

Notice is hereby given that an ordinary meeting of the Hearings Committee will be held on:

**Date:** Friday 27 October 2017  
**Time:** 1.00 pm  
**Meeting Room:** Council Chambers  
**Venue:** 126-148 Oxford Street  
Levin

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## Hearings Committee

### OPEN AGENDA

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#### MEMBERSHIP

<b>Chairperson</b>	Cr Jo Mason	
<b>Members</b>	Cr Piri-Hira Tukapua	
	Cr Bernie Wanden	
<b>Reporting Officer</b>	Mr Kevin Peel	(Roading Manager)
<b>Meeting Secretary</b>	Mrs Karen Corkill	

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**Full Agendas are available on Council's website**  
[www.horowhenua.govt.nz](http://www.horowhenua.govt.nz)

**Full Agendas are also available to be collected from:**  
**Horowhenua District Council Service Centre, 126 Oxford Street, Levin**  
**Foxton Service Centre/Library, Clyde Street, Foxton,**  
**Shannon Service Centre/Library, Plimmer Terrace, Shannon**  
**and Te Takeretanga o Kura-hau-pō, Bath Street, Levin**



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## **Draft Land Transport Bylaw 2017 - Consideration of Submissions and Decisions**

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### **1. Purpose**

- 1.1 To present to the Hearings Committee (Committee) an updated copy of the Draft Land Transport Bylaw 2017 (Bylaw), having implemented all amendments to the Bylaw as requested by the Committee in the Hearings Committee meeting of 28 June 2017.
- 1.2 To present to the Committee a summary of Officer comments on submissions that were received during a further consultation process for the Bylaw and for the proposed change to the open speed limit on beaches to 60 km/h.
- 1.3 It is also recommended that the Bylaw, including any changes made as a result of the decisions on the submissions, be recommended by the Committee for adoption by the Council.

### **2. Executive Summary**

- 2.1 Council Officers have undertaken further consultation on the Bylaw as requested by the Committee in the Hearings Committee meeting of 28 June 2017 and in accordance with the Special Consultative Procedure (SCP) under the Local Government Act 2002 (Act).
- 2.2 Subsequently two (2) submissions were received and these must now be considered by the Committee acting under delegated authority of Council. A summary of the submissions complete with Officer comments is contained in Section 5 of this Report.

### **3. Recommendation**

- 3.1 That Report 17/523 Draft Land Transport Bylaw 2017 - Consideration of Submissions and Decisions be received.
- 3.2 That this decision is recognised as not significant in terms of S76 of the Local Government Act.
- 3.3 That the Committee, having taken into consideration the submissions received during the consultation process, recommends to Council the adoption of the Draft Land Transport Bylaw 2017 as amended and that on adoption by Council the Traffic and Parking Bylaw 2007 and the Stock Control and Keeping of Poultry, Bees and Pigs Bylaw 2005 be repealed.

### **4. Background / Previous Council Decisions**

- 4.1 At its meeting on 15 March 2017, Council resolved to publicly consult on the Draft Bylaw using the Special Consultative Procedure as laid down in section 83 of the Local Government Act 2002.
- 4.2 Council Officers called for submissions on the Bylaw over a four week period and involved public notification in "The Chronicle" Newspaper, as well as notification on Council's website and Facebook page. Submissions on this process closed on 24 April 2017 with a total of 4 submissions – Report 17/97 refers.

4.3 The Hearings Committee at its meeting of 28 June 2017 requested amendments to the Bylaw based on two submissions received. The Committee also recommended that Officers undertake further consultation with Federated Farmers, consultation with Iwi and consultation with affected parties in regards to beach speed limits on Horowhenua beaches.

4.4 During this second phase of consultation Council Officers carried out the following:

Letters of consultation were sent to affected parties and community groups on the proposed change to the open speed limit on beaches to 60 km/h and were invited to provide their feedback on this proposal.

Emails were sent to each of the Horowhenua Iwi including a full copy of the Draft Bylaw with maps showing the locations of the proposed 60 km/h speed limits. Iwi were invited to provide their feedback on this proposal and on the Draft Bylaw.

Officers met with a representative of Federated Farmers and discussed the Draft Bylaw. Federated Farmers advised they have no issues with the Bylaw.

Officers met with members of the Waikawa Beach Association on the proposed change to the open speed limit on beaches to 60 km/h. The Association has subsequently provided a written submission.

The table below lists the parties that were consulted with regarding the proposed change in speed limits on the beaches and also whether feedback and/or submissions were received.

Name	Feedback	Submission
NZ Police - Central District Highway Patrol	Yes	Yes
NZTA	Yes	
Road Transport Forum	Yes	
Horizons Regional Council	Yes	
NZAA	No	
Waitarere Progressive Assoc	Yes	
Waitarere Beach Surf Club	No	
Waitarere Beach Wardens	Yes	
Foxton Beach Community Board	No	
Foxton Beach Surf Club	No	
Foxton Beach Wardens	No	
Hokio Progressive Assoc	No	
Waikawa Beach Ratepayers Assoc	Yes	Yes
Manawatu DC	Yes	
Kapiti Coast DC	Yes	
Horowhenua Iwi (18 recipients)	No	

## 5. Discussion

5.1 Of the groups consulted with a total of 2 submissions were received of which only one submitter has advised they wish to appear before the Committee. All other feedback received as shown in the table above is supportive of the proposed change in the beach speed limit.

5.2 The following is a summary of the submissions together with Officer comments:

- 1) Mr John Hewitson on behalf of Waikawa Beach Ratepayers Association - Submission 1 (speaking on submission)**

The Submission agrees in principle with reducing the speed limit on Horowhenua beaches and proposes the following:

- a) Feels the suggested 60 km/h is too high and would prefer to see the limit set at 40 km/h. The increase in permanent residents and casual visitors means a lot more adults and children, dogs and horses on the beach.
- b) A special 30 km/h zone for all areas of the beach accessible by vehicles between the border with Kapiti DC and an area roughly in line level with the northern extent of the village.
- c) The speed limit for the whole of Waikawa Beach Road should be 80 km/h from SH1 to the village, with a speed reduction system to slow drivers down before reaching the village boundary.
- d) The village is very busy over summer and holiday periods such as Easter and Labour weekend, with children, dogs and horses in all areas. They would like the speed limit for the village and Strathnaver areas to be set to 30 km/h, preferably year round but at least over our busiest time around Christmas.
- e) The current 50 km/h speed sign is almost hidden behind the shrubbery and trees that form an 'entrance' to the village. We'd like to see that sign moved to the other end of the entranceway so it's more visible.

#### **Officer Comment**

Point a) – Council's proposal to change the open speed limit to 60 km/h was arrived at in conjunction with the Manawatu District Council so that there is some consistency in beach speed limits within the Horizons region. The 60km/h limit has been widely supported by the affected parties and beach communities that have responded to the consultation process. Based on this a 40 km/h speed limit is therefore not supported.

Point b) - Officers will review the request for a 30 km/h zone along Waikawa Beach. The review will need to assess the appropriate location and extent of a new speed limit zone. Part of the land used by vehicles to access the beach crosses over private land and as such this will also need to be taken into consideration as part of the review. Any changes to speed limits as a result of the review will be implemented as an amendment to the Bylaw around the middle of 2018.

Points c) & d) - Officers will review any speed limit changes to Waikawa Beach Rd and the Waikawa village as part of the ongoing review of speed limits in rural areas, particularly where there has been significant traffic increase. Any changes to speed limits as a result of the review will be implemented as an amendment to the Bylaw around the middle of 2018.

Point e) – Officers will review the current location of the 50 km/h signs to evaluate any visibility issues. In the meantime Officers have advised Parks & Property who maintain the garden strips, to have any over-hanging vegetation cut well back away from the signs.

#### **2) Sarn Paroli - Senior Sergeant Horowhenua Police - Submission 2 (not speaking)**

The submission acknowledges the proposal to change the open speed limit on the beaches to 60 km/h. However, the Police submit a 50 km/h speed limit be considered. They state that the survivability rate for pedestrians struck by motor vehicles at 50

km/h, is significantly higher than at 60 km/h and a 50 km/h speed limit is widely accepted by the public and a part of every motorists knowledge, as the standard speed limit within most urban areas

#### **Officer Comment**

Council Officers have been in consultation with Manawatu District Council as it is currently going through a consultation process which proposes a 60 km/h speed limit for its beaches extending southwards to the HDC boundary. The submitter has advised they have also provided the same submission to MDC in support of the 50 km/h speed limit.

Council Officers acknowledge the points made in the submission to reduce the open speed limit to 50 km/h, but believe that it is important to have a consistent speed limit across the boundary.

HDC will continue to collaborate with MDC on the outcome of its consultation process regarding what speed limit it eventually adopts. Any changes to the speed limits as a result will be implemented as an amendment to the Bylaw around the middle of 2018.

#### **Options**

The Committee needs to hear those submitters who appear in support of their submissions, and then consider all submissions received by Council and this Officer report and recommendations. The committee then needs to make its decisions and provide a relevant recommendation to Council – see recommendation 3.3

### **5.1 Cost**

<b>Option</b>	<b>Cost</b>
N/A	N/A
N/A	N/A

#### **5.1.1 Rate Impact**

There is no rate impact.

### **5.2 Community Wellbeing**

There are no negative impacts on Community Wellbeing arising from the bylaw process.

### **5.3 Consenting Issues**

There are no consenting issues.

### **5.4 LTP Integration**

Not applicable.

## **6. Consultation**

Consultation was undertaken as required during the review process of this bylaw. No further consultation is required.

## **7. Legal Considerations**

There are no legal requirements or statutory obligations affecting the options or proposals.

## 8. Financial Considerations

There is no financial impact.

## 9. Other Considerations

There are no other considerations at this point.

## 10. Next Steps

Following the resolutions of the Committee, a report will be prepared for Council reflective of the Committee's decisions on this matter.

## 11. Supporting Information

**Strategic Fit/Strategic Outcome** – Not applicable.

**Decision Making** – Not applicable.

**Consistency with Existing Policy** – Not applicable.

**Funding** – Not applicable.


### **Confirmation of statutory compliance**

In accordance with section 76 of the Local Government Act 2002, this report is approved as:

- a. containing sufficient information about the options and their benefits and costs, bearing in mind the significance of the decisions; and,
- b. is based on adequate knowledge about, and adequate consideration of, the views and preferences of affected and interested parties bearing in mind the significance of the decision.

## 12. Appendices

No.	Title	Page
A	Draft Land Transport Bylaw 2017 ( <i>Under Separate Cover</i> )	

Author(s)	Jenny Braithwaite <b>Roading Operations Team Leader</b>	
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Approved by	Kevin Peel <b>Roading Services Manager</b>	
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# Gambling Class 4 Venue Policy 2017 - Consideration of Submissions

File No.: 17/521

## 1. Purpose

- 1.1 To provide the platform to allow members to hear and consider submissions received on this Policy during the consultation phase of this review process.
- 1.2 To propose members recommend the policy, as may be amended during the hearings process, for adoption by Council, and the subsequential repeal of the 2014 Gambling Class 4 Venue Policy.

## 2. Executive Summary

- 2.1 The Gambling Act 2003 requires that Council have a policy on Gambling Class 4 Venues. The review of this policy is part of a scheduled review process of policies and bylaws.
- 2.2 No changes to the 2014 policy are proposed. The policy that has been consulted on is **attached** as Attachment A. Five (5) submissions were received and these now need to be considered by the Committee. Copies of the submissions are **attached** as Attachments B to F.

## 3. Recommendation

- 3.1 That Report 17/521 Gambling Class 4 Venue Policy 2017 - Consideration of Submissions be received.
- 3.2 That this matter or decision be recognised as not significant in terms of s76 of the Local Government Act 2002.
- 3.3 That members hear and consider submissions received on this matter following use of the Special Consultative Procedure as was required by section 156(1) of the Local Government Act 2002.
- 3.4 That after the consideration and hearings of submissions, changes be made to the Gambling Class 4 Venue Policy consultation document **attached** as Attachment A, if considered appropriate.
- 3.5 That the Hearings Committee recommends to Council the adoption of the Gambling Class 4 Venue Policy 2017, as may be amended, effective from the date of adoption by Council, and the repeal of the 2014 Policy.

## 4. Background/Previous Council Decisions

- 4.1 All background matters relating to the review of this policy were presented to the 30 August 2017 meeting of Council where it was resolved to consult on this matter using the Special Consultative Procedure with submissions closing 29 September 2017.
- 4.2 Council also resolved at the 30 August 2017 meeting that the hearing of submissions be undertaken by the Hearings Committee acting under delegated authority of Council dated 4 December 2013, for a subsequent recommendation to Council.

## 5. Discussion

- 5.1 The current 'sinking lid' policy that was consulted on has been in place since 2007. Prior to this Council had a policy that 'capped' numbers of Class 4 pokie machines. Submissions are split between support for the status quo and proposing that Council should replace the current 'sinking lid' position with a 'capped' policy that limits pokie machines to a pre-

determined number. This would mean that if actual numbers fell below the capped level an opportunity would exist for machine numbers to be increased back up to that level.

## 6. Consultation

The review of this policy followed the Special Consultative Procedure, and five (5) submissions had been received at the closure of the consultation period, 29 September 2017, and three (3) submitters wish to present their submission in person.

## 7. Stakeholder Comment

7.1 The individual submissions are summarised as follows:

- (i) New Zealand Racing Board (Speaking to their Submission). Attachment B.  
In its submission, the New Zealand Racing Board stated that the current sinking lid policy is the most restrictive approach that Council can adopt. The submitter asked Council to replace the current sinking lid policy with a cap at current numbers (144 machines), given that gaming machines numbers are naturally reducing.
- (ii) New Zealand Community Trust (NZCT) (Speaking to their Submission) Attachment C.  
The submitter recommends that Council should ensure the long-term sustainability of community funding by moving from a sinking lid policy to a cap on the number of gaming machines, set at the current number of consented machines (10 venues with 144 machines) or slightly higher to allow for future growth.

An alternative recommendation from the submitter was that Council may set a cap based on the ratio of machines to population to allow for flexibility in responding to demographic changes.

A list of grants made in the Horowhenua District and the Manawatu-Whanganui region between 1 September 2015 and 31 August 2017 totalling \$175,782.35 has also been included.

- (iii) Paul King (Not speaking to Submission). Attachment D.  
Mr King states his desire to actively decrease the number of gambling venues and machines in the district.
- (iv) Waitarere Beach Progressive & Ratepayers Association (Not speaking to Submission). Attachment E.  
The submitter was in agreement with there being no changes to the existing policy.
- (v) Problem Gambling Foundation of New Zealand (Speaking to Submission). Attachment F.  
The submitter recommends that Council maintains a "sinking lid" policy.

The submitter is also in favour of prohibiting relocations of machines and club mergers.

## 8. Officer Comment

- 8.1 Submissions from New Zealand Racing Board and New Zealand Community Trust were consistent in their recommendation that the current sinking lid policy is replaced with a 'capped' policy on venue and machine numbers.
- 8.2 Submissions from members of the local community were in favour of maintaining the current sinking lid policy or actively decreasing the number of venues and machines in the district.

- 8.3 The Problem Gambling Foundation of New Zealand's submission supported the current "sinking lid" policy and proposed further restrictions around the relocation of machines.
- 8.4 Sinking or Capped Policy. Councils have various approaches with their policies, some have introduced and maintained sinking lid policies, others have opted for a capped policy. This Council introduced a sinking lid policy in 2007 following initially having a capped policy in place. The capped policy allows machine and venue numbers to be maintained at a set level by generally allowing the replacement of a venue if one closes by another venue and machine numbers to be maintained at the pre-determined level. The sinking lid policy that is currently in place allows the availability of gaming machines but does not allow the establishment of any new venues or permit the increase or replacement of machines where a licence has been surrendered.
- 8.5 Information from the Department of Internal Affairs website as it relates to the Horowhenua District is as follows:
- a) In 2007 there were 15 Class 4 Venues and 198 gaming machines in the District, representing 0.94% of the national percentage of sites and 0.98% of the national percentage of gaming machines.
  - b) By 30 March 2014 the number of Class 4 venues and machines had reduced to 11 venues that represented 0.83% of the national percentage of sites, and 164 gaming machines which represents 0.95% of the national percentage of gaming machines.
  - c) As of 30 June 2017 there were 10 Class 4 gambling venues with 144 machines in the Horowhenua District, representing 0.85% of the national percentage of sites and 0.91% of the national percentage of gaming machines.
- 8.6 It is officer opinion that the sinking lid policy that is currently in place should be retained and no changes are recommended.

## 9. Options

The Committee is required to hear and consider the submissions received, make changes considered necessary to the policy that was consulted on, and then make subsequent recommendations to Council - see Clause 3, Recommendations.

### 9.1 Analysis of preferred option.

Not Applicable to this Report.

### 9.2 Cost.

Not Applicable to this Report.

### 9.3 Timeframe

Not Applicable to this Report.

## 10. Impact on Significant Policy.

This matter is not deemed to be significant.

## 11. Impact on LTP and Relevant Policies

Liability Management Policy

Future Years' Rating Impact

Revenue and Finance Policy

Rate Remission Policy

There are no matters contained within this report that impact on any of these policies.

## Attachments


No.	Title	Page
A	Draft Class 4 Gambling Venue Policy 2017	15
B	New Zealand Racing Board Submission	17
C	New Zealand Community Trust Submission	29
D	Paul King Submission	61
E	Waitarere Beach Progressive & Ratepayers Submission	62
F	Problem Gambling Foundation of New Zealand Submission	64

### Confirmation of statutory compliance

In accordance with section 76 of the Local Government Act 2002, this report is approved as:

- a. containing sufficient information about the options and their benefits and costs, bearing in mind the significance of the decisions; and,
- b. is based on adequate knowledge about, and adequate consideration of, the views and preferences of affected and interested parties bearing in mind the significance of the decision.

## Signatories

Author(s)	Megan Leyland <b>Compliance Lead</b>	
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Approved by	Mike Lepper <b>Customer and Regulatory Services Manager</b>	
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## **GAMBLING CLASS 4 VENUE POLICY 2017**

### **1. INTRODUCTION**

The Gambling Act 2003 required Horowhenua District Council to develop with its communities, and subsequently adopt, a policy on Class 4 gambling venues, i.e. pokie machine sites. The policy was adopted by Council on 17 March 2004.

This policy has not been reviewed as required by the Gambling Act 2003, and the Policy is limited to Class 4, non-casino, gambling machine (pokie) venues.

The Council has determined that a 'sinking lid' gambling venue policy will be used to control and, in time, reduce the number of Class 4 gaming machine venues in the District.

The 'sinking lid' policy will not permit the establishment of new Class 4 gaming machine venues and it will not permit gaming machine societies to increase the number of gaming machines in the District.

### **2. OBJECTIVES OF THE POLICY**

The objectives of this policy are:

- To control gaming machine gambling in the Horowhenua District;
- To cap the number of gaming machines in the Horowhenua District;
- To cap the number of Class 4 gaming machine venues in the Horowhenua District;
- To reduce the number of gaming machines through attrition (this does not affect repair and/or replacement of existing gaming machines);
- To prevent and minimise the harm caused by gambling;
- To facilitate community involvement in decisions about gambling;
- To recognise there are negative social, economic and health impacts from problem gambling.

### **3. GAMING MACHINES AND GAMING VENUES**

The following shall apply as the policy of the Horowhenua District Council:

- No additional Class 4 gaming machine venues are to be established in the Horowhenua District;
- All gaming machines as at the date of adoption of this policy may continue until such time as the venue does not hold a licence for gaming machines;
- If a venue has not held a licence for gaming machine gambling within the last six (6) months, the District Council will not allow the re-establishment of a Class 4 gaming machine venue;
- Existing Class 4 venues may not increase the number of gaming machines that exist at the date of this policy.

4. **MERGED CLUBS**

Where clubs holding a Class 4 Gaming Venue licence decide to merge, the maximum number of gaming machines allowed will be thirty (30), or the sum of the machines operating in the merged clubs prior to the merger, whichever is the lesser.

5. **CLASS 4 VENUES - VACATION OF PREMISES – RELOCATION POLICY**

A Class 4 venue that is forced to vacate its existing venue through no fault of its own, or chooses to relocate (because the current venue is deemed to be earthquake-prone; the current lease has come to an end; the venue is required to move due to public works acquisition; or the venue wishes to relocate to a new or refurbished premises) will be granted a consent to continue its gaming activity in another venue or rebuilt premises for the same number of machines that they were licensed to operate subject to –

1. The current Class 4 venue operator is intending to and will be conducting Class 4 gambling at the new location,
2. The vacated site will not be able to be used by any other Class 4 operator to operate Class 4 Gambling,
3. The Class 4 operator and venue operator are the same as those cited in the venue agreement for the existing venue and the proposed new venue,
4. The Class 4 operator has been conducting class 4 gambling at the exiting venue within the last 4 weeks,
5. Any new Class 4 Venue, temporary or permanent, will not be located closer than 150 metres to schools, Early Childhood Centres, kindergartens, places of worship, and other community facilities,
6. Any new Class 4 Venue, temporary or permanent, must be located in the District where Class 4 venues are a permitted activity under the Horowhenua District Plan or where a resource consent to undertake the activity proposed is granted.

6. **ADOPTION, COMMENCEMENT AND REVIEW**

This policy was adopted at the duly notified Council meeting held on \_\_\_\_\_, and after completion of the special consultative procedure, and takes effect from \_\_\_\_\_.

This policy will be reviewed in conjunction with the TAB Venue Policy within three (3) years of being adopted by Council.

RECEIVED ON  
5/09/2017

**Tamara Catchpole**

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**From:** Customer Services - Public  
**Sent:** Tuesday, 5 September 2017 9:19 a.m.  
**To:** Records Processing  
**Subject:** FW: NZRB Submission - Horowhenua District Council Gambling Venue Policy  
**Attachments:** NZRB Submission - Horowhenua District Council Gambling Venue Policy September 2017.pdf

For your action

---

**From:** Jarrod True [<mailto:jarrod.true@truelegal.co.nz>]  
**Sent:** Tuesday, 5 September 2017 9:01 a.m.  
**To:** Customer Services - Public  
**Cc:** Niall Miller  
**Subject:** NZRB Submission - Horowhenua District Council Gambling Venue Policy

Please find attached the New Zealand Racing Board's submission.

Our preferred method of communication is email. We wish to make a presentation to Council at the upcoming hearing.

Jarrod True | Director | True Legal Ltd | [truelegal.co.nz](http://truelegal.co.nz) | Phone 027 452 7763

TRUE LEGAL

Specialist legal advisors.

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## The New Zealand Racing Board's Submission on Horowhenua District Council's TAB Venue Policy and Class 4 Venue Policy



Contact Person:

Jarrod True

Phone: 0274 527 763

Email: Jarrod.True@truelegal.co.nz

NEW ZEALAND  
RACING BOARD

**The New Zealand Racing Board's Submission on Horowhenua District Council's TAB  
Venue Policy and Class 4 Venue Policy**

Summary

1. The New Zealand Racing Board asks Council to:
  - Retain the status quo TAB Board Venue policy; and
  - Replace the current sinking lid on gaming machines with a cap at current numbers (144 machines).

Gaming Machines – Key Facts

2. 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 29 years ago.
3. Gambling is a popular form of entertainment that most New Zealanders participate in. The Health and Lifestyles Survey 2012<sup>1</sup> found that 70.3% of New Zealanders aged 15 and over had participated in some form of gambling in the previous 12 months.
4. Gaming machine numbers are in natural decline. In 2003, New Zealand had 25,221 gaming machines. In June 2017, New Zealand had 15,858 gaming machines. In 2003, Horowhenua had 18 class 4 venues and 233 machines. Horowhenua currently has 10 venues and 144 operational machines.
5. New Zealand has a very low problem gambling rate by international standards. The New Zealand National Gambling Study: Wave 2 (2013)<sup>2</sup> found the problem gambling rate was 0.5% of people aged 18 years and over (Problem Gambling Severity Index screen). This amounts to 16,205 people. The problem gambling rate is for all forms of gambling, not just gaming machine gambling.
6. All gaming machine societies contribute to a problem gambling fund. This fund provides approximately \$18,500,000 per annum to the Ministry of Health to support

<sup>1</sup> [http://www.hpa.org.nz/sites/default/files/NZers\\_participation\\_in\\_gambling.pdf](http://www.hpa.org.nz/sites/default/files/NZers_participation_in_gambling.pdf)

<sup>2</sup> <http://www.health.govt.nz/system/files/documents/pages/report-national-gambling-study-12-month-final-23-10-15.pdf>

and treat gambling addiction and to increase public awareness. The funding is ring-fenced and not able to be redirected to other health areas.

7. An excellent, well-funded problem gambling treatment service exists. The problem gambling helpline is available 24 hours a day, 365 days per year. Free, confidential help is available in 40 different languages. Free face-to-face counselling is also available and specialist counselling is available for Maori, Pacifica and Asian clients. An anonymous, free text service (8006) is available. Support via email is also available (help@pgfnz.org.nz).

#### Existing Gaming Machine Safeguards

8. A cap at current numbers is appropriate given the significant measures that are already in place to minimise the harm from gaming machines.
9. 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.
10. There is a statutory age limit that prohibits persons under 18 years of age playing gaming machines.
11. 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. The maximum prize for a jackpot-linked machine is \$1,000.
12. All gaming machines in New Zealand have a feature that interrupts play and displays a pop-up message. The pop-up message informs the player of the duration of the player's session, the amount spent and the amount won or lost. A message is then displayed asking the player whether they wish to continue with their session or collect their credits.
13. Gaming machines in New Zealand do not accept banknotes above \$20 in

denomination.

14. ATMs are excluded from all gaming rooms.
15. All gaming venues have a harm minimisation policy.
16. All gaming venues have pamphlets that provide information about the characteristics of problem gambling and how to seek advice for problem gambling.
17. 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.
18. All gaming venue staff are required to have undertaken comprehensive problem gambling awareness and intervention training.
19. Any person who advises that they have a problem with their gambling is required to be excluded from the venue.
20. It is not permissible for a player to play two gaming machines at once.
21. All gaming machines have a clock on the main screen. All gaming machines display the odds of winning.
22. 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).
23. It is not permissible to use the word "jackpot" or any similar word in advertising that is visible from outside a venue.

#### Amending the Gaming Machine Sinking Lid

24. A sinking lid policy is the most restrictive approach that council can adopt. It is submitted that such an approach is no longer justified in the current environment of

high regulation and naturally reducing machine numbers. It is submitted that the current sinking lid policy be replaced with a cap at current numbers (144 machines).

25. There is no direct correlation between gaming machine numbers and problem gambling rates. The table below details the problem gambling surveys that have been undertaken.

Survey Year	Survey Name	Screen	Problem Gambling Rate	Survey Size
1991	1991 National Prevalence Survey	SOGS-R	1.2% of people were current pathological gamblers (SOGS-R score of 5)	3,933
1999	1999 National Prevalence Survey <sup>3</sup>	SOGS-R	0.5% of people aged over 18 years had a SOGS-R score of 5	6,452
2006/2007	2006/07 New Zealand Health Survey <sup>4</sup>	PGSI	0.4% of people aged 15 years and over	12,488
2010	2010 Health and Lifestyles Survey <sup>5</sup>	PGSI	0.7% of people aged 15 years and over	1,740
2011/2012	2011/12 New Zealand Health Survey <sup>6</sup>	PGSI	0.3% of people aged 15 years and over	9,821
2012 (March to October)	2012 National Gambling Survey <sup>7</sup>	PGSI	0.7% of people aged 18 years and over	6,251
2013	New Zealand National Gambling Study: Wave 2 (2013) <sup>8</sup>	PGSI	0.5% of people aged 18 years and over	6,251

26. The graph below details the machine numbers over time and the problem gambling rate. 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

<sup>3</sup> [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)

<sup>4</sup> <http://www.health.govt.nz/system/files/documents/publications/portrait-of-health-june08.pdf>

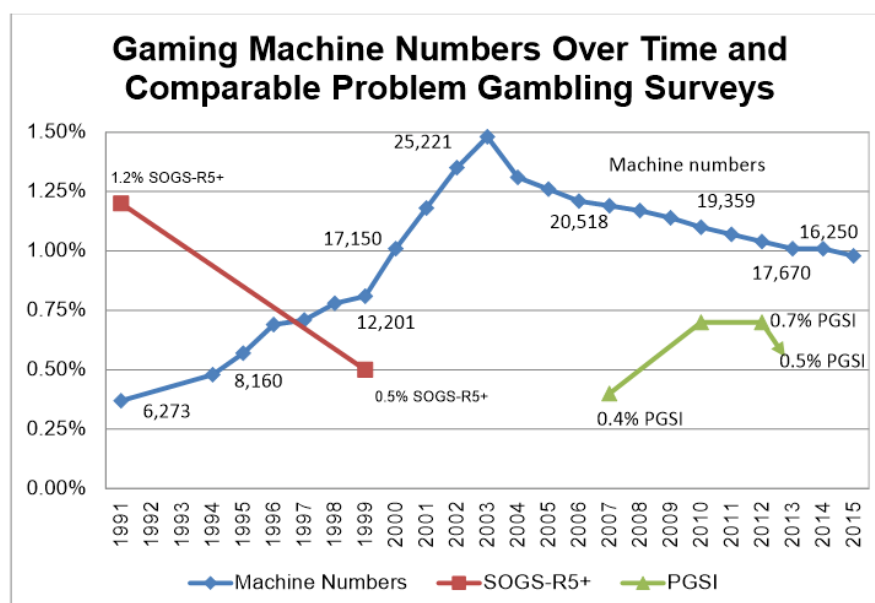
<sup>5</sup> Gray, R 2011 *New Zealanders' Participation in Gambling: Results from the 2010 Health and Lifestyles Survey* – Health Sponsorship Council [http://www.hsc.org.nz/sites/default/files/publications/Gambling\\_Participation\\_final-web.pdf](http://www.hsc.org.nz/sites/default/files/publications/Gambling_Participation_final-web.pdf) (page 14)

<sup>6</sup> <http://www.health.govt.nz/system/files/documents/publications/problem-gambling-preliminary-findings.pdf>

<sup>7</sup> [http://www.health.govt.nz/system/files/documents/pages/national\\_gambling\\_study\\_report\\_2.pdf](http://www.health.govt.nz/system/files/documents/pages/national_gambling_study_report_2.pdf)

<sup>8</sup> <http://www.health.govt.nz/system/files/documents/pages/report-national-gambling-study-12-month-final-23-10-15.pdf>

2012 the problem gambling rate stayed the same, despite a continual decline in gaming machine numbers. When viewed as a whole, the above survey results confirm that there is no direct correlation between gaming machine numbers and problem gambling rates. 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.



27. The 2012 National Gambling Survey<sup>9</sup> 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.

28. 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*

<sup>9</sup> [http://www.health.govt.nz/system/files/documents/pages/national\\_gambling\\_study\\_report\\_2.pdf](http://www.health.govt.nz/system/files/documents/pages/national_gambling_study_report_2.pdf)

*Together Like a Horse and Carriage?* The paper noted that gaming machine reductions and the introduction of caps generally appear to have little impact on problem gambling rates. Professor Abbott noted:

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

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

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

29. The current restrictive policy is unlikely to reduce problem gambling, but will reduce the amount of funding available to Horowhenua-based community groups. Problem gamblers are people who are addicted to gambling. If a new bar is established and the policy prevents that bar from hosting gaming machines, a person who is addicted to gambling will simply travel the short distance to the next bar that has gaming machines, or worse, may move to another form of gambling such as offshore-based internet and mobile phone gambling.

#### Temptation to Simply Reduce Gambling Activity

30. There may be a temptation to retain a sinking lid policy to simply reduce the gambling spend as a whole. It must, however, be remembered that gambling is a lawful entertainment activity and that individuals in New Zealand remain free to make their own decisions as to how they spend their money on the lawful entertainment options that are available.
31. The Gambling Commission has been very critical of steps that have been taken in the past that have been aimed at reducing the gambling spend as a whole. In the Gambling Commission decision GC16/06, the Commission stated:

...measures should only be imposed if they reduce the harm caused by problem gambling, as distinct from simply reducing gambling activity which is a lawful and permitted activity under the Act.

### Gaming Machine Funding

32. The Gambling Act 2003 seeks to balance the potential harm from gambling against the benefits of using gaming machines as a mechanism for community fundraising. Approximately \$300 million<sup>10</sup> in grants are made each year from non-casino gaming machines. In addition to the external grants, clubs such as RSAs and Workingmen's Clubs receive approximately \$50 million each year in gaming proceeds to assist with meeting the clubs' operating costs. This funding is crucial.
33. The annual total authorised purpose funding (including the non-published club authorised purpose payments) received from Horowhenua-based venues is over \$3.07 million.
34. New regulations will soon require local grants to be made only from the proceeds generated from local gaming venues. This means that a reduction in Horowhenua-based machines will have a direct impact on the amount of funding available to Horowhenua-based community organisations.

### Unintended Consequences – Increase in Internet and Mobile Phone Gambling

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



<sup>10</sup> <http://www.gamblinglaw.co.nz/download/Gambits/DIA-Class-4-Sector-Report-2017.pdf>

36. Historically, overseas-based online gambling has not been available to people in lower socio-economic areas due to limited access to computers, the internet and limited access to credit cards. However, this has all changed. The internet is progressively becoming a normal feature of commercial and social exchange. A Nextbook Android 4.4 Tablet (with a 7 inch screen and Wi-Fi) can currently be purchased from the Warehouse for a mere \$89.00. Today almost all cell phones include internet access and the ability to download apps. The introduction of Visa debit cards and Prezzy Cards mean that a bad credit rating is no longer a barrier to being able to spend money online or via mobile apps.
37. It now takes only a simple search and a few minutes to download to your computer, tablet or mobile phone any type of casino game you desire, including an exact replica of the gaming machine programs currently available in New Zealand venues.
38. On 28 April 2015, the Problem Gambling Foundation circulated a link to an article published on the Huffington Post site about the rise of gaming on smart phones. Excerpts from the article are below:



"Tradi...gaming companies are quickly moving from online gaming to online gambling and much of the latter is via a phone. Bandwidth is cheap, smartphones are ubiquitous: by 2016 it's estimated over 2 billion people will have smartphones.

...

Global revenues from online gambling via pure play sites like TitanBet are leading the fray. Online gambling is projected to be over \$35 billion this year, with mobile gambling estimated to be over \$100 billion by 2017.

39. Without the need to cover GST and gaming duties, overseas-based gambling providers are able to attract customers from New Zealand with a comprehensive gambling offer. Due to the lower margins and costs, the overseas-based providers can engage in extensive advertising and provide large rebates to players.

40. Offshore-based online gambling, however, poses considerable risks because it:
- is highly accessible, being available 24 hours a day from the comfort and privacy of your home;
  - has no restrictions on bet sizes;
  - has no capacity for venue staff to observe and assist people in trouble;
  - reaches new groups of people who may be vulnerable to the medium;
  - provides no guaranteed return to players;
  - is more easily abused by minors;
  - has reduced protections to prevent fraud, money laundering or unfair gambling practices. The most notable recent example was 'Full Tilt Poker', which is alleged by the US Attorney's Office to have diverted \$USD444m from customer accounts to its directors and shareholders, despite being regulated by the Alderney Gambling Control Commission (Guernsey); 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.
41. If a reduction in gaming machines only redirects gamblers to offshore-based internet gambling, there is no harm minimisation advantage in that strategy. In addition, there are further disadvantages in the fact that no community funding is generated for New Zealanders, no tax revenue is generated for the New Zealand Government and no contributions are made via the New Zealand problem gambling levy.

#### Conclusion

42. It is acknowledged that Council needs to strike a balance between the costs and benefits of gaming machine gambling. It is accepted that a small percentage of people (0.5% of people aged 18 years and over) have a problem with their gambling (all forms of gambling). However, for the vast majority of people, casual expenditure on gaming machines is a form of entertainment that they participate in and enjoy, without any

harm being caused. Gaming machines also provide a considerable amount of community funding (over \$3.07 million annually) to local community groups and clubs.

43. Gaming machine numbers are in natural decline, and gaming machine participation is reducing. However, the harm minimisation measures that are now in place have never been higher. In light of the new regulations now in place, a cap at current numbers (144 machines) is entirely appropriate. The continuation of a more restrictive policy is unlikely to reduce problem gambling, but will inevitably reduce local community funding opportunities and may encourage people to seek out other forms of gambling, including offshore-based internet and mobile phone-based gambling. This form of gambling is very harmful and provides no return to the local community and no contribution to employment, taxation and health services in New Zealand.

44. We wish to speak to our submission.



\_\_\_\_\_  
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5 September 2017

# Submission Form: Draft Gambling Class 4 Venue Policy and NZ Racing (TAB) Venue Policy



Submission date: 26/09/2017 07:59 AM

Receipt number: 2

Question	Response
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Hearing of Submissions	
Do you wish to present your comments to Council in person at a hearing?:	Yes
My Submission(s)	
My Submission	See attached document.
Submission Attachments	<a href="#">NZCT Gambling Venue Policy Review submission Horowhenua DC September 2017.docx</a>
Privacy Act 1993	
Council Use Only	
Date Received:	
RM8 Number:	
Submission No:	



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

**September 2017**

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## Executive summary

- Gaming trusts return around \$260 million to the New Zealand community every year in grants, while implementing the Gambling Act's stringent requirements for preventing and minimising harm from gambling. Many grassroots organisations would struggle or cease to operate without gaming trust funds.
- TLA gambling venue policies are critical to maintaining the infrastructure that allows community funding from gaming trusts to be sustainable long term. Sinking lid policies destroy this infrastructure. Council needs to take a balanced approach to community benefit and potential harm from gambling.
- Reducing the number of gaming machines in communities does not reduce problem gambling, which has been consistent at a rate of around 0.5% of the adult population since 2007, despite a decrease of over 4,000 gaming machines since then. Allowing gaming venues to relocate out of areas of high deprivation is more effective in reducing problem gambling.
- It is not gaming machines that are the problem, it is the behaviour of a small percentage of people with complex psychological issues who make a personal choice to gamble.

### Community organisations rely on pub gaming to survive

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

Funding to community organisations from gaming trusts reduced from \$389 million in 2004 to around \$260 million in 2016 – a decline of 33%. Seventy-five percent of groups surveyed in 2012 indicated their organisation is moderately or totally reliant on gaming funding to support their core business. Fifty-five percent said there would be a high to extreme risk to their organisation and their core business if they did not receive this funding.<sup>1</sup>

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

Over the last two years, NZCT alone returned over \$175,000 to the Horowhenua district to support sports, community, educational, cultural and welfare organisations.

In the year to 30 June 2016, the gaming trust sector as a whole raised around \$260 million<sup>2</sup> for thousands of worthwhile sports and community groups. The sector's contribution to the community through funding, in addition to the contribution to government revenue from GST, other taxes and levies, is acknowledged by the Government, prompting the current Class 4 review with its central focus on long-term sustainability of the funding model.

<sup>1</sup> Page iii, Community Funding Survey, Point Research 2012.

<sup>2</sup> Page 13, Q11, Pokies in New Zealand, a guide to how the system works. DIA statistics, <http://www.dia.govt.nz/Gambling>.

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

#### **The pub gaming sector has experienced a significant decline**

During the last 13 years the pub gaming sector has experienced a significant decline. Department of Internal Affairs (DIA) statistics show that, between 30 June 2004 and 30 June 2017:

- the number of gaming venues reduced from 1,970 to 1,180 (a 40% reduction)<sup>3</sup>
- the number of gaming machines operating reduced from 22,497 to 15,858 (a 30% reduction)<sup>4</sup>.

Between 2004 and 2016, pub gaming expenditure fell from \$1,328 million to \$843 million (a 36.5% reduction),<sup>5</sup> translating to a decline of around \$129 million in funds available for distribution to the community.

#### **Council policies contribute to the decline in the pub gaming sector**

One of the main contributors to the decline of the pub gaming sector is the inflexibility of council gambling policies, particularly those with sinking lids on gaming machine numbers.

Such policies are based on the erroneous belief that limiting gaming machine numbers will limit problem gambling. In fact, despite the 30% reduction in gaming machine numbers during the past 13 years, New Zealand's problem gambling rate has remained consistently low at around 0.3% to 0.7% of the population. The New Zealand 2012 Gambling Study concluded "...there has probably been no change in the prevalence of current problem and moderate-risk gambling since 2006."<sup>6</sup>

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

#### **Online gambling is an unregulated threat**

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

<sup>3</sup> DIA statistics: [https://www.dia.govt.nz/diawebsite.nsf/wpg\\_URL/Resource-material-Information-We-Provide-Summary-of-Venues-and-Numbers-by-Territorial-AuthorityDistrict](https://www.dia.govt.nz/diawebsite.nsf/wpg_URL/Resource-material-Information-We-Provide-Summary-of-Venues-and-Numbers-by-Territorial-AuthorityDistrict)

<sup>4</sup> Ibid.

<sup>5</sup> DIA statistics: [https://www.dia.govt.nz/diawebsite.nsf/wpg\\_URL/Resource-material-Information-We-Provide-Gambling-Expenditure-Statistics](https://www.dia.govt.nz/diawebsite.nsf/wpg_URL/Resource-material-Information-We-Provide-Gambling-Expenditure-Statistics)

<sup>6</sup> Page 7, New Zealand 2012 Gambling Study: Gambling harm and problem gambling.

**Location of gambling machines is more important than their number**

Research<sup>7</sup> suggests that when it comes to preventing and minimising gambling harm, the location of gaming machines is more important than the number of gaming machines operating. The Government acknowledged this point in 2013 when it amended the Gambling Act<sup>8</sup> to require local authorities to consider adding relocation clauses to their gambling policies.

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

**NZCT's recommendations**

The New Zealand Community Trust recommends Horowhenua District Council move from a sinking lid to a cap on the number of gaming machines set at the current number of consented gaming machines or slightly higher to allow for modest future growth in hospitality and long-term sustainability of community funding.

Alternatively, we recommend the Council sets the cap based on a ratio of machines to population to allow for more flexibility to respond to demographic changes.

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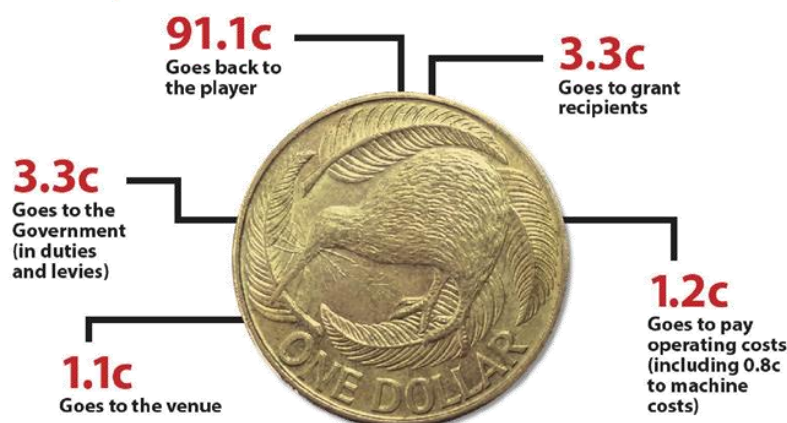
<sup>7</sup> Brief Literature Review to Summarise the Social Impacts of Gaming Machines and TAB Gambling in Auckland, Gambling & Addictions Research Centre, AUT University, 2012.

<sup>8</sup> Section 97A and 102(5A).

## Pub gaming's vital support for the community

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

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



Research<sup>9</sup> shows that the annual entertainment value from the pub gaming sector to recreational players is around \$250 million. The government revenue in the form of tax, duties and levies was also substantial at over \$279 million in 2014.

Grants distributed by gaming machine trusts were 10% of the total philanthropic funding to the community and voluntary sector in 2011 and was almost twice the level given by New Zealand businesses. In 2016, the amount of funds returned to the community from non-casino gaming grants was around \$260 million.<sup>10</sup> Class 4 societies are required to distribute a minimum return of 40% to the community, on top of government fees, levies and GST, site rental, and machine and operating costs (see the chart below showing NZCT's revenue distribution for the 2015/16 reporting period).

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

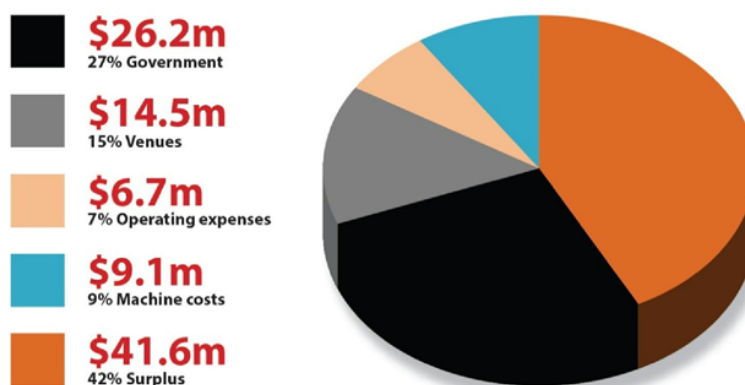
Pub gaming is tightly regulated and no more than 16% of gaming proceeds can be paid to gaming venue operators to cover site rental, including staff costs and business overheads relating to the gambling operation.

<sup>9</sup> Maximising the benefits to communities from New Zealand's community gaming model, BERL, February 2013.

<sup>10</sup> Pokie Proceeds: Building Strong Communities, DIA Website, 2016.

### NZCT's contribution to community sports and other groups in 2015/16

#### Where the money went



In the year ending 30 September 2016, NZCT distributed \$40.9 million to 1,821 sports and community groups.

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

In 2015, we funded the equivalent of:

- uniforms for 46,771 rugby teams
- 2,806,236 footballs
- 5,262 four-person waka
- more than 2.1 million hours – or 241 years – of coaching
- 28 artificial playing fields.

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

- cook and sell more than 21 million \$2 sausages at sausage sizzles and every person in New Zealand would need to buy and eat four sausages, or
- sell at least four \$2 raffle tickets to every man, woman and child in New Zealand each year, or
- wash around 8.4 million cars at \$5 a wash, which would take 10 people continuously washing cars for 30 minutes each more than 48 years to achieve.

Between 1 September 2015 and 31 August 2017, NZCT made the following grants to Horowhenua sports and community organisations that illustrate the diversity of causes we support:

- Shannon – Foxton Anglican Parish – \$2,000 towards replacing the roof on Shannon Anglican Church
- Shannon Rugby Football Club – \$9,490.43 towards uniforms, medical equipment and bus travel to away games

- Horowhenua Agricultural Pastoral & Industrial Association – \$3,500.00 towards electrical costs and sound system for the annual show in Levin and \$2,000 towards salary
- Great Forest Events – \$3,000.00 towards electronic timing chips for all entrants attending the 2017 event
- Whenua Fatales Roller Derby League – \$2,000.00 towards hall hire for roller derby training
- Levin Intermediate School – \$2,000 towards accommodation to attend the AIMS Games
- Kopuapangopango Trust – \$6,000.00 towards purchase of combi oven for community use

A full list of Horowhenua grants is in Appendix 2.

## The pub gaming sector faces multiple, significant challenges

During the past 13 years the sector has experienced a significant decline. Department of Internal Affairs (DIA) statistics show that, between 30 June 2004 and 30 June 2017:

- the number of gaming venues reduced from 1,970 to 1,180 (a 40% reduction)<sup>11</sup>
- the number of gaming machines operating reduced from 22,497 to 15,858 (a 30% reduction)<sup>12</sup>.

Between 2004 and 2016, pub gaming expenditure fell from \$1,328 million to \$843 million (a 36.5% reduction),<sup>13</sup> translating to a decline of around \$129 million in funds available for distribution to the community.

As at 30 June 2017, there are 10 Class 4 gaming venues operating 144 electronic gaming machines (EGMs) in Horowhenua district. This is a decline from the 17 venues operating 231 EGMs as at 30 June 2004. This is a 41% decline in venues and a 38% decline in EGMs, higher than the national decline over the same period.

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

### Increased minimum return to the community

In September 2014, regulations were promulgated that set a new minimum threshold for the return of gaming funds to the community. Societies must return a minimum of 40% of net proceeds, up from 37.12%. While NZCT achieved the 40% return in the year ending 30 September 2016, we have serious concerns about our ability to sustain this level of distribution due to other cost increases, such as the licence fee increase (see next page).

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

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

<sup>11</sup> DIA statistics: [https://www.dia.govt.nz/diawebsite.nsf/wpg\\_URL/Resource-material-Information-We-Provide-Summary-of-Venues-and-Numbers-by-Territorial-AuthorityDistrict](https://www.dia.govt.nz/diawebsite.nsf/wpg_URL/Resource-material-Information-We-Provide-Summary-of-Venues-and-Numbers-by-Territorial-AuthorityDistrict)

<sup>12</sup> Ibid.

<sup>13</sup> DIA statistics: [https://www.dia.govt.nz/diawebsite.nsf/wpg\\_URL/Resource-material-Information-We-Provide-Gambling-Expenditure-Statistics](https://www.dia.govt.nz/diawebsite.nsf/wpg_URL/Resource-material-Information-We-Provide-Gambling-Expenditure-Statistics)

**Licence fee increase**

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

**Increased competition**

During the past four years, other modes of gambling, such as casinos, Lotto products and the New Zealand Racing Board (NZRB), have seen revenue increases – Lotto by 33%. While the Lotteries Commission does return funds to the community, casinos' profits go directly to their shareholders and the majority of NZRB distributions are directed towards the racing industry.<sup>14</sup> Many Lotto and NZRB products are available online and this area of their operation is growing, but the pub gaming sector is prohibited from operating online or otherwise promoting its offering.

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

The 2010 Health and Lifestyles Survey found that 19% of survey participants played an internet game for money through an overseas website.<sup>15</sup> According to the Problem Gambling Foundation, the problem gambling rate among those who gamble on the internet is 10 times higher than that of the general population.<sup>16</sup> We expect this form of unregulated gambling will increase exponentially, as you have recognised in your social impact assessment.

**Strict compliance requirements**

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

**One-off costs**

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

For example, the introduction of new bank notes in 2015 and 2016 required gaming societies to upgrade gaming machine software and hardware at significant cost. By 2 December 2015 all gaming machine jackpots had to be downloadable. Each conversion from a manual to a downloadable jackpot cost between \$3,000 and \$20,000 per venue. Based on the number of venues (1,220<sup>17</sup>) at the time, this project added a cost burden to the sector of between \$3.66 million and \$24.4 million. As a result of these two projects, gaming societies had fewer funds available for distribution to the community in the 2014/15 year.

<sup>14</sup> Page 6, NZRB Annual Report 2014 reports \$137.4 million total distributions, of which \$134.1 million (97%) was directed to racing.

<sup>15</sup> Page 16, [http://archive.hsc.org.nz/sites/default/files/publications/Gambling\\_Participation\\_final-web.pdf](http://archive.hsc.org.nz/sites/default/files/publications/Gambling_Participation_final-web.pdf).

<sup>16</sup> Problem Gambling Foundation Fact Sheet 04, July 2011.

<sup>17</sup> DIA statistics.

**The Government's response**

In a media statement on 15 October 2015 relating to the passing of the Gambling Amendment Act (No.2), the Minister of Internal Affairs acknowledged the value of pub gaming grants and the need to ensure the sustainability of this funding model long-term. The sector is currently the subject of a major government review with a focus on long-term sustainability and effective allocation of funding to communities, without driving growth in gambling.<sup>18</sup>

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<sup>18</sup> Discussion document: Review of class 4 gambling (Department of Internal Affairs, June 2016)

## NZCT's position

In the following pages, we provide four reasons why we advocate for gaming venues to be allowed to relocate to new premises in a broad range of circumstances. We also provide seven reasons for changing to a cap-based limit on gaming machines rather than maintaining a sinking lid.

### Reasons to allow gaming operations to relocate in a broad range of circumstances

#### Helping reduce harm

Research<sup>19</sup> by Auckland University of Technology shows that problem gambling behaviour is influenced more by the distance to the nearest gambling venue, rather than the number of gambling venues within walking distance.

The Ministry of Health's 2013 Gambling Resource for Local Government acknowledges this point and states that one of the major factors associated with increased prevalence of problem gambling is "location and/or density of gambling venues and machines".<sup>20</sup> The Ministry of Health also found "being a problem gambler is significantly associated with living closer to gambling venues."<sup>21</sup> Allowing gaming operations to move out of high-deprivation areas could potentially diminish gambling harm for at-risk communities.

#### Supporting local hospitality businesses

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

#### Responding to future demand

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

The DIA recommended relocation policies as a way of allowing territorial authorities to future-proof their class 4 gambling policies.<sup>22</sup>

#### Allowing appropriate benefit and responsibility

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

A broad relocation clause distributes the benefit and responsibility more fairly, enabling the gambling operator to choose where they wish to establish their business. A building owner could hike rents and ignore building maintenance because they know they have a captive tenant. In contrast, having a broad

<sup>19</sup> Brief Literature Review to Summarise the Social Impacts of Gaming Machines and TAB Gambling in Auckland, Gambling & Addictions Research Centre, AUT University, 2012.

<sup>20</sup> Page 21, Ministry of Health Gambling Resource for Local Government, 2013.

<sup>21</sup> *ibid*

<sup>22</sup> Internal Affairs Policy Briefing 3: Options for improving territorial authority gaming machine policies, 28 March 2013.

relocation clause incentivises building owners to maintain and upgrade their premises to attract and retain high-quality tenants.

**Reasons to change to a cap on machine numbers rather than maintain a sinking lid**

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

***Local hospitality sector***

Businesses that host gaming machines are typically pubs and hotels. NZCT has two gaming venues operating in the Horowhenua District Council area – the Club Hotel in Shannon and Sel's Place in Levin. These venues give us the ability to raise funds for your local community. In the 23 months to 31 August 2017, these venues, along with our former venue at the Oxford Hotel, returned \$631,351 to the community, representing 33.13% of their net profit.

These businesses also contribute to your local economy, employing staff and providing hospitality options for residents and tourists.

***Community funding***

Between 1 September 2015 and 31 August 2017, NZCT approved 39 grants totalling \$175,782.35 to organisations in the Horowhenua district. NZCT's primary purpose is to support amateur sport, so most of these grants went to local sports clubs. However, NZCT also granted funds to school, Māori, rescue, church, welfare and health organisations.

Grants we have given recently include \$2,000 to Shannon-Foxton Anglican Parish towards redevelopment of the roof on the Shannon Anglican Church and \$5,000 to Levin Golf Club towards an upgrade of the men's toilets. These are two of the many infrastructure projects we are keen to fund that provide long-term benefits to a club or community.

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

A full list of our grants to the Horowhenua district is in Appendix 2.

***Regional funding***

Between 1 September 2015 and 31 August 2017, NZCT approved 22 grants totalling \$629,625 to organisations that cover the whole Manawatu-Wanganui region, many of which provide benefits to residents in Horowhenua. Again, most of these grants were for amateur sports purposes. We often fund sports officers' salaries as these roles are pivotal to the success of regional sporting programmes and events. For example, we funded salaries at:

- Netball Centre Manawatu – \$160,000
- Manawatu Cricket Association – \$40,000.

Full details of our funding across the Manawatu-Wanganui region are in Appendix 2.

### **National funding**

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

Full details of our national funding from 1 June 2016 to 31 May 2017 are in Appendix 3.

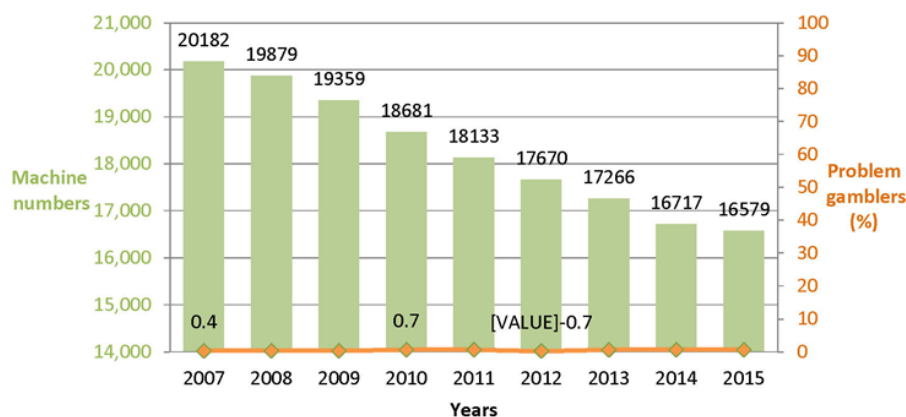
### **Difference between pub gaming societies, and clubs and NZRB**

The pub gaming model differs from the gaming run at clubs like RSAs and in New Zealand Racing Board (NZRB) venues. Those entities are able to apply the funds they raise to their own purposes, for example, maintaining clubrooms or funding race meetings. In its 2016 annual report, NZRB advised its distributions totalled \$135.3 million to the three racing codes and only \$3 million to other sports codes. In contrast, Class 4 societies like NZCT distribute all net proceeds to the community.

### **Gaming machine numbers have little effect on problem gambling numbers**

It is misleading and wrong to assume that fewer gaming machines will result in fewer problem gamblers. A gambling addiction is a complex psychological condition, which is influenced by many factors. As shown in the graph below, a reduction of nearly 4,000 gaming machines across the country between 2007 and 2015 has had almost no impact on the small percentage of problem gamblers nationally.

Gaming machine numbers and problem gambling prevalence 2007–2015:



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

### **Gaming machines are a legal and valid entertainment choice**

Pub gaming is a valid and enjoyable source of entertainment for Horowhenua district residents and tourists alike. Most players regard gaming as entertainment and know when to stop. The Gambling Commission has reminded councils and the regulator that "... conditions can only properly be imposed if

they reduce the harm caused by problem gambling, as distinct from simply reducing gambling activity which is a lawful and permitted activity under the Act.”<sup>23</sup>

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

Pub gaming brings many benefits to New Zealand. Business and Economic Research Ltd research<sup>24</sup> has calculated that each year the entertainment value to recreational players is around \$250 million, the grants value to the community is also around \$250 million, and the Government revenue value in the form of tax, duties and levies is around \$279 million.

#### **Problem gambling rates have plateaued**

The New Zealand 2012 National Gambling Study found that the number of people who regularly participate in continuous forms of gambling, like gaming machines, decreased from 18% in 1991 to 6% in 2012.<sup>25</sup> The study concluded that “Problem gambling and related harms probably reduced significantly during the 1990s but have remained at about the same level despite reductions in non-casino EGM [electronic gaming machine] numbers and the expansion of regulatory, public health and treatment measures.”<sup>26</sup>

Prevalence of gambling by level of risk of gambling problems:<sup>27</sup>

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

#### **Problem gambling rates in New Zealand are relatively low**

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

<sup>23</sup> Gambling Commission decision GC 03/07.

<sup>24</sup> Maximising the benefits to communities from New Zealand’s Community Gaming Model, BERL, February 2013.

<sup>25</sup> Pg 8, NZ 2012 National Gambling Study: Overview and gambling participation.

<sup>26</sup> Pg 18, *ibid*.

<sup>27</sup> 2006/07 New Zealand Health Survey, 2011/12 New Zealand Health Survey preliminary findings.

<sup>28</sup> Maximising the benefits to communities from New Zealand’s community gaming model, BERL, February 2013.

International comparison of problem gambling prevalence:

Country	Problem gambling prevalence (% population*)
New Zealand	0.3–0.7
UK	0.6
Norway	0.7
Australia	0.5–1.0
USA	2.3
Canada	2.6
* Mixture of CPGI, PGSI and SOGS scores <sup>29</sup>	

**Gaming machines can only be played in strictly controlled environments**

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

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

***Strict harm minimisation obligations***

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

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

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

#### ***NZCT's harm minimisation activities***

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

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

NZCT also provides all its gaming venues with harm minimisation signs to display in and around the gaming area.



#### ***Ongoing obligations***

The Gambling Act obliges venue staff to provide ongoing help to a potential or current problem gambler. Offering help once, and then ignoring continued warning signs, is not sufficient. A venue is automatically in breach of the law if an excluded person enters the gambling area. Venues have to be able to show they have robust systems and processes in place that restrict excluded people from entering.



In late 2015 the Health Promotion Agency (HPA) developed a resource kit specifically to help pub staff interact with and help players. HPA interviewed 34 venue staff across the country to find out what barriers and challenges they face when interacting with gaming customers and what support they would find useful. They used this information to produce material that aims to make these interactions easier.



The kit includes posters that staff can refer to when talking to customers, a wallet card that can be given to customers, and guidelines and tips that bar staff can refer to when scanning for issues.

#### ***Training***

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

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

#### ***Support is available for problem gamblers***

Each year the gambling industry pays around \$18.5 million to the government in the form of a problem gambling levy, so the Ministry of Health can implement its Preventing and Minimising Gambling Harm

Strategic Plan (PMGH). These funds pay for the implementation of public health services, intervention services, research, evaluation and workforce development.

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

The world's largest clinical trial<sup>31</sup> for problem gambling treatment found that, one year after calling the Gambling Helpline, three-quarters of callers had quit or significantly reduced their gambling. This research provides a level of assurance for local communities, councils and the government.

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<sup>30</sup> Page 16, Outcomes Framework for Preventing and Minimising Gambling Harm Baseline Report, May 2013.

<sup>31</sup> The Effectiveness of Problem Gambling Brief Telephone Interventions, AUT, Gambling & Addictions Research Centre.

## **Further information about our submission**

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

## Appendix 1: About NZCT

Established in 1998, NZCT is New Zealand's largest gaming trust with 16% market share. Our publicans raise funds by operating gaming lounges within their pubs. In the 12 months to 30 September 2016, NZCT approved \$40.9 million in grant funding to sporting, local government and community groups nationwide.

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

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



Overseas research<sup>33</sup> has found participation in sport can lead to increased health and productivity for individuals, and increased wealth or wellbeing of society as a whole. While amateur sport is our main focus, we are also strong supporters of other worthy community activities, including local government projects. The list of grants appended to this submission shows the local organisations that have benefited from NZCT funding recently.

### Who we are

We are proud of our robust grants system and of the quality of people involved with NZCT. All our trustees<sup>34</sup> are highly regarded business and community leaders with extensive governance experience. They are supported by an experienced staff and nine Regional Advisory Committees (RACs) who add local knowledge and insight to our grant decisions.

Our Horizons RAC member who covers Horowhenua, Gerard Gillespie, reviews and makes recommendations on grant applications submitted by organisations in your region. Gerard has a strong interest in sport and wide networks that enable him to provide funding recommendations based on local feedback.

<sup>32</sup> Sport England's Value of Sport Monitor.

<sup>33</sup> [http://www.ausport.gov.au/information/asc\\_research/publications/value\\_of\\_sport](http://www.ausport.gov.au/information/asc_research/publications/value_of_sport).

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

## Appendix 2: NZCT Horowhenua local and Manawatu-Wanganui regional grants

Between 1 September 2015 and 31 August 2017, NZCT approved 39 grants to the value of \$175,782.35 to sports and community groups in the Horowhenua district. We also approved 22 grants totalling \$629,625 to Manawatu-Wanganui regional organisations, many of which provide benefits to Horowhenua residents.

Organisation	Amount	Purpose
Manawatu Volunteer Coastguard	\$10,000.00	Towards replacement jetski and trailer
Shannon – Foxton Anglican Parish	\$2,000.00	Towards replacement roof on the Shannon Anglican Church
Shannon Rugby Football Club	\$5,000.00	Towards jerseys, shorts and socks
Northern Club Manawatu	\$1,000.00	Towards accommodation for Division 1 Ladies' team competing in Bowls NZ National InterClub Finals in Auckland
Christian Social Services Wanganui	\$5,000.00	Towards wages of Administrator from April 2016
Shannon Rugby Football Club	\$1,500.00	Towards medical equipment and bus travel to away games
Brain Injury Association Whanganui	\$5,000.00	Towards Liaison Officer salary
Weraroa Cricket Club	\$14,999.00	Towards salary of Club Manager
Manakau Bowling & Sports Club Incorporated	\$3,000.00	Towards fertilisers, sprays, irrigation control board and sprinkler
Levin Miniature Rifle Club	\$5,000.00	Towards purchase of adjustable rifle to be used by members
Horowhenua Canoe Polo Club	\$2,480.00	Towards compliant helmets with face grills
Shannon Rugby Football Club	\$7,990.43	Towards playing uniforms, bus charter and medical supplies
Levin Basketball Association	\$2,000.00	Towards accommodation costs to attend National Maori Basketball Tournament in Rotorua
Horowhenua Agricultural Pastoral & Industrial Association	\$3,500.00	Towards electrical costs and sound system for annual show in Levin
Levin Old Boys Cricket Club	\$7,000.00	Towards ground fees
Great Forest Events	\$3,000.00	Towards electronic timing chips for all entrants attending 2017 event
Horowhenua Agricultural Pastoral & Industrial Association	\$2,000.00	Towards salary of Secretary/Manager
Big Bang Adventure Charitable Trust	\$5,000.00	Towards website redesign
Levin Golf Club	\$5,000.00	Towards men's toilets upgrade
Levin College Old Boys Rugby Football Club	\$2,000.00	Towards playing shorts and socks
Levin Swimming Club	\$2,900.00	Towards lane hire
Whenua Fatales Roller Derby League	\$2,000.00	Towards hall hire for roller derby training

Northern Club Manawatu	\$1,458.00	Towards purchase and installation of water cooler
Horowhenua Events Centre Trust	\$3,120.00	Towards Automated External Defibrillator and storage cup
Levin Intermediate School	\$2,000.00	Towards accommodation to attend AIMS Games
Horowhenua Hockey Association	\$2,024.00	Towards playing representative hockey shirts
Athletic Rugby Football Club Levin	\$2,098.50	Towards bus charter to season games
Levin Women's Bowling Club Incorporated	\$800.00	Towards fertilisers/chemicals for greens refurbishment
Levin Badminton Club	\$1,753.75	Towards purchase of shuttlecocks
Levin Basketball Association	\$3,437.50	Towards venue hire at Horowhenua Events Centre
Levin Bowling Club	\$7,567.17	Towards aluminium joinery for windows
Weraroa Cricket Club	\$15,000.00	Towards fees of Development Manager and Club Manager
CentreSkate	\$5,000.00	Towards stadium hire rental
Levin Hustle Baseball	\$3,500.00	Towards baseball equipment
Christian Social Services Wanganui	\$10,000.00	Towards salary of Administrator
Kopuapangopango Trust	\$6,000.00	Towards purchase of combi oven for community use
Horowhenua Hockey Association	\$5,380.00	Towards accommodation, and vehicle and trailer hire for
Foxton Golf Club	\$6,274.00	Towards chemicals for course maintenance
Ohau School	\$3,000.00	Towards vehicle hire and accommodation
<b>Total</b>	<b>\$175,782.35</b>	

Organisation	Amount	Purpose
Central Region Rowing Development Trust	\$70,000	Towards equipment, travel, accommodation, caps, shorts Regional Development Officers
Manawatu Volunteer Coastguard	\$10,000	Towards replacement jetski and trailer
Wanganui Cricket Association	\$30,000	Towards travel, accommodation, coaching, tournament c
Manawatu Cricket Association	\$80,000	Towards coaching and ground hire costs for 2015/16 seas
Wanganui Softball Association	\$9,325	Towards security surveillance and window repairs
Netball Manawatu Centre	\$75,000	Towards salaries of Junior Development, Netball Develop Officers
Christian Social Services Wanganui	\$5,000	Towards wages of Administrator
Cancer Society of NZ Central Districts Division	\$1,500	Toward the cost of reprinting Support Services brochures
Brain Injury Association Whanganui	\$5,000	Towards Liaison Officer salary
Palmerston North City Council	\$30,000	Towards aviary fit-out at Wildbase Recovery Centre in Pa
Wanganui Cricket Association	\$30,000	Towards travel, accommodation, tournament costs for re
Lower North Island Secondary Netball	\$10,000	Towards accommodation for umpires and officials for Lov

		Wanganui
Manawatu Cricket Association	\$40,000	Towards grounds preparation and costs and Development Squad Programme
Wanganui Rowing Association	\$5,000	Towards LED screen hire and electrical work
Netball Manawatu Centre	\$85,000	Towards salaries of Business Development Officer, Junior Development Officer and Umpire Development Officer
Manawatu Cricket Association	\$40,000	Towards salaries of Coaching Manager, Development & C Development Officer
Whanganui Football Incorporated	\$6,500	Towards ground rental
Central Region Rowing Development Trust	\$70,000	Towards single, double and quad boats, ergometers, trans regattas
Feilding Industrial Agricultural & Pastoral Assn	\$1,800	Towards hire of Manfeild Park
Christian Social Services Wanganui	\$10,000	Towards salary of Administrator
Horowhenua Sports Turf Trust	\$5,500	Towards lighting design for upgrade floodlighting at Halli
Lower North Island Secondary Netball	\$10,000	Towards accommodation for umpires and officials
<b>Total</b>	<b>\$629,625</b>	

## Appendix 3: NZCT national grants

Between 1 June 2016 and 31 May 2017, NZCT approved 136 national grants to the value of \$7,105,151, many of which residents.

Organisation	Amount	Purpose
New Zealand Red Cross Inc	\$12,000	Towards tool kits and light towers
Special Olympics NZ Inc	\$250,000	Towards second year of multi-year funding of salaries for June 2016
Project Litefoot Trust	\$100,000	Towards salaries of frontline staff from June 2016
Spirit of Adventure Trust	\$75,000	Towards survey and maintenance project costs for 2016
Look Good Feel Better NZ	\$10,000	Towards salary of Community Coordinator from 3 June 2016
NZ Choral Federation Inc	\$5,000	Towards venue hire and audio and visual for The Big Sing
Table Tennis NZ Inc	\$10,000	Towards salary of Central Regional Co-ordinator from June 2016
Life Flight Trust	\$125,000	Towards operating costs of air ambulance services from June 2016
NZ Cricket Inc	\$120,000	Towards salary for General Manager Community Cricket and Towards travel for Boys and Girls secondary schools tour
Arthritis Foundation of NZ Inc	\$10,000	Towards salary of Southern Regional Coordinator for lanc Christchurch
NZ Secondary Schools Sports Council Inc	\$50,000	Towards salary of Executive Director from June 2016
NZ Federation of Roller Sports Inc	\$15,000	Towards venue hire, programme printing and judges' accommodation for Sports Artistic Championships in Taranaki, July 2016
Netball NZ Inc	\$110,000	Towards salaries of National Manager Coach Development from June 2016
NZ Water Ski Association Inc	\$20,000	Towards boat hire, accommodation and facility hire
N Z Croquet Council Inc	\$15,000	Towards salary of Executive Director from June 2016
National Heart Foundation of N Z	\$10,000	Towards salaries of Heart Health Advocates for Gisborne
Malaghan Institute of Medical Research	\$12,500	Purchase of a X3R 3L Centrifuge unit for Immune Cell Biol
Te Awa River Ride Charitable Trust	\$500,000	Towards costs associated with construction of the Ngarua Awa River Ride
Amputee Golf NZ Inc	\$2,700	Towards course and cart hire for Annual National Amputee
Nga Kaihoe O Aotearoa (Waka Ama New Zealand) Inc	\$30,000	Toward salary of Administrator from July 2016
NZ Choral Federation Inc	\$5,000	Towards venue hire and technical costs for 'Big Sing' (We
NZ Marist Rugby Football Federation Inc	\$20,000	Towards costs associated with Marist XV, Colts and prima

		(travel, accommodation, playing gear, uniforms, medical
Barnardos NZ	\$10,000	Towards salaries for Children's Contact Coordinator and S (Taranaki region) from 3 June 2016
New Zealand Rugby Union Inc	\$32,000	Towards costs associated with hosting the 2016 Rippa Ru
NZ Darts Council Inc	\$20,000	Towards venue hire, trophies, programme and transport Championships in Rotorua, August 2016
NZ Recreation Association Inc	\$10,000	Towards salaries of Business Centre Manager and Custom
N Z Hockey Federation Inc	\$200,000	Towards salaries and operating costs for Black Sticks Ama in North Island locations
NZ Kung Fu Wushu Federation Inc	\$3,600	Towards venue and truck hire, St John's services for even
Fields of Remembrance Trust	\$45,000	Towards salaries of Administration staff from July 2016
Environmental White Water Park Trust	\$75,000	Towards river surfing feature, management and river des extension of platform at start gate and toilet block upgra
Storylines Childrens Literature Charitable Trust of N Z	\$5,000	The Storylines Festival provides free access to NZ childre Family Days held in August
Get Kids Active Charitable Trust	\$10,000	Towards costs of running Junior Tough Guy and Gal Chall and Rotorua
First Foundation	\$100,000	Towards salary of Student Support Manager and four sch
All Kiwi Sports Club Inc	\$100,000	Towards various costs associated with 2017 NZ Cycle Clas
Te Papa Takaro o Te Arawa	\$1,000	Towards costs associated with hosting 2016 Te Arawa Aw
Swimming NZ Inc	\$100,000	Towards Education Advisors
N Z Sports Hall of Fame Inc	\$25,000	Towards salaries of CEO, Office Assistant, Merchandising September 2016
Canoe Racing NZ Inc	\$55,000	Towards cost associated with running National Regattas f
Paralympics New Zealand Incorporated	\$100,000	Towards salaries for Leadership and Development Progra
Bowls NZ Inc	\$150,000	Towards salary of Events Manager from October 2016
NZ Indoor Bowls Inc	\$15,000	Towards salary of Development Advisor from September
Graeme Dingle Foundation	\$50,000	Towards salaries of Executive Assistant, Grants Team Lea Manager and Trainer and Development from September
Royal New Zealand Foundation of the Blind Inc	\$5,000	Towards salary of an Auckland-based Recreation Advisor
NZ Rowing Association Inc	\$50,000	Towards salaries of Rowing Manager and Rowing Co-Ordi
Tennis N Z Inc	\$100,000	Towards salaries of Communications Coordinator, Head c Programmers Manager and Coordinator from September
New Zealand Golf Inc	\$150,000	Towards Salaries for CEO, 3x Capability Mgrs, Analyst, Su

		Contract
Blind Sport New Zealand Inc	\$10,000	Towards salary for National Manager from October 2016
Canoe Racing N Z Inc	\$10,000	Towards the salary for Sport Development Manager
Bowls NZ Inc	\$50,000	Towards salaries of Community Development Officers and 2016
Halberg Disability Sport Foundation	\$60,000	Towards Salaries for Programme & National Managers and
Yachting NZ Inc	\$30,000	Towards accommodation for sailors and officials to attend Championships' in Auckland
N Z Federation of Multicultural Councils Inc	\$10,000	Towards costs associated with hosting the New Zealand C (referees, bus transport, event management fees, and fly
N Z Badminton Federation Inc	\$20,000	Towards salary for Event Coordinators (2 roles) from Oct
Touch NZ Inc	\$125,000	Towards Salaries of Tournament Mgr, Operations Coachi
Snow Sports NZ Inc	\$50,000	Towards accommodation, airfares, rental vehicles, judge, physiotherapist, Development Coach, freestyle judge trai adaptive volunteer & instructor training
CanTeen NZ	\$30,000	Towards salaries for Youth Workers – Member Services a Northland/Auckland and Waikato
Outward Bound Trust of NZ	\$40,000	Towards course fees
Ronald McDonald House Charities NZ Trust	\$25,000	Towards salary of Family Support Co-ordinator
NZ Softball Association Inc	\$87,000	Towards salaries of Administration Manager, CEO, High P Manager, Softball Officers and Tournament & Event Coor
N Z Football Inc	\$25,000	Towards salaries for Community Football Director, Footb: Head of Competitions
NZ Rugby League Inc	\$50,000	Towards salaries of key staff involved in delivery of comm Educators, General Manager Community, National Coach Manager and Referee Development Officers)
NZ Secondary Schools Sports Council Inc	\$25,000	Towards salary of Administrator
NZ Marist Rugby Football Federation Inc	\$18,000	Towards costs associated with Heartland XV match in Auc
Racketlon New Zealand Incorporated	\$2,900	Towards purchase of equipment for school children to pla
Choirs Aotearoa N Z Trust	\$50,000	Towards salary of Operations Manager
NZ Water Polo Association Inc	\$14,000	Towards accommodation costs for Officials and Referees Championships in Auckland
N Z Hockey Federation Inc	\$60,000	Towards various costs associated with amateur internatio in Auckland, November 2016
Gillies McIndoe Research Institute	\$172,140	Towards lease of GMRI premises

NZ Masters Billiards and Snooker Association Inc	\$4,000	Towards installation of five full size Billiard tables for 2016 held 25-27 November 2016
Volleyball NZ Inc	\$63,000	Towards venue hire for North Island Junior Secondary School Wellington, and salary of CEO
Triathlon New Zealand Inc	\$110,000	Towards Age Group Experience Manager, Coaching Coordinator, Event Director, Technical Advisor
Sir Edmund Hillary Outdoors Education Trust	\$75,000	Towards salary support for outdoor education instructors
New Zealand Festival	\$216,000	Towards salaries of Head of Business, Head of Programme Manager, Marketing & Development Manager and Programme
Underwater Hockey NZ	\$2,000	Towards purchase of underwater hockey goal bins for Wellington
Camp Quality New Zealand	\$15,000	Towards salary of Secretary/Administrator
Heart Kids New Zealand Inc	\$5,000	Towards travel, accommodation, t-shirts, craft supplies and Auckland
Netball NZ Inc	\$290,000	Towards salaries of five Coach Development Officers and development forums (excludes food, presenter, road travel)
Canoe Slalom NZ Inc	\$25,000	Towards fee for Head Coach and water hire costs at Wanganui
NZ Recreation Association Inc	\$25,000	Towards water safety skills programme
New Zealand Handball Federation	\$2,000	Towards court hire for National Secondary Schools National
Cycling New Zealand Inc	\$100,000	Towards salaries of CEO and Community Pathways Manager
Boccia NZ Inc	\$3,000	Towards salary of Director
Environmental White Water Park Trust	\$15,000	Towards Event Management costs
Parkinsonism Society of NZ Inc	\$10,000	Towards salary of Clinical Leader
Floorball NZ Inc	\$3,000	Towards playing uniforms for women's team to attend World Wellington 31 January 2017
Chamber Music New Zealand Trust Board	\$150,000	Towards salaries for Artistic Assistant, Artistic Manager, Education and Outreach Coordinator, Marketing and Communications Manager, Office Administrator, Operations Coordinator, and for 2017 NZCT Chamber Music Contest held 6 Jun-6 Aug 2017
NZ Squash Inc	\$23,134	Towards contract fee and polo shirts for CoachForce Programme hire and coach conference fee for Squash NZ National Conference 2017
Surfing NZ Inc	\$50,000	Towards salary of National Development Officer
NZ Softball Association Inc	\$87,318	Towards salaries of Administration Manager, CEO, High Performance Manager, Softball Officers (Lower North Island and South

		Coordinator
N Z Croquet Council Inc	\$15,000	Towards salary of Executive Director
Nga Kaihoe O Aotearoa (Waka Ama New Zealand) Inc	\$35,000	Towards costs of security, first aid, filtered water, start to rental for 2017 Waka Ama National Sprint Championship
New Zealand Hansa Class Association Inc	\$9,800	Towards purchase of a Hansa Liberty boat
Athletics NZ Inc	\$160,000	Towards Club Development Manager, Coach Development Participation Manager, Get Set Go Manager, Membership Officials Development Manager, event medals, race timer venue hire
Life Flight Trust	\$125,000	Towards operating costs of Fixed Wing Air Ambulance service
NZ Marist Rugby Football Federation Inc	\$12,000	Towards accommodation, flights, bus hire, uniforms and Rugby Sevens Tournament held 28-29 January 2017 in W
N Z Football Inc	\$75,000	Towards salaries for Community Football Director, Football Head of Competitions
Maori Basketball New Zealand Inc	\$20,000	Towards venue hire for Annual National Maori Basketball
Equestrian Sports New Zealand Inc - Operational	\$20,000	Towards salaries of CEO, National Sports Administrator and (horse anti-doping) programme
Wheelchair Basketball NZ Inc	\$20,000	Towards contract fee for Development Officer
International Tae Kwon Do Foundation of N Z Inc	\$6,300	Towards course fee, facilitator's accommodation and venue
Basketball NZ Inc	\$125,000	Towards contract fees for regional development personnel
CanTeen NZ	\$15,000	Towards salaries of Youth Support Coordinators for Bay of Plenty, East Cape, Rotorua
Child Cancer Foundation Inc	\$10,000	Towards salaries of Family Support Coordinators
Amputees Federation of NZ Inc	\$1,044	Towards van hire and activities
New Zealand Spinal Trust	\$35,000	Towards salaries of Vocational Consultants, National Manager
Get Kids Active Charitable Trust	\$10,000	Towards operating costs for junior tough guy and gal challenges locations
Scout Association of NZ	\$50,000	Towards salaries of Regional Development Managers (BO
Aotearoa Maori Golf Assn Inc	\$12,500	Towards course hire at Taupo Golf Club for 80th NZ Maori
New Zealand Outdoor Instructors Association Inc	\$15,000	Towards salary of Assessment and Membership Coordinator and website upgrade
New Zealand Tag Football Inc	\$10,000	Towards operating costs for Tag National Championships
Project Litefoot Trust	\$75,406	Towards Club Liaison/Project Manager, Club Liaison, Head Manager, Planning Manager and Sustainability Advisers

Motorsport NZ	\$20,000	Towards lease of Rallysafe Tracking and Safety System
Shakespeare Globe Centre NZ Trust	\$2,500	Towards office rental only
NZ Shooting Federation Inc	\$15,000	Towards salary of Sport Development Manager
New Zealand Wheelchair Tennis Inc	\$3,000	Towards Administration & Financial Services costs
Yachting N Z Inc	\$150,000	Towards salaries for Regional Support Officers in Northern and Otago/Southland Regions
N Z Academy of Highland & National Dancing Inc	\$1,000	Towards venue hire for new teacher workshops in Napier
Gymsports N Z Inc	\$200,000	Towards salaries for Relationship Team Manager, Community Relationship Managers in Auckland/Northland, Wellington
Surf Life Saving NZ Inc	\$37,500	Towards salaries for Club Support Manager (Gisborne), Support Eastern regions), Programmes and Service Manager (Central)
Royal NZ Ballet	\$60,000	Towards costs associated with touring three shows in Christchurch, Palmerston North and Gisborne in 2017 (venue hire, music and lighting)
Outward Bound Trust of NZ	\$35,000	Towards scholarships for Outward Bound Courses
NZ Ice Figure Skating Association Inc	\$2,000	Towards ice hire in Christchurch and Botany
Olympic Weightlifting NZ Inc	\$10,000	Towards salary of General Manager
New Zealand Festival	\$20,000	Towards salary of Marketing and Communications Manager
Volleyball NZ Inc	\$97,000	Towards costs associated with hosting the NZ Secondary North (excludes live streaming), and salaries of Game Development Manager
NZ Choral Federation Inc	\$9,000	Towards venue hire and audio visual costs in Auckland
NZ Water Polo Association Inc	\$86,000	Towards salary for Operations Director and Office Manager
Equestrian Sports New Zealand Inc - Eventing	\$15,000	Towards equipment/infrastructure hire, event administration costs, presentation rugs and rosettes/sashes for NRM National Championships 2017 held 11-14 May 2017 in Taupo
NZ Softball Association Inc	\$87,318	Towards salary for CEO, Softball and Administration Manager (North Island and South Island), Tournament & Event Coordinator
Holocaust Centre of New Zealand Inc	\$20,000	Towards IT equipment and salary of Project Manager for
Netball NZ Inc	\$110,000	Towards salary of National Programmes Manager, National Training Manager, Sports Coordinator - Community
Camp Quality New Zealand	\$5,000	Towards salary of Secretary/Administrator
NZ Federation of Roller Sports Inc	\$9,491	Towards various costs associated with NZ Roller Sports Association

NZ Deaf Rugby Football Union Inc	\$5,000	Towards accommodation for team training in Christchurch
Special Olympics N Z Inc	\$250,000	Towards third year of multi-year funding for salaries of ke
New Zealand Women's Lacrosse Association Inc	\$2,000	Towards playing t/shirts, skirts and shorts and mouthguard
NZ Darts Council Inc	\$17,000	Towards various costs associated with NZ Darts Council C
<b>Total</b>	<b>\$7,105,151</b>	

# Submission Form: Draft Gambling Class 4 Venue Policy and NZ Racing (TAB) Venue Policy



Submission date: 26/09/2017 09:17 PM

Receipt number: 3

Question	Response
Notes for Submitters	
Contact Details	
Title:	Mr
Full Name:	Paul gordon king
Name of Organisation (if applicable):	
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Postcode:	2014
Daytime Telephone:	0274485879
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Mobile:	
Email:	ksc210@clear.net.nz
Preferred method of communication:	Telephone
Hearing of Submissions	
Do you wish to present your comments to Council in person at a hearing?:	No
My Submission(s)	
My Submission	I wish that we actively decrease the number of gambling venues and poker machines in the horowhenua
Submission Attachments	
Privacy Act 1993	
Council Use Only	
Date Received:	
RM8 Number:	
Submission No:	

**Submission form to Gambling Class 4 Policy and  
New Zealand Racing (TAB) Venue Policy (Draft)**

OFFICE USE ONLY

RM8 No:

Submission No:

Please print clearly using a black or dark blue pen

**Your details**

Mr / Mrs / Miss / Ms / Dr (circle) Name:

Sharon Freebairn (President)

Name of Organisation (if applicable)

Waiatarere Beach Progressive + Ratepayers Assn.

Postal address:

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A/H

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**Communication**

Preferred method of communication:

☐ email☒ post**Presentation**

Do you wish to present your comments to Council in person at a hearing:

☐ Yes☒ No**My submission(s)**

Please complete your submission on the form overleaf. Please note that your submission will be part of a public agenda.

You can post your submission to:

Gambling Class 4 Venue and TAB Venue Policy Reviews  
Horowhenua District Council  
Private Bag 4002  
Levin 5540OR drop it into Council at 126 Oxford Street, Levin; or Te Takeretanga o Kura-hau-pō; your local library or Service Centre. Alternatively fax to (06) 366 0983 or email to: [enquiries@horowhenua.govt.nz](mailto:enquiries@horowhenua.govt.nz).Submission forms can be completed on line or downloaded from [www.horowhenua.govt.nz](http://www.horowhenua.govt.nz).

We need to receive your submission by 5.00 pm on Friday 29 September 2017.



**Submission form to Draft Gambling Class 4 Policy and  
New Zealand Racing (TAB) Venue Policy**

**My submission(s):**

At our latest meeting we discussed both of  
the draft policies being reviewed.

We are in agreeance with there  
being no changes to the existing policies.



**PROBLEM GAMBLING FOUNDATION  
OF NEW ZEALAND**

Healthy communities free from gambling harm

**Submission on the  
Horowhenua District Council  
Gambling Venue Policy**

Therese Grevatt  
Health Promoter  
Problem Gambling Foundation of New Zealand  
P. 04 979 8359  
E. [Therese.Grevatt@pgf.nz](mailto:Therese.Grevatt@pgf.nz)

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## EXECUTIVE SUMMARY

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Horowhenua is a lovely part of New Zealand boasting beautiful coastline and welcoming, small kiwi towns. Adding to Horowhenua's appeal, the Council has put the well-being of Horowhenua individuals, families and communities first by implementing a "sinking lid" policy in 2014. PGF commends the Council for the current policy and the work they do to minimise gambling harm. Our position is that the "sinking lid" policy should be maintained and strengthened.

Electronic gambling machines (pokies) are not a harmless product that a few "weak willed" individuals need help with. They are the major cause of gambling harm in New Zealand, and in Horowhenua. These machines are designed to addict and are doing significant harm, which is why 2 in 5 regular gambling machine users develop a problem at some point. The 2.5% of our population experiencing direct—and often severe—harm from gambling is just the tip of the iceberg.

Over \$7.6 million dollars was lost to pokie machines in the last year in the Horowhenua District. A disproportionate amount of that lost money was from those with gambling problems.

Each person with a gambling problem affects about 5-10 others. This means as many as 500,000 people are affected by the significant economic, health, personal, and social costs that gambling problems cause in New Zealand. The harms caused by gambling problems extend beyond individuals, affecting their families, friends, workmates, businesses and our community. Some children in Horowhenua are heading to school without lunches and are missing out on the basics in life, leading to less social cohesion.

It isn't just the poor who lose out. A study of gambling machines in Christchurch suggested that gambling machines in the region resulted in lost economic output of \$13 million, lost household income of \$8 million, and lost employment for 630 full-time equivalents.

How do we begin making changes? We know that gambling machines are the major cause of gambling harm in New Zealand and have been identified as the main gambling mode of problem gambling clients seeking help. We know that a significant amount of the money lost in gambling machines—about 40-60%—is lost at the expense of people with gambling problems. We know these machines are concentrated in low-income areas.

Horowhenua District Council has made a positive first step with a "sinking lid" policy. "Sinking lid" policies help reduce gambling machine venue numbers over time, reducing availability and accessibility to gambling machines, and therefore reducing gambling harm. Eighteen Councils around New Zealand have taken the lead and introduced "sinking lid" policies, backed by majority public opinions that these machines are socially undesirable and that there should be fewer of them. Thank you Horowhenua District Council for being leaders in addressing gambling harm.

A "sinking lid" policy is a modest policy that only prevents new venues being allowed gambling machines. The strongest sinking lid policies state that when venues close those machines can't be re-allocated elsewhere. We recommend that Horowhenua District Council strengthens their

policy by prohibiting relocation and club mergers entirely in Clauses 4 and 5. In the absence of policies that give communities and Councils more power (such as being able to remove existing licences from poor or deprived communities), “sinking lid” policies are the best policies that Councils can introduce to minimise gambling harm in their local area.

The current sinking lid policy of the Horowhenua District Council is also a valuable way to address disparities in the region. Māori are 22.8% of the population of the region and it is known that Māori are nationally more likely to experience problem and harmful gambling. The median income for Māori in Horowhenua is \$19,100 per annum. That is \$367 per week where the median rental is \$190 per week. That leaves \$177 for food, power, petrol, doctor, clothes etc. We know there are larger numbers of pokie machines in the poorest areas of New Zealand and this is also true in Horowhenua. We know the machines exploit the hopes of people with few resources to draw from. Reducing the numbers of machines in Horowhenua will ensure that even scarce resources are spent on productive activity in Horowhenua.

It’s also important to remember that just 18% of adults use pub/club gambling machines over a given year. And even fewer people (1.7%) use them on a weekly basis. The vast majority of adults (82%) never use gambling machines.

Reducing gambling related harm has proven to be an important topic of discussion across a number of Councils in recent months. Hamilton City Council made headlines in August for deciding to no longer apply for Class 4 funding. In September Tauranga City Council found that over two thirds of surveyed residents want to decrease the number of pokie machines in Tauranga through a sinking lid policy. Dunedin City Council are meeting this week to discuss adopting a sinking lid also.

We’ve assembled the information that follows from a vast body of research. We have included information from government agencies, government-commissioned reports, and peer-reviewed journals so that you have the best body of evidence possible to inform your decision. We have also included some less formal local information that we think you will find valuable.

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

## Recommendations

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- The Problem Gambling Foundation recommends that Horowhenua District Council maintains a “sinking lid” policy: a district wide ban on any additional class 4 gambling venues or machines. A “sinking lid” policy would reduce the number of venues over time but would not affect existing venues or current community funding in the short term. A district-wide ban on any new venues or machines would reduce the harm caused by gambling, including the social and economic harm. A “sinking lid” is nation-leading and demonstrates the Council taking a stand for a healthier, brighter future for Horowhenua—and especially our Horowhenua children.

### *A ban on relocations is preferred*

- Allowing venues to relocate will not lead to a reduction of venues, and therefore will not reduce harm from gambling in the way that a strong “sinking lid” policy would.

### *A ban on any new venues and machines is preferable to a cap*

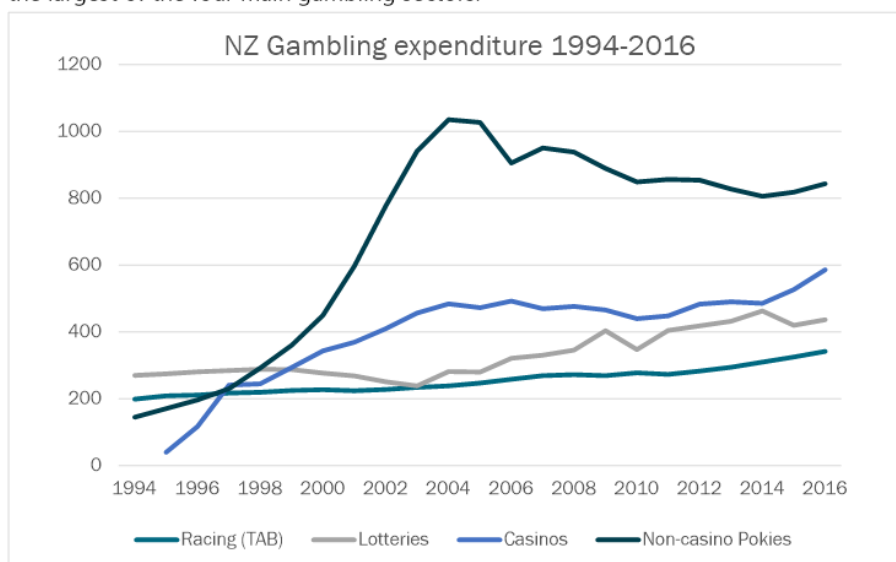
- A ban on any new venues and machines is preferable to a cap. It is possible that a cap on machine numbers or venues may result in a greater number of licensed venues and machines being located in poorer communities (i.e. venues shift from more prosperous localities, suburbs and town centres).

### *Restricting the number of venues is even more crucial than the numbers of machines*

- It is likely that when gambling venues are widely dispersed throughout the community, they pose a bigger hazard for problem gambling than when they are concentrated in a few locations.
- Additionally, the restriction of venues is appropriate in Horowhenua because there are already a number of accessible machines in the area. Australian research has argued that in this case, venue caps are more effective than machine caps in moderating the accessibility drivers of problem gambling.

## CONTEXT AND SUMMARY OF LOCAL STATISTICS

- The Problem Gambling Foundation is working with Raukawa Whanau Ora based in Levin to support their health and social services programmes with public health, counselling and other support for whanau affected by problem gambling. Raukawa Whanau Ora work with whanau and tamariki in some of the most challenging circumstances and they know that lack of income is a major source of family stress. Therefore, any move to reduce access to harmful and addictive products like pokie machines will be welcomed. The continuation and expansion of the "sinking lid" policy is supported by Raukawa Whanau Ora.
- Gambling expenditure<sup>1</sup> has expanded rapidly in New Zealand during the last 20 years. Gambling expenditure nearly quadrupled from \$482 million in 1990 to \$2.091 billion in 2014.<sup>2</sup> Of that amount, nearly 40% is lost to non-casino gambling machines, making it the largest of the four main gambling sectors.

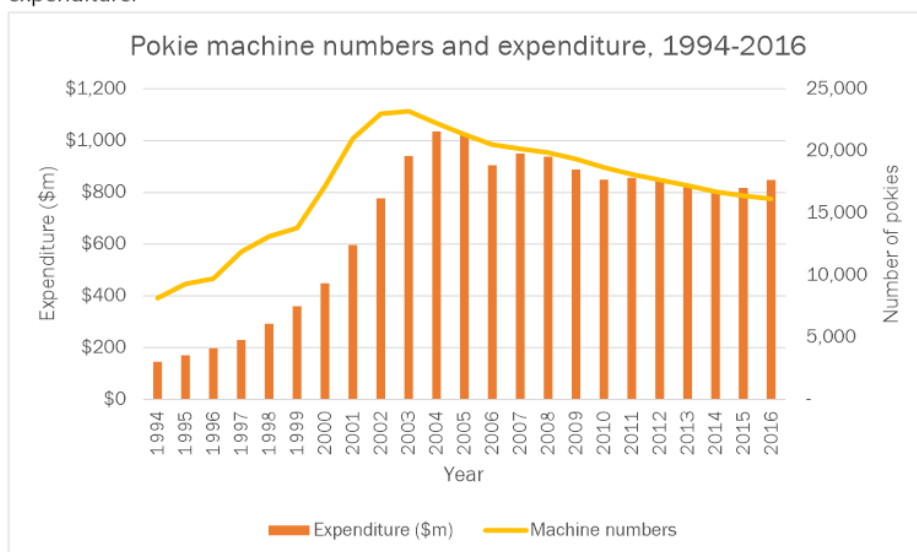


- In the 2015/16 financial year, total gambling expenditure for the four main sectors increased 2.6% from the previous year.

1 Expenditure and Gross Profit are interchangeable terms - they mean the gross amount wagered minus the amount paid out or credited as prizes or dividends. Expenditure is the amount lost or spent by users or the gross profit of the gambling operator.

2 Department of Internal Affairs. (2014). Gambling Expenditure Statistics. Retrieved 24 June 2015 from: [http://www.dia.govt.nz/diawebsite.nsf/wpg\\_URL/Resource-material-Information-We-Provide-Gambling-Expenditure-Statistics](http://www.dia.govt.nz/diawebsite.nsf/wpg_URL/Resource-material-Information-We-Provide-Gambling-Expenditure-Statistics)

- For the most part, however, a decrease in machines has led to a gradual decrease in expenditure.



- New Zealand lost \$869 million to non-casino gambling machines last year, or \$2.38 million a day.
- This is equivalent to about 56 million minimum wage hours.
- Horowhenua lost close to \$8 million to non-casino gambling machines in the last year, or approximately \$21,045 per day.
- Horowhenua currently has a density of 1 machine per 160 people over 18.<sup>3</sup> In Horowhenua, the average machine yielded approximately \$54,343 in the past year, meaning generally each machine makes nearly two and a half times as much money as the average person living here (based on median income for people aged 15 years and over, \$21,800).

<sup>3</sup> Calculated using DIA gambling expenditure statistics and Statistics NZ 2013 Census data.

- Estimates are that 2.5% of the adult population in New Zealand – one in 40 – are problem gamblers or moderate-risk gamblers<sup>4</sup> at any particular time.<sup>5</sup> Based on these estimates approximately 576 people in Horowhenua could be problem or moderate risk gamblers.<sup>6</sup>
- There are also a significant number of people who are harmed by someone else's gambling. It is estimated that approximately 5-10 people are adversely affected to varying degrees by behaviour from a person experiencing problem gambling.<sup>7</sup> These informed estimates suggest that up to 5,763 people could be harmed by others' gambling in Horowhenua.
- Over 74,000 people in New Zealand (2.4% of the adult population) would expect to have a better state of mental health if there was no gambling.<sup>8</sup> Of these, 69,500 would benefit from stopping gambling on gambling machines. In Horowhenua, approximately 553 adults would have better mental health without the impacts of gambling.
- Submissions by the New Zealand Community Trust and other gambling machine trusts have attempted to down-play the number of local problem gamblers by reporting the number of people who have sought help for gambling within the Council area. There is a difference between the number of people with gambling problems and the number of

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4 The term "problem gambler" refers to someone who scores 8 or more on the Problem Gambling Severity Index, and is defined as "Problem gambling with negative consequences and a possible loss of control." The term "moderate-risk gambler" refers to someone who scores 3-7 on the PGSI, and is defined as "Moderate level of problems leading to some negative consequences". The two terms are often combined when reporting prevalence of problem gambling.

5 Based on the New Zealand 2012 National Gambling Study, which reports that "0.7% of adults (23,504 people) are current (past 12 months) problem gamblers experiencing significant problems, and a further 1.8% (60,440) are moderate-risk gamblers, experience some gambling-related harms and at risk for the development of more serious problems". Source: Abbott, M., Bellringer, M., Garrett, N., & Mundy-McPherson, S. (2014). New Zealand 2012 National gambling study: Gambling harm and problem gambling. Wellington: Ministry of Health.

6 Adult population for this district was determined using 2013 census data and the NZ.Stat tool from Statistics New Zealand, found online at <http://nzdotstat.stats.govt.nz/wbos/Index.aspx>.

7 The 2006/2007 New Zealand Health Survey found that "almost 3% of people had experienced problems due to someone's gambling in the previous 12 months, and this is consistent with overseas studies that estimate that between 5 and 10 people are affected by behaviour of a serious problem gambler." Ministry of Health. 2009. Preventing and Minimising Gambling Harm: Consultation document. Six-year strategic plan; three-year service plan; problem gambling needs assessment; and problem gambling levy calculations. Wellington: Ministry of Health.

The Australian Productivity Commission estimated 5-10 people (average: 7.3) were impacted by problem gambling. Productivity Commission. (1999). Australia's Gambling Industries, Report No. 10, AusInfo, Canberra, Vol 1, p. 7.34

8 Centre for Social and Health Outcomes Research and Evaluation. (2008). Assessment of the social impacts of gambling in New Zealand. Auckland: SHORE.

people who have sought help for those problems; it is a gap we are seeking to close, and it is not a gap any of us can ignore. Those who seek help are just the tip of the iceberg both in terms of those with problem gambling but also in terms of the wide impact that problem gambling has on the community. When organisations such as Raukawa Whanau Ora and the Problem Gambling Foundation are active in the community the number of people receiving help for gambling problems rises, as does awareness of problem gambling as an important social issue.

- It is also worth mentioning that submissions by NZCT and other societies omit moderate-risk gamblers who are experiencing some harm. It benefits the gambling industry to frame problem gambling as a binary – you're wither a problem gambler or you're not. We know that problem gambling is not a binary, it is a spectrum.

## GAMBLING AND PROBLEM GAMBLING

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### Gambling Machines Are the Problem

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- About 18% of adults use pub/club gambling machines over a 12 month period.<sup>9</sup>
- This means that at any given time in New Zealand, there is a ratio of 35 possible gambling machine users to any 1 machine.
- This means the \$869 million that gambling machines took in the last year doesn't add up from many people putting in a few coins. This figure would require each gambling machine user to spend—and lose—an average of over \$1,511.<sup>10</sup>
- Even fewer people use gambling machines on a regular basis (1.7% weekly or more often). The vast majority of adults (82%) never use gambling machines.<sup>11</sup>
- Furthermore, the Council may find it helpful to know that the number of people who gamble on non-casino gambling machines is small compared to the number of people who find that form of gambling socially undesirable.<sup>12</sup>
- While 18% may not seem like a lot, this number means much bigger problems; there is a serious concern for the 18% of the population that uses non-casino gambling machines because of the risk involved with gambling machine use.<sup>13</sup>

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9 Abbott, M., Bellringer, M., Garrett, N., & Mundy-McPherson, S. (2014). New Zealand 2012 National gambling study: Overview and gambling participation. Wellington: AUT.

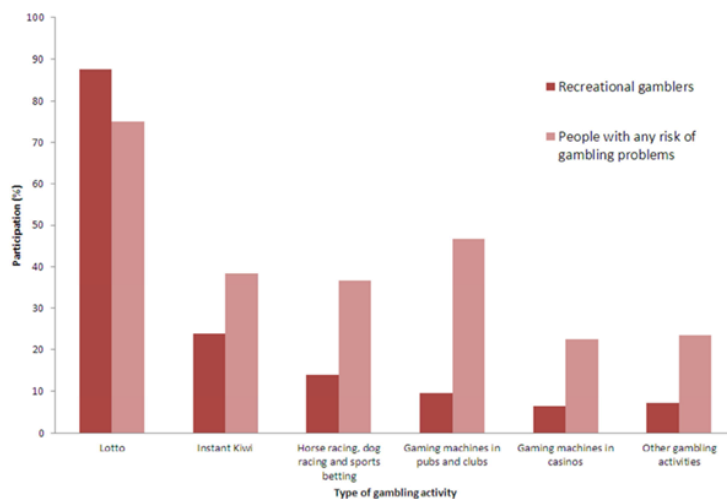
10 Adult population for this district was determined using 2013 census data and the NZ.Stat tool from Statistics New Zealand, found online at <http://nzdotstat.stats.govt.nz/wbos/Index.aspx>.

11 Abbott, M., Bellringer, M., Garrett, N., & Mundy-McPherson, S. (2014). New Zealand 2012 National gambling study: Overview and gambling participation. Wellington: AUT.

12 Department of Internal Affairs (2008). Peoples participation in, and attitudes to, gambling, 1985-2005. Wellington: DIA. Retrieved 29 January 2013 from [http://www.dia.govt.nz/Pubforms.nsf/URL/GamblingParticipationSurvey1985-2005.pdf/\\$file/GamblingParticipationSurvey1985-2005.pdf](http://www.dia.govt.nz/Pubforms.nsf/URL/GamblingParticipationSurvey1985-2005.pdf/$file/GamblingParticipationSurvey1985-2005.pdf)

13 Ministry of Health (2012). Problem Gambling in New Zealand: Preliminary Results from the New Zealand Health Survey. Wellington: Ministry of Health. Retrieved 29 January 2013 from <http://www.health.govt.nz/publication/problem-gambling-new-zealand-preliminary-results-new-zealand-health-survey>

Proportion participating in various forms of gambling: recreational gamblers compared to gamblers at risk of gambling problems



- Gambling machines are no ordinary commodity; it is estimated that:
  - 2 in 5 (40%) of regular gambling machine users (participates weekly or more) report experiencing a problem at some point.<sup>14</sup>
  - 1 in 5 (20%) of regular gambling machine users have current problems.<sup>15</sup>
- Pokies are the major cause of gambling harm in New Zealand (to individuals as well as the community). Non-casino gambling machines are the main gambling mode of problem gambling clients seeking help. They form the large majority of clients for the Problem Gambling Foundation and New Zealand's other providers. In the most recently published Gambling Helpline report<sup>16</sup>:

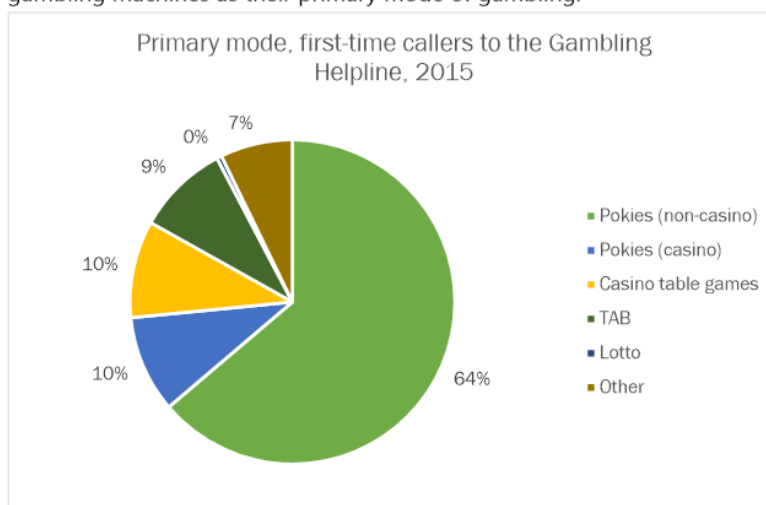
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14 Devlin, M. & Walton, D. (2012). The prevalence of problem gambling in New Zealand as measured by the PGSI: adjusting prevalence estimates using meta-analysis. *International Gambling Studies*, 10.1080/14459795.2011.653384. Retrieved 31-May 2012 from <http://www.tandfonline.com/doi/abs/10.1080/14459795.2011.653384>

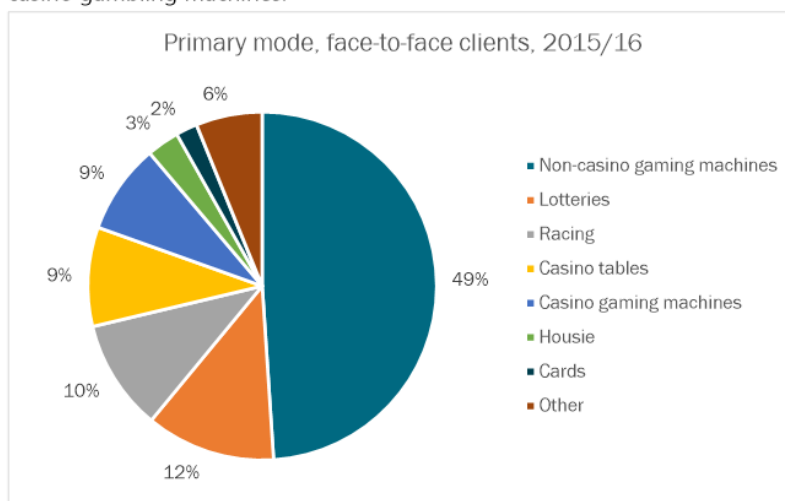
15 Department of Internal Affairs (DIA). (2009) Problem gambling in New Zealand – a brief summary. Retrieved 29 January 2013 from [http://www.dia.govt.nz/pubforms.nsf/URL/ProblemGamblingFactsFinal.pdf/\\$file/ProblemGamblingFactsFinal.pdf](http://www.dia.govt.nz/pubforms.nsf/URL/ProblemGamblingFactsFinal.pdf/$file/ProblemGamblingFactsFinal.pdf)

16 Ministry of Health. (2015). Gambling Helpline report for national statistics to 30 June 2015. Wellington: MOH. Retrieved 7 Oct 2016 from <http://www.health.govt.nz/our-work/mental-health-and-addictions/problem-gambling/service-user-data/gambling-helpline-client-data>

- 64% of first-time callers to gambling helpline counselling services cited non-casino gambling machines as their primary mode of gambling.



- 49% of gambler clients attending face-to-face counselling cited non-casino gambling machines as their primary mode of gambling, and a further 9% cited casino gambling machines.<sup>17</sup>



<sup>17</sup> Ministry of Health (2017). Retrieved 2 Oct 2017 from <http://www.health.govt.nz/our-work/mental-health-and-addictions/problem-gambling/service-user-data>

## How Gambling Machines Work

- Gambling machines are not a simple or harmless form of entertainment. A modern gambling machine is a subtle and sophisticated media experience, designed to keep people using the machine as long as possible.<sup>18</sup>

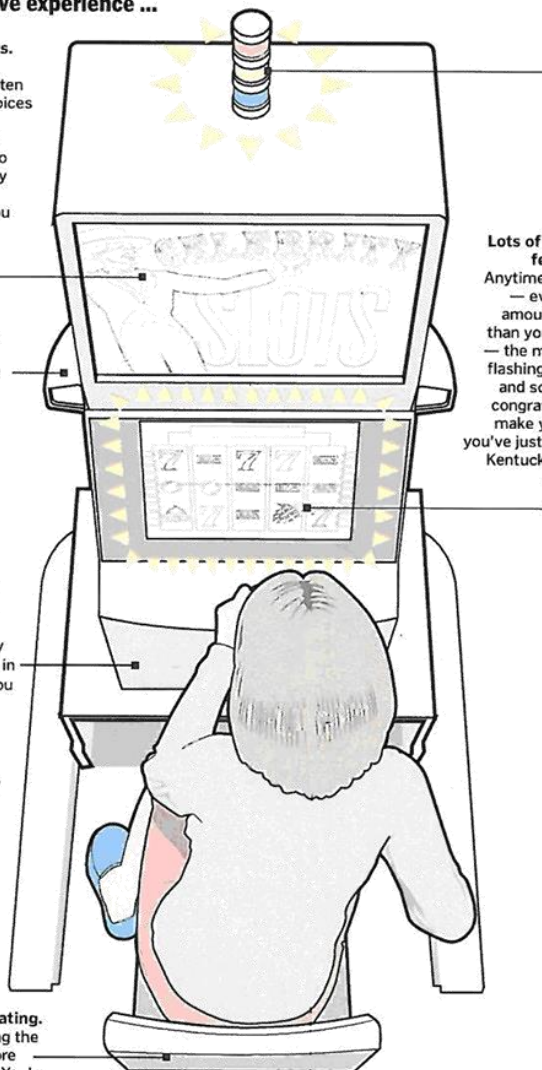
### An immersive experience ...

**Snazzy displays.** Animated, entertaining, often including the voices and images of beloved TV and movie stars who goad you to play more and congratulate you when you win.

**Directional speakers.** They bathe you in sound, blocking out the noises from the room around you.

**Easy payment plans.** The new machines don't display dollar amounts — they deal exclusively in "credits" that you cash out later. This serves to separate you from the idea that it's actually money you're losing.

**Comfortable seating.** The higher paying the machine, the more comfy the chair. You're supposed to sink in and never want to get up.



**Lots of positive feedback.** Anytime you win — even if the amount is less than your wager — the machine's flashing screens and screaming congratulations make you think you've just won the Kentucky Derby.

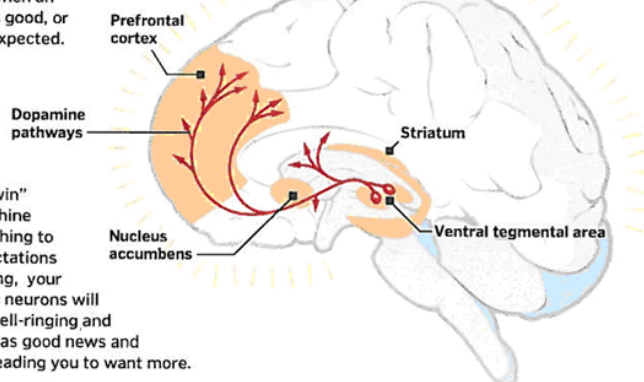
18 Mangels, J. and W. Neff (2011 May 15). How the machine works on you [infographic]. The Plain Dealer. Cleveland, OH.

### ... that has a profound effect

All this stimulation plays havoc with the **reward centers** of the human brain: those areas that are wired to anticipate some good result — such as the learning of a new skill — and make you feel good when it happens.

This reaction is fueled, in part, by the neurotransmitter **dopamine**. Special neurons in certain areas of your brain produce this chemical, which “rewards” the brain with a feeling of satisfaction when an outcome is as good, or better, than expected.

Although a “win” on a slot machine may have nothing to do with expectations or skill-learning, your dopaminergic neurons will take all that bell-ringing and light-flashing as good news and reward it — leading you to want more.



SOURCE: Luke Clark, University of Cambridge

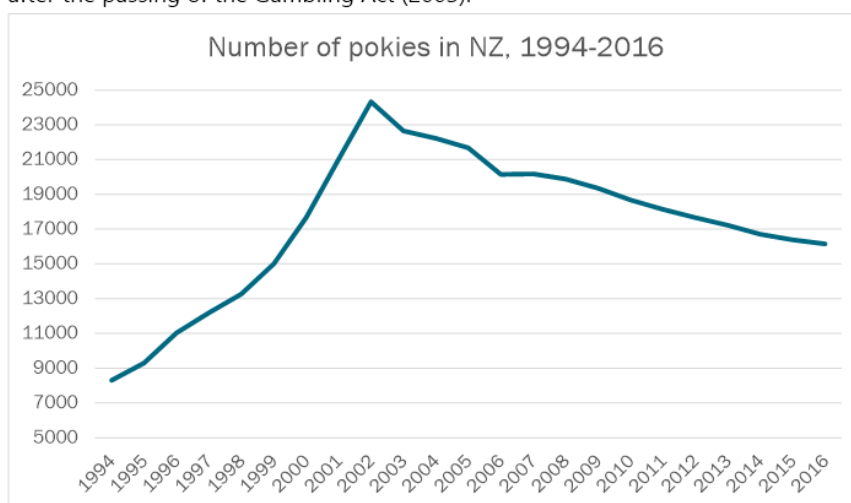
JOHN MANGELS, WILLIAM NEFF | THE PLAIN DEALER

- Gambling products use psychological tricks which take advantage of some of the faulty ways that we all, as human beings, think.
  - You haven't won all night, so the big win is on the way: This is not true. Gambling exploits our human misunderstanding of statistical probability and our ingrained belief in luck (even though statistics always prove us wrong).
  - The near-miss effect: Gambling machines exploit this, because a near-miss will trigger your brain in the same areas as if you had really won. These are also the same areas which are involved in drug addiction. This is why problem gamblers crave gambling and have compulsive thoughts about it. Machines will be programmed to show as many near-misses as they can get away with (most countries legislate how many times they can do this).
  - Creating immersive environments: Gambling machines make you forget the outside world through clever design. Dark backgrounds and deep but bright jewel-like colours attract and stimulate the brain. Spot-lit areas draw your focus in. Sound and light at random times both disorients the user and stimulates the brain at the same time.
  - Brain stimulation: The anticipation of gambling causes excitement, raised heart-rate, shallow breathing, and other nervous system responses. Winning and losing

cause even greater responses, which are tied directly into our brain's reward centres. The design of modern gambling amplifies these even more. The reward areas of your brain take all the bell-ringing and light-flashing as good news and reward your neurons with large hits of dopamine. This happens even when you are losing, and is why gambling can operate just like a drug or alcohol addiction.

### Gambling Numbers

- Before 1988 there were no legal electronic gambling machines in New Zealand. In December 2016 there were 16,148. At the end of 2016 there were 16,148 machines.<sup>19</sup> This chart shows the rapid rise of gambling machines, which peaked and began to decline after the passing of the Gambling Act (2003).



- A New Zealand study acknowledged that there are many forces of work at play that can reduce problem gambling prevalence, including public health work, adaptation (when no new machines are introduced) and policy. The report found strong support for the "access thesis," which says that increases of non-casino gambling machines lead to an

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<sup>19</sup> Department of Internal Affairs (DIA). (2014). Society, Venue and Gaming Machine Numbers: 31 December 2016. Retrieved 17 February 2017 from [https://www.dia.govt.nz/diawebsite.nsf/Files/Gambling-Statistics/\\$file/Venue-and-numbers-by-territorial-authority-as-at-31-December-2016.pdf](https://www.dia.govt.nz/diawebsite.nsf/Files/Gambling-Statistics/$file/Venue-and-numbers-by-territorial-authority-as-at-31-December-2016.pdf)

increase in problem gambling prevalence. **Specifically, the study found that there is an increase in problem gambling by nearly one person per each new machine.**<sup>20</sup>

- The report went so far as to state in its conclusion that, “from the perspective of public policy, and particularly harm minimisation, holding or reducing EGM [electronic gambling machine] numbers would appear to be prudent based on our findings, and is likely to lead to reduced harm both through reduced availability and by enabling adaptation processes.”
- The same study supported the view that restricting the per capita density of gambling machines leads to a decrease in gambling harm.<sup>21</sup>
- In submissions to Councils, Jarrod True of the TAB challenged the findings of this study. Mr. True explains that “after reading the full study and reading the research data it does not appear that any strong correlation exists [between gambling machine access and problem gambling].” This claim should be disregarded for two obvious reasons.
- Mr. True’s analysis is contrary to conclusions articulated in the very abstract of the article, which states that “strong statistically meaningful relationships were found for an increase in prevalence with increasing per capita density of EGMs, consistent with the access hypothesis and supported by no evidence of plateauing of prevalence with increasing density of EGMs.”
- The assertions put forth by Mr. True carry less authority than that of three well-respected and qualified researchers, who almost unarguably are more qualified to interpret statistics and judge research.

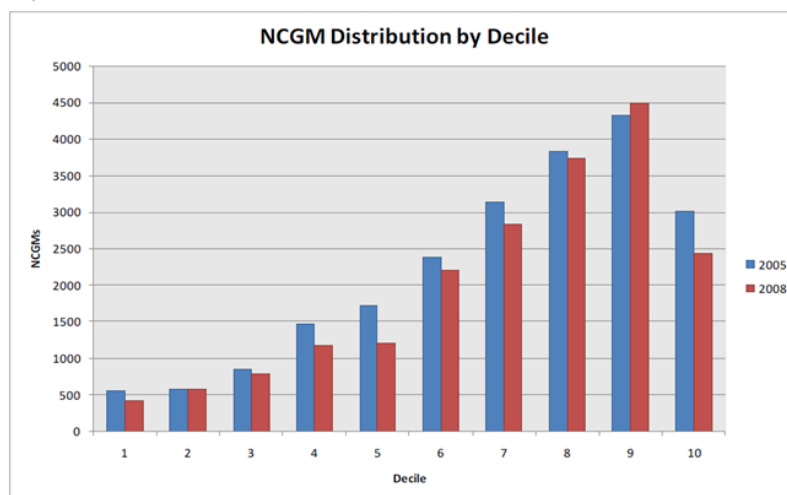
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20 Abbott, M., Storer, J., & Stubbs, J. (2009 December). Access or adaptation? A meta-analysis of surveys of problem gambling prevalence in Australia and New Zealand with respect to concentration of electronic gaming machines. *International Gambling Studies*, 9 (3), 225 – 244.

21 Ibid, p.241.

### Gambling Machine Density and Location

- Studies and data from New Zealand<sup>22</sup> and Australia<sup>23</sup> indicate that there are significantly more venues and electronic gambling machines in low-socio economic communities.
- Across New Zealand there is a clear trend in the concentration of machines across deprivation areas: electronic gambling machines are more likely to be found in the more deprived areas of New Zealand.<sup>24</sup>



- Another way of interpreting this data is to consider that in wealthy areas, the ratio of gambling machines to people is 1 to 465. In poorer areas, the ratio of gambling machines to people is 1 to 75. This means that a young person growing up in a poorer area will have 6 times more gambling machines in their community than a better-off

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22 Francis Group. (2009). Informing the 2009 problem gambling needs assessment: Report for the Ministry of Health. Wellington: MOH.

Huriwai, T., Rigby, J. E., & Wheeler, B.W. (2006) Pokies and poverty: Problem gambling risk factor geography in New Zealand. *Health and Place*, 12 (1): 86-96.

23 Livingston, C., & Woolley, R. (2008). The relevance and role of gaming machine games and game features on the play of problem gamblers: Report for the Independent Gambling Authority (IGA). Adelaide, South Australia: IGA.

Doughney, J. (2007). Ethical blindness, EGMs and public policy. *Journal of Mental Health Addiction*, 5, 311-319.

24 Francis Group. (2009). Informing the 2009 problem gambling needs assessment: Report for the Ministry of Health. Wellington: MOH.

peer.<sup>25</sup>



- The key drivers for the comparative over-abundance of non-casino gambling machine venues in disadvantaged areas and areas with high proportions of “at risk” groups are unclear. On the demand side, there may be greater incentives to allocate machines in areas where they will be used more intensively and potential returns are highest. However, another explanation for the location may be in the distribution of venues, such as hotels and taverns. Affluent areas have a greater ability to resist the location of hotels and taverns in their communities; communities with high rates of home ownership tend to take a more long-term view of planning and zoning issues.
- Whatever the explanation, the location of venues tends to concentrate the social costs in communities that are less able to bear them.<sup>26</sup>

### Vulnerability

- Certain population groups are more vulnerable to gambling problems in New Zealand. One major demographic factor is ethnicity.<sup>27</sup>

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25 Wheeler, B., Rigby J., & Huriwai T. (2006). Pokies and poverty: problem gambling risk factor geography in NZ. *Health & Place*. 12(1)

26 Hancock, L. & O’Neil, M. (2010, August). Risky business: Why the commonwealth needs to take over gambling legislation (Alfred Deakin Research Institute). Retrieved 29 January 2013 from <http://www.deakin.edu.au/alfred-deakin-research-institute/assets/resources/publications/workingpapers/adri-working-paper-11.pdf>

Francis Group. (2009). Informing the 2009 problem gambling needs assessment: Report for the Ministry of Health. Wellington: MOH.

Ministry of Health. (2008) Raising the odds? Gambling behaviour and neighbourhood access to gambling venues in New Zealand. Wellington: MOH. Retrieved 29 January 2013 from <http://www.health.govt.nz/system/files/documents/publications/raising-the-odds-may08.pdf>

27 Ministry of Health. (2009). Preventing and minimising gambling harm: Consultation document; six-year strategic plan; three-year service plan; problem gambling needs assessment; and problem gambling levy calculations. Wellington: Ministry of Health. Retrieved 29 January 2013 from <http://www.health.govt.nz/our-work/preventative-health-wellness/problem-gambling/strategic-direction-overview/strategic-plans>

- Māori populations comprise 35% of intervention service clients<sup>28</sup> and 17.1% of Helpline callers<sup>29</sup>, but make up only 15% of the population<sup>30</sup>.
  - There has been a rise in the number of Māori women seeking help for gambling problems. Māori women seeking help for their gambling problems almost exclusively (85.6% in 2008) cite non-casino gambling machines as their problematic mode of gambling.<sup>31</sup>
  - Pacific populations comprise 21.1% of intervention service clients<sup>32</sup> and 6.6% of Helpline callers<sup>33</sup>, but make up only 7% of the population<sup>34</sup>.
  - Overall, Māori and Pacific adults are approximately four times more likely to be problem gamblers compared to the general population.<sup>35</sup>
- Another major demographic factor in problem gambling is location in a highly deprived socio-economic area.<sup>36</sup>

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28 For the most recently reported period, July 2014-June 2015. Ministry of Health (2016). Intervention Client Data. Retrieved 7 Oct 2016 from <http://www.health.govt.nz/our-work/mental-health-and-addictions/problem-gambling/service-user-data/intervention-client-data#ethnicity>

29 Ministry of Health. (2015). Gambling Helpline report for national statistics to 30 June 2015. Wellington: MOH. Retrieved 7 Oct 2016 from <http://www.health.govt.nz/our-work/mental-health-and-addictions/problem-gambling/service-user-data/gambling-helpline-client-data>

30 Statistics New Zealand (2014). 2013 Census – Major ethnic groups in New Zealand. Retrieved 2 July 2014 from <http://www.stats.govt.nz/Census/2013-census/profile-and-summary-reports/infographic-culture-identity.aspx>

31 Centre for Social and Health Outcomes Research and Evaluation. (2008). Assessment of the social impacts of gambling in New Zealand. Auckland: SHORE. Retrieved 29 January 2013 [http://www.shore.ac.nz/projects/Gambling\\_impacts\\_Final%2010\\_02\\_09.pdf](http://www.shore.ac.nz/projects/Gambling_impacts_Final%2010_02_09.pdf)

32 For the most recently reported period, July 2014-June 2015. Ministry of Health (2016). Intervention Client Data. Retrieved 7 Oct 2016 from <http://www.health.govt.nz/our-work/mental-health-and-addictions/problem-gambling/service-user-data/intervention-client-data#ethnicity>

33 Ministry of Health. (2015). Gambling Helpline report for national statistics to 30 June 2015. Wellington: MOH. Retrieved 7 Oct 2016 from <http://www.health.govt.nz/our-work/mental-health-and-addictions/problem-gambling/service-user-data/gambling-helpline-client-data>

34 Statistics New Zealand (2014). 2013 Census – Major ethnic groups in New Zealand. Retrieved 2 July 2014 from <http://www.stats.govt.nz/Census/2013-census/profile-and-summary-reports/infographic-culture-identity.aspx>

35 Ministry of Health (2009). A focus on problem gambling: results of the 2006/07 New Zealand Health Survey. Wellington: Ministry of Health.

36 Ibid.

- Although there has been a reduction in the number of non-casino gambling machines since 2005, they continue to be concentrated in more deprived areas.
  - Census area units with a deprivation decile rating of 8 or above accounted for 56% of all non-casino gambling machine expenditure.
  - Māori and Pacific peoples are over-represented in these deciles, which may make them more vulnerable.
- While deprivation is a key driver of use, machines found in town-centre areas typically form the entertainment and shopping districts of a city and are highly accessible. This is particularly so when they are adjacent to deprived areas. This is one of the reasons why the Problem Gambling Foundation recommends to prohibit relocations entirely.
  - Other demographic factors of vulnerable populations include age (35-44) and lack of educational qualifications, as well as workforce status (unemployed or out of workforce).<sup>37</sup>
  - Problem gambling is more common in individuals with major depression, anxiety, and personality disorders.<sup>38</sup>
  - Substance abusers have a 2-10 fold increased risk for problem gambling.<sup>39</sup>
  - There is increasing concern around the vulnerability of youth populations to gambling as well; youth and young adults have high rates of problem gambling.<sup>40</sup>

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37 Ibid.

38 Ibid

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

39 Ministry of Health (2009). A focus on problem gambling: results of the 2006/07 New Zealand Health Survey. Wellington: Ministry of Health.

40 C. Messerlian, J. Derevensky & R. Gupta (2005) Youth gambling problems: a public health perspective. *Health Promotion International* 20 (1): 6-79.

## HOW GAMBLING HURTS HOROWHENUA

### Personal and Social Costs

*"For many people and their families, however, gambling has harmful consequences, and the negative effects on the community are far-reaching. The social costs of gambling are out of proportion to the number of problem gamblers."<sup>41</sup>*

- While it may appear that the effects of gambling are limited to Horowhenua's estimated 576 problem gamblers who are experiencing direct harm from gambling, the impact is serious and affects the entire city.
- Problem gambling imposes:
  - Personal costs (on the problem gambler).
  - Social costs (on family members, friends, co-workers, those with whom he or she has business relationships, and the general public as well).



Adapted from Australian Productivity  
Commission Report 1999

41 Ministry of Health. 2010. Preventing and Minimising Gambling Harm: Six-year strategic plan 2010/11–2015/16. Wellington: Ministry of Health.

- The “personal costs” can include: **depression and anxiety**; financial indebtedness; **bankruptcy**, arrest, imprisonment, **unemployment, divorce**, and poor physical and mental health.<sup>42</sup>
- Problem gambling is a leading cause of **suicide**. A number of studies have shown a very clear link between problem gambling and suicidality,<sup>43</sup> and the Problem Gambling Foundation regularly sees people who have attempted suicide or considered taking their own lives.
- The “social costs” can include: impacts on the families of people experiencing gambling harm (through **family violence**, household stress, poor parenting, and family break-up); impacts on employers (through lost production, **fraud and theft**); impacts on the government (through **costs to the police, the criminal justice system, and the social welfare system**).<sup>44</sup>
- The Ministry of Health and Auckland University of Technology (2017) have recently released research highlighting the links between **problem gambling and family violence**. 50 percent of participants (people seeking help from problem gambling services) claimed to be victims of family violence, and 44 percent of participants claimed to be perpetrators of family violence in the past year. A risk factor for problem gamblers being victims is experiencing severe gambling harm.<sup>45</sup>

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42 Abbott, M. W. (2001, June). What do we know about gambling and problem gambling in New Zealand? Report number seven of the New Zealand gaming survey. Wellington: Department of Internal Affairs. Retrieved 29 January 2013 from [http://www.dia.govt.nz/Pubforms.nsf/URL/Report7.pdf/\\$file/Report7.pdf](http://www.dia.govt.nz/Pubforms.nsf/URL/Report7.pdf/$file/Report7.pdf)

43 Moghaddam, JF; Yoon G; Dickerson DL, Kim SW, Westermeyer J (2015, June). Suicidal ideation and suicide attempts in five groups with different severities of gambling: Findings from the National Epidemiologic Survey on Alcohol and Related Conditions. American Journal on Addictions

44 Ibid.

South Australian Centre for Economic Studies with the Department of Psychology, University of Adelaide. (2005, November). Problem gambling and harm: Towards a national definition. Victoria: Department of Justice. Retrieved online 29 January 2013 from <http://www.adelaide.edu.au/saces/gambling/publications/ProblemGamblingAndHarmTowardNationalDefinition.pdf>

45 Auckland University of Technology. (2017). Problem Gambling and Family Violence in Help-Seeking Populations: Co-Occurrence, Impact and Coping. Wellington: Ministry of Health. Retrieved online 20 June 2017 from: <http://www.health.govt.nz/publication/problem-gambling-and-family-violence-help-seeking-populations-co-occurrence-impact-and-coping>

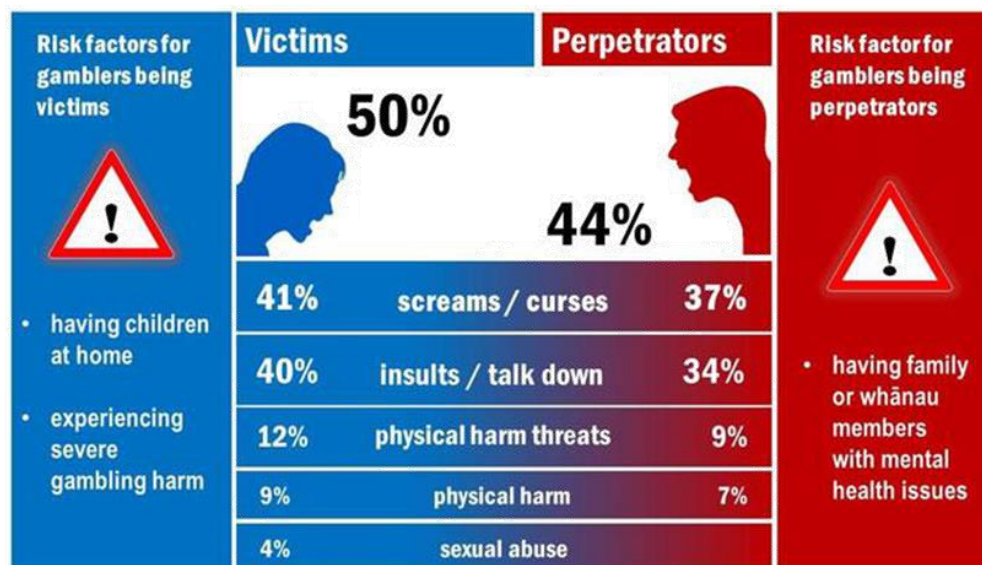


Image retrieved from <http://www.health.govt.nz/publication/problem-gambling-and-family-violence-help-seeking-populations-co-occurrence-impact-and-coping>

- A 2008 study found that “those who had higher levels of participation in gambling activities (based on time spent and losses relative to income) reported experiencing significantly **worse physical health, worse mental health**, and poorer feelings about self and **lower satisfaction with life**”.<sup>46</sup>
- Recent research confirms that the proportion of New Zealanders experiencing broader gambling harms is much higher than the prevalence for problem gambling. **One in six New Zealanders say a family member has gone without something they needed or a bill has gone unpaid because of gambling.**<sup>47</sup> This percentage was higher among Māori (38%) and Pacific (28%), and among those in more deprived (deciles 8-10) neighbourhoods.

46 Centre for Social and Health Outcomes Research and Evaluation. (2008). Assessment of the social impacts of gambling in New Zealand. Auckland: SHORE. Retrieved 29 January 2013 from [http://www.shore.ac.nz/projects/Gambling\\_impacts\\_Final%2010\\_02\\_09.pdf](http://www.shore.ac.nz/projects/Gambling_impacts_Final%2010_02_09.pdf)

47 Abbott, M.W., Gray, R.J., & Walker, S.E. (2012 April). Knowledge, views, and experiences of gambling and gambling-related harms in different ethnic and socio-economic groups in New Zealand. Australian and New Zealand Journal of Public Health, 36, 2 (153-159).

### Problem Gambling and Children

- When parents have problems with gambling, it is often children who suffer most. Young children can miss out on basic essentials if a parent has gambled away household money. Gambling can lead to broken homes, damaged relationships, physical and emotional harm, and a higher risk of the children becoming problem gamblers themselves. A single person's harmful gambling can affect five to ten people, and children are vulnerable when it's their parent or other close relative.
- Children are often aware that their parents cannot provide them with items such as presents, school trips and even food not because of a lack of money but as a direct result of gambling behaviour.<sup>48</sup>
- If children's needs are not being met, they can suffer from health problems due to poor nutrition or malnutrition, and the responsibility of meeting these needs may fall on extended family, schools and social services. This can cause those children to feel that they are not cared for – or cared about – by their parents.<sup>49</sup>
- For children of problem gamblers, feelings of neglect can be a daily struggle. The parent may spend a great deal of time gambling, move out due to arguments about their gambling, or just disappear unpredictably.
- Losses can be emotional too. The parent's personality can become unrecognisable to their children, who feel gambling has become more important than family. Their relationship with their child or children can be damaged as they become more secretive, unreliable and prone to breaking promises.<sup>50</sup>
- Children are more likely to suffer physical violence or abuse if they have parents with problem gambling, especially when combined with other problems such as alcohol abuse.<sup>51</sup> One study found that six out of 10 communities had increases in reported

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48 McComb, J., B. Lee and D. Sprenkle (2009). "Conceptualizing and treating problem gambling as a family issue." *Journal of Marital & Family Therapy* 35(4): 415-431.

49 Dyll, L., Y. L. Thomas and D. Thomas (2009). "The impact of gambling on Māori." *Ngā Pae o te Māramatanga*

50 Ibid.

Darbyshire, P., C. Oster and H. Carrig (2001). "The experience of pervasive loss: Children and young people living in a family where parental gambling is a problem." *Journal of Gambling Studies* 17(1).

51 Lesieur, H. and J. Rothschild (1989). "Children of Gamblers Anonymous members." *Journal of Gambling Behavior* 5(4): 269-281.

domestic violence (including spousal and partner abuse) after casinos were introduced in the area.<sup>52</sup>

- Problem gambling, especially when it is present alongside other disorders such as alcohol and drug abuse,<sup>53</sup> can increase the risk of children developing unhealthy behaviours. Alcohol abuse, educational difficulties, emotional disorders and suicidal tendencies are more likely when a parent gambles.<sup>54</sup> Other associated problems include eating disorders, trouble sleeping<sup>55</sup>, asthma, allergies, and gastrointestinal disorders.<sup>56</sup>
- Of all the studies done on children of problem gamblers, one of the most consistent findings is that they are far more likely to become problem gamblers themselves. Children with a family history of problem gambling are between 2 and 10 times more likely to develop gambling problems later in life. If the person in their life who gambled was their father, it may be as much as 14 times more likely.<sup>57</sup>
- A study of gambling in Māori communities outlines a model of how children are at risk if gambling is a part of their young lives. When exposed to gambling activities from an early age, in the form of housie games at home or Marae fundraising activities played by their parents or whānau, children grow up seeing gambling as a normal activity and central to social life. They may be allowed – even encouraged – to participate from a young age. Dysfunction at home, in the form of financial problems or domestic violence increases the risk that they will look to gambling for an escape. As they grow their gambling may become more intense until it has become problematic. From there, debt may spiral out of control, relationships may erode, and their children may be neglected.<sup>58</sup>

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52 Shaw, M., K. Forbush, J. Schlinder, E. Rosenman and D. Black (2007). "The effect of pathological gambling on families, marriages and children." *CNS Spectrums* 12(8).

53 Rossen, F., R. Butler and S. Denny (2011). "An exploration of youth participation in gambling & the impact of problem gambling on young people in New Zealand." Ministry of Health.

54 Shaw, M., K. Forbush, J. Schlinder, E. Rosenman and D. Black (2007). "The effect of pathological gambling on families, marriages and children." *CNS Spectrums* 12(8).

55 Lesieur, H. and J. Rothschild (1989). "Children of Gamblers Anonymous members." *Journal of Gambling Behavior* 5(4): 269-281.

56 Horvath, V. and R. Pierce (2002). *Pathological gambling and child neglect: A cause for concern. The Downside: Problem and Pathological Gambling*. J. J. Marotta, J. A. Cornelius and W. R. Eadington. Carson City, Institute for the Study of Gambling and Commercial Gaming.

57 Dowling, N., A. Jackson, S. Thomas and E. Frydenberg (2010). "Children at risk of developing problem gambling." The Problem Gambling Research and Treatment Centre.

58 Dyllal, L., Y. L. Thomas and D. Thomas (2009). "The impact of gambling on Māori." *Ngā Pae o te Māramatanga*.

- Children of problem gamblers face higher likelihoods of having some of the following disorders at some point in their life as compared to the general population.<sup>59</sup>
  - Alcohol disorders (31% vs 4%)
  - Major depression (19% vs 7%)
  - Drug use disorders (5% vs 2%)
  - Antisocial personality disorder (5% vs 0%)
  - Generalised anxiety disorder (8% vs 0%)
  - Any psychiatric disorder (50% vs 11%)

## Crime

***Problem gamblers are at high risk of committing crimes in order to finance their gambling activities.***

- Gambling-related crime has received considerable public attention in recent years, including recent media attention.
- Offending by gamblers has been investigated in a number of New Zealand and international studies. Despite difficulties in determining the extent of gambling-related crime and the causal pathways, it appears that problem gamblers are at high risk of committing crimes in order to finance their gambling activities.<sup>60</sup>

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59 Data based on a study of problem gamblers' family members vs a control group. Shaw, M., K. Forbush, J. Schlinder, E. Rosenman and D. Black (2007). "The effect of pathological gambling on families, marriages and children." *CNS Spectrums* 12(8).

60 Wheeler, S., Round, D. and Wilson, J. (2010), 'The Relationship between crime and gaming expenditure in Victoria', Melbourne: Department of Justice, Victoria.

Abbott, M., Bellringer, M., Brown, R., Coombes, D., Dyall, L., McKenna, B., & Rossen, F. (2009). Problem gambling: Formative investigation of the links between gambling (including problem gambling and crime in New Zealand). Auckland: Auckland University of Technology, report prepared for the Ministry of Health. Retrieved 29 January 2013 from [http://www.aut.ac.nz/resources/research/research\\_institutes/niphmhr/report\\_final\\_gambling\\_and\\_crime.pdf](http://www.aut.ac.nz/resources/research/research_institutes/niphmhr/report_final_gambling_and_crime.pdf)

South Australian Centre for Economic Studies (SACES) (2009), Social Impacts of Gambling: A Comparative Study. Report commissioned by the South Australian Independent Gaming Authority, April. Adelaide: South Australian Independent Gaming Authority. Retrieved 29 January 2013 from <http://www.iga.sa.gov.au/pdf/research/SocialImpactsofGamblingAComparativeStudyApril2009-PublishedVersion.pdf>

Ministry of Health. (2008). Raising the Odds? Gambling behaviour and neighbourhood access to gambling venues in New Zealand. Wellington: MOH.

May-Chahal, C. et al. (2007), Scoping Study for a UK Gambling Act: 2005 Impact Assessment Framework, London:

- In 2008 a New Zealand study found that 25% of those engaged in criminal activity would not have done so if it had not been for their gambling. This suggests that just below a third of the relevant population—10,000 people—committed illegal activities because of gambling.<sup>61</sup>
- Problem gambling has been linked to criminal activity and studies have suggested that much of the crime goes unreported.<sup>62</sup> Apart from the financial cost of gambling-related crime to organisations and individuals directly involved, there are often financial and other costs for people experiencing problem gambling who are convicted, as well as for their families.<sup>63</sup>
- A 2009 New Zealand study found that “gamblers and significant others believe that a relationship exists between gambling and crime” and that “there is substantial unreported crime, a large proportion of which is likely to be related to gambling and that there are a large range of crimes committed in relation to gambling (particularly continuous forms of gambling), and not just financial crimes”.<sup>64</sup> They suggest that 10% of people experiencing problem gambling and 2/3 of those receiving counselling for gambling-related issues have committed a crime because of their gambling.

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Department for Culture, Media, and Sport. Retrieved 29 January 2013 from [http://www.culture.gov.uk/images/research/scopingstudy\\_ga05iaf.pdf](http://www.culture.gov.uk/images/research/scopingstudy_ga05iaf.pdf)

61 Centre for Social and Health Outcomes Research and Evaluation. (2008). Assessment of the social impacts of gambling in New Zealand. Auckland: SHORE. Retrieved 29 January 2013 from [http://www.shore.ac.nz/projects/Gambling\\_impacts\\_Final%2010\\_02\\_09.pdf](http://www.shore.ac.nz/projects/Gambling_impacts_Final%2010_02_09.pdf)

62 Abbott, M., Bellringer, M., Brown, R., Coombes, Dyall, L., R., McKenna, B., & Rossen, F. (2009). Problem gambling: Formative investigation of the links between gambling (including problem gambling and crime in New Zealand). Auckland: Auckland University of Technology, report prepared for the Ministry of Health. Retrieved 29 January 2013 from [http://www.aut.ac.nz/resources/research/research\\_institutes/niphmhr/report\\_final\\_gambling\\_and\\_crime.pdf](http://www.aut.ac.nz/resources/research/research_institutes/niphmhr/report_final_gambling_and_crime.pdf)

63 Australian Productivity Commission. (2010). Gambling: Inquiry Report. Canberra: Commonwealth of Australia. 16, 231, 280.

Department of Internal Affairs (DIA). (2009) Problem gambling in New Zealand – a brief summary. Retrieved 29 January 2013 from [http://www.dia.govt.nz/pubforms.nsf/URL/ProblemGamblingFactsFinal.pdf/\\$file/ProblemGamblingFactsFinal.pdf](http://www.dia.govt.nz/pubforms.nsf/URL/ProblemGamblingFactsFinal.pdf/$file/ProblemGamblingFactsFinal.pdf)

64 Abbott, M., Bellringer, M., Brown, R., Coombes, Dyall, L., R., McKenna, B., & Rossen, F. (2009). Problem gambling: Formative investigation of the links between gambling (including problem gambling and crime in New Zealand). Auckland: Auckland University of Technology, report prepared for Ministry of Health. Retrieved 29 January 2013 from [http://www.aut.ac.nz/resources/research/research\\_institutes/niphmhr/report\\_final\\_gambling\\_and\\_crime.pdf](http://www.aut.ac.nz/resources/research/research_institutes/niphmhr/report_final_gambling_and_crime.pdf)

## Economic Degradation

- There is limited data and analysis regarding the economic impact of gambling in New Zealand. Still, New Zealand and international research have pointed out the losses that offer a sharp contrast to the often celebrated economic gains the gambling industry produces. Money for gambling is diverted from savings and/or other expenditure, and can have a negative impact on local businesses and the economic health and welfare of whole communities.<sup>65</sup>
- A recent report noted that jobs and economic activities generated by gambling expenditure would exist elsewhere if that money was spent outside the gambling industry.<sup>66</sup>
- Employment, normally considered a standard business cost, is framed within the gambling industry as a special benefit to the community. Even if gambling does create employment opportunities, a comparison of gambling and retail in terms of jobs created for every million dollars spent shows that gambling creates about half as many jobs as retail.<sup>67</sup>
- The Christchurch City Council May 2009 study *Economic Impacts of NCGMs on Christchurch City* suggests that over the course of a year, gambling machines in Christchurch result in lost economic output of \$13 million, additional GDP of \$2 million, lost employment for 630 full-time equivalents, and lost household income of \$8 million.<sup>68</sup>

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65 Harrison, B. (2007). Casinos and regeneration: the story so far, briefing paper no. 1. London: IPPR (Institute for Public Policy Research, UK). Retrieved 29 January 2013 from <http://www.eukn.org/dsresource?objectid=146582>

66 Centre for Social and Health Outcomes Research and Evaluation. (2008). Assessment of the social impacts of gambling in New Zealand. Auckland: SHORE. Retrieved 29 January 2013 from [http://www.shore.ac.nz/projects/Gambling\\_impacts\\_Final%2010\\_02\\_09.pdf](http://www.shore.ac.nz/projects/Gambling_impacts_Final%2010_02_09.pdf)

67 Per million dollars spent, gambling generates approximately 3.2 jobs while retail produces approximately 6.3. South Australian Centre for Economic Studies with the Department of Psychology, University of Adelaide. (2005, November). Problem gambling and harm: Towards a national definition. Victoria: Department of Justice. Retrieved online 29 January 2013 from [http://www.gamblingresearch.org.au/CA256902000FE154/Lookup/GRA\\_Reports\\_Files1/\\$file/FinalReportPrinter.pdf](http://www.gamblingresearch.org.au/CA256902000FE154/Lookup/GRA_Reports_Files1/$file/FinalReportPrinter.pdf)

68 Colegrave, F. & Simpson, M. (2009 May). The economic impacts of NCGMs on Christchurch City: Prepared for Christchurch City Council. Auckland: Covec, Ltd.

## REDUCING GAMBLING HARM IN HOROWHENUA

*Increased availability of opportunities to gamble is associated with more gambling and more problem gambling.*

- Although it is sometimes difficult to determine whether gambling *causes* problems, or is merely *associated* with them, there is evidence that problem gambling harms can be reversed.<sup>69</sup> This means that at the least, there is the potential to reduce the prevalence of problem gambling, and at most, the prevalence of many other problems as well.
- A key question has been whether gambling machine supply contributes to problem gambling. Research has signalled that indeed restricting accessibility of gambling venues and machines would help curb problem gambling.
- A recent New Zealand Ministry of Health survey found some significant associations between gambling accessibility and gambling behaviour. Gambling behaviour, they state, is strongly associated with the distance to the nearest gambling venue.<sup>70</sup> The more gambling venues there are within 5kms of a person's neighbourhood the more likely that the person would have gambled at the gambling venue in the last year.
- A range of other studies have also indicated a link between the availability of some types of legal gambling and problem gambling. The evidence for the availability hypothesis has been considered by official review bodies in New Zealand<sup>71</sup>, Australia<sup>72</sup>, the United

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69 Winters, K. C., Stinchfield, R. D., Botzet, A., & Slutske, W. S. (2005). Pathways of youth gambling problem severity. *Psychology of Addictive Behaviors*, 19(1), 104-107.

Abbott, M., Bellringer, M., Reith, G., & Volberg, R. (2004). A review of research on aspects of problem gambling: Final report. Auckland: Auckland University of Technology, report prepared for Responsibility in Gambling Trust, UK.

70 Ministry of Health. (2008) Raising the odds? Gambling behaviour and neighbourhood access to gambling venues in New Zealand. Wellington: MOH. Retrieved 29 January 2013 from <http://www.health.govt.nz/system/files/documents/publications/raising-the-odds-may08.pdf>

71 Ibid.

Day, P., Hiscock, R., Mason, K., & Pearce, J. (2008). A national study of neighbourhood access to gambling opportunities and individual gambling behaviour [Abstract]. *Journal of Epidemiology and Community Health*, 26, 849, 862-868.

Abbott, M., Clarke, D., Townsend, S., & Tse, S. (2006, July). Key indicators of the transition from social to problem gambling. *Journal of Mental Health and Addiction* 3, 29-40.

72 Hancock, L. & O'Neil, M. (2010, August). Risky business: Why the commonwealth needs to take over gambling legislation (Alfred Deakin Research Institute). Retrieved 29 January 2013 from <http://www.deakin.edu.au/alfred-deakin-research-institute/assets/resources/publications/workingpapers/adri-working-paper-11.pdf>

Bates, G., Jessop, G., Kyrios, M., Meredyth, D., Moore, S., & Thomas, A. C. (2009, November) Gambling and the multidimensionality of accessibility: More than just proximity to venues [Abstract]. *International Journal of Mental*

- States<sup>73</sup>, and Canada<sup>74</sup>. Each concluded that increased availability of opportunities to gamble was associated with more gambling and more problem gambling.
- A recently produced report, cited in a previous section, conducted a meta-analysis from numerous key Australian and New Zealand studies and found a strong statistically meaningful relationship between the increases in gambling prevalence with increased per capita gambling machine density. It also found that contrary to previous studies, there was no evidence for plateau of gambling prevalence with increased density of machines.<sup>75</sup>
  - A later study in the UK acknowledged that decreases in gambling-related problems are a complex process involving not only social adaptation, but also the implementation of public health policies and the provision of specialist services. The adaptation process also seems to be inconsistent across communities; different groups of people are affected differently by the process.<sup>76</sup>
  - Most reliable research would indicate that there is no single cause which triggers problem gambling. The phenomenon is a result of the combination of several factors, some of which have been outlined in the diagram below.<sup>77</sup> Several of these factors can be

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Health and Addiction. Retrieved 29 January 2013 from <http://www.springerlink.com/content/9712354144832410/>  
Doughney, J. 2006. The poker machine state in Australia: A consideration of ethical and policy issues. *International Journal of Mental Health and Addiction*, 4, 351-368.

73 Barnes, G. M., Hoffman, J. H., Tidwell, M. C. O., Wiecek, W. F., & Welte, J. W. (2007). Type of gambling and availability as risk factors for problem gambling: A Tobit regression analysis by age and gender. *International Gaming Studies*, 7(2), 183-198.

74 Ontario Problem Gambling Research Centre. (2010). Problem Gambling Framework. Retrieved 29 January 2013 from Ontario Problem Gambling Research Centre Web site:  
<http://www.gamblingresearch.org/content/default.php?id=2007>

Robitaille, E., & Herjean, P. (2008). An analysis of the accessibility of video lottery terminals: the case of Montréal. *International Journal of Health Geographics*, 7(2).

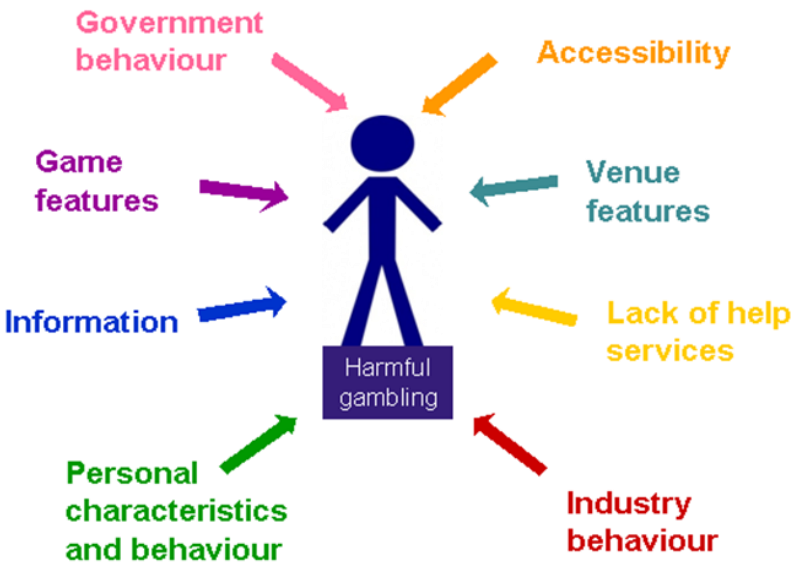
Cantinotti, M., Jacques, C., Ladouceru, R., & Sevigny, S. (2008). Links between casino proximity and gambling participation, expenditure, and pathology. *Psychology of Addictive Behaviors*, 22(2), 295-301.

75 Abbott, M., Storer, J., & Stubbs, J. (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, 225-244.

76 Griffiths, M.D (2007). Gambling addiction and its treatment within the NHS. London: British Medical Association. Retrieved 29 January 2013 from [http://www.bma.org.uk/images/gambling\\_tcm41-146741.pdf](http://www.bma.org.uk/images/gambling_tcm41-146741.pdf)

77 Productivity Commission. (1999). Australia's Gambling Industries, Report No. 10, AusInfo, Canberra, Vol 1, p. 323. Retrieved 29 January 2013 from [http://www.pc.gov.au/\\_data/assets/pdf\\_file/0004/82552/gambling1.pdf](http://www.pc.gov.au/_data/assets/pdf_file/0004/82552/gambling1.pdf)

influenced by the Council.



## ETHICS OF GAMBLING FUNDING

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### How Gambling Machine Trusts Work

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- Gambling trusts were established under the Gambling Act 2003 in an attempt to off-set some of the harm caused by gambling by returning some of the gambling expenditure to the people in the form of community grants. **Although the purpose of the trusts is to distribute money to the community, the purpose of gambling is not to raise money for the community, and it should not be perceived as such.**
- Gambling machines are licensed to operate in pubs and clubs only as a form of community fundraising.<sup>78</sup> Licence holders must distribute their net proceeds to the community by way of grants.
- They are currently required to distribute a minimum of 40% of their GST exclusive gross proceeds for each of its financial years (Gambling (Class 4 Net Proceeds) Regulations 2004, Part 2 Section 9 (1) and 10).<sup>79</sup> The gambling trusts have recently lobbied the Government to stop this increasing, and a freeze at 40% is planned.
- Legislation dictates that each dollar of gross proceeds (i.e., turnover [aggregate stakes] minus user wins) must be distributed in accordance with the pie chart shown in the figure below.<sup>80</sup> These include the fixed amounts towards gambling duty and the problem

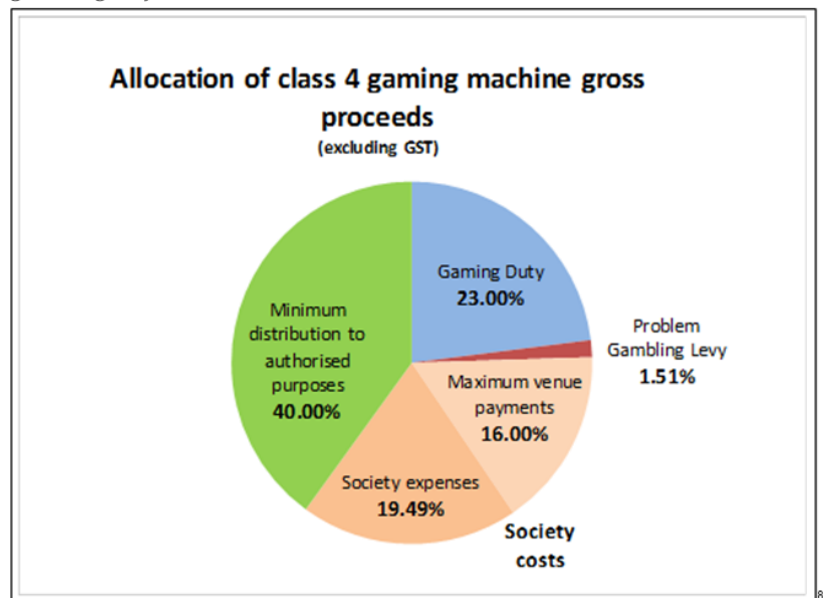
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78 Clubs are permitted to be societies and to operate their own machines in their own clubrooms. They are not required to make grants to other community organisations but can do so.

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

80 Ministry of Health. 2009. Problem Gambling Resource for Local Government. Wellington: Ministry of Health. Retrieved 29 January 2013 from <http://www.health.govt.nz/system/files/documents/publications/problem-gambling-resource-local-government.doc>

gambling levy.



- In 2005 (the last time DIA completed an analysis of grants), gambling machine societies allocated \$317 million to authorised purposes. 47% of that went to sports and physical activities, the single largest category of recipient in 2005. **In 2005 almost 8% (over \$20 million) went to horse racing, mostly for stake money for races.**<sup>82</sup> Of machines operated by the New Zealand Racing Board, approximately 80% of income goes towards racing.
- While the grants made by community funding bodies like the New Zealand Lottery Grants Board are well documented, no comparable aggregate statistics are readily available for the allocation to authorised purposes of the profits of non-casino gambling machines.<sup>83</sup>

81 Chart originally published by the DIA in the document "Pokies in New Zealand: A guide to how the system works", downloaded from <http://www.dia.govt.nz/Services-Casino-and-Non-Casino-Gaming-Gambling-in-Pubs-and-Clubs-%28Class-4%29>

82 Department of Internal Affairs. (2007). Where do gaming profits go? A survey of the allocation for authorized purposes of non-casino gaming machine profits in 2005. Page 33. Wellington: DIA. Retrieved 29 January 2013 from [http://www.dia.govt.nz/Pubforms.nsf/URL/GamingMachineProfits\\_2005.pdf/\\$file/GamingMachineProfits\\_2005.pdf](http://www.dia.govt.nz/Pubforms.nsf/URL/GamingMachineProfits_2005.pdf/$file/GamingMachineProfits_2005.pdf)

83 Ibid.

- The Problem Gambling Foundation believes that we need a more open, lower cost, and transparent system to end the rorts, the lack of compliance, and the illegal activity associated with the current gambling machine trusts system.<sup>84</sup> We also want greater transparency around who does and doesn't get grants and why.
- The current gambling machine trust system (approximately 38 gambling machine trusts) is inefficient. Society expenses are approximately 22%<sup>85</sup> (over \$150 million) with much duplication of roles and resources. This means that less of the money that leaves communities ever returns.

### Regressive nature

- Gambling generates significant funding for community purposes. However, gambling funding raises revenue at a very high cost. International and New Zealand studies have identified that gambling is sharply regressive. **Income is effectively being redistributed away from low income communities.**<sup>86</sup>
- One attraction of using gambling to collect public funding is that it appears to be "painless" or "voluntary". The "painless voluntary donation" view has been criticised on grounds that it is highly regressive and exploits the false hopes or financial risk-taking of those on lower incomes. It is also argued that many of the gamblers contributing are, at the time of making their contribution, affected by drugs, alcohol, and possibly mental illness. **In other words, for a problem gambler, the contribution is not a voluntary one.**<sup>87</sup>

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84 There have been a steady stream of media stories in recent years highlighting rorts and illegal activity surrounding pokie trusts and the pokie grant system. PGF has these documented in its online library and they can be made available on request.

85 Department of Internal Affairs. (2007). Where do gaming profits go? A survey of the allocation for authorized purposes of non-casino gaming machine profits in 2005. Page 33. Wellington: DIA. Retrieved 29 January 2013 from [http://www.dia.govt.nz/Pubforms.nsf/URL/GamingMachineProfits\\_2005.pdf/\\$file/GamingMachineProfits\\_2005.pdf](http://www.dia.govt.nz/Pubforms.nsf/URL/GamingMachineProfits_2005.pdf/$file/GamingMachineProfits_2005.pdf)

86 Hancock, L. & O'Neil, M. (2010, August). Risky business: Why the commonwealth needs to take over gambling legislation (Alfred Deakin Research Institute working paper 11). Retrieved 29 January 2013 from <http://www.deakin.edu.au/alfred-deakin-research-institute/assets/resources/publications/workingpapers/adri-working-paper-11.pdf>

Uniting Care Australia (2009), Submission to the Productivity Commission Inquiry into Australia's Gambling Industries. Page 50. Retrieved 29 January 2013 from [http://www.unitingcare.org.au/images/stories/submissions/sub\\_productivity\\_com\\_gambling\\_may09.pdf](http://www.unitingcare.org.au/images/stories/submissions/sub_productivity_com_gambling_may09.pdf)

87 Bostock, W. (2005) Australia's gambling policy: motivations, implications and options. Journal of Gambling Issues, 13. Retrieved 29 January 2013 from <http://jgi.camh.net/doi/full/10.4309/jgi.2005.13.4>

- **A significant amount of the money generated from gambling comes at the expense of people with gambling problems.** A 2000 study in New Zealand estimated that problem gamblers account for about 20% of gambling expenditure.<sup>88</sup> A 2010 report in Australia said figures could be as high as 40-60% for gambling machine gambling.<sup>89</sup>
- Studies involving cost benefit analysis have argued that the benefits from gambling for the majority of people gambling are individually very small relative to the costs borne by the minority of people experiencing gambling harm.<sup>90</sup>
- **Lower-income households spend proportionately more of their money on gambling than higher-income households.**<sup>91</sup> People who are already socially and economically disadvantaged are most susceptible to gambling problems.<sup>92</sup> This can concentrate the negative impact of gambling in areas which are already deprived, and thereby increase inequalities in our communities.
- Furthermore, **the revenue generated by gambling within a community is often spent in a more affluent community.**<sup>93</sup> A 2004 study examining distribution of community benefit funding from six major EGM trusts found that more affluent areas (such as

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88 Abbott, M. W. and Volberg, R. A. (2000), Taking the Pulse on Gambling and Problem Gambling in New Zealand: A Report on Phase One of the 1999 National Prevalence Study, Wellington: DIA. Retrieved 29 January 2013 from [http://www.dia.govt.nz/diawebsite.nsf/wpg\\_URL/Resource-material-Our-Research-and-Reports-New-Zealand-Gaming-Survey?OpenDocument#ph1](http://www.dia.govt.nz/diawebsite.nsf/wpg_URL/Resource-material-Our-Research-and-Reports-New-Zealand-Gaming-Survey?OpenDocument#ph1)

89 Australian Productivity Commission. (2010). Gambling: Inquiry Report. Canberra: Commonwealth of Australia. 16. Retrieved 29 January 2013 from [http://www.pc.gov.au/\\_data/assets/pdf\\_file/0010/95680/gambling-report-volume1.pdf](http://www.pc.gov.au/_data/assets/pdf_file/0010/95680/gambling-report-volume1.pdf)

90 Centre for Social and Health Outcomes Research and Evaluation. (2008). Assessment of the social impacts of gambling in New Zealand. Auckland: SHORE. Retrieved 29 January 2013 from [http://www.shore.ac.nz/projects/Gambling\\_impacts\\_Final%2010\\_02\\_09.pdf](http://www.shore.ac.nz/projects/Gambling_impacts_Final%2010_02_09.pdf)

91 McMullan, J.L. (2005). The Gambling Problem and Problem Gambling. Conference conducted at the 4th Annual Alberta Conference on Gambling Research, Public Policy Implication of Gambling Research, University of Alberta, Canada. Retrieved 29 January 2013 from <https://dspace.ucalgary.ca/bitstream/1880/47421/13/mcmullan.pdf>

92 Abbott, M., Landon, J., Page, A., Palmer, K., Thorne, H. (2010). Focused literature review for the problem gambling programme: Final report for the Health Sponsorship Council. Auckland University of Technology, Auckland. Retrieved 29 January 2013 from <http://www.hsc.org.nz/sites/default/files/publications/HSC-PG-ReviewFinal-Sept2010.pdf>  
Doughney, J. , & Kelleher, T. (2008/09). Victorian and Maribyrnong gambling: a case of diverted consumer spending. An Unconscionable Business: The Business: The Ugly Reality of Electronic Gambling: a Selection of Critical Essays on Gambling Research, Ethics and Economics. Cited in Borrell, J. (2009). Submission to the productivity commission gambling inquiry. Kildonan Uniting Care: Whittlesea, Melbourne. Retrieved 29 January 2013 from [http://www.pc.gov.au/\\_data/assets/pdf\\_file/0006/87630/sub163.pdf](http://www.pc.gov.au/_data/assets/pdf_file/0006/87630/sub163.pdf)

93 Adams, P.J., & Rossen, F.V. (2005). The ethics of receiving funds from the proceeds of gambling. Centre for Gambling Studies, University of Auckland: Auckland.

Central Auckland and the North Shore) were receiving considerably more funding per capita than the lower income areas (such as Manukau City).<sup>94</sup> It is the Problem Gambling Foundation's experience that jazz festivals and sports fields in wealthier suburbs are well funded, while low-decile schools are not.

### Impact of Proposed Policy on Community Funding

- There are concerns that a reduction in gambling machines will cause a reduction in gambling machine income to societies which will have the flow on effect of cutting the level of grants made to local community groups.
- While gambling machine revenue is declining, recent years have still seen record gambling machine grants to the community.<sup>95</sup>
- Gambling machine trusts often insinuate that many community groups would not survive without gambling machine money. While it's true that some groups would suffer, gambling machine trusts account for only 10.2% of charitable giving in New Zealand; as a comparison, personal giving accounts for 58% of charitable giving in New Zealand.
- Existing gambling machine venues are not affected by a "sinking lid" policy. A "sinking lid" only prevents new venues from being granted a licence, so the decline in venues and machines happens gradually. Therefore, a "sinking lid" policy should not have an immediate or significant impact on community funding.
- Some groups have even argued that gambling machine handouts actually weaken community groups and that traditional fundraisers are much better at building community spirit and keeping sports and other groups strong.<sup>96</sup>

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94 Adams, P., Brown, P., Brown, R., Garland, J., Perese, L., Rossen, F., & Townsend, S. (2004) Gambling Impact Assessment for Seven Auckland Territorial Authorities. Part One: Introduction and Overview. Centre for Gambling Studies, University of Auckland. Retrieved 29 January 2013 from [http://www.fmhs.auckland.ac.nz/soph/centres/cgs/\\_docs/2004adams2\\_overview.pdf](http://www.fmhs.auckland.ac.nz/soph/centres/cgs/_docs/2004adams2_overview.pdf)

95 Department of Internal Affairs. (2010). Gambling Expenditure Statistics 1986-2010. Retrieved 29 January 2013 from: [http://www.dia.govt.nz/pubforms.nsf/URL/Expendstats1986-2010.pdf/\\$file/Expendstats1986-2010.pdf](http://www.dia.govt.nz/pubforms.nsf/URL/Expendstats1986-2010.pdf/$file/Expendstats1986-2010.pdf)  
Department of Internal Affairs. (2007). Where do gaming profits go? A survey of the allocation for authorized purposes of non-casino gaming machine profits in 2005. Page 33. Wellington: DIA. Retrieved 29 January 2013 from [http://www.dia.govt.nz/Pubforms.nsf/URL/GamingMachineProfits\\_2005.pdf/\\$file/GamingMachineProfits\\_2005.pdf](http://www.dia.govt.nz/Pubforms.nsf/URL/GamingMachineProfits_2005.pdf/$file/GamingMachineProfits_2005.pdf)

96 Gamblefree Day prompts call for funding boycott. (2011 September 1). ONE News. Retrieved 29 January 2013 from <http://tvnz.co.nz/national-news/gamblefree-day-prompts-call-funding-boycott-4378621>  
Inglis, S. (2011 August 20). Editorial: Gambling much bigger problem. Bay of Plenty Times. Copy available upon request.  
de Graaf, P. (2010 July 18). Pub: Ditching pokies worth the gamble. Northern Advocate. Retrieved 29 January 2013 from <http://www.northernadvocate.co.nz/local/news/pub-ditching-pokies-worth-the-gamble/3917450/>

- When it comes to raising money through gambling, a 2007 survey indicated 51% of people felt that it did more harm than good. Only 26% felt that it did more good than harm.<sup>97</sup>
- Very few people (12%) support the current gambling machine trust system of distributing gambling machine funding. People were most supportive of a system similar to the Lottery Grants Board.<sup>98</sup>

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Thomas, A. (2009 February 16). Rugby – 'crisis meeting' resuscitates Mangakahia. Northern Advocate Retrieved 29 January 2013 from <http://www.northernadvocate.co.nz/sport/news/rugby-crisis-meeting-resuscitates-mangakahia/3795053/>

McNeilly, H. (2008 July 31). Giving up pokie funding right call: Mission. Otago Daily Times. Retrieved 29 January 2013 from <http://www.odt.co.nz/news/dunedin/15633/giving-pokie-funding-right-call-mission>

97 National Research Council. (2007). 2006/07 Gaming and betting activities survey: New Zealanders' knowledge, views and experiences of gambling and gambling related harm. Commissioned by the Health Sponsorship Council. National Research Council: Auckland.

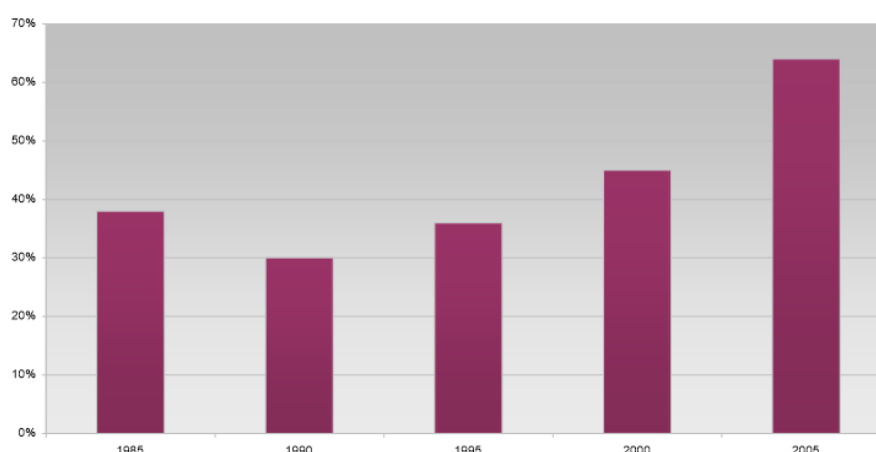
98 Ibid.

## PUBLIC ATTITUDES

*The majority of people consider gambling machines socially undesirable.*

- The Department of Internal Affairs' national surveys of gambling conducted in 1985, 1990, 1995, 2000 and 2005 provide some indication of public attitudes over time.<sup>99</sup>
- Over the period surveyed, New Zealanders had become increasingly concerned about the negative social impacts of gambling. There had been a steady increase in public awareness about problem gambling and the adverse impacts on individuals and the community.
- Those widely available forms most strongly linked to problem gambling in New Zealand (gambling machines, track betting and casino gambling) are also the forms of gambling that increasing proportions of adults regard as undesirable.
- In particular, the surveys found that the majority of respondents (64%) considered class 4 gambling machines to be socially undesirable.<sup>100</sup>

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



<sup>99</sup> Department of Internal Affairs (2008) Peoples participation in, and attitudes to, gambling, 1985-2005. Wellington: DIA. Retrieved 29 January 2013 from [http://www.dia.govt.nz/Pubforms.nsf/URL/GamblingParticipationSurvey1985-2005.pdf/\\$file/GamblingParticipationSurvey1985-2005.pdf](http://www.dia.govt.nz/Pubforms.nsf/URL/GamblingParticipationSurvey1985-2005.pdf/$file/GamblingParticipationSurvey1985-2005.pdf)

<sup>100</sup> Department of Internal Affairs (2008) Peoples participation in, and attitudes to, gambling, 1985-2005. Wellington: DIA. Retrieved 29 January 2013 from [http://www.dia.govt.nz/Pubforms.nsf/URL/GamblingParticipationSurvey1985-2005.pdf/\\$file/GamblingParticipationSurvey1985-2005.pdf](http://www.dia.govt.nz/Pubforms.nsf/URL/GamblingParticipationSurvey1985-2005.pdf/$file/GamblingParticipationSurvey1985-2005.pdf)

- Only 1% of adults said that there were any additional forms of gambling that they would like to see in New Zealand. Nearly half of respondents (46%) felt that the number of gambling venues in their area was about right, a further 41% thought there were too many places, and only 1% thought there were not enough places to gamble in the area they lived in.
  - Most of the 41% of respondents who thought that there were too many places to gamble in their area said that there were too many gambling machine venues (87%), followed by TABs (20%), Lotto/Keno/Instant Kiwi outlets and casinos (both 14%).
  - Over three-quarters of adults said that there should be special laws controlling gambling.
  - Over half said preventing criminal activity was a relevant consideration.
  - Over a third mentioned restricting opportunities to gamble.
  - 72% of people believed the role of Government in addressing gambling harm should be extensive.
- Community perception studies undertaken by other territorial authorities also indicate that communities generally hold negative views on gambling, with specific concerns that communities are being seriously damaged by the growth of the gambling industry.<sup>101</sup>
- A Napier survey of residents (October 2009) shows that 82% think there are too many gambling machines.<sup>102</sup> A public survey in Nelson demonstrated overwhelming support for Councils having stronger powers to control the location and number of gambling machines.
- Similarly, a 2010 referendum of 14,386 people in Wanganui resulted in 11,491 people (80%) supporting a reduction of gambling machines.

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101 E.g. Nelson, Wanganui, Horowhenua, amongst others.

Support for tougher control on pokies. (2011 January 18). The Nelson Mail. Retrieved 29 January 2013 from <http://www.stuff.co.nz/nelson-mail/news/4552424/Support-for-tougher-controls-on-pokies>

Final results of referendum 10. (2010 October 9). Wanganui District Council Website. Retrieved 29 January 2013 from <http://www.wanganuireferendum.govt.nz/Results.asp>

McCracken, H. (2010 September 15). \$100,000 a day lost on pokies. Hawke's Bay Today. Retrieved 29 January 2013 from <http://www.hawkesbaytoday.co.nz/local/news/100000-a-day-lost-on-pokies/3922735/>

102 Napier City Council. (2009). Social Impact Assessment: Class 4 and TAB venues in Napier. Copy available upon request.

- Eighteen councils now have adopted a “sinking lid” policy; twenty-two have adopted a sinking lid or a district-wide cap that is below their existing number of venues and machines.<sup>103</sup> It is great that Horowhenua District Council is part of this progressive group.

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103 The strongest sinking lid policies have been adopted by councils such as Auckland, Christchurch City and Kawerau; these policies ban new venues, new machines, and transfers of existing venues or machines. Weak sinking lids (sinking lids that don't explicitly forbid transfers of pokie machines) exist in Far North, Gisborne, Gore, Hamilton, Gisborne, Horowhenua, Horowhenua, Invercargill, Kaipara, Opotiki, Otorohanga, South Waikato, Thames-Coromandel, Waiora, Wanganui, and Whangarei.

It is also worth noting that in effect, Hauraki, Rotorua, Taranaki, and Whakatane are currently practicing sinking lid policies; the caps they have set are lower than the current number of pokies in their council areas.

## CONCLUSION

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### Suggested Policy

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As stated at the beginning of this report, the Problem Gambling Foundation recommends that Horowhenua District Council maintain a “sinking lid” policy, a district ban on any new class 4 venues and machines, and strengthen it by prohibiting relocations. Horowhenua should also restrict new TAB venues as outlined in the proposed TAB Venue Policy.

### Community Outcomes

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- Given the link between availability and accessibility of gambling and problem gambling (and its associated health and crime impacts), a strong “sinking lid policy” is consistent with the Horowhenua District Council’s identified outcomes in the long term plan:
  - A healthy local economy and a District that is growing
  - A sustainable environment
  - A community of knowledge, culture and diversity where people are proud to live
  - Safe, resilient and healthy communities
  - Positive leadership and effective partnerships

### Closing Thoughts

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- Gambling machines are not a harmless bit of fun for everyone. Gambling machines are addictive and dangerous machines, with harms that have dire consequences in Horowhenua. The monetary benefits from gambling are small relative to the high social and health costs which affect communities, families/whanau and individuals.
- Given that access to gambling is necessary for the development of problem gambling, reducing access is key to a public health approach. From a public health perspective, there are already too many gambling machines in Horowhenua. The Problem Gambling Foundation urges that the Horowhenua District Council maintains a “sinking lid” policy to continue the Council’s work towards the gradual reduction of gambling machine harm in Horowhenua.

## Pokies by the numbers in Horowhenua District

Based on DIA data current to 30 June 2017

In the last 12 months, **\$7,681,510.32** was lost to pokie machines in Horowhenua District - that's nearly 1% of the total GMP<sup>1</sup> in New Zealand. Horowhenua has 0.68% of NZ's population.

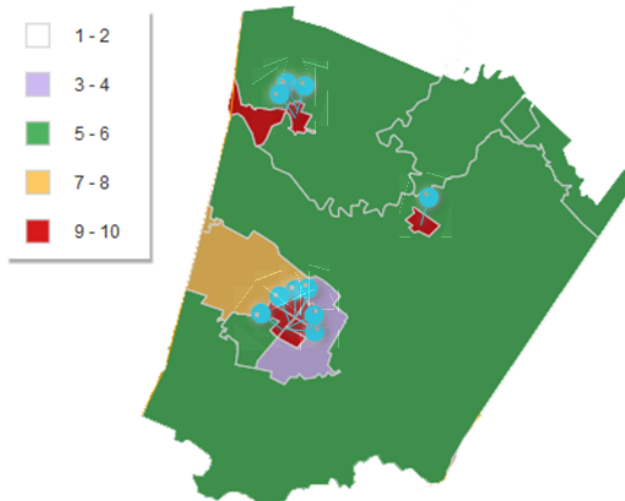
Horowhenua District has **144** pokie machines in **10** venues - that's 1 machine for every 160 adults.

Each pokie machine in Horowhenua District takes a yearly average of **\$53,343.82** from its users.

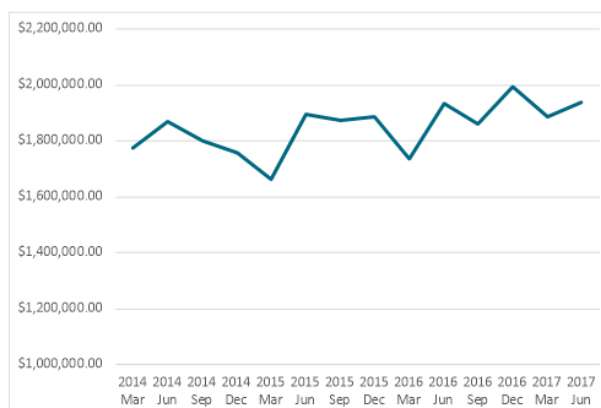
There are an estimated **3,227** pokie users<sup>2</sup> in Horowhenua District, each spending an average of **\$2,380.18** per year. That's about 12 weeks' worth of rent<sup>3</sup>.

If you list all TLAs in New Zealand by how much the average pokie user spends each year, Horowhenua District is number **17 out of 67**.

*Socioeconomic deprivation (with venue locations pinned)*



*Horowhenua District GMP, 2013-present*



<sup>1</sup> Gross machine profit, or the amount wagered minus the amount won.

<sup>2</sup> This figure is based on 14% of the adult population, which the National Gambling Study (2014, Abbott et al) found to be the past-year participation rate for EGMs.

<sup>3</sup> Based on Horowhenua median weekly rent; see "QuickStats about Horowhenua District".



**PROBLEM GAMBLING FOUNDATION  
OF NEW ZEALAND**

Healthy communities free from gambling harm

For free and confidential  
counselling call **0800 664 262**

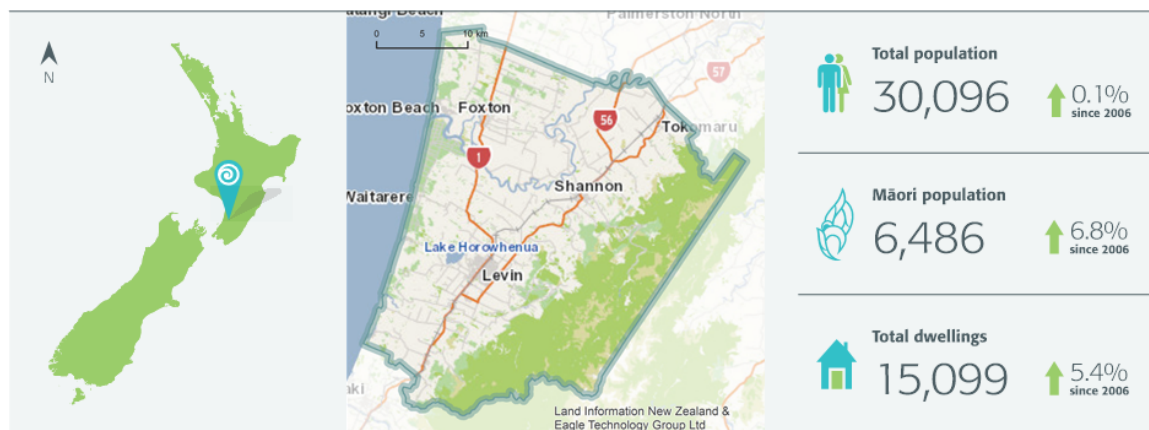
Visit [www.pgfnz.org](http://www.pgfnz.org) for fact sheets,  
support services and more

## *Horowhenua district venue information*

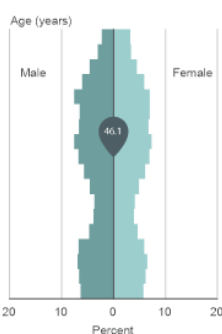
Society Name	Venue Name	Venue Address	Number of Gaming Machines
FIRST SOVEREIGN TRUST LIMITED	FATBOYZ BAR COBB AND CO	CORNER DURHAM AND OXFORD STREETS LEVIN MANAWATU	18
FIRST SOVEREIGN TRUST LIMITED	LEVIN SPORTS BAR	19 QUEEN STREET WEST LEVIN MANAWATU	18
FOXTON RETURNED SERVICES ASSOCIATION INCORPORATION	FOXTON RETURNED SERVICES ASSOCIATION	1 EASTON STREET FOXTON MANAWATU	8
LEVIN CLUB INC	LEVIN CLUB	262 OXFORD STREET LEVIN MANAWATU	12
LEVIN COSMOPOLITAN CLUB INC	LEVIN COSMOPOLITAN CLUB	47-51 OXFORD STREET SOUTH LEVIN MANAWATU	18
NEW ZEALAND COMMUNITY TRUST	CLUB HOTEL (SHANNON)	2 BALLANCE STREET SHANNON MANAWATU	7
NEW ZEALAND COMMUNITY TRUST	SELS PLACE	53 OXFORD STREET LEVIN MANAWATU	18
PELORUS TRUST	MANAWATU HOTEL	1 AVENUE ROAD FOXTON MANAWATU	18
PELORUS TRUST	POST OFFICE HOTEL	57 MAIN STREET FOXTON MANAWATU	9
THE SOUTHERN TRUST	O'MALLEY'S BAR	102 OXFORD STREET LEVIN MANAWATU	18

# QuickStats about Horowhenua District

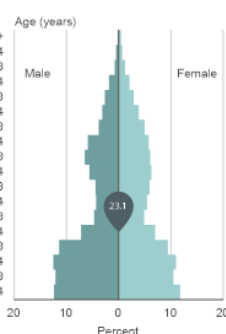
2013 CENSUS



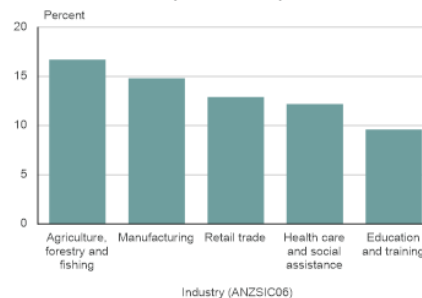
Age and sex of people  
Horowhenua District  
2013 Census



Age and sex of Māori  
Horowhenua District  
2013 Census



Top five industries in Horowhenua District  
By employee count  
For year ended February 2013



Median age (years)



## How Horowhenua District compares with the national average

### Individuals

#### Major ethnic groups

European	82.4%	vs	74.0%
Māori	22.8%	vs	14.9%
Pacific peoples	4.8%	vs	7.4%
Asian	3.4%	vs	11.8%
Middle Eastern/ Latin American/ African	0.3%	vs	1.2%
Other	1.8%	vs	1.7%

#### Percent born overseas

13.9% vs 25.2%

#### Percent of people with a formal qualification\*

64.1% vs 79.1%

#### Median income\*

\$21,800 vs \$28,500

\*For people aged 15 years and over.

Median income for Māori\*  
\$19,100 vs \$22,500

### Households

#### Percent of households that own their dwelling\*

68.7% vs 64.8%

#### Median weekly rent

\$190 vs \$280

#### Percent of households with internet access

64.7% vs 76.8%

\*Or hold it in a family trust.



This poster summarises results from 2013 Census QuickStats about a place. All results exclude responses that cannot be classified (eg 'not stated', 'response unidentifiable', 'response outside scope'). The data has been randomly rounded to protect confidentiality.

Source: Statistics New Zealand

Visit our website for more information  
[www.stats.govt.nz/2013Census](http://www.stats.govt.nz/2013Census)

Statistics  
New Zealand  
TATAURANGA AOTEAROA

# New Zealand Racing (TAB) Venue Policy 2017 - Consideration of Submissions

File No.: 17/520

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## 1. Purpose

- 1.1 To provide the platform to allow members to hear and consider submissions received on this Policy during the consultation phase of this review process.
- 1.2 To propose members recommend the policy, as may be amended during the hearings process, for adoption by Council, and the subsequential repeal of the 2014 New Zealand Racing (TAB) Venue Policy.

## 2. Executive Summary

- 2.1 The Racing Act 2003 requires that Council have a New Zealand Racing Board (TAB) Venue Policy. The review of this policy is part of a scheduled review process of policies and bylaws.
- 2.2 No changes were proposed to the 2014 policy that has been consulted on, **attached** as Attachment A. Two submissions have been received these are **attached** as Attachment B and Attachment C.

## 3. Recommendation

- 3.1 That Report 17/520 New Zealand Racing (TAB) Board Venue Policy be received.
- 3.2 That this matter or decision be recognised as not significant in terms of s76 of the Local Government Act 2002.
- 3.3 That members hear and consider submissions received on this matter following use of the Special Consultative Procedure as was required by section 156(1) of the Local Government Act 2002.
- 3.4 That after the consideration and hearing of submissions, changes be made to the New Zealand Racing (TAB) Board Venue Policy consultation document, **attached** as Attachment A, if considered appropriate.
- 3.5 That the Hearings Committee recommend to Council the adoption of the New Zealand Racing (TAB) Board Venue Policy 2017, as may be amended, effective from the date of adoption by Council, and the repeal of the 2014 Policy.

## 4. Background/Previous Council Decisions

- 4.1 All background matters relating to the review of this policy were presented to the 30 August 2017 meeting of Council where it was resolved to consult on this matter using the Special Consultative Procedure with submissions closing 29 September 2017.
- 4.2 Council also resolved at the 30 August 2017 meeting that the hearing of submissions be undertaken by the Hearings Committee acting under delegated authority of Council dated 4 December 2013, for a subsequent recommendation to Council.

## 5. Discussion

- 5.1 The current policy allows the establishment of one (1) new TAB Board Venue in the Horowhenua District.
- 5.2 There are currently no stand-alone TAB Board Venues in the District.

## 6. Consultation

- 6.1 The review of this policy followed the Special Consultative Procedure, and two submissions had been received at the closure of the consultation period, 29 September 2017.

## 7 Stakeholder Comment

The individual submissions are summarised as follows:

- a) New Zealand Racing Board (Speaking to their submission). Attachment B.  
The New Zealand Racing Board's submission was for the "status quo" to remain with no changes to the current policy.
- b) Waitarere Beach Progressive & Ratepayers Association (Not speaking to Submission). Attachment C.  
The submitter was in agreement with there being no changes to the existing policy.

### Officer Comment.

- (i) It is officer opinion that no changes to the policy should be made and the 'status quo' is retained.

## 8. Options considered

The committee is required to hear and consider the submission received, make changes considered necessary to the policy that was consulted on, and then make relevant recommendations to Council - see Clause 3, Recommendations.

### 8.1 Analysis of preferred option

Not Applicable to this Report.

### 8.2 Cost

Not Applicable to this Report.

### 8.3 Timeframe

Not Applicable to this Report.

## 9 Impact on significance policy

This matter is not deemed significant

### Impact on LTP and relevant policies

Liability Management Policy  
Future Years Rating Impact  
Revenue and Finance Policy  
Rate Remission Policies

There are no matters contained within this report that impact on any of these policies.

## Attachments



No.	Title	Page
A	Draft TAB Venue Policy 2017	112
B	New Zealand Racing Board Submission	113
C	Waitarere Beach Progressive & Ratepayers Association Submission	125

**Confirmation of statutory compliance**

In accordance with section 76 of the Local Government Act 2002, this report is approved as:

- a. containing sufficient information about the options and their benefits and costs, bearing in mind the significance of the decisions; and,
- b. is based on adequate knowledge about, and adequate consideration of, the views and preferences of affected and interested parties bearing in mind the significance of the decision.

**Signatories**

Author(s)	Megan Leyland <b>Compliance Lead</b>	
Approved by	Mike Lepper <b>Customer and Regulatory Services Manager</b>	

## TAB VENUE POLICY 2017

### 1. INTRODUCTION

The Racing Act 2003 (amended by Schedule 8 of the Gambling Act 2003) requires that the Horowhenua District Council adopts a Board (hereinafter referred to as TAB) venue policy for the District in accordance with the special consultative procedure in s83 of the Local Government Act 2002.

The TAB Venue Policy must specify whether or not new TAB venues may be established in the District and, if so, where they may be located. In the development of its policy, Council must have regard to the social impact of gambling on the Horowhenua District communities.

### 2. OBJECTIVES OF THE POLICY

The purpose of the Racing Act 2003 is :

- a. To provide effective governance arrangements for the racing industry, and
- b. To facilitate betting on galloping, harness and greyhound races, and other sporting events, and
- c. To promote the long-term viability of New Zealand racing.

This policy has been prepared to take account of the purpose of the Racing Act 2003. The objective of the Horowhenua District Council's TAB Venue Policy is to provide for the continued opportunity to facilitate race and sports betting within the District in accordance with the purpose and intent of the Racing Act 2003. All current opportunities for sports or race betting within the District have been considered when setting this policy and include current Pub/social outlets and opportunities for telephone and internet gambling.

### 3. TAB VENUE CONDITIONS

A maximum of one (1) TAB Board Venue may be established in the Horowhenua District.

### 4. ADOPTION, COMMENCEMENT AND REVIEW

This policy was adopted at the duly notified Council meeting held on \_\_\_\_\_, and after completion of the special consultative procedure, and takes effect from \_\_\_\_\_.

This policy will be reviewed within three (3) years of being adopted by Council.

RECEIVED ON  
5/09/2017

**Tamara Catchpole**

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**From:** Customer Services - Public  
**Sent:** Tuesday, 5 September 2017 9:19 a.m.  
**To:** Records Processing  
**Subject:** FW: NZRB Submission - Horowhenua District Council Gambling Venue Policy  
**Attachments:** NZRB Submission - Horowhenua District Council Gambling Venue Policy September 2017.pdf

For your action

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**From:** Jarrod True [<mailto:jarrod.true@truelegal.co.nz>]  
**Sent:** Tuesday, 5 September 2017 9:01 a.m.  
**To:** Customer Services - Public  
**Cc:** Niall Miller  
**Subject:** NZRB Submission - Horowhenua District Council Gambling Venue Policy

Please find attached the New Zealand Racing Board's submission.

Our preferred method of communication is email. We wish to make a presentation to Council at the upcoming hearing.

Jarrod True | Director | True Legal Ltd | [truelegal.co.nz](http://truelegal.co.nz) | Phone 027 452 7763



Specialist legal advisors.

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## The New Zealand Racing Board's Submission on Horowhenua District Council's TAB Venue Policy and Class 4 Venue Policy



Contact Person:

Jarrold True

Phone: 0274 527 763

Email: Jarrod.True@truelegal.co.nz

NEW ZEALAND  
RACING BOARD

**The New Zealand Racing Board's Submission on Horowhenua District Council's TAB  
Venue Policy and Class 4 Venue Policy**

Summary

1. The New Zealand Racing Board asks Council to:
  - Retain the status quo TAB Board Venue policy; and
  - Replace the current sinking lid on gaming machines with a cap at current numbers (144 machines).

Gaming Machines – Key Facts

2. 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 29 years ago.
3. Gambling is a popular form of entertainment that most New Zealanders participate in. The Health and Lifestyles Survey 2012<sup>1</sup> found that 70.3% of New Zealanders aged 15 and over had participated in some form of gambling in the previous 12 months.
4. Gaming machine numbers are in natural decline. In 2003, New Zealand had 25,221 gaming machines. In June 2017, New Zealand had 15,858 gaming machines. In 2003, Horowhenua had 18 class 4 venues and 233 machines. Horowhenua currently has 10 venues and 144 operational machines.
5. New Zealand has a very low problem gambling rate by international standards. The New Zealand National Gambling Study: Wave 2 (2013)<sup>2</sup> found the problem gambling rate was 0.5% of people aged 18 years and over (Problem Gambling Severity Index screen). This amounts to 16,205 people. The problem gambling rate is for all forms of gambling, not just gaming machine gambling.
6. All gaming machine societies contribute to a problem gambling fund. This fund provides approximately \$18,500,000 per annum to the Ministry of Health to support

<sup>1</sup> [http://www.hpa.org.nz/sites/default/files/NZers\\_participation\\_in\\_gambling.pdf](http://www.hpa.org.nz/sites/default/files/NZers_participation_in_gambling.pdf)

<sup>2</sup> <http://www.health.govt.nz/system/files/documents/pages/report-national-gambling-study-12-month-final-23-10-15.pdf>

and treat gambling addiction and to increase public awareness. The funding is ring-fenced and not able to be redirected to other health areas.

7. An excellent, well-funded problem gambling treatment service exists. The problem gambling helpline is available 24 hours a day, 365 days per year. Free, confidential help is available in 40 different languages. Free face-to-face counselling is also available and specialist counselling is available for Maori, Pacifica and Asian clients. An anonymous, free text service (8006) is available. Support via email is also available (help@pgfnz.org.nz).

#### Existing Gaming Machine Safeguards

8. A cap at current numbers is appropriate given the significant measures that are already in place to minimise the harm from gaming machines.
9. 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.
10. There is a statutory age limit that prohibits persons under 18 years of age playing gaming machines.
11. 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. The maximum prize for a jackpot-linked machine is \$1,000.
12. All gaming machines in New Zealand have a feature that interrupts play and displays a pop-up message. The pop-up message informs the player of the duration of the player's session, the amount spent and the amount won or lost. A message is then displayed asking the player whether they wish to continue with their session or collect their credits.
13. Gaming machines in New Zealand do not accept banknotes above \$20 in

denomination.

14. ATMs are excluded from all gaming rooms.
15. All gaming venues have a harm minimisation policy.
16. All gaming venues have pamphlets that provide information about the characteristics of problem gambling and how to seek advice for problem gambling.
17. 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.
18. All gaming venue staff are required to have undertaken comprehensive problem gambling awareness and intervention training.
19. Any person who advises that they have a problem with their gambling is required to be excluded from the venue.
20. It is not permissible for a player to play two gaming machines at once.
21. All gaming machines have a clock on the main screen. All gaming machines display the odds of winning.
22. 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).
23. It is not permissible to use the word "jackpot" or any similar word in advertising that is visible from outside a venue.

#### Amending the Gaming Machine Sinking Lid

24. A sinking lid policy is the most restrictive approach that council can adopt. It is submitted that such an approach is no longer justified in the current environment of

high regulation and naturally reducing machine numbers. It is submitted that the current sinking lid policy be replaced with a cap at current numbers (144 machines).

25. There is no direct correlation between gaming machine numbers and problem gambling rates. The table below details the problem gambling surveys that have been undertaken.

Survey Year	Survey Name	Screen	Problem Gambling Rate	Survey Size
1991	1991 National Prevalence Survey	SOGS-R	1.2% of people were current pathological gamblers (SOGS-R score of 5)	3,933
1999	1999 National Prevalence Survey <sup>3</sup>	SOGS-R	0.5% of people aged over 18 years had a SOGS-R score of 5	6,452
2006/2007	2006/07 New Zealand Health Survey <sup>4</sup>	PGSI	0.4% of people aged 15 years and over	12,488
2010	2010 Health and Lifestyles Survey <sup>5</sup>	PGSI	0.7% of people aged 15 years and over	1,740
2011/2012	2011/12 New Zealand Health Survey <sup>6</sup>	PGSI	0.3% of people aged 15 years and over	9,821
2012 (March to October)	2012 National Gambling Survey <sup>7</sup>	PGSI	0.7% of people aged 18 years and over	6,251
2013	New Zealand National Gambling Study: Wave 2 (2013) <sup>8</sup>	PGSI	0.5% of people aged 18 years and over	6,251

26. The graph below details the machine numbers over time and the problem gambling rate. 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

<sup>3</sup> [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)

<sup>4</sup> <http://www.health.govt.nz/system/files/documents/publications/portrait-of-health-june08.pdf>

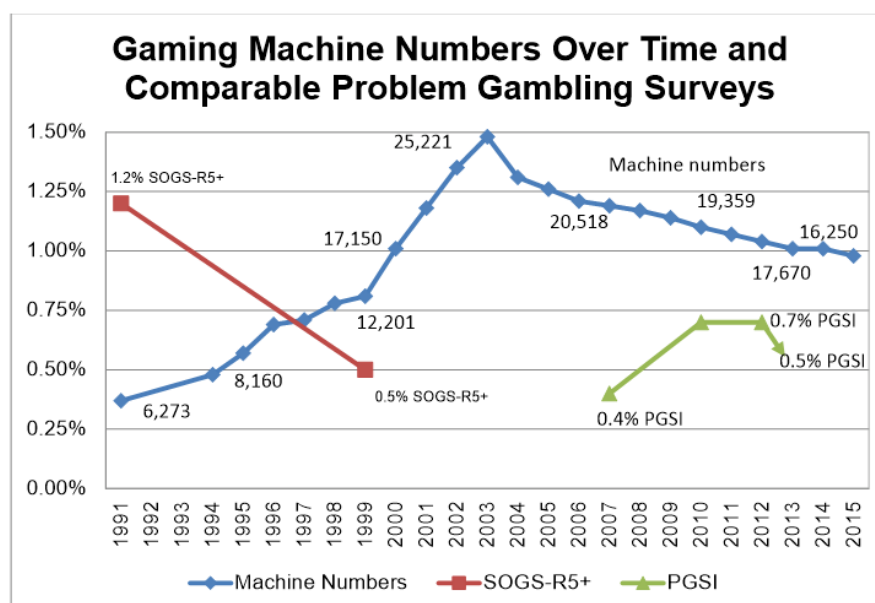
<sup>5</sup> Gray, R 2011 *New Zealanders' Participation in Gambling: Results from the 2010 Health and Lifestyles Survey* – Health Sponsorship Council [http://www.hsc.org.nz/sites/default/files/publications/Gambling\\_Participation\\_final-web.pdf](http://www.hsc.org.nz/sites/default/files/publications/Gambling_Participation_final-web.pdf) (page 14)

<sup>6</sup> <http://www.health.govt.nz/system/files/documents/publications/problem-gambling-preliminary-findings.pdf>

<sup>7</sup> [http://www.health.govt.nz/system/files/documents/pages/national\\_gambling\\_study\\_report\\_2.pdf](http://www.health.govt.nz/system/files/documents/pages/national_gambling_study_report_2.pdf)

<sup>8</sup> <http://www.health.govt.nz/system/files/documents/pages/report-national-gambling-study-12-month-final-23-10-15.pdf>

2012 the problem gambling rate stayed the same, despite a continual decline in gaming machine numbers. When viewed as a whole, the above survey results confirm that there is no direct correlation between gaming machine numbers and problem gambling rates. 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.



27. The 2012 National Gambling Survey<sup>9</sup> 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.

28. 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*

<sup>9</sup> [http://www.health.govt.nz/system/files/documents/pages/national\\_gambling\\_study\\_report\\_2.pdf](http://www.health.govt.nz/system/files/documents/pages/national_gambling_study_report_2.pdf)

*Together Like a Horse and Carriage?* The paper noted that gaming machine reductions and the introduction of caps generally appear to have little impact on problem gambling rates. Professor Abbott noted:

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

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

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

29. The current restrictive policy is unlikely to reduce problem gambling, but will reduce the amount of funding available to Horowhenua-based community groups. Problem gamblers are people who are addicted to gambling. If a new bar is established and the policy prevents that bar from hosting gaming machines, a person who is addicted to gambling will simply travel the short distance to the next bar that has gaming machines, or worse, may move to another form of gambling such as offshore-based internet and mobile phone gambling.

#### Temptation to Simply Reduce Gambling Activity

30. There may be a temptation to retain a sinking lid policy to simply reduce the gambling spend as a whole. It must, however, be remembered that gambling is a lawful entertainment activity and that individuals in New Zealand remain free to make their own decisions as to how they spend their money on the lawful entertainment options that are available.
31. The Gambling Commission has been very critical of steps that have been taken in the past that have been aimed at reducing the gambling spend as a whole. In the Gambling Commission decision GC16/06, the Commission stated:

...measures should only be imposed if they reduce the harm caused by problem gambling, as distinct from simply reducing gambling activity which is a lawful and permitted activity under the Act.

### Gaming Machine Funding

32. The Gambling Act 2003 seeks to balance the potential harm from gambling against the benefits of using gaming machines as a mechanism for community fundraising. Approximately \$300 million<sup>10</sup> in grants are made each year from non-casino gaming machines. In addition to the external grants, clubs such as RSAs and Workingmen's Clubs receive approximately \$50 million each year in gaming proceeds to assist with meeting the clubs' operating costs. This funding is crucial.
33. The annual total authorised purpose funding (including the non-published club authorised purpose payments) received from Horowhenua-based venues is over \$3.07 million.
34. New regulations will soon require local grants to be made only from the proceeds generated from local gaming venues. This means that a reduction in Horowhenua-based machines will have a direct impact on the amount of funding available to Horowhenua-based community organisations.

### Unintended Consequences – Increase in Internet and Mobile Phone Gambling

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



<sup>10</sup> <http://www.gamblinglaw.co.nz/download/Gambits/DIA-Class-4-Sector-Report-2017.pdf>

36. Historically, overseas-based online gambling has not been available to people in lower socio-economic areas due to limited access to computers, the internet and limited access to credit cards. However, this has all changed. The internet is progressively becoming a normal feature of commercial and social exchange. A Nextbook Android 4.4 Tablet (with a 7 inch screen and Wi-Fi) can currently be purchased from the Warehouse for a mere \$89.00. Today almost all cell phones include internet access and the ability to download apps. The introduction of Visa debit cards and Prezzy Cards mean that a bad credit rating is no longer a barrier to being able to spend money online or via mobile apps.
37. It now takes only a simple search and a few minutes to download to your computer, tablet or mobile phone any type of casino game you desire, including an exact replica of the gaming machine programs currently available in New Zealand venues.
38. On 28 April 2015, the Problem Gambling Foundation circulated a link to an article published on the Huffington Post site about the rise of gaming on smart phones. Excerpts from the article are below:



"Tradi...gaming companies are quickly moving from online gaming to online gambling and much of the latter is via a phone. Bandwidth is cheap, smartphones are ubiquitous: by 2016 it's estimated over 2 billion people will have smartphones.

...

Global revenues from online gambling via pure play sites like TitanBet are leading the fray. Online gambling is projected to be over \$35 billion this year, with mobile gambling estimated to be over \$100 billion by 2017.

39. Without the need to cover GST and gaming duties, overseas-based gambling providers are able to attract customers from New Zealand with a comprehensive gambling offer. Due to the lower margins and costs, the overseas-based providers can engage in extensive advertising and provide large rebates to players.

40. Offshore-based online gambling, however, poses considerable risks because it:
- is highly accessible, being available 24 hours a day from the comfort and privacy of your home;
  - has no restrictions on bet sizes;
  - has no capacity for venue staff to observe and assist people in trouble;
  - reaches new groups of people who may be vulnerable to the medium;
  - provides no guaranteed return to players;
  - is more easily abused by minors;
  - has reduced protections to prevent fraud, money laundering or unfair gambling practices. The most notable recent example was 'Full Tilt Poker', which is alleged by the US Attorney's Office to have diverted \$USD444m from customer accounts to its directors and shareholders, despite being regulated by the Alderney Gambling Control Commission (Guernsey); 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.
41. If a reduction in gaming machines only redirects gamblers to offshore-based internet gambling, there is no harm minimisation advantage in that strategy. In addition, there are further disadvantages in the fact that no community funding is generated for New Zealanders, no tax revenue is generated for the New Zealand Government and no contributions are made via the New Zealand problem gambling levy.

#### Conclusion

42. It is acknowledged that Council needs to strike a balance between the costs and benefits of gaming machine gambling. It is accepted that a small percentage of people (0.5% of people aged 18 years and over) have a problem with their gambling (all forms of gambling). However, for the vast majority of people, casual expenditure on gaming machines is a form of entertainment that they participate in and enjoy, without any

harm being caused. Gaming machines also provide a considerable amount of community funding (over \$3.07 million annually) to local community groups and clubs.

43. Gaming machine numbers are in natural decline, and gaming machine participation is reducing. However, the harm minimisation measures that are now in place have never been higher. In light of the new regulations now in place, a cap at current numbers (144 machines) is entirely appropriate. The continuation of a more restrictive policy is unlikely to reduce problem gambling, but will inevitably reduce local community funding opportunities and may encourage people to seek out other forms of gambling, including offshore-based internet and mobile phone-based gambling. This form of gambling is very harmful and provides no return to the local community and no contribution to employment, taxation and health services in New Zealand.

44. We wish to speak to our submission.



\_\_\_\_\_  
Jarrod True  
Solicitor for New Zealand Racing Board  
Jarrod.True@truelegal.co.nz  
0274 527 763

5 September 2017

**Submission form to Gambling Class 4 Policy and  
New Zealand Racing (TAB) Venue Policy (Draft)**

OFFICE USE ONLY

RM8 No:

Submission No:

Please print clearly using a black or dark blue pen

**Your details**

Mr / Mrs / Miss / Ms / Dr (circle) Name:

Sharon Freebairn (President)

Name of Organisation (if applicable)

Wairarapa Beach Progressive + Rotary Assn

Postal address:

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Wairarapa Beach

Post Code 5510

Phone:

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A/H

Mobile

Email:

sharonf@inspire.net.nz

**Communication**

Preferred method of communication:

☐ email

☒ post

**Presentation**

Do you wish to present your comments to Council in person at a hearing:

☐ Yes

☒ No

**My submission(s)**

Please complete your submission on the form overleaf. Please note that your submission will be part of a public agenda.

You can post your submission to:

Gambling Class 4 Venue and TAB Venue Policy Reviews  
Horowhenua District Council  
Private Bag 4002  
Levin 5540

OR drop it into Council at 126 Oxford Street, Levin; or Te Takeretanga o Kura-hau-pō; your local library or Service Centre. Alternatively fax to (06) 366 0983 or email to: [enquiries@horowhenua.govt.nz](mailto:enquiries@horowhenua.govt.nz).

Submission forms can be completed on line or downloaded from [www.horowhenua.govt.nz](http://www.horowhenua.govt.nz).

We need to receive your submission by 5.00 pm on Friday 29 September 2017.



**Submission form to Draft Gambling Class 4 Policy and  
New Zealand Racing (TAB) Venue Policy**

**My submission(s):**

At our latest meeting we discussed both of  
the draft policies being reviewed.  
We are in agreeance with there  
being no changes to the existing policies.