



ORDINARY MEETING OF COUNCIL

Open Minutes (Gambling Venues and

Psychoactive Products Sales Points Policy Review Hearings)

Meeting Date: Tuesday 23 March 2021

Time: 9.02am – 4.58pm

Venue Large Exhibition Hall
Napier War Memorial Centre
Marine Parade
Napier

Present Mayor Wise, Deputy Mayor Brosnan, Councillors, Chrystal, Crown, Mawson, McGrath, Price, Simpson and Tapine

In Attendance Chief Executive (Steph Rotarangi)
Director City Strategy (Richard Munneke)
Manager Regulatory Solutions (Rachael Horton)
Liquor Licence Inspector (Darryn Waugh)
Senior Advisor Policy (Michele Grigg)

Submitters in Attendance Vicki Berkahn, Leeanne Makea, and Ricky Winiata (Submission #21 & #41)
Paul Bailey (Submission #30)
Edward Peter Timu (Submission #33)
Robin Gwynn (Submission #42)
Dorothy Paki (Submission #65)
Councillor Maxine Boag (Submission #44)
Martin Cheer (Submission #45)
Samuel Harvey (Submission #48)
Samantha Alexander (Submission #58)
Nigel Hall & Liz Lambert (Submission #60)
Tina McIvor (Submission #63)

Angela Denby (Submission #68)
Jarrod True (Submission #38)
Joy Shaw (Submission #74)
Lorraine Tipene (Submission #75)
Heneriata Edmonds (Submission #77)
Cath Healey (Submission #78)
Sharon Jenkinson (Submission #79)
Tanya Piejus (Submission #36)
Patrick Le Geyt (Submission #39)

Administration

Governance Team (Anna Eady and Carolyn Hunt)

Karakia

Apologies

Council resolution Dep. Mayor Brosnan / Councillor McGrath

That the apologies from Councillor Browne, Councillor Taylor and Councillor Wright be accepted.

Carried

Conflicts of interest

Councillors Boag, Crown, Price & Taylor have declared a conflict for the Gambling Venues Policy Review agenda item.

Public forum

Nil

Announcements by the Mayor

Due to an omission, the attachment to submission 41 was not included in the published agenda, however Councillors were given a copy of the document to consider with all other submissions 7 days prior to today.

Announcements by Management

Some staff are absent today due to illness and training courses.

AGENDA ITEMS

1. GAMBLING VENUES POLICY REVIEW HEARING REPORT

Type of Report: Legal

Legal Reference: Gambling Act 2003

Document ID: 1295892

Reporting Officer/s & Unit: Rachael Horton, Manager Regulatory Solutions

1.1 Purpose of Report

This report provides an analysis of submissions received on the Gambling Venues Policy review.

The purpose of this report is for Council to consider and make decisions on the Gambling Venues Policy review.

At the Meeting

The following submitters spoke to their submissions:

Vicki Berkahn, Leeanne Makea and Ricky Winiata (Hawke's Bay Gambling Harm Services / Te Rangihaeata Oranga Trust (TRO)) spoke to their submission, and displayed a PowerPoint presentation (*Doc 1300262*), stating that:

- TRO hold a Ministry of Health (MOH) contract to reduce gambling harm in Hawke's Bay and have a lot of expertise and experience in this field.
- Gaming Machines (defined in the Gambling Act 2003 as class 4) are only played by a small amount of New Zealanders but are the most harmful form of gambling. They are the mode where the most money is gambled.
- The majority of TRO's clients cite pub/club gaming machines as their primary problem.
- Other forms of harmful gambling are gambling at the TAB and online gambling, although some online gambling is regulated and people are only able to spend a certain amount within a day. People who go to gaming venues can stay there all day and spend as much as they want.
- Under the Treaty of Waitangi the Crown, and its agents, have a duty to protect Māori from negative health outcomes. 44% of TRO's clients are Māori.
- It is a deprecation issue. \$17,407,330 was gambled on gaming machines in Napier in 2020.
- The further deprived a gambler is, the more of their money they spend on gaming.
- People play to escape a troubled life.
- Taradale has the highest use of gaming machines in Napier, Maraenui is the second highest.
- It is mostly females who are experiencing harm from gambling.
- TRO supports a sinking lid policy with the no machine relocation option.
- TRO also advocates for licences to be removed at venues where there is poor host responsibility, and where gambling is more profitable than the primary purpose of the venue, which is illegal.
- Some venues have ATMS within the venue which allow people to withdraw more money than is in their bank accounts.
- Family violence, anger, and neglected children are the result of harmful gambling.

- Gaming machines are designed to create addiction.
- TRO acknowledge community organisations benefit from gaming trust funding, but suggest organisations seek other forms of funding to raise the mana of their organisation.
- A sinking lid policy will be a slow reduction in machines as venues close, so funding from gaming machines will still be available for some time yet.
- It was acknowledged that as venues close people may stay longer in a venue they need to travel further to reach, but if the venues practice good host responsibility people will be monitored and actively encouraged to make sensible choices.
- The numbers affected by gambling harm have remained static for some time, however the last quarter of 2020 had the highest expenditure on gaming machine gambling.
- Online gambling is drawing in a new market of gamblers, people who are trapped at home. The spend on Lotto is becoming comparable to gaming machines, however this is spread over the whole population rather than the small group who gamble at the gaming machines.

Paul Bailey spoke to his submission stating that:

- The consultation document did not explain what gambling harm means, or what is an acceptable level of harm.
- Problem gambling has increased since 2017 when this policy was last reviewed.
- The status quo option is cited in Council's report as helping the hospitality industry but does not take into account the cost of problem gambling.
- The community only supports gaming machines remaining is because of the Gaming Trust's community funding. There are other ways to raise funds for community groups and often these methods build social cohesion within a group due to people working together for a common cause.

Edward Peter Timu (Napier Baptist, Riverbend Road) spoke to his submission stating that:

- In reference to biblical and scriptural texts the submitter encouraged the Council to lead the way in being supportive of vulnerable communities, take away the opportunity to waste their money, and to reduce harm wherever it can.

Robin Gwynn spoke to his submission stating that:

- He supports a sinking lid policy with no relocations or club mergers allowed.
- He has highlighted two areas in his written submission which were not addressed in the Officer's report. That Napier allows and encourages gaming machines to be in our community, and the cost of the gaming machines to our community.
- Gaming parlours do not have clocks or windows so the player has no awareness of the passing of time.
- If there was no gambling harm there would not be legislation to regulate it.
- Gaming machines are the most harmful type of gambling. Napier leads the country in the number of machines per head of population, and Napier's gambling spend is high compared to national and regional averages.
- Comparing the current gambling statistics with the statistics three years ago when this policy was last reviewed is too narrow a window to assess gambling impacts.
- The larger cities in New Zealand have agreed that despite the benefit to charities and community groups from gaming funds, the community losses are too high.

Dorothy Paki (Napier Returned Serviceman's Association (RSA) and Hospitality New Zealand) spoke to her submission stating that:

- She supports the status quo option.
- Speaking as someone who grew up in a home with a problem gambler. If gaming machine venues are taken away, the problem gambler will find another way to gamble that is not safely supervised. Clubs like the RSA are responsible venues where people can drink alcohol and gamble safely.

- Online gambling is more dangerous as it has no checks and balances. Do not assume vulnerable communities cannot access means to gamble online. An addict will find a way.

In response to questions it was clarified that:

- There are irresponsible venues in Napier and Council should be aware of where they are.
- If the gaming machines were lost overnight it would only impact the ability to improve Club facilities. There would be no other impact on the club members.

The meeting adjourned at 10.07am.

The meeting reconvened at 10.52am

Maxine Boag spoke to her submission, and displayed a PowerPoint presentation (*Doc 1300461*), stating that:

- At the 3 December 2020 Council meeting, Council put out a draft policy for community consultation which had little change from the status quo, and was not supported by Council's Māori Consultative Committee. The vast majority of community submissions do not support the draft policy, or if they do they do not think it goes far enough.
- The hospitality industry has been prioritised ahead of health in the draft policy.
- 87 out of 104 submissions want tighter regulations than are proposed in the draft policy. This is an overwhelming response.
- There are no submissions from organisations who receive gaming industry funds. The industry says community organisations are dependant on their funding, but none have submitted in support of the status quo. Also organisations may not feel they can speak against the gaming industry in case they lose their funding.
- All community groups who have submitted want a sinking lid policy with no relocations or mergers. These groups are all concerned with wellbeing.
- Council could lobby central government to phase out gaming grants and replace them with government grants.
- The allocation of the gaming grants is shrouded in secrecy. Organisations get blacklisted but this is not published.
- Council has two levers available to reduce gambling harm, having a sinking lid policy with no relocations of machines allowed, and to lead the way by not taking gaming trust funding.
- Napier knows gaming machines are addictive and is asking for further regulation.
- Supports sinking lid with no relocation of machines or mergers of club machines.

Martin Cheer (Pub Charity Limited) spoke to his submission, and displayed a PowerPoint presentation (*Doc 1300469*), stating that:

- Pub Charity has operated in Napier for 27 years and consider themselves a major stakeholder in the area.
- Pub Charity supports option 1, the cap of machine numbers, as it is in line with the Gambling Act (2003) which takes a balanced approach to class 4 gambling, by controlling its growth and regulating the industry, whilst minimising harm and facilitating responsible gambling.
- If gaming machines are taken away public health would not improve, rather gamblers would turn to other unsafe and unregulated methods of gambling. As an example during the COVID level 4 lockdown in 2020, Sky City Casino and Lotto reported a steep increase in online gambling.
- The exposure of the adult population in New Zealand to gaming machines has halved since 2005, however the overall gambling spend has increased by 20% and the MOH has reported the problem gambling rate is unchanged since 2006.

- Sinking lid policies only reduce funding not problem gambling, and there is no evidence to support this.
- Napier City Council's (NCC) proposed policy is balanced and that is why organisations who receive funding have not submitted.
- Problem gambling reduced significantly during the 1990s, before Councils had gambling venue policies, and has stayed at about the same level ever since. This is one of the lowest in the world at 0.2%.
- There is no evidence that the status quo option would lead to more problem gambling. The Problem Gambling Foundation have acknowledged in 2007 that the correlation between increased gambling opportunities and problem gambling does not establish causation.
- Problem gambling is a mental health issue, not a public health issue. Gaming machines which are located in urban or CBD areas have less at risk people playing them. A policy that recognises at risk communities is more practical than a blanket approach to gaming machine location.

In response to questions it was clarified that:

- He would be surprised if Napier had a large amount of machines per population, but will come back to Council on where Napier sits compared to the rest of the country.
- People that want to self-ban from gambling can. There is facial recognition technology that Pub Charity would like adopted industry wide. It is already in use in Pub Charities Napier venues.

Samuel Harvey spoke to his submission on behalf of his congregation at Bay Vineyard Church and made the following points:

- In his experience one in three people who gamble on gaming machines are problem gamblers. The actions of these individuals, on average, impact six others close to them. This impact can be physical violence. The discussion about this Policy is not taking into account the stories of those people impacted by the problem gambler.
- Legislation is a blunt tool, but it can be made effective if it is coupled with programmes which support community members to learn better life skills, such as budgeting.
- Council is here to make decisions that help the community, and the community are asking for change.
- There is a lack of transparency by the gaming industry as to where their money comes from and where the funding goes. Community groups should make an ethical choice not to receive funding from gambling proceeds. Leaders need to make difficult choices.
- Gambling online during the COVID level 4 lockdown should not be counted in statistics as it was a stressful time where people behaved abnormally.

Tina Mclvor (Problem Gambling Foundation (PGF)) (via Zoom) spoke to her submission, and displayed a PowerPoint presentation (*Doc 1302082*), stating that:

- Under the Gambling Act 2003 there is a strong public health impetus to reduce gambling harm. In 2019 \$20.16 million was spent on gaming machines in Napier and the MOH talks of financial harm being the first place where harm occurs to a community.
- Online gambling is an increasing concern in the clients the PGF sees but this is being monitored by central government.
- Gaming machines in pubs and clubs are causing the most harm, and 50% of people presenting to support services are affected by class 4 gambling. They are highly addictive. Although the machine numbers are declining the level of harm is on a plateau and spending on gambling is up.
- The machines around the country are clustered in high deprivation areas.
- Legislation dictates there should be 40% of gambling funds going back into the community, but PGF finds there is far less going back in some areas. 60% of funds go into running the gambling industry.

- Only 15% of problem gamblers present to PGF, and for every problem gambler there are five to ten people being impacted by their problem in the form of family violence and deprivation.
- PGF would hope that Napier City Councillors have visited the gaming venues to see what they are like and a sense of who frequents them, and PGF also encourages council to petition the Minister of Internal Affairs with section 314 of the Gambling Act 2003 to limit the number of gaming machines in high risk areas.
- PGF support the sinking lid option with no relocations or club mergers.

In response to questions it was clarified that:

- PGF believe bringing gaming machine numbers down will prevent the growth of gambling harm. It is not possible to know how prohibition would alter the situation as the country has not experienced it.

Councillor Crown left the meeting at 11.39am.

Councillor Crown returned to the meeting at 11.42am.

Nigel Hall & Liz Lambert (Safer Napier Strategic Group (SNSG)) spoke to their submission stating that:

- The SNSG support the sinking lid option with the addition of the no relocations or mergers option.
- Forty groups make up the SNSG. The group want to help reduce gambling harm, along with other kinds of harm, in the community.
- Gambling contributes to deprivation in families and in their opinion is twice as harmful and costly to society as chronic health conditions such as osteoarthritis and diabetes.
- Gaming machine numbers should be reduced in poorer areas of the city as this would reduce gambling harm.
- There are two gaming machine venues located in very high deprivation areas, and eleven venues in the medium deprivation areas.
- \$46,000 per day is spent on gaming machines.
- It makes sense to have NCC's gambling policy in line with Hastings District Council's policy.
- In addition to the policy, NCC's regulatory team could do checks that gambling venues are complying with the Gambling Act 2003.
- The group would also like to advocate for money spent on gambling in Napier to go back to the Napier community.

Angela Denby spoke to her submission stating that:

- Playing the gaming machines is the most harmful manner of gambling. The random nature of the win gives the brain a dopamine rush which is addictive.
- The most vulnerable in society play these machines. The low socioeconomic community members who are stressed, anxious and depressed.
- Studies show the numbers of women and Māori who are using these machines is increasing.
- It is a short drive to any gaming venue in Napier.
- The Department of Internal Affairs (DIA) report up to 30% of gamblers have a problem.
- Access to a harmful process, such as gambling machines, is lessened by lack of availability.
- The PGF say a conservative estimate is 40% of gamblers have a problem.
- Councillors should visit gaming venues and tighten council oversight on them. They should also take onboard how unethical it is to take funding from the gaming trusts grants due to the trusts lack of transparency. One example is if a grant is split over two Territorial Authorities there is no requirement to provide information about it.

- Councillors should read is 'Ending Community Sector Dependence on Pokie Funding" written by the PGF Group, Hāpai Te Hauora, and The Salvation Army.
- NCC should also support other Territorial Authorities who have a sinking lid policy with no relocations or mergers. They should also support the PGF in their work helping those in need.

Jarrold True (Gaming Machine Association (GMA)) spoke to his submission and displayed a PowerPoint presentation (*Doc 1302157*), stating that:

- The GMA supports the status quo option.
- Relocation is a harm minimisation tool, allowing venues to move out of undesirable locations, away from schools or vulnerable locations.
- The two Napier venues which are in high deprivation areas could be moved to other areas.
- It is reasonable to allow a venue affected by earthquake or fire to relocate to a new building. It would also be reasonable to allow a venue to move if land was needed for housing projects. The no relocation policy locks venues in where they are. Often if they do move it is to more affluent areas.
- The Te Rapa Tavern was relocated and has become a high quality venue.
- The problem gambling rate of 0.2% is very low (this is from all forms of gambling). The Gaming Machine Association feels there is no proven link between gaming machines and problem gambling and the removal of machines does not reduced harm.
- What has changed is the level of funding needed by community groups. This funding is valuable and not easily replaced.
- The GMA feels a more restrictive policy will encourage more online gaming. This money all goes offshore and then cannot be used for local grants, employment opportunities, taxes or harm minimisation.
- Other Councils who have taken a hard line in their gambling policies have still allowed relocations.
- The GMA want clean, modern venues, and want more of the venues to be in a Central Business District as opposed to vulnerable suburban areas.

In response to questions it was clarified that:

- The GMA would like to have facial recognition technology on all its machines. There has been push back from regulators and problem gambling organisations on this technology as they feel it violates people's privacy.
- The GMA would like hosts to be responsible by keeping bet sizes low and prize sizes low. Their gambling machines have clocks on them and posters about problem gambling on the walls of their venues. Their venues get spot checked to make sure hosts are being responsible.

The meeting adjourned at 12.22pm.

The meeting reconvened at 1.16pm

Joy Shaw spoke to her submission, stating that:

- She supports a sinking lid policy with no relocations.
- She has witnessed the harm that gambling can have on families. Children miss out on so much due to no financial support from their home. When benefits are paid to support children they get spent by the parent that gambles as a benefit will get paid into an adults bank account, not the child's.
- The financial pressure gambling harm creates leads to other stresses in the family home, such as lying, stealing from family members, family violence and suicide. People think they can win money through gambling to solve their problems. The

machines become their friends and are a stress relief. Some dress up to go to gaming venues.

- Community groups do benefit from gaming trust funding, but at a high cost.
- Income is one of the main determinants of good health. Restricting access to gaming machines is the main way to prevent gambling harm.

Lorraine Tipene showed “KaChing! Pokie Nation” – a movie trailer (<https://youtu.be/CMclWUYrzeg>) and in speaking to her submission stated that:

- She supports the sinking lid option with no relocations.
- She is a gambling addict and has come to tell the Council of her first-hand experience.
- She lost everything because of gaming machines, her home, friends, mental wellbeing, family, money and job. She lost the trust and respect people had in her.
- A three month addiction has led to ten years of recovery and she still feels at risk.
- Gambling machines are designed by experts to be as addictive as possible. The timing of the wheels rolling, the graphics and the sound is all designed to keep people transfixed. A total lose has no sound, but a 1 cent win has whistles and bells.
- These machines are also designed to create losers. They are programmed to give back 85 – 90% of what is put in them, so over the course of a gambling period people will whittle away all they came with.
- Gambling addicts brain scans show the same patterns as Class A drug addicts.
- What is not obvious is the cost of this addiction in hospital hours, mental health costs, charity handouts, lunches in schools, small businesses closing down, job seekers benefits. The small amount given back in the form of grants cannot compensate for all of this.
- Irresponsible gambling venue hosts should have the same penalties as venues that serve alcohol irresponsibly.
- The Council’s gambling policy needs to reduce harm.

In response to questions it was stated that:

- Council’s should be lobbying central government to get rid of gaming machines entirely.

Cath Healey spoke to her submission using a handout (*Doc 1302358*), stating that:

- Supports a sinking lid policy with no relocations. NCC’s policy focus is to reduce gambling harm and this will lead to a reduction in gambling venues overtime and gambling harm.
- Gambling and gambling harm is deeply entrenched in the Napier community so the only way to effect this is to limit the opportunity to gamble.
- Local policy makers should fully utilize their powers to minimise gambling harm. They should align their policies with the Safer Napier Strategic Group. In addition they should uphold the principles of the Treaty of Waitangi and protect Māori who have experienced generational gambling harm.
- Some state reducing gambling venues will increase online gambling. The Health Promotion Agency (HPA) carried out a survey in 2020 on the impact of COVID, when people had no access to gambling venues. They found that although 20% of respondents gambled online for the first time or more than usual only 14% of that group were gambling on offshore sites.
- A sinking lid policy will not stop community funding from gambling trusts overnight. This will be a gradual reduction over time.

In response to questions it was stated that:

- Although gambling harm has not reduced with falling gaming machine numbers, a sinking lid is the only option available to policy makers to try and reduce harm.

- Rules for gaming machine design and venue layout could be legislated in New Zealand to discourage addiction.
- The HPA survey was carried out three weeks into the level four lockdown.
- At least three quarters of people in Hawke's Bay that present at TRO do so because of a gaming machine addiction.

Heneriata Edmonds spoke to her submission, stating that:

- She supports a sinking lid policy with no relocations.
- She was a gaming machine addict for thirty years. It affected her children who went without the essentials. It destroyed her emotionally, physically and mentally.
- Gaming machine addiction is no different to any other kind of addiction.

In response to questions it was clarified that:

- Over the thirty years of addiction none of the venues attended offered addiction support.

The meeting adjourned at 2.01pm.

The meeting reconvened at 2.09pm

Sharon Jenkinson spoke to her submission, stating that:

- She sits on both sides of this debate as she works as a councillor at TRO, but also her family receive funding for their community involvement and volunteer work.
- She supports the sinking lid option with no relocations.
- The ripple effects of gambling are huge. Gaming machines are seen as a way to make money, but the jackpot is never enough.
- The organisations that receive funding from gaming trusts will adapt as the machines disappear over time.
- Education of addicts adds awareness but does not change their behaviour.
- With a gambling addiction there are no outward signs of addiction, unlike alcoholism or drug addiction. However eventually gambling addicts mental health declines. Depression levels in problem gamblers is at 49.6% when the usual level in the wider population is 8%.
- Most people who present for help have reached a crisis point, such as their family breaking down, debt collectors at the door, or losing their home.
- In her opinion there is a correlation between family harm and gaming machines. This harm can be lacking essentials such as food, being evicted or problem gamblers turning to crime.
- There is a line of thought that if gaming machines were removed people would turn to online gambling. Some clients of TRO repaid owed money and managed to accrue savings during the level 4 COVID lockdown as they did not like online gambling.

In response to questions it was clarified that:

- Gaming machines can be fun if the gambler has disposable income. The concern is for those who do not have disposable income.

Tanya Piejus (New Zealand Community Trust (NZCT)) (via Zoom) spoke to her submission, stating that:

- Supports option one, the status quo.
- NZCT thinks it is unjustified to impose a no relocation provision and is unfair to venue owners.
- During the level 4 COVID lockdown all the class 4 gambling venues had to close so there was no income stream to class 4 societies such as NZCT who are not allowed to hold cash reserves. This meant there could be no community grants given for some months after the lockdown which had a huge impact.

- NZCT's opinion is that a sinking lid policy is not justified. The vast majority of people play for fun and know when to stop. A sinking lid policy is a blunt instrument which does not impact problem gambling. Problem gambling has stayed at the same level despite a reduction in gaming machines.
- Data from the MOH to the end of June 2018 showed only 21 new problem gambling clients in Hawke's Bay.
- In 2019 class 4 gambling returned \$8.6 million to Napier, which is 42.7% of the funds spent on gambling in Napier. This is above the legislated requirement of 40%.
- NZCT are concerned about online gambling. More than \$300 million goes offshore every year. There are more online problem gamblers than gaming machine problem gamblers, and this mode has no harm minimisation regulations and returns nothing to the community.

In response to questions it was clarified that:

- Venue location has a lot to do with problem gambling levels. If people can walk to a venue this is more of an issue than how many machines are in that venue. Napier could move the venues to the CBD, away from vulnerable communities, and it would make it harder for problem gamblers.
- The return of funds to a community is decided by the NZCT Board. There are several factors that feed into their decisions, but where there are more machines there is more return, also where there are more applications there are more funds given. The Board aims for consistency across regions.
- As venues close there is less money generated to give back to the community.
- Population growth in New Zealand has not been taken into account in the gambling statistics. There are more people gaming as there are more people in the country. Taking all factors into account, expenditure on gaming machines is decreasing and the class 4 gaming industry will not be sustainable in its current form long-term.

With the agreement of the meeting agenda item 2 was taken out of order at 2.35pm.

With agreement of the meeting agenda item 1 was returned to at 2.50pm.

Patrick Le Geyt (Hawke's Bay District Health Board (HBDHB)) (via Zoom) spoke to her submission, stating that:

- The HBDHB holds the same view on this policy as the majority of submitters, that a sinking lid is the preferred option.
- The NCC Māori Consultative Committee highlighted a sinking lid was their preferred option at the last policy review.
- Gambling is a huge issue for the growing Hawke's Bay Māori and the Pacific Island Community. Māori are twice as likely as non-Māori to use gaming machines and 50% of clients using problem gambling services are Māori.
- Napier has a high number of gaming machines per capita and for a Territorial Authority, and venues are located near or in deprived communities.

In response to questions it was clarified:

- Where there is availability of gaming machines to vulnerable communities there is opportunity to play. Napier is the tenth highest Territorial Authority for gaming machines, so there is a large amount of machines available to communities prone to harm.

The meeting adjourned at 3.00pm

The meeting reconvened at 3.07pm

The officer spoke to the report and in response to questions noted:

- There are four gambling venues in Taradale district and one in Marewa.
- It is possible to allow for licence relocation, but only with the current licence holder rather than transferring the licence to a new party, as Hastings District Council has.
- The Gambling Venues Policy can be reviewed as frequently as the Council would like, but public consultation must occur with each review.
- A Club owns their own gaming machines, rather than them being owned by a trust.
- Under the Gambling Act 2003 the Council Policy can only consider the number of gaming machines, number of venues, where they are located and whether they can be relocated, and conditions of mergers.
- A sinking lid Policy would also lead to a reduction in venues as venues are only allowed a certain amount of machines.
- Gaming rooms in Clubs are not controlled by club membership.
- In the agenda for this meeting on page 15 there is an error in the Statement of Proposal. In the bullet points it should read there is a cap of 3 venues in Taradale as opposed to 3 machines.
- Council has a liquor licencing inspector who can inspect venues which sell alcohol, and gaming venues generally go hand in hand with venues that sell alcohol. The DIA have warranted gambling venue inspectors. Council inspectors can pass any concerns they have onto DIA inspectors to follow up.
- The Gambling Act 2003 allows Territorial Authorities to determine if gaming machines can be in their city. As Napier already has established machines the sinking lid option would be the best method to eliminate gaming machines in the city.

The meeting adjourned at 3.55pm.

The meeting reconvened at 4.04pm.

It was proposed Council consider submitting two remits to the Local Government New Zealand Annual General Meeting:

- Local Government to lobby central government on making the design of gaming machines less addictive and the layout of venues more open.
 - Local Government to lobby central government to over time replace gaming trust grants with government grants.
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Councillors Boag, Crown and Price having previously declared a conflict of interest did not participate in discussion or decision making.

Officers Recommendations

That Council:

- a. Consider the public submissions on the Gambling Venues Policy and determine whether any changes are required to the proposed Policy.
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- b. If no changes are required, adopt the Gambling Venues Policy with the reduced cap option as proposed, and retaining the following Policy conditions:
 - i. A cap on the number of class 4 venues at 20;
 - ii. A cap on the number of machines at 298;
 - iii. A cap of 3 venues in the Taradale Suburban Commercial Zone;
 - iv. A cap on TAB venues at 2;
 - v. Ability for licence holders to relocate machines from both class 4 and TAB venues;
 - vi. Ability for incorporated clubs when amalgamating to merge machines within set limits;
 - vii. Limiting new or relocating venues to locations within the following zones – Inner City Commercial Zone; Art Deco Quarter; Fringe Commercial Zone; Ahuriri Mixed Use Zone; Main Industrial Zone; West Quay Waterfront; Taradale Suburban Commercial Zone (3 max.).
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**Substitute
Council
resolution**

Mayor Wise / Councillor Tapine

That Council:

- a. Adopt a sinking lid policy that prohibits any additional gaming machines or venues;
- b. Prohibit the ability for incorporated clubs when amalgamating to merge machines;
- c. A cap on TAB venues at 2;
- d. Council may grant consent under s 98(c) of the Gambling Act to a proposal to change the venue to which a class 4 venue licence currently applies, provided that:
 - (i) The relocation is to an upgraded venue, approved by Council, or where the existing venue has or is likely to become damaged or otherwise uninhabitable due to fire and/or natural disaster; and
 - (ii) The new venue is to be operated by the same operator licence holder; and
 - (iii) The new venue is within the following zones – Inner City Commercial Zone; Art Deco Quarter; Fringe Commercial Zone; Ahuriri Mixed Use Zone; Main Industrial Zone; West Quay Waterfront; Taradale Suburban Commercial Zone (3 max).

Carried

Councillors McGrath, Mawson and Simpson voted AGAINST the Motion

2. LOCATION OF APPROVED PSYCHOACTIVE PRODUCTS SALES POINTS POLICY HEARING REPORT

Type of Report: Legal

Legal Reference: Psychoactive Substances Act 2013

Document ID: 1295153

Reporting Officer/s & Unit: Rachael Horton, Manager Regulatory Solutions

2.1 Purpose of Report

This report provides an analysis of submissions received on the Location of Approved Psychoactive Products Sales Points Policy review.

The purpose of this report is for Council to consider and make decisions on the Location of Approved Psychoactive Products Sales Points Policy.

At the Meeting

The officer spoke to the report and in response to questions noted:

- There is scope to incorporate family recreation areas, like parks or reserves, in the policy, and the current policy wording accommodates these.
- In the future if there was a proposal to sell psychoactive products put before Council it could consider the definition of 'vulnerable' or 'sensitive' location in the policy in order to move sales points away from places where money can be readily accessed, for example ATMs, so as to lessen the ease of purchase.
- It is not mandatory for Territorial Authorities to have this policy. It provides a starting point if these products do become available for purchase again in the Napier community.

Council resolution Mayor Wise / Councillor Price

That the Committee:

- a. Review the public submissions on the Location of Approved Psychoactive Products Sales Points Policy and determine whether any changes are required to the proposed policy.
 - b. Adopt the Location of Approved Psychoactive Products Sales Points Policy as proposed
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Carried

The meeting closed with a Karakia at 4.58pm

Approved and adopted as a true and accurate record of the meeting.

Chairperson

Date of approval