

Gaming & Censorship Regulation

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To all Chief Executives of Territorial Authorities,

To whom it may concern,

TERRITORIAL AUTHORITY GAMBLING VENUE POLICIES AND CONSENTS

This letter provides information to territorial authorities (TAs) about the Gambling Act 2003's requirements for the adoption of class 4 and TAB venue policies in relation to gaming machines and TAB gambling and the issuing of consents under those policies. It is timely to offer this information in view of the fact that TAs will soon be required to review their gambling venue policies. We also refer you to the March edition of our Gambits newsletter (a copy of the relevant pages enclosed), which contains information on the content of class 4 venue policies.

As you are aware, TAs must have a class 4 venue policy under which to issue consents for numbers and locations of gaming machines (Gambling Act 2003 section 101). In adopting a policy, the TA must have regard to the social impact of gambling within the territorial district as well as any other relevant matters the TA may see fit to consider. TA gambling venue policies are constrained by the 9 and 18 machine limits in sections 92-94 of the Gambling Act 2003 (the Act). A TA cannot consent to more than 9 (or as the case may be 18) machines being operated at a venue except in the special circumstances for clubs described in sections 95-96 of the Act.

The Act further restricts venues that were operating at 17 October 2001 to the number operated on the date 3 days after commencement of the Act. For example, if a venue was operating 16 machines at 17 October 2001, it is restricted to that number unless the TA consents to it increasing its numbers to 18.

A TA consent may or may not have a condition specifying a particular number of machines (within the statutory limit). If the TA consent doesn't specify a particular number, the statutory limits apply, unless for some reason the Department of Internal Affairs (the Department) imposes a licence condition



limiting the machine numbers further. If a TA imposes a limit by way of condition, it could issue another consent at another time raising or removing the limit (for example, if its policy changes or if circumstances at the venue change). However, the society would still be obliged to apply to the Department to license the increase in the number of machines.

It is important to be aware of the circumstances in which TA consent is required as per section 98 of the Act. Generally, a society must obtain territorial authority consent in the following circumstances:

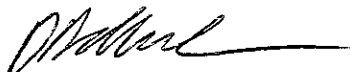
- If a society proposes to increase the number of machines that may be operated at a class 4 venue (whether by way of an application for, or amendment to, a class 4 venue licence, and whether or not in association with an application for ministerial discretion under section 95 or section 96);
- the first time there is an application for a class 4 venue licence for a venue for which a class 4 venue licence was not held on 17 October 2001;
- if a society applies for a class 4 venue licence and a class 4 venue licence has not been held by any society for the venue within the last 6 months.

It is important for TAs to consider 'future proofing' gambling venue policies when setting limits on machine numbers. It has come to our attention that the caps in some TAs gambling venue policies may not take account of the total numbers of machines that operate or may shortly operate in the district. TAs that wish to set 'caps' on the numbers of gaming machines in their districts are advised to ensure their limits take account of **all** venues entitled to operate in the district, regardless of whether they require a TA consent or whether they are actually operating machines at the time. As an example, the Act provides under section 98(c) that a TA consent does not need to be issued for a class 4 gambling venue that has held a licence within a six month period. If a TA has issued a consent to a venue, the subsequent relicensing of a 'six-month' venue could place the total number of machines in the district over the cap.

It is good practice for TAs to be aware of the number of machines in their district, whether venues need consents or not. If a TA has a cap on numbers, it should factor the probability of six month venue relicensing into its cap. If unsure as to the number of machines or the 'six month venue relicensing factor' we urge TAs to contact the Department. Section 103 of the Act allows TAs to query the Secretary for Internal Affairs as to the number of venues and machines in their district and the Department could include, if asked, information as to any remaining notional entitlement from that six month window. We urge TAs to seek information from us when and as needed.

The Department also reminds TAs that pursuant to section 101 of the Act, they are required to develop and implement a TAB venue policy. A TAB venue is a stand alone venue for race or sports betting. A TAB venue policy applies to new TAB outlets that are owned or leased by the New Zealand Racing Board or societies that are racing clubs. It does not apply to TAB outlets in hotels or taverns.

Yours sincerely

A handwritten signature in black ink, appearing to read 'D Hancock', with a long horizontal flourish extending to the right.

Douglas Hancock
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Gambling Compliance
Department of Internal Affairs Te Tari Taiwhenua
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