



Submissions to the Class 4 Gambling Venues Policy Review 2018

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2 November 2018

SUB 1

Policy Team
Kaipara District Council
Private Bag 1001
Dargaville 0310

To Whom It May Concern

Draft Class 4 Gambling Venue Policy

I oppose Option 1, a sinking lid policy, and would like Council to consider Option 2 in their proposal, a cap on venues and machines at the current level.

My reasoning is that if, for whatever reason, one of the current businesses that houses machines could no longer operate, under the proposed policy that fund-raising capacity would be lost forever. The proposed policy of a sinking lid does not appear to understand or consider that risk.

While the Council proposes very limited relocation provisions, this would not address the impact of a business that is closing down.

Option 2 would protect the sustainability of the funding that is currently being distributed to community organizations – I understand that of the approx. \$800,000 that is distributed to community organizations in Kaipara annually from gaming trusts, approx. 45% of that would be lost forever if one of the two main venues was to close down (the Mangawhai Tavern and the NW Hotel between them contribute approx. 90% of the current gaming funding in Kaipara).

It is my belief that if the class 4 gambling is reduced in the Kaipara those people that enjoy this activity will still gamble in some manner. Millions of \$s go off sure every day via the internet with nothing coming back to NZ. Lotto and horse racing is gambling so why are we targeting class 4 sites only. There has been a a huge reduction in machines in the Kaipara over the last 15 years, I think in the vicinity of 50%. Please do not retain a policy that will possible reduce this further and take away an entertainment that many people enjoy.

I would like to speak to this submission.

Yours sincerely

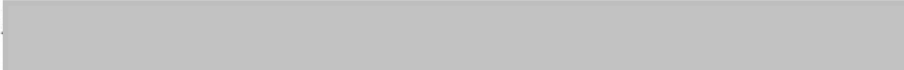


Chris Biddles

GIVING YOUR FEEDBACK

Full Name: Jacqueline Howarth

Organisation: Bowls Northland Inc. *(if giving feedback on behalf of)*

Postal Address: 

Email: 

I: SUPPORT OPPOSE (tick one which applies)

The Council's proposed amendments to the Class 4 Gambling Venue Policy.

My reasoning for my above statement is...

We, Bowls Northland Inc., oppose Option 1, a sinking lid, and would like Council to consider Option 2 in their proposal, a cap on venues and machines at the current level.
Our reasoning is that if, for whatever reason, one of the current businesses that houses machines could no longer operate, under the proposed policy that fund raising capacity would be lost forever. The proposed policy of a sinking lid does not appear to understand or consider that risk. While the Council proposes very limited relocation provisions, this would not address the impact of a business that is closing down.
Like it or not, our organization is reliant on gaming funding in order to keep member subscriptions and our operation, to a level at which people from our community can afford - we would not like to see people not being able to afford to play sport. We are a non-profit organisation and struggle to maintain the level of support needed to keep our sport alive and depend greatly on the funding we get to ensure our players can play at the highest level.
Thank you for your consideration of this very important issue for the sport and recreation sector.

Do you wish to speak to your submission?

YES NO

The hearings are scheduled for the week of 26 November 2018.

As this submission form will be used to discuss relevant public feedback, it will be included as part of a public agenda.

Class 4 Gambling Venues Policy Review

To Kaipara District Council Submissions - Mark Schreurs
Date received 3/11/2018 7:29:05 AM
Submission #3

SUB 3

Address for service:

Citizens Advice Bureau Dargaville & Districts

Wishes to be heard? No

Is willing to present a joint case? No

Submission points

Point 3.1

1: Do you support or oppose the draft policy? Please give reasoning as to your position below.

Answer

The Citizens Advice Bureau relies on the funding received from Pub Charities and other gambling organisations. Without this funding we could not continue our community work.. People with gambling problems need professional help, they will not be cured by the removal of these machines..



GIVING YOUR FEEDBACK

Full Name: John Pickworth

Organisation: Dargaville Arts Assn (if giving feedback on behalf of)

Postal Address:
Email:

I: SUPPORT OPPOSE (tick one which applies)

The Council's proposed amendments to the Class 4 Gambling Venue Policy.

My reasoning for my above statement is...

The Dargaville Arts Assn, believes that:

- The sinking lid policy is not the best option for Kaipara District.
- The restrictions proposed on replacement machines and venues are to restrictive
- Some of the social impact arguments used to support the sinking lid policy are not supported by robust data
- Option two, the Cap, is our preferred option

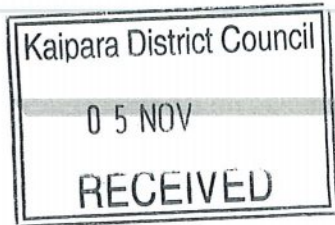
The Dargaville Arts Assn asks for the right to speak to this submission, please.

Do you wish to speak to your submission?

YES NO

The hearings are scheduled for the week of 26 November 2018.

As this submission form will be used to discuss relevant public feedback, it will be included as part of a public agenda.



GIVING YOUR FEEDBACK

Full Name: Allan Mortensen

Organisation: Dargaville Community Development Board (if giving feedback on behalf of)

Postal Address:
 Email:

I: SUPPORT OPPOSE (tick one which applies)

The Council's proposed amendments to the Class 4 Gambling Venue Policy.

My reasoning for my above statement is...

The Dargaville Community Development Board, believes that:

- The sinking lid policy is not the best option for Kaipara District.
- The restrictions proposed on replacement machines and venues are too restrictive and do not allow for population growth
- Some of the social impact arguments used to support the sinking lid policy are not supported by robust data
- Insufficient consideration is given to the social outcomes of there being no 'pokie machine' options for those that chose to gamble as a recreational activity
- Option two, the Cap, is our preferred option

The Dargaville Community Development Board, asks for the right to speak to this submission, please.

Do you wish to speak to your submission?

YES NO

The hearings are scheduled for the week of 26 November 2018.

As this submission form will be used to discuss relevant public feedback, it will be included as part of a public agenda.

The Gaming Machine Association of New Zealand's Submission on Kaipara 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 council to:
 - Replace the sinking lid with a cap at current numbers (7 venues and 60 machines); and
 - Expand the relocation provision to enable venues to move to new, modern premises, to move to buildings that have a higher earthquake rating, and to move if the current landlord is imposing unreasonable terms.

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 Kaipara District-based venues is over \$1.17 million annually.
5. The total grants amount quoted by the Problem Gambling Foundation is less than the \$1.17 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

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

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 December 2017, New Zealand had 15,632 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. The Ministry of Health keeps a record of the number of people in each territorial authority that seek help via phone, text, email or the face-to-face counselling services that are

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>

available. The most recently available data (the year from July 2016 to June 2017) shows that four new persons from the Kaipara District sought help for problem gambling.

12. 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.
13. 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, Pacifica and Asian clients. An anonymous, free text service (8006) is available. Support via email is also available (help@pgfnz.org.nz).

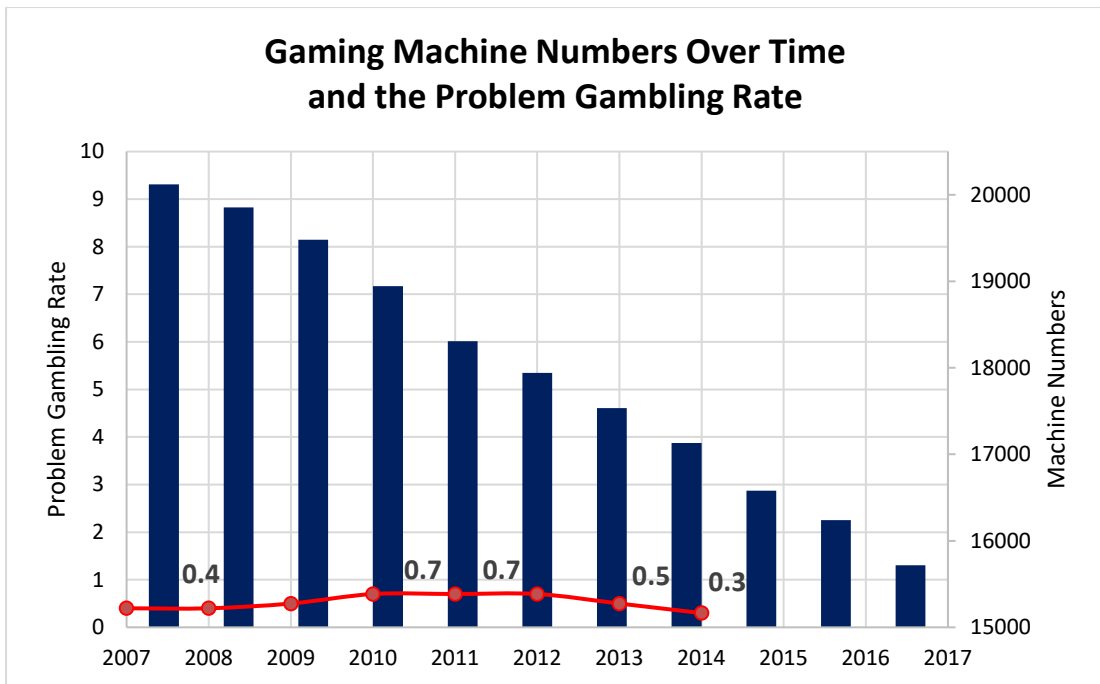
Existing Gaming Machine Safeguards

14. A cap at current numbers is appropriate given the significant measures that are already in place to minimise the harm from gaming machines.
15. 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.
16. There is a statutory age limit that prohibits persons under 18 years of age playing gaming machines.
17. 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.
18. 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.
19. Gaming machines in New Zealand do not accept banknotes above \$20 in denomination.
20. ATMs are excluded from all gaming rooms.

21. All gaming venues have a harm minimisation policy.
22. All gaming venues have pamphlets that provide information about the characteristics of problem gambling and how to seek advice for problem gambling.
23. 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.
24. All gaming venue staff are required to have undertaken comprehensive problem gambling awareness and intervention training.
25. Any person who advises that they have a problem with their gambling is required to be excluded from the venue.
26. It is not permissible for a player to play two gaming machines at once.
27. All gaming machines have a clock on the main screen. All gaming machines display the odds of winning.
28. 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).
29. 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

30. A cap at current numbers (60 machines) is reasonable, given the current environment of high regulation and naturally reducing machine numbers.
31. 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).
32. 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.



33. 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 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.

34. 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...

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

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

35. 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).

36. 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 Kaipara 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.

Unintended Consequences – Increase in Internet and Mobile Phone Gambling

37. 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.



38. 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.
39. 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.
40. 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.

Expanding the Relocation Provision

41. It is submitted that the relocation provision should be expanded beyond natural disaster, public works acquisition and site redevelopment.
42. The relocation policy should expressly enable relocation when a venue wishes to move out of an earthquake-prone building. This is a health and safety issue.
43. The relocation policy should be flexible enough to support businesses that wish to move to 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. Enabling venues to move away from large premises, with large car parking areas, to newer, smaller premises also has the advantage of freeing up large sections of land, which may be better used for affordable high-density housing.
46. It would also be reasonable to also allow venues to relocate when the move is due to onerous rental sums or lease terms being imposed. Currently, once a venue has obtained a licence to host gaming machines its value is artificially increased. This often leads to landlords demanding higher than normal rentals. Allowing more flexible relocation prevents landlords demanding unreasonable rentals as it gives the venue operator the ability to relocate to an alternative venue.
47. The following wording is suggested for a relocation provision:

Venue Relocation

A new venue consent will be issued by Council in the following circumstances:

- (a) Where the venue is intended to replace an existing venue within the district;
- (b) Where the existing venue operator consents to the relocation; and
- (c) Where the proposed new location meets all the other requirements in this policy.

In accordance with section 97A of the Gambling Act 2003, when a relocation consent is sought under this relocation provision, the new venue may operate up to the same number of machines that were permitted to operate at the old venue immediately before the old venue licence was cancelled as a result of the relocation.

In accordance with section 97A(c) of the Gambling Act 2003, when the new venue is established following a consent being granted under this relocation provision,

the old venue is treated as if no class 4 venue licence was ever held for the venue. The old venue will therefore require a new territorial authority consent from Council before being relicensed to host gaming machines and will be limited to a maximum of 9 machines if such a consent is issued by Council.

Conclusion

48. 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 \$1.17 million annually) to local community groups and clubs.
49. 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 60 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.
50. Council is asked to expand the relocation provision to enables operators to move out of earthquake-prone buildings, to move from rundown premises to new, modern, premises, and to move if their landlord imposes unreasonable lease terms.

5 November 2018

Bruce Robertson

Independent Chair

Gaming Machine Association of NZ

Jarrold True

Counsel

Gaming Machine Association of NZ



GIVING YOUR FEEDBACK

Full Name: Roxanne Juanita Kelly

Organisation: Hikuwai O Kaipara waka ama club *(if giving feedback on behalf of)*

Postal Address:

Email:

I: SUPPORT OPPOSE *(tick one which applies)*

The Council's proposed amendments to the Class 4 Gambling Venue Policy.

My reasoning for my above statement is...

We oppose Option 1, a sinking lid, and would like Council to consider Option 2 in their proposal, a cap on venues and machines at the current level.
 Our reasoning is that if, for whatever reason, one of the current businesses that houses machines could no longer operate, under the proposed policy that fund raising capacity would be lost forever. The proposed policy of a sinking lid does not appear to understand or consider that risk. While the Council proposes very limited relocation provisions, this would not address the impact of a business that is closing down. Like it or not, our organization is reliant on gaming funding in order to keep member subscriptions to a level at which people from our community can afford - we would not like to see people not being able to afford to play sport.
 Thank you for your consideration of this very important issue for the sport and recreation sector.

Do you wish to speak to your submission?

YES NO

The hearings are scheduled for the week of 26 November 2018.

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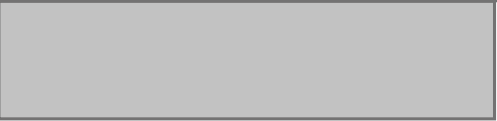
Class 4 Gambling Venues Policy Review

SUB 8

To Kaipara District Council Submissions - Mark Schreurs
Date received 4/11/2018 1:38:36 PM
Submission #9

Address for service:

Kaipara Care Committee 



Wishes to be heard? Yes

Is willing to present a joint case? No

Submission points

Point 9.1

1: Do you support or oppose the draft policy? Please give reasoning as to your position below.

Answer

We strongly support the draft policy - please see our submission attached.

Submission on Kaipara District Council Class 4 Gambling Venues Policy

By

Kaipara Care Committee

2 November 2018

To whom it may concern:

Kaipara Care Committee is a Kaipara based community entity whose role is to advocate on behalf of the Kaipara population in relation to the promotion of health and wellbeing and the provision of primary health services. The committee helps to coordinate Kaipara based primary and community health services and liaise with health, Maori, social welfare and community stakeholders in the Kaipara District. We work closely with Northland DHB, Dargaville Medical Centre, Manaia Health PHO and other NGO health organisations in the Kaipara District.

Committee members come from the following organisations: Te Ha Oranga O Ngati Whatua, Dargaville Medical Centre, Dargaville Hospital, Kaipara Community Health Trust, Orr's Kaipara Unichem Pharmacy, Ngatiwhatua Iwi Trust and Allied Health Practitioners.

We strongly support the proposed Class 4 Gambling Policy.

We support the conclusion of the Council commissioned Gambling Policies Review report "the Kaipara district has current and potential levels of gambling harm, that sufficiently warrant the continued adoption of a Policy on Class 4 and TAB gambling *that is restrictive in nature*"¹ (*emphasis added*).

We are pleased to see the 'sinking lid' policy is retained.

We would like to see greater controls and restrictions on relocations so a true sinking lid policy can be achieved.

We support the Kaipara District Council vision of: Thriving communities working together.

Our rationale for this position is:

This is an equity issue. Gambling harm disproportionately affects Maori and Pacific people and people from low-socio economic communities.

While most people limit gambling to a form of entertainment, a significant group of people in our community will face moderate to severe problems in relation to gambling. Problem gambling is a social and health issue in New Zealand that causes substantial problems for gamblers and the people around them, including their family, whanau, friends and work colleagues and the wider community. It is often

¹ Pg. 34 Kaipara District Council Gambling Policies Review, draft, retrieved 2.11.2018 from <https://www.kaipara.govt.nz/site/kaiparadistrictcouncil/files/pdf/Have%20Your%20Say/Gambling%20Venue%20Policy%20and%20TAB%20Venue%20Policy%20Reviews/Att%203%202018%20GPRReview%20Rpt%20Draft.pdf>

the most vulnerable members of our community who suffer these devastating effects, which include loss of income, employment, and family breakdown².

A MOH report estimates that the total burden of harms occurring to gamblers is greater than common health conditions (such as diabetes and arthritis) and approaches the level of anxiety and depressive disorders. Both qualitative and quantitative results suggest that this burden of harm is primarily due to damage to relationships, emotional/psychological distress, disruptions to work/study and financial impacts. The most critical result from the research is regarding absolute scale of harms from gambling to the New Zealand population. There was an estimated 161,928 years of life lost to disability as a result of harms from gambling in 2012. Within this number 67,928 years were attributed to gamblers themselves and 94,729 to people who were effected by someone else’s gambling. This represents a substantial level of harm compared to other issues. In addition this calculation does not include harms experienced beyond a 12 month period, meaning that it is likely to be conservative³.

Although some of this ‘burden of harm’ was concentrated in problem gamblers, the results suggested that at a population level the majority of harm is accruing to those who are not necessarily problem gamblers.

Gambling problems affect not only the gamblers themselves, but also their families and the wider community (Figure 1). Problem gambling for Māori is a significant health issue, further compounding existing health problems tangata whenua experience and increasing the social and health disparities which exist between Māori and non-Māori.

Figure 1: Social Impacts of Gambling (Source: PGF NZ)⁵⁶

Personal and public costs of harmful gambling



² Northland DHB, Reducing Gambling Harm, 2014.

³ <https://www.health.govt.nz/publication/measuring-burden-gambling-harm-new-zealand>

Pokie machine funding is a regressive tax – it takes money from the poor and redistributes to the rich.

All Kaipara’s gaming venues are located in areas of high deprivation (7-10). 10 is the highest level of deprivation within the NZDeplIndex, 2013)⁴.

Kaipara District has more than enough pokie machines already – and more than the national average.

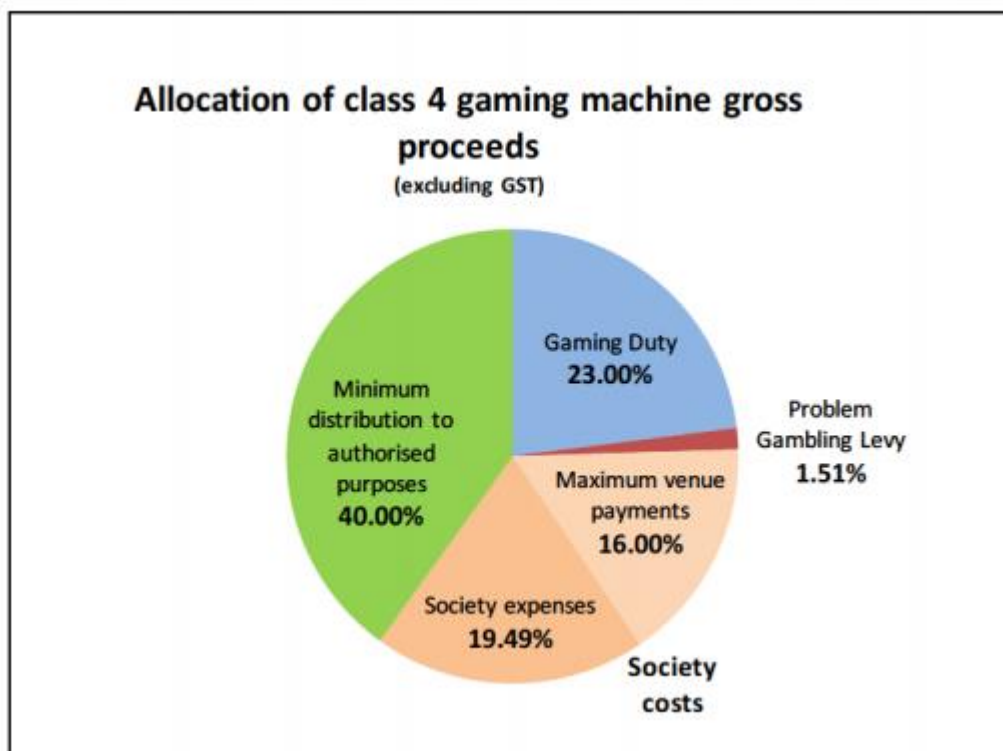
The ratio of gambling machines to the adult population in the Kaipara district is approximately 1:276, which is slightly above the New Zealand figure of 1:271 (DIA, 2018)⁵.

Kaipara District has led New Zealand since 2003 with strong controls on pokie machines being enacted since the first policy.

This stance is important to retain. The Council must do all it can to reduce gambling harm. A strong sinking lid policy would send a clear message that Kaipara District Council is serious about lifting community wellbeing.

The Kaipara District spent nearly \$3million on gaming machines in the year ending December 2017 (DIA, 2018). Nearly half these profits leave the district⁶.

The graph below shows where the money from pokie machines ends up⁷. Considering the harm to individuals, whanau and community from problem gambling this is not a good return.



One proposed benefit of pokie machines is the funds they distribute to community groups. However a Social Impact Assessment (SIA) conducted for Whangarei District Council in 2006 showed that there was a

⁴ ibid

⁵ ibid

⁶ ibid

⁷ [https://www.dia.govt.nz/diawebsite.nsf/Files/Pokie-system-101-untracked/\\$file/Pokie-system-101-untracked.pdf](https://www.dia.govt.nz/diawebsite.nsf/Files/Pokie-system-101-untracked/$file/Pokie-system-101-untracked.pdf)

net economic **loss** to Whangarei community of \$4.7 million dollars, even after taking into account the gambling funds returned to the community⁸. This is likely to be a similar case in the Kaipara District.

Gaming machine expenditure has been increasing form \$173.39 to \$177.52 per head over the last three years⁹. Although there is a small percentage of problem gamblers they face a disproportionate burden of loss.

In conclusion:

- There is overwhelming research showing gambling has negative impacts on the physical, mental and social well-being of our community – affecting not only those who gamble, but their whanau and others.
- The impacts are not equally distributed: socio-economically disadvantaged groups (where Māori are disproportionately represented) are most likely to suffer the negative impacts of gambling.
- Pokie machines contribute to most harm, and there is a net economic loss from gambling related to pokies in Northland.
- A key strategy that can contribute to reducing the negative impacts of gambling is to reduce the total number of pokie machines, and for KDC to adopt a ‘sinking lid’ policy.

Yours sincerely

Judy Harris
Deputy Chair
Kaipara Community Committee

⁸ APR Consultants. Social Impact Assessment - Class 4 Gambling in the Whangarei District. Whangarei.2006

⁹ Ibid



KAURI COAST RECREATIONAL SOCIETY INC

C/- P O Box 1492
WHANGAREI 0140



2 November 2018

SUB 9

Policy Team
Kaipara District Council
Private Bag 1001
Dargaville 0310

To Whom It May Concern

Draft Class 4 Gambling Venue Policy

The board of the Kauri Coast Recreational Society opposes Option 1, a sinking lid policy, and would like Council to consider Option 2 in their proposal, a cap on venues and machines at the current level.

Our reasoning is that if, for whatever reason, one of the current businesses that houses machines could no longer operate, under the proposed policy that fund-raising capacity would be lost forever. The proposed policy of a sinking lid does not appear to understand or consider that risk.

While the Council proposes very limited relocation provisions, this would not address the impact of a business that is closing down.

Option 2 would protect the sustainability of the funding that is currently being distributed to community organizations – we understand that of the approx. \$800,000 that is distributed to community organizations in Kaipara annually from gaming trusts, approx. 45% of that would be lost forever if one of the two main venues was to close down (the Mangawhai Tavern and the NW Hotel between them contribute approx. 90% of the current gaming funding in Kaipara).

Pub Charity has contributed over \$225,000 to the development of the new Sportsville Dargaville facility that opened to much fanfare recently. Without that funding, this facility would not now be open and we would likely be asking Council if they could contribute more to this wonderful

community facility.

We will also be relying on gaming trusts to part-fund our on-going operations in order to keep user-pays fees to a minimum.

Like it or not, our eight member organizations are also reliant on gaming funding in order to keep member subscriptions to a level at which people from our community can afford - we would not like to see people not being able to afford to play sport in our district.

Thank you for your consideration of this very important issue for the sport and recreation sector.

I would like to speak to this submission.

Yours sincerely



Chris Biddles
Board Chairman



GIVING YOUR FEEDBACK

Full Name: Robert McLean

Organisation: Leigh Bowling Club *(if giving feedback on behalf of)*

Postal Address:

Email:

I: SUPPORT OPPOSE (tick one which applies)

The Council's proposed amendments to the Class 4 Gambling Venue Policy.

My reasoning for my above statement is...

We oppose Option 1, a sinking lid, and would like Council to consider Option 2 in their proposal, a cap on venues and machines at the current level.
Our reasoning is that if, for whatever reason, one of the current businesses that houses machines could no longer operate, under the proposed policy that fund raising capacity would be lost forever. The proposed policy of a sinking lid does not appear to understand or consider that risk. While the Council proposes very limited relocation provisions, this would not address the impact of a business that is closing down. Like it or not, our organization is reliant on gaming funding in order to keep member subscriptions to a level at which people from our community can afford - we would not like to see people not being able to afford to play sport.
Thank you for your consideration of this very important issue for the sport and recreation sector.

Do you wish to speak to your submission?

YES NO

The hearings are scheduled for the week of 26 November 2018.

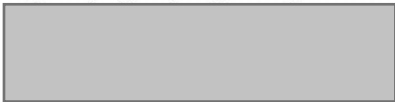
As this submission form will be used to discuss relevant public feedback, it will be included as part of a public agenda.

From: Jen Muir [redacted]
Sent: Monday, 5 November, 2018 6:53 PM
To: Policy
Subject: Submission regarding Pub Charity

I am the funding officer for Linking Hands Inc, a charitable organisation which provides a medical transport service from Paparoa through to Bream Bay. We rely on funding and donations to keep in operation and have been receiving funds from Pub Charity each year and have been grateful for their contribution.

I would point out that we have just received notification of this policy change with scarcely enough time to make a submission. I do hope that you will listen to our submission and wait to hear from you.

Jen Muir
Linking Hands Inc



Class 4 Gambling Venues Policy Review

To Kaipara District Council Submissions - Mark Schreurs
Date received 4/11/2018 4:42:08 PM
Submission #10

Address for service:

Linking Hands Inc - 211178129 / 10



Wishes to be heard? Yes

Is willing to present a joint case? No

Submission points

Point 10.1

1: Do you support or oppose the draft policy? Please give reasoning as to your position below.

Answer

We oppose the draft policy as recipients of the proceeds. We are a charitable organisation and rely on this funding to keep in operation. Ours is a community service ferrying local Kaipara District people to all kinds of medical appointments. It is especially valuable as there is no public transport available in the areas we service. We are all volunteers and rely on funding and donations to keep operating.

GIVING YOUR FEEDBACK

Full Name:

Organisation: *(if giving feedback on behalf of)*

Postal Address:

Email:

I: SUPPORT OPPOSE (tick one which applies)

The Council's proposed amendments to the Class 4 Gambling Venue Policy.

My reasoning for my above statement is...

Our MAZ Trust (made up of a group of volunteers) is building a large outdoor activity Park for both local and visiting families to enjoy a range of pursuits bringing The Community together.

We are very much reliant on receiving funding from groups such as Pub Charity Ltd and to date we have received in excess of \$100,000 from gaming machine proceeds from their two outlets in Kaipara. We are aware of the problems that can be generated by gambling but the controlled manner in which Pub Charity oversees its outlets gives us confidence that there should not be a lessening of gaming machines in our District and therefore we vote against the "sinking lid" option.

The benefit to Charities such as ours is immense and I would be prepared to represent MAZ with a submission at the end of November 2018.

We have also received funding from the "The Club" at Mangawhai and although of lesser amounts it is still important as we strive to build a great Community asset.

We look forward to supporting this submission further and were disappointed to have not heard from KDC regarding the proposed change in policy as we feel to have a potentially diminishing opportunity for funding a negative for MAZ and other recipients in the future.

Do you wish to speak to your submission?

YES NO

The hearings are scheduled for the week of 26 November 2018.

As this submission form will be used to discuss relevant public feedback, it will be included as part of a public agenda.

We OPPOSE

The Council's proposed amendments to the Class 4 Gambling Venue Policy.

Our reasoning for our above statement is...

We oppose Option 1, a sinking lid, and would like Council to consider Option 2 in their proposal, a cap on venues and machines at the current level.

Our reasoning is that if, for whatever reason, one of the current businesses that houses machines could no longer operate, under the proposed policy that fund raising capacity would be lost forever. The numbers of licenced premises appear to be in decline in many jurisdictions world-wide, and we suspect this may occur in the Kaipara. The proposed policy of a sinking lid does not appear to understand or consider that risk. While the Council proposes very limited relocation provisions, this would not address the impact on the sport and recreation sector and its funding should a business close.

Like it or not, our organization is reliant on gaming funding and in recent times Pub Charity has proved to be the most reliable of funding sources. Thank you for your consideration of this very important issue for the sport and recreation sector. We recognise that this matter is a polarising issue for Council to deliberate.

We do not wish to be heard

Thomas Haydn Smith

Secretary

Mangawhai Community Trust



SUBMISSION
TO THE KAIPARA DISTRICT COUNCIL
ON
“CLASS 4 GAMBLING VENUES POLICY”

To: Policy Team
Kaipara District Council
Private Bag 1001
DARGAVILLE 0340
policy@kaipara.govt.nz

5 November 2018

Thank you for the opportunity for the Public and Population Health Unit, Northland DHB to provide a submission on the draft 'Class 4 Gambling Venues Policy' for Kaipara District.

The submission is from the Medical Officers of Health, Public and Population Health Unit of Northland District Health Board (NDHB), Whangarei. The Medical Officers of Health are public health physicians who provide independent specialist advice on matters that relate to population health, and have an overall statutory role to improve, promote and protect the health of Northlanders. Northland Public and Population Health Unit (the Unit), one of 12 in New Zealand, is the only provider of comprehensive, regional public health services in Northland. The Unit has an overall statutory role to improve, promote and protect the health of Northlanders.

We support the proposed "Class 4 Gambling Venues Policy" with a 'sinking lid' approach for Kaipara District. We wish to be heard in support of our submission.

Contact details:

Dr José M Ortega, Medical Officer of Health
Anil Shetty, Public Health Strategist

Public and Population Health Unit, Northland DHB
Private Bag 9742, Whangarei 0148



OUR SUBMISSION:

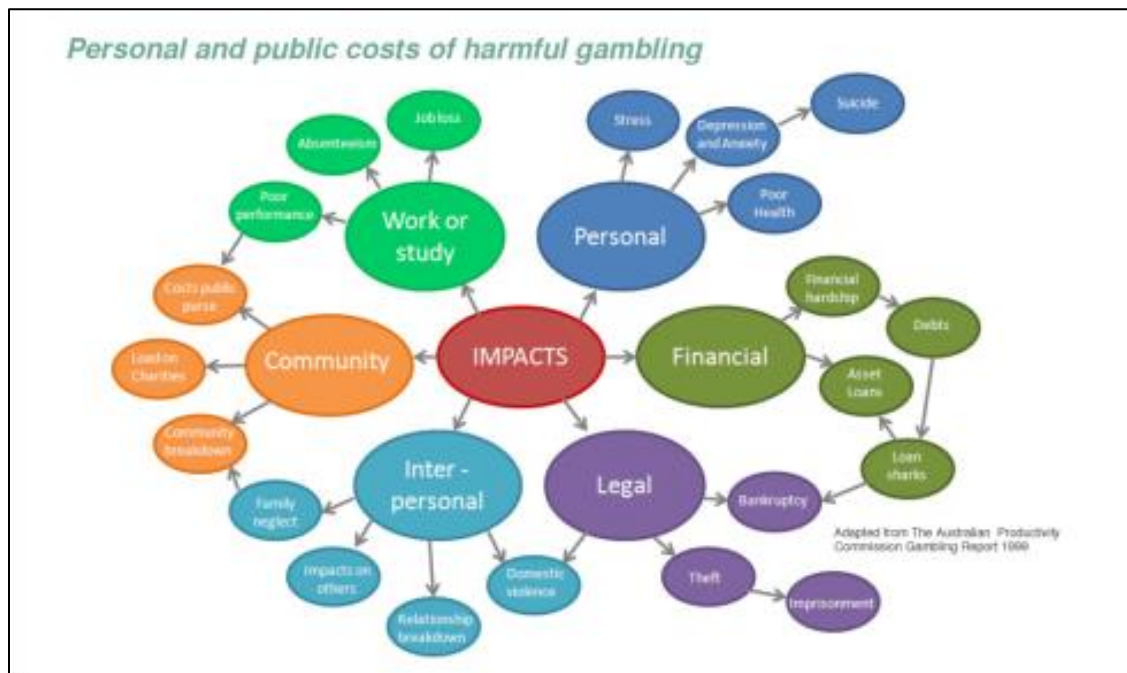
While most people limit gambling to a form of entertainment, a significant group of people in our community will face moderate to severe problems in relation to gambling. Problem gambling is a social and health issue in New Zealand that causes substantial problems for gamblers and the people around them, including their family, whanau, friends and work colleagues and the wider community. It is often the most vulnerable members of our community who suffer these devastating effects, which include loss of income, employment, and family breakdown.¹

Problem gambling refers to gambling that significantly interferes with a person's basic occupational, interpersonal, and financial functioning.² Pathological gambling is the most severe form and is classified as a mental disorder with similarities to drug abuse including features of tolerance, withdrawal, diminished control, and relinquishing of important activities.²

Gaming machines (pokies) are considered to be the most harmful form of gambling as 77% - 85% of problem gamblers use them as their primary mode of gambling.³ Two in five regular pokie players already have a gambling problem or at risk of developing one.⁴

Gambling problems affect not only the gamblers themselves, but also their families and the wider community (Figure 1).

Figure 1: Social Impacts of Gambling (source PGF NZ)⁵

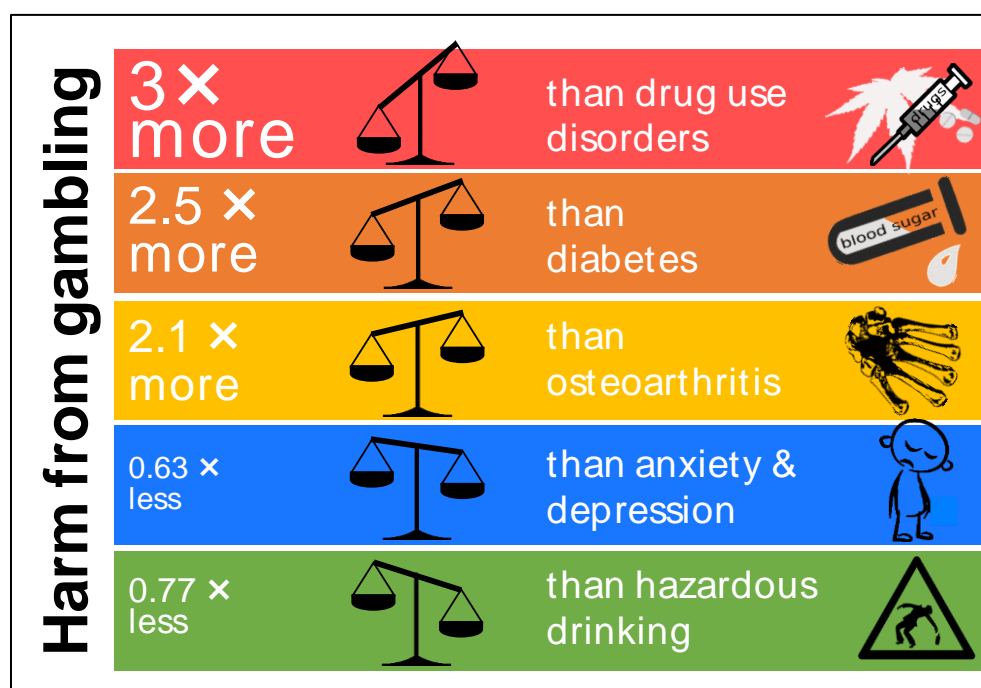


Problem gambling for Māori is a significant health issue, further compounding existing health problems tangata whenua experience and increasing the social and health disparities which exist between Māori and non-Māori.⁶

Moderate-risk/problem gamblers are more likely to lose significantly higher amounts than the low-risk and non-problem gamblers.⁷ For example between 2012 and 2015, the monthly expenditure by moderate-risk/problem gamblers on pokie machines was \$92 (pub) and \$110 (club). However, low-risk gamblers spent \$45 (pub) and \$25 (club) and non-problem gamblers spent \$25 (pub) and \$22 (club).⁷

A Ministry of Health’s research to assess the aggregate ‘Burden of Harm’ caused by gambling with reference to different levels of problem gambling, and other comparable conditions estimated that the total burden of harms occurring to gamblers is greater than common health conditions (such as diabetes and arthritis)(Figure 2).⁸ The results of the study also indicated that the burden of harm is primary due to damage to personal and family relationships, emotional/psychological distress, disruptions to work/study and financial impacts.⁸

Figure 2: Harm from problem gambling as compared with other health conditions



There are some positive economic impacts of gambling (pokie machines), in terms of the potential for gambling funds to support local communities and non-governmental organisations. However, a Social Impact Assessment (SIA) conducted for Whangarei District Council in 2006 showed that there was a net economic loss to Whangarei community of \$4.7 million dollars, even after taking into account the gambling funds returned to the community.⁹

GAMBLING IN KAIPARA DISTRICT:

The Gambling Policy Review document (review document) prepared by the Kaipara District Council (the council) captures most of the data on gaming machines (pokie machines) and problem gambling within the district.¹⁰ Although the numbers of gaming venues and machines have decreased in the District, but the spending has been increasing.¹⁰ The increase in spending on the pokie machines indicates that the burden of problem gambling is increasing rather than decreasing in Kaipara District.⁷ All of the pokie machines are located in areas of high deprivation (NZDepIndex 7 – 10).¹⁰

The review document's section 2.5 – 'Problem Gambling' (pages 18-20) has summarised the burden of problem gambling in the district. However, it is important to note that only 1.6% of moderate-risk/problem gamblers seek professional help.⁷

As mentioned above problem gamblers are more likely to lose significantly higher amount than non-problem gamblers. As per the review document nearly three (3) million dollars were spent on the pokie machines across the district and only \$800,000 was returned to Kaipara communities as grants. This amounts to only ~ 27% return. It is vital to note that the amount spent on these pokie machines was not voluntary donation and pokie machine losses, which are concentrated in low-income households, do not come from savings. Rather, they come from monies that would otherwise be spent with other Kaipara businesses.

Kaipara District's gaming venues' and machine density and demographic and socio-economic conditions, as assessed under Section 3.1.1, place the district at 'medium risk' for problem gambling. However, the spending on the pokie machines across the district is increasing indicating, an increase in problem gambling.⁷ Abbott reported that during 1999 a capped policy allowing relocation of the machines lead to relocation of machines to neighbourhoods with greater numbers of people at risk for problem gambling.¹¹ Accordingly, a 'sinking lid' approach (which has been proposed by the council), with restricted rules around relocation, would be ideal to ensure to prevent and minimise harmful gambling in Kaipara communities.

CONCLUSION AND RECOMMENDATION:

Kaipara District is at high risk for problem gambling due to its low socio-economic status, levels of deprivation and higher Māori population. Pokie machines are proven to be the most harmful form of gambling.

Recommendations:

- Kaipara District Council should retain its "Class 4 Gambling Venues Policy" with a 'sinking lid' approach.




- Reword the clause 8.3 to *“Any application for consent under this policy to establish a new class 4 venue resulting from the need to relocate a venue will be subject to public notification and determined at a Council hearing.”*¹²

Thank you for the opportunity to make this submission.

Yours sincerely



José M Ortega
Medical Officer of Health



Warren Moetara
Service Manager



REFERENCES

- ¹ Dyall L. Gambling, social disorganisation and deprivation. *International Journal of Mental Health and Addiction*. 2007;5(4):320-30
- ² Fact Sheet 02: Problem Gambling. Problem Gambling Foundation of New Zealand; 2011
- ³ Ministry of Health. Problem Gambling Intervention Services in New Zealand Service User Statistics 2007. 2009. Wellington: MOH
- ⁴ Fact Sheet: Gambling in New Zealand. Problem Gambling Foundation of New Zealand; <https://www.pgf.nz/fact-sheet---gambling-in-new-zealand.html>
- ⁵ Fact Sheet 05: Social Impacts. Problem Gambling Foundation of New Zealand; 2011.
- ⁶ Ministry of Health Tatau Kahukura Māori Health Chart Book. Wellington: Ministry of Health.2006
- ⁷ Abbott M, Bellringer M, Garrett N. New Zealand National Gambling Study: Wave 4 (2015). Report number 6. Auckland: Auckland University of Technology, Gambling and Addictions Research Centre; 2018
- ⁸ Browne M, Bellringer M, Greer N, Kolandai-Matchett K, Rawat V, Langham E, et al. Central Queensland University and Auckland University of Technology. 2017. Measuring the Burden of Gambling Harm in New Zealand. Wellington: Ministry of Health; 2017.
- ⁹ APR Consultants. Social Impact Assessment - Class 4 Gambling in the Whangarei District. Whangarei.2006
- ¹⁰ Kaipara District Council. Kaipara District Council Gambling Policy Review - Class 4 Gambling Venues Policy and Totalisator Agency Board (TAB) Venue Policy. Dargaville: Kaipara District Council; 2018.
- ¹¹ Abbott M. Do EGMs and Problem Gambling Go Together Like a Horse and Carriage? Auckland.
- ¹² Whangarei District Council. Whangarei District Council Class 4 Gambling Venue Policy. Whangarei: Whangarei District Council; 2013.

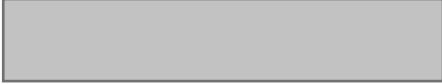
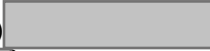
Class 4 Gambling Venues Policy Review

SUB 15

To Kaipara District Council Submissions - Mark Schreurs
Date received 4/11/2018 11:49:32 AM
Submission #8

Address for service:

New Zealand Community Trust (NZCT)



Wishes to be heard? No

Is willing to present a joint case? No

Submission points

Point 8.1

1: Do you support or oppose the draft policy? Please give reasoning as to your position below.

Answer

We oppose the sinking lid and support the amended relocation clause. Please see attached document.



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

November 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 lids on machine and venue numbers and limited 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 0.2%, according to the latest wave of the National Gambling Study), 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.

We estimate 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.

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 30 June 2018:

- the number of gaming venues reduced from 2,122 to 1,140 (a 46% reduction)³
- the number of gaming machines operating reduced from 25,221 to 15,420 (a 39% 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 or restrictive caps on gaming machine numbers and those that do not allow relocation of venues in a wide range of circumstances.

Such policies are based on the erroneous belief that limiting gaming machine numbers will limit problem gambling. In fact, despite the 39% 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 2015 New Zealand Gambling Study (the most recent) found the rate was 0.2%. 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

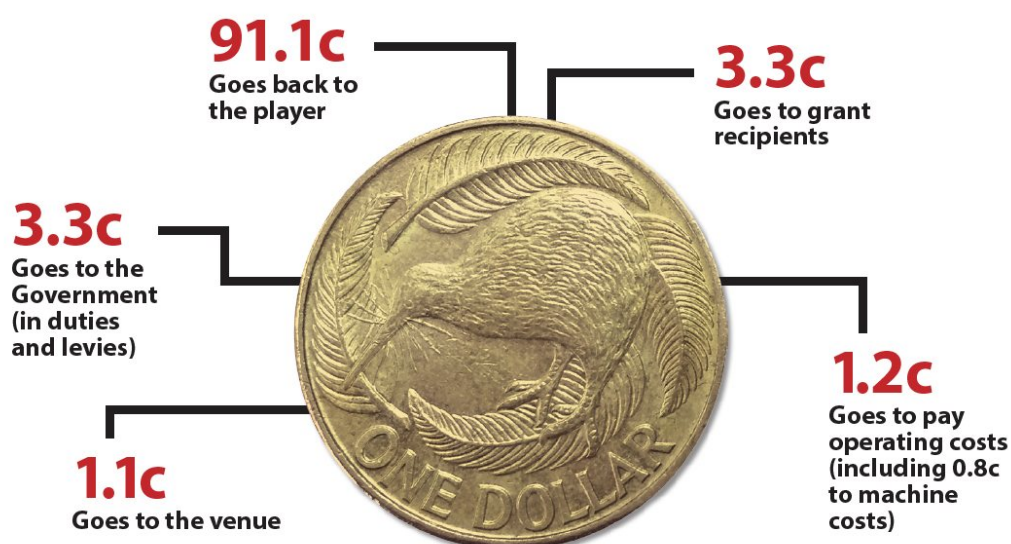
The New Zealand Community Trust recommends Kaipara District Council:

- change from a sinking lid to a cap on gaming venue and/or machine numbers
- introduce the proposed, broader relocation clause.

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).

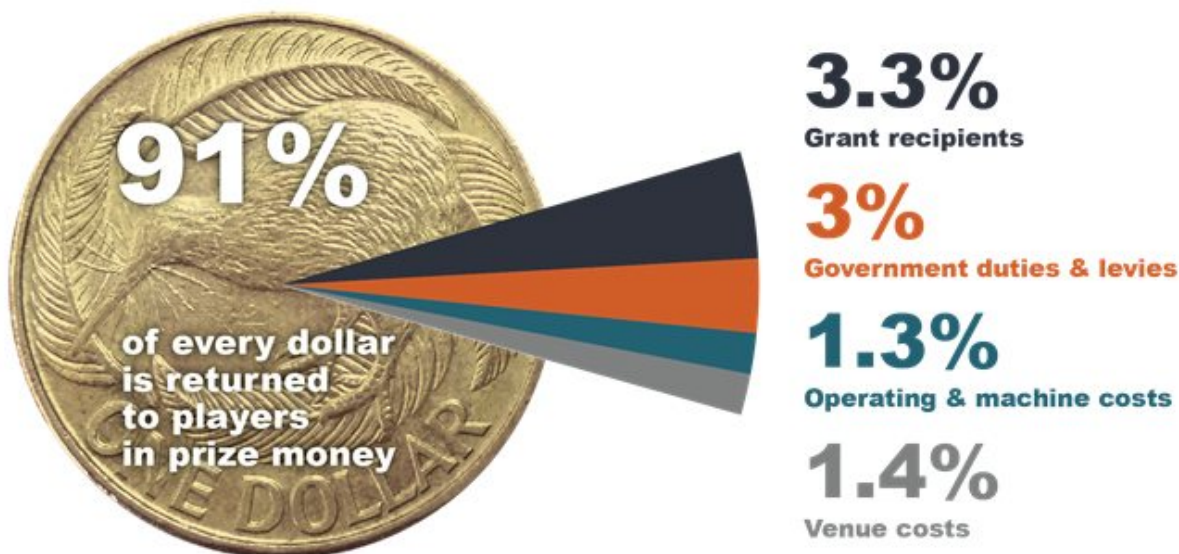
Each year the gambling industry pays around \$18.5 million to the government, so the Ministry of Health can implement its Preventing and Minimising Gambling Harm Strategic Plan. These funds pay for the implementation of public health services, intervention services, research, evaluation and workforce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

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 30 June 2018:

- the number of gaming venues reduced from 2,122 to 1,140 (a 46% reduction)¹⁰
- the number of gaming machines operating reduced from 25,221 to 15,420 (a 39% 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, like the Kaipara. 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 following years.

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.

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

Research¹⁷ 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".¹⁸ The Ministry of Health also found "being a problem gambler is significantly associated with living closer to gambling venues."¹⁹ 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.²⁰

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 six 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)).

¹⁷ *Brief Literature Review to Summarise the Social Impacts of Gaming Machines and TAB Gambling in Auckland*, Gambling & Addictions Research Centre, AUT University, 2012.

¹⁸ Page 21, *Ministry of Health Gambling Resource for Local Government*, 2013.

¹⁹ *Ibid.*

²⁰ *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
Christchurch	No public consultation	No relocations allowed

Reasons to introduce a cap on gaming machines, rather than maintain a sinking lid

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. Gaming machine venues 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.

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

We often fund regional sports officers' salaries, as these roles are pivotal to the success of regional sporting programmes and events.

National funding

A maximum of 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.

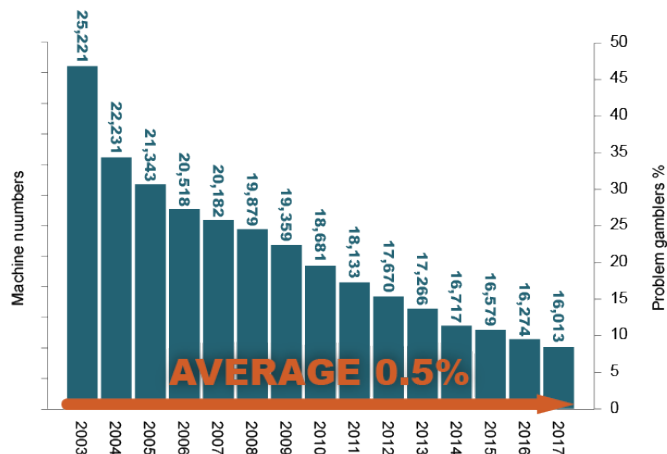
Difference between pub gaming societies, and clubs and New Zealand Racing Board

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 below, a reduction of over 9,000 gaming machines across the country between 2007 and 2018 had no discernible 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 2015 wave of the New Zealand Gambling Study found the rate was 0.2% 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."²¹

We recognise that Kaipara 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 research²² 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 2012.²³ 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."²⁴

Prevalence of gambling by level of risk of gambling problems:²⁵

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.²⁶

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.²⁷ Relatively few New Zealanders are gambling at levels that lead to negative consequences; the majority of people who gamble know when to stop.

²¹ Gambling Commission decision GC 03/07.

²² *Maximising the benefits to communities from New Zealand's Community Gaming Model*, BERL, February 2013.

²³ Pg 8, *NZ 2012 National Gambling Study: Overview and gambling participation*.

²⁴ Pg 18, *ibid*.

²⁵ *2006/07 New Zealand Health Survey, 2011/12 New Zealand Health Survey preliminary findings*.

²⁶ DIA media release: <http://livenews.co.nz/2017/04/21/new-zealand-gaming-pokie-spending-patterns-continue/>

²⁷ *Maximising the benefits to communities from New Zealand's community gaming model*, BERL, February 2013.

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 scores ²⁸	

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
- 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

²⁸ 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.

- 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.

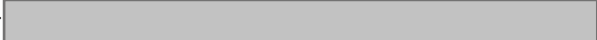
Two of the findings from the inaugural PMGH baseline report were that problem gambling services are effectively raising awareness about the harm from gambling, and interventions for gambling-related harm are moderately accessible, highly responsive and moderate to highly effective.²⁹

The world’s largest clinical trial³⁰ 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.

²⁹ Page 16, *Outcomes Framework for Preventing and Minimising Gambling Harm Baseline Report*, May 2013.

³⁰ *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 

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.³¹



Overseas research³² 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 trustees³³ are highly regarded business and community leaders with extensive governance experience. They are supported by an experienced staff and ten Regional Advisory Committees (RACs) who add local knowledge and insight to our grant decisions.

³¹ Sport England’s Value of Sport Monitor.

³² http://www.ausport.gov.au/information/asc_research/publications/value_of_sport.

³³ 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).

Mark Schreurs

From: Mark Schreurs
Sent: Tuesday, 6 November, 2018 3:47 PM
To: Mark Schreurs
Subject: FW: Class 4 submission

File

From: Marino nmp [redacted]
Sent: Monday, 5 November 2018 12:48 PM
To: Council <Council@kaipara.govt.nz>
Subject: Class 4 submission

Kia ora

On behalf of our organisation Nga Manga Puriri Northland Problem Gambling Service ive attached our submission, we would like the opportunity to talk to our submission if possible.

Social Impacts of harmful gambling is being overlooked by a false view of the proceeds that go back into the communities. Your own figures point out a difference of \$2,200,000 taken out of the community compared to the \$800,000 thats put back in, whilst you point out most people who play pokies for gambling do so for fun and entertainment, perhaps more consideration needs to be given to the long tern effects of such a Harmful activity.

There is overwhelming research that shows that gambling has an adverse impact on physical, mental, and social well being of vulnerable members of the community, { every problem gambler on average affects six other people}

Harmful gambling results in significant costs to the individual and family and society as a whole uncontrolled spending, the resulting debts and the strategies used to gain more money to gamble has a significant impact on many determinants of health and can cause marital conflict,child neglect, poor work performance,multiple addictions, stress-related physical ailments,crime and imprisonment and even suicide.

Harmful gambling causes over twice the amount of harm than chronic conditions such as Osteoarthritis and Diabetes and 3 times the amount of harm from drug use disorders.

Kaipara is not exempt from hardship and challenges, all future policy would benefit from a more ROBUST PREVENTATIVE COLLECTIVE MEASURE.

thank you

Nga mihi

Class 4 Gambling Venues Policy Review

SUB 16

To Kaipara District Council Submissions - Mark Schreurs
Date received 4/11/2018 10:57:57 AM
Submission #6

Address for service:

Frood Wini / 6



Wishes to be heard? Yes

Is willing to present a joint case? No

Submission points

Point 6.1

1: Do you support or oppose the draft policy? Please give reasoning as to your position below.

Answer

We do not support the draft policy.



To Whom It May Concern

I am representing clients in the Kaipara Region who are affected from Problematic Gambling Disorders.

We would like a more robust system for Class 4 Gaming machines.

We would like to talk to our submissions.

I've enclosed the DSM-V diagnosis of a Gambling Disorder.

Naku noa, na

Wini Flood

Problem Gambling Practitioner
BAppSocSci, PGCertProfSup, PGCertCT
Nga Manga Puriri –Northland Problem Gambling Services

DSM-5 Diagnostic Criteria: Gambling Disorder

- A. Persistent and recurrent problematic gambling behaviour leading to clinically significant impairment or distress, as indicated by the individual exhibiting four (or more) of the following in a 12-month period:
1. Needs to gamble with increasing amounts of money in order to achieve the desired excitement.
 2. Is restless or irritable when attempting to cut down or stop gambling.
 3. Has made repeated unsuccessful efforts to control, cut back, or stop gambling.
 4. Is often preoccupied with gambling (e.g., having persistent thoughts of reliving past gambling experiences, handicapping or planning the next venture, thinking of ways to get money with which to gamble).
 5. Often gambles when feeling distressed (e.g., helpless, guilty, anxious, depressed).
 6. After losing money gambling, often returns another day to get even (“chasing” one’s losses).
 7. Lies to conceal the extent of involvement with gambling.
 8. Has jeopardized or lost a significant relationship, job, or educational or career opportunity because of gambling.
 9. Relies on others to provide money to relieve desperate financial situations caused by gambling.
- B. The gambling behaviour is not better explained by a manic episode.

Specify if:

Episodic: Meeting diagnostic criteria at more than one time point, with symptoms subsiding between periods of gambling disorder for at least several months.

Persistent: Experiencing continuous symptoms, to meet diagnostic criteria for multiple years.

Specify if:

In early remission: After full criteria for gambling disorder were previously met, none of the criteria for gambling disorder have been met for at least 3 months but for less than 12 months.

In sustained remission: After full criteria for gambling disorder were previously met, none of the criteria for gambling disorder have been met during a period of 12 months or longer.

Specify current severity:

Mild: 4–5 criteria met.

Moderate: 6–7 criteria met.

Severe: 8–9 criteria met.

From the *Diagnostic and Statistical Manual of Mental Disorders, 5th Edition* (section 312.31)

GIVING YOUR FEEDBACK

Full Name: Jorg Nordmeier

Organisation: _____ *(if giving feedback on behalf of)*

Postal Address:

Email:

I: SUPPORT OPPOSE (tick one which applies)

The Council's proposed amendments to the Class 4 Gambling Venue Policy.

My reasoning for my above statement is...

We oppose Option 1, a sinking lid, and would like Council to consider Option 2 in their proposal, a cap on venues and machines at the current level.
Our reasoning is that if, for whatever reason, one of the current businesses that houses machines could no longer operate, under the proposed policy that fund raising capacity would be lost forever. The proposed policy of a sinking lid does not appear to understand or consider that risk. While the Council proposes very limited relocation provisions, this would not address the impact of a business that is closing down. Like it or not, a lot of community organizations (and f.e. Mangawhai Tennis Club) are reliant on gaming funding in order to keep member subscriptions to a level at which people from our community can afford - we would not like to see people not being able to afford to play sport.
Thank you for your consideration of this very important issue for the sport and recreation sector.

Do you wish to speak to your submission?

YES NO

The hearings are scheduled for the week of 26 November 2018.

As this submission form will be used to discuss relevant public feedback, it will be included as part of a public agenda.

Class 4 Gambling Venues Policy Review

SUB 18

To Kaipara District Council Submissions - Mark Schreurs
Date received 2/11/2018 7:07:32 PM
Submission #2

Address for service:

Northern Wairoa A&P Association

Wishes to be heard? No

Is willing to present a joint case? No

Submission points

Point 2.1

1: Do you support or oppose the draft policy? Please give reasoning as to your position below.

Answer

We oppose option 1 but would support option 2. Without funding from Pub Charities we could not provide cheap entertainment to families at our A&P show.



GIVING YOUR FEEDBACK

Full Name: DAVID FAGAN

Organisation: NORTHERN WAIROA R.S.A. (if giving feedback on behalf of)

Postal Address:
Email:

I: SUPPORT OPPOSE (tick one which applies)

The Council's proposed amendments to the Class 4 Gambling Venue Policy.


My reasoning for my above statement is...

We oppose Option 1, a sinking lid, and would like Council to consider Option 2 in their proposal, a cap on venues and machines at the current level.

Our reasoning is that if, for whatever reason, one of the current businesses that houses machines could no longer operate, under the proposed policy that fund raising capacity would be lost forever. The proposed policy of a sinking lid does not appear to understand or consider that risk. While the Council proposes very limited relocation provisions, this would not address the impact of a business that is closing down.

Like it or not, our organization is reliant on gaming funding in order to keep member subscriptions to a level at which people from our community can afford - we would not like to see people not being able to afford to play sport.

Thank you for your consideration of this very important issue for the sport and recreation sector.



Do you wish to speak to your submission?

YES NO

The hearings are scheduled for the week of 26 November 2018.

As this submission form will be used to discuss relevant public feedback, it will be included as part of a public agenda.

GIVING YOUR FEEDBACK

Full Name: Josh Port

Organisation: Northland Basketball *(if giving feedback on behalf of)*

Postal Address:

Email:

I: SUPPORT OPPOSE *(tick one which applies)*

The Council's proposed amendments to the Class 4 Gambling Venue Policy.

My reasoning for my above statement is...

We oppose Option 1, a sinking lid, and would like Council to consider Option 2 in their proposal, a cap on venues and machines at the current level.

Our reasoning is that if, for whatever reason, one of the current businesses that houses machines could no longer operate, under the proposed policy that fund raising capacity would be lost forever. The proposed policy of a sinking lid does not appear to understand or consider that risk. While the Council proposes very limited relocation provisions, this would not address the impact of a business that is closing down.

Like it or not, our organization is reliant on gaming funding in order to keep member subscriptions to a level at which people from our community can afford - we would not like to see people not being able to afford to play sport.

Thank you for your consideration of this very important issue for the sport and recreation sector.

Do you wish to speak to your submission?

YES NO

The hearings are scheduled for the week of 26 November 2018.

As this submission form will be used to discuss relevant public feedback, it will be included as part of a public agenda.

GIVING YOUR FEEDBACK

Full Name: Joseph Yovich

Organisation: On behalf of the Northland Sports Coalition (NSC) *(if giving feedback on behalf of)*

Postal Address:

Email:

I: SUPPORT OPPOSE *(tick one which applies)*

The Council's proposed amendments to the Class 4 Gambling Venue Policy.

My reasoning for my above statement is...

We oppose Option 1, a sinking lid, and would like Council to consider Option 2 in their proposal, a cap on venues and machines at the current level.
 Our reasoning is that if, for whatever reason, one of the current businesses that houses machines could no longer operate, under the proposed policy that fund raising capacity would be lost forever. The proposed policy of a sinking lid does not appear to understand or consider that risk. While the Council proposes very limited relocation provisions, this would not address the impact of a business that is closing down. Like it or not, our organization is reliant on gaming funding in order to keep member subscriptions to a level at which people from our community can afford - we would not like to see people not being able to afford to play sport.
 Thank you for your consideration of this very important issue for the sport and recreation sector.

Do you wish to speak to your submission?

YES NO

The hearings are scheduled for the week of 26 November 2018.

As this submission form will be used to discuss relevant public feedback, it will be included as part of a public agenda.



2 November 2018

Policy Team
Kaipara District Council
Private Bag 1001
Dargaville 0310

To Whom It May Concern

Draft Class 4 Gambling Venue Policy

The Northland Sports Coalition opposes Option 1, a sinking lid policy, and would like Council to consider Option 2 in their proposal, a cap on venues and machines at the current level.

Our reasoning is that if, for whatever reason, one of the current businesses that houses machines could no longer operate, under the proposed policy that fund-raising capacity would be lost forever. The proposed (and current) policy of a sinking lid does not appear to understand or consider that risk.

While the Council proposes very limited relocation provisions, this would not address the impact of a business that is closing.

Option 2 would protect the sustainability of the funding that is currently being distributed to community organizations – we understand that of the approx. \$800,000 that is distributed to community organizations in Kaipara annually from gaming trusts, approx. 45% of that would be lost forever if one of the two main venues was to close down (the Mangawhai Tavern and the NW Hotel between them contribute approx. 90% of the current gaming funding in Kaipara).

Most of our 44-member organizations have member sports clubs/associations in the Kaipara district who rely on gaming trust funding to operate and to keep user pays fees to a realistic level, thereby maximising participation in their respective sports. Any loss of funding due to the sinking lid policy would significantly increase the likelihood that these clubs would need to increase fees to enable them to sustain their current level of service to participants.

Thank you for your consideration of this very important issue for the sport and recreation sector.

Yours sincerely

Alister McGinn
(NSC Chairman)

Northland Sports Coalition Members

Athletics Northland
Bike Northland
Equestrian Sport NZ
Golf Northland
GymSports NZ
Hockey Northland
Karate Auckland
Netball Northern Zone
Northland Area Pony Club

Northland Axemans Association
Northland Badminton Association
Northland Baseball Inc
Northland Boccia
Northland Cricket Association
Northland Croquet Association
Northland Highland & National
Dancing Trust
Northland In-Line Skating Club

Northland Powerlifting Association
Northland Rugby Union
Table Tennis Northland
Northland Volleyball Association
Northland Waterski Association
Northland Yachting Association
Northern Football Federation
NZ Field Archery Association
Whangarei Triathlon Association

Parafed Northland
Royal Scottish Country Dance Society
Rugby League Northland
Special Olympics New Zealand
Sporting Shooters Ass of NZ
Squash Northland
Surf Life Saving Northern Region
Surfing NZ
Swimming Northland

Taekwon-Do ITF
Tai Tokerau Outrigger Canoe Association
Te Tai Tokerau Basketball Association
Tennis Northland Inc
Whangarei Rowing Club
Whangarei Orienteering Club
Fencing Northland
AFL NZ
Northland Olympic Weightlifting

GIVING YOUR FEEDBACK

Full Name: Thomasana Paul

Organisation: - (if giving feedback on behalf of)

Postal Address:

Email:

[Redacted area for postal address and email]

I: SUPPORT OPPOSE (tick one which applies)

The Council's proposed amendments to the Class 4 Gambling Venue Policy.

My reasoning for my above statement is...

Unfortunately we need policy to help
aide whānau to make choices
that will benefit their whānau.

Do you wish to speak to your submission?

YES NO

The hearings are scheduled for the week of 26 November 2018.

As this submission form will be used to discuss relevant public feedback, it will be included as part of a public agenda.



**SUBMISSION ON THE
KAIPARA DISTRICT COUNCIL CLASS 4 GAMBLING VENUES
POLICY REVIEW 2018**

Paula Snowden

CEO PGF Group



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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 drug addiction, gambling has wide-ranging implications for individuals 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

PGF recommendations on effective gambling policy are founded on what is known about gambling harm across New Zealand and following the recommendations is a comprehensive background on non-casino gaming machines, gambling harm in New Zealand and community funding.

The latest New Zealand National Gambling Study (published 2018) found that 0.2% of the sample adult population were problem gamblers, 1.8% were moderate-risk and 4.6% were low-risk gamblers.² 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.³

Measuring gambling harm is often referred to as the tip of the iceberg because each person with a gambling problem affects six other people.⁴ 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 harmful gambling, which should be particularly noted in New Zealand because of its effect on child poverty and families at greater socio-economic risk.

Class 4 electronic gaming machines (EGMs or 'Pokies') – those housed in pubs and clubs in the community as opposed to in casinos – are the most harmful form of gambling. (Appendix 3) However, the most recent data on New Zealand gambling behaviour reported that in 2015, the vast majority of adults (87.2%)⁵ didn't use any kind of pokie machine at all. This means the losses, \$895 million to Class 4 gambling in the year to June 2018, come from a very small percentage of the population.

The National Gambling Study found in 2015 that 8.2% of the adult population used pokies in pubs once a year and 3.7% in clubs. If we apply this national statistic to the Kaipara District (which has four pub and three club gambling venues) the number of people gambling on non-casino pokies annually would be a range of 1,178 (pub and club gamblers being mutually inclusive) to 1,709 (pub and club gamblers being mutually exclusive) and losing, on average, between \$1,701 and \$2,469 each during the period July 2017–June 2018.

Misconceptions around the funding from gambling complicate the issue and it is time that 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 KAIPARA 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.

The Kaipara Gambling Review document concludes that increased spend may be a result of “...increased disposable income, fluctuations based on visitor numbers, or ‘spill-over’ from other areas and modes of gambling and population increase”. However, research indicates that the increase in spend is not related to GDP, population, employment, earnings, consumer confidence or the number of international visitors.⁶ Instead the Berl report points to a positive relationship between expenditure and the number of venues where gaming can happen and new-generation Stand Alone Progressive Prize (SAPP) machines.

As mentioned, Class 4 electronic gaming machines (EGMs or ‘Pokies’) are the major cause of gambling harm in New Zealand and the primary mode of gambling that people seek help for (Appendix 3). Over \$883 million was lost on Class 4 pokies in the 2017 calendar year⁷ or \$2.42 million a day. A conservative estimate is 40% of pokie losses are incurred by those with a gambling problem.⁸ Pokie machines are also disproportionately located in the most deprived areas. There are five times as many pokies in the most deprived areas of New Zealand as the least deprived areas.⁹

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 designed to be addictive and courageous council policies are required to reduce pokie numbers and therefore the harm they cause within communities.

Gambling in Kaipara District

Based on 2013 Census data and pokie numbers for to June 2018 from the Department of Internal Affairs (DIA), there are 60 pokie machines in the Kaipara District, one for every 239 adults, and each pokie machine, on average, made over \$48,000.00 from July 2017 to June 2018. This is money that would otherwise be spent in the local economy on consumer goods, recreation and social activity.

- Over \$2.9 million was lost to pokies in the Kaipara District over the 12 months from July 2017 to June 2018, or \$7,969 per day.
- *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 704 people in the Kaipara District.
- The median income in Kaipara is \$22,600 per annum; that's \$435 per week, where the median rental is \$200 per week. That leaves \$235 (before tax) for food, power, petrol, the doctor and clothes etc.

- The NCGM spend has increased significantly while there has been an overall decrease in the number of machines in Kaipara since 2013. The spend has increased by \$8,785.55 from the previous to the current quarter. This is in line with the national trend that shows an overall increase in spend and indicates that the Kaipara sinking lid policy needs to be strengthened. More would need to be done to achieve a downward trend in spend that minimises harm. (Appendix 4)

Funding

Kaipara directly received over \$441,193.99 in funding for community organisations from pokies between 1 June 2017 and 30 June 2018. Losses of \$2,908,627.25 million on pokies occurred during the last four quarters reported by the DIA.

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%.

When the losses and their social costs are balanced against the community funding benefit, PGF argues that community funding from pokie machines is not sustainable. Many organisations are supported by funding from pokie machines and are valued by their community. However, there needs to be more transparency around what groups are funded and from what communities. 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.

The *Gambling Harm Reduction Needs Assessment* (2018), prepared for the Ministry of Health comments on the distribution of gambling venues:

Gambling tends to be more prevalent in lower income households and, the concentration of gambling venues tends to be higher in areas of high deprivation. This means that that gambling taxation and redistribution to community purposes tends to be regressive, i.e., placing a higher burden on the less-well-off. Some organisations take an ethical stance to not receive funds from gambling sources.

And the ethical dilemma of the Class 4 Gambling funding model:

While there is little doubt about the community benefits associated with funding of the charitable sector, the policy rationale for compelling gamblers alone to make a special and very substantial contribution to funding these community benefits is rather unclear.

There is no reason to assume that gamblers have a particularly high ability to pay (a principled policy rationale for progressive income taxes) and thus might be better

placed to support charitable purposes than the rest of the community. In fact, the opposite seems to be the case: gambling tends to be more prevalent in lower income households and, as noted in section 4.3, the concentration of gambling venues tends to be higher in areas of high deprivation. Therefore gambling taxation and redistribution to community purposes tends to be regressive, i.e., placing a higher burden on the less-well-off.¹⁰

WHAT MAKES A GOOD POLICY

There is much stigma attached to gambling harm which means problems are often hidden and not confronted until sufferers are deep in crisis. A strong non-casino gaming machine (NCGM), or pokie machine gambling policy has a number of advantages. It is preventative, would support early help seeking and address stigma by raising awareness in the general community about the risks associated with NCGM gambling. A strong and clear policy is also consistent with the purposes of the Gambling Act 2003.

The purpose of the Gambling Act is to:

- (a) control the growth of gambling; and
- (b) prevent and minimise harm from gambling, including problem gambling, and
- (c) authorise some gambling and prohibit the rest; and
- (d) facilitate responsible gambling; and
- (e) ensure the integrity and fairness of games; and
- (f) limit opportunities for crime or dishonesty associated with gambling and the conduct of gambling; and
- (g) ensure that money from gambling benefits the community; and
- (h) facilitate community involvement in decisions about the provision of gambling.

The purpose of Kaipara's sinking lid policy is to reduce the number of machines operating within your district. This needs to be strengthened into a full sinking policy where if a venue closes, the NCGMs cannot go to another venue and no new NCGM licenses can be issued.

Nineteen of the 68 TLAs around New Zealand have already introduced sinking lid policies. This is partly driven by strong public opinion about harm and partly TLAS' concern to promote community well-being. This is consistent with the purposes of the Gambling Act 2003 and section 4 where the definition of gambling harm includes harm to society at large.

Even though Kaipara has a sinking lid policy, there has only been a reduction of 7 machines over the past few years. Of concern is the location of the machines as they are clustered in the most deprived communities where gambling harm will continue¹¹.

The Kaipara District Council needs to reconsider the relationship between spend and harm.

The Kaipara district contains a high proportion of high-deprivation areas. The highest deprivations are at level 9 and 10 and five out of seven of the district's venues are located in these areas with 44

of the 61 pokie machines, or 73% of them clustered there. The Review acknowledges a high Māori population in these areas who are identified as being at a high risk of harm.

There is nowhere in the Kaipara district that is safe to relocate machines to, this is because the deprivation range is high from 7 – 10. The Ministry of Health is consulting on moving machines out of high deprivation areas and they refer to The *Gambling Harm Reduction Needs Assessment (2018)*, which shows that:

- About half of all electronic gaming machines or ‘pokies’ (which research has shown is the source of the highest risk of harmful gambling activity) are located in the most socio-economically deprived areas of the country.
- These are areas where Māori and Pacific peoples are also over-represented. These are also the groups that research tells us are associated with high levels of harm and are the least able to afford the costs of gambling.¹²

A sinking lid policy is compromised where machine re-location is permitted and/or venues and clubs are permitted to merge. Allowing NCGMs to be moved around and area means the machine numbers stay the same and often in the same areas of deprivation. Allowing mergers also enables the maintenance of existing numbers and risks creating “pokie dens”. Research supports the argument that increased numbers of NCGMs leads to increased problem gambling prevalence.¹³

There are two main arguments against sinking lid policies. The first is that they don’t work based on numbers of people presenting to treatment services. The response to this is that NCGMs are still 50% of gambling harm and that NCGM numbers are still only coming down very slowly, a 438 reduction from June 2017 to June 2018, across New Zealand.

The second is that that there would be no community funding if machine numbers continue to go down. TLAs with sinking lid policies have seen no drastic or immediate reduction in the amount of community funding going to national or local community interest groups.

PGF RECOMMENDATIONS ON THE KAIPARA DISTRICT COUNCIL GAMBLING POLICY

PGF recommends that Kaipara District Council retain a sinking lid policy and make amendments to allow no relocations and no club mergers.

The policy should include the following three provisions:

- **No relocations:** If a venue with NCGMs is forced to close or voluntarily closes the Kaipara District Council will not permit the NCGMs to be relocated to any venue within the Kaipara District Council area
- **No club mergers:** If any club in the Kaipara District Council area chooses to merge, the NCGM numbers for the new club must be maintained at the lower number of either of the merged clubs. This means that if one club has 18 machines and the other 9, the new club can only have 9 machines.
- **A ban on any new venues:** No permit will be given to operate any new business or club in the Kaipara District Council area if that business proposes having NCGMs.

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 gambling¹⁴ and 6% of adults reported experiencing at least one household harm (an argument or going without due to gambling) in the past 12 months.¹⁵

Broader harm for many is also critical harm for some. A number of studies have shown a clear link between problem gambling and suicidality¹⁶ 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.¹⁷

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.¹⁸

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.¹⁹

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%)²⁰

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.²¹

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.²²

Studies of problem gambling and links to criminal activity suggest that much of the related crime goes unreported.²³ 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.²⁴

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”.²⁵ 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.²⁶

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.²⁷

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.²⁸ 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.²⁹

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.³⁰

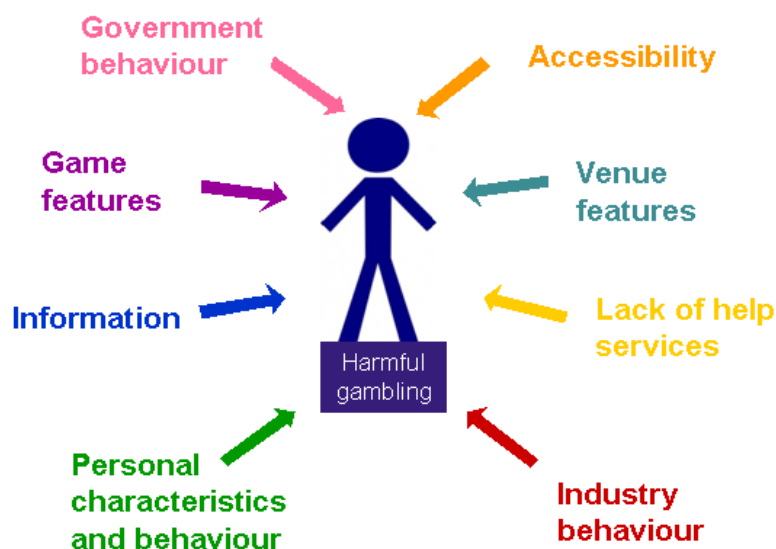
The report concludes that, “from the perspective of public policy, and particularly harm minimisation, holding or reducing electronic gambling machine numbers would appear to be prudent based on our findings, and is likely to lead to reduced harm both through reduced availability and by enabling adaptation processes.” The same study supported the view that restricting the per capita density of gambling machines leads to a decrease in gambling harm.³¹

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.

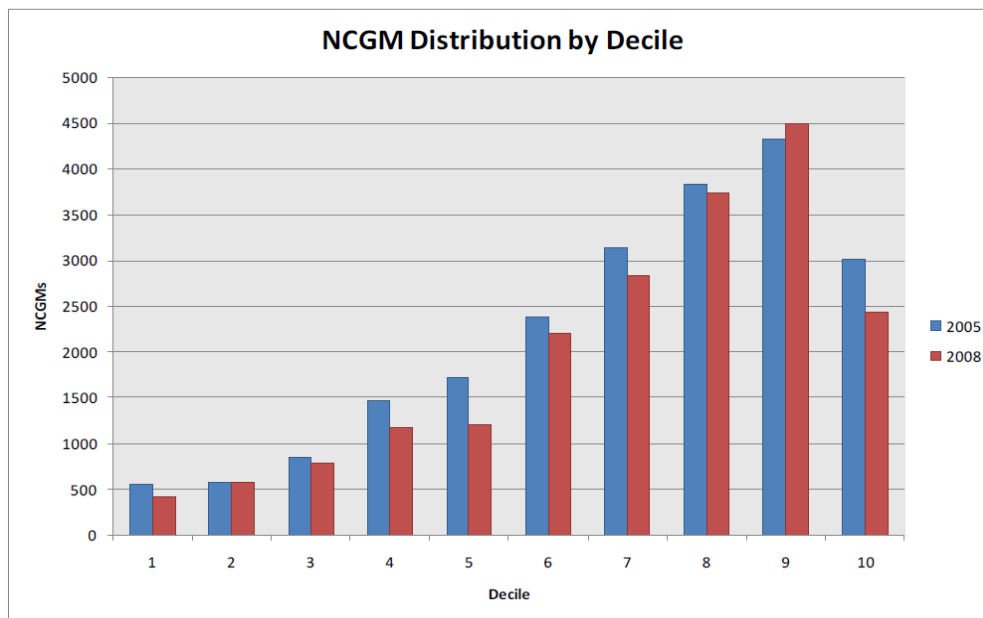
A later study in the UK acknowledged that decreases in gambling-related problems are a complex process involving not only social adaptation, but also the implementation of public health policies and the provision of specialist services. The adaptation process also seems to be inconsistent across communities; 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 Zealand³² and Australia³³ 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.³⁴



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.³⁵

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.³⁶

Vulnerability

Certain population groups are more vulnerable to gambling problems in New Zealand and a major demographic factor is ethnicity.³⁷

- Māori populations comprise 36.1% of intervention service clients³⁸ and 17.9% of Helpline callers³⁹, but make up only 15% of the population.⁴⁰

- 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.⁴¹
- Pacific populations comprise 19.8% of intervention service clients⁴² and 6.2% of Helpline callers⁴³, but make up only 7% of the population.⁴⁴
- Overall, Māori and Pacific adults are approximately four times more likely to be problem gamblers compared to the population.⁴⁵

Another major demographic factor in problem gambling is location in a highly deprived socio-economic area.⁴⁶ 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).⁴⁷
- Problem gambling is more common in individuals with major depression, anxiety, and personality disorders.⁴⁸
- Substance abusers have a two to tenfold increased risk for problem gambling.⁴⁹
- There is concern around the vulnerability of youth populations as young adults have high rates of problem gambling.⁵⁰

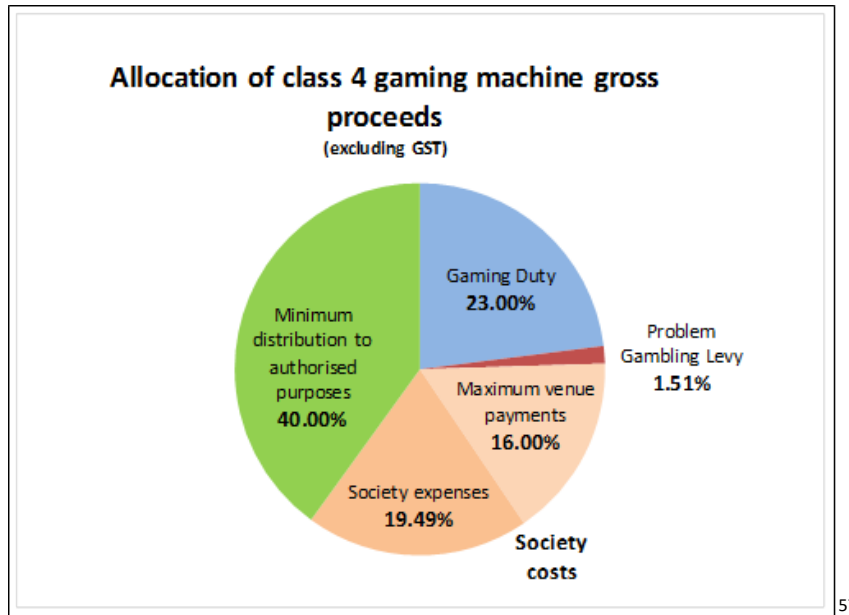
THE ETHICS OF GAMBLING FUNDING

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 fundraising⁵⁴ 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)).⁵⁵

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.⁵⁶ 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 NCGM 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.⁵⁸

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 NCGM.⁵⁹

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%⁶⁰ (over \$150 million) with much duplication of roles and resources.

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.⁶¹

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.⁶²

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.⁶³ Lower-income households spend proportionately more of their money on gambling than higher-income households.⁶⁴ People who are already socially and economically disadvantaged are most susceptible to gambling problems.⁶⁵

The revenue generated by gambling within a community is often spent in a more affluent community.⁶⁶ 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).⁶⁷ It is our 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.⁶⁸

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.⁶⁹ 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.⁷⁰

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 NCGM. This is something that Council can help address, and PGF strongly encourages Council to do so by adopting a true sinking lid.

ABOUT PGF GROUP

The Problem Gambling Foundation of New Zealand is now trading as PGF Group, the 'umbrella brand' for PGF Services, Asian Family Services, and Mapu Maia. PGF is funded by the gambling levy to provide free, professional and confidential counselling, advice and support and delivery a broad programme of public health to prevent and minimise gambling harm.

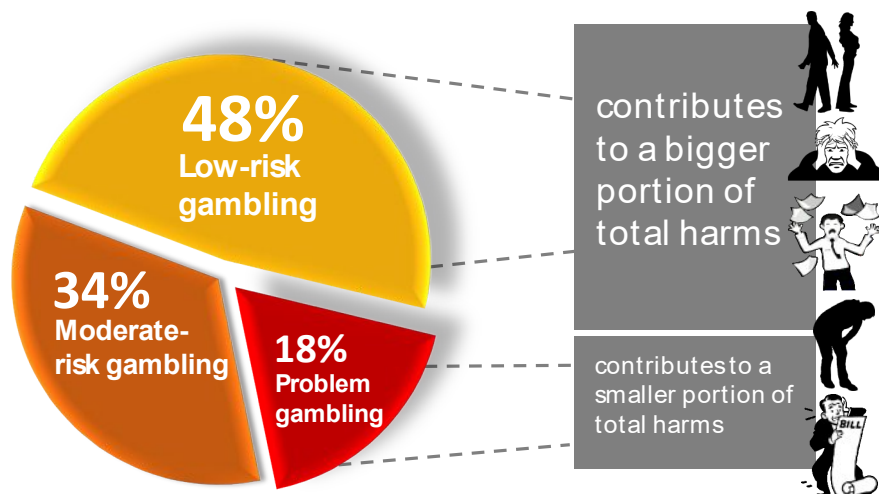
Asian Family Services provides free counselling and support in 8 languages in face-to-face or phone settings and public health services for the Asian community. Asian Family Services operates from bases in Auckland and Wellington and supports clients working from Hamilton and by phone to Christchurch.

Mapu Maia is the Pasifika service, providing free counselling, support and public health services to the Pasifika community and operates from bases 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

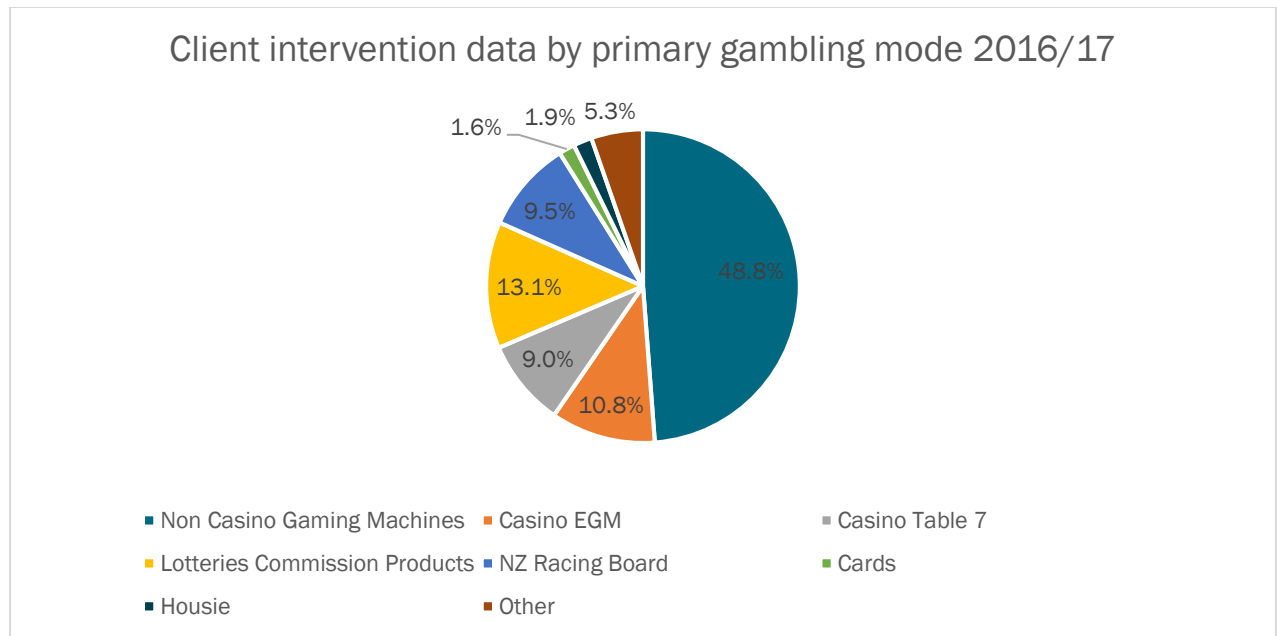
Note: This table must be read in conjunction with the explanations included with this data release (tab 4). Totals may differ from the sum of column entries due to rounding. With each new release of this information, gambling operators review their previous years' data and, where necessary, provide revised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

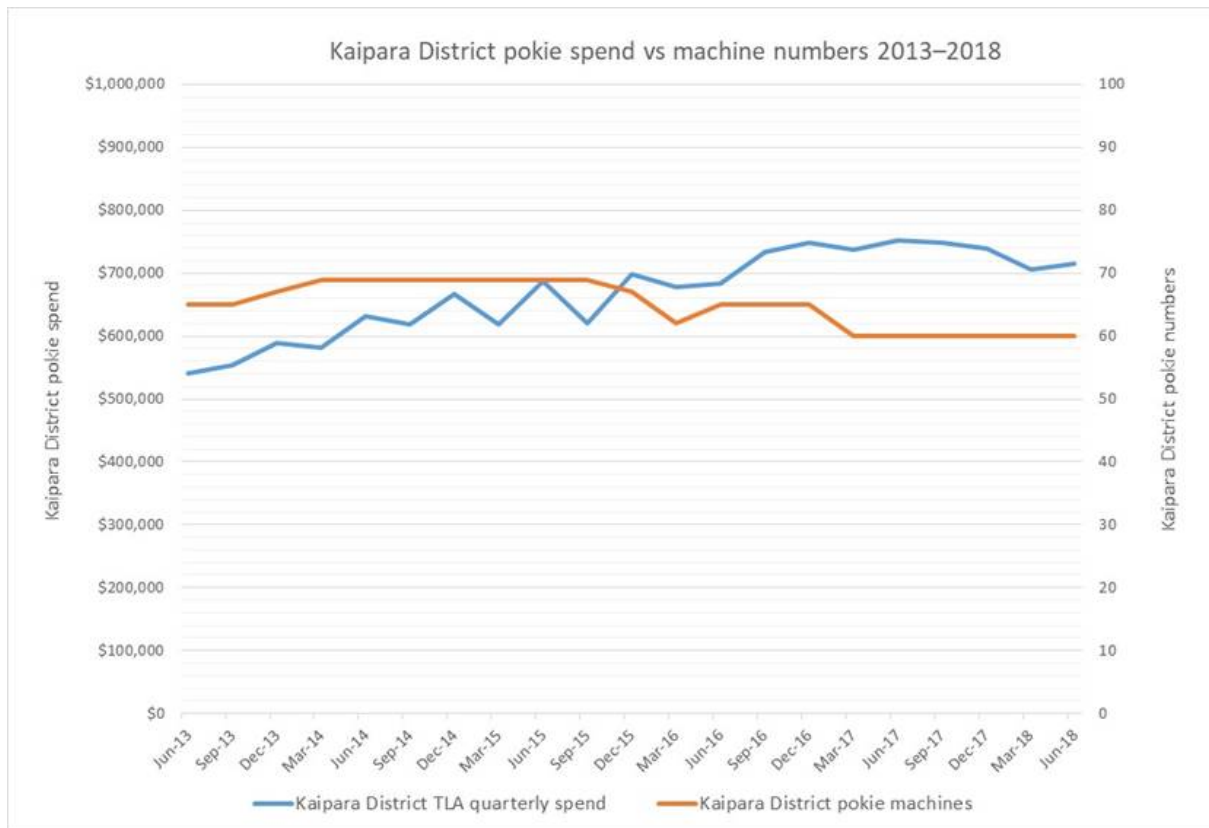
<https://www.health.govt.nz/our-work/mental-health-and-addictions/problem-gambling/service-user-data/intervention-client-data>



Appendix 4.

Statistics on NCGM and losses for Kaipara District 2013–2018, from Gaming Machine Venues, Numbers and Expenditure by Territorial Authority/District. Retrieved 2018 from

https://www.dia.govt.nz/diawebsite.nsf/wpg_URL/Resource-material-Information-We-Provide-Gaming-Machine-Venues-Numbers-and-Expenditure-by-Territorial-AuthorityDistrict



¹ Ministry of Health Manatū Hauora. (2017). *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>

² Abbott, M., Bellringer, M., & Garrett, N. (2018). *New Zealand National Gambling Study: Wave 4 (2015). Report number 6*. Auckland: Auckland University of Technology, Gambling and Addictions Research Centre.

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- ¹⁰ Sapere Research Group. (2018). *Gambling Harm Reduction Needs Assessment*. Wellington: Ministry of Health.
- ¹¹ Hazel Rook et al. (2018) *Gambling Harm Reduction Needs Assessment*, 4.3 page 38.
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- ¹³ Centre for Social and Health Outcomes Research and Evaluation. (2008). *Assessment of the social impacts of gambling in New Zealand*. Auckland: SHORE. Retrieved 2013 from http://www.shore.ac.nz/projects/Gambling_impacts_Final%2010_02_09.pdf
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- ¹⁶ Moghaddam, J. F. (2015). Suicidal ideation and suicide attempts in five groups with different severities of gambling: Findings from the National Epidemiologic Survey on Alcohol and Related Conditions. *American Journal on Addictions*.
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- ²³ Abbott, M. B. (2009). *Problem gambling: formative investigation of the links between gambling (including problem gambling) and crime in New Zealand*.

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- ²⁴ Australian Government Productivity Commission. (2010). *Gambling: Productivity Commission inquiry report*.
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- ³⁷ Ministry of Health. (2009). *Preventing and minimising gambling harm: Consultation document; six-year strategic plan; three-year service plan; problem gambling needs assessment; and problem gambling levy calculations*.

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³⁹ For the period, 2011. Ministry of Health (2012). *Gambling Helpline client data*. Retrieved 2014 from <http://www.health.govt.nz/our-work/mental-health-and-addictions/problem-gambling/service-user-data/gambling-helpline-client-data>

⁴⁰ Statistics New Zealand (2014). *2013 Census – Major ethnic groups in New Zealand*. Retrieved 2014 from <http://www.stats.govt.nz/Census/2013-census/profile-and-summary-reports/infographic-culture-identity.aspx>

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⁴⁶ As above.

⁴⁷ As above.

⁴⁸ As above; and Petry, N. M., Stinson, F. S. & Grant, B. F. (2005). Comorbidity of DSM–IV pathological gambling and psychiatric disorders: Results from the National Epidemiologic Survey on Alcohol and Related Conditions. *The Journal of Clinical Psychiatry*, 66, 564–574.

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⁵⁴ Clubs are permitted to be societies and to operate their own machines in their own clubrooms. They are not required to make grants to other community organisations but can do so.

⁵⁵ Government also receives tax revenue from gambling taxes and levies which it redistributes for public purposes. NCGM gambling machines are the largest source of tax revenue: 20% tax rate, 1.1% problem gambling levy and GST (Inland Revenue 2006).

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- ⁵⁶ Ministry of Health. (2009). *Problem Gambling Resource for Local Government*. Ministry of Health Manatū Hauora. Retrieved 2013 from <http://www.health.govt.nz/system/files/documents/publications/problem-gambling-resource-local-government.doc>
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- ⁵⁸ Department of Internal Affairs. (2017). *Class 4 Gambling Report*. Retrieved 2018 from [https://www.dia.govt.nz/Pubforms.nsf/URL/DIA-Class-4-Sector-Report-2017.pdf/\\$file/DIA-Class-4-Sector-Report-2017.pdf](https://www.dia.govt.nz/Pubforms.nsf/URL/DIA-Class-4-Sector-Report-2017.pdf/$file/DIA-Class-4-Sector-Report-2017.pdf)
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- ⁶⁰ Department of Internal Affairs. (2007). *Where do gaming profits go? A survey of the allocation for authorized purposes of non-casino gaming machine profits in 2005*. Retrieved from [http://www.dia.govt.nz/Pubforms.nsf/URL/GamingMachineProfits_2005.pdf/\\$file/GamingMachineProfits_2005.pdf](http://www.dia.govt.nz/Pubforms.nsf/URL/GamingMachineProfits_2005.pdf/$file/GamingMachineProfits_2005.pdf)
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⁶⁹ National Research Council. (2007). *2006/07 Gaming and betting activities survey: New Zealanders’ knowledge, views and experiences of gambling and gambling related harm*. Commissioned by the Health Sponsorship Council. National Research Council: Auckland.

⁷⁰ As above.

Ends.

Mark Schreurs

From: Tina Mclvor [REDACTED]
Sent: Tuesday, 30 October, 2018 12:47 PM
To: Policy
Subject: Information provision
Attachments: Pokie grant analysis for the Kaipara Jan 2017 to June 2018.docx

Follow Up Flag: Follow up
Flag Status: Completed

Kia ora Gambling Policy Team,

Please find attached our Gambling Analysis for the Kaipara Gambling Policy Review, please provide this to all councillors and the policy team.

This is the provision of information that we usually provide to policy teams before consultation. However, we were not contacted about the consultation within enough time for this to happen.

Our full submission on the proposed policy will follow in due course.

Thank you

Tina



PGF GROUP

Healthy and resilient communities in a just society

Tina Mclvor | Health Promotion Lead

**This communication is confidential and may be legally privileged.
If you have received it in error you must not use, disclose, copy or retain it. Thank you.**

Problem Gambling Foundation of NZ trading as PGF Group



PGF GROUP

Healthy and resilient communities in a just society

GAMBLING REPORT

**WITH GRANTS & ANALYSIS FOR THE
KAIPARA TLA**

Data from January 2017 to June 2018

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GRANTS AND ANALYSIS FOR THE KAIPARA TLA

INTRODUCTION

Disclaimer: - The information within this report is based on figures collected by PGFNZ over the **January 2017 to June 2018 period**, from grants published by the contributing Pokie Trusts, statistics released by the DIA and the 2013 Census and Statistics NZ. (The 2018 Census won't be released until March 2019)

Every effort has been made to ensure this information is accurate. However, the data given is only as accurate as its' original source and PGFNZ holds no responsibility for errors in published information. Additionally, although every effort is made to make this an all-inclusive list of grants, PGFNZ cannot guarantee that all grants that have been made under the Class IV legislation, have been found and included in the list. Therefore the grants should be taken as an **overview only**.

REQUESTED REPORT

This Gambling Report with grants and analysis for the KAIPARA **TLA** was requested for a review of KAIPARA Council's Class 4 Venue Policy. The dates chosen for this analysis are **1/1/17 – 30/6/18**

All Pokie Trusts but one (North and South Trust) had their grants published to June 2018.

Every care has been taken to get the TLA demarcation as accurate as possible but information on some sites can be patchy. Some information from Pokie Trusts is lacking in detail even after all this time. The author has endeavored to be as accurate as possible given the information published. This report was written by Donna Aitken - Media/Data Analyst, PGFNZ

FORMAT OF REPORT

All grants in this report are from the Problem Gambling Foundation (PGF) database.

At the time of writing this report, PGFNZ had **70** separate grants for the **January 2017 to June 2018** period allocated to the KAIPARA **TLA** from a data base of **108,557** entries.

The author has used the PGF Grants database for analysis together with figures from the DIA's (Department of Internal Affairs) Electronic Monitoring System (EMS), which is monitoring pokies in Pubs and Clubs.

Population numbers are taken from the 2013 Census information via Statistics NZ. The latest Census figures won't be released until March 2019

http://www.dia.govt.nz/diawebsite.NSF/wpg_URL/Resource-material-Information-We-Provide-Gaming-Statistics?OpenDocument

TERMS AND ABBREVIATIONS

The following are terms and abbreviations that are mentioned in this report.

- **PGF** – Problem Gambling Foundation (of NZ)
- **DIA** – Department of Internal Affairs. This organisation provides statistics on pokie expenditure, venues and pokie numbers in each TLA
- **TLA** – Territorial Local Authority. There are 67 TLAs in New Zealand.
- **EMS** – Electronic Monitoring system. This is the DIA’s database for pokie revenue. This is not completely up and running yet and the subsequent information are not available to the public for calculating grants or type at this stage.
- **GMP** – Gross Machine Proceeds. These figures represented gamblers' net loss - the total amount wagered minus any winnings or payouts.
- **Shared Grants** – These are pokie grants that involve the population of more than one TLA. Normally they are combined sports Clubs or Search and Rescue organisations.
- **Adult population** – This refers to those 18 yrs. and over.
- **AUT** - Auckland University of Technology

DETERMINING ALLOCATION OF GRANTS BETWEEN KAIPARA ORGANISATIONS AND ‘SHARED’ TLA’S

Readers should be aware that many grants are shared with more than one TLA. (Territorial authority). For example, Search and Rescue organizations which includes KAIPARA or others that come under National grants such as Cancer Society or Heart Foundation. While these include KAIPARA, information re division of these funds to each TLA within these shared areas is never given, so the author concentrates on those that are believed to be specifically allocated to just the KAIPARA TLA

POKIE MONEY RETURNS

There are two key percentages that are distinct:

1. **Theoretical Return to Player (RTP)**. EGMs must return a certain percentage back to the player over time. This is known as theoretical RTP and is measured against turnover. There is an upper limit here of 92%, although some games are set to return slightly lower. Note that this is highly variable in the short term but represents an average across the life of the gaming machine. On average, for every dollar gambled, the patron can expect to win back \$0.92 if the RTP is set to 92%.
 2. **Rate of Return**. Societies, Trusts and Clubs must return a certain percentage back to the community by way of grants or applied funding. For Non-Club Societies, this is currently **40%** of Total Proceeds (Gaming Machine Proceeds and other income such as interest).
-

LOSS PER HEAD OF POPULATION – FIRST CALCULATIONS

There are two calculations for loss per head.

The first is calculated by taking the population 18 years and over and dividing it by the latest expenditure figures published by the DIA. The population figures come from the 2013 census (usual population) and the expenditure for the period is taken from the most recent DIA statistics (**June 2018**)

NZ NATIONAL GAMBLING STUDY AUT – SECOND CALCULATIONS FOR LOSS PER HEAD

The second calculation for loss per head is to take the percentages of the adult population who use pokies monthly or more. This is taken from the research by AUT (Auckland University of Technology) headed by Professor Max Abbot. Known as the National Gambling Study (NGS), it is the first New Zealand population representative longitudinal study into gambling, health, lifestyles, and attitudes about gambling. The NGS started in 2012 with a randomly selected national sample of 6,251 people aged 18 years and older living in private households and interviewed face-to-face with computer assistance.

Survey questionnaires included questions on leisure activities and gambling participation, past gambling and recent gambling behaviour change, problem gambling, life events, attitudes towards gambling, mental health, substance use/misuse, health conditions, social connectedness, level of deprivation and demographics.

Participants remaining in the study were re-interviewed in 2013, 2014 and 2015. A selection of participants was interviewed to help understand why and how people change their gambling behaviours.

The researchers have calculated that between* **2.2%** (Pubs) and **3.1%** (all pokies) of populations over 18 in NZ use pokies monthly or more. These are the regular users and those who contribute the lion's share money lost to pokie machines each year (**Report 6 of the NZ National Gambling Study AUT.**)

https://niphmhr.aut.ac.nz/_data/assets/pdf_file/0019/193123/Final-Report-National-Gambling-Study-Report-6-29-March-2018.pdf (Page 40/41 - PDF Version)

DESCRIPTION OF ORGANISATIONAL TYPES 1 & 2

All data has been sorted into organisational types.

Type 1 - The grants are divided into the three main Types, i.e. **Community Services, Community Groups and Sports.**

Type 2 - is more specific in its description. Some codes of sports received significantly more than others and therefore have been identified and tabulated. If a sports club names the sport the grant has gone to, then that grant goes against the specific sport. If however, it is a Sports Club with several codes then that goes against '**Other Sports**' category. **Kindergartens** have been combined with Childcare, Toy Libraries and Plunkett. **Racing** is Horse or hound racing only.(Mainly horse racing).

NATIONWIDE POKIE AND VENUE NUMBERS TO JUNE QUARTER 2018

Quarter	Venues	Pokie Numbers
Jun-18	1,140.00	15,420.00
Mar-18	1,146.00	15,490.00
Dec-17	1,156.00	15,632.00
Sep-17	1,163.00	15,717.00
Jun-17	1,180.00	15,858.00
Mar-17	1,197.00	16,031.00

QUICK STATISTICS ON KAIPARA TLA

http://archive.stats.govt.nz/Census/2013-census/profile-and-summary-reports/quickstats-about-a-place.aspx?request_value=13992&tabname=Work&sc_device=pdf

NB - This is taken from the 2013 statistics released so these numbers should be taken as a guide only. The next census statistics is due out in March 2019 when we can calculate more accurately.

- **18,960** people usually live in Kaipara District. This is an increase of 825 people, or 4.5 percent, since the 2006 Census. Of those it has been calculated that **14,367** are 18 years and over (Adult population)
- Kaipara District has less than one percent of New Zealand's population.
- **4,101** Māori usually live in Kaipara District. This is an increase of 291 people, or 7.6 percent, since the 2006 Census.
- Its Māori population ranks **37th** in size out of the 67 districts in New Zealand.

CHANGES IN POKIE MACHINE AND VENUES - KAIPARA TLA

Quarter	Number of Venues	Number of Pokies
Mar-16	8	62
Jun-16	8	65
Sep-16	8	65
Dec-16	8	65
Mar-17	7	60
Jun-17	7	60
Sep-17	7	60
Dec-17	7	60
Mar-18	7	60
Jun-18	7	60

NATIONWIDE LOSS TO POKIE MACHINES JUNE QUARTER 2018

Gross Machine Proceeds (GMP) for KAIPARA TLA for the **June Quarter 2018** was **\$715,458.96 – DIA Statistics**
(That is the money left after paying out prizes)

	Territorial Authority	Loss per Head		Territorial Authority	Loss per Head
1	ROTORUA DISTRICT	\$ 126.08	34	CENTRAL OTAGO DISTRICT	\$ 71.21
2	KAWERAU DISTRICT	\$ 122.93	35	CHRISTCHURCH CITY	\$ 70.98
3	THAMES-COROMANDEL DISTRICT	\$ 116.95	36	TIMARU DISTRICT	\$ 70.57
4	WAIROA DISTRICT	\$ 116.39	37	WELLINGTON CITY	\$ 68.45
5	CHATHAM ISLANDS DISTRICT	\$ 115.14	38	ASHBURTON DISTRICT	\$ 67.42
6	SOUTH WAIKATO DISTRICT	\$ 111.55	39	MACKENZIE DISTRICT	\$ 66.27
7	NAPIER CITY	\$ 111.29	40	AUCKLAND CITY	\$ 65.81
8	WHAKATANE DISTRICT	\$ 110.27	41	SOUTH TARANAKI DISTRICT	\$ 65.45
9	OPOTIKI DISTRICT	\$ 109.68	42	MATAMATA-PIAKO DISTRICT	\$ 65.07
10	KAIKOURA DISTRICT	\$ 107.82	43	WESTLAND DISTRICT	\$ 64.75
11	TAURANGA DISTRICT	\$ 102.98	44	BULLER DISTRICT	\$ 63.23
12	INVERCARGILL CITY	\$ 101.27	45	RANGITIKEI DISTRICT	\$ 62.26
13	WAITOMO DISTRICT	\$ 101.03	46	WAIPA DISTRICT	\$ 60.93
14	LOWER HUTT CITY	\$ 97.31	47	HAMILTON CITY	\$ 59.74
15	HAURAKI DISTRICT	\$ 96.54	48	MASTERTON DISTRICT	\$ 59.07
16	HOROWHENUA DISTRICT	\$ 95.80	49	KAPITI COAST DISTRICT	\$ 57.69
17	PORIRUA CITY	\$ 89.98	50	CENTRAL HAWKE'S BAY DISTRICT	\$ 56.96
18	GORE DISTRICT	\$ 88.07	51	TASMAN DISTRICT	\$ 53.07
19	GISBORNE DISTRICT	\$ 88.03	52	WAIMAKARIRI DISTRICT	\$ 52.74
20	FAR NORTH DISTRICT	\$ 87.54	53	SOUTH WAIRARAPA DISTRICT	\$ 52.42
21	GREY DISTRICT	\$ 86.63	54	STRATFORD DISTRICT	\$ 52.37
22	HASTINGS DISTRICT	\$ 86.11	55	WAITAKI DISTRICT	\$ 51.84
23	TAUPO DISTRICT	\$ 85.00	56	WESTERN BAY OF PLENTY DISTRICT	\$ 50.58
24	RUAPEHU DISTRICT	\$ 81.83	57	KAIPARA DISTRICT	\$ 49.80
25	WANGANUI DISTRICT	\$ 80.89	58	WAIKATO DISTRICT	\$ 49.03
26	MARLBOROUGH DISTRICT	\$ 80.58	59	CLUTHA DISTRICT	\$ 45.47
27	PALMERSTON NORTH CITY	\$ 78.61	60	DUNEDIN CITY	\$ 43.44
28	UPPER HUTT CITY	\$ 77.38	61	HURUNUI DISTRICT	\$ 39.43
29	TARARUA DISTRICT	\$ 75.94	62	MANAWATU DISTRICT	\$ 37.42
30	NEW PLYMOUTH DISTRICT	\$ 73.58	63	OTOROHANGA DISTRICT	\$ 36.74
31	WHANGAREI DISTRICT	\$ 73.52	64	QUEENSTOWN-LAKES DISTRICT	\$ 35.62
32	NELSON CITY	\$ 73.05	65	SELWYN DISTRICT	\$ 29.91
33	CARTERTON DISTRICT	\$ 71.70	66	SOUTHLAND DISTRICT	\$ 29.35
			67	WAIMATE DISTRICT	\$ 29.29

LIST OF POKIE TRUSTS CONTRIBUTING TO KAIPARA TLA WITH CUT OFF DATES

The contributors to the KAIPARA TLA for the 1/1/17 – 30/6/18 period have different cut off periods in their grants available for this analysis (See below)

Pokie Trust	Grant Amount	Cut off Date
Pub Charity Ltd	\$ 380,901.19	30/06/2018
Trillian Trust	\$ 49,071.80	30/06/2018
Lion Foundation (2008)	\$ 9,963.00	30/06/2018
North and South Trust	\$ 1,258.00	31/03/2018
Grand Total	\$ 441,193.99	

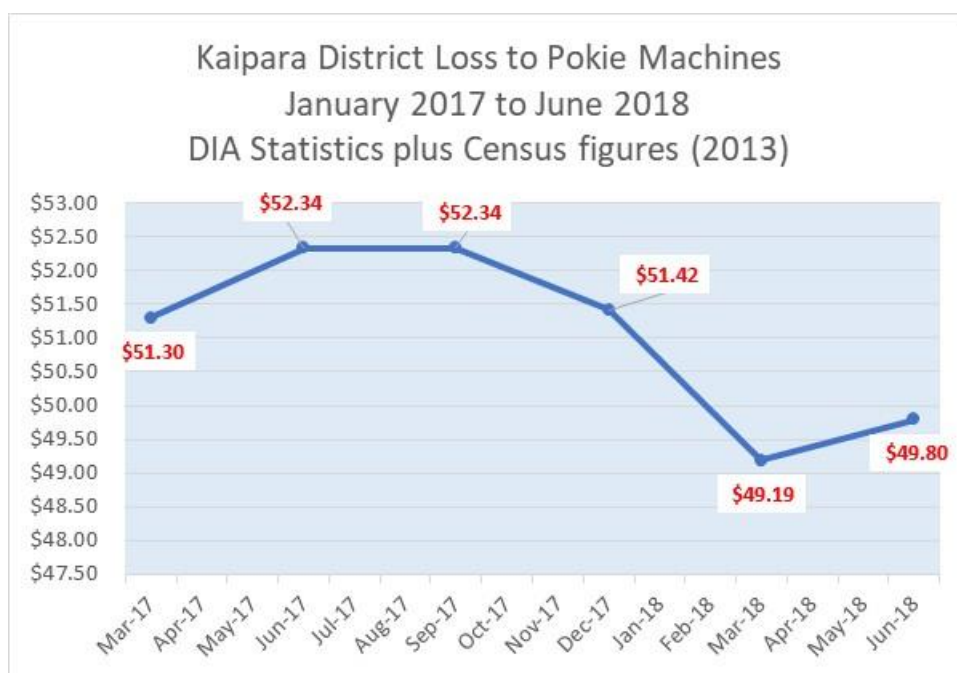
KAIPARA VENUES WITH POKIE NUMBERS – JUNE 2018

Trust	Venue	No. of Pokies
THE LION FOUNDATION (2008)	DARGAVILLE CENTRAL HOTEL	9
MANGAWHAI CLUB INCORPORATED	MANGAWHAI CLUB	9
PUB CHARITY LIMITED	MANGAWHAI TAVERN	8
PUB CHARITY LIMITED	NORTHERN WAIROA HOTEL	18
NORTHERN WAIROA MEMORIAL RSA INC	NORTHERN WAIROA RETURNED SERVICES	5
RUAWAI BOWLING CLUB INC	RUAWAI BOWLING CLUB	3
KAIWAKA SPORTS ASSOCIATION INCORPORATED	THREE FURLONGS HOTEL	8
		60

https://www.dia.govt.nz/diawebsite.nsf/wpg_URL/Resource-material-Information-We-Provide-All-Venues-and-Numbers-by-Territorial-AuthorityDistrict

LOSS PER HEAD OF ADULT POPULATION TO POKIE MACHINES – FIRST CALCULATION

First Calculation



Quarter	Loss per Head 18+
Mar-17	\$ 51.30
Jun-17	\$ 52.34
Sep-17	\$ 52.34
Dec-17	\$ 51.42
Mar-18	\$ 49.19
Jun-18	\$ 49.80

LOSSES PER HEAD USING ACTUAL POKIE USER NUMBERS - 2ND CALCULATION

AUT Study

Between* **2.2%** (Pubs) and **3.1%** (all pokies) of populations over 18 in NZ use pokies monthly. These are the regular users and those who contribute the lion’s share of the funds to the \$880 million lost each year. In KAIPARA the losses for the year on pokies was **\$2,908,627.25** million for the last four quarters reported by the DIA.

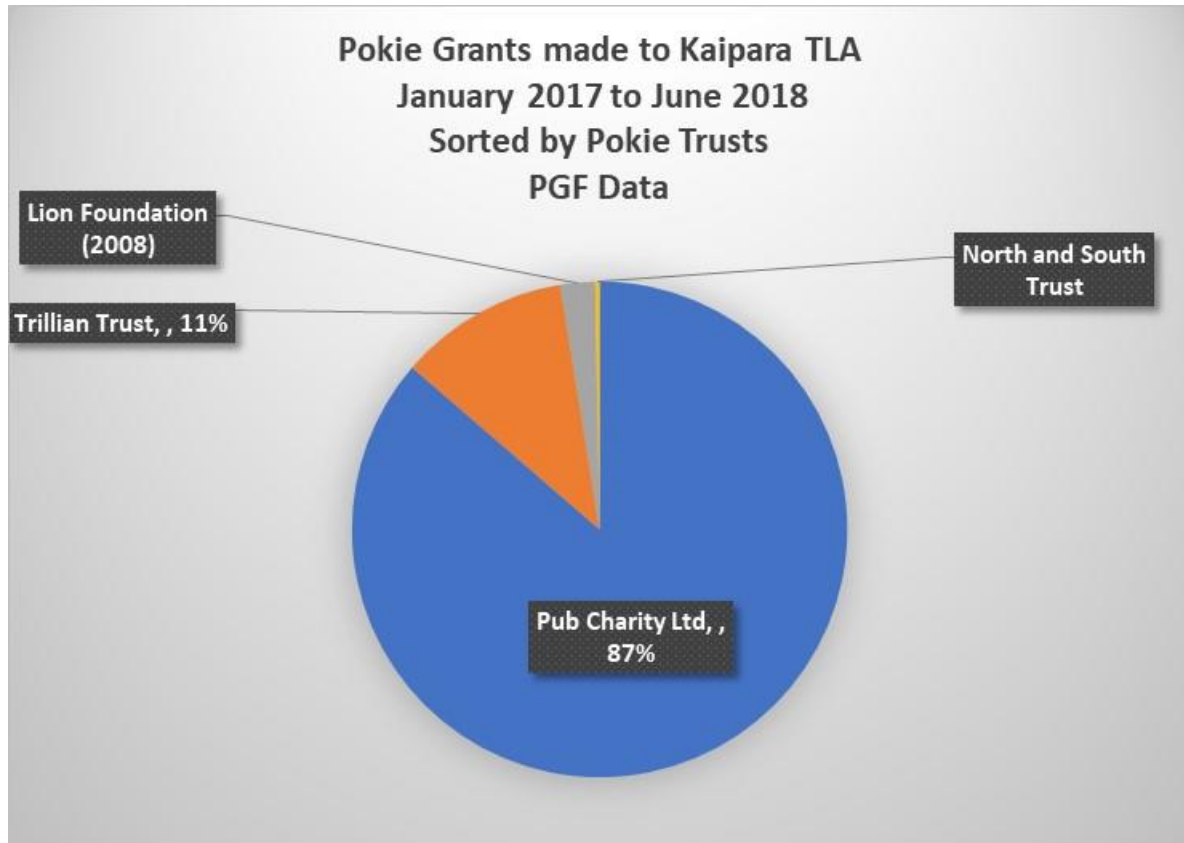
The population over 18 in KAIPARA is **14,367** and **2.2%** (Pubs) to **3.1%** (pokies) of this is **316** to **445** people. The regular users must lose $(\$2,9m/445) = \$6,536.24$ to $(\$2,9m/316) = \$9,204.52$ per person to reach the annual loss of about \$2.9million

(The 3.1% includes casino pokies players and thus the lower end of this range is probably understated.)

***Report 6 of the NZ National Gambling Study AUT.**

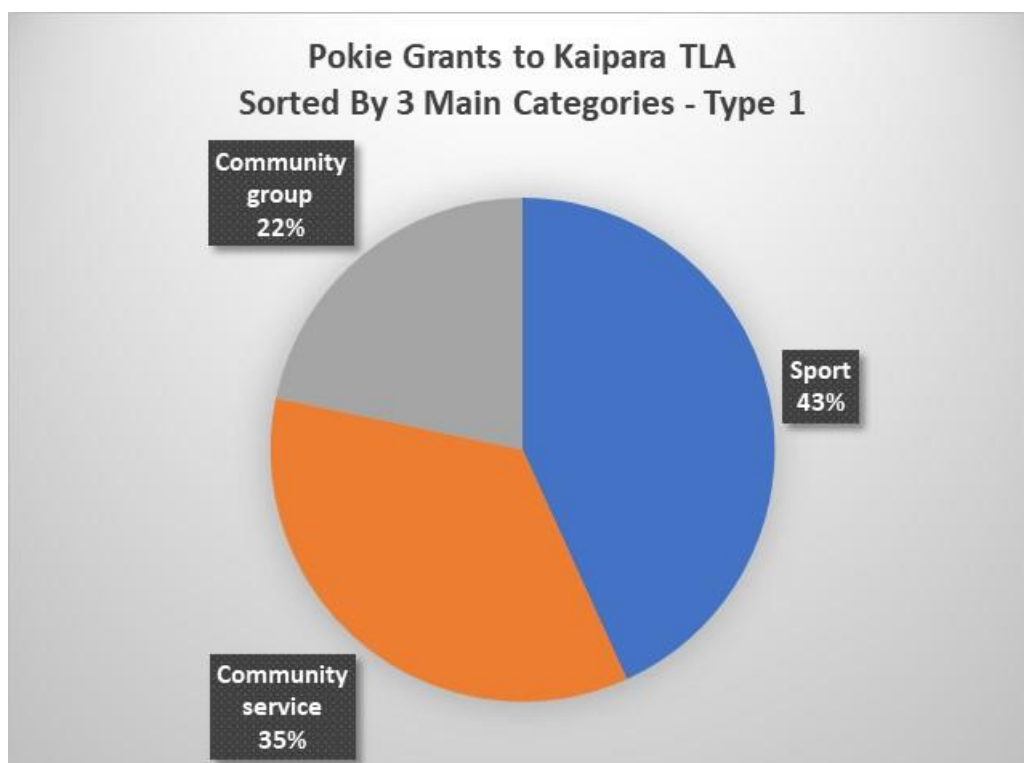
https://niphmhr.aut.ac.nz/_data/assets/pdf_file/0019/193123/Final-Report-National-Gambling-Study-Report-6-29-March-2018.pdf (Page 40/41 - PDF Version)

POKIE GRANTS TO THE KAIPARA TLA - SORTED BY POKIE TRUSTS

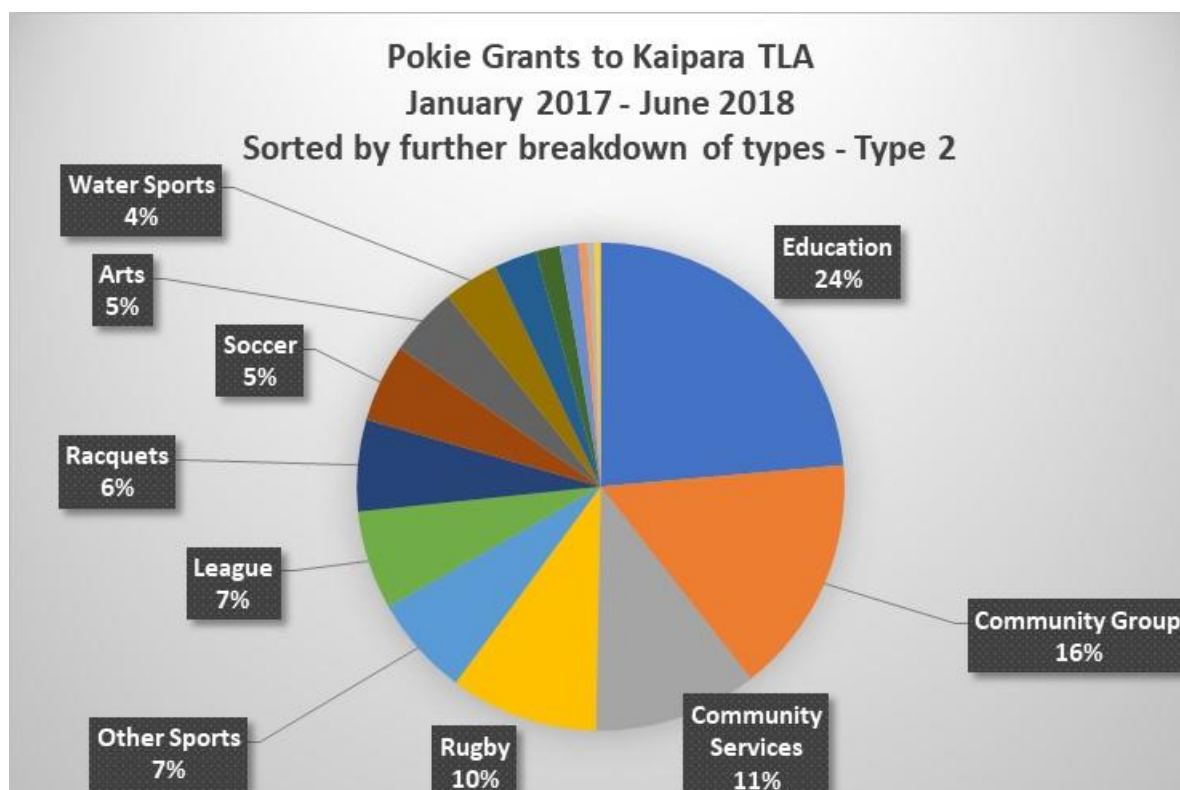


NB - The release of grants by Pokie Trusts is not uniform so cut off dates need to be considered by the reader when reading this report.

Pokie Trust	Grant Amount	Cut off Date
Pub Charity Ltd	\$ 380,901.19	30/06/2018
Trillian Trust	\$ 49,071.80	30/06/2018
Lion Foundation (2008)	\$ 9,963.00	30/06/2018
North and South Trust	\$ 1,258.00	31/03/2018
Grand Total	\$ 441,193.99	



Main 3 categories ▾	Grant Amount
Sport	\$ 190,719.63
Community service	\$ 154,726.59
Community group	\$ 95,747.77
Grand Total	\$ 441,193.99



NB – ‘Other sports’ are made up of sports that don’t warrant their own category. Sports such as Rugby, Soccer, Cricket, Basketball are named specifically because of the number of grants they receive. Other Sports cover such things as Golf, Volleyball, Orienteering and Touch as well as Sports Clubs that cover a multitude of sporting codes under one roof.

Type of Grant	Grant Amount
Education	\$ 104,099.07
Community Group	\$ 69,881.35
Community Services	\$ 47,977.52
Rugby	\$ 43,357.28
Other Sports	\$ 29,497.78
League	\$ 28,839.62
Racquets	\$ 26,819.00
Soccer	\$ 22,761.25
Arts	\$ 20,424.32
Water Sports	\$ 16,080.91
Equestrian/Pony Clubs	\$ 12,540.00
Netball	\$ 7,023.79
Maori	\$ 5,442.10
Kindergartens/Childcare/Plunkett	\$ 2,650.00
Cricket	\$ 2,000.00
Bowling	\$ 1,800.00
Grand Total	\$ 441,193.99

SUMMARY - KAIPARA TLA

Although every step has been taken to make this report as accurate as possible, PGFNZ acknowledges that demarcation of organizations into TLAs is open to discrepancies due to a lack of detailed information from some of the Pokie Trusts. In addition, at the time of writing this report there was no firm ruling on just when and how often Pokie Trusts need to publish their grants. Also, some do not report which TLA an organization comes from which can make sorting extremely difficult as many have the same name – especially schools. Consequently, there is no uniformity in the release of the data. However, it is the only data available to date. Therefore, this should be taken as an **overview only**.

Grants analysed in this report were grants believed to be made **just** to the KAIPARA TLA. Those grants that are given to a wider organisation such as **Search and rescue, National Heart Foundation, Cancer Society etc.**, are omitted as the author has no way of knowing what percentage of the grants goes specifically to KAIPARA TLA.

The report is based on the DIA (Department of Internal Affairs) publications on gambling statistics, the 2013 Census results from Statistics New Zealand and the data base of pokie grants gathered over the past several years by the PGF Group

(NB – The new Census figures will not be published until March 2019)

The period chosen for this analysis is from **1/1/17 – 30/6/18**.

PGFNZ had on its database **70** individual grants allocated specifically to KAIPARA TLA for the nominated period.

The **adult population** of the KAIPARA TLA has been calculated as **14,367** 2013 Census – (Usual population – Statistics NZ). Adult population means 18 years and over.

KAIPARA at present has **7** pokie venues housing **60** pokies. (June 2018).

The first loss per head to pokies machines was calculated from the expenditure figures released on the DIA site for **June 2018**, divided by the adult population from the latest census(2013). **KAIPARA TLA** lost **\$49.80 per head** to pokie machines for the **June 2018 quarter**.

Overall the KAIPARA TLA has the **57th highest loss per head** (18yrs and over) of all **67 TLA's** for this period.

The second calculation using AUT percentages stated that between **2.2%** (Pubs) and **3.1%** (all pokies) of populations over 18 in NZ use pokies monthly or more (*see page 10 for original link*). These are the regular users and those who contribute the lion's share of the \$880 million lost each year in New Zealand. In KAIPARA the losses for the year on pokies were about **\$2.9million for a year**.

The population over 18 in KAIPARA is **14,367** and **2.2%** (Pubs) to **3.1%** (Pokies) of this is **316 to 445** people. It is therefore worth understanding that the regular users (\$2.9m/445) have to lose **\$6,536.24** per one regular pokie player to (\$2.9/316) **\$9,204** per one regular pokie player to reach the annual loss of about \$2.9m (The 3.1% includes casino pokies players and thus the lower end of this range is probably understated.)

The PGFNZ data base has recorded that the KAIPARA TLA received **just \$441,193.99** in pokie grants for the 1/1/17 – 30/6/18 period. These were grants the author understands to be **just** for the KAIPARA TLA.

According to the total of grants on the PGFNZ data base, the main contributor to the KAIPARA TLA by far was the **Pub Charity Ltd**. In fact, this Trust contributed **\$380,901.19** to the KAIPARA TLA which is **equivalent to** a huge **87%** of the total grants for the 1/1/17 – 30/6/18 period. Pub Charity has **2 Venues** housing **26 pokies** so it is not surprising the level of contribution to the area

The Trillian Trust came in second with a contribution of **\$49,071.80** to the KAIPARA area.

Sorting out the type of grants the author began with the division of grants into the three main types (or Type1). Overall '**Sports**' received the most grants – **43% of the total**, with **Community Services 35%** and '**Community Groups**' **22%** of total grants.

Looking closer at the further breakdown of grants on page 13 (**Type 2**), **Education** received the most grants at **24%** of total (=\$104,099.07), '**Community Groups**' came in 2nd at **16%** (=\$69,881.35) , and '**Community Services**' came in 3rd at **11%** (=\$47,977.52) of total grants.

*NB - '**Other sports**' are made up of sports that don't warrant their own category. Sports such as Rugby, Soccer, Cricket, Basketball are named specifically because of the number of grants they receive. Other Sports cover such things as Golf, Volleyball, Orienteering and Touch as well as Sports Clubs that cover a multitude of sporting codes under one roof.*

*NB - Although every effort is made to make this an all-inclusive list of grants, PGFNZ cannot guarantee that all grants that have been made under the Class IV legislation, have been found and included in the list. Therefore the grants should be taken as an **overview only**.*

GIVING YOUR FEEDBACK

Full Name: Martin Cheer

Organisation: Pub Charity Limited *(if giving feedback on behalf of)*

Postal Address:
Email:

I: SUPPORT OPPOSE (tick one which applies)

The Council's proposed amendments to the Class 4 Gambling Venue Policy.

My reasoning for my above statement is...

Attached

Do you wish to speak to your submission?

YES NO

The hearings are scheduled for the week of 26 November 2018.

As this submission form will be used to discuss relevant public feedback, it will be included as part of a public agenda.

Kaipara District Council Gambling Venue Policy Review 2018

Submission of Pub Charity Limited



Introduction

The Kaipara District Council (KDC) is conducting the triennial review of its Class 4 and TAB Gambling Venue Policy for the period 2018-2021. This will be the Council's fifth opportunity to review this policy.

Pub Charity Limited (PCL) currently operates 2 venues and 26 gaming machines in the KDC TLA and is responsible for the vast majority of funds distributed to community groups in the Kaipara District.

Class 4 gambling activity in Kaipara District has declined substantially under the sinking lids imposed over a number of years.

Venue numbers are now at a tipping point where the potential loss of certain venues under a continuation of this policy would result in a collapse in available funds to community groups.

As such PCL opposes the proposed policy Option 1, a sinking lid and restrictive relocation provisions, and invites the Council to consider the alternative Option 2, a cap at current levels.

PCL would like to speak to its submissions.

The Review Process

Council staff have adopted the view that Option 1, continuing with a sinking lid, best serves the interests of Kaipara District. This conclusion was reached after initial consultation with a very limited number of outside parties, including Auckland based health and service providers and Auckland and Wellington based corporate societies that own and operate gaming machines in the District.

Council staff appear to frame this policy discussion in terms of competing interests between those corporate entities who own and operate gaming machines and those groups that lobby in opposition to them.

Despite the claim that the initial consultation was undertaken with 'key stakeholders' at no point has the Council considered the interests of or spoken with those who enjoy playing the machines, the local businesses that host them, the local staff that have jobs because of them, and most significantly those charities and not for profit groups that receive the proceeds from them.

One of the purposes of the current Act is 'to control the growth of gambling' something Council staff refer to on numerous occasions. Clearly that wording indicates the Act anticipated growth, or at the very least a sustainable approach to the sector.

The original KDC Consultation document contained numerous errors which raised concerns for PCL of a conscious or unconscious bias amongst staff.

A number of those errors remain in the final report including;

1. Omits any reference to the RTP (Return to Player) or prizes won and simply focuses on losses
2. Overstates the risk of gaming machines in the community
3. Ignores the benefits that accrue from club operations
4. Flawed analytical methodology around risk and spend and exposure
5. Incorrectly claims a causative rather than associative link between gambling, problem gambling, and negative health issues (co-morbidity)

6. Incorrectly suggests a causative link between exposure and problem gambling prevalence
7. Fails to consider the benefits of controlled and supervised gambling environments and the negative consequences of suppressing community gambling venues
8. Includes help seeking stats for Casino based gaming machines which are configured differently and not subject to the policy being considered
9. Ignores the MoH guidelines on risk assessment
10. Reports the reduction of machines and venues as evidence of 'controlled growth'
11. Ignores the contemporary gambling environment, including all forms of gambling undertaken in the Kaipara District, and the impact of technology on accessibility to gambling opportunities

The overall function or purpose of the Initial Report was described as assessing the social impact of gambling on the Kaipara District Community considering both the positive and negative aspects of class 4 gambling on the community.

For the most part the negative consequences in the report were overstated while benefits like the \$800K in donations generated and distributed or applied were all but ignored.

The Proposal

Staff have recommended Policy Option 1, the retention of a sinking lid with restrictive relocation provisions.

A sinking lid policy is the intentional reduction of Class 4 gaming machines over time and KDC staff have justified this approach under various terms including it being a means to;

- control growth in gambling
- reduce and minimise harm from gambling
- exercise greater control over the impact of gambling in the district

The KDC has had a sinking lid policy in place for an extended period of time. The result has not been 'restrictive' but 'regressive' with Class 4 venues and machines in Kaipara District reducing from 18 and 120 in 2003 to 7 and 60 today.

The purpose of hosting Class 4 gaming machines is to raise fund for community groups. Only 3 of the remaining 7 venues raise funds to be distributed to the wider community.

The other 4 venues in the KDC area are 3 Clubs and 1 venue based End User Trust. These venues all 'apply' funds to themselves rather than enable distribution to wider community groups.

Of the 3 venues that raise funds for distribution to the local community 1 venue is responsible for 67% of the donation funding raised. Unless a more sustainable policy is put in place any further erosion in this fund-raising capacity could see a collapse in local fund raising.

Sinking lids - Exposure Theory and the Prevalence of Problem Gambling

The underlying reason for the policy position adopted by the KDC is based is the belief that there is an immediate and linear relationship between exposure, the number of gaming machines per capita, and levels of problem gambling in the community.

This has long been recognised as a false premise.¹ There is no evidence that sinking lids have had any impact on total gambling spend or problem gambling prevalence.

The current gambling legislation that enables local Government gambling venue policies, was introduced in 2004 before the emergence of high-speed domestic internet or smartphone technology.

At the time the main access to gambling opportunities was to physically visit a state licensed venue or retail outlet. It was intuitive to consider that limiting or controlling access to gambling venues was both a means of controlling the supply of gambling, gambling spend, and potentially reducing harm.

This thinking is evident in the justification of the current KDC sinking lid policy and the proposal to 'roll it over'.

Such thinking in 2018 is outdated.

The empirical evidence does not support the argument that reducing Class 4 venues and machines is an effective means of reducing gambling spend or problem gambling prevalence.

The imposition of sinking lids on community gaming machines in a number of jurisdictions, including Auckland and Christchurch, has led to a decline by over one third, or about 8,000 community gaming machines, from the New Zealand Market.

Over that time total spending, in inflation adjusted terms, on community gaming machines fell by \$512M or 36% since 2004. Despite this reduction in Class 4 spending total spending on gambling in New Zealand has actually increased by over \$300M annually.

KDC claim that reducing community gaming venues and machines leads to better health outcomes. This is not evident in Ministry of Health statistics for problem gambling prevalence rates on a national or local level.

The problem gambling prevalence rate in New Zealand, already some of the lowest in the world, stabilised in the 1990's and have remained unchanged.

After numerous and regular studies the NZ Ministry of Health states;

- *'From examination of the findings of other surveys, taking account of methodological differences and their likely impact, it is concluded that there has probably been no change in the prevalence of current problem and moderate-risk gambling since 2006.*
- *Again adjusting for the likely impact of methodological differences, it is concluded that the prevalence of lifetime probable pathological and problem gambling have probably not changed since the last time a lifetime assessment was made in New Zealand (1999).*
- *From examination of previous New Zealand prevalence studies it is considered likely that the prevalence of problematic gambling, both current and lifetime, within the range assessed as pathological, problem and moderate-risk, reduced significantly during the 1990s and has since stayed at about the same level.*

¹ 'Do Problem Gambling and EGM's Go Together Like a Horse and Carriage'; Abbot, M; 2006

- *The above conclusion is consistent with the findings of a recent meta-analysis of prevalence studies conducted world-wide since the late 1980s; in all major world regions examined prevalence increased in association with increased gambling availability, especially casino gambling and EGMs, then levelled out and declined.²*

If historical findings are considered it should not come as a surprise that enforcing sinking lids has not delivered. The only surprise is they keep getting endorsed by some Council staff.

Long standing advice from local and international problem gambling clinicians and researchers indicated that imposing caps or sinking lids on gaming machine numbers in the expectation of a reduced incidence of problem gambling, has not been effective.

'EGM reductions and introductions of caps generally appear to have little impact ... more recently, in some jurisdictions, that have experienced prolonged and increased availability [of gaming machines], prevalence rates [of problem gambling] have remained constant or declined. ...'

Professor Max Abbot, AUT, 2006

'We find no evidence that the regional cap policy had any positive effect on problem gamblers attending counselling, on problem gambler counselling rates, or other help seeking behaviour.'

Study of the impact of caps on Electronic Gaming Machines; The South Australian Centre for Economic Studies; May 2006

Help Seeking is not a Proxy for Harm

The Gambling Commission has made it clear that presentation statistics are not a measure of the prevalence or incidence of harm.

*'... presentations are not a sound proxy for gambling harm.'*³

The Report initially agrees explaining the unreliability of the fluctuating help seeking statistics, which are for all forms of gambling not just class 4;

'There are difficulties in measuring whether the Policy has been effective in preventing and minimising harm caused by gambling.'

'This [increase in help seeking] may be the result of increased promotion for these services at particular times. There is some growth in the number of people seeking support, however this could be explained by increasing awareness levels about problem gambling, and associated support services.'

However, the KDC Report then goes on to suggest that there had been a 35% reduction in 'problem gambling', and that, 'it would have been worse if the policy was not restraining growth via a sinking lid approach.' (pg 24)

² NZ Ministry of Health, NEW ZEALAND 2012 NATIONAL GAMBLING STUDY: GAMBLING HARM AND PROBLEM GAMBLING, REPORT NUMBER 2, Provider Number: 467589, Contract Numbers: 335667/00, 01 and 02, 3 July 2014, Authors: Professor Max Abbott, Dr Maria Bellringer, Dr Nick Garrett, Dr Stuart Mundy-McPherson

³ *Regulatory Impact Statement: Problem Gambling Levy for 2016/17 to 2018/19*, Department of Internal Affairs

Help seeking numbers for Kaipara District for all forms of gambling have both increased and decreased under previous sinking lid policies.

As the staff quite rightly point out this localised behaviour is not a reliable indicator of the efficacy of sinking lids however National statistics for problem gambling prevalence do not support the argument.

The Ministry of Health Guidelines Risk Assessment

The Report refers to Ministry of Health guidelines for conducting social impact assessments and developing a gambling profile.

Kaipara scored;

- Low risk for the number of help seeking clients per capita compared to the national average.
- Low risk for the number of machines per head of population
- Medium risk for the expenditure per capita
- High risk for the % of Maori population
- Low risk for the % of Pasifika population
- High risk from the lack of help services available

Overall risk was assessed as MEDIUM and the MoH recommended a restrictive (not regressive) policy.

Council staff have ignored those findings and adjudged the Risk as 'HIGH' stating that the MoH guidelines result, *'is not considered an accurate picture of real gambling risk on the Kaipara'*, without making further comment as to why they hold that view.

Expenditure on Class 4 Gambling

The Report indicates that spending on Class 4 gambling per head increased from \$167.59 to \$176.70 or 5.4% between 2015-2017. That figure is not inflation adjusted.

The inflation adjusted per capita increase in spend on Class 4 gambling in Kaipara is \$4.16 per head per year, or 8 cents per week. The annual spend of \$176.70 per head is less, not more, than the 2017 national average of \$187.58.

Prohibition & Social Activism

It is understandable for Councils to opt for prohibition when advised by their staff that such measures are a direct conduit to reducing social harm. When pressed those advocating such measures struggle to justify or provide evidence for such draconian policy, instead simply advising that such a move is 'prudent' in the circumstances.

Prohibition is a failure to deter or prevent behaviour it is however associated with driving behaviour underground into unlawful, uncontrolled, and unregulated environments.

When other more intense, less supervised, less regulated, and less beneficial gambling options existing and widely available to the people of Kaipara District the efficacy of pursuing sinking lids on community gambling is questionable in net benefit terms.

The Benefit of Regulated Gambling Venues

Community gambling will either be undertaken in controlled and supervised environments or uncontrolled and unsupervised places, like on-line.

Rather than being something to suppress or prohibit, Class 4 venues represent a 'best case' scenario for the monitoring of intervention in gambling behaviour .

Class 4 Games must be approved and meet specifications, bet sizes and prizes are limited, and the issuing of credit to gamble is prohibited.

Staff in Class 4 venues are trained to a high standard to monitor and supervise gambling participants, intervening as required with information and, in extreme cases, exclusion from gambling.

Since 2003 several Councils, on advice from anti gaming groups, imposed restrictions or sinking lids on future community-based gaming machine or venue numbers, encouraged in the belief that by simply reducing one point of access to gambling, as opposed to implementing measures which reduce the harm caused by problem gambling, that problem gambling would be reduced.

That type of advice will no doubt be offered to the Council, again during this review.

After 12 years of such policies, and a reduction of over 7,500 community gaming machines, or -33%, there is no evidence that this has had any impact on reducing the already very low prevalence rate of problem gambling in New Zealand.

Exposure/Density/Spend and Problem Gambling in Kaipara District

Council staff conclude that;

'Based on the data gathered through this review, it can be inferred that the Class 4 Gambling Venues Policy has 'been effective at reducing gambling harm'⁴

There is no evidence to support such statement.

Despite the belief that a more restrictive approach to Class 4 Gambling Venues will limit community access to gambling opportunities the policy is notable for its exceptions. It does not cover;

- Lotteries outlets, which have doubled in recent years, associated with 10.8% of problem gambling help seeking annually and a 26% increase in sales in 2017
- 'Other' forms of gambling like online, poker and housie, responsible for 7.8% of all problem gambling help seeking annually (and growing rapidly)
- Internet based options including on line mobile and app based gambling products like LOTTO On-line, TAB Racing and Sports Betting Apps and Accounts

⁴ Pg 24 KDC Gambling Policy Review

- Overseas on-line Casinos and Sports Betting Agencies.
- NZ Racing Board Track and Sports betting, associated with 7.8% of problem gambling help seeking

Rather than facing restrictions the NZ Racing Board recently announced an aggressive expansion of products and technology as have the Lotteries Commission.

*'We are looking to attract more responsible gambling ... to double our active [TAB] accounts over the next couple of years.'*⁵

'Join TAB Now & Get A Bonus \$20 When You Deposit \$10. Now You're In The Game. Live Odds Online. NZ's Only Betmakers. Multis Betting. Services: Sports Betting, Horse Racing, Multis Betting, Odds, Favourites.'

TAB World Cup Promotion - *'Sign-up a new TAB account with the promotion code GOAL and we'll load a \$20 bonus into your new account after you make your first deposit of at least \$10.*

Available to new digital account customers only. Promotion Code GOAL must be submitted at sign-up. Your \$20 Bonus will be released into new account after first deposit has been made. Limit of 1 new account bonus per participant. Offer applies to new TAB customers only. Full promotion terms and conditions available at tab.co.nz/depbonus. Please gamble responsibly.'

Reducing controlled and supervised community spaces for gambling, like Class 4 venues, will simply accelerate the existing trend for gambling to move to commercial, uncontrolled and unsupervised channels, a trend already causing a great deal of concern internationally.

*'Interactive and online gambling is having devastating consequences; new gamblers are more easily recruited online and gambling sites are accessible 24 hours per day.'*⁶

The Purpose of Class 4 Gambling - Community Funding

The Class 4 gambling model is unique worldwide where gaming machines are owned and operated under licence in community based commercial venues on a not for profit basis.

Only the costs of conducting gambling can be deducted and the entire balance must be distributed to community and charitable purposes without reserves each year.

Pub Charity Limited funding to organisations based in the Kaipara District since the last review is attached. Funding contributions to national organisations like Starship Foundation and Regional organisations like Sport Northland have not been listed here but can be seen at www.pubcharitylimited.org.nz if required.

⁵ NZ Racing Board CEO John Allen, Sunday Star Times, November 12, 2017

⁶ The Royal Australian & New Zealand College of Psychiatrists, September 2017

In addition to these funding outcomes PCL pays 33% of gaming machine proceeds, or \$30.9M per annum to central Government in taxes and duties and \$1.2M annually towards the costs of problem gambling research, intervention and public awareness.

While these amounts were considered 'lost to the community' the benefits accrue through Government expenditure from the consolidated fund in which they are deposited. In fact, love them or loathe them the people of Kaipara directly or indirectly benefit from Class 4 gambling every day.

Summary

Empirical evidence contained in reports by the NZ Ministry of Health show that restrictive policies like sinking lids on class 4 gambling have had no impact on problem gambling prevalence in the community or on total gambling spend. What they have achieved is reduced community funding and encouraged the migration of spending to other gambling activities.

Class 4 Gambling provides a critical vehicle for and source of fundraising for the Kaipara District Community.

Over time the application of 'sinking lid' policies has substantially reduced the number of Class 4 venues engaged in raising funds for the general Kaipara community with little or no evidence of positive health outcomes.

Currently 90% of the Class 4 proceeds distributed to the general community in Kaipara is generated by 2 of the 7 venues, and 1 of those is responsible for 67%.

PCL would invite Council to consider a more sustainable approach to this fundraising capacity and reject Option 1 and instead select Option 2.

Option 2 prevents any growth in the current numbers, which are described by Council staff as 'sufficient' but protects the current fundraising capacity.

PCL supports Option 2.

Pub Charity Limited			
Donations Approved Kaipara District 2016 - Sept 2018			
Date Paid	Applicant Name	Purpose	Amount Approved
22/01/2016	Mangawhai Community Trust Inc	New Equipment	\$ 5,321.93
22/01/2016	The Dargaville Gardens Trust	Saw sculpture project	\$ 2,800.00
22/01/2016	Hikawai Kaipara Waka Ama Club	Club singlets	\$ 2,150.50
22/01/2016	Mangawhai Rayders Cycle Club Inc.	30 Shirts	\$ 2,434.55
22/01/2016	Otamatea High School	Team uniform playing sets	\$ 1,779.25
22/01/2016	Northland Field Days Inc	Shade sails	\$ 16,295.00
22/01/2016	Te Kopuru Amateur Swimming Club	Pool hire	\$ 500.00
22/01/2016	Hakaru Pony Club	Base for Arena	\$ 33,005.00
22/01/2016	Dargaville Rugby and Sports Club Inc	Medical supplies, rugby jerseys, senior shorts and socks etc as per resolution	\$ 10,298.42
26/02/2016	Seniornet Dargaville Inc	Attendance to the NZ Federation of Seniornet Annual meeting for two as per items on cost breakdown	\$ 1,000.00
26/02/2016	Seniornet Mangawhai Inc	Laptops with Windows 10 and MS software	\$ 1,500.00
26/02/2016	Kaihu Valley Rugby Football Club	Playing jumpers, shorts, socks, warm up tees, mpouth guards and mini midgets	\$ 5,000.00
30/03/2016	Otamatea Hawks Rugby Club	Equipment as per items on resolution only	\$ 8,259.58
30/03/2016	Northern Wairoa Netball Centre	New rep uniforms	\$ 8,027.00
30/03/2016	Otamatea Community Services Inc	New car for service operations	\$ 5,217.39
30/03/2016	Maungaturoto Jmb Rugby Club	Playing gear for the JMB team and ripper tags for the midgets	\$ 2,895.24
22/04/2016	St Josephs Catholic School PTA - Dargaville	2x Kai cookers	\$ 3,000.00
22/04/2016	Otamatea High School	Accommodation costs	\$ 660.00
22/04/2016	Mangawhai Historical Society Inc	Staging an exhibition of NZ artist John Foster's work	\$ 6,800.00
22/04/2016	Tangowahine School	Educational activities	\$ 2,189.00
27/05/2016	Northern Wairoa Community Radio Trust	Operation costs as per items on cost breakdown	\$ 6,000.00
27/05/2016	SANZ First Dargaville	21st NZ scout jamboree	\$ 2,000.00
27/05/2016	Dargaville Primary School BOT	Bus travel	\$ 1,110.00

27/05/2016	Southern Football Club	First Aid equipment and training gear	\$ 10,000.00
27/05/2016	Maungaturoto Care & Share Family Support Group Trust	Wages, hall hire, telephone and supervision costs	\$ 4,700.00
24/06/2016	Mangawhai Arts Inc	Staging of the Kaipara Art awards	\$ 3,100.50
27/05/2016	Dargaville Business Forum	Christmas flags	\$ 5,981.15
24/06/2016	Dargaville Rugby and Sports Club Inc	Training turf hire, 2 x sets of senior uniforms, 1 x set of junior uniforms and training gym hire	\$ 7,160.61
24/06/2016	Dargaville Intermediate PTA	Accommodation	\$ 3,000.00
22/07/2016	Sanz Kaiwaka Scout Group	Transport	\$ 3,000.00
22/07/2016	Otamatea Rugby Club	Strapping tape	\$ 2,500.00
22/07/2016	Ruawai College BOT	Accommodation expenses	\$ 2,000.00
22/07/2016	Dargaville High School	Accommodation	\$ 2,500.00
22/07/2016	Northland Powerlifting & Bodybuilding Assn	Flights	\$ 5,000.00
22/07/2016	Northland Surfing Association Inc	High performance coaching	\$ 2,400.00
26/08/2016	Kauri Coast Recreational Society Inc	Towards the construction of a new multi -sport facility at Memorial Park in Dargaville	\$ 178,207.00
26/08/2016	Kaiwaka Sports Association	Assymmetrical bars	\$ 7,500.00
26/08/2016	Mangawhai Museum and Historical Society Incorporated	Power	\$ 1,900.00
26/08/2016	Kumarani Productions	Two new laptop computers etc as per resolution	\$ 4,000.00
26/08/2016	Dargaville Intermediate PTA	Bus and travel expenses	\$ 1,000.00
23/09/2016	Northern Wairoa Cricket Club	Cricket coach	\$ 3,000.00
23/09/2016	Northern Wairoa A & P Assn	Entertainment costs as per items on cost breakdown only	\$ 8,000.00
23/09/2016	Tangiteroria Home and School Association	Shade systems hip roof	\$ 10,000.00
23/09/2016	St Josephs Catholic School PTA - Dargaville	Pie warmer	\$ 782.00
31/10/2016	Kaipara Vintage Machinery Club	New computer, catalogue system and defibrillator	\$ 4,880.00
31/10/2016	Mangawhai Community Trust Inc	Treadmill	\$ 6,545.00
31/10/2016	Aranga School	Unique software	\$ 3,685.00
31/10/2016	Otamatea Community Services Inc	3 new desktop computers	\$ 3,417.00

31/10/2016	Maungaturoto Squash Club	Professional squash coach for Term 4	\$ 2,000.00
2/12/2016	Mangawhai Walking Weekend Charitable Trust	Hat and Lanyards.	\$ 2,358.75
2/12/2016	Dargaville Primary School BOT	School website upgrade	\$ 2,000.00
2/12/2016	Otamatea High School	New Rugby playing tops.	\$ 1,168.00
2/12/2016	Dargaville High School	1st 15 Rugby kit as per resolution	\$ 5,000.00
2/12/2016	Hikuwai Kaipara Waka Ama Club	Equipment - W1 and the W2	\$ 5,400.00
2/12/2016	Dargaville Gardens Trust	Swamp garden renovation proposal	\$ 5,890.73
27/01/2017	Mangawhai Tennis Club	Costs of fence	\$ 3,819.00
27/01/2017	Dargaville Primary School BOT	Handheld radios	\$ 2,912.00
27/01/2017	Dargaville Rugby and Sports Club Inc	Uniforms	\$ 4,875.00
27/01/2017	Dargaville Lawn Tennis Club	8 Bulbs and Gear Trays for Lighting of Courts	\$ 8,000.00
27/01/2017	Dargaville Community Development Board	Website design , SSI security certificate, Photographic images, Visitor and Live Here resource	\$ 14,450.00
24/02/2017	Dargaville High School	Paddles, life jackets and accommodation	\$ 7,509.12
24/02/2017	Mangawhai Museum and Historical Society Incorporated	New Digital hardware and software	\$ 9,994.64
24/02/2017	Otamatea Community Services Inc	Hiace Minibus	\$ 15,000.00
24/02/2017	Kaihu Valley Rugby Football Club	Away games only	\$ 4,275.00
24/02/2017	Kaihu Valley Rugby Football Club	Gym equipment	\$ 10,000.00
24/03/2017	Dargaville Primary School BOT	Software programme	\$ 2,980.00
24/03/2017	Northern Wairoa Bulls Rugby League & Sports Club Inc	New sports uniforms, training equipment, first aid gear, team carry bags & sideline gear	\$ 13,839.62
24/03/2017	Mangawhai Activity Zone Charitable Trust Inc	Outdoor gym	\$ 10,000.00
24/03/2017	Kaipara Abuse Prevention Inc	Continuing and expanding the youth mentoring programme for 12 months	\$ 10,000.00
24/03/2017	Seniornet Dargaville Inc	Travel expenses, accommodation, meals and registration fees	\$ 1,500.00

21/04/2017	Southern Football Club	Sportclub	\$ 12,761.25
21/04/2017	Northern Wairoa Golf Club Inc	Fairway scarifier	\$ 8,000.00
21/04/2017	Otamatea High School	Accommodation	\$ 1,000.00
21/04/2017	Mangawhai Tennis Club	Lighting of the two tennis courts	\$ 5,000.00
21/04/2017	Kaurilands Community Kindergarten	New BBQ	\$ 1,800.00
21/04/2017	Dargaville Rugby and Sports Club Inc	Netball gear	\$ 1,564.71
26/05/2017	Dargaville Rugby and Sports Club Inc	Turf fees, goalie gear, uniforms & medical supplies	\$ 5,077.35
26/05/2017	Otamatea High School	Transport costs	\$ 1,000.00
26/05/2017	Ruawai College BOT	Accommodation	\$ 5,000.00
26/05/2017	Dargaville Arts Association Inc	News paper & Radio Advertising	\$ 9,976.25
26/05/2017	Dargaville Rugby and Sports Club Inc	Bus Travel	\$ 2,565.22
23/06/2017	Northern Wairoa Youth Rugby	Travel and accommodation	\$ 6,480.00
23/06/2017	Hakaru Pony Club	Costs involved with the rebuild of the water-jump	\$ 16,291.86
23/06/2017	Dargaville Arts Association Inc	Hosting the Kaipara Art awards	\$ 6,000.00
23/06/2017	Dargaville High School	Accommodation, travel and uniforms	\$ 3,000.00
21/07/2017	Dargaville High School	Accommodation and travel	\$ 4,000.00
28/08/2017	Mangawhai Museum and Historical Society Incorporated	Upgrade cafe facilities	\$ 12,982.88
22/09/2017	Arapohue Bowling Club Inc	Bowdry ground-drying machine, green markers and green numbers	\$ 1,800.00
22/09/2017	Northern Wairoa A & P Assn	Entertainment for A&P show	\$ 9,000.00
27/10/2017	Dargaville Community Development Board	CCTV system for dargaville township	\$ 30,000.00
22/09/2017	Dargaville Arts Association Inc	Painting and redo walls of Muddy Waters	\$ 9,698.07
27/10/2017	Hikuwai Kaipara Waka Ama Club	New club singlets	\$ 1,442.10
27/10/2017	Dargaville Rugby & Sports Club Inc	New gym equipment	\$ 8,000.00
27/10/2017	Nga Waka O Tirohanga	20 traditional maori raincapes	\$ 4,000.00
4/12/2017	Kaipara Vintage Machinery Club	Equipment and furniture items	\$ 2,303.35
4/12/2017	Northern Wairoa Netball Centre	12 netball posts, junior hoops, nets, post pad and sockets	\$ 4,000.00
4/12/2017	Te Kopuru Amateur Swimming Club	Pool hire	\$ 2,375.00

4/12/2017	Dargaville Primary School BOT	100 students fees for surf life saving day	\$ 1,500.00
4/12/2017	Dargaville Amateur Swimming Club Inc	Pool hireage	\$ 2,000.00
23/01/2018	Mangawhai Tennis Club Incorporated		\$ 10,000.00
23/01/2018	Northern Wairoa Golf Club Incorporated		\$ 8,000.00
23/01/2018	Ruawai College		\$ 2,000.00
23/01/2018	Te Kopuru Amateur Swimming Club Incorporated		\$ 3,500.00
20/02/2018	Dargaville High School- Sports Department	New playing kit/travelling kit	\$ 3,878.00
20/02/2018	The Southern (Te Kopuru) Football Club Incorporated	Gear/ equipment	\$ 10,000.00
16/03/2018	Dargaville High School- Sports Department	Playing kit and goalkeeper kit	\$ 2,961.09
16/03/2018	Mangawhai Activity Zone Charitable Trust	Constitution of a link path	\$ 5,000.00
16/03/2018	Northern Wairoa Bulls Rugby League & Sports Club Incorporated	New sports uniforms, field gear, training gear etc as per resolution	\$ 15,000.00
16/03/2018	Selwyn Park Primary School	24 Chromebooks, a storage unit and device management	\$ 12,306.15
16/03/2018	Seniornet Dargaville Incorporated	Travel	\$ 628.00
16/03/2018	The Dargaville Rugby and Sports Club Incorporated	Bus transport, playing uniforms, squash sports equipment	\$ 7,000.00
18/04/2018	Northern Wairoa Netball Centre Incorporated	Umpire polos and rain jackets	\$ 3,023.79
18/04/2018	Tangowahine School	Salary and phone for our Wellington volunteers coordinator	\$ 4,650.00
23/05/2018	Kaiwaka Sports Association Incorporated	Providing Turbo Touch Module in Kaiwaka - Sports equipment and Facilitator contract	\$ 400.69
20/06/2018	Dargaville High School Board Of Trustees	Accommodation, travel and uniforms	\$ 5,235.83
20/06/2018	Mangawhai Artists Incorporated	2018 Kaipara Art Awards - cash prizes, trophies, transportation, printing and advertising	\$ 1,030.00
20/06/2018	Otamatea Community Services Incorporated	Foodbank and deprivation fund	\$ 3,000.00
20/06/2018	Ruawai College BOT	Accommodation costs	\$ 4,000.00
20/06/2018	Waipoua Forest Trust	Tools - Chemical spill kit, defibrillator, outdoor first aid	\$ 8,168.05

		courses, planting and bush cutting tools, and a washing machine	
26/07/2018	Dargaville Rugby and Sports Club Incorporated	Turf hire, gym hire and medical supplies	\$ 3,045.00
26/07/2018	Linking Hands Incorporated	Supply and print of 40 shirts	\$ 1,180.00
26/07/2018	Mangawhai Community Trust	Improvements to the community gymnasium	\$ 5,000.00
26/07/2018	Northern Wairoa Netball Centre Incorporated	Leadership hoodies and junior programme coaching fees	\$ 2,186.95
22/08/2018	Citizens Advice Bureau Dargaville and Districts	Coordinator/Information Officers wages	\$ 6,000.00
22/08/2018	Kauri Coast Recreational Society Incorporated	Insurance and fit out for the new complex	\$ 27,391.40
22/08/2018	Northern Wairoa Agricultural And Pastoral Association Incorporated	Entertainment	\$ 10,500.00
22/08/2018	Te Roroa Development Charitable Trust	Equipment as per resolution	\$ 14,422.73
19/09/2018	Aranga School	Interactive e-learning online publishing communication and digital software	\$ 4,650.00
19/09/2018	Dargaville Youth Charitable Trust	Weight training equipment and accessories	\$ 40,604.76
19/09/2018	Te Kopuru School Board Of Trustees	School gazebos	\$ 3,000.00
19/09/2018	St John Northern Region	Mangawhai based emergency response vehicle	\$ 98,352.00
		131	\$ 1,060,205.46

From: Senionet Dargaville [REDACTED]
Sent: Monday, 5 November, 2018 1:10 PM
To: Policy
Subject: Proposed Gambling Policy

SeniorNet Dargaville wish to submit to your proposed Gambling Policy document. We as a non profit organisation receive good support from Pub Charity and wish to support them in their request to have the "sinking lid" Option removed from the Policy Document.

We are happy that no new venues are allowed but wish to keep the current level in Dargaville.

[REDACTED] the team at SeniorNet Dargaville Inc.

GIVING YOUR FEEDBACK

Full Name: Reno Skipper

Organisation: _____ (if giving feedback on behalf of)

Postal Address: _____

Email: _____

I: SUPPORT OPPOSE (tick one which applies)

The Council's proposed amendments to the Class 4 Gambling Venue Policy.

My reasoning for my above statement is...

~~Kia~~ Kia ora te Whānau, kia ora te hōpuri,
kia ora tātou katoa.
When the family is well, the
community is well and we are all
well.

Do you wish to speak to your submission?

YES NO

The hearings are scheduled for the week of 26 November 2018.

As this submission form will be used to discuss relevant public feedback, it will be included as part of a public agenda.



Enriching lives through sport



SPORT
NEW ZEALAND



ACC
Chill Technology Ltd
Conbrio
Dudley & Dennis Signs
Educare
Fireco
Fullers Great Sights
Jennian Homes
More FM
NorthCloud
Pacific Motor Group
Ray White
ThermaTech
Top Energy Ltd

Dargaville Veterinary Centre
Hot Printz
JOP
Pak'nSave
Silver Fern Farms
Sutherland Security
The Northern Advocate
Whangarei Aquatic Centre

Foundation North
Oxford Sports Trust
Lion Foundation
Pub Charity
The Southern Trust
Far North District Council
Kaipara District Council
Whangarei District Council
Ministry of Social Development
Northland DHB
Northland Foundation
Northland Regional Council
Northland Secondary Schools
Water Safety NZ

2 November 2018

SUB 27

Policy Team
Kaipara District Council
Private Bag 1001
Dargaville 0310

To Whom It May Concern

Draft Class 4 Gambling Venue Policy

The Sport Northland board wishes to make a submission to oppose Option 1, a sinking lid policy, and ask Council to consider Option 2, a cap on venues and machines at the current level.

If Option 1 is maintained, it will mean that if one of the current businesses that has gaming machines can no longer operate, there would be minimal funds to distribute into the Kaipara Community, which we consider would be detrimental to the numerous sporting clubs in the region that rely on this fundraising opportunity. The proposed policy of a sinking lid does not appear to understand or consider that risk.

Sport Northland is concerned about the impact a venue closure would have without the option to relocate the machines to another establishment. Therefore, Sport Northland wishes to support Option 2 which will ensure that the current funding level of approximately \$800,000 distributed locally, is sustained. It is feared that if one of the two main gaming outlets was to close distributed funds would decrease by approximately 45%.

Sport Northland, along with the regional sports organisations affiliated to the trust, are reliant on funding received from the gaming trusts to deliver into the community. As we know how important this funding is to many in the Northland sports sector, we would like to highlight this concern and ask that a mechanism to protect this funding be incorporated into the legislation.

For example, Sport Northland is reliant on gaming funding to deliver water safety lessons in primary schools throughout the Northland region at no cost. We believe this has impacted on the fact that no drownings have been recorded in the 5 – 13 age group in Northland over the past 3 years as well as



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SPORT
NEW ZEALAND



- ACC
- Chill Technology Ltd
- Conbrio
- Dudley & Dennis Signs
- Educare
- Fireco
- Fullers Great Sights
- Jennian Homes
- More FM
- NorthCloud
- Pacific Motor Group
- Ray White
- ThermaTech
- Top Energy Ltd

- Dargaville Veterinary Centre
- Hot Printz
- JOP
- Pak'nSave
- Silver Fern Farms
- Sutherland Security
- The Northern Advocate
- Whangarei Aquatic Centre

- Foundation North
- Oxford Sports Trust
- Lion Foundation
- Pub Charity
- The Southern Trust
- Far North District Council
- Kaipara District Council
- Whangarei District Council
- Ministry of Social Development
- Northland DHB
- Northland Foundation
- Northland Regional Council
- Northland Secondary Schools
- Water Safety NZ

a noticeable decrease in drownings in the 14 – 18 -age group.

The Dargaville Run/Walk and the Kai Iwi Lakes triathlon events are staged by Sport Northland annually, catering for hundreds of participants, at a greatly reduced cost - all thanks to gaming machine grants. No, or reduced, grants in Kaipara would see a greatly increased entry fee for participants and therefore a decline in opportunities to become more active.

Therefore, Sport Northland wishes to ask Council to consider Option 2, a cap on venues and machines at the current level, without the corresponding loss of machines if a venue was to close down.

We would like to be heard in support of this submission.

Thank you for the opportunity to submit on behalf of Sport Northland.

Yours sincerely

Brent Eastwood
Chief Executive

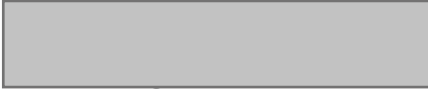
Class 4 Gambling Venues Policy Review

SUB 28

To Kaipara District Council Submissions - Mark Schreurs
Date received 29/10/2018 1:02:38 PM
Submission #1

Address for service:

Stevens Vern / 1



Wishes to be heard? No

Is willing to present a joint case? No

Submission points

Point 1.1

1: Do you support or oppose the draft policy? Please give reasoning as to your position below.

Answer

I oppose the draft policy, because, while I understand the issues that gambling can cause, particularly for low income families, having a sinking lid policy means in effect less and less gambling machines, and therefore, as the years go on and venues that host the machines close. there will be less and less opportunities within our community to access charitable funds. The people who gamble will instead turn to online gambling, they do now and organisations within our community have no access to the profits from those ventures. At least with the current system organisations within our community benefit from the money gambled. For example, this year my school was granted \$12k which enabled us to set up chromebooks for the children across the senior area of the school. Relying on sausage sizzles and fun runs would have taken us 6 years to achieve what we did with one application. To me it would make far more sense to fix the number of machines available at present and leave it that. There are very few other places, where organisations in this community can access funds that are so badly needed to make improvements to existing facilities or to launch new initiatives.

SUB 29



GIVING YOUR FEEDBACK

Full Name: Sherryl Kaye Moffett

Organisation: Te Kopuru Amateur Swimming Club *(if giving feedback on behalf of)*

Postal Address:

Email:

I: SUPPORT OPPOSE (tick one which applies)

The Council's proposed amendments to the Class 4 Gambling Venue Policy.

My reasoning for my above statement is...

Submission Attached

Do you wish to speak to your submission?

YES NO

The hearings are scheduled for the week of 26 November 2018.

As this submission form will be used to discuss relevant public feedback, it will be included as part of a public agenda.



2 November 2018

Policy Team
Kaipara District Council
Private Bag 1001
Dargaville 0310

To Whom It May Concern

Draft Class 4 Gambling Venue Policy

The Te Kopuru Amateur Swimming Club opposes Option 1 - a sinking lid policy, and would like Council to consider Option 2 in their proposal - a cap on venues and machines at the current level with the option to review machine numbers reflecting population growth.

Our reasoning is that if, for whatever reason one of the current businesses that houses machines could no longer operate under the proposed policy that fund-raising capacity would be lost forever. The proposed (and current) policy of a sinking lid does not appear to understand or consider that risk. While the Council proposes very limited relocation provisions, this would not address the impact of a business that is closing.

Option 2 would protect the sustainability of the funding that is currently being distributed to community organisations – we understand that of the approximately \$800,000 that is distributed to community organisations in Kaipara annually from gaming trusts, approximately 45% of that would be lost forever if one of the two main venues was to close down (the Mangawhai Tavern and the Northern Wairoa Hotel between them contribute approx. 90% of the current gaming funding in Kaipara) If either of these two venues were to close there should be an option for the gaming machines to be redistributed in the community to another suitable facility .We acknowledge that gaming machines may be the cause of problem gambling, we believe this issue is mitigated by the close monitoring of the machines and the vigorous reporting required to be completed by the venues management.

The Te Kopuru Amateur Swimming Club, other sports clubs and organisations in the Kaipara District rely on gaming trust funding to operate and to keep user pays fees to a realistic level, thereby maximising participation in their respective sports.

Any loss of funding due to the sinking lid policy would significantly increase the likelihood that these clubs and organisations would need to increase fees to enable them to sustain their current level of service to participants. With an increase in fees this would not give every child the opportunity to participate in sport. In some cases some clubs would not survive without funding and this would be a great loss to the community.

Thank you for your consideration of this very important issue for the sport and recreation sector.

Yours sincerely



Kaye Moffett

President

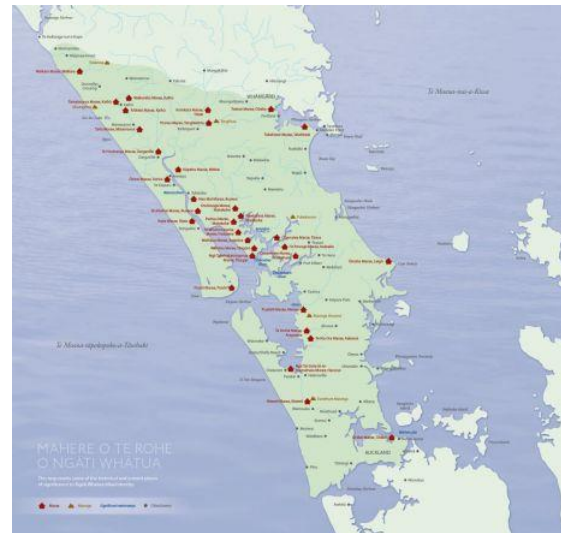


Submission on the Class 4 Gambling Venues Policy

Submitted on behalf of:
Te Rūnanga o Ngāti Whātua
Māori Public Health Unit

1. Te Rūnanga o Ngāti Whātua would like to thank the Kaipara District Council for the opportunity to contribute to the discussions in relation to the proposed Smokefree Kaipara Policy.

2. As an iwi, Ngāti Whātua’s tribal boundaries extend from Ōtāhuhu, in South Auckland, and extend to Whangarei and Waipoua in the North. The hapū of Ngāti Whātua are Orākei, Te Taoū, Te Uri o Hau and Te Roroa.



3. The Rūnanga represents five takiwa:

- Orākei
- South Kaipara
- Otamatea
- Whangarei
- Northern Wairoa

4. Te Rūnanga o Ngāti Whātua was established in 1988, for the purpose of settling the Treaty claims of the Ngāti Whātua People. Te Rūnanga o Ngāti Whātua is constituted as a body corporate by the Te Rūnanga o Ngāti Whātua Act 1988 and is a Māori Trust Board under the Māori Trust Boards Act 1955.

5. Te Rūnanga o Ngāti Whātua is the sole representative body and authorised voice to deal with issues affecting the whole of Ngāti Whātua.

6. Te Rūnanga o Ngāti Whātua supports the minimisation of gambling harm to whānau and communities within the Kaipara District.
7. Māori are over-represented in problem gambling statistics and so any risk that Council is willing to take in terms of enabling gambling harm, is primarily being taken at the risk of Māori health and wellbeing.
8. We therefore commend the Kaipara District Council, on this review of the Class 4 Gambling Venues Policy, in line with the Gambling Act 2003.
9. Te Rūnanga o Ngāti Whātua supports the Kaipara District Council in maintaining its 'Sinking Lid' policy.
10. We believe this approach has been beneficial to the community thus far, with the policy creating a gradual reduction of venues and machines within the District since implementation in 2003.
11. We strongly support that this 'Sinking Lid' policy was originally developed in consideration of the social impact of the gambling in Kaipara and advocate that all policies are considered within the context of the impacts of social well-being and hauora.
12. We also believe, that a vital benefit of this 'Sinking Lid' approach, is that it strikes a balance between the need to promote the district's health, while minimising harm to communities caused by gambling.
13. Within the policy, we also support the Council's proposed objective to minimise any potential negative social and economic impacts of Class 4 gambling in the Kaipara District.
14. Te Rūnanga o Ngāti Whātua does not support a 'Cap' approach for gambling policy.
15. We believe this may result in increased levels of gambling harm, as the policy allows for an increase in machines and venues which are able to be established.

16. Under section 7.1 we support that ‘no such venue shall be located within 100 metres of any kindergarten, early childhood centre, kohanga reo, school, place of worship and other community facility, for example a hall or marae.’

Key Recommendations:

17. The argument about community funding is somewhat redundant. As stated in the report, communities within the Kaipara have only received \$800,000 return on 3 million dollar expenditure from pokie machines (which is just over 27% return). Council’s need to be leaders in looking for better funding models that don’t rely on harm to individuals and families.

18. In regards to this, consultation with the community speculated that whānau who use the pokies, do not tend to be the ones who receive the benefits from it. It is often those who are already experience disadvantage, who use pokies, but they are often not involved in the areas of the community who receive the small percentage of funding that is distributed.

19. Within the proposed policy, under relocations, we hold concerns over the allowance of the transfer of pokie machines upon the merging of clubs. This contradicts the primary purpose of the sinking lid policy which is to reduce pokie machine numbers, however, this clause provides an opportunity to keep their machines, despite venue closure.

20. Thank you for taking the time to consider our submission. We would to take the opportunity to orally submit to the Council on this topic.

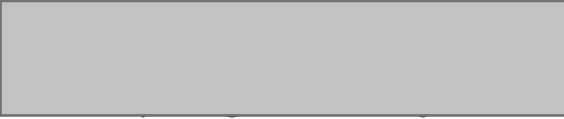
Class 4 Gambling Venues Policy Review

SUB 31

To Kaipara District Council Submissions - Mark Schreurs
Date received 4/11/2018 9:27:41 AM
Submission #5

Address for service:

The Lion Foundation 



Wishes to be heard? Yes

Is willing to present a joint case? No

Submission points

Point 5.1

1: Do you support or oppose the draft policy? Please give reasoning as to your position below.

Answer

Our submission is as attached.

Introduction

Our submission outlines The Lion Foundation's response to the Kaipara District Council's Proposed Gambling Venues Policy.

According to the DIA, Kaipara District has 60 machines at 7 venues across the District as at 30 June 2018.

Key points of our submission

1. We acknowledge the Councils' willingness to consider alternative options to best meet the objectives of the policy.
2. There is no evidence that a reduction in venues or machines results in a reduction in problem gambling¹. As a result, a cap or sinking lid of itself is unlikely to reduce the incidence of problem gambling.

Tauranga City Council has had a population-based cap for over 10 years. It has had a 16% reduction in machine numbers in that time and remains at 86% of its potential maximum machine numbers.

3. If the population-based approach is not being considered, we suggest a cap on existing machine numbers ie. "total number of gaming machines shall not exceed 60". This:
 - acknowledges the challenge of a shift in historical thinking
 - recognises the challenge balancing various community interests and concerns
 - eliminates "challenges from the community" regarding data used in a population-based approach
 - reduces the ratio of gambling machines to the adult population numbers as machine numbers remain static with increasing population
 - continues community funding at current levels
 - means no potential for increase in the return of grant funding to community groups despite 4.6% growth in population numbers².
 - does not allow new venues to be established but does allow considered relocation.
4. We support the minor relocation changes as a sensible and practical amendment. They enable the Council to consider applications on a case by case basis and on individual merits.

¹ *The National Gambling AUT Wave 4 Study (NGS)*

² *Statistics New Zealand website*

Other comments

1. As a society, we have robust systems in place to minimise the harm caused by gambling and there is a high level of funding from the sector to support problem gamblers.
2. Problem gambling numbers have remained consistent at around 0.2-0.4% of the population, despite over \$180 million dollars being levied by Ministry of Health to fund harm minimisation over the past 10 years and a 12% reduction in machine numbers 2012-2015³.
3. Online gambling is a concern in the sector. It does not provide any return to the community. It also enables gambling without the harm minimisation safeguards of a controlled environment. As physical opportunities for gaming decrease, the move to online gaming is likely to increase.
4. We wish to 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.
- We aim 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 2016/2017 financial year, representing over \$84m of gross machine revenue.
- All local and regional grants are considered at a regional level 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%

³ National Gambling Study, MOH, 2012-2015. *Given population growth, per capita expenditure actually decreased over this period.*

Health: 15%

Education: 15%



From April 2017 to date, The Lion Foundation funding has included **Support of Sexually Abused for Dargaville & Districts Inc, Hikuwai O Kaipara Waka Ama Club and Dargaville Girls Brigade.**

The Value of Gaming to Community Funding

There is a significant reliance on gaming trusts for community funding. Research undertaken by Auckland Council⁴ 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

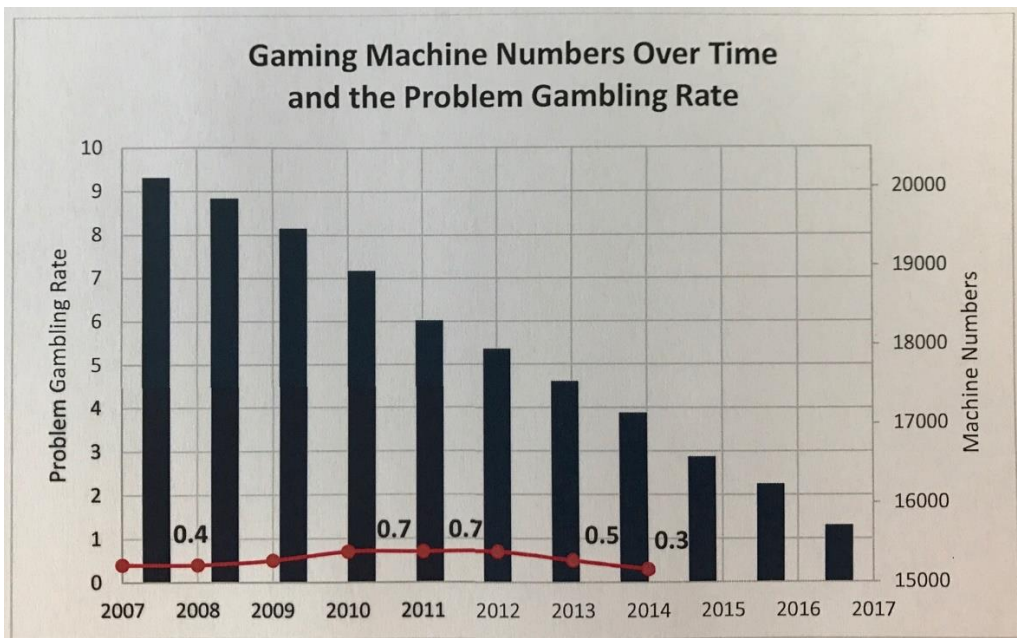
The majority of gamblers are recreational gamblers with only a very small proportion at risk of problem gambling. The prevalence of problem gambling is low and has dropped from a rate of 0.4% of the adult population in 2006/7 to 0.3% in 2011/12⁵.

The New Zealand National Gambling Study: Wave 4 (2015) noted that the problem gambling rate had remained the same over the last 10-15 years despite gaming machine numbers decreasing⁶.

⁴ Auckland Council Research - Community Funding: A Focus on Gaming Grants, Sept 2012

⁵ Problem Gambling in New Zealand, preliminary findings from the NZ Health Survey, Ministry of Health, August 2012

⁶ The New Zealand National Gambling Study: Wave 4 (2016), page 19



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

⁷ Department of Internal Affairs website
Page | 3

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.
- 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 Helen van Drueten at The Lion Foundation on

Class 4 Gambling Venues Policy Review

SUB 32

To Kaipara District Council Submissions - Mark Schreurs
Date received 4/11/2018 6:33:30 AM
Submission #4

Address for service:

Western Sharks Rugby - Dargaville

Wishes to be heard? Yes

Is willing to present a joint case? No

Submission points

Point 4.1

1: Do you support or oppose the draft policy? Please give reasoning as to your position below.

Answer

Oppose Option1 and support Option 2. Reasoning in attached letter.

WESTERN SHARKS RUGBY



4 November 2018

Policy Team
Kaipara District Council
Private Bag 1001
Dargaville 0310

To Whom It May Concern

Draft Class 4 Gambling Venue Policy

The Western Sharks Rugby franchise of the Dargaville Rugby and Sports Club opposes Option 1, a sinking lid policy, and would like Council to consider Option 2 in their proposal, a cap on venues and machines at the current level.

Our reasoning is that if, for whatever reason, one of the current businesses that houses machines could no longer operate, under the proposed policy that fund-raising capacity would be lost forever. The proposed policy of a sinking lid does not appear to understand or consider that risk.

While the Council proposes very limited relocation provisions, this would not address the impact of a business that is closing down.

Option 2 would protect the sustainability of the funding that is currently being distributed to community organizations – we understand that of the approx. \$800,000 that is distributed to community organizations in Kaipara annually from gaming trusts, approx. 45% of that would be lost forever if one of the two main venues was to close down (the Mangawhai Tavern and the NW Hotel between them contribute approx. 90% of the current gaming funding in Kaipara).

The Western Sharks Rugby teams rely on funding from Pub Charity every year. Without the funding and support from Pub Charity it is likely our player subscriptions would have to increase, which isn't favourable at a time when player numbers are already on the decline. Being able to provide things like sports equipment, apparel and subsidised bus trips through Pub Charity are all crucial to the running of our rugby teams and providing an avenue for rugby players in Dargaville and surrounds to play premier rugby in Northland.

Thank you for your consideration of this very important issue.

Yours sincerely

Craig Williamson
**Chairman - Western Sharks Rugby
Dargaville Rugby and Sports Club**

Mark Schreurs

From: Kura Heke [REDACTED]
Sent: Monday, 5 November, 2018 8:59 AM
To: Council
Subject: KDC Statement Proposal

Kia ora,

On behalf of the Parihaka Sports Club Inc and our Waka Ama membership, our Management Committee would like to make a submission to support the Sinking Lid Policy against gambling machines.

Can we have an electronic copy of the submission form please.

Nga mii,

Kura Heke
Chair, Parihaka Sports Club Inc.

[REDACTED]
