

# **Social Impacts of Gambling in the Timaru District:**

## **Independent Assessment**

Prepared for  
Timaru District Council

by  
APR Consultants Ltd

16 July 2022



## Legislative compliance

This report was developed to support decision-making regarding Timaru District Council's compliance with Section 102 of the *Gambling Act 2003* (adoption and review of Class 4 gambling venue policy), Section 97 of the *Racing Industry Act 2020* (adoption and review of TAB venue policy) and Part 6 of the *Local Government Act 2002* (planning, decision-making, and accountability).

## Disclaimer

Care has been taken in the production of this report to ensure its contents are as accurate as possible, however neither APR Consultants nor Timaru District Council take responsibility for any incorrect information or decisions by any persons based on the information in this report.

## Further information

<b>Council contact</b>	<b>Consultant contact</b>
Brendan Madley Policy Advisor Timaru District Council PO Box 522, Timaru 7940 Email <a href="mailto:gambling@timdc.govt.nz">gambling@timdc.govt.nz</a>	Deryck Shaw Director APR Consultants Ltd (07) 349 8333 <a href="http://aprconsultants.co.nz">http://aprconsultants.co.nz</a>

## EXECUTIVE SUMMARY

- Timaru District Council is required to review its policy on whether additional gambling machine venues should be allowed to establish, whether existing venues can apply for additional machines, whether gambling machine venues can relocate, and whether stand-alone TAB venues can be established within the district.
- In adopting its policy, Council must have regard to the social impact of gambling. This report presents information to support this consideration, with a focus on Class 4 otherwise known as pokies or gambling machine venues. Of lower concern from a public perspective are TAB venues, as these are less associated with problem gambling.

### ***Overview of Class 4 gambling venues in Timaru District***

- Over the past two decades, the number of venues in the Timaru has almost halved from 32 to 13 and the number of machines from 318 to 166.
- Around 85% of gambling machines in the district today are owned by gaming trusts for charitable fundraising, with the remainder owned and operated by clubs.

### ***Benefits of gambling for Timaru District***

- The main benefit is the enjoyment of gamblers, paid for through their personal expenditure of around \$10 million per annum after winnings.
- Approximately \$3.8 million of the proceeds goes toward community purposes, including grants to sports clubs, schools, health organisations and other charitable purposes.
- Approximately \$3.4 million goes to the Government through duties, taxes and levies.
- Approximately \$1.4 million is kept by gambling venues (for example, toward employee wages) and \$1.5 million toward gaming society expenses.

### ***Costs of gambling for Timaru District***

- Relative to New Zealand overall, Timaru is estimated to have a moderate community risk profile in relation to problem gambling. This assessment is based on low annual presentation of Timaru District residents at problem gambling services, low percentage of Māori and Pacific Island residents, and national-average levels of social deprivation, offset by slightly higher numbers of gambling machines per person. Approximately 70-80 people in the district are likely to be current problem gamblers, and a further 700 at moderate risk of problem gambling.
- Apart from the adverse impacts of problem gambling, there are economic costs of employment, income and taxes diverted from other industries such as supermarkets and grocery stores, as well as the equity issue of gambling taxes being paid disproportionately from lower-income households.

### ***Having regard to the social impact of gambling in Timaru***

- Council's challenge is to acknowledge the benefits of recreation and community funding from gambling machines, while seeking to mitigate the social costs of problem gambling.

## CONTENTS

<b>INTRODUCTION</b> .....	<b>1</b>
<b>DEFINITION OF GAMBLING VENUES</b> .....	<b>1</b>
<b>REGULATORY ENVIRONMENT</b> .....	<b>1</b>
1.1 NATIONAL REGULATORY ENVIRONMENT .....	1
1.2 COUNCIL POLICIES ON GAMBLING VENUES.....	2
1.3 TIMARU GAMBLING VENUE POLICY .....	2
1.4 STAKEHOLDER CONSULTATION REQUIREMENTS.....	2
<b>CLASS 4 GAMBLING IN NEW ZEALAND</b> .....	<b>3</b>
1.5 GAMBLING VENUES AND MACHINES.....	3
1.6 GAMBLING MACHINE EXPENDITURE .....	4
<b>CLASS 4 GAMBLING IN TIMARU DISTRICT</b> .....	<b>5</b>
1.7 GAMBLING VENUES AND MACHINES.....	5
1.8 GAMBLING MACHINE EXPENDITURE .....	6
<b>BENEFITS OF CLASS 4 GAMBLING IN TIMARU DISTRICT</b> .....	<b>9</b>
1.9 OVERVIEW – PROCEEDS AND DISTRIBUTION .....	9
1.10 ENTERTAINMENT VALUE .....	10
1.11 COMMUNITY BENEFITS .....	10
1.12 GOVERNMENT REVENUE .....	14
1.13 ECONOMIC BENEFITS FROM EMPLOYMENT AND INCOME .....	14
<b>COSTS OF CLASS 4 GAMBLING IN TIMARU DISTRICT</b> .....	<b>15</b>
1.14 PRIVATE AND SOCIAL COSTS OF PROBLEM GAMBLING .....	15
1.15 ECONOMIC COSTS OF DIVERSION OF EXPENDITURE (NEGATIVE NET IMPACT) .....	22
1.16 REGRESSIVE TAX IMPACT.....	22
<b>NEARBY DISTRICTS – POLICY COMPARISON</b> .....	<b>23</b>
<b>EFFECTIVENESS OF COUNCIL ‘CAPPING’ POLICIES</b> .....	<b>23</b>
<b>WEIGHING THE EVIDENCE</b> .....	<b>24</b>
1.17 GAMBLING BENEFITS AND COSTS.....	24
1.18 CONCLUSION.....	25
<b>REFERENCES</b> .....	<b>26</b>
<b>APPENDIX 1: GAMBLING ACT 2003</b> .....	<b>29</b>
<b>APPENDIX 2: RACING INDUSTRY ACT 2020</b> .....	<b>32</b>
<b>APPENDIX 3: LOCAL GOVERNMENT ACT 2002</b> .....	<b>34</b>
<b>APPENDIX 4: TIMARU DISTRICT GAMBLING VENUE POLICY 2019</b> .....	<b>36</b>

## INTRODUCTION

This report was prepared to help inform Timaru District Council and key stakeholders of the positive and negative social impacts of Class 4 gambling as part of Council's 2022 Gambling Venue Policy review. It includes historical trends in electronic gambling venues, machine numbers, research on problem gambling prevalence and other information that may be considered relevant as part of Council's consideration. Throughout this report, electronic gambling machines are variously referred to as Class 4 gambling machines, non-casino gambling machines (NCGMs), electronic gaming machines (EGMs), pokie machines or pokies.

## DEFINITION OF GAMBLING VENUES

Class 4 covers all non-casino gambling machines. The term 'Class 4' refers to the frequency and duration of gambling opportunities and associated risk of social harm. Under the *Gambling Act 2003*, Class 4 gambling may only be conducted by a club or corporate society and only to raise money for authorised community purposes. Gaming machine societies are not-for-profit organisations which exist solely for the purpose of raising funds for the local community, and subsequently rely on a portion of gaming proceeds as their primary source of revenue.

Most non-casino gambling machines are operated in hotels and pubs and owned by gaming trusts for philanthropic purposes, with the proceeds distributed through community grants upon application. Other machines are owned by clubs for the benefit of their members. Gaming machines located in licensed casinos for entertainment and commercial profit also have some of their proceeds distributed for community benefit and promotional purposes.

A public concern with pokie machines is that they enable high frequency gambling over potentially long durations for people predisposed to pathological gambling, which can lead to financial and other issues. Research and anecdotal evidence suggest problem gambling leads to significant social harm in local communities. The level of secrecy associated with problem gambling means its effects are largely unseen.

Of lower concern from a public perspective are TAB venues, which are also covered under Council's policy. A stand-alone TAB venue is any premises owned or leased by TAB NZ where the main business is racing and sports betting. These are different from smaller TAB outlets or betting agencies that are ancillary to the main activities of a hotel or tavern. There are currently no stand-alone TAB venues in the Timaru District.

## REGULATORY ENVIRONMENT

### 1.1 National regulatory environment

Gambling in New Zealand is primarily regulated by the Department of Internal Affairs (DIA). Rules issued by the DIA define how each venue should operate its machines, handle cash and banking, ensure key events are recorded and respond to player issues.

All hotels, pubs and clubs that were licensed for pokie machines prior to the *Gambling Act 2003* have existing use rights to operate up to either 18 or 9 machines depending on when they were licensed. Clubs can potentially have up to 30 machines if a merger has taken place.

From 2007, all individual bets in non-casino gambling machine have been recorded and monitored by a nation-wide electronic monitoring system to provide an additional layer of assurance. Harm minimisation regulations specify how venues should manage their obligations to have trained staff on duty to deal with possible problem gamblers. The DIA Secretary is empowered under the legislate to suspend for up to six months, or cancel entirely, a Class 4 venue licence if they are satisfied that any of a range of grounds are no longer being met.

## 1.2 Council policies on gambling venues

Local government's role in Class 4 gambling regulation is limited. Council consent is required (along with Ministerial licensing approval) for any applicants seeking to establish new venues or any existing venues seeking to increase their machines numbers, or to merge or relocate. Council has no retrospective authority regarding venues with existing consent. Venues that require local government consent include:

- Any new prospective new Class 4 gambling venue.
- Any existing Class 4 gambling venue whose licence has lapsed for six months or more and which is seeking reinstatement.
- Any existing Class 4 gambling venue wishing to increase its gambling machines from its existing licensed maximum, including clubs seeking to merge their operations into one location.
- Any society or club wishing to relocate to a different venue than that to which its current Class 4 venue licence applies.

## 1.3 Timaru Gambling Venue Policy

Under the *Gambling Act 2003*, Council must have a Class 4 gambling venue policy, and under the *Racing Industry Act 2020* it must have a TAB venue policy, each to be reviewed three-yearly. Council's current policy is shown in Appendix 4 and summarised below.

In Timaru township, any new gambling venues may only be established if they are no closer than 200 m. to a residential zone, no closer than 100 m. to a sensitive site (e.g., a kindergarten) or another gambling venue, and not associated with family or children's activity unless this is in a room separate from the gaming machines.

In the rest of Timaru District, new gambling venues may be established so long as they are no closer than 25 m. to a residential zone, sensitive site or another gambling venue, and not associated with family or children's activity.

Within the District overall, the maximum number of machines for a new Class 4 gambling venue is seven.

Any application to relocate an existing venue to a new site is referred to the Environmental Services Committee which has discretion to approve or decline the application.

## 1.4 Stakeholder consultation requirements

Section 102 of the *Gambling Act 2003* and section 97 of the *Racing Industry Act 2020* each require Council's gambling venue policy to be adopted in accordance with the special consultative procedure in the *Local Government Act 2002*. Under the *Gambling Act 2003*, Council must give notice of its proposed policy to each corporate society that holds a Class 4 venue licence in the district, as well organisations representing Māori in the District. Council also has discretion to advise and seek input from other stakeholders.

## CLASS 4 GAMBLING IN NEW ZEALAND

### 1.5 Gambling venues and machines

From the 1980s to the early 2000s there was a proliferation of new forms of gambling in New Zealand and other countries underpinned by technological progress, societal and policy changes.

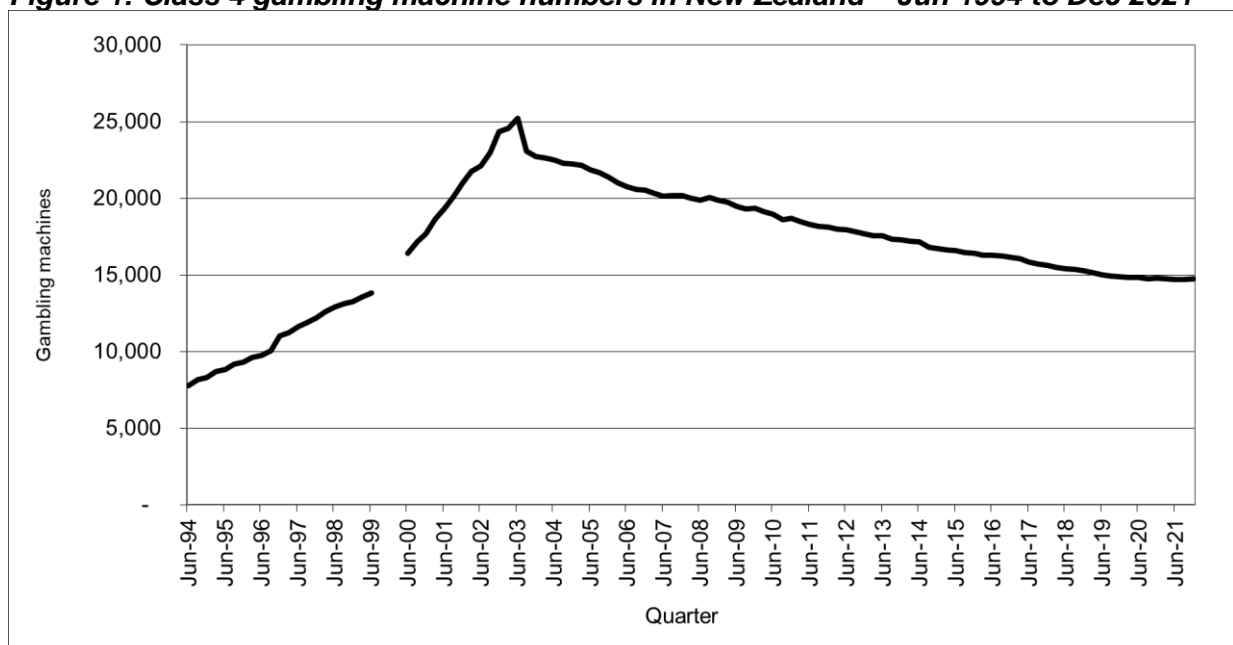
Today, gambling is a relatively normalised activity for most of the adult population. According to findings from the Health Promotion Agency’s (HPA) 2018 Health and Lifestyles Survey, 67.2% of New Zealand adults had participated in some form of gambling within the previous 12 months, including 11.3% who had played gaming machines at a pub or club.

Since commencement of the *Gambling Act* in September 2003, the number of Class 4 gambling machines and venues in New Zealand overall has decreased by more than 40% (see below). There has been a particular decrease in the number of smaller and less financially viable venues. These trends are a result of many factors including:

- Pressure on venue viability because of requirements for societies to return a minimum of 40% of proceeds (excl. GST) to authorised purposes.
- Limited returns to venue operators on venue expense reimbursements.
- Costs of investment in equipment.
- Tighter enforcement by DIA on gambling shops (i.e., Class 4 gambling must not be the dominant purpose of the venue and the business must not be dependent on Class 4 gambling to survive, otherwise it can be penalised).
- To a limited extent, attrition associated with venue policies in some territorial authorities.

As at December 2021, there were 14,743 pokie machines in bars and clubs throughout New Zealand based at 1,050 venues including hotels, pubs, RSAs, sports clubs, chartered clubs and other venues (excluding approximately 3,300 machines in the six casinos). Approximately half the machines are in pubs.

**Figure 1: Class 4 gambling machine numbers in New Zealand – Jun 1994 to Dec 2021**

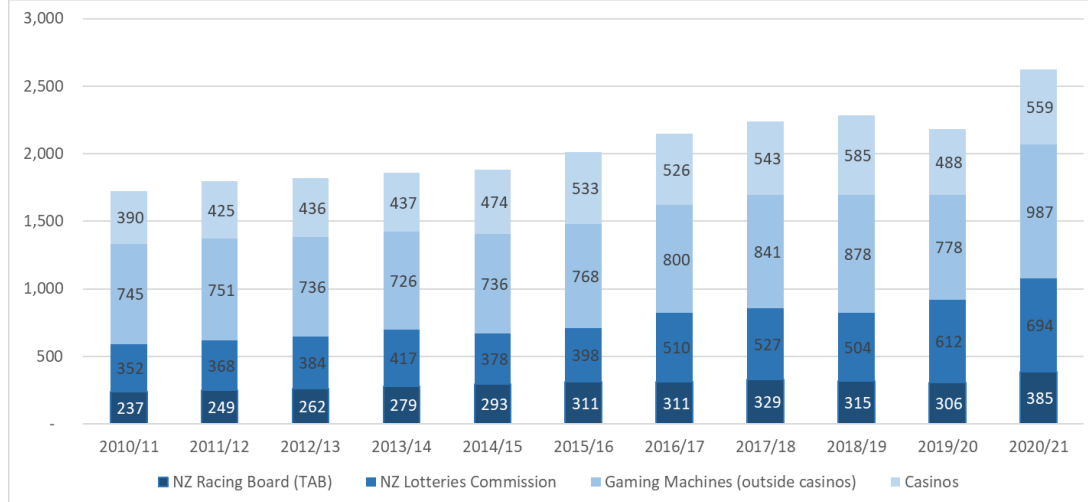


Source: Data from DIA website: [www.dia.govt.nz/gambling-statistics?OpenDocument](http://www.dia.govt.nz/gambling-statistics?OpenDocument). Note: Class 4 gambling machine numbers in New Zealand peaked at 25,221 in June 2003, prior to the *Gambling Act* 2003 commencing

## 1.6 Gambling machine expenditure

In the 2020/21 financial year, New Zealanders spent \$2.6 billion dollars on the four main forms of gambling, namely pokie machines, TAB betting, casinos and lotteries. Total expenditure increased substantially in 2020/21 compared to prior years, whereas 2019/20 which was affected by the COVID-19 pandemic. According to a DIA fact sheet there was an 18% decrease in pokies spend per adult in 2019-20 but New Zealanders then spent an unprecedented amount on pokies in the December 2020 quarter.<sup>1</sup>

**Figure 2: Gambling expenditure in NZ 2010/11-2020/21 – Inflation-adjusted (\$m)**

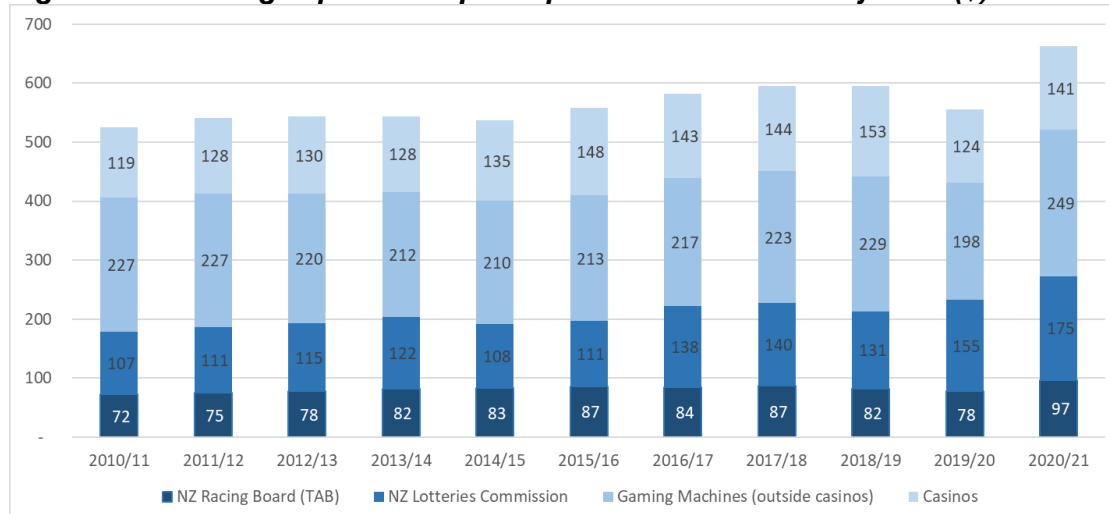


Source: Data from DIA website

Notes: Excludes additional Internet gambling. Figures shown are inflation-adjusted dollars (General CPI, Q2 of each year) for gambling operators' financial year, or the gross amount wagered minus amount paid out or credited as prizes or dividends. Expenditure lost by gamblers is equivalent to the proceeds from gambling.

Taking both population and inflation into account, expenditure on gaming machines outside casinos increased from \$227 per person per annum in 2010/11 to \$249 in 2020/21 (+10%). In contrast, there was a 20% decline in the number of Class 4 machines over the same period. This demonstrates that a reduction in machine numbers will not necessarily lead to a reduction in expenditure. Gamblers can use alternative venues, and larger scale venues may be more popular and attract greater spending. There is similarly no evidence of a direct correlation between gaming machine numbers and problem gambling rates (True and Cheer 2022).

**Figure 3: Gambling expenditure per capita for NZ inflation-adjusted (\$)**



Source: Data from DIA website

<sup>1</sup> [www.dia.govt.nz/diawebsite.nsf/Files/Gambling-Statistics/\\$file/factsheet-how-aotearoa-gambled-during-covid-19.pdf](http://www.dia.govt.nz/diawebsite.nsf/Files/Gambling-Statistics/$file/factsheet-how-aotearoa-gambled-during-covid-19.pdf)

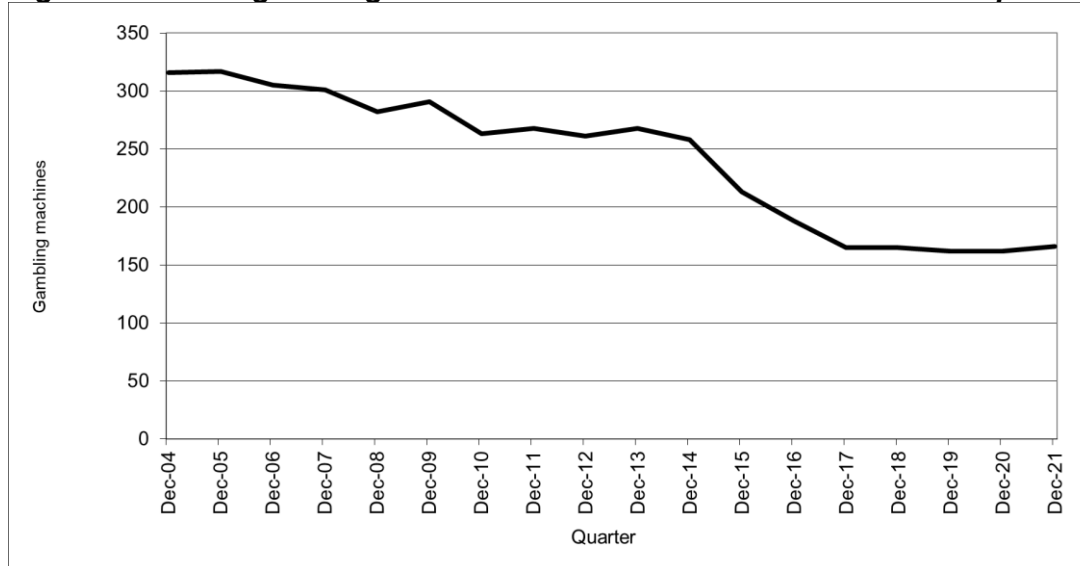


## CLASS 4 GAMBLING IN TIMARU DISTRICT

### 1.7 Gambling venues and machines

As at December 2021 there were 13 Class 4 venues in the district operating 166 machines. Since 2004 the number of gambling venues and machines has almost halved.

**Figure 4: Class 4 gambling machine numbers in Timaru District – Dec qtrs. 2004-2021**



Source: Data compiled by APR from DIA website: [www.dia.govt.nz/gambling-statistics-historical-data-venues-machine-numbers](http://www.dia.govt.nz/gambling-statistics-historical-data-venues-machine-numbers) using December quarter data

Since 2019, there has been a small increase of 4 machines attributable to Temuka’s Empire Hotel (+3) and Armadillo’s in the City Timaru (+1), both of which remain within their maximum permitted numbers. Additional DIA information (not shown) indicates that the Crown Heritage Hotel is permitted a maximum of 10 machines and Pleasant Point Hotel a maximum of 7 machines whereas all others are already operating at maximum.

Around 85% (141 out of 166) of the electronic gambling machines in Timaru District are owned by gaming trusts for charitable fundraising and operated by hotels and taverns, with the remainder owned and operated by chartered clubs for the benefit of their members. Annual Report financial information for the two largest trusts, Pub Charity Ltd and Trust Aoraki Ltd, confirms that gaming machines are their almost exclusive source of revenue.

**Table 1: Timaru Class 4 gambling venues and machine numbers 2004, 2019, 2021**

Physical Address	Society name	Venue name	Town	2004	2019	2021
232 Stafford Steet	Trust Aoraki Limited	Old Bank Café and Bar	Timaru	18	18	18
118 Le Cren Street	Pub Charity Limited	Richard Pearse Tavern	Timaru	18	18	18
26 Cains Terrace	Pub Charity Limited	Grosvenor Hotel	Timaru	18	18	18
164 Stafford Street	Pub Charity Limited	Armadillo’s in the City Timaru	Timaru	8	14	15
99 Douglas Street	Timaru Town & Country Club Inc	Timaru Town & Country Club	Timaru	18	18	18
44 Browne Street	Timaru South Cosmopolitan Club	Timaru South Cosmopolitan Club	Timaru	7	7	7
51 Sophia Street			Timaru	18		
4 Latter Street			Timaru	18		
18A Hobbs Street			Timaru	16		
21 Wai-iti Road			Timaru	12		
30 Cains Terrace			Timaru	7		
18 Woollcombe Street			Timaru	4		
18 Royal Arcade			Timaru	3		
66 Stafford Street			Timaru	2		
45 Hassall Street			Timaru	2		
2 Barnard Street			Timaru	2		

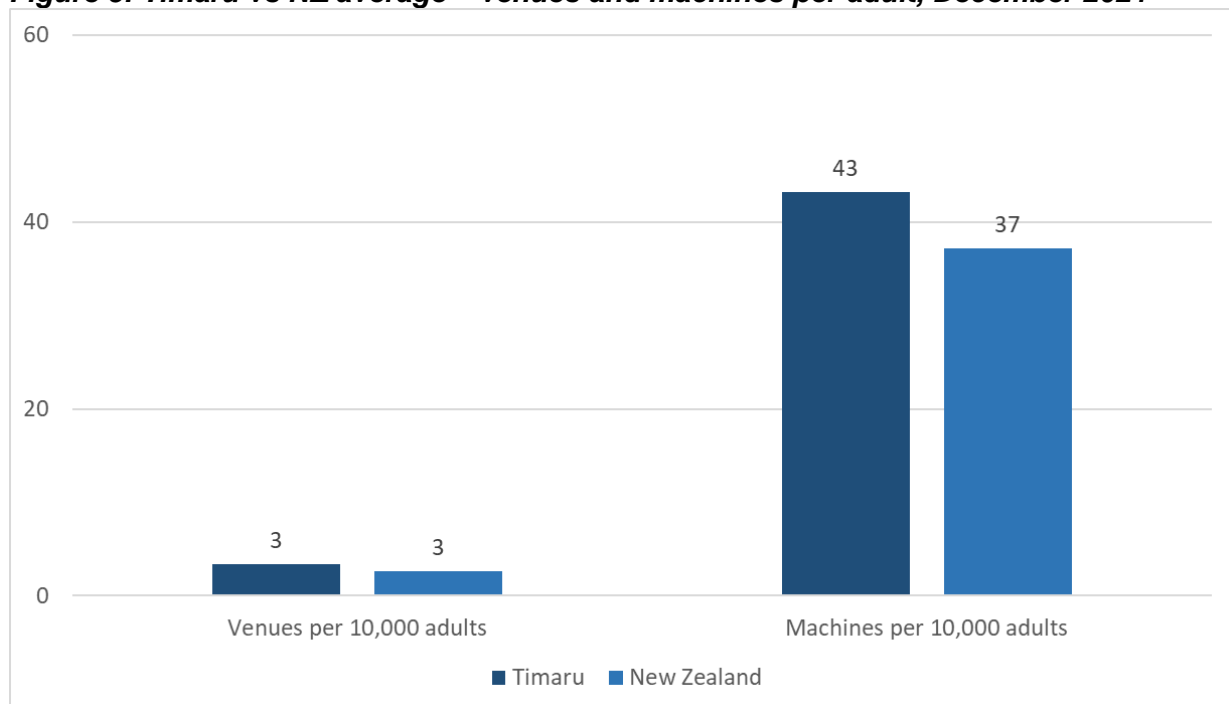
Physical Address	Society name	Venue name	Town	2004	2019	2021
9A Maltby Avenue			Timaru	2		
88 Evans Street			Timaru	1		
10 The Bay Hill			Timaru			
64 King Street	Trust Aoraki Limited	Crown Hotel	Temuka	18	18	18
141 King Street	Aotearoa Gaming Trust	Temuka Hotel	Temuka	14	14	14
50 King Street	Pub Charity Limited	Empire Hotel	Temuka	10	7	10
161 King Street			Temuka	18		
130 King Street			Temuka	11		
75 King Street			Temuka	9		
121 King Street			Temuka	2		
31 Talbot Street	Trust Aoraki Limited	Crown Heritage Hotel	Geraldine	10	9	9
41 Talbot Street	Aotearoa Gaming Trust	Village Inn	Geraldine	0	9	9
190 Talbot Street			Geraldine	9		
198 Hilton Highway	New Zealand Community Trust	Ascot Sports House and Eatery	Washdyke	12	7	7
95 Main Road	Trust Aoraki Limited	Pleasant Point Hotel	Pleasant Point	4	5	5
420 Wai-Iti Road			Gleniti	18		
30 Queen Street			Pareora	4		
S H 1			Winchester	5		
<b>Number of venues</b>				<b>32</b>	<b>13</b>	<b>13</b>
<b>Number of machines</b>				<b>318</b>	<b>162</b>	<b>166</b>

Source: [www.dia.govt.nz/gambling-statistics-historical-data-venues-machine-numbers#quarterly-lists](http://www.dia.govt.nz/gambling-statistics-historical-data-venues-machine-numbers#quarterly-lists)

Note: Green shading indicates pub machines currently owned by corporate societies, blue shading indicates machines currently owned and operated by clubs,

As at December 2021, the Timaru District had 1.2% of New Zealand’s Class 4 gambling venues and 1.1% of machines, compared to approximately 1.0% of the national population aged 18 and over. This small level of difference means that Timaru District could be described as a ‘typical’ New Zealand local authority area in terms of its number of gambling venues and machines per adult.

**Figure 5: Timaru vs NZ average – venues and machines per adult, December 2021**

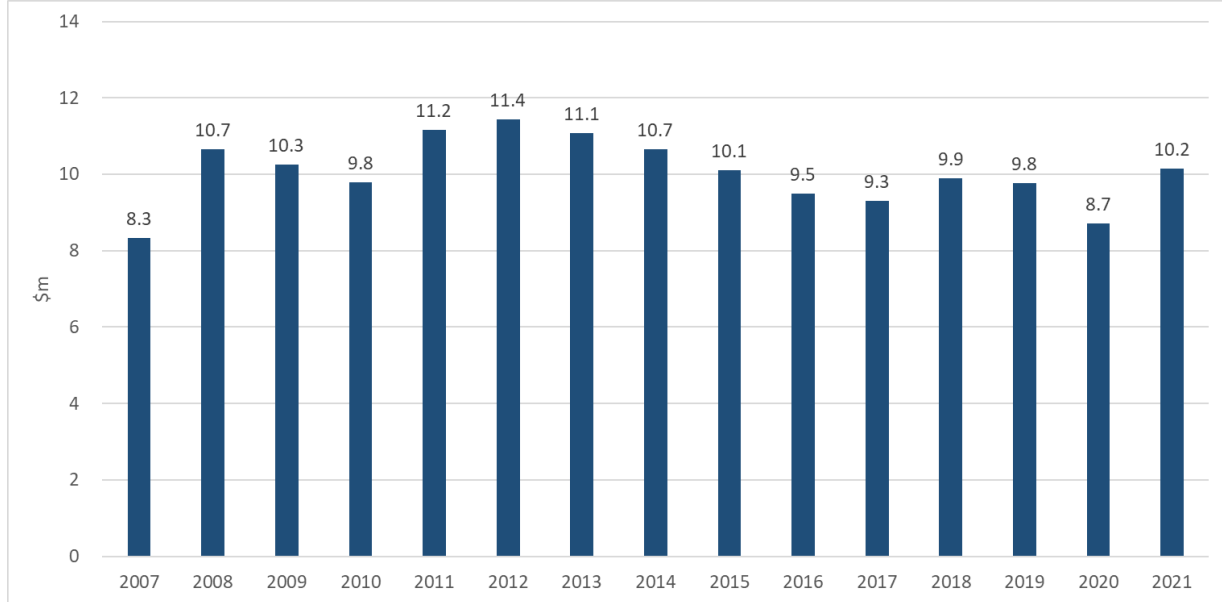


Source: Gambling data from DIA website, June 2021 estimated usually resident population data for years 18 and over calculated from Statistics NZ website. This estimation assumes that the age group 18-19 years is 40% of the reported number of residents in the age group 15-19 years.

## 1.8 Gambling machine expenditure

Monitoring data from gambling machines in the district shows expenditure in the 2021 calendar year of \$10.2 million, similar to previous years (with exception of a downturn in 2020).

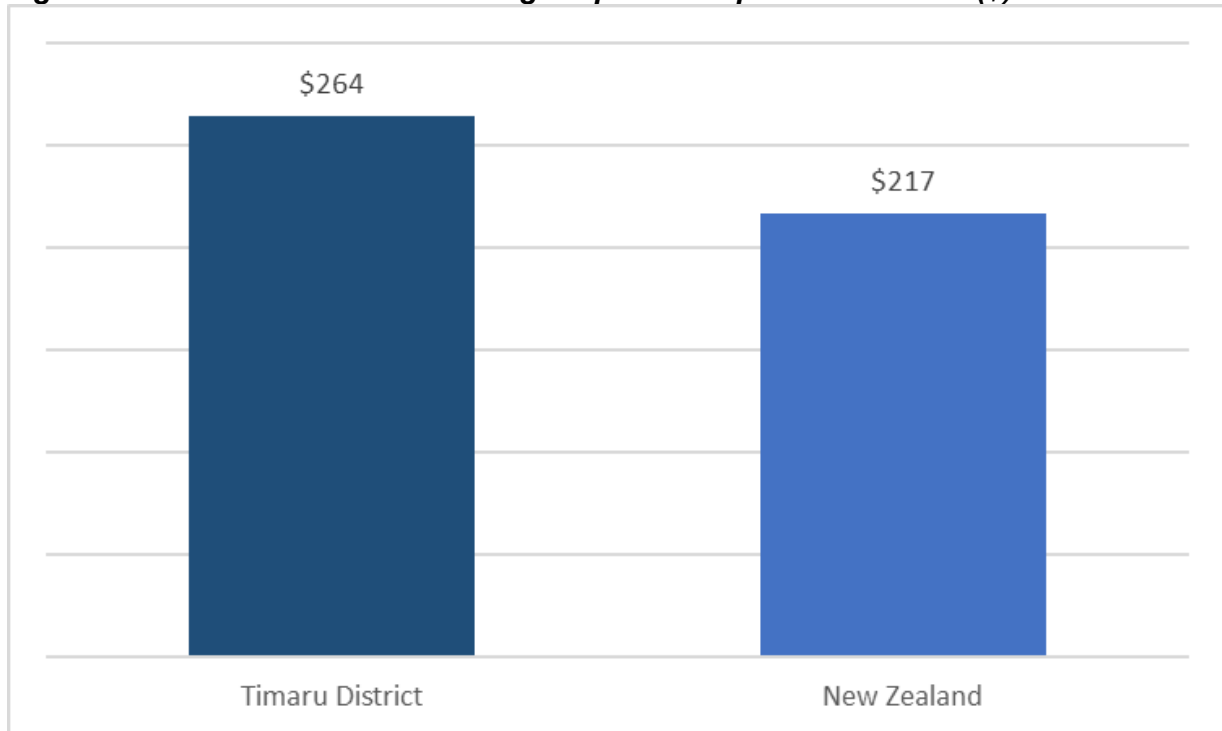
**Figure 6: Class 4 gambling expenditure per annum in the Timaru District 2007-2021 (\$m)**



Source: DIA gaming expenditure year. Figures shown are nominal dollars (not inflation adjusted).

In 2021, Class 4 gambling expenditure in the Timaru was an average of \$264 per adult compared to national average \$217 per adult. These averages are underpinned by a large range, with many people not spending money on pokie machines but a small number spending a lot. Research on problem gambling prevalence is discussed later in this report.

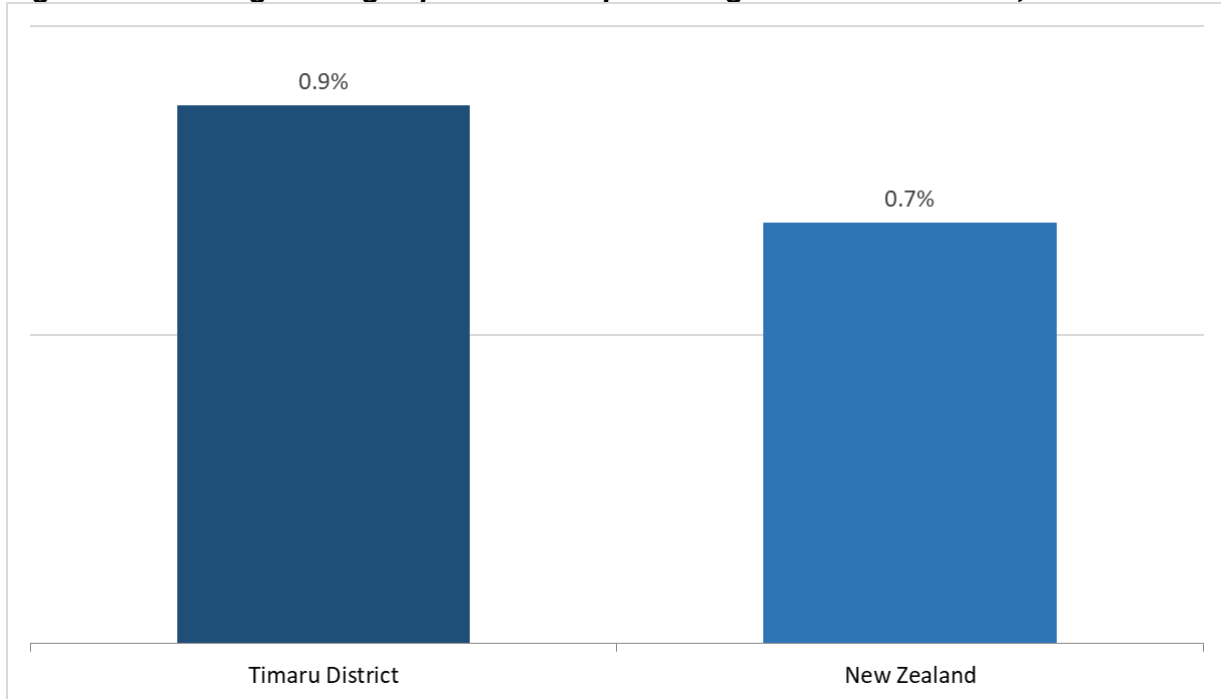
**Figure 7: Timaru District vs NZ average expenditure per adult in 2021 (\$)**



Source: Source: DIA gaming expenditure figures for 2021 calendar year, June 2021 estimated usually resident population data for years 18 years and over, from Statistics NZ. This estimation assumes that the age group 18-19 years is 40% of the reported number of residents in the age group 15-19 years.

According to the 2018 Census, the median income of Timaru residents aged 15 and over was \$30,300, similar to New Zealand’s overall median income of \$31,800. Assuming this still applies in 2021, the annual expenditure per adult on Class 4 gambling in the Timaru was around 0.9% of median income compared to 0.7% for New Zealand overall. This relatively small level of difference means that Timaru District could be described as being slightly higher than the New Zealand average in terms of its Class 4 gambling expenditure per person.

**Figure 8: Class 4 gambling expenditure as percentage of median income, Timaru vs NZ**



Source: Source: DIA gaming expenditure figures for 2021 calendar year, June 2021 estimated usually resident population data for 18 years and over, from Statistics NZ website. Median income from 2018 Census results, Statistics NZ.

## BENEFITS OF CLASS 4 GAMBLING IN TIMARU DISTRICT

### 1.9 Overview – proceeds and distribution

The benefits from Class 4 gambling are relatively easily quantified and are spread across a range of stakeholders including gamblers, community organisations, government and the gambling industry. True and Cheer (2022, p. 7) summarise the typical distribution of Class 4 gambling proceeds nationally in percentage terms. Applying these to the value of gambling expenditure in Timaru in 2021 provides the following indicative estimates:

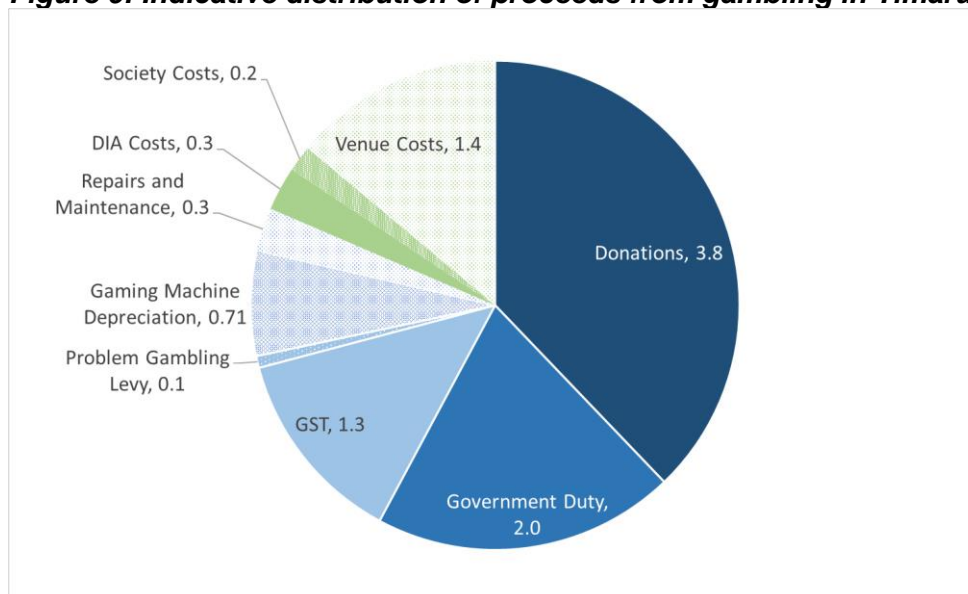
- Approximately \$10 million in total proceeds (gambling expenditure);
- \$3.8 million for community purposes – note this is not necessarily distributed to organisations within the district, and GMANZ data shows around \$3 million each year received by local organisations (excluding clubs);
- \$3.4 million in government taxes and levies including gaming duty, GST and problem gambling levy;
- \$1.5 million society expenses including gaming machine depreciation, repairs and maintenance, DIA costs and society costs; and
- \$1.4 million in venue payments.

**Table 2: Indicative distribution of proceeds from gambling in Timaru District 2021**

	Typical distribution (GST exclusive)	Typical distribution (GST inclusive)	Timaru 2021 (\$m) (GST inclusive)
Donations	43.50%	37.83%	3.84
Government Duty	23.00%	20.00%	2.03
GST	0.00%	13.04%	1.32
Problem Gambling Levy	0.90%	0.78%	0.08
Gaming Machine Depreciation	8.00%	6.95%	0.71
Repairs and Maintenance	3.27%	2.84%	0.29
DIA Costs	3.33%	2.90%	0.29
Society Costs	2.00%	1.74%	0.18
Venue Costs	16.00%	13.90%	1.41
<b>Total</b>	<b>100.00%</b>	<b>99.98%</b>	<b>10.15</b>

Notes: Percentages are from True and Cheer (2022, p. 7). Total proceeds are from DIA electronic monitoring. In response to the COVID-19 pandemic the 40% minimum requirement for charitable distribution was suspended for the 2020/21 financial year, however this is disregarded here to derive an indicative annual estimate. Columns above may not sum due to rounding.

**Figure 9: Indicative distribution of proceeds from gambling in Timaru District 2021 (\$m)**



Notes: Refer previous table.

## 1.10 Entertainment value

Over the long run ‘the house always wins’ but people nevertheless gain enjoyment value from gambling. According to True and Cheer (2022, p. 7) the return to gamblers is required to be set between 78% and 92%, with most set at 91.5%. This means on average every \$1.00 gambled will return 91.5 cents in winnings.

DIA electronic monitoring shows that overall personal expenditure on Class 4 gambling in the Timaru District in 2021 was around \$10 million, which provides an indication by revealed preference of the entertainment value of gambling machines.

Problem gamblers contribute a disproportionate amount of the overall expenditure. This is discussed separately in this report as a cost factor.

## 1.11 Community benefits

Under Regulation 10 of the *Gambling (Class 4 Net Proceeds) Amendment Regulations 2016*, gaming trusts are required to distribute 40% of the gaming proceeds (excl. GST) for authorised purposes, though not necessarily to applicants from within the district limits. Many sport clubs and other not-for-profit and community-based organisations have come to rely on Class 4 gambling grants from gaming trusts as a key funding source.

To avoid conflicts of interest and minimise fraud, the *Gambling Act 2003* requires separation between gambling trusts, gambling machine venues and grant recipients, and requires the application and distribution of grants to be transparent. Around half of the grants distributed in New Zealand are sports-related.

Benefits that accrue to community and voluntary organisations throughout the Timaru District that apply for grants from Class 4 gambling proceeds include:

- Being able to focus on the core purpose of the organisation rather than expending substantial efforts on fund raising; and
- Knowing there is money available for community projects.

In response to the COVID-19 pandemic the 40% minimum requirement for charitable distribution was suspended for the 2020 and 2021 financial years to support the financial viability of operators.<sup>2</sup>

Assuming a typical year, based on 2021 annual gambling machine proceeds of approximately \$10 million in the Timaru District, the indicative community benefit for local organisations from gambling expenditure would have been worth approximately \$3.8 million.

Note that expenditure spent on gambling in the district does not necessarily equate with the value of grants to charitable organisations within the district. This is partly because there is no requirement for funding to be granted to organisations within the area in which it was received, and because proceeds from gambling expenditure in chartered clubs is directed toward benefiting club members rather than being distributed as community grants.

---

<sup>2</sup> Refer <https://www.dia.govt.nz/Gambling-net-proceeds> (accessed 26 May 2022).

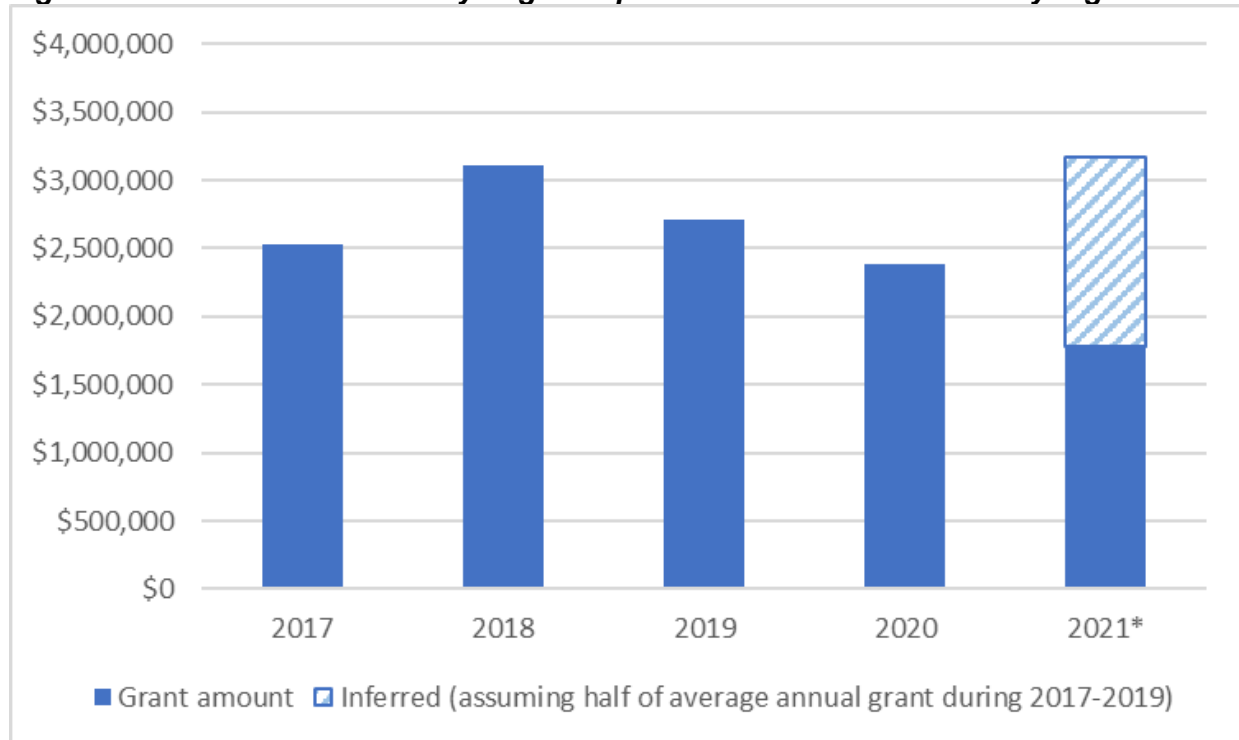
**GMANZ summary of 2017-2020 grants data (with 2021 full-year projected)**

The Gambling Machine Association of New Zealand (GMANZ) has worked with societies to collate grant information nationally. To inform this report, a spreadsheet database was provided by GMANZ detailing each individual reported grant for 2017, 2018, 2019, 2020 and the first six months of 2021, including amount, society and recipient. Key points include, for 2020 full year:

- Approximately \$2.4 million in grants for community organisations (note excludes the benefits for members of chartered clubs that own and operate gambling machines).
- 119 different organisations/entities received grants including some which received two or more grants during the year.
- The two largest granting societies were Trust Aoraki Limited (\$1.08 million) and Pub Charity Limited (\$1.04 million).
- Largest funding amounts included \$300,000 for South Canterbury Hospice Inc (comprising two \$150,000 grants from Pub Charity Ltd); \$100,000 for Athletics SC All Weather Track Trust (from Trust Aoraki Ltd); \$100,000 for Fraser Park Community Trust (from Pub Charity Ltd); and two grants of \$100,000 for Tennis South Canterbury Inc (from Pub Charity Ltd and Trust Aoraki Ltd).

In the graph below, APR has inferred an amount for the second half of 2021 based on half the average annual grants during 2017-2019, noting that 2020 was not a typical year. Based on this assumption, the inferred full-year amount for 2021 would be approximately \$3.2 million.

**Figure 10: GMANZ/APR summary of grants provided to Timaru community organisations**



Note: Second half of 2021 inferred by APR based on half of average 2017-2019 annual grants.

### PGF Group summary of grants data

The PGF Group has also been maintaining a database of grants information collected from gaming machine websites. PGF Group notes that this database may contain inaccuracies, and is not regularly audited, so they cannot guarantee all grants have been identified and included.

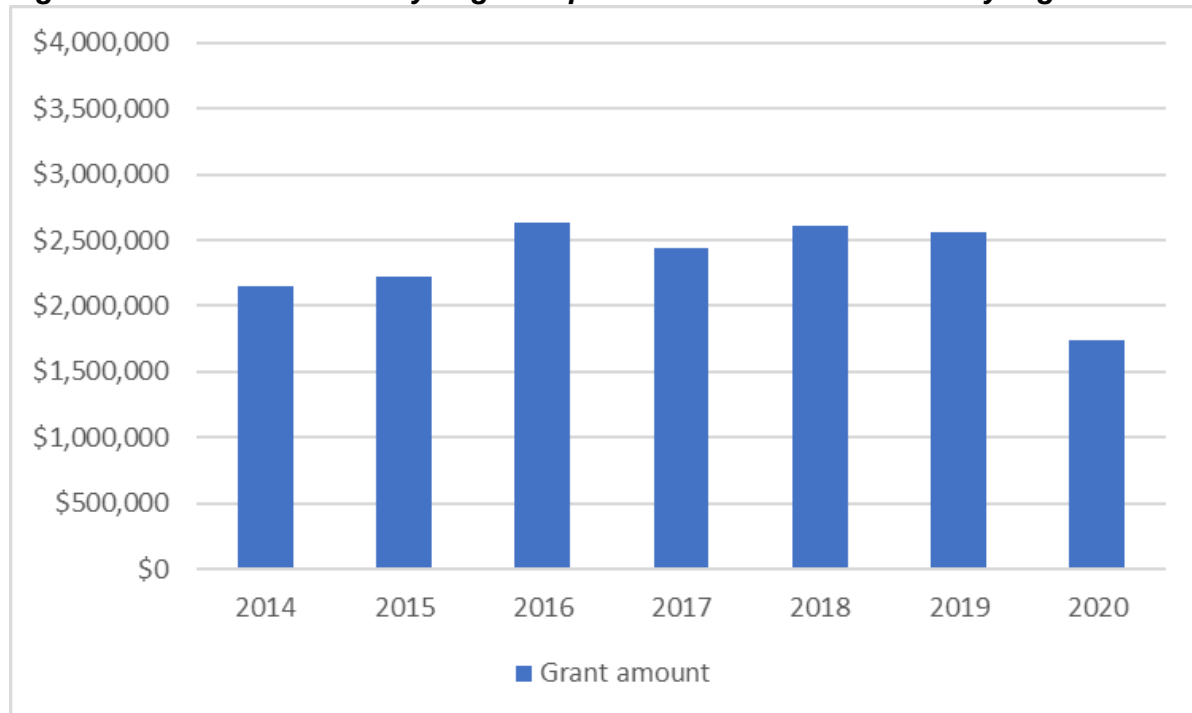
To inform this report, a summary was provided by PGF Group on grants in their database for the period January 2014 to December 2021, categorised into organisational types (community groups, community services and sports). The data presents:

- Grants made to groups operating within the Timaru District Council area, and
- Shared grants made to groups operating across the Canterbury/Otago region.

Key points include, for 2020 full year:

- Approximately \$1.7 million in grants (lower than the \$2.4 million figure from GMANZ).
- Around 70% of grants in the database were to sports organisations, followed by community services such as ambulance and education (20%) and community groups including arts and faith-based groups (10%).

**Figure 11: PGF/APR summary of grants provided to Timaru community organisations**



Source: Data from PGF Group funding report for Timaru District.

Note: Includes grants to Timaru organisations plus Canterbury/Otago shared grants.



**Table 3: Grants to Timaru organisations, 2014-2020 (\$)**

	2014	2015	2016	2017	2018	2019	2020
<b>Community Groups</b>	<b>369,565</b>	<b>338,581</b>	<b>238,871</b>	<b>491,283</b>	<b>314,124</b>	<b>297,871</b>	<b>176,021</b>
Arts	116,695	135,880	23,785	107,218	55,271	61,063	10,208
Community Groups	252,870	202,702	195,086	384,065	215,643	212,149	138,410
Faith Based					40,000	19,000	25,000
Māori			20,000		3,210	5,660	2,404
<b>Community Services</b>	<b>789,387</b>	<b>769,754</b>	<b>650,399</b>	<b>431,113</b>	<b>709,800</b>	<b>488,283</b>	<b>340,911</b>
Ambulance Services							
Community Services	464,848	114,553	337,630	218,026	413,243	241,260	186,705
Council		338,560					18,000
Education	226,310	222,546	193,405	113,118	189,236	202,770	92,714
Fire Services					15,027		
Health Related	21,060	58,069	36,859	38,657	82,384		13,156
Kindergartens / Child Care / Plunket	77,169	36,026	82,505	61,312	9,909	44,252	30,336
<b>Sport</b>	<b>985,710</b>	<b>1,058,903</b>	<b>1,698,152</b>	<b>1,441,069</b>	<b>1,307,906</b>	<b>1,593,324</b>	<b>1,191,953</b>
Athletics	11,643	31,210	57,858	48,311	44,117	74,133	46,098
Basketball	13,000	64,000	49,000	57,000	48,000	56,500	47,000
Bowling	62,232	68,670	76,765	48,481	54,877	68,567	71,265
Cricket	70,145	134,333	192,127	171,145	105,808	102,416	92,265
Cycling		3,000	30,756	9,700	7,500	59,202	15,000
Equestrian / Pony Clubs	8,226	24,588	14,025	15,152	13,978	57,165	1,839
Gym Sports (includes weightlifting/boxing/wrestling)	43,772	68,449	27,155	38,241	25,000	30,107	15,000
Hockey	21,480	51,740	112,423	140,836	91,610	151,337	172,000
League			2,482	6,993	3,375	18,983	13,928
Motorsports	77,300	17,149	74,466	88,800	59,447	134,515	95,000
Netball	12,155	32,396	51,958	65,842	58,000	53,693	33,584
Other Sports	144,638	273,688	423,525	135,935	184,779	269,707	147,392
Racing	331,000	7,000	25,000	16,000		30,000	
Racquets	77,000	45,451	166,806	264,700	216,864	122,820	98,425
Rugby	45,259	105,959	181,493	166,669	166,007	184,657	91,457
Soccer	31,382	76,966	107,046	107,466	112,042	108,522	100,628
Softball		6,117	991	9,208	8,304	12,493	4,442
Special Olympics / Sports for the disabled		900	7,157	3,712	6,817	6,600	
Surf Lifesaving Clubs					3,496		
Water Sports	36,479	47,286	97,118	46,877	97,883	51,907	146,630
<b>Total</b>	<b>2,144,662</b>	<b>2,167,238</b>	<b>2,587,422</b>	<b>2,363,464</b>	<b>2,331,829</b>	<b>2,379,478</b>	<b>1,708,885</b>

Source: PGF Group funding report for Timaru District.

Notes: Excludes Canterbury/Otago shared grants. Database may contain inaccuracies and is not regularly audited, PGF cannot guarantee all grants have been identified and included.

### DIA Class 4 Grants Data Analytical Review

The DIA has recently begun compiling an annual Class 4 Grants Data Report. Two reports have been published to date, for 2020 and 2021, including regional level totals (e.g., Canterbury Region). A dataset for 2020-2021 is scheduled to be available in July 2022.<sup>3</sup>

Historically it has not been possible using available data to assess whether Timaru District community organisations are receiving their 'expected return' of community funding from Class 4 gambling. There may be greater transparency around this in future, depending on the level of granularity to be provided in the DIA's forthcoming grants dataset.

<sup>3</sup> Refer [www.dia.govt.nz/gambling-statistics-class-4-grants-data-analytical-review](http://www.dia.govt.nz/gambling-statistics-class-4-grants-data-analytical-review)

## 1.12 Government revenue

Government revenues are the second-largest category of distribution from gambling proceeds, behind charitable grants. Around one-third of Class 4 gambling proceeds (incl. GST) are paid to the Government as duties, taxes and levies.

In 2021, approximately \$3.4 million would have been collected from Class 4 gambling in the Timaru District based on indicative estimates, comprising \$2.0 million in gaming duty, \$1.3 million in GST and \$0.1 million toward the problem gambling levy.

Taxes from gambling expenditure would still have been collected if the money had otherwise been spent differently, for example on household consumption. This is discussed separately in this report as an economic cost.

## 1.13 Economic benefits from employment and income

The *Gambling Act 2003* permits societies to reimburse venues for actual, reasonable and necessary costs. The Gambling Commission has emphasised that any venue payments that exceed actual, reasonable and necessary costs would be illegal.

A 16% maximum venue payments cap applies to the total amount a corporate society can pay its venues. This acts to ensure minimisation of costs and maximisation of returns. In 2021, the 16% cap indicatively equated to \$1.4 million in the Timaru District.

A rough estimate of the employment benefit is that approximately 2.5 full-time equivalent positions are created by each Class 4 gambling venue (not counting staff that would be employed at each venue for hospitality and management), which equates to approximately 33 employees in total for the district.

Venue payments are separate from society expenses such as gaming machine depreciation, repairs and maintenance, DIA Costs and society costs which indicatively summed to approximately \$1.5 million in 2021.

Note that these employment and income estimates are at least partially offset by an economic cost to district-wide income and employment due to the diversion of expenditure from other industries such as retail. This is discussed separately in this report as an economic cost.

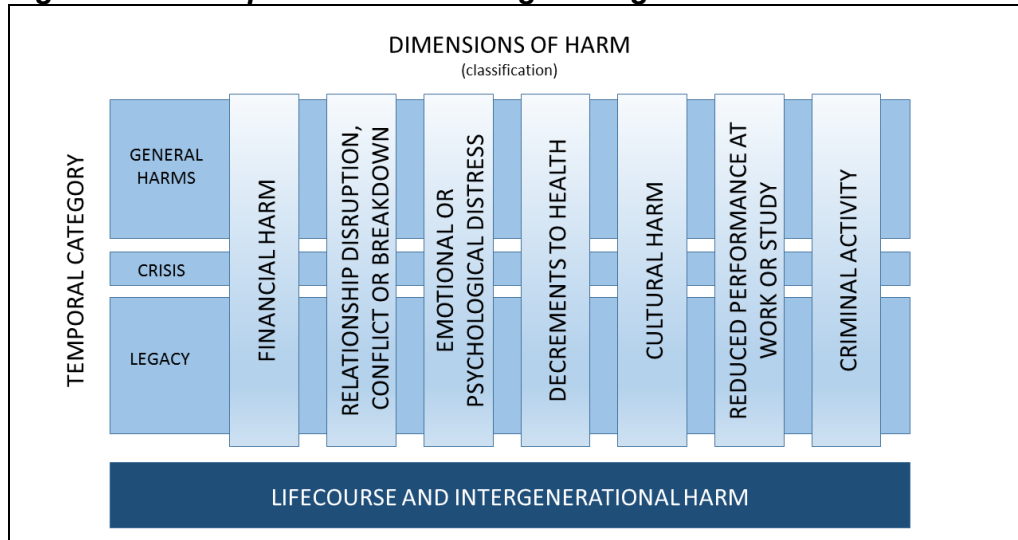
## COSTS OF CLASS 4 GAMBLING IN TIMARU DISTRICT

### 1.14 Private and social costs of problem gambling

#### Problem gambling defined

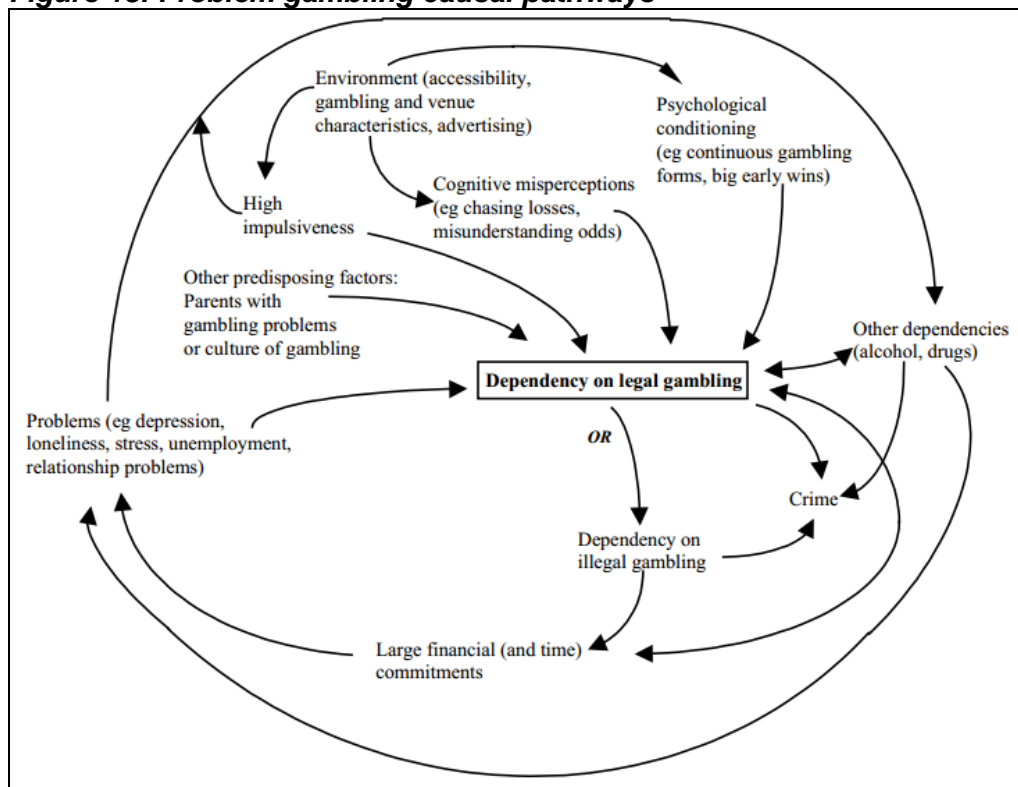
Problem gambling is characterised by symptoms such as loss of control over one’s gambling, preoccupation with gambling and lying to people to conceal the extent of gambling. Feelings of anxiety, depression, guilt, lack of control and suicidal ideation have been noted by problem gambling agencies. Possible causal pathways for problem gambling are illustrated below.

**Figure 12: Conceptual framework of gambling related harm**



Source: Ministry of Health (2017)

**Figure 13: Problem gambling causal pathways**



Source: Australian Government Productivity Commission, 1999, p 7.4

## Problem gambling prevalence

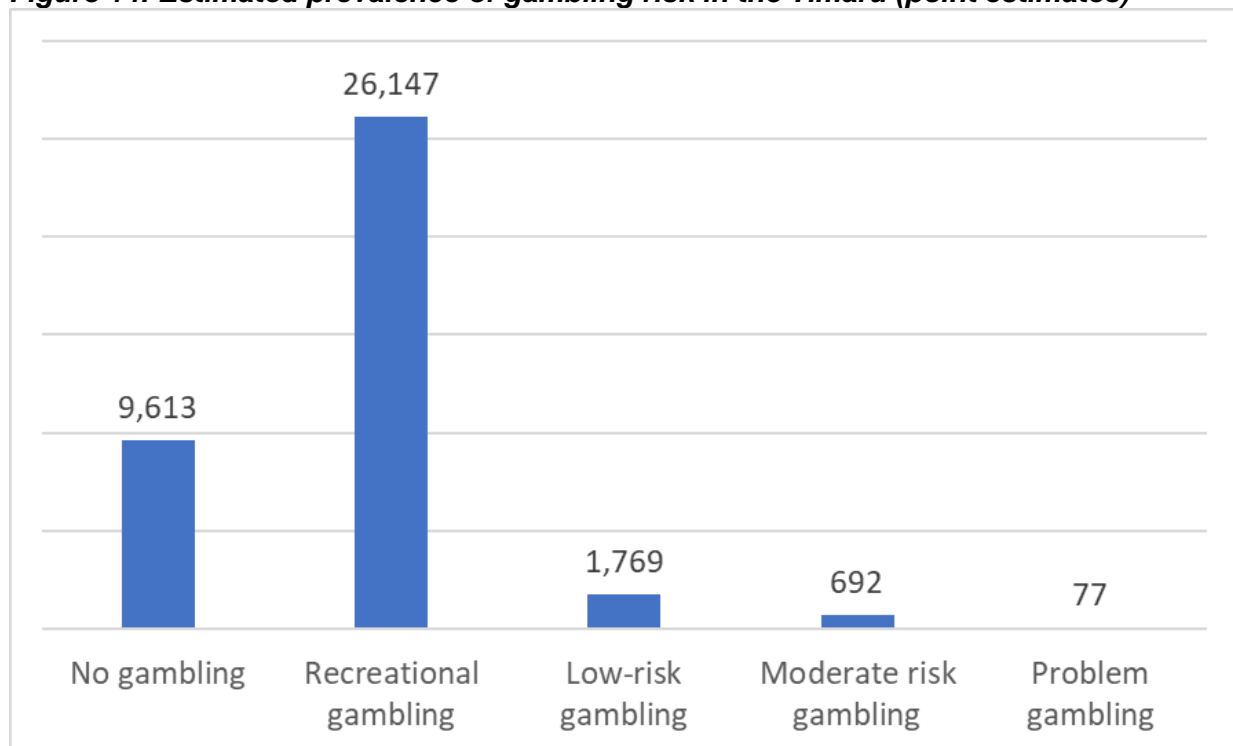
Problem gambling prevalence is not directly measurable and relies on research estimates based on survey methodologies and definitions, and potentially subject to a high level of non-reporting levels by problem gamblers.

According to the AUT Gambling and Addictions Research Centre (2018), problem and moderate-risk gamblers account for around a quarter of total expenditure, and adults experiencing lower levels of gambling-related harm account for a further quarter.

There is evidence that problem gambling prevalence rates are higher for Māori, people with no formal educational qualifications and people with lower-status occupations (e.g., SHORE 2008).

Evidence from the New Zealand National Gambling Study: Wave 4 (2015) suggests that 0.2% of the adult population are current problem gamblers, a further 1.8% at moderate risk of problem gambling and 4.6% at low risk of problem gambling (refer AUT Gambling and Addictions Research Centre 2018, p. 8). This would translate to approximately 70-80 people in the Timaru District who are current problem gamblers, and up to 700 who are at moderate risk of problem gambling.

**Figure 14: Estimated prevalence of gambling risk in the Timaru (point estimates)**



Source: APR Consultants calculation using prevalence rates from New Zealand National Gambling Study: Wave 4 (2015) and June 2021 estimated usually resident population data for years 18 and over calculated from Statistics NZ website. This estimation assumes that the age group 18-19 years is 40% of the reported number of residents in the age group 15-19 years. These point estimates are indicative only and do not sum to 38,452 due to rounding in reported percentages from National Gambling Study.

## Timaru District community gambling risk profile

Relative to New Zealand, the Timaru District has a:

- Low number who are clients of problem gambling intervention services each year.
- Low percentage of Māori and Pacific Island residents.
- Moderate level of social deprivation throughout the district, with pockets of higher deprivation in some urban and rural areas.
- Slightly higher number of gambling machines and expenditure per person.

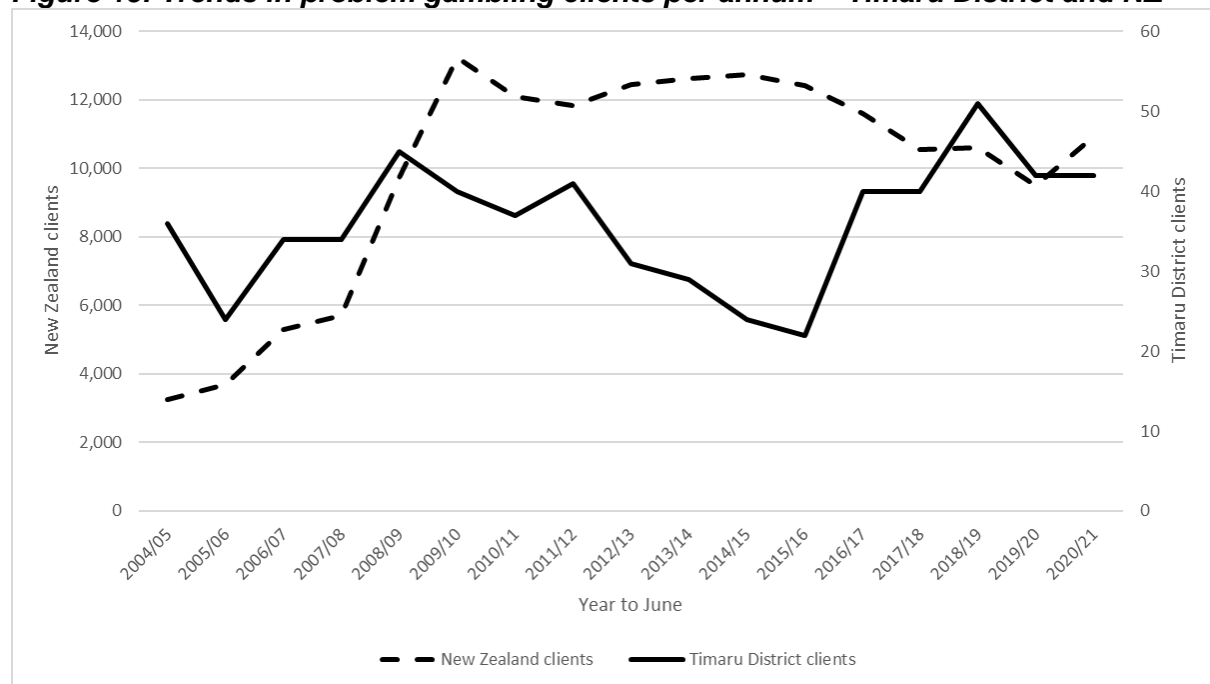
### Problem gambling intervention service clients

In a typical year, around 30 to 40 people from the Timaru District are problem gambling service clients. Based on population size, Timaru’s problem gambling presentation rate is well below the national average, estimated for 2020/21 at 11 clients per 10,000 adults for Timaru District compared to 28 nationally, indicating a low level of risk on this factor.

The national rate of seeking help in New Zealand is 9.3% (based on results of the NZ Health Survey) which suggests that more than 90% of problem gamblers in New Zealand do not present as clients of problem gambling services and are not reflected in these figures.

In the graph below, the scale for Timaru clients is shown on the right axis and the scale for New Zealand on the left axis. Figures for Timaru District can vary considerably from year to year, which is not unexpected for data from a small area.

**Figure 15: Trends in problem gambling clients per annum – Timaru District and NZ**



Source: Compiled by APR Consultants from Ministry of Health intervention client data (online data).

**Ethnicity profile**

According to research studies, Māori and Pacific populations are more likely to experience gambling related harm. Hence, cities and districts with higher proportions of Māori and Pacific residents may be at risk of greater social harm. Ward *et al* (2019) found that this link is likely due to lower average socio-economic status rather than ethnicity.

Census results show the Timaru District has a lower proportion of both Māori and Pacific Islands residents compared to the national average, indicating a low level of risk on this factor.

**Table 4: Timaru vs NZ ethnicity profile**

	Timaru District	New Zealand
Māori %	9.1%	16.5%
Pacific %	1.9%	8.1%

Source: 2018 Census, Statistics New Zealand

Note Denominator is ‘total people stated’ (excludes non-responses)

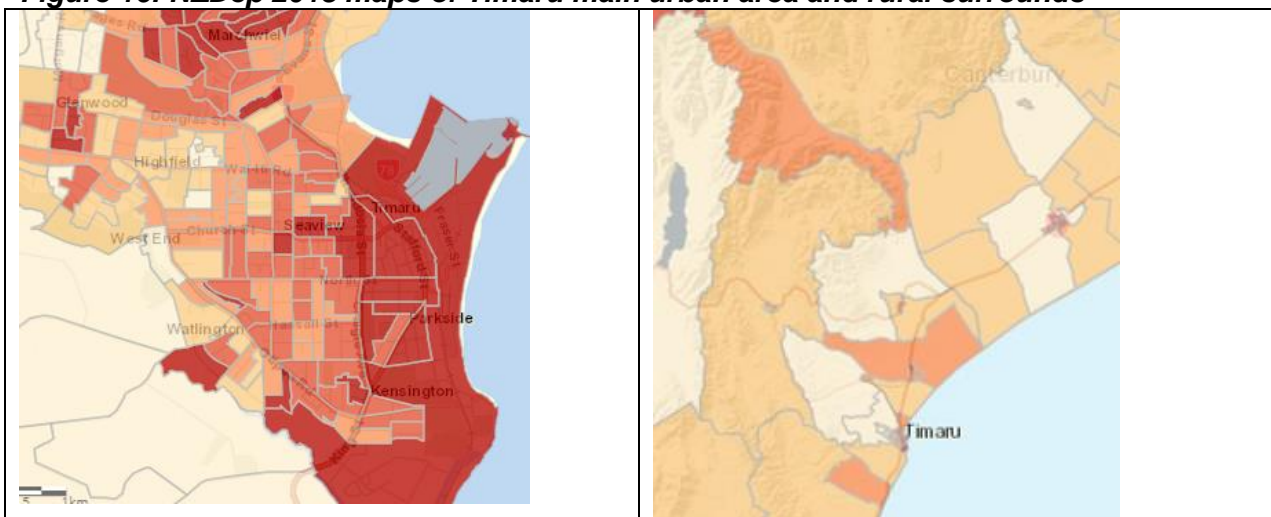
**Relative social deprivation**

Research suggests that communities with higher rates of deprivation are more likely to experience gambling harm. The risk is increased if gambling venues are located in close proximity to higher deprivation communities.

Community social deprivation can be measured using the New Zealand Deprivation 2018 Index (NZDep2018) which is calculated from nine Census items reflecting an absence of social and economic means (e.g., unemployment rate, low-income households). A score of 1-3 on the NZDep index indicates low deprivation while scores of 8-10 represents the 30% of most deprived communities in New Zealand.

The average NZDep2018 score for the district is similar to the national average (5), although there are pockets of higher deprivation in some urban and rural areas. Overall, there is a low to moderate level of risk associated with this factor.

**Figure 16: NZDep 2018 maps of Timaru main urban area and rural surrounds**



Source: [www.ehinz.ac.nz/indicators/population-vulnerability/socioeconomic-deprivation-profile/#nzdep-for-2018-nzdep2018](http://www.ehinz.ac.nz/indicators/population-vulnerability/socioeconomic-deprivation-profile/#nzdep-for-2018-nzdep2018)

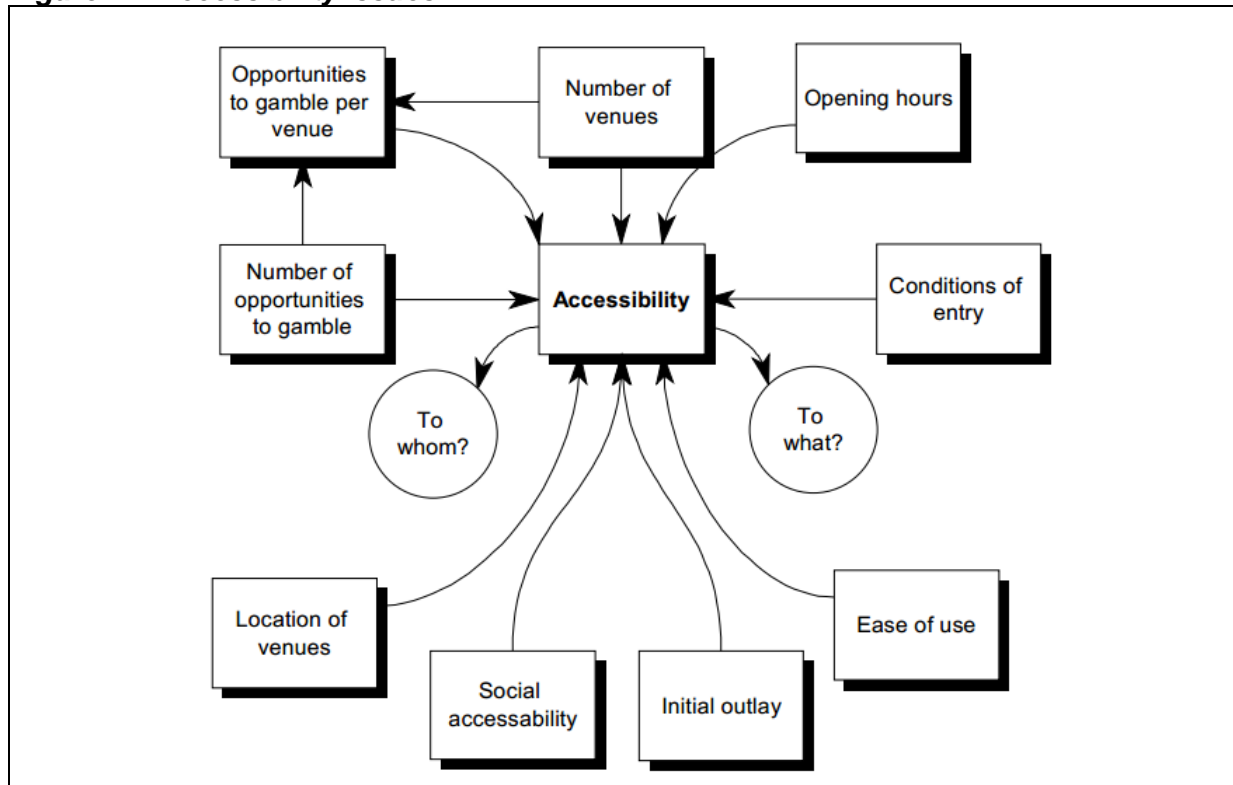
Note: Darker shading indicates higher levels of measured social deprivation.

### Gambling accessibility and density

Aspects of accessibility that affect problem gambling risk include opening hours, conditions of entry, ease of use (gambling machines require no skill), marginal outlay and how comfortable people feel attending a particular venue. Convenience is also important, for example people may prefer to access machines located at a local shopping centre. Research by the Ministry of Health (2008) identified that people living closer to gambling venues were more likely to have gambled at a Class 4 venue in the last year and more likely to be problem gamblers.

The figure below summarises accessibility issues associated with gambling machines. Existing legislation and regulations aim to mitigate many of these accessibility issues.

**Figure 17: Accessibility issues**



Source: Australian Productivity Commission, 1999, p 8.4.

The demise of smaller and less financially viable venues has been reflected in an increasing average number of machines per venue. In 2004 the Timaru District average was less than 10 machines per venue, including some with as few as 1 or 2 machines, compared to the current average of 13 machines per venue and none with less than 7 machines.

The Timaru District overall currently has an estimated 43 machines per 10,000 adults compared to the national average of 37. Hence there is a moderate relative level of risk associated with this factor.

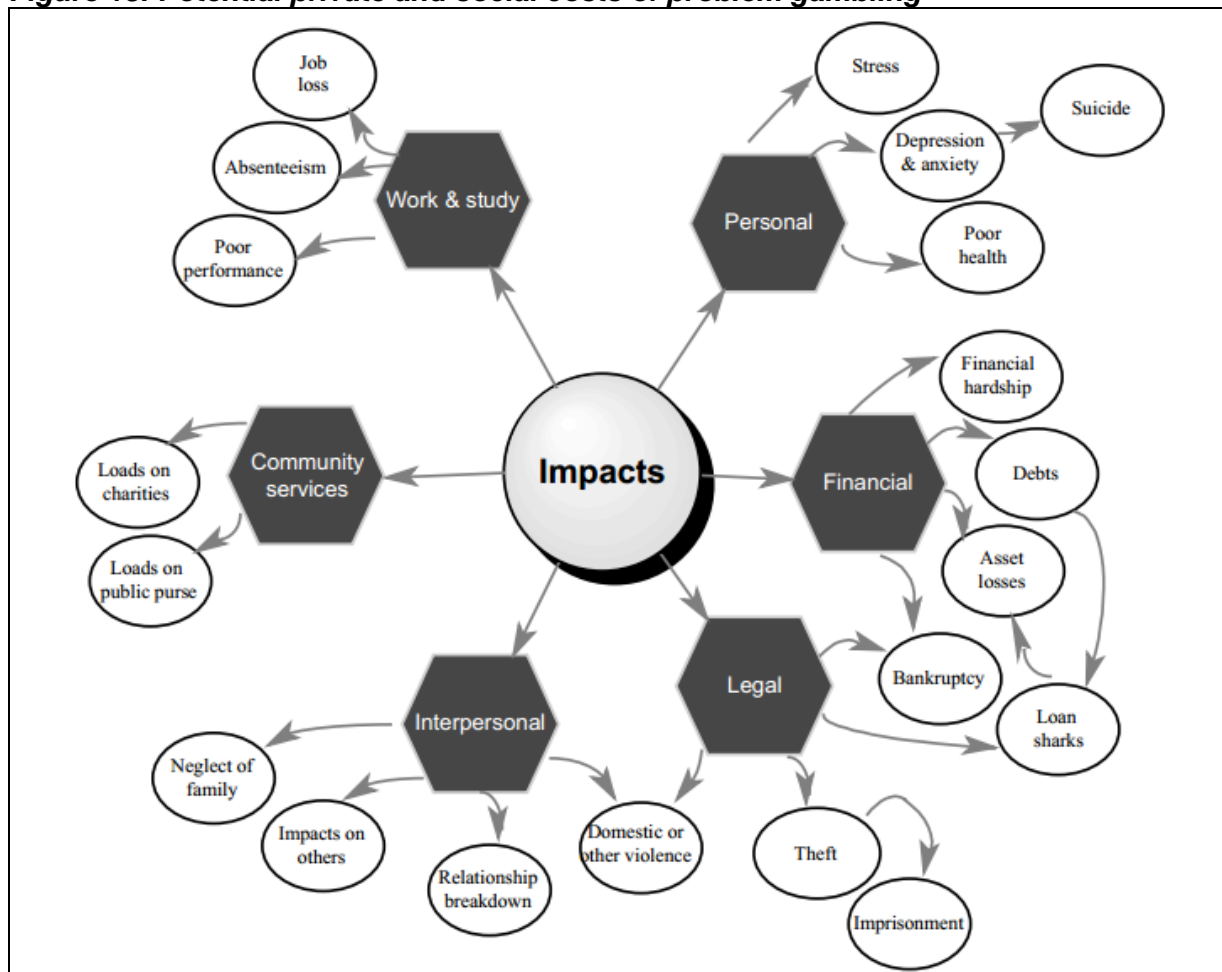
## Private and social costs of problem gambling

The costs of problem gambling have both an individual and social dimension. Apart from personal financial losses, findings from various waves of the New Zealand Health Survey show:

- Problem gambling is correlated with both potentially hazardous drinking behaviour and daily cigarette smoking.
- Problem gamblers have significantly worse self-rated health status than the rest of the population, especially for mental health, general health and vitality (measured according to the SF-36 short-form general health questionnaire).

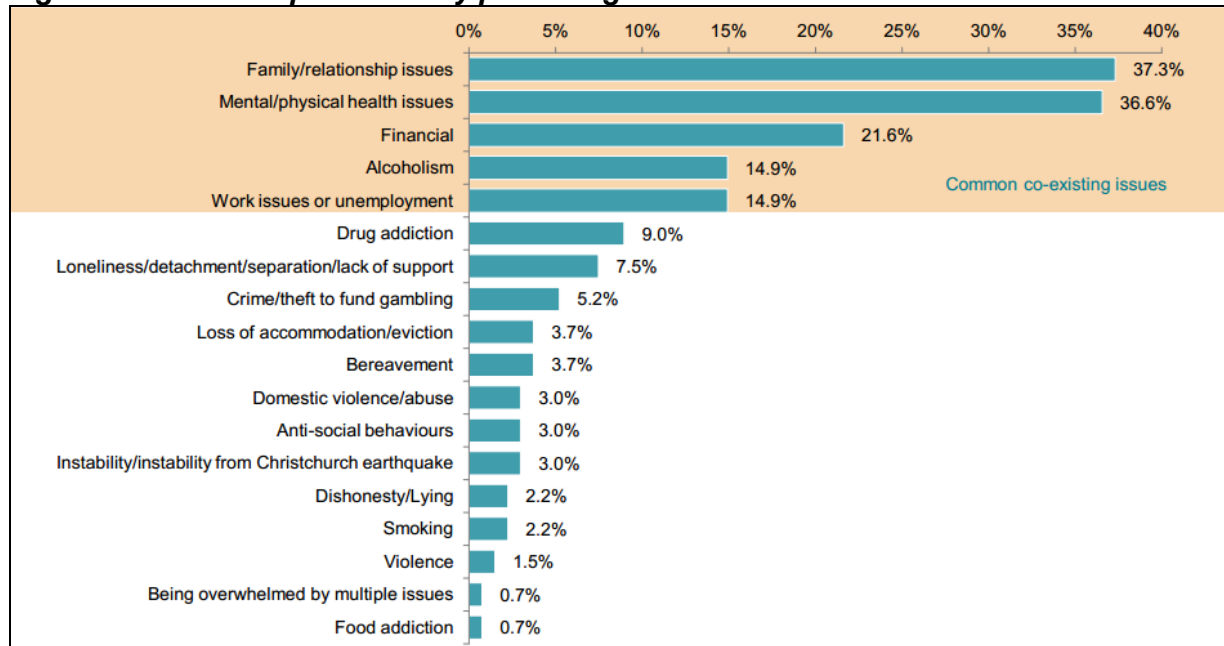
Research suggests that five to seven other people can be affected by the behaviour of a single problem gambler (e.g., Adams *et al*, 2004, p 40; Ministry of Health 2012, p 9). Not all problem gamblers will incur serious costs beyond their personal gambling losses, but a minority may be associated with domestic violence, alcohol abuse, theft, bankruptcy, poor employment performance and/or poor mental health. Potential social costs and causal pathways of problem gambling are illustrated below. A study by the Ministry of Health (2013) identified that the most common issues experienced by gamblers and affected other include family or relationship issues (37%), mental or physical health and emotional issues (37%), financial issues (22%), alcoholism (15%) and work issues or unemployment (15%). Many problem gamblers present with a combination of issues including depression and risky alcohol behaviour.

**Figure 18: Potential private and social costs of problem gambling**



Source: Australian Productivity Commission, 1999, p 7.3



**Figure 19: Issues experienced by problem gamblers in New Zealand**

Source: Ministry of Health (2013, p 200)

Research by the Centre for Social and Health Outcomes Research and Evaluation (SHORE) (2008) from a national survey of more than 7,000 people showed that people with higher relative gambling losses had worse physical health, worse mental well-being, poorer relationships with family/friends, poorer feelings about self, poorer overall quality of life, lower overall satisfaction with life, poorer material standard of living, poorer study/training performances and less likely to be employed. The survey results also suggested that Class 4 gambling activity was associated to some degree with criminal behaviour, and that close family members of heavy gamblers were significantly impacted.

The Ministry of Health more recently engaged Central Queensland University's (CQU) Experimental Gambling Research Laboratory and Auckland University of Technology's (AUT) Gambling and Addictions Research Centre to develop a framework and methodology for understanding and measuring gambling-related harm in the New Zealand population (CQU 2017). The aim was to systematically investigate gambling-related harm in New Zealand and assess the aggregate burden of harm caused by gambling with reference to different levels of problem gambling, and other comparable conditions. Key findings include:

- Total burden of harm to gamblers was greater than common health conditions (such as diabetes and arthritis) and approached the level of anxiety and depressive disorders.
- Both qualitative and quantitative results suggested this burden of harm was primarily due to damage to relationships, emotional/psychological distress, disruptions to work/study and financial impacts.

Longitudinal research has also been undertaken as part of the NZ National Gambling Study (NGS) (Bellringer *et al* 2020).<sup>4</sup> The NGS started in 2012 with a randomly selected national sample of 6,251 people aged 18 years and older living in private households. The study identified several significant associations that were more likely to occur between gambling risk level transitions and changes in health and lifestyle behaviours, and some that were less likely to occur: 'Overall, the transition into risky gambling was the most likely to be associated with maintaining or starting several negative health and lifestyle factors.' Transitioning into risky gambling (i.e., changing from non-problem gambler to low risk/moderate risk/ problem gambler) was significantly more likely to correspond with:

<sup>4</sup> <https://garc.aut.ac.nz/our-research/nz-national-gambling-study>

- Continuously smoking tobacco vs. never smoking tobacco.
- Continuous low quality of life vs. average or higher quality of life.
- Repeatedly experiencing one or more major life events in the prior year vs. no major events in prior year.
- Starting to experience levels of individual deprivation vs. not experiencing deprivation during the study.
- Stopping memberships of organised groups vs. continuously being a member of organised groups.

Further information about gambling harm is summarised in the Ministry of Health's (2019) Strategy to Prevent and Minimise Gambling Harm 2019/20 to 2021/22:

'Most money spent on gambling in New Zealand comes from the relatively limited number of people who play NCGMs [non-casino gaming machines], and most clients accessing problem gambling intervention services cite pub/club pokies as a primary problem gambling mode.'

In relation to the effectiveness of New Zealand's problem gambling harm minimisation policies, APR is not aware of any evaluation that has been done of the effectiveness of the current regulatory environment or harm minimisation interventions. Moreover, in relation to online gambling, APR is not aware of any studies that establish a connection between online gambling and Class 4 gambling.

### **Where to get help for problem gambling**

PGF gambling counselling, advice and support services are available from Strathallan Street, Timaru, and residents nationwide can seek help at any time using the Gambling Helpline 0800 654 655 or text 8006. Other helplines and services are listed at: [www.health.govt.nz/your-health/healthy-living/addictions/harmful-gambling/find-service-near-you](http://www.health.govt.nz/your-health/healthy-living/addictions/harmful-gambling/find-service-near-you).

### **1.15 Economic costs of diversion of expenditure (negative net impact)**

Studies have suggested there are leakages of regional output, income and employment from the electronic gambling machine industry due to its low level of labour intensity and associated multiplier effects.

For example, an economic analysis for Christchurch City Council (2012) suggested that the economic impacts of Class 4 gambling were largely offset through lost output, employment and household income. Similarly, Auckland Council (2012) estimated that, once economic costs were accounted for, the value added to the economy was only around 2.3% of total gambling machine proceeds and would be negative if the social dividend associated with community fundraising was removed.

More recently, NZIER (2020) investigated potential effects on the retail sector if consumers did not engage in Class 4 gambling, and found that at a national level most, if not all, money currently spent on Class 4 gambling is likely to be spent elsewhere rather than saved. The found that additional jobs and workers would be concentrated in the food and beverage services, specialised food retailing, and supermarkets and grocery stores.

This report does not attempt to quantify this aspect for Timaru District.

### **1.16 Regressive tax impact**

Due to the lower socio-economic profile of many problem gamblers, there is a disproportionate tax burden on lower-income households from Class 4 gambling. This report does not attempt to quantify the impact of this.

## NEARBY DISTRICTS – POLICY COMPARISON

For additional context, the table below shows a comparison of Timaru District’s policy with neighbouring territorial authority areas. Ashburton and Waimate have broadly similar policies to Timaru, whereas Mackenzie’s policy is to not approve any new venues.

**Table 5: Class 4 gambling venue policies of neighbouring territorial authorities**

Territorial authority	Policy on new venues	Policy on location of new venues	Policy on machines	Machines as at Dec 2021	Machines per 10,000 adults	Average expenditure per adult
Timaru (2019)	May be established (no cap)	No closer than 200m from a residential zone, sensitive site or other gambling venue within Timaru township, or no closer than 25m within rest of Timaru District	Maximum of 7 machines per new venue No overall District cap	166	43	\$264
Ashburton (2019)	May be established (no cap)	Within a Business Zone or otherwise permitted by way of resource consent	Maximum of 5 machines per new venue No overall District cap	134	48	\$235
Waimate (2018)	May be established, subject to District cap	Within Business Zones 1 and 2; or within Business Zone 3, Rural Zone or Residential Zone subject to not being closer than 100m to any sensitive site or other gambling venue	Maximum of 9 machines per new venue District cap of 20 machines	16	24	\$91
Mackenzie (2021)	No new venues	Not applicable	Not applicable	37	83	\$237

Sources: Gambling policy information sourced via Council websites, accessed 28 May 2022. Machines per 10,000 adults and expenditure per adult estimated by APR from DIA and Statistics New Zealand data.

## EFFECTIVENESS OF COUNCIL ‘CAPPING’ POLICIES

A report by the Ministry of Health (Erwin *et al*, 2020) examined the impact of three types of Council gambling venue policies on gambling harm in New Zealand:

- absolute caps on the number of electronic gaming machines (EGMs) and/or venues;
- per capita caps on the number of EGMs and/or venues; and
- sinking lid policies (restricting transfer of Class 4 licences to slowly reduce availability over time).

The research concluded that all three forms of policy intervention were effective in reducing Class 4 venue and machine numbers at the local authority level over the period 2010 to 2018:

‘Sinking lids and per capita caps are equally the most effective at reducing machine spending. Compared to the reference group, either of these policy interventions has the cumulative impact of reducing gambling expenditure by an estimated 13 to 14 per cent. Absolute caps were found to reduce overall gambling expenditure by 10 per cent.’

## WEIGHING THE EVIDENCE

### 1.17 Gambling benefits and costs

Council’s challenge is how best to acknowledge the benefits of community funding from gambling machine expenditure, respect the rights of the majority to gain enjoyment from gambling and mitigate the private and social costs of gambling.

TAB venues are not considered in this social impact analysis because they are of lesser concern from a public perspective. Racing and sports betting is less likely to cause problem gambling harm than Class 4 gambling.

The following table summarises the benefits and costs of Class 4 gambling in the Timaru District, quantified where possible.

**Table 6: Estimated benefits and costs of Class 4 gambling in Timaru District 2021**

Item	Benefits	Costs
Entertainment value	<ul style="list-style-type: none"> <li>– Estimated entertainment value approximately \$10 million per annum (assuming economic rationality of all gamblers)</li> </ul>	<ul style="list-style-type: none"> <li>– Approximately \$10 million expenditure (gambling losses)</li> </ul>
Fundraising	<ul style="list-style-type: none"> <li>– Approximately \$3.8 million annually for clubs, sports and other community activities</li> <li>– Community and voluntary organisations focusing on the core purpose of their organisation rather than expending substantial efforts on fundraising</li> <li>– Community and voluntary organisations knowing there is community money available for a range of community projects</li> <li>– Long-term benefits by people enjoying facilities, events and programmes funded through Class 4 gambling</li> </ul>	<ul style="list-style-type: none"> <li>– Monitoring and compliance costs</li> <li>– Personal, family and social costs, including stress, depression and crime associated with approximately 70-80 current problem gamblers and up to 700 people at moderate risk of becoming problem gamblers</li> </ul>
Taxes	<ul style="list-style-type: none"> <li>– Approximately \$3.4 million per annum in tax revenues</li> </ul>	<ul style="list-style-type: none"> <li>– Economic cost of taxes diverted from other forms of expenditure</li> <li>– Disproportionate tax burden on lower-income households (regressive tax impact)</li> </ul>
Employment and Income	<ul style="list-style-type: none"> <li>– Estimated \$1.4 million venue payments toward operating costs (including approximately 33 jobs in clubs, hotels and taverns to service Class 4 gambling) in addition to \$1.5 million in society expenses</li> </ul>	<ul style="list-style-type: none"> <li>– Economic cost of jobs and income diverted from other local industries (e.g., retail) as money not spent on gambling would be spent elsewhere</li> </ul>

Source: APR Consultants

## 1.18 Conclusion

The *Gambling Act 2003* requires Council to review its Gambling Venue Policy every three years. In adopting its policy, Council must have regard to the social impact of gambling within the district and any other relevant matters. This report presents information about the positive and negative impacts of Class 4 gambling within the Timaru District.

Many of the benefits and costs of gambling are difficult to quantify, including community benefits derived from gambling grants and social costs associated with problem gambling. For this reason, report does not offer any definitive conclusions or recommendations. Council's policy choice for the Timaru District should be determined by community values and based on available information and opinions.

## REFERENCES

- Adams, P., Rossen, F., Perese, L., Townsend, S., Brown, R., Brown, P. and Garland, J. (2004) 'Gambling Impact Assessment for Seven Auckland Territorial Authorities', Centre for Gambling Studies, University of Auckland:  
[www.fmhs.auckland.ac.nz/soph/depts/sch/adams/docs/ta\\_report\\_final\\_part1.pdf](http://www.fmhs.auckland.ac.nz/soph/depts/sch/adams/docs/ta_report_final_part1.pdf)
- Ashburton District Council (2019) 'Gambling Venue Policy 2019':  
[www.ashburtondc.govt.nz/services/health,-food,-alcohol-and-gambling/gambling-venues](http://www.ashburtondc.govt.nz/services/health,-food,-alcohol-and-gambling/gambling-venues)
- Auckland Council (2012) 'Economic impact assessment of non-casino electronic gaming machines in Auckland', prepared by Market Economics Ltd, August 2012:  
[www.aucklandcouncil.govt.nz/plans-projects-policies-reports-bylaws/our-policies/docsresearchongambling/economic-impact-non-casino-electronic-gaming-machines.pdf](http://www.aucklandcouncil.govt.nz/plans-projects-policies-reports-bylaws/our-policies/docsresearchongambling/economic-impact-non-casino-electronic-gaming-machines.pdf)
- Australian Government Productivity Commission (1999) 'Australia's Gambling Industries: Inquiry Report – Volume 1: Report (Parts A-C)', Report No. 10, 26 November 1999:  
[www.pc.gov.au/data/assets/pdf\\_file/0004/82552/gambling1.pdf](http://www.pc.gov.au/data/assets/pdf_file/0004/82552/gambling1.pdf)
- AUT Gambling and Addictions Research Centre (2018) 'New Zealand National Gambling Study: Wave 4 (2015), Report Number 6', prepared for Ministry of Health, March 2018:  
[www.health.govt.nz/system/files/documents/publications/national-gambling-study-report-6-aug18.pdf](http://www.health.govt.nz/system/files/documents/publications/national-gambling-study-report-6-aug18.pdf)
- Bellringer, M. E., Janicot, S., Ikeda, T., Lowe, G., Garrett, N. and Abbott, M. (2020) 'New Zealand National Gambling Study: Correspondence between changes in gambling and gambling risk levels and health, quality of life, and health and social inequities', NGS series report number 9, Auckland University of Technology, Gambling and Addictions Research Centre: [www.health.govt.nz/publication/new-zealand-national-gambling-study-correspondence-between-changes-gambling-and-gambling-risk-levels](http://www.health.govt.nz/publication/new-zealand-national-gambling-study-correspondence-between-changes-gambling-and-gambling-risk-levels)
- Christchurch City Council (2012) 'Review of the 2009 Gambling Venue Policy':  
<http://archived.ccc.govt.nz/council/proceedings/2012/february/cnclcover23rd/11.review2009gamblingvenuepolicy.pdf>
- Department of Internal Affairs Gambling Statistics: [www.dia.govt.nz/gambling-statistics](http://www.dia.govt.nz/gambling-statistics)
- Department of Internal Affairs Class 4 Grants Data Analytical Review:  
[www.dia.govt.nz/gambling-statistics-class-4-grants-data-analytical-review](http://www.dia.govt.nz/gambling-statistics-class-4-grants-data-analytical-review)
- Department of Internal Affairs (2013) 'Venue Costs Resubmission: Final Report', September 2013: [www.dia.govt.nz/pubforms.nsf/URL/Gambling\\_Venue-costs-resubmission-project-final-September-2013.pdf/\\$file/Gambling\\_Venue-costs-resubmission-project-final-September-2013.pdf](http://www.dia.govt.nz/pubforms.nsf/URL/Gambling_Venue-costs-resubmission-project-final-September-2013.pdf/$file/Gambling_Venue-costs-resubmission-project-final-September-2013.pdf)
- Erwin, C., Lees, K., Pacheco, G. and Turcu, A. (2020) 'Capping Gambling in NZ: The effectiveness of local government policy intervention', prepared for Ministry of Health: [www.health.govt.nz/publication/capping-gambling-nz-effectiveness-local-government-policy-interventions](http://www.health.govt.nz/publication/capping-gambling-nz-effectiveness-local-government-policy-interventions)
- Gambling Act 2003*: <http://www.legislation.govt.nz/act/public/2003/0051/latest/DLM207497.html>
- Gambling Class 4 Net Proceeds Amendment Regulations 2016*:  
<https://www.legislation.govt.nz/regulation/public/2016/0136/latest/whole.html>

Gaming Machine Association of New Zealand (GMANZ) (2022) 'Grants – Timaru District', spreadsheet provided by Jarrod True, 24 May 2022.

Health Promotion Agency's (2018) 'Host responsibility for pokies in pubs and clubs: Results from the 2018 Health and Lifestyles Survey': <https://www.hpa.org.nz/research-library/research-publications/host-responsibility-for-pokies-in-pubs-and-clubs-results-from-the-2018-health-and-lifestyles-survey> and <https://kupe.hpa.org.nz/#!/gambling/gaming-machines-and-pokies/hls-pokies-at-either-pubs-clubs>

Local Government Act 2002:

<http://www.legislation.govt.nz/act/public/2002/0084/latest/DLM170873.html>

Mackenzie District Council (2021) 'Class 4 Gambling and TAB Venue Policy 2021': [www.mackenzie.govt.nz/\\_data/assets/pdf\\_file/0009/589824/Class-4-Gambling-and-TAB-Venue-Policy-2021.pdf](http://www.mackenzie.govt.nz/_data/assets/pdf_file/0009/589824/Class-4-Gambling-and-TAB-Venue-Policy-2021.pdf)

Ministry of Health intervention client data (accessed 28 May 2022): [www.health.govt.nz/our-work/mental-health-and-addiction/addiction/gambling/service-user-data/intervention-client-data](http://www.health.govt.nz/our-work/mental-health-and-addiction/addiction/gambling/service-user-data/intervention-client-data)

Ministry of Health (2008) 'Raising the odds? Gambling behaviour and neighbourhood access to gambling venues in New Zealand', May 2008: [www.health.govt.nz/publication/raising-odds-gambling-behaviour-and-neighbourhood-access-gambling-venues-new-zealand](http://www.health.govt.nz/publication/raising-odds-gambling-behaviour-and-neighbourhood-access-gambling-venues-new-zealand)

Ministry of Health (2012) 'Problem Gambling in New Zealand: Preliminary Results from the New Zealand Health Survey', August 2012: [www.health.govt.nz/publication/problem-gambling-new-zealand-preliminary-results-new-zealand-health-survey](http://www.health.govt.nz/publication/problem-gambling-new-zealand-preliminary-results-new-zealand-health-survey)

Ministry of Health (2013) 'Outcomes framework for preventing and minimising gambling harm – baseline report', 30 July 2013: [www.health.govt.nz/our-work/mental-health-and-addictions/problem-gambling/problem-gambling-publications](http://www.health.govt.nz/our-work/mental-health-and-addictions/problem-gambling/problem-gambling-publications)

Ministry of Health (2017) 'Measuring the Burden of Gambling Harm in New Zealand', prepared by Central Queensland University and Auckland University of Technology, published by Ministry of Health, Wellington: [www.health.govt.nz/publication/measuring-burden-gambling-harm-new-zealand](http://www.health.govt.nz/publication/measuring-burden-gambling-harm-new-zealand)

Ministry of Health (2019) 'Strategy to Prevent and Minimise Gambling Harm 2019/20 to 2021/22': [www.health.govt.nz/system/files/documents/publications/hp7137-strategy-minimise-gambling-harm-jun19.pdf](http://www.health.govt.nz/system/files/documents/publications/hp7137-strategy-minimise-gambling-harm-jun19.pdf)

New Zealand Institute of Economic Research (NZIER) (2020) 'The retail employment and tax costs of Class 4 gambling in New Zealand, NZIER report to the Problem Gambling Association, June 2020: [https://img.scoop.co.nz/media/pdfs/2008/Final\\_Report\\_Diverting\\_gambling\\_losses\\_22\\_June.pdf](https://img.scoop.co.nz/media/pdfs/2008/Final_Report_Diverting_gambling_losses_22_June.pdf)

PGF Group 'Class 4 Gambling Report on Grants to Timaru TLA', prepared for Timaru District Council, May 2022.

Racing Industry Act 2020: [www.legislation.govt.nz/act/public/2020/0028/latest/whole.html](http://www.legislation.govt.nz/act/public/2020/0028/latest/whole.html)

SHORE (Centre for Social and Health Outcomes Research and Evaluation) & Te Ropu Whariki (2008) 'Assessment of the Social Impacts of Gambling in New Zealand', prepared for the Ministry of Health, December 2008:

[https://web.archive.org/web/20180619214233/http://research.uleth.ca/seiga/documents/S HORE&Whariki\\_2009\\_NZ.pdf](https://web.archive.org/web/20180619214233/http://research.uleth.ca/seiga/documents/S HORE&Whariki_2009_NZ.pdf)

Statistics New Zealand: <http://nzdotstat.stats.govt.nz/wbos/Index.aspx>

Timaru District Council (2019) 'Timaru District Gambling Venue Policy':  
[www.timaru.govt.nz/council/publications/policies/class-4-gambling-venue-and-board-venue-policy](http://www.timaru.govt.nz/council/publications/policies/class-4-gambling-venue-and-board-venue-policy)

True, J. and Cheer, M. (2022) 'Gaming Machine Gambling Statistics and Research Paper – Information for Territorial Authorities', provided by Jarrod True, May 2022.

Waimate District Council (2018) 'Gambling Venue Policy 2018':  
[www.waimatedc.govt.nz/property-rates/gaming-machines](http://www.waimatedc.govt.nz/property-rates/gaming-machines)

Ward, A. D., McIvor, J. T. and Bracewell, P. (2019) 'The Geographic Distribution of Gaming Machine Proceeds in New Zealand', *Kōtuitui: New Zealand Journal of Social Sciences Online* 15 (1): 54–74. <https://doi.org/10.1080/1177083X.2019.1640752>.



## APPENDIX 1: GAMBLING ACT 2003

Web address: [www.legislation.govt.nz/act/public/2003/0051/latest/DLM207497.html](http://www.legislation.govt.nz/act/public/2003/0051/latest/DLM207497.html)

Accessed: 22 May 2022.

### 98. *When territorial authority consent required—*

A territorial authority consent is required in the following circumstances:

- (a) if a corporate society proposes to increase the number of gaming machines that may be operated at a Class 4 venue (whether by way of an application for, or amendment to, a Class 4 venue licence, and whether or not in association with an application for ministerial discretion under section 95 or section 96):
- (b) if a corporate society applies for a Class 4 venue licence and a Class 4 venue licence has not been held by any society for the venue within the last 6 months:
- (c) if a corporate society proposes, in accordance with a relocation policy of the territorial authority, to change the venue to which a Class 4 venue licence currently applies.

### 99. *Application for territorial authority consent—*

- (1) An application for a territorial authority consent must be made to the territorial authority for the district in which the Class 4 venue is, or will be, located.
- (2) The application must be accompanied by the information required by the territorial authority to enable it to consider the application properly.
- (3) An application for consent in accordance with a relocation policy may be made only with the agreement of the venue operator of the existing venue.

### 100. *Considering and determining application for territorial authority consent—*

- (1) A territorial authority must—
  - (a) consider an application for a territorial authority consent in accordance with its Class 4 venue policy; and
  - (b) then either—
    - (i) grant a consent with or without a condition specifying the maximum number of gaming machines that may be operated at the venue (but with no other condition); or
    - (ii) not grant a consent.
- (2) However, if a corporate society applies for a territorial authority consent for an amendment to a Class 4 venue licence to allow an increase in the number of gaming machines that may be operated at a venue, a territorial authority—
  - (a) must consider and determine the application in accordance with subsection (1); but
  - (b) may not include a condition specifying a maximum number of machines that may be operated at the venue that is fewer than the number of machines that may be operated currently at the venue.

- (3) The territorial authority must notify the applicant of its determination within 30 working days after the later of—
  - (a) the date of receipt of the application; or
  - (b) the date that it adopts a Class 4 venue policy.
- (4) A territorial authority must not consider an application for a territorial authority consent before it has a Class 4 venue policy.
- (5) A territorial authority consent for a Class 4 venue expires 6 months after its date of issue if no application for a Class 4 venue licence in relation to the venue has been submitted.

*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.<sup>5</sup>
- (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

---

<sup>5</sup> Section 101(3)(c): inserted, on 14 September 2013, by section 10(2) of the Gambling (Gambling Harm Reduction) Amendment Act 2013 (2013 No 71).

an existing venue (within the district) to which a Class 4 venue licence applies (in which case section 97A applies).

*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.

*103. Provision of information relating to Class 4 venues in territorial authority district—*

On request from a territorial authority, the Secretary must provide—

- (a) the name and address of each society that holds a Class 4 venue licence for a venue in the territorial authority district; and
- (b) the name and address of each Class 4 venue in the territorial authority district and the number of gaming machines permitted to operate there.

## APPENDIX 2: RACING INDUSTRY ACT 2020

Web address: [www.legislation.govt.nz/act/public/2020/0028/latest/whole.html](http://www.legislation.govt.nz/act/public/2020/0028/latest/whole.html)

Accessed: 22 May 2022.

### 93. *When territorial authority consent is required*

A territorial authority consent is required if TAB NZ proposes to establish a TAB venue.

### 94. *Application for territorial authority consent*

- (1) An application for a territorial authority consent must be made to the territorial authority for the district in which the TAB venue will be located.
- (2) The application must be accompanied by the information required by the territorial authority to enable it to consider the application properly.

### 95. *Considering and determining application for territorial authority consent*

- (1) A territorial authority must—
  - (a) consider an application for a territorial authority consent in accordance with its TAB venue policy; and
  - (b) either grant or refuse a consent.
- (2) The territorial authority must notify TAB NZ and the chief executive of its determination within 30 working days after the later of—
  - (a) the date of receipt of the application; and
  - (b) the date that it adopts a TAB venue policy.
- (3) A territorial authority must not consider an application for territorial authority consent before it has a TAB venue policy.

### 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.

*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.

## APPENDIX 3: LOCAL GOVERNMENT ACT 2002

Web address: [www.legislation.govt.nz/act/public/2002/0084/167.0/versions.aspx](http://www.legislation.govt.nz/act/public/2002/0084/167.0/versions.aspx)

Accessed: 22 May 2022.

### *10. Purpose of local government*

- (1) The purpose of local government is—
  - (a) to enable democratic local decision-making and action by, and on behalf of, communities; and
  - (b) to 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.
- (2) In this Act, **good-quality**, in relation to local infrastructure, local public services, and performance of regulatory functions, means infrastructure, services and performance that are—
  - (a) efficient; and
  - (b) effective; and
  - (c) appropriate to present and anticipated future circumstances.

### *77. Requirements in relation to decisions*

- (1) A local authority must, in the course of the decision-making process, —
  - (a) seek to identify all reasonably practicable options for the achievement of the objective of a decision; and
  - (b) assess the options in terms of their advantages and disadvantages; and
  - (c) if any of the options identified under paragraph (a) involves a significant decision in relation to land or a body of water, take into account the relationship of Māori and their culture and traditions with their ancestral land, water, sites, waahi tapu, valued flora and fauna, and other taonga.
- (2) This section is subject to section 79.

### *78. Community views in relation to decisions*

- (1) A local authority must, in the course of its decision-making process in relation to a matter, give consideration to the views and preferences of persons likely to be affected by, or to have an interest in, the matter.
- (2) [Repealed]
- (3) A local authority is not required by this section alone to undertake any consultation process or procedure.
- (4) This section is subject to section 79.<sup>6</sup>

---

<sup>6</sup> Section 79 provides guidance on compliance with procedures in relation to decisions.

*83. Special consultative procedure*

- (1) Where this Act or any other enactment requires a local authority to use or adopt the special consultative procedure, that local authority must—
  - (a) prepare and adopt—
    - (i) a statement of proposal; and
    - (ii) if the local authority considers on reasonable grounds that it is necessary to enable public understanding of the proposal, a summary of the information contained in the statement of proposal (which summary must comply with section 83AA); and
  - (b) ensure that the following is publicly available:
    - (i) the statement of proposal; and
    - (ii) a description of how the local authority will provide persons interested in the proposal with an opportunity to present their views to the local authority in accordance with section 82(1)(d); and
    - (iii) a statement of the period within which views on the proposal may be provided to the local authority (the period being not less than 1 month from the date the statement is issued); and
  - (c) make the summary of the information contained in the statement of proposal prepared in accordance with paragraph (a)(ii) (or the statement of proposal, if a summary is not prepared) as widely available as is reasonably practicable as a basis for consultation; and
  - (d) provide an opportunity for persons to present their views to the local authority in a manner that enables spoken (or New Zealand sign language) interaction between the person and the local authority, or any representatives to whom an appropriate delegation has been made in accordance with Schedule 7; and
  - (e) ensure that any person who wishes to present his or her views to the local authority or its representatives as described in paragraph (d)—
    - (i) is given a reasonable opportunity to do so; and
    - (ii) is informed about how and when he or she may take up that opportunity.
- (2) For the purpose of, but without limiting, subsection (1)(d), a local authority may allow any person to present his or her views to the local authority by way of audio link or audio-visual link.
- (3) This section does not prevent a local authority from requesting or considering, before making a decision, comment or advice from an officer of the local authority or any other person in respect of the proposal or any views on the proposal, or both.

## APPENDIX 4: TIMARU DISTRICT GAMBLING VENUE POLICY 2019

Web address: [www.timaru.govt.nz/council/publications/policies/class-4-gambling-venue-and-board-venue-policy](http://www.timaru.govt.nz/council/publications/policies/class-4-gambling-venue-and-board-venue-policy)

Accessed: 22 May 2022.

### **Gambling Venue Policy**

**Adopted by Timaru District Council 10 December 2019**

#### **1 Purpose**

1.1 The purpose of this policy is to:

1.1.1 Detail Council's policy with regards to consent applications for new Class 4 gambling venue and New Zealand Racing Agency (TAB) venue licences, in accordance with the Gambling Act 2003 and the Racing Act 2003.

1.1.2 Recognise that gambling can be a serious problem for people in our community.

1.1.3 Ensure Council and the community has influence over the provision of new gambling venues within the Timaru District.

1.1.4 Allow those who wish to participate in controlled gambling to do so within the Timaru District.

1.1.5 Minimise harm to the community caused by gambling.

Note: The Gambling Venue Policy applies only to new consent applications for Class 4 gambling venues and Agency venues. The Policy will not be applied retrospectively to venues with current licences.

#### **2 Background**

2.1 The Gambling Act 2003 was enacted on 18 September 2003. The Act requires councils to adopt a Class 4 gambling venue policy for their district. The Act also amended the Racing Act 2003 so that council consent is required to establish a new Agency (TAB) venue. Under that amendment Council is required to adopt an Agency venue policy for the district.

2.2 Both policies must be adopted in accordance with the special consultative procedure set out in the Local Government Act 2002 (Section 83).

2.3 The Gambling Act 2003 and the Racing Act 2003 together state that the Class 4 gambling venue and Agency venue policies:

2.3.1 Must specify whether or not Class 4 venues and Agency venues may be established in a district, and if so, where they may be located.

2.3.2 May specify any restrictions on the maximum number of gaming machines that may be operated at any Class 4 gambling venue. The Gambling Act 2003 establishes a maximum limit of nine machines for new venues and those venues that obtained a licence after 17 October 2001. This policy sets a maximum of seven machines per venue (see Clauses 8.1).

2.3.3 In the development of this gambling venue policy Council must have regard for the social impacts of gambling on the Timaru District community.

2.4 In 2007 Council combined the Class 4 gambling venue and Agency venue policies.



### **3 Key Definitions**

**Agency Venue** – means premises that are owned or leased by the Racing Industry Transition Agency (TAB) and where the main business carried out at the premises is providing racing betting or sports betting services under the Racing Act 2003. This does not include TAB outlets.

**Class 4 Gambling** – Means any activity that involves the use of gaming machines (i.e., pokies) in pubs and clubs (i.e., outside a casino) which may only be conducted by a corporate society and only to raise money for an authorised (i.e., community and non-commercial) purpose.

**Commercial Zones** – As defined in the operative Timaru District Plan.

**Community Facility** – Any building, place or facility which provides for the physical, social, cultural or intellectual development or welfare of the community, including but not limited to; public playgrounds; recreational halls; community centres; community halls; libraries; museums; and public swimming pools.

**Gambling Venue** – Any Class 4 gambling venue or Agency venue.

**Residential Zones** – As defined in the operative Timaru District Plan.

**Sensitive Site** – Any childhood centre, kindergarten, school, place of worship or community facility.

### **4 Policy – Timaru Township**

**4.1** Within the boundary of the Timaru Township, Gambling Venues may be established in Commercial 1, 2 and 3 Zones subject to:

- 4.1.1** Meeting application and fee requirements;
- 4.1.2** Being no closer than 200 metres, by public access way, to any Residential Zone;
- 4.1.3** Being no closer than 100 metres, by public access way, to any sensitive site (as defined in Section 3 of this policy);
- 4.1.4** Being no closer than 100 metres, by public access way, to another Gambling Venue; excepting that Agency venues may, on application be exempt from this requirement;
- 4.1.5** Not being a venue that is associated with family or children's activity unless the activity is in a room separate from gaming machines.

### **5. Policy – Rest of Timaru District**

**5.1** For all areas outside the boundary of the Timaru Township, Gambling Venues may be established in Commercial 1 Zone subject to:

- 5.1.1** Meeting consent application and fee requirements;
- 5.1.2** Being no closer than 25 metres, by public access way, to any Residential Zone;
- 5.1.3** Being no closer than 25 metres, by public access way, to any sensitive site (as defined in Section 3 of this policy);
- 5.1.4** Being no closer than 25 meters, by public access way, to any other gambling venue excepting that Agency venues may, on application, be exempt from this requirement; and
- 5.1.5** Not being a venue that is associated with family or children's activity unless the activity is in a room separate from gaming machines.

## **6. Exemptions**

**6.1** Where a proposed new venue is unable to comply with the location requirements of this policy the application will be referred to the Environmental Services Committee which has discretion to approve or decline, subject to the application meeting all other requirements of this policy.

## **7. Relocation of Venues**

**7.1** Applications for the relocation of existing Class 4 venues to a new site will be referred to the Environmental Services Committee, which has discretion to approve or decline the application.

**7.2** Any application, and the proposed new venue, must comply with all other conditions and provisions of this policy.

**7.3** The maximum number of gaming machines permitted to operate at the new venue is the same as the maximum number of gaming machines permitted to operate at the venue before relocation.

## **8. Number of Gaming Machines to Be Allowed**

**8.1** New Class 4 gambling venues shall be allowed a maximum of seven gaming machines.

**8.2** Existing Class 4 gambling venues operating fewer than seven gaming machines, shall be allowed to increase the number of machines operated at the venue to seven.

## **9. Primary Activity of Venues**

**9.1** The primary activity of any Class 4 gambling venue shall be:

**9.1.1** For the sale of alcohol, or the sale of alcohol and food; or

**9.1.2** For private club activities.

**9.2** The primary activity for Agency venues, as defined by section 5 of the Racing Act 2003, shall be:

**9.2.1** Providing racing betting, or sports betting services.

## **10. Application**

**10.1** Applications for Council consent must be made on the correct form, accompanied by all required documentation and fees.

**10.2** Application forms are available on Council's website, [www.timaru.govt.nz](http://www.timaru.govt.nz) and at all Council service centres.

## **11. Application Fees**

**11.1** Application fees will be set by Council from time to time with the intention of recovering full costs from applicants/operators, and shall include consideration of:

**11.1.1** The cost of processing the application, including any consultation and hearings involved;

**11.1.2** The cost of triennially reviewing the Gambling Venue Policy;

**11.1.3** The cost of inspecting Class 4 gambling venues on a regular basis to ensure compliance with consent or licence conditions; and

**11.1.4** A contribution towards the cost of triennial assessments of the economic and social impact of gambling in the district.

**11.2** Council will comply with section 150 of the Local Government Act 2002 in setting such fees.

## **12. Policy Review**

**12.1** This Policy will be reviewed at least every three years, as required by the Gambling Act and the Racing Act 2003.

**12.2** This Policy does not cease to have effect because it is due for review or being reviewed.

**12.3** This Policy takes effect from the date it is formally adopted by Council.