
Strategy & Policy Committee

OPEN MINUTES

Minutes of a meeting of the Strategy & Policy Committee held in Council Chamber, Municipal Building, Garden Place, Hamilton on Thursday 5 November 2015 at 10:00am.

PRESENT

Chairperson	Cr A O’Leary
Deputy Chairperson	Cr A King
Members	Her Worship the Mayor J Hardaker Cr G Chesterman Cr M Gallagher Cr K Green Cr D Macpherson Cr G Mallett Cr R Pascoe Cr L Tooman Cr P Yeung
In Attendance	Blair Bowcott – Executive Director Special Projects Debra Stan-Barton – (Acting) General Manager City Growth Aaron Fleming – Strategy & Research Unit Manager
Also In Attendance	Jarrold True – Harkness Henry Angela Paul – New Zealand Community Trust David Stones – New Zealand Community Trust Richard Wall – Waikato District Health Board Kate Christenson – Waikato District Health Board Tim Wood – Grassroots Trust Martin Bradley – Grassroots Trust Eru Loach – Problem Gambling Foundation of New Zealand
Committee Advisors	Mr B Stringer and Mrs J Pani

1. Apologies

Resolved: (Crs O'Leary/Mallett)

That the apologies from:

- a) Councillors Forsyth and Wilson; and
 - b) Councillors Green and Macpherson (lateness),
- be received and accepted.

2. Confirmation of Agenda

Resolved: (Crs O'Leary/Yeung)

The Committee to confirm the agenda

3. Declarations of Interest

No members of the Council declared a Conflict of Interest.

4. Public Forum

No Public Forum was required.

5. Gambling Policies Review 2015 - Hearing and Deliberations

The Chairperson outlined the process for the Meeting, by which the Committee would hear submissions and then deliberate in respect of the proposed Class 4 Gambling Venue Policy ('the Class 4 Policy') and proposed TAB Board Venue Policy ('the TAB Policy').

Councillors Macpherson (10:04am) and Green (10:07am) arrived at the start of Item 5.

Oral Submissions

- **Jarrod True**, from Harkness Henry, spoke in relation to the New Zealand Racing Board's ('the Racing Board') submission. A copy of his presentation was tabled.

i. TAB Policy

The Racing Board advocated the retention of the existing TAB Policy, for which Mr True noted that previous concerns on the use of gaming funds had been addressed through legislation. Mr True suggested that prohibiting TAB Board Venues would lead to the TAB services being established in environments in which alcohol was served, which was a factor contributing to problem gambling. Mr True responded to questions on the following points:

- TAB services were established in adult-type environments – outside of TAB Board Venues, these were predominantly pubs and hotels. The presence in non-Board venues reflected market demand and lower establishment costs.
- Historically the TAB has had two to three Board Venues in Hamilton.

ii. Class 4 Policy

The Racing Board recommended that the proposed sinking lid be replaced with a cap at current numbers of Class 4 gambling establishments. Legislation required Council to consider the inclusion of a relocation policy; a sinking lid framework would prevent gambling venues relocating to better-suited environments and adversely affect funding for community groups. It was suggested that problem gamblers would simply travel to the next available venue should their nearest gambling premises close due to the effects of the sinking lid policy. Mr True also argued there was no direct correlation between the number of gaming machines and the number of problem gamblers. He responded to questions on the following points:

- Approximately \$22 million was spent at Class 4 gambling venues in Hamilton annually, from which \$8.8 million was distributed through community funding programmes.
- Even though legislation required gambling to be incidental to a licensed premises' business, it would still be difficult for an operator to find an alternative location for its business if it could not rely on gambling revenue at the new location.

- **Angela Paul and David Stones**, from the New Zealand Community Trust ('the NZCT'), spoke to the NZCT's submission and their presentation, which was tabled. They highlighted, and responded to question on, the following points:

i. Problem Gambling

New Zealand had a low problem gambling rate by international standards, being somewhere between 0.3% to 0.7% of the population.

ii. Relocating Gambling Venues

Research indicated that it was the location of gambling establishments rather than the number of them that was a contributor to problem gambling. Permitting relocation under certain controls would enable Council to retain influence on gambling behaviour.

iii. Landlord Pressures

The NZCT representatives were not aware of any landlords in Hamilton using restrictions on a gambling venue to relocate as a means to leverage a rent increase.

- **Richard Wall and Kate Christenson**, from the Waikato District Health Board ('the DHB'), advocated policies and plans that reduced gambling harm. The DHB representatives noted, and responded to questions on, the following points:

i. Gambling Harm

The lower socio-economic communities from which gambling revenue originated from did not proportionally benefit from the community funding from such revenue. Harm extends beyond the classified 'problem gamblers' – it was suggested that approximately 28,000 people in Hamilton were adversely affected by gambling in some form. The DHB supported a true sinking lid policy.

ii. Council and Community Funding

The DHB requested that Council exhibited leadership in not seeking funding from gambling-sourced community funds.

iii. Department of Internal Affairs ('DIA') Investigations

Reference was made to recent DIA 'mystery shopper'-type investigations, which concluded that some local gambling venues failed to satisfy their host responsibility obligations in terms of identifying and dealing with problem gambling issues.

The Meeting adjourned from 11:01 to 11:10am

- **Martin Bradley and Tim Wood**, from the Grassroots Trust, spoke to the Trust's submission and highlighted, and responded to questions on, the following points:

i. Community Support

The Grassroots Trust granted \$7.2 million to community groups in the financial year ending 31 March 2015; just under \$4.4 million of which was within Hamilton.

ii. Relocation

There were beneficial reasons to permit venues to relocate to more suitable environments. The Grassroots Trust agreed with stricter controls for sensitive areas.

iii. DIA Investigations

It was claimed that the parameters of the DIA investigations (as noted in the DHB submission) were flawed and inadequate to enable staff at the chosen venues to identify signs of problem gambling.

iv. Problem Gambling

There were industry-leading mechanisms in place to mitigate problem gambling issues.

- **Eru Loach**, from Problem Gambling Foundation of New Zealand, spoke to the Foundation's submission and advocated that Council should focus on reducing harm for Hamilton residents rather than on the financial support to community groups from gambling revenue. He noted, and responded to questions on, the following points:

i. Relocation

Social harm was not reduced, just moved, if relocation of gambling venues was permitted. There were other local authorities that had imposed a sinking lid to reduce the number of gambling machines available in their respective territories.

ii. Gambling Harm

Shame and stigma, combined with reduced support services, made it difficult for those affected by problem gambling to come forward; consequently current statistics did not reflect the full extent of the issue. There was also a complex relationship between problem gambling and family violence.

Deliberations

The (Acting) General Manager City Growth and Strategy & Research Unit Manager, supported by the City Solicitor, responded to questions on the following matters:

- **Historical Information**

Staff were asked to collate and circulate information gathered by Council when implementing its first Gambling Policies in relation to the causal link between the number of gaming machines and problem gambling.

- **Relocation**

i. Council's current Class 4 Policy permitted relocation of clubs or bars with gaming machines to new venues situated in designated Gambling Permitted Areas, subject to a cap on the number of machines that could be relocated. The proposed Class 4 Policy (Options A or B) was more restrictive in terms of permitted relocations.

ii. The proposed Class 4 Policy (Options A and B) contained more restrictive provisions than the legislation in relation to the number of gaming machines that could be moved,

relocation within a Gambling Permitted Area, and merger of clubs.

- iii. Options A and B were the only options included in the Statement of Proposal that was the subject of public consultation. Should Council wish to draft an alternative Option B with an extended relocation provision, such option would need to be subject to a further special consultative process. There was sufficient time under the legislation to complete such engagement and report back to Council.
 - iv. From 2004, of the seven venues situated outside the Gambling Permitted Areas, none had moved inside such an area.
 - v. There was some doubt as to whether a venue that had been designated as an earthquake risk could rely on the exemption to the relocation restrictions in the proposed Class 4 Policy.
- **Statement of Proposal Information**

Staff would check the accuracy of the statistical information captured in the Statement of Proposal that was subject to public consultation – in particular gambling expenditure in New Zealand (page 36 of the Agenda) and high-risk gamblers (page 37 of the Agenda). The City Solicitor advised that the legal risk of incorporating factually incorrect information in the Statement of Proposal would be mitigated if such information was corrected prior to the Class 4 Policy being adopted.

It was confirmed that the Statement of Proposal, as attached to the staff report, was adopted by Council on 11 August 2015.

- **Council Funding Applications**

Staff could not confirm the total funding amount Council obtained through external funding applications, where the source of funds derived from gambling revenue. The Democracy Manager advised that the Committee could resolve to request staff report back on information pertaining to such funding applications at a subsequent meeting.
- **Costs for New Statement of Proposal**

Staff considered the costs to complete a further special consultative process would be nominal and substantially comprise staff time. There would be some efficiencies based on work undertaken to date. Approximately \$18,000 to \$20,000 had been incurred by Council in the compilation and drafting of the proposed Policies to date.
- **Discretionary Hearing Process**

The discretionary hearings were removed from the proposed Class 4 Policy to simplify the decision-making process. Such hearings had only been triggered twice under the current Class 4 Policy.

The Meeting adjourned from 12:35pm to 1:04pm

Motion: (Cr Pascoe/Cr Chesterman)

That:

- a) the report be received;
- b) Council supports Option B (limited relocation) for the Class 4 Gambling Venue Policy;
- c) based on submissions, no changes are made to the TAB Board Venues Policy as consulted on in the Statement of Proposal;
- d) the note 'This policy will be subject to the provisions of the Gambling Amendment Bill (No 3) if it passes into law' be added to each policy for clarity;
- e) subject to the above changes, a track-changed version of the Class 4 Gambling Venue Policy and the TAB Board Venue Policy be brought back for adoption at the 8 December 2015 Strategy and Policy Committee;
- f) Council consult the public, using a special consultative procedure, solely on:
 - i. the inclusion of an additional clause to Option B that any venue within the permitted area is able to relocate within the Gambling Permitted Area;
and
 - ii. the removal of the word "existing" from section 4a of Option B relating to club mergers.

In response to questions on the Motion (Cr Pascoe/Cr Chesterman):

- the City Solicitor clarified that Council could frame a Statement of Proposal that was restricted to a specific issue within the Class 4 Policy or re-open the entire policy itself for public consultation;
- Councillor Pascoe explained that the purpose of paragraph (f)(ii) in the Motion was to provide flexibility for mergers of clubs within a Gambling Permitted Area or between Gambling Permitted Areas.

The Meeting adjourned from 1:37pm to 1:47pm

Amendment: (Cr King/Cr Gallagher)

That:

- a) the report be received;
- b) based on submissions, Council identify Option A (no relocation) for the Class 4 Gambling Venue Policy;
- c) based on submissions, no changes are made to the TAB Board Venues Policy as consulted on in the Statement of Proposal;
- d) the note 'This policy will be subject to the provisions of the Gambling Amendment Bill (No 3) if it passes into law' be added to each policy for clarity; and
- e) subject to the above changes, a track-changed version of the Class 4 Gambling Venue Policy and the TAB Board Venue Policy be brought back for adoption at the 8 December 2015 Strategy and Policy Committee.

- Those for the Amendment:** Councillors King, Gallagher, Yeung and Macpherson
- Those against the Amendment:** Her Worship the Mayor Hardaker, Councillors Green, Pascoe, Chesterman, Mallett, Tooman and O'Leary

The Amendment was declared lost.

A further Amendment was then put.

Amendment: (Cr Macpherson/Cr Green)

That:

- a) the report be received;
- b) Council supports Option B (limited relocation) for the Class 4 Gambling Venue Policy;
- c) based on submissions, no changes are made to the TAB Board Venues Policy as consulted on in the statement of proposal;
- d) the note 'This policy will be subject to the provisions of the Gambling Amendment Bill (No 3) if it passes into law' be added to each policy for clarity; and
- e) subject to the above changes, a track-changed version of the Class 4 Gambling Venue Policy and the TAB Board Venue Policy be brought back for adoption at the 8 December 2015 Strategy and Policy Committee.

- Those for the Amendment:** Councillors King, Gallagher, Yeung and Macpherson
- Those against the Amendment:** Her Worship the Mayor Hardaker, Councillors Green, Pascoe, Chesterman, Mallett, Tooman and O'Leary

The further Amendment was declared lost.

The Motion (Cr Pascoe/Cr Chesterman) was then put.

Resolved: (Cr Pascoe/Cr Chesterman)

That:

- a) the report be received;
- b) Council supports Option B (limited relocation) for the Class 4 Gambling Venue Policy;
- c) based on submissions, no changes are made to the TAB Board Venues Policy as consulted on in the Statement of Proposal;
- d) the note 'This policy will be subject to the provisions of the Gambling Amendment Bill (No 3) if it passes into law' be added to each policy for clarity;
- e) subject to the above changes, a track-changed version of the Class 4 Gambling Venue Policy and the TAB Board Venue Policy be brought back for adoption at the 8 December 2015 Strategy and Policy Committee;
- f) Council consult the public, using a special consultative procedure, solely on:
 - i. the inclusion of an additional clause to Option B that any venue within the permitted area is able to relocate within the Gambling Permitted Area; and
 - ii. the removal of the word "existing" from section 4a of Option B relating to club mergers.

Those for the Motion:

Her Worship the Mayor Hardaker,
Councillors Green, Pascoe, Chesterman,
Mallett, Tooman and O'Leary

Those against the Motion:

Councillors King, Gallagher, Yeung and
Macpherson

Motion: (Cr King/Cr Macpherson)

That a report be presented to the Strategy and Policy Committee on the external organisations' sources of funding, from which Council seeks its external funding.

Those for the Motion:

Councillors King, Gallagher and
Macpherson

Those against the Motion:

Her Worship the Mayor Hardaker,
Councillors Green, Pascoe, Chesterman,
Yeung, Mallett, Tooman and O'Leary

The Motion was declared lost.

The Meeting was declared closed at 2:55pm.