

Time	Topic	Purpose	Presenter(s)	Format	Time allocated
11.45am	Community bylaw reviews (Cemeteries and Crematorium / Cultural and Recreational Facilities) The purpose of this session is to discuss and receive feedback from Elected Members on proposed direction on the Community bylaw reviews.		Narelle Waite	Open Briefing	45 Minutes
12.30pm	Class 4 Gambling Policy The purpose of this session is to discuss and receive feedback from Elected Members on proposed direction of the Class 4 and TAB Gambling Policy which is due for review.		Carmen Fookes	Open Briefing	60 minutes
SESSION ENDS					

DISCUSSION TOPIC SUMMARY

Topic: Community group bylaw reviews (Cemeteries and Crematorium / Cultural and Recreational Facilities)

Related Committee: Community and Natural Environment Committee

Business Unit/Group: Community Services / Community

Key Staff Contact/s: Narelle Waite and Jo van Walraven

Status: Open

PURPOSE OF TOPIC/INFORMATION

The briefing will update Members on progress and next steps concerning the review of two Community Group bylaws: the **Cemeteries and Crematorium Bylaw** and the **Cultural and Recreational Facilities Bylaw**. Staff are due to present the identified issues and likely options for consideration at the Community and Natural Environment Committee meeting of 10 August 2023.

Outcomes:

- Members will be informed about the outcome of the review so far including feedback from stakeholders.
- Staff will gain feedback from Members to help staff prepare the options for proposal in an upcoming report.

WHAT KEY THINGS SHOULD MEMBERS THINK ABOUT/ CONSIDER IN UNDERSTANDING THIS INFORMATION?

- Members should note that the deadline to complete the reviews of both bylaws is July 2024. If the reviews are not complete by this time the bylaws will automatically be revoked.
- Council should also consider the complex nature of cemeteries, as spaces to practice some of our most traditional values, but also as park settings that reflect our modern society.

KEY SUMMARY POINTS

Cemeteries and Crematorium Bylaw

- The review has found that the bylaw is largely functioning as required, however, research into best practice and engagement with cemeteries staff and Mana Whenua has resulted in a number of proposed amendments.
- Mana Whenua specifically highlighted the importance of manaakitanga, and ensuring everybody in our community can, where practical, memorialise their loved ones in a way that suits them.
- Therefore, the proposed amendments focus on ensuring the bylaw enables appropriate tikanga and the practices of other cultures within our community. One example of this is removing current restrictions on wood as a permanent memorial material; staff can accommodate appropriate wood materials through existing processes.
- Natural Burials were an addition to the bylaw in the previous review and therefore opportunities to improve implementation are also being considered in the review.
- The bylaw is very detailed and prescriptive, staff are considering opportunities to better communicate this information.
- Other proposed amendments to the bylaw include updating language for accuracy, clarity and readability, minor changes to improve health and safety, and updating to current Council bylaw templates.

Staff currently plan to request approval from Committee for public consultation on a revised draft that considers the above matters.

Cultural and Recreational Facilities Bylaw

- Through the review it has been identified that issues the bylaw sought to address (i.e., the behaviour of customers and visitors) are being successfully managed through other Council processes, e.g., trespass orders.
- Council legal services has indicated that, considering these findings, the bylaw should be revoked.
- The rules and terms of entry of Council facilities covered by the Bylaw are due to be updated whether the bylaw is maintained or revoked. This will give staff the opportunity to ensure that any disbenefits of revoking the bylaw would be addressed.
- in accordance with the LGA 2002 (s156 LGA) public consultation will be required whether the bylaw is retained or revoked

Staff recommend that the bylaw be consulted on for revocation.

WHERE CAN MEMBERS FIND MORE INFORMATION?

Include:

- The current bylaws are on Councils website [HERE](#).
- Draft bylaw/s will be made available to Members as soon as practicable.

WHAT DIRECTION/FEEDBACK/INPUT DO YOU NEED FROM ELECTED MEMBERS

- Staff are seeking feedback on preferred options.
- Are there any known views of the community or do Members have any matters of concern for the Cemeteries and Crematorium bylaw draft.
- Staff would like to know if there is anything further that Members would like covered in the staff report/s.

April 2023

Bylaw Reviews

Cemeteries and Crematorium Bylaw and Cultural and Recreational Facilities Bylaw



Purpose and Outcomes

- To inform on progress to date for the reviews of two bylaws
 - Early engagement
 - First drafting
- Unpack findings from the reviews
- Hear Member input on:
 - The proposed amendments to the Cemeteries and Crematorium Bylaw
 - The proposal to revoke the Cultural and Recreational Facilities Bylaw



Cemeteries and Crematorium Bylaw Review and Early Engagement Outcomes

Initial considerations

- Modernise the language and content of the bylaw in-line with its purpose.
- How Natural Burials have been functioning.

Early engagement

- Mana Whenua highlighted manaakitanga and inclusivity is fundamental
- The cemeteries team identified day-to-day health and safety concerns and improvements.



Cemeteries and Crematorium Bylaw Proposed Amendments

- Proposed amendments include:
 - Allowing a wider range of memorial materials for the purposes of cultural expression
 - Confirming best practice for Natural Burials
 - Opportunities for improving health and safety
 - Minor amendments for the purpose of readability, grammar and accuracy
 - Potential to develop a supplementary document of processes



Cultural and Recreational Facilities Bylaw – proposal to revoke

- Review identified issues are successfully managed through other Council processes.
- Council legal services recommend the bylaw be revoked.
- Rules and terms of use for facilities require updating whether the bylaw is maintained or revoked.


Cultural and Recreational Facilities Bylaw – direction for staff report

	Proposal	Notes
Option 1: Revocation	Recommend to the Council that the bylaw is not the best solution for this issue	<ul style="list-style-type: none"> • Special Consultative Procedure; or • consultation lite following LGA s82 requirements
Option 2: Maintain bylaw	Minor changes to the current bylaw for consultation with public	<ul style="list-style-type: none"> • Undertake Special Consultative Procedure
Option 3: Bylaw lapses	Do nothing and have the bylaw lapse in July 2024	<ul style="list-style-type: none"> • No consultation required • May have reputational risks

Feedback and paatai

- Feedback on the proposed staff recommendations
- Requests for information in the staff reports
- Paatai?



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DISCUSSION TOPIC SUMMARY

Topic: Class 4 Gambling Venues and TAB Venue Policy

Related Committee: Community and Natural Environment Committee

Business Group: Policy and Bylaw

Key Staff Contacts: Carmen Fookes, Michelle Hawthorne

PURPOSE OF TOPIC/INFORMATION

The Class 4 Gambling Venue and TAB Venue Policies are due for review and are scheduled to go to the Community and Natural Environment Committee meeting of 16 June 2023 for approval to consult using the special consultative process. Prior to the Class 4 Gambling Venue and TAB Venue Policies coming to Community and Natural Environment Committee, staff have requested a briefing to discuss some of the implications of any changes and provide information to Elected Members prior to the meeting.

In addition to the Class 4 Gambling and TAB Venue Policies, staff have requested some time at the conclusion of the briefing to request feedback on initial proposals to amending the External Funding Policy to allow for Gaming Trust Community Funding prior to a report coming to Elected Members.

WHAT KEY THINGS SHOULD MEMBERS THINK ABOUT/ CONSIDER IN UNDERSTANDING THIS INFORMATION?

The purpose of the [Gambling Act 2003](#) is to reduce harm and control gambling activities. [In setting a policy Council](#) must have regard to the social impact of gambling within Hamilton. There are similar requirements under the [Racing Industry Act 2020](#) for [TAB Venue Policies](#). The current [Class 4 Gambling Venue Policy](#) and [TAB Venue Policy](#) can be viewed on our website.

The Class 4 Gambling Venue Policy controls the places where gambling machines, known as pokies, are located in the city. The TAB Board Venues Policy controls the locations of stand-alone TAB board venues (places run by the racing board where racing betting or sports betting are carried out) in Hamilton. Both policies are currently under sinking-lid policies, as it was decided previously that this was the most appropriate way to reduce gambling harm in Hamilton.

Gambling within the casino and online gambling are out of scope of this policy, and are covered by other central government legislation.

Class 4 Gambling Venues Policy

Community views were last sought in 2018 and 2019. At this time, Elected Members and the community were largely in favor of continuing with the sinking-lid approach to class 4 gambling and the decision was to continue with the existing policy. The most current version of this policy can be viewed [on our website](#).

TAB Venues Policy

The policy was last reviewed in 2018. At this time, Elected Members were largely in favor of continuing with the sinking-lid approach to TAB venue gambling and the decision was to continue with the existing policy. The most current version of this policy can be viewed [on our website](#).

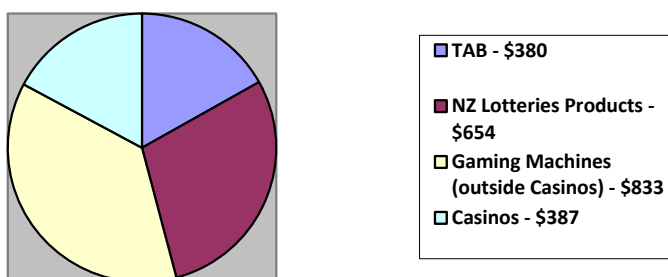
Gaming Trust Community Funding

Currently, Council does not apply for Gaming Trust Community Funding under the External Funding Applications Policy. The current External Funding Policy can be viewed [on our website](#). Some information and an initial conversation for an amendment to the External Funding Applications policy to allow for Council to apply for Gaming Trust Funding has been requested by Elected Members. Prior to working on this in greater detail, staff are looking for initial feedback and thoughts on this amendment.

KEY SUMMARY POINTS

Both policies are operating under a sinking lid approach, meaning that no new venue consents are being granted. This was implemented as a way to mitigate gambling harm in Hamilton. A study in the Journal of Gambling Studies (2022) used data in New Zealand, specifically data from the DIA, Stats NZ, and all territorial authorities. They reported that sinking-lid policies reduced gambling expenditure by 13-14%, with most territorial authorities seeing a reduction in class 4 venues as well. They further noted that in terms of reducing machine spending, sinking-lid policies were the only policy estimated to reduce machine spending, both short-term and long-term, rather than a short-term or long-term reduction only.

The full social impact assessment is available within the report, however, it is worth mentioning that in 2021/22, the spending in Hamilton was reported as the below (in \$m).



In comparison, Lottery Waikato Regional Community fund notes that there is \$9,766,370 allocated in the 2022/23 year. This does not include funding which is allocated for national programmes, and does not include underspend which is being carried over from 2021/22.

Class 4 Gambling Venues Policy

Since 2015, the number of class 4 gambling venues has reduced by 6, indicating that the sinking-lid policy is working appropriately. Currently, there are 392 Class 4 Pokie machines in 25 venues across Hamilton, with 22 out of 25 venues in the most deprived areas. A map of the Class 4 machines in Hamilton is attached as **Appendix 1**.

Staff have determined three reasonable options for the Class 4 Gambling Venues Policy. The full detailed list of pros and cons are listed out in the report, with a short version of the options below:

Option 1: Continue the sinking-lid approach

Option 2: Further restrict the sinking lid policy by not allowing movement or mergers

Option 3: Relax limitations on Class 4 Gambling Venues

Within the report, staff have recommended **Option 1: Continue the sinking-lid approach** for Class 4 Gambling Venues Policy for the purposes of consultation. This is because it has shown to appropriately reduce gambling harm, while also providing allowances for movement and mergers of venues in situations where there is a requirement to move due to situations outside of the venue's controls.

TAB Venues Policy

Since the implementation of the sinking-lid policy on the TAB Venues Policy, there has been a reduction in the number of TAB venues operating in Hamilton. Currently, there is only one remaining TAB venue located on Te Rapa.

Staff have determined three reasonable options for the TAB Venues Policy. The full detailed list of pros and cons are listed out in the report, with a short version of the options below:

Option 1: Continue the sinking-lid approach

Option 2: Change to a fixed amount of locations

Option 3: Relax limitations on TAB Venues

Within the report, staff have recommended **Option 1: Continue the sinking-lid approach** for TAB Venues Policy for the purposes of consultation. This is because it has shown to appropriately reduce gambling harm, while retaining the existing TAB venue in Hamilton.

WHERE CAN MEMBERS FIND MORE INFORMATION?

- The current Class 4 Gambling Venues Policy can be viewed [on our website](#).
- The current TAB Venue Policy can be viewed [on our website](#).
- The Class 4 gambling venues map is attached as **appendix 1**.
- The current External Funding Applications Policy can be viewed [on our website](#).
- Information on gambling harm in New Zealand can be viewed on the [TDB Advisory website](#).
- The Ministry of Health Strategy to Prevent and Minimize Gambling Harm 2022/23 to 2024/25 can be viewed on the [Ministry of Health website](#).

WHAT DIRECTION/FEEDBACK/INPUT DO YOU NEED FROM ELECTED MEMBERS

Before reporting to the Community and Natural Environment Committee, staff are requesting feedback from Elected Members on the proposed policy approaches.

Staff also request feedback on initial proposals to amending the External Funding Policy to allow for Council applications to Gaming Trust Community Funding prior to a report coming to Elected Members.



Purpose of Briefing/Workshop

- The purpose of this briefing is to discuss the Class 4 Gambling Venues Policy and the TAB Venues Policy prior to the Community and Natural Environment Committee meeting on 12 June 2023.
- To discuss the options to be presented at the Community and Natural Environment Committee and some of the Hamilton gambling statistics which have informed those options.
- To discuss the initial options available in regard to Council applications to Gaming Trust Funding through the External Funding Applications Policy.



Background and Gambling Statistics

- The purpose of the sinking-lid policy is to reduce the effects of gambling harm in Hamilton by reducing the opportunities for gambling and gambling related harm.
- There has been a drop in Class 4 and TAB Venues since the sinking-lid policy. The Class 4 venues have reduced from 30 to 24 since 2015. The TAB venues have reduced to just one TAB operating in Hamilton.
- Currently, 22 of 25 Class 4 Gambling venues in Hamilton are located in areas of medium to high deprivation. A map of the class 4 venue locations can be viewed as **Appendix 1**. Those residing in high deprivation areas were found to be five times more likely to report moderate-risk problem gambling in comparison to those in lower deprivation areas. Maaori, Pasifika, and some Asian communities, alongside low-income New Zealanders are disproportionately affected by gambling harm.
- Nationwide, some 65,000 people aged 16 years or older were either at moderate or high risk (considered problem gamblers) of harm from gambling. A further 119,000 were considered as being low risk of harm, but would experience some form of gambling-related harm during their lifetime. 183,000 adults reported second-hand gambling harm in their wider families or households. It is estimated that between 5 and 10 people are adversely impacted by one individual with problem gambling (through their various relationships). Up to half of problem gamblers reported having experienced domestic or whaanau violence incidents related to their gambling.
- In addition to recreational benefits to gambling, there are economic benefits to gambling, as an average of 40% of the Gaming Machine Profit is returned to the community in the form of grants. The wider Waikato is receiving approximately 32.2% of Gaming Machine Profit, with Lottery Waikato reporting \$9,766,370 in community funding for the 2021/22 year, excluding national programmes and underspend carried over from 2021/22.

Feedback Received from Pre-Engagement

Staff have gone to external stakeholders for pre-engagement prior to the briefing to get some initial thoughts on the current policy, and pitfalls, and current needs. There has been limited response at this stage, however, we are expecting many more external stakeholders to engage in the formal consultation process.

There has not been many comments in regards to the TAB Venues Policy, the Class 4 Gambling Venue Policy seems to receive more interest.

- The Waikato Police and City Safe have responded that there are no issues or considerations to be made in their space.
- One of the local RSAs has responded that they would be advocating for the status quo, allowing for the merging and movement of venues with the existing caveats.
- The Gaming Machine Association has responded that they support the status quo, however, has asked that Council consider revoking the sinking lid policy and instead implement a cap at current numbers.
- One of the main lotteries funding recipients has responded that they support the retention of the relocation clause, however, do not support the retention of the sinking lid policy. This is due to their view that Class 4 venues allow a safe physical space for gamblers.

Options for TAB Venues Policy

Option:	Considerations:	Risks:
Option 1: Continue the sinking-lid approach (Recommended by staff for purposes of consultation)	<ul style="list-style-type: none"> • Current policy is seeing a steady reduction in venues as intended • Reduced opportunities for TAB gambling harm 	<ul style="list-style-type: none"> • Limits the opportunities for TAB gambling.
Option 2: Change to a fixed amount of locations	<ul style="list-style-type: none"> • Would allow for a fixed number of TAB locations to open in the city • Would spread out the TAB gambling harm 	<ul style="list-style-type: none"> • Increased opportunities for gambling/ gambling harm.
Option 3: Relax limitations on TAB Venues	<ul style="list-style-type: none"> • Would allow for additional TAB venues to be opened around the city 	<ul style="list-style-type: none"> • Significantly increased opportunities for gambling/ gambling harm • Would lead to additional consents being lodged, increasing staffing need • Potentially more significant cost as staff resourcing would be needed to draft and implement new policy

Options for Class 4 Gambling Venues Policy

Option:	Considerations	Risks:
Option 1: Continue the sinking-lid approach (Recommended by staff for purposes of consultation)	<ul style="list-style-type: none"> • Current policy is seeing a steady reduction in venues as intended • Allows movement of Class 4 gambling venues if required, making it easier on business owners • Restrictions around relocation including proximity to sensitive sites already in existing plan • Relocations and mergers may allow for more productive use of land by reducing barriers to venues from freeing up prime land/leases 	<ul style="list-style-type: none"> • There is the opportunity to further reduce the opportunity for gambling harm • Limited incentive for corporate societies to cease class 4 gaming as they will not be able to get a new venue consent unless they fulfil merge/movement criteria
Option 2: Further restrict the sinking lid policy by not allowing movement or mergers	<ul style="list-style-type: none"> • Would further reduce number of machines and venues over time • Reduce gambling harm over time • Restrictions around relocation including proximity to sensitive sites already in existing plan, and would continue through further restrictions 	<ul style="list-style-type: none"> • Business owners will not be able to relocate machines or venues when an event happens which is outside their control (e.g. building is deemed insanitary or dangerous) • May cause loss of profit for some business owners due to inability to move/merge in appropriate situations • Limited incentive for corporate societies to cease class 4 gaming as they will not be able to get a new venue consent • No relocations in the policy would not allow for more productive use of land by reducing barriers to venues from freeing up prime land/leases
Option 3: Relax limitations on Class 4 Gambling Venues	<ul style="list-style-type: none"> • Potentially more significant cost as staff resourcing would be needed to draft and implement new policy • More freedom for venue owners in terms of movement and machine numbers • More venue choice for gamblers • Some argue that class 4 venues allow for gambling to be monitored and policed by those working at the venue 	<ul style="list-style-type: none"> • Significantly increased opportunities for gambling/ gambling harm • Would lead to additional consents being lodged, increasing staffing need • Increased risk of locations being in proximity to sites of significance



Gaming Trust Funding for Community Infrastructure/activities

Based on information from FY2019/20 and/or FY2020/21

There are 14 Gaming Trusts in the Waikato Region with a total of 83 venues.

There are 6 Gaming Trusts in Hamilton City with a total of 19 venues, or about 40% of the Gaming Trusts in the Waikato Region and 23% of the total venues

The largest Gaming Trust in Hamilton City is Grassroots Trust which as at October 2021 provides over 50% (11) of the Hamilton venues

The current estimated annual grant distributions from Gaming Trusts applicable for the Waikato Region is \$23.77 million and for Hamilton City only is **\$5.39 million**

Please note: For each Gaming Trust, potential funding is calculated by multiplying the total national annual distributions by the ratio of Hamilton venues to national venues.

Total Annual Funding for Community Infrastructure/activities

The totals below combine the potential available funding from National Funding sources for Community Infrastructure/Activities and Waikato Regional Specific sources.

Waikato Region: \$78.97 million
Hamilton City: **\$25.54 million**

Without Gaming Trusts, these totals are:
Waikato Region: \$55.20 million
Hamilton City: **\$20.15 million**

Gaming Trust Funding accounts for **30%**
of the total available funding for
Community Infrastructure/activities in
the Waikato





Report on Class 4 Gambling in Hamilton Prepared for Hamilton City Council

2 June 2023

About PGF Group

The Problem Gambling Foundation has been trading as PGF Group since 2018. PGF Group is the overarching brand for PGF Services, Asian Family Services (AFS), and Mapu Maia. PGF Group is a charitable trust operating nationally; contracting to Te Whatu Ora and funded from the gambling levy.

Introduction

At the invitation of council staff, this report has been prepared by PGF Group to provide an overview of Class 4 gambling in Hamilton City to support council's Class 4 gambling venues policy review. This report uses information from the PGF Group database that includes clients seen by AFS, Mapu Maia and PGF Services.

According to the Department of Internal Affairs (DIA), as at 31 December 2022, there were 376 Electronic Gaming Machines (EGMs or pokies) across 24 Class 4 venues in Hamilton City. This was 16 fewer pokies than for the previous year.

For the year ending 2022, approximately \$27.2 million was lost on pokies in the City's pubs, clubs and TABs; or around \$74,580 per day. In comparison, the City's median income is \$30,200. This means each pokie machine makes around \$72,400 each year, or \$42,000 more than the average person in the City.¹

Around 60% of all Class 4 venues in Aotearoa are located in medium-high or very-high areas of social deprivation. In Hamilton City, 83% of venues (or 20 out of 24 Class 4 venues) are located in the most deprived communities. Class 4 gambling expenditure is disproportionately derived from the most deprived areas in New Zealand.²

The existence of gambling-related harm is well established. Class 4 pokies continue to be the most harmful form of gambling and the primary mode of people seeking help.³

During the 2021 calendar year, \$9,601,332 was returned to the community. A little under \$7 million went to sport with nearly \$1.4 million of this going to the Waikato Rugby Union.⁴

New Zealand is one of few countries that operates a community funding model from gambling proceeds. Ethical and moral concerns are often determining factors for not applying for nor receiving funds from gambling proceeds, but competition for funding and dependence on funding from gambling proceeds often outweigh these concerns.

¹ PGF Group. Resources: Pokies by Numbers – Hamilton. Accessed from <https://www.pgf.nz/resources>

² NZIER. 2020. The retail employment and tax costs of class 4 gambling in New Zealand.

³ DIA Reducing Pokies Harm accessed from <https://www.dia.govt.nz/reducingpokiesharm>

⁴ DIA <https://granted.govt.nz/dashboard.html>



Gaming machine societies and the Lotteries Grants Board only contribute 16% of New Zealand's total philanthropy⁵ and grants.⁶

New Zealand has one of the highest rates of charities per capita in the world with 23,848 financially reporting charities serving a population of a little over 5.1 million people. The highly fragmented charity market sets up competition for funding.^{7 8}

For PGF Group, the adverse impacts of gambling far outweigh the benefits. Our organisation continues to advocate for and encourage local government to adopt strong sinking lid policies that do not allow for relocations or club mergers.

PGF Group commends Hamilton City for its leadership approach in not applying for nor receiving funds from Class 4 gambling.

⁵ Lotteries and Gaming Societies are considered Philanthropy because money is not coming from the government, it is not coming from clients, so it therefore falls under philanthropy. Gambling has been part of the philanthropic landscape since 1996.

⁶ John McLeod. 2017. The New Zealand Cause Report. Shape of the Charity Sector. JB Were. Accessed from <https://jbwere.co.nz/media/41bhoesn/the-jbwere-nz-cause-report.pdf>

⁷ Jenkins M. 2019. Social Service System: The funding gap and how to bridge it. Accessed from <https://www.martinjenkins.co.nz/assets/Home/Social.Service.System-The.Funding.Gap.and.How.to.Bridge.It.pdf>

⁸ JB Were. 2021 Cause Report. Accessed from <https://www.jbwere.co.nz/latest-insights/philanthropy/jbwere-nz-cause-report-2021/>

Gambling profile for Hamilton City Council: Key points

1. Gross Machine Profit (GMP) for Hamilton

- The GMP for Hamilton for 2022 was \$27,221,839.66 from 376 EGMs.⁹
- For the quarter ending 31 March 2023, the GMP for Hamilton was \$6,673,176.50.
- Nationally for the quarter ending 31 March 2023, there has been a reduction of five venues, 39 gaming machines and a corresponding decrease of GMP by 7.4%.

2. Class 4 Community Grants returned to Hamilton for 2021

- In 2021, \$9,601,332 was returned to community groups in Hamilton from a spend of \$22,346,880.98 in the same year; or approximately 43%.^{10 11}

3. All Hamilton clients assisted 2021-2022 (Ministry of Health)

- A total of 571 clients from Hamilton were assisted between July 2021 – June 2022 for all intervention types,¹² including brief interventions.¹³ There were 213 new clients assisted.¹²
- Non-casino pokies (Class 4) continue to be the primary mode of gambling for people seeking help.¹²
- Please note, that only about 16% of gamblers and/or affected others seek help for their gambling or someone else's gambling. Under reporting is attributed to insufficient service provision, shame, stigma or simply not recognising the extent of the gambling harm during episodes of gambling.¹⁷

4. All Hamilton clients assisted by PGF Group¹⁴ in 2022

- 127 clients were assisted by PGF Group during 2022; 16 more than for 2021.
- Slightly more females (67) than males (60) were assisted.
- 30-39 years was the prominent age group in both males and females; followed by males aged 20-29, and the 40-49 years age group for both males and females.
- The ethnic breakdown of clients seen include European (53), Māori (42), Other (14), Asian (12), and Pacific (6).
- Class 4 pokies continue to be the primary mode of gambling for people seeking help. (refer Appendix 1)

⁹ DIA <https://catalogue.data.govt.nz/dataset/gaming-machine-profits-gmp-dashboard>

¹⁰ DIA <https://catalogue.data.govt.nz/dataset/gaming-machine-profits-gmp-dashboard>

¹¹ DIA <https://granted.govt.nz/dashboard.html>

¹² Ministry of Health. Intervention client data. Total Clients Assisted, by Territorial Authority Table 9. Accessed from https://www.health.govt.nz/our-work/mental-health-and-addiction/addiction/gambling/service-user-data/intervention-client-data#total_assisted

¹³ Brief Interventions are specialised interventions that focus on engaging with people at risk of gambling harm and encouraging them to recognise the potential impacts of their own or another's gambling on their life. They are a valid measure of harm. Accessed from

[https://www.moh.govt.nz/notebook/nbbooks.nsf/0/A9E5C61354C6854ECC2574B100727E5E/\\$file/intervention-service-practice-handbook.pdf](https://www.moh.govt.nz/notebook/nbbooks.nsf/0/A9E5C61354C6854ECC2574B100727E5E/$file/intervention-service-practice-handbook.pdf)

¹⁴ PGF Group includes PGF Services, Asian Family Services, and Mapu Maia

5. Active multi-venue exclusions¹⁵ Hamilton as at 25 May 2023

- 87 individuals have excluded from Class 4 venues in Hamilton City.

Ethnicity	Number	Age	Number
○ Not stated	33	18-30	14
○ NZ European	23	31-40	30
○ Māori	21	41-50	18
○ Cook Islands	3	51-60	13
○ Cambodian	2	61+	12
○ Indian	2		
○ Chinese	1		
○ Vietnamese	1		

¹⁵ Multiple Venue Exclusions (MVEs) have been used as an intervention tool in New Zealand since 2011 to enable gamblers to self-exclude from multiple venues without having to visit each individual site. MVEs are a legally binding contract between the gambler and the venue with penalties for breaches.

Gambling information – Key points

6. Gambling harm

- The Gambling Act 2003 defines harm from gambling as “harm or distress of any kind arising from, or caused or exacerbated by, a person’s gambling; and includes personal, social, or economic harm suffered”.¹⁶ This is a broad definition and indicates that harmful gambling is experienced on a continuum.
- The Ministry of Health uses a continuum-of-harm approach which describes levels of gambling behaviour and its associated harm as non-problem, mild, moderate, and severe (problem) gambling. These categories have been aligned with the Problem Gambling Severity Index (or PGSI), which the Ministry uses to monitor the level of harmful gambling behaviour in Aotearoa New Zealand.¹⁷
- Research shows that some groups experience gambling harm disproportionately. This includes:
 - Māori and Pacific peoples
 - Māori are 3.13 times more likely to be moderate-risk or problem gamblers than non-Māori and non-Pacific peoples.
 - Pacific peoples are 2.56 times more likely to be moderate-risk or problem gamblers than non-Māori and non-Pacific peoples.
 - Māori and Pacific people are also more likely to have other risk factors for gambling harm, such as low incomes and living in low socioeconomic communities where some forms of gambling, particularly Class 4 gambling, are more accessible.¹⁸
 - The Waikato DHB Pacific Profiles Report (2017) shows that of the Pasifika living in the Waikato DHB region, approximately half live in areas of high deprivation NZDep9-10. Median income for Pasifika in the Waikato DHB region as a whole is 27.5% lower than NZ European in the same region and 7.5% lower than Māori.¹⁹
 - Asian communities
 - In the New Zealand Asian population, problem gamblers make up 18.4% of the gambling population and 13.8% of all Asians in New Zealand, with the majority (54.4%) from the Indian community.
 - Asian peoples’ risk factor for harmful gambling is 9.5 times higher when compared with European/ Other.²⁰

¹⁶ Gambling Act 2003. <https://www.legislation.govt.nz/act/public/2003/0051/latest/DLM207497.html>

¹⁷ Ministry of Health. (2019). Strategy to prevent and minimise gambling harm 2019/20 to 2021/22.

www.health.govt.nz/system/files/documents/publications/hp7137-strategy-minimise-gambling-harm-jun19.pdf

¹⁸ Te Hīringa Hauora/Health Promotion Agency. (2021). Results from the Health and Lifestyles Survey 2020.

¹⁹ Waikato District Health Board. (2017). Pacific Health Profiles – Waikato.

www.waikatodhb.health.nz/assets/Docs/About-Us/Key-Publications/Health-Profiles/619a3c5b50/Health-Profile-Pacific.pdf

²⁰ Feng and Zhu. (2021). New Zealand Asian Responsible Gambling Report 2021. Auckland; Asian Family Services.

- Young people/rangatahi
 - While a lower proportion of young people gamble, they make up approximately 14% of moderate-risk and problem gamblers. Young people are vulnerable and at risk as they spend more time generally online and because risk-taking behaviour in adolescence is normal.¹⁸

7. Gambling classifications

- Class 4 gambling (non-casino pokies hosted in pubs and clubs) is the highest risk category of gambling, i.e. high risk and high turnover.³

8. Gambling participation

- A little over 69% of our population (about 2.8 million) participate in some form of gambling annually. The breakdown is as follows: 59% lotto products; 35% cards with friends; 10.9% TAB; 9.6% gaming machines at pubs and clubs; 4% gaming machines at casino; 2.5% table games at casinos, and 2.6% online gambling on overseas websites.¹⁸

9. Online Gambling

- The New Zealand Lotteries Commission (Lotto) and the TAB are the only two providers authorised to offer online gambling products in NZ.
- SkyCity Casino and Christchurch Casino have both introduced online casino gambling operations based in Malta, alongside increased advertising for these platforms.
- Mobile devices make gambling online increasingly easy and accessible.

We are often asked whether or not there is outsourcing of harm, i.e. if Class 4 policies become too restrictive, will this push gamblers to online gambling platforms where perceived benefits seen in class 4 funding are lost? In response to this, there are a couple of outcomes we can refer to.

- Firstly, during the COVID lockdowns, online gambling increased, and some people gambled more than they had pre-lockdown. Around 25% of online gamblers increased their gambling during lockdown and were more likely to gamble on overseas sites, instant scratch card gambling, and Lotto.^{21 22} Post COVID-19 lockdown, Class 4 venue pokie spend increased by 116% in the June quarter 2020 or by \$130,661,758.²³
- Second, existing evidence suggests that Class 4 gambling competes with other industries for household expenditure, but not so much with other forms of gambling.²⁴ The NZ Institute of Economic Research (NZIER) found that the cost to retail sales of Class 4 gambling was estimated to be \$445 million for the 2018/19

²¹ Hodgins, D.C.; Stevens, R.M.G. The impact of COVID-19 on gambling and gambling disorder: Emerging data. *Curr. Opin. Psychiatry* 2021, 34, 332–343. [Google Scholar] [CrossRef] [PubMed]

²² Bellringer M, and Garrett N. 2021. Risk factors for increased online gambling during COVID-19 lockdowns in New Zealand: A longitudinal Study.

²³ DIA Data and statistics. Accessed from <https://www.dia.govt.nz/Gambling-statistics>



year. Increased retail sales would generate an additional 1,127 full-time equivalent jobs for 1,724 workers worth approximately \$50 million in wages and salaries.²⁴

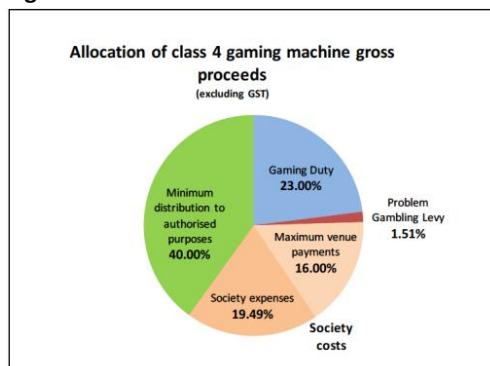
This was an interesting finding given that previous cost-benefit assessments of Class 4 gambling have tended to assume that this activity creates additional employment or is neutral from an employment perspective.

- Minister for Racing Kieran McNulty has recently approved a 25-year strategic partnership between TAB and Entain (a global sports betting, gaming, and interactive entertainment group), commencing 1 June 2023. It has been signalled that geoblocking may be used to prevent New Zealanders gambling on overseas websites, thereby creating an online gambling monopoly for the TAB. PGF Group is uncertain how this partnership will impact participation or harm from online gambling in the future. It is also difficult to predict how this partnership will impact Class 4 gambling venue policy decision making at the local government level.

10. Class 4 Community Funding Model

- New Zealand is one of a few countries that operates a community funding model from gambling proceeds. Currently, the Gambling Act 2003 requires Societies to contribute 40% of GMP to community funding. (Figure 1).

Figure 1: Allocation of Class 4 GMP



- Ethical and moral concerns are often determining factors for not applying for or receiving funds from gambling proceeds, but competition for funding and dependence on funding from gambling proceeds often outweigh these concerns.
- Equally, Class 4 funding is often the deciding factor for elected representatives as to whether permissive or restrictive Class 4 gambling venue policies are adopted.

²⁴ New Zealand Institute of Economic Research. 2020. The retail employment and tax costs of Class 4 gambling in New Zealand. Accessed from <https://www.nzier.org.nz/news/the-retail-employment-and-tax-costs-of-class-4-gambling-in-new-zealand>



- Gaming machine societies and the Lotteries Grants Board only contribute 16% of New Zealand's total philanthropy²⁵ and grants.²⁶
- New Zealand has one of the highest rates of charities per capital in the world with 23,848 financially reporting charities, serving a population of a little over 5.1 million people. The highly fragmented charity market sets up competition for funding.^{27 28}
- Other sources of community funding in New Zealand can be accessed from Community Matters²⁹ or Philanthropy New Zealand³⁰.
- The new partnership between Entain and TAB effective from 1 June 2023, has the ability to change the online gambling environment including the current funding landscape. The media has reported that Entain intends to inject millions of dollars into horse racing and sports codes.³¹ It is too early to predict how this partnership will impact competition for Class 4 funding and/or the future direction of Class 4 venues gambling policy.

Conclusion

PGF Group appreciates the opportunity to provide input into Hamilton City Council's Class 4 gambling policy review. As an organisation that sees harm on a daily basis, we encourage elected representatives to strongly consider the health and wellbeing of their communities in their decision making moving forward.

For further information please contact Kay Kristensen, Policy Advisor, PGF Group kay.kristensen@pgf.nz

²⁵ Lotteries and Gaming Societies are considered Philanthropy because money is not coming from the government, it is not coming from clients, so it therefore falls under philanthropy. Gambling has been part of the philanthropic landscape since 1996.

²⁶ John McLeod. 2017. The New Zealand Cause Report. Shape of the Charity Sector. JB Were. Accessed from <https://jbwere.co.nz/media/41bhoesn/the-jbwere-nz-cause-report.pdf>

²⁷ Jenkins M. 2019. Social Service System: The funding gap and how to bridge it. Accessed from <https://www.martinjenkins.co.nz/assets/Home/Social.Service.System-The.Funding.Gap.and.How.to.Bridge.It.pdf>

²⁸ JB Were. 2021 Cause Report. Accessed from <https://www.jbwere.co.nz/latest-insights/philanthropy/jbwere-nz-cause-report-2021/>

²⁹ Community Matters. Accessed from <https://www.communitymatters.govt.nz/>

³⁰ Philanthropy New Zealand. Accessed from <https://philanthropy.org.nz/>

³¹ NZ Herald 23 May 2023. International betting agency Entain to take over running of TAB operations. Accessed from <https://www.nzherald.co.nz/sport/betting-agency-entain-to-take-over-running-of-tab-operations/MX2JARKNB5AR7DU65NS7X45MSM/>

Appendix 1

All Hamilton clients assisted 2021-2022 (Ministry of Health)

- 571 clients from Hamilton were assisted between July 2021 – June 2022 for all intervention types³² including brief interventions.³³ There were 213 new clients assisted.³²
- Non-casino pokies (Class 4) continue to be the primary mode of gambling for people seeking help.³²

All Hamilton clients assisted by the PGF Group³⁴ 2018-2022



³² Ministry of Health. Intervention client data. Total Clients Assisted, by Territorial Authority Table 9. Accessed from https://www.health.govt.nz/our-work/mental-health-and-addiction/addiction/gambling/service-user-data/intervention-client-data#total_assisted

³³ Brief Interventions are specialised interventions that focus on engaging with people at risk of gambling harm and encouraging them to recognise the potential impacts of their own or another's gambling on their life. Accessed from [https://www.moh.govt.nz/notebook/nbbooks.nsf/0/A9E5C61354C6854ECC2574B100727E5E/\\$file/intervention-service-practice-handbook.pdf](https://www.moh.govt.nz/notebook/nbbooks.nsf/0/A9E5C61354C6854ECC2574B100727E5E/$file/intervention-service-practice-handbook.pdf)

³⁴ PGF Group includes PGF Services, AFS and MM

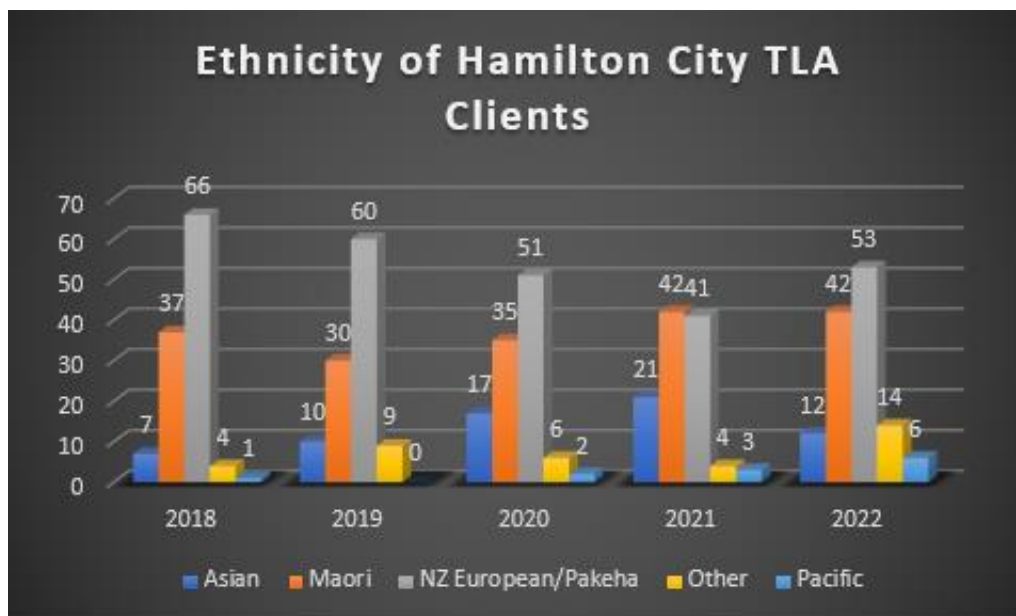
Gender



Age range



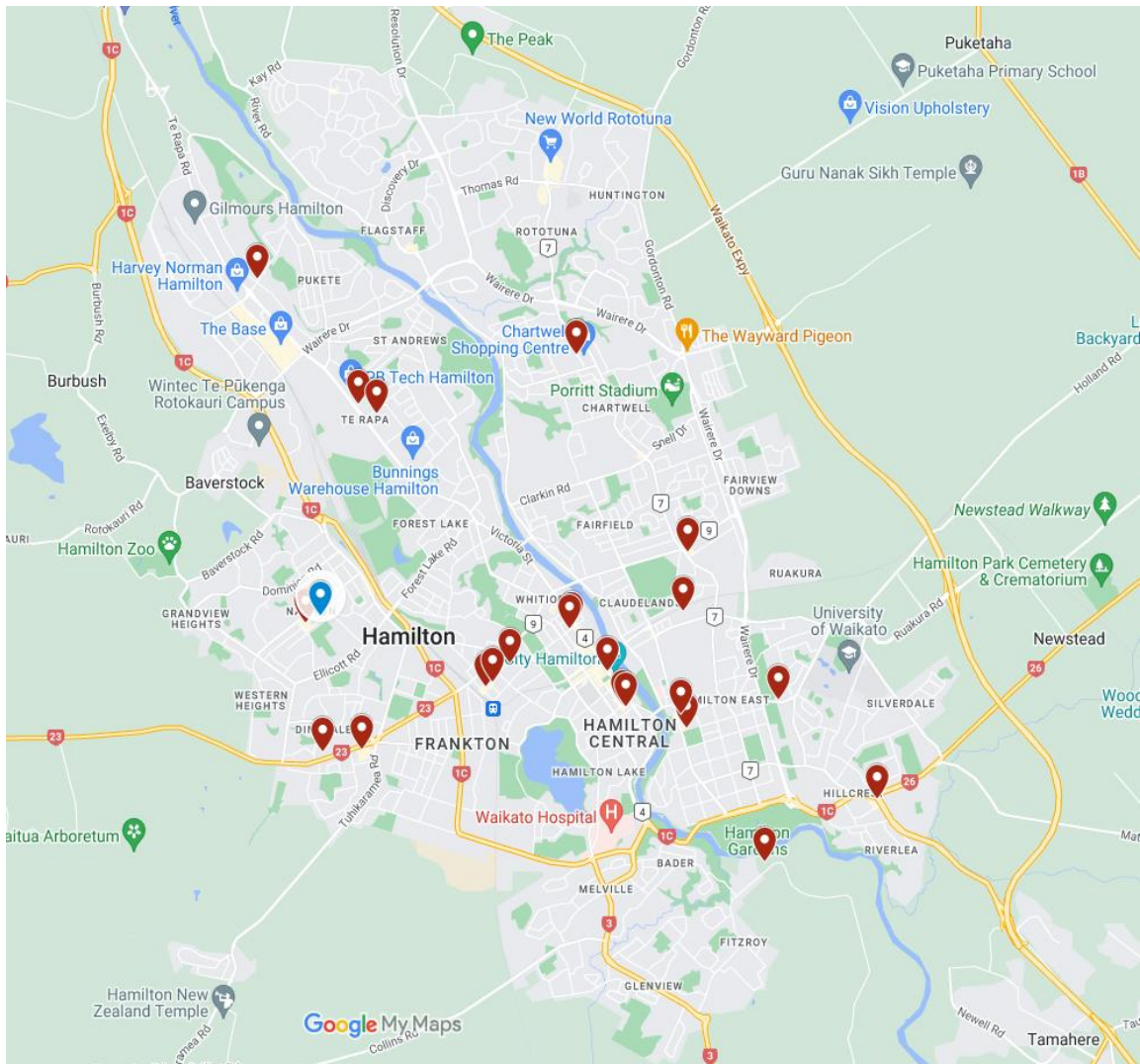
Ethnicity



Primary mode of gambling

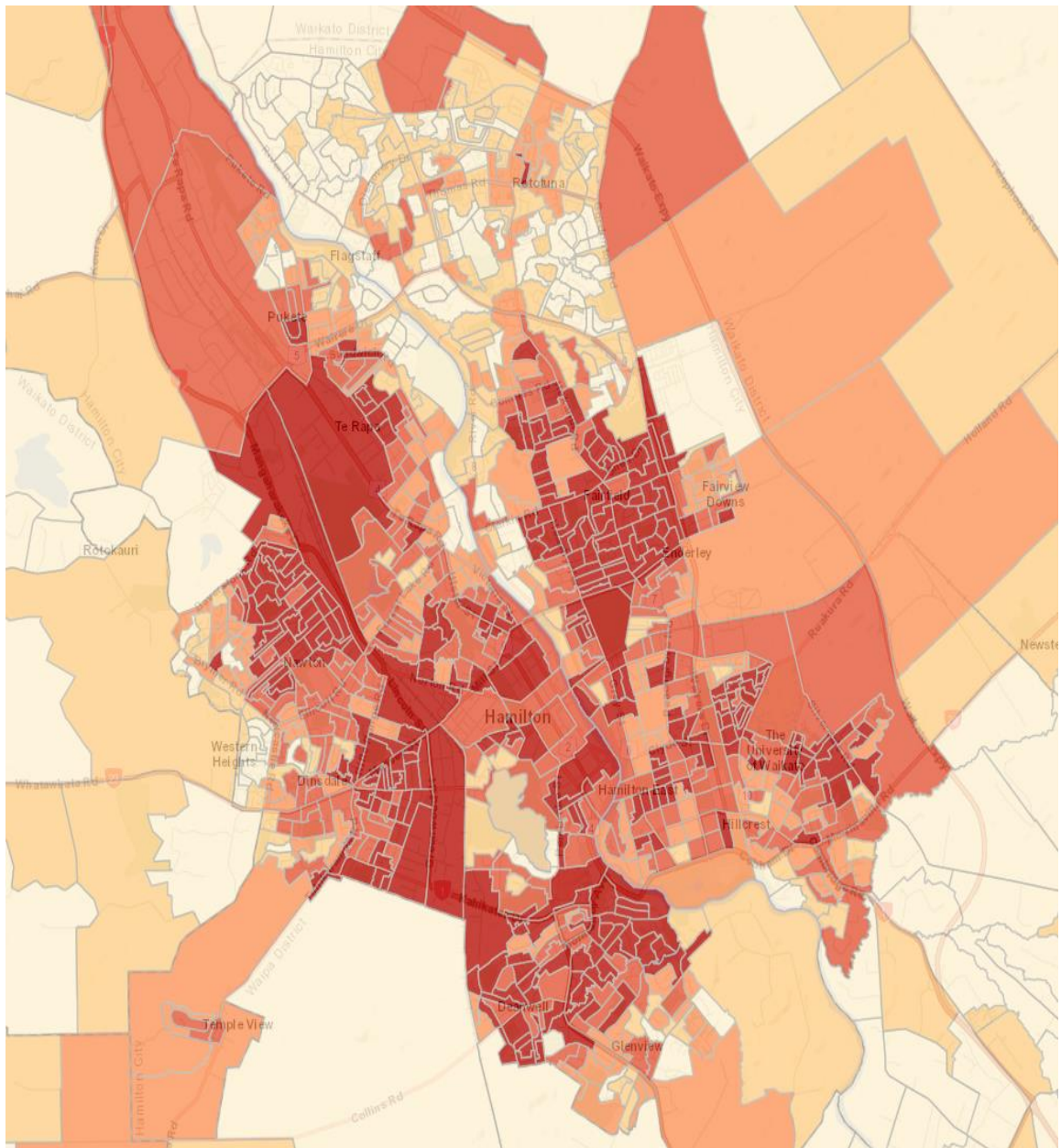


Figure 2: Map of class 4 venues in Hamilton City TLA via google maps



Source: Hamilton City index of deprivation : [New Zealand Index of Deprivation, 2018 \(NZDep2018\)](https://www.arcgis.com)
([arcgis.com](https://www.arcgis.com))

Figure 3: Hamilton City index of deprivation



Source: Hamilton City index of deprivation : [New Zealand Index of Deprivation, 2018 \(NZDep2018\)](https://www.arcgis.com) ([arcgis.com](https://www.arcgis.com))

Gaming Machine Gambling Statistics and Research Paper – Information for Territorial Authorities



Paper prepared by Jarrod True and Martin Cheer

Updated April 2023

Gaming Machine Statistics and Research Paper – Information for Territorial Authorities

Introduction

1. This paper has been prepared by Jarrod True and Martin Cheer. Jarrod is a barrister and solicitor with 28 years' experience. Jarrod is also the author of the *New Zealand Gambling Law Guide* (www.gamblinglaw.co.nz), and the author of *Gambling Law* (a Thomson Reuters publication). Martin Cheer is the CEO of Pub Charity.
2. The aim of this paper is to assist territorial authorities with their decision-making process by setting out some of the key statistics regarding class 4 gambling and problem gambling.

Executive Summary

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. In 2021, approximately \$269m of grant funding was approved across 19,148 grants to 10,967 different organisations.¹ In addition, over \$50m was applied by various RSAs and Workingmen's Clubs (\$50m) to support their own activities. 54% of the grants distributed in 2021 were sports related. The second most popular category was community (20%).
4. New Zealand has a very low problem gambling rate by international standards. The New Zealand National Gambling Study: Wave 4 (2015)² found the problem gambling rate was 0.2% of people aged 18 years and over. The problem gambling rate is for all forms of gambling, not just gaming machine gambling.
5. The reasons for an increase or decrease in problem gambling are complex and multifaceted, not simply the direct by-product of an increase or decrease in machine numbers.
6. The New Zealand problem gambling prevalence rate over time bears no correlation to the number of gaming machines operating in New Zealand.
7. Between 1991 and 1999 the problem gambling rate declined considerably despite gaming machine numbers doubling and gaming machine expenditure trebling. Between 2006 and 2010 the problem rate increased, despite the number of gaming machines in New Zealand falling considerably in the same period. Between 2010 and 2015 the problem gambling rate stayed the same, despite a continual decline in gaming machine numbers.

¹ <https://www.gamblinglaw.co.nz/download/Class-Four-Gaming-Analytical-Review-2021.pdf>

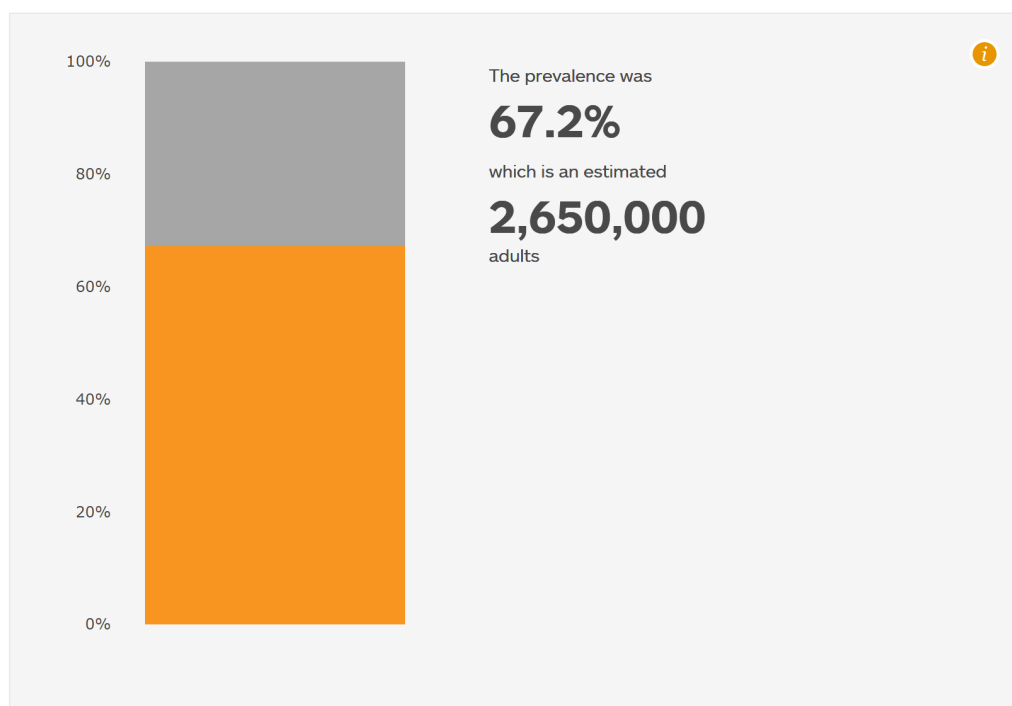
² <https://www.health.govt.nz/system/files/documents/publications/national-gambling-study-report-6-aug18.pdf>

General Class 4 Gambling Facts

Gaming Machines Have Operated in New Zealand for a Considerable Period

8. 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 35 years ago.
9. Gambling is a popular form of entertainment that most New Zealanders participate in. The 2018 Health and Lifestyles Survey³ found that 67.2% of adult New Zealanders had participated in some form of gambling in the previous 12 months (estimated to be 2,650,000.00 adults).

2018 Health and Lifestyles Survey



Gambling is an Enjoyable Activity

10. The majority of people who gamble do so because they find it an enjoyable activity. This is observed by Suits (1979, p. 155)⁴, who states:

Gambling is a recreational activity or a kind of participation sport from which the principal satisfaction derives from the activity itself and from the ebb and flow of wins and losses rather than from ultimate outcome - the net amount won or lost. For most gamblers, the purpose of gambling is not to get rich, but

³ <https://www.hpa.org.nz/research-library/research-publications/2018-health-and-lifestyles-survey-methodology-report>

⁴ Suits, D. (1979). The Elasticity of Demand for Gambling. The Quarterly Journal of Economics, 93(1), 155–162. <https://doi.org/10.2307/1882605>

to "have fun," to experience "excitement," or to have "something to look forward to," and they view payment for this recreation in the same light as others look on outlays for theatre tickets, vacation trips, or a night on the town.

11. The 7 out of 10 New Zealand adults who gambled recreationally in some form last year did so to gain an enjoyment benefit, which can take a number of forms. The nature of this enjoyment varies for each individual and often differs between gambling types. For example, the average:
 - a. Lotto player may enjoy the thrill of being in the draw and the dream of their lifestyle if they win the jackpot;
 - b. Sports better may enjoy accumulating knowledge and testing their ability to analyse and predict the winner or may simply enjoy backing their favourite team;
 - c. A gaming machine player may enjoy the relaxation or escapism of gaming machines; while an average
 - d. Casino gambler may enjoy testing their luck and skill across a range of table games.
12. Gambling for the non-addicted gambler may also be an avenue for socialising, stress relief and a way of having fun. Contrary to how it may appear from a non-gambler's perspective, gamblers do not necessarily anticipate they will make money from gambling. Parke (2015)⁵ states:

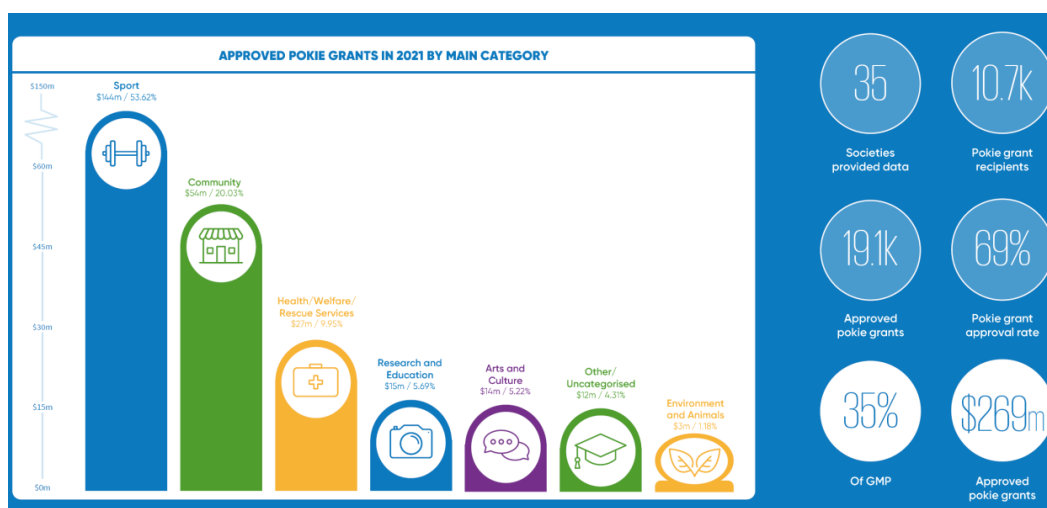
Players mostly realise that they are paying for a leisure experience. They are not expecting to be paid, except for a small minority, who are going to earn an income as a professional gambler.

Gaming Machine Funding

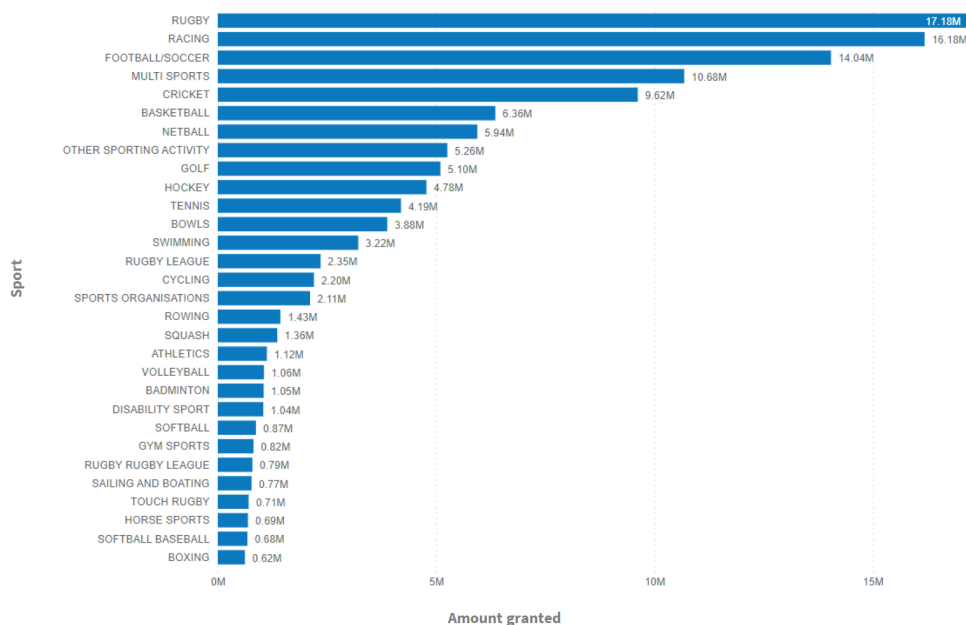
13. The Gambling Act 2003 seeks to balance the potential harm from gambling against the benefits of using gaming machines as a mechanism for community fundraising.
14. In 2021, approximately \$269m of grant funding was approved across 19,148 grants to 10,967 different organisations.⁶ In addition, over \$50m was applied by various RSAs and Workingmen's Clubs (\$50m) to support their own activities. 54% of the grants distributed in 2021 were sports related. The second most popular category was community (20%).

⁵ Parke, J. (2015). Gambling, leisure and pleasure: Exploring psychosocial need satisfaction in gambling. Presentation at the KPMG eGaming summit. <https://assets.kpmg/content/dam/kpmg/pdf/2016/07/im-esummit-report-2015.pdf>.

⁶ <https://www.gamblinglaw.co.nz/download/Class-Four-Gaming-Analytical-Review-2021.pdf>



APPROVED POKIE GRANTS BY SPORT



15. In contrast to the amount of grants made by gaming machine trusts, NZ Lotteries transferred \$202 million to the Lottery Grants Board for community services and projects, TAB New Zealand allocated \$142 million, mostly to support racing club activities and infrastructure, and Casinos paid just over \$3 million to their community trusts.
16. In 2012, the Auckland City Council commissioned a community funding survey. The survey data is summarised in the report *Community Funding: A Focus on Gaming Grants*.⁷ The report confirms how essential gaming machine funding is to a very large number of community organisations and how extremely difficult it would be for such funding to be obtained from alternative sources. The key findings of the survey are:

⁷ http://www.gamblinglaw.co.nz/download/Research/Auckland_City_Community_Funding_Report.pdf

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

17. The report concluded:

Gaming Trust funding is a major source of community funding for organisations in the Auckland Region. Most respondents believe that the funding for their organisations is not particularly secure and are highly dependent on gaming funding, not just for discretionary or extra activities, but to fund their core business. There is a dependence on this funding with over half the respondents believing that their organisations would be at extreme risk if they did not receive it. Most felt that if the funding was not available, they would struggle to find an alternative source of funding. Some would cut down the activities they undertook, others say they would be forced to close down.

18. In 2022, a similar survey of grant recipients was undertaken by the Gaming Machine Association of New Zealand.⁸ The survey gave grant recipients the opportunity to illustrate what gaming machine funding means to them, and how likely or unlikely it would be to find replacement funding. From the survey responses, it was clear that the community benefit provided by these groups - and in some cases, their very existence - would be at risk if funding was reduced. The key findings of the survey were:

- Over 92% of responders feel it is either impossible or very unlikely that class 4 funding could be replaced by Government funding, i.e., subsidies or grants.
- Over 86% of responders feel it is either impossible or very unlikely that class 4 funding could be replaced by funding from other Charitable Trusts.
- Over 89% of responders feel it is either impossible or very unlikely that class 4 funding could be replaced by funding directly from community members.

19. Responders were also asked to identify what would happen to their service if funding were to be reduced:

- 74.9% said it would mean a reduced programme delivery, due to less resources being available.
- 61.9% said it would mean reduced services (not as many offerings available to the community).
- 59.7% said it would mean increased costs for members (increased entry fees or subscription fees).

⁸ https://www.gamblinglaw.co.nz/download/Grant_Recipient_Survey_2022.pdf

- 21.9% said a reduction in funding would risk the closure of the non-profit organisation.

Positive Economic Impact From the Gaming Industry

20. In 2012, Auckland City Council commissioned an economic impact report on the impact of the class 4 gambling industry. The Economic Impact Report⁹ confirmed that the non-casino gaming machine sector makes a positive economic contribution. The report at page 22 concluded:

Overall, the non-casino gaming machine industry has a positive economic impact on the Auckland economy.

Positive Wellbeing Impact From Gambling in New Zealand

21. The 2021 TDB Advisory report, Gambling in New Zealand: A National Wellbeing Analysis¹⁰, found that gambling in New Zealand had a net positive wellbeing benefit totalling around \$1.74b to \$2.16b per annum. The costs and benefits are summarised in the following two tables which can be found on pages 87 and 88 of the report:

Table 32: Quantifiable costs and benefits of gambling in New Zealand, p.a., \$ million,

	Gross benefits	Costs	Net benefits
Consumption-side	2,740 to 3,160	2,090	650 to 1,070
Production-side	1,800	990	810
Government	280	-	280
Total	4,820 to 5,240	3,080	1,740 to 2,160

Table 33: Non-quantifiable costs and benefits of gambling in New Zealand

Benefits	Costs
Wellbeing benefits from increased sports funding	Gambling harm-related costs, including:
Wellbeing benefits from increased arts funding	– Health costs
Wellbeing adjustment costs avoided	– Relationship costs
	– Work/study costs
	– Culture-related costs
	– Crime-related costs

New Zealand Government Taxes and Return to Player

22. 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,

⁹ www.gamblinglaw.co.nz/download/Research/Auckland_City_Economic_Impacts_Report.pdf

¹⁰ https://www.gamblinglaw.co.nz/download/Gambling_in_New_Zealand.pdf

91.5 cents is returned to the player in winnings. The money retained is typically allocated as follows:

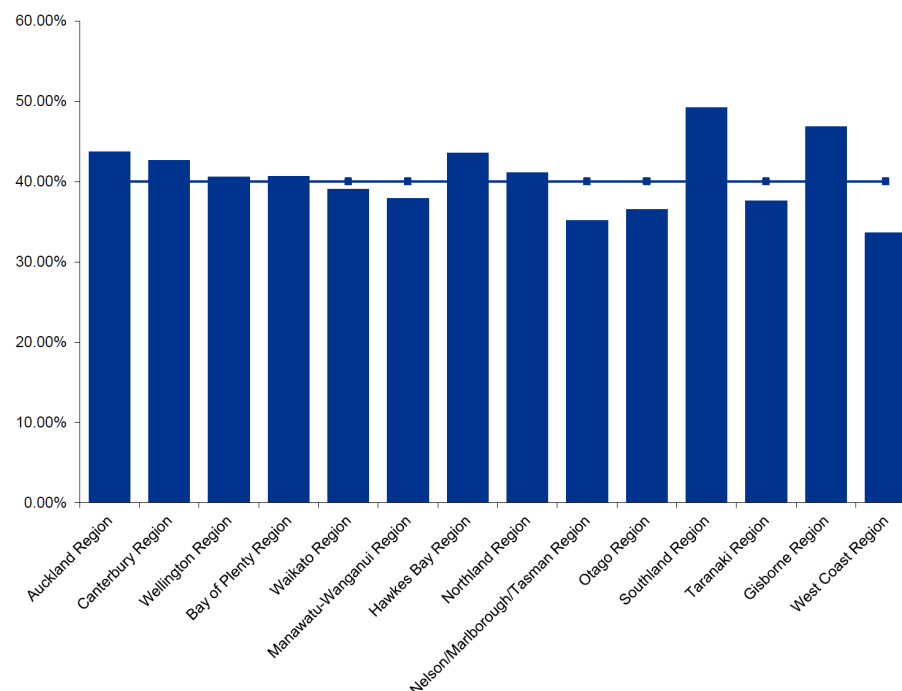
Typical Distribution of Gaming Machine Profits

	GST Inclusive	GST Exclusive
Government Duty	20%	23%
GST	13.04%	0
Problem Gambling Levy	1.08%	1.24%
DIA Costs	2.9%	3.33%
Gaming Machine Depreciation	6.95%	8%
Repairs & Maintenance	2.84%	3.27%
Venue Costs	13.9%	16%
Society Costs	1.74%	2%
Donations	37.53%	43.16%

Authorised Purpose Return Amount

23. Gaming societies that mainly make external grants (traditional gaming societies, not clubs) are required to return a minimum of 40% of their gross proceeds to authorised purposes. Following the COVID-19 revenue loss, the 40% return minimum was suspended for the financial years ending 2020 and 2021.
24. The graph below details the amount of gaming machine proceeds distributed in each region in 2019 (a typical non-COVID impacted year).¹¹

GMP % by Region



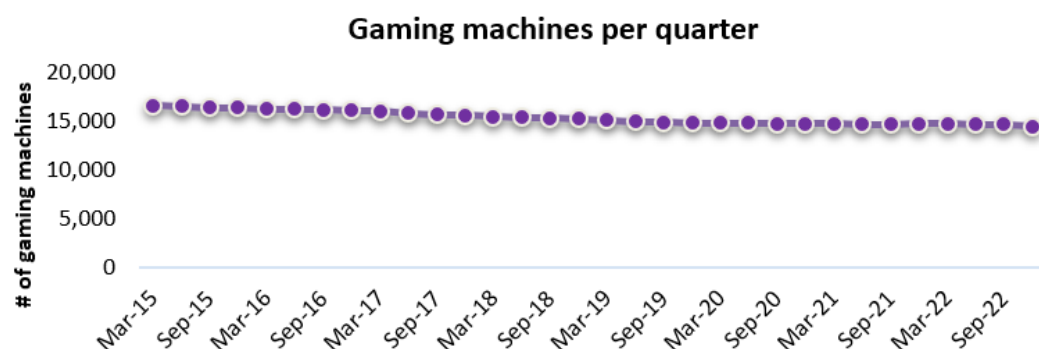
¹¹

http://www.gamblinglaw.co.nz/download/Gaming_Machine_Grant_Data_2019.pdf

25. Although societies that mainly apply funds (clubs) are not subject to the 40% minimum return regulation, it is common practice for such societies to be subject to a licence condition requiring a minimum of between 25% and 37.12% to be distributed or applied to authorised purposes.

Non-Casino Gaming Machine Numbers in New Zealand

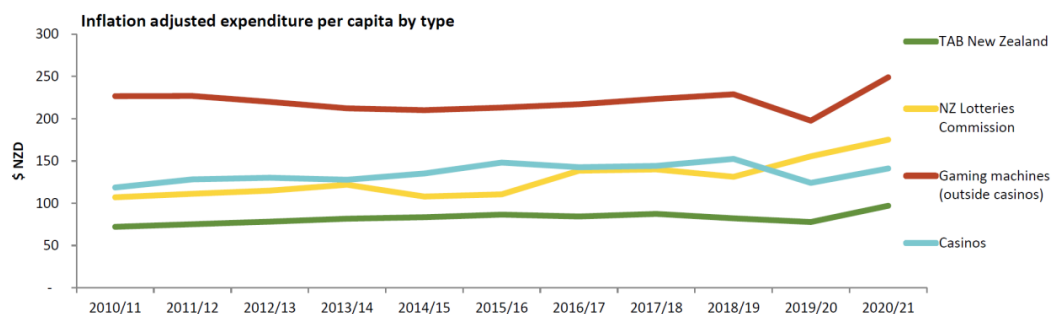
26. The number of gaming machines in New Zealand is published by the Department at three monthly intervals. A link to the information can be found at <https://www.dia.govt.nz/gambling-statistics-historical-data-machine-numbers>
27. The number of machines peaked in June 2003 (25,221). In December 2022, there were 14,503 machines.



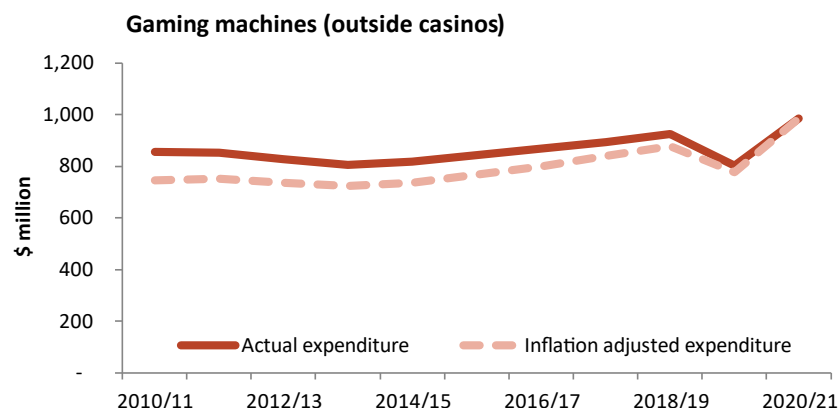
Source: DIA website <https://catalogue.data.govt.nz/dataset/gaming-machine-profits-gmp-dashboard/resource/60081bcd-f2ae-4b97-8a9f-fe449fa59969>

Non-Casino Gaming Machine Proceeds

28. The inflation adjusted expenditure per capita on non-casino gaming machines was in decline from 2010 to 2020. Expenditure increased slightly in late 2020, when gaming venues reopened following an extended period in lockdown.¹²

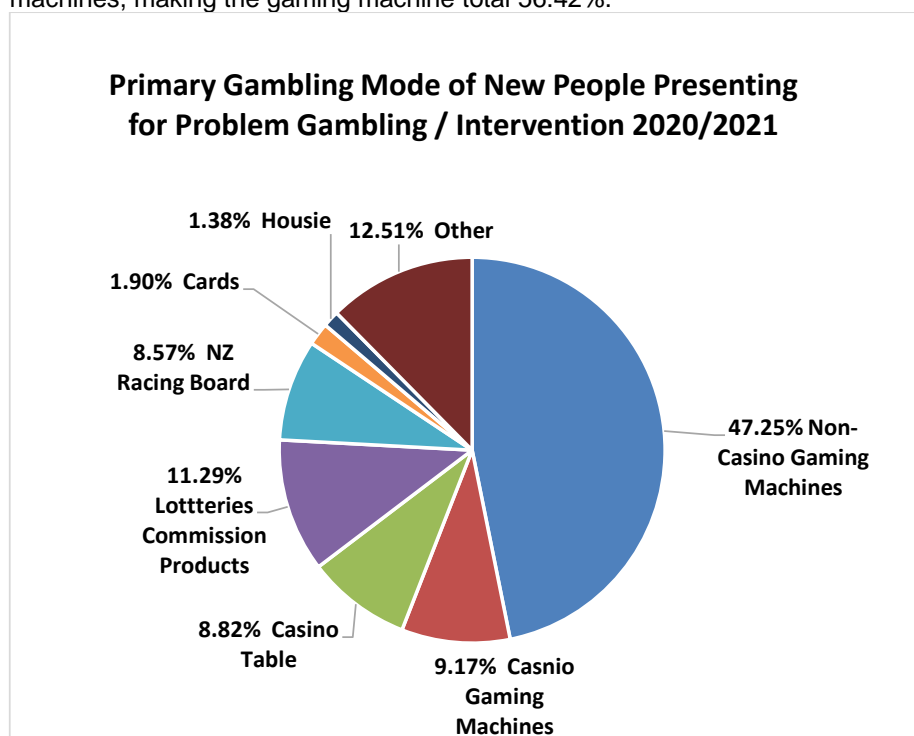


¹² <https://catalogue.data.govt.nz/dataset/gambling-expenditure-statistics>



Primary Gambling Mode of People Help Seeking

29. For the 2019/2020 financial year 47.25% of new clients who sought help cited non-casino gaming machines as their primary gambling mode. 9.17% cited casino gaming machines, making the gaming machine total 56.42%.



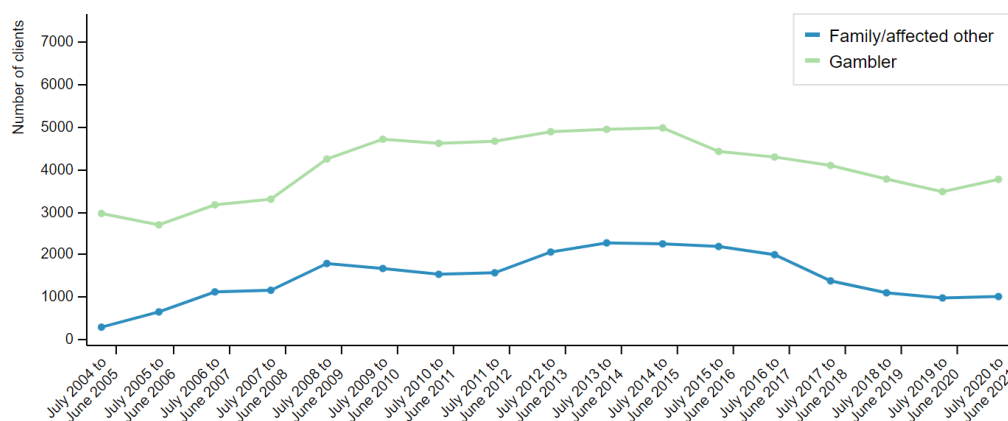
Source: Ministry of Health Website http://www.health.govt.nz/our-work/preventative-health-wellness/problem-gambling/service-user-data/intervention-client-data#total_assisted.

Total Problem Gambling Clients Assisted

30. The total number of people assisted for gambling problems (all forms of gambling) is published by the Ministry of Health and can be found at: <http://www.health.govt.nz/our->

[work/preventative-health-wellness/problem-gambling/service-user-data/intervention-client-data#total_assisted](http://www.health.govt.nz/our-work/mental-health-and-addictions/problem-gambling/service-user-data/intervention-client-data#total_assisted)

Clients Assisted, by Client Type (Excluding Brief Interventions)



31. Records are kept of the number of people who seek help for problem gambling in each territorial authority.¹³ The table below shows the number of persons who sought help in each territorial authority in the period July 2020 to June 2021.

Table 10: Clients Assisted, by Territorial Authority (Ex Brief Intervention Type)

Territorial Authority	July 2020 to June 2021	
	New clients Assisted	All clients assisted
Ashburton District Council	1	7
Auckland City Council	1024	2000
Banks Peninsula District Council	0	0
Buller District Council	1	1
Carterton District Council	1	1
Central Hawkes Bay District Council	6	14
Central Otago District Council	3	5
Chatham Islands Council	1	1
Christchurch City Council	244	538
Clutha District Council	1	7
Dunedin City Council	62	128
Far North District Council	43	61
Franklin District Council [†]	1	2
Gisborne District Council	4	5
Gore District Council	0	0
Grey District Council	2	2

¹³

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

Hamilton City Council	124	214
Hastings District Council	39	130
Hauraki District Council	0	0
Horowhenua District Council	11	42
Hurunui District Council	1	1
Hutt City Council	21	48
Invercargill City Council	47	117
Kaikoura District Council	3	4
Kaipara District Council	5	8
Kapiti Coast District Council	15	30
Kawerau District Council	0	7
MacKenzie District Council	0	0
Manawatu District Council	15	21
Marlborough District Council	16	28
Masterton District Council	9	28
Matamata - Piako District Council	1	2
Napier City Council	39	112
Nelson City Council	31	70
New Plymouth District Council	15	33
Opotiki District Council	1	1
Otorohonga District Council	0	0
Palmerston North District Council	25	56
Porirua District Council	62	188
Queenstown - Lakes District Council	5	8
Rangitikei District Council	0	3
Rotorua District Council	117	197
Ruapehu District Council	0	0
Selwyn District Council	0	2
South Taranaki District Council	3	5
South Waikato District Council	3	4
South Wairarapa District Council	2	3
Southland District Council	2	2
Stratford District Council	0	1
Taranua District Council	1	1
Tasman District Council	22	37
Taupo District Council	19	21
Tauranga District Council	54	96
Thames - Coromandel District Council	0	1
Timaru District Council	12	36
Upper Hutt City Council	17	43
Waikato District Council	29	49
Waimakariri District Council	4	8
Waimate District Council	0	4

Waipa District Council	5	11
Wairoa District Council	1	6
Waitaki District Council	2	2
Waitomo District Council	0	0
Wanganui District Council	9	25
Wellington City Council	92	186
Western Bay of Plenty District Council	5	11
Westland District Council	0	0
Whakatane District Council	4	26
Whangarei District Council	29	75
TLA not recorded	0	0
Total	2311	4762

More Help Seeking Does Not Necessarily Mean More Problem Gambling

32. The fact that more people are seeking help does not necessarily mean that problem gambling is increasing. The increase in help seeking could be due to:
- A general change in society's attitude toward counselling services and seeking help. People are more aware now of the services available and more inclined to seek help;
 - The general economic decline. The sharp increase in help seeking in the period from 2008 to 2011 corresponds with the global financial crisis. A reduction in disposable income tends to bring any gambling loss to the fore; and
 - A corresponding increase in television, radio and newspaper advertising by treatment providers.
33. In Professor Max Abbott's 2006 paper *Do EGMs and Problem Gambling Go Together Like a Horse and Carriage?*,¹⁴ Professor Abbott stated:
- ...help seeking is only partly driven by the number of people with problems...
34. The Gambling Commission in its 2009 Report on the Proposed Problem Gambling Levy: 2010-2013¹⁵ stated:

In the Ministry's previous two Service Plans, presentations were seen to be a fair proxy for harm on the assumption that presentations are about help-seeking, and help-seeking is about harm. The 90% weighting previously given to presentations was indicative of the view that presentation data is a highly reliable indicative proxy for the causation of harm. The Commission did not share the Ministry's view.

The Commission ... continues to have serious concerns about whether the number of persons presenting to problem gambling treatment providers is a fair or accurate proxy for harm.

¹⁴ <http://www.austgamingcouncil.org.au/images/pdf/eLibrary/3049.pdf>

¹⁵ [http://www.gamblingcommission.govt.nz/GCwebsite.nsf/Files/ProblemGamblingReport3/\\$file/PGLReport2009.pdf](http://www.gamblingcommission.govt.nz/GCwebsite.nsf/Files/ProblemGamblingReport3/$file/PGLReport2009.pdf)

Based on the submissions made by problem gambling treatment providers and PwC's recommendations, the Commission recommends that consideration be given to using prevalence data from surveys rather than presentation data. The Commission recognises that prevalence studies have tended to produce a similar picture of the attributed modes of problem gambling so the outcomes may not diverge very substantially, but the use of that data is capable of providing a fairer indication of responsibility for harm and, in addition, removes any perverse incentives.

Low Problem Gambling Rate

35. New Zealand has a very low problem gambling rate by international standards. The New Zealand National Gambling Study: Wave 4 (2015)¹⁶ found the problem gambling rate was 0.2% of people aged 18 years and over. The problem gambling rate is for all forms of gambling, not just gaming machine gambling.

Comparing National Problem Gambling Prevalence Rates

Jurisdiction	Year	Problem Gambling Rate
New Zealand	2015	0.2%
Canada	2005	2.0%
USA	2015	4.6%
Brazil	2010	1.3%
South Korea	2013	0.5%
Singapore	2015	0.5%
Hong Kong	2012	1.9%
Macau	2005	2.5%
Australia	2015	0.4%
South Africa	2013	3.2%
Cyprus	2012	2.2%
Czech Republic	2014	2.3%
Denmark	2012	0.9%
Finland	2014	0.6%
France	2015	0.5%
Germany	2015	1.7%
Great Britain	2012	0.7%
Hungary	2012	1.9%
Iceland	2015	0.8%
Italy	2010	1.27%
Northern Island	2010	2.2%
Norway	2009	0.4%
Sweden	2014	0.3%

Sources: Calado F, Griffiths MD. Problem gambling worldwide: An update and systematic review of empirical research (2000–2015). *Journal of Behavioral Addictions*. 2016;5(4):592-613. doi:10.1556/2006.5.2016.073.

http://www.gamblinglaw.co.nz/download/world_wide_problem_gambling_rates.pdf

36. In addition to the problem gambling rate, 1.8% of the New Zealand adult population are moderate-risk gamblers and 4.6% are low-risk gamblers.¹⁷

¹⁶ <https://www.health.govt.nz/system/files/documents/publications/national-gambling-study-report-6-aug18.pdf>

¹⁷ <https://www.health.govt.nz/system/files/documents/publications/national-gambling-study-report-6-aug18.pdf>

Addressing Problem Gambling Issues

37. Although problem gambling is a serious issue, the evidence suggests that once it is identified and help is sought, problem gambling can be effectively and promptly treated.

38. In his 2006 paper *Do EGMs and Problem Gambling Go Together Like a Horse and Carriage?*¹⁸ Professor Max Abbott noted:

All [prospective studies] have confirmed the finding that problem gambling, for many, is a transitional rather than absorbing state.

...

It appears likely that EGM-related problems are labile, typically both developing and resolving much more rapidly than those linked to track betting and perhaps some other forms such as card games.

39. The 2011 KPMG report *Value for Money review of problem gambling services*¹⁹ notes:

The Auckland University of Technology Stage Three Evaluation of Problem Gambling Intervention Services (2010) found that the vast majority of clients surveyed reported positive treatment outcomes and high levels of satisfaction with the treatment experience.

40. The Ministry of Health document, *Problem Gambling Intervention Services in New Zealand 2007 Service-user statistics* Public Health Intelligence Monitoring Report No. 18²⁰ noted that 38.5% of problem gamblers received three hours' treatment or less via face to face counselling. The report states on page 16:

Hours of treatment received

The majority of clients (86.4%) received 1.25 hours or more of treatment in 2007, with more than half of the clients in 2007 receiving between 1.25 and 9.745 hours of treatment.

Problem Gambling Screen

41. The Problem Gambling Severity Index (PGSI) contains nine questions that are strong predictors of gambling harm (e.g., feeling guilty about gambling, having financial difficulties, betting more than one can afford).
42. Respondents are asked whether they have experienced these signs of harm caused by gambling and, if so, whether this happened "sometimes, most of the time or almost always". They are allocated from one point for "sometimes" to three points for "almost always", and can therefore be allocated up to 27 points.
43. Respondents are then classified into the following categories: non-gamblers (those who did not answer "yes" to any of the questions about participation in gambling in the last 12 months), non-problem gamblers (those who had gambled, but answered "no" to all the PGSI questions about experiencing harm), low-risk gamblers (who got 1 or 2

¹⁸ <http://www.austgamingcouncil.org.au/images/pdf/eLibrary/3049.pdf>

¹⁹ Value for Money review of problem gambling services
http://www.health.govt.nz/system/files/documents/publications/vfm-report-final_1.pdf

²⁰ <http://www.health.govt.nz/system/files/documents/publications/problem-gambling-intervention-2007.pdf>

points according to the PGSI), moderate-risk gamblers (who got 3-7 points) and problem gamblers (who got 8 or more points).

Area	Question
Loss of control	How often have you bet more than you could really afford to lose?
Motivation	Have you needed to gamble with larger amounts of money to get the same feeling of excitement?
Chasing	How often have you gone back another day to try to win back the money you lost?
Borrowing	How often have you borrowed money or sold anything to get money to gamble?
Problem recognition	How often have you felt that you might have a problem with gambling?
Criticism	How often have people criticised your betting or told you that you had a gambling problem, regardless of whether or not you thought it was true?
Feelings of guilt	How often have you felt guilty about the way you gamble or what happens when you gamble?
Negative effects on health	How often has gambling caused you any health problems, included stress or anxiety?
Financial problems	How often has your gambling caused any financial problems for you or your household?

Scoring the nine-question CPGI/ PGSI

Problem Gambling level	Description	CPGI/ PGSI scores
Non-gambler	Did not gamble in the last 12 months	Did not answer CPGI/PGSI
Recreational gambler	Not experiencing any negative consequences of gambling. May gamble at low levels, or at social levels that are not problematic	0
Low-risk gambler	Probably gambling at levels that are not leading to negative consequences	1-2
Moderate-risk gambler	Gambling at levels that may or may not be leading to negative consequences	3-7
Problem gambler	Gambling at levels that are leading to negative consequences. They may have lost control of their gambling behaviour	8 or more (to a maximum of 27)

Problem Gambling Prevalence Rates

44. It is difficult to review the trend in problem gambling prevalence rates in New Zealand. Studies have used different screens and vary vastly in sample size. The different screens produce different percentages. The different screens also capture different levels of gambling issues in the overall percentage quoted.

Survey Year	Survey Name	Screen	Problem Gambling Rate	Survey Size
1991	1991 National Prevalence Survey	SOGRS-R	1.2% of people were current pathological gamblers (SOGRS-R score of 5)	3,933
1999	1999 National Prevalence Survey ²¹	SOGRS-R	0.5% of people aged over 18 years had a SOGRS-R score of 5	6,452
2006/2007	2006/07 New Zealand Health Survey ²²	PGSI	0.4% of people aged 15 years and over	12,488
2010	2010 Health and Lifestyles Survey ²³	PGSI	0.7% of people aged 15 years and over	1,740
2011/2012	2011/12 New Zealand Health Survey ²⁴	PGSI	0.3% of people aged 15 years and over	9,821
2012 (March to October)	2012 National Gambling Survey ²⁵	PGSI	0.7% of people aged 18 years and over	6,251
2013	New Zealand National Gambling Study: Wave 2 (2013) ²⁶	PGSI	0.5% of people aged 18 years and over	6,251
2014	New Zealand National Gambling Study: Wave 3 (2014) ²⁷	PGSI	0.3% of people aged 18 years and over	6,251
2015	New Zealand National Gambling Study: Wave 4 (2015) ²⁸	PGSI	0.2% of people aged 18 years and over	2,770

²¹ [http://www.dia.govt.nz/pubforms.nsf/URL/TakingthePulse.pdf/\\$file/TakingthePulse.pdf](http://www.dia.govt.nz/pubforms.nsf/URL/TakingthePulse.pdf/$file/TakingthePulse.pdf)

²² <http://www.health.govt.nz/system/files/documents/publications/portrait-of-health-june08.pdf>

¹⁷ Gray, R 2011 New Zealanders' Participation in Gambling: Results from the 2010 Health and Lifestyles Survey – Health Sponsorship Council http://www.hsc.org.nz/sites/default/files/publications/Gambling_Participation_final-web.pdf (page 14)

²⁴ <http://www.health.govt.nz/system/files/documents/publications/problem-gambling-preliminary-findings.pdf>

²⁵ <https://www.health.govt.nz/system/files/documents/publications/national-gambling-study-report-2.docx>

²⁶ <http://www.health.govt.nz/system/files/documents/pages/report-national-gambling-study-12-month-final-23-10-15.pdf>

²⁷ <https://www.health.govt.nz/publication/new-zealand-national-gambling-study-wave-3-2014>

²⁸ <https://www.health.govt.nz/system/files/documents/publications/national-gambling-study-report-6-aug18.pdf>

Does More Machines Mean More Problem Gambling?

45. There is no direct correlation between gaming machine numbers and problem gambling rates. Over the last ten years, the problem gambling rate has remained static, despite gaming machine numbers declining rapidly (4,472 gaming machines have been removed from the market).
46. 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.
47. The New Zealand National Gambling Study: Wave 4 (2015)²⁹ noted that problem gambling had plateaued over the last 20 years and the plateauing harm rates were not consistent with the hypothesis that more gambling availability leads to more harm. The report stated:

From 2012 to 2015, overall gambling participation has declined whilst problem gambling and low-risk and moderate-risk gambling levels have remained static.

...

Considering findings from all of the New Zealand studies, it appears that problem gambling prevalence, within the probable pathological, problem and moderate-risk range, decreased during the 1990s and subsequently plateaued. As gambling availability increased during the 1990s, the reductions both in gambling participation and problem gambling prevalence are consistent with the adaptation hypothesis.

...

The challenge, from a public health perspective, is to identify what factors explain the persistence of harm in the face of declining gambling participation.

...

Participation has decreased markedly over the past 15 or so years yet harm has plateaued. To further reduce gambling-related harm, increased attention will need to be given to other modifiable risk and protective factors.

48. The 2012 National Gambling Survey³⁰ 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.

49. The New Zealand National Gambling Study: Wave 3 (2014)³¹ 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:

²⁹ <https://www.health.govt.nz/system/files/documents/publications/national-gambling-study-report-6-aug18.pdf>

³⁰ <https://www.health.govt.nz/system/files/documents/publications/national-gambling-study-report-2.docx>

³¹ <https://www.health.govt.nz/publication/new-zealand-national-gambling-study-wave-3-2014>

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...

50. 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?*³² 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).

1991 and 1999 Comparative Studies

51. The Public Health Intelligence section of the Ministry of Health has produced a document *Problem Gambling Research Programme 2005-2010*.³³ The document states on pages 13 and 14:

New Zealand is fortunate in that it is the only jurisdiction in which a nationally representative survey has been replicated with the same measurement instrument.³⁴ The initial survey was conducted in 1991³⁵ and found that some 48% of respondents (18 years and over) reported gambling in at least one form, weekly or more often. The lifetime "probable pathological gambling" prevalence was estimated at 2.7%, with the current (previous six months) estimate 1.2%. This lifetime estimate was higher than comparable North American surveys.

A second survey³⁶ was completed in 1999. It is worth noting that in the eight years between the initial survey and the 1999 survey, expenditure on gambling had doubled, electronic gambling machine expenditure had trebled, and casinos were introduced in Christchurch (1996) and Auckland (1998). Given these substantial increases in the accessibility and availability of gambling alternatives, the general expectation was that problem gambling would have

³² http://www.gamblinglaw.co.nz/download/Research/Do_EGMs_and_problem_gambling_go_together.pdf

³³ <http://www.health.govt.nz/system/files/documents/pages/research-strategy2005-2010.pdf>.

³⁴ This instrument was the South Oaks gambling Screen (SOGS, SOGS-R)

³⁵ Abbott & Volberg, 1996

³⁶ Abbott & Volberg, 2000

increased substantially. However, the results did not support this prediction, and lifetime prevalence was estimated at 1%, with current prevalence of 0.5%.

Most recently, the 2002/03 New Zealand Health Survey (NZHS) estimated that 69.4% of New Zealanders had participated in gambling activities in the past 12 months, and the estimate for current problem gambling levels (moderate to severe problems) was 1.2%.³⁷

There is growing evidence that the prevalence of problem gambling has levelled out in New Zealand. The methodologies used by Abbott and Volberg (1996, 2000) and in the NZHS (notwithstanding the concerns over the one-off screen) were very sound. Internationally, the evidence remains somewhat confused. Abbott (2001) subsequently reviewed a number of North American replication studies, and found that seven had higher prevalence estimates on replication, in keeping with the notion that increased availability and expenditure would result in increased prevalence. However, eight studies showed reductions in prevalence. Decreases have also been noted in Australia.³⁸

Although a consensus has yet to be reached, when the existing evidence is considered, methodological and confounding factors notwithstanding, it does not support the simple notion that at a population level increased availability and expenditure necessarily results in increases in gambling problems. Rather, there is likely to be a more complex multi-faceted relationship, or series of relationships involved.

Abbott et al (2004) have discussed some of this evidence at a more detailed level and suggest that prevalence rates may tend to level out in mature markets, even as gambling accessibility continues to increase. However, this is not necessarily a naturally occurring phenomenon. In more mature markets such as New Zealand, factors such as a greater awareness of problem gambling, increased availability of problem gambling services, increased regulation, improved harm minimisation measures, increased host responsibility, changing participation patterns, and aging successive cohorts may all play some role in producing this phenomenon.

South Australia Centre For Economic Studies 2005

52. The 2005 South Australia Centre for Economic Studies paper³⁹ stated:

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

Professor Max Abbott – 2006

53. In 2006 Professor Max Abbott's paper *Situational Factors that Affect Gambling Behaviour*⁴⁰ stated at pages 15 and 16:

³⁷ It should be noted that a 'one-off' screen was developed and used in this survey and its performance relative to validated screens has not been empirically established. Therefore, comparisons with prevalence estimates should be interpreted with a degree of caution.

³⁸ Productivity Commission, 1999

³⁹ The South Australia Centre for Economic Studies, May 2005

⁴⁰ Abbott, M.W. (2007). Situational factors that affect gambling behavior. In G. Smith, D.C. Hodgins, & R.J. Williams (Eds), Research and measurement issues in gambling studies. Elsevier, Academic Press Publications.

New Zealand is the only country where repeat national surveys have been conducted using comparable methods and measures. During the three years prior to the 1991 baseline survey (Abbott & Volberg, 1996; Volberg & Abbott, 1994) per capita expenditure more than doubled following introduction of a national lottery, other lottery products and non-casino EGMs. The initial survey found 48% of adults gambled weekly or more. The current probable pathological gambling prevalence estimate was 1.2%. A 1996 survey (North Health, 1996) obtained an estimate of 0.4%, despite increased availability and expenditure. A third survey was conducted in 1999 (Abbott & Volberg, 2000), a few years after casinos were opened in the two major metropolitan areas. Total gambling expenditure had doubled since 1991. The current prevalence rate remained low at 0.5%. Frequent participation was also lower than in 1991 (40%), a consequence of fewer people taking part this often in continuous forms.

Professor Max Abbott – 2009

54. In Storer, Abbott and Stubbs (2009)⁴¹ the authors stated at page 241:

It is likely that both access and adaption forces are at work simultaneously, with varying implications for policy. First, there is strong support from the present findings for the access thesis, with strong statistically meaningful relationships between an increase in problem gambling prevalence and increasing per capita density of EGMs, at an average increase of 0.8 problem gamblers for each new EGM. Further, there is no evidence of plateauing of prevalence with increasing density of EGMs, one of the predictions of the adaption thesis. These findings indicate that policies related to restricting or reducing the density of EGMs are likely to play a significant role in containing or reducing gambling-related harms.

The finding of a decrease in prevalence of problem gamblers, at a rate of 0.09% per annum with EGM density held constant, is partially consistent with the adaption thesis. It suggests that measures related to public education and other community and individually based preventative or treatment programs may be effective in reducing harm over time.

From the perspective of public policy, and particularly harm minimisation, holding or reducing EGM numbers would appear prudent based on our findings, and is likely to lead to reduced harm both through reduced availability and by enabling adaption processes.

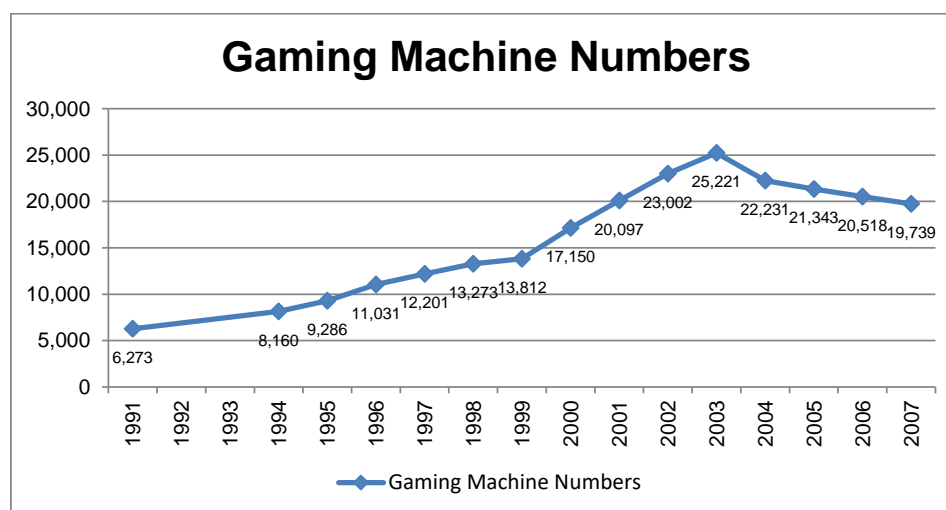
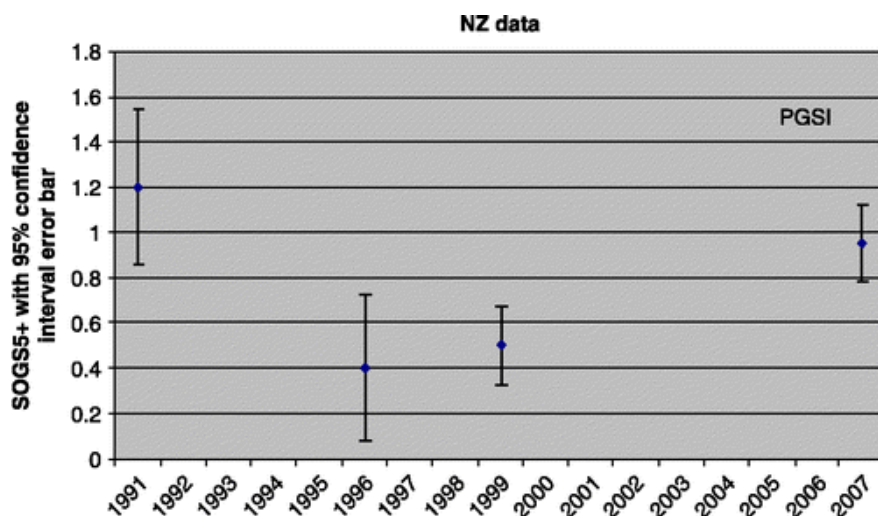
Issues with the Storer, Abbott and Stubbs (2009) Paper

55. The Storer, Abbott and Stubbs (2009) paper⁴² is not based on any new survey, but is simply a study of studies. The paper reviewed 34 previous Australian and New Zealand surveys conducted between 1991 and 2007. Only five of the studies were New Zealand-based.
56. The Australian data is not directly comparable to the New Zealand data because Australian machines are operated commercially by the venue operators (i.e. operated for personal profit).

⁴¹ John Storer, Max Abbott & Judith Stubbs (2009): Access or adaptation? A meta-analysis of surveys of problem gambling prevalence in Australia and New Zealand with respect to concentration of electronic gaming machines, *International Gambling Studies*, 9:3, 225-244 <http://www.tandfonline.com/doi/pdf/10.1080/14459790903257981>

⁴² John Storer, Max Abbott & Judith Stubbs (2009): Access or adaptation? A meta-analysis of surveys of problem gambling prevalence in Australia and New Zealand with respect to concentration of electronic gaming machines, *International Gambling Studies*, 9:3, 225-244 <http://www.tandfonline.com/doi/pdf/10.1080/14459790903257981>

57. When the New Zealand data is looked at in isolation (Figure 4 on page 230) as per the table below, and compared with the number of gaming machines in New Zealand, the relationship between harm and machine numbers appears to be inverse.



Allen & Clark 2012

58. In July 2012, Allen and Clark presented a report to the Ministry of Health titled *Informing the 2012 Gambling Harm Needs Assessment*.⁴³ The report concluded that a reduction in the opportunities to gamble had not resulted in any corresponding reduction in moderate to high risk problem gambling. The report stated on page 6:

There has been a significant decline in gambling participation rates and opportunities to gamble, but no change in the prevalence rate of gamblers at moderate to high risk of problem gambling.

⁴³

<http://www.health.govt.nz/system/files/documents/publications/gambling-harm-report-jul2012.pdf>

Burden of Harm Report

59. In May 2017, a report titled Measuring the Burden of Gambling Harm was produced for the Ministry of Health. In the report, “low risk” gambling such as buying a Lotto ticket, was claimed to be as bad for a gambler’s health as the untreated amputation of a leg, while “problem gambling” was claimed to be as bad as suffering from a severe stroke or terminal cancer.
60. A review of the study’s methodology produced by TDB Advisory⁴⁴ concludes that these outlandish comparisons were made possible by a long line of deliberate selection biases and errors. The errors revealed by the TDB Advisory review include either deliberately or by mistake using a biased population sample (participants were not randomly selected), attributing all harms to gambling and none to associated behaviours (such as smoking), and treating all harm as running 100% from gambling rather than calculating for the use of gambling as a coping mechanism or as a symptom of harms rather than the cause.
61. The Gaming Machine Association has called for the report to be officially withdrawn, or to be subject to an official warning against its use.

A Concern with How Gamblers Spend their Disposable Income

62. The Salvation Army and Problem Gambling Foundation recently released a report commissioned from the New Zealand Institute of Economic Research suggesting that there would be significant economic benefit to the retail sector in both income and job creation if spending on gambling was halted. The report claims that this extra retail spending would generate an additional 1,127 full-time equivalent jobs for 1,724 workers, along with an additional \$58m of GST revenue and additional income tax of \$7m from the retail spend.
63. The report, however, fails to take into consideration the economic value currently generated by the gambling sector. The report specifically acknowledges that this was outside its scope. It is therefore a misrepresentation of the net value of such a move, given that it takes no account of the value that would be lost. What the Salvation Army and Problem Gambling Foundation appear to be saying is: let’s take money – and jobs – away from the charity and not for profit sectors – health and rescue, education, community and social support services, environment, and arts and heritage – and give it to the commercial sector.
64. A suggestion is also made that the increased retail spending would then result in the retail sector channelling its increased profits into things like sports sponsorship. It is, however, more likely that any increased profits from the retail spending would be retained by the business owners, many of whom are large corporates, based offshore.
65. The report fails to address the freedom of adult New Zealanders to do what they want with their discretionary spending. Ministry of Health data indicates that over 1.8 million adult New Zealanders enjoy spending their money on gaming machines, Lotto, Instant Kiwi, sports and track betting and other forms of gambling. That spending provides them with entertainment, relaxation, and social interaction. Those benefits would be lost if people were not able to spend their money on gambling.

⁴⁴ http://www.gamblinglaw.co.nz/download/TDB_Advisory_Report.pdf

The “Costs of the System”

66. The Problem Gambling Foundation have also recently suggested that 60% of the revenue from gaming machines goes towards the costs of running the system (with the remaining 40% being the returns to the community). In fact, the community benefit is much more like 80%, with the approximately 40% share that makes up the various taxes, duties and GST in effect also being a community contribution, going into the public purse to contribute to public good. The actual ‘running of the system’ is only about 20%. This 20% represents money to businesses – local hospitality businesses, trusts, equipment providers and technicians – and a significant number of jobs in our cities, towns and communities

Internet Gambling and Mobile Phone Gambling

67. The only organisations that are able to conduct remote interactive gambling (such as gambling via the internet and mobile phones) within New Zealand are the New Zealand Racing Board and the New Zealand Lotteries Commission. 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 to gamble on overseas competitions and games.
68. It only requires a simple search and a few minutes to download to your computer, tablet or mobile phone an exact replica of the gaming machine programs currently available in New Zealand venues.



69. Organisations like Pokerstars, Jackpot City, Spin Palace and GrandReef.TV work around New Zealand’s prohibition on advertising overseas-based online gambling by advertising a sister website that uses only play money. However, a Google search of the brand name, such as a Google search of GrandReef.TV leads you to grandreefcasino.com, a website that describes itself as Australia & New Zealand’s #1 online casino. This website allows you to use play money or to gamble using real money. The inducement to deposit funds and gamble is strong, with up to 100% matching bonuses for initial deposits. Below is the first result that shows in a Google search for “GrandReef.TV”

1. **Grand Reef Casino - Australia & New Zealand's #1 online casino**
www.grandreefcasino.com/
 Block all www.grandreefcasino.com results
 Play the best online games at Grand Reef. Get a \$750 ... Welcome to Grand Reef Online Casino. We are ... Grand Reef Casino is a partner site of **grandreef.tv**.

Free Pokie Games - Getting Started - Games - About us

70. The prohibition on advertising can also be averted by overseas-based gambling providers sponsoring overseas sporting teams and sporting venues. The logos of overseas-based gambling providers are painted on overseas sporting pitches and appear on side-line billboards. These are visible in New Zealand sporting broadcasts.
71. There is no question that New Zealanders love gambling online. The Lotteries Commission reported in its 2017/18 Annual Report that online sales accounted for 16 per cent of its total sales (\$201.1m), compared with 13 per cent the previous year.
72. The New Zealand Racing Board noted in its latest six-monthly report that online channels made up 59.2 per cent of its betting turnover, up 2.2 percentage points on last year. It also said that its online platforms were the fastest-growing channels.
73. SkyCity has launched an offshore-based online casino with a large selection of gaming machine games.

Welcome to SkyCity Online Casino!
100% UP TO \$100
+ 10 FREE SPINS PER DAY FOR 7 DAYS

SIGN UP NOW

Opt in required. Offer valid on first deposit only. Bonus 100% up to a max of \$100. 35x bonus wagering req. in 30 days. 70 free spins awarded on eligible games, 10 per day valid for 24h.

Game weighting and T&Cs apply

Search

Lobby New Games Live Casino Top 12 Jackpots Baccarat Slots Table Games More

Slots

Book of Dead Starburst Immortal Romance Wild Wheel 300 Shields Sizzling Spins

74. A September 2018 Cabinet paper⁴⁵ on online gambling cites research suggesting that New Zealanders gambled approximately \$300 million with offshore providers in 2017, with the market growing annually at between 12 and 20 per cent.
75. The Cabinet paper notes that health professionals and gambling harm treatment providers have expressed concern that online gambling may be more harmful than some existing forms of gambling. The paper continues by stating "It [online gambling] has the potential to drive changes in behaviour to a greater, and more harmful, extent than some land-based gambling."
76. TAB New Zealand estimates that the total online spend with offshore gambling websites by New Zealanders for the 12 months to August 2020 was \$570-\$580m.
77. The 2020 Health and Lifestyles Survey found that 1 in 4 New Zealand adults (27%) had gambled online in the last 12 months.⁴⁶
78. In March 2022, Kiwibank advised⁴⁷ that its customers were spending around \$30 million every month playing on online gambling sites. Kiwibank is only one bank; one of the smaller banks.
79. The migration from physical Lotto stores and SkyCity was apparent during the Covid-19 lockdowns. When the physical venues were closed, the number of online registered players, and the amount of online revenue, skyrocketed.

NZ Lotteries Commission 'MyLotto'			
	FY20	FY19	FY18
Registered Players	1,230,000	845,000	746,000
Increase on previous Year	45.6%	13.3%	17.1%
MyLotto Sales	\$430.6m	\$227.6m	\$201.1m
Increase on previous Year	89.2%	13.2%	25.8%
% of Total Lotto Sales	31%	19%	16%

(Information sourced from annual reports)

⁴⁵ http://www.gamblinglaw.co.nz/download/Online_gambling_Cabinet_paper.pdf

⁴⁶ <https://www.hpa.org.nz/research-library/research-publications/2020-health-and-lifestyles-survey-top-line#%23>

⁴⁷ <https://www.newshub.co.nz/home/new-zealand/2022/03/kiwibank-customers-spending-30m-every-month-playing-on-online-gambling-sites.html>

Sky City Casino NZ Online Casino			
KPI's	FY21	FY20	Movement
Customer Registrations	48,958	25,661	90.8%
First Time Depositors (new actives)	28,114	15,855	77.3%
Deposit Conversion	57%	62%	n/a
Total Bets	\$792.5m	\$253.5m	212.5%
Gaming Revenue	\$27.9m	\$10.2m	173.5%
Operating Costs & Taxes	\$14.8m	\$5.6m	n/a
Profit	\$13.1m	\$4.5m	190.6%

(Information sourced from annual reports)

80. Offshore-based online gambling 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.
81. Offshore-based online gambling does not generate any community funding for New Zealanders, does not generate any tax revenue for the New Zealand Government and does not make any contribution to the New Zealand health and treatment services as no contribution is made to the problem gambling levy.
82. The 2019 New South Wales Gambling Survey⁴⁸ found that the problem gambling rate among internet gamblers was twice as high as gamblers who gambled in physical venues. The report stated:

⁴⁸

<https://www.gamblinglaw.co.nz/download/NSW-Gambling-Survey-2019.pdf>

Internet gamblers were more likely than non-internet gamblers to be moderate-risk and problem (18% compared with 5%). Problem gambling prevalence among internet gamblers was twice as high (4% compared with 2% of non-internet gamblers). Similarly, internet gamblers were more than three times more likely to be in the moderate-risk category (14% compared with 4% of non-internet gamblers).

Problem Gambling Foundation Statement - “40% of EMG Spending is Attributable to Problem Gamblers”

83. The 2010 Australian Government Productivity Commission Report⁴⁹ estimated that problem gamblers’ share of the total spending on gaming machines was approximately 40%. This was based on Australian research. No New Zealand study supports this claim. The Australian gambling environment is very different to the New Zealand gambling environment. The Australian gaming machines provide much larger prizes. The Australian machines are also operated by commercial venues for commercial profit.
84. Further, in the 2011 research paper *Gambling away perspective? A review of the evidence justifying electronic gaming regulations*⁵⁰ the Productivity Commission’s findings were questioned. The authors of the research suggested that the spending by problem gamblers was in fact between 10% and 20%. The paper stated:

The Productivity Commission in 2010 released a report into the gambling industries, including the prevalence of problem gambling and levels of expenditure on electronic gaming machines (EGMs) by problem gamblers.

Based on state surveys from 2001 to 2009, the Commission estimated that between 80,000 and 159,000 Australian adults are afflicted by problem gambling.

On the basis of the numbers of problem gamblers playing EGMs more than weekly, the Commission also estimated that 41 per cent of EGM spending was attributable to problem gamblers.

However the Commission’s estimates appear to have overestimated the problem gambling profile in Australia.

The published estimates did not appear to adjust the differences in the adult population between states or the varying number of EGMs available in each jurisdiction.

Outdated data was used by the Commission to estimate the prevalence of problem gambling; using the latest data shows a lower figure, about 75,300 problem gamblers in Australia. This is about 35 per cent lower than the Commission’s average estimate of problem gambler numbers.

Based on Commission’s analysis that between 75 per cent and 80 per cent of problem gamblers use EGMs, this reduces the numbers of EGM problem gamblers to between 57,000 and 60,000 people.

⁴⁹ <http://www.pc.gov.au/projects/inquiry/gambling-2009/report>

⁵⁰ http://ipa.org.au/library/publication/1320067559_document_novak_wilson_gamblingaway_perspective.pdf

Based on total expenditure on EGMs in Australia the implied share of spending by problem gamblers would in fact appear to be between 10 and 20 per cent, and not the 41 per cent estimated by the Commission.

Problem Gambling Foundation Statement - “One Extra Machine Leads to Nearly One New Problem Gambler”

85. PGF’s March 2017 fact sheet⁵¹ states that a recent New Zealand study found that there is an increase of problem gambling by nearly one person per each new machine. The reference cited is Abbott, Storer & Stubbs (2009).⁵²

86. At page 241 of Abbott, Storer & Stubbs (2009)⁵³ the authors state:

It is likely that both access and adaption forces are at work simultaneously, with varying implications for policy. First, there is strong support from the present findings for the access thesis, with strong statistically meaningful relationships between an increase in problem gambling prevalence and increasing per capita density of EGMs, at an average increase of 0.8 problem gamblers for each new EGM. Further, there is no evidence of plateauing of prevalence with increasing density of EGMs, one of the predictions of the adaption thesis. These findings indicate that policies related to restricting or reducing the density of EGMs are likely to play a significant role in containing or reducing gambling-related harms.

87. As set out above there are concerns with the 2009 study. The study was not a new survey, but an analysis of the data from previous New Zealand and Australian surveys. When the New Zealand data is viewed in isolation and compared with the number of gaming machines in New Zealand, the relationship between harm and machine numbers appears to be inverse.

88. The only time that one new gaming machine would equate to one new problem gambler is when a gaming machine is introduced into an area that did not previously have any machines. Given that gaming machines exist in all parts of New Zealand, the theory is unlikely to have any practical application.

89. On 18 April 2012 Professor Max Abbott was interviewed by Radio New Zealand. Professor Abbott said that he could not make a firm prediction about the increase in harm from new machines, stating:

...the issue of increasing or decreasing machines is actually more complicated than people might think because you do get adaptation over time, you can get a saturation effect, and also we have so many machines in this country that you would probably have to reduce them by quite a large number before you had an impact...

Can we say and I'm not sure which of you wishes to answer this one, can we say categorically that an increase in the number of machines say by 350 which seems to be the common figure people are using, is going to significantly

⁵¹ <http://www.pgfnz.org.nz/Uploads/Library/01NZGam.pdf>

⁵² John Storer, Max Abbott & Judith Stubbs (2009): Access or adaptation? A meta-analysis of surveys of problem gambling prevalence in Australia and New Zealand with respect to concentration of electronic gaming machines, *International Gambling Studies*, 9:3, 225-244 <http://www.tandfonline.com/doi/pdf/10.1080/14459790903257981>

⁵³ John Storer, Max Abbott & Judith Stubbs (2009): Access or adaptation? A meta-analysis of surveys of problem gambling prevalence in Australia and New Zealand with respect to concentration of electronic gaming machines, *International Gambling Studies*, 9:3, 225-244 <http://www.tandfonline.com/doi/pdf/10.1080/14459790903257981>

increase harm, what some of your research seems to be saying, if its 1 person per machine that you're going to get the ratio with, is that 350 more problem gamblers again, is it that simplistic?

Well its difficult, I couldn't make a firm prediction to be honest, that's from studies carried out over a 20 year period, yes that was the average effect over that time period and the relationship is a stronger one when these machines were first being introduced and people hadn't been exposed to them before.

Problem Gambling Foundation Statement "Gaming Machines Are Designed to be Addictive"

90. The allegation that gaming machines are designed to be addictive was recently tested in the Australian Federal Court in the case *Guy v Crown Melbourne Ltd.*⁵⁴ The Court found that there was no evidence that gaming machines are designed to be addictive. In fact, all aspects of the machines, including items such as how fast the reels may spin, are highly regulated and controlled.
91. On 2 February 2018, the Federal Court of Australia dismissed claims of misleading and deceptive conduct and also unconscionable conduct against Crown Casino Melbourne and Aristocrat (a gaming machine manufacturer). The case related to the design and use of the Dolphin Treasure gaming machine.
92. The Australian/New Zealand Gaming Machine National Standards set out criteria all gaming machines must meet in order to be approved to operate in New Zealand. The standards provide that a game:
 - Must not give the player a false expectation of better odds: standard 3.3.
 - Must not be misleading, illusory or deceptive – such as a near-miss design: standard 3.3.
 - Must not manipulate or rearrange the reel's symbols: standard 4.8.

Problem Gambling Services

Problem Gambling Treatment and Research Funding

93. The 2011 KPMG report Value for Money review of problem gambling services⁵⁵ states:

The problem gambling levy recognises the gambling industry taking responsibility. The costs of problem gambling services are recovered through the problem gambling levy and are not funded by the taxpayer. They are fiscally neutral to the government. In this way the levy equals the spend on problem gambling services. The gambling industry viewed the funding model for problem gambling services as a positive recognition of their corporate social responsibilities. Collaboration across key stakeholders in this sector is a foundation to working together to efficiently and effectively help those in need.

94. All gaming machine societies since 2004 have been required to contribute to a problem gambling fund. This fund provides approximately \$25,370,000.00 per annum to the

⁵⁴ *Guy v Crown Melbourne Ltd* (No2) [2018] FCA 36

⁵⁵ Value for Money review of problem gambling services
http://www.health.govt.nz/system/files/documents/publications/vfm-report-final_1.pdf

Ministry of Health to support and treat gambling addiction and to increase public awareness. The funding is ring-fenced and cannot be redirected to other health areas.

Problem Gambling Treatment Services are Extensive

95. A 24 hour, 365 day per year problem gambling helpline is available. Free, confidential help is available in 40 languages including: Amharic, Arabic, Assyrian, Bengali, Bosnian, Cantonese, Cook Island Maori, Croatian, Dari, Farsi, French, Gujarati, Hindi, Japanese, Khmer, Korean, Kurdish, Lao, Mandarin, Maori, Myanmar, Nepali, Niuean, Pashto, Portuguese, Punjabi, Russian, Samoan, Serbian, Sinhalese, Somali, Spanish, Taiwanese, Tamil, Thai, Tokelauan, Tongan, Tuvaluan, Ukrainian, Urdu, and Vietnamese.
96. 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

97. Significant measures are already in place to minimise the harm from gaming machines.
98. 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.
99. There is a statutory age limit that prohibits persons under 18 years of age playing a gaming machine.
100. 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.
101. 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. The message is then displayed asking the player whether they wish to continue with their session or collect their credits.
102. Gaming machines in New Zealand do not accept banknotes above \$20.00 in denomination.
103. ATMs are excluded from all gaming rooms.
104. All gaming venues have a harm minimisation policy.
105. All gaming venues have pamphlets that provide information about the characteristics of problem gambling and how to seek advice for problem gambling.
106. 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.
107. All gaming venue staff are required to have undertaken comprehensive problem gambling awareness and intervention training.

- 108. Any person who advises that they have a problem with their gambling is required to be excluded from the venue.
- 109. It is not permissible for a player to play two gaming machines at once.
- 110. All gaming machines have a clock on the main screen. All gaming machines display the odds of winning.
- 111. 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).
- 112. It is not permissible to use the word “jackpot” or any similar word in advertising that is visible from outside a venue.

Setting a Machine Number Limit

- 113. If a territorial authority elects to set a cap at the number of existing machines, the cap needs to be set based on the number of machines that can operate as of right, not the number of machines that are currently in operation.
- 114. Section 67(1)(f) of the Gambling Act 2003 provides that before the Department of Internal Affairs grants a venue licence, it must be satisfied that the territorial authority has provided a consent. Before acting on a consent, the Department undertakes a check to see if the consent has been validly granted.
- 115. The quarterly gaming machine statistics released by the Department refer to the number of gaming machines operating at a certain date. This is different from the number that may operate without territorial authority consent. The Department's validation typically involves a count of the number of machines operating, along with the number that are not operating, but may operate as of right. Machines that are not operating, but may operate as of right, are at:
 - a. Venues that have closed but have not been unlicensed for six months or more;
 - b. Venues that have obtained a dispensation to be inactive for more than four weeks (typically while renovations are being undertaken);
 - c. Venues that hold licences for more machines than they are currently operating and the number of machines they are currently operating is less than the number that was notified on 22 September 2003; and
 - d. Venues that have been granted a consent but where the machines are not yet in operation.
- 116. If the Department considers that the consent has been issued in breach of the cap specified in the territorial authority's policy, or in breach of any other requirement, it will refuse to process the venue licence application.

117. An example of a clause that caps machine numbers at their current number is set out below:

Cap on class 4 venues

Council will permit 335 gaming machines in the District. The 335 cap is calculated not by the number of existing machines that are operating, but by the number of gaming machines that may operate as of right in the District. The machines that are include in the cap therefore include:

- a. the number of gaming machines that are currently licensed and operating;
- b. the number of gaming machines that are not operating but were at a venue that has closed but has not been unlicensed for six months or more;
- c. the number of gaming machines that are not operating but are located at a venue which has obtained a dispensation to be inactive for more than four weeks (this will typically include venues that are having renovations undertaking);
- d. the machines that are licenced but not operational due to a venue holding a licence to operate more machines than they are currently operating (e.g. if a venue holds a licence to operate 18 gaming machines but is only operating 16 gaming machines, the full 18 machines will be counted as part of the cap); and
- e. the machines for which council has granted a consent but where the machines have yet to be installed and made operational.

Venue Relocation

118. In September 2013, Parliament recognised the merit in enabling venues to relocate, and expressly amended the Gambling Act 2003 to enable venues to relocate and retain the same number of machines when a relocation consent was obtained.
119. When consent is sought to relocate a venue under a territorial authority relocation policy, 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 is cancelled as a result of the relocation: s 97A Gambling Act 2003.
120. A number of existing territorial authority policies permit venues to relocate but expressly require the relocated venue to reduce its machine numbers. The amendment anticipated this, and expressly provided that despite any machine number limit imposed by a territorial authority under section 100(1)(b)(i) of the Gambling Act 2003, the maximum number of machines permitted to operate at the relocated venue shall be the same number as the maximum permitted at the old venue. Section 97A(2)(b) of the Gambling Act 2003 means that any maximum number of machines specified in a relocation consent has no effect.
121. Facilitating relocation by allowing venues to retain their machine numbers has the following benefits (in addition to assisting to keep the community funding sustainable):
 - a. Venues are able to move out of undesirable areas (residential areas and high deprivation areas) to more suitable arears;
 - b. Venues are more likely to move out of earthquake-prone buildings;

- c. Venues are more likely to move to new, modern premises, leading to more vibrant and attractive central business districts;
- d. Venues are not negatively impacted following a public works acquisition; and
- e. Local business people can restore their business following a fire, flood, earthquake, or lease termination.

122. An example relocation clause is set out below:

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.

Council Conflicts of Interest

- 123. It is important that the committee of councillors that determines the gambling venue policy reflects the full views of the community. It has however, become common for councillors who are involved in community and sporting groups to withdraw from the gambling venue policy deliberation as they consider the receipt of funding by a group that they are associated with constitutes a conflict. It has also been common for councillors with very strong, pre-determined anti-gambling views to refuse to withdraw from the policy deliberation, despite their strongly held views.
- 124. The Gaming Machine Association of New Zealand has sought independent legal advice from Brookfields Lawyers regarding gambling venue policy conflicts. A copy of the advice can be downloaded at https://www.gamblinglaw.co.nz/download/Conflict_Advice.pdf.
- 125. In summary, the key advice is:
 - a. Being a member of a club or organisation that receives funding from a gaming grant will not usually give rise to conflict of interest when it comes to deciding or discussing Council's gambling venue policy, unless that member holds a

paid role (e.g., a coach who is paid for that service); and

- b. Where an elected member, outside of a debate on the issue, has expressed a view on the gambling venue policy that suggests that they do not and cannot have an open mind on the matter, this could give rise to a conflict of interest on the grounds of predetermination.

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