AGENDA

COUNCIL MEETING

Wednesday, 15 July 2020, 9.00AM

Council Chamber
Hauraki House
William Street
PAEROA
**Membership**

**Mayor**

D A Adams

**Councillors**

Cr P G Anderson  
Cr R D T Broad  
Cr P D Buckthought  
Cr C A Daley  
Cr R G E Garrett  
Cr B J Gentil  
Cr R Harris  
Cr S Howell  
Cr P A Milner  
Cr D Smeaton  
Cr A M Spicer  
Cr J R Tilsley  
Cr R L Wilkinson

**Executive Leadership**

L D Cavers  
D Peddie  
A de Laborde  
P Thom  
S Fabish

**Public Distribution**

Paeroa Office/Library  
Plains Area Office  
Waihi Area Office/Library

**Chief Executive**

L D Cavers
Ngà Karakia Timatanga (opening)

(1)
Kia tau te rangimarie  
Kia whakapapa pounamu te moana  
Hei huarahi ma tatou i te rangi nei  
Aroha atu, aroha mai  
Tatou i a tatou katoa  
Hui e! Taiki e!

May peace be widespread  
May the sea be like greenstone  
A pathway for us all this day  
Let us show respect for each other  
For one another  
Bind us all together!

(2)
Whakataka te hau ki te uru,  
Whakataka te hau ki te tonga.  
Kia mākinakina ki uta,  
Kia mātaratara ki tai.  
E hī ake ana te atākura he tio,  
he huka, he hauhunga.  
Haumi e! Hui e! Tāiki e!

Get ready for the westerly  
and be prepared for the southerly.  
It will be icy cold inland,  
and icy cold on the shore.  
May the dawn rise red-tipped on ice,  
on snow, on frost.  
Join! Gather! Intertwine!

Karakia Whakamutunga (closing)

Kia whakai-ria te tapu  
Kia wātea ai te ara  
Kia turuki whakataha ai  
Haumi e. Hui e. Tāiki e!

Restrictions are moved aside  
So the pathways is clear  
To return to everyday activities  
Join Gather Intertwine!
COUNCIL AGENDA

Wednesday, 15 July 2020 – 9.00am
Council Chambers, Hauraki House, William Street, Paeroa

Presentations

10.00am: Franklin Local Board - Auckland Council  
Angela Fulljames and Andy Baker (Chair)  
Subject: Hūnua Trail Cycle Trail from Clevedon to Kaiaua – refer Item 12.

1.15pm: OceanaGold Waihi Limited  
Subject: Update on Mining Activity – Waihi

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HAURAKI DISTRICT COUNCIL MEETING

MINUTES OF A MEETING OF THE HAURAKI DISTRICT COUNCIL HELD IN THE COUNCIL CHAMBERS, WILLIAM STREET, PAEROA ON WEDNESDAY, 24 JUNE 2020 COMMENCING AT 9.00 AM

PRESENT

D A Adams (His Worship the Mayor), Cr P A Milner (Deputy Mayor), Cr P G Anderson (9.00am-12.10pm), Cr R D T Broad, Cr P D Buckthought, Cr C A Daley, Cr R G E Garrett, Cr B J Gentil (from 9.20am), Cr R Harris, Cr S Howell, Cr D Smeaton, Cr A M Spicer, Cr J R Tilsley and Cr R L Wilkinson

IN ATTENDANCE

Messrs L D Cavers (Chief Executive), A de Laborde (Group Manager - Engineering Services), D Peddie (Group Manager - Corporate Services), P Thom (Group Manager - Planning & Environmental Services), S B Fabish (Group Manager - Community Services), Mrs J Nelson (Strategic Planning Projects Manager), Ms N Murphy (Strategic Planner), L de Haast (Transportation Manager), E J Wentzel (Water Services Manager), S de Laborde (Manager, Planning and Infrastructure Systems), Ms K McLaren (Community Engagement Officer), Ms R Jenks (Economic Development Officer) and Ms C Black (Council Secretary)

Karakia timatanga

Cr Milner opened the meeting with a karakia.

APOLOGIES

RESOLVED

THAT the apology of Cr B Gentil for lateness be received and sustained.

C20/239 Wilkinson/Howell CARRIED

LATE ITEMS

There were no late items.

DECLARATIONS OF INTERESTS

Conflict of Interest: Cr Smeaton declared an interest in relation to Item 28 – Communities Working Together Proposal.

Rescheduled Presentation from OceanaGold Waihi Limited

The Mayor noted as previously advised, that as the General Manager of OceanaGold Waihi Limited was unable to attend this meeting to update on mining activities he would be in attendance at the 15th of July meeting at 11.00am.

CONFIRMATION: COUNCIL MINUTES – (10-06-20) (2773037)

RESOLVED

THAT the minutes of the meeting of the Hauraki District Council held on Wednesday, 10 June 2020 are received and confirmed as a true and correct record.

C20/240 Spicer/Broad CARRIED

1

Council Minutes 24-06-20 Doc Ref: 2778459
MATTERS ARISING FROM THE MINUTES

There were no matters raised.

CONFIRMATION: EXTRAORDINARY COUNCIL MINUTES – (10-06-20) (2771747)

RESOLVED

THAT the minutes of the Extraordinary Council meeting of the Hauraki District Council held on Wednesday, 10 June 2020 are received and confirmed as a true and correct record.

C20/241 Wilkinson/Daley CARRIED

MATTERS ARISING FROM THE MINUTES

There were no matters raised.

RECEIPT AND ADOPTION: AUDIT AND RISK COMMITTEE MINUTES – (16-06-20) (2774322)

RESOLVED

THAT the minutes of the meeting of the Audit & Risk Committee held on Tuesday, 16 June 2020 are received and the recommendations contained therein be adopted.

C20/242 Harris/Tilsley CARRIED

MATTERS ARISING FROM THE MINUTES

There were no matters raised.

Cr Gentil attended the meeting at 9.20am.

LGFA - PROPOSAL TO AMEND FOUNDATION POLICIES (2775602)

APPENDIX A - PROPOSED AMENDMENTS TO LGFA FOUNDATION POLICIES JUNE 2020 (2775021)

APPENDIX B - LGFA SHAREHOLDER COUNCIL MEMO - FOUNDATION POLICY CHANGES (2775022)

The Group Manager – Corporate Services presented a report which outlined the amendments proposed by the board of the LGFA to its foundation policy and to seek a Council resolution to vote for or against the amendments proposed. The Audit and Risk Committee endorsed the proposed amendments at their meeting of 16 June.

RESOLVED

THAT the report be received.

C20/243 Daley/Tilsley CARRIED

RESOLVED

THAT Council, as a LGFA shareholder, resolves to vote in favour of the proposed amendments to the LGFA Founding Policies. The amendments proposed by the LGFA Board would increase the Net Debt/Total Revenue foundation policy financial covenant from the current 250% to 300% for a period, and permanently to 280%. These proposed changes would only apply to Local Authorities with a long-term credit rating of ‘A’ equivalent or higher, and
THAT the Council instructs staff to complete the Proxy Form for the LGFA Special General Meeting 30 June 2020 - reflecting Councils decision to vote for or against the amendments Proposed, and

THAT the Council considers these decisions to be insignificant under its Significance and Engagement Policy 2017, and

THAT Council does not engage at this time about this matter.

C20/244 Buckthought/Broad CARRIED

CEO MONTHLY REPORT FOR JUNE 2020 (2775166)

The Chief Executive presented his monthly report to June 2020. The report updated the members on recent staff changes within the organisation.

RESOLVED

THAT the report be received.

C20/245 Adams/Anderson CARRIED

Passing of Lew Peters, Former HDC District Engineer

The Chief Executive acknowledged the passing in May of a well-known former Council employee Lew Peters. Mr Peters was the Hauraki Plains County Engineer from 1969 until 1989 when the former Hauraki Plains area became part of the Hauraki District Council. He then served as the Hauraki District Engineer until 1995.

Cr Broad reiterated the CEO’s acknowledgement of Mr Peters.

FINANCIAL SERVICES REPORT – MAY 2020 (2775613)

The Group Manager – Corporate Services presented the financial services report to 31 May 2020.

RESOLVED

THAT the report be received.

C20/246 Daley/Buckthought CARRIED

APPOINTMENT TO WAIKATO PLAN LEADERSHIP COMMITTEE 2020 (2773308)

The Group Manager – Community Services and Development presented a report which requested Council to consider the approval of the appointment of the Mayor Ash Tanner, Matamata-Piako District Council, to the Waikato Plan Leadership Committee due to the resignation of Mayor Toby Adams.

RESOLVED

THAT the report be received.

C20/247 Adams/Spicer CARRIED
RESOLVED

THAT Council approves the appointment of Mayor Ash Tanner to the Waikato Plan Leadership Committee, and

THAT the Council considers these decisions to be insignificant under its Significance and Engagement Policy 2017.

C20/248 Spicer/Milner CARRIED

APPROVAL OF MAYOR TO ATTEND COMPANY DIRECTORS COURSE – (2769518)

The Group Manager – Community Services and Development presented a report which sought approval that the Mayor attend a company director’s course to further develop his leadership skills and to provide a greater understanding of governance from a corporate perspective.

RESOLVED

THAT the report be received.

C20/249 Garrett/Howell CARRIED

RESOLVED

THAT Council approve to contribute $10,600 towards the cost of the Mayor attending a Company Directors’ Course, and

THAT Council approve expenditure of $10,600 in the Democracy activity in the 2019/20 year/s, and that the unbudgeted expenditure is funded from the Elected Members Training and Conferences budget, and

THAT Council considers this decision insignificant under its Significance and Engagement Policy 2017, and

THAT the level of engagement considered appropriate for this matter, now, is to inform (one-way communication disseminating information).

C20/250 Smeaton/Harris CARRIED

REQUEST FOR SOCIAL STRATEGY FUND ALLOCATION – ‘ELEPHANT IN THE PADDOCK’ INITIATIVE (2775872)

The Community Engagement Officer presented a report which sought the approval of Council to fund the social strategy initiative ‘Elephant in the Paddock’ established in support of mental wellbeing of the rural community and the wider community in the Hauraki District.

RESOLVED

THAT the report be received.

C20/251 Tilsley/Wilkinson CARRIED

RESOLVED

THAT the Council approves the allocation of up to $10,000 from the District Social Strategy Fund towards payment of projects associated with the ‘Elephant in the Paddock’ social initiative, and
THAT the Council considers these decisions to be insignificant under its Significance and Engagement Policy 2017.

C20/252 Tilsley/Adams CARRIED

The meeting adjourned at 10.05am
The meeting reconvened at 10.23am

PLANNING AND ENVIRONMENTAL REPORT - MAY - 2020 (2775194)

The Group Manager – Planning and Environmental Services presented the planning and regulatory report covering May 2020.

RESOLVED

THAT the report be received.

C20/253 Milner/Anderson CARRIED

HEALTH LICENCE FEES DURING COVID 19 – 2020 (2775348)

The Group Manager – Planning and Environmental Services which sought Council to consider a waiver of licensing fees for food and liquor licensed premises because of the premises having to remain closed due to COVID-19 during various levels.

RESOLVED

THAT the report be received.

C20/254 Milner/Howell CARRIED

RESOLVED

THAT Council does not charge all its Food Control Plans and National Programmes the annual $100 registration fee for the 2020/2021 financial year.

C20/255 Howell/Buckthought CARRIED

2021 LTP – PROPOSED COMMUNITY OUTCOMES FOR ADOPTION (2775011)

The Strategic Planning Projects Manager presented a report which provided the members with some draft Community Outcomes for adoption, following discussion at its long term planning (LTP) workshop of 3 June 2020.

RESOLVED

THAT the report be received.

C20/256 Gentil/Broad CARRIED
RESOLVED

THAT Council approves, as amended, the proposed Community Outcomes shown in Appendix B, and

THAT the Council considers these decisions insignificant under its Significance and Engagement Policy 2017, and

THAT the Council’s Community Outcomes (strategic direction) be communicated through the long term planning process.

C20/257 Buckthought/Smeaton CARRIED

HDC REMIT TO LOCAL GOVERNMENT NEW ZEALAND (2444898)

The Strategic Planner presented a report which provided members with information on the Hauraki District remit which has been submitted for consideration at the Local Government NZ AGM meeting in August 2020.

RESOLVED

THAT the report be received.

C20/258 Adams/Spicer CARRIED

WHAREKAWA COAST 2120 - PROJECT UPDATE (2775105)

The Strategic Planner presented a report which updated the members on the progress of the Wharekawa Coast 2120 project. Attached was a copy of the minutes of the Wharekawa Coast 2120 Joint Working Party meeting held on 18 February 2020 for the member’s information.

RESOLVED

THAT the report be received.

C20/259 Adams/Anderson CARRIED

TRANSPORTATION REPORT MAY 2020 (2775082)

The Transportation Manager presented the monthly roading activity for the period ending 31 May 2020.

RESOLVED

THAT the report be received.

C20/260 Adams/Harris CARRIED

TRANSPORT DECISION REPORT - REPLACEMENT OF MAHUTA ROAD NORTH BRIDGE NO. 2
APPENDIX A (2775331) – Mahuta No. 2 Posting Review Report
APPENDIX B (2735906) - Project Feasibility Report – Mahuta Road North Bridge No. 2 ID33

The Transport Manager presented a report which advised of the proposal to replace the Mahuta Road North Bridge No. 2, following a programmed bridge inspection where it was identified to be at risk of failure. The report sought guidance from Council as to the preferred replacement option.
RESOLVED

THAT the report be received.

C20/261 Adams/Harris CARRIED

Upon further investigation it was decided to commission a consultant to do a detailed investigation of the bridge.

Two reports were received from the consultant in April 2020. The Mahuta No.2 Posting Review Report (attached as Appendix A) recommended that a weight and a speed restriction is placed on the bridge immediately. Subsequent to receipt of the report the bridge was posted to a weight and speed restriction. The width of the single lane bridge must also be decreased to lower the risk of failure.

A Project Feasibility Report (included separately as Appendix B) was also received that presented several remedial options including estimated costs and identified risks.

Members were invited to consider all of the options included in the report and the additional information available.

In conclusion, the members agreed that Option (5) was the preferred course of action and that the bridge remain a single lane and not be upgraded to a two lane bridge.

RESOLVED

THAT Council approves Option (5) to replace Mahuta Road North Bridge No. 2 with precast concrete beams, single lane for a Rough Order Cost of $ 810,000 to $ 1,006,000 (excl. GST), to proceed to preliminary design and costings, and

THAT staff report back to Council once the preliminary design and costings have been completed, and

THAT the Council carry forward unspent capital funds, up to $750,000, in the Minor Improvements Budget from 2019/20 to the year 2020/21, for the replacement of Mahuta Road North Bridge No. 2, and

THAT the Council considers these decisions to be insignificant under its Significance and Engagement Policy 2017, and

THAT the Council does not engage in consultation on this issue at this time.

C20/262 Milner/Harris CARRIED

WATER SERVICES REPORT TO COUNCIL - JUNE 2020 (COVERING MAY) (2775206)

The Manager – Water Services presented the monthly water services activity report covering the month of May 2020.

RESOLVED

THAT the report be received.

C20/263 Harris/Anderson CARRIED

Cr Anderson left the meeting at 12.10pm

The meeting adjourned for lunch at 12.10pm
The meeting reconvened at 12.40pm
WASTE MANAGEMENT ACTIVITY REPORT - MAY 2020 (2775489)

The Infrastructure Systems Planning Manager presented the monthly waste management activity report covering May 2020.

RESOLVED

THAT the report be received.

C20/264 Smeaton/Howell CARRIED

DISTRICT DRAINAGE ACTIVITY REPORT - MAY 2020 (2775437)

The Infrastructure Systems and Planning Manager presented the monthly activity report on district drainage for the period to 31 May 2020.

RESOLVED

THAT the report be received.

C20/265 Buckthought/Garrett CARRIED

RECEIPT AND ADOPTION: EASTERN PLAINS DRAINAGE COMMITTEE MINUTES - 04-06-20 (2770590)

RESOLVED

THAT the minutes of the Eastern Plains Drainage District Committee held on Thursday, 04 June 2020 be received and the recommendations contained therein adopted.

C20/266 Buckthought/Garrett CARRIED

RECEIPT AND ADOPTION: WESTERN PLAINS DRAINAGE COMMITTEE MINUTES - 04-06-20 (2770587)

RESOLVED

THAT the minutes of the Western Plains Drainage District Committee held on Thursday, 04 June 2020 be received and the recommendations contained therein adopted.

C20/267 Buckthought/Garrett CARRIED

RECEIPT AND ADOPTION: PAEROA RURAL COMMITTEE MINUTES - 05-06-20 (2770616)

RESOLVED

THAT the minutes of the Paeroa Rural Drainage District Committee held on Friday, 05 June 2020 be received and the recommendations contained therein adopted.

C20/268 Buckthought/Garrett CARRIED

RECEIPT AND ADOPTION: TARAMAIRE DRAINAGE COMMITTEE MINUTES - 04-06-20 (2770592)

RESOLVED

THAT the minutes of the Taramaire Drainage District Committee held on Thursday, 04 June 2020 be received and the recommendations contained therein adopted.

C20/269 Buckthought/Garrett CARRIED
## Matters to be taken with the Public Excluded

**RESOLVED**

THAT the public be excluded from the following parts of the proceedings of this meeting.

The general subject of each matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter and the specific grounds under section 48(1) of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution are as follows:

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<th>Item No.</th>
<th>General subject of each matter to be considered</th>
<th>Reason for passing this resolution in relation to each matter</th>
<th>Ground(s) Under Section 48(1) for the Passing of this Resolution</th>
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<td>Communities Working Together – Proposal 2</td>
<td>Section 7(2)(i) Prejudice to Commercial Position/Negotiations To enable the local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations.</td>
<td>Section 48(1)(a) That the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist.</td>
</tr>
<tr>
<td>2</td>
<td>Waste Collection Contract Variation Request</td>
<td>Section 7(2)(i) Prejudice to Commercial Position/Negotiations To enable the local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations.</td>
<td>Section 48(1)(a) That the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist.</td>
</tr>
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</table>

C20/270 Spicer/Broad **CARRIED**
RESOLVED

THAT the public be re-admitted to the meeting and that the business in committee discussed be confirmed.

C20/275 Spicer/Buckthought CARRIED

Karakia whakamutunga

Cr Milner closed the meeting with a Karakia at 2.20pm

CONFIRMED

D A Adams
Mayor

15 July 2020
HAURAKI DISTRICT COUNCIL
COMMUNITY GROWTH COMMITTEE

MINUTES OF A MEETING OF THE COMMUNITY GROWTH COMMITTEE HELD IN THE COUNCIL CHAMBERS, WILLIAM STREET, PAEROA ON TUESDAY, 30 JUNE 2020 COMMENCING AT 9.00AM

PRESENT
Cr R Harris (In the Chair), D A Adams (His Worship the Mayor), Cr P A Milner, Cr R Broad, Cr B Gentil, Cr A Spicer and Mr D Taipari

IN ATTENDANCE
Cr S Howell, Cr P Buckthought, Cr R Garrett, Messrs L D Cavers (Chief Executive), S B Fabish (Group Manager – Community Services & Development), D Fielden (Economic Development Manager), Ms R Jenks (Economic Development Officer) and Ms C Black (Council Secretary)

Karakia Timatanga (Opening of Meeting)
Cr Spicer opened the meeting with a karakia.

APOLOGIES
RESOLVED
THAT the apology of Cr P Anderson be received and sustained.
CGC20/25 Adams/Spicer

DECLARATION OF LATE ITEMS
There were no late items.

DECLARATIONS OF INTERESTS
There were no declarations of interests.

CONFIRMATION: COMMUNITY GROWTH COMMITTEE MINUTES – 25-02-20 (2726552)
RESOLVED
THAT the minutes of the meeting of the Community Growth Committee held on Tuesday, 25 February 2020 are received and confirmed as a true and correct record.
CGC20/26 Milner/Spicer

MATTERS ARISING FROM THE MINUTES
There were no matters raised.
The Economic Development Manager and Economic Development Officer presented a report that provided the Committee with an update on some of the key Community Growth projects and actions.

**RESOLVED**

THAT the report be received.

CGC20/27 Milner/Broad CARRIED

Love Hauraki – proposed campaign to push promotion of Hauraki as a destination.

Destination Hauraki 2030 - the Hauraki Tourism Action Group has recently been developed. This includes staff from Council, Destination Coromandel, Hauraki Rail Trail Charitable Trust, Waihi i-SITE and Paeroa Information Hub.

Te Waka – 30 businesses in the district have engaged with Te Waka since the lockdown.

Business Investment – the Economic Development Manager updated on prospective business investment opportunities.

Due to the economic impact caused by Covid-19, some developments have either stalled or will not proceed. Council staff have maintained contact with developers who are still proceeding with their plans.

Karakia whakamutunga

Cr Spicer closed the meeting with a karakia at 9.15am.

CONFIRMED

---

R G Harris
Chairperson

28 July 2020
FOR DECISION
MŌ TE WHAKATAUNGA

TO
Mayor and Councillors

AUTHOR
Michelle Clive
Strategic Planner

FILE REFERENCE
Document: 2734964
Appendix A: Statement of Proposal (27337799) and proposed Significance and Engagement Policy (2723727)

PORTFOLIO HOLDER/S
Mayor Toby Adams
Policy portfolio

MEETING DATE
Wednesday, 15 July 2020

SUBJECT
Significance and Engagement Policy review 2020 – Statement of Proposal and Proposed Policy

SUMMARY | TE WHAKARĀPOPOPOTANGA

- The Council is required to have a Significance and Engagement Policy as per section 76AA of the Local Government Act 2002.
- The Council’s Significance and Engagement Policy 2017 is due for review in 2020 ahead of the 2021-2031 Long Term Plan.
- The statement of proposal and proposed policy (Appendix A) based on the working party assumptions has been prepared for consultation with the community.
- Options and issues considered by the working party have been included in the report including recommending changes to the following policy aspects:
  - The return of the community well beings.
  - Contribution to decision-making by Māori
  - Consultation requirements
  - Significance thresholds
  - Financial thresholds
- The proposed option is to undertake a special consultative procedure with the Statement of Proposal with proposed policy (Appendix B) from 17 July to 17 August 2020.
RECOMMENDATION | TE WHAIKUPU

THAT the report be received.

THAT the Council pursuant to the Local Government Act 2002 adopts the Statement of Proposal and proposed Significance and Engagement Policy for consultation and,

THAT the Council considers these decisions to be significant under its Significance and Engagement Policy 2017 and,

THAT the Council approves the special consultative procedure be undertaken from 17 July 2020 to 17 August 2020.

1 PURPOSE | TE ARONGA

To present the statement of proposal and proposed Significance and Engagement Policy for approval for consideration.

2 BACKGROUND | TE KŌRERO Ā MUA

Council determined at its 29 January 2020 meeting to form a working party for the review of its Significance and Engagement Policy. The working party have met and the statement of proposal and proposed policy (Appendix A) reflect their considerations.

The public consultation on this policy, was originally expected to take place in April/May 2020 however with Covid-19, the decision was made to postpone the consultation on this policy.

Councils are required to have a Significance and Engagement Policy (SEP) as per section 76AA of the Local Government Act 2002 (LGA02). At its simplest, the SEP therefore has two main parts:

1. Defining what matters are significant to the Council and its communities, and
2. Defining how and when the Council will engage with its communities.

The SEP in effect should provide a local (i.e. district, city or regional) application of the Council’s decision-making and engagement obligations.

Our existing policy

In short, the SEP states that Council will:

a) Consult on matters when it is legally required to, and
b) Engage (in the broader sense) on all other issues requiring a decision on a case by case basis. The more significant an issue, the greater the need for community engagement.

The policy does not provide for the how Council will engage but provides examples of forms of engagement that may be used.

The SEP is a means of letting the public know what decisions or matters the Council and its communities consider to be particularly important and how Council will go about assessing the importance of matters.

The current SEP sets out matters to be considered when assessing significance as well as guidance thresholds including financial amounts.

The Council is legally required to consider whether a matter is significant in various steps of its decision making processes and if so, apply different approaches or standards. Likewise, it must also consider the views and preferences of those who are likely to be affected by or have an interest in a matter when making decisions, and what its SEP says about when and how it will engage on such matters.

A summary of the SEP must be included in the Council’s long term plans.
3 THE ISSUES | NGĀ TAKE

The Significance and Engagement Policy 2017 is due for its three yearly review ahead of the Long Term Plan 2021-2031. Council must consider the statement of proposal and proposed policy and determine whether to consult on them as proposed (Appendix A)

3.1 The return of the ‘community wellbeings’

The four community wellbeings social, economic, environmental and cultural were reinstated under the current government in the Local Government Act 2002. The previous government had removed them and therefore they were not part of the previous considerations of the 2017 review of the SEP.

(1) The purpose of local government is –
(a) To enable democratic local decision making and action by, and on behalf of, communities; and
(b) To promote the social, economic, environmental, and culture well-being of communities in the present and for the future.¹

These four wellbeings are also included in the definition of significance in the LGA02 which reiterates the importance of considering them when looking at how important an issue is to the Council and its communities.

significance, in relation to any issue, proposal, decision, or other matter that concerns or is before a local authority, means the degree of importance of the issue, proposal, decision, or matter, as assessed by the local authority, in terms of its likely impact on, and likely consequences for,—
(a) the current and future social, economic, environmental, or cultural well-being of the district or region:
(b) any persons who are likely to be particularly affected by, or interested in, the issue, proposal, decision, or matter:
(c) the capacity of the local authority to perform its role, and the financial and other costs of doing so²

At a minimum we should update our definitions in the policy to reflect the changes to the LGA02. However, the purpose of reinstating the community outcomes is to provide focus on Council’s role to promote the social, economic, environmental, and culture well-being of communities in the present and for the future, therefore we could consider them more broadly in assessment of significance.

The working party recommend that the definition is updated to reflect the changes to the LGA02 and that also one of the matters for assessing significance 3.3 in Appendix 1 is also amended as below:

iv. The likely impact on present and future social, economic, environmental, or cultural well-being of the district, interests of the community, recognising Māori cultural values and their relationship to land and water.

v. Whether the proposal will have significance to Māori cultural values and their relationship to land and water.

3.2 Contribution to decision-making by Māori

The LGA02 requires that a Council must:

¹ Part 2, Section 10, Local Government Act 2002
² Part 1, Section 5, Local Government Act 2002
1) maintain process to provide opportunities for Māori to contribute to Council’s decision making processes
2) consider ways in which it may foster the development of Māori capacity to contribute to those decision-making processes
3) provide relevant information for the above purposes.

It must also set out the steps that it intends to take to foster the development of Māori capacity (as per the second item above) in its long term plans. Defining these steps has in the past been done separate to the preparation of the SEP, however as the two concern engagement, they are closely related.

The Hauraki Treaty settlements will inevitably result in changes to the way we engage with the Hauraki Iwi. The SEP and process for Māori contribution for decision-making should reflect these changes once know. These documents and forms of engagement need to connect as well as we can whilst still in the process of developing them alongside Māori and Iwi.

The working party recommend including the following section into the SEP (the parts which are underlined are new) and also included in (Appendix A):

**Engagement with Māori**

3.13. Council recognises that Māori as Tangata Whenua have a unique relationship with Council through the Treaty of Waitangi and supporting legislation.

3.14. Council will recognise Māori cultural values and take into account Māori interests, particularly their relationship to land and water.

3.15. Council will establish and maintain processes to provide opportunities for Māori to be consulted and contribute to decision-making processes.

3.16. Joint Management Agreements, Memorandum of Understandings or any other similar high level agreement will be considered as a starting point when engaging with Māori and Iwi.

3.3 Consultation requirements

The SEP does not take away Council’s obligations to fulfil other consultation requirements. It should in fact help give effect to them. Two key sets of requirements to be aware of are:

1. The consultation principles for how the Council should consult (section 82 of the LGA 2002)
2. Specific circumstances which require consultation processes under a range of different pieces of legislation. (e.g. Resource Management Act 1991)

A range of other statutes place other engagement requirements on councils at the involvement and collaboration part of the spectrum such as the Hauraki Gulf Forum (established under the Hauraki Gulf Marine Act 2000) where Council partners with Tangata Whenua, government ministries and other local authorities, and the Ngāti Koi Domain Co-Governance Committee (established under the Ngāti Tara Tokanui deed of settlement and settlement legislation pertaining to the Ngāti Koi Domain).

The existing policy includes prompts to consider what consultation is required specifically under legislation as part of the assessment of significance and engagement.

The working party recommend the inclusion of a point within the legislative context of the Policy to include clarity around this policy not overriding provisions for significance and engagement within other legislation.

2.1 This policy is made in accordance with Local Government Act 2002 (the Act).
2.2 This policy will not apply where significance and engagement provisions are provided for in other legislation under which Council operates, such as the Resource Management Act.

The working party also recommend that requirements under section 82 and 83 of the LGA 2002 which were previously included in the schedule be brought into 3.8 and 3.9 of Community Engagement (Appendix A) within the policy for improved flow of reading. These changes are reflected in Appendix A.

3.4 Significance thresholds

The significance thresholds currently used within the SEP have been working well and are still largely considered appropriate. When compared against 10 other Councils (Thames-Coromandel DC, Matamata-Piako DC, Hamilton City Council, Waipa DC, Western Bay of Plenty DC, Waikato RC, Taupo DC, Timaru DC, Southland DC and Grey DC) the thresholds are reasonably on par. The following are the current thresholds included in the draft significance and engagement policy as discussed to this point of the report (the proposed new additions are underlined):

1. Whether there is a legal requirement to engage with the community.
2. The level of financial consequences of the proposal or decision.
3. Whether the proposal or decision will affect a large portion of the community.
4. The likely impact on the current and future social, economic, environmental, or cultural well-being of the district.
5. Whether the proposal will have significance to Māori cultural values and their relationship to land and water.
6. Whether the proposal affects the level of service of a significant activity.
7. Whether community interest is high.
8. Whether the likely consequences are controversial.
9. Whether community views are already known, including the community’s preferences about the form of engagement.
10. The form of engagement used in the past for similar proposals and decisions.

Financial thresholds

The financial thresholds have not changed in the policy in some time and therefore warrant thorough consideration. The policies current financial thresholds are:

1. Individual issues, assets, or other matters that incur more than $1,000,000 in excess of budgeted expenditure, as identified in the Annual Plan and/or Hauraki Long Term Plan; and/or more than $1,000,000 of unbudgeted expenditure.
2. A decision that will trigger a breach of one or more of Council’s Rates Caps as detailed in the Council’s operative financial strategy.
3. A decision that will trigger a breach of one or more of Council’s Debt Caps as detailed in the Council’s operative financial strategy.

The threshold (i) of $1,000,000 in unbudgeted expenditure has not changed since 2006. This is not be reflective of today’s dollar values as the Local Government Consumer Price Index increased by 35% between 2006 and 2017. Also a set value amount is an uncommon threshold in significance and engagement policies. What is more common is the use of a percentage based threshold and staff also recommends there is a split between operational and capital expenditure into two thresholds. The working party has considered the financial thresholds and recommend the following:

1. Net financial cost/revenue of implementation, excluding any financial impact already included in a Long-Term Plan/Annual Plan:
   a. Net capital expenditure >20% of total rates in year commenced, and/or
b. **Net operating expenditure >5% of total rates in year commenced.**

The percentage option allows for the change in inflation/monetary value which happens over time. It is valuable to split the capital and operational expenditure given the different impacts they have on rates.

## 4 ENGAGING WITH OUR COMMUNITIES |
**KIA UIA TE HAPORI WHĀNUI**

Staff consider that the Council does not have enough of an understanding of **community views and preferences** on this matter. The level of engagement considered appropriate for this matter, at this point in time, is to consult (i.e. two-way communication to obtain public feedback)

When adopting or amending a significance and engagement policy Council must undertake a special consultative procedure unless it is considered that sufficient information about community interests and preferences are already known. Given there are changes proposed to the policy is considered appropriate that the community are provided with the opportunity to provide feedback to Council on those proposed changes.

## 5 OUR OPTIONS | **NGĀ KŌWHIRINGA A MĀTOU**

Staff have identified the following options for the Council to consider:
- Retaining the status quo, make no changes to the policy and advise community the policy has been reviewed, unchanged and no further feedback will be sought.
- Undertake the special consultative procedure on the statement of proposal and proposed Significance and engagement policy as attached.
- Make further changes to the proposed policy and undertake the special consultative procedure as legally required amending the policy.

These options and their advantages and disadvantages are outlined below.

### 5.1 OPTION 1: Retain Status quo

| ABOUT THIS OPTION |
| Council could choose to make no changes to the policy and take an inform approach to engagement (one-way communication/advising) with the community |

| ADVANTAGES | DISADVANTAGES |
| Nothing further required. | • Risk to Council reputation through not providing appropriate avenues for interested parties to engage. |
| | • The policy will not have had the proposed minor changes to enable it to best reflect current times. |

| FINANCIAL COSTS |
| Whole of life costs | One off operating cost to inform:
- Up to $200 for a public notice in the Hauraki Herald
- Internal staff time to disseminate emails to interested parties. |

---

3 5% operational expenditure equates to $1.5million and 20% capital expenditure equates to $6million
5.2 OPTION 2: Consult on the proposed SOP and Policy

ABOUT THIS OPTION
Undertaking the special consultative procedure on the Statement of Proposal and proposed Gambling Policy as attached.

ADVANTAGES
- Community are engaged through their preferred option
- Community feedback can be considered and reflected in the policy where appropriate
- Policy gets the changes it needs to stay current

DISADVANTAGES
None identified

FINANCIAL COSTS

<table>
<thead>
<tr>
<th>Whole of life costs</th>
<th>One off operating cost:</th>
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<tbody>
<tr>
<td></td>
<td>- Approximately $250 for combined public notification with the other SOP’s being proposed for as part of this Council agenda (responsible freedom camping, nuisance bylaw (vehicle crossings) dangerous and insanitary buildings policy and gambling policy.</td>
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<tr>
<td></td>
<td>- document publication costs which would be met from existing printing budgets,</td>
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<td></td>
<td>- staff time for implementing consultation process and the collating public feedback for the consideration of the Council.</td>
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</tbody>
</table>

Budget source | Existing Strategic Planning budget

Changes to budgets | In order to accommodate these costs there will not need to be changes to budgets.

Impact on the Council’s debt | There is no impact on the Council’s debt.

Potential impact on rates | There will be no impact on rates because this comes out of existing budgets.

5.3 Make changes to the proposed policy and SOP before consultation

ABOUT THIS OPTION
Council may wish to make amendments to the proposed policy and statement of proposal before it is consulted on.
ADVANTAGES
- Community are engaged through their preferred option
- Community feedback can be considered and reflected in the policy where appropriate
- The policy reflects changes the Council considers appropriate

DISADVANTAGES
- May add a small delay in consultation to allow staff time to amend to proposed policy and statement of proposal for consultation.

FINANCIAL COSTS

Whole of life costs
One off operating cost:
- Approximately $250 for combined public notification with the other SOP’s being proposed for as part of this Council agenda (responsible freedom camping, nuisance bylaw (vehicle crossings) dangerous and insanitary buildings policy and gambling policy,
- document publication costs which would be met from existing printing budgets,
- staff time for implementing consultation process and the collating public feedback for the consideration of the Council. public feedback for the consideration of the Council.

Budget source
Existing Strategic Planning budget

Changes to budgets
In order to accommodate these costs there will not need to be changes to budgets.

Impact on the Council’s debt
There is no impact on the Council’s debt.

Potential impact on rates
There will be no impact on rates because this comes out of existing budgets.

6 PREFERRED OPTION | TE KŌWHIRINGA MATUA

Staff recommend proceeding with option 2 – Consult on proposed SOP and Policy.

6.1 LINKAGES

<table>
<thead>
<tr>
<th>STRATEGIC DIRECTION</th>
<th>The preferred option IS consistent with the Council’s strategic direction, including community outcomes.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td><strong>Progress Hauraki</strong> We are a proactive council that provides leadership and communicates effectively with all sectors of our district.</td>
</tr>
<tr>
<td></td>
<td><strong>Kotahitanga Hauraki</strong> We take a collaborative approach with both Mana Whenua and Tangata Whenua in our district.</td>
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<td></td>
<td><strong>Please note, as at the drafting of this report staff were in the process of being advised of the new Community Outcomes as adopted at 24 June 2020 Council meeting.</strong></td>
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</table>
6.2 ASSESSING THE RISKS

Staff have not identified any risks associated with the preferred option.

7 NEXT STEPS | TE ARA KI MUA

<table>
<thead>
<tr>
<th>Timeframe</th>
<th>Action</th>
<th>Comments</th>
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<tr>
<td>17 Jul – 17 Aug 2020</td>
<td>Special Consultative Procedure (Consultation)</td>
<td></td>
</tr>
<tr>
<td>9 Sep 2020</td>
<td>Council hearings and deliberations</td>
<td></td>
</tr>
<tr>
<td>30 Sep 2020</td>
<td>Council consideration of final draft policy</td>
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Approval

<table>
<thead>
<tr>
<th>Prepared by</th>
<th>Michelle Clive</th>
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<tr>
<td></td>
<td>Strategic Planner</td>
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<tr>
<th>Approved by</th>
<th>Peter Thom</th>
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<tr>
<td></td>
<td>Group Manager – Planning &amp; Environmental Services</td>
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</table>
Hey, we need to talk me kōrero ngātahi tātou

We’re proposing some changes to our Significance and Engagement Policy and we want to know what you think.

When we’ve taken into account all your feedback, we’ll finish off the policy and it will be adopted by Council.

IMPORTANT DATES

Open for feedback from 17 July 2020 to 17 August 2020

TALK TO US

Tell us what you think in person:
9 September 2020 in the Hauraki District Council Chambers, William Street, Paeroa.

WHERE CAN I FIND MORE INFORMATION?

The draft policy is available at Council offices, online at https://weneedtotalk.hauraki-dc.govt.nz or give us a call and we’ll send you a copy.

What is the Significance and Engagement policy?

A lot of what we do is already mapped out in documents such as our Long Term Plan, which we prepare, with your input, every three years.

However, sometimes things pop up unexpectedly and we need to come back to you and talk about our plans some more.

This policy is a guide to when we need to do this and how we should go about it.

What we’re proposing

Our current policy says we need to talk with you about any matters of high interest or if we’re making major decisions, such as stopping one of our key services. We think this is still appropriate.

However, we are proposing some changes. In a nutshell, we’re proposing:

- A change to our financial significance trigger. In other words the level of investment in a proposed project that triggers the need for us to talk to you about it. Our trigger used to be projects of $1 million or more but we think projects greater than 20 per cent of capital expenditure or 5 per cent of operational expenditure is a better trigger.

- Clarifying the times we won’t ask for your feedback such as when we are acting under the urgency of a crisis.

- Recognising the importance of Māori as tangata whenua and their special relationship with the land and water.
A guide to giving feedback

Any organisation or member of the public can give us feedback in writing, on the phone, in person or all of these. This is your chance to tell us your thoughts about what we’re proposing.

Good feedback is clear, concise and to the point. Tell us which parts you support, and which ones you don’t. Let us know why. You are most welcome to provide additional pages or supporting material to with your feedback.

Remember to provide your contact details if you would like to be kept informed of the decisions made after considering your feedback.

Your feedback will be a council record, so may be reproduced as an attachment to a Council agenda, made publicly available and remain on Council minute records. If you’re not providing feedback on behalf of an organisation and would like your contact details to be kept private, please let us know.

We’ll notify everyone who provides feedback of the outcome in writing.

Special assistance

We can offer assistance with special requirements at a hearing in terms of language translation, including that of sign language, or presenting through audio visual mechanisms. If assistance is required, please let us know and we will make the appropriate arrangements.

Huh?! What’s a policy?

Our policies only apply to the Hauraki District. They provide guidance on issues or topics for consideration, which helps our Council with decision making.

This policy is about working out which decisions are important enough for us to talk to you about before we make them.

We make policies in consultation with you – that’s why your feedback is so important to us.

How you can have your say

If you want to talk to us:
- if you would like to talk about these changes with an Elected Member you can find their contact details on our website [https://www.hauraki-dc.govt.nz/our-council/mayor-councillors/](https://www.hauraki-dc.govt.nz/our-council/mayor-councillors/)
- contact us to book in to speak to the Council at a hearing in Paeroa on 9 September 2020, or tick the box on the feedback form to show us you’re keen to attend. We’ll contact you closer to the date of the hearing to arrange a time for you to speak.
- give us a call and speak with a member of the strategic planning team – we can draft your feedback into a written statement and we’ll provide you with a copy.

If you want to write to us:
- fill out the online feedback form on our website [https://weneedtotalk.hauraki-dc.govt.nz](https://weneedtotalk.hauraki-dc.govt.nz)
- private message or comment on our Facebook page
- email your feedback to [info@hauraki-dc.govt.nz](mailto:info@hauraki-dc.govt.nz)
- write a letter, or fill in the printed feedback form (available at our service centres, or downloadable from our website)
2020
Significance and Engagement Policy
Kaupapa here whai pūtake me te tūhonohono

our home, our future
tō tātou rohe kāinga, tō tatou ao tūroa
1. Purpose and scope

1.1. The purpose of this policy is to enable Council and its communities to identify the degree of significance attached to particular issues, proposals, assets, decisions and activities.

1.2. To provide clarity about how and when communities can expect to be engaged in decisions made by Council.

1.3. To inform Council from the beginning of a decision-making process about the extent, from and type of engagement required.

1.4. To set out those assets considered by Council to be strategic assets.

2. Legislative context

2.1. This policy is made in accordance with Local Government Act 2002.

2.2. This policy will not apply where significance and engagement provisions are provided for in other legislation under which Council operates, such as the Resource Management Act, 1991.

3. Policy

Determining significance

3.1. Engagement with the community is needed to understand the views and preferences of people likely to be affected by or interested in a proposal or decision.

3.2. An assessment of the degree of significance of proposals and decisions, and the appropriate level of engagement, will be considered in the early stages of a proposal before decision making occurs and, if necessary, reconsidered as a proposal develops.

3.3. The Council will take into account the following matters when assessing the degree of significance of proposals and decisions, and the appropriate level of engagement:

i. Whether there is a legal requirement to engage with the community.

ii. The level of financial consequences of the proposal or decision.

iii. Whether the proposal or decision will affect a large portion of the community.

iv. The likely impact on the current and future social, economic, environmental, or cultural well-being of the district.

v. Whether the proposal will have significance to Maori cultural values and their relationship to land and water.

vi. Whether the proposal affects the level of service of a significant activity.

vii. Whether community interest is high.

viii. Whether the likely consequences are controversial.
ix. Whether community views are already known, including the community’s preferences about the form of engagement.

x. The form of engagement used in the past for similar proposals and decisions.

3.4. If a proposal or decision is affected by a number of the above considerations, it is more likely to have a higher degree of significance.

3.5. When undertaking a process to determine the extent to which proposals and decisions are significant, the Council will use the following thresholds as an initial guide:

i. Net financial cost/revenue of implementation, excluding any financial impact already included in a Long-Term Plan/Annual Plan:
   a. Net capital expenditure >20% of total rates in year commenced, and/or
   b. Net operating expenditure >5% of total rates in year commenced.

ii. Any transfer of ownership or control, or abandonment, as a strategic asset as defined by the Local Government Act, 2002, or listed in Schedule 1 of this policy.

iii. A decision that will, directly or indirectly, significantly affect the capacity of the Council to carry out any Activity identified in the adopted Hauraki Long Term Plan.

iv. Entry into any partnership with the private sector to carry out a significant activity.

v. A decision that will trigger a breach of one or more of Council’s Rates Caps as detailed in the Council’s operative financial strategy.

vi. A decision that will trigger a breach of one or more of Council’s Debt Caps as detailed in the Council’s operative financial strategy.

3.6. In general, the more significant an issue, the greater the need for community engagement.

Community engagement

3.7. The Council will apply a consistent and transparent approach to engagement.

3.8. The Council will use the Special Consultative Procedure (as set out in the Local Government Act 2002) where required to do so by law, including for the following issues requiring decisions:

- The adoption or amendment of a Long Term Plan (in accordance with section 93A of the LGA 2002)
- The adoption, amendment or revocation of bylaws if required under section 156(1)(a) of the LGA 2002
- The adoption, amendment or revocation of a Local Alcohol Policy
- The adoption or review of a Local Approved Products (Psychoactive Substances) Policy
- The adoption or review of Class 4 Venue Policy under the Gambling Act 2003
- The preparation, amendment or revocation of a Waste Management and Minimisation Plan

3.9. Unless already explicitly provided for in the Long Term Plan, the Council will seek to amend its Long Term Plan, and therefore use the Special Consultative Procedure, when it proposes to:
• Alter significantly the intended level of service provision for any significant activity undertaken by or on behalf of Council, including commencing or ceasing such an activity; or
• Transfer of ownership or control of strategic assets, as listed in Schedule 1.

3.10. The Council will consult in accordance with, or using a process or a manner that gives effect to the requirements of, section 82 of the LGA 2002 where required to do so by law, including for the following specific issues requiring decisions:
• Adopting or amending the annual plan if required under section 95 of the LGA 2002
• Transferring responsibilities to another local authority under section 17 of the LGA 2002
• Establishing or becoming a shareholder in a council-controlled organisation
• Adopting or amending a revenue and financing policy, development contributions policy, financial contributions policy, rates remission policy, rates postponement policy, or a policy on the remission or postponement of rates on Māori freehold land

3.11. For all other issues requiring a decision, Council will determine the appropriate level of engagement on a case by case basis.

3.12. The Community Engagement Guide Schedule 2 identifies the form of engagement Council may use to respond to some specific issues. It also provides examples of types of issues and how and when communities could expect to be engaged in the decision making process.

3.13. When Council makes a decision that is significantly inconsistent with this policy, the steps identified in Section 80 of the Local Government Act 2002 will be undertaken.

Engagement with Māori

3.14. Council recognises that Māori as Tangata Whenua have a unique relationship with Council through the Treaty of Waitangi and supporting legislation.

3.15. Council will recognise Māori cultural values and take into account Māori interests, particularly their relationship to land and water.

3.16. Council will establish and maintain processes to provide opportunities for Māori to be consulted and contribute to decision-making processes.

When will Council not engage?

3.17. There are times when it will not be appropriate to engage with the community on certain matters. Examples of this include when Councils is:
• protecting the privacy and safety of individuals (as provided for in the Privacy Act 1993).
• maintaining confidentiality and/or commercial sensitivity to enable Council to carry out commercial activity or negotiations without prejudice (as provided for in the Local Government Official Information and Meetings Act 1987).
• acting with urgency in a crisis (for example, under the Civil Defence Emergency Management Act 2002).
4. **Glossary**

4.1. Unless the context requires otherwise, the definitions of words or terms used in this Policy that are also used in the Local Government Act 2002 are those defined in that Act.

| **Community** | A group of people living in the same place or having a particular characteristic in common. Includes interested parties, affected people and key stakeholders. |
| **Decisions** | Refers to all the decisions made by on or behalf of Council including those made by officers under delegation. (Management decisions made by officers under delegation during the implementation of Council decisions will not be deemed to be significant). |
| **Engagement** | Is a term used to describe the process of seeking information from the community to inform decision making. There is a continuum of community involvement. |
| **Significance** | As defined in Section 5 of the Local Government Act 2002 “in relation to any issue, proposal, decision, or other matter that concerns or is before a local authority, means the degree of importance of an issue, proposal, decision or matter, as addressed by the local authority, in terms of its likely impact on, and likely consequences for, - |
| | (a) The current and future social, economic, environmental, or cultural well-being of the district or region; |
| | (b) Any persons who are likely to be particularly affected by, or interested in, the issue, proposal, decision or matter; |
| | (c) The capacity of the local authority to perform its role, and the financial and other costs of doing so. |

| **Significant Activity** | The Hauraki District Council significant activities are as follows: |
| | i. Land Transport |
| | ii. Water Supply |
| | iii. Waste water |
| | iv. Stormwater |
| | v. Land Drainage. |

| **Strategic Asset** | As defined in Section 5 of the Local Government Act 2002 “in relation to the assets held by a local authority, means an asset or group of assets that the local authority needs to retain if the local authority is to maintain the local authority’s capacity to achieve or promote any outcome that the local authority determines to be important to the current or future well-being of the community; and includes— |
| | (a) any asset or group of assets listed in accordance with section 76AA(3) by the local authority; and |
(b) any land or building owned by the local authority and required to maintain the local authority’s capacity to provide affordable housing as part of its social policy; and

(c) any equity securities held by the local authority in—
   i. a port company within the meaning of the Port Companies Act 1988;
   ii. an airport company within the meaning of the Airport Authorities Act 1966”

5. Review

5.1. The policy will be reviewed three yearly to ensure alignment with statutory changes and Council’s expectations and practices.

6. Document management and control

<table>
<thead>
<tr>
<th>Title</th>
<th>Hauraki District Council Significance and Engagement Policy 2020</th>
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</thead>
<tbody>
<tr>
<td>Sponsor</td>
<td>Strategic Planning</td>
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<tr>
<td>Approved by:</td>
<td>Hauraki District Council</td>
</tr>
<tr>
<td>Adoption date:</td>
<td>[date]</td>
</tr>
<tr>
<td>Review by:</td>
<td>July 2023</td>
</tr>
<tr>
<td>File ref:</td>
<td>2723727</td>
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</table>

Property of Hauraki District Council
Schedule 1 – Strategic Assets

Section 5 of the Local Government Act 2002 requires the following to be listed in this Policy:

(a) Any asset or group of assets listed in accordance with section 76AA(3) by the local authority; and

(b) Any land or building owned by the local authority and required to maintain the local authority’s capacity to provide affordable housing as part of its social policy; and

(c) Any equity securities held by the local authority in –
   i. A port company within the meaning of the Port Companies Act 1988.
   ii. An airport company within the meaning of the Airport Authorities Act 1966.

The following is a list of assets or group assets that the council needs to retain if it is to maintain its capacity to achieve or promote any outcome that it determines to be important to the current or future well-being of the community.

Hauraki District Council Strategic Assets:

i. The Hauraki District Council roading network as a whole;

ii. The Hauraki District Council land drainage network as a whole;

iii. The Hauraki District Council wastewater network as a whole;

iv. The Hauraki District Council water network as a whole;

v. The Hauraki District Council urban Stormwater network as a whole;

vi. Memorial halls in Ngatea, Paeroa and Waihi;

vii. Elderly Housing.
## Schedule 2 – Community Engagement Guide

### Increasing level of public impact

<table>
<thead>
<tr>
<th>INFORM</th>
<th>CONSULT</th>
<th>INVOLVE</th>
<th>COLLABORATE</th>
<th>EMPOWER</th>
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<tr>
<td><img src="image1" alt="Diagram" /></td>
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<td><img src="image3" alt="Diagram" /></td>
<td><img src="image4" alt="Diagram" /></td>
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**Promise**
- **INFORM**: We will keep you informed
- **CONSULT**: We will listen to and acknowledge your concerns
- **INVOLVE**: We will work with you to ensure your concerns and aspirations are directly reflected in the decisions made
- **COLLABORATE**: We will look to you for advice and innovation and incorporate this in decisions as much as possible
- **EMPOWER**: We will implement what you decide

### What it involves

- **One-way communication**: Providing balanced and objective information to assist understanding about something that is going to happen or has happened.
- **Two-way communication**: Designed to obtain public feedback about ideas on rationale, alternatives and proposals to inform decision-making.
- **Participatory process**: Designed to help identify issues and views to ensure that concerns and aspirations are understood and considered prior to decision-making.
- **Working together**: To develop understanding of all issues and interests to work out alternatives and identify preferred solutions.
- **The final decision making**: Is in the hands of the public. Under the LGA 2002, the Mayor and Councillors are elected to make decisions on behalf of their constituents.

### Types of issues

- **Hauraki Water Restrictions**
- **Hauraki Long Term Plan**
- **Draft Hauraki District Plan Pre-Consultation**
- **Community Plans**
- **Election voting systems (MMP, STV or first past the post)**

### Possible tools

- **Websites/Social media**
- **Information flyer**
- **Public notices**
- **Media releases**
- **Through SCP seek formal submissions and hold hearings, focus groups, surveys.**
- **Workshops**
- **Focus groups**
- **Citizens panel**
- **Online surveys**
- **External working groups (involving community experts)**
- **Binding referendum**
- **Local body elections**

### When the community can be involved

- **Council would generally advise the community once a decision is made.**
- **Council would advise the community once a draft decision is made.**
- **Council would generally provide the community with more informal and longer lead time to allow them time to be involved in the process.**
- **Council would generally involve the community at the start to scope the issue, again after information has been collected and again when options are being considered.**
- **Council would generally provide the community with a greater lead in time to allow them to be involved in the process. E.g. typically a month or more.**
## Schedule 3 - Assessment Matrix

If yes is answered to any of the general approaches or criteria/thresholds below then the matrix will need to be completed fully to consider the issues and a proposal as to the degree of significance will need to be prepared that includes the Assessment matrix/community engagement guide (schedule 2) and associated decision-making report templates.

<table>
<thead>
<tr>
<th>Policy</th>
<th>Standard</th>
<th>Yes</th>
<th>No</th>
<th>Matters for consideration</th>
</tr>
</thead>
<tbody>
<tr>
<td>Legal requirement</td>
<td>Is there a legal requirement to engage with the community?</td>
<td>✔</td>
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<tr>
<td></td>
<td>(If yes ensure all legislative requirements are met but complete the remainder of the matrix to ascertain if any additional engagement is required)</td>
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<tr>
<td>General approach</td>
<td>Does the proposal or decision affect a large portion of the community?</td>
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<td></td>
<td>Is there a significant impact on the current, future social, economic, environmental, or cultural well-being of the district?</td>
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<td>Are the likely consequences controversial?</td>
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<td>(Have they been controversial historically within the District, Regional or New Zealand generally?)</td>
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<td></td>
<td>Is community interest high?</td>
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<td></td>
<td>Are community views already known, including the community’s preferences about the form of engagement?</td>
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<td></td>
<td>(Consider what form of engagement was used in the past for similar proposals or decisions)</td>
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<td></td>
<td>Does the proposal have significance to Māori cultural values and their relationship to land and water?</td>
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<tr>
<td>Criteria/Threshods</td>
<td>Net financial cost/revenue of implementation, excluding any financial impact already included in a Long Term Plan/Annual Plan:</td>
<td></td>
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<tr>
<td></td>
<td>- Net capital expenditure &gt; 20% of total rates in year commenced and/or</td>
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<td>- Net operating expenditure &gt; 5% of total rates in year commenced.</td>
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<td></td>
<td>Does it involve any transfer of ownership or control, or abandonment of a strategic asset?</td>
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<td>Will there be a change in the level of service?</td>
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<td></td>
<td>Private Sector partnership?</td>
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<td>Will the decision trigger a breach of one or more of Council’s Rates Caps as detailed in the Council’s operative financial strategy.</td>
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<tr>
<td></td>
<td>Will the decision trigger a breach of one or more of Council’s Debt Caps as detailed in the Council’s operative financial strategy.</td>
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</table>
**Recommendation** [include this in the 'Significance Assessment' section of the report]

The decision **IS/IS NOT considered significant** under the Council’s Significance and Engagement Policy 2020.

**Rationale** [include this in the 'Significance Assessment' section of the report]

**Engagement level/requirements (having considered Schedule 2 – Community Engagement Guide)** [include this, if appropriate, in the 'Significance Assessment' section of the report]
For more information:

- **W** [www.hauraki-dc.govt.nz](http://www.hauraki-dc.govt.nz)
- **E** [info@hauraki-dc.govt.nz](mailto:info@hauraki-dc.govt.nz)
- **P** 07 862 8609 or 0800 734 834 (from within District)

Visit us at one of our offices:

- **Paeroa:** 1 William Street
- **Ngatea:** 84 Orchard West Road
- **Waihi:** 40 Rosemont Road
FOR DECISION
MŌ TE WHAKATAUNGA

TO
Mayor and Councillors

AUTHOR
Michelle Clive
Strategic Planner

FILE REFERENCE
Document: 2736117
Appendix A: Social impact assessment 2020 (2719784)
Appendix B: Statement of Proposal (2735724) and proposed
Gambling Policy 2020 (2730713)

PORTFOLIO HOLDER/S
Mayor Toby Adams
Policy Portfolio

MEETING DATE
Wednesday, 15 July 2020

SUBJECT
Gambling Policy review – Statement of Proposal and
proposed policy

SUMMARY | TE WHAKARĀPOPOTANGA

- The council is required to have policies for gaming machine venues and agency venues
(standalone TAB venues) within its district.
- The Council’s Class 4 Gambling Venue and NZ Racing Board Venue Policy 2017 is due for
review by October 2020.
- It is recommended that the Council continue to have a sinking lid policy based on the social
impact assessment (Appendix A) with the aim of reducing gaming machine numbers and
venues over time.
- The statement of proposal and proposed policy (Appendix B) based on the working party
recommendations has been prepared for consultation with the community.
- No significant changes have been recommended from the current policy.
- Options and issues considered by the working party have been included in the report.
  o Social impact assessment;
  o Limitations;
  o Sinking lid policies and caps;
  o Options for venues to merge;
  o Relocation of Class 4 gaming venues; and
  o Other minor changes.
- The proposed recommendation is to undertake a special consultative procedure with the
Statement of Proposal with proposed policy (Appendix B) from 17 July to 17 August 2020.
- This recommendation allows for the community of interest to be engaged through their
expected and preferred method.
RECOMMENDATION | TE WHAIKUPU

THAT the report be received, and
THAT the ‘2020 Social Impact Assessment’ be received, and
THAT the Council has regard for the Social Impact Assessment in considering the adoption of the proposed Gambling Policy, and
THAT the proposed Gambling Policy be adopted for public consultation in accordance with section 83 of the Local Government Act 2002, and

1 PURPOSE | TE ARONGA

To present the Social Impact Assessment, Statement of Proposal and proposed Gambling Policy to Council for consideration.

2 BACKGROUND | TE KÖRERO Ā MUA

Councils are required to have a policy or policies in place for Class 4 gaming venues and agency venues (standalone TAB venues) within their districts as per the Gambling Act 2003 and Racing Act 2003.

The Council’s current Class 4 gambling venue and NZ Racing Board Policy was last reviewed in 2017 and is due for review by October 2020. The policy was originally programmed to be reviewed in April/May 2020, however with Covid-19, the review was postponed.

The current policy is considered to be a ‘sinking lid’ in that over time it aims to reduce the number of gaming machines and venues within the district.

Council, at its 12 February 2020 meeting, determined to review the policy and formed a working party to work on that review. The working party have met and considered the Social Impact assessment (Appendix A) and the issues to be considered for the review of the policy. From the direction provided by the working party the statement of proposal and proposed Gambling Policy (Appendix B) is presented for Council to consider for consultation.

3 THE ISSUES | NGĀ TAKE

3.1 Social impact assessment

When reviewing a gambling policy Council must have considered the social impact of gambling in high deprivation communities within its district as per section 102(5B) of the Gambling Act 2003. A social impact assessment (Appendix A) was considered by the working party. A summary of findings from the assessment was:

- Gambling is often a harmless form of entertainment, providing social opportunities as well as creating employment opportunities for venues, societies, and servicing industries.
- 67.2% of the adult population in New Zealand had participated in some form of gambling during in 2019; which is an estimated 2,650,000 adults, this is keeping with the generally downward trend which has seen gambling participation decrease from 82.7% in 2006.
Two out of every five regular gaming machine users already have a gambling problem or are at risk of developing one.

The proceeds from gaming machines are not required to be distributed back into the same community in which they were generated.

The total proceeds that came from Hauraki District gaming machines in 2019 available for community distribution was around $2.1 million.

Organisations in the Hauraki District received $432,791.92 (21% of the total Gaming Machine Proceeds (GMP) in Hauraki from 2019) of gaming society funding in 2019. Of this, around $7,464.74 was granted to the Hauraki District in 2019 from societies that do not operate machines in the District.

Overall the findings within the social impact assessment were not significantly different from previous reviews. The Hauraki District has various factors which should be considered in the outcomes sought from the gambling policy. These factors include that the district has a high deprivation level (particularly the Paeroa and Waihi wards). In addition, that the Hauraki District has a higher percentage of Māori living within the district than the national average. Māori are more likely to experience harm from at risk gambling. These findings suggest there should continue to be a focus on the reduction of gambling related harm. Although there is some benefit to the community from grants reinvested within the district far too little of what is taken from the district has direct benefits back into the Hauraki District and in particular the communities from which it was directly lost.

Since the Social Impact Assessment was undertaken there has been a White Paper Ending Community Sector Dependence on Pokie Funding undertaken by PGF (Problem Gambling Foundation) Group, Hāpai Te Hauora and the Salvation Army. The White Paper seeks government funding of community groups from the beginning of Level 4 lockdown for the Covid-19 Pandemic for a year to allow for a reform of the funding for community groups, removing the dependence on money raised by gaming machines. This does not directly impact the current policy review however contributes to the understanding of the current legislative environment around gambling harm.

3.2 Limitations

There are limitations of what is and isn’t allowable within a class 4 venue policy. The policy provides a stake in the sand for which decisions on licence applications within our district will be made. Council can include the following in its policy:

- **Must** specify whether or not Class 4 venues may be established in the district and, if so, where they may be located,
- **May** specify any restrictions on the maximum number of gaming machines that may be operated at a Class 4 venue,
- In determining whether venues may be established in the district and where they may be located Council can consider:
  - Characteristics of the district and parts of the district
  - Locations of kindergartens, early childcare centres, schools, places of worship and other community facilities
  - The cumulative effects of additional opportunities for gambling in the district.
  - How close any venue should be permitted to be to any other venue,
  - What primary activity at any venue should be.
- **May** include a relocation policy.

Council must also have an Agency venue (TAB venue) policy with the following considered:

- **Must** specify whether or not a new venue may be established in the district and, if so, where they may be located.
- In determining whether venues may be established in the district and where they may be located Council can consider:
  - Characteristics of the district and parts of the district
• Locations of kindergartens, early childcare centres, schools, places of worship and other community facilities
• The cumulative effects of additional opportunities for gambling in the district.

3.3 Sinking lid policies and caps

Recent research shows that there is not a well-established link between a reduction in gaming machines and reduced expenditure as previously relied on for gambling policies. This may be that there has not been sufficient reduction in machine venues in most cases to be able to see significant decrease in gambling expenditure and therefore harm.

In the case of the Hauraki District there has been no reduction in gaming machines in nine years and we have seen an increase in gambling expenditure. It would be difficult to draw any conclusion as to whether a sinking lid has a positive effect (a reduction in problem gambling) for the district when the number of machines and venues has not changed.

The current policy’s cap for gaming venues is nine with a cap of 69 machines across the district. Due to the licences held prior to the adoption of the Gambling Policy there is a total of nine venues with 119 machines (one venue also has the potential for another four machines within their current licence). Council cannot interfere with existing licences held by venues and so the only way machines/venues numbers will reduce is if they:
• Let their licence lapse for 6 months or more (and have to apply for a new licence)
• Close and the licence is not taken on by a new owner
• Voluntarily reduce their own numbers of machines

The purpose of a gambling policy is to state whether new venues can operate and where they can be located. The Council’s legislated role is to adopt a policy noting these requirements, and approve consent for new venues (with the full application being considered by the Department of Internal Affairs (DIA)). In this way the application of the Gambling Policy does prevent any new premises from getting a licence for gaming machines, as any application for consent would be declined in line with the policy, as additional machines or venues would exceed the caps. All other licences pre date the gambling policy and we cannot apply it retrospectively.

Therefore, there will continue to be a significant gap between the Council’s desired amount of gaming machines through the Council’s Gambling Policy and the actual amount in the district. Despite uncertainty about the known effect of sinking lid policies on the reduction of gambling related harm, the recommended policy option from the Ministry of Health to suit a medium risk district, is a policy with restricting locations or restricting locations and numbers of machines. This risk factor combined with the social impact information noted in the social impact assessment (Appendix A) would continue to warrant a sinking lid policy approach from the Council.

Within the existing policy there is a clause aiming at reduction in gaming machines per head of population with the Hauraki District to eventually align with the national per head of population. When the policy was last reviewed the national per head of population was 67 and the cap placed on the Hauraki district was 69. This is 50 less machines than there currently is within the district (total of 119 machines). The current 2020 national per head of population is 46 and the current Hauraki per head of population is 59. This is due to an increase in population and a decrease nationally in gaming machines.

Given there is already a 50 machine difference between the cap and what is already licenced within the district staff do not suggest lowering or raising the current caps given they are still a way off. They are still an appropriate target to reduce venues and gaming machines within the district should a venue close, let their licence lapse or voluntarily reduce machines. Until the actual number of machines is closer to the cap the existing cap it still a suitable target. If by the next review of the policy, there had been a significant reduction in machines, it would be appropriate to reconsider the cap.
3.4 Option for venues to merge

Within the existing policy there has been included an option which allows for two or more existing venues to merge and apply for a new machine licence as per the policy below:

3.7. CLUBS MERGING WITH CLASS 4 GAMBLING LICENCES

3.7.1. Should two or more clubs with existing Class 4 gambling venue licences merge the Council will give consideration to the maximum number of machines at the merged venue being up to the lesser of:
   a. the number of merging venues multiplied by nine; or
   b. the total of the machine numbers in the merging venues prior to the merger; or
   c. 18 machines.

3.7.2. The Council requires confirmation that cancellation of previous class 4 venue licences held by the corporate societies has been undertaken before it will approve consent for the proposed merged venue.

This clause allows for clubs within the district to merge existing licences and retain their machines with certain restrictions. This clause is not mandatory and if removed clubs could not merge their gaming machines licences within the district. The clause removes barriers to clubs merging which with the current clause means that any merging clubs would have no greater than 18 machines maximum between them. This would mean a reduction based on what the clubs have currently. Not allowing clubs to merge machine numbers is a disincentive to reducing numbers of venues.

It is recommended by the working party that this clause be retained and that (a) be removed as it is a redundant option.

3.5 Relocation of class 4 gambling premises

During the 2017 review of the policy a change was recommended to allow for relocation of class 4 gambling premises which was to allow for the possibility of the Waihi RSA to relocate to the Recreation and Community Centre at Morgan Park due to an aging building. The 2014 policy did not have a relocation clause, meaning that no venues could relocate under any circumstance. The relocation clause in the existing policy as below allows for the Council to use its discretion on whether it permits or does not permit relocation, based on a number of factors and conditions. The relocation to Morgan Park is no longer a consideration of the Waihi RSA.

3.9. RELOCATION POLICY

3.9.1. The Council may permit a class 4 venue to re-establish at a new site where, due to extraordinary circumstances, the owner or lessee of the class 4 venue cannot continue to operate at the existing site. Examples of such circumstances include, but are not limited to, the following:
   a. expiration of the lease; or
   b. acquisition of property under the Public Works Act; or
   c. site redevelopment.

3.9.2. Any permission to re-establish a class 4 venue at a new site under clause 3.9.1 will be subject to the following conditions:
   a. The venue operator of the business at the new site shall be the same venue operator at the site to be vacated; and
   b. The maximum number of gaming machines permitted to operate at the new venue at the time when the new venue licence takes effect is the same as the maximum number of gaming machines permitted to operate at the old venue immediately before the licence relating to the old venue is cancelled; and
   c. The new site must meet all other requirements as set out in this policy.

Not having a relocation policy would mean venues would not be able to relocate within the district for any reason. There are reasons why you would want to let a venue relocate, for
example if the existing premises were in a location that was contrary to the policy (i.e. within 50 metres of a school boundary) then allowing it to move into a location that is controlled by the Council's policy is preferable to it staying in its current location.

However, a relocation policy is not required and is an option provided to Council to include within their gambling policy. Therefore, should a less permissive approach to gaming machines want to be taken removing the relocation policy would mean any venue which had to relocate would have to apply for a new licence. Under the policy no licences would be approved based on the current cap on gaming machines already having been exceed by existing licences.

3.6 Other minor changes

Policy structure and format
There have also been some proposed changes to the format and structure of the document (Appendix B) to realign it with new Council templates for policies. These have not impacted existing content but may have reshuffled the order. All additions to the current policy have been added with an underline to highlight their inclusion and anything that has been removed has a strikethrough.

Title of the policy and references to NZRB
The existing title of the policy references the New Zealand Racing Board (NZRB) which is currently the Racing Industry Transition Authority (RITA) and will become the Racing Industry Authority (RIA) should the Racing Amendment Bill be enacted.

To best align with the Racing Act 2003 it is suggested the title be changed from 'Class 4 Gambling Venue and NZ Racing Board Venue Policy' to 'Gambling Policy: Class 4 and agency venues'.

All references to NZRB venues have been removed and replaced with agency venues as per the definition within the Racing Act 2003.

4 ENGAGING WITH OUR COMMUNITIES | KIA UIA TE HAPORI WHĀNUI

Staff consider that the Council does not have enough of an understanding of community views and preferences on this matter. The level of engagement considered appropriate for this matter, at this point in time, is to consult (i.e. two-way communication to obtain public feedback)

There is a clear community of interest in this policy and those parties have an expectation on being able to provide their feedback both through written and verbal formats. Therefore, as per the Significance and Engagement Policy when the communities’ preference is known we should endeavour to engage them in that way.

When amending a Gambling Policy as per the Gambling Act 2003 and the Racing Act 2003 the special consultative procedure should be undertaken. However, in the case that a review makes no significant changes to a policy this requirement is not triggered. Despite no significant changes being proposed to the policy, there is an understanding of community preference for type of engagement. Therefore, a special consultative procedure is the most appropriate way of obtaining the communities feedback.

5 OUR OPTIONS | NGĀ KŌWHIRINGA A MĀTOU

Staff have identified the following options for the Council to consider:
• Retaining the status quo, make no changes to the policy and advise the community the policy has been reviewed, unchanged and no further feedback will be sought.
• Undertake the special consultative procedure on the statement of proposal and proposed Gambling policy as attached.
• Make further changes to the proposed policy and undertake the special consultative procedure as legally required amending the policy.

These options and their advantages and disadvantages are outlined below.

5.1 OPTION 1: Retain Status Quo

ABOUT THIS OPTION
Council could choose to make no changes to the policy and take an inform approach to engagement (one-way communication/advising) with the community.

ADVANTAGES
• Nothing further required.

DISADVANTAGES
• Risk to Council reputation through not providing appropriate avenues for interested parties to engage.
• The policy will not have had the proposed minor changes to enable it to best reflect current times.

FINANCIAL COSTS

<table>
<thead>
<tr>
<th>Whole of life costs</th>
<th>One off operating cost to inform:</th>
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<tbody>
<tr>
<td></td>
<td>• Up to $200 for a public notice in the Hauraki Herald</td>
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<td></td>
<td>• Internal staff time to disseminate emails to interested parties.</td>
</tr>
</tbody>
</table>

Budget source
Existing Strategic Planning budget

Changes to budgets
In order to accommodate these costs there will not need to be changes to budgets.

Impact on the Council’s debt
There is no impact on the Council’s debt.

Potential impact on rates
There will be no impact on rates because this comes out of existing budgets.

5.2 OPTION 2: Consult on the proposed SOP and Policy

ABOUT THIS OPTION
Undertaking the special consultative procedure on the Statement of Proposal and proposed Gambling Policy as attached.

ADVANTAGES
• Community are engaged through their preferred option
• Community feedback can be considered and reflected in the policy where appropriate
• Policy gets the minor changes it needs to stay current

DISADVANTAGES
• There is no legal requirement to undertake the special consultative procedure when no significant amendments are being made.

FINANCIAL COSTS

<table>
<thead>
<tr>
<th>Whole of life costs</th>
<th>One off operating cost:</th>
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</table>
• Approximately $250 for combined public notification with the other SOP’s being proposed for as part of this Council agenda (responsible freedom camping, nuisance bylaw (vehicle crossings) dangerous and insanitary buildings policy and gambling policy.
• document publication costs which would be met from existing printing budgets,
• staff time for implementing consultation process and the collating public feedback for the consideration of the Council.

Budget source
Existing Strategic Planning budget

Changes to budgets
In order to accommodate these costs there will not need to be changes to budgets.

Impact on the Council’s debt
There is no impact on the Council’s debt.

Potential impact on rates
There will be no impact on rates because this comes out of existing budgets.

5.3 Make changes to the proposed policy and SOP before consultation

ABOUT THIS OPTION
Council may wish to make amendments to the proposed policy and statement of proposal before it is consulted on.

ADVANTAGES
• Community are engaged through their preferred option
• Community feedback can be considered and reflected in the policy where appropriate
• The policy reflects changes the Council considers appropriate

DISADVANTAGES
• May add a small delay in consultation to allow staff time to amend to proposed policy and statement of proposal for consultation.

FINANCIAL COSTS

Whole of life costs
One off operating cost:
• Approximately $250 for combined public notification with the other SOP’s being proposed for as part of this Council agenda (responsible freedom camping, nuisance bylaw (vehicle crossings) dangerous and insanitary buildings policy and gambling policy.
• document publication costs which would be met from existing printing budgets,
• staff time for implementing consultation process and the collating public feedback for the consideration of the Council.

Budget source
Existing Strategic Planning budget

Changes to budgets
In order to accommodate these costs there will not need to be changes to budgets.

Impact on the Council’s debt
There is no impact on the Council’s debt.

Potential impact on rates
There will be no impact on rates because this comes out of existing budgets.
6 PREFERRED OPTION | TE KŌWHIRINGA MATUA

Staff recommend proceeding with option 2 – Consult on proposed SOP and Policy.

6.1 LINKAGES

| STRATEGIC DIRECTION | The preferred option IS consistent with the Council’s strategic direction, including community outcomes. | • Progress Hauraki We are a proactive council that provides leadership and communicates effectively with all sectors of our district.
• Kotahitanga Hauraki We take a collaborative approach with both Mana Whenua and Tangata Whenua in our district.
• Interactive Hauraki We have a positive climate that encourages balanced and sustained economic growth throughout the district.
• Please note, as at the drafting of this report staff were in the process of being advised of the new Community Outcomes as adopted at 24 June 2020 Council meeting. |

| LONG TERM PLAN / ANNUAL PLAN ALIGNMENT | The preferred option IS consistent with the long term plan and/or annual plan programmes and budgets. | This options meets out legal obligations and fits within existing programmes and budgets. |

| POLICIES, BYLAWS AND PLANS ALIGNMENT | The preferred option IS consistent with the Council’s other strategies, policies, bylaws and plans | This option does not contradict any other strategies, policies, bylaws or plans. |

| SIGNIFICANCE ASSESSMENT | The decision IS considered significant under the Council’s Significance and Engagement Policy 2017. | This decision is significant as it is a policy that is legislatively required to be reviewed three yearly and has specific requirements and considerations. |

| IMPLICATIONS FOR MĀORI | The decision DOES NOT involve a significant decision in relation to land or a body of water. |

6.2 ASSESSING THE RISKS

Staff have not identified any risks associated with the preferred option.
## NEXT STEPS | TE ARA KI MUA

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<th>Action</th>
<th>Comments</th>
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<td>17 Jul – 17 Aug 2020</td>
<td>Special Consultative Procedure (Consultation)</td>
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<tr>
<td>9 Sep 2020</td>
<td>Council hearings and deliberations</td>
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<tr>
<td>30 Sep 2020</td>
<td>Council adoption of policy</td>
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**Approval**

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<tr>
<th>Prepared by</th>
<th>Michelle Clive</th>
<th>Strategic Planner</th>
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<tbody>
<tr>
<td>Approved by</td>
<td>Peter Thom</td>
<td>Group Manager Planning &amp; Environmental Services</td>
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APPENDIX A

2020 Social Impact Assessment

Considering the social costs and benefits of gambling within the Hauraki District

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<td>Created</td>
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Introduction

The Council must adopt a policy on class 4 gambling venues in accordance with the Gambling Act 2003. The policy must specify whether or not class 4 venues\(^1\) may be established in the district and, if so, where they may be located. The policy may also specify restrictions on the maximum number of gaming machines that may be operated at a class 4 venue and may specify whether venues can relocate in the district.

The Council must also adopt a racing board venue policy in accordance with the Racing Act 2003. The policy must specify whether the New Zealand Racing Board may establish new stand-alone TABs (i.e. the policy does not deal with TABs in pubs and clubs) in the district and, if so, where they may be located.

In adopting each of these policies, the Council must have regard to the social impact of gambling within its district.\(^2\) This 2020 Social Impact Assessment (the Assessment) seeks to discuss the social impact of gambling in New Zealand and more specifically for the residents of the Hauraki District. The Assessment will be considered for the review of the Hauraki District Council’s Class 4 Gambling Venue and Racing Board Policy (the Policy) and should be read in advance of discussions regarding the review of the Policy.

For the purposes of informing the Council’s policy review, the Assessment provides an overview of:

- gambling at a national level,
- gambling machine and gambling venue statistics at the local level,
- the social benefits from gaming machines, and
- the social costs from gaming machines.

Information for this Assessment has been gathered from a number of sources including:

- Ministry of Health (MOH),
- Problem Gambling Foundation of New Zealand (PGFNZ),\(^3\)
- Racing Industry Transition Agency (RITA)
- Population Health (Waikato District Health Board),
- the Department of Internal Affairs (DIA), and
- Health Promotion Agency (HPA).

\(^1\) Class 4 gambling is defined in the Gambling Act 2003 and includes non-casino gaming machines e.g. pokie machines.

\(^2\) Gambling Act 2003, s 101 and Racing Act 2003, s 65D

\(^3\) Information was provided by PGFNZ in March 2020 and is based on figures collected by PGFNZ over the January 2019 to December 2019 period. This data is from grants published by the contributing pokie Trusts, Statistics released by the DIA to December 2019 and the 2018 census from Statistics NZ. PGFNZ cannot guarantee that all grants that have been made under the class 4 legislation have been included in the list. Therefore, the grants should be taken as an overview only.
Gambling in New Zealand

General gambling participation

A significant amount of adults in New Zealand gamble at least occasionally. The 2018 Health and Lifestyles Survey found that:

- 67.2% of the adult population had participated in some form of gambling during the past year; which is an estimated 2,650,000 adults.
- This is keeping with the generally downward trend which has seen gambling participation decrease from 82.7% in 2006.
- 11.3% played gambling machines or pokies at a pub or club over the last year (down from 18.5% in 2006) with 1.3% of those at least once a week (down from 2% in 2006).
- 3.8% participated in gambling through TAB at least once a month (down from 4.2% in 2006).
- Using the Problem Gambling Severity Index 61.7% of respondents were considered non-problem gamblers (down from 72.2% in 2010), 3.6% were considered low risk gamblers (down from 6.0% in 2010), 1.9% were considered moderate risk and problem gamblers (down from 3.1% in 2010).

Non-casino gaming machines

The Gambling Act 2003 provides for class 4 gambling (non-casino gaming machines) to be permitted only where it is used to raise funds for community purposes. Venues (pubs and clubs) may choose to host gaming machines in order to offer customers a range of entertainment at their pub or bar. Some people believe that a venue with gaming machines may attract more customers, who may drink more and so increase the bar business. Anecdotal evidence suggests, however, that gaming machine users at pubs tend not to drink very much alcohol. Gaming machines may also actually deter some customers from going to the bar.

Money that is deposited into gaming machines can be divided into two categories; player winnings and gaming machine proceeds. For every $1 that is put into a gaming machine, on average 92 cents is allocated to player winnings and 8 cents to gaming machine proceeds, as displayed in Figure 1. The system is designed with the intention that venues operating the gaming machines break even in terms of their associated costs and their share of the gaming machine proceeds.

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4 Gambling activities include placing a bet with the NZ TAB on a horse or dog race or a sporting event, buying any NZ Lotteries Commission (Lotto) products, playing on gaming (pokie) machines in a pub, club or casino, playing table games at one of the six casinos, playing housie or bingo, playing an internet game to win money, buying a raffle ticket, participating for money in sweepstakes with friends, family or workmates, making bets for money with friends or family, placing a bet or buying tickets through an overseas online website.

5 (Health Promotion Agency, 2020)

6 (Ferris & Wynne, 2001)

7 (Department of Internal Affairs, 2015)
Figure 1: Allocation of funds deposited into gaming machines (Based on the Lion Foundation Distribution Model, April 2013-March 2014)

Player winnings from gaming machines

The following extract shows the percentages of winnings returned to the patron. Regulations enforced by the DIA set the return to player percentages:

“The theoretical return to player (RTP) has to be set between 78% and 92%. This is a theoretical return to player over the life of the machine (millions upon millions of ‘plays’). In theory, at a 90% RTP a patron is only losing around 10 cents in each dollar (10%) wagered. However, a simple reading of this sentence does not take into account the ‘churn’ factor. That is, someone puts a dollar into a machine, and after their first wager they get 90 cents back. Then they make another wager, and lose 10% of that, so have 81 cents left. Then they wager again, and have 73 cents left and so on. People may wager their wins, or chase their losses.”

8 (Ministry of Health, 2009)
Gambling proceeds and turnover

The proceeds in New Zealand for the four main forms of gambling (TAB racing, casinos, lotto and non-casino gaming machines) in the 2017/18 financial year was approximately $2.4 billion, which is $49 million (2%) more than the previous year. More was spent on all forms of gambling, though gaming machines (outside of casinos) had the largest increase.

Non-casino gaming machine proceeds

The proceeds from non-casino gaming machines increased 3.1% from $895 million in 2018 to $924 million in 2019. After adjusting for both inflation and changes in the adult population, however, it appears that expenditure on non-casino gaming machines is actually declining slightly from $242 per person in both 2015/16 and 2016/17 years to $238 in the 2017/18 year. This coincides with declining numbers of venues and machines.

<table>
<thead>
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</tr>
</thead>
<tbody>
<tr>
<td>Gaming machines (outside casinos)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Proceeds (losses)</td>
<td>$856</td>
<td>$854</td>
<td>$827</td>
<td>$806</td>
<td>$818</td>
<td>$843</td>
<td>$870</td>
<td>$895</td>
<td>$924</td>
</tr>
<tr>
<td>Prizes</td>
<td>$8,365</td>
<td>$8,395</td>
<td>$8,166</td>
<td>$7,976</td>
<td>$8,141</td>
<td>$8,550</td>
<td>$8,931</td>
<td>$9,154</td>
<td>$9,440</td>
</tr>
<tr>
<td>Turnover</td>
<td>$9,222</td>
<td>$9,245</td>
<td>$8,995</td>
<td>$8,783</td>
<td>$8,949</td>
<td>$9,393</td>
<td>$9,801</td>
<td>$10,049</td>
<td>$10,364</td>
</tr>
</tbody>
</table>

Table 1: Reported non-casino gambling proceeds from 2010/11 to 2017/18 (non-inflation adjusted)

From the proceeds, the corporate societies that manage gaming machines must only pay:
- The actual, reasonable and necessary costs (including prizes), levies and taxes incurred in conducting the gambling.
- The actual, reasonable and necessary costs incurred in complying with the Gambling Act 2003 (the Act) and licences issued under the Act.

All other money must be applied or distributed to authorised purposes. To ensure that proceeds to the community are maximised, the Secretary for Internal Affairs may set limits on the costs that may be incurred by a corporate society. The breakdown of how proceeds are intended to be allocated is shown in Figure 2.

---

9 (Department of Internal Affairs, 2020)
10 Figures not available for 2018/19 yet for per person spend
11 Charitable and non-commercial purposes, as defined in the Gambling Act 2003.
12 (Department of Internal Affairs, 2016)
Figure 2: Allocation of gaming machine proceeds – Department of Internal Affairs\textsuperscript{13}

**TAB racing and sports betting proceeds**

The *proceeds* from **TAB racing and sports betting** increased 3.4% from $338 million in 2016/17 to $350 million in 2017/18. This was driven by higher active customer numbers of 230,000 (placed a bet in 2017/18), an additional 38,000 additional customers. \textsuperscript{14}However, after adjusting for both inflation and changes in the adult population, expenditure on TAB racing and sports betting decreased from an average of $94 per person in 2016/17 to $93 per person in 2017/18\textsuperscript{15}.

<table>
<thead>
<tr>
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<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Proceeds (losses)</td>
<td>$273</td>
<td>$283</td>
<td>$294</td>
<td>$310</td>
<td>$325</td>
<td>$342</td>
<td>$338</td>
<td>$350</td>
<td>$332</td>
</tr>
<tr>
<td>Prizes (dividends)</td>
<td>$1,261</td>
<td>$1,336</td>
<td>$1,422</td>
<td>$1,522</td>
<td>$1,748</td>
<td>$1,928</td>
<td>$1,907</td>
<td>$1,913</td>
<td>$1,926</td>
</tr>
<tr>
<td>Turnover</td>
<td>$1,533</td>
<td>$1,619</td>
<td>$1,717</td>
<td>$1,833</td>
<td>$2,073</td>
<td>$2,270</td>
<td>$2,245</td>
<td>$2,262</td>
<td>$2,258</td>
</tr>
</tbody>
</table>

*Table 2: Reported TAB gambling proceeds from 2010/11 to 2017/18 (non-inflation adjusted)*

In accordance with the Racing Act 2003, the New Zealand Racing Board must allocate the funds received from sports betting as follows:

- refunds of bets and winning dividends for that year
- goods and services tax (GST)

\textsuperscript{13} (Department of Internal Affairs, 2016)
\textsuperscript{14} (New Zealand Racing Board, 2018)
\textsuperscript{15} Figures not available for 2018/19 yet for per person spend
- totalisator duty as prescribed by the Gaming Duties Act 1971
- any amounts agreed to be paid to New Zealand national sporting organisations
- its own operating costs.

The surplus, if any, after meeting the above costs must be distributed among racing codes, however some could be held in reserves by the Board.\(^{16}\)

### Gambling in the Hauraki District

Although measurement tools are improving, local statistics relating to problem gambling continue to be hard to come by; therefore, this report relies on both anecdotal evidence given at the forum held in March 2014 and both verbal and written feedback provided by the different organisations mentioned above.

#### Risk profile

In 2013, KPMG in conjunction with the Ministry of Health (MOH) released guidance for local government in establishing their risk profile when it comes to gambling.\(^ {17}\) The risk profile considers the following factors:

- Gambling prevalence rate – number of people in the District that have sought help in comparison to national statistics
- District gambling density – number of gaming machines per person and expenditure per person
- District ethnicity – percentage of Māori/Pacific population
- Community deprivation – based on the NZDep2013 deprivation index
- Availability of services to help – intervention services available in the district.

When calculated, the risk profile generates a score by which the overall level of risk for a District can be classified as low, medium, or high. The Hauraki District risk profile is medium based on calculations made on these parameters.\(^ {18}\) The recommended policy option that may suit a medium risk district is a policy with restricting locations or restricting locations and numbers of machines.

<table>
<thead>
<tr>
<th>Factor</th>
<th>Hauraki District score</th>
<th>Weighting</th>
<th>Total score</th>
</tr>
</thead>
<tbody>
<tr>
<td>Prevalence rate</td>
<td>1 (low risk)</td>
<td>2</td>
<td></td>
</tr>
<tr>
<td>Gambling machine density</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- # machines per 10,000</td>
<td>2 (medium risk)</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>- expenditure per person</td>
<td>2 (medium risk)</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>District ethnicity</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Māori</td>
<td>3 (high risk)</td>
<td>1</td>
<td>3</td>
</tr>
<tr>
<td>- Pacific</td>
<td>1 (low risk)</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Community deprivation</td>
<td>3 (high risk)</td>
<td>1</td>
<td>3</td>
</tr>
<tr>
<td>Availability of services</td>
<td>2 (medium risk)</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td><strong>Total points</strong></td>
<td><strong>15</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Risk rating</strong></td>
<td><strong>Medium</strong></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Table 3: Hauraki District’s risk profile scores.

### New Zealand Racing Board venues

At the 2014 forum, the representative for NZRB contended that racing/sports betting is very different from gaming machine gambling. Advertising for venues is very minimal and of all the people who present as problem gamblers, only 8% have an issue with horse betting and 2% with sports betting. "Comparing the gambling participation and expenditure information confirms that most of the money

\(^{16}\) Racing Act 2003, s 15-17.

\(^{17}\) (KPMG, 2013)

\(^{18}\) Prevalence rate and gaming machine density calculations based on the Census 2018 usual resident adult population (18 years and over) in the Hauraki District.
spent on gambling in New Zealand comes from relatively limited number of people who play non-
casino or casino gaming machines, or both. This has been the case for more than a decade.19

The Council has had an open policy in relation to TAB venues for the past three review periods, and it
has been previously suggested by the NZRB (now RITA) in 2014 that this open policy remained
appropriate.20

Class 4 gaming

The Council’s current policy is to restrict the growth of gambling by capping the number of class 4
gambling venues, and capping the total number of gaming machines in the Hauraki District.

Density of venues

Table 4 shows the number of gaming machines currently operating in the Hauraki District (as at 30
September 2019).

<table>
<thead>
<tr>
<th>Society</th>
<th>Venue</th>
<th>Town</th>
<th>Number of gaming machines</th>
<th>Maximum gaming machines</th>
</tr>
</thead>
<tbody>
<tr>
<td>New Zealand Community Trust</td>
<td>Bayview Hotel</td>
<td>Kaiapoi</td>
<td>5</td>
<td>5</td>
</tr>
<tr>
<td>Grass Roots Trust limited</td>
<td>Ngatea Hotel</td>
<td>Ngatea</td>
<td>15</td>
<td>15</td>
</tr>
<tr>
<td>Ohinemuri Club Incorporated</td>
<td>Ohinemuri Club</td>
<td>Paeroa</td>
<td>12</td>
<td>12</td>
</tr>
<tr>
<td>Akarana Community Trust</td>
<td>One3one Bar &amp; Kitchen</td>
<td>Paeroa</td>
<td>18</td>
<td>18</td>
</tr>
<tr>
<td>First Sovereign Trust Limited</td>
<td>Paeroa Hotel</td>
<td>Paeroa</td>
<td>12</td>
<td>12</td>
</tr>
<tr>
<td>First Sovereign Trust Limited</td>
<td>Commercial Hotel</td>
<td>Waihi</td>
<td>18</td>
<td>18</td>
</tr>
<tr>
<td>The Lion Foundation (2008)</td>
<td>Rob Roy Hotel</td>
<td>Waihi</td>
<td>18</td>
<td>18</td>
</tr>
<tr>
<td>The Lion Foundation (2008)</td>
<td>Sterling Tavern</td>
<td>Waihi</td>
<td>12</td>
<td>16</td>
</tr>
<tr>
<td>Waihi Memorial RSA (incorporated)</td>
<td>Waihi Memorial RSA Inc</td>
<td>Waihi</td>
<td>9</td>
<td>9</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td></td>
<td><strong>119</strong></td>
<td><strong>123</strong></td>
</tr>
</tbody>
</table>

Table 4: Societies and venue holders in the Hauraki District as at 30 September 2019

All venues in the Hauraki District have their maximum allowed gaming machines with the exception
of the Sterling Tavern in Waihi, which may operate another four machines without the Council’s
consent. This is because venues that held a licence on 17 October 2001, and have not been without a licence for six
months or more are restricted to the number of machines they reported on 22 September 2003, unless they get
Council consent to operate more.21

As noted on Table 4, there are 119 gaming machines in Hauraki, in nine venues. This is the same as the number of
machines the Council recorded in 2011, 2014 and 2017 when reviewing its Class 4 Gambling and Racing Board
Venues Policy. The number of gaming machines has remained constant over the past eight years, with the
exception of the quarter ending September 2013 due to the closure of both Fathers Tavern in Paeroa and Ngatea Hotel in Ngatea. The Ngatea Hotel reopened in

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19 (Ministry of Health, 2019)
20 (Hauraki District Council, 2014)
21 (Department of Internal Affairs, 2015)
the following quarter with the same number of machines and One3One Bar & Kitchen opened in the place of Fathers Tavern in Paeroa, retaining the same number of machines.

![Gaming venue and machine numbers and proceeds in the Hauraki District](image)

**Figure 3**: Gaming Venue and Machine numbers, combined with proceeds by District, Department of Internal Affairs

The proceeds from gambling in the Hauraki District have slowly increased over the past four years, while the number of venues and machines has remained static. It is important to note however that since the 2013 Census the Hauraki District total population has increased from 17,811 to 20,022. In addition, national statistics show that the unemployment rate has reduced in the past five years and household income has increased.

The Ministry of Health Gambling Resource for Local Government states that: “research has shown that capping or reducing the number of electronic gaming machines is likely to lead to reduced harm. The study found that there is an average increase of 0.8 problem gamblers for each new electronic gaming machine introduced... these findings indicate that policies related to restricting or reducing the density of electronic gaming machines are likely to play a significant role in containing or reducing gambling-related harms.” However more recent studies undertaken find that “it is difficult to establish a correlation between reduction of gaming venues and expenditure. Limiting access has been a primary component of the approach to minimise harm, but there is no compelling evidence that reductions in venues created through policies such as linking lid have an impact. This could be due in part to the minimal reductions not sufficiently impacting on accessibility.”

**Location and accessibility of venues**

The influences that the location, accessibility and density of gambling venues have on participation, expenditure and rates of problem gambling in the community are complex. It is

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22 (Stats NZ, 2020)
23 Statistics New Zealand Labour Market Statistics (released June 2018)
24 (Storer, Abbott, & Stubbs, 2009)
25 (Rook, 2018)
noted that living closer to gambling venues had previously been associated with being more likely to be a problem gambler. This is due to greater participation in gambling being influenced by the distance to the nearest venue.26

APPENDIX A - Venue locations: NZ Deprivation Index 2013 – Ward and District shows maps provided by Waikato District Health Board (Population Health) confirming that for the Hauraki District the majority of gaming machine venues are located in decile 8-10 areas. A value of 10 indicates that an area is in the most socio-economically deprived 10% of areas in New Zealand and a value of 1 represents the least deprived 10%.

Waikato District Health Board (Population Health) noted in a 2014 briefing paper provided to the Council that:

“**Inequality embedded into current policy or just not prevented by policy has seen gambling venues proliferate in areas of deprivation and in proximity to Māori and Pacific peoples who reside disproportionately in these areas... Policies that restrict or reduce the density of pokies are likely to play a significant role in mitigating gambling related harm. Council has the statutory ability to influence the outcomes of gambling on the community.**”(Kristensen, 2013)

There was concern from the NZRB at the 2014 forum that if gaming machines were closed down that people may go to “other forms of non-regulated gambling such as online gambling”. It was also stressed that at least the gaming machine venues are regulated and support/help is at hand when problems arise, whereas online gambling is available in the private home, further submerging the problem.28

**Spend and proceeds**

Gaming machine proceeds (GMP) is the profit made by the pokie machines and does not reflect the true allocation of monies going into the machines (the turnover). Turnover is not calculated at a district level as it’s difficult to determine the actual amount of money being spent in machines. This is because a $10 outlay can result in a win (say $9) which is then put back into the machine, and then a $4 win again is put back into the machine. Therefore, only $10 is spent, but $21 is actually put into the machine.

Gaming machine net proceeds in the Hauraki District are further detailed in Figure 4, showing the annual gaming machine proceeds by quarter.

The total proceeds annually from 2016 to 2019 in the Hauraki District were:
- $4,597,242 in 2016
- $4,893,786 in 2017
- $5,243,728 in 2018
- $5,340,410 in 2019

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26 (AUT Gambling & Addictions Research Centre, 2012)
27 (Kristensen, 2013)
28 (Hauraki District Council, 2014)
The quarterly gambling loss per head is calculated by taking the population 18 years and over and dividing it by the latest expenditure figures published by the DIA. The population figures come from the 2018 census and the expenditure for the period is taken from the most recent DIA statistics.

Gambling loss per head of population continues on the upward trend in Hauraki (not adjusted for inflation) this is despite static numbers of gaming machines and venues. This is consistent with the national trends that although the number of those participating in gambling is down the amount being spent is increasing each year.

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29 (Department of Internal Affairs, 2020)
30 (Department of Internal Affairs, 2020)
Social benefits of gambling

Gambling can benefit communities by way of community funding, employment opportunities and simply as a form of entertainment.

Entertainment

Gambling is often a harmless entertainment activity from which people derive personal enjoyment and positive social effects. For a significant number of adults over the age of 65 years gambling has become a form of recreation and entertainment. Research has found that socialising, enjoyment, and fun are directly related to communal activities such as housie and community raffles. Based on these findings, there is a clear view that people genuinely enjoy participating in gambling activities, and there are benefits of being able to socialise with others, particularly whānau members.

Employment opportunities

Each society and venue’s operating costs and maintenance of machines are paid from the proceeds of gaming machines. In addition, their costs to meet requirements of the Gambling Act are met from the proceeds of gaming machines. This includes the staff needed to carry out these functions.

Community funding

There are two types of society that operate class 4 gaming machines:

- Those that apply funds to their own purposes (e.g. clubs)
- Those that make grants to other bodies for community purposes.

Currently, these societies are legally required to allocate a minimum of 40% of gross proceeds back into the community, as shown in Figure 2. The societies do not necessarily advertise the availability of funding; however, they are required to advertise the beneficiaries annually. At the forum with stakeholders in 2014, it was noted that New Zealand is one of the only countries that has gaming funding for community gain, not commercial gain as is the case in most other countries.

Nationally

Hundreds of millions of dollars are returned annually to the community from the proceeds of gambling on electronic gaming machines or pokies in pubs and hotels. Communities in New Zealand benefited from an estimated $749 million, equal to 31.4% of gambling expenditure in 2017/18, for various purposes. This was an increase on the $722 million in 2016/17.

- The New Zealand Racing Board allocated $161 million ($147 million in 2016/17), mostly to support racing club activities and infrastructure;
- Non-casino gaming machine trusts raised an estimated $295 million (291 million in 2016/17) for authorised purposes;
- Non-casino gaming machine clubs raised an estimated $46 million (45 million in 2016/17) for their own purposes.

Since the introduction of Class 4 gambling legislation there has been a stronger reliance on gambling funds to support community and sporting activities. Community capability in using more traditional fundraising methods and/or developing innovative ways to raise funds can be undermined alongside this reliance on gambling funding. To demonstrate this point, a study by ‘point research’ commissioned by Auckland City in 2012, found that quite

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31 (Problem Gambling Foundation of New Zealand, 2009)
32 (KPMG, 2013)
33 (Department of Internal Affairs, 2015)
34 (Department of Internal Affairs, 2020)
a few organisations thought they would struggle to find an alternative source of funding if they were no longer able to source gaming trust money; some said they would cut back their activities and others said they would be forced to shut down. It is important to note that due to the volunteering nature of a lot of workers in these organisations, the availability of time to look for alternative fundraising is limited; grants are therefore an important source of funding for many organisations with limited resources.

In the Hauraki District

The proceeds from gaming machines provide significant funding for a large number of community projects both nationally and within the Hauraki District. Each society and trust has its own funding criteria and it is here that the distribution (back to the community the money was raised in, or otherwise) is decided. Two of the venues in the Hauraki District (the Waihi RSA and the Ohinemuri Club) own the rights to spend profits back into their own club as ‘member’s comforts’ along with (in the RSA’s case) national distribution.

During the 2014 forum, NZCT stated that their main reason for gaming machines was to be able to provide funding to community groups and organisations where this was a key portion of their funding and where there was limited available time to fundraise via alternative avenues due to most of the workers in those sectors being volunteers. NZCT believes “when considering the future of this community funding it is important to look at both sides of the equation. NZCT funding benefits many thousands of people per year. In the long term, reducing the number of gaming machines operating will inevitably decrease the revenue they generate for your community.”

In terms of the ‘causes’ that are supported by the gaming machine grants, the education sector received the highest value of grants ($183,866.06) for the January 2019 to December 2019 period. This was followed by community groups who received ($75,822.82) as shown in Figure 7. The biggest single donation in this sector went to Hauraki Plains College receiving $30,000. Overall the Hauraki Plains College was the most benefiting recipient, receiving $66,067.06. The next benefitted recipient was the Mangatangi School. receiving $43,757.00. For the Community Groups, the biggest overall amount went to Goldfields Railway receiving $19,533.00 for the period.

Figure 6 shows the funding allocated to the Hauraki District in the period January 2019 to December 2019.

Contrary to public opinion, the proceeds from gaming machines are not required to be distributed back into the same community in which they were generated.

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35 This data was provided by PGFNZ of what was available for the 2019 year for published grants. Due to some grants periods falling across years this will not include some grants that will fall into either the 2018 or 2020 year. It also does not include grants that are from recipients that work across districts such as Thames Valley sports teams. This data should be considered as an overview only.

36 (Aitken, 2020)
The Hauraki District received 57 individual grants between January 2019 and December 2019 as provided by the PGFNZ.\textsuperscript{37}

<table>
<thead>
<tr>
<th>Society</th>
<th>Machines in the Hauraki District</th>
<th>Dates</th>
<th>Grants to the Hauraki District</th>
</tr>
</thead>
<tbody>
<tr>
<td>One Foundation</td>
<td>30</td>
<td>Jan 2019 – Sep 2019</td>
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</tr>
<tr>
<td>Grassroots Trust</td>
<td>15</td>
<td>Jan 2019 – Dec 2019</td>
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</tr>
<tr>
<td>Lion Foundation (2008)</td>
<td>30</td>
<td>Jan 2019 – Sep 2019</td>
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</tr>
<tr>
<td>The Akarana Community Trust</td>
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<td>Jan 2019 – Sep 2019</td>
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<td>NZ Community Trust</td>
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</tr>
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<td>NZ Racing Board (TAB)</td>
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<td>Jan 2019 – Jul 2019</td>
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<td>Dragon Community Trust</td>
<td>0</td>
<td>Jan 2019 – Sep 2019</td>
<td>$1,500.00</td>
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</tbody>
</table>

Table 5: Total grants allocation to the Hauraki District with annual averages calculated

In the period between to Jan 2019 to December 2019, the biggest contributor to the organisations in the Hauraki District has been One Foundation, contributing 27% of the total grants. Grass Roots Foundation was close behind with 26% of total grants despite having half the amount of machines (15) as One Foundation and the Lion Foundation who both have the highest number of machines in the Hauraki District (30), and the Lion Foundation has contributed 22% of the total grants back into

\textsuperscript{37} This data was provided by PGFNZ of what was available for the 2019 year for published grants. Due to some grants periods falling across years this will not include some grants that will fall into either the 2018 or 2020 year. It also does not include grants that are from recipients that work across districts such as Thames Valley sports teams. This data should be considered as an overview only.
the District. The grants information for First Sovereign Trust is published up to September 2019 and therefore should have a larger contribution to Hauraki when the next grants are published.

A total of $7,464.74 was granted to the Hauraki District from societies that do not operate machines in the District from January 2019 to December 2019.

Importantly, the grants analysed above are grants made to organisations located in the Hauraki District. Those grants given to organisations that cover multiple districts or are national bodies, such as the National Heart Foundation or Search and Rescue, are not included. It is unclear how much benefit the Hauraki District derives from the grants made to both district and national organisations.

**Gaming machine proceeds vs. grants received**

It is clear from the figures that the Hauraki District is not receiving its fair proportion of the gaming proceeds generated in the District. By law, 40% of gaming proceeds are required to be returned back to the community. This would indicate that based on the gaming machine proceeds in 2019 ($5.3 million) grants received by District organisations would be $2.1 million in 2019.

**Risk to Māori**

As noted, the Hauraki District has a high level of deprivation and a higher proportion of Māori than the national average. While it is impossible to determine the amount of funds being deposited into gaming machines by ethnic group, the Ministry of Health notes that Māori and Pacific populations are more likely to experience harm from at-risk gambling.

The Problem Gambling Foundation grant figures show that around $7,783.97 (of a total $2.1 million) of grants were provided to Māori between January 2019 to December 2019. This indicates that for the level of risk to Māori, an extremely low level of grant funding is being provided to Māori organisations.

Based on this information, it is likely that a large amount of gaming machine proceeds are being generated by our Māori community, and are not being returned to that community.
Figure 7: Gaming machine Trust grants allocated exclusively to the Hauraki District (January 2019 to December 2019)
Social costs of Gambling

Most people do not experience problems resulting from their gambling. However, for the minority that do develop a problem with gambling, the impacts can be far-reaching.

Problem gambling

A problem gambler is someone whose gambling causes harm or may cause harm. ‘Harm’ is defined in the Gambling Act 2003 as being harm or distress of any kind arising from, or caused or exacerbated by, a person’s gambling. This includes personal, social, or economic harm suffered by the person; or their whānau, friends, employers, colleagues and whole communities.

In addition, the PGFNZ states that:

- **Problem gambling** refers to gambling that significantly interferes with a person’s life, especially with their finances, their job, and their relationships with partner, family, and friends.

- **Pathological gambling** is the most severe form and is classified as a mental disorder similar to drug abuse. It includes features of tolerance, withdrawal, diminished control, and relinquishing of important activities.

- **At-risk gambling** refers to a level of gambling that is not currently causing significant financial or emotional harm to the gambler, but is likely to become problem gambling if it continues. 38

The majority of people who seek help for their gambling problems do so because of non-casino gaming machines (i.e. those found in pubs). PGFNZ states that gaming machines (pokies) are the most harmful form of gambling in New Zealand which accounted for almost 50% of those seeking. 39

The results from the Ministry of Health’s 2016 Health and Lifestyle Survey indicate a downward trend in the prevalence of problem gambling, but this trend does not achieve statistical significance. When taking into account population growth, the preliminary results indicate there has been no significant increase in the numbers of people who meet criteria for problem gambling. 40 Although an Australian report identified that less than 15 percent of people impacted by gambling actually sort treatment through gambling services. Also often by the time people have reached out to gambling services they are at crisis point. Therefore, there are limitations to the information available on the full picture of problem gambling both nationally and locally.

Mitigating problem gambling

There are a number of measures in the Gambling Act 2003 to minimise the harm caused by gambling 41:

- The purpose of the venue must not be primarily for gambling.
- Venue staff receive problem gambling training (some training is provided by the Problem Gambling Foundation) and must also take all reasonable steps to assist a person who they have ongoing concerns about.
- Venue staff must issue exclusion orders to self-identified problem gamblers.
- The maximum bet per spin is $2.50; the maximum jackpot win is $1000.00.

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38 (Problem Gambling Foundation of New Zealand, 2019)
39 (Problem Gambling Foundation of New Zealand, 2019)
40 (Department of Internal Affairs, 2017)
41 (Department of Internal Affairs, 2015)
• A pop-up appears at least every 30 minutes of continuous play and informs the player of the duration of their session of play, the amount of money the player has spent and net wins and net losses during the session of play.
• Non-casino gaming machine jackpot branding and advertising that is visible/audible from outside the venue is prohibited.
• Signage must be displayed encouraging players to bet at levels they can afford and contain advice on how to seek assistance for problem gambling.

The Department of Internal Affairs has noted that venues are doing better at helping problem gamblers but need to do much more. The Department conducted a mystery shopper in June 2017 to assess how well venue staff were fulfilling their Gambling Act obligations for preventing and minimising gambling harm. This was the third mystery shopper exercises completed, the first being in 2014 and the second in 2016. The exact location of the mystery shopper exercises is not revealed, however the exercise included societies who administer machines within the Hauraki District, including:
  • First Sovereign Trust Ltd
  • New Zealand Community Trust
  • The Lion Foundation (2008)
  • Grassroots Trust Ltd
  • Akarana Community Trust

Trained researchers, displaying signs of harmful gambling, tested staff responses at 120 pokie bars and clubs and all six casinos. Indications of gambling harm include long hours of play, multiple cash withdrawals to play the pokies, verbal and non-verbal clues and third-party concerns. Staff would be expected to check in with such gamblers and advise on how they can get help or exclude themselves from gambling venues. Venues were rated on meeting a number of expectations for problem gambling prevention. Of the class 4 gambling venues assessed:
  • 12 out of 120 venue responses (10%) met the expectations.
  • 39 out of 120 venue responses (33%) met partial expectations.
  • 69 out of 120 venue responses (57%) did not meet expectations42.

The DIA noted there were pockets of good practice which largely came when strong signs of gambling harm were presented to staff. The exercise has shown some positive efforts by gambling operators but the results show there is a need for improvement. According to DIA Director of Gambling Compliance, Gareth Bostock “We are working with the sector to change the culture in venues, particularly in [class 4 gaming venues]. We expect bars to care as much about their gambling customers as they do their drinking customers.”43

The Department is using its latest mystery shopper research to target its regulatory activity and help the sector lift performance. It will tackle poor performing operators in particular through education and training in partnership with the Health Promotion Agency; inspect venues for harm minimisation practices; and use sanctions where appropriate.

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42 (Department of Internal Affairs, 2017)
43 (Department of Internal Affairs, 2017)
Impacts of problem gambling

Two out of every five regular gaming machine users already have a gambling problem or are at risk of developing one. Pokies have been described as the ‘crack cocaine of gambling’ largely because gambling can and does occur in a continuous and prolonged manner.

Social harm from gambling can include, among other things, relationship breakdown, depression, suicide, reduced work productivity, job loss, bankruptcy, and various types of gambling-related crime (including family violence and crime committed to finance gambling). There are also ‘ripple effects’; that is, harms can and often do extend beyond gamblers to encompass family members, whānau, friends, employers, colleagues and whole communities. One in ten New Zealanders say a family member has gone without something they needed or a bill has gone unpaid because of gambling.

There is compelling evidence from New Zealand and international research that at-risk gambling is associated with higher levels of smoking, hazardous alcohol consumption, other drug use, and poorer self-rated health. There has been debate whether these types of problems tend to lead to, or tend to be a result of, at-risk gambling.

The Ministry of Health (MOH) is responsible for the funding and co-ordination of problem gambling services under the Gambling Act 2003. The MOH undertook a Strategy to Prevent and Minimise Gambling Harm 2019/20 to 2021/22 and provided the following information related to impacts of gambling:

- One in five New Zealand adults (22%) is affected some time in their lives by their own gambling or gambling of others.
- In New Zealand in 2017, 37,000 people aged 15 or older were at high risk of harm from gambling or are ‘problem gamblers’,
- And about 47,000 were at moderate risk and a further 106,000 were a low risk but would experience gambling related harm during their lifetime.

Abuse and violence associated with problem gambling

While most New Zealanders gamble without experiencing any apparent harm, a significant minority do experience harm from their gambling, including negative impacts of their own lives and the lives of others.

In a study of family/whānau violence and abuse in problem gamblers, 50% of people seeking help for their own or someone else’s gambling were victims of physical, psychological, emotional, verbal or sexual abuse in the past 12 months. Slightly less than half (44%) of the participants committed violence or abuse at least once in the past 12 months. The study also concluded that “gamblers underestimated the negative effects of their gambling on family/whānau members, children and home life, which included financial problems, reduced quality of relationships, relationship strain and break-up, negative health effects, negative emotions, social deprivation and neglect.” Gamblers were more likely to commit financial abuse; affected others were more likely to be victims of financial abuse. Financial abuse related to being concerned about money, valuables or property going missing; having money taken from a purse/wallet or bank account without permission; being asked or forced to sign papers about money; or being forced to gamble for another person.
Attitudes and perceptions around gambling

New Zealander’s attitudes to different types of gambling vary. Generally, people’s attitudes regarding the number of gambling venues in New Zealand are divided, with a relatively equal number of people reporting that the number of venues is about right, compared with those reporting that there are too many venues.\(^{51}\)

People are however, becoming more aware of problem gambling as a social issue, with increased media attention and news articles around problem gambling\(^{52}\) and problem gambling marketing campaigns from the Health Promotion Agency, including the national ‘Choice not Chance’ campaign. The aim of this campaign is to increase awareness of the early signs of harmful gambling. It encourages people to take action at an early stage – and asks them visit the website or call the Gambling Helpline.

![Is your gambling still just for fun? Take the quiz ▶](image)

*Figure 7: Survey for Minimising Gambling Harm Education and Awareness Campaign from Choice Not Chance.*

Problem gambling in the Hauraki District

From the discussions held at the 2014 forum all parties involved felt that it is incredibly difficult to define and identify a problem gambler and even more to ascertain the numbers of gamblers in the Hauraki District.

The intervention client data from the Ministry of Health represents the number of clients who have received problem gambling treatment services. Intervention services include:

- national and local intervention and public health services
- national helpline support (Gambling Helpline)
- national co-ordination services
- national workforce development services
- national social marketing services (e.g. Choice not Chance)
- national and local research projects.

\(^{51}\) (AUT Gambling & Addictions Research Centre, 2012)
[https://www.stuff.co.nz/business/industries/115129052/new-zealanders-are-pouring-money-into-online-gambling](https://www.stuff.co.nz/business/industries/115129052/new-zealanders-are-pouring-money-into-online-gambling) (August 2019)
The Council held a forum on 31 March 2014 in order to discuss gambling in the Hauraki District. At the forum, the following organisations were represented:

- Hauraki District Council
- Ohinemuri Club
- Work and Income New Zealand (WINZ)
- Waihi Community Resource Centre
- New Zealand Community Trust (NZCT)
- Population Health (Waikato DHB)
- The Salvation Army
- New Zealand Racing Board (NZRB)
- Department of Internal Affairs (DIA)
- The Lion Foundation
- CAPS Hauraki
- Problem Gambling Foundation of New Zealand (PGFNZ), and
- First Sovereign Trust Limited.

At the forum almost every represented party expressed their views on problem gambling in Hauraki. There was clearly an understanding from both the health and social service providers and the trust and venue operators that problem gambling was an issue. The size of the issue was a more contentious topic, alongside the question ‘how do we identify a problem gambler?’. PGFNZ noted concern that although machine numbers have remained constant in Hauraki, the expenditure has increased. “This is not the highest in New Zealand, yet it is up there.” This trend is visible in the most recent figures provided in Figure 3. The representative for PGFNZ also noted that not all of the money being spent on gaming machines within Hauraki is coming back to the district. The approach of the PGF is grant money would have been better off spent in the local businesses rather than on gambling and then granted back. Only a small portion of the actual gaming machine spending is from ‘out of towners’, so this money was originally in the community and could have saved a lot of unnecessary hardship.

While documented intervention numbers are low, at the 2014 forum PGFNZ suggested that the Council needs to be mindful of the horror stories that are out there. Due to shame and other factors, many problem gamblers are hidden in communities and there are a lot of incidents that remain unreported.
unseen. This was acknowledged by Population Health (Waikato DHB) who contested it is dangerous to focus on the number of people presenting for help.53

The only venue holder represented at the forum was the Ohinemuri Club. When asked about the size of the problem they believed they had within their venues, the representatives responded that they felt they “didn’t see the ‘typical’ problem gamblers, largely due to the nature of their members, an older age bracket who have independent children and a generally sound financial situation”. They also noted that “If they have the money to spend, what is the problem?”. The representatives did say that they “get the odd occasion where a widowed person may spend more time on the machines and become slightly addicted due to loneliness and this is noted with support provided.”

Mr McKernan, the owner of the Rob Roy Hotel in Waihi provided written feedback to the Council in 2014, outlining that due to the struggling economy, legislative changes introducing sinking lid policies and other various social drivers, there has been a downward trend in relation to gaming within his venue:

“The 2009-2013 gaming numbers and weekly banking has constantly reduced to around 70% of pre-2004 figures... Since 2009 I have only trespassed 1 gaming patron but the self-exclusion numbers are averaging 1 or 2 per year. Some of the gaming patrons are also self-limiting the amount they obtain by EFTPOS transactions.”

“The end result of this issue is indicating at my venue fewer problem gamblers out of a far fewer proportion of gamblers...There will always be problem gamblers whether it is also lotto or TAB machines. The other outcome of the gaming reductions is far lower community funding available to be allocated.”

The Salvation Army representative advised that of the many people they see and regularly work with, most of them identify that gaming machines are a significant issue. “There is a problem”. Out of around 40 people that are receiving help from the Salvation Army in Waihi alone, more than 50% could see damage in their family partly because of gambling.

To answer the question ‘how do we know there is a problem?’ Work and Income suggested that a problem exists “where the person is spending money when it should be spent on rent, power and food. The harm from this to families’ needs to be minimised at a grassroots level.”

NZCT stated that AUT research has shown that around three quarters of those seeking help for gambling addiction have had significant improvements or had resolved their issues within 12 months of seeking help.

As noted in the above mitigation measures, all venue staff receive problem gambling training. At the 2014 forum, the Problem Gambling Foundation, who provides and attends some of this training noted feedback from these training sessions from “the very staff whom we trust and expect will speak with people displaying signs of a problem gambler” included:

- “I didn’t start working in the pub to monitor people gambling. I’m there to pour beer”
- “I’m not a counsellor”
- “What if they have got enough money to spend on pokies?”
- “Isn’t it their choice what they spend their money on?”
- “I’m too busy with other priority work especially on Thursdays to Saturdays”

53 (Hauraki District Council, 2014)
These comments appear to be confirmed with the results of the Department of Internal Affairs mystery shopper exercise carried out in 2016.\textsuperscript{54}

\textbf{2017 stakeholder feedback received}

Stakeholders were contacted by letter and asked for feedback on what trends are being seen in our local communities in regard to gambling and harm from gambling. Feedback was received from:

- Waihi RSA
- Salvation Army Oasis Centre (Gambling Support)
- Hauraki Māori Trust Board
- NZ Racing Board
- The Lion Foundation
- CAPS Hauraki
- Paeroa Ministers’ Association
- Paeroa Golf Club
- Akarana Community Trust

The following feedback was received, and has been grouped by subject.

\textbf{Current policy}

The NZ Racing Board noted that in light of the regulations now in place, the status quo cap of 69 machines is entirely appropriate. Both the NZ Racing Board and the Akarana Community Trust noted that the adoption of a more restrictive policy is unlikely to reduce problem gambling, but will reduce local community funding opportunities, and may encourage people to seek out other forms of gambling, including offshore-based internet and mobile phone-based gambling. This form of gambling lacks the regulation that gaming machines have, is easily accessible and provides no return to the local community and no contribution to employment, taxation and health services in New Zealand. Akarana Community Trust also noted that a more restrictive policy is not necessary in light of the significant mitigation measures in place to minimised the harm from gaming machines.

The Waikato DHB representative noted that the class 4 gambling spend is lower in the district and believes this reflects the collective sinking lid policy effectiveness.

The Salvation Army representative noted that they support the current policy approach of a sinking lid.

\textbf{Venue responsibility}

The Salvation Army noted that one of the biggest issues is that hosts are not meeting their host responsibilities in identifying and excluding problem gamblers.

The Waihi RSA noted that it takes problem gambling seriously and has recently employed an external company to carry out harm minimisation training and compliance to provide training to staff so they are best equipped to address issues if they arise.

\textbf{Problem gambling and harm from gambling}

The Paeroa Ministers’ Association (representing the Anglican, Baptist, Brethren, Catholic, Co-Operating and Elim churches) noted that it believes there is a problem with gambling in the Hauraki District, and that the Salvation Army is counselling a number of people in Paeroa for problem gambling. However, it notes that the churches represented have not had any people seek help directly from them.

\textsuperscript{54} (Department of Internal Affairs, 2017)
The manager of Waihi RSA advised that he has not seen evidence of problem gambling at their venue and has had no problems arising regarding gambling behaviour. The RSA has had two instances of self-exclusions in the past two years. The Salvation Army noted that it currently has four clients that are visited every fortnight in Paeroa. They have seen serious financial and social harm caused to clients and their families, such as re-mortgaging homes and loss of assets to pay for gambling debt. Based on the number of clients and the severity of the problem they’re seeing; they believe there is an issue with gambling in the Hauraki District.

The Waikato DHB noted that through its public health work that the numbers seeking help are a very low representation of those experiencing difficulty with class 4 gambling. The DHB also noted that it often has trouble getting good information on who in the community is falling victim to class 4 gambling and the impact this has on whanau, community etc.

It’s a well-hidden problem and we know most people do not seek help until they are way down the line or committing crimes and being caught etc to fund their addictions. And of course the less money you have the quicker you will run out. It’s a very tricky situation.

CAPs Hauraki noted the following in regard to harm from problem-gambling:

The harm is not always apparent until it is too late and the problem has escalated to the hazardous/dependency end of the continuum. This means that the gambler has hidden their gambling and the resultant financial difficulties until they have been exposed by accident or because of obvious financial difficulties such as debt, insolvency, bankruptcy, theft as a servant, fraud or similar illegal activity. The resultant harm is likely to be marriage or relationship break up and family breakdown. This involves lawyers, court orders and sometimes protection orders. Where there is inter-partner violence, the woman will go to the pokie parlour to escape from tensions and the threat of violence in the home. For both men and women, resentments, power issues and family tensions prompt the use of gambling to excess to cover stress and trauma endured by individuals in their past.

The NZ Racing Board representative believes that the very low number of problem gambling presentations indicates that Hauraki District players are using the gaming machines responsibly. NZ Racing Board considers that “problem gambling associated with gaming machines is low, but problem gambling associated with offshore-based online gambling is growing exponentially.”

Availability of services

CAPS Hauraki (a social agency for safe kids, thriving families) noted that the problem of getting help is considerable where there are no gambling counsellors available in the district. People have to travel to Hamilton or Manukau to receive help and the costs and time to do this are very often prohibitive.

The situation I encountered was that a young man from Paeroa travelled up to Manukau once a week to see a counsellor in order to overcome the gambling problem and save his marriage. The number of sessions required for treatment varies but most typically is between six and eight.

A woman from a small town in the district was unable to travel anywhere for assistance for a long term problem and used the gambling helpline … She had four children and was very distressed but would not disclose to her G.P. about it. This is a typical response in a small town where people are fearful about being exposed in their communities.
The NZ Racing Board representative stated that it is easy to find out how to get help and that the help that is available is strongly promoted at all gaming venues, with prominent signage in the gaming room and easily accessible pamphlets located in each venue.

**Risk to Māori**

Concern was raised by the Hauraki Māori Trust Board that echoes the information above regarding grant funding to Māori. As noted, Māori are at higher risk of experiencing harm from gambling and it is likely that there is a disproportionately small amount of funding being returned to Māori organisations. In addition to this The Salvation Army expressed concern that there is also no local dedicated gambling help service for Māori, Pacific and Asian clients – the closest is Whakatāne.

**Relocation policy**

The Salvation Army representative noted that they do not support allowing relocation of venues as it would not support the sinking lid approach.

NZ Racing Board and Akarana Community Trust asked that the Council considers providing for relocation in its Gambling Policy. NZ Racing Board noted that “when it is clear that the same business exists but has simply relocated a short distance, it is fair and reasonable for the policy to permit the venue to continue its current gaming machine operation.”

Supporting reasons given for including relocation included:

- removes entrenchment and gives venue owners the ability to move from undesirable locations such as residential areas to more desirable areas such as the CBD and commercial zones, without losing their ability to host the same number of gaming machines.
- enables venues to move away from high-deprivation areas.
- enables gaming venues to move to new, modern, refurbished premises.
- allows local businesses to upgrade their premises and provide a more modern, attractive offering to the public helps to revitalise business districts, improves the local economy and encourages tourism.
- prevents landlords demanding unreasonable rentals as it gives the venue operator the ability to relocate to an alternative venue.
- permits venues to re-establish after a natural disaster or fire.
- venues can relocate from earthquake-prone buildings,
- fairness in public works acquisition and lease termination.
- allows venues to move away from large premises, with large car parking areas, where such land may be better used for affordable high density housing.

**Grant distribution**

NZ Racing Board noted that “funding from gaming machines is crucial to clubs’ operating costs and the Gambling Act 2003 seeks to balance the potential harm from gambling against the benefits of machines as a mechanism for community funding.” This was reinforced by the Akarana Community Trust’s feedback.

The Waihi RSA noted that it gave grants of over $5000 in the past year, all going to local activities, such as the Waihi Football Association, Waihi Muay Thai Club, local darts and snooker, and Waihi College sporting and prize-giving activities.

The Lion Foundation provided some examples of funding used within the Hauraki community from its gaming machine proceeds.
$20,000 grant to Perry Outdoor Education Trust, which paid the course fees for students from Waihi College to attend and enjoy one of New Zealand’s top Outdoor Education courses. Cost is often a major barrier for students to take part in these programmes and The Lion Foundation was happy to help.

A grant of $10,000 was provided towards Coastguard Northern Region to provide education and safety for local boaties. With the Hauraki waterways being used by thousands of people every year we are especially proud of this partnership.

A grant of $10,000 to HELP Waihi towards the mulching operation along the Waihi Rail Trail Corridor, clearing the way for replanting and beautification of the area.

With an estimated 25,000 users per year the Goldfields Railway has become an iconic part of Waihi. The Lion Foundation provided a grant of $30,000 towards the rebuilding of the Waitekauri Bridge.

On the receiving end, the Paeroa Golf Club noted that it has been most grateful for grants received from NZCT, Sovereign Trust, The NZ Racing Board and Trust Waikato over the period of the last three years. Without them the club notes that it would have struggled to maintain facilities as its membership numbers are low and cannot alone support the clubs operating expenses.

Conclusion
This social impact assessment leaves little doubt that if a person is a ‘problem gambler’ the problem is real. Although it remains unclear how big the actual problem is within Hauraki, gambling is often an addictive recreational habit that puts homes and livelihoods at risk, impacting not only the gambler, but also friends and family.

To summarise some key points:
- Gambling is often a harmless form of entertainment, providing social opportunities as well as creating employment opportunities for venues, societies, and servicing industries.
- 67.2% of the adult New Zealand population had participated in some form of gambling during the past year; which is an estimated 2,650,000 adults, this is keeping with the generally downward trend which has seen gambling participation decrease from 82.7% in 2006.
- Two out of every five regular gaming machine users already have a gambling problem or are at risk of developing one.
- The proceeds from gaming machines are not required to be distributed back into the same community in which they were generated.
- The total proceeds that came from Hauraki District gaming machines in 2019 available for community distribution was around $2.1million.
- Organisations in the Hauraki District received $432,791.92 (21% of the total GMP in Hauraki from 2019) of gaming society funding in 2019. Of this, around $7,464.74 was granted to the Hauraki District in 2019 from societies that do not operate machines in the District.

The most up to date statistics do not indicate that Hauraki has a disproportionate number of problem gamblers, and gambling venue society representatives and venue holders have noted that many people use gaming machines as their ‘social avenue’, that there was little to no problem gamblers using their venues and that the current use of gaming machines is in decline. However, observations by the social service organisations presented in both 2014 and in 2017 would seem to suggest that Hauraki does have a moderate problem.
While gaming machine associated grants are clearly a positive social impact of the gaming industry and the evidence above shows that organisations in Hauraki are receiving around 21% of the district proceeds, the amount ‘lost’ by gamblers in the Hauraki District is therefore disproportionate to the amount being injected back into Hauraki District communities.

According to the Ministry of Health resource55, Hauraki District is profiled overall as ‘medium risk’ with a number of high risk factors in association with deprivation and having a higher proportion of Māori population. The recommended policy option from the Ministry of Health to suit a medium risk district is a policy with restricting locations or restricting locations and numbers of machines. This risk factor combined with the social impact information noted in this report would warrant a continued sinking lid policy approach from the Hauraki District Council.

55 (KPMG, 2013)
References


Appendix A - Venue locations: NZ Deprivation Index 2013 – Ward and District

HAURAKI DISTRICT
Location of gambling venues (by number of machines) & NZ Deprivation Index 2013 (by MB)

Gambling venue (2017)
Number of machines
- <5
- 6 - 10
- 11 - 15
- >15

Main road (2011)
Route class
- Collector
- Arterial
- Highway

NZ Deprivation Index 2013 (MB)
- 1 - 2
- 3 - 4
- 5 - 6
- 7 - 8
- 9 - 10
- Census Area Unit (2017)

Data source(s):
- Administrative boundaries: Statistics NZ
- Gambling venues: Department of Internal Affairs

Projection: NZTM 2017
Date: 2017
Hey, we need to talk
me kōrero ngātahi tātou

We’re reviewing our Class 4 Gambling Venue and NZ Racing Board Venue Policy 2017 and we want to know what you think.

This policy relates to the rules about pokies and TAB venues in our district.

When we’ve taken into account all your feedback, we’ll finish off the policy and it will be adopted by Council.

IMPORTANT DATES
Open for feedback from 17 July 2020 to 17 August 2020.

TALK TO US
Tell us what you think in person: 9 September 2020 in the Hauraki District Council Chambers, William Street, Paeroa.

WHERE CAN I FIND MORE INFORMATION?
The full policy is available at Council offices, online at https://weneedtotalk.hauraki-dc.govt.nz or give us a call and we’ll send a copy to you.

See the next page for the various ways you can have your say.

What we’re proposing

We last reviewed our Class 4 Gambling Venue and NZ Racing Board Venue Policy in 2017, so it’s time we looked at it again to ensure it’s still working in the best interests of our communities.

Overall, we think it’s doing the job we wanted it to do so we’re not proposing any major changes.

We want to continue with a sinking lid policy, where no new gaming machines are allowed in our district and any machines that are removed can’t be replaced. This way we’ll slowly reduce the overall numbers of machines over time.

We’ve made some minor tweaks to the policy which include changing its title to be a bit simpler, updating the references to New Zealand Racing Board, and removing some clauses that are out of date.

But we want to know what you think. Does this policy still meet the needs of our communities?
A guide to giving feedback

Any organisation or member of the public can give us feedback in writing, on the phone, in person or all of these. This is your chance to tell us your thoughts about what we’re proposing.

Good feedback is clear, concise and to the point. Tell us which parts you support, and which ones you don’t. Let us know why. You are most welcome to provide additional pages or supporting material to with your feedback.

Remember to provide your contact details if you would like to be kept informed of the decisions made after considering your feedback.

Your feedback will be a council record, so may be reproduced as an attachment to a Council agenda, made publicly available and remain on Council minute records. If you aren’t providing feedback on behalf of an organisation and would like your contact details to be kept private, please let us know.

We’ll notify everyone who provides feedback of the outcome in writing.

Special assistance

We can offer assistance with special requirements at a hearing in terms of language translation, including that of sign language, or presenting through audio-visual mechanisms. If assistance is required, please let us know and we will make the appropriate arrangements.

Huh?! What’s a policy?

Our policies only apply to the Hauraki District. They provide guidance on issues or topics for consideration, which helps with Council’s decision-making.

This policy is about the amount of pokie machines and TAB venues allowed in our district, how many gaming machines each venue can have and where they can be located.

We make our policies in consultation with you – that’s why your feedback is important to us.

1. We review how well the policy is working, involving key groups
2. Changes are made to the policy as a result of early discussions
3. You tell us what you think of the proposed changes to the policy
4. We look at the feedback and may make further changes as a result of your views
5. The policy is adopted and then effective

How you can have your say

If you want to talk to us:

- contact an Elected Member to discuss your thoughts. You can find their contact details on our website https://www.hauraki-dc.govt.nz/our-council/mayor-councillors/.
- contact us to book in to speak to the Council at a hearing in Paeroa on 9 September 2020, or tick the box on the feedback form to show us you’re keen to attend. We’ll contact you closer to the date of the hearing to arrange a time for you to share your thoughts with the Councillors.
- give us a call and speak with a member of the strategic planning team – we can draft your feedback into a written statement and we’ll provide you with a copy.

If you want to write to us:

- fill out the online feedback form on our website https://weneedtotalk.hauraki-dc.govt.nz
- private message or comment on our Facebook page
- email your feedback to info@hauraki-dc.govt.nz
- write a letter, or fill in the printed feedback form (available at our service centres, or downloadable from our website)
2020
Class 4 Gambling Venue and NZ Racing Board Venue Policy
Gambling Policy
Class 4 and agency venues

our home, our future
tō tatou rohe kāinga, tō tatou ao tūroa
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1. **Introduction**

1.1. This Gambling Policy (policy) sets out the Hauraki District Council’s decision on its responsibilities in relation to Class 4 and agency venues occurring within the Hauraki District. It is made in accordance with Gambling Act 2003 and the Racing Act 2003 (the Acts).

1.2. The Acts specify certain responsibilities for councils in relation to the Class 4 gambling and New Zealand Racing Board agency venues occurring within their districts, and requires Council to adopt a policy in accordance with these responsibilities.

1.3. The Gambling Act 2003 states that the class 4 venues 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 operate at class 4 venues.

   c. may include a relocation policy.

1.4. The Racing Act 2003 states that the agency venue policy must specify whether new agency venues may be established in the District and is so where they may be located.

1.5. In accordance with the Acts, the Department of Internal Affairs has overall responsibility for managing the licensing of Class 4 gambling and New Zealand Racing Board agency venues.

1.6. This policy should be read in accordance with the definitions outlined in section 6.

1.7. An assessment of the social impacts of gambling (2719784) was undertaken in March 2020 which helped inform the review of this policy.

1.8. The Council will continue to engage relevant stakeholders prior to each policy review in order to gather the following information and establish trends:

   i. Monitoring of social effects of gambling in the District;

   ii. Collection of statistical data from the Department of Internal Affairs;

   iii. Identification of issues associated with problem gambling in the Hauraki District;

   iv. Recommendation of changes to the Council on its Class 4 Gaming Gambling Policy;

   v. Identification of projects supported and grants awarded by gaming machine proceeds through trust and societies.
2. **Objective**

2.1. The objectives of this policy are:

a. To ensure the Council and the community has influence over the location of new Class 4 gambling and New Zealand Racing Board (NZRB) agency venues in the Hauraki District whilst allowing those who wish to participate in gaming machines and NZRB agency gambling to do so.

b. Restricting the growth of gambling by:
   i. capping the number of Class 4 gaming venues in the Hauraki District, and
   ii. capping the total number of gaming machines in the Hauraki District.

c. To further reduce harm associated with problem gambling in the Hauraki District by:
   i. eventually restricting the number of machines in Hauraki District to meet the national average of people per machine, and
   ii. monitoring the social impacts of gambling prior to each policy review.

3. **Policy**

3.1 **Establishment of Class 4 venues**

3.1.1. Class 4 venues may be established within Hauraki District subject to:

a. meeting application and fee requirements;

b. the number of gaming machines proposed for the venue being able to be met within the overall district cap (maximum) on gaming machines in the Hauraki District as detailed in this policy;

c. the number of Class 4 gambling venue licences issued at any time not exceeding the district cap (maximum) for Class 4 gambling venue licences in the Hauraki District as detailed in this policy;

d. not being a venue at which any activity at the venue is associated primarily with family or children’s activities, or a venue that promotes their premises predominantly for family dining or family activities;

e. the applicant having the appropriate resource consent approvals, if required.

3.1.2. A venue which operates as a brothel will not be granted a Class 4 gambling venue consent.

3.2 **Predominant activity of class 4 gambling venues**

3.2.1. The predominant activity of any Class 4 gambling venue shall be:

a. for the sale of alcohol or, the sale alcohol and food where the venue is subject to an on-licence (but not being a bring-your-own licence) or club licence; or
b. the conducting of race and sports betting in standalone, alcohol free New Zealand Racing Board agency venues under the Racing Act 2003.

3.3 Location of Class 4 gambling premises venues

3.3.1 Class 4 gambling venues must not be located in premises that are incompatible with other permitted uses in the relevant zone (e.g. industrial zone, residential zone).

3.3.2 No Council consent to Class 4 venue gambling licences shall be issued for any premises which is located within 50 metres of the legal site boundary of a school or early childhood education centre, or 50 metres away from a Council administered children’s playground.

3.3.3 Where a class 4 gambling venue is to be located within 500 metres of a school or early childhood education centre:
   a. the applicant shall provide a copy of their application directly to these facilities, and
   b. the facilities will be considered affected parties to the application.

3.3.4 Class 4 gambling venues must not allow any gambling activity to be visible to passing pedestrian traffic.

3.4 Overall cap on the number of gaming machines to be allowed in the Hauraki District

3.4.1 The maximum number of gaming machines allowed (cap) within the Hauraki District shall not exceed 69.

3.4.2 New Class 4 gambling venues shall be allowed a maximum of no more than nine (9) gaming machines.

3.4.3 A venue that held a gambling licence on 17 October 2001 and has not been without a licence for more than six months since then may operate its notified number of gaming machines. In these instances, the cap shall not apply.

3.5 Overall cap on the number of Class 4 gambling venues to be allowed in the Hauraki District

3.5.1 The number of Class 4 gambling venues operating within the district shall not exceed nine (9).

3.6 Clubs merging with Class 4 gambling licences

3.6.1 Should two or more clubs with existing Class 4 gambling licences merge the Council will give consideration to the maximum number of machines at the merged venue being up to the lesser of:
   a. the number of merging venues multiplied by nine; or
   b. the total of the machines in the merging venues prior to the merger; or
   c. 18 machines.

3.6.2 The Council requires confirmation that cancellation of previous class 4 venue licences held by the corporate societies has been undertaken before it will approve consent for the proposed merged venue.
3.6.3 Council consideration on the merger may take into account any submissions made by the merging venues or the successor venue.

3.7 **Relocation policy of Class 4 venues**

3.7.1 The Council may permit a class 4 venue to re-establish at a new site where, due to extraordinary circumstances, the owner or lessee of the class 4 venue cannot continue to operate at the existing site. Examples of such circumstances include, but are not limited to, the following:

a. expiration of the lease; or

b. acquisition of property under the Public Works Act; or

c. site development.

3.7.2 Any permission to re-establish a class 4 venue at a new site under clause 3.7.1. will be subject to the following conditions:

a. The venue operator of the business at the new site shall be the same venue operator at the site to be vacated;

b. The maximum number of gaming machines permitted to operate at the new venue at the time when the new venue licence takes effect is the same as the maximum number of gaming machines permitted to operate at the old venue immediately before the licence relating to the old venue is cancelled,

c. The new site must meet all other requirements as set out in this policy.

3.8 **Signage for Class 4-gambling venues**

3.8.1 For signage restrictions refer to the Operative Hauraki District Plan or the Franklin District Council Control of Signs Bylaw if the proposal is within the former Franklin area now incorporated into the Hauraki District.

3.9 **New Zealand Racing Board Venues Agency venues**

3.9.1 New Zealand Racing Board Agency venues that are not operating gaming machines will be permitted in the Hauraki District subject to meeting the requirements of the operative Hauraki District Plan, or the operative Franklin District Plan in the area of Kaiaua.

3.9.2 An New Zealand Racing Board agency venue applying to operate gaming machines will be treated as a class 4 venue and as such will be subject to restrictions listed in this policy.

3.9.3 **Audience**

This policy is primarily aimed at class 4 venues and New Zealand Racing Board venue premises. It also affects the entire community through its ongoing sinking lid policy which aims to minimise the harmful effects of problem gambling.
4. Relevant legislation

- Gambling Act 2003
- Racing Act 2003
- Local Government Act 2002
- Gambling (Class 4 Net Proceeds) Regulations 2004

4. Applications for Consent

4.1 Application to the Hauraki District Council for Class 4 venue consents must be made on an approval application form (#2120019—available on the Council’s website) and must provide:

a. name and contact details for the application;
b. street address of premises proposed for the Class 4 licence;
c. the names of management staff;
d. evidence of police approval for owners and managers of the venue;
e. a copy of the approved gambling harm minimisation policy, the staff training programme and the applicants host responsibility programme;
f. evidence of the distance to the nearest residential zone, and all other locations stated in clause 3.3 of this policy;
g. details of sale and supply of alcohol licence(s) applying to or proposed for the premise.

4.2 The Hearings and Judicial Committee (the Committee) of the Council shall consider all applications for Class 4 venue consents received.

4.3 The Committee shall suspend consideration of, or refuse consent where any part of the application falls outside of the gambling policy;

4.4 Without limiting the Committee’s right to consider and determine an application for Class 4 venue consent on any relevant issues the Committee shall suspend consideration of a venue consent application if:

a. any necessary resource consent has not been issued.
b. the applicant cannot show that the opportunity for people under 18 gaining access to gambling machines is minimal.
c. it believes the proposed venue site is not in accordance with clause 3.3 of this policy.

4.5 The Committee may also suspend consideration of or refuse consent in other circumstances where it considers further information is required.

4.6 Application fees will be set by the Hauraki District Council from time to time, and shall include consideration of the costs of processing the application, including any consultation and hearings involved.
5. Glossary

5.1. Unless the context requires otherwise, the definitions of words or terms used in this Policy that are also used in the Gambling Act 2003 and the Racing Act 2003 are those defined in those Acts.

<table>
<thead>
<tr>
<th>Term</th>
<th>Definition</th>
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</thead>
<tbody>
<tr>
<td>Agency venue</td>
<td>has the same meaning as the interpretation in the Racing Act 2003</td>
</tr>
<tr>
<td>Class 4 gambling</td>
<td>has the same meaning as the interpretation in the Gambling Act 2003</td>
</tr>
<tr>
<td>Class 4 venue</td>
<td>has the same meaning as the interpretation in the Gambling Act 2003</td>
</tr>
<tr>
<td>Early Childhood Education Centre</td>
<td>includes any crèche, childcare centre, kindergarten, kohanga reo, or playcentre or any other place (excluding school) where five or more children receive care of education.</td>
</tr>
<tr>
<td>National average of people per machine</td>
<td>this means taking the Hauraki District population and dividing by the number of machines in the District, and aiming for this number to be in line with the NZ population divided by the number of machines nationally.</td>
</tr>
<tr>
<td>Problem gambler</td>
<td>has the same meaning as the interpretation in the Gambling Act 2003</td>
</tr>
<tr>
<td>Gambling area</td>
<td>has the same meaning as the interpretation in the Gambling Act 2003</td>
</tr>
<tr>
<td>School</td>
<td>includes any primary, intermediate or secondary school and any Kura Kaupapa.</td>
</tr>
<tr>
<td>Venue licence</td>
<td>has the same meaning as the interpretation in the Gambling Act 2003</td>
</tr>
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6. Review

The policy will be reviewed three yearly to ensure Council meets its statutory requirements under the Acts.

7. Document management and control

<table>
<thead>
<tr>
<th>Title</th>
<th>Hauraki District Council Gambling Policy</th>
</tr>
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<td>Strategic Planning</td>
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<tr>
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<td>Hauraki District Council</td>
</tr>
<tr>
<td>Adoption date:</td>
<td>[date]</td>
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<td>Review by:</td>
<td>2023</td>
</tr>
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<td>File ref:</td>
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Property of Hauraki District Council
For more information:

- **W** [www.hauraki-dc.govt.nz](http://www.hauraki-dc.govt.nz)
- **E** info@hauraki-dc.govt.nz
- **P** 07 862 8609 or 0800 734 834 (from within District)

Visit us at one of our offices:

- **Paeroa**: 1 William Street
- **Ngatea**: 84 Orchard West Road
- **Waihi**: 40 Rosemont Road