# **Timaru District Council**

# Policy Review Consultation Draft Gambling Venue Policy

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











AORAKI EELS RUGBY LEAGUE TEAM 2019



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

### Introduction

1. The Gaming Machine Association of New Zealand represents the vast majority of the gaming machine societies that operate in New Zealand. The Association wishes to provide council with pertinent information regarding gaming machine gambling to help council to make a balanced, evidence-based decision.

### <u>Summary</u>

- 2. The Association:
  - Supports the current open policy (the introduction of a district wide cap or sinking lid policy is opposed);
  - Opposes the seven machines per venue limit;
  - Opposes the removal of the location exemption clause; and
  - Asks that the proposed relocation provision be expanded to enable venues to move to new, modern premises, and to move if the current landlord is imposing unreasonable terms.

### Gaming Machine Funding

1

- 3. The Gambling Act 2003 seeks to balance the potential harm from gambling against the benefits of using gaming machines as a mechanism for community fundraising. Approximately \$300 million<sup>1</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.
- 4. The gaming machine grants made to the Canterbury region in 2018 totalled \$31 million. Examples of recent local grants include:

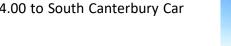
http://www.gamblinglaw.co.nz/download/Gambits/DIA-Class-4-Sector-Report-2017.pdf

### \$15,242.00 to Mackenzie Ice Hockey



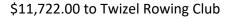
\$4,000.00 to Temuka Primary School





\$19,500.00 to Aoraki Secondary School Sports













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

\$9,178.00 to Motorcycling NZ

\$13,224.00 to Timaru Boys High School Hockey

\$3,256.00 to Knight Mixed Martial Arts

authority, the amount of that grant is not included in the Problem Gambling Foundation's figures.

### Other Benefits from Gaming

- Gambling is a popular form of entertainment that most New Zealanders participate in. The New Zealand National Gambling Study: Wave 4 (2015)<sup>2</sup> found that 75% of adult New Zealanders had participated in some form of gambling in the previous 12 months.
- 7. Gaming machine gambling contributes \$290 million per annum to the government by way of taxes, duty and levies.
- 8. The gaming machine industry pays over \$120 million per annum to hospitality businesses, thus supporting local employment and business growth.

### Revenue Breakdown

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

	GST Inclusive	GST Exclusive
Government Duty	20%	23%
GST	13.04%	0
Problem Gambling Levy	0.78%	0.90%
Department of Internal Affairs' Costs	2.9%	3.33%
Gaming Machine Depreciation	6.95%	8%
Repairs & Maintenance	2.84%	3.27%
Venue Costs	13.9%	16%
Society Costs	1.74%	2%
Donations	37.83%	43.5%

### **Typical Distribution of Gaming Machine Profits**

### Gaming Machines – Key Facts

- 10. 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 31 years ago.
- 11. Gaming machine numbers are in natural decline. In 2003, New Zealand had 25,221 gaming machines. In June 2019, New Zealand had 15,007 gaming machines. In 2003, the

<sup>2</sup> 

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

Timaru District had 340 gaming machines. The district currently only has 165 gaming machines (a 51% reduction).

- 12. New Zealand has a very low problem gambling rate by international standards. The New Zealand National Gambling Study: Wave 4 (2015)<sup>3</sup> found the problem gambling rate was 0.2% of people aged 18 years and over. The problem gambling rate is for all forms of gambling, not just gaming machine gambling.
- 13. All gaming machine societies contribute to a problem gambling fund. This fund provides approximately \$20,000,000 per annum to the Ministry of Health to support and treat gambling addiction and to increase public awareness. The funding is ring-fenced and not able to be redirected to other health areas.
- 14. 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 Māori, Pasifika 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

- 15. Retaining the status quo cap is appropriate given the significant measures that are already in place to minimise the harm from gaming machines.
- 16. 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.
- 17. There is a statutory age limit that prohibits persons under 18 years of age playing gaming machines.
- 18. There are very restrictive limits on the amount of money that can be staked and the amount of prize money that can be won. The maximum stake is \$2.50. The maximum prize for a non-jackpot machine is \$500.00. The maximum prize for a jackpot-linked machine is \$1,000.00.
- 19. 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.
- 20. Gaming machines in New Zealand do not accept banknotes above \$20 in denomination.

<sup>&</sup>lt;sup>3</sup> https://www.health.govt.nz/system/files/documents/publications/national-gambling-study-report-6-aug18.pdf

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

### The Current Open Policy is Reasonable

- 31. The current open policy is reasonable, given the current environment of high regulation and naturally reducing machine numbers.
- 32. There is no direct correlation between gaming machine numbers and problem gambling rates. Over the last ten years, the problem gambling rate has remained the same, despite gaming machine numbers declining rapidly (4,472 gaming machines have been removed from the market).
- 33. The 2012 National Gambling Survey<sup>4</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 noncasino EGM numbers and the expansion of regulatory, public health and treatment measures. Given that gambling availability expanded markedly since

http://www.health.govt.nz/system/files/documents/pages/national\_gambling\_study\_report\_2.pdf

1987 and official expenditure continued to increase until 2004, these findings are consistent with the adaptation hypothesis. This hypothesis proposes that while gambling problems increase when high risk forms of gambling are first introduced and made widely available, over time individual and environmental adaptations occur that lead to problem reduction.

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

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

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

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

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

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

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

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

<sup>5</sup> 

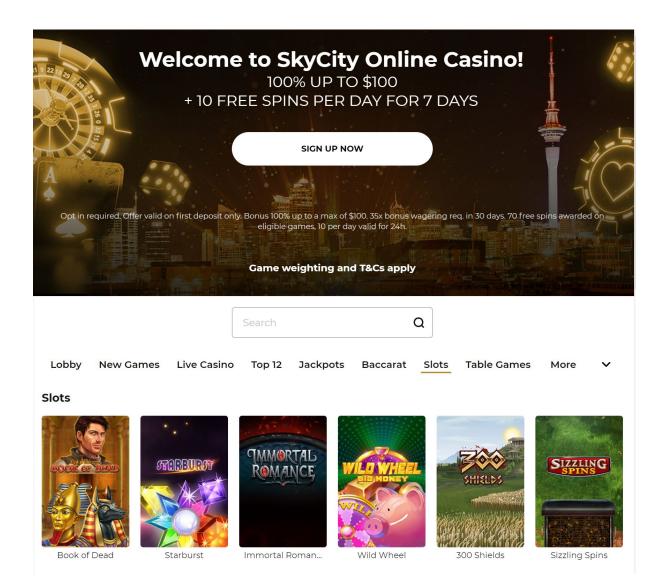
http://www.health.govt.nz/system/files/documents/pages/national-gambling-study-final-report-report-no.5.pdf

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

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



- 38. It now takes only a simple search and a few minutes to download to your computer, tablet or mobile phone any type of casino game you desire, including an exact replica of the gaming machine programs currently available in New Zealand venues.
- 39. There is no question that New Zealanders love gambling online. The Lotteries Commission reported in its 2016/17 Annual Report that online sales accounted for 13 per cent of its total sales, compared with 10 per cent the previous year.
- 40. The New Zealand Racing Board noted in its latest six-monthly report that online channels made up 59.2 per cent of its betting turnover, up 2.2 percentage points on last year. It also said that its online platforms were the fastest-growing channels.
- 41. SkyCity has launched an offshore-based online casino with a large selection of gaming machine games.

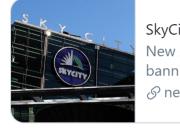


- 42. A September 2018 Cabinet paper<sup>6</sup> on online gambling cites research suggesting that New Zealanders gambled approximately \$300 million with offshore providers in 2017, with the market growing annually at between 12 and 20 per cent.
- 43. The Cabinet paper notes that health professionals and gambling harm treatment providers have expressed concern that online gambling may be more harmful than some existing forms of gambling. The paper continues by stating "It [online gambling] has the potential to drive changes in behaviour to a greater, and more harmful, extent than some land-based gambling."
- 44. 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;

<sup>&</sup>lt;sup>6</sup> http://www.gamblinglaw.co.nz/download/Online\_gambling\_Cabinet\_paper.pdf

- Has no restrictions on bet sizes;
- Has no capacity for venue staff to observe and assist people in trouble;
- Reaches new groups of people who may be vulnerable to the medium;
- Provides no guaranteed return to players;
- Is more easily abused by minors;
- Has reduced protections to prevent fraud, money laundering or unfair gambling practices; and
- Is unregulated, so on-line gamblers are often encouraged to gamble more by being offered inducements or by being offered the opportunity to gamble on credit. For example, many overseas sites offer sizable cash bonuses to a customer's account for each friend that they induce to also open an account and deposit funds.
- 45. The Problem Gambling Foundation shares our concern with the growth of online gambling. Below are some extracts from the Problem Gambling Foundation's media platforms:
  - ℃ PGF Services (Problem Gambling Foundation) Retweeted

Coalition To Stop Internet Gambling @StopNetGambling · Aug 3 · .@PGFNZ cautions against online gambling platforms and the unique threats they pose: "One of the risks of [iGaming] is that you can sit in your lounge and you can gamble and no one can ever know. It can be a very hidden problem"



1] 3

SkyCity's online gambling platform prompts calls for ... New Zealand's gambling regulator is considering banning the use of credit cards for online gambling. ... & newstalkzb.co.nz

**\_**↑,



**PGF Services (Problem Gambling Foundation)** @PGFNZ · Aug 1 The NZ Govt is looking at ways to regulate **#onlinegambling** with overseas providers. "We... need to assess whether they [providers] sufficiently protect vulnerable New Zealanders, particularly our young people who can spend a lot of time online."

 $\bigcirc 4$ 



**PGF Services (Problem Gambling Foundation)** @PGFNZ · Jul 11 Lotto NZ is investigating expanding sales on its digital "MyLotto" platform to include online Bingo.

"Online instant play games... are... high risk forms of gambling because they are continuous so people don't have to wait long for a result."



46. 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.

### Seven Machine Limit Per Venue Opposed

- 47. The limit of seven machines per venue is opposed. The Gambling Act expressly permits nine-machine venues. There is no research or evidence to support departing from the national nine-machine limit.
- 48. Nine machines give customers a greater choice of games to play, which improves the entertainment offering.
- 49. A venue with seven machines will have a lower community return rate than a ninemachine venue due to the fixed costs that are incurred. Regardless of the number of machines at a venue, the venue needs to have an electronic monitoring system installed, a gaming room constructed, signage, regular staff training, regular compliance checks, and a formal gaming licence. In a standard gaming room these fixed costs can be offset from the revenue from all nine machines. When a seven-machine venue has to bear the burden of these costs, the rate of return to the community is diminished.
- 50. The problem gambling treatment providers agree that the number of machines at a venue has no impact on the level of problem gambling. When making submissions to the Department of Internal Affairs, Bernie Smulders, General Manager of Woodland Charitable Trust, stated:

We believe the number of machines present in a venue has nothing to do with the predisposition to develop a gambling problem and indeed represents flawed logic when applied as a harm minimisation approach. 51. At a gambling venue consent hearing in Christchurch on 29 April 2014, Tony Milne, the Problem Gambling Foundation's National Manager of Public Heath, stated:

It is not the number of machines per venue that is of concern, it's the number of venues that is the issue.

### **Retaining the Location Exemption Clause**

- 52. The current policy has a provision that enables an applicant to apply to council for an exemption if they do not meet one of the location criteria. The current policy allows an applicant to put their case forward and for council to determine the application on its individual merits.
- 53. The current exemption clause is reasonable. There may be situations where a venue is within 200 metres of a residential zone, but the distance to walk between the residential area and the venue is well over 600 metres due to fencing and the venue layout. There may also be cases where a venue is close to a sensitive site when measured as the crow flies, but the venue is physically separated by a large natural barrier, such as a major highway or a body of water.
- 54. The current clause enables commonsense decisions to be made and avoids arbitrary outcomes.

### Adopting an Expanded the Relocation Provision

- 55. The adoption of a relocation provision is supported. Enabling venue relocation is good for harm minimisation and good for the district as a whole.
- 56. In September 2013, Parliament recognised the merit in enabling venues to relocate, and expressly amended the Gambling Act 2003 to enable venues to relocate and retain the same number of machines when a relocation consent was obtained.
- 57. Venue relocation is a harm minimisation tool. Venue relocation allows venues to move out of undesirable areas (such as residential areas and high deprivation areas) to more suitable areas, such as town centres.
- 58. Over the last three years, almost all the councils that have reviewed their gambling venue policy have adopted some form of relocation provision. Currently, approximately 50 councils have a relocation policy in place.
- 59. Enabling relocation permits venues to re-establish after a natural disaster or fire.
- 60. Enabling relocation allows venues to move out of earthquake-prone buildings.
- 61. It is submitted however, that the relocation provision should be not be limited to situations when the current premises are unable to continue to operate at the existing site.
- 62. The relocation policy should be flexible enough to support businesses that wish to move to new, modern, refurbished premises. Allowing local businesses to upgrade their

premises and provide a more modern, attractive offering to the public helps to revitalise business districts, improves the local economy and encourages tourism.

63. The first venue to relocate under the amendments made to the Gambling Act 2003 was the Te Rapa Tavern in Hamilton. The photos below show the old rundown premises and the new modern premises. The redevelopment cost \$3,000,000.



The old Te Rapa Tavern



The new Te Rapa Tavern

- 64. The relocation policy should enable venues to move to smaller, more suitable premises. Enabling venues to move away from large premises, with large car parking areas, to newer, smaller premises also has the advantage of freeing up large sections of land, which may be better used for affordable high-density housing.
- 65. It would also be reasonable to also allow venues to relocate when the move is due to onerous rental sums or lease terms being imposed. Currently, once a venue has obtained a licence to host gaming machines its value is artificially increased. This often leads to landlords demanding higher than normal rentals. Allowing more flexible relocation prevents landlords demanding unreasonable rentals as it gives the venue operator the ability to relocate to an alternative venue.
- 66. The following wording is suggested for a relocation provision:

### **Venue Relocation**

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

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

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

In accordance with section 97A(c) of the Gambling Act 2003, when the new venue is established following a consent being granted under this relocation provision, the old venue is treated as if no class 4 venue licence was ever held for the venue. The old venue will therefore require a new territorial authority consent from Council before being relicensed to host gaming machines and will be limited to a maximum of 9 machines if such a consent is issued by Council.

### **Oral Hearing**

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

18 October 2019

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# Submission to **Timaru District Council** on the proposed combined **Class 4 Gambling Venue Policy**

October 2019

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### **Executive summary**

- Gaming trusts returned \$276 million to the New Zealand community in 2018 in grants, while implementing the Gambling Act's stringent requirements for preventing and minimising harm from gambling. Many grassroots organisations would struggle or cease to operate without gaming trust funds.
- Council gambling venue policies are critical to maintaining the infrastructure that allows community funding from gaming trusts to be sustainable long term. Sinking lid and no relocation policies destroy this infrastructure. Councils need to take a balanced approach to community benefit and potential harm from gambling.
- Reducing the number of gaming machines in communities does not reduce problem gambling, which has been consistent at a rate of around 0.5% of the adult population since 2003 (currently 0.2%), despite a decrease of 10,000 gaming machines since then. Research has shown that allowing gaming venues to relocate out of areas of high deprivation is more effective in reducing problem gambling.
- If gaming venues are removed from the community, gamblers may move to the online environment where gambling is unregulated and unmonitored, has no harm minimisation measures, incentivises spending and returns nothing to the New Zealand community.

### Community organisations rely on pub gaming to survive

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

In nominal terms, between 31 March 2004 and 31 December 2017 class 4 revenue declined from \$1,027 million to \$870 million (-15%). The decline when adjusted for inflation was \$495 million (-36%).

In the same period, community funding from non-club societies reduced from \$389 million to \$300 million – a decline of 23% in real terms. The inflation-adjusted equivalent of the \$389 million distributed by the non-club sector in Q1 2004 would be \$526 million today. This highlights the extent of decline in fundraising capacity.

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 community organisations 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.

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

Every year, the gaming trust sector as a whole raises around \$276 million<sup>2</sup> for more than 11,000 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 central government.

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 92% of our funds locally.

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

During the last 15 years the pub gaming sector has experienced a significant decline. Department of Internal Affairs (DIA) statistics show that, between 30 June 2003 and 30 June 2019:

- the number of gaming venues reduced from 2,122 to 1,094 (a 48.5% reduction)<sup>3</sup>
- the number of gaming machines operating reduced from 25,221 to 15,007 (a 40.5% reduction)<sup>4</sup>.

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

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

Such policies are based on the erroneous belief that limiting gaming machine numbers will limit problem gambling. In fact, despite the 40.5% reduction in gaming machine numbers during the past 15 years, New Zealand's problem gambling rate has remained consistently low at around 0.3% to 0.7% of the population. The 2015 New Zealand Gambling Study (the most recent) found the rate was 0.2% and the latest Health and Lifestyles Survey found it was 0.1%. The 2012 New Zealand Gambling Study concluded "...there has probably been no change in the prevalence of current problem and moderate-risk gambling since 2006."<sup>5</sup>

Regulatory changes in 2014 increasing the minimum percentage of gaming machine profits to be returned to the community to 40% from 37.12% has put additional pressure on many gaming societies. This is forcing 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.

<sup>&</sup>lt;sup>2</sup> Grant Distribution Modelling, KPMG, 29 August 2019.

<sup>&</sup>lt;sup>3</sup> DIA statistics: https://www.dia.govt.nz/diawebsite.nsf/wpg\_URL/Resource-material-Information-We-Provide-Summaryof-Venues-and-Numbers-by-Territorial-AuthorityDistrict

<sup>&</sup>lt;sup>4</sup> Ibid.

<sup>&</sup>lt;sup>5</sup> Page 7, New Zealand 2012 Gambling Study: Gambling harm and problem gambling.

### Location of gaming machines is more important than their number

Research<sup>6</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>7</sup> to require local authorities to consider adding relocation clauses to their gambling policies.

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

### NZCT's recommendations

New Zealand Community Trust recommends Timaru District Council:

- increase the current cap on gaming machine numbers at venues from seven to nine, in line with the legally allowed maximum
- allow gaming venues to relocate, but broaden the proposed clause to allow venue operators to relocate for their own business reasons as well as when forced to by circumstances beyond their control.

<sup>&</sup>lt;sup>6</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>&</sup>lt;sup>7</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:

### 91.1c Goes back to the player 3.3.2c Goes to the Government (in duties and levies) 1.2c Goes to the venue 1.2c Goes to the venue

Research<sup>8</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 is also substantial and was over \$279 million in 2014.

Grants distributed by gaming machine trusts were 10% of the total philanthropic funding to the community and voluntary sector in 2011 and were at almost twice the level given by New Zealand businesses. In 2018, the amount of funds returned to the community from non-casino, non-club gaming grants was \$276 million.<sup>9</sup> Class 4 gaming societies are required to distribute a minimum return of 40% to the community, on top of government fees, levies and GST, site rental, and machine and operating costs (see the chart on the next page showing NZCT's revenue distribution for the 2017/18 reporting period).

Each year the gambling industry pays around \$20 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>&</sup>lt;sup>8</sup> Maximising the benefits to communities from New Zealand's community gaming model, BERL, February 2013.

<sup>&</sup>lt;sup>9</sup> Grant Distribution Modelling, KPMG, 29 August 2019.

### NZCT's revenue distribution in 2017/18



**3.3%** Grant recipients

**3%** Government duties & levies

**1.3%** Operating & machine costs

**1.4%** Venue costs

In the year ending 30 September 2018, NZCT distributed \$44.6 million to 1,920 sports and community groups through 2,250 grants.

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 2017/18, we funded the equivalent of:

- uniforms for 49,555 rugby teams (one uniform costs \$60), or
- 2,973,333 footballs (one football costs \$15), or
- 5,575 four-person waka (one waka costs \$8,000), or
- more than 2.23 million hours or 254.5 years of coaching (one hour of coaching costs \$20), or
- 30 artificial playing fields (one field costs \$1.5 million).

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

- cook and sell more than 22.3 million \$2 sausages at sausage sizzles and every person in New Zealand would need to buy and eat five sausages, or
- sell five \$2 raffle tickets to every man, woman and child in New Zealand each year, or
- wash more than 8.9 million cars at \$5 a wash, which would take 10 people continuously washing cars for 30 minutes around 50 years to achieve.

Sport New Zealand's report The Value of Sport states:

"Survey results indicate that the great majority of the general public agree that physical activity through sport, exercise and recreation is valuable. Whether individuals are 'active' or not, whether they are 'sporty' or not, whether they even like sport or not, most New Zealanders see value in sport and active recreation.

"Evidence from a wide range of international and national sources support many of New Zealanders' perceptions, confirming that sport adds value to the lives of individuals, communities and the nation.

"Put simply, sport and active recreation creates happier, healthier people, better connected communities and a stronger New Zealand."

### NZCT's position

In the following pages, we provide five 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 why we support a cap on venue and/or gaming machine numbers, rather than a sinking lid.

### Why allowing relocations is important

### Helping reduce harm

Research<sup>10</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>11</sup> The Ministry of Health also found "being a problem gambler is significantly associated with living closer to gambling venues."<sup>12</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, 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>13</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 relocation clause incentivises building owners to maintain and upgrade their premises to attract and retain high-quality tenants.

<sup>&</sup>lt;sup>10</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>&</sup>lt;sup>11</sup> Page 21, Ministry of Health Gambling Resource for Local Government, 2013.

<sup>12</sup> Ibid.

<sup>&</sup>lt;sup>13</sup> Internal Affairs Policy Briefing 3: Options for improving territorial authority gaming machine policies, 28 March 2013.

### Parliament's directive is being acknowledged by other councils

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

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

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

		1
Waitaki	September 2018	Relocation clause broadened
Waikato	August 2018	Existing relocation clause remains unchanged
Selwyn	June 2018	Existing relocation clause remains unchanged
Grey	June 2018	Relocation clause broadened
Kapiti	November 2018	Relocation clause clarified
Kaipara	November 2018	Existing relocation clause remains unchanged
Masterton/South	May 2019	Existing relocation clause remains unchanged
Wairarapa/Carterton		
Tararua	May 2019	Existing relocation clause remains unchanged
Matamata-Piako	April 2019	Existing relocation clause remains unchanged
Gisborne	March 2019	Existing relocation clause remains unchanged
Southland	June 2019	Existing relocation clause remains unchanged
Whangarei	May 2019	Existing relocation clause remains unchanged
Waipa	May 2019	Existing relocation clause remains unchanged
Porirua	July 2019	Existing relocation clause remains unchanged
Whakatane	April 2019	Existing relocation clause remains unchanged
Hamilton	June 2019	Existing relocation clause remains unchanged
South Taranaki	June 2019	Existing relocation clause remains unchanged

### Reasons to move to a cap on gaming machines

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

### Local hospitality sector

Businesses that host gaming machines are typically pubs and hotels. Gaming machine venues contribute to your local economy by employing staff and providing hospitality options for residents and tourists.

### Community funding

Around \$276 million is returned to the community every year through grants awarded by Class 4 gaming societies. Many community organisations, such as sports clubs, hospices, rescue services and arts groups, would struggle or cease to function without this funding. There is currently no sustainable alternative to this funding to the level provided by gaming societies.

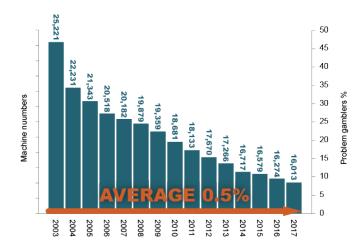
Class 4 gaming societies have probity processes we go through with every grant application to ensure the applicant is authentic and able to deliver the outcomes detailed in their grant application, and that any goods or services to be paid for by the grant are at arm's length and free from any conflicts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

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

The pub gaming model differs from the gaming run at clubs like RSAs and in New Zealand Racing Board (NZRB) venues. Those entities can apply the funds they raise to their own purposes, for example, maintaining clubrooms or funding race meetings. In its 2018 annual report, NZRB advised its distributions totalled \$148.2 million to the three racing codes and only \$3.4 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 almost 10,000 gaming machines across the country between 2003 and 2017 had no impact on the small percentage of problem gamblers nationally.



Note: In the 2006/07 Ministry of Health NZ Health Survey, 0.4% of the population were categorised as problem gamblers using the Problem Gambling Severity Index (PGSI). In the 2010 Health and Lifestyles Survey, the rate increased to 0.7%. In the preliminary findings from the 2012 New Zealand Health Survey, the rate was 0.3% of the population, but the 2012 New Zealand Gambling Study found the rate was 0.7% of people aged 18 years and over. The 2015 wave of the New Zealand Gambling Study found the rate was 0.2% and the 2016 Health and Lifestyles Survey found it was 0.1%.

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

Pub gaming is a legal, valid and enjoyable source of entertainment for Timaru residents and tourists alike. Most players regard gaming as light entertainment and know when to stop. The Gambling Commission has reminded councils and the regulator that "... conditions can only properly be imposed if they reduce the harm caused by problem gambling, as distinct from simply reducing gambling activity which is a lawful and permitted activity under the Act."<sup>14</sup>

We recognise that the Timaru 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 (BERL)<sup>15</sup> calculated in 2015 that each year the entertainment value to recreational players was around \$250 million, the grants value to the community was also around \$250 million (now \$276 million), and the Government revenue value in the form of tax, duties and levies was 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>16</sup> The study concluded: "Problem gambling and related harms probably reduced

<sup>&</sup>lt;sup>14</sup> Gambling Commission decision GC 03/07.

<sup>&</sup>lt;sup>15</sup> Maximising the benefits to communities from New Zealand's Community Gaming Model, BERL, February 2013.

<sup>&</sup>lt;sup>16</sup> Pg 8, NZ 2012 National Gambling Study: Overview and gambling participation.

significantly during the 1990s but have remained at about the same level despite reductions in noncasino EGM [electronic gaming machine] numbers and the expansion of regulatory, public health and treatment measures."<sup>17</sup>

The 2016 National Gambling Study (the most recent) found the problem gambling rate was 0.2% and concluded: "From 2012 to 2015, overall gambling participation has declined whilst problem gambling and low-risk and moderate-risk gambling levels have remained static. This poses a public health challenge of identifying the factors to explain the persistence of harm despite declining gambling participation. One reason may be a high relapse rate [66%]."

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

It also states that the current problem gambling rate has now dropped to an all-time low of 0.1% of the adult population (around 7,500 people), despite an upward trend in gaming machine expenditure.<sup>18</sup>

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

NZCT is committed to reducing and minimising the harm that can be caused by gambling. As can be seen in the table below, New Zealand has one of the lowest rates of problem gambling in the world.<sup>19</sup> Relatively few New Zealanders are gambling at levels that lead to negative consequences; most people who gamble know when to stop.

Country	Problem gambling prevalence (% population*)
New Zealand	0.1–0.2
UK	0.7
Norway	0.7
Australia	2.3
USA	2.6
Canada	3
*Mixture of CPGI, PGSI and SOGS scores <sup>20</sup>	

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

Corporate societies licensed to conduct Class 4 gambling are fully aware of their obligations under the Gambling Act 2003. All 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.

<sup>17</sup> Pg 18, ibid.

<sup>&</sup>lt;sup>18</sup> DIA media release: http://livenews.co.nz/2017/04/21/new-zealand-gaming-pokie-spending-patterns-continue/

<sup>&</sup>lt;sup>19</sup> Maximising the benefits to communities from New Zealand's community gaming model, BERL, February 2013.

<sup>&</sup>lt;sup>20</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.

### Strict harm minimisation obligations

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

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

### Harm minimisation activities

Gaming trusts take 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
- a plain language harm prevention and minimisation manual and policy guide
- exclusion orders and guidance on the exclusion order process
- a pad of gambling host responsibility record sheets to record any problem gambling issues and action taken by staff
- signage, pamphlets and other problem gambling resources.

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



### **Ongoing obligations**

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

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

### Training

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

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



### Support is available for problem gamblers

Each year the gambling industry pays \$20 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>21</sup>

The world's largest clinical trial<sup>22</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.

<sup>&</sup>lt;sup>21</sup> Page 16, Outcomes Framework for Preventing and Minimising Gambling Harm Baseline Report, May 2013.

<sup>&</sup>lt;sup>22</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 <u>tanya.piejus@nzct.org.nz</u>.

### Appendix 1: About NZCT

Established in 1998, NZCT is New Zealand's largest gaming trust with 16% market share. Our publicans raise funds by operating gaming lounges within their pubs, hotels and other venues. In the 12 months to 30 September 2018, NZCT approved \$44.6 million in grant funding to sporting, local government and community groups nationwide.

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

- crime reduction and community safety
- economic impact and regeneration of local communities
- education and lifelong learning
- participation
- physical fitness and health
- psychological health and wellbeing
- social capital and cohesion.<sup>23</sup>



Overseas research<sup>24</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.

### Who we are

We are proud of our robust grants system and of the quality of people involved with NZCT. All our trustees<sup>25</sup> are highly regarded business and community leaders with extensive governance experience. They are supported by an experienced staff and 10 Regional Advisory Committees (RACs) who add local knowledge and insight to our grant decisions.

<sup>&</sup>lt;sup>23</sup> Sport England's Value of Sport Monitor.

<sup>&</sup>lt;sup>24</sup> http://www.ausport.gov.au/information/asc\_research/publications/value\_of\_sport.

<sup>&</sup>lt;sup>25</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).

### **Your Details**

First Name: Jocelyn Last Name: Faul Organisation: The Southern Trust (TST) Postal 245 Stuart Street Dunedin Address: Contact 03 471 8850 Number: Email jocelyn.faul@tst.org.nz Address: **Your Feedback** Do you wish to speak about your submission at No a Council Hearing?: Which policy are you providing Gambling Venue Policy feedback on?: Upload your submission here or No file uploaded complete relevant information below: **Gambling Venue Policy** Do you support the

draft Gambling Yes Venue Policy as presented?:

The proposed policy adds useful clarity to the policy. We see little material change in what is proposed. We would however like to make the following recommendation: We note that the Timaru District Council is emphasising the minimisation of harm from gambling. TST is not arguing that this emphasis is incorrect rather we are stating that it is time to take a more expansive and balanced perspective in order to recognise the progress and benefits of Venue Harm Minimisation programmes across the Class 4 sector. Such programmes are already being implemented at the Venues in

your area. This is evidenced by the very low numbers of people presenting for problem gambling assistance. Further, the Department of Internal Affairs (DIA) ensures these measures are ongoing and robust through compliance management and regulation. In order to protect both, community based Not-For-Profit (NFP) funding, and the business viability of venues in the Timaru area, there will need to be a balanced and in-depth Social Impact Study carried out prior to the development of further policy options. As well as a review of harm minimisation initiatives and their impacts and benefits that study should also include consideration of the benefits of grants by the Class 4 sector and the impact of decreasing that funding any further. Too the study should include consideration of the impact of further suppressing the ability of venue owners to maintain sustainable businesses.

### What change,

if any, would The Southern Trust would suggest that the limit of 7 machines should be you like to see in the lifted to 9. We believe this would have minimal impact on harm and would instead add to business viability.

### **Local Approved Products Policy**

Do you support the Local Approved Products Policy as presented?: Comments: What changes, if any, would you like to see in the Policy?:

### **Dangerous, Affected and Insanitary Buildings Policy**

Do you support the draft Dangerous, Affected and Insanitary **Buildings** Policy as presented: Comments: What changes, if any, would you like to see in the Policy?:

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a division of Canterbury District Health Board

# Submission on Timaru District Council Draft Gambling Venue Policy

То:	Timaru District Council
Submitter:	Community and Public Health
Proposal:	Timaru District Council Draft Gambling Venue Policy

### SUBMISSION ON DRAFT GAMBLING VENUE POLICY

### **Details of submitter**

- 1. Community and Public Health.
- 2. This submission has been developed by Community and Public Health (CPH), a division of the Canterbury District Health Board, which provides public health services to Canterbury, South Canterbury and the West Coast.
- 3. CPH is responsible for promoting the reduction of adverse environmental effects on the health of people and communities and for improving, promoting and protecting their health pursuant to the New Zealand Public Health and Disability Act 2000 and the Health Act 1956. These statutory obligations are the responsibility of the Ministry of Health and in the South Canterbury region, are carried out under contract by CPH under Crown funding agreements.

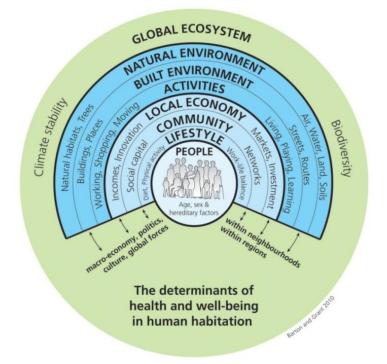
### Details of submission

- 4. We welcome the opportunity to comment on the Draft Gambling Venue Policy . The future health of our population is not just reliant on health services, but on a responsive environment where all sectors work collaboratively.
- 5. While health care services are an important determinant of health, health is also influenced by a wide range of factors beyond the health sector. These influences can be described as the conditions in which people are born, grow, live, play, work and age, and are impacted by environmental, social and behavioural factors. They are often referred to as the 'social determinants of health<sup>1</sup>. The diagram<sup>2</sup> below shows how the various influences on health are complex and interlinked.
- 6. The most effective way to maximise people's wellbeing is to take these factors into account as early as possible during decision making and strategy development. Initiatives to improve health outcomes and overall quality of life must involve organisations and groups beyond the health sector, such as local government if they are to have a reasonable impact<sup>3</sup>.

3 McGinnis JM, Williams-Russo P, Knickman JR. (2002). The case for more active policy attention to health promotion. Health Affairs, 21(2): 78 - 93.

<sup>&</sup>lt;sup>1</sup> Public Health Advisory Committee. (2004). The Health of People and Communities. A Way Forward: Public Policy and the Economic Determinants of Health. Public Health Advisory Committee: Wellington.

<sup>&</sup>lt;sup>2</sup> Barton, H and Grant, M. (2006) A health map for the local human habitat. The Journal of the Royal Society for the Promotion of Health 126 (6), pp 252-253. http://www.bne.uwe.ac.uk/who/healthmap/default.asp



### **General Comments**

 CPH supports reducing the number of gaming machines through a sinking lid policy. From a public health perspective, a weaker gambling policy is not a preferable option.

The CPH recommends that the Timaru District Council implement a strong sinking lid policy, which will better protect the community. Our submission outlines the rationale for this position. A sinking lid means that no new license for gaming machines can be issued, and machines cannot be transferred to a new pub or owner if the venue closes. The strongest sinking lid policy does not allow any relocations or club mergers under any circumstances. This is the best policy available to gradually reduce the number of pokie machines in pubs and clubs and the harm that accompanies them. According to the Ministry of Health, during the 2016/17 to 2018/19 period, 31% of local authorities in New Zealand had sinking lid policies for non-casino gaming machines, and a further 55% had caps on the number of venues and/or machines in their area<sup>4</sup>. Of note, a recently produced policy by Christchurch City Council' is available in *Appendix 1* if this is useful.

# **Specific Comments**

8. CPH does not support the proposed relocation policy. If a venue relocates, they should apply for a new license under the conditions of the existing gambling policy,

<sup>&</sup>lt;sup>4</sup> Ministry of Health, (2019) Strategy to Minimise and Prevent Gambling Harm 2019/20 to 2021/22. Wellington: Ministry of Health.

which has been designed with the health of Timaru communities in mind. The Council has provided rationale about potential impacts on business, which we challenge. Firstly, we encourage the Council to consider the negative impact on people when gambling machines, and a large number of them, are introduced due to events beyond their control. Secondly, according to the Department of Internal Affairs, venues are required not to rely on gaming revenue for survival.

- We wish to comment on the specific issues raised in the policy review, some of which are an improvement on the existing policy, although our preferred policy remains a sinking lid.
  - a) CPH supports the removal of the exemption clause.
  - b) CPH supports the proposal of Recreation Zones used for organised sporting purposes or recreational non-profit purposes being excluded from locations where gambling venues may be established.

c) The draft policy proposes that gambling venues must not be a venue associated with family or children's activity unless the activity is in a room separate from gaming activities. CPH recommends that gaming activities are not allowed anywhere in a venue associated with family or children's activity, noting that there is evidence that children and young adults are exposed to considerable gambling messaging which can help to normalise gambling behaviours<sup>5</sup>.

d) CPH notes that while the draft policy sets a maximum of seven machines per venue (two less than the maximum of nine per venue under the Gambling Act 2003), the draft policy does not set an overall cap on the number of Class 4 gambling venues or machines in the district or commit to a sinking lid policy.

e) Under section 5.1 in the draft policy, for areas outside Timaru township, the distance of Class 4 gambling venues and Agency venues may be established no closer than 25 metres to any Residential Zone, sensitive sites or other gambling venue. This distance is minimal compared with the 100 metres required within the Timaru boundary.

<sup>&</sup>lt;sup>5</sup> Ministry of Health (2019). Ibid

- 10. Timaru District Council describes the following strategic priorities for the community in its Long Term Plan:
  - Invest in our Community
  - Promote integrated, highly liveable communities
  - Support areas of economic and district strength
  - Ensure critical infrastructure meets future needs
- 11. Increasing gambling opportunities compromises health, safety, and prosperity as gambling machines are engineered to be addictive, much like tobacco products<sup>6</sup>, with damaging consequences.
- 12. A significant minority of people gamble in a way that puts them at risk of harm.<sup>7</sup> Risk is concentrated among users of class 4 machines, especially those who use the machines regularly. Almost half of people (49%) who gamble on class 4 machines at least monthly are at risk.<sup>8</sup> Though gambling harm is concentrated with the person who gambles harmfully, research suggests the majority of harm is experienced by those who are not necessarily problem gamblers<sup>9</sup>, and gamblers underestimate the negative effects of their gambling on family/whānau members, children and home life.<sup>10</sup>
- 13. Recent research about the burden of gambling harm in New Zealand identified six main areas of gambling harm: decreased health, emotional/psychological distress, financial harm, reduced performance at work or education, relationship disruption/conflict/breakdown, and criminal activity.<sup>11</sup> At a national level, the research found that gambling causes 2.5 times the amount of harm as a chronic condition like diabetes, and three times the amount of harm from drug use disorders.<sup>12</sup> Family violence is also associated with problem gambling<sup>13</sup>.

<sup>&</sup>lt;sup>6</sup> Schüll, N.D. (2014). Addiction by Design. Princeton, NJ: Princeton University Press.

<sup>&</sup>lt;sup>7</sup> Thimasarn-Anwar, T., Squire, H., Trowland, H. & Martin, G. (2017). *Gambling report: Results from the 2016 Health and Lifestyles Survey*. Wellington: Health Promotion Agency Research and Evaluation Unit.

<sup>&</sup>lt;sup>8</sup> Thimasarn-Anwar, T., Squire, H., Trowland, H. & Martin, G. (2017), Ibid.

<sup>&</sup>lt;sup>9</sup> Central Queensland University & Auckland University of Technology (2017), *Ibid.* 

<sup>&</sup>lt;sup>10</sup> Levy, M. (2015). The impacts of gambling for Māori families and communities: A strengths-based approach to achieving whānau ora. Hamilton, NZ: Te Rūnanga o Kirikiriroa Trust Inc, Pou Tuia Rangahau (Research & Development).

 <sup>&</sup>lt;sup>11</sup> Central Queensland University & Auckland University of Technology (2017). *Measuring the burden of gambling harm in New Zealand*.
 Wellington, NZ: Ministry of Health.

<sup>&</sup>lt;sup>12</sup> Central Queensland University & Auckland University of Technology (2017), *Ibid.* 

<sup>&</sup>lt;sup>13</sup> Auckland University of Technology (2017). *Problem gambling and family violence in help-seeking populations: Co-occurrence, impact and coping.* Wellington, NZ: Ministry of Health.

- 14. For Māori families, gambling has harmful effects on cohesion, cultural identity, and financial stability.<sup>14</sup> Research has identified that gambling machines in particular were identified as having an isolating effect on Māori from families and the community.<sup>15</sup>
- 15. Nationally, there are other aspects of gambling which are not regarded favourably that Timaru District Council may wish to consider. In the nationally representative Health and Lifestyles Survey, nearly half of people (46%) thought that raising money through gambling did more harm than good in the community, and about a quarter (24%) thought it did more good than harm.<sup>16</sup> The same survey found that the majority of adults do not believe gambling machines make a pub or bar more enjoyable to spend time at, and only 14% preferred to drink in pubs or bars that have gambling machines.<sup>17</sup>
- 16. There are a range of policy levers available that seek to mitigate the harm caused by gambling machines, though we note none of these address the machines' addictive design.
- 17. Gambling venues are required to have host responsibility policies, but the Council should be aware that Department of Internal Affairs 'secret shopper' research found that only 10% of class 4 non-club venues met their host responsibility expectations, and no class 4 club venues met host responsibility expectations<sup>18</sup>.
- 18. Territorial Local Authorities are able to influence the number of machines and their location. The preferred policy is a sinking lid policy, where the number of venues in an area reduces over time through attrition and the policy explicitly states that no new venues will be approved. This is a policy option that has been implemented in other parts of the country.
- 19. Ultimately, given the range and extent of harm caused by gambling, and the policy levers available to the Timaru District Council, CPH recommends that the Council reduce the cap of venues and machines, and adopt a sinking lid policy.

<sup>&</sup>lt;sup>14</sup> Auckland University of Technology (2017), *Ibid.* 

<sup>&</sup>lt;sup>15</sup> Auckland University of Technology (2017), *Ibid*.

<sup>&</sup>lt;sup>16</sup> Thimasarn-Anwar, T., Squire, H., Trowland, H. & Martin, G. (2017), *Ibid.* 

<sup>&</sup>lt;sup>17</sup> Thimasarn-Anwar, T., Squire, H., Trowland, H. & Martin, G. (2017), *Ibid*.

<sup>&</sup>lt;sup>18</sup> Department of Internal Affairs (2017). Sector report: Casino and class 4 gambling mystery shopper exercise results June 2017.

# Conclusion

- 1. CPH does not wish to be heard in support of this submission.
- 2. Thank you for the opportunity to submit on the Timaru District Council Draft Gambling Venue Policy.

### Person making the submission

MM Brosmahan

Name Neil Brosnahan

Date: 6/11/2019

Regional Manager – South Canterbury Community and Public Health

### **Contact details**

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# Appendix 1 – Christchurch City Council Class 4 Gambling and TAB venues policy

# **Gambling and TAB venues policy**

Council, 27 September 2018

# A note on relocations

The 2012 Gambling Venue Policy (Policy) was reviewed by the Council in 2014/15. As required by the Gambling (Gambling Harm Reduction) Amendment Act 2013, the Council considered whether or not to include a relocation policy within the Policy, after having considered the social impact of gambling in high-deprivation communities within its district.

On 16 April 2015 the Council resolved not to include a relocation policy within the Policy, or to amend the Policy. The Policy does not allow for relocations. However, where the new location for a venue is a site that is very close to the existing site, the venue name will be the same and the ownership and management of the venue will be the same as in the original site, then the Department of Internal Affairs may not consider that to be a change in venue (or a relocation) under the Gambling Act 2003 (see the High Court decision relating to the Waikiwi Tavern [2013] NZHC 1330). In such cases all the machines allowed under the existing venue licence at the original site may be taken to the new site.

Any enquires about the Department of Internal Affairs (DIA) consideration of a transfer of an existing venue licence to a new site (relocation) under a Waikiwi exception should be made directly to **DIA's Gambling Venue licensing team(external link)**.

# **Policy**

# **Class 4 Gaming**

1. The Christchurch City Council will not grant consent under section 98 of the Gambling Act 2003 to allow any increase in class 4 gaming venues or class 4 machine numbers except in the circumstance set out below.

2. The Christchurch City Council will grant a consent where two or more corporate societies are merging and require Ministerial approval to operate up to the statutory limit in accordance with section 95 (4) of the Gambling Act 2003. The total number of machines that may operate at the venue must not exceed 18 machines.

# **Totalisator Agency Board (TAB)**

3. The Christchurch City Council will grant a Totalisator Agency Board (TAB) venue consent to the New Zealand Racing Board to establish a Board venue (the Board must meet all other

statutory requirements, including the City Plan requirements, in respect of such proposed venue).

# General

4. The consent fee is \$161 (inclusive of GST) and will be reviewed annually through the Annual Plan process.

5. All applications for consents must be made on the approved form.

6. The Chief Executive of the Council is delegated the power to process consent applications in accordance with this policy and may further delegate this power to other officers.

7. If the Council amends or replaces this policy, it is required to do so in accordance with the special consultative procedure outlined in the Local Government Act 2002.

8. In accordance with the Gambling Act 2003 and the Racing Act 2003, the Council will complete a review of the Gambling Venue Policy and the Totalisator Agency Board (TAB) Policy within three years of their adoption and every three years thereafter.

# History

The Gambling Venue and Totalisator Agency Board (TAB) Venue Policy was adopted by the Christchurch City Council at its meeting of 27 August 2009.

The policy was reviewed by the Council in 2012, 2015 and 2018. At each review the Council resolved that the 2009 Gambling and Totalisator Agency Board (TAB) Venue Policy would be retained without amendment.

TRUST

# Submission to Timaru District Council 'Gambling Venue Policy' – November 2019

#### Contact persons

Anne-Marie McRae Board Chairperson anne-marie@gressons.co.nz Irene Emond General Manager irene.emond@trustaoraki.co.nz

#### Introduction

- 1. Trust Aoraki Limited is a Class 4 Gambling Operator licenced to conduct Class 4 gambling by way of gaming machines at 11 hotel venues throughout the Timaru, Waitaki, McKenzie and Waimakariri districts.
- 2. In the Timaru District<sup>1</sup>, Trust Aoraki currently has 57 machines in four hotel venues: Old Bank and Copper Bar in Timaru and Crown Hotel and Empire Hotel in Temuka.
- Trust Aoraki distributes net proceeds from gambling (grant funding) to authorised purposes as prescribed by its Licence and Constitution into the local communities where the funds were realised.
- 4. The primary community focus outlined in our Constitution is 'to promote, foster and encourage amateur games or sports' and the secondary focus is for 'any purpose recognised as being charitable'.
- 5. Trust Aoraki prides itself on its strategic vision and success of providing support to enable community wellbeing. Community wellbeing is fostered through promoting good health for all age groups by participation in sport, with a particular focus on ensuring young people are involved in sport (and out of trouble) and supporting community groups which encourage positive social and cultural interactions.
- 6. Since the last review of the Timaru District Council's Gambling Venue Policy in 2016, Trust Aoraki has distributed \$4.9m into the local communities where the funds have been realised. Out of those funds, \$3.8m has been for grant funding in the Timaru District.
- 7. Trust Aoraki supports 'excellence' (achieving at a high level) and 'participation' (where community benefit is maximised). For example, Trust Aoraki has provided funding for many South Canterbury sporting organisations to enable their representative teams to attend national tournaments and events, as well as host national tournaments and events which benefits the community. Trust Aoraki has also provided significant funding for both sporting and cultural facilities, such as Caroline Bay Trust Aoraki Centre (and the Learn to Swim programme), South Canterbury All-Weather Athletics Track, Trust Aoraki Tennis Centre, Hockey South Canterbury synthetic turfs, South Canterbury Movement Centre, Alpine Energy Stadium redevelopment, Levels Raceway, South Canterbury Drama

<sup>&</sup>lt;sup>1</sup> The Timaru District includes Timaru, Pleasant Point, Temuka and Geraldine.

League, Park Centre Community Care Facility, Te Ana Maori Rock Art Centre, Temuka Domain Redevelopment and Alps 2 Ocean Cycleway. Trust Aoraki also provided significant funding so the Timaru community could have a MRI scanner at Timaru Hospital.

- 8. Class 4 Gambling often receives negative publicity because gambling causes harm to some individuals in the community.
- 9. Trust Aoraki ensures it complies with the Department of Internal Affairs (DIA) requirements for addressing harm prevention and minimisation.

#### **Response to Timaru District Council Proposed Changes**

#### **Opposed to Removal of Venue Establishment Exemption Clause**

- 10. Trust Aoraki supports the proposed changes to the Gambling Venue Policy, <u>except</u> the proposal to remove the Venue Establishment exemption clause (Clause 3.3) which provides:
  - "3.3 Class 4 gambling venues (Gaming Machines) and board venues (TAB) may not be established in any residential zone or recreation zone other than that above.
    - It is acknowledged that not all venues, including existing venues, will be able to comply with the above requirements. For that reason Council will consider applications for exemption made in respect of specific sites".
- 11. When this policy was implemented, this clause was seen as necessary to ensure a discretion was available for Council Officers to consider applications for location exemptions on a case by case basis.
- 12. The rationale for removing this clause, as outlined in the Review document, is:

"This clause creates ambiguity for Council Officers processing applications. Council believes that only venues who meet the criteria detailed in the Policy should be given consent to operate gaming machines."

- 13. Often with legislation, a discretion is given because it believed the 'legal actor' or institution granted the discretion will make better decisions on a case-by-case basis than would be made if a legal rule were to govern the decision. It is submitted a discretion does not create ambiguity if there is clear policy and procedure in place and the personnel making the decisions have sound knowledge, skill and judgment. In fact, the new proposed draft Gambling Venue Policy gives a discretion to Council Officers to decide when a venue can relocate (refer Clause 6 Relocation of Venues).
- 14. Without permitting discretion, unfairness can result. For example, if the Old Bank Café & Bar had to relocate due to the building being deemed earthquake prone/dangerous (as permitted by new clause 6 Relocation of Venues), it would not be able to establish in the Bullock Restaurant & Bar building, because it would be within 200 metres of a residential zone. Temuka venues could have similar problems due to the small size of the Central Business District and the locality of neighbouring residential areas.



#### Response to Timaru District Council 'Other Options'

15. Trust Aoraki acknowledges the "Other Options"<sup>2</sup> have not been inserted into the proposed draft policy but have been outlined as other options to consider when addressing the social impact of gambling within the Timaru District.

#### Opposed to Sinking Lid Policy / Other Capping Options

- 16. Trust Aoraki opposes the introduction of a 'Sinking Lid Policy' or the introduction of a district-wide cap or a reduction in the cap on the number of machines each new venue may operate.
- 17. It is noted the primary concern about gaming machine gambling is the harm caused. One purpose of the Gambling Act 2003 is 'to prevent and minimise harm from gambling, including problem gambling'.
- 18. The statements made by TDC as to some of the 'advantages' of a 'Sinking Lid Policy' or capping the number of machines are:
  - "... potentially reducing harm caused by problem gambling ...
  - "A district wide cap of machines would ensure no further potential for gambling harm is created"
  - "A reduction in the cap on machines per venue may further reduce the potential for problem gambling by minimising any potential proliferation of machines in the District"
- 19. It is submitted it is important the TDC carefully considers credible and verifiable evidence in order to weigh up:
  - 19.1. what harm is being caused in the Timaru District;
  - 19.2. what is being done by DIA and Class 4 Gambling Operators to prevent and minimise harm caused by Class 4 gambling; and
  - 19.3. what benefits the community receive from grant funding.

#### What harm is being caused to the Timaru District?

- 20. Trust Aoraki acknowledges any form of gambling to excess can result in harm to individuals, and as a consequence their families.
- 21. New Zealand has a very low problem gambling rate by international standards. The New Zealand National Gambling Study: Wave 4 (2015) found the problem gambling rate was 0.2% of people aged 18 years and over. The problem gambling rate is for all forms of gambling, not just gaming machine gambling.

<sup>&</sup>lt;sup>2</sup> TDC Policy Review Consultation at page 9.

- 22. The problem gambling rate in New Zealand has remained the same, despite the decline of gaming machines.<sup>3</sup>
- 23. There has been no recognised study as to what harm is being caused in the Timaru District from gaming machines. National studies are not necessarily relevant to Timaru because foreign fishermen who arrive at the Port of Timaru are significant users of the gaming machines in the Timaru District.

#### How does Trust Aoraki address the Act's purpose of minimising harm?

- 24. Trust Aoraki endorses the 'spirit of the Act' to minimise harm in our communities, while maximising returns.
- 25. Trust Aoraki has a comprehensive Harm Prevention, Harm Minimisation and Responsible Gambling Policy.
- 26. Trust Aoraki facilitates responsible gambling by providing training and support to venue operators/management and their staff to prevent harm and encourage responsible gambling. This includes providing training and resources on 'Gambling Host Responsibility' and how to identify and deal with potential problem gamblers, including exclusion.
- 27. Trust Aoraki contributes to a problem gambling fund. The fund provides approximately \$20,000,000 per annum to the Ministry of Health to support and treat gambling addiction and to increase public awareness. The funding is ringfenced and not able to be directed to other health areas.
- 28. Class 4 gaming is highly regulated and has safeguards in place, for example:
  - 28.1. 18 year old age limit;

Gaming Venues:

- 28.2. Restrictive limits: maximum stake: \$2.50 and machines only accept bank notes \$20 and below; and
- 28.3. Machine feature that interrupts play and displays a pop-up message about duration of player's sessions, the amount spent and amount won or lost.

#### Gaming Venues and Gaming Machines Trends since 2016

29. Since 2016 (when TDC last reviewed this policy) there have been no legislative or territorial authority changes reducing gaming venue or gaming machine numbers. Despite this, there has been a 22% reduction in gaming venues and a 23% reduction in gaming machines in the Timaru District between 2016 and 2019:<sup>4</sup>

<b>J</b>	2016	2019	% Decrease
New Zealand	1220	1094	10%
Timaru District	18	14	22%

<sup>3</sup> New Zealand National Gambling Study: Wave 3 (2014)

<sup>4</sup> DIA gambling statistics as at 30 June 2016 and 30 June 2019: www.dia.govt.nz

#### Gaming Machines:

	<u>2016</u>	<u>2019</u>	% Decrease
New Zealand	16,250	15,007	8%
Timaru District	213	165	23%

Why have gaming venues and machines reduced in Timaru District since 2016?

- 30. The Board of Trust Aoraki regularly assess viability of hotel venues and the number of gaming machines to ensure each venue is operated at an optimum performance level therefore, maximising available grant funding to the community. When necessary, decisions are made to reduce the number of gaming machines or to withdraw from a particular venue.
- 31. For example, in 2017 Trust Aoraki reduced one venue from nine machines to six and ceased operation in two venues (a reduction of six machines) because the cost of operating the machines outweighed the benefit of the machines.
- 32. From each dollar paid into a gaming machine, the Gaming Machine Proceeds (GMP) (once prizes paid out) is paid back to Trust Aoraki and applied as follows:
  - Minimum of 40% distributed to community groups in the form of authorised purpose grants.
  - Gaming Duty 20%
  - Problem Gambling Levy 0.9%
  - Venue payments maximum 16%
  - Operating expenses 23%:
    - o GST
    - o DIA fees
    - o Repairs and maintenance
    - o Administration costs
- 33. One contributing cause to venues/gaming machines becoming financially unviable since 2016 is the decision by DIA to increase regulation costs, such as monitoring and licencing fees by over 50%.
- 34. There are also other business-related factors at play when a venue becomes financially unviable.
- 35. It is submitted, gaming machine venues and gaming machine numbers are reducing due to natural attrition. Therefore, there is no need for a Sinking Lid Policy or capping the number of machines.

# What are the effects of reduction of gaming venues and gaming machines on Gaming Machine Proceeds (GMP)?

36. Despite the reduction of gaming venues and the number of gaming machines, there was a 0.4% increase (\$36,822) in Gaming Machine Proceeds (GMP) in Timaru between 2016

(date of last TDC Policy Review) and 2019.<sup>5</sup> Nationally, there was a 0.8% increase (\$64,188) in GMP for the same period.

- 37. Trust Aoraki submits there a number of reasons for the increase of GMP in the Timaru District:
  - 37.1. <u>Population increase</u> Estimated New Zealand population increase of 5% (264,200) between June 2016 and June 2016<sup>6</sup>. The last statistics for population growth in the Timaru District were from the 2013 census when there was a 2.5% increase since 2006.<sup>7</sup> Although statistics for the Timaru District between June 2013 and June 2016 are not available, it can be inferred there will have been an increase in population in the Timaru District.
  - 37.2. <u>Economic growth</u> There has been economic growth over the last three years.<sup>8</sup> Gaming machines provide entertainment to the adult population and the adult population are able to choose where they spend their money.
  - 37.3. <u>MPI changes to Foreign Fishing Vessels</u> In May 2016 the Ministry of Primary Industries (MPI) introduced law requiring all foreign fishing vessels to be New Zealand flagged and with this came changes to the way foreign fishermen were paid. Instead of their wages being transferred to their home countries, all wages had to be paid into New Zealand bank accounts.

# What effect will a 'Sinking Lid' or Capping policy have on the availability of grant funding?

- 38. On the basis, GMP has increased despite the reduction in gaming machines it is submitted a sinking lid or district wide cap is unlikely to reduce problem gambling.
- 39. Reducing gaming machine venues reduces casual and recreational play, and therefore reduces machine turnover and the amount of money generated for grant distribution.
- 40. Problem gamblers are addicted to gambling and will find ways to gamble in other venues or in other ways e.g. off-shore-based internet and mobile phone gambling (which results in no benefit to the Timaru District).
- 41. If gaming machine numbers and venues reduce further due to a 'Sinking Lid' policy or a cap is put in place, there is a risk the level of funding available to the community will decline.
- 42. Between 2017 and 2018 Trust Aoraki had the same number of venues and machines in the Timaru District, however, grant funding distribution reduced by \$44,267 (3.5%).
- 43. Without Trust Aoraki's and other funder's grant funding (or reduced grant funding), the community organisations who have benefited over the last 16 years have advised:

<sup>&</sup>lt;sup>5</sup> Summary of quarterly Gaming Machine Expenditure by Territorial Authority/District for year ending 30 June 2016 and 30 June 2019: www.dia.govt.nz

<sup>&</sup>lt;sup>6</sup> New Zealand Population Statistics, Statistics New Zealand: www.stats.govt.nz

<sup>&</sup>lt;sup>7</sup> Census 2013, Statistics New Zealand: www.stats.govt.nz

<sup>&</sup>lt;sup>8</sup> New Zealand Economy Statistics, Statistics New Zealand: www.stats.govt.nz

- 43.1. They would not be able to afford to build and maintain their facilities;
- 43.2. They would not be able to fund the supply of uniforms and equipment; and
- 43.3. They would be unable to send representative teams to national tournaments.
- 44. It is submitted the Timaru District Council's Community Funding would be unable to meet the costs of developing and maintaining these community facilities without Trust Aoraki's grant funding.

#### 'Ease Restrictions' (increase seven machine limit to nine)

- 45. Trust Aoraki supports the option to increase the number of machines at each venue to the legislative maximum of nine for licences issued after 17 October 2001<sup>9</sup>.
- 46. The Gambling Act expressly permits nine machines per venue.
- 47. There appears to be no rationale behind TDC's maximum of seven machines. It has already been established that reducing the number of gaming machines has not reduced the amount of money being spent on Class 4 gambling.
- 48. Gambling Operators have fixed costs, including installation/maintenance of an electronic monitoring system in each venue, gaming room construction/maintenance, signage, regular staff training, regular compliance checks and licencing costs. Nine machines help offset fixed expenses and ultimately result in more funding being available for the community.
- 49. It is submitted, the TDC should allow for a licence issued post 17 October 2001, an option of increasing the number of machines they operate from seven to nine.

#### Conclusion

- 50. Removal of the Venue Establishment exemption clause (Clause 3.3) could result in unfairness and Council should have confidence Council Officers have the required knowledge, skill and judgement to make decisions on a case by case basis.
- 51. Trust Aoraki submits the TDC must cautiously consider all credible and verifiable evidence in order to weigh up harm to the community (taking into account harm minimisation procedures already in place) against benefits to the community, before making a decision about amendments to its Gambling Venue Policy.
- 52. The reduction of gaming machines (by natural attrition) between 2016 and 2019 has not resulted in a reduction of GMP. Therefore, it follows a sinking lid or capping policy is not going to achieve the desired results of minimising gambling harm and is likely to result in less grant funding.
- 53. Reduced levels of grant funding will mean the community will not be able to enjoy the sporting and cultural experiences and facilities which are supported by Class 4 gaming. As a result, community wellbeing will suffer.

<sup>&</sup>lt;sup>9</sup> Note the TDC Policy Review Consultation document (page 9) incorrectly states this is 17 October 2017.



#### **Oral Hearing:**

On behalf of Trust Aoraki, Anne-Marie McRae (Board Chairperson) and Irene Emond (General Manager) would like to make a presentation at the upcoming oral hearing on 26 November 2019.

#### Addendum:

There are a significant number of errors in the Draft Gambling Venue Policy Document. The policy requires proof reading before finalisation and adoption by the TDC.

#### **Your Details**

First Name: Mark Last Name: Medlicott Organisation: South Canterbury Cricket Association Postal PO Box 335 Timaru 7940 Address: Contact 0272698654 Number: Email sccricket@xtra.co.nz Address: **Your Feedback** Do you wish to speak about your submission at No a Council Hearing?: Which policy are you providing Gambling Venue Policy feedback on?: Upload your submission here or No file uploaded complete relevant information below: **Gambling Venue Policy** Do you support the draft Gambling No Venue Policy as presented?:

The South Canterbury District Cricket Association Inc supports the retention of the current open policy. The introduction of a district wide cap on gaming machine numbers or a sinking lid is opposed. The problem gambling rate is very low (0.2% of the adult population). There are already significant measures in place to minimise gambling related harm. Gaming machine numbers are naturally declining. The current funding provided by the gaming trusts to our organisation is vital. The introduction of a more restrictive policy will adversely affect community funding and increase the

migration of the gambling spend to online providers. Off-shore-based online gambling providers do not make any community grants, do not create any local employment, and do not pay any taxes to the New Zealand Government. We oppose the limit of 7 gaming machines for new venues. The Gambling Act provides that new venues may operate 9 gaming machines. There is no evidence to justify departing from the national 9 machine limit. There are numerous fixed costs associated with operating gaming at a venue, regardless of the number of machines installed. Having 9 machines at a venue makes the venue more financially viable, and this increases the amount of money generated for community purposes. From a sport in the community perspective aspect we have already had to extend our administration requirements to meet new outlines set via the Government and Sport NZ with compulsory Police Vetting and Coach Education models in place, new Governance criteria as well as a higher level of compliance through Health and Safety and Risk Management. The support of Gaming Trusts is essential to the health of many sporting organisations, not just cricket, and the reduction in funding available which Comments: would naturally happen with a reduction in machines would only make it more difficult to provide well organised leisure activities for our communities. Already the extra administration duties outlined above puts much more pressure on our organisations and volunteer support, as the community funding is primarily applied for to make it more feasible to support our volunteer and player database and to continue to provide opportunities going forward for healthy communities. We oppose the removal of the location exemption clause. There will be cases where a venue is in technical breach of the 200 metre location restrictions, but is clearly a suitable venue to host gaming machines. The current exemption clause allows venue locations to be considered on a case-by-case basis and for common sense to prevail. We support the enabling of gaming venues to relocate. This is reasonable as it: - enables venues to re-establish after a natural disaster, flood, or fire. - enables venues to move out of earthquakeprone buildings. - enables venues to move out of insanitary buildings. The relocation provision should, however, be expanded to enable venues to move: - to new refurbished premises. -when the current location is closed due to public works acquisition or lease termination. - when the current landlord is demanding an above market rental or imposing unreasonable terms. - Future changes to our population base may mean new community areas develop where new sporting areas develop that the community funding options provided by Gaming Trusts may not be available making it more difficult for our organisation to support growth, suitable facilities, and support for that area.

What change, if any, would you like to see in the Policy?:

#### **Local Approved Products Policy**

Do you support the Local Approved Products Policy as presented?: Comments: What changes, if any, would you like to see in the Policy?:

#### **Dangerous, Affected and Insanitary Buildings Policy**

Do you support the draft Dangerous, Affected and Insanitary Buildings Policy as presented: Comments: What changes, if any, would you like to see in the Policy?:

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#### **Your Details**

First Name: Abbie Last Name: Ross Organisation: South Canterbury Basketball Association Postal PO Box 729 Timaru Address: Contact 0276351312 Number: Email abbierossdesign@gmail.com Address: **Your Feedback** Do you wish to speak about your submission at No a Council Hearing?: Which policy are you providing Gambling Venue Policy feedback on?: Upload your submission here or No file uploaded complete relevant information below: **Gambling Venue Policy** Do you support the draft Gambling No Venue Policy as presented?: We support the retention of the current open policy. The introduction of a

district wide cap on gaming machines or a sinking lid is opposed. The problem gambling rate is very low (0.2% of the adult population). There are already significant measures in place to minimise gambling related harm. Gaming machines are naturally declining. The current funding provided by the gaming trusts is vital. The introduction of a more restrictive policy will adversely affect community funding and increase the migration of the gambling spend to online providers. Offshore-based online gambling

providers do not make any community grants, do not create any local employment, and do not pay any taxes to the New Zealand Government. We oppose the limit of 7 gaming machines for new venues. The Gambling Act provides that new venues may operate 9 gaming machines. There is no evidence to justify departing from the national 9 machine limit. There are numerous fixed costs associated with operating gaming at a venue, regardless of the number of machines installed. Having 9 machines at a Comments: venue makes the venue more financially viable, and thus increases the amount of money generated for community purposes. We oppose the removal of the location exemption. There will be cases where a venue is in technical breach of the 200 metre location restrictions, but is clearly a suitable venue to host gaming machines. The current exemption clause allows venue locations to be considered on a case-by-case basis and for common sense to prevail. We support enabling gaming venues to relocate. This is reasonable as it: - enables venues to re-establish after a natural disaster, flood, or fire. - enables venues to move out of earthquake prone buildings. - enables venues to move out of insanitary buildings. The relocation provision should, however, be expanded to enable venues to move: -to new refurbished premises. - when the current location is closed due to public works acquisition or lease termination. - when the current landlord is demanding an above market rental or imposing unreasonable terms.

What change, if any, would

you like to see in the

Policy?:

#### **Local Approved Products Policy**

Do you support the Local Approved Products Policy as presented?: Comments: What changes, if any, would you like to see in the Policy?:

#### **Dangerous, Affected and Insanitary Buildings Policy**

Do you support the draft Dangerous, Affected and Insanitary Buildings Policy as presented: Comments: What changes, if any, would you like to see in the Policy?:

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#### **Your Details**

First Name: Craig Last Name: Calder Organisation: South Canterbury Rugby Football Union Postal PO Box 787 Tumaru Address: Contact 0211155572 Number: Email craig@scrfu.co.nz Address: **Your Feedback** Do you wish to speak about your submission at No a Council Hearing?: Which policy are you providing Gambling Venue Policy feedback on?: Upload your submission here or No file uploaded complete relevant information below: **Gambling Venue Policy** Do you support the draft Gambling No Venue Policy as presented?: The South Canterbury Rugby Football Union strongly supports the

retention of the current open policy. The introduction of a district wide cap on gaming machine numbers or a sinking lid is totally opposed. The problem gambling rate is very low (0.2% of the adult population). There are already significant measures in place to minimise gambling related harm. We understand gaming machine numbers are naturally declining in the South Canterbury region. The current funding provided by the gaming trusts is vital to the survival and growth of our sport in our region, without this support rugby and the participation of over 2867 individuals will be in jeopardy. The introduction of a more restrictive policy will adversely affect community funding and increase the migration of the gambling spend to online providers. Off-shore-based online gambling providers do not make any community grants, do not create any local employment, and do not pay any taxes to the New Zealand Government. The South Canterbury Rugby Football Union opposs the limit of 7 gaming machines for new venues. The Gambling Act provides that new venues may operate 9 gaming machines. We can find no evidence to justify departing from the national 9 machine

Comments:

limit. There are numerous fixed costs associated with operating gaming at a venue, regardless of the number of machines installed. Having 9 machines at a venue makes the venue more financially viable, and thus increases the amount of money generated for community purposes. We oppose the removal of the location exemption clause. There will be cases where a venue is in technical breach of the 200 metre location restrictions, but is clearly a suitable venue to host gaming machines. The current exemption clause allows venue locations to be considered on a case-by-case basis and for common sense to prevail. We support the enabling of gaming venues to relocate. This is reasonable as it: - enables venues to re-establish after a natural disaster, flood, or fire. - enables venues to move out of earthquakeprone buildings. - enables venues to move out of insanitary buildings. The relocation provision should, however, be expanded to enable venues to move: - to new refurbished premises. -when the current location is closed due to public works acquisition or lease termination. - when the current landlord is demanding an above market rental or imposing unreasonable terms. Yours sincerely Craig Calder CEO South Canterbury Rugby Football Union

What change,

if any, would you like to see in the Policy?:

#### **Local Approved Products Policy**

Do you support the Local Approved Products Policy as presented?: Comments: What changes, if any, would you like to see in the Policy?:

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#### **Your Details**

First Name: Paula Last Name: Irvine Organisation: South Canterbury Football Postal 83 Peel Street Geraldine, 7930 Address: Contact 0276374775 Number: Email paulairvine5@gmail.com Address: **Your Feedback** Do you wish to speak about your submission at No a Council Hearing?: Which policy are you providing Gambling Venue Policy feedback on?: Upload your submission here or No file uploaded complete relevant information below: **Gambling Venue Policy** Do you support the draft Gambling No Venue Policy as presented?:

We support the retention of the current open policy. The introduction of a district wide cap on gaming machine numbers or a sinking lid is opposed. The problem gambling rate is very low (0.2% of the adult population). There are already significant measures in place to minimise gambling related harm. Gaming machine numbers are naturally declining. The current funding provided by the gaming trusts is vital. The introduction of a more restrictive policy will adversely affect community funding and increase the migration of the gambling spend to online providers. Offshore-

Comments:

based online gambling providers do not make any community grants, do not create any local employment, and do not pay any taxes to the New Zealand Government. We oppose the limit of 7 gaming machines for new venues. The Gambling Act provides that new venues may operate 9 gaming machines. There is no evidence to justify departing from the national 9 machine limit. There are numerous fixed costs associated with operating gaming at a venue, regardless of the number of machines installed. We oppose the removal of the location exemption clause. There will be cases where a venue is in technical breach of the 200 metre location restrictions, but is clearly a suitable venue to host gaming machines. The current exemption clause allows venue locations to be considered on a case-by-case basis and for common sense to prevail. We support the enabling of gaming venues to relocate. This is reasonable as it: - enables venues to re-establish after a natural disaster, flood, or fire. - enables venues to move out of earthquake-prone buildings. - enables venues to move out of insanitary buildings. The relocation provision should, however, be expanded to enable venues to move: - to new refurbished premises. -when the current location is closed due to public works acquisition or lease termination. - when the current landlord is demanding an above market rental or imposing unreasonable terms. South Canterbury Aoraki Football We acknowledge that Gambling can be a problem for some, but we also acknowledge that the funding from Gaming machines fills a very large gap in the community for many and varied organisations and until such time as there is a viable alternative many organisations will still need to access money generated from Gaming machines, enabling them to offer their various programmes to all parts of the community. If the TDC or others (eg Government) could come up with an alternative that would encompass the funding that is presently available for organisations to access from Gaming Machines many would use alternative sources. We have received money for: -Ground fees, for clubs - Ground fees and building hire, for our home of Football, Sir Basil Arthur Park - Player programmes - Goals and other equipment for Sir Basil Arthur Park - Equipment for player programmes, and rep teams - Uniforms for rep teams (14 teams) - Plus other one off projects. The funding has enabled us to offer Football to as wide a community as possible including - with helping clubs pay Ground fee's to the TDC, meaning they can keep their costs down to parents and players. Player programmes and Futsal (gym and Stadium hire costs), enabling us to keep costs down to those taking part in both the player programmes, rep system and playing Futsal. - Rep teams receive equipment, playing gear, meaning no cost passed on to parents for those players taking part, and ensuring that the teams are fully equipped. - Equipment as Sir Basil Arthur Park, including Goal posts, enabling us to have 20 plus grounds all fully equipped with goal posts and flags. Football in South Canterbury involves over 2000 players in both Football and Futsal, plus all the families and volunteers that offer support to those players. We have 12 clubs and many volunteers running those clubs

What change, if any, would you like to see in the Policy?:

Local Approved Products Policy

Do you

support the
Local
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Policy as
presented?:
Comments:
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Dangerous, Affected and Insanitary Buildings Policy
<b>Dangerous, Affected and Insanitary Buildings Policy</b> Do you
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Do you support the draft Dangerous, Affected and
Do you support the draft Dangerous, Affected and Insanitary
Do you support the draft Dangerous, Affected and Insanitary Buildings

Affected and Insanitary Buildings Policy as presented: Comments: What changes, if any, would you like to see in the Policy?:

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Submission to the Timaru District Council Gambling Venue Policy November 2019



Hospitality New Zealand South Canterbury Branch Anna Halliday PO Box 503, Wellington Phone: 027 549 8975 Email: anna@hospitality.org.nz

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# 1. Introduction

Hospitality New Zealand (*Hospitality NZ*) is a member-led, not-for profit organisation representing approximately 3,000 businesses, ranging across luxury lodges, motels, hotels, holiday parks, backpackers, country hotels, cafés, restaurants, bars, nightclubs, and off-licences. We represent the breadth and depth of the hospitality industry. Membership of Hospitality New Zealand is voluntary, is primarily funded by member subscriptions and comprises predominantly small businesses. Through our advocacy and close working relationship with our members we speak for and represent the interests of the hospitality industry as a whole.

Service delivery to members is provided through a team of Regional Managers based throughout New Zealand and delivered through personal visits and telephone contact with members. Regional Managers are supported by a national service team in Wellington and led by Acting Chief Executive, Julie White.

Any enquiries relating to this submission document should be referred to Anna Halliday - Regional Manager E: <u>anna@hospitality.org.nz</u> P: 027 549 8975 or Kristy Phillips - South Canterbury Branch President E: <u>info@zestrestaurant.co.nz</u> P: 021 522 240

The South Canterbury Branch of Hospitality New Zealand comprises 64 members, across the MacKenzie, Timaru, Waitaki and Waimate Territorial Local Authorities (TLAs).

Hospitality NZ (HNZ) represents the majority of Class 4 venue operators with gaming machines outside of casinos and the club sector. Association membership accounts for over 700 venues nationwide that host gaming machines to raise funds for the community and provide entertainment to patrons.

Hospitality New Zealand is committed to working with the Timaru District Council (TDC) in order to develop a practical and effective Gambling Venues Policy. We support the New Zealand Gambling Law Guide research paper "Gaming Machine Gambling Statistics and Research Paper – Information for Territorial Authorities" and suggest that this paper should be read and considered by TDC Council as part of its review. We have used portions of the information contained in the paper in this

feedback.

http://www.gamblinglaw.co.nz/download/Research/TAInfo.pdf

### 2. Positive Aspects of Gambling for the Community

The operation of gaming machines in Class 4 venues is a key fund-raising mechanism for the Timaru community. Hospitality New Zealand represents 11 of the 14 Class 4

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venues (under four different Trusts) in the Timaru District<sup>1</sup> These 11 venues run 122 of the 165 machines between them and contribute 73.9% of the overall local gaming proceeds which are distributed back to the local community<sup>2</sup>. These 11 venues are also registered with the Gaming Machine Association of New Zealand (GMANZ).

Class 4 Gaming provides a major source of funding for community projects, educational institutes, ambulances, amateur sports teams, and innumerable other socially beneficial activities. GMANZ calculates \$300 million dollars is contributed nationally to community groups by their members each year.<sup>3</sup> Monies collected by corporate societies from gaming machines in clubs and bars provide community groups and organisations with access to funds that would

otherwise not be available.

In August 2018, the New Zealand Gambling Law Guide updated a research paper 'Gaming Machine Gambling Statistics and Research Paper – Information for Territorial Authorities.<sup>4</sup> In it, the author states that the typical distribution of Gaming Machine Profits is as follows:

Component	GST inclusive	GST exclusive
Government Duty	20%	23%
GST	13.04%	0
Problem Gambling Levy	1.31%	1.5%
DIA Costs	2.9%	3.33%
Depreciation	7.97%	9.16%
Repairs & Maintenance	2.31%	2.66%
Venue Costs	13.9%	16.0%
Society Costs	1.74%	2.0%
Donations	36.82%	42.34%
Total	99.99%	99.99%

### 3. Gaming Machine Numbers and Problem Gambling

Hospitality New Zealand and its members support the minimisation of harm caused by gambling however, the Number of Class 4 Gaming Machines available in New Zealand

<sup>&</sup>lt;sup>1</sup> <u>https://www.dia.govt.nz/diawebsite.nsf/wpg\_URL/Resource-material-Information-We-Provide-</u> <u>All-Venues-and-Numbers-by-Territorial-AuthorityDistrict</u>

<sup>&</sup>lt;sup>2</sup> <u>https://www.gmanz.org.nz/venues/</u>

<sup>&</sup>lt;sup>3</sup> <u>https://www.gmanz.org.nz/resource/millions-to-the-community/</u>

<sup>&</sup>lt;sup>4</sup> <u>http://www.gamblinglaw.co.nz/download/Research/TAInfo.pdf</u>



has had no discernible effect on the number of problem gamblers identified. Statistics have shown that through natural attrition, the number of gaming machines have fallen dramatically since 2001 when Timaru District had 295<sup>5</sup> machines, to June 2019 with only 165<sup>6</sup> – that's a reduction of 55.93%.

As responsible hosts our members take seriously the issue of problem gambling and their responsibilities in this area. It should be noted that while some 95% of New Zealanders gamble in some form or another during their lifetime, problem gambling equates to only 0.1-0.3% of the population and has done so for many years despite fluctuations in the numbers of machines available. Total problem gamblers in Timaru from June 2017 to June 2018 totalled 40 people<sup>7</sup> which equates to 0.084% of the population (47,400<sup>8</sup>) across ALL types of gaming including TAB, lotteries commission and casinos (this is significantly lower than the national average).

The *Gaming Machine* research paper cited above shows non-casino gaming machines account for less than half of all problem gamblers.

The vast majority of gaming machine players enjoy this activity within their means and without any problems. Hospitality NZ agrees that those who have a problem with gambling need to be helped. However, they will not be helped by limiting the number and location of machines as noted in point 36 of the Gambling Law Research Paper:<sup>9</sup>

"Does More Machines Mean More Problem Gambling?

36. There is no direct correlation between gaming machine numbers and problem gambling rates. Over the last ten years, the problem gambling rate has remained static, despite gaming machine numbers declining rapidly (4,472 gaming machines have been removed from the market)."

Such limitations will simply reduce grants available to the community. All Class 4 venues are strictly supervised by the Department of Internal Affairs (DIA)

and controlled through electronic monitoring, trust auditing and enforcement testing to rigorously minimise gambling harm. Hospitality NZ embraces these requirements by delivering quality training in Harm Minimisation, Host Responsibility, and supporting our members to operate at Best Practice level.

Problem gambling, like any addiction, requires focused treatment and attention. Present control measures include the provision of information on responsible

<sup>5</sup> <u>https://www.dia.govt.nz/diawebsite.nsf/wpg\_URL/Resource-material-Information-We-Provide-List-of-Venues-by-Territorial-AuthorityDistrict-as-at-17-October-2001</u>

<sup>8</sup> <u>https://figure.nz/chart/CLaMLJ4sqPsSQMCU-dNebxH9TZkI6T94n</u>

<sup>&</sup>lt;sup>6</sup> <u>https://www.dia.govt.nz/diawebsite.nsf/wpg\_URL/Resource-material-Information-We-Provide-</u> <u>All-Venues-and-Numbers-by-Territorial-AuthorityDistrict</u>

<sup>&</sup>lt;sup>7</sup> <u>https://www.health.govt.nz/our-work/mental-health-and-addictions/gambling/service-user-data/intervention-client-data#territorial</u>

<sup>&</sup>lt;sup>9</sup> <u>http://www.gamblinglaw.co.nz/download/Research/TAInfo.pdf</u>



gambling at venues, the use of personal exclusions and player information displays (PID's or 'pop ups') displaying personal statistics to machine users. On-site venue training through the Gaming Trusts and HNZ (in collaboration with DIA) ensures that venues are actively managing their legislative responsibilities towards their guests to ensure a safe community environment.

# 4. Lotto and Unregulated Online Offshore Gambling

The relatively uncontrolled Lotto market has increased unchecked in recent years<sup>10</sup>.

- Outlets up by 47% since 2010
- Sales up by 60% since 2010
- Registered people playing MyLotto (online) up by 180% since 2014

With smart phones changing the digital landscape, and offshore gambling providers enabling 24/7, unrestricted and unmonitored access to electronic gaming<sup>11</sup>, there is great risk to a vulnerable sector of the population

Offshore gambling entities do NOT:

- Return proceeds to our communities
- Pay GST or provisional tax to the central government
- Pay the problem gambling levy that New Zealand operators do
- Operate under any gambling harm minimisation programme or restrictions around vulnerable users
- Have a closing time
- Have any control mechanisms around trained staff physically monitoring customers
- Provide information for problem gambling help to New Zealanders
- Have restrictions on credit card use for gambling

According to new information released by DIA in June, New Zealanders spent more than \$2m dollars per month or \$381m over 18 months on unmonitored offshore gaming.<sup>12</sup>

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<sup>&</sup>lt;sup>10</sup> <u>https://assets.mylotto.co.nz/assets/uploads/f1ecf8c6-e22b-11e8-8852-eeb1d7d3b241.pdf</u>

<sup>&</sup>lt;sup>11</sup> <u>https://www.stuff.co.nz/business/industries/115129052/new-zealanders-are-pouring-money-into-online-gambling</u>

<sup>&</sup>lt;sup>12</sup> <u>https://www.nzherald.co.nz/nz/news/article.cfm?c\_id=1&objectid=12254522</u>



### Response to Timaru District Council Proposed Changes

### 5. Including a Relocation Policy:

Venue relocation is an important harm minimisation tool. It allows venues to move out of residential areas to more suitable areas, such as the CBD. Allowing relocation enables gaming venues to move to new, refurbished premises, or to re-establish after natural disasters. Allowing relocation also prevents landlords from demanding unreasonable rentals and gives the venue operator the ability to relocate to an alternative venue if necessary.

Hospitality NZ **supports** the adoption of a Relocation Policy for gaming venues where it becomes necessary to move venues as per the proposed policy below.

6.1 Consent for the relocation of existing Class 4 venues is subject to:

6.1.1 The current premises being unable to continue to operate at the existing site. Examples of such circumstances include, but are not limited to the following:

- Expiration of lease;
- A natural disaster or fire making the venue unfit to continue to operate;
- The building in which the venue is located is deemed, under the Building Act 2004, to be earthquake-prone, dangerous, affected or insanitary.

6.1.2 The total number of Class 4 gaming machines at the new premises must be the same, or less than the existing Class 4 venue.

6.1.3 The consent application meeting all other requirements of this Policy.

We agree that this would support local hospitality businesses to remain fiscally viable where influences outside their control dictate a need for venue relocation. A business owner who needs to relocate due to unaffordable rent increases, should be entitled to relocate their entire business – including gaming machines.

Additionally, Hospitality New Zealand submits that the policy wording includes a provision to relocate gaming machines due to external influences generating financial hardship – at least where an existing business needs to relocate machines into a new or existing venue.

We agree this will not alter the overall gaming machine numbers across the district.

# 6. Removing Recreation Zones from the Gaming Venue Policy:

Hospitality NZ **supports** the proposed removal of Recreation Zones from the Gaming Venue Policy for the two reasons represented in the discussion document. We agree the inclusion of Recreation Zones goes against the intent of the policy; and that in the best interests of community, areas around recreational non-profit clubs and sporting areas should be kept free of gambling venues.

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### 7. Removing the Exemption Clause:

Hospitality NZ **disagrees** with the removal of the Exemption Clause from the Gaming Venue Policy. Specifically, we disagree with the argument that: "...not all venues, including existing venues, will be able to comply with the policy requirements. For this reason, Council will consider applications for exemption made in respect to specific sites."

A mechanism which allows for consideration on a case by case basis is essential to futureproof the healthy hospitality industry in the Timaru District.

This proposed change is poorly thought out as 'unintended consequences' to business are frequently the result of removing flexibility from legislation. With comprehensive policy guidelines and the thorough administration of these, the 'ambiguity for staff' referred to in the discussion document should be minimal. Given the dynamic nature of legislative change over years, anticipating the future needs of business legislation is next to impossible.

Where the discussion document states: "Further, as the Policy applies to new applications for consent, existing venues and their licences are not affected by this policy, unless the venue proposes to increase the number of gaming machines or to relocate."

Given that the Gambling Act 2003 set a default cap of nine machines for new premises, and the current TDC Policy has a cap of seven machines – there must be a mechanism available to businesses to challenge this clause in the policy under 'special circumstances' vis-a-vis a case by case basis.

Where relocation is addressed, this will now fall under the guidelines for the Relocation Clause in the Policy.

# 8. Simplifying Wording and Definitions

Hospitality NZ **supports** the clarification of definitions and simplification of the policy as long as the meaning and intent does not substantively change.

# 9. Renaming the Policy Title to Gambling Venue Policy:

Hospitality NZ **supports** the proposal to change the policy title from "Class 4 Gambling Venue and Board Venue Policy" to "Gambling Venue Policy" and agree that the current title is wordy and unclear.

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## Hospitality New Zealand South Canterbury Branch

### 10. Other Options:

#### a) Keep the Status Quo

- Maintain the current cap at 7 machines per venue
- Maintain the current location restrictions
- No relocations policy

Hospitality NZ **disagrees** with the Status Quo because it does not allow for a Relocation Policy based around substantive business challenges like third party interference or a natural disaster wreaking havoc on a venue. We agree that machine numbers are falling due to natural attrition, but question the increased expenditure<sup>13</sup> published in the submission document as \$38,000. Official DIA figures on the website indicate that the increased expenditure of: Apr to Jun 2019 TIMARU DISTRICT \$ 2,486,964.61 Apr to Jun 2016 TIMARU DISTRICT \$ 2,474,797.93<sup>14</sup> ...is actually \$12,166.68 which, adjusted for population growth of 1200 people from Feb 2016 of 46,200<sup>15</sup> to June 2019 of 47,400<sup>16</sup> means the increased spend per head of population is a minimal \$10.13 over the three-year period.

Nationally, the DIA notes: "The take from non-casino gaming machines ("pokies") increased 2.9 per cent from \$870 million in 2016/17 to \$895 million in 2017/18. After adjusting for both inflation and changes in the adult population, expenditure on pokies decreased slightly from an average of \$242 per person in 2016/17 to \$238 per person in 2017/18".<sup>17</sup>

### b) Sinking Lid Policy:

Hospitality NZ vehemently **disagrees** with this policy (as pointed out several times previously in this document) as the reduction in gaming machines does not equate to a reduction in gambling harm. Additionally, the increase in gambling through offshore

<sup>&</sup>lt;sup>13</sup> <u>https://www.stuff.co.nz/timaru-herald/news/95742002/south-canterbury-pokie-machine-spend-drops</u>

<sup>&</sup>lt;sup>14</sup> <u>https://www.dia.govt.nz/diawebsite.nsf/wpg\_URL/Resource-material-Information-We-Provide-Summary-of-Expenditure-by-Territorial-AuthorityDistrict</u>

<sup>&</sup>lt;sup>15</sup> <u>https://www.aorakidevelopment.co.nz/\_\_\_data/assets/pdf\_file/0017/103508/Showcasing-</u> <u>Timaru-Profile-2016-2017.pdf</u>

<sup>&</sup>lt;sup>16</sup> <u>https://figure.nz/chart/FyfHKfmyQB67AWR0-P28h6zqLdrQxRtTw</u>

<sup>&</sup>lt;sup>17</sup><u>https://www.dia.govt.nz/press.nsf/d77da9b523f12931cc256ac5000d19b6/230b090a44682b91cc</u> 2583af0076a37e!OpenDocument



## Hospitality New Zealand South Canterbury Branch

gambling sites is unmonitored and unregulated, with none of the proceeds being returned to the community. By indirectly reducing the machines available in the community, the unintended consequence will be encouraging locals to use these offshore gambling sites while the remaining local Gaming Societies will be forced to close due to lack of patronage. This will severely limit the funding available to the community and we question who will be able to replace the financial contribution to community ventures and projects?

We would also like assurance that should TDC embark on the adoption of this policy, that they will fully fund the shortfall of community support and funding usually provided by the Gaming Trusts and Societies. Will TDC ensure there is no negative impact on quality of life for residents – for example, funding the lighting for Sir Arthur Basil Park? Will TDC ensure the Air Rescue Trust is supported and funded adequately for the health benefit of the community? Will TDC fund young, talented sports people or future leaders to grow to their full potential representing New Zealand on a world stage?

This then raises the question: "Is this the core business of Council and best use of Tax Payers' funds?" Currently, the funding from local gaming venues makes a significant positive impact on residents' lives as it is redistributed around the district.

### c) Other Capping Options:

Hospitality NZ **disagrees** with any further capping options. As discussed for the sinking lid policy, the unintended consequences mentioned above will be a greater cost to society than the threat of 0.084% of the population experiencing harm through gambling machines. Additionally, new hospitality businesses will decline to open and as a result, the overall Tourism experience will deteriorate, significantly altering the financial health of the district.

### d) Easing Restrictions:

Hospitality NZ in principle **supports** the easing of restrictions and allowing venue operators to deploy the maximum number of machines under the Act. However, we remain wary of the lack of Relocation Policy mentioned and feel that a good equilibrium is currently evidenced in the statistics with minimal gambling harm and maximum community benefits gained from local gaming machine distributions contributing back into the district.

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## Hospitality New Zealand South Canterbury Branch

### 11. Summary

Hospitality New Zealand members are committed to working with the Timaru District Council, and with the community in which we live and operate our venues. As responsible hosts and operators, we wish to continue to raise vital funding for this community, and to minimise any harm caused by gambling.

Hospitality NZ

- Supports including a Relocation Policy
- Submits the Relocation Policy wording should include a provision to relocate gaming machines due to external influences generating financial hardship
- Supports removal of Recreation Zones
- Submits the Exemption Clause should NOT be removed thereby minimising unintended consequences to business and Timaru District economic health
- Supports simplifying wording and definitions
- Supports renaming the policy title to Gambling Venue Policy
- Does NOT support keeping the Status Quo
- Does NOT support a Sinking Lid policy
- Does NOT support other Capping Options
- Supports Easing Restrictions on the proviso that a Relocation Policy is included

On behalf of our members, we are available for consultation on this important community issue and wish to speak to our submission during the verbal hearing process.

Anna Halliday - Regional Manager, Hospitality New Zealand Kristy Phillips – South Canterbury Branch President

Thanks for the hospitality New Zealand!



## SUBMISSION TO TIMARU DISTRICT CLASS 4 GAMBLING POLICY

Sarah Campagnolo Health Promoter 03 741 1621 sarah.campagnolo@pgf.nz

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## **INTRODUCTION**

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

PGF recommendations on effective gambling policy are founded on what is known about gambling harm across New Zealand, and following the recommendations is a comprehensive background on electronic gaming machines (EGMs or 'pokies'), gambling harm in New Zealand and community funding.

The latest New Zealand National Gambling Study (NGS), published in 2018 with data from 2015, found that 0.2% of the sample adult population were problem gamblers, 1.8% were moderate-risk and 4.6% were low-risk gamblers.<sup>2</sup> A problem gambler experiences about half the quality of life of a regular person – roughly the same as someone with severe alcohol problems – and a low-risk gambler about 20% less than average.<sup>3</sup>

Measuring gambling harm is often referred to as the tip of the iceberg because each person with a gambling problem affects six other people.<sup>4</sup> The Australian Productivity Commission Report (2010) stated that less than 15 percent of people impacted by gambling would attend traditional problem gambling services.<sup>5</sup> Problem, moderate and low-risk gamblers account for 18, 34 and 48% of total harm respectively, creating severe situations at one end of the spectrum and wide-ranging deprivation at the other (Appendix 1). Individuals, families, friends, workmates, businesses and the community all suffer the negative outcomes of harmful gambling, which should be particularly noted in New Zealand because of its contribution to child poverty and impact on families at greater socio-economic risk.

Class 4 EGMs – those housed in pubs and clubs in the community as opposed to in casinos – are the most harmful form of gambling (Appendix 2). However, the most recent data on New Zealand gambling behaviour reported that in 2015, the vast majority of adults (87.2%)<sup>6</sup> didn't use any kind of pokie machine at all. This means the losses, over \$910 million to Class 4 gambling in 2018, come from a very small percentage of the population.

Misconceptions around the funding from gambling complicate the issue and it is time that councils and government take a closer look at the relationship between harmful gambling and social disparities, and the funding model which exacerbates it.

## **CLASS 4 GAMBLING IN NEW ZEALAND AND TIMARU DISTRICT**

### Expenditure and national gambling trends

Expenditure on the four major types of gambling in New Zealand in the 2017/18 financial year reached \$2.383 billion; continuing a trend of increases in expenditure since 2009/10 (Appendix 3). Class 4 gambling accounted for 37.5% of the 2017/18 spend with \$895 million, a figure which has also risen each year since 2013/14.

As mentioned, EGMs are the major cause of gambling harm in New Zealand and the primary mode of gambling that people seek help for (Appendix 2). Over \$910 million was lost on pokies in the 2018 calendar year<sup>7</sup> or \$2.42 million a day. A conservative estimate is 40% of pokie losses are incurred by those with a gambling problem.<sup>8</sup>

Of concern is the recent increase in pokie spend despite slowly but steadily falling numbers of EGMs and venues since the Gambling Act was introduced in 2003. EGMs are designed to be addictive, and courageous council policies are required to reduce pokie numbers and therefore the harm they cause within communities.

#### **Gambling in Timaru District**

The following information is sourced from records to June 2019 from the Department of Internal Affairs (DIA) and Census 2013.

The median income in Timaru is \$26,900 per annum – \$1,600 less than the national average. This equates to \$571 per week, where the median rental is \$200 per week, leaving \$317 (before tax) for food, power, petrol, clothes, the doctor etc.

The following outlines the state of Class 4 gambling in Timaru, which has 165 pokie machines across 14 gambling venues.

- The District places 45th out of the 67 Territorial Local Authorities in the country for the ratio of pokies per adult population one machine for every 207 adults.
- The average annual spend per adult of \$287 ranks 33<sup>rd</sup> highest.
- The last 12 months' pokie data (Sep 2018–June 2019) reckons the average annual takings per pokie machine in Timaru to be \$59,000, making a total of over \$9.75 million to leave the District in a year – just under \$27,000 a day.

The District's \$2,486,965 loss to pokies in the last quarter (Apr-Jun), was:

- \$242,618 (+10.8%) more than the previous quarter
- \$81,000 (+3.4%) more than the same quarter in 2018
- The 12 months to June 2019 saw an increase of \$165,750 (+1.7%) from the 12 months previous.

Pokie numbers in Timaru have fallen by 103 over the last five years. This decrease from 268 to 165 (over 38%) was somewhat mirrored by a lesser decline in the spend (see Appendix 5). However, the falling spend was arrested in March 2017 and has built back up considerably since, while pokies continued to fall.

#### Funding

The benefits of community funding from EGMs need to be weighed against the social and financial costs of gambling harm in the area. While community grants generated from pokie funding have been returned directly to the area, money raised in Timaru is also distributed outside of the District. Additionally, child neglect, poverty, family violence, fraud, poor mental health and loss of employment are all issues exacerbated by harmful gambling and are hugely damaging to society.

The financial return from EGMs suggests a questionable funding model. The provisional figure for the proportion of money returned to the community from Class 4 gambling across the country in

2018 is 43.8% (an estimated \$346,463,945). The 43.8% return is calculated from an amount which is GST exclusive – meaning that 15% of the total money has already been paid in tax, taking the real contribution of the money lost to 38%.

When the losses from EGMs and the social costs are balanced against the benefit from community funding, this model is not sustainable. Many organisations are supported by funding from EGMs and are valued by their community. However, there needs to be more transparency around what groups are funded and from which communities. Gambling funding poses an important ethical question of whether New Zealand should support a system which determines that some people are selectively benefited while others are substantially harmed.

The *Gambling Harm Reduction Needs Assessment* (2018), prepared for the Ministry of Health, raises fundamental questions about the parity of the Class 4 funding system:

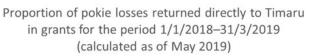
While there is little doubt about the community benefits associated with funding of the charitable sector, the policy rationale for compelling gamblers alone to make a special and very substantial contribution to funding these community benefits is rather unclear.

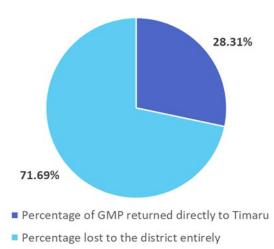
There is no reason to assume that gamblers have a particularly high ability to pay (a principled policy rationale for progressive income taxes) and thus might be better placed to support charitable purposes than the rest of the community. In fact, the opposite seems to be the case: gambling tends to be more prevalent in lower income households and, as noted in section 4.3, the concentration of gambling venues tends to be higher in areas of high deprivation. Therefore gambling taxation and redistribution to community purposes tends to be regressive, i.e., placing a higher burden on the less-well-off ... Some organisations take an ethical stance to not receive funds from gambling sources.<sup>9</sup>

#### Proportion of pokie losses returned directly to Timaru in grants.

A report prepared by PGF in May 2019, examining the funding returned directly to the community versus the money leaving the District found that between 1 January 2018 and 31 March 2019 Timaru saw 28.31% of pokie losses returned.<sup>1</sup>

During this time, pokie losses from Timaru District contributed \$12,137,209 through pokie losses and received a direct community return of \$3,435,949. Of the money returned, \$2,203,417 (64%) went to sports organisations, \$842,552 (24.5%) to community services, and \$389,980 (11.5%) to community groups.





<sup>1</sup> PGF Group funding data disclaimer

Every effort has been made to ensure the reliability of this data but PGF Group holds no responsibility for any errors. The grants data should be taken as an overview only as PGF Group relies on information from pokie trusts which is sometimes not up to date and some published grants may cover multiple regions. This data was prepared in May 2019 and any further funding information published subsequently will not appear.

## WHAT MAKES A GOOD POLICY?

The stigma attached to gambling harm often causes problems to remain hidden and not confronted until sufferers are deep in crisis. A strong Class 4 gambling policy has a number of advantages: it is preventative, supports early help-seeking, and addresses stigma by raising awareness in the general community about the risks associated with Class 4 gambling. A strong and clear policy is also consistent with the purposes of the Gambling Act 2003.

The purpose of the Gambling Act is to:

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

#### **Sinking lid policies**

Sinking lid is a term used in gambling policies and has been adopted in varying forms by Territorial Local Authorities (TLAs). As you know the purpose of a sinking lid policy is to reduce, over time, the number of machines operating within a specific area or district. A comprehensive sinking lid policy is where if a venue closes, the pokies cannot go to another venue and no new Class 4 licences can be issued. Timaru should be looking to introduce a sinking lid in recognition of the gambling harm occurring in your area. However, your council's preferred policy changes are a step in the right direction, as the current policy is inconsistent in its allowance of pokies in recreational areas and not near schools and the like.

Twenty three of the 67 TLAs around New Zealand have already introduced sinking lid policies and Timaru should be following suit. This is partly driven by strong public opinion about harm and partly TLAs' concern to promote community wellbeing. This is consistent with the purpose of the Gambling Act 2003 and section 4 where the definition of gambling harm includes harm to society at large.

A sinking lid policy is compromised where machine relocation is permitted and/or venues and clubs are permitted to merge. Relocation enables existing numbers to be maintained, as do mergers, with the added risk or creating 'pokie dens' through a concentration of machines at a single venue. Research supports the argument that increased numbers of EGMs leads to increased problem gambling prevalence.<sup>10</sup>

There are two main arguments against sinking lid policies. The first is that they don't work based on numbers of people presenting to treatment services. The response to this is that Class 4 EGMs account for almost 50% of gambling harm and that EGM numbers are still only coming down very slowly – the last 12 months saw a -413 reduction from June 2018 to June 2019, across New Zealand.

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

## PGF RECOMMENDATIONS ON GAMBLING POLICY

# PGF recommends that Timaru District Council should adopt a sinking lid and your policy should include the following provisions:

- **No relocations**: If a venue with EGMs is forced to close or voluntarily closes, the council will not permit the EGMs to be relocated to any venue within the council area.
- **No club mergers:** There will be no club mergers under any circumstances.
- **A ban on any new venues:** No permit will be given to operate any new business or club in the council area if that business proposes having EGMs.

#### PGF recommends provisions such as these:

- 1. Restrictions on venue and machine consents:
- (i) The Council will not grant consent for the establishment of any additional Class 4 venues or additional gaming machines under this policy.
- (ii) Venue relocation is prohibited. A gambling venue consent is for one venue (one premises) and is not transferable to another venue. The consent is given to a venue at a given address, not to a person or business. To remove doubt, if a corporate society proposes to change to a new venue, a new consent is required under s 98 (c) of the Gambling Act 2003 and clause (i) of this policy applies.
- (iii) Club mergers are prohibited. Once a venue or club ceases to operate, the machine numbers will not be allocated to any new or existing venue or club.
- (iv) Council will not provide consent under Sections 95(1)(f) or 96(1)(e) of the Gambling Act 2003 to any application by corporate societies with Class 4 licences seeking Ministerial discretion to increase the number of gaming machines permitted at a venue.

PGF recommends that Timaru District include Best Practice Guidelines and encourages council to undertake a duty of care in monitoring them. An example of these guidelines can be found in Invercargill City Council's Gambling Policy.

### **Gambling Licence and Liquor Licence**

Some Class 4 venues struggle financially and use the income from EGMs to "prop them up." This is non-compliant with both the Gambling Act 2003 and the Sale and Supply of Alcohol Act 2012. This occurs when the primary activity is not entertainment, nor from the sale of alcohol and food.

Although the Gambling Act 2003 does not provide any legislative powers for councils to remove gambling licenses, District Licensing Committees can and have refused liquor licence applications where the primary activity has been gambling. The most relevant decision was made by the Gisborne District Licensing Committee vs Kaiti Club Hotel Tavern. This was upheld by the Alcohol Regulatory Licensing Authority.

Recently a Class 4 club was identified to have been operating after it had lost its status as an Incorporated Society as it had been earlier struck off by the New Zealand Companies Office. The club was no longer able to be licensed to sell alcohol, and subsequently could not operate EGMs.

Class 4 venues operating in this manner need to be identified by either the Department of Internal Affairs or District Licensing Committees; however, this has not been the case in practice, and it took community action in both cases above to identify these issues. PGF Group recommends that council dedicate resources to investigating and monitoring venues to ensure all are compliant with legislation.

## SOCIAL COST OF GAMBLING

Recent research confirms the broad proportion of New Zealanders experiencing gambling harm is higher than the prevalence for problem gambling (Appendix 1). The *Health and Lifestyles Survey 2018* results for second-hand gambling harm found 7% of adults (268,000) reported,

experiencing at least one form of household-level gambling harm (including having an argument about time or money spent on gambling, or going without or bills not being paid because too much money was spent on gambling by another person. Māori respondents were most likely to be affected by household gambling harms.

Broader harm for many is also critical harm for some. A number of studies have shown a clear link between problem gambling and suicidality<sup>11</sup> and PGF Group's service providers regularly see people who have considered or attempted taking their own lives. Suicide is another acute phenomenon in New Zealand and should be carefully considered in terms of gambling policy making.

### Harmful gambling and children

Children suffer greatly as a result of harmful gambling. They can regularly miss out on basic essentials if a parent has gambled away household money and there is a far greater risk the children of problem gamblers will inherit the same issue themselves.<sup>12</sup>

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

The children of problem gamblers can also suffer emotionally, and feelings of neglect can be a daily struggle. The parent may spend a great deal of time gambling, move out due to arguments about their gambling or disappear unpredictably. Their relationship with their child or children can be damaged as they become more secretive, unreliable and prone to breaking promises. The parent's personality can become unrecognisable to their children, who feel gambling has become more important than family.<sup>13</sup>

A study of gambling in Māori communities outlines a model of how children are at risk if gambling is part of their young lives. When exposed to gambling activities from an early age, children grow up seeing gambling as a normal activity and central to social life – they may also 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.<sup>14</sup>

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

- Alcohol disorders (31% vs 4%)
- Major depression (19% vs 7%)
- Drug use disorders (5% vs 2%)
- Antisocial personality disorder (5% vs 0%)
- Generalised anxiety disorder (8% vs 0%)
- Any psychiatric disorder (50% vs 11%)<sup>15</sup>

### **Gambling and crime**

Offending by gamblers has been investigated in a number of New Zealand and international studies. Despite difficulties in determining the extent of gambling-related crime and the causal pathways, it appears that problem gamblers are at high risk of committing crimes in order to finance their gambling activities.<sup>16</sup>

In 2008 a New Zealand study found that 25% of those engaged in criminal activity would not have done so if it had not been for their gambling. This suggests that a quarter of the relevant population, or about 10,000 people, committed illegal activities because of gambling.<sup>17</sup>

Studies of problem gambling and links to criminal activity suggest that much of the related crime goes unreported.<sup>18</sup> Apart from the financial cost of gambling-related crime to organisations and individuals directly involved, further serious consequences are experienced by problem gamblers and their families if they are convicted of criminal activities.<sup>19</sup>

A 2009 New Zealand study found that "gamblers and significant others believe that a relationship exists between gambling and crime" and "there is substantial unreported crime, a large proportion of which is likely to be related to gambling and that there are a large range of crimes committed in relation to gambling (particularly continuous forms of gambling), and not just financial crimes".<sup>20</sup> They suggest that 10% of people experiencing problem gambling and two thirds of those receiving counselling for gambling-related issues have committed a crime because of their gambling.

### **Family violence**

The Ministry of Health and Auckland University of Technology have recently released research highlighting the links between problem gambling and family violence. Fifty per cent of participants (people seeking help from problem gambling services) claimed to be victims of family violence, and 44% of participants claimed to be perpetrators of family violence, in the past year.<sup>21</sup>

### **Economic degradation**

There is limited data and analysis regarding the economic impact of gambling in New Zealand. However, New Zealand and international research has revealed the losses offer a sharp contrast to the often celebrated economic gains. Money for gambling is diverted from savings and/or other expenditure, and can have a negative impact on local businesses and the economic health and welfare of whole communities.<sup>22</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>23</sup> A 2008 report noted that jobs and economic activities generated by gambling expenditure would exist elsewhere if that money was spent outside the gambling industry.<sup>24</sup>

### **Remedies to problem gambling**

A New Zealand study acknowledged there are many forces at play that can reduce problem gambling prevalence, including public health work, adaptation (when no new pokies are introduced) and policy. The report found strong support for the "access thesis," which says that increases of non-casino pokies lead to an increase in problem gambling prevalence. The study found that there is an increase in problem gambling by nearly one person per each new machine.<sup>25</sup>

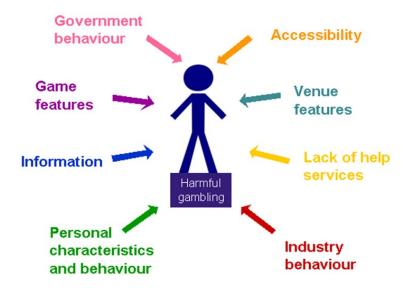
The report concludes that, "from the perspective of public policy, and particularly harm minimisation, holding or reducing electronic gambling machine numbers would appear to be prudent based on our findings, and is likely to lead to reduced harm both through reduced availability and by enabling adaptation processes." The same study supported the view that restricting the per capita density of gambling machines leads to a decrease in gambling harm.<sup>26</sup>

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

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

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

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



## EGMS: LOCATION, DENSITY AND DEPRIVATION

The National Gambling Study reports that people living in high deprivation neighbourhoods are at greater risk of becoming problem gamblers<sup>27</sup> and EGMs are disproportionately located in the poorest communities. The *Progress on Gambling Harm Reduction 2010 to 2017 Outcomes report*<sup>28</sup> summarises research from the latest gambling harm needs assessment<sup>29</sup>, stating:

Approximately 50% of all EGM venues (ie, pokie machine venues, which research has shown are the source of the highest risk of harmful gambling activity) are clustered in geographic areas representing the three most socioeconomically deprived populations (ie, poorest areas of the country). In economic terms, these are the groups who can least afford the financial losses from gambling, who experience the lowest returns from gambling proceeds to their communities, and who can least afford the health harm arising from risky gambling activity

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

#### Vulnerability

Factors contributing to being a risky gambler include ethnicity, deprivation, major life events, psychological distress, cannabis use and various gambling behaviours.<sup>30</sup>

Māori and Pacific adults are over-represented in problem gambling prevalence rates:

Māori and Pacific people continue to have very high problem gambling prevalence rates. This means that unless more focus is placed on understanding why this is the case, and processes put in place to change the current situation, Māori and Pacific communities will continue to be disproportionately affected by gambling-related harm.<sup>31</sup>

- Māori populations comprise 31% of intervention service clients<sup>32</sup>, but make up only 15% of the population.<sup>33</sup>
- Pacific populations comprise 21.2% of intervention service clients<sup>34</sup>, but make up only 7% of the population.<sup>35</sup>
- Problem gambling strongly linked to mental health state and disorders.<sup>36</sup>
- Many problem gamblers also use tobacco, alcohol and other drugs.<sup>37</sup>

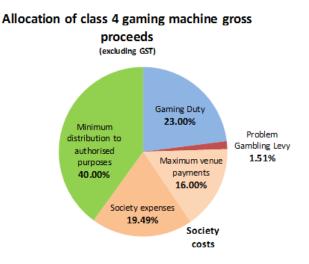
## THE ETHICS OF GAMBLING FUNDING

#### How pokie trusts work

Pokie trusts were established under the Gambling Act (2003) in an attempt to offset harm by returning some of the profits in the form of community grants. Although the purpose of the trusts is to distribute money to the community, the purpose of gambling is not to raise money for the community, and it should not be perceived as such. Pokie machines are licensed to operate in pubs and clubs solely as a form of community fundraising<sup>38</sup> and licence holders must distribute their net proceeds to the community by way of grants.

Trusts and societies are currently required to distribute a minimum of 40% of their GST exclusive gross proceeds for each financial year according to the Gambling Regulations 2004 (Class 4 Net Proceeds: Part 2 Section 9 (1) and 10)).<sup>39</sup>

Legislation dictates that each dollar of gross proceeds (i.e. turnover [aggregate stakes] minus user winnings) must be distributed in accordance with the pie chart shown in the figure below.<sup>40</sup> These include the fixed amounts towards gambling duty and the problem gambling levy.



Every year approximately \$300 million is returned to the community from the proceeds of Class 4 gambling. In 2015, 49% of the total funding (\$122m) went to sports, up from \$106m in 2014

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 EGMs.<sup>41</sup>

There needs to be a more open, lower cost, and transparent system of reporting for the gambling trusts system. Of particular concern are issues of personnel and conflicts of interest, compliance with the Gambling and Sale and Supply of Alcohol Acts and providing greater clarity around the criteria by which funding is administered.

#### **Regressive nature of gambling funding**

Gambling generates significant funding for community purposes. However, gambling funding comes with a very high human cost and more equitable and less harmful forms of funding should be investigated. International and New Zealand studies have identified that gambling is sharply regressive. Income is effectively being redistributed away from low income communities.<sup>42</sup>

One attraction for governments to collect public funding through gambling is that it appears to be "painless" or "voluntary" – meaning those contributing are less aware they are doing so through their participation in an activity not overtly framed as a form of taxation. The "painless voluntary

donation" view has been criticised on grounds that it exploits the false hopes or financial risk-taking of those on lower incomes.<sup>43</sup>

The cognizance of problem gamblers, who supply such a large proportion of the funds, at the time of making their contribution is another argument against this form of fundraising. A study by Dowling et al., 2015, cited in a needs assessment prepared for the Addictions Team, Ministry of Health, reports:

prevalence estimates of psychiatric disorders in individuals seeking psychological or pharmacological treatment for problem gambling. Results from 36 studies were included and the authors found that:

- 56.4% had nicotine dependence
- 18.2% alcohol abuse
- 15.2% alcohol dependence
- 11.5% cannabis use disorder<sup>44</sup>

The same study also found "that nearly three quarters had either a current or past psychiatric comorbidity. The main current psychiatric disorders found were mood disorders (23.1%), alcohol use disorders (21.2%) and anxiety disorders (17.6%)<sup>45</sup> In other words, for a problem gambler, the contribution is not a voluntary or painless one.

Studies involving cost/benefit analysis have argued that the benefits from gambling for the majority of people are individually very small relative to the costs borne by the minority of people experiencing gambling harm.<sup>46</sup> People who are already socially and economically disadvantaged are most susceptible to gambling problems.<sup>47</sup>

The revenue generated by gambling within a community is often spent in a more affluent community.<sup>48</sup> A 2004 study examining distribution of community benefit funding from six major pokie trusts found that more affluent areas (such as Central Auckland and the North Shore) were receiving considerably more funding per capita than the lower income areas (such as Manukau City).<sup>49</sup> It is our experience that jazz festivals and sports fields in wealthier suburbs are well funded, while high deprivation suburbs are not.

### Impact of proposed policy on community funding

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

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

Some groups have even argued that pokie handouts actually weaken community groups and that traditional fundraisers are much better at building community spirit and keeping sports and other groups strong.<sup>50</sup>

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

There is no research to say that people move, or are moving from pokies to online gambling. The 2018 Health and Lifestyles Survey shows that the proportion of New Zealanders gambling online via

overseas websites has actually fallen since 2014.<sup>51</sup> Gambling clients report they do not experience the same 'pull' of online gambling as pokies. If a person has a problem with sports betting, for example, it does not necessarily follow that they will be harmed by pokies; a person addicted to online slot machines cannot be assumed to gamble harmfully when playing cards. Gambling behaviour cannot be generalised in this way.

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

### **About PGF Group**

The Problem Gambling Foundation of New Zealand is now trading as PGF Group (PGF), the 'umbrella brand' for PGF Services, Asian Family Services, and Mapu Maia. Services are delivered under contract to the Ministry of Health (MoH) and funded from the gambling levy to provide free, professional and confidential counselling, advice and support and deliver a broad programme of public health to prevent and minimise gambling harm.

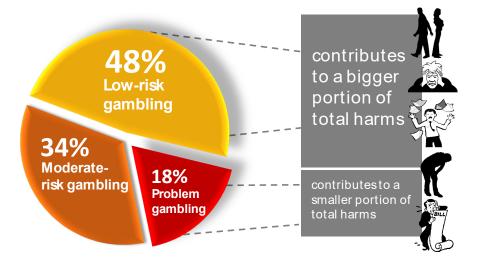
Asian Family Services provides free counselling and support in eight languages in face-to-face or phone settings and public health services for the Asian community. Asian Family Services operates from bases in Auckland and Wellington and supports clients working from Hamilton and by phone to Christchurch.

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

## **APPENDICES**

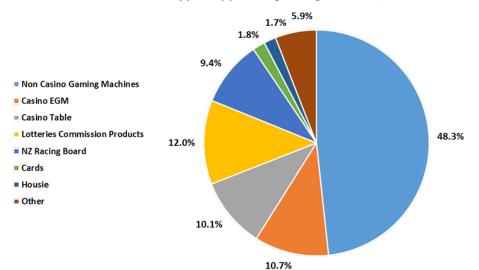
### Appendix 1. Measure of gambling-related harm

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



## Appendix 2. Clients assisted by primary gambling mode

Ministry of Health Manatū Hauora. (2018). *Clients assisted by primary problem gambling mode* [Excel spreadsheet]. Retrieved from <u>https://www.health.govt.nz/our-work/mental-health-and-addictions/problem-gambling/service-user-data/intervention-client-data</u>



#### Clients assisted by primary problem gambling mode 2017/18

## Appendix 3. Gambling expenditure statistics

Department of Internal Affairs Te Tari Taiwhenua. (2019) *Gambling expenditure statistics* [PDF]. Retrieved from <u>https://www.dia.govt.nz/diawebsite.nsf/wpg\_URL/Resource-material-Information-</u> We-Provide-Gambling-Expenditure-Statistics

#### Gambling operators' key financial statistics (actual)

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

Te Tari Taiwhenua Internal Affairs

Financial Year	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18
NZ Racing Board (TAB)									
Expenditure	278	273	283	294	310	325	342	338	350
Prizes (dividends)	1,304	1,261	1,336	1,422	1,522	1,748	1,928	1,907	1,913
Turnover	1,583	1,533	1,619	1,717	1,833	2,073	2,270	2,245	2,262
NZ Lotteries Commission									
Expenditure	347	404	419	432	463	420	437	555	561
Prizes	436	521	529	515	526	473	537	652	686
Turnover	782	926	948	947	989	894	974	1,207	1,246
Gambing Machines (outside casinos)									
Expenditure	849	856	854	827	806	818	843	870	895
Prizes	8,316	8,365	8,395	8,166	7,976	8,141	8,550	8,931	9,154
Turnover	9,165	9,222	9,245	8,995	8,783	8,949	9,393	9,801	10,049
Casinos									
Expenditure	440	448	483	490	486	527	586	572	578
Total									
Expenditure	1,914	1,982	2,038	2,042	2,065	2,091	2,209	2,334	2,383

Note: This table must be read in conjunction with the explanations included with this data release (tab 4).

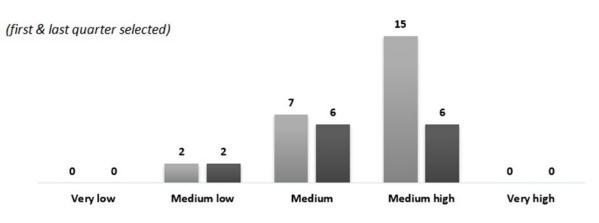
Totals may differ from the sum of column entries due to rounding.

With each new release of this information, gambling operators review their previous years' data and, where necessary, provide revised Please disregard previously released gambling expenditure statistics for the above financial years.

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

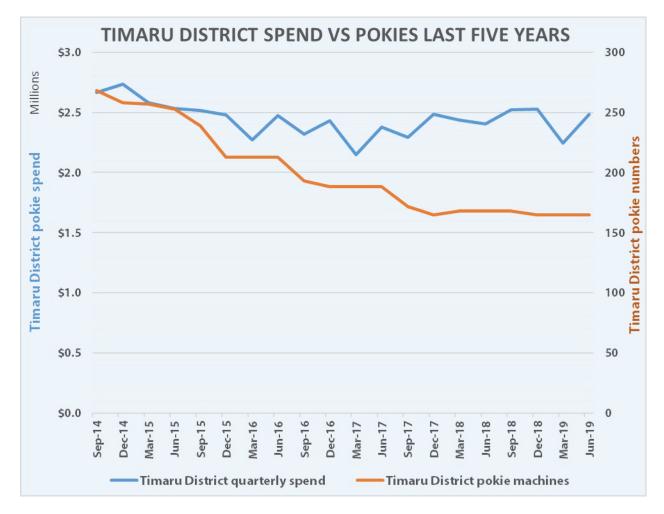
## Appendix 4. Deprivation of gambling venue locations for Timaru District

Te Tari Taiwhenua | Department of Internal Affairs. (2019). GMP quarterly dashboard (as at June 2019) [Excel file]. Retrieved from <u>https://www.dia.govt.nz/diawebsite.nsf/wpg\_URL/Resource-material-Information-We-Provide-Gaming-Machine-Proceeds-(GMP)-Data</u>



### Appendix 5. Timaru District spend vs pokies last five years

Money lost and pokie machine numbers are sourced from the Te Tari Taiwhenua | Department of Internal Affairs. (2019). *Gaming machine venues, numbers and expenditure by territorial authority/district* [Excel files]. Retrieved from <u>https://www.dia.govt.nz/Resource-material-Information-We-Provide-Gaming-Statistics</u>



<sup>4</sup> Goodwin, B. C., Browne, M., Rockloff, M. & Rose, L. (2017). A typical problem gambler affects six others. *International Gambling Studies*, *17*:2, 276-289. doi: 10.1080/14459795.2017.1331252

<sup>5</sup> Sapere Research Group. (2018). *Gambling Harm Reduction Needs Assessment*. Wellington: Ministry of Health.

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

<sup>7</sup> The Department of Internal Affairs Te Tari Taiwhenua. (2019). *Class 4 Gambling Key Performance Indicators.* Retrieved from https://www.dia.govt.nz/diawebsite.nsf/wpg\_URL/Resource-material-Information-We-Provide-Class-4-Gambling-Key-Performance-Indicators?OpenDocument

<sup>8</sup> Productivity Commission. (2010). *Gambling*, Report no. 50. Canberra, Australia.

<sup>9</sup> Sapere Research Group. (2018). *Gambling Harm Reduction Needs Assessment*. Wellington: Ministry of Health.

<sup>10</sup> Centre for Social and Health Outcomes Research and Evaluation. (2008). Assessment of the social impacts of gambling in New Zealand. Retrieved from

https://www.health.govt.nz/system/files/documents/publications/social-impacts-gambling-nz08.pdf

<sup>11</sup> Moghaddam, J. F. (2015). Suicidal ideation and suicide attempts in five groups with different severities of gambling: Findings from the National Epidemiologic Survey on Alcohol and Related Conditions. *American Journal on Addictions*.

<sup>12</sup> Dowling, N. J. (2010). *Children at risk of developing problem gambling.* The Problem Gambling Research and Treatment Centre.

<sup>13</sup> Dyall, L. T. (2009). *The impact of gambling on Māori. Ngā Pae o te Māramatanga.* Ngā Pae o te Māramatanga.

<sup>14</sup> As above.

<sup>15</sup> Shaw, M. F. (2007). The effect of pathological gambling on families, marriages and children. *CNS Spectrums*, *12*(8), 615-622.

<sup>16</sup> Abbott, M. B. (2009). *Problem gambling: formative investigation of the links between gambling (including problem gambling) and crime in New Zealand*. Auckland University of Technology. AUT Gambling and Addictions Research Centre, prepared for the Ministry of Health. Retrieved from

https://www.health.govt.nz/our-work/mental-health-and-addictions/problem-gambling/research-and-evaluation/implementation-2004-2007/formative-investigation-between-gambling-including-pg-and-crime-nz

<sup>17</sup> Centre for Social and Health Outcomes Research and Evaluation. (2008). Assessment of the social impacts of gambling in New Zealand. Retrieved from

https://www.health.govt.nz/system/files/documents/publications/social-impacts-gambling-nz08.pdf

<sup>18</sup> Abbott, M. B. (2009). *Problem gambling: formative investigation of the links between gambling (including problem gambling) and crime in New Zealand.* 

<sup>19</sup> Productivity Commission 2010, *Gambling*, Report no. 50. Canberra, Australia.

<sup>20</sup> Abbott, M. B. (2009). *Problem gambling: formative investigation of the links between gambling (including problem gambling) and crime in New Zealand.* 

<sup>21</sup> Auckland University of Technology. (2017). *Problem Gambling and Family Violence in Help-Seeking Populations: Co-Occurrence, Impact and Coping.* Wellington: Ministry of Health.

<sup>22</sup> Harrison, B. (2007). *Casinos and regeneration: the story so far, briefing paper no. 1.* London: IPPR (Institute for Public Policy Research, UK).

<sup>23</sup> Per million dollars spent, gambling generates approximately 3.2 jobs while retail produces approximately6.3. South Australian Centre for Economic Studies with the Department of Psychology, University of Adelaide.

<sup>&</sup>lt;sup>1</sup> Central Queensland University and Auckland University of Technology. (2017). *Measuring the Burden of Gambling Harm in New Zealand*. Wellington: Ministry of Health.

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

<sup>&</sup>lt;sup>3</sup> Central Queensland University and Auckland University of Technology. (2017). *Measuring the Burden of Gambling Harm in New Zealand*. Wellington: Ministry of Health.

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<sup>24</sup> Centre for Social and Health Outcomes Research and Evaluation. (2008). Assessment of the social impacts of gambling in New Zealand. Retrieved from

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<sup>25</sup> 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*(3), 225–244.

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<sup>27</sup> Abbott, M., Bellringer, M., & Garrett, N. (2018). *New Zealand National Gambling Study: Wave 4 (2015). Report number 6.* Auckland: Auckland University of Technology, Gambling and Addictions Research Centre.

<sup>28</sup> Ministry of Health. (2018). *Progress on Gambling Harm Reduction 2010 to 2017: Outcomes report – New Zealand Strategy to Prevent and Minimise Gambling Harm*. Wellington: Ministry of Health.

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<sup>30</sup> Abbott, M., Bellringer, M., & Garrett, N. (2018). *New Zealand National Gambling Study: Wave 4 (2015). Report number 6*. Auckland: Auckland University of Technology, Gambling and Addictions Research Centre.

<sup>31</sup> As above.

<sup>32</sup> For the period, July 2017–June 2018. Ministry of Health (2019). *Intervention Client Data: Clients assisted by ethnicity*. Retrieved from <u>https://www.health.govt.nz/our-work/mental-health-and-addictions/gambling/service-user-data/intervention-client-data#ethnicity</u>

<sup>33</sup> Statistics New Zealand (2019). 2013 Census – Major ethnic groups in New Zealand. Retrieved from https://www.stats.govt.nz/infographics/major-ethnic-groups-in-new-zealand

<sup>34</sup> For the period, July 2017–June 2018. Ministry of Health (2019). *Intervention Client Data: Clients assisted by ethnicity*. Retrieved from <u>https://www.health.govt.nz/our-work/mental-health-and-addictions/gambling/service-user-data/intervention-client-data#ethnicity</u>

<sup>35</sup> Statistics New Zealand (2019). 2013 Census – Major ethnic groups in New Zealand. Retrieved from https://www.stats.govt.nz/infographics/major-ethnic-groups-in-new-zealand

<sup>36</sup> Sapere Research Group. (2018). *Gambling Harm Reduction Needs Assessment*. Wellington: Ministry of Health.

<sup>37</sup>As above.

<sup>38</sup> 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.

<sup>39</sup> Of the forms of gambling in New Zealand, non-casino EGMs generate the most revenue for the Government. The tax contribution from pokies is made up of a 20% gaming machine duty, 0.78% allocation to the problem gambling levy, and 15% GST.

<sup>40</sup> Internal Affairs. (2016). *Pokies in New Zealand: a guide to how the system works*. Retrieved from <u>https://www.dia.govt.nz/Services-Casino-and-Non-Casino-Gaming-Gambling-in-Pubs-and-Clubs-(Class-4)#guide</u>

<sup>41</sup> As above.

<sup>42</sup> Hancock, L. & O'Neil, M. (2010). *Risky business: Why the commonwealth needs to take over gambling legislation*. (Alfred Deakin Research Institute working paper 11). Retrieved from

http://www.deakin.edu.au/alfred-deakin-researchinstitute/assets/resources/publications/workingpapers/adri-working-paper-11.pdf;

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<sup>43</sup> Bostock, W. (2005) Australia's gambling policy: motivations, implications and options. *Journal of Gambling Issues*, 13. Retrieved from http://jgi.camh.net/doi/full/10.4309/jgi.2005.13.4

<sup>44</sup> Sapere Research Group. 2018. *Gambling Harm Reduction Needs Assessment*. Wellington: Ministry of Health.

<sup>45</sup> As above.

<sup>46</sup> Centre for Social and Health Outcomes Research and Evaluation. (2008). *Assessment of the social impacts of gambling in New Zealand*. Retrieved from

https://www.health.govt.nz/system/files/documents/publications/social-impacts-gambling-nz08.pdf

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<sup>48</sup> Adams, P. J., Rossen, F. V. (2005). *The ethics of receiving funds from the proceeds of gambling*. Centre for Gambling Studies, University of Auckland.

<sup>49</sup> 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 from

http://www.fmhs.auckland.ac.nz/soph/centres/cgs/\_docs/2004adams2\_overview.pdf

<sup>50</sup> 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*; 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/; 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-resuscitatesmangakahia/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

<sup>51</sup> Health Promotion Agency. (2018). *Kupe 2018: Health and Lifestyles Survey* [Indicator: Online gambling on overseas website]. Retrieved from http://kupe.hpa.org.nz/

Ends.

## **Policy Review Consultation**

## **Submission Form**

Your details	How to return this
First name: Amanda	form via FreePost
Last name: EVERCH	Complete Your details and
Organisation (If applicable): HOCKey. South Carterbury	Your feedback sections
Phone (landline or mobile): $027.280.400$	Put your form in a sealed envelope and address to:
Email address: admin. D. hockeysc. org. 02	FreePost Authority Number
Postal address:"	95136 Policy Review Consultation
Postal address:" P.O. Box 571, Timary	Timaru District Council PO Box 522
	TIMARU 7940
Ave require your email address and/or your physical postal address.	Thank you.
Your feedback	
Do you want to speak about your submission at a Council Hearing? (kick a box)**:	
Yes 🖌 No	
eemust complete. If you do not complete, we will assume you do not wish to speak.	
Which policy are you providing feedback on? (tick as many as apply)	_
Gambling Venue Policy	Dangerous, Affected and Insanitary Buildings-Policy
Gambling Venue Policy	
Do you support the draft Gambling Venue Policy as presented? ({tck a box):	
Do you support the draft Gambling Venue Policy as presented? («kabox):	
Yes X No	
Yes X No	
Yes X No Comments: See attached page.	
Yes X No Comments: See attached page.	
Yes       X         Comments:         See attached page.         What changes, if any, would you like to see in the Policy?	
Yes X No Comments: See attached page.	
Yes       X         Comments:         See attached page.         What changes, if any, would you like to see in the Policy?	
Yes       X         Comments:         See attached page.         What changes, if any, would you like to see in the Policy?	

Statement of Proposal | Policy Review Consultation 21

Local Approved Products Policy	
Do you support the Local Approved Products Policy as presented	17 (tick a box):
Yes 📈 No	
Comments:	
What changes, if any, would you like to see in the Policy?	
	·
	· · · · · · · · · · · · · · · · · · ·
Dangerous, Affected and Insanitary Buildings Policy	
Do you support the draft Dangerous, Affected and Insanitary Buil	dings Policy as presented? (Ick a box):
Yes 🕺 No	
Comments:	
What changes, if any, would you like to see in the Policy?	
· · ·	
·····	
Need more room?	Submissions are public information
Please use extra paper if required and attach with your submission.	Submissions made to Council, including submitters' name, will be included in papers available to the Council, media and the public.
	If requested, Council is legally required to make all written and electronic submissions available to the public including the name and contact details of the submitter, subject to the provisions of the Local Government Official Information and Meetings Act 1987.
	If you believe there are compelling reasons why your contact details or submission should be kept confidential, please contact us.

.

#### Submission to Timaru District Council 'Gambling Venue Policy' - November 2019

Hockey South Canterbury support the retention of the current open policy. We oppose the introduction of a district wide cap on gaming machine numbers or a sinking lid policy.

The current funding provided by the gaming trusts is vital and has a huge impact on our organisation and in particular our representative teams. Our rep teams, of which in 2019 we had 11 teams, are representing South Canterbury playing hockey. They are flying the South Canterbury colours and doing their part to help highlight our region. This funding makes a significant difference on how many teams we send on tournament.

A more restrictive policy will adversely affect community groups and individuals in getting funding, which is getting harder and harder to acquire. Having a more restrictive policy will take income away from South Canterbury and move it to online gambling providers. These providers do not return any of the money back to our community, they do not support local sporting organisations or community groups and they do not create local employment.

We oppose the reduction of gaming machines from nine to seven, as this will reduce the amount of money generated for community and sporting purposes. The benefits to the community that gaming machines, through gaming trusts, give outweighs the negative (problem gambling). Problem gambling rate is very low at 0.2% of the adult population and significant measures are in place to minimise gambling related harm, with a proportion of the income from gambling machines.

We oppose the removal of the location exemption clause. There will be cases that an existing venue is deemed not suitable for use and a new venue is chosen and is a technical breach of the 200 metre location restrictions, but is clearly a suitable venue to host gaming machines. This should stay as it is, allowing venue locations to be considered on a case-by-case basis.

We support enabling gaming venues to relocate, where it is reasonable and it

- Enables venues to re-establish after a natural disaster, flood or fire
- Enables venues to move out of earthquake-prone buildings
- Enables venues to move out of insanitary buildings

The relocation provision should, however, be expanded to enable venues to move

- To new refurbished premises
- When the current locations is closed due to public works acquisitions or lease termination
- When the current landlord is demanding an above market rental or imposing unreasonable terms.

Your Details	
First Name:	Robert
Last Name:	McCoid
Organisation:	Timaru Celtic Rugby Club
Postal Address:	13 Cain Street Timaru
Contact Number:	0272725966
Email Address:	robsal@xtra.co.nz
Your Feedback	
Do you wish to speak about your submission at a Council Hearing?:	No
Which policy are you providing feedback on?:	Gambling Venue Policy
Upload your submission here or complete relevant information below:	No file uploaded
<b>Gambling Venue Policy</b>	
Do you support the draft Gambling Venue Policy as presented?:	No
Comments:	The Timaru rugby club uses/applies for funding annually as a means to purchase rugby jerseys, equipment. Without this support and funding the club could not survive
What change, if any, would you like to see in the Policy?:	No changes required
<b>Local Approved Products Po</b>	licy
Do you support the Local Approved Products Policy as presented?:	
Comments:	
What changes, if any, would you like to see in the Policy?:	
Dangerous, Affected and Insa	unitary Buildings Policy
Do you support the draft Dangerous, Affected and Insanitary Buildings Policy as presented:	
Comments:	
What changes, if any, would you like to see in the Policy?:	

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# **Timaru District Council**

# **Gambling Venue Policy Review 2019**

Submission of Pub Charity Limited PO Box 27009 Wellington Contact: Martin Cheer CEO <u>martin@pubcharitylimited.org.nz</u> (04) 385 6100

#### **Executive Summary**

Pub Charity Limited (PCL) is currently licensed to operate 3 venues and 41 gaming machines in the Timaru District Council (TDC) area.

In the years to date 2018/2019 PCL has distributed 163 donations totalling \$2,414,187 to organisations benefitting the TDC TLA.

The TDC is conducting the triennial review of its Class 4 Venue Policy for the period 2019-2021. This will be the Councils sixth opportunity to review this policy.

Between 2004-2019 the TDC chose to have no cap on the number of machines in the District relying on legislative and regulatory restrictions on Class 4 gambling inherent in the provisions of the Gambling Act 2003.

Despite a policy setting with no upper limits on venue and machines numbers both have fallen dramatically in just the last 5 years from 24 venues and 265 machines to 14 and 165.

This decline matches the situations in Waimate and MacKenzie District where machine numbers have fallen well below available caps.

With population growth the per capita number of machines has almost halved

The TDC should be focussing on preservation not prohibition.

While there is no demonstrable link between exposure and problem gambling prevalence in the community the exposure in TDC community is already in declining.

There is no evidence or justification for the regressive policies being suggested by some. Sinking lids are often justified by Council staff as necessary for 'producing the best outcome for the community' balancing the positive value of the grants 'against the negative social effects experienced by those members of the community that are impacted by the behaviour of at-risk gamblers'.

In order to ensure and support current fund-raising activity the current limit of 7 machines for new

The Council staff make no attempt to;

- Explain how or why a sinking lid will address the concerns voiced
- Consider the entertainment value of the machines or the benefits to small business and employment from hosting them.
- Explain why, in an environment of lower exposure than 10 years ago, that a sinking lid is considered 'appropriate and proportionate' in 2019 when their predecessors over the last 15 years did not.

The Ministry of Health (MoH) developed guidelines to assist Council staff with assessing community risk and policy setting for Class 4 gambling policies over a number of key parameters;

- Problem gambling prevalence rates in the community
- Number of gaming machines per 10,000 head of population
- Maori and Pacifica population demographics

- Problem gambling services available
- Deprivation indexes for host communities

The MoH Overall RISK assessment for TDC is LOW with little or no policy restrictions required.

#### Conclusions

#### PCL supports the retention of the ended limit on machine numbers.

PCL opposes the removal of the exemption clause and encourages more flexibility in permitting relocations of existing venues.

Pub Charity appreciates the acceptance of these late submissions which were disrupted by a personal injury.

While not deemed possible I would like to personally speak to these submissions.

#### Introduction

There is currently a total of 14 Class 4 venues operating a total of 165 gaming machines across the full geographical spread of the Timaru District.

Despite the TDC operating a gambling policy with no cap on machines numbers for many years numbers of community gaming machines have fallen without policy input from the Council to the current level of 165, a decline of -38% just in the last 4 years.

Population numbers in Timaru District have increased over the same period reducing the per capita number of machines from 1:162 to 1:266.

It should be noted that over the same timeframe in the TDC area there has been a significant increase in outlets, products, and spending, linked with other forms of community gambling with little or no return to the Timaru community.

Expenditure on LOTTO and TAB products now exceeds the amount of money spent on Class 4 gambling.

In addition to physical gambling opportunities there has been a steadily growing incursion of gambling opportunities and expenditure from unregulated off-shore on-line gambling opportunities.

It is PCL's submission that Sinking lids on Class 4 gambling have NOT;

- Controlled or reduced gambling in the community
- Resulted in a corresponding reduction in problem gambling prevalence

Sinking lids on Class 4 gambling HAVE;

- Reduced the amount of responsible gambling
- Reduced the amount of community funding available

#### The False Justification of Sinking Lid Policies

Council staff hold the view that the proposed sinking lid policy is justified on public health grounds having recommended that policy setting on the belief that the proposal represents the best solution to ensure;

- The growth of gambling is controlled
- That harm from gambling is minimised
- To allow those who gamble responsibly to do so

These objectives are of course both socially responsible and consistent with the purposes of the Act.

The underlying justifications for the proposed policy is the assumption that there is an immediate and linear relationship between exposure, that is the number of gaming machines per capita, and levels of gambling spend and problem gambling prevalence in a community.

These assumptions are contrary to the evidence.

#### Controlling the 'growth' of gambling

The proposed policy does not cover;

- Lotteries outlets, which have doubled in recent years, associated with 10.8% of problem gambling help seeking annually
- 'Other' forms of gambling like online, poker and housie, responsible for 7.8% of all problem gambling help seeking annually (and growing rapidly)
- Internet based options including on line mobile and app-based gambling products like LOTTO On-line, TAB racing and sports betting apps and accounts
- On-line casinos and gaming machines
- Overseas on-line casinos and sports betting agencies.
- NZ Racing Board on track and mobile based sports betting, associated with 7.8% of problem gambling help seeking

Despite a current policy setting permitting a significantly larger number of machines in TDC there has been a substantial reduction in gaming machine and venue infrastructure. This reflects other declines in Class 4 gambling across the country.

Despite the substantial reduction in the number of Class 4 gaming machines across the country the promised reduction in gambling spend has not materialised. In fact, total spending has actually increased significantly.



#### Sinking lids - Exposure Theory and the Prevalence of Problem Gambling

As mentioned, some hold the view that a sinking lid is required for the TDC policy. The underlying reason for that policy position is again the belief that there is a linear relationship between exposure to gaming machines and levels of problem gambling in the community.

There is no evidence that sinking lids have had any impact on problem gambling prevalence a fact recognised by researchers as long ago as 2006 as a false premise.<sup>1</sup>

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

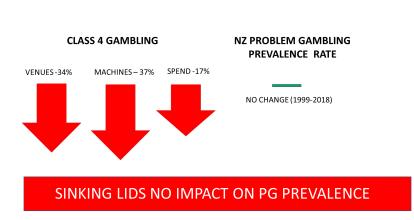
<sup>&</sup>lt;sup>1</sup> 'Do Problem Gambling and EGM's Go Together Like a Horse and Carriage'; Abbot, M; 2006

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

Such thinking in 2019 is outdated.

'Minimise harm ... '

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



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

Over that time total spending, in inflation adjusted terms, on community gaming machines fell in nominal terms by \$100M but in real terms, adjusted for inflation, by \$512M or 36% since 2004.

Despite this reduction in Class 4 spending the total spending on gambling in New Zealand has actually increased by over \$300M annually.

Class 4 gaming machine numbers across New Zealand have fallen by over 8,000 and when population growth in considered the per capita ratio of machines to the population has fallen by over 50% since 2004.

With a 36% reduction in spend and a 50% reduction in exposure surely if this was a strategy for reducing gambling spending and harm there would be ample evidence.

There is none.

Despite this some submitters will still call for a sinking lid claiming that reducing community gaming venues and machines leads to better health outcomes.

The problem gambling prevalence rate<sup>2</sup> in New Zealand, already one of the lowest in the world, stabilised in the 1990's and have remained unchanged.

<sup>&</sup>lt;sup>2</sup> Canadian Problem Gambling Screen Index (CPGSI) 8+

#### Ministry of Health Reports on Problem Gambling Prevalence

After numerous and regular studies, the NZ Ministry of Health reports;

- 'From examination of the findings of other surveys, taking account of methodological differences and their likely impact, it is concluded that there has probably been no change in the prevalence of current problem and moderate-risk gambling since 2006.
- Again, adjusting for the likely impact of methodological differences, it is concluded that the prevalence of lifetime probable pathological and problem gambling has probably not changed since the last time a lifetime assessment was made in New Zealand (1999).
- From examination of previous New Zealand prevalence studies it is considered likely that the prevalence of problematic gambling, both current and lifetime, within the range assessed as pathological, problem and moderate-risk, reduced significantly during the 1990s and has since stayed at about the same level.
- The above conclusion is consistent with the findings of a recent meta-analysis of prevalence studies conducted world-wide since the late 1980s; in all major world regions examined prevalence increased in association with increased gambling availability, especially casino gambling and EGMs, then levelled out and declined.<sup>'3</sup>

If historical findings and research are considered it should not come as a surprise that enforcing sinking lids has not delivered. The only surprise is that some Council staff continue to propose them.

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

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

Professor Max Abbot, AUT, 2006

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

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

#### Help Seeking is not a Proxy for Harm

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

' ... presentations are not a sound proxy for gambling harm.'4

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

<sup>&</sup>lt;sup>4</sup> Regulatory Impact Statement: Problem Gambling Levy for 2016/17 to 2018/19, Department of Internal Affairs

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

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

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

The unutilised gaming capacity under the current policy as well as the evidence of low risk based on spending, density and problem gambling prevalence (help seeking) should give the Council some comfort that a more restrictive policy approach is not required.

#### The Benefit of Regulated Gambling Venues

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

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

Class 4 Games must be approved and meet national specifications established by the Department of Internal Affairs. Unlike Casino gaming machines Class 4 bet sizes and prizes are limited at \$2.50 and \$1,000.00 and are unchanged since 1997. In Class 4 the use or issuing of credit to gamble is prohibited.

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

Since 2004 a number of Councils, on advice from anti gaming groups, imposed restrictions or sinking lids on future community-based gaming machine or venue numbers. They did encouraged in the belief that by reducing one point of access to gambling, as opposed to implementing measures which reduce the harm caused by problem gambling, that problem gambling would be reduced.

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

After 12 years of such policies, and a reduction of over 8,000 community gaming machines there is <u>no evidence</u> that this has had any impact on reducing the already very low prevalence rate of problem gambling in New Zealand.



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

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

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

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

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

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

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

<sup>&</sup>lt;sup>5</sup> NZ Racing Board CEO John Allen, Sunday Star Times, November 12, 2017

<sup>&</sup>lt;sup>6</sup> The Royal Australian & New Zealand College of Psychiatrists, September 2017

The suggestion that the removal of gaming machines would resolve health outcomes for the most vulnerable ignores the complex nature of addictive disorders.

'Almost three quarters (73.2%) of pathological gamblers had an alcohol use disorder, (38.1%) had a drug use disorder, (60.4%) had nicotine dependence, (49.6%) had a mood disorder, (41.3%) had an anxiety disorder, and (60.8%) had a personality disorder.'<sup>7</sup>

#### The Purpose of Class 4 Gambling - Community Funding

Pub Charity Limited funding to organisations based in the TDC area since 2018 is attached. Funding contributions to national organisations like Starship Foundation have not been listed here but can be seen at <u>www.pubcharitylimited.org.nz</u> if required.

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

While these amounts were considered 'lost to the community' the benefits accrued through Government expenditure from the Consolidated Fund is a local benefit. In fact, love them or loathe them the people of TDC directly or indirectly benefit from Class 4 gambling every day.

#### The MoH/KPMG Risk Assessment for Timaru District

In 2013 the Ministry of Health/KPMG released guidelines with the support of the Department of

#### Ministry of Health Provide Policy Guidance to TLA's



LOW RISK (7 to 14) NO RESTRICTIONS

#### MEDIUM RISK (15 to 22) CAPS/LOCATION RESTRICTIONS

HIGH RISK (23 to 30) SINKING LIDS

The Ministry of Health and KPMG provide a framework for local Government policy makers to assess risk and recommend the appropriate policy settings for Gambling policies.

The framework assesses and scores Low, Medium and High Risk in the following areas with TDC results highlighted;

<sup>&</sup>lt;sup>7</sup> The Journal of Clinical Psychiatry USA; Comorbidity of DSM-IV pathological gambling and other psychiatric disorders: results from the National Epidemiologic Survey on Alcohol and Related Conditions; May 2005

Risk 1 – District problem gambling prevalence rate. TDC Score 2

Risk 2 – District gambling density. TDC Score 2

Risk 4 – Community deprivation. TDC Score 2

Risk 5 – Availability of help services. TDC Score 2

LOW RISK

LOW RISK

MEDIUM RISK (in some locations)

MEDIUM RISK (in some locations)

The resulting risk profile Score for the TDC TLA of 10/22 then indicates the appropriate policy settings for LOW RISK environments.

Aspects of the proposed policy suggests that the TDC TLA is exposed to High Risk which is not the case.

#### Summary

Empirical evidence contained in reports by the NZ Ministry of Health show that restrictive policies like sinking lids on class 4 gambling have had no impact on problem gambling prevalence in the community or on total gambling spend.

What they have achieved is reduced community funding and encouraged the migration of spending to other gambling activities.

PCL opposes the underlying justification for the proposed TDC Class 4 Gambling Venue policy and invites the Council to consider retaining the open-ended approach to new venues and liberalising relocation and new venue numbers.

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	Timaru District (64) App	proved Applications 2018/2019	)	
Date	Organisation name	Description of Purpose		Approved Amount
		Robotics resources, laptops		
1/02/2018	Beaconsfield School	and ipads	\$	8,934.75
		Outdoor refurbishment -		
1/02/2018	Craighead Kindergarten Incorporated	Boundary fencing	\$	5,293.30
1/02/2018	Pleasant Point Bowling Club Incorporated	2 new heat pumps	\$	8,510.00
		Medical and Nursing Staff		
1/02/2018	South Canterbury Hospice Inc.	Salaries	\$	200,000.00
	South Canterbury Rugby Referees			
1/02/2018	Association	2 sets of referees radios	\$	3,346.96
1/00/0040		New projector and	4	
1/02/2018	St Joseph's School (Timaru)	whiteboard	\$	969.00
		Accommodation and travel		
1/02/2018	Swim Timaru Incorporated	costs	\$	6,000.00
	The Peel Forest Outdoor Pursuits			
1/02/2018	Charitable Trust	Operation Managers wages	\$	15,000.00
	The Timaru Round Table No 8			
1/02/2018	Incorporated	Frisbees for disc golf	\$	2,500.00
1/02/2018	Timaru Golf Club Incorporated	Cone Collector Machine	\$	5,000.00
	Aoraki Secondary Schools Sport			
9/02/2018	Incorporated	Facility Hire and Event Costs	\$	10,000.00
	Celtic Rugby Football Club Timaru	New equipment - Flags,		
7/03/2018	Incorporated	gear and shorts	\$	6,687.15
7/03/2018	Gleniti Golf Club Incorporated	Tee irrigation	\$	10,000.00
		Creek and spawning habitat		
7/03/2018	Lake Alexandrina Conservation Trust	maintenance.	\$	9,413.00
		Design and publication of		
7/03/2018	RMH South Island Trust	the Autumn newsletter	\$	13,007.43
		Digital sound system		
7/03/2018	Roncalli College	including recording desk	\$	7,652.00
	South Canterbury Women's Wellness	Rural Outreach program,		
7/03/2018	Centre Incorporated	business cards and Wages	\$	13,492.51
	Southern Alps Country Music Awards	Caroline Bay Hall hire,		
7/03/2018	Association Incorporated	sound and PA systems	\$	4,237.45
	Celtic Rugby Football Club Timaru			
28/03/2018	Incorporated	Playing and training gear	\$	9,367.50
		Assist in delivering the 2018		
20/02/2010		Representative	~	0.000.00
28/03/2018	Netball South Canterbury Incorporated	programmes.	\$	8,000.00
28/03/2018	Pleasant Point Rugby Football Club	Travel Costs	\$	1,676.52
20/02/2010	Riding for the Disabled Association Timaru	National Training Seminar	~	
28/03/2018	Group Incorporated	costs	\$	2,527.00
20/02/2010	South Canterbury Badminton Association	Venue hire and tournament	ć	10,000,00
28/03/2018	Incorporated	shuttle costs	\$ ¢	10,000.00
28/03/2018	St Joseph's School Temuka	Music equipment	\$	2,941.51

28/03/2018	Thistle AssociationFootball Club (Timaru) Inc	New strips and equipment	\$	4,667.12
28/03/2018	West End (Timaru) Bowling Club Incorporated	New lawn mower and an edger	\$	1,139.68
20,03,2010	CCS Disability Action South Canterbury	CuBer		1,135.00
24/04/2018	Incorporated Northern Hearts Association Football Club	Salary	\$	10,000.00
24/04/2018	Incorporated	Sports equipment as per resolution	\$	6,000.00
24/04/2018	South Canterbury Free Kindergarten Association Incorporated	Pergola extension	\$	3,115.86
24/04/2018	South Canterbury Indoor Bowls Centre Incorporated	Hiring the Timaru Indoor Bowls Stadium / Hall Fund expenditure for the	\$	1,070.00
24/04/2018	South Island Masters Games Timaru Incorporated	2018 South Island Masters Games	\$	30,000.00
24/04/2018	Timary Parants Contro Incorporated	Costs for our Music and Movement programme over four school terms	\$	3,885.00
24/04/2018	Timaru Parents Centre Incorporated	Primary goalie gear,	Ş	5,885.00
27/04/2018	Cambridge Hockey Club	training equipment, first aid kits and turf fees Costs of the marquee,	\$	10,848.47
29/05/2018	Pleasant Point Primary School	tables, chairs, glasses, equipment and any other items we require	\$	10,020.17
-,,		Costs associated with the design and publication of the newsletters #63, #64	·	-,
29/05/2018	RMH South Island Trust	and #65	\$	28,486.43
29/05/2018	St Andrews Primary School	Installation of a shad/archgola area	\$	10,000.00
29/05/2018	Street Cats South Canterbury	Cost of food, 10 speys and 10 neuters	\$	4,420.98
29/05/2018	Timaru Boys High School Rugby Club Incorporated	Purchasing gear for the 1st XV	\$	7,063.25
26/06/2018	Camp Lindisfarne Trust	Upgrading the ablution & toilet block	\$	12,500.00
26/06/2018	Canterbury Minor Ice Hockey Incorporated	Ice hockey league trainings Painting of the exterior of	\$	2,835.00
26/06/2018	Temuka Golf Club Incorporated	the club house and roof	\$	5,000.00
		Quad rowing boat & quad/sculling wings for the		
26/06/2018	Timaru Boys High School Rowing	new rowing season	\$	26,000.00
1/08/2018	Beaconsfield School	iPads and Apple pencils	\$	8,000.00
1/08/2018	Bowls South Canterbury Incorporated	Printing of annual booklets	\$	2,122.00
1/08/2018	Celtic Cricket Club (Timaru) Incorporated	Hire of grounds	\$	5,856.00
1/08/2018	Easy Riders Bike Group	Trailer and bike frame	\$	5,552.00

		Rosettes, ribbons, sashes and rugs for dressage		
1/08/2018	SCNO NZEF Dressage	shows	\$	2,978.07
1/08/2018	St Mary's Anglican Choir Timaru	A used Kawhai Grand Piano	Ś	5,000.00
, ,		Annual operating costs and		-,
		patrol car costs and		
		advertising for new		
1/08/2018	Timaru Community Patrol Incorporated	volunteers	\$	2,943.00
1/08/2018	Timaru Roller Derby incorporated	New skate helmets	\$	1,994.00
	Volunteering Mid And South Canterbury	Setting up of website and		
1/08/2018	Incorporated	ongoing maintenance	\$	4,000.00
	West End (Timaru) Bowling Club	Purchase of fertilizers and		
1/08/2018	Incorporated	chemicals	\$	2,794.00
	Young Men's Christian Association Of			
1/08/2018	South And Mid Canterbury Incorporated	10 laptop computers	\$	8,000.00
		Promotional material and		
29/08/2018	Literacy South Canterbury Incorporated	stationary items	\$	2,067.59
		Stadium Hire and Medal		
29/08/2018	NZFRS Southern Region Committee	costs	\$	1,755.80
		Advertising for community		
29/08/2018	Pleasant Point Gymkhana	event	\$	2,000.00
		Court hire for primary		
29/08/2018	South Canterbury Basketball Association	schools competition	\$	10,000.00
		Salary, computer and office		
29/08/2018	Te Aitarakihi Trust	equipment	\$	3,210.00
		Replacement and upgrade		
	The South Canterbury Drama League	of equipment and		
29/08/2018	Incorporated	assistance for production	\$	35,000.00
	Thistle Association Football Club (Timaru)			
29/08/2018	Incorporated	Club jackets	\$	2,622.00
		Accommodation and		
29/08/2018	Timaru Squash Rackets Incorporated	playing uniforms	\$	1,920.57
	Aviva (incorporating Christchurch			
27/09/2018	Women's Refuge) Charitable Trust	Wages for 5 frontline staff	\$	10,000.00
27/09/2018	Caroline Bay Association Incorporated	Fireworks	\$	15,000.00
27/00/2010	Discourt Deint Crieket Club Incomposed	Cricket equipment and	ć	F 000 00
27/09/2018	Pleasant Point Cricket Club Incorporated	iPads	\$	5,000.00
27/09/2018	Pleasant Point Golf Club Incorporated	Mower blade sharpener Development of Roncalli	\$	15,000.00
		Sports and community		
27/09/2018	Roncalli College	centre	\$	50,000.00
27/09/2018	South Canterbury Hospice Incorporated	Salaries and wages	\$	150,000.00
2770372010	South Canterbury Primary Schools Cross	Salaries and Wages	Ŷ	190,000.00
27/09/2018	Country team	Accommodation	\$	3,216.00
27/09/2018	Temuka Bowling Club Incorporated	Purchase of artificial turf	\$	2,750.00
_,, 2010	Tennis Seniors South Canterbury		Ŧ	_,, 20.00
27/09/2018	Incorporated	Tennis balls and venue hire	\$	4,340.00
-,,0		Junior Coaching and	Ŧ	.,
27/09/2018	Tennis South Canterbury Incorporated	development	\$	20,000.00
	,			,

		Performance fees, lighting		
		hire, Shakespeare in the		
		garden theatre event,		
		temporary power, equipment hire, radio		
		advertising, and event		
27/09/2018	The Timaru Festival of Roses Trust	management	\$	30,000.00
		Purchase of a two stroke		
	Timaru Yacht and Power Boat Club	outboard motor and		
27/09/2018	Incorporated	running gear	\$	7,565.21
27/09/2018	Waimataitai School	Equipment	\$	10,000.00
2/11/2018	Barrier Free New Zealand Trust	Website content development	\$	25,120.00
2/11/2018	Highfield Tennis Club Incorporated	Court resurfacing	\$	20,000.00
2, 11, 2010		C	Ŷ	20,000,000
		Distribution through the National office to the 32		
		Community Trusts		
		operating throughout NZ		
		and core Life Education		
2/11/2018	Life Education Trust NZ	Trust (NZ) expenditure	\$	10,010.00
		Lifeline National helplines -		
2/11/2018	Lifeline Foundation Charitable Trust	Salaries Sponsorship monies to	\$	10,000.00
		cover course costs for		
		students to attend Outward		
2/11/2018	Outward Bound Trust Of New Zealand	Bound courses	\$	30,000.00
2/11/2018	Pleasant Point Bowling Club Incorporated	Chemicals and fertilizers	\$	3,013.00
		Replacement of the		
2/11/2018	Raincliff Scout Camp	lawnmower	\$	10,000.00
2/11/2010		Accommodation and	ć	6 000 00
2/11/2018	Swim Timaru Incorporated	vehicle hire	\$	6,000.00
2/11/2018	Temuka Promotions Association	Running of Christmas Parade / Market Day	\$	805.00
2,11,2010		Preparation of Aorangi Park	Ŷ	005.00
	The South Canterbury District Cricket	wickets, purchase of a new		
2/11/2018	Association Incorporated	roller, and Ground Rental	\$	20,000.00
	Celtic Rugby Football Club Timaru			
6/12/2018	Incorporated	Playing and training gear	\$	9,386.00
	Lions Club of Timaru Suburban Charitable	Entertainers for Christmas		
6/12/2018	Trust	Parade	\$	2,500.00
C /12 /2010	Mid-South Island Women's Refuge and	On creating a costs	÷	
6/12/2018	Family Safety Services Incorporated Pleasant Point Rugby Football Club	Operating costs	\$	25,000.00
6/12/2018	Incorporated	Uniforms	\$	3,365.00
0, 12, 2010		Design and publication of	7	2,000.00
6/12/2018	RMH South Island Trust	the newsletters	\$	27,694.52
	South Canterbury Gymsports	Sound system and two		
6/12/2018	Incorporated	laptops	\$	3,500.00

		Computer, fliers and		
	South Canterbury Neighbourhood Support	exhibition banners and		
6/12/2018	Incorporated	gazebo	\$	5,680.54
		Rosettes, sashes and		
6/12/2018	South Canterbury Piping & Dancing Assn	ribbons	\$	1,370.34
	The Roman Catholic Diocese of			
6/12/2010	Christchurch - The Catholic Parish of	Strengthening of Sacred	~	40.000.00
6/12/2018	Timaru Trust	Heart Basilica	\$ \$	40,000.00
6/12/2018	Timaru Boys High School	Construction of turf	Ş	30,000.00
	Aaraki Sacandary Sahaala Saart	Contribution towards costs		
31/01/2019	Aoraki Secondary Schools Sport Incorporated	of holding tournaments across 2019.	\$	11,000.00
51,01,2015	Celtic Rugby Football Club Timaru	Funding for Marist South	Ŷ	11,000.00
31/01/2019	Incorporated	Island Rugby Tournament.	\$	1,000.00
		Cricket bats, match balls,		·
		clothing and affiliation fees		
31/01/2019	Timaru Cricket Club Incorporated	for teams	\$	10,000.00
	Canteen The New Zealand Organisation			
	Supporting Young People Living With			
1/03/2019	Cancer Incorporated	Staff salaries	\$	20,000.00
		Rugby and netball gear and		
1/03/2019	Old Boys Sports Club Timaru Incorporated	uniforms.	\$	7,370.00
		Contribution towards		
1/03/2019	The Peel Forest Outdoor Pursuits Charitable Trust	Outdoor Education program for children at need.	\$	20,000.00
1/03/2019	CCS Disability Action South Canterbury	Interior paint and heat	Ş	20,000.00
28/03/2019	Incorporated	pump costs.	\$	13,000.00
20,00,2010		Creek and spawning habitat	Ŷ	10,000,000
28/03/2019	Lake Alexandrina Conversation Trust	maintenance.	\$	4,137.18
	New Zealand Rivers Association			
28/03/2019	Incorporated	Seven paddles	\$	2,793.00
	South Canterbury Free Kindergarten	To purchase drop down		
28/03/2019	Association Incorporated	blinds for a shade area.	\$	8,782.00
	South Canterbury Indoor Bowls Centre			
28/03/2019	Incorporated	Stadium/ hall hire.	\$	1,745.00
20/02/2010	Southern Alps Country Music Awards	Venue and Sound System	4	4 959 45
28/03/2019	Association Incorporated	Hire.	\$	4,352.45
28/03/2019	Swim Timaru Incorporated	Prize ribbons and medals. Contribution towards turf	\$	5,783.29
30/04/2019	Cambridge Hockey Club Incorporated	fees.	\$	7,040.00
	Family Support (South Canterbury)	Refurbishing staff room	Ŧ	.,
30/04/2019	Incorporated	with new appliances.	\$	4,510.46
	Foodbank Canterbury - Westland			
30/04/2019	Charitable Trust	Opening of new building.	\$	17,739.00
30/04/2019	Gleniti School	Ipads and computers.	\$	14,067.30
	Northern Hearts Association Football Club			
30/04/2019	Incorporated	Football playing gear.	\$	11,702.60
30/04/2019	Pleasant Point Primary School	Sports equipment.	\$	4,614.54

		Cover the costs of a studio		
		in a box for the new Actue		
30/04/2019	Radio Lollipop (New Zealand) Limited	hospital in Christchurch	\$	16,490.80
		Contribution towards		
30/04/2019	Temuka Bridge Club Incorporated	tablets and laptops.	\$	1,500.00
30/04/2019	Thistle AFC Inc	New players gear.	\$	4,956.76
	Timaru Group Riding for the Disabled	Accommodation, travel		
30/04/2019	Association Incorporated	costs and registration fees.	\$	5,000.00
		Training equipment and		
30/05/2019	Celtic Cricket Club (Timaru) Incorporated	uniform costs.	\$	5,119.86
		Contribution towards rotary		
30/05/2019	Gleniti Golf Club Incorporated	mower and tractor.	\$	32,500.00
	Pleasant Point Rugby Football Club	Travel costs and rugby		
30/05/2019	Incorporated	training gear.	\$	3,557.37
	South Canterbury Badminton Association	Tournament transport and		
30/05/2019	Incorporated	venue costs.	\$	3,500.00
		Contribution towards		
30/05/2019	South Canterbury Car Club Incorporated	asphalt repairs.	\$	75,000.00
30/05/2019	Street Cats South Canterbury	Spades and Neuters.	\$	4,000.00
	Timaru Boys' High School Hockey Society			
30/05/2019	Incorporated	Hockey Equipment.	\$	1,372.87
	Timaru Boys High School Rugby Club	Rugby jerseys and playing		
30/05/2019	Incorporated	gear.	\$	17,232.30
		Costs of singular Epipen		
27/06/2019	Allergy New Zealand Incorporated	supply	\$	21,000.00
		Contribution towards TVs		
27/06/2019	Barton Rural School	and Chromecast.	\$	8,947.24
		Assist with funding the year		
		9 and 10 netball teams		
		travel and accommodation		
		for Christchurch Netball		
27/06/2019	Craighead Diocesan School	Tournament.	\$	4,134.78
		Contribution towards		
27/06/2019	Pleasant Point Golf Club Incorporated	upgrade of clubhouse.	\$	22,305.35
27/06/2019	Timaru Bowling Club Incorporated	Replacement fence.	\$	22,968.39
1/08/2019	Celtic Cricket Club (Timaru) Incorporated	Uniforms and venue hire.	\$	7,744.90
		Costs of VHF radios, radio		
	New Zealand Land Search And Rescue	batteries, GPS, laptop		
1/08/2019	INCORPORATED	computers and torches	\$	100,000.00
1/08/2019	SCNO NZEF Dressage	Flight and travel costs.	\$	2,393.44
		Contribution towards venue		
1/08/2019	South Canterbury Basketball Association	hire.	\$	7,000.00
		Solar powered lighting and		
1/08/2019	South Canterbury Deerstalkers	refrigeration.	\$	12,310.75
		Salaries for front line		
		nurses, family group counselors and clinical		
1/08/2019	South Canterbury Hospice Incorporated	nurse manager.	\$	150,000.00
-, 00, 2013			Ŷ	100,000.00

		Laga dougloomant/ Drand		
1/08/2019	Te Aitarakihi Trust	Logo development/ Brand package.	\$	2,450.00
1/08/2015		Airfares for Aorangi	Ļ	2,430.00
1/08/2019	Timaru Gymnastics Club Incorporated	Gymnastics in Auckland.	\$	6,924.00
1,00,2015		Contribution towards	Ŷ	0,524.00
1/08/2019	Timaru Roller Derby Incorporated	annual rental costs.	\$	4,160.00
_,,	Toy Library Federation of New Zealand	Travel, venue hire and	Ŧ	.)_00000
1/08/2019	Incorporated	accommodation	\$	2,355.00
_,,	English Language Partners New Zealand	Venue hire, speakers and	Ŧ	_)
29/08/2019	Trust	listening CDs.	\$	943.07
,,		Contribution towards new	Ŧ	
29/08/2019	Highfield School	sounds system for hall.	\$	12,080.72
29/08/2019	Pleasant Point Cricket Club Incorporated	Cricket gear.	\$	12,841.90
,,	· · · · · · · · · · · · · · · · · · ·	Advertising and upgrading	Ŧ	
29/08/2019	Pleasant Point Gymkhana	signage.	\$	5,183.00
-,,	Pleasant Point Railway And Historical		•	-,
29/08/2019	Society (Inc)	Brochure printing.	\$	2,173.00
-,,	South Canterbury Multiple Sclerosis	Newsletter printing and	•	,
29/08/2019	Society Incorporated	postage.	\$	3,843.95
29/08/2019	South Island Rowing Incorporated	First aid services.	\$	14,500.00
		Contribution towards two		·
29/08/2019	St Joseph's Pleasant Point	televisions.	\$	1,500.00
		Sweep and sculling boards,		
		GPS stroke coaches and		
29/08/2019	Timaru Boys High School Rowing	Laszlo hull fittings.	\$	33,753.96
29/08/2019	Timaru Parents Centre Incorporated	Rent costs.	\$	8,970.00
		Croquet hoops and spray		
26/09/2019	Ashbury Croquet Club Incorporated	rig.	\$	3,253.00
	South Canterbury Primary Schools Cross			
26/09/2019	Country team	Van hire.	\$	840.00
26/09/2019	St Josephs School Timaru	New televisions.	\$	8,187.42
26/09/2019	Tennis South Canterbury Incorporated	Coaching costs.	\$	20,000.00
	The Order of St John South Island Region			
26/09/2019	Trust Board	Two new ambulances.	\$	187,768.52
		Contribution towards		
26/09/2019	The Scout Association of New Zealand	renovation costs.	\$	10,000.00
	The South Canterbury Rugby Football			
26/09/2019	Union Incorporated	New front mower.	\$	32,000.00
		Contribution towards event		
26/09/2019	The Timaru Festival of Roses Trust	expenses.	\$	30,000.00
	Timaru City Association Football Club			
26/09/2019	Incorporated	New uniforms and first aid.	\$	9,169.57
		New Patrol Car, Vehicle		
		Signwriting, Removal and Re-install of radio		
26/09/2019	TIMARU COMMUNITY PATROL INCORPORATED	equipment.	\$	24,046.82
26/09/2019	Waimataitai School	lpads.	\$	2,833.20
20,00,2019			Ļ	2,033.20

		Contribution towards Youth	
26/09/2019	Young Men's Christian Association Of South And Mid Canterbury Incorporated	Development Facilitator wages.	\$ 20,000.00

\$ 2,414,187.44