambling venues must not be established in any residential zone or recreational area or adjacent to any school, early childhood facility, place of worship, or other community facility".
- 9 The addition of the new condition will allow for an element of protection to our expanding residential areas, and should not raise any concerns from any existing premises in our district, including the one venue that is currently in a residential area.
- 10 In July 2013 Auckland Council adopted a sinking lid policy to reduce the number of class 4 venues to zero. Auckland Council's sinking lid policy states "Auckland Council will not grant consent for the establishment of any new Class 4 Gaming venues.
- 11 This means Council will not grant consent for the relocation of an existing venue. Therefore over time, the number of venues with machines will reduce, eventuating to a gaming free community, with the exception of casinos.
- 12 This may raise concerns from community groups who receive funding from the revenue of gaming machines. As the number of machines decrease, the amount of revenue will decrease, this will mean less funding is available to the community groups for projects.
- 13 The following questions have been asked to the Department Of Internal Affairs, in order to provide clarity as to the level of problem gambling in the district, and the benefiting organisations.

1. How many councils have created a sinking lid policy that has proved effective e.g. capping the maximum machines at five as opposed to nine?

2. What are the main organisations that have benefited from the monies collected over the past three years? How much does this total?

3. What is the level of problem gambling within our district compared to other districts?

13 This information was not available at the time of writing this report; however it will be available when this report is presented to the Community and Services Committee meeting. The DIA have given us a reporting time of the 28<sup>th</sup> of March 2017.

## Options

14 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:

15 Option 1 Adopt the amended policy with residential condition

Advantages:

16 The policy will be renewed as required; with the addition of the extra condition this will protect any residential areas from becoming potential areas of concern.

Disadvantages:

17 The addition of the new condition will prevent new applications being approved in residential areas.

Option 2 Maintain the existing policy with no changes

Advantages:

18 Status Quo is maintained throughout the district. The policy will continue to minimise adverse effects on the community.

Disadvantages:

19 The policy does not protect residential areas from containing gaming premises. The number of machines will not reduce in our district.

20 Option 3 Adopt the reviewed and amended policy with residential and sinking lid conditions

Advantages:

- 21 The policy will be renewed as required; with the addition of the extra conditions, this will protect any residential areas from becoming potential areas of concern and will reduce the number of class 4 venues in our district.

**Disadvantages:**

- 22 The addition of the new condition will prevent new applications being approved in residential areas. The amount of community grants awarded from gambling revenue will reduce as the number of class 4 venues reduces in the district.
- 23 This report recommends Option 1 for addressing the matter as it is required that the policy be reviewed. As there has only been 1 change in the policy to bring it in line with other Council policies within New Zealand the change is very minor and should create no concern for the wider community.

***Significance and Engagement***

- 24 This matter is of low significance, as determined by reference to the Council's Significance and Engagement Policy because the changes to the policy are minor and do not affect a large proportion of the community.

***Risk***

- 25 This matter relates to the strategic risk SR3 – Management Practice – working within legislation as documented in the Council's risk register. The risk is classed as moderate. This matter relates to this risk because of the harm that could be caused to the public and environment if this policy was not in place, it can also affect our environment of our residential areas.
- 26 The recommended option 3 considered above mitigates the risk by:

[Treating the risk - putting measures in place which directly impact the risk. ]

**Financial Implications**

- 27 There are minimal financial implications from this policy, which will be met through existing budgets.

**Council Policies, Strategies and Bylaws**

- 28 The following Council policies, strategies and bylaws were considered:

- Class 4 and TAB gambling venue policy

- 29 This matter is not included in the 10-Year Plan/Annual Plan

**Local Government Act 2002 Purpose Provisions**

- 30 The recommended option:

- Will help meet the current and future needs of communities for good-quality local infrastructure, local public services, and performance of regulatory functions in a way that is most cost-effective for households and businesses by ensuring gaming premises are not located in a residential areas. This is to minimise harm to the residential community by eliminating exposure to the general public in these locations.
- Can be implemented through current funding under the 10-Year Plan and Annual Plan;
- Is consistent with the Council's plans and policies; and
- Would not alter significantly 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.

### **Consultation: Community Views and Preferences**

31 The persons who are affected by or interested in this matter are residents/ratepayers and visitors of the Queenstown Lakes district community.

32 Consultation is required under the Local Government Act 2002 and it is mandatory that the Special Consultative Process be used for the review of the policy.

33 The process for entering consultation on this matter requires the Committee to recommend to Council to do so. A formal statement of proposal on the matter will be developed which will be considered by Council at its April meeting.

20 April 2017	Statement of Proposal adopted for consultation
22 April 2017	Submissions Open
22 May 2017	Submissions Close
Early June 2017	Hearing of Submissions
29 June 2017	Final Decision

### **Attachments**

- A Queenstown Lakes District Council Class 4 and TAB Gambling venue policy – amended version to reflect the possible changes
- B Queenstown Lakes District Council Class 4 and TAB Gambling venue policy – in its current format
- C Extract from the Gambling Act 2003