

# CLASS 4 GAMBLING VENUE POLICY REVIEW

## COUNCILLOR WORKSHOP

# WHAT IS CLASS 4 GAMBLING?

“Any activity that involves the use of a gambling machine (also known as pokies) outside a casino.”

# GOALS FOR THIS WORKSHOP

- Inform elected members about the class 4 venue policy
- Provide a snapshot of class 4 gambling in Palmerston North
- Provide elected members with an opportunity to ask questions and provide feedback to the policy review process

# BACKGROUND

- Council is required to have this policy by the Gambling Act (section 101).
- Council has had a policy since 2004 and this is the fifth time it is being reviewed.
- The policy sets out the criteria for Council's consent when corporate societies are required to obtain this as part of their application for a class 4 venue license.
- DIA assess and grant class 4 venue licenses.



# SCOPE OF THE POLICY

- Council needs to have regard to social impact of gambling within the City when adopting the policy. Social impact is not defined in the Act.
- Must specify whether or not class 4 gambling venues may be established in the TA district, if so, where they may be located; and
- May specify any restrictions on the maximum number of gaming machines that may be operated at a class 4 venue; and
- May include a relocation policy.
- May specify proximity to sensitive sites.
- May specify primary activity of the venue.

# CURRENT POLICY

## Objectives:

- To ensure PNCC and the community has influence over the location of new Class 4 gambling venues in the City.
- To allow those who wish to participate in pokie machine gambling to do so within Palmerston North.
- To have regard to the social impact of gambling within Palmerston North, and to minimize the harm to our communities caused by problem gambling.

# CURRENT POLICY

**Class 4 gambling venues may be established if the following criteria are met:**

**1) Primary activity of the proposed venue is**

- For the sale of liquor or the sale of liquor and food; OR
- Sporting activities and the club holds an on licence or club licence for the sale of liquor for consumption on the premises; OR
- For the operation of a New Zealand Racing Board TAB; AND
- Is not associated with family or children's activities; AND

# CURRENT POLICY

2) Proposed venue is within the District Plan zones:

**Inner Business Zone; OR**

**Outer Business Zone, or Airport Zone** but subject to being no closer than 200 metres to any entrance to a school, early childhood centre, kindergarten, after school care facility or other community facility<sup>1</sup>;

**OR**

In sports club rooms in **Recreation Zones** but subject to being no closer than 200 metres to any entrance to a school, early childhood centre, after school care facility, kindergarten or other community facility.

# CURRENT POLICY

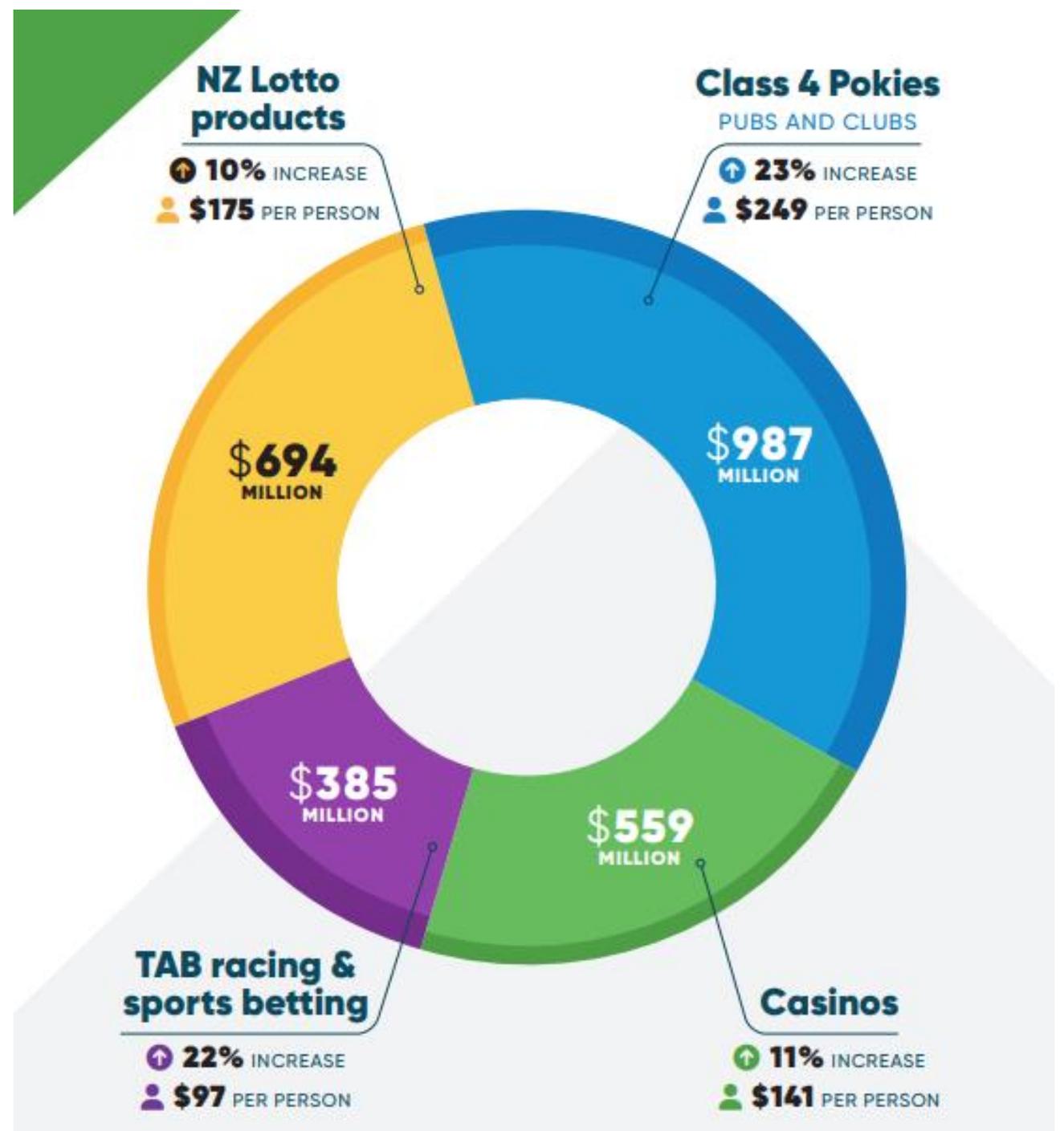
## Number of machines allowed:

- Overall cap on the number of class 4 gambling machines in Palmerston North = 347 (currently 295 active machines)
- Number of machines per venue = 9 machines
- Relocation clause = required to relocate to the new venue through events beyond their control

# SCOPE

National context (2020-2021)

Source: DIA



# SNAPSHOT OF CLASS 4 GAMBLING IN PALMERSTON NORTH

	Yearly GMP (year ending)		Quarterly GMP		Venues		EGMS		
Dec-2021	\$21,512,674.27		Mar-15	\$3,945,464.97	27		358		
Dec-2022	\$22,173,761.97		Dec-22	\$5,976,974.18	21		295		
Difference	\$661,087.70	↑ 3.1%	Difference	\$2,031,509.21	↑ 51.5%	-6	↓ 22.2%	-63	↓ -17.6%

GMP = Gross Machine Profit (the money lost on pokie machines. The amount wagered less the amount paid out in prizes).

EGMS = Electronic Gaming Machines

# YEAR ON YEAR GAMING MACHINE PROFIT (GMP) IN PALMERSTON NORTH

GMP per year



# SNAPSHOT OF CLASS 4 GAMBLING IN PALMERSTON NORTH

GMP per EGM

↑ 83.8%

\$ 25,000

\$ 20,000

\$ 15,000

\$ 10,000

\$ 5,000

\$-

\$11,020.85

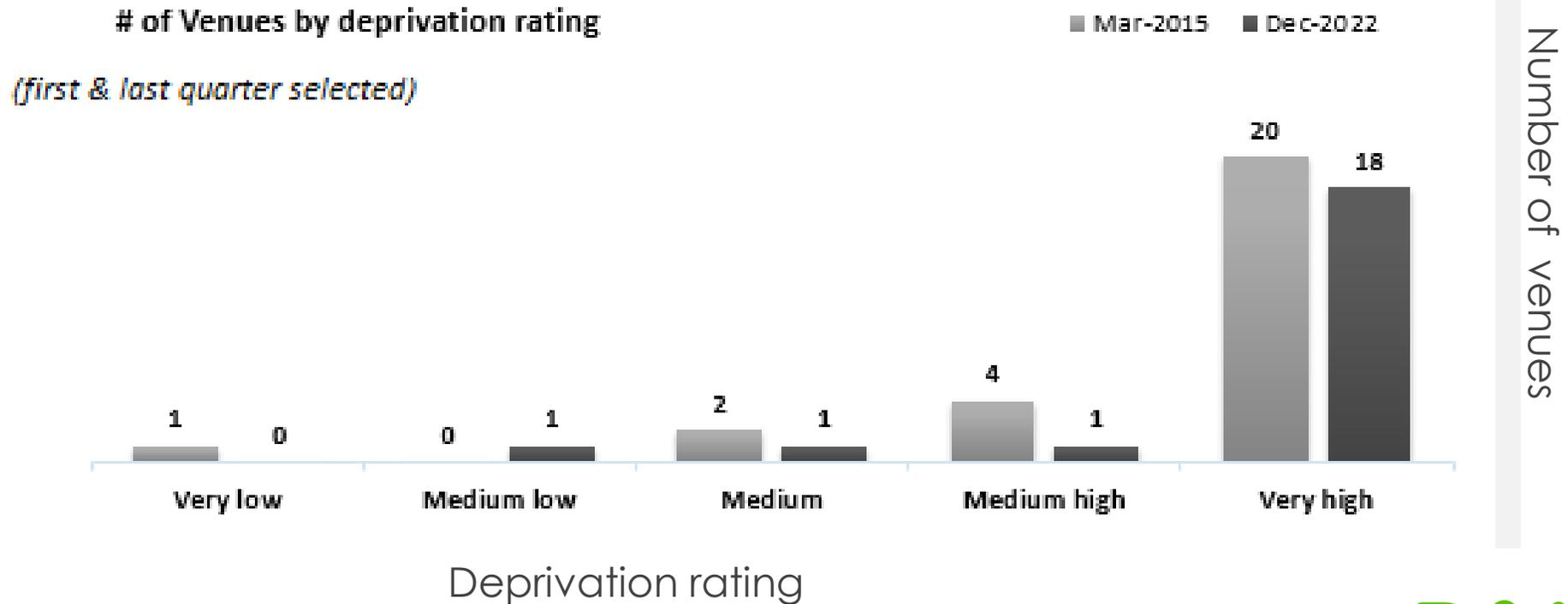
\$20,260.93

Mar-2015

Dec-2022

# SNAPSHOT OF CLASS 4 GAMBLING IN PALMERSTON NORTH

The location of class 4 venues in Palmerston North by NZ deprivation score. Mar 2015 quarter compared to Dec 2022 quarter.

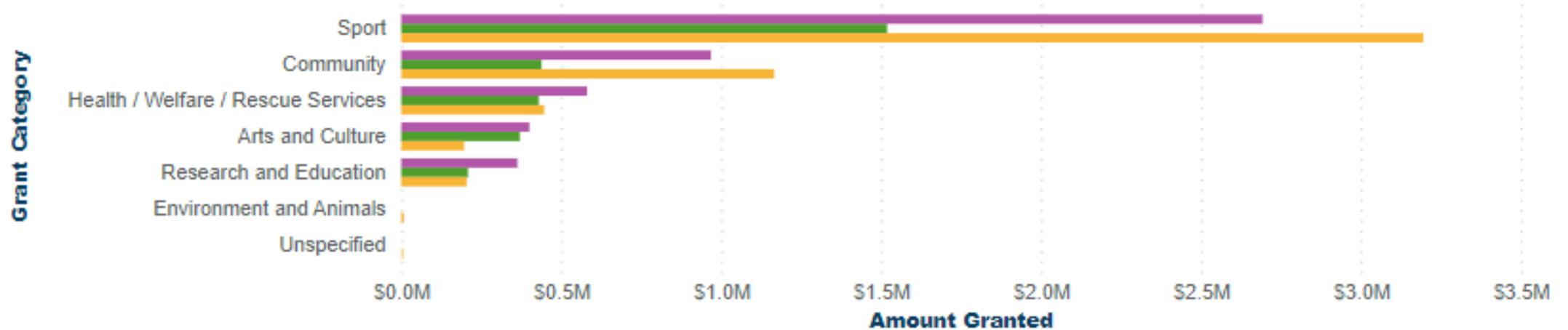




# GAMING TRUST GRANTS TO PALMERSTON NORTH COMMUNITY

## Amount Granted by Category

Year of Acceptance ● 2019 ● 2020 ● 2021



# SUMMARY OF FEEDBACK FROM STAKEHOLDERS

- Problem Gambling Foundation – Would like to see sinking lid, no relocation and no merger clauses in the policy
- Salvation Army Oasis – Pokie machines are still the biggest form of gambling that causes harm. Concerned with the placement of machines in low socio-economic areas. Emerging issues young people being affected by online gambling which is largely unregulated.
- Best Care Whakapai Hauora – Stigma around problem gambling still a big obstacle. Needs to be more work in shifting the culture and attitudes towards gambling so people can be more open about seeking help.
- Community groups – some heavily rely on gaming trust grants, others recognise it is unsustainable funding and are actively making long term plans to gradually transition to more sustainable funding models.
- Gaming trusts – Some are not aware of the policy because they have never had to engage with it. The Gaming Machine Association of New Zealand would like to see the cap remain as it is. Would also like to see relocation clause expanded to enable venues to move to new modern premises, to move to buildings that have a higher earthquake rating and to move if the current landlord is imposing unreasonable terms.

# HOW WOULD YOU SEEK TO IMPROVE THE POLICY?

Measures available to Council through the policy:

- Primary activity of the venue.
- Where venues may be located.
  - Expand on sensitive sites
  - Proximity to sensitive sites
- Restrictions on maximum number of gaming machines in the City.
  - Reduce cap further or introduce sinking lid
- Relocation clause.