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## Regulatory and Hearings Committee

*(Class 4 Gambling Venue Policy Hearings)*

### OPEN MINUTES

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**Minutes of a meeting of the Regulatory and Hearings Committee held in Council Chamber, Municipal Building, Garden Place, Hamilton on Tuesday 20 August 2019 at 9.31am.**

#### **PRESENT**

**Chairperson:** Cr Angela O’Leary

**Deputy Chairperson:** Cr Leo Tooman

**Membership:** Mayor Andrew King  
Deputy Mayor Martin Gallagher  
Cr Ryan Hamilton  
Cr Geoff Taylor  
Cr Paula Southgate  
Cr Garry Mallett  
Cr James Casson  
Cr Dave Macpherson  
Cr Siggie Henry  
Maangai James Whetu

**In Attendance:** Jen Baird – General Manager City Growth  
Sandra Murray – Consultant  
Jayne Perry – Chief of Staff  
Raewyn Napier – Business Support Coordinator  
Nigel Ward – Communications Advisor

**Governance Staff:** Claire Guthrie and Rebecca Watson – Governance Advisors

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#### **1. Apologies**

**Resolved:** (Cr O’Leary/Cr Tooman)

That the apologies for absence from Crs Bunting and Pascoe, for lateness from Deputy Mayor Gallagher and for early departure from Crs Mallett, Southgate and Taylor are accepted.

## 2. Confirmation of Agenda

**Resolved:** (Cr O’Leary/Cr Tooman)

That the agenda is confirmed.

## 3. Declarations of Interest

No members of the Committee declared a Conflict of Interest.

*The following members of the public spoke to their submissions on the Class 4 Gambling Venue Policy:*

**Ken Marcum, General Manager Hamilton Workingmen’s Club** – spoke in favour of option A

Mr Marcum outlined the services provided by the Club and how these services were supported by gaming machine income. He said the Club supported the amalgamation option for clubs and spoke to the advantages of retaining this option. In response to Committee members questions he said 100% of funding from the gaming machines was returned to club members and community groups were able to apply for sponsorship from this funding.

**Ben McCormack, CEO of Northern Districts Cricket** – spoke in favour of option A

Mr MacCormack outlined the services provided by ND Cricket and how the support provided by the gaming funding they received was disbursed in the community, particularly supporting women’s funding and for an upcoming major project. He said 50% of funding for community cricket was from gaming funding.

**Karen Singers, Manager Perry Outdoor Education Trust** – spoke in favour of option A

Ms Singers outlined the outdoor education programmes and facilities provided by the Trust for school children. She said that cost was the single biggest barrier for participation in this programme and although the Trust was moving towards being self-sustaining the funding received from gaming trusts was essential for its success.

**Terry Booth, CEO Waikato Golf Association Incorporated** – spoke in favour of option A

Mr Booth spoke to his presentation and outlined the Association’s membership. He explained the wide range of groups supported by the Association, including Waikato schools, provision of community golfing festivals, competitions and championships at local, regional and national levels. In response to questions he noted that the gaming trust funding made up 47% of the Association’s funding.

**Nicola Clayden, Sport Development Manager, University of Waikato** – spoke in favour of option A

Ms Clayden spoke on behalf of the sporting clubs at the University of Waikato stating they relied on community funding such as gaming trust funding, to provide professional services for the sports teams such as uniforms and coaches.

**Stephen Cox, General Manager Dynamo Cycling and Sports Club Inc** – spoke in favour of option A

Mr Cox explained how his Club organised cycling events which needed substantial funding because of the need for traffic management and health and safety provisions. He said the majority of funding came from entry fees but the gaming trusts funding was essential for small organisations such as his.

**David Douglas, Chairman Wanderers Sports Club (Hamilton) Inc** – spoke in favour of option A

Mr Douglas outlined the extensive services provided his club, as it supported players from four years old to elite men’s premierships and operated for twelve months a year. He said that the costs to the club were significant, as they included affiliation costs to national bodies, floor lights in

winter, ground hireage, and transport costs and these could not be met without support from gaming trust funding.

**Murray Reade, CE The Lion Foundation** – spoke in favour of option A

Mr Reade outlined the purpose of the Foundation, which distributed gaming trust funding back to communities. He described the funding returned to Hamilton and benefits to the community. He acknowledged that the Council has a difficult decision to make as gambling does cause harm but said that this is balanced by the highly regulated industry to reduce harm.

**The meeting was adjourned from 11.12am – 11.30am.**

**Matthew Williams, CEO Surf Life Saving** – spoke in favour of option A

Mr Williams explained how surf life-saving was funded, noting that local authorities support was limited to lifeguard services in summer. Gambling funds provided \$2million which was 25% of their funding. He outlined the services this provided and that service levels had increased across the Waikato because of this funding. He said they supported the retention of the policy until the next review date so replacement funding options could be explored.

**Malcolm Beattie, President Sunset Beach Lifeguard Service Inc** – spoke in favour of option A

Mr Beattie stated his club was dependent on gambling funding as it was situated in a very small community with serious constraints on fundraising. He said gaming funds were used to support operational requirements and had been vital for building a new community hall/surf clubhouse.

**David Ciurlionis, Make-A-Wish Foundation NZ Ltd** – spoke in favour of option A

Mr outlined how the Foundation started and what services were offered in New Zealand. He said gaming funding was invaluable for their organisation to provide services to the community.

**Jarrold True, on behalf of Clubs NZ Inc** – spoke in favour of option A

Mr True outlined the positive effects from a larger club being established from two smaller clubs merging including benefits in land use. He noted that mergers had to meet substantial requirements and were permitted by legislation.

**Jarrold True, on behalf of Gaming Machine Association of NZ** – spoke in favour of option A

Mr True said the Gaming Machine Association supported retention of the status quo provisions particularly as there had been full consultations in 2015, 2016, 2018 and there was no new evidence to remove the relocation provision. He noted that Hamilton was the first council in New Zealand to consider removing the relocation policy. He outlined possible negative and positive effects of relocation, including releasing large blocks of land for redevelopment.

*Cr Mallett retired from the meeting (12.06pm) during the above presentation.*

**Tanya Piejus, Communications Manager NZ Community Trust (NZCT)** – spoke in favour of option A

Ms Piejus said the NZCT supported the current relocation provision because it had positive benefits for businesses, and would allow them to relocate out of high deprivation areas. She outlined the existing government regulations to protect community interests and said that statistics showed a decline in the number of gambling machines but the percentage of problem gamblers had remained constant.

**Andree Froude, Director Communications and Marketing, Problem Gamblers Foundation (PGF)** – spoke in favour of option B

Ms Froude said her organisation supported Option B and she commended the Council on putting this forward. She spoke to her presentation and explained the statistics involved in problem gambling and the negative effects experienced by individuals and communities.

**Blair Foote, CE Waikato Rugby Union (WRU)** – spoke in favour of option A

The Waikato Rugby Union Chief Executive and Chair spoke to their opposition to the proposed policy. The services provided by the WRU were outlined along with the possible effects on players if funding was reduced and the risks of not permitting relocation. He said that the WRU Board had discussed the risk in receiving this form of funding but as it benefited over 12,000 people in the Waikato the risk was accepted.

**Brendan Stone, Chairman of Junior Rugby, Suburbs Community Sports Club** – spoke in favour of option A

Mr Stone outlined the services provided by the sports club and stated they relied on funding from gaming societies. He said the funding had provided new flood lights and also paid for their administrator. He noted that loss of funding would affect junior rugby resulting in more cost to families.

***The meeting adjourned 1.01pm to 1.50pm.***

*Crs Southgate and Taylor retired from the meeting during the above adjournment.*

**Matthew Cooper, CEO Sports Waikato** – spoke in favour of option A

Mr Cooper said Sports Waikato supported retaining the current policy until the next review in 2022. He noted that sports groups would be severely affected by a loss of funding from gaming trusts and that alternative funding of \$10million would be needed for Hamilton.

**Roger Matthews, Community Action Against Alcohol Harm** – spoke in favour of option B

Mr Matthews spoke to his presentation and noted that there was signage around city advertising gaming trusts and said gambling harm could be reduced by removing this visibility. He noted the conflict between legislation for gambling harm reduction but businesses with gaming machines looked to maximise profit and return, which created gambling harm in the community.

**Melissa Renwick, Branch President, Hospitality NZ Waikato Branch** – spoke in favour of option A

Ms Renwick spoke to her experience as an owner operator of a venue with pokie machines and the controls in place for venues.

**Philip Hassall, President, Melville Rugby Sports Club** – spoke in favour of option A

Mr Hassall outlined background of the rugby club which operated all year round. He said the club has its own rugby fields which required significant maintenance. The gaming funding was used for field maintenance, the purchase of outdoor lights and the heating of club rooms. He noted that higher membership fees were not feasible in this community.

**Rohan West, CEO Netball Waikato Bay of Plenty** – spoke in favour of option A

Mr West said that a decrease in funding would affect their organisations ability to provide services for players and to employ staff. He noted there was no new evidence to change the policy.

**Dr Richard Wall, Medical Officer of Health, Waikato DHB** – spoke in favour of option B

Dr Wall spoke to the harm caused from gambling and related this to the harms caused by medical disease. He noted that gambling harm was hidden and that statistics came from those who sought help. National surveys had reported 2% with high risk gambling. He spoke to the problems with mergers/relocations with the risk of moving to economically deprived areas, and resulting in larger venues which encouraged people to spend more time gambling. He said research shown that online gambling was less harmful and that gaming machines caused significant harm and that it was inappropriate for this to happen to benefit others.

**Chris Williams, Hamilton Gardens Summer Festival Foundation** – spoke in favour of option A

Mr Williams said the Foundation had received two funding grants from Grassroots Trust, which were vitally important to the survival of this festival. He noted a sinking lid policy would affect funding.

***The meeting adjourned from 3.00pm to 3.14pm.***

*Cr Hamilton retired from the meeting during the above adjournment.*

**David Bluett, Hamilton City Netball Centre** – spoke in favour of option A

Mr Bluett said that ten percent of the Netball Centre's income was from gaming trusts and was used to increase participation and improve facilities which directly benefited the sport.

**Scott Gemmill, General Manager Home of Cycling Charitable Trust** – spoke in favour of option A

Mr Gemmill outlined the services provided by the Trust, which was based at the Velodrome. He noted that although it was an elite training ground 80% of use was by community users including those living with disabilities, aged services, youth and children's programmes. In addition, the venue attracted many visitors who brought tourist income to the region. He said the gaming funding supported staff costs which would be difficult to replace with other sources of funding.

**Robert Moore, Social Justice Researcher, Anglican Action** – spoke in favour of option B

Mr Moore outlined the background to Anglican Action and the services they provide. He said gambling harm impacts families and others in communities. He noted that as a community Hamilton has become addicted to funding which causes community harm but is seen as essential because of the underfunding of community groups from other sources.

**Tim Wood, Grassroots Trust Limited** – spoke in favour of option A

Mr Wood noted that this review was only twelve months from the last review with no new data on deprivation. He outlined the funding provided to Hamilton, which focused on community and education services and amounted to just over \$10.3million. He said that online gambling data suggested that \$400million was spent by New Zealanders and there were no safety provisions or oversight as was required with Class 4 gaming venues.

*Cr Macpherson retired from the meeting (3.41pm) during the above presentation.*

**Rena Schuster, Club President, Hamilton Old Boys Rugby and Sports Club** – spoke in favour of option A

Mr Schuster spoke to the difficulties the club was encountering with finding alternative sources of funding to gaming funding which was essential for the provision of their services.

**Cynthia Ward, CEO True Colours Children's Health Trust** – spoke in favour of option A

Ms Ward said the Trust supported the retention of the current policy until the 2022 review supported the relocation provisions. Ms Ward outlined the services provided by the Trust and the fundraising they undertake. She said that 29% of their income came from gaming funding.

**Harry Luteru, The Salvation Army Oasis** – spoke in favour of option B

Mr Luteru said the Salvation Army Oasis supported a sinking lid policy and no relocations as this would limit access and prevent gambling harm. He noted that relocations should take into consideration the harm to a community because most gambling occurred in high deprivation areas. In response to committee members questions he said that problem gamblers were referred to their group.

#### **4. Class 4 Gambling Venue Policy - Submissions and Hearings Report**

The General Manager City Growth and City Growth Consultant spoke to the report and it was noted that in paragraph 19 of the staff report, in the table of types of organisations that have been classified, the District Health Board was included in social services not health.

Committee Members noted the following points to be considered for the deliberations report:

- accuracy of the data that 2% of the population are problem gamblers;
- explanation of the measurement of an 'acceptable level of harm';
- data on relocations and mergers of clubs and gaming venues from the Auckland City Council;
- authoritative data on other harm related activities as described by submitters eg alcohol and drugs;
- confirmation of funding amounts to communities as on DIA website;
- national figures for five years to show the decrease in gaming machines but an increase in money spent on gaming machines;
- relocation of machines to CBD from high deprivation areas;
- the effects of the Maori Party relocation policy, in Hamilton and nationally;
- information on the gaming funding policies in other territorial authorities;
- the use of Section 80 to allow club mergers, and its legitimacy;
- analysis of submissions to show who was a beneficiary of a gaming trust or community funding organisation;
- data showing the number of gaming machines in high and low deprivation areas in Hamilton and the average income in those areas;
- information on the Problem Gambling Foundation, their funding and how they help problem gamblers;
- data on club mergers in other cities;
- the money that would be needed to support sports clubs if gaming funding was reduced;
- a breakdown of Grassroots Trust income and disbursements.

**Resolved:** (Cr O'Leary/Cr Tooman)

That the Regulatory and Hearings Committee:

- a) receives the report;
- b) hears and considers the submissions for the Class 4 Gambling Venue Policy review; and
- c) notes that the Class 4 Gambling Venue Policy Review Deliberations Report will be considered at the 17 September 2019 Council meeting.

**An extension of time was moved at 4.30pm during the above item.**

**Resolved:** (Cr O'Leary/Cr Tooman)

That the meeting extend beyond 8 hours as per standing order 4.2.

**The meeting was declared closed at 4.38pm.**