

Class 4 Gambling & TAB Venues Policy

Elected Member Workshop



Purpose of today

- Explain what role local and central government have in the regulation of gambling
- Explain what class 4 gambling is and why we are required to have a policy
- Discuss the latest data and trends as Council must consider the social harms when making a Class 4 Policy
- Explain the spectrum of interventions
- Explain previous community views and consultation
- Next steps

Local and Central Government Responsibilities for Regulating Gambling

Gambling Activity	Central Government	Territorial Authorities
Casino Gambling	Responsible for all regulatory, licensing and enforcement activities	No control over casino gambling
Gambling conducted by the New Zealand Lotteries Commission		No control over gambling conducted by the New Zealand Lotteries Commission
Gambling at Class 4 venues	- Sets the legislative framework (e.g. maximum number of machines per venue, rules about distribution of proceeds) - Responsible for venue licensing, subject to council consent - Enforcement activities	- Required by legislation to have policies in place to regulate the number and location of new gambling venues in the district - Responsible for consenting new venues that comply with the relevant policy - No control over TAB machines in taverns
Betting at TAB Venues	- Sets the legislative framework - Responsible for venue licensing, subject to council consent - Enforcement activities	
Online gambling	- No control over overseas-based online gambling websites - Control over New Zealand based online gambling websites	No control over online gambling

So what is Class 4 Gambling and why is it regulated?

- Class 4 gambling is non-casino gaming machines (pokies) in pubs and clubs, run by licensed societies
- It is regulated under the Gambling Act 2003, which aims to control growth and prevent and minimise gambling harm
- Pokies are seen as a higher-risk form of gambling for harm to players, families and communities
- Gaming Societies/Trusts must return a share of machine profits to the community as grants

Councils Role in Regulating Class 4 Gambling

When reviewing the policy, Council must have regard to the social impact of gambling within the district in accordance with Section 101(2) of the Gambling Act.

Additionally the policy must specify:

- whether or not Class 4 gambling venues may be established within the district, and if so
- where they can be located.

The policy may also specify restrictions such as:

- maximum number of gaming machines that can be operated at a Class 4 venue
- a maximum number of machines in the district
- place a sinking lid on machine numbers/venues
- restrict mergers and relocations

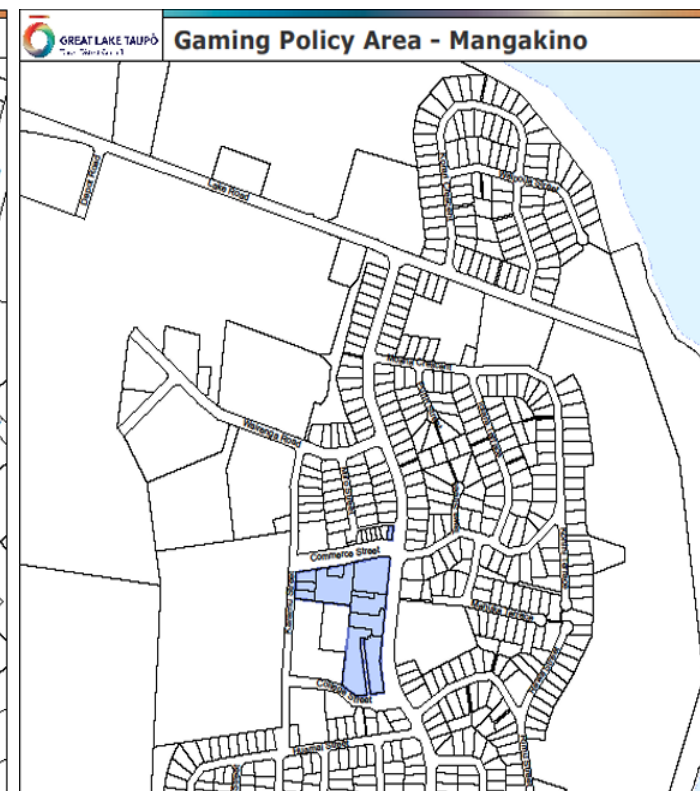
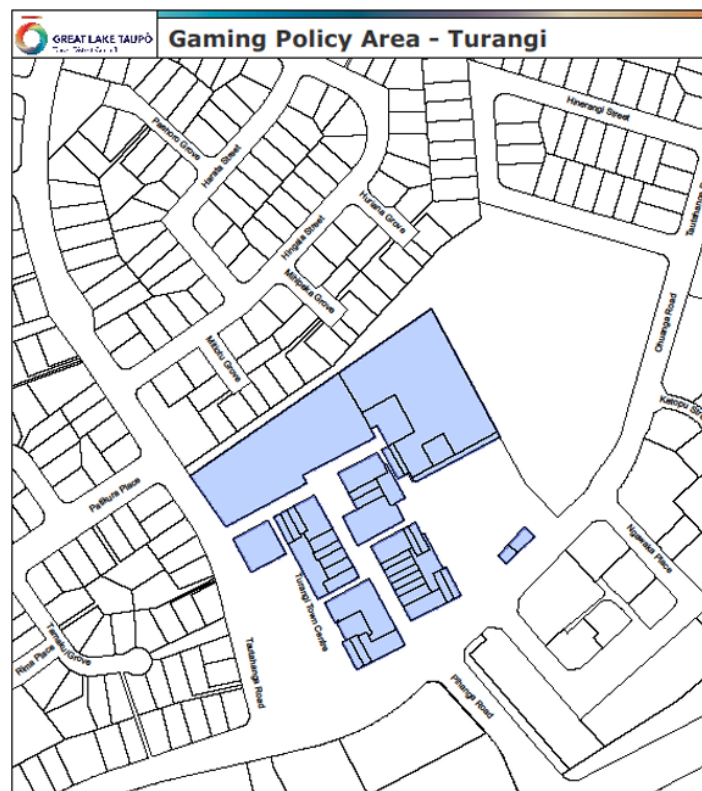
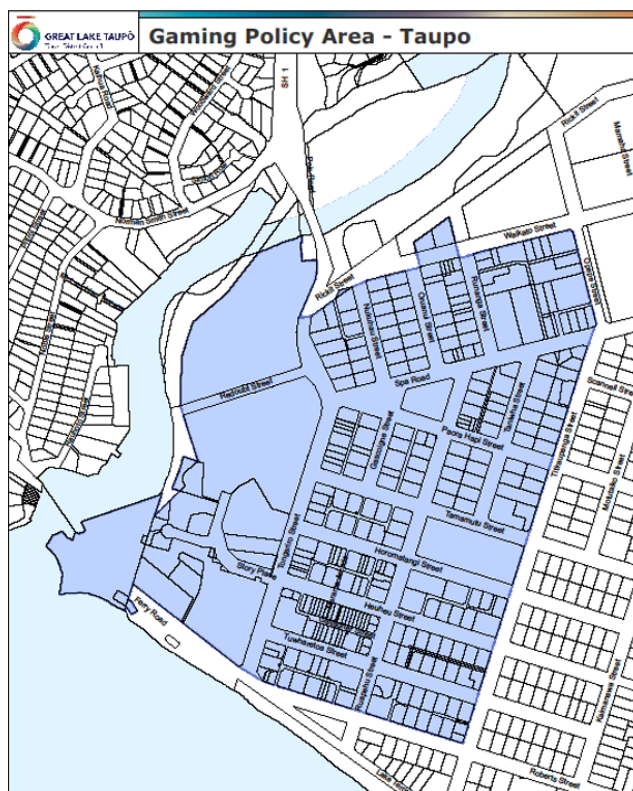
Territorial authorities do not have the authority to:

- control hours of operation of TAB or Class 4 venues
- close down an existing gambling venue
- be involved in decisions about what happens to proceeds of gambling - where and to whom proceeds are distributed

Gaming Machine Locations

In Taupō District there are 11 Venues with a total of 149 machines

- 1 venue is in a medium deprivation SA2 with the other 10 being in high or very high deprivation areas
- 1 venue in Tūrangi – outside the policy area as it is a historic operator
- No venues in Mangakino currently



NOTE: Commercial areas, particularly central business districts (CBDs) usually score highly on the deprivation index due to variables such as people being more likely to rent and less likely to own a car. However, Deprivation scores between 8 – 10 (with 10 being the highest possible) are considered a high-risk rating

DIA Gaming Machine Profit Data

- Gaming Machine Profit (GMP) is the amount of money lost by players – prizes paid back out. Of this GMP:
- 40% (minimum) must go to community groups - not necessarily in the location or district from which it was collected
- 23% goes to gaming machine duty (government tax)
- 19.5% can be kept for gaming trust administration costs
- 16% of annual GMP can go to the venue (on a weekly commission basis)
- 1.5% goes to problem gambling levy for addiction support

DIA Gaming Machine Profit Data

- Nominal annual GMP for the district is in excess of \$11.6 million (March 25-26 year)
- The number of machines and venues has been very stable over the last 6 years (two review periods). The number of machines has fluctuated between 140-149 recently with a venue giving up machines and a new venue opening in Taupō town.
- In the Waikato Taupō has the highest GMP per machine at just over \$78,000 annually. The regional average is \$59,480.
- More information about GMP from across the country can be found at <https://catalogue.data.govt.nz/dataset/gaming-machine-profits-gmp-dashboard>

Community Grants

- In 2025/26 class 4 gambling trusts and societies paid out a total of \$3.8 million in the Taupō District (33% of GMP)
- Grants are given out to a broad range of community groups and non-profits ranging from search and rescue trusts through to sporting and cultural groups
- The number of grants, who got them, and who paid them out can be found on the Granted dashboard found at <https://www.granted.govt.nz/dashboard>

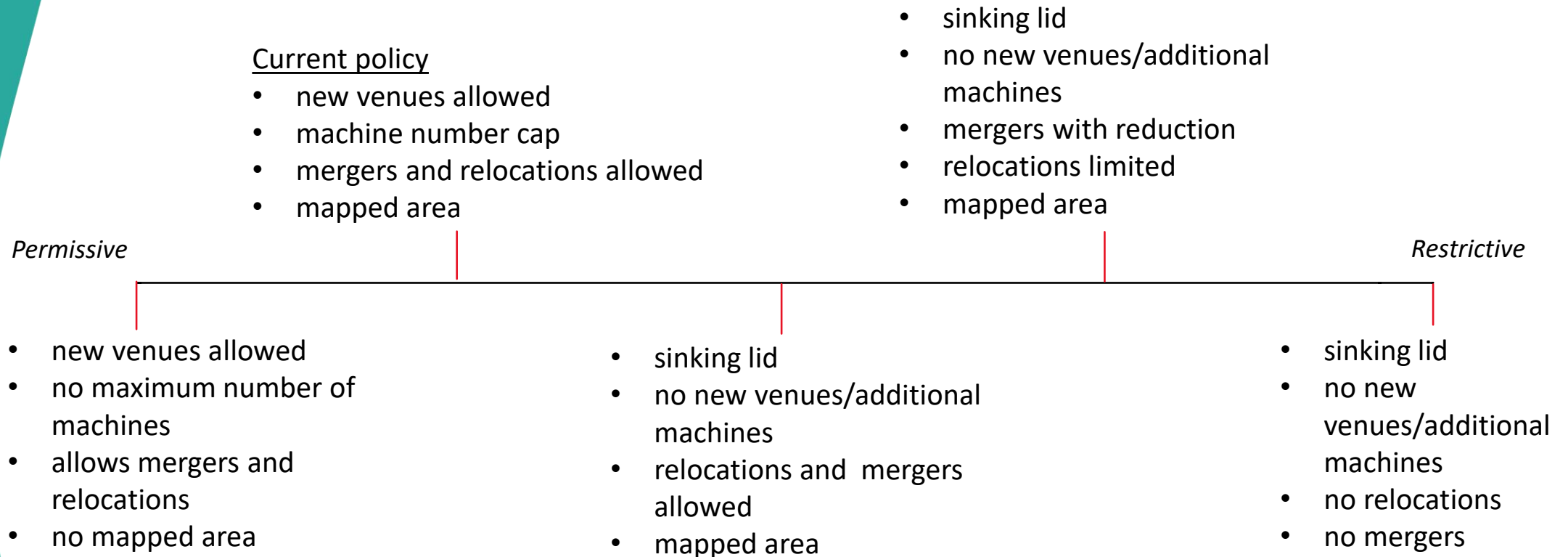
Community Losses and Harms

- In total the community lost 7.8 million dollars (GMP after grants paid)
- Additionally, problem gambling is recognised as a public health issue in New Zealand
- Taupō district as whole has been rated a medium risk for problem gambling using the Ministry of Health district profile method. This rating is driven by:
 1. the limited access to harm minimisation services locally – there are some specialists that can help that work with Manaaki Ora and Arc Counselling
 2. the level of overall community deprivation
 3. the disproportionate effects of gambling on Māori
 4. These effects were slightly offset by the number of machines per 10,000 people at 38 (more than 75 is considered high risk)

Current Policy

- Councils current policy is relatively permissive it allows for a total of 164 machines in the district
- It allows relocations and mergers
- It restricts the locations of new machines, venues or relocations to the mapped areas in our main settlements of Taupō, Tūrangi, and Mangakino.
- It does not have a sinking lid – this means if machines are surrendered then new operators can open using the available capacity as the cap does not adjust down to the new number automatically.

Spectrum of Interventions



A range of community views in the past

A range of community groups, health providers, gaming trusts and individuals have provided feedback to Council in the past:

- Tūrangi and Mangakino community members have asked about the mapped areas in between reviews and asked if they could be changed. This process is the opportunity for them to provide that feedback
- Many health organisations are supportive of stricter rules such as sinking lids with no mergers or relocations to help reduce the harm caused by gambling
- Community groups are often divided on this topic with some supporting the status quo due to the important role funding from Class 4 gambling plays and some believing the harms outweigh the funding support given
- Gaming trusts and hospitality operators have often been in favour of retaining the current rules given the role hosting machines can play in supporting their operations and their charitable work respectively

Next steps

- Produce a social impact assessment to support meeting the requirements of section 101(2). This will cover a range of topics such a GMP, GMP per machine/capita, deprivation, grant funding, and estimates of gambling harm locally (where possible).
- Speak to the Tūrangi Co-governance committee and Mangakino-Pouākani Representative groups in September with a report informing them of the review process, seeking feedback on current policy setting and asking if they wish to see any changes to the policy (such as map areas)
- Officers will review the policy in light of early feedback and the outcomes of social impact assessment
- Council is required to adopt a draft policy to enable consultation and subsequent hearings and deliberations.
- Consultation requires notification of particular parties in accordance with the legislation including Iwi partners and license holders/gaming trusts.

Further Questions?