

AGENDA for a Hearing by the Policy & Regulatory Committee (to hear and consider submissions and make recommendations on the Proposed Waikato District Council Gambling Venues Policy) to be held in the Council Chambers, District Office, 15 Galileo Street, Ngaruawahia on **MONDAY 27 AUGUST 2018** commencing at **9.00am**.

Information and recommendations are included in the reports to assist the Committee in the decision making process and may not constitute Council's decision or policy until considered by the Committee.

1. APOLOGIES AND LEAVE OF ABSENCE

2. CONFIRMATION OF STATUS OF AGENDA ITEMS

3. DISCLOSURES OF INTEREST

4. REPORT

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GJ Ion
CHIEF EXECUTIVE

Open Meeting

| | |
|---------------------------------|--|
| To | Policy & Regulatory |
| From | Sue O’Gorman General Manager Customer Support |
| Date | 17 August 2018 |
| Prepared by | Tony Pipe |
| Reviewed by | Ana Maria d'Aubert |
| Chief Executive Approved | Y |
| Reference/Doc Set # | GOV1318 |
| Report Title | Submissions on the Proposed Waikato District Council Gambling Venues Policy 2018 |

I. EXECUTIVE SUMMARY

At its meeting on 9 July 2018, Council resolved to consider and approve the Proposed Waikato District Council Gambling Venues Policy 2018 for public notification and consultation; this process was undertaken in accordance with section 83 of the Local Government Act 2003 (special consultative procedure) provisions.

The proposed policy was notified for public consultation on 11 July 2018. Submissions closed on 13 August 2018. In summary:

- 32 submissions on the proposed policy have been received.
- 18 submitters indicated they do not support the proposed policy.
- 9 submitters indicated they do support the proposed policy.
- 5 submitters have given no indication if they do or do not support the policy.
- 14 submissions have been received from organisations or businesses.
- 2 submissions have been received from businesses currently licenced to operate a class 4 venue in the Waikato district.
- 9 submitters indicated they wished to speak to their submissions at the public hearing, scheduled for 27 August 2018, for the proposed Waikato District Council Gambling Venues Policy 2018.

The purpose of this meeting is for the committee to consider and to make a decision on the proposed Waikato District Council Gambling Venues Policy 2018.

The following documents are included as appendices to this report:

- Appendix 1 – Proposed Waikato District Council Gambling Venues Policy 2018.
- Appendix 2 – All submissions
- Appendix 2a – Long submissions
- Appendix 3 – Staff comments on submissions

- Appendix 4 – Schedule of speakers, Hearing of the Proposed Gambling Venues Policy 2018

2. RECOMMENDATION

THAT the report from the General Manager Customer Support be received;

AND THAT pursuant to section 83 of the Local Government Act 2002, the Committee considers submissions received on the notified Proposed Waikato District Council Gambling Venues Policy 2018;

AND FURTHER THAT subject to any amendments, recommend the Waikato District Council Gambling Venues Policy 2018 for final adoption;

AND FURTHER THAT the Waikato District Council Gambling Venues Policy 2015 be revoked on the day the Waikato District Council Gambling Venues Policy 2018 comes into effect.

3. BACKGROUND

Council is required by the Gambling Act 2003 and the Racing Act 2003 to review and to adopt a class 4 gambling venues policy (Gambling Act) and and TAB Board venues policy (Racing Act) that specifies if and where class 4 gambling venues or standalone TAB venues may be established in the district.

By regulating if and where class 4 venues can be established in the district, the Gambling Venues Policy is intended to minimise potential harm caused by this type of gambling in line with the strict licensing criteria outlined in the Gambling Act 2003. Due to the similarities of the Acts, Waikato District Council has chosen to combine the legislative requirements into one policy which is known as the Gambling Venues Policy and incorporates both the Class 4 Gambling Venues Policy required by the Gambling Act and the Board Venue Policy required by the Racing Act.

Council last reviewed this policy in 2015 and is now required to do so again in 2018.

Gambling is a legal activity in New Zealand and Council cannot have a policy that conflicts with the law; Council can only determine if the location of a class 4 venue is appropriate to the characteristics of the community that the class 4 venue will be located in. This means the role of Council is to determine if new venues may be established, where they may be located, if existing venues may be relocated or merged, the conditions that may be applied to these activities, how many machines a venue may have once established or relocated, and the primary activity of the venue. Councils have jurisdiction over numbers and locations of standalone TAB venues, not TAB outlets or agencies (which are legislated for under the Racing Act).

Council is supportive of a continuation of a 'sinking lid' regime which means a gradual reduction in class 4 venues and machines in the district over time.

The proposed policy has two main purposes:

1. to permit responsible gambling in the Waikato district.
2. to minimise potential harm to the community in the Waikato district caused by class 4 gambling.

There are currently 19 class 4 venues within the Waikato district, operating 243 class 4 machines. Currently no standalone TABs are operating within the district though the policy does allow for their establishment.

4. DISCUSSION AND ANALYSIS OF OPTIONS

4.1 RESULTS OF CONSULTATION

In total, 31 parties made 32 submissions being 18 individuals, as far as can be ascertained, and 14 from organisations.

This represents a good cross section of local individuals, mainly from Tuakau, Raglan, Huntly, Ngaruawahia and Te Kauwhata (with 2 from outside the Waikato district) and organisations both from the gambling sector and wider community/health sector.

Of the individuals, 44.4% support the Councils proposed policy with 71.4% of organisations opposing the Councils proposed policy.

While some submitters did not complete the submission question “yes/no, I support the proposed policy”, their submission confirmed their position in most cases. This was particularly true for submitters who provided a report style submission.

In total (and where clear in the submission);

9 submitters supported the proposal

Of those supporting the policy, comments from submissions included wanting to ban or reduce further the number of machines, support limiting relocation and wanting further restrictions including not allowing relocation.

10 submitters did not support the proposal

Of those opposing the policy there were clear themes including that a ‘cap’ approach should be applied to levels of venues and gaming machine numbers. It was suggested that the current number of venues and gaming machines be set as the ‘cap’. Any restriction to relocation and merger was not supported.

A common theme was that funding for the community and in particular sports clubs (ref Northern District Cricket association and Waikato Rugby Union) was important or critical to maintain community services and that organisations such as the WRU with 25 staff could not function without this funding.

Raglan Club Inc stated that they “would fold without it” (funding from gaming machines). Those opposed to the proposed policy wanted new relocation

restrictions removed stating that these restrictions could prevent establishments moving to better facilities. This group outlined the work they were doing to reduce harm. Submissions from organisations opposing the policy changes outlined details and quoted research supporting their argument.

10 submitters either did not support or supported in part because generally they wanted a more restrictive policy.

Comments from this group included wanting 'removal' or 'eradication' of all gaming machines or at least any outside Casinos. Comments also included that a sinking lid approach was too slow and that funding from gambling did not outweigh the harm. A theme from this group was a desire for a 'true sinking lid' approach to be adopted with no relocation or mergers.

Reports from submitters supporting or partially supporting the proposed change contained statements that mention a wider problem from lower risk gamblers in addition to those more extreme problem gamblers who are often referred to in reports. They also note that there is an unhealthy reliance on funding from gambling and that only around 40% of money actually goes back to communities from gambling.

Approximately 65% of submitters either supported the proposed changes or did not support the proposed changes but wanted more restrictive measures imposed.

4.2 OPTIONS

Council has the following options:

1. To adopt the Proposed Waikato District Council Gambling Venues Policy 2018 (subject to any amendments).
2. Retain the current Waikato District Council Gambling Venues Policy 2015

5. CONSIDERATION

5.1 FINANCIAL

The financial impact of consulting is within budget allocations.

5.2 LEGAL

There is a legal requirement under the Gambling Act 2003 and the Racing Act 2003 to consult with the community using the Special Consultative Procedure set out in section 83 of the Local Government Act 2002 every 3 years.

5.3 ASSESSMENT OF SIGNIFICANCE AND ENGAGEMENT POLICY AND OF EXTERNAL STAKEHOLDERS

| Highest levels of engagement | Inform <input type="checkbox"/> | Consult <input checked="" type="checkbox"/> | Involve <input type="checkbox"/> | Collaborate <input type="checkbox"/> | Empower <input type="checkbox"/> |
|--|--|--|-------------------------------------|---|-------------------------------------|
| <p><i>Tick the appropriate box/boxes and specify what it involves by providing a brief explanation of the tools which will be used to engage (refer to the project engagement plan if applicable).</i></p> | <p>Review of the Waikato District Council Gambling Venues Policy triggers the Significance and Engagement Policy through the community interest threshold, which is normal for this type of consultation.</p> <p>Consultation details on the Waikato District Council Proposed Gambling Venues Policy 2018 were publically notified on 11 July 2018. Consultation closed on 13 August 2018. Information on the consultation was made available to the public at all council offices and libraries, as well as online via the Council website on the 'Say It' page. This information included a statement of proposal, the proposed policy, submission forms as well as a link to the online submission collector. All class 4 venues that are currently licenced in the Waikato district were contacted directly via letter that also included a submission form.</p> <p>Key external stakeholders that were also contacted included:</p> <p>Problem Gambling Foundation of New Zealand, The New Zealand Racing Board, DHB Medical Officer of Health, Lion Foundation New Zealand, Southern Trust, Youthtown Inc, Grassroots Trust LTD, New Zealand Community Trust, Pub Charity</p> | | | | |

State below which external stakeholders have been or will be engaged with:

| Planned | In Progress | Complete | |
|---------|-------------|----------|---|
| | | y | Internal |
| | | | Community Boards/Community Committees |
| | | | Waikato-Tainui/Local iwi |
| | | | Households |
| | | y | Business |
| | | y | Current class 4 licence holders in the district |

6. CONCLUSION

Council is required to hear and consider submissions on the Proposed Waikato District Council Gambling Venues Policy 2018 in accordance with the requirements set out in section 83 of the Local Government Act 2002 (special consultative procedure).

7. ATTACHMENTS

The following documents are included as appendices to this report:

- Appendix 1 – Proposed Waikato District Council Gambling Venues Policy 2018.
- Appendix 2 – All submissions
- Appendix 2a – Long submissions
- Appendix 3 – Staff comments on submissions
- Appendix 4 – Schedule of speakers



Proposed Gambling Venues Policy 2018

Gambling Venues Policy 2015

Policy Owner: Regulatory Manager
 Policy Sponsor: General Manager Customer Support
 Approved By: Waikato District Council
 Approved Date: [TBC 2018](#)
 Resolution Number:

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I. Introduction and Overview

- 1.1. The Gambling Act 2003 and Racing Act 2003 require local authorities to adopt a class 4 gambling venues policy and Board venue policy respectively.
- 1.2. Due to the similarities between the requirements for the two policies they have been consolidated into one Gambling Venues Policy.

2. Class 4 Venue Policy

2.1. Introduction and overview

2.1.1. The purpose of the Gambling Act 2003 is to:

- (i) control the growth of gambling; and
- (ii) prevent and minimise the harm caused by gambling, including problem gambling; and
- (iii) authorise some gambling and prohibit the rest; and
- (iv) facilitate responsible gambling; and
- (v) ensure the integrity and fairness of games; and
- (vi) limit opportunities for crime or dishonesty associated with gambling; and
- (vii) ensure that money from gambling benefits the community; and
- (viii) facilitate community involvement in decisions about the provision of gambling.

2.1.2. The Act places some responsibilities on territorial authorities in respect of class 4 gambling, and in particular to adopt a class 4 venue policy.

2.1.3. Class 4 gambling is gambling involving gaming machines and meeting certain other criteria.

2.1.4. Section 101 of the Act details what the policy may include. The policy -

- (i) 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
- (ii) may specify any restrictions on the maximum number of gaming machines that may be operated at a class 4 venue; and
- (iii) may include a relocation policy

2.1.5. In determining the policy Council may have regard to any relevant matters, including

- (i) the characteristics of the district and parts of the district;
- (ii) the location of kindergartens, early childhood centres, schools, places of worship, and other community facilities;
- (iii) the number of gaming machines that should be permitted to operate at any venue or class of venue;
- (iv) the cumulative effects of additional opportunities for gambling in the district;
- (v) how close any venue should be permitted to be to any other venue;
- (vi) what the primary activity at any venue should be.

- 2.1.6. Any society wishing to establish a new venue or increase the number of electronic gaming machines at a venue must apply to the Council for territorial authority consent. The Council must consider the application in accordance with its class 4 venue policy and then either:
- (i) grant a consent with or without a condition specifying the maximum number of gaming machines that may be operated at the venue; or
 - (ii) not grant a consent.
- 2.1.7. Any consent granted is permanent and cannot impose any conditions of operation of the venue. Venues are licensed and monitored by the Department of Internal Affairs.

2.2. Definitions for class 4 venue policy

- Class 4 gambling** means gambling that is not gambling of another class and that satisfies the following criteria:
- (a) the net proceeds from the gambling are applied to or distributed for authorised purposes:
 - (i) no commission is paid to, or received by, a person for conducting the gambling;
 - (ii) the gambling satisfies relevant game rules; and
 - (b) gambling that utilises or involves a gaming machine; or
 - (c) gambling categorised by the Secretary as class 4 gambling.
- Class 4 gambling venue** means a place used to conduct class 4 gambling
- The Act** means the Gambling Act 2003

2.3. Objectives of class 4 venue policy

- 2.3.1. The objectives of the class 4 venues policy are to:
- (i) Control the growth of gambling in the Waikato district;
 - (ii) Minimize the harm caused by gambling, including problem gambling in the Waikato district;
 - (iii) Reflect the views of local communities in respect of the provision of gambling in the Waikato district;
 - (iv) Allow people who wish to participate in class 4 gambling in the Waikato district to do so.

2.4. Establishment of class 4 gambling venues in Waikato district

- [2.4.1.](#) No further class 4 venues may be established in the Waikato district.

2.5. Maximum number of gaming machines operated at a class 4 venue

- 2.5.1. Subject to sections 2.5.3, 2.5.4 and 2.6 the maximum number of gaming machines that may be operated at a venue is nine in accordance with the Act.
- 2.5.2. Existing venues operating fewer than nine gaming machines are restricted to the number for which they were licensed at the time this policy comes into force.
- 2.5.3. The maximum number of gaming machines that may be operated at a venue that relocates in accordance with the relocation policy provided for in section 2.8 is the number for which they were licensed at the original venue as provided in section 97A(2) of the Act.
- 2.5.4. Where two or more clubs propose to merge and relocate to a new previously unlicensed venue the maximum number of gaming machines that may be operated at the new venue is that determined under section 2.6.

2.6. Applications under section 95 of the Act by clubs merging

- 2.6.1. Subject to sections 2.4.2 and 2.4.3, applications seeking Ministerial discretion pursuant to section 95 of the Act to increase the number of gaming machines at a club venue to greater than nine as a result of clubs merging may be approved at Council's discretion.

- 2.6.2. In considering any application for consent to increase the number of gaming machines to greater than nine at a merging club venue, Council shall have regard to the criteria detailed in section 95(1) of the Act.

~~2.6.2.2.6.3. The maximum number of gaming machines that may be approved is the lesser of:~~

~~(i) 18 machines; or~~

~~(ii) The sum of the number of gaming machines specified in all of the merged clubs class 4 venue licences at the time of the application.~~

- 2.6.3 The maximum number of gaming machines that may be approved is 5/6 of the sum of the number of gaming machines specified in all of the merged club class 4 venues licences at the time of application, to a maximum of 18 machines.

2.7. Applications under section 96 of the Act by clubs to operate up to 18 gaming machines

- 2.7.1. Applications seeking Ministerial discretion pursuant to Section 96 of the Act to permit more than nine electronic gaming machines at a club venue will not be approved.

2.8. Relocation Policy

- 2.8.1. Subject to sections 2.4.2 and 2.4.3 Council will grant consent in respect of a venue where the venue is intended to replace an existing venue within the district to which a class 4 venue licence applies only in the following circumstances:

- (i) The proposed new venue has been newly constructed or refurbished for the purposes of the primary activity of the venue;

- (ii) Any club or two or more clubs merging that propose moving to newly constructed or refurbished premises must be relocated within the same community of interest as the original club or clubs;
- (iii) For any other venue the proposed new venue must be located in an area with a deprivation index at least the same or lower than the existing venue.
- (iv) The existing venue is physically incapable of being used for the purpose of the venue of the building is deemed dangerous or insanitary.
- (v) No relocating class 4 venue will be permitted within 100m of kindergartens, early childhood centres, schools, places of worship, or other community facilities.
- ~~(iii)~~(vi) No relocating class 4 venue will be permitted to relocate within 100m of another class 4 venue.

2.9. Application Forms

2.9.1. Applications for consent must be made on Council's approved form and must provide:

- (i) Name and address of the society
- (ii) Contact details
- (iii) Street address of the venue
- (iv) Details and evidence of the operation of the venue and in the case of a club, details of the membership and activities
- (v) A scale site plan detailing both gambling and other activities proposed for the venue, including details of each floor of the venue, where gaming machines are to be located and the size of the area the gaming machines will occupy
- (vi) The number of gaming machines proposed.

2.10. Application Fees

2.10.1. Application fees are set by Council resolution and include consideration of:

- (i) Processing class 4 gambling consent applications including any consultation and hearings involved
- (ii) Reviewing Council's class 4 venue policy.

2.11. Policy Review

2.11.1. Pursuant to section 102 of the Act Council must review its class 4 venue policy within three years of its adoption and within three years after each review.

3. Board Venue Policy

3.1. Introduction and overview

3.1.1. The purpose of the Racing Act 2003 is:

- (i) to provide effective governance arrangements for the racing industry; and
- (ii) to facilitate betting on galloping, harness, and greyhound races, and other sporting events; and
- (iii) to promote the long-term viability of New Zealand racing.

3.1.2. The Act places responsibilities on territorial authorities to adopt a policy on Board venues where race and sports betting may be conducted.

3.1.3. Section 65D of the Act details what the policy may include. The policy must specify whether or not new Board venues may be established in the territorial authority district and, if so, where they may be located.

3.1.4. In determining the policy Council may have regard to any relevant matter, including:

- (i) the characteristics of the district and parts of the district;
- (ii) the location of kindergartens, early childhood centres, schools, places of worship, and other community facilities;
- (iii) the cumulative effects of additional opportunities for gambling in the district.

3.1.5. If the Board wishes to establish a Board venue it must apply to the Council for a territorial authority consent. The Council must consider the application in accordance with its Board venue policy and then either grant or refuse a consent.

3.1.6. Any consent granted is permanent and cannot impose any conditions of operation of the venue. Venues are licensed and monitored by the Department of Internal Affairs.

3.2. Definitions for Board venue policy

| | |
|--------------------|--|
| Board | means the New Zealand Racing Board established under section 7 of the Act |
| Board venue | means premises that are owned or leased by the Board and where the main business carried on at the premises is providing racing betting or sports betting services under the Act |
| the Act | means the Racing Act 2003 |

3.3. Objectives of Board venue policy

3.3.1. The objectives of the Board venue policy are to:

- (i) Control the growth of gambling in the Waikato district;
- (ii) Minimize the harm caused by gambling, including problem gambling in the Waikato district;
- (iii) Reflect the views of local communities in respect of the provision of gambling in the Waikato district.

3.4. Establishment of Board venues in Waikato district

3.4.1. Council may in its discretion permit a new TAB Board venue to be established in the Waikato district.

3.4.2. In considering an application for a TAB Board venue, Council shall have regard to any undertaking given by the New Zealand Racing Board to remove TAB terminals (including self-service terminals) from hotels, clubs and/or pubs in the township in which the new TAB Board venue is proposed.

3.5. Location of Board venues

3.5.1 TAB Board venues shall be restricted to areas zoned under the Waikato District Plan to allow commercial activities as permitted activities.

3.6. Application Forms

3.6.1. Applications for consent must be made on Council's approved form and must provide:

- (i) Name and address of the Board
- (ii) Contact details
- (iii) Street address of the venue
- (iv) A scale site plan showing the location of the venue

3.7. Application Fees

3.7.1. Application fees are set by Council resolution and include consideration of:

- (i) Processing Board venue consent applications including any consultation and hearings involved
- (ii) Reviewing Council's Board venue policy.

3.8. Policy Review

3.8.1. Pursuant to section 65E of the Act Council must review its Board venue policy within three years of its adoption and within three years after each review.

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**APPENDIX 2 - Waikato District Council 2018 Proposed Gambling Venues
 Policy FULL SUBMISSIONS**

| What's your name? | On behalf of? | What's your postal address? | Would you like to speak to your submission at this hearing? | Do you support Council's proposed Policy? | Can you tell us why? |
|-------------------|----------------------------|--|---|---|--|
| Amber | | 108 Nixon st | No | Yes, I support the proposed policy | I think it's a great idea to limit the locations of these machines. I also think they should be tightly regulated. |
| Ben MacCormack | Northern Districts Cricket | 50 Seddon Road, Hamilton | Yes | No, I do not support the proposed policy | Community funding received from gaming trust's allows cricket to do a lot of good directly in the area's in which the funding is derived from. |
| Blair Foote | Waikato Rugby Union | FMG Stadium Waikato, 128 Seddon Road, Hamilton | | | Page 86 of Appendix 2A |
| Caroline Conroy | | 1314 Glen Murray Rd, RD 5, Tuakau | No | Yes, I support the proposed policy | There is sufficient research to support this policy in its attempt to reduce the impact of gambling from pokie machines. The only issue is the sinking lid policy is taking a long time to have any meaningful impact on the number of pokie machines. In order to support the loss in available funding that community groups might experience as a result in the reduction of funds from pokies Council may need to increase the funding it has available for discretionary grants and other sources to provide on-going support for community groups. |
| Chris Rollitt | Ngaruawahia RSA | 4 Market Street Ngaruawahia, 3742 | Yes | No, I do not support the proposed policy | Sinking lids are not flexible enough to deal with growth. A cap on the amount of machines combined with a local grants policy and a strong relocation policy is a better way forward. |
| Chris wise | | 14 pharo place ngaruawahia | No | No, I do not support the proposed policy | Bam all pinkies permanently only pokes should be in casinos where they are regulated |

| | | | | | |
|-------------|--|--|-----|------------------------------------|--|
| David Whyte | | 38 Ohinewai North Road, RDI, Huntly 3771 | Yes | Yes, I support the proposed policy | <p>Waikato district is one of a kind, being both close to Hamilton City and Auckland area, both of which have access to pokes and gambling that residents can addend thus enabling them to participate in Class 4 gambling activities.</p> <p>It is also well known that pokies are one of the major ways in which problem gambling occurs. Since ~50% of problem gamblers use pokies. This is because pokies are accessible, anonymous and supposedly affordable.</p> <p>Pokies strip a lot of money out of the Huntly community. Approx \$2 million in 2018 will be placed in pokies in Huntly. Sure one might argue that a large % of this money comes back. But in reality it doesn't come back to the same people who are losing their kids shoe money, or food money. Thus they are a significant source of community harm.</p> <p>Therefore I support the lowering lid of pokies, and thus 9 is better than current legislation. But I believe that it should be a lower number, 4-5, Maybe an exception could be made for Raglan as this is further from other class 4 gaming activities, as every other town art of the district is within 1/2 an hour of class 4 activities.</p> <p>Yes I want to present at on 27th August.</p> <p>Cheers David</p> |
| David Whyte | | 38 Ohinewai North Rd RDI Huntly 3771 | Yes | Yes, I support the proposed policy | gambling and pokies are a scourge on lower socioeconomic communities, thus should be resitricted as much as possible. |

| | | | | | |
|----------------|-----------------|-------------------------|----|--|--|
| Debbie Dalbeth | Raglan Club Inc | 7 Bay View Road, Raglan | No | No, I do not support the proposed policy | <p>The Raglan Club has been incorporated for over 61 years and has provided an important service to its members and the wider community. Clubs support the social and sporting activities of a more mature demographic e.g. the Raglan Club has 5 members under 20 years old and 200 members over 70 years old with 80% being over 40 years old. The Club provides a safe and economical place for members to socialise, play darts, snooker, indoor and outdoor bowls and to go on trips with the fishing and travel adjuncts. All these activities are for members who are part of the Raglan Community and they are only possible with support from raffles and gaming.</p> <p>The Raglan Club currently supports the wider Raglan community by offering its venue for community groups like the 'care and craft', 'crop swap', childrens soccer and netball prize givings. The venue supports local craft people, businesses and has educational presentations like first aid / CPR demonstrations, coastguard bar crossing training and gaming harm minimisation courses. There is a waste station for campers and a weigh station for fishing groups. Because of declining income, including gaming income, it is no longer able to pay for things it used to, e.g. outward bound courses to local school children; \$1,000 school fee sponsorship; lend a courtesy van for the local community centre to pick up the elderly and take them shopping.</p> <p>The gaming surplus available to support our community is on the decline, the Raglan Clubs surplus has dropped from \$246,449 in 2012 to \$66,474 last year, which indicates that harm minimisation processes are effective. While this income is declining, gaming is still a needed support for our Club and it would fold without it.</p> <p>In general, Clubs are in decline and while we are fighting to secure a future for our Club sooner or later it may be necessary to downsize and move the Clubrooms to a smaller more purpose built venue that still caters for its members and wider community. If that occurs the Club will need the proceeds from gaming to support its members and the communities varied social and sporting activities. We will require a more permissive relocation policy than what is being proposed. We don't want to have to wait until the building is dangerous or insanitary to relocate, our responsibilities in regard to Health and Safety won't allow us to stay in a building until it is gets to that point.</p> <p>Gaming is still a legal activity in New Zealand and the sinking lid policy, relocation and merger restrictions will only serve to force out the smaller community organisations like Clubs and ensure the proceeds from gaming</p> |
|----------------|-----------------|-------------------------|----|--|--|

| | | | | | |
|-------------|--|---------------------------------|----|--|---|
| | | | | | stays in casinos and big business, it works against Clubs and Community organisations. |
| emma nelson | | 209 Onewhero tuakau bridge road | No | Yes, I support the proposed policy | would like to see reduction in gambling machines if ban is not possible |
| Heidi Hall | | 39f Gibson Road Tuakau | No | No, I do not support the proposed policy | Fosters unsavory behaviour. preys on the poorest members of society. Robs families of crucial funds needed for day to day living. |

| | | | | | |
|---------------------|---|---------------------------------|-----|--|--|
| Jarrold True | Gaming Machine Association of New Zealand | | Yes | No, I do not support the proposed policy | Page 1 of Appendix 2A |
| Jeanette Tyrrell | | P O Box 39, Raglan | No | Yes, I support the proposed policy | Because I support the reduction in pokie machines. |
| John Lawson | | 51 Cliff Street, Raglan, 3225 | No | No, I do not support the proposed policy | <ul style="list-style-type: none"> • The sinking lid policy has not reduced the number of pokies. A stricter policy is needed. • On average there are 0.8 problem gamblers for each pokie. • So Raglan's 36 pokies are probably related to at least 30 problem gamblers. • An example of the damage caused by pokies was reported in the NZ Herald a year ago, when the headline said, "Raglan office worker jailed for \$200k theft that almost took employer's business down" - https://www.nzherald.co.nz/nz/news/article.cfm?c_id=1&objectid=11891702 • Raglan's 36 pokies form 14% of WDC's total, yet only 7% of WDC's population lives in Raglan and Te Uku. |
| john ngatai | | 2herewini st | Yes | Yes, I support the proposed policy | we have to many pokies in waikato region and do not need anymore when a venue is shut down they will not replaced |
| Karmen McGrath | Grassroots Trust | PO Box 9019 Hamilton 3240 | Yes | No, I do not support the proposed policy | Page 13 of Appendix 2A |
| Kay Kristensen | Waikato DHB | Private Bag 3200, Hamilton 3240 | | | Page 81 of Appendix 2A |
| Kerry Clifton-Brown | | 22d Travers Road Te Kauwhata | No | Yes, I support the proposed policy | The policy promotes a gradual reduction in these machines and the proper regulation of gambling venues, a positive way forward in reducing levels of poverty as a result of gambling and making establishments more family friendly |

| | | | | | |
|-----------------|---------------------|--|-----|--|---|
| Kim Parker | | | No | No, I do not support the proposed policy | <p>I support the proposal in part (why isn't this an automated option?).</p> <p>I agree with the proposed aspect to not have more venues.</p> <p>I however believe Waikato DC should fall in line with some other areas that have a sinking lid policy on gambling establishments.</p> <p>Pokies are not conducive in society (I don't care how much 'fundraising' they provide). They have extremely adverse effects in society and should be far more reduced. 243 machines in the Waikato DC is huge.</p> <p>What analysis has been completed as to the impacts of this ? Impacts to social wellbeing?</p> |
| Lee Carr | Trillian Trust | PO Box 12245, Penrose, 1642 | | No, I do not support the proposed policy | Page 77 of Appendix 2A |
| Linda Silvester | | 20a Violet street raglan | No | No, I do not support the proposed policy | I don't believe that the amount of money distributed to the raglan community outweighs the harm caused by gambling to families in our community |
| Melanie cameron | | Rays way, Tuakau | No | No, I do not support the proposed policy | I think these machines should be banned completely. All these machines do is take money off people and its so addictive. Usually people who can least afford it. |
| Murray Reade | The Lion Foundation | Private Bag 106605, Auckland City, Auckland 1143 | Yes | No, I do not support the proposed policy | Page 89 of Appendix 2A |
| Paul Fleet | Youthtown | PO Box 5899, Wellesley St, Auckland | No | No, I do not support the proposed policy | There should be a cap on venues and machines, This way funding to communities is not reduced. Many communities rely on funding from gaming societies. if this is further reduced it will put some groups at risk of receiving no funding. |
| Peter heimming | | 94 discovery drive Falstaff | No | No, I do not support the proposed policy | All steps should be made to remove pokies from establishments other than casinos (and even they should be removed). The benefits of the pokies are by far out weighted by their additive and negative nature. They focus on the venerable and should be removed from all areas of lower to mid socioeconomic areas to start, then removed from all areas. In short no, this does not go far enough to reduce pokies in our community. |

| | | | | | |
|------------------|--|------------------------------------|-----|--|---|
| Peter Wei | The Salvation Army Oasis - Waikato | | | | Page 66 of Appendix 2A |
| Philip Steel | | 6 Caleb Close, Ngaruawahia | No | No, I do not support the proposed policy | I would like to see the eradication of gambling machines due to the harm they pose to the community |
| Shane Livingston | | | No | No, I do not support the proposed policy | It can cause more problems than anything with pokies where gambling can get addictive. |
| sue hull | | 656 onewhero tuakau bridge road | | No, I do not support the proposed policy | Take our all gambling and game machines |
| Tanya Piejus | New Zealand Community Trust | PO Box 10 857, Wellington 6143 | Yes | | Page 23 of Appendix 2A |
| Tina Mclvor | Problem Gambling Foundation of New Zealand | | Yes | | Page 44 of Appendix 2A |
| Toni Grace | Te Kauwhata Community Committee | 94 Swan Rd, RD 1, Te Kauwhata 3781 | No | Yes, I support the proposed policy | As a community committee we are mindful of the harm (visible and invisible) that gambling can cause to the families of our community. Therefore we continue to support the "sinking lid" approach taken thus far by many councils around the country in order to reduce that harm. However, we are also very conscious that in small rural communities such as Te Kauwhata, the proceeds of Class 4 gambling machines (pokies) are often channelled back into the local community to support many local events, which in turn contributes to the social well-beings of the wider community. Provided appropriate controls and restrictions are in place, along with relevant support networks, we feel that this policy can provide positive benefits to all concerned. |

The Gaming Machine Association of New Zealand's Submission on Waikato District Council's Gambling Venue Policy



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The Gaming Machine Association of New Zealand's Submission on Waikato District Council's Gambling Venue Policy

Introduction

1. The Gaming Machine Association of New Zealand represents the vast majority of the gaming machine societies that operate in New Zealand. Clubs and venue operators are also represented by the Association, via their membership of Clubs New Zealand, the Royal New Zealand Returned and Services' Association, and Hospitality New Zealand. The Association wishes to provide council with pertinent information regarding gaming machine gambling to help council to make a balanced, evidence-based decision.

Summary

2. The Association:
 - Asks that the sinking lid be replaced with a cap at current numbers (19 venues and 243 machines);
 - Asks that the current relocation provisions be retained (relocations are allowed provided the new venue is newly constructed or refurbished, and the venue is in an area with a deprivation index at least the same or lower than the existing venue);
 - Opposes the proposal to limit relocations to cases where the venue is physically incapable of being used; and
 - Opposes the proposal that relocated venues cannot be within 100m of another class 4 venue.

Gaming Machine Funding

3. The Gambling Act 2003 seeks to balance the potential harm from gambling against the benefits of using gaming machines as a mechanism for community fundraising. Approximately \$300 million¹ in grants are made each year from non-casino gaming machines. In addition to the external grants, clubs such as RSAs and Workingmen's Clubs receive approximately \$50 million each year in gaming proceeds to assist with meeting the clubs' operating costs. This funding is crucial.
4. The total authorised purpose funding (including the non-published club authorised purpose payments) received from Waikato District-based venues is over \$3.6 million annually. Examples of recent grants include:

¹ <http://www.gamblinglaw.co.nz/download/Gambits/DIA-Class-4-Sector-Report-2017.pdf>

\$30,000.00 to Perry Outdoor Education Trust



\$30,000.00 to Ngaruawahia High School



\$7,874.00 to Blue Light Ventures North Waikato



\$50,000.00 to Philips Search & Rescue Trust



\$20,500.00 to Harrisville School



\$15,000.00 to Sunset Beach Lifeguard Service



\$25,000.00 to Huntly Gymnastics



\$6,039.00 to Turangawaewae Waka Sports Inc



5. The total grants amount quoted by the Problem Gambling Foundation is less than the \$3.6 million stated above, as the Problem Gambling Foundation's data is gathered from society websites, and not all societies publish their authorised purpose payments. The funds applied and distributed by club societies, for example, are not published. Further, if the grant recipient's name does not indicate that it is located within the territorial authority, the amount of that grant is not included in the Problem Gambling Foundation's figures.

Revenue Breakdown

6. The return to players on a non-casino gaming machine is required to be set between 78% and 92%, with most being set at 91.5%. On average, for every \$1.00 gambled, 91.5 cents is returned to the player in winnings. The money retained is typically allocated as follows:

Typical Distribution of Gaming Machine Profits

| | GST Inclusive | GST Exclusive |
|-----------------------------|----------------------|----------------------|
| Government Duty | 20% | 23% |
| GST | 13.04% | 0 |
| Problem Gambling Levy | 1.31% | 1.5% |
| DIA Costs | 2.9% | 3.33% |
| Gaming Machine Depreciation | 7.97% | 9.16% |
| Repairs & Maintenance | 2.31% | 2.66% |
| Venue Costs | 13.9% | 16% |
| Society Costs | 1.74% | 2% |
| Donations | 36.82% | 42.34% |

Gaming Machines – Key Facts

7. Gaming machines have been present in New Zealand communities since the early 1980s. Initially the machines were operated without a gaming licence. The first gaming licence was issued to Pub Charity on 25 March 1988, over 30 years ago.
8. Gambling is a popular form of entertainment that most New Zealanders participate in. The 2014 National Gambling Study² found that 77% of adult New Zealanders (about 2,542,000 people) had participated in some form of gambling in the previous 12 months.
9. Gaming machine numbers are in natural decline. In 2003, New Zealand had 25,221 gaming machines. In March 2018, New Zealand had 15,490 gaming machines.
10. New Zealand has a very low problem gambling rate by international standards. The New Zealand National Gambling Study: Wave 3 (2014)³ found the problem gambling rate was 0.3% of people aged 18 years and over. The problem gambling rate is for all forms of gambling, not just gaming machine gambling.
11. All gaming machine societies contribute to a problem gambling fund. This fund provides approximately \$18,500,000 per annum to the Ministry of Health to support and treat gambling addiction and to increase public awareness. The funding is ring-fenced and not able to be redirected to other health areas.
12. An excellent, well-funded problem gambling treatment service exists. The problem gambling helpline is available 24 hours a day, 365 days per year. Free, confidential help is available in 40 different languages. Free face-to-face counselling is also available and specialist counselling is available for Maori, Pasifika and Asian clients. An anonymous, free text service (8006) is available. Support via email is also available (help@pgfnz.org.nz).

2 <http://www.health.govt.nz/system/files/documents/pages/new-zealand-national-gambling-study-wave-3-2014-report-number-5.pdf>

3 <http://www.health.govt.nz/system/files/documents/pages/new-zealand-national-gambling-study-wave-3-2014-report-number-5.pdf>

Existing Gaming Machine Safeguards

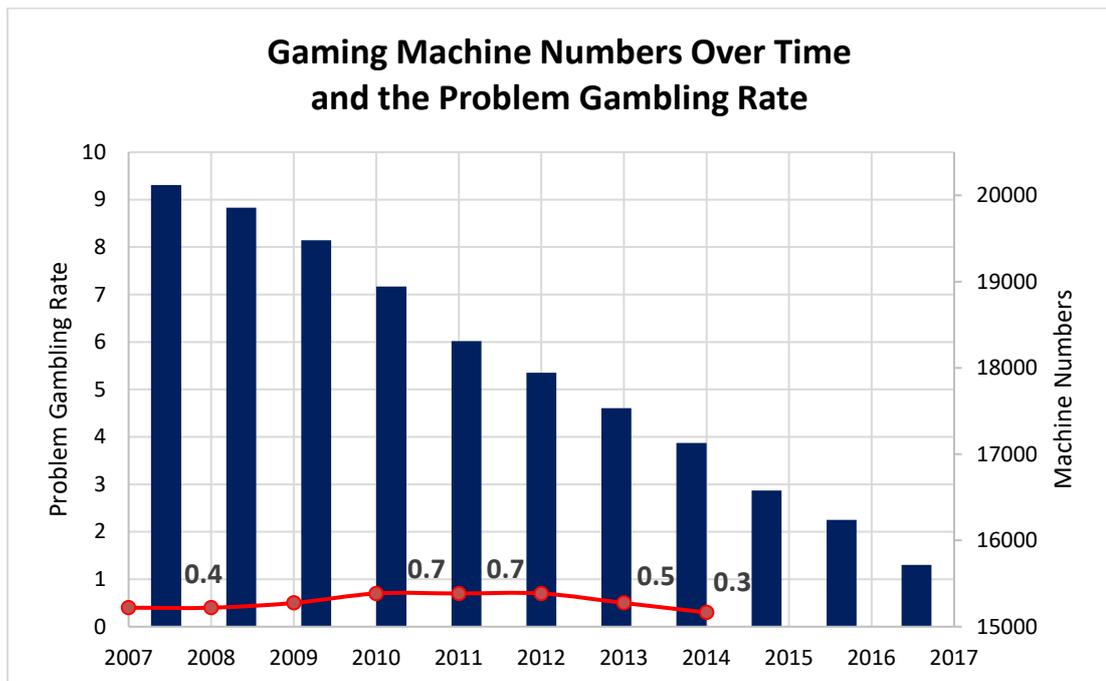
13. A cap at current numbers is appropriate given the significant measures that are already in place to minimise the harm from gaming machines.
14. Limits exist on the type of venues that can host gaming machines. The primary activity of all gaming venues must be focused on persons over 18 years of age. For example, it is prohibited to have gaming machines in venues such as sports stadiums, internet cafes, and cinemas.
15. There is a statutory age limit that prohibits persons under 18 years of age playing gaming machines.
16. There are very restrictive limits on the amount of money that can be staked and the amount of prize money that can be won. The maximum stake is \$2.50. The maximum prize for a non-jackpot machine is \$500.00. The maximum prize for a jackpot-linked machine is \$1,000.00.
17. All gaming machines in New Zealand have a feature that interrupts play and displays a pop-up message. The pop-up message informs the player of the duration of the player's session, the amount spent and the amount won or lost. A message is then displayed asking the player whether they wish to continue with their session or collect their credits.
18. Gaming machines in New Zealand do not accept banknotes above \$20 in denomination.
19. ATMs are excluded from all gaming rooms.
20. All gaming venues have a harm minimisation policy.
21. All gaming venues have pamphlets that provide information about the characteristics of problem gambling and how to seek advice for problem gambling.
22. All gaming venues have signage that encourages players to gamble only at levels they can afford. The signage also details how to seek assistance for problem gambling.
23. All gaming venue staff are required to have undertaken comprehensive problem gambling awareness and intervention training.
24. Any person who advises that they have a problem with their gambling is required to be excluded from the venue.
25. It is not permissible for a player to play two gaming machines at once.
26. All gaming machines have a clock on the main screen. All gaming machines display the odds of winning.
27. The design of a gaming machine is highly regulated and controlled. For example, a gaming machine is not permitted to generate a result that indicates a near win (for example, if

five symbols are required for a win, the machine is not permitted to intentionally generate four symbols in a row).

28. It is not permissible to use the word “jackpot” or any similar word in advertising that is visible from outside a venue.

A Cap at Current Numbers is Now Appropriate

29. A cap at current numbers (243 machines) is reasonable, given the current environment of high regulation and naturally reducing machine numbers.
30. There is no direct correlation between gaming machine numbers and problem gambling rates. Over the last ten years, the problem gambling rate has remained the same, despite gaming machine numbers declining rapidly (4,618 gaming machines have been removed from the market).
31. The reasons for an increase or decrease in problem gambling are complex and multi-faceted, not simply the direct by-product of an increase or decrease in machine numbers.



32. The 2012 National Gambling Survey⁴ concluded that the prevalence of problematic gambling reduced significantly during the 1990s and has since stayed about the same. The report stated on pages 17 and 18:

Problem gambling and related harms probably reduced significantly during the 1990s but have since remained at about the same level despite reductions in non-casino EGM numbers and the expansion of regulatory, public health and treatment measures. Given that gambling availability expanded markedly since 1987 and official expenditure continued to increase until 2004, these findings are

⁴ http://www.health.govt.nz/system/files/documents/pages/national_gambling_study_report_2.pdf

consistent with the adaptation hypothesis. This hypothesis proposes that while gambling problems increase when high risk forms of gambling are first introduced and made widely available, over time individual and environmental adaptations occur that lead to problem reduction.

33. The New Zealand National Gambling Study: Wave 3 (2014)⁵ noted that the problem gambling rate had remained the same over the last 10-15 years despite gaming machine numbers decreasing. The report stated on page 19:

In contrast to the 1990s, there is no evidence that problem gambling prevalence decreased with decreasing participation rates during the 2000s. When methodological differences between studies are taken into account, it appears that problem gambling prevalence has remained much the same during the past 10 to 15 years.

...gambling participation has decreased substantially in New Zealand during the past 20 years, and problem gambling and related harm has probably plateaued...

34. Professor Max Abbott is New Zealand's leading expert on problem gambling. In 2006, Professor Abbott published a paper titled *Do EGMs and Problem Gambling Go Together Like a Horse and Carriage?* The paper noted that gaming machine reductions and the introduction of caps generally appear to have little impact on problem gambling rates. Professor Abbott noted:

EGM reductions and the introduction of caps generally appear to have little impact (page 1).

Over time, years rather than decades, adaptation ('host' immunity and protective environmental changes) typically occurs and problem levels reduce, even in the face of increasing exposure. (page 6).

Contrary to expectation, as indicated previously, although EGM numbers and expenditure increased substantially in New Zealand from 1991 to 1999, the percentage of adults who gambled weekly dropped from 48% to 40%. This is of particular interest because it suggests that greater availability and expenditure do not necessarily increase high-risk exposure. (page 14).

35. The continuation of the sinking lid is unlikely to reduce problem gambling, but will, over time, reduce the amount of funding available to community groups in the Waikato District. Reducing gaming machine venues reduces casual and recreational play, and therefore reduces machine turnover and the amount of money generated for grant distribution. However, problem gamblers are people who are addicted to gambling. If a new bar is established and the policy prevents that bar from hosting gaming machines, a person who is addicted to gambling will simply travel the short distance to the next bar that has gaming machines, or worse, may move to another form of gambling such as offshore-based internet and mobile phone gambling.

⁵ <http://www.health.govt.nz/system/files/documents/pages/national-gambling-study-final-report-report-no.5.pdf>

Unintended Consequences – Increase in Internet and Mobile Phone Gambling

36. Any reduction in the local gaming machine offering may have unintended consequences, as this may simply lead to a migration of the gambling spend to offshore internet- and mobile-based offerings. While it is illegal to advertise overseas gambling in New Zealand, it is not illegal to participate in gambling on an overseas-based website or mobile phone application.



37. It now takes only a simple search and a few minutes to download to your computer, tablet or mobile phone any type of casino game you desire, including an exact replica of the gaming machine programs currently available in New Zealand venues.
38. Offshore-based online gambling, however, poses considerable risks because it:
- Is highly accessible, being available 24 hours a day from the comfort and privacy of your home;
 - Has no restrictions on bet sizes;
 - Has no capacity for venue staff to observe and assist people in trouble;
 - Reaches new groups of people who may be vulnerable to the medium;
 - Provides no guaranteed return to players;
 - Is more easily abused by minors;
 - Has reduced protections to prevent fraud, money laundering or unfair gambling practices; and
 - Is unregulated, so on-line gamblers are often encouraged to gamble more by being offered inducements or by being offered the opportunity to gamble on credit. For example, many overseas sites offer sizable cash bonuses to a customer's account for each friend that they induce to also open an account and deposit funds.
39. If a reduction in gaming machines only redirects gamblers to offshore-based internet gambling, there is no harm minimisation advantage in that strategy. In addition, there are further disadvantages in the fact that no community funding is generated for New

Zealanders, no tax revenue is generated for the New Zealand Government and no contributions are made via the New Zealand problem gambling levy.

Retaining the Existing Relocation Provisions

40. The existing relocation provisions are reasonable. There is no new evidence or any recent concern that justifies introducing more restrictive terms.
41. The current policy allows venues to freely relocate provided that they move to newly constructed or refurbished premises, and provided that the new location is in an area with a deprivation index at least the same or lower than the existing venue.
42. The existing policy protects against venues moving from high socio-economic areas to low socio-economic areas.
43. The existing policy encourages hospitality owners to invest in new, modern, refurbished premises. Allowing 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.
44. The first venue to relocate under the amendments made to the Gambling Act 2003 was the Te Rapa Tavern in Hamilton. The photos below show the old rundown premises and the new modern premises. The redevelopment cost \$3,000,000.



The old Te Rapa Tavern



The new Te Rapa Tavern

45. The existing policy enables relocation when a venue wishes to move to a building with a stronger earthquake rating. This is a health and safety issue. The proposed amendments would prevent this.
46. The current policy enables venues (including club venues) to move away from large premises, with large car parking areas, to newer, smaller premises. This has the advantage of freeing up large sections of land, which may be better used for affordable high-density housing. The proposed amendments would prevent this.

47. The current policy enables venues to move when onerous rental sums or lease terms are being imposed. The proposed amendments will result in landlords demanding higher than normal rentals as they will know the venue cannot move.
48. The proposal that venues be spaced out, 100m apart from each other is counter-productive on harm minimisation grounds. If a township has three gaming venues, one in the far north, one in the middle, and one in the far south; gaming is easily accessible by residents living in the northern, central, and southern part of the town. If all three venues were located side-by-side in the northern part of the town, gaming would become less accessible to the residents living close to the central and southern part of the town.

Conclusion

49. It is acknowledged that council needs to strike a balance between the costs and benefits of gaming machine gambling. It is accepted that a small percentage of people (0.3% of people aged 18 years and over) have a problem with their gambling (all forms of gambling). However, for the vast majority of people, casual expenditure on gaming machines is a form of entertainment that they participate in and enjoy, without any harm being caused. Gaming machines also provide a considerable amount of community funding (over \$3.6 million annually) to local community groups and clubs.
50. Gaming machine numbers are in natural decline, and gaming machine participation is reducing. However, the harm minimisation measures that are now in place have never been higher. In light of the new regulations now in place, it is time to consider replacing the sinking lid with a cap of 243 machines. The retention of a sinking lid policy is unlikely to reduce problem gambling, but will inevitably 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 is very harmful and provides no return to the local community and no contribution to employment, taxation and health services in New Zealand.
51. Council is asked to retain the existing relocation provisions. There is no recent evidence or concern that justifies a policy change. The proposed changes will be counterproductive as they will entrench venues in rundown premises, prevent operators moving to buildings with a stronger earthquake rating, prevent venues moving from large sections of land to smaller premises, enable landlords to demand above market rent, and see gaming venues become more accessible by being scattered throughout townships (rather than being in one central concentrated area).

52. Jarrod True, on behalf of the Gaming Machine Association of New Zealand, would like to make a presentation at the upcoming oral hearing.

24 July 2018

Bruce Robertson

Independent Chair

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Class 4 Gambling Venue Policy Review – Submission

Introduction

Grassroots Trust is supportive of positive legislation changes within the industry and all efforts to further minimise harm that is caused from gaming. Grassroots Trust does not however support the Waikato District Council's proposal to retain the current Sinking Lid regime and furthermore does not support council's intent to apply further restrictions on relocations and merger conditions.

- Grassroots Trust **does not support** the proposed restriction on the number of machines that may operate at a Class 4 venue to 9 or the current entitlement if less;
- Grassroots Trust **does not support** the proposal that applications to operate more than 9 machines will not be permitted;
- Grassroots Trust **supports** the proposal to restrict the number of machines that may operate at a Class 4 venue to the number that was licensed for at the original venue (venue relocations);
- Grassroots Trust **does not support** the proposal that relocating Class 4 venues may not be within 100m of another Class 4 venue;
- Grassroots Trust **does not support** the proposal to permit relocation only if the current venue is physically incapable of being used, the building is deemed dangerous, insanitary, or becomes unusable though – for example – fire;
- Grassroots Trust **does not support** the proposal that council will also have careful regard to a range of criteria when considering applications for relocation or merger:
 - Characteristics of the district;
 - Locations of kindergartens, early childhood centres, schools, places of worship, community facilities;
 - The number of machines being permitted after merger being 5/6th of the sum specified in all of the merged club Class 4 venue licenses at the time of application (to a maximum of 18);
 - The primary activity of the venue.

Grassroots Trust supports **no change** to the current relocation provisions within the Waikato District Council's Gambling Venue Policy.

Grassroots Trust asks that the Waikato District Council **consider replacing** the current sinking lid regime ***with a cap of the current number of venues and machines.***

About Grassroots Trust

Grassroots Trust is Class 4 Gaming Society licensed under the Gambling Act 2003 that generates funding for the community through the supply and operation of gaming machines in bars and pubs.

Based in Hamilton, Grassroots Trust is one of the primary gaming societies within the Waikato Region and currently operates at 38 Class 4 Venues across the Waikato, Bay of Plenty, Auckland and

Hawkes' Bay regions. Grassroots Trust operates 27 gaming machines across two venues within the Waikato District Council Ward:

- Red Fox Tavern, Maramarua – 18 Machines
- Scoundrels N Sea Dogs, Tuakau – 9 Machines

The Grassroots Trust Board of Directors are Chairman, Martin Bradley (Lawyer); and Directors, Kevin Burgess (Pharmacist); Jeff Freeman (Former Principal); Craig Sanders (Accountant); Jeremy O'Rourke (Managing Director); Tracey Gunn (Barrister) and Gary Troup, ONZM (Company Director).

Grant Funding

It is Grassroots Trust's intention to distribute funds back to the community that it was generated; across the sport, community and education sectors. Class 4 Gaming venues enable extremely valuable funding to be provided to a large range of local community groups. Class 4 Gaming societies are the only gambling operators that focus on supporting grassroots community organisations. The funding turnaround is quick, with grant decisions being made monthly. The application process for community groups is simple and can be completed online via our website.

Many organisations throughout New Zealand including the Waikato District have benefited from a Grassroots Trust grant. In the period 1 April 2017 to 31 March 2018, Grassroots Trust made **\$44,705.21** in grants to organisations based in the Waikato District. Grassroots Trust also provides funding to organisations based outside the Waikato District; but through their catchment or geographical area also promote services/support to the Waikato District. This funding was generated from just one venue; with a second venue licensed with the Trust in February 2018. Grassroots Trust is therefore now forecasting a higher return to the Waikato District ward in the current financial year resulting in even further benefit to Waikato District based sport, community and education organisations.

A full list of the recent grants in the period from 1 April 2017 to 31 March 2018 made in the Waikato District is attached. Some of the community organisations in the Waikato District that have benefited from funding from Grassroots Trust include:



Whatawhata Rugby Sports Club Incorporated

Whatawhata Rugby Sports Club aims to create an environment where rugby and other sports can be played and enjoyed by all regardless of age, gender and ability. Their vision is to foster rugby and other sports for the whole community, and to provide a strong foundation for individuals to achieve excellence in their sport.



Horotiu School

Horotiu School is a decile 3 school that endeavours to provide a holistic education for the students; facilitating learning both academically and socially and supporting general well-being. They do this by allowing and empowering children to develop who they are now and inspiring them to be the best they can be. Children are taught and encouraged to be respectful, to be positive role models and active learners.



Maramarua Golf Club (Incorporated)

Maramarua Golf Club is an 18-hole, par 72 course, located in Mangatawhiri. Membership is at 195 which is drawn from Maramarua, Mangatawhiri, Pukekohe, Mercer, Tuakau, Mangatangi, Kaiaua, Pokeno and Manukau. The course caters for many casual players and groups.



Hautapu Sports and Recreation Club (Incorporated)

Hautapu Sports and Recreation Club is a sports club who cater for rugby, netball, hockey and indoor bowls. The Club provide sporting opportunities at all levels from grassroots to being selected for regional and national sides.

No other gambling provider provides this level of support for grassroots organisations. The Lottery Grants Board makes a small number of large grants to large organisations. The New Zealand Racing Board predominately uses the funds from race and sports betting to support the racing industry. The profits from the six commercial casinos are paid out to their commercial shareholders (save for a token amount in community grants). No grant money is paid by offshore-based online gambling providers.

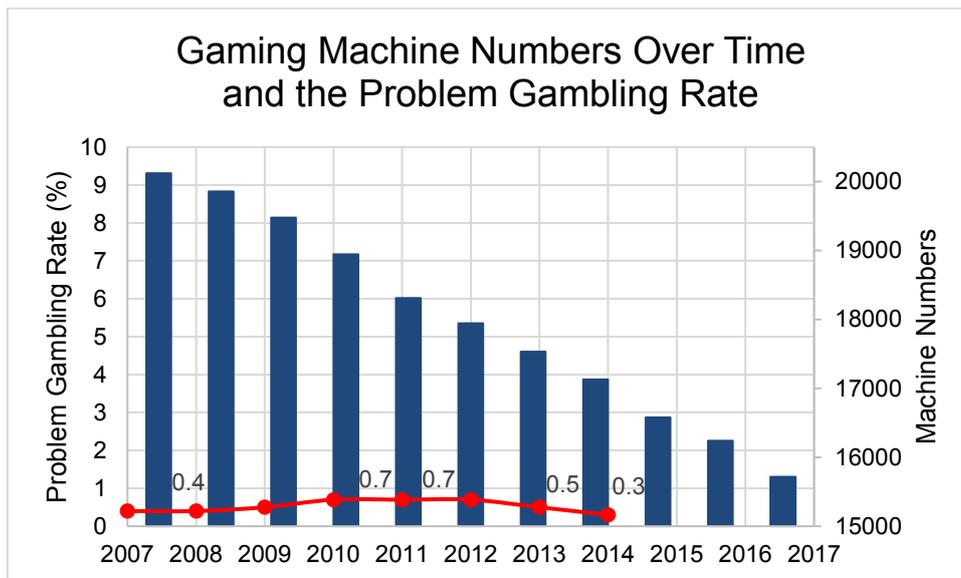
In 2012, Auckland Council commissioned a community funding survey. The survey data is summarised in the report *Community Funding: A Focus on Gaming Grants*.¹ The report confirms how essential gaming machine funding is to a very large number of grassroots organisations and how extremely difficult it would be for such funding to be obtained from alternative sources. The key findings of the survey are:

- Most respondents (75%) indicated that their organisation is moderately or totally reliant on gaming machine funding to fund core business activities.
- Most respondents (55%) believed that there would be a high to extreme risk to their organisation and their core business if they did not receive gaming funding. A further one-quarter (26%) said that there would be a moderate risk if they did not receive it.
- Two-thirds of respondents (68%) said that they thought that they would be unlikely to find another source of funding if gaming machine funding was not available.

¹ www.gamblinglaw.co.nz/download/Research/Auckland_City_Community_Funding_Report.pdf

Machine Numbers and Gambling Harm

The proposal to impose further restrictions on relocations and merger conditions appears to be an attempt to reduce gaming machine numbers, on the basis that reducing machine numbers will reduce gambling-related harm. Over the last ten years gaming machine numbers have reduced considerably, but the problem gambling rate has plateaued. Reducing machine numbers has been tried as a tool to address gambling-related harm; it has not worked as there is no link between gaming machine numbers and harm caused. The graph below shows the dramatic reduction in gaming machine numbers over the last ten years and the corresponding flat problem gambling rate.



Reducing venues and machine numbers merely reduces community funding and accelerates the migration of gambling to online providers where there is zero return to the community.

There is no direct correlation between gaming machine numbers and problem gambling rates. Over the last ten years, the problem gambling rate has remained the same, despite gaming machine numbers declining rapidly (4,446 gaming machines have been removed from the market).

The reasons for an increase or decrease in problem gambling are complex and multi-faceted, not simply the direct by-product of an increase or decrease in machine numbers.

The 2012 National Gambling Survey concluded that the prevalence of problematic gambling reduced significantly during the 1990s and has since stayed about the same. The report stated on pages 17 and 18:

“Problem gambling and related harms probably reduced significantly during the 1990s but have since remained at about the same level despite reductions in non-casino EGM numbers and the expansion of regulatory, public health and treatment measures. Given that gambling availability expanded markedly since 1987 and official expenditure continued to increase until 2004, these findings are consistent with the adaptation hypothesis. This hypothesis proposes that while gambling problems increase when high risk forms of gambling are first introduced and made widely available, over time individual and environmental adaptations occur that lead to problem reduction”

The New Zealand National Gambling Study: Wave 3 (2014) noted that the problem gambling rate had remained the same over the last 10-15 years despite gaming machine numbers decreasing. The report stated on page 19:

“In contrast to the 1990s, there is no evidence that problem gambling prevalence decreased with decreasing participation rates during the 2000s. When methodological differences between studies are taken into account, it appears that problem gambling prevalence has remained much the same during the past 10 to 15 years”

Harm Prevention & Minimisation - Support & Systems

Grassroots Trust and our venues are committed to creating a *Culture of Care* for our gambling customers; and operate within a comprehensive society and venue Harm Prevention and Minimisation Policy. We expect venue management to support their staff to provide a culture of care for gambling customers and to become Responsible Gambling Hosts. We aim to provide an environment that supports responsible gambling and understand that although for some people gambling is a form of entertainment for others there are some harmful effects.

There is already a regulatory requirement for staff and managers of Class 4 gaming venues to be trained in how to monitor and recognise problem gamblers; and how to intervene appropriately to ensure that they seek help and support for their problem. This, in our view, is the most effective way of helping the very small proportion of people who have a problem to manage that, whilst leaving the greatest proportion of people to fulfil their legitimate desire to gamble responsibly.

Grassroots Trust provides significant funding to the Ministry of Health through an annual Problem Gambling Levy. This funding assists problem gambling support services in the Waikato Region, including the Problem Gambling Foundation, the Salvation Army Oasis Centre and the Gambling Helpline.

Grassroots Trust provides significant on-going training to venue management and staff on how to identify and support problem gamblers. Dedicated field staff are available at any time to provide Harm Prevention & Minimisation Training and support to venue management and staff. We also provide the following resources to venues:

- Grassroots Trust Venue Harm Minimisation Policy;
- Full Health Promotion Agency Gamble Host Packs including Quick Reference Guides to help identify Problem Gamblers, Posters and Training Tips;
- Problem Gambling Pamphlets;
- Incident Diary to record any problem gambling observations and action;
- Exclusion Order Books and an Exclusion Order process;
- Signage to display in and around the gaming room.

Example Venue Resources to assist with problem gambling provided by Grassroots Trust



Grassroots Trust and our venues fully support the Multi-venue Exclusion (MVE) Program which currently operates across all Class 4 venues across the Waikato Region and the Casino; providing Problem Gamblers with the option to exclude themselves from other venues within city boundaries. Grassroots Trust also supports the recent initiative by the Ministry of Health to trial a National Database administered by The Salvation Army Oasis.

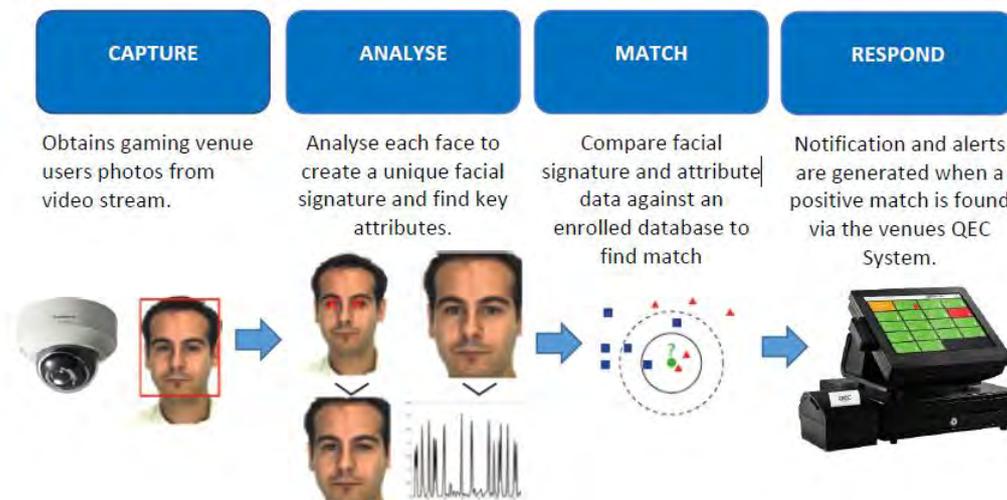
Harm Prevention & Minimisation Technology - Facial Recognition

Grassroots Trust is a big believer in staying up to date with the latest technology offered in the industry. Recently the industry has seen the introduction of Facial Recognition.

Enhancing further our commitment to providing a *Culture of Care* at venues; Grassroots Trust is trialling the use of Facial Recognition at venues. This software known as “The Guardian” is a fully integrated solution for recognising registered problem gamblers as they enter and move around a gaming venue.

Multiple high-definition cameras are installed to cover entranceways, thoroughfares and gaming room activity. Cameras interface with a specialised controller which will detect people entering or moving around the venue and record unique faces. Once the faces have been detected, they are then sent to the central, cloud-based, facial recognition system, which will compare facial data received from the cameras to identify any persons of interest. These persons of interest may be self-excluded problem gamblers registered in the database. Notifications and alerts are generated through the Venue Management System so that staff become aware of excluded gamblers present at their venue.

The Guardian – Four Very Simple Steps



Unintended Consequences – Increase in Internet and Mobile Phone Gambling

Any reduction in the local gaming machine offering will have unintended consequences, as this will simply lead to a migration of the gambling spend to offshore internet and mobile-based offerings. While it is illegal to advertise overseas gambling in New Zealand, it is not illegal to participate in gambling on an overseas-based website or mobile phone application.



It now takes only a simple search and a few minutes to download to your computer, tablet or mobile phone any type of casino game you desire, including an exact replica of the gaming machine programs currently available in New Zealand venues.

Offshore-based online gambling, however, poses considerable risks because it:

- Is highly accessible, being available 24 hours a day from the comfort and privacy of your home;
- Has no restrictions on bet sizes;
- Has no capacity for venue staff to observe and assist people in trouble;
- Reaches new groups of people who may be vulnerable to the medium;
- Provides no guaranteed return to players;
- Is more easily abused by minors;
- Has reduced protections to prevent fraud, money laundering or unfair gambling practices; and
- Is unregulated, so online gamblers are often encouraged to gamble more by being offered inducements or by being offered the opportunity to gamble on credit. For example, many overseas sites offer sizable cash bonuses to a customer's account for each friend that they induce to also open an account and deposit funds.

If a reduction in gaming machines only redirects gamblers to offshore-based internet gambling, there is no harm minimisation advantage in that strategy. By reducing the number of class 4 gaming venues, this may actually drive gamblers away from the controlled environment of a gaming lounge, to an uncontrolled environment of online gambling which cannot be monitored at all. In addition, there are further disadvantages in the fact that no community funding is generated for New Zealanders, no tax revenue is generated for the New Zealand Government and no contributions are made via the New Zealand problem gambling levy.

Is Council's Statement of Proposal Reasonable?

Class 4 Venue & Machine Numbers

Council proposes to retain its current "sinking lid" regime effectively supporting a gradual reduction of Class 4 venues and machines in the district over time.

Grassroots Trust does not support the current "sinking lid" regime and proposes that council consider amending the Gambling Venues Policy to reflect a "capped" provision at the current number of operating venues and machines.

The Waikato District Council held 1.66% of the total number of venues (19 venues) and 1.57% of the total number of machines (243 machines) operating nationally for the quarter ending March 2018.² Venue numbers and machine numbers have not decreased any further at the time of this policy

² [https://www.dia.govt.nz/diawebsite.nsf/Files/Gambling-Statistics-May-2018/\\$file/Quarterly-GMP-Summary-March-2018.pdf](https://www.dia.govt.nz/diawebsite.nsf/Files/Gambling-Statistics-May-2018/$file/Quarterly-GMP-Summary-March-2018.pdf)

review. In the 12 months ending March 2018 Waikato District Council venues had reduced by only one venue with a total of 14 machines.

Continuing with a “sinking lid” regime will only result in a reduction of funds available to sport, education and community sectors over time in the Waikato District ward. Not only will it mean reduced funding from Grassroots Trust, but it also means reduced funding from other Class 4 societies operating within the Waikato District ward.

Relocations

Council proposes more restrictive conditions for relocation and merger of Class 4 venues.

It must be remembered that the ability for councils to adopt relocation provisions stemmed from the Maori Party’s Gambling (Gambling Harm Reduction) Amendment Act 2013. The report on the amendment noted that sinking lid policies had almost no impact on gaming machine expenditure. The report noted that such policies simply entrenched gaming venues in their current locations.

Statistics provided by the Department of Internal Affairs for the January – March 2018 quarter show that the Waikato District represented 1% (\$2,122,689.24) of the total of Gaming Machine Proceeds nationally (\$212,038,702.39).

Permitting venues to only relocate should their current venue become physically incapable of being used, the building is deemed dangerous, insanitary, or becomes unusable through an example such as fire; is far too restrictive and unfair. There can be some harm minimisation benefits of relocating venues to more desirable locations within the Waikato District. Relocations of Class 4 venues can also be good for the Waikato District as newly developed venues tend to be smaller, modern, vibrant premises that create and promote a positive entertainment precinct, support the local economy and in some areas encourage tourism.

Oral Hearing

As noted in our introduction, Grassroots Trust is supportive of positive legislation changes within the industry and all efforts to further minimise harm that is caused from gaming. It does not however support Council’s intent to continue with the current “sinking lid” regime and would like the council to move to a “capped” provision ensuring that sport, education and community organisation continue to receive valuable support that they require. Grassroots Trust does not also support more restrictive conditions against the relocation provisions.

Grassroots Trust would welcome an opportunity to speak to its submission at the oral hearing on the 27th August 2018.

Kind regards

On behalf of the Grassroots Trust Board of Directors



Martin Bradley
Chairman



For internal use only

ECM Project #.. PR - 1188

ECM #

Submission #

Customer #

Proposed Gambling Venues Policy - submission form

Are the rules right for me?

Please provide your feedback by 5pm 13 August 2018

Name/organisation .. Grassroots Trust Limited

Postal address... PO Box 9019, Hamilton **Postcode**.. 3240

Email... karmen@maxserv.co.nz **Phone**.. 021 880 120

Preferred method of contact Phone Email Post

A hearing will be held on 27 August 2018. Do you want to speak about your submission at this hearing? Yes No

**If you would like to speak at our hearing on the Gambling Venues Policy, please ensure that you have completed the contact details section of this submission form so that we can get in touch with you to arrange a time for you to be heard.*

Do you support Council’s Proposed Gambling Venues Policy?

- YES:** I support the proposed policy.
- NO:** I do not support the proposed policy.

Please tell us why:

..... Please see the attached Grassroots Trust Limited Submission Document in response to the Waikato District Council Gambling Venue Policy review.

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Additional comments:

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Thank you for making a submission.

You'll receive an email or letter to confirm we've received your submission.

If you've indicated you would like to present your submission in person, we'll be in touch to arrange a time.



Submission to
Waikato District Council
on the proposed
Class 4 Gambling Venue Policy

August 2018

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Executive summary

- Gaming trusts return around \$300 million to the New Zealand community every year in grants, while implementing the Gambling Act's stringent requirements for preventing and minimising harm from gambling. Many grassroots organisations would struggle or cease to operate without gaming trust funds.
- Council gambling venue policies are critical to maintaining the infrastructure that allows community funding from gaming trusts to be sustainable long term. Sinking lid and no-relocation policies destroy this infrastructure. Council needs to take a balanced approach to community benefit and potential harm from gambling.
- Reducing the number of gaming machines in communities does not reduce problem gambling, which has been consistent at a rate of around 0.5% of the adult population since 2003 (currently 0.3%), despite a decrease of almost 10,000 gaming machines since then. Research has shown that allowing gaming venues to relocate out of areas of high deprivation is more effective in reducing problem gambling.
- If gaming venues are removed from the community, gamblers are likely to move to the online environment where gambling is unregulated and unmonitored, has no harm minimisation measures, incentivises spending and returns nothing to the New Zealand community.

Community organisations rely on pub gaming to survive

The purpose of the pub gaming sector is to raise funds for the community. Many community sports, arts and other groups depend on pub gaming to survive. It is crucial that this fundraising system is sustainable long term.

Funding to community organisations from gaming trusts has reduced by around \$60 million since 2003. Seventy-five percent of groups surveyed in 2012 indicated their organisation is moderately or totally reliant on gaming funding to support their core business. Fifty-five percent said there would be a high to extreme risk to their organisation and their core business if they did not receive this funding.¹

The reduction in gaming trust funding has had a negative impact on community organisations, with many organisations and activities ceasing to operate and others severely reduced in capacity and capability. Grassroots communities are struggling with few alternative sources for funding available to replace the loss of gaming funding. Voluntary organisations are increasingly reliant on nationwide public donation campaigns to stay afloat.

Between 1 August 2017 and 31 July 2018, NZCT returned over \$144,000 directly to the Waikato District Council area from our one venue, the Tuakau Hotel, to support sports clubs and schools.

Every year, the gaming trust sector as a whole raises around \$300 million² for thousands of worthwhile sports and community groups. The sector's contribution to the community through funding, in addition to the contribution to government revenue from GST, other taxes and levies, is acknowledged by the Government, prompting the current Class 4 gambling review with its central focus on long-term sustainability of the funding model.

We anticipate that the Government will regulate to require gaming societies to return at least 80% of the net proceeds they generate to the region where the funds were raised. This means communities that do not operate gaming machines will be unlikely to receive gaming grants and their local sports and community groups will suffer. NZCT already aims to return 90% of our funds locally.

¹ Page iii, Community Funding Survey, Point Research 2012.

² Class 4 Gambling Report, DIA, 2017.

The pub gaming sector has experienced a significant decline

During the last 15 years the pub gaming sector has experienced a significant decline. Department of Internal Affairs (DIA) statistics show that, between 30 June 2003 and 31 March 2018:

- the number of gaming venues reduced from 2,122 to 1,146 (a 46% reduction)³
- the number of gaming machines operating reduced from 25,221 to 15,490 (a 39.5% reduction)⁴
- funds available for distribution to the community declined by around \$60 million.

Council policies contribute to the decline in the pub gaming sector

One of the main contributors to the decline of the pub gaming sector is the inflexibility of council gambling policies, particularly those with sinking lids on gaming machine numbers and those that do not allow relocation of venues.

Such policies are based on the erroneous belief that limiting gaming machine numbers will limit problem gambling. In fact, despite the 39.5% reduction in gaming machine numbers during the past 15 years, New Zealand's problem gambling rate has remained consistently low at around 0.3% to 0.7% of the population. The 2014 New Zealand Gambling Study (the most recent) found the rate was 0.3%. The 2012 New Zealand Gambling Study concluded "...there has probably been no change in the prevalence of current problem and moderate-risk gambling since 2006."⁵

Changes to the legislation have meant a higher minimum percentage of gaming machine profits must be returned to the community than previously (40% up from 37.12%), putting additional pressure on many gaming societies. This will force them to shed venues not contributing enough, given other cost pressures.

Online gambling is an unregulated threat

The public has access to a growing number of overseas gambling websites where they can spend their entertainment dollar. These sites are highly accessible, even to minors, often offer inducements to keep players betting, and have no bet size restrictions or guaranteed return to players. They do not return any funds to the New Zealand community or the New Zealand Government, and have no harm minimisation measures in place.

Location of gaming machines is more important than their number

Research⁶ suggests that when it comes to preventing and minimising gambling harm, the location of gaming machines is more important than the number of gaming machines operating. The Government acknowledged this point in 2013 when it amended the Gambling Act⁷ to require local authorities to consider adding relocation clauses to their gambling policies.

As well as harm minimisation benefits from allowing venues to relocate out of areas of high deprivation, relocation clauses provide sensible options for business owners who are otherwise at the mercy of building owners who know they have captive tenants. Relocation clauses also give councils more flexibility for re-zoning and city planning.

³ DIA statistics: https://www.dia.govt.nz/diawebsite.nsf/wpg_URL/Resource-material-Information-We-Provide-Summary-of-Venues-and-Numbers-by-Territorial-AuthorityDistrict

⁴ Ibid.

⁵ Page 7, *New Zealand 2012 Gambling Study: Gambling harm and problem gambling*.

⁶ *Brief Literature Review to Summarise the Social Impacts of Gaming Machines and TAB Gambling in Auckland*, Gambling & Addictions Research Centre, AUT University, 2012.

⁷ Section 97A and 102(5A).

NZCT's recommendations

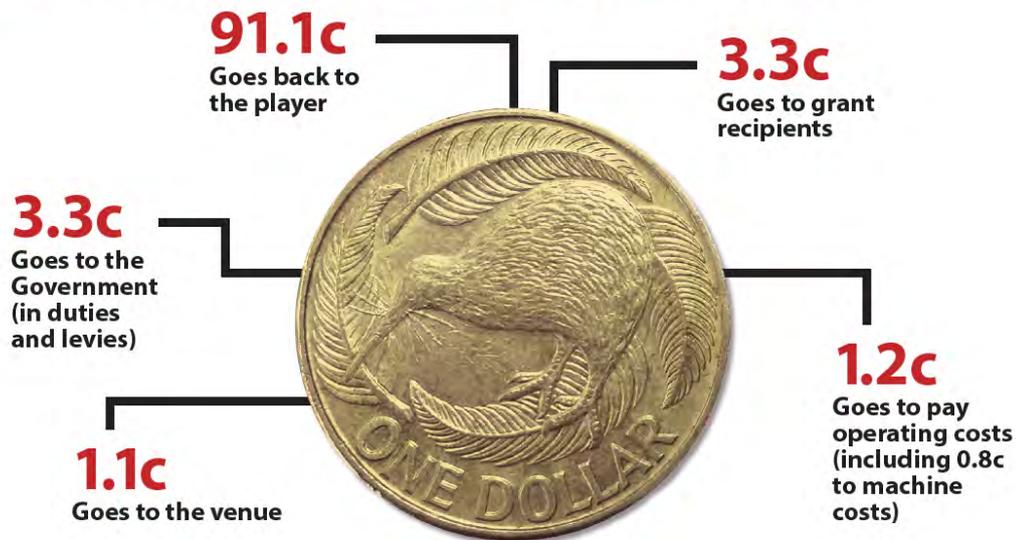
The New Zealand Community Trust recommends Waikato District Council:

- change from a sinking lid policy to a capped approach based on the current number of venues (19) and gaming machines (243)
- retain the current relocation clause, because the proposed new provisions are too restrictive.

Pub gaming's vital support for the community

In most countries, gambling is purely for commercial gain. New Zealand is different. We are one of the few countries with a community-focused model for pub gaming, where the proceeds are returned to the community instead of the private sector.

For every dollar a player wagers at an NZCT gaming room, on average:



Research⁸ shows that the annual entertainment value from the pub gaming sector to recreational players is around \$250 million. The government revenue in the form of tax, duties and levies is also substantial and was over \$279 million in 2014.

Grants distributed by gaming machine trusts were 10% of the total philanthropic funding to the community and voluntary sector in 2011 and were at almost twice the level given by New Zealand businesses. In 2016, the amount of funds returned to the community from non-casino gaming grants was around \$300 million.⁹ Class 4 gaming societies are required to distribute a minimum return of 40% to the community, on top of government fees, levies and GST, site rental, and machine and operating costs (see the chart on the next page showing NZCT's revenue distribution for the 2016/17 reporting period).

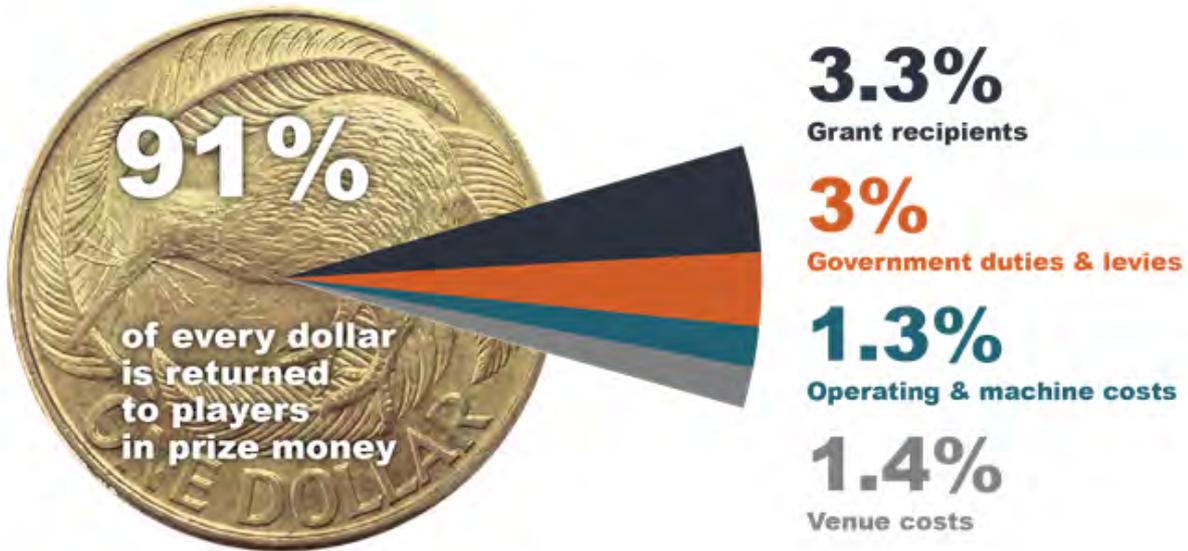
Each year the gambling industry pays around \$18.5 million to the government, so the Ministry of Health can implement its Preventing and Minimising Gambling Harm Strategic Plan. These funds pay for the implementation of public health services, intervention services, research, evaluation and workforce development.

Pub gaming is tightly regulated and no more than 16% of gaming proceeds can be paid to gaming venue operators to cover site rental, including staff costs and business overheads relating to the gambling operation.

⁸ *Maximising the benefits to communities from New Zealand's community gaming model*, BERL, February 2013.

⁹ *Class 4 Gambling Report*, DIA, 2017.

NZCT's revenue distribution in 2016/17



In the year ending 30 September 2017, NZCT distributed \$43.3 million to 1,836 sports and community groups.

Amateur sport is our main focus, so around 80% of the grants we distribute go to sports organisations. Each year, NZCT funds around 50 different sports.

In 2016/17, we funded the equivalent of:

- uniforms for 48,111 rugby teams (one uniform costs \$60), or
- 2,886,666 footballs (one football costs \$15), or
- 5,412 four-person waka (one waka costs \$8,000), or
- more than 2.17 million hours – or 247 years – of coaching (one hour of coaching costs \$20), or
- 29 artificial playing fields (one field costs \$1.5 million).

To raise this much money themselves, our grant recipients would have had to:

- cook and sell more than 21.5 million \$2 sausages at sausage sizzles and every person in New Zealand would need to buy and eat four sausages, or
- sell five \$2 raffle tickets to every man, woman and child in New Zealand each year, or
- wash more than 8.6 million cars at \$5 a wash, which would take 10 people continuously washing cars for 30 minutes around 49 years to achieve.

A list of NZCT's Waikato grants during the past 12 months is attached as Appendix 2.

The pub gaming sector faces multiple, significant challenges

During the last 15 years the pub gaming sector has experienced a significant decline. Department of Internal Affairs (DIA) statistics show that, between 30 June 2003 and 31 March 2018:

- the number of gaming venues reduced from 2,122 to 1,146 (a 46% reduction)¹⁰
- the number of gaming machines operating reduced from 25,221 to 15,490 (a 39.5% reduction)¹¹
- funds available for distribution to the community declined by around \$60 million.

The Class 4 gambling sector is vulnerable to a number of ongoing cost pressures on what is an already-vulnerable hospitality sector. These may contribute to – or accelerate – its decline.

Increased minimum return to the community

In September 2014, regulations were promulgated that set a new minimum threshold for the return of gaming funds to the community. Societies must return a minimum of 40% of net proceeds, up from 37.12%. While NZCT achieved the 40% return in the year ending 30 September 2017, we have serious concerns about our ability to sustain this level of distribution due to other cost increases, such as the licence fee increase (see below).

We expect the minimum return rate of 40% will similarly put pressure on many gaming societies. Some societies are being forced to shed their lower-performing gaming venues to achieve this percentage return, given other cost pressures. Such venues are typically located in smaller centres and rural communities. The 40% requirement may result in a lower overall dollar amount being returned to communities through pub gaming grants. The Government's decision to limit the increase to 40%, rather than the proposed stepped increase to 42% over five years, recognised the potential for actual dollar returns to reduce under a higher percentage return.

In addition, the sector is awaiting regulatory changes that are expected to require gaming societies to return at least 80% of the net proceeds they generate to the region where the funds were raised. This means communities that do not operate gaming machines will be unlikely to receive gaming grants and their local sports and community groups will suffer.

Licence fee increase

A 53% increase in Class 4 gambling licence fees was introduced on 1 February 2016. This increase added approximately \$1 million to NZCT's annual operating costs and has exacerbated the financial pressure imposed by the increased minimum return requirement of 40%.

Increased competition

During the past five years, other modes of gambling, such as casinos, Lotto products and the New Zealand Racing Board (NZRB), have seen revenue increases – Lotto by 33%. While the Lotteries Commission returns about 46% of its after-prizes funds to the community, casinos' profits go directly to their shareholders and the majority of NZRB distributions are directed towards the racing industry.¹² Many Lotto and NZRB products are available online and this area of their operation is growing, but the pub gaming sector is prohibited from operating online or otherwise promoting its offering.

In addition, the public has access to a growing number of overseas gambling websites where they can spend their entertainment dollar. These sites are highly accessible, even to minors, often offer inducements to keep players betting, and have no bet size restrictions or guaranteed return to players. They do not return any funds

¹⁰ DIA statistics: https://www.dia.govt.nz/diawebsite.nsf/wpg_URL/Resource-material-Information-We-Provide-Summary-of-Venues-and-Numbers-by-Territorial-AuthorityDistrict

¹¹ Ibid.

¹² Page 6, NZRB *Annual Report 2016* reports \$135.3 million total distributions, of which only \$3 million (2.2%) was directed to sporting causes other than racing.

to the New Zealand community or the New Zealand Government, and have no harm minimisation measures in place.

The 2010 Health and Lifestyles Survey found that 19% of survey participants played an internet game for money through an overseas website.¹³ According to Canadian research, the problem gambling rate among those who gamble on the internet is 10 times higher than that of the general population.¹⁴ We expect this form of unregulated gambling will increase exponentially, as is already happening in Australia with online sports betting, according to recent media reports.¹⁵

Strict compliance requirements

The pub gaming sector is closely monitored by the DIA to ensure it complies with a complex regime of rules and regulations in addition to the Gambling Act. The resources needed to meet these compliance thresholds can be prohibitive and could explain why some people and organisations are leaving the sector.

One-off costs

One-off costs have been, and will continue to be, a challenge for societies. These include any new technological requirements imposed by regulations in the future, such as pre-commitment, player tracking or harm minimisation systems in, or associated with, gaming machines.

For example, the introduction of new bank notes in 2015 and 2016 required gaming societies to upgrade gaming machine software and hardware at significant cost. By 2 December 2015 all gaming machine jackpots had to be downloadable. Each conversion from a manual to a downloadable jackpot cost between \$3,000 and \$20,000 per venue. Based on the number of venues (1,220¹⁶) at the time, this project added a cost burden to the sector of between \$3.66 million and \$24.4 million. As a result of these two projects, gaming societies had fewer funds available for distribution to the community in the 2014/15 and 2015/16 years.

The Government's response

In a media statement on 15 October 2015 relating to the passing of the Gambling Amendment Act (No.2), the Minister of Internal Affairs acknowledged the value of pub gaming grants and the need to ensure the sustainability of this funding model long term. The sector is currently the subject of a major government review with a focus on long-term sustainability and effective allocation of funding to communities, without driving growth in gambling.¹⁷

¹³ Page 16, http://archive.hsc.org.nz/sites/default/files/publications/Gambling_Participation_final-web.pdf.

¹⁴ Problem Gambling Foundation Fact Sheet 04, July 2011.

¹⁵ 'Sport's bets: a risky game', Emily Chantiri, *Sydney Morning Herald*, 20 September 2017

¹⁶ DIA statistics.

¹⁷ *Discussion document: Review of class 4 gambling*, Department of Internal Affairs, June 2016.

NZCT's position

Below we provide five reasons why we advocate for gaming venues to be allowed to relocate to new premises in a broad range of circumstances.

Helping reduce harm

Research¹⁸ by Auckland University of Technology shows that problem gambling behaviour is influenced more by the distance to the nearest gambling venue, rather than the number of gambling venues within walking distance.

The Ministry of Health's 2013 Gambling Resource for Local Government acknowledges this point and states that one of the major factors associated with increased prevalence of problem gambling is "location and/or density of gambling venues and machines".¹⁹ The Ministry of Health also found "being a problem gambler is significantly associated with living closer to gambling venues."²⁰ Allowing gaming operations to move out of high-deprivation areas could potentially diminish gambling harm for at-risk communities.

Supporting local hospitality businesses

Relocation clauses help ensure the continual improvement and growth of your local hospitality sector. Rather than tying gaming operations to a physical address, which may over time become a less desirable location, relocations allow gaming operators to move their business to more suitable premises. This is particularly important if premises are deemed unsafe or unusable for a lengthy period of time, such as after a fire or earthquake. The result is attractive and safe entertainment environments in your community.

Responding to future demand

Broad relocation clauses help gambling venue policies accommodate urban growth, re-zoning changes or changes in population demographics. This is not possible while gambling machine entitlements are linked to a physical address.

The DIA recommended relocation policies as a way of allowing territorial authorities to future-proof their Class 4 gambling policies.²¹

Allowing appropriate benefit and responsibility

Gaming machine entitlements sit with the property at a physical address, yet property owners are not regulated under the Gambling Act. In effect, the property owner holds the power, but has no responsibility for the gambling operation, unless they are also the operator of the site.

A broad relocation clause distributes the benefit and responsibility more fairly, enabling the gambling operator to choose where they wish to establish their business. A building owner could hike rents and ignore building maintenance because they know they have a captive tenant. In contrast, having a broad relocation clause incentivises building owners to maintain and upgrade their premises to attract and retain high-quality tenants.

Parliament's directive is being acknowledged by other councils

Of the many local authorities (see table on the next page) that have completed a gambling venue policy review since 2015, only five have not allowed relocations in their policy after considering a new or amended clause.

This reflects legislative change in September 2013, which required councils beginning a review of their gambling policy for the first time following the Gambling Act amendment to consider introducing a relocation clause (section 102(5A)).

¹⁸ *Brief Literature Review to Summarise the Social Impacts of Gaming Machines and TAB Gambling in Auckland*, Gambling & Addictions Research Centre, AUT University, 2012.

¹⁹ Page 21, *Ministry of Health Gambling Resource for Local Government*, 2013.

²⁰ *Ibid.*

²¹ *Internal Affairs Policy Briefing 3: Options for improving territorial authority gaming machine policies*, 28 March 2013.

| Council | Submissions made | Review result |
|---------------------|------------------------|---|
| Thames-Coromandel | March 2015 | Added relocation option |
| Wellington City | May 2015 | Added relocation option |
| Westland | May 2015 | Added relocation option |
| Hutt City | June 2015 | Added relocation clause |
| Kaipara | June 2015 | Added relocation option |
| Invercargill City | July 2015 | Added relocation option |
| Waipa | August 2015 | Added relocation option |
| Waitaki | September 2015 | Added relocation option |
| Gisborne | November 2015 | Added relocation option |
| Whakatane | April 2016 | Added relocation clause |
| Matamata-Piako | April 2016 | Added relocation clause |
| Southland | July 2016 | Added relocation option |
| South Taranaki | August 2016 | Added relocation option |
| Palmerston North | October 2016 | Existing relocation option remains unchanged |
| Tasman | No public consultation | No relocations allowed |
| Otorohanga | March 2017 | No relocations allowed |
| Hastings | March 2017 | Existing relocation clause amended |
| Auckland | No public consultation | No relocations allowed |
| Napier | May 2017 | Existing relocation clause amended |
| Rotorua | May 2017 | Existing relocation clause amended |
| Queenstown | June 2017 | Re-consulting on relocation clause in November 2017 |
| Wairoa | June 2017 | Existing relocation clause remains unchanged |
| Waitomo | No public consultation | Existing relocation clause remains unchanged |
| Hauraki | October 2017 | No relocations allowed |
| New Plymouth | October 2017 | Added relocation option |
| Horowhenua | October 2017 | Existing broad relocation clause remains unchanged |
| Manawatu | September 2017 | Existing broad relocation clause remains unchanged |
| Central Hawke's Bay | November 2017 | Added relocation option |
| Dunedin | December 2017 | Added relocation option |
| Thames-Coromandel | No public consultation | Existing relocation clause remains unchanged |
| Kawerau | December 2017 | No relocations allowed |
| Taupo | October 2017 | Existing relocation clause remains unchanged |
| Whanganui | October 2017 | Added relocation option |
| Stratford | March 2018 | Broad relocation policy introduced |
| Hamilton | February 2018 | Proposal to remove relocation policy rejected |
| Marlborough | December 2017 | Broader relocation policy introduced |

Reasons to move to a cap on gaming machines

Gaming machines are an important component of your local hospitality sector and an important source of community funding.

Local hospitality sector

Businesses that host gaming machines are typically pubs and hotels. NZCT has one active gaming venue operating in the Waikato District, the Tuakau Hotel.

Gaming machine venues also contribute to your local economy by employing staff and providing hospitality options for residents and tourists.

Community funding

Around \$300 million is returned to the community every year through grants awarded by Class 4 gaming societies. As stated earlier, many community organisations, such as sports clubs, hospices, rescue services and arts groups, would struggle or cease to function without this funding. There is currently no sustainable alternative to this funding to the level provided by gaming societies.

In the year to 30 June 2018, NZCT approved \$144,695 in grants that had a direct benefit to Waikato District residents (see Appendix 2). NZCT's primary purpose is to support amateur sport, so most of these grants went to local and regional sports clubs.

Grants we have awarded recently include \$48,000 to Onewhero School to buy vans.

Class 4 gaming societies have probity processes we go through with every grant application to ensure the applicant is authentic and able to deliver the outcomes detailed in their grant application, and that any goods or services to be paid for by the grant are at arm's length and free from any conflicts of interest.

Regional funding

In the year to 30 June 2018, NZCT approved grants totalling \$664,133 (see Appendix 2) to organisations that cover the wider Waikato region, all of which benefit residents in Waikato District Council's area. Again, most of these grants were for amateur sports purposes. We often fund sports officers' salaries, such as the \$150,000 we awarded to Waikato Bay of Plenty Football for Development Officers, as these roles are pivotal to the success of regional sporting programmes and events.

National funding

Around 10% of our grant funds go towards national organisations, such as Life Flight, Coastguard New Zealand, Barnardo's New Zealand and Paralympics New Zealand, which offer benefits to the wider community.

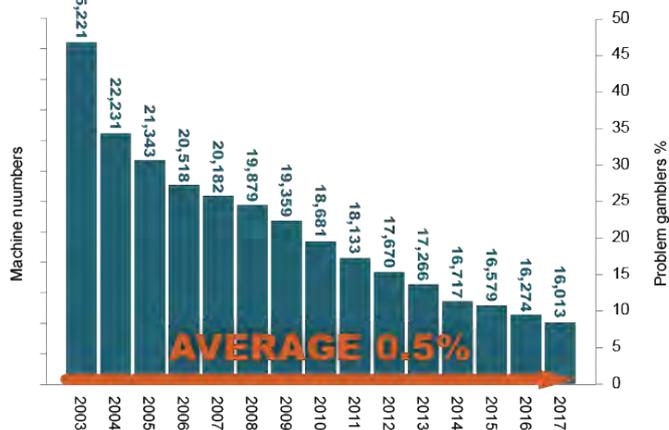
Difference between pub gaming societies, and clubs and New Zealand Racing Board

The pub gaming model differs from the gaming run at clubs like RSAs and in New Zealand Racing Board (NZRB) venues. Those entities are able to apply the funds they raise to their own purposes, for example, maintaining clubrooms or funding race meetings. In its 2017 annual report, NZRB advised its distributions totalled \$137.6 million to the three racing codes and only \$3.2 million to other sports codes. In contrast, Class 4 societies like NZCT distribute all net proceeds to the community.

Gaming machine numbers have little effect on problem gambling numbers

It is misleading and wrong to assume that fewer gaming machines will result in fewer problem gamblers. A gambling addiction is a complex psychological condition, which is influenced by many factors. As shown in the graph on the next page, a reduction of over 9,000 gaming machines across the country between 2007 and 2018 had no impact on the small percentage of problem gamblers nationally.

Gaming machine numbers and problem gambling prevalence 2003–2017:



Note: In the 2006/07 Ministry of Health NZ Health Survey, 0.4% of the population were categorised as problem gamblers using the Problem Gambling Severity Index (PGSI). In the 2010 Health and Lifestyles Survey, the rate increased to 0.7%. In the preliminary findings from the 2012 New Zealand Health Survey, the rate was 0.3% of the population, but the 2012 New Zealand Gambling Survey found the rate was 0.7% of people aged 18 years and over. The 2014 wave of the New Zealand Gambling Study found the rate was 0.3% and the 2016 Health and Lifestyles Survey found it was 0.1%.

Gaming machines are a legal and valid entertainment choice

Pub gaming is a legal, valid and enjoyable source of entertainment for South Waikato residents and tourists alike. Most players regard gaming as light entertainment and know when to stop. The Gambling Commission has reminded councils and the regulator that "... conditions can only properly be imposed if they reduce the harm caused by problem gambling, as distinct from simply reducing gambling activity which is a lawful and permitted activity under the Act."²²

We recognise that Waikato District Council aims, through its Long-term Plan, to balance the needs of visitors and residents while achieving economic development. We support this objective and believe a vibrant hospitality sector is a vital part of achieving this outcome.

Pub gaming brings many benefits to New Zealand. Business and Economic Research Ltd research²³ has calculated that each year the entertainment value to recreational players is around \$250 million, the grants value to the community is also around \$250 million, and the Government revenue value in the form of tax, duties and levies is around \$279 million.

Problem gambling rates have plateaued

The New Zealand 2012 National Gambling Study found that the number of people who regularly participate in continuous forms of gambling, like gaming machines, decreased from 18% in 1991 to 6% in 2012.²⁴ The study concluded "Problem gambling and related harms probably reduced significantly during the 1990s but have remained at about the same level despite reductions in non-casino EGM [electronic gaming machine] numbers and the expansion of regulatory, public health and treatment measures."²⁵

²² Gambling Commission decision GC 03/07.

²³ *Maximising the benefits to communities from New Zealand's Community Gaming Model*, BERL, February 2013.

²⁴ Pg 8, *NZ 2012 National Gambling Study: Overview and gambling participation*.

²⁵ Pg 18, *ibid*.

Prevalence of gambling by level of risk of gambling problems:²⁶

| Problem gambling level | 2006/07 | 2011/12 |
|------------------------|---------|---------|
| No gambling | 34.9% | 47.9% |
| Recreational gambling | 59.9% | 49% |
| Low-risk gambling | 3.5% | 1.8% |
| Moderate-risk gambling | 1.3% | 1% |
| Problem gambling | 0.4% | 0.3% |

The 2016 Health and Lifestyles Survey states that “In 2016, 3.1% of New Zealand adults 18 years and over had experienced an occasion when they had gambled more than intended, but this proportion has been dropping steadily since 2006/07 when it was 11%.”

It also states that the current problem gambling rate has now dropped to an all-time low of 0.1% of the adult population (around 6,000 people), despite an upward trend in gaming machine expenditure.²⁷

Problem gambling rates in New Zealand are relatively low

NZCT is committed to reducing and minimising the harm that can be caused by gambling. As can be seen in the table below, New Zealand has one of the lowest rates of problem gambling in the world.²⁸ Relatively few New Zealanders are gambling at levels that lead to negative consequences; the majority of people who gamble know when to stop.

| Country | Problem gambling prevalence (% population*) |
|-------------|---|
| New Zealand | 0.3–0.7 |
| UK | 0.6 |
| Norway | 0.7 |
| Australia | 0.5–1.0 |
| USA | 2.3 |
| Canada | 2.6 |

* Mixture of CPGI, PGSI and SOGS scores²⁹

Gaming machines can only be played in strictly controlled environments

As a corporate society licensed to conduct Class 4 gambling, NZCT is fully aware of its obligations under the Gambling Act 2003. All our gaming rooms are operated by trained staff at licensed venues.

The DIA is responsible for monitoring the Class 4 gambling industry, including venue ‘key persons’, bar staff and societies, to ensure they adhere to legislative requirements. The penalties for non-compliance include fines, suspensions, loss of operating or venue licence and potential criminal charges.

Strict harm minimisation obligations

A key purpose of the Gambling Act is to prevent and minimise the harm that can be caused by gambling, including problem gambling. To that end, in all Class 4 gambling venues:

- stake and prize money are limited
- odds of winning must be displayed

²⁶ 2006/07 New Zealand Health Survey, 2011/12 New Zealand Health Survey preliminary findings.

²⁷ DIA media release: <http://livenews.co.nz/2017/04/21/new-zealand-gaming-pokie-spending-patterns-continue/>

²⁸ *Maximising the benefits to communities from New Zealand’s community gaming model*, BERL, February 2013.

²⁹ A range of different measurements are available to measure problem gambling rates. CPGI refers to the Canadian Problem Gambling Index, PGSI is the Problem Gambling Severity Index and SOGS is the South Oaks Gambling Screen.

- gaming rooms are restricted to people over the age of 18 years
- gaming rooms can only be operated in adult environments, such as pubs, nightclubs and clubs
- play is interrupted every 30 minutes with an update on how long the player has been at the machine, how much money they've spent, and their net wins and losses
- \$50 and \$100 notes are not accepted
- no ATMs are allowed in licensed gambling areas
- gaming advertising is prohibited
- the DIA monitors every gaming machine's takings
- syndicated play is prohibited
- all venues must have staff trained in gambling harm minimisation on duty whenever gaming machines are operating
- all venues must have a gambling harm minimisation policy in place
- all venues must display pamphlets and signs directing gamblers to help services
- venue staff must be able to issue and enforce Exclusion Orders
- venue staff must help problem gamblers if they have an ongoing concern about them.

NZCT's harm minimisation activities

NZCT takes all its legal obligations very seriously, none more so than those around minimising the harm that can be caused by gambling. To meet our harm prevention and minimisation requirements, NZCT provides a problem gambling resource kit to each of its gaming venues. The kit includes:

- NZCT's Harm Prevention and Minimisation Policy
- Exclusion Orders and guidance on the Exclusion Order process
- a Harm Minimisation Incident Register to record any problem gambling issues and action taken by staff
- signage, pamphlets and other problem gambling resources.

NZCT also provides all its gaming venues with the Health Promotion Agency's harm minimisation signs to display in and around the gaming area, wallet cards with information for potential problem gamblers and host responsibility resources for staff.

Ongoing obligations

The Gambling Act obliges venue staff to provide ongoing help to a potential or current problem gambler. Offering help once, and then ignoring continued warning signs, is not sufficient.



A venue is automatically in breach of the law if an excluded person enters the gambling area. Venues have to be able to show they have robust systems and processes in place that restrict excluded people from entering.

Training

NZCT provides face-to-face and online problem gambling training to staff at each of its gaming venues and trains over 500 staff a year.

Trainers deliver a presentation on problem gambling and take staff members through each part of the problem gambling resource kit in detail. Venue staff also have to work through an online training tool, which includes an assessment that they must pass. Refresher training is provided annually. Gaming venues are continually reminded of their obligation to ensure a person



trained in harm minimisation is on duty at all times the venue is operating.

Support is available for problem gamblers

Each year the gambling industry pays around \$18.5 million to the government in the form of a problem gambling levy, so the Ministry of Health can implement its Preventing and Minimising Gambling Harm Strategic Plan (PMGH). These funds pay for the implementation of public health services, intervention services, research, evaluation and workforce development.

Two of the findings from the inaugural PMGH baseline report were that problem gambling services are effectively raising awareness about the harm from gambling, and interventions for gambling-related harm are moderately accessible, highly responsive and moderate to highly effective.³⁰

The world's largest clinical trial³¹ for problem gambling treatment found that, one year after calling the Gambling Helpline, three-quarters of callers had quit or significantly reduced their gambling. This research provides a level of assurance for local communities, councils and the government.

³⁰ Page 16, *Outcomes Framework for Preventing and Minimising Gambling Harm Baseline Report*, May 2013.

³¹ *The Effectiveness of Problem Gambling Brief Telephone Interventions*, AUT, Gambling & Addictions Research Centre.

Further information about our submission

For further information, or if you have any questions about NZCT's submission, contact Tanya Piejus, Communications Manager on (04) 495 1594 or tanya.piejus@nzct.org.nz.

Appendix 1 – About NZCT

Established in 1998, NZCT is New Zealand’s largest gaming trust with 16% market share. Our publicans raise funds by operating gaming lounges within their pubs, hotels and other venues. In the 12 months to 30 September 2017, NZCT approved \$43.3 million in grant funding to sporting, local government and community groups nationwide.

We have twin goals of serving both our publicans and the communities in which they operate. At least 80% of the funds we distribute are directed towards sports activities, making NZCT the largest funder of amateur sports participation in New Zealand. We focus on sport because of the many positive benefits it offers communities, such as:

- crime reduction and community safety
- economic impact and regeneration of local communities
- education and lifelong learning
- participation
- physical fitness and health
- psychological health and wellbeing
- social capital and cohesion.³²



Overseas research³³ has found participation in sport can lead to increased health and productivity for individuals, and increased wealth or wellbeing of society as a whole. While amateur sport is our main focus, we are also strong supporters of other worthy community activities, including local government projects. The list of grants appended to this submission shows the local organisations that have benefited from NZCT funding recently.

Who we are

We are proud of our robust grants system and of the quality of people involved with NZCT. All our trustees³⁴ are highly regarded business and community leaders with extensive governance experience. They are supported by an experienced staff and nine Regional Advisory Committees (RACs) who add local knowledge and insight to our grant decisions.

Our Waikato/Bay of Plenty RAC members – Trevor Maxwell, Ken Hingston, Michael Smith and Rob Egan – review and make recommendations on grant applications submitted by organisations in your region. They have a strong interest in sport and wide networks that enable them to provide funding recommendations based on local feedback.

³² Sport England’s Value of Sport Monitor.

³³ http://www.ausport.gov.au/information/asc_research/publications/value_of_sport.

³⁴ Alan Isaac (NZCT chairman, professional director and sports administrator), Peter Dale (former Hillary Commission chief executive), David Pilkington (professional director), Kerry Prendergast (former mayor of Wellington) and Lesley Murdoch (Olympian and former New Zealand cricket captain, broadcaster).

Appendix 2: NZCT's grants

See attached list.

NZCT grants to organisations in Waikato District and the wider Waikato region - July 2017 to June 2018

| Grant # | Organisation | Purpose | Amount Approved |
|--|--|--|------------------|
| 72,169 | Franklin Basketball Inc | Towards basketball court hire | \$7,700 |
| 71,898 | Franklin Basketball Inc | Towards basketballs and uniforms | \$10,000 |
| 69,453 | Franklin Basketball Inc | Towards salary of General Manager | \$15,000 |
| 72,053 | Harrisville School | Towards replacement of asphalt court with astro turf | \$20,500 |
| 72,387 | Maramarua Golf Club Inc | Towards a trimax mower | \$7,000 |
| 74,332 | Onewhero Area School | Towards purchase of school vans | \$48,000 |
| 72,601 | Sunset Beach Lifeguard Service Inc | Towards an inflatable rescue boat and an engine | \$15,000 |
| 73,381 | Taupiri Rugby Football Club Inc | Towards playing uniforms (excludes sideline jackets) | \$2,500 |
| 70,857 | Tuakau College | Towards accommodation costs to attend AIMS Games in Tauranga | \$2,957 |
| 72,076 | Tuakau Cricket Club Inc | Towards cricket gear | \$10,000 |
| 72,862 | Turangawaewae Waka Sports Inc | Towards a storage container and life jackets | \$6,039 |
| | | | \$144,695 |
| Grants to regional and multi-regional organisations which benefit Waikato District and the wider Waikato region | | | |
| 72,396 | Netball Waikato Bay of Plenty Zone Inc | Towards accommodation costs for umpires and selectors for events in Tauranga and New Plymouth, and sale | \$203,267 |
| 70,605 | No 3 District Federation of NZ Football - Waikato BOP Football | Towards salaries of Football Development Manager, Futsal Football Development Officer, Referee Developm | \$150,000 |
| 71,358 | Northern Districts Cricket Association Inc | Towards salaries of Amateur Cricket Manager, Chief Executive, Cricket Development Officer, Finance Coordi | \$90,002 |
| 73,791 | Northern Districts Cricket Association Inc | Towards salaries of Chief Executive, Cricket Development Officer, GM Community Cricket (excludes fundrais | \$35,000 |
| 72,057 | Philips Search & Rescue Trust Inc | Towards engine overhaul for Waikato Rescue Helicopter | \$50,000 |
| 71,763 | Squash Waikato Inc | Towards salaries of Development Officer and General Manager | \$10,000 |
| 72,209 | Tennis Waikato Thames Valley Inc Soc | Towards salary of Administrator | \$20,000 |
| 73,113 | Upper Central Zone of NZRL Inc | Towards car lease and salaries of Coachforce Development Officer, Kiwisport Development Officer, Operatio | \$87,496 |
| 72,074 | Waikato Region BMX Association Inc | Towards St John's services for Regional Championships in Hamilton (excludes trophies and presentation plat | \$6,177 |
| 71,980 | Waikato Softball Assn | Towards pop-up gazebos | \$4,692 |
| 70,653 | Waikato Touch Association Inc | Towards salary of Administrator | \$7,500 |
| | | | \$664,133 |

**Submission on the Proposed Amendments of the
Waikato District Council Gambling Venues Policy 2018**

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INTRODUCTION

Harmful gambling is a significant issue often overlooked in the context of public health and social wellbeing. Causing three times the harm to communities as alcohol and drug addiction, problem gambling has wide-ranging implications for gamblers and their families including decreased health, emotional or psychological distress, financial harm, reduced performance at work or educational institute, relationship disruption (conflict or breakdown) and criminal activity.¹

The latest New Zealand Gambling Study (2014) found that 0.3% of the adult population were problem gamblers, 1.5% were moderate-risk and 5% were low-risk. A problem gambler experiences about half the quality of life of a regular person – roughly the same as someone with severe alcohol problems – and a low-risk gambler about 20% less than average.

Measuring gambling harm is often referred to as the tip of the iceberg; this is because each person with a gambling problem affects five to ten others. Problem, moderate and low-risk gamblers account for 18, 34 and 48% of total harm respectively, creating severe situations at one end of the spectrum and wide-ranging deprivation at the other. (Appendix 1) Individuals, families, friends, workmates, businesses and the community all suffer the negative outcomes of gambling, which should be particularly noted in New Zealand for its relationship to child poverty and families at greater socio-economic risk.

Class 4 electronic gaming machines (EGMs or 'Pokies') remain the most harmful form of gambling. However, the vast majority of adults in New Zealand (82%) never use pokies at all, meaning the losses come from a small percentage of the population and possibly why there is a blind spot to the harm in the social landscape. Misconceptions around the funding from gambling complicate the issue and it is time councils and government take a closer look at the relationship between harmful gambling and social disparities, and the funding model which supports it.

CLASS 4 GAMBLING IN NEW ZEALAND AND WAIKATO DISTRICT

Expenditure and national gambling trends

The expenditure on all forms of gambling in New Zealand in the 2016/17 financial year was \$2.334 billion; this continues a trend of increases in expenditure since 2009/10. (Appendix 2) Class 4 gambling accounted for 37.27% of the 2016/17 spend with \$869.9 million, a figure which has also risen each year since 2013/14.

Class 4 electronic gaming machines (EGMs or 'Pokies') are the major cause of gambling harm and the primary mode of gambling that people seek help for. (Appendix 3) Over \$883 million was lost on pokies in the 2017 calendar year² or \$2.42 million a day. A conservative estimate is 40% of pokie losses are incurred by those with a gambling problem.³ Pokie machines are disproportionately located in high deprivation areas: in poorer communities there is one machine per 75 people compared to one machine for every 465 people in more affluent areas.⁴

Of concern is the recent increase in pokie spend despite slowly but steadily falling numbers of pokie machines and venues since the Gambling Act was introduced in 2003. Pokie machines are addictive, designed as such and should be considered a dangerous product and courageous council policies are required to reduce pokie numbers in New Zealand to a threshold where a tangible reduction in harm is seen.

Gambling in Waikato District

Based on 2013 Census data and pokie numbers for March 2018 from the Department of Internal Affairs (DIA), there are 243 pokie machines in Waikato District, one for every 186 adults, and each taking an average of \$36,913.91 in 2017: money that would otherwise be spent on productive activity in the local economy.

- \$8.97 million (1.02% of the national pokie loss) was contributed by Waikato District in 2017, or \$24,575.56 per day.
- The National Gambling Study predicts 14% of the adult population play pokies once a year or more, meaning that 6,343 people lost an average \$1,414 in Waikato District in 2017.
- *New Zealanders' Participation in Gambling: Results from the 2016 Health and Lifestyles Survey* states that 4.9% of New Zealand adults (approximately 186,000 people) had experienced at least some level of individual gambling harm in the last 12 months, equating to 2,220 in Waikato District.
- The median income in Waikato District is \$30,500 per annum. That is \$586 per week, where the median rental is \$240 per week. That leaves \$346 (before tax) for food, power, petrol, the doctor and clothes etc.
- There has been an increase in pokie machines and a corresponding increase in spend in the Waikato District which would indicate an increase in gambling harm.

Funding

The benefits of community funding from pokies need to be weighed against the social and financial costs of gambling harm in the same district. Child neglect, poverty, family violence, fraud, poor mental health and loss of employment are all issues exacerbated by problem gambling and are hugely damaging to society.

The financial return on money from pokies is a poor investment and funding model. Across New Zealand in 2017, 43.5% of the money lost on pokie machines was given back in the form of grants to the community. This proportion is GST exclusive, taking the contribution from real money lost to under 38%.

Funding from pokie machines is not sustainable and there is now an unhealthy reliance on this type of funding. Many organisations are supported by funding from pokie machines, but there needs to be more transparency around who is funded, the relationship of where profits are derived from and where they are distributed. Gambling funding poses an important ethical question of whether New Zealand should support a system which determines that some people are selectively benefited while others are substantially harmed.

PGF RECOMMENDATIONS FOR WAIKATO DISTRICT POLICY AMENDMENTS

Gambling harm is often hidden and regularly not confronted until sufferers are deep in crisis. A strong stance in terms of gambling policy is a proactive step towards community wellbeing and in line with the Gambling Act (2003).

The first two stated objectives of the Gambling Act are to:

- (a) control the growth of gambling; and
- (b) prevent and minimise harm from gambling, including problem gambling.

PGF recommends that Waikato District Council retain the sinking lid policy already in place, and implement more restrictive conditions for relocation and merger of Class 4 venues, along with prohibiting the establishment of standalone TAB venues in the Waikato District.

True sinking lid policies

Sinking lid policies are long-term strategies to balance the reduction of pokies, and pokie-related harm, with the need to provide funding to benefit the community. Sinking lids are policies of attrition: venues are not forced to close or remove their pokies, they simply mean that if a venue closes, pokies cannot go to another pub and no new pokie licenses can be issued.

Councils around the country with sinking lid policies have seen no drastic or immediate reduction in the amount of funding available. A 'true sinking lid' is nation-leading and demonstrates the council taking a stand for a healthier, brighter future for the Waikato District.

'True' sinking lid policies are strengthened by removing the opportunity for venues to move or merge.

No relocations: Restricting relocations is under council jurisdiction. Allowing relocations gives venues greater leeway in continuing gambling operations and goes against the intent of a sinking lid.

No club mergers: Club mergers can increase availability and concentration of pokies in communities. With increased availability, gambling harm also increases.

A ban on any new venues and machines is preferable to a cap: A cap on pokie numbers facilitates the continuation of gambling. Due to the increased losses on pokies given the fall in numbers, this is not in accord with the intent of the Gambling Act.

Eighteen councils around New Zealand have already introduced sinking lid policies. This is partly influenced by strong public opinion that these pokies are socially undesirable and partly by councils' intent on minimising harm in their communities.

PGF has assembled the information that follows from a vast body of research. We have included information from government agencies, government-commissioned reports, and peer-reviewed journals to provide the best body of evidence possible to inform Council's decision.

Please do not hesitate to contact us if you have any questions.

SOCIAL COST OF GAMBLING

Recent research confirms the broad proportion of New Zealanders experiencing gambling harm is higher than the prevalence for problem gambling. One in six New Zealanders say a family member has gone without something they needed or a bill has gone unpaid because of gambling⁵ and 6% of adults reported experiencing at least one household harm (an argument or going without due to gambling) in the past 12 months.⁶

Broader harm for many is also critical harm for some. A number of studies have shown a clear link between problem gambling and suicidality⁷ and PGF regularly see people who have considered or attempted taking their own lives. Suicide is another acute phenomenon in New Zealand and should be carefully considered in terms of gambling policy making.

Problem gambling and children

Children suffer greatly as a result of problem gambling. They can regularly miss out on basic essentials if a parent has gambled away household money and there is a far greater risk the children of problem gamblers will inherit the same issue themselves.⁸

Children become aware their parents cannot provide them with items such as presents, school trips and even food, not because of a lack of money but as a direct result of gambling behaviour. If a child's most basic needs are not met, they can suffer from health problems due to poor nutrition or malnutrition and the responsibility of meeting these needs may fall on extended family, schools and social services.

The children of problem gamblers can also suffer emotionally and feelings of neglect can be a daily struggle. The parent may spend a great deal of time gambling, move out due to arguments about their gambling or disappear unpredictably. Their relationship with their child or children can be damaged as they become more secretive, unreliable and prone to breaking promises. The parent's personality can become unrecognisable to their children, who feel gambling has become more important than family.⁹

A study of gambling in Māori communities outlines a model of how children are at risk if gambling is part of their young lives. When exposed to gambling activities from an early age, children grow up seeing gambling as a normal activity and central to social life. They may be encouraged to participate from a young age. Dysfunction at home, in the form of financial problems or domestic violence increases the risk that they will look to gambling for an escape. As they grow, their gambling may become more intense until it has become problematic.¹⁰

Children of problem gamblers face higher likelihoods of having some of the following disorders at some point in their life as compared to the general population.

- Alcohol disorders (31% vs 4%)
- Major depression (19% vs 7%)
- Drug use disorders (5% vs 2%)
- Antisocial personality disorder (5% vs 0%)
- Generalised anxiety disorder (8% vs 0%)

- Any psychiatric disorder (50% vs 11%)¹¹

Gambling and crime

Offending by gamblers has been investigated in a number of New Zealand and international studies. Despite difficulties in determining the extent of gambling-related crime and the causal pathways, it appears that problem gamblers are at high risk of committing crimes in order to finance their gambling activities.¹²

In 2008 a New Zealand study found that 25% of those engaged in criminal activity would not have done so if it had not been for their gambling. This suggests that a quarter of the relevant population, or about 10,000 people, committed illegal activities because of gambling.¹³

Studies of problem gambling and links to criminal activity suggest that much of the related crime goes unreported.¹⁴ Apart from the financial cost of gambling-related crime to organisations and individuals directly involved, further serious consequences are experienced by problem gamblers and their families if they are convicted of criminal activities.¹⁵

A 2009 New Zealand study found that “gamblers and significant others believe that a relationship exists between gambling and crime” and “there is substantial unreported crime, a large proportion of which is likely to be related to gambling and that there are a large range of crimes committed in relation to gambling (particularly continuous forms of gambling), and not just financial crimes”.¹⁶ They suggest that 10% of people experiencing problem gambling and two thirds of those receiving counselling for gambling-related issues have committed a crime because of their gambling.

Family violence

The Ministry of Health and Auckland University of Technology have recently released research highlighting the links between problem gambling and family violence. Fifty per cent of participants (people seeking help from problem gambling services) claimed to be victims of family violence, and 44% of participants claimed to be perpetrators of family violence, in the past year.¹⁷

Economic degradation

There is limited data and analysis regarding the economic impact of gambling in New Zealand. However, New Zealand and international research has revealed the losses offer a sharp contrast to the often celebrated economic gains. Money for gambling is diverted from savings and/or other expenditure, and can have a negative impact on local businesses and the economic health and welfare of whole communities.¹⁸

Employment, normally considered a standard business cost, is framed within the gambling industry as a special benefit to the community. Even if gambling does create employment opportunities, a comparison of gambling and retail in terms of jobs created for every million dollars spent shows that gambling creates about half as many jobs as retail.¹⁹ A recent report noted that jobs and economic activities generated by gambling expenditure would exist elsewhere if that money was spent outside the gambling industry.²⁰

The Christchurch City Council May 2009 study *Economic Impacts of NCGMs on Christchurch City* suggests that over the course of a year, pokie machines in Christchurch result in lost economic output of \$13 million, additional GDP of \$2 million, lost employment for 630 full-time equivalents, and lost household income of \$8 million.²¹

Remedies to problem gambling

A New Zealand study acknowledged there are many forces at play that can reduce problem gambling prevalence, including public health work, adaptation (when no new pokies are introduced) and policy. The report found strong support for the “access thesis,” which says that increases of non-casino pokies lead to an increase in problem gambling prevalence. The study found that there is an increase in problem gambling by nearly one person per each new machine.²²

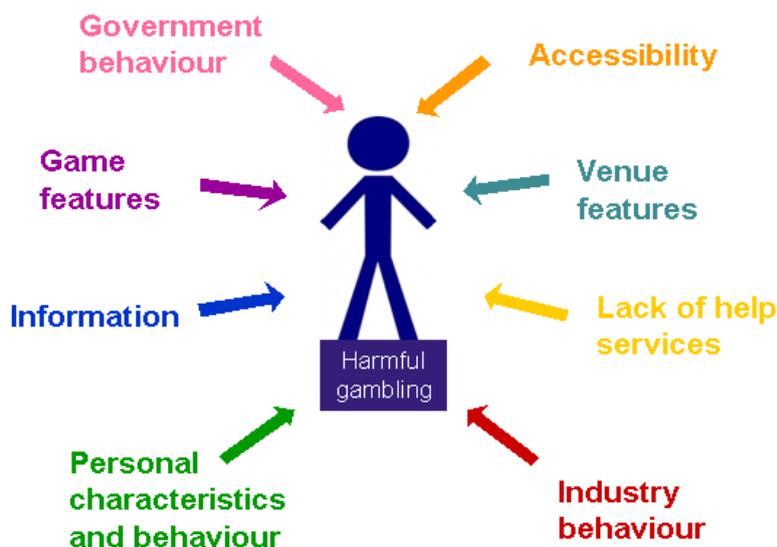
The report concludes that, “from the perspective of public policy, and particularly harm minimisation, holding or reducing electronic gambling machine numbers would appear to be prudent based on our findings, and is likely to lead to reduced harm both through reduced availability and by enabling adaptation processes.” The same study supported the view that restricting the per capita density of gambling machines leads to a decrease in gambling harm.²³

There is evidence that problem gambling harms can be reversed. This means that there is the potential to reduce the prevalence of problem gambling, and with it, the prevalence of many other problems as well.

A range of other studies have also indicated a link between the availability of some types of legal gambling and problem gambling. The evidence for the availability hypothesis has been considered by official review bodies in New Zealand, Australia, the United States, and Canada. Each concluded that increased availability of opportunities to gamble was associated with more gambling and more problem gambling.

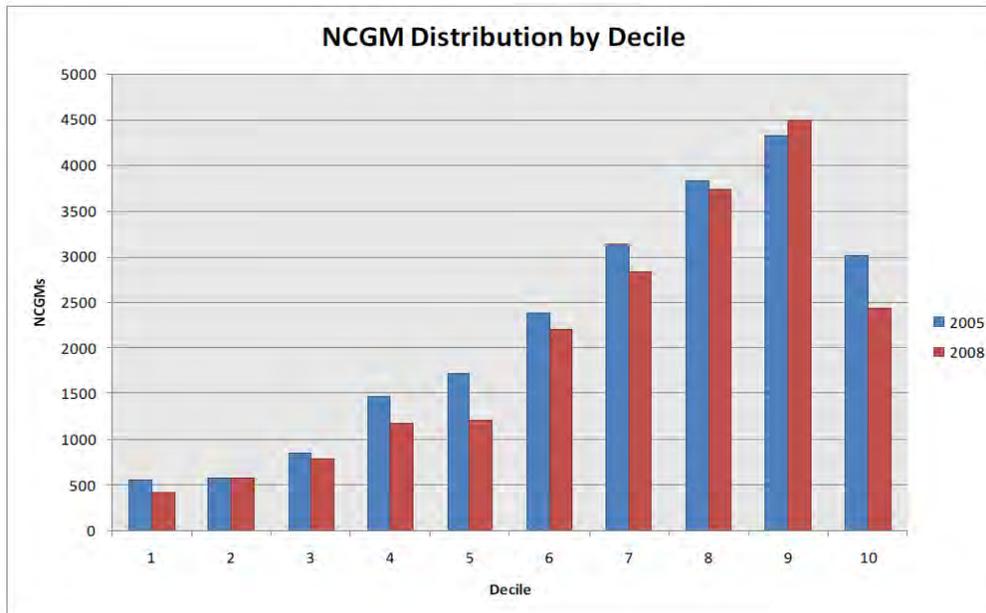
A later study in the UK acknowledged that decreases in gambling-related problems are a complex process involving not only social adaptation, but also the implementation of public health policies and the provision of specialist services. The adaptation process also seems to be inconsistent across communities; different groups of people are affected differently by the process.

Most reliable research would indicate that there is no single cause which triggers problem gambling. The phenomenon is a result of the combination of several factors, some of which have been outlined in the following diagram. Several of these factors can be influenced by the Council.



POKIES: LOCATION, DENSITY AND DEPRIVATION

Studies and data from New Zealand²⁴ and Australia²⁵ indicate that there are significantly more venues and pokies in low socio-economic communities. Across New Zealand there is a clear trend in the concentration of machines across deprivation areas. This means that pokies are more likely to be found in the more deprived areas of New Zealand.²⁶



This means that a young person growing up in a poorer area will have six times more pokies in their community than an equivalent person who is better off.²⁷

The key drivers for the abundance of non-casino pokie venues in disadvantaged areas and areas with high proportions of “at risk” groups are unclear. On the demand side, there may be greater incentives to allocate pokies in areas where they will be used more intensively and potential returns are highest. However, another explanation for the location may be in the distribution of venues, such as hotels and taverns.

Affluent areas have a greater ability to resist the location of hotels and taverns in their communities; communities with high rates of home ownership tend to take a more long-term view of planning and zoning issues. Whatever the explanation, the location of venues tends to concentrate the social costs in communities that are less able to bear them.²⁸

Vulnerability

Certain population groups are more vulnerable to gambling problems in New Zealand and a major demographic factor is ethnicity.²⁹

- Māori populations comprise 36.1% of intervention service clients³⁰ and 17.9% of Helpline callers³¹, but make up only 15% of the population.³²
- There has been a rise in the number of Māori women seeking help for gambling problems. Māori women seeking help for their gambling problems almost exclusively (85.6% in 2008) cite pokies as their problematic mode of gambling.³³

- Pacific populations comprise 19.8% of intervention service clients³⁴ and 6.2% of Helpline callers³⁵, but make up only 7% of the population.³⁶
- Overall, Māori and Pacific adults are approximately four times more likely to be problem gamblers compared to the population.³⁷

Another major demographic factor in problem gambling is location in a highly deprived socio-economic area.³⁸ Census area units with a deprivation rating of 8 or above accounted for 56% of pokie expenditure. Māori and Pacific peoples are over-represented in these area units, which may make them more vulnerable.

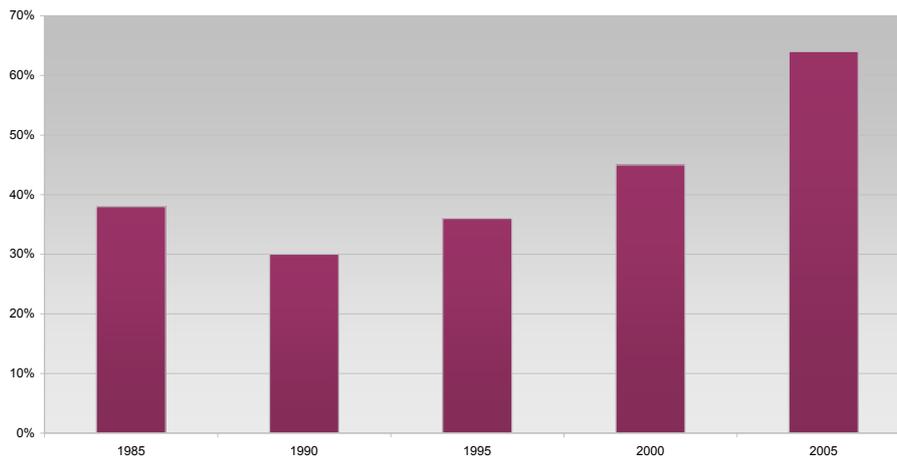
- While deprivation is a key driver of use, venues located in town-centre areas which typically form the entertainment and shopping districts of a city make gambling highly accessible. This is particularly so when they are adjacent to deprived areas. This is one of the reasons why PGF recommends to prohibit relocations entirely.
- Other demographic factors of vulnerable populations include age (35–44) and lack of educational qualifications, as well as workforce status (unemployed or out of workforce).³⁹
- Problem gambling is more common in individuals with major depression, anxiety, and personality disorders.⁴⁰
- Substance abusers have a two to tenfold increased risk for problem gambling.⁴¹
- There is concern around the vulnerability of youth populations as young adults have high rates of problem gambling.⁴²

Public attitudes

The Department of Internal Affairs' national surveys of gambling conducted in 1985, 1990, 1995, 2000 and 2005 provide some indication of public attitudes over time.⁴³ Over the period surveyed, New Zealanders had become increasingly concerned about the negative social impacts of gambling. There has been a steady increase in public awareness about problem gambling and the adverse impacts on individuals and the community.

Those widely available forms most strongly linked to problem gambling in New Zealand (pokies, track betting and casino gambling) are also the forms of gambling that increasing proportions of adults regard as undesirable. In particular, the surveys found that the majority of respondents (64%) considered class 4 pokies to be socially undesirable.⁴⁴

**DIA Survey: Respondents' views on socially undesirable activities:
Non-casino gambling machines**



Only 1% of adults said that there were any additional forms of gambling that they would like to see in New Zealand. Nearly half of respondents (46%) felt that the number of gambling venues in their area was about right, a further 41% thought there were too many places, and only 1% thought there were not enough places to gamble in the area they lived in.

Most of the 41% of respondents who thought that there were too many places to gamble in their area said that there were too many pokie venues (87%), followed by TABs (20%), Lotto/Keno/Instant Kiwi outlets and casinos (both 14%).

- Over three-quarters of adults said that there should be special laws controlling gambling.
- Over half said preventing criminal activity was a relevant consideration.
- Over a third mentioned restricting opportunities to gamble.
- 72% of people believed the role of Government in addressing gambling harm should be extensive.

Community perception studies undertaken by other territorial authorities also indicate that communities generally hold negative views on gambling, with specific concerns that communities are being seriously damaged by the growth of the gambling industry.⁴⁵

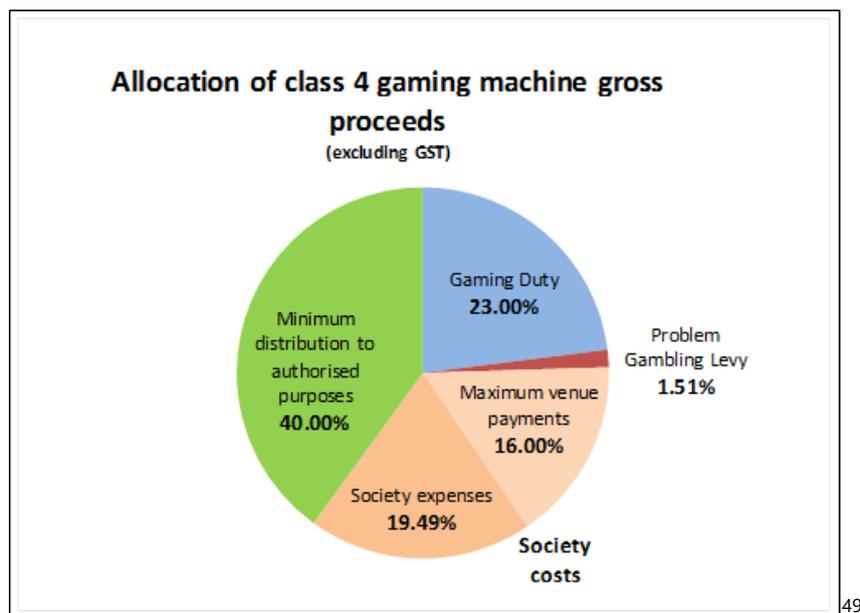
THE ETHICS OF GAMBLING FUNDING

How pokie trusts work

Pokie trusts were established under the Gambling Act (2003) in an attempt to off-set harm by returning some of the profits in the form of community grants. Although the purpose of the trusts is to distribute money to the community, the purpose of gambling is not to raise money for the community, and it should not be perceived as such. Pokie machines are licensed to operate in pubs and clubs solely as a form of community fundraising⁴⁶ and licence holders must distribute their net proceeds to the community by way of grants.

Trusts and societies are currently required to distribute a minimum of 40% of their GST exclusive gross proceeds for each financial year according to the Gambling Regulations 2004 (Class 4 Net Proceeds: Part 2 Section 9 (1) and 10)).⁴⁷

Legislation dictates that each dollar of gross proceeds (i.e. turnover [aggregate stakes] minus user winnings) must be distributed in accordance with the pie chart shown in the figure below.⁴⁸ These include the fixed amounts towards gambling duty and the problem gambling levy.



Every year approximately \$300 million is returned to the community from the proceeds of gambling on pokie machines outside of casinos. In 2015, 49% of the total funding (\$122m) went to sports, up from \$106m in 2014. In 2015 the Racing Integrity Unit was the top recipient of funding, receiving over \$5.5 million.⁵⁰

While the grants made by community funding bodies like the New Zealand Lottery Grants Board are well documented, no comparable aggregate statistics are readily available for the allocation to authorised purposes of the profits of pokie machines.⁵¹

There needs to be a more open, lower cost, and transparent system of reporting for the gambling trusts system. Of particular concern are issues of personnel and conflicts of interest, compliance with the

Gambling and Sale and Supply of Alcohol Acts and providing greater clarity around the criteria by which funding is administered.

The current pokie trust system (approximately 38 pokie trusts) is inefficient. Society expenses are approximately 22%⁵² (over \$150 million) with much duplication of roles and resources. This means that less of the money that leaves communities ever returns.

Regressive nature of gambling funding

Gambling generates significant funding for community purposes. However, gambling funding comes with a very high human cost and more equitable and less harmful forms of funding should be investigated. International and New Zealand studies have identified that gambling is sharply regressive. Income is effectively being redistributed away from low income communities.⁵³

One attraction of using gambling to collect public funding is that it appears to be "painless" or "voluntary". The "painless voluntary donation" view has been criticised on grounds that it exploits the false hopes or financial risk-taking of those on lower incomes. It is also argued that many of the gamblers contributing are, at the time of making their contribution, affected by drugs, alcohol, and possibly mental illness. In other words, for a problem gambler, the contribution is not a voluntary or painless one.⁵⁴

Studies involving cost/benefit analysis have argued that the benefits from gambling for the majority of people gambling are individually very small relative to the costs borne by the minority of people experiencing gambling harm.⁵⁵ Lower-income households spend proportionately more of their money on gambling than higher-income households.⁵⁶ People who are already socially and economically disadvantaged are most susceptible to gambling problems.⁵⁷

The revenue generated by gambling within a community is often spent in a more affluent community.⁵⁸ A 2004 study examining distribution of community benefit funding from six major pokie trusts found that more affluent areas (such as Central Auckland and the North Shore) were receiving considerably more funding per capita than the lower income areas (such as Manukau City).⁵⁹ It is the Problem Gambling Foundation's experience that jazz festivals and sports fields in wealthier suburbs are well funded, while high deprivation suburbs are not.

Impact of proposed policy on community funding

Pokie trusts often espouse that many community groups would not survive without pokie money. While it is true that some groups would suffer, pokie trusts account for only 10.2% of charitable giving in New Zealand; as a comparison, personal giving accounts for 58% of charitable giving in New Zealand.

Existing pokie venues are not affected by a sinking lid policy. A sinking lid only prevents new venues from being granted a licence, so the decline in venues and pokies happens gradually. Therefore, a sinking lid policy should not have an immediate or significant impact on community funding.

Some groups have even argued that pokie handouts actually weaken community groups and that traditional fundraisers are much better at building community spirit and keeping sports and other groups strong.⁶⁰

When it comes to raising money through gambling, a 2007 survey indicated 51% of people felt that it did more harm than good. Only 26% felt that it did more good than harm.⁶¹ Very few people (12%) support the current pokie trust system of distributing gambling funding. People were most supportive of a system similar to the Lottery Grants Board.⁶²

PGF recognises the risks online gambling poses to people with gambling problems. However, pokie trusts often attempt to divert attention from pokies to online gambling. Some pokie trusts have gone so far as saying “a sinking lid accelerates the migration to online gambling” from which communities lose all funding benefits.

There is no NZ research to say that people move, or are moving from pokies to online gambling. Many clients say that they do not experience the “pull” of online gambling in the same way that they are drawn to the pokies. If a person has a problem with sports betting, it does not necessarily mean they will become harmed by pokies. A person addicted to online slot machines cannot be assumed to gamble problematically while playing cards. Problem gambling should not be generalised in this way.

Councils do not set online gambling policy as this is for Central Government. Approximately half the people receiving counselling from problem gambling services are doing so because of their addiction to pokie machines. This is something that Council can help address, and PGF strongly encourages Council to do so by adopting a true sinking lid.

ABOUT PGF

The Problem Gambling Foundation of New Zealand (PGF) is the largest single public health and clinical treatment provider for problem gambling in Australasia with locations throughout New Zealand.

Qualified counsellors provide free, professional and confidential counselling for gamblers and others affected by gambling, and the dedicated public health team focus on problem gambling issues in the community using a health promotion approach.

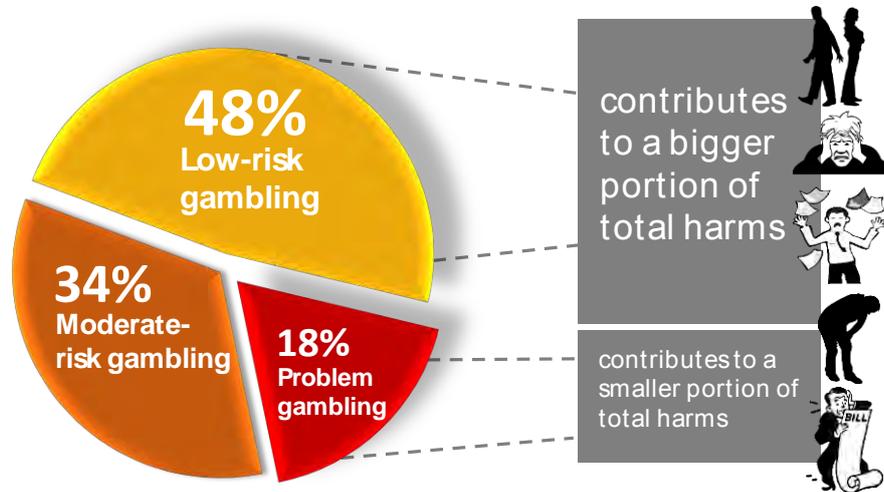
Asian Family Services is part of PGF, delivering free, professional, confidential, nationwide face-to-face or telephone support to Asians living in New Zealand in several languages.

Mapu Maia is PGF's tailored and culturally appropriate service for Pacific peoples. Its focus is to work within Pacific communities, educating and raising awareness about the harm caused by gambling. Mapu Maia provide counselling and support for Pacific families in Auckland, Wellington and Christchurch.

APPENDICES

Appendix 1.

From *Measuring the burden of gambling harm in New Zealand: public information sheet*. Ministry of Health Manatū Hauora. Retrieved 2018 from: <https://www.health.govt.nz/publication/measuring-burden-gambling-harm-new-zealand>



Appendix 2.

Gambling Expenditure Statistics from the Department of Internal Affairs Te Tari Taiwhenua. Retrieved 2018 from: https://www.dia.govt.nz/diawebsite.nsf/wpg_URL/Resource-material-Information-We-Provide-Gambling-Expenditure-Statistics

Gambling operators' key financial statistics (actual)

All values are actual (not inflation adjusted), in NZ dollars, GST inclusive and rounded to the nearest million (\$'000000).



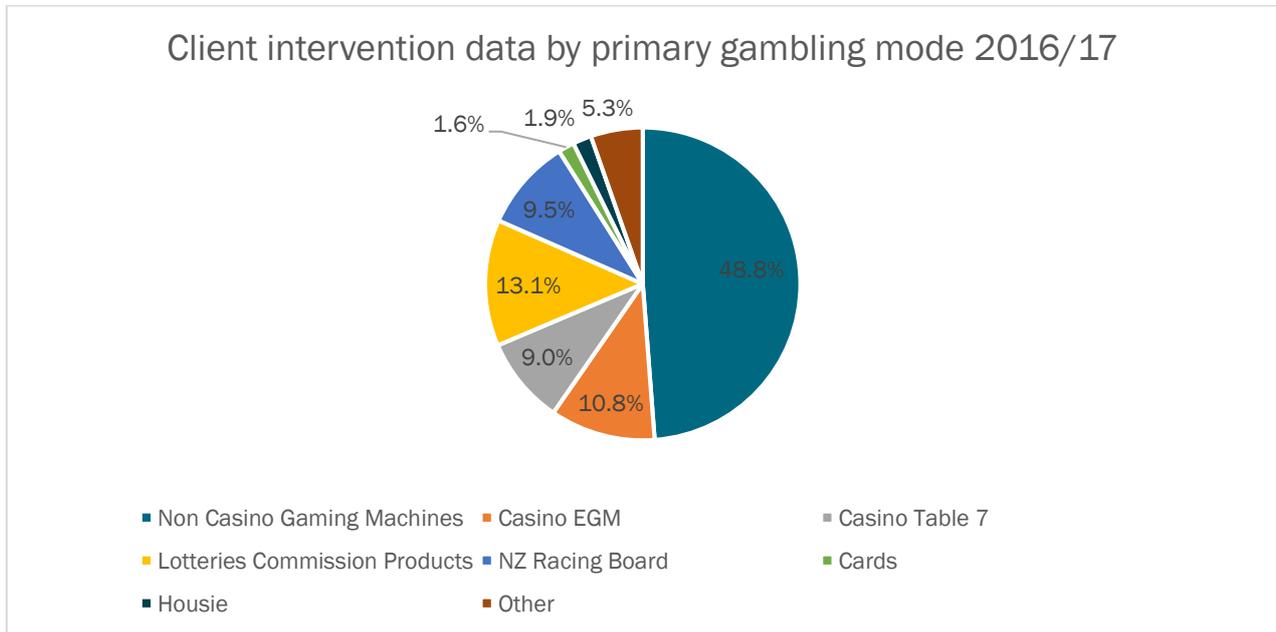
| Financial Year | 2009/10 | 2010/11 | 2011/12 | 2012/13 | 2013/14 | 2014/15 | 2015/16 | 2016/17 |
|--|---------|---------|---------|---------|---------|---------|---------|---------|
| NZ Racing Board (TAB) | | | | | | | | |
| Expenditure | 278 | 273 | 283 | 294 | 310 | 325 | 342 | 338 |
| Prizes (dividends) | 1,304 | 1,261 | 1,336 | 1,422 | 1,522 | 1,748 | 1,928 | 1,907 |
| Turnover | 1,583 | 1,533 | 1,619 | 1,717 | 1,833 | 2,073 | 2,270 | 2,245 |
| NZ Lotteries Commission | | | | | | | | |
| Expenditure | 347 | 404 | 419 | 432 | 463 | 420 | 437 | 555 |
| Prizes | 436 | 521 | 529 | 515 | 526 | 473 | 537 | 652 |
| Turnover | 782 | 926 | 948 | 947 | 989 | 894 | 974 | 1,207 |
| Gambling Machines (outside casinos) | | | | | | | | |
| Expenditure | 849 | 856 | 854 | 827 | 806 | 818 | 843 | 870 |
| Prizes | 8,316 | 8,365 | 8,395 | 8,166 | 7,976 | 8,141 | 8,550 | 8,931 |
| Turnover | 9,165 | 9,222 | 9,245 | 8,995 | 8,783 | 8,949 | 9,393 | 9,801 |
| Casinos | | | | | | | | |
| Expenditure | 440 | 448 | 483 | 490 | 486 | 527 | 586 | 572 |
| Total | | | | | | | | |
| Expenditure | 1,914 | 1,982 | 2,038 | 2,042 | 2,065 | 2,091 | 2,209 | 2,334 |

Note: This table must be read in conjunction with the explanations included with this data release (tab 4).
Totals may differ from the sum of column entries due to rounding.
With each new release of this information, gambling operators review their previous years' data and, where necessary, provide revised information.
Please disregard previously released gambling expenditure statistics for the above financial years.

Disclaimer: The Department has compiled these statistics using information from the Electronic Monitoring System and gambling operators.
The Department of Internal Affairs disclaims and excludes all liability for any claim, loss, demand or damages of any kind whatsoever (including for negligence) arising out of, or in connection with, the use of this information.

Appendix 3.

Clients Assisted by Primary Problem Gambling Mode from the Ministry of Health Manatū Hauora Client Intention data (gamblers and family/affected others): Retrieved 2018 from: <https://www.health.govt.nz/our-work/mental-health-and-addictions/problem-gambling/service-user-data/intervention-client-data>



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Te Ope Whakaora

Oasis

Reducing Gambling Harm

The Salvation Army Oasis – Waikato

Submission to

Waikato District Council

on the

Proposed Gambling Venue Policy 2018

Authorisation statement:

“This submission has been authorised by the National Operations Manager – Oasis within the Addiction, Supportive Accommodation and Reintegration Services of The Salvation Army.”

We welcome the opportunity to make Oral Submissions

Please contact

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1 BACKGROUND

- 1.1 The Salvation Army is an international Christian and social services organisation that has worked in New Zealand for over one hundred and thirty years. The Army provides a wide range of practical social, community and faith-based services, particularly for those who are suffering, facing injustice or those who have been forgotten and marginalised by mainstream society.
- 1.2 The Salvation Army Oasis Centre for Problem Gambling was formally established in June 1997 in Auckland in response to growing evidence that the proliferation of gambling opportunities was having a negative impact on society. Prior to this, gambling counselling had been provided in Wellington and Christchurch as needed for some years. Since then, the number of clients seeking help for gambling related harm has increased dramatically. Consequently, The Army's preventing and minimising gambling harm services have expanded to seven regions (Auckland, Waikato, Tauranga, Wairarapa, Wellington, Christchurch and Dunedin), with satellite clinics across the country. We are funded by the Ministry of Health to provide problem gambling clinical and public health services.
- 1.3 The Salvation Army Oasis offer free outpatient services for gamblers, their families and affected others, alongside public health services; and are staffed by qualified and experienced clinical and public health practitioners. The Army also has a national Addictions Leadership Team supported by the larger Salvation Army administrative infrastructure.
- 1.4 This Submission has been prepared by The Salvation Army Oasis in Waikato, which works to address the national health initiative of preventing and minimising gambling harm.

2 GENERAL COMMENTS

2.1 The Salvation Army has persistently engaged with Governments around gambling related harm. We continue to contend that one of the key focuses of the Gambling Act 2003 should be, as per section 3(b) of the Act, to *prevent and minimise the harm caused by gambling*. We submit that the Government and local Councils should make harm reduction a key focus of all gambling policy reforms they undertake.

2.2 As a provider of services to those affected by gambling harm, The Salvation Army sees the detrimental effects that harmful gambling has on the wellbeing of communities around New Zealand. Our observations are supported by a wealth of New Zealand research which indicates that the range of potential harms from gambling spans multiple domains of individual and community wellbeing, including mental and physical health, material welfare, employment and productivity, quality of life and social cohesion.^{1 2 3 4} There are also links between gambling and significant social issues such as domestic violence and child neglect and abuse as shown in the latest AUT research on family violence and gambling. While decreasing participation in gambling, including EGMs but persistent rate of moderate to high risk gambling (2%) as evidenced from latest report of National Gambling Studies, AUT. This equates to approximately 9,202 local residents whose health is directly threatened by the current gambling environment.⁵ Policy remains one of the most effective means of addressing this threat.

2.3 Non-Casino Gaming Machines

The Salvation Army is particularly concerned with non-casino gaming machines (NCGMs), as this mode of gambling is responsible for the majority of the harm observed in New Zealand.⁶ The gambling industry itself acknowledges that NCGMs are 389 times more likely to induce harm than lottery products.⁷ NCGMs are also the most highly accessible mode of gambling in New Zealand aside from online gambling, with 1,147 outlets nationwide.⁸ The literature advocates for a number of practices to minimise and prevent problem gambling - one of the best-supported strategies involves limiting access to gaming machines.^{9 10}

2.4 Vulnerable Population Groups

Gambling addiction can be found across all groups in society, but it is those groups at the lower end of the socio-economic spectrum that suffer most. Groups most likely to be in poverty and hardship include women, sole-parent families, Maori, Pacific Island peoples, refugees, people living with disability or illness, beneficiaries and people in low-paid employment.^{11 12 13} Continued failure to address and respond to these inequities is not only

unjust, but in the case of Maori, also constitutes a violation of Clause 1 of Te Tiriti O Waitangi, which requires the Crown to protect the interests of tangata whenua.¹⁴

2.5 Sustainability of Community Funding

The long-term trend of declining participation in gambling activities, including NCGM gambling, is likely to gradually reduce the availability of gambling-derived community funds with or without further regulatory intervention. The Salvation Army maintains that the Class 4 funding model is neither sustainable in the long term, nor favourable in the short term for New Zealand communities. Only about 40% of GST-inclusive NCGM revenue ever reaches grant recipients, and a high proportion leaves the regions as central government taxes and society costs.

Some of the charitable causes funded through Class 4 gambling are essential public goods and services. However, because a large proportion of gambling revenue is derived from those with the least disposable income, the Class 4 funding model has been criticised as being analogous to regressive taxation.¹⁵ Public opinion reflects such concerns – since 1985, the proportion of New Zealanders who are opposed to or uncertain about the use of gambling revenue to fund charitable causes has risen steadily.¹⁶ The Salvation Army believes that councils have an important role to play in incentivising communities to seek less harmful ways to fund necessary services.

2.6 The Gambling Environment in the Waikato District

- a. In the year ending March 2018, \$8,490,756.96 was expended on NCGMs in the Waikato District, representing 1.00% of the total national expenditure.¹⁷
- b. The per-capita density of NCGM gambling opportunities in the Waikato District exceeds the national average – There are 243 Class 4 machines operating in the Waikato District, representing 1.57% of the national total.¹⁸
- c. During the 2017/2018 year, The Salvation Army Oasis in Waikato provided brief and full gambling intervention services to 154 Waikato residents. Approximately 90% of this group included gamblers, with the remainder made up of family members and affected others. Of these clients, 40.9% identified as Maori, and 4.7% identified as Pacific Islander. NCGMs were identified as the primary gambling mode of 50% of all clients over the same period.¹⁹ The intense stigma associated with gambling-related harm means that a very small minority of affected individuals seek help, and those who do are often in desperate need.
- d. The Gambling Act 2003 provides for self-identified problem gamblers to voluntarily exclude themselves from gambling venues. The Salvation Army Oasis –Waikato assists

the Problem Gambling Foundation (PGF) in operating Multi-Venue Exclusion (MVE) Services, through which clients can self-exclude from multiple venues at once, without having to enter venues and make a request in person. In the last six months, 12 MVE clients have been referred to PGF and actively excluded from one or more venues within the Waikato District. This number does not include individuals who have requested exclusions in-venue.²⁰

- e. The Waikato District's large geographic footprint, and with the limited number of gambling harm services available, makes it difficult to accurately identify and support the true population that are directly impacted by the gambling environment.

3 FEEDBACK ON THE SOCIAL IMPACT ASSESSMENT

- 3.1 One of the significant issues for Waikato is the large geographical area covered by Class 4 gambling machines, as opposed to the limited number of gambling harm services available.
- 3.2 As noted in the Council's Planning and Environment Committee report, Waikato District has 19 Class 4 venues and 243 electronic gaming machines. We propose that the number of Class 4 machines in the Waikato District be reduced over time and this can be achieved through the extension of the Sinking Lid policy to encompass the whole of Waikato District.
- 3.3 The Salvation Army Oasis in Waikato works with people affected by gambling harm in the Waikato District. Of the people who approached our services with gambling issues, the majority have experienced harm from Class 4 gambling machines. Furthermore, we find that harmful gambling seems to impact people across the social and economic spectrum, but find that gambling harm from Class 4 machines seems to impact mostly on those who are vulnerable and already experiencing poverty – the high deprivation communities. Our experience comes as no surprise considering the national statistics indicating that there is six times the number of NCGM in high deprivation communities than there are in low deprivation communities.
- 3.4 There is also a significant fiscal burden of gambling harm in our community. For the year 2018, it is expected \$8,490,756.96 will be spent on Class 4 gambling machines, equating to \$34,941.39 per machine within the Waikato District. This is somewhat disconcerting considering that the median income of local residents is only \$30,500.00.
- 3.5 It is argued that the distribution of community grants from gambling proceeds benefits the Waikato District community. In addition, community organisations cite difficulty in obtaining funding from other sources in order to sustain their organisations. However, we believe Class 4 gambling as a source of community funding is likely to have a limited lifespan and should not be considered as the only viable alternative to central or local government funding. We believe a significant portion (around 40% according to Australian Productivity Commission research) of the expenditure on Class 4 machines occurs among those suffering the highest material deprivation. Over time, as resources of socioeconomically deprived communities are exhausted, it is likely that the Class 4 gambling expenditure will decrease, resulting in a gradual reduction in the availability of community funding. The observed decline of Class 4 gambling revenues over most of the past decade may be evidence that this is already occurring. In addition, we believe it is ethically unjust for community organisations in Waikato to have to rely on funding that is significantly derived from the suffering of vulnerable people in our communities.

- 3.6 Recent publications by the Department of Internal Affairs (DIA) illustrates that Class 4 gaming machine numbers and venues are in decline nationwide and while expenditure was reducing, it has now begun increasing again over the past couple of years. While the number of social gamblers could be reducing, people experiencing severe problems with Class 4 machines has remained fairly constant. This means that for vulnerable communities, hardship remains constant and sometimes magnifies despite the overall reduction in machine numbers.
- 3.7 The Salvation Army Oasis Waikato believes that the values of justice, fairness, community stability and safety are paramount in our community. There seems to be a saturation of Class 4 gaming machines in the community, especially in the low socio-economic areas and this challenges the safety and stability of our community. We believe that Class 4 gambling has contributed to an increase in disparity between the richest and poorest members of the Waikato population. This disparity entrenches and creates poverty, which is associated with the significant number of people accessing Salvation Army Food banks. We believe making a profit based on the losses of problem gamblers and the exploitation of vulnerable people is socially and ethically unjust.

4 FEEDBACK ON THE PROPOSED POLICY

Waikato District Council Proposal: Retaining the sinking lid policy and adding further restrictions on relocation and merger conditions.

- 4.1 For the majority, we support this sinking lid policy proposal. Sinking lid policies have been adopted by other Councils throughout New Zealand, and have served to reduce the number of Class 4 venues gradually over time. However, we would prefer no relocation or mergers be allowed. A true sinking lid policy is the most effective strategy for reducing gambling harm.
- 4.2 We submit that the Waikato District Council should ban venues from merging as it does not add any benefit to the community. If the council allows a relocation clause then we submit it should include relocation restrictions including that venues should be unable to relocate to, or near, vulnerable, low socioeconomic communities. We also suggest that any relocation should be subject to a public notification and consultation process (similar to Alcohol licensing) and that there should be an onus on the applicant to establish how the relocation will serve to reduce gambling related harm in the community. As noted from our experience, Class 4 gambling machines seems to impact mostly on high deprivation communities.
- 4.3 If the Council adopts a sinking lid policy with further relocation clauses and bans merges of Class 4 gambling venues , then this proposal has the potential to actively reduce gambling related harm within the Waikato District.

5 CONCLUSION

Problem gambling remains a stigmatised and neglected public health issue, yet the impact gambling-related harm has on crime, poverty, employment, productivity, family functioning, individual and community wellbeing is significant. Through this policy review, Waikato District Council has an opportunity to make changes which will reduce harm and benefit our communities both now and in the future. We urge the council members, as leaders in our community, to **retain the sinking lid regime, add further restrictions on relocations and ban mergers**. To do so will demonstrate that council leadership places value on community wellbeing, and is doing everything possible to support healthy communities.

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- ³ KPMG (2013). *Fraud, Bribery & Corruption Survey 2012: A report on the key findings*. Auckland: KPMG Forensics.
- ⁴ Rossen, F. (2015). *Gambling and Problem Gambling: Results of the 2011/12 New Zealand Health Survey*. Centre for Addiction Research, Prepared for the Ministry of Health. Auckland: Auckland UniServices Limited, The University of Auckland.
- ⁶ Rossen, F. (2015).
- ⁷ Townshend (2011), quoted in True, J. & Cheer, M. (2015). *Gaming Machine Gambling Statistics and Research Paper – Information for Territorial Authorities*.
- ⁸ Department of Internal Affairs. (2015). *Society, Venue and Gaming Machine Numbers*. Retrieved from http://www.dia.govt.nz/diawebsite.nsf/wpg_URL/Resource-material-Information-We-Provide-Society-Venue-and-Gaming-Machine-Numbers
- ⁹ Pearce, J., Mason, K., Hiscock, R., & Day, P. (2008). A national study of neighbourhood access to gambling opportunities and individual gambling behaviour. *Journal of Epidemiology & Community Health*, 62(10) pp.862-868
- ¹⁰ Vasiliadis, S. D., Jackson, A. C., Christensen, D. & Francis, K. (2013). Physical accessibility of gaming opportunity and its relationship to gaming involvement and problem gambling: A systematic review. *Journal of Gambling Issues*, 28.
- ¹¹ Centre for Social and Health Outcomes Research and Evaluation & Te Ropu Whariki (2008).
- ¹² Centre for Social and Health Outcomes Research and Evaluation & Te Ropu Whariki (2010).
- ¹³ Abbott, M., Bellringer, M., Garrett, N., & Mundy-McPherson, S. (2014).
- ¹⁴ Health Promotion Forum of New Zealand – Runanga Whakapiki ake i te Hauora o Aotearoa (2002). *TUHA-NZ: A Treaty Understanding of Hauora in Aotearoa-New Zealand*. Auckland: Health Promotion Forum of New Zealand.
- ¹⁵ Dyal, L. (2004). Gambling: A Social Hazard. *Social Policy Journal of New Zealand*, 21.
- ¹⁶ Abbott, M., Bellringer, M., Garrett, N., & Mundy-McPherson, S. (2015). *New Zealand 2012 National Gambling Study: Attitudes Towards Gambling – Report Number 3*. Gambling & Addictions Research Centre, Prepared for the Ministry of Health. Auckland: AUT University.
- ¹⁷ Department of Internal Affairs. (2015). *Summary of Expenditure by Territorial Authority/District*. Retrieved from http://www.dia.govt.nz/diawebsite.nsf/wpg_URL/Resource-material-Information-We-Provide-Summary-of-Expenditure-by-Territorial-AuthorityDistrict
- ¹⁸ Department of Internal Affairs. (2015). *Gaming Machines Venues and Numbers by Region at 30 September 2015*. Retrieved from [http://www.dia.govt.nz/Pubforms.nsf/URL/TA_30%20September%202015.pdf/\\$file/TA_30%20September%202015.pdf](http://www.dia.govt.nz/Pubforms.nsf/URL/TA_30%20September%202015.pdf/$file/TA_30%20September%202015.pdf)
- ¹⁹ The Salvation Army Addiction Services – Waikato. Service user records.
- ²⁰ Ibid.



SUBMISSION TO THE WAIKATO DISTRICT COUNCIL

IN RESPONSE TO PROPOSED AMENDMENTS TO CLASS 4 GAMBLING VENUES POLICY

29 JULY 2018

Contact Details

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Introduction

Trillian Trust welcomes the opportunity to respond to the proposed change to Waikato District Council's Gambling Venues Policy.

About Trillian Trust

Trillian Trust is a New Zealand based Charitable Trust, incorporated in May 1999 under the Charitable Trusts Act 1957.

The Trust was formed to provide support to New Zealand based charitable and not-for-profit organisations through grants for specific purposes that benefit the community. As a Charitable Trust, Trillian has no shareholders, directors or owners. The benefactors of the Trust are the charitable and not-for-profit organisations that receive grants from the Trust.

To generate the necessary funds the Trust obtained a licence to operate gaming machines to licensed venues across New Zealand in 1999. The operator's licence allows Trillian Trust to distribute the net proceeds from the gaming operation to Authorised Purposes.

Since that time, the Trust has provided \$120 million in grants to thousands of community organisations. This represents over 40% of gaming proceeds returned to the community.

Trillian Trust is governed by a Board of Trustees; the current members are:

- John Harpin, Chairman
- Stanley Malcolm, Secretary
- Dean Agnew, Trustee and Chief Executive Officer
- Kevin McDonald, Trustee
- Brett Kilburn, Trustee

Response to Proposed Amendments

Trillian Trust is supportive of positive legislation changes within the industry and efforts to minimise harm that is caused through gaming, however does not support the proposed amendments to the Waikato District Council's Gambling Venues Policy.

Increased Harm

The proposed amendments are unlikely to have any effect on the number of problem gamblers in the area and may drive gamblers away from the safer controlled environment of a gaming lounge, to an uncontrolled unsafe environment such as online gambling.

Amendments could reduce funding to community groups

Is Council's intent to reduce funding to community groups?

The unintended outcomes of the proposed amendments will result in a reduction in funding to sport, education and community groups which we are proud to be able to support. Trillian Trust distributes over 40% of net proceeds or profits to the community from two venues in the region but clearly the proposed amendments will affect other class 4 gaming venues.

Does the Council have a plan to mitigate loss of funds to any of the worthwhile community, sporting or school group recipients in their region who would face negative financial pressure or hardship from a reduction of the class 4 gaming funds pool?

We think not, which is why **we oppose**:

- Any provisions that would further limit relocations, for example limitation to cases where the venue is physically incapable of being moved;
- New requirements that relocated venues cannot be within 100m of another class 4 venue.

Recommendation

Our request and recommendation would be that:

- the current relocation provisions be retained.
- the sinking lid policy be replaced with a cap at current numbers (19 venues and 243 machines).

Problem Gambling in New Zealand

According to research by Business and Economic Research Ltd (BERL), New Zealand has one of the lowest rates of problem gambling in the world (see table below). The evidence is clear; relatively few New Zealanders are gambling at levels that lead to negative consequences. While there is no doubt that the damage for those who are problem gamblers is high, the reality is that most recreational gamblers know when to stop:

| Country | Problem Gambling Percentage (percentage population*) |
|----------------|---|
| New Zealand | 0.3 |
| Australia | 0.5-1.0 |
| United Kingdom | 0.6 |
| Norway | 0.7 |
| USA | 2.3 |
| Canada | 2.6 |
| | Mixture CPGI, PGSI, SOGS scores Source BERL 2013 |

Problem Gambling Support & Systems

Trillian Trust and our venues understand the harmful effects of Problem Gambling and that problem gambling has a social, economic and health impact on individuals, their families and their work place. Under the current class 4 regulations there are significant harm minimisation requirements in place which Trillian Trust takes very seriously, to minimise harm caused by excessive use of poker machines.

Trillian provides qualified problem gambling **training** to staff at each of its venues. Trainers deliver a presentation on problem gambling and take staff members through each part of the Harm Minimisation Manual in detail. Refresher training is provided at regular intervals. Venues are continually supported to ensure a person trained in harm minimisation is always on duty.

- Stake and prize money is limited
- Odds of winning must be displayed
- Gaming rooms are restricted to people over the age of 18 years
- Gaming rooms can only be operated in adult environments (eg: pubs, nightclubs, clubs)
- Play is interrupted every 30 minutes with an update on how long the player has been at the machine, how much money they've spent and their net wins/losses
- \$50 and \$100 notes are not accepted
- No ATMs are allowed in licensed gambling areas
- Problem Gamblers have the option to exclude themselves from venues other than Trillian venues
- Poker machine advertising is restricted
- DIA monitors every gaming machine's takings
- All venues must have staff trained in gambling harm minimisation on duty
- All venues must have a gambling harm minimisation policy in place
- All venues must display pamphlets and signs directing gamblers to help services
- Harm Minimisation Incident Diary to record any problem gambling issues
- Venue staff must be able to issue and enforce Exclusion Orders and give ongoing support to players about whom they have concerns.
- Multi Venue Exclusion administered by the Salvation Army

**Submission on
Proposed Gambling Venues Policy
Waikato District Council
August 2018**

1. Introduction

The following submission presents the views of Public Health Waikato District Health Board (DHB). Waikato DHB serves a population of over 400,000 people and is part of a wider health system and network with a mandate under the New Zealand Public Health and Disability Act 2000 to improve, promote and protect the health of people and communities and to reduce health outcome disparities between various population groups.¹

2. Acknowledgement

Public Health appreciates the opportunity to provide feedback on the proposed Gambling Venues Policy 2018.

Council's proposed gambling venues policy has been reviewed and the following comments are offered for consideration.

Public Health wishes to be heard by Waikato District Council in support of its submission.

3. Public Health's position

For a number of years, our organisation has strengthened its position on class 4 gambling by advocating for a true sinking lid policy approach where neither machine nor venue is replaced as surrendered. This means that our organisation supports policy that prevents class 4 gambling venues from merging and relocating.

The Gambling Act 2003 mandates a public health approach, and this is seen in its purpose, definitions, and risk-based approach.

The purpose of the Gambling Act 2003 is to:

- Control the growth of gambling
- Prevent and minimise the harm caused by gambling
- Authorise some gambling and prohibit the rest
- Facilitate responsible gambling
- Ensure the integrity and fairness of games
- Limit opportunities for associated crime or dishonesty
- Ensure that gambling revenue benefits the community
- Facilitate community involvement in decisions about the provision of gambling.²

A public health approach helps to better understand and consider the diverse range of gambling harms on the multiple domains of health and wellbeing.³

¹ New Zealand Public Health and Disability Act 2000

² Purpose s3 Gambling Act 2003

³ Browne, M.; Bellringer, M.; Greer, N.; Koandai-Matchett, H.; Rawat, V.; Langham, E.; Rockloff, M.; Palmer Du Preez, K.; Abbot, M. (2017). Measuring the burden of gambling harm in New Zealand.

Public Health's advocacy position is to raise awareness of the connections between health and gambling to ensure health remains a mainstream consideration in decision making at the population health level. Our service also offers to support and partner council in impact assessment to better determine and understand the impact of gambling at the local level.

Territorial Authorities (TAs) have limited statutory roles under the Gambling Act 2003 in relation to class 4 gambling (non-casino pokies). The Gambling Act 2003 requires councils to adopt and review a gambling venue policy every three-years and administer consents under this policy. This policy must consider the social impact of gambling within the territorial authority's district and specify whether or not gambling venues may be established in the district and, if so, where they may be located. Councils also have a role in determining the location of stand-alone TAB venues under the Racing Act 2003.⁴

Territorial authorities have no direct role in the regulation of other types of gambling such as lotto, online gambling, or housie.

4. Recommendations

4.1 Public Health **advocates** that Waikato District Council adopts a true sinking lid policy where neither machine nor venue is replaced as surrendered. We therefore **oppose** all opportunities for class 4 venues to either relocate or merge.

4.2 Public Health **recommends** that section 2.6 *Applications under s95 of the Act by clubs merging* of the current Gambling Venues Policy 2015, be excluded from any section of the proposed Gambling Venues Policy 2018.

5. Supporting information

Advocating a true sinking lid policy aligns strongly with the Waikato District Health Board's position on gambling which supports a true sinking lid policy where neither machine nor venue is replaced as surrendered. This means our organisation supports policy approaches that prevent class 4 gambling venues merging and relocating.⁵

Class 4 gambling venue policies that allow relocations and mergers, do not provide a true sinking lid approach. Policies that allow relocations and mergers provide opportunities to maintain pokie machine numbers when venues may otherwise close.

We are noticing a trend across the region, in that a growing number of councils including Waikato District Council are placing and proposing greater emphasis and restrictions on class 4 gambling particularly in relation to club mergers and relocations. For example, Waipa District Council's operative policy does not permit club mergers and Hamilton City Council recently signalled support for a policy that did not permit either mergers or relocations. While, this policy approach was not successful at this time, there are

Central Queensland University and Auckland University of Technology. Gambling & Addictions Research Centre.

⁴ Department of Internal Affairs. Info for Territorial Authorities. Retrieved from https://www.dia.govt.nz/diawebsite.nsf/wpg_URL/Services-Casino-and-Non-Casino-Gaming-Info-for-Territorial-Authorities?OpenDocument#five

⁵ Waikato District Health Board's Position Statement on Gambling. November 2015.

indications from leading councils that more thought is being applied to this area of class 4 gambling policy.

6. Additional information

Class 4 gambling (non-casino pokies) represents high risk, high-turnover gambling.⁶

Non casino gambling machines (pokies) are the major cause of gambling harm in New Zealand and the main gambling mode of problem gambling clients seeking help.⁷ The adverse effects of gambling are widespread contributing to family breakdown, criminal activity such as fraud; disruption to and loss of employment; social isolation; family violence and depression.⁸

Evidence suggests that the prevalence of problem gambling increases with the increasing density of electronic gaming machines at a rate of 0.8 problem gamblers for each additional pokie machine. Restricting the per capita density of pokies has the potential to lead to reduced gambling opportunity and subsequent harm.⁸

Our organisation recognises that gambling behaviour is complex. The extent of gambling harm, its causes and solutions often evokes polarised views and debates that can affect robust decision making. The over-reliance on gambling industry proceeds, from class 4 gambling in particular, also conflicts with meaningful progress in reducing harm caused by gambling.

Since class 4 gambling legislation was introduced, there has been a stronger reliance on gambling funds to support community and sports 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.

Our organisation continues to advocate a shift towards reducing reliance on class 4 proceeds towards other models of sustainable community funding not built on harm. Through its Position Statement on Gambling adopted in September 2015⁹, the Waikato DHB made a conscious decision not to support any Waikato DHB Charitable Trust or similar group operating under the Waikato DHB name to either apply for or received funds derived from class 4 gambling; and those groups outside of the organisation that are funded by the Waikato DHB be encouraged to decrease their reliance on class 4 gambling proceeds where applicable.

The argument often used to maintain the status quo in class 4 venues gambling policy, is that communities may lose out on much needed funding if the numbers of gaming machines and venues were to continue to fall. Our public health view is that the adverse impacts of gambling far outweigh the benefits.

⁶ Department of Internal Affairs. Gambling Fact Sheet #3 Classes of Gambling. Retrieved 23 February 2018 from [https://www.dia.govt.nz/diawebsite.nsf/Files/FactSheet3-March2015/\\$file/FactSheet3-March2015.pdf](https://www.dia.govt.nz/diawebsite.nsf/Files/FactSheet3-March2015/$file/FactSheet3-March2015.pdf)

⁷ Ministry of Health. Intervention Client Database 2004/2005 to 2015/2016. Retrieved from <https://www.health.govt.nz/our-work/mental-health-and-addictions/problem-gambling/service-user-data/intervention-client-data#ppgm>

⁸ Storer, J., Abbot, M., Stubbs, J. (2009). Access or adaption? A meta analysis of surveys of problem gambling prevalence in Australia and New Zealand with respect to concentration of electronic gaming machines. *International Gambling Studies* VI.9, No 3, December 2009, 225-244.

⁹ Waikato DHB Position Statement on Gambling, September 2015

According to Department of Internal Affairs Gaming Machine Proceeds by District and Society Type statistics, more than \$2.1 million was spent on pokies in the Waikato district for the quarter January to March 2018.¹⁰ This represents approximately \$8.4 million per year. At the time of writing this submission, our organisation did not have information on how much of the class 4 gambling proceeds were returned to the Waikato district community.

7. Burden of gambling harm

Harmful gambling has historically been focused on the prevalence of 'problem gambling' identified through statistics collected by the Ministry of Health on the number of people seeking help through contracted services such as the Problem Gambling Foundation or the Gambling Helpline. Such measures miss those who do not seek help and so give a poor indication of the true scale of harm.

New contributions to the academic literature such as the New Zealand 2012 National Gambling Study¹¹ and the Measuring the Burden of Gambling Harm in New Zealand 2017¹² study provide evidence to show that the numbers of people negatively impacted by gambling are far greater than the numbers accessing services.

The *New Zealand National Gambling Study Wave 4 (2015)*¹³ for example, showed that 2% of the adult population were either problem gamblers or moderate risk gamblers, and a further 4.6% were low-risk gamblers. In addition to this the New Zealand 2012 National Gambling Study, identified that over 11.5% of people argued because of gambling, and 8% went without something they needed because of someone else's gambling. These statistics suggest that approximately 25% of the population are negatively impacted on some level by gambling.¹⁴

The *Measuring the Burden of Gambling Harm in New Zealand 2017*¹² study, undertook a public health approach to understand and measure harm associated with gambling in New Zealand, by taking into account the total number of people affected and how badly they were affected by gambling.

The study found that there are many more low-risk gamblers in New Zealand than problem gamblers and that low-level gamblers contribute more to the total harm in the community. The burden of harm is primarily due to relationship issues; emotional/psychological distress; disruptions to work/study, and financial impacts such as credit card debt, theft and fraud.

¹⁰ Department of Internal Affairs. Gaming Machine Proceeds by District and Society Type January-March 2018. Accessed from [https://www.dia.govt.nz/diawebsite.nsf/Files/Gambling-Statistics-May-2018/\\$file/Quarterly-GMP-Summary-March-2018.pdf](https://www.dia.govt.nz/diawebsite.nsf/Files/Gambling-Statistics-May-2018/$file/Quarterly-GMP-Summary-March-2018.pdf)

¹¹ New Zealand 2012 National Gambling Study: Overview and gambling participation. Gambling and Addictions Research Centre, Auckland University of Technology Final Report No. 1, 26 May 2014

¹² Central Queensland University and Auckland University of Technology. 2017. Measuring the Burden of Gambling Harm in New Zealand. Wellington: Ministry of Health.

¹³ Abbott, M.; Bellringer, M.; Garrett, N. New Zealand National Gambling Study: Wave 4 (2015). Gambling and Addictions Research Centre, Auckland University of Technology.

¹⁴ New Zealand 2012 National Gambling Study: Gambling harm and problem gambling. Gambling and Addictions Research Centre, Auckland University of Technology. Final Report Number 2, 1 July 2014. Abbott's research involved a randomly selected national sample of 6,251 people aged 18 years and over living in private households. Participants were interviewed face-to-face from March to October 2012. The response rate was 64% and the sample was weighted to enable generalisation to the general adult population. Later surveys of these groups found slightly different figures for problem gambling prevalence but confidence intervals overlap indicating there is probably no real change.

Importantly, this study frames gambling harm in a health context stating that gambling causes over twice the amount of harm than chronic conditions such as osteoarthritis and diabetes and three times the amount of harm than from drug use disorders.

The solution to this requires a population health focus and approach to reduce the incidence of not only problem gambling but all harm associated with gambling.

8. Conclusion

Policies that restrict or reduce the opportunities to gamble are likely to play a significant role in mitigating gambling related harm over time. Council has the statutory ability to influence the outcomes of gambling harm on the community. Public Health urges council to show leadership by continuing to strengthening its gambling venue policy by not allowing class 4 venues to either merge or relocate.

9. Contact details

Any comments on this submission or requests for further information can be addressed to:

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Population Health, Waikato District Health Board
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Hamilton

T: 07 8382569

E: richard.wall@waikatodhb.health.nz

Waikato District Council
Private Bag 544
Ngaruawahia 3742

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Class 4 Gambling Venue Policy review - Submission

Introduction

Waikato Rugby is supportive of positive legislation changes within the industry and all efforts to further minimise harm that is caused from gaming. Waikato Rugby Union does not however support the Waikato District Council's proposal to retain the current Sinking Lid regime and furthermore does not support council's intent to apply further restrictions on relocations and merger conditions.

Waikato Rugby Union supports no change to the current relocation provisions within the Waikato District Council's Gambling Venue Policy.

Waikato Rugby Union asks that the Waikato District Council consider replacing the current sinking lid regime with a cap of the current number of venues and machines.

The reason we have taken this position in our submission is primarily due to the fact that it will impact on the ability of Waikato Rugby Inc. to receive the amount of funding required to support the facilitation of the game of rugby in our community both in the short and long term.

Waikato Rugby Union receives a significant portion of its funding (approx. \$1.7M per year) via Incorporated Societies/Charitable Trusts. Additionally, many, if not all of our member organisations (Rugby Clubs), receive considerable funding through the same channels.

It would be unrealistic to think that Waikato Rugby Inc. could obtain central Government or commercial sponsorship of in excess of \$2.5M per year.

About Waikato Rugby

Waikato Rugby Union is an Incorporated Society/member-based organisation with approx. 35 members (rugby clubs)

Currently Waikato Rugby Union provides support to over 12,000 registered players, coaches, referees and administrators in the development, promotion and delivery of rugby in the Waikato.

Waikato Rugby Union is a \$5.8M business that has a professional board of nine directors (five independent, two club nominated & two appointed). The organisation is managed and run by a CEO and a staff of 25. 80% of the effort & attention of Waikato Rugby is on the community game which is focused on increasing participation and encouraging a life-long love of the game.

Reduced funding will reduce the ability for people in our community to be involved with rugby

Benefits of Children being involved in Rugby

There are currently 6000 children under the age of 13 that are involved in some form of rugby that is organised by the Waikato Rugby Union and/or one of our member clubs. A reduction in funding will seriously impact the ability for these organisations to continue to provide the opportunity for these children to be active in the game of rugby. The benefits of children remaining active and participating in rugby (and indeed any sports), are well documented as the article in Appendix One highlights

Benefits of Adults being involved in Rugby

Along with all the benefits for children, Rugby also provides those same benefits, plus more, for adults who are involved in the game. The key benefit here is the sense of belonging, tribalism and social connection that being involved with a rugby organisation brings - strong bonds are created over a common interest.

There are 4500 teenagers and adults over the age of 13 playing the game of rugby and another 1500-2000 people involved in getting and keeping those players on the field. As with the children, a reduction in funding will impact on the number of people able to be involved with our sport.

Reduced funding would require more volunteers to deliver the games

Volunteer numbers have been reducing significantly over the past 10 years. Not only has this in itself created additional work, the increase in compliance requirements has magnified this extra workload. A reduction in funding to the WRU would mean a reduced FTE count leading to the administrative work currently undertaken by the WRU having to be undertaken by additional volunteers who are already not available.

Reduced Funding will impact on rugby's contribute to the local economy

The Waikato Rugby Union alone (not including the member organisations) contributes around \$5.5M to the local Hamilton & Waikato economy both directly and indirectly (employee spending). The funding the WRU receives from Grassroots Trust (amongst others) allows our organisation and our people to continue to contribute positively to the local economy. Any reduction in funding from this channel would not only impact the WRU contribution, it would also impact our member club's contribution to their local communities' economy. Additionally, we would have to secure more funding through sponsorship and partnerships in an attempt to maintain our current services which would also reduce the contribution to their local economy.

Summary

As noted in our introduction, Waikato Rugby Union is supportive of positive legislation changes within the industry and all efforts to further minimise harm that is caused from gaming. It does not however support Council's intent to continue with the current "sinking lid" regime and would like the council to move to a "capped" provision ensuring that sport, education and community organisation continue to receive valuable support that they require. Waikato Rugby Union does not also support more restrictive conditions against the relocation provisions.

Kind Regards

WAIKATO RUGBY UNION



Blair Foote
CEO



Colin Groves
CHAIR



David Kneebone
DEPUTY CHAIR

Appendix One

Rugby Helps Kids Improve their Confidence. On and Off the Field

Rugby is a great sport for kids for many reasons: it helps improve their physical fitness, as well as other physical skills-but that's not all. It can also be an incredible confidence booster, and a good way for children to learn important lessons that they'll remember for life.

Physical Fitness and Physical Skills

Playing rugby helps children improve their physical fitness, and this is an increasingly important issue for kids and parents, all over the world. Children in general aren't as active as previous generations of children were, and playing rugby is a great way to counteract this problem. Just as important, the younger they start to get involved in playing sports, the more likely they are to maintain a healthy level of physical activity as they get older.

The physical benefits of playing rugby go beyond fitness, however. Games like rugby are ideal for helping kids stay active, especially as they get older, but it's also a great way for them to improve essential physical skills such as

hand-eye coordination, flexibility, strength, and endurance. Rugby is a physically taxing sport, and the combination of skills and techniques that the game requires are important for healthy kids to develop.

What Else do Children Gain from Playing Rugby?

It's virtually impossible to overestimate the benefits of playing rugby for children, and while the physical benefits are significant, sometimes the psychological and mental benefits are even more so. Children can learn valuable communication and interpersonal skills and life lessons and can learn about themselves as well.

Rugby has clearly-defined rules of play. That means kids learn about the importance of playing by rules, and about morals, ethics, and fair play.

Rugby helps children challenge themselves. When kids learn the value of setting goals and challenging themselves, it helps set them up for a lifetime of achieving.

Rugby helps kids learn social skills. Kids who play team sports like rugby learn a whole host of important social skills-sportsmanship and fair play, cooperation and team spirit-that are essential for developing healthy relationships and succeeding at school and at work.

Rugby has strategic elements that help kids learn problem-solving. Not only that but playing rugby and other tactical sports helps to improve concentration and analytical skills.

The benefits of rugby for kids don't stop there. Children who play rugby can also benefit from better self-esteem and confidence. As well as this, kids who are physically active are less likely to be at risk of mental health problems such as anxiety. When they stay physically active as adults, they're less likely to be affected by depression and other mood disorders, too.

Rugby fosters self-esteem and confidence. Learning new skills is great for all kids, but it can be really beneficial for those who don't excel at academics, because it gives them a new opportunity to find something they're passionate about.

Physically active kids tend to have better body image. When children understand their bodies as things that help them move, play and have fun, they focus less on physical appearance. This helps improve body image and self-esteem.

Playing rugby helps children learn about competition. Competing is healthy, but many children don't learn about how much fun a healthy sense of competition can be. Playing rugby is a great way to teach kids that competition is a good thing when it's approached with a sense of team spirit and a focus on fair play.

Rugby can help children learn about their own personalities. Every child is different, and this is true on the playing field as well as everywhere else in life. Discovering their own style of playing rugby helps kids learn about who they are in general.

Children who learn team sports such as rugby benefit in so many different ways, and surprisingly, it's often the psychological and mental skills they learn that are more beneficial in the long term. It's a great way to teach kids skills that they'll use their entire lives, and they have fun and stay active and healthy while they're doing it



Submission to Waikato District Council:
Proposed Gambling Venues Policy 2018

13 August 2018

Introduction

This submission outlines The **Lion Foundation's** (TLF) response to the Waikato District Council's Proposed Gambling Venues Policy.

According to the Department of Internal Affairs website, as at 31 March 2018, there were 243 machines in operation within the Waikato District, and a total of 19 venues. Of the 19 venues, there are 6 clubs with a total of 69 machines and the balance spread across the district in pubs and hotels.

Summary of **The Lion Foundation's** position

At present, the council has a sinking lid policy to allow a "balance between permitting responsible gambling and minimising potential harm to the community" and allows relocation in limited circumstances.

TLF suggests three changes to the proposed policy to maintain and continue this balance:

- i) Cap existing numbers at the current 243 machines across the district (and continue to maintain the existing 9-machine maximum per venue).
- ii) Maintain the current relocation policy on the basis that it better serves **Council's purpose** as above.

Relocation policy points of note

- 1 The proposed change to the relocation policy is intended "to align the **policy with those of other local authorities**"¹.

There are few, if any, local authorities who permit relocation only where **the current venue is "physically incapable of being used"**. We suggest this bullet point 5 is deleted. Keeping the policy unchanged would better align with other local authorities.

- 2 If the proposed policy change is adopted with restrictions around proximity to other venues or physical incapacity (bullet points 4 and 5), it could actually prevent **Council's ability to permit relocation where the proposed new venue is in a better location.**

This goes directly against Council's goals to ensure relocation where there is a lower deprivation index, away from community facilities, more growth of primary activity etc.

- 3 We agree with the proposal to include consideration of characteristics of the district, primary activity and locations of community facilities when

¹ Statement of Proposal, Waikato District Council at page 1

considering relocation.

- 4 Evidence to date² shows that there is no correlation between the number of machines and the prevalence of people seeking help for problem gambling. Recognising that 0.2% of the population are problem gamblers, an arbitrary cap on 9 machines per relocated venue is therefore unlikely to reduce the incidence of problem gambling. It is suggested that bullet point 1 and 2 be reconsidered.

In short, the current relocation policy works. It allows a balanced approach which ensures that current levels of community funding are maintained, and local business is supported, while ensuring that the Council is still able to achieve its stated policy objectives of controlling gambling and minimising gambling harm.

It also provides certainty for applicants on criteria but allows Council discretion to consider specific situations. Restricting the policy too far (as is proposed) potentially takes away **Council's discretion to maintain balance and/or grant** consent to a relocation that may be in the better interests of the community.

We suggest the current policy remains unchanged noting our agreement to include criteria for further consideration when considering applications (bullet point 6 of the summary of proposed amendments).

We wish to attend the hearing and speak in support of our submission.

About The Lion Foundation

- The Lion Foundation is one of **New Zealand's** largest gaming society by venue number, machine number and money returned to the community through grants. We operate around 1746 gaming machines in 127 venues across New Zealand.
- TLF aims to return 90% of funds back to the community of origin (where the funds were generated), with the remainder going to important national causes such as St John Ambulance, Plunket, Surf Lifesaving and many others. These national funds are spent providing services to regional areas or supporting projects implemented at regional level.
- Formed in 1985, we have given back over \$850m in grants to local, regional and national community causes since our inception and over \$35.2m in our

² National Gambling Study report of March 2018

2016/2017 financial year, representing over \$84m of gross machine revenue.

- All local and regional grants are considered by a Regional Grants Committee
- We are a broad based, inclusive funder - that is, we fund a wide range of organisations across all community groups. Our policy prescribes that our grants are committed to the following community sectors:

Sport: 40%

Community, Arts & Culture: 30%

Health: 15%

Education: 15%

- TLF aims **to be New Zealand's leading charitable trust, nationally recognised** and respected for helping people achieve great things in the community.

The Lion Foundation in the Waikato District

The Lion Foundation operates 27 gaming machines at the *Essex Arms, Huntly* and *Taupiri Tavern*.

Grants

In the 2017/18 financial year, TLF provided \$324,626 of funding towards community causes in the Waikato. Some highlights include:

- \$7874 provided to Blue Light Ventures North Waikato towards a series of **events and excursions for North Waikato Youth considered 'at risk'** by local Police
- \$25,000 provided to Huntly Gymnastics Club towards replacement equipment for their community programmes and club trainings
- \$30,000 to Ngaruawahia High School towards the purchase of a school van
- \$30,000 to Perry Outdoor Education Trust towards the provision of an outdoors education programme at Huntly College

The Lion Foundation also supports a number of regional organisations that operate or provide services in the Waikato District. Examples of such organisations includes the Waikato Rugby Union, Royal NZ Plunket, Camp Quality NZ, Waikato Youth Empowerment, Waikato Paraplegic & Physically Disabled Foundation and Sport Waikato Education Trust.



The Value of Gaming to Community Funding

There is a significant reliance on gaming trusts for community funding. Research undertaken by Auckland Council³ for their gambling policy review in 2013 clearly demonstrates the reliance on gaming funds to support community causes. A total of 990 grant recipients were contacted and 192 completed an on-line survey. One of the key findings from the research is that 75% of respondents indicate their organisation is moderately or totally reliant on this source of funding. Over two-thirds (68%) thought they would be unlikely to find another source of funding if gaming funding was unavailable.

Problem Gambling in Context

The social costs associated with problem gambling are of a much smaller magnitude than alcohol, tobacco and other drugs. Problem gambling is 1 to 2 percent of the social cost of alcohol, tobacco or other drugs.⁴ The costs of problem gambling are not to be trivialised, but the policy formulated to address this issue should be based on the evidence of its prevalence and impact, and considered in light of the magnitude and response to other products where there is harmful use.

The New Zealand National Gambling Study: Wave 4 (2018) noted that the problem gambling rate risk did not change significantly from 2012 to 2015 and had remained the same over the last 10-15 years despite gaming machine numbers decreasing⁵.

The prevalence of problem gambling is low and has dropped from a rate of 0.4% of the adult population in 2006/7 to 0.2% in 2015⁶.

³ Auckland Council Research - Community Funding: A Focus on Gaming Grants, Sept 2012

⁴ BERL Report: Maximising the Benefits to Communities from New Zealand's Community Gaming Model

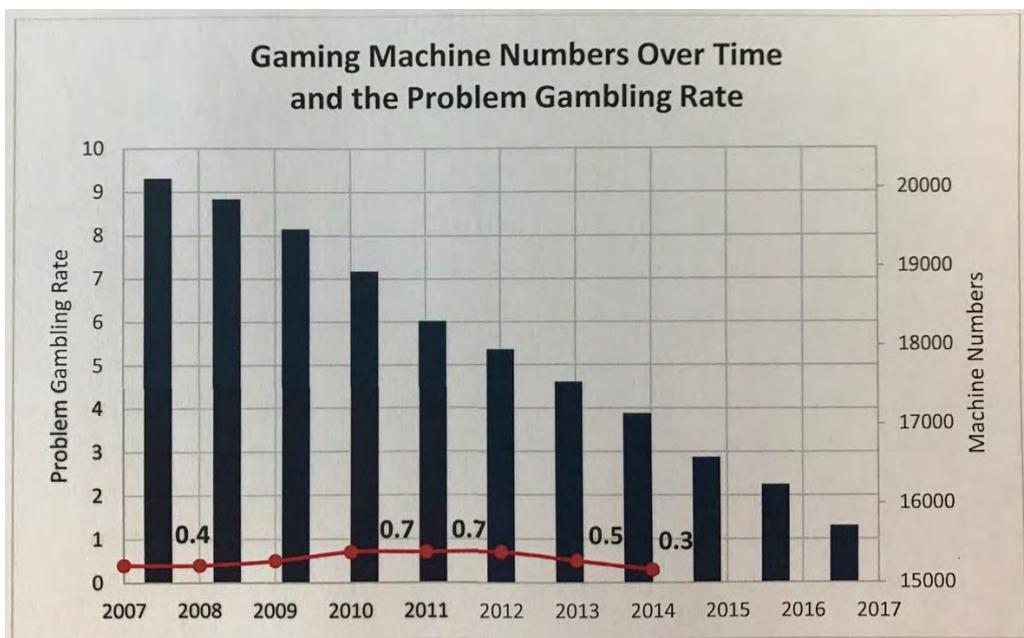
⁵ The New Zealand National Gambling Study: Wave 4 (2015), final report March 2018

⁶ Problem Gambling in New Zealand, findings from the NZ Health Survey, Ministry of Health, March 2018

It also noted “the most popular gambling activities for past year participation were Lotto (56%), raffles or lotteries (45%), Instant Kiwi or other scratch tickets (30%), and bets with friends or workmates (13%). Participation in each of the other gambling activities was less than 10%. These findings were similar to those noted in prior waves”.

Most gamblers are recreational gamblers with only a very small proportion at risk of problem gambling.

In 2015, 0.2% of participants were problem gamblers, 1.8% were moderate-risk gamblers, 4.6% were low-risk gamblers and 68% were non-problem gamblers. 25% had not gambled in the prior 12 months.



The Council’s policy needs to optimise the balance between reasonable controls over the incidence of problem gambling against the generation of funds for the community from legitimate gaming.

Gaming machine and venue numbers

- Since the peak in Class 4 gaming machine numbers of 25,221 in 2003 the number of machines has declined steadily with the latest figures showing 15,632 machines as at 31 December 2017.⁷
- The reduction over the past 3 years has been across most territorial authorities throughout New Zealand, with total Class 4 venue numbers presently at 1,156 venues nationwide.

Harm Minimisation

- At the Lion Foundation we are committed to creating safe gambling environments in all our venues, and minimising the harm caused by problem gambling. In our last financial year we contributed over \$1.27m for intervention and treatment services through the Problem Gambling Foundation. We continue to have strong relationships with service providers such as The Salvation Army Oasis Centre, Problem Gambling Foundation, Abacus (problem gambling training provider), and agencies such as the Health Promotion Agency.
- We ensure our venue operators and their gaming staff are fully trained in all relevant areas of harm minimisation. All staff involved in gaming at Lion Foundation venues undertake a 1 hour training course run by experienced Lion Foundation personnel. As well as the administration side of managing excluded persons, the training focuses on how to identify a potential problem gambler and what steps to take when one is identified.
- We, along with other trusts, have been heavily involved with problem gambling treatment providers and the DIA in helping to shape the Multi Venue Exclusion (MVE) programme being implemented currently across New Zealand. This allows problem gamblers to exclude themselves from multiple venues just by visiting a treatment provider, and not having to visit all or any venues.
- We fully support the aims of the programme and ensure our venue operators and staff understands the rationale and process to make the MVE programme work successfully.
- From 1 July 2009 all gaming machines were required to have software installed that advises players how long they have been playing a machine, how much they have spent, and whether they wish to continue playing. This is known as PID (Player Information Display), and pops up on the screen automatically every 30 minutes.

⁷ Department of Internal Affairs website

- We support the introduction of new harm minimisation measures, provided they are based on good evidence that they will have a positive impact on the reduction in harm caused by gambling.

Finally, we are not here to grow gambling; we believe though that pragmatic use of funds generated by this legalised form of entertainment make a hugely positive contribution to community life across New Zealand.

For further comment or information please contact Murray Reade at The Lion Foundation on 027 565 3677; or email: murray.reamde@lionfoundation.org.nz; or Helen van Druuten on 021 579 222 or email: helen.vandruten@lionfoundation.org.nz

Waikato District Council 2018 Proposed Gambling Venues Policy [WITH STAFF COMMENTS]

| What's your name? | On behalf of? | What's your postal address? | Would you like to speak at the hearing? | Do you support Council's proposed Policy? | Can you tell us why? | Staff Comments |
|-------------------|----------------------------|--|---|---|--|---|
| Amber | | 108 Nixon st | No | Yes, I support the proposed policy | I think it's a great idea to limit the locations of these machines. I also think they should be tightly regulated. | |
| Ben MacCormack | Northern Districts Cricket | 50 Seddon Road, Hamilton | Yes | No, I do not support the proposed policy | Community funding received from gaming trust's allows cricket to do a lot of good directly in the area's in which the funding is derived from. | |
| Blair Foote | Waikato Rugby Union | FMG Stadium Waikato, 128 Seddon Road, Hamilton | | | Page 86 of Appendix 2. | Submitter opposes a sinking lid approach and any restriction on relocation or merger based on the desire to maintain necessary funding from gambling for sports clubs Proposes keeping current policy with the replacement of the 'sinking lid' approach with a 'cap'. |
| Caroline Conroy | | 1314 Glen Murray Rd, RD 5, Tuakau | No | Yes, I support the proposed policy | There is sufficient research to support this policy in its attempt to reduce the impact of gambling from pokie machines. The only issue is the sinking lid policy is taking a long time to have any meaningful impact on the number of pokie machines. In order to support the loss in available funding that community groups might experience as a result in the reduction of funds from pokies Council may need to increase the funding it has available for discretionary grants and other sources to provide on-going support for community groups. | Submitter feels sinking lid approach is too slow. Also asks Council to consider funding availability for ongoing community support. |
| Chris Rollitt | Ngaruawahia RSA | 4 Market Street Ngaruawahia, 3742 | Yes | No, I do not support the proposed policy | Sinking lids are not flexible enough to deal with growth. A cap on the amount of machines combined with a local grants policy and a strong relocation policy is a better way forward. | Submitter feels a cap provides more flexibility than a sinking lid. |
| Chris wise | | 14 pharo place ngaruawahia | No | No, I do not support the proposed policy | Bam all pinkies permanently only pokes should be in casinos where they are regulated | |

| | | | | | | |
|-------------|--|--|-----|--|--|--|
| David Whyte | | 38 Ohinewai North Road, RD1, Huntly 3771 | Yes | Yes, I support the proposed policy | <p>Waikato district is one of a kind, being both close to Hamilton City and Auckland area, both of which have access to pokes and gambling that residents can addend thus enabling them to participate in Class 4 gambling activities.</p> <p>It is also well known that pokies are one of the major ways in which problem gambling occurs. Since ~50% of problem gamblers use pokies. This is because pokies are accessible, anonymous and supposedly affordable.</p> <p>Pokies strip a lot of money out of the Huntly community. Approx \$2 million in 2018 will be placed in pokies in Huntly. Sure one might argue that a large % of this money comes back. But in reality it doesn't come back to the same people who are losing their kids shoe money, or food money. Thus they are a significant source of community harm.</p> <p>Therefore I support the lowering lid of pokies, and thus 9 is better than current legislation. But I believe that it should be a lower number, 4-5, Maybe an exception could be made for Raglan as this is further from other class 4 gaming activities, as every other town art of the district is within 1/2 an hour of class 4 activities.</p> <p>Yes I want to present at on 27th August.</p> <p>Cheers David</p> | This submission, while supporting the proposed policy, feels that an even more restrictive approach would be better. |
| David Whyte | | 38 Ohinewai North Rd RD1 Huntly 3771 | Yes | Yes, I support the proposed policy | gambling and pokies are a scourge on lower socioeconomic communities, thus should be resitricted as much as possible. | This is the same submitter as above. |

DRAFT

| | | | | | | |
|------------------|---|----------------------------------|-----|--|---|---|
| Debbie Dalbeth | Raglan Club Inc | 7 Bay View Road, Raglan | No | No, I do not support the proposed policy | <p>The Raglan Club has been incorporated for over 61 years and has provided an important service to its members and the wider community. Clubs support the social and sporting activities of a more mature demographic e.g. the Raglan Club has 5 members under 20 years old and 200 members over 70 years old with 80% being over 40 years old. The Club provides a safe and economical place for members to socialise, play darts, snooker, indoor and outdoor bowls and to go on trips with the fishing and travel adjuncts. All these activities are for members who are part of the Raglan Community and they are only possible with support from raffles and gaming. The Raglan Club currently supports the wider Raglan community by offering its venue for community groups like the 'care and craft', 'crop swap', childrens soccer and netball prize givings. The venue supports local craft people, businesses and has educational presentations like first aid / CPR demonstrations, coastguard bar crossing training and gaming harm minimisation courses. There is a waste station for campers and a weigh station for fishing groups. Because of declining income, including gaming income, it is no longer able to pay for things it used to, e.g. outward bound courses to local school children; \$1,000 school fee sponsorship; lend a courtesy van for the local community centre to pick up the elderly and take them shopping.</p> <p>The gaming surplus available to support our community is on the decline, the Raglan Clubs surplus has dropped from \$246,449 in 2012 to \$66,474 last year, which indicates that harm minimisation processes are effective. While this income is declining, gaming is still a needed support for our Club and it would fold without it. In general, Clubs are in decline and while we are fighting to secure a future for our Club sooner or later it may be necessary to downsize and move the Clubrooms to a smaller more purpose built venue that still caters for its members and wider community. If that occurs the Club will need the proceeds from gaming to support its members and the communities varied social and sporting activities. We will require a more permissive relocation policy than what is being proposed. We don't want to have to wait until the building is dangerous or insanitary to relocate, our responsibilities in regard to Health and Safety won't allow us to stay in a building until it is gets to that point.</p> <p>Gaming is still a legal activity in New Zealand and the sinking lid policy, relocation and merger restrictions will only serve to force out the smaller community organisations like Clubs and ensure the proceeds from gaming stays in casinos and big business, it works against Clubs and Community organisations.</p> | This submission includes the statement that 'gaming is still a needed support for our Club and it would fold without it'. The club emphasises that it provides a community resource. The submission also requests a more permissive relocation policy and feels that a sinking lid policy and restrictive relocation conditions will 'force out' smaller community organisations. |
| emma nelson | | 209 Onewher o tuakau bridge road | No | Yes, I support the proposed policy | would like to see reduction in gambling machines if ban is not possible | Submitter would like greater reduction in machine numbers. |
| Heidi Hall | | 39f Gibson Road Tuakau | No | No, I do not support the proposed policy | Fosters unsavory behaviour. preys on the poorest members of society. Robs families of crucial funds needed for day to day living. | Submitter identifies negative nature of gambling in general terms. |
| Jarrold True | Gaming Machine Association of New Zealand | | Yes | No, I do not support the proposed policy | Page 1 of Appendix 2 | Submission seeks a cap to replace sinking lid approach and asks to retain current relocation policy. The submission opposes the proposed additional restrictions to relocation including the 100m distance to other venues. States that redirection to offshore gambling would be a problem. |
| Jeanette Tyrrell | | P O Box 39, Raglan | No | Yes, I support the proposed policy | Because I support the reduction in pokie machines. | |

| | | | | | | |
|---------------------|------------------|---------------------------------|-----|--|--|---|
| John Lawson | | 51 Cliff Street, Raglan, 3225 | No | No, I do not support the proposed policy | <ul style="list-style-type: none"> • The sinking lid policy has not reduced the number of pokies. A stricter policy is needed. • On average there are 0.8 problem gamblers for each pokie. • So Raglan's 36 pokies are probably related to at least 30 problem gamblers. • An example of the damage caused by pokies was reported in the NZ Herald a year ago, when the headline said, "Raglan office worker jailed for \$200k theft that almost took employer's business down" - https://www.nzherald.co.nz/nz/news/article.cfm?c_id=1&objectid=11891702 • Raglan's 36 pokies form 14% of WDC's total, yet only 7% of WDC's population lives in Raglan and Te Uku. | Provides details supporting a stricter policy and comments on Raglan pokie numbers. |
| john ngatai | | 2herewini st | Yes | Yes, I support the proposed policy | we have to many pokies in Waikato region and do not need anymore when a venue is shut down they will not replaced | |
| Karmen McGrath | Grassroots Trust | PO Box 9019 Hamilton 3240 | Yes | No, I do not support the proposed policy | Page 13 of Appendix 2. | Submission doesn't support a sinking lid approach and believes this will reduce community funding. Limit of gaming machines to 9 or current limits if less is not supported. Would prefer current policy with a 'cap' to replace sinking lid approach. Does not support restricted relocation including 100m distance to another venue. |
| Kay Kristensen | Waikato DHB | Private Bag 3200, Hamilton 3240 | | | Page 81 of Appendix 2 | Submission draws attention to reliance on funding from gambling activities for community groups. Proposes a 'true sinking lid' approach preventing relocation and merger. Proposes that harm from gambling is more far reaching than often thought. |
| Kerry Clifton-Brown | | 22d Travers Road Te Kauwhata | No | Yes, I support the proposed policy | The policy promotes a gradual reduction in these machines and the proper regulation of gambling venues, a positive way forward in reducing levels of poverty as a result of gambling and making establishments more family friendly | |
| Kim Parker | | | No | No, I do not support the proposed policy | <p>I support the proposal in part (why isn't this an automated option?).</p> <p>I agree with the proposed aspect to not have more venues.</p> <p>I however believe Waikato DC should fall in line with some other areas that have a sinking lid policy on gambling establishments.</p> <p>Pokies are not conducive in society (I don't care how much 'fundraising' they provide). They have extremely adverse effects in society and should be far more reduced. 243 machines in the Waikato DC is huge.</p> <p>What analysis has been completed as to the impacts of this ? Impacts to social wellbeing?</p> | |
| Lee Carr | Trillian Trust | PO Box 12245, Penrose, 1642 | | No, I do not support the proposed policy | Page 77 of Appendix 2. | Submission indicates that funding to community organisations is significant. Proposes current relocation policy be retained and opposes new relocation policy. Recommends sinking lid approach be replaced by cap to current levels of venue and machines. |
| Linda Silvester | | 20a Violet street raglan | No | No, I do not support the proposed policy | I don't believe that the amount of money distributed to the raglan community outweighs the harm caused by gambling to families in our community | |

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| Melanie cameron | | Rays way, Tuakau | No | No, I do not support the proposed policy | I think these machines should be banned completely. All these machines do is take money off people and its so addictive. Usually people who cam least afford it. | |
| Murray Reade | The Lion Foundation | Private Bag 106605, Auckland City, Auckland 1143 | Yes | No, I do not support the proposed policy | Page 89 of Appendix 2. | Submission requests a cap at the existing number of venues and gaming machines and that current relocation policy be retained. |
| Paul Fleet | Youthtown | PO Box 5899, Wellesley St, Auckland | No | No, I do not support the proposed policy | There should be a cap on venues and machines, This way funding to communities is not reduced. Many communities rely on funding from gaming societies. if this is further reduced it will put some groups at risk of receiving no funding. | Submitter proses a cap to maintain funding to communities. |
| Peter heimming | | 94 discovery drive Falstaff | No | No, I do not support the proposed policy | All steps should be made to remove pokies from establishments other than casinos (and even they should be removed). The benefits of the pokies are by far out weighted by their additive and negative nature. They focus on the venerable and should be removed from all areas of lower to mid socioeconomic areas to start, then removed from all areas. In short no, this does not go far enough to reduce pokies in our community. | Submitter proposes that pokies only be located at casinos and that the benefits (of gambling) are outweighed by negative nature of pokies. |
| Peter Wei | The Salvation Army Oasis - Waikato | | | | Page 66 of Appendix 2. | Submission supports a sinking lid approach preferably with no relocation or mergers. Provides comments on harm from gambling including family violence. Feels only 40% of funding returned to community and gambling increased gap between rich and poor. |
| Philip Steel | | 6 Caleb Close, Ngaruawahia | No | No, I do not support the proposed policy | I would like to see the eradication of gambling machines due to the harm they pose to the community | |
| Shane Livingston | | | No | No, I do not support the proposed policy | It can cause more problems than anything with pokies where gambling can get addictive. | |
| sue hull | | 656 onewhero tuakau bridge road | | No, I do not support the proposed policy | Take our all gambling and game machines | |
| Tanya Piejus | New Zealand Community Trust | PO Box 10 857, Wellington 6143 | Yes | | Page 23 of Appendix 2. | Submission proposes a reduction in gaming machines doesn't relate to a reduction in problem gambling. Indicates that if people move to more on line gambling this will be a problem in an unregulated and un monitored environment. This proposal indicates the usefulness of funding for community groups. |
| Tina Mclvor | Problem Gambling Foundation of New Zealand | | Yes | | Page 44 of Appendix 2. | Submission proposes a 'true sinking lid' approach with no relocation or mergers and proposes that a ban on any new venues and machines is preferable to a cap. The submission proposes a relationship between gambling, violence and economic degradation. |

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| Toni Grace | Te Kauwhata Community Committee | 94 Swan Rd, RD 1, Te Kauwhata 3781 | No | Yes, I support the proposed policy | <p>As a community committee we are mindful of the harm (visible and invisible) that gambling can cause to the families of our community. Therefore we continue to support the "sinking lid" approach taken thus far by many councils around the country in order to reduce that harm.</p> <p>However, we are also very conscious that in small rural communities such as Te Kauwhata, the proceeds of Class 4 gambling machines (pokies) are often channelled back into the local community to support many local events, which in turn contributes to the social well-beings of the wider community.</p> <p>Provided appropriate controls and restrictions are in place, along with relevant support networks, we feel that this policy can provide positive benefits to all concerned.</p> | Submission supports sinking lid approach due to harm to families but acknowledges funding for communities. Agrees with need for appropriate controls. |
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APPENDIX 4 - Waikato District Council Proposed Gambling Venues Policy
2018 – Hearing
9.30am 27 August 2018, Council Chambers – Ngaruawahia

Schedule of Speakers

| Speaker | On behalf of | Time | Page |
|----------------|---|-------------|--|
| Tim Wood | Grassroots Trust (PPTX) | 9.00am | Page 13 , Appendix 2A (PDF Submission) |
| Chris Rollitt | Ngaruawahia RSA | 9.10am | Page 1 , Appendix 2 |
| John Ngatai | | 9.30am | Page 5 , Appendix 2 |
| Jarrold True | Gaming Machine Association of New Zealand | 9.40am | Page 1, Appendix 2A (PDF Submission) |
| Ben MacCormack | Northern Districts Cricket | 9.50am | Page 1 , Appendix 2 |
| Murray Reade | The Lion Foundation | 10.00am | Page 89, Appendix 2A (PDF Submission) |
| David Whyte | | 10.10am | Page 2 , Appendix 2 |
| Tanya Piejus | New Zealand Community Trust | 10.20am | Page 23, Appendix 2A (PDF Submission) |