

Report to:	Council	File #
Date:	31 August 2022	
Subject:	Class 4 Gambling Policy Review for Consultation	
Prepared by:	Kerry Andrews - Policy Planner	
Input sought from:	Matt Hoggard - Strategic, Policy and District Plan Manager Murray Dickson - Senior Corporate Services Manager	
Authorised by:	Will Doughty – Chief Executive Officer	

1. SUMMARY

The Gambling Act was passed in 2003. A territorial authority must adopt a Class 4 Gambling Venue Policy. The Kaikōura District Council made its Class 4 Gambling Act policy first operative in July 2004. It is reviewed every three years and is now due for review again.

This report recommends amendments to the current policy – for formal public consultation.

Attachments:

- Attachment 1 - Class 4 Gambling Policy – track changed version with recommended changes
- Attachment 2 – Electronic Gaming Machine Grant Funding Report. From the Problem Gambling Foundation
- Attachment 3 - Gaming Machine Statistics for Hurunui and Kaikōura
- Attachment 4 - Gaming Machine Profits and Grants

2. RECOMMENDATION

It is recommended that the Council:

- (a) Receives this Report
- (b) Approves the proposed revised Policy for public consultation using the special consultative procedure, noting the key recommendations are:
 - i. Reducing the cap on licences for Class 4 Gaming machines in the District from 60 to 27
 - ii. Not including a relocation policy for venues

3. DISCUSSION

3.1 Current Kaikōura Class 4 Gambling Policy and Gambling Act 2003

Under the Gambling Act 2003, the Kaikōura District Council is required to have a class 4 gambling policy. The Gambling Act sets out that territorial authorities must state whether class 4 gaming machines are able to be established in the district and where they may be located. The Gambling Act 2003 also requires Territorial Authorities' s to specify the maximum number of gaming machines allowed in a District.

(The Council's current Class 4 Gambling Policy has a maximum of 60 gaming machine licences allowed in the Kaikōura District. The current policy does not specify where gaming machines may be established.)

The following are the applicable sections of the Act:

“Section 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.*

(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 an existing venue (within the district) to which a class 4 venue licence applies (in which case [section 97A](#) applies)."*

"Section 102 of the Gambling Act 2003:

- (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."*

The Council's current objectives of the gambling venue policy:

- To control the growth of gambling
- Prevent and minimise the harm to the community caused by gambling, including problem gambling
- To control the growth of electronic gambling machine in the district
- To allow those who wish to participate in electronic gambling to do so safely

3.2 Gambling Act Definitions

Classes of Gambling

The Gambling Act regulates six classes of gambling. Class 4 is the subject of this report.

- Class 1 gambling (no licence required)
- Class 2 gambling (no licence required)
- Class 3 gambling (class 3 operators licence required)
- **Class 4 gambling (gambling involves the operation of gaming machines, Class 4 operators licence and venue licences required).**
- Casino gambling (casino operators and venue licences required)
- Gambling conducted by the New Zealand Lotteries commission.

There are a number of criteria observed for each class of gambling.

Gaming machine

A gaming machine is defined in the Gambling Act 2004 as follows:

- Means a device, whether totally or partly mechanical or electronically operated, that is adapted or designed and constructed for use in gambling; and*
- Includes a device for gambling that is conducted partly by a machine and partly by other means; and*
- Includes a device, or type of device, that is declared to be a gaming machine by regulations made under section 36; but*
- Does not include*
 - A device only used to draw the lottery*
 - A random selection device used in a game of housie; or*
 - A device used only to dispense tickets that is not capable of being used to decide the outcome of gambling; or*
 - A communication device that is used to dispense tickets in and draw a lottery that is in a sales promotion scheme; and*
- Does not include a device, or a type of device, that is declared not to be a gaming machine by regulations under section 36; and*
- Does not include a device operated by the Lotteries Commission*

3.3 Class 4 Gambling requirements and Controls

Compliance with Department of Internal Affairs standards and regulations are required in conjunction with compliance with the Council Policy.

Joint responsibility exists between Department of Internal Affairs (DIA) and Councils. Council are required to have a policy in place which regulates the number of gambling machines within a district. DIA control the operation of the machines to ensure they operate honestly, fairly and transparently.

More information on DIA's role can be found at

https://www.dia.govt.nz/diawebsite.nsf/wpg_URL/Services-Casino-and-Non-Casino-Gaming-Class-4-Operators-Licence-Forms

Compliance with both KDC policy and DIA requirements is needed prior to installing machines.

Regulation

The minimisation of class 4 gambling harm is regulated by the following functions

- Gambling inspectors inspect venue to ensure venues are operating within the confines of the Gambling Act, including the venue's responsibilities around harm minimisation
- DIA monitors the amount of funds non-club societies return to communities to ensure is minimum funds are reached under the required regulations

- Non-club societies must apply to the DIA for a gambling licence.

DIA have regulations and standards that must be met prior to a gaming licence being issued venues applying for gaming licences must provide their harm minimisation policy/statement and policy for identifying problem gamblers.

Further to this, a venue must provide information around forecast financial information and other relevant financial information pertaining to the venue.

CHECKLIST



Please ensure that you have included the following with your application (where applicable):

(please tick)

- Personal Information forms for ALL key persons**
- Governing document (constitution/rules)**
- Minutes**
- A copy of your corporate society's harm minimisation policy/statement**
- A copy of your corporate society's policy for identifying problem gamblers**
- Venue application for the venue listed in PART I**
- Supporting documentation regarding distribution of net proceeds (if applicable)**
- an agreed-upon procedures report on the forecast financial information. This must be prepared by an Independent Chartered Accountant with a Certificate of Public Practice. (PART J)**

You may be required to provide further information to assist the Department in assessing your application.

If your application is incomplete or missing supporting documentation, it will be returned to you without being processed. Please check the accuracy of the application and supporting documentation as inaccuracies/inconsistencies will cause significant delays.

Source: DIA website:

[https://www.dia.govt.nz/Pubforms.nsf/URL/GamblingLicensing_Class4_GC1A-1.pdf/\\$file/GamblingLicensing_Class4_GC1A-1.pdf](https://www.dia.govt.nz/Pubforms.nsf/URL/GamblingLicensing_Class4_GC1A-1.pdf/$file/GamblingLicensing_Class4_GC1A-1.pdf)

The Gambling Act 2003 introduced higher levels of control to aid in the reduction of gambling harm

- Restrictions on venues suitable for operating gaming machines
- No ATMs allowed in the gambling area of a venue
- Maximum stake and prize limits for gaming machines
- A feature on each gaming machine which interrupts play of not more than 30 minutes of continuous play
- Restrictions on jackpot branding and advertising
- Requirement to give venue staff problem gambling awareness training
- Requirement to make information about problem gambling available to patrons
- Ability for venue staff to issue exclusion orders to patrons

3.4 Problem Gambling and Harm

As part of this review we have considered a range of factors, including discussions with Sarah Campagnolo, Problem Gambling Foundation and Nicky Taylor, Health Promoter Salvation Army.

Two of the key risks associated with gambling is criminal activity and problem gambling. Class 4 gambling (gaming machines) is considered to be very high risk. Based on the New Zealand statistic that 1.8% of New Zealanders are considered to be severe problem gamblers, it is estimated that 56 residents in Kaikōura could be considered problem gamblers.

A problem gambler can be defined as a person whose gambling causes harm or may cause harm. Gambling harm can be defined as:

- (a) Means harm or distress of any kind arising from, or cause or exacerbated by, a person's gambling; and
- (b) Includes personal, social or economic harm suffered-
 - (i) By the person; or
 - (ii) By the person's spouse, civil union partner, de facto partner, family, whanau, or wider community; or
 - (iii) In the workplace; or
 - (iv) By society at large

Around 1 in 5 New Zealand adults (22%) will be affected at some time in their lives by their own gambling or the gambling of others. (Footnote 1)

The PGF report in Attachment 2 indicates Kaikōura district is at low risk for class 4 gambling harm, which suggests that a relocation policy is not necessary. A relocation policy would be more beneficial in a community with a higher number of gaming machines that are located in high deprivation areas. The report states that nationally, 50% of EGMs are located in higher deprivation areas. 1.8% of New Zealanders are considered to be severe or high-risk gamblers.

"What this could mean for Kaikōura is that of the approximately 3,915 usually resident adults in the TLA per the 2018 census, around 56 residents are losing 30% of Kaikōura's GMP - or \$336,512. Conversely, the remaining 70% of GMP losses would be split amongst the remaining 3,067 residents, equalling only approximately \$256 each" (PGF, March 2021).

3.5 Class 4 gambling in the Kaikōura District

There are currently licences in Kaikōura for 18 machines. These are at one venue.

Attachments 3 and 4 contain statistics from DIA relating to gambling and grants in the Hurunui and Kaikōura (from 2019 the areas have been combined so Kaikōura only data is not published).

The data does not suggest any concerning trends that might affect this review.

3.6 Council's current Policy - Relocation, caps, and sinking lid policies.

Relocation

In 2013, the Gambling Amendment Act 2013 amended the Gambling Act 2003. The amendment act introduced a relocation policy which requires territorial authorities to consider whether to include a

¹ Thimasarn-Anwar, T., Squire, H., Trowland, H. & Martin, G. (2017). [Gambling report: Results from the 2016 Health and Lifestyles Survey](#). Wellington: Health Promotion Agency Research and Evaluation Unit

relocation policy in its class 4 gambling policy review. According to DIA, as of 2016, about half of New Zealand Councils have relocation policies in relation to class 4 gambling policies/bylaws.

A relocation policy is defined in section 101 of the Gambling Act 2003 as follows:

A relocation policy “sets 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 an existing venue (within the district) to which a class 4 venue licence applies (in which case section 97A applies).”

The implication of a relocation policy could:

- Allow venues to retain the number of machines in a license granted prior to 17 October 2001 and/or
- Protect venues in places where a sinking lid policy operates. A sinking lid policy is when no new licenses for class 4 gaming machines can be granted, and machines cannot be transferred if a venue closes.

The Council has not implemented a relocation nor sinking lid in its current policy.

Capped Policy

A capped policy is a limit on the number of Class 4 Gaming Machine licences a territorial authority is permitted to allocate. Kaikōura District Council have implemented a cap of 60 gaming machine licences in the Kaikōura District in the current policy. As discussed below it is recommended to reduce this to 27.

Sinking Lid Policy

A sinking lid policy means that once a class 4 gambling venue closes, the Council does not issue any other venue a licence to replace that venue. A sinking lid policy is generally considered to be a more aggressive policy approach. It is generally recommended for territorial authorities that have a high-risk district in relation to Class 4 gambling. A sinking lid policy can be established for both Class 4 venue licences and Class 4 gaming machines. The Council does not currently operate a sinking lid policy. The Electronic Gaming Machine Grant Funding Report (PFG, March 2021) demonstrates machine numbers are decreasing without further imposed regulation. Where venues have shut or gaming machines have been reduced, no new licenses have been applied for.

4. ISSUES AND OPTIONS

4.1 Issues

Unintended consequences of online and mobile gaming

Territorial authorities that drastically reduce the number of gaming machines in its jurisdiction run the risk of problem gamblers turn to online and mobile gaming. This is one factor that has changed over time, with much increased access to online gambling. Mobile gambling is not subject to any Council controls. The New Zealand Racing Board described this as an unintended consequence of reducing the number of class 4 gaming machines, i.e. people migrate from Class 4 gaming machines to online gaming. Online gaming can be hard to manage and the actual consequences from class 4 gaming may be unrealised.

Reduction in community funding

Non-club gaming machines must distribute at least 40% of proceeds back to the community. Currently, the Kaikōura District Council has a cap of 60 class 4 gaming machine licenses, however there are only existing licences for 18.

A reduction in the number of class 4 licences may lead to a reduction in the amount the community receives in funding from gaming machine proceeds – although this is not currently an issue.

The Problem Gambling Foundation (PGF), state that while Trusts and Societies may be situated in one town or city, the grants that are provided to those groups are not necessarily provided from the TLA where the losses were taken. Further to this, between 2015 and 2018, Trusts and societies within the Kaikōura District received 17-21% of the money lost from class 4 gaming machines.

It is considered that reducing the cap will not significantly reduce money received in community funding from class 4 gambling.

Social inequalities in gambling

The Ministry of Health report that whilst social inequalities withing gambling have reduced, they are still prevalent in society. Research suggests that people affected by problem gambling is more likely to impact those in high deprivation neighbourhoods. Maori and Pacific peoples are also more likely to be affected by problem gambling. Abbott and Volberg (2000) concluded in a 1999 study that Maori and Pacific Islanders remained at high risk. Current risk profile (data for Hurunui and Kaikōura have been combined since 2019)

Creation of Monopoly

As discussed above post-earthquake the community has 16 machines operating, , these are all located at one venue. Clearly no monopoly can exist with the presence of online gambling. Having a cap at 27 will allow another class 4 gambling venue to establish within the district and reduce any perception of monopoly.

4.2 Options

Option 1: Relocation policies

It is recommended that this policy review not include a relocation policy.

As required by the Gambling (Gambling Harm Reduction) Amendment Act 2013, the Council is required to consider a relocation policy in its review of its Class 4 Gambling Venue Policy. Previous amendments of the policy have not included a relocation policy. This is also advocated for in the Electronic Gaming Machine Grant Funding Report. However, where a new location for a current venue with gaming machines is proposed, where the site is very close to the existing site, the venue name will be the same, and the ownership of the venue will be the same as the original site, then the Department of Internal Affairs may not consider that to be a change in venue (or a relocation) under the Gambling Act 2003. In such cases the gaming machines permitted under the existing venue may be transferred to the new site.

It is considered that a relocation policy is more beneficial where a quantity of gaming machines is located in a high deprivation area and would seek to move gaming machines out of those areas.

Option 2: Implement a cap of 27 gaming machine licenses in the Class 4 Gambling Policy using the special consultative procedure in section 83 of the Local Government Act 2003

This is the recommended option for the cap.

The operative Class 4 Gambling Policy has a cap of 60 licences in the district. There are currently 16 machines operating in the district due to the earthquakes, with a number of venues lost. This is an opportunity for the District to reduce the number of licences available while still allowing some capacity for a limited number of licences to be applied for. Kaikōura is considered to be at low risk of gambling machines and the Council is satisfied that a cap policy is a sufficient level of regulation for class 4 gambling for this review.

Option 3: Rollover existing policy of a cap of 60 gaming machine licenses

This is not a recommended option.

The current policy has a cap of 60 gaming machine licenses. Given that there are 18 Electronic Gaming Machines licenced in the Kaikōura District and no new licenses have been applied for, it is considered reasonable to reduce the number of gaming machine licenses permitted.

Option 4: Implement a sinking lid policy

This is not a recommended option.

If the option to implement a cap of 27 machines is adopted, then a sinking lid from the current 60 machines is not required. A sinking lid policy would seek to gradually reduce the number of machines in the district. This would only occur if one of the current venues was to cease trading or lose its gambling licenses.

If Council considered retaining the 60 cap, or greater than 27, then a sinking lid might be considered. The New Zealand Racing Board submitted in 2007 that a sinking lid policy reduces the number of community funding available and was unlikely to reduce problem gambling. It is considered that a sinking lid policy would be beneficial in a place with a higher number of gaming machines and is seeking to reduce gambling harm. Kaikōura is not considered to be at high risk for class 4 gambling and implementing a sinking lid policy may be ineffective for reducing gambling harm.

A sinking lid policy can be considered an aggressive method of reducing gaming machines in a place. For Kaikōura, given that there are already a low number of gaming machine licenses, drastically reducing the number of machines may lead to a switch in online gambling which can be more difficult to monitor.

5. COMMUNITY VIEWS

The community will be consulted as part of the special consultative procedure as set out in s83 of the Local Government Act 2002. As part of this review, the community will be invited to make submissions on the proposed class 4 gambling policy and be given the opportunity to share views on the proposed class 4 gambling policy.

Pursuant to section 78 of the Local Government Act 2002, a local authority must give consideration throughout the review process to the views and preferences of persons likely affected by the class 4 gambling policy or have interest in the matter.

6. FINANCIAL IMPLICATIONS AND RISKS

Financial Implications

Reducing the cap of electronic gaming machines from 60 to 27 is considered to have no financial implications to Council.

Community Implications

Class 4 funding to communities

Non-club gaming machines must distribute at least 40% of proceeds back to the community. See Attachment 3 for funding statistics.

It is considered that the reduction gaming machine licences to twenty-seven (27) down from sixty (60) will not have a negative impact on community funding given there are only 18 machines currently licensed in the Kaikōura District.

Community deprivation

When a territorial authority is considering a relocation policy, it must consider the social impact of gambling in high deprivation communities within the district.

The PGF report in Attachment 2 indicates Kaikōura district is at low risk for class 4 gambling harm, which suggests that a relocation policy is not necessary. A relocation policy would be more beneficial in a community with a higher number of gaming machines that are located in high deprivation areas. The report states that nationally, 50% of EGMs are located in higher deprivation areas. 1.8% of New Zealanders are considered to be severe or high risk gamblers.

“What this could mean for Kaikōura is that of the approximately 3,915 usually resident adults in the TLA per the 2018 census, around 56 residents are losing 30% of Kaikōura’s GMP - or \$336,512. Conversely, the remaining 70% of GMP losses would be split amongst the remaining 3,067 residents, equalling only approximately \$256 each” (PGF, March 2021).

7. RELEVANT LEGISLATION

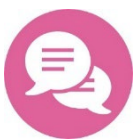
Policy and legislation

- **Gambling Act 2003:** The Gambling Act 2003 requires territorial authorities to have a Class 4 Gambling Policy.
- **Gambling Amendment Act 2013:** The Gambling Amendment Act introduced a requirement for territorial authorities to consider a relocation policy in its class 4 venue policy in its next review. Consideration at future reviews is at the discretion of the territorial authority.
- **Kaikōura District Council Gambling Policy 2017:** this policy the most recently reviewed version of the Class 4 Gambling Policy for Kaikōura.
- **Local Government Act 2002:** The Act requires local government to review this policy every three years. However, if the officer deems it necessary it can be reviewed prior to this date.

Delegations

The CEO is delegated the power to process consent applications in accordance with this policy and may delegate this power to other officers.

8. COMMUNITY OUTCOMES SUPPORTED



Community

We communicate, engage and inform our community



Future

We work with our community and our partners to create a better place for future generations

Class 4 Gambling Policy 2022

Definitions

Class 4 gambling is defined in the Gambling Act 2003 as:

(a) Gambling that is not gambling of another class and that satisfies the following criteria:

(i) The net proceeds from gambling are applied to or distributed for authorised purposes:

(ii) No commissions is paid to, or received by, a person for conducting the gambling:

(iii) The gambling satisfies relevant games rules; and

(b) Gambling that utilises or involves a gaming machine; or

(c) Gambling categorised by the Secretary [for Internal Affairs] as class 4 gambling

1. Objectives

1.1 To control the growth of gambling.

1.2 To prevent and minimize the harm to the community caused by gambling, including problem gambling.

1.3 To control the growth of electronic gambling machine gambling in the district.

1.4 To allow those who wish to participate in electronic gambling machine gambling to do so, safely and responsibly, within the district.

2. Where Class 4 Gambling Venues may be established

Class 4 Gambling Venues may be established within the Kaikōura District subject to:

2.1 Meeting application and fee requirements.

2.2 The venue having a 'host responsibility' and gambling harm minimization policy and staff training program.

2.3 Not being a venue primarily associated with family or children's activities.

2.4 New venues must provide a separated area for Class 4 Gambling.

2.5 Established venues applying to increase the number of gaming machines within the venue must provide a separated area for Class 4 Gambling.

2.6 Within the Business A or B zone as per the District Plan

3. Number of gaming machines to be allowed

3.1 New venues shall be issued a consent for a maximum of 9 (nine) gaming machine licenses. ~~A further consent may be applied for allowing venues a maximum of 9 machine licenses after the first 2 years of operation; (subject to complying with clause 4.1)~~

~~3.2 Venues with licenses issued after 17 October 2001 and operating fewer than 9 gaming machines shall be allowed to increase the number of gaming machines operated at the venue to 9.~~

~~3.3 Existing venues with licences issued before 17 October 2001 shall be able to increase the number of gaming machines in the venue to no more than 18.~~

3.4 The number of gaming machines proposed for the venue being able to be met within the overall district cap that is specified in this policy.

~~3.5 Where two or more clubs or societies legally and physically combine their premises, they may apply to have up to 9 machines or the sum of the number of machines specified in all the clubs class 4 licences at the time of application, whichever is the lesser of the two numbers.~~

4. Overall cap on venues and the number of gaming machine licenses in the Kaikōura district

4.1 The total number of gaming machine licenses (including all those licensed on or prior to 17 October 2001) in the district may not exceed **27 (twenty seven)** ~~60 (sixty)~~.

5. Incompatibility of Class 4 Gambling Venues

Class 4 gambling venues must not be located in premises that are incompatible with other predominant uses of the premises or of other premises located in close proximity.

6. External Exposure and Advertising

Gaming machines must not be visible from the street, road or highway and no advertising is permitted, including sandwich board and prize money advertising of any description if able to be seen from the exterior of the premises.

7. Host Responsibility

7.1 All operational staff to have undertaken training on dealing with problem gamblers.

7.2 Gaming Machine venues must display problem gambling material and offer support and supervision for those affected.

7.3 Applicants to show existing proactive problem gambling policies and implementation plans, and the ability to monitor and manage these.

8. Applications

Applications for territorial authority consent must be made on the approved form and must provide:

8.1 Name and contact details of the applicant.

8.2 Street address of the premises.

8.3 A site plan covering both gambling and other activities proposed for the venue.

8.4 Details of liquor licence(s) applying to the premises.

8.5 Any relevant gambling harm minimization policies.

9. Application Fees

These will be set by the Council from time to time, and shall include consideration of:

9.1 The cost of processing the application, including any consultation and hearings involved.

9.2 The cost of establishing and triennially reviewing the Class 4 Gambling Venue policy.

9.3 The cost of inspecting Class 4 Gambling Venues on a regular basis to ensure compliance with consent conditions.

9.4 A contribution towards the costs of triennial assessments of the economic and social impact of gambling in the district.

10. Decision Making

10.1 ~~The council shall administer this policy~~

10.2 ~~10.1~~ Upon receipt of a complete application form containing all required information and the full application fee, the Council has 30 working days to determine a decision.

10.3 ~~10.2~~ The decision on an application will be made at an officer level pursuant to delegated authority and be based on the criteria detailed in this policy.

11. Monitoring and Review

11.1 The Council will review the policy within 3 years of its adoption and then within 3 years after that review and each subsequent review is completed.

11.2 The Council will monitor the social and economic impact of gambling on the community as part of the policy review process.

11.3 The Council may amend this policy as a result of the findings of the social and economic~~al~~ impact monitoring.

11.4 Any review of amendment of this policy will be undertaken in accordance with the special consultative procedure outlined in the Local Government Act 2002.

12 Adoption and Commencement

12.1 This policy is to be adopted by the Council in accordance with the special consultative procedure.

12.2 This policy will take effect from the day after its adoption by the Council

12.3 this policy was adopted at the duly notified Council meeting held on xxx and after completion of the special consultative procedure, and takes effect from xxxx date

Attachment 2 – Electronic Gaming Machine Grant Funding Report

Attachment 3 _Gaming Machine Statistics for Hurunui and Kaikōura

Mar-2015 to Mar-2022

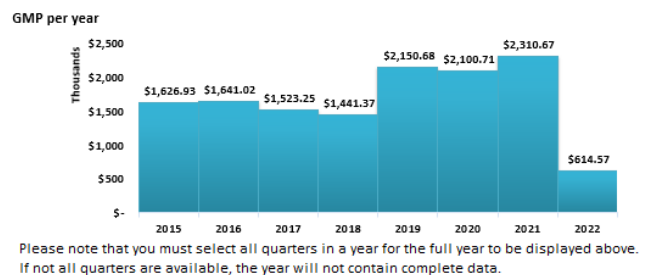
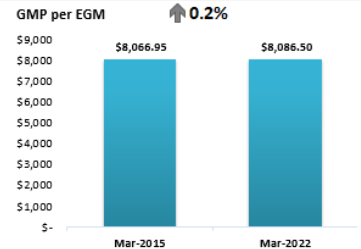
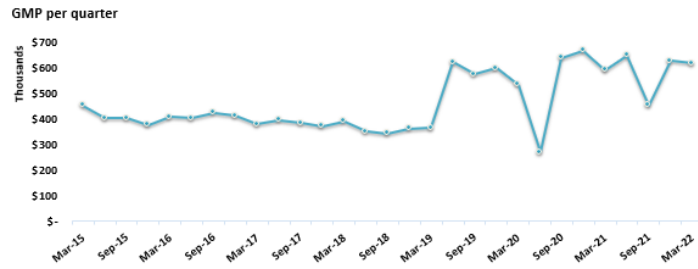
Gaming Machines Statistics Dashboard

Region TA Specific
TA Hurunui District (June 2019 incd. Kaikōura)

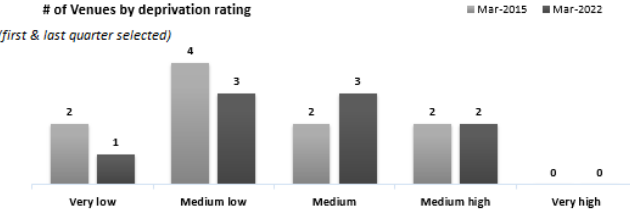
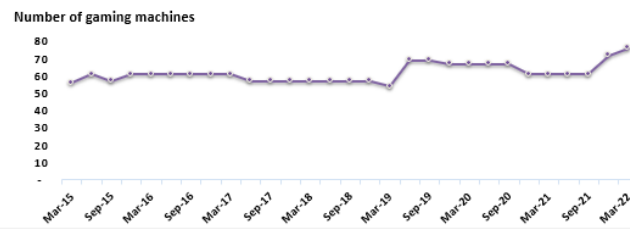
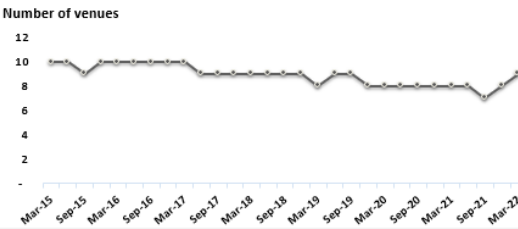
Class 4 Gaming Machine Profits (GMP) is expenditure or player loss on Electronic Gaming Machines (EGMs) in the Class 4 Sector. Each year roughly 40% of GMP is returned to the New Zealand community.

	Yearly GMP (Mar-2022)	Quarterly GMP	# venues	# EGMs
National	\$836,734,804.36	\$208,415,410.66	1,047	14,753
	Yearly GMP (year ending)	Quarterly GMP	Venues	EGMs
Mar-2021	\$2,157,837.16	Mar-15 \$451,748.95	10	56
Mar-2022	\$2,337,005.85	Mar-22 \$614,573.90	9	76
Difference	\$179,168.69 ↑ 8.3%	Difference \$162,824.95 ↑ 36.0%	-1 ↓ 10.0%	20 ↑ 35.7%

GMP

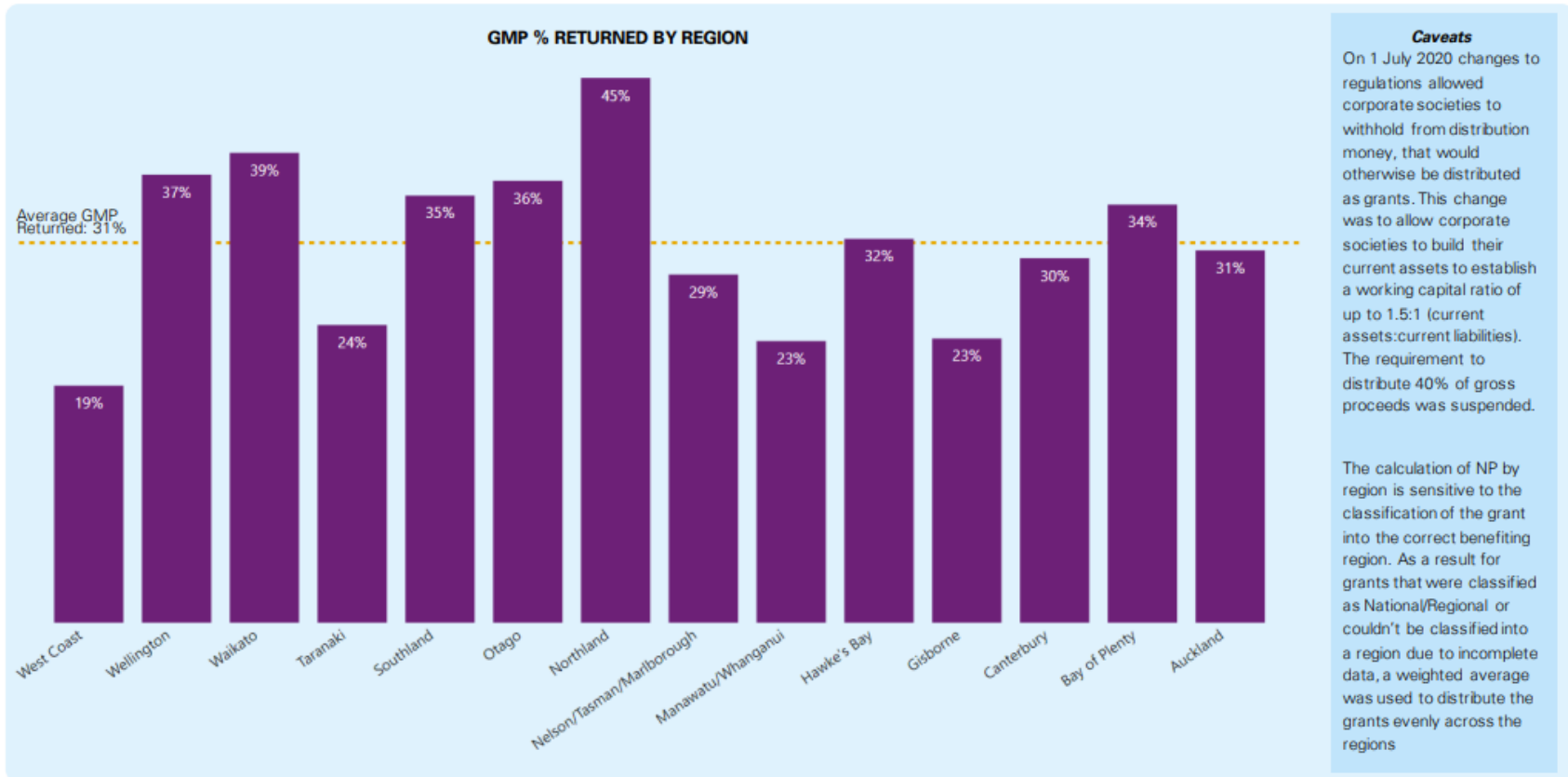


Venues and EGMs



How gaming machine profits were returned by region in 2020

Net proceeds % (NP %) are the proportion of Gaming Machine Profits (GMP) that are distributed within a specific region to benefit that community. There is large variation in NP across the regions which is likely amplified by the uncertainty brought upon by Covid-19. The regions which had the largest amounts granted, Auckland, Wellington and Canterbury had NPs of 31%, 37% and 30% respectively. The national NP average was approximately 31% for 2020.



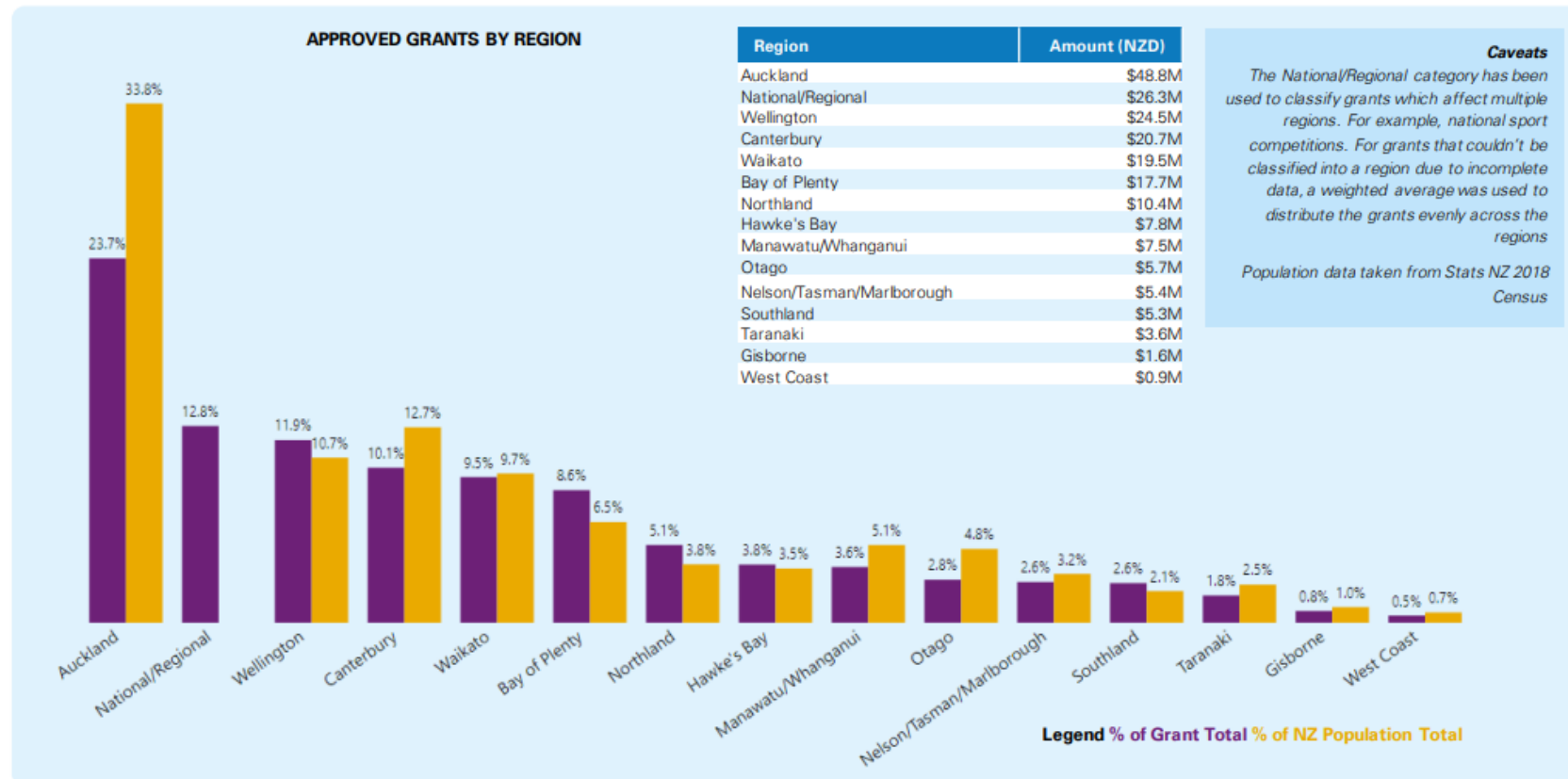
Caveats
 On 1 July 2020 changes to regulations allowed corporate societies to withhold from distribution money, that would otherwise be distributed as grants. This change was to allow corporate societies to build their current assets to establish a working capital ratio of up to 1.5:1 (current assets:current liabilities). The requirement to distribute 40% of gross proceeds was suspended.

The calculation of NP by region is sensitive to the classification of the grant into the correct benefiting region. As a result for grants that were classified as National/Regional or couldn't be classified into a region due to incomplete data, a weighted average was used to distribute the grants evenly across the regions

How funding is spread across New Zealand

There was a variety of locational information requested from societies. This report focuses on Regional information given it is a reliable and commonly understood categorisation of location.

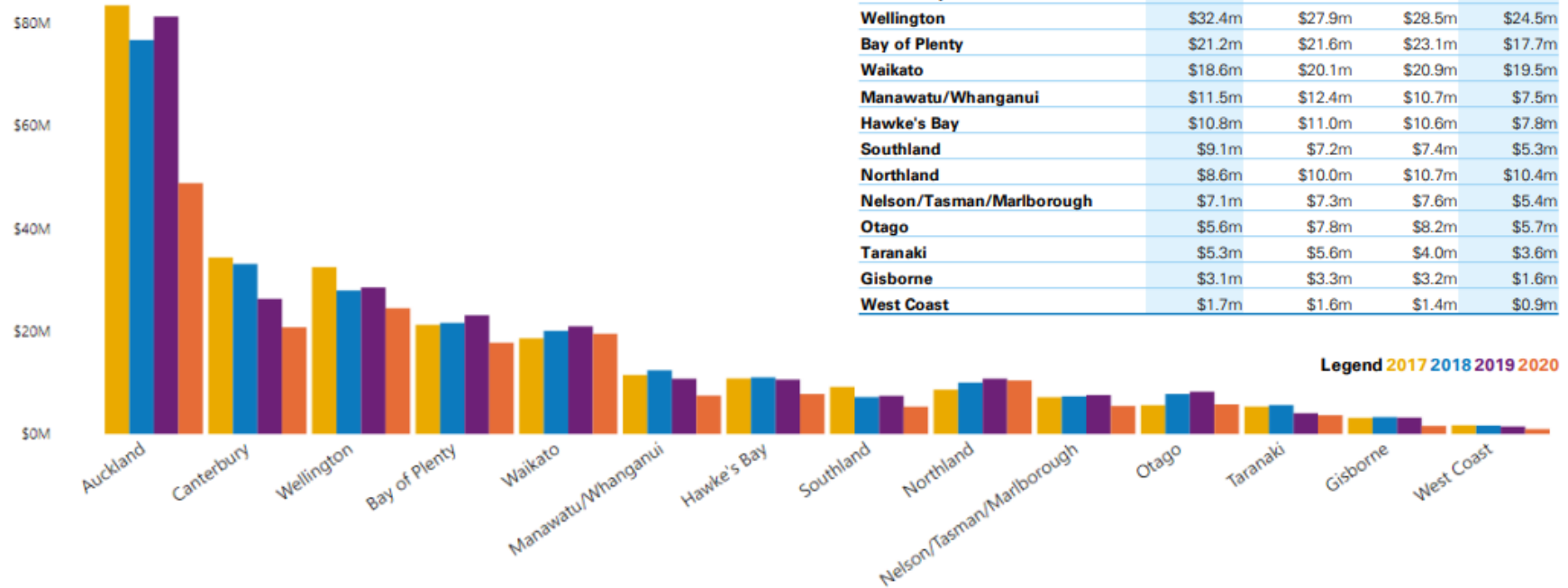
Grant funding was provided to 100% of Regions in New Zealand. The Region that received the most grants was Auckland (24%), followed by Wellington (12%) and Canterbury (10%).



Grant distribution variance by region from 2017 to 2020

There has been a decrease in funding across most regions likely as a result of the Covid-19 pandemic. Auckland experienced the largest decrease in funding from 2019 to 2020 by approximately \$30m. All regions saw a decrease in funding for 2020.

APPROVED GRANTS BY REGION BETWEEN 2017 - 2020



Source: [https://www.dia.govt.nz/diawebsite.nsf/Files/Gambling-Class-4-Grants-Data-Review/\\$file/Class-4-Grants-Data-Analytical-Review-2020.pdf](https://www.dia.govt.nz/diawebsite.nsf/Files/Gambling-Class-4-Grants-Data-Review/$file/Class-4-Grants-Data-Analytical-Review-2020.pdf)