



Our reference
F19/13/03-D21/26182

20 July 2023

Policy and Services Committee

Notice is hereby given that the Policy and Services Committee meeting of Council will be held in the **Council Chambers, Stratford District Council, 63 Miranda Street, Stratford** on **Tuesday 25 July 2023** beginning at 2.00pm.

Timetable for 25 July 2023 as follows:

1.45pm	Afternoon tea for Councillors
2.00pm	Policy and Services Committee (Hearing) - <i>To hear and consider submissions to the Draft Class 4 Gambling Venues Policy and draft TAB Policy</i>
3.00pm	Policy and Services Committee

Yours faithfully

Sven Hanne
Chief Executive

2023 - Agenda - Policy and Services - Hearing - Draft Class 4 Gambling Venues and TAB Venues - July



25 July 2023 02:00 PM - 03:00 PM

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AGENDA

Policy and Services Committee



F22/55/05-D23/30294

Date: Tuesday 25 July 2023 at 2.00pm
Venue: Council Chambers, 63 Miranda Street, Stratford

To hear and consider submissions to the Draft Class 4 Gambling Venues Policy and Draft TAB Venue Policy

1. Welcome

- 1.1 **Opening Karakia**
D21/40748 Page 5
- 1.2 **Health and Safety Message**
D21/26210 Page 6

2. Apologies

3. Announcements

Speakers to Submissions

The Chairman welcomes everyone to the Policy & Services Committee meeting. It is reinforced to Councillors that the purpose of this meeting is to hear submissions on the Draft Class 4 Gambling Venues Policy and Draft TAB Venues Policy. Councillors are asked to hear all submissions with an open mind, to restrict their question time to the submitters to points of clarification or issues pertaining to subject matter. Councillors are requested not to get into direct dialogue with submitters. The timeframe scheduled for the day is tight. Councillors may take notes whilst submitters are speaking.

4. Declarations of members interest

Elected members to declare any real or perceived conflicts of interest relating to items on this agenda.

5. Attendance Schedule

Attendance schedule for Policy and Services Committee meetings, including Hearings.

6. Acknowledgement of Submissions

Submissions – Page 25

Attached are the 6 submissions received to the Draft Class 4 Gambling Venues Policy and Draft TAB Venue Policy.

Recommendations

- 1. THAT the submissions to the Draft Class 4 Gambling Venues Policy and Draft TAB Venue Policy be received.
- 2. THAT the submitters be advised of the outcome of their submission and notified that the minutes of the Policy and Services Committee Meeting, and subsequent meetings, will be available on Council's website.

Recommended Reason

So that each submission is formally received and the submitter provided with information on decisions made.

/
Moved/Seconded

7. Submitters To Be Heard

There were 4 submitters wishing to speak. Each submitter will be allocated five (5) minutes to present their submission and allowed five (5) minutes for questions.

Submission #	Name	Organisation	Page Number	Time
1	Martin Cheer	Pub Charity	25	2.05pm
2	Don Martin	New Zealand Community Trust	37	2.15pm
3	Te Haupai Korewha	Tui Ora	57	2.25pm
4	Jarrold True	The Gaming Association of New Zealand	59	2.35pm

8. Decision Report – Draft Class 4 Gambling Venues Policy and draft TAB Venue Policy.

D23/19724 Page 7

Council needs to consider submissions to the Annual Plan 2022/23 as part of the consultation process. There were no submissions to the Draft Revenue and Financing Policy.

Recommendations

1. THAT the report be received.
2. THAT the committee considers submissions received as part of the public consultation process and the subsequent adoption of the *draft* Class 4 Gambling Venues Policy.
3. THAT the committee adopt the draft TAB Venue Policy.
4. THAT the commencement date of both policies be Wednesday 9 August 2023.

Recommended Reason

The *draft* Class 4 Gambling Venues Policy and *draft* TAB Venue Policy has gone through the public consultation process, required by Sections 82 and 83 of the Local Government Act 2002. Six submissions were received on the Class 4 Gambling Policy as a result of the public consultation process. The committee is now required to consider these submissions.

/
Moved/Seconded

9. Closing Karakia

D21/40748 Page 92



Our reference
F19/13/03-D21/40748

Karakia

Kia uruuru mai
Ā hauora
Ā haukaha
Ā haumāia
Ki runga, Ki raro
Ki roto, Ki waho
Rire rire hau Paimārire

I draw in (to my being)
The reviving essence
The strengthening essence
The essence of courage
Above, Below
Within, Around
Let there be peace.



Our reference
F19/13/03-D22/17082

Health and Safety Message

In the event of an emergency, unless guided to an alternative route by staff, please exit through the main entrance. Once outside the building please move towards the War Memorial Centre congregating on the lawn area outside the front of the council building.

If there is an earthquake, please drop, cover and hold where possible. Remain indoors until the shaking stops and you are sure it is safe to exit or remain where you are until further instruction is given.

DECISION REPORT



F19/13/04 – D23/19724

To: Policy and Services
From: Environmental Health Manager
Date: 25 July 2023
Subject: *Draft Class 4 Gambling Venues Policy and draft TAB Venue Policy*

Recommendations

1. THAT the report be received.
2. THAT the committee considers submissions received as part of the public consultation process and the subsequent adoption of the *draft* Class 4 Gambling Venues Policy.
3. THAT the committee adopt the draft TAB Venue Policy.
4. THAT the commencement date of both policies be Wednesday 9 August 2023.

Recommended Reason

The *draft* Class 4 Gambling Venues Policy and *draft* TAB Venue Policy has gone through the public consultation process, required by Sections 82 and 83 of the Local Government Act 2002. Six submissions were received on the Class 4 Gambling Policy as a result of the public consultation process. The committee is now required to consider these submissions.

/
Moved/Seconded

1. Purpose of Report

- 1.1 The council approved the release of the *draft* Class 4 Gambling Venue Policy and *draft* TAB Venue Policy on 18 May 2023 for public consultation. The public consultation period started on 10 May 2023 and closed on 12 June 2023. Six submissions were received as part of the consultation process. No submissions were received as part of the public consultation on the TAB Venue Policy.
- 1.2 The purpose of this report is for the council to consider the public submissions and recommend any amendments to the *draft* policies and their subsequent adoption.

2. Executive Summary

- 2.1 Section 101 of the Gambling Act 2003 requires every Council to adopt a Class 4 Gambling Venue Policy and review it every three years. Section 96 of the Racing Industry Act 2020 makes a similar provision for TAB venues.

3. Local Government Act 2002 – Section 10

Under section 10 of the Local Government Act 2002, the Council’s purpose is to “enable democratic local decision making by and on behalf of communities; as well as promoting the social, economic, environmental, and cultural well-being of communities now and into the future”			
Does the recommended option meet the purpose of the Local Government 4 well-beings? And which:			Yes
Social	Economic	Environmental	Cultural
✓	✓	✓	✓

Gambling is an emotive issue that most, if not all, members of the community have an opinion on, and/or exposure to in some form. Both the Class 4 Gambling Venues Policy and the TAB Venue Policy touch on all 4 well-beings:

- Gambling is an entertainment option and is enjoyed by a variety of people.
- A portion of the profits from gambling are returned to communities in the form of grants.
- People residing in high deprivation areas are more vulnerable to environmental risks such as the location of gambling venues.
- Gambling is thought to have a negative effect on some ethnic groups.

4. Background

- 4.1 This is the sixth review of the Class 4 Gambling Venues Policy and the TAB Venue Policy which were first adopted on 23 March 2004.
- 4.2 Over the years, statistics indicate Stratford experiences low levels of harm associated with gambling. The number of gaming machines operating over the years has fluctuated between 21 and 36 machines, with the current policy sitting at a cap of 36 gaming machines. The TAB Policy still prohibits stand-alone venues.

5. Consultative Process

5.1 Public Consultation - Section 82

In addition to the public notification of the policies, the following special interest groups were specifically notified:


- Tui Ora
- Pub Charity
- Te Puna Trust
- The Problem Gambling Foundation
- NZ Community Trust
- One Foundation Limited
- The Trusts Community Foundation
- TAB NZ
- Te Whatu Ora Taranaki District Health Board
- Manatū Hauora Ministry of Health
- NZ Police
- Empire Hotel 2017 Limited
- Bahudha and Co Limited
- KL Reddy Limited
- Te Runanga o Ngati Maru Trust
- Te Runanga o Ngati Ruanui Trust
- Te Runanga o Ngati Tama
- Te Kaahui o Rauru
- Te Kahui o Taranaki Trust
- Te Korowai o Ngaruahine Trust
- Te Kotahitanga o Te Atiawa
- Te Runanga o Ngati Mutunga

In addition, Te Tari Taiwhenua Department of Internal Affairs were sent a copy of the *draft* policies. No feedback was received from the agency. No submissions were received on the draft TAB Venue Policy

As result of the public consultation the following submissions were received:

Submission	Name																					
1.	Martin Cheer Pub Charity																					
<p>Pub Charity Limited, (PCL) currently operate 1 venue with 9 gaming machines in the Stratford District. PCL have asked the Council to consider the implications of the amendments in the draft policy and further comment as there is little risk in the Stratford District Council retaining the current policy and keep the district cap of 36.</p> <p>Pub Charity has commented on:</p> <ul style="list-style-type: none"> - Supports a sinking lid policy - The benefit of regulated gambling venues - On-line gambling - The number of gaming machines 																						
<p>Staff comments</p> <p>The first gambling policy adopted by the Stratford District Council was more liberal. In 2017, in a collaborative approach, Taranaki Councils completed a Social Impact Assessment. After the completion of the assessment, the Stratford District Council introduced a district cap to reduce the number of gaming machines operating in the district. This measure was adopted to contribute to the objective of the Gambling Act and be consistent with neighbouring Councils.</p> <p>Te Tari Taiwhenua data indicates 27 gaming machines have been operating for the majority of the time since 2016. We consider the total of 27 gaming machines operating, could be seen as a contributing factor that a cap of 27 will continue to contribute to the district's low levels of gambling harm.</p> <p>27 gaming machines were also operating in the Stratford district in 2021. Later in 2022, 36 machines were operating due to the issue</p> <table border="1"> <thead> <tr> <th></th> <th>2015</th> <th>2016</th> <th>2017</th> <th>2018</th> <th>2019</th> <th>2020</th> </tr> </thead> <tbody> <tr> <td>National</td> <td>16,274</td> <td>16,031</td> <td>15,490</td> <td>15,118</td> <td>14,828</td> <td>14,781</td> </tr> <tr> <td>Stratford</td> <td>36</td> <td>27</td> <td>27</td> <td>27</td> <td>36</td> <td>27</td> </tr> </tbody> </table> <p>of a gambling licence by Te Tari Taiwhenua to the Midhirst Tavern to operate nine gambling machines.</p> <p>This policy covers gaming machines operating in the Stratford District. Te Tari Taiwhenua is currently reviewing online gambling in New Zealand. The Gambling Act 2003 outlines the considerations a council may apply to its gambling policy for gaming machines operating in its district. Future development of legislation on regulating online gambling, will sit with Central Government.</p>			2015	2016	2017	2018	2019	2020	National	16,274	16,031	15,490	15,118	14,828	14,781	Stratford	36	27	27	27	36	27
	2015	2016	2017	2018	2019	2020																
National	16,274	16,031	15,490	15,118	14,828	14,781																
Stratford	36	27	27	27	36	27																
2.	Don Martin The New Zealand Community Trust (NZCT)																					
<p>The New Zealand Community Trust is one of New Zealand's largest gaming trusts whose publicans raise funds by operating gaming lounges.</p> <p>The New Zealand Community Trust make the following recommendation:</p> <ul style="list-style-type: none"> - The Council keep the current cap of 36 gaming machines and retain the relocation policy. 																						
<p>Staff comments</p> <p>The proposed relocation policy allows for businesses who are licensed to operate gaming machines to relocate under certain circumstances. The draft relocation policy also allows for consideration of appropriate legislation such as earthquake prone buildings. However, the relocation policy does provide an opportunity for operators who by no fault of their own have to vacate their premises.</p>																						

<p>When the policy achieves its cap of 27 gaming machines and a premises with a gambling licence closes, this would provide a new business with the opportunity to apply for new gambling consent with the Council until the cap of 27 gaming machines is achieved.</p>																									
3.	Te Haupai Korewha Tui Ora																								
<p>Tui Ora is one of the largest Māori health providers in Taranaki and are committed to the ongoing support and responsibility to the health of Māori in the region. Tui Ora submits the following recommendations:</p> <ul style="list-style-type: none"> - Tui Ora does not support the relocation of venues or club mergers. - Recommends the district cap be set at 5 gaming machines. - Advocates for a stronger policy that addresses gambling harm. 																									
Staff comments																									
<p>There are no clubs within the Stratford District that have a gambling licence to operate gaming machines, therefore the draft policy does not support the merger of clubs.</p> <p>As noted in previous staff comments, the recorded statistics indicate Stratford has experienced low levels of gambling harm over the years. The Manatū Hauora report on gambling intervention statistics for each district. These statistics rely on a person with a gambling problem to connect with that agency. The statistics do not cover people who address the matter privately through therapy or other support groups and does not reflect people who experience harm as a result of someone's gambling. For example, in 2018, 268,000 adults reported second-hand gambling harm and around 2 Million adults were concerned about the level of gambling in their community. Further information can be found on:</p> <p>https://www.hpa.org.nz/research-library/research-publications/second-hand-gambling-harm-and-concern-about-gambling-within-the-community-results-from-the-2018</p>																									
4.	Jarrod True The Gaming Machine Association of New Zealand																								
<p>The Gaming Machine Association of New Zealand represents the majority of the gaming machine societies that operate in New Zealand. The submission notes the following points:</p> <ul style="list-style-type: none"> - The current policy is working and is reasonable. - The current cap of 36 machines be retained - The existing relocation policy be retained 																									
Staff comments																									
<p>As noted above, 27 gaming machines have been operating in the district since 2016 with 36 gaming machines operating for short periods. As a result, we consider that the total of 27 gaming machines is likely to contribute to reducing gambling harm while still benefiting community groups who are eligible for grants as well as providing opportunity and entertainment for those that enjoy gambling machines. The following data has been provided from Manatū Hauora. A link is also provided below:</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th colspan="3" style="text-align: center;">Total number of clients assisted Stratford District</th> </tr> <tr> <th></th> <th style="text-align: center;">All intervention types</th> <th style="text-align: center;">Excluding brief intervention.</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">2017</td> <td style="text-align: center;">2</td> <td style="text-align: center;">2</td> </tr> <tr> <td style="text-align: center;">2018</td> <td style="text-align: center;">1</td> <td style="text-align: center;">0</td> </tr> <tr> <td style="text-align: center;">2019</td> <td style="text-align: center;">1</td> <td style="text-align: center;">1</td> </tr> <tr> <td style="text-align: center;">2020</td> <td style="text-align: center;">2</td> <td style="text-align: center;">1</td> </tr> <tr> <td style="text-align: center;">2021</td> <td style="text-align: center;">1</td> <td style="text-align: center;">1</td> </tr> <tr> <td style="text-align: center;">2022</td> <td style="text-align: center;">2</td> <td style="text-align: center;">0</td> </tr> </tbody> </table> <p>https://www.health.govt.nz/our-work/mental-health-and-addiction/addiction/gambling-harm/service-user-data/intervention-services-data</p> <p>The relocation policy has been discussed above.</p>		Total number of clients assisted Stratford District				All intervention types	Excluding brief intervention.	2017	2	2	2018	1	0	2019	1	1	2020	2	1	2021	1	1	2022	2	0
Total number of clients assisted Stratford District																									
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2017	2	2																							
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2021	1	1																							
2022	2	0																							

5.	The Problem Gambling Foundation (PGF)
<p>The PGF group is contracted by Te Whatu Ora and their role is to advocate for the development of public policy that contributes to the prevention and minimisation of gambling harm.</p> <p>The PGF supports the policy but recommends the Council consider –</p> <ul style="list-style-type: none"> - Adopt a total sinking lid policy - Removes the relocation policy - Suggests that if the Council keeps the relocation policy, then clause 6.2(4) be strengthened to read “the new venue must not be located in a decile rating of 7,8,9 or 10. 	
<p>Staff comments</p> <p>The Effectiveness of Local Government Policy Intervention research paper was published in 2021 and noted key findings that interventions such as a sinking lid policy are equally the most effective at reducing machine spending. In addition, the paper notes the Councils who adopted restrictions above and beyond those mandated by the Gambling Act experienced less gambling harm than those Councils who have not. A link to the document is provided below.</p> <p>https://www.health.govt.nz/publication/capping-gambling-nz-effectiveness-local-government-policy-interventions</p> <p>Gambling statistics for Stratford continue to show low levels of harm associated with gaming machines. The Stratford District Council continues to address gambling associated harm at time of review every 3 years.</p> <p>The methodology used for measuring the New Zealand Index of Deprivation (NZDep) is represented as follows:</p> <ul style="list-style-type: none"> - Decile 1 represents areas with the least deprived scores - Decile 10 represents areas with the most deprived scores  <p>A link to the index is provided below:</p> <p>https://massey.maps.arcgis.com/apps/Embed/index.html?webmap=bd6277d69e844652917bf174ee017c64&extent=164.7366,-47.4217,180,-34.200%20&zoom=true&scale=true&search=true&searchextent=true&details=true&legend=true&active_panel=legend&disable_scroll=true&theme=light</p>	

<p>The proposed relocation policy notes that a new venue must relocate to a lower deprivation area than the existing venue. If the policy was to stipulate that the relocation of a venue must be situated in decile area of 7, 8, 9 or 10, then there is no opportunity for the relocation of a venue, other than in the Toko District.</p> <p>Stratford North decile 8 Stratford Central decile 8 Stratford South 9 Midhirst 7 Toko 5 Whangamomona 7</p> <p>To meet the criteria of the Local Alcohol Policy, on-licensed premises can only be established in the Business or Rural zones of the Stratford District. Leaving the proposed policy with the current wording would allow the relocation of a venue in a lower decile area. For example, if a venue wanted to relocate from Stratford South, which has decile of 9, it could relocate to Stratford Central which is a decile 8, or relocate to Whangamomona, Midhirst or Toko District.</p>	
6.	Te Whatu Ora - Health New Zealand
<p>Te Whatu Ora leads the day-to-day running of the health system across Aotearoa New Zealand, and either provides or commissions services at local, district, regional and national levels. Te Whatu Ora's key objectives is to "promote health and prevent, reduce, and delay ill-health.</p> <p>Te Whatu Ora commends the Stratford District Council for increasing the emphasis on gambling harm reduction in the proposed objectives of the policy and in particular:</p> <ul style="list-style-type: none"> - Supports the proposed reduction in gaming machines - Supports the proposal not to permit new venues. - Recommends that the wording of the policy be clarified to confirm that should a gambling venue close and not meet the relocation criteria that there will then be a reduction in the total cap on machines. - That the Stratford District Council identifies opportunities to work in partnership with all parties when implementing this policy. - Supports having no TAB board venues in the Stratford District. 	
Staff comments	
<p>The draft gambling policy notes the criteria for the relocation of a venue prior to approval and is seen as a way to support operators who have lost premises through no fault of their own. At the time a cap of 27 gaming machines is reached, no further consent will be issued by the Council. Adding further wording could result in confusion of the intended cap number.</p> <p>The Gambling Act 2002 notes the engagement process for pre consultation and public consultation. Previously agencies have also worked together in a collaborative approach to feed into the Regional Social Impact Assessment on gambling which informed and assisted the regions Council's in the review of individual policies. There is benefit in considering ways and opportunities for agencies to work together prior to the next review.</p>	

5.2 Māori Consultation - Section 81

Iwi groups were invited to submit on the policies as listed in paragraph 5.1 of this report.

6. Risk Analysis

Refer to the Council Risk Register - available on the Council website.
<ul style="list-style-type: none"> Does this report cover any issues that relate to any risks on the Council Risk Register, and if so which risks and what are the impacts and likelihood of eventuating? Does this report cover any issues that may lead to any new risks that are not on the Council Risk Register, and if so, provide some explanation of any new identified risks. Is there a legal opinion needed?

6.1 The TAB Venue Policy and the Class 4 Gambling Venues Policy are required to be reviewed every three years in accordance with legislation. The Policies have now completed the public consultation process.

The review of policies is noted on the Council's Risk Register (*Risk 4 – Compliance and Legislation (Bylaws and Policies)*) to ensure they are reviewed in the appropriate timeframe and are enforceable.

7. Decision Making Process – Section 79

7.1 Direction

	Explain
Is there a strong link to Council's strategic direction, Long Term Plan/District Plan?	No
What relationship does it have to the communities current and future needs for infrastructure, regulatory functions, or local public services?	The Class 4 Gambling Venues policy allows for gambling venues to be located on licensed premises where compliance across various legislation is required to be met by the operator. Enforcement of the Gambling Act is done by the Department of Internal Affairs.

7.2 Data

<ul style="list-style-type: none"> Do we have complete data, and relevant statistics, on the proposal(s)? Do we have reasonably reliable data on the proposals? What assumptions have had to be built in?
--

Submitters have provided data links as part of their submissions. Council Officers have also provided statistics in staff comments under paragraph 5.1 of this report.

7.3 Significance

	Yes/No	Explain
Is the proposal significant according to the Significance Policy in the Long Term Plan?	No	
Is it:	No	
• considered a strategic asset; or	No	
• above the financial thresholds in the Significance Policy; or	No	
• impacting on a CCO stakeholding; or	No	
• a change in level of service; or	No	
• creating a high level of controversy; or	Yes	Gambling is an emotive issue that most, if not all, members of the community have an opinion on, and/or exposure to, in some form.
• possible that it could have a high impact on the community?	No	Current statistics continue to indicate Stratford has low levels of harm caused by gambling.

In terms of the Council's Significance Policy, is this proposal of high, medium, or low significance?		
High	Medium	Low
		✓

7.4 Options

An assessment of costs and benefits for each option must be completed. Use the criteria below in your assessment.

1. What options are available?
2. For **each** option:
 - explain what the costs and benefits of each option are in terms of the present and future needs of the district;
 - outline if there are any sustainability issues; and
 - explain if the outcomes meet the current and future needs of communities for good-quality local infrastructure, local public services, and performance of regulatory functions?
3. After completing these, consider which option you wish to recommend to Council, and explain:
 - how this option is the most cost effective option for households and businesses;
 - if there are any trade-offs; and
 - what interdependencies exist.

Option 1:

Adopt the draft policy and relocation policy with no changes.

Six submissions were received as part of the public consultation process. No other submissions were received. As noted in staff comments, 27 gaming machines have been operating in the district since 2016 with 36 operating for short periods. It is likely that the operation of 27 gaming machines has contributed to the low level of gambling harm in the Stratford District.

Some submitters have indicated in their submissions, grants received from gambling have been distributed to community groups. We consider 27 gaming machines have been operating in the Stratford District during the time grants have been approved to applicants in the Stratford District. In addition, there are other opportunities for community groups to apply for funding from other funding organisations.

This option supports the council's commitment in addressing gambling harm.

Council Officers support option 1.

Option 2:

Keep the current policy with a cap of 36 machines and the relocation policy.

This may generate a slight increase in the proceeds from gambling being distributed to Stratford community groups. There are alternative options for community groups to apply for grants through other organisations such as COGS North Taranaki, TSB Bank, Creative NZ, Taranaki Electricity Trust, Rāta Foundation, etc.

As noted above, the Manatū Hauora data recorded for Stratford, indicate low levels of gambling harm. It is the opinion of Councils officers, that the low levels of harm that are recorded are because 27 gaming machines have been operating for some time.

Option 3

Total Sinking lid Policy

A sinking lid is considered the most effective and restrictive of policy and means that once a venue closes the Council will not issue any other society a licence to replace that venue.

It should be noted that section 98 of the Gambling Act states that territorial consent is only required for a venue if it has not been held by a public society for more than 6 months. This means a current operator who sells premises with gaming machines to a new operator do not require consent from the Council if the premises has been closed for less than 6 months.

The Council considered a total sinking lid option prior to the public consultation of the policy. The Committee considered that 27 gaming machines operating in the district contributed to the objective of the policy and a sinking lid would be implemented until a cap of 27 gaming machines was reached. More information can be found on the following link:

<https://www.dia.govt.nz/Gambling-territorial-authorities-policy-review-process-drafting-policy>

Neighbouring councils have used a cap to control the growth of gaming machines and in particular, Waitara that is located in the New Plymouth District has a sinking until the number of gaming machines reach 25.

Neighbouring council policies

South Taranaki have a district cap of 121

New Plymouth has a district cap of 300 and a sinking lid policy for Waitara that is capped when the number of gaming machines reach 25.

The deprivation Index decile rating for Stratford has increased over the years. The policy is reviewed tri-annually and if data indicates high levels of harm then a sinking lid policy could be considered. The enforcement and monitoring of gaming venues and their social responsibilities is undertaken by Te Tari Taiwhenua.

TAB Venues

Option 1

This Policy was first adopted in 2004. No amendments have been made to the no stand alone venues policy since the policy was first adopted. Wording changes have been made as a result of this review of the policy to come in-line the new legislation of the Racing Industry Act 2020. No submissions have been received as part the public consultation process of this policy.

There has been no interest from any business operating to establish a stand alone venue. Currently there are TAB facilities located on two licensed premises.

Council will monitor for any changes to future legislation and undertake the review of the policy accordingly.

7.5 Financial

- | |
|--|
| <ul style="list-style-type: none">• Is there an impact on funding and debt levels?• Will work be undertaken within the current budget?• What budget has expenditure come from?• How will the proposal be funded? eg. rates, reserves, grants etc. |
|--|

There is no significant financial impact to the Council because of this review. Fees relating to gambling venue applications are established in the Council's Fees and Charges document.

7.6 **Prioritisation & Trade-off**

Have you taken into consideration the:

- Council's capacity to deliver;
- contractor's capacity to deliver; and
- consequence of deferral?

The policy considers licensing consent administration only, as the enforcement of gambling and racing industry legislation is governed and enforced by the Department of Internal Affairs. There is no change to the council's current capacity to deliver the consenting process.

7.7 **Legal Issues**

- Is there a legal opinion needed?
- Are there legal issues?

The Council must have a policy for gambling if it allows venues to operate within its district. A legal opinion is not required as part of this review process.

7.8 **Policy Issues - Section 80**

- Are there any policy issues?
- Does your recommendation conflict with Council Policies?

The Council is required to have a Class 4 Gambling Policy and a TAB Venue Policy if it allows gambling venues within its district. There is no conflict with other council policies.

Attachments

- Appendix 1** Draft Class 4 Gambling Venues Policy
- Appendix 2** Draft TAB Venue Policy
- Appendix 3** Current District Agency Board (TAB) Venue Policy
- Appendix 4** Current Class 4 Gambling Venues Policy
- Appendix 5** Submissions 1 to 6



Rachael Otter
Environmental Health Manager



[Endorsed by]
Blair Sutherland
Director – Environmental Services



[Approved by]
Sven Hanne
Chief Executive

Date 18 July 2023

POLICY



Policy:	<i>Draft Class 4 Gambling Venues Policy</i>
Department:	Environmental Services
Approved by:	TBC
Effective date:	TBC
Next review date:	TBC
Document Number:	D23/18383

1. Objectives

- 1.1 To minimise the harm caused by gambling in the Stratford District and to control the location of Class 4 gambling venues and the number of gaming machines.
- 1.2 A sinking lid policy will apply in the Stratford District until the total number of gaming machines that may be operated in Class 4 Gambling Venues is reduced to 27. Once there are no more than 27 gaming machines operating in the District, the maximum number that may be operated will be capped at 27.

2. Purpose and Scope

- 2.1 The purpose of this policy is to meet the requirements of the Gambling Act 2003, which states that every Council must adopt a policy on Class 4 gambling venues.
- 2.2 The policy must specify whether or not class 4 venues may be established in the district and, if so, where they may be located; and may specify any restrictions on the maximum number of gaming machines that may be operated at a class 4 venue.
- 2.3 This policy covers the Stratford District and applies to:
 - All venues with an existing Class 4 Gambling Venue licence.

3. Interpretation

Act means the Gambling Act 2003.

Class 4 Gambling has the same meaning as given in section 30 of the Act, and is commonly known as 'gaming machine gambling'.

Class 4 Gambling Venue means a place used to operate Class 4 Gambling.

Council means the Stratford District Council.

District means the Stratford District.

Gaming Machine has the same meaning as defined in section 4 of the Act and is also commonly known as a 'pokie machine'.

Sinking lid means that once a class 4 gambling venue closes, the council will not issue any other society a licence to replace that venue.

Sleeping Machine is a gaming machine that is consented or licenced for, but not currently in operation.

4. Primary Activity and Location of Class 4 Gambling Venues

4.1 Class 4 Gambling Venues may be established in the Stratford District provided that:

The primary activity of any Class 4 Gambling Venue is either for:

- (i) The sale of alcohol or, the sale of alcohol and food, where the venue is subject to an on-licence; and
- (ii) The venue is a permitted activity under the Stratford District Plan and/or holds all necessary resource consents and/or is otherwise lawfully established.

4.2 For the avoidance or doubt, a Class 4 Gambling Venue is not permitted in the Stratford District if gambling is the primary activity carried out at the venue.

5. Numbers of Gaming Machines

5.1 No new or additional Class 4 gaming machine venues are to be established in the Stratford District from the date of adoption of this policy, except where the new venue is permitted by clause 6 of the Relocation Policy.

5.2 All gaming machines as at the date of adoption of this policy may continue until such time as the venue does not hold a licence for gaming machines;

5.3 Existing Class 4 venues may not increase the number of gaming machines that exist at the date of this policy. The Council will not grant consent for any venue or club to operate additional gaming machines.

6. Relocation Policy

6.1 The Council will only consider granting consent for the relocation of a class 4 gambling venue if the premises cannot continue to operate at the existing venue, and is considered to be forced to vacate its existing venue through no fault of its own if:

- (a) The existing venue is unfit to continue operation due to a natural disaster or fire;
- (b) The existing venue is required to move due to public works acquisition under the Public Works Act 1981; or
- (c) The existing venue is a registered earthquake prone building or a venue with <34% NBS and the premises is relocating into a venue of more than 34% NBS

6.2 A Class 4 venue that is forced to vacate its existing venue through no fault of its own as defined by clause 6.1 of this policy, may be granted a consent to continue its gaming activity in another venue or rebuilt premises for the same number of machines that they were licensed to operate subject to –

- 1. The current Class 4 venue operator is intending to and will be conducting Class 4 gambling at the new location,
- 2. The vacated site will not be able to be used by any other Class 4 operator to operate Class 4 Gambling,
- 3. The Class 4 operator and venue operator are the same as those cited in the venue agreement for the existing venue and the proposed new venue,
- 4. The new venue must also be in a lower deprivation area than the existing venue.
- 5. The replacement venue meets the other relevant requirements of this policy and the Act.

7. Application for Territorial Consent

7.1 An application for territorial consent shall be made for the circumstances stated in section 98 of the Gambling Act.

7.2 An application for territorial consent must be made on the prescribed form and will be assessed against the criteria outlined in this policy and the requirements of the Act.

Applications must provide:

- Name and contact details of the applicant;
- Street address of proposed premises;

Proposed number of gaming machines;
Details of current alcohol licence; and
Certificate of Compliance with the Stratford District Plan.

- 7.3 The Council shall set a non-refundable application fee for the cost of processing any applications for territorial consent, in accordance with section 150 of the Local Government Act 2002.

8. Commencement

- 8.1 This policy shall take effect from ~~??~~

9. Review

- 9.1 This policy shall be reviewed every three years, as required by section 102(5) of the Act.

Appendix 2

POLICY



Policy:	<i>Draft (TAB) Venue Policy</i>
Department:	Environmental Services
Approved by:	TBC
Effective date:	TBC
Next review date:	TBC
Document Number:	D22/10078

1. Objectives

- 1.1 To minimise the harm caused by gambling in the Stratford District and to control the location of TAB venues.

2. Interpretation

Act means the Racing Industry Act 2020

Governing body in relation to TAB NZ, means the governing body appointed under [section 55](#) of Racing Industry Act 2020.

TAB Venue means premises owned or leased by TAB NZ and where the main business carried on at the premises is providing racing betting, sports betting, or other racing or sports betting services under this Racing Industry Act.

Council means the Stratford District Council.

District means the Stratford District.

3. Location Requirements

- 3.1 No TAB venues may be established and/or consented within the Stratford District.

4. Commencement

- 4.1 This policy shall take effect from

5. Review

- 5.1 This policy shall be reviewed every three years, as required by section 97 of the Racing Industry Act 2020.

Appendix 3

STRATFORD DISTRICT COUNCIL

POLICY: <u>DISTRICT AGENCY BOARD (TAB) VENUE</u> <u>POLICY</u>	
DEPARTMENT: Environmental Services	RESPONSIBILITY:
FILE NO. : D16/13037	• Director Environmental Services
REVIEW DATE: 2016/2017	NEXT REVIEW: 2021
VERSION: 4	FIRST APPROVAL DATE: 2004

1. OBJECTIVES

- 1.1 To control the growth of gambling in the Stratford District.
- 1.2 To contribute to the minimisation of harm to the community caused by gambling in the Stratford District.

2. INTERPRETATION

Act means the Racing Act 2003.

Board means the New Zealand Racing Board established under section 7 of the Act.

Board Venue means premises that are owned or leased by the Board and where the main business carried on at the premises is providing racing betting or sports betting services under the Act.

Council means the Stratford District Council.

District means the Stratford District.

3. LOCATION REQUIREMENTS

- 3.1 No board venues may be established and/or consented with Stratford District.

4. COMMENCEMENT

- 4.1 This policy shall take effect from 1 July 2018.

5. REVIEW

- 5.1 This policy shall be reviewed every three years, as required by section 65E(5) of the Act.

Appendix 4

STRATFORD DISTRICT COUNCIL

POLICY: <u>CLASS 4 GAMBLING</u> <u>VENUES POLICY</u>	
DEPARTMENT: Environmental Services	RESPONSIBILITY:
D18/17080	<ul style="list-style-type: none"> • Director Environmental Services
REVIEW DATE: 2016/17	NEXT REVIEW: 2021
VERSION: 5	FIRST APPROVAL DATE: March 2004

1. **OBJECTIVES**

- 1.1 To control the growth of Class 4 Gambling venues in the Stratford District.
- 1.2 To contribute to the reduction of harm from gambling, including problem gambling in the Stratford District.

2. **PURPOSE AND SCOPE**

- 2.1 The purpose of this policy is to meet the requirements of the Gambling Act 2003, which states that every Council must adopt a policy on Class 4 gambling venues.
- 2.2 The policy must specify whether or not class 4 venues may be established in the district and, if so, where they may be located; and may specify any restrictions on the maximum number of gaming machines that may be operated at a class 4 venue.
- 2.3 This policy covers the Stratford District and applies to:
 - All venues for which no Class 4 Gambling Venue licence has been held within the last six months; and
 - All venues with an existing Class 4 Gambling Venue licence.
- 2.4 The policy intent is not to eliminate Class 4 gambling venues from the district, but to not impede the downward trend of gaming machine numbers in the district.

3. **INTERPRETATION**

Act means the Gambling Act 2003.

Class 4 Gambling has the same meaning as given in section 30 of the Act, and is commonly known as 'gaming machine gambling'.

Class 4 Gambling Venue means a place used to operate Class 4 Gambling.

Club means a voluntary association of persons combined for a purpose other than personal gain.

- 5.3.1 For venues that held a gaming machine licence on 17 October 2001, which have not been without a licence for six months or more since that date: 18 gaming machines or the number of gaming machines lawfully operated on that date, whichever is the lesser.
- 5.3.2 For all other existing venues: nine gaming machines or the number of gaming machines approved previously by the Minister of the Crown under section 96 of the Act, may be operated.
- 5.4 Where two or more existing corporate societies (that are clubs) legally and physically combine their premises, the number of gaming machines they may operate must not in any case exceed: 18 gaming machines or the sum of the number of gaming machines specified in all of the corporate societies' class 4 venue licences at the time of the application, whichever is the lesser.

6. RELOCATION POLICY

- 6.1 The Council may grant territorial consent to allow a new Class 4 Gambling Venue (the replacement venue) to replace an existing venue (within the District) to which a Class 4 Venue Licence applies where:
- (a) The existing venue has ceased to operate as a Class 4 Gambling Venue and the Class 4 Gambling Licence held for the existing venue has been / will be surrendered;
 - (b) The replacement venue will be operated by the same corporate society which operated the existing venue;
 - (c) The replacement venue holds a current Class 4 Gambling venue licence and will operate the same number of machines (or less) as the existing venue, subject to any restrictions applicable under the Act; and
 - (d) The replacement venue meets the other relevant requirements of this policy and the Act.

7. APPLICATION FOR TERRITORIAL CONSENT

- 7.1 An application for territorial consent shall be made for the circumstances stated in section 98 of the Act.
- 7.2 An application for territorial consent must be made on the prescribed form and will be assessed against the criteria outlined in this policy and the requirements of the Act. Applications must provide:
- Name and contact details of the applicant;
 - Street address of proposed premises;
 - Proposed number of gaming machines;
 - Details of current alcohol licence; and
 - Certificate of Compliance with the Stratford District Plan.
- 7.3 The Council shall set a non-refundable application fee for the cost of processing any applications for territorial consent, in accordance with section 150 of the Local Government Act 2002.

8. COMMENCEMENT

- 8.1 This policy shall take effect from 1 July 2018.

9. **REVIEW**

9.1 This policy shall be reviewed every three years, as required by section 102(5) of the Act.

Appendix 5

Submission 1

12 JUN 2023
STRATFORD D/C



SUBMISSION FORM DRAFT CLASS 4 GAMBLING VENUES POLICY

The Statement of Proposal for the *draft* Class 4 Gambling Venues Policy is open to feedback from the community. We hope you will take advantage of this opportunity to comment.

Please forward your submission addressed to:

Director – Environmental Services
Stratford District Council
P O Box 320
STRATFORD

Submissions are to be received no later than Monday 12 June 2023 at 4.00pm. You also have the opportunity to speak to your submission. The hearing will be held on Tuesday 25 July 2023.

Your name:	<u>Martin Cheer - Pub Charity Limited</u>
Contact address:	<u>190 Taranaki St</u> <u>Wellyto-</u>
Contact telephone:	<u>0274 715 745</u>
Contact email:	<u>martin@pubcharitylimited.org.nz</u>

- I do not wish to speak to my submission at the hearing and ask that this written submission be considered.
- or
- I wish to speak to my submission at a hearing.

**** Your submission may be written on this form and additional white A4 paper. ****

(attached)

Stratford District Council
Gambling Venue Policy Review 2023

Submission of Pub Charity Limited

PO Box 27009

Wellington

Contact: Martin Cheer CEO

martin@pubcharitylimited.org.nz

(04) 385 6100

Policy Response

The SDC is conducting the triennial review of its Class 4 Gambling Venue Policy for the period 2023-2025.

This will be the Council's seventh opportunity to review this policy and Council are proposing to reduce the permitted number of machines from 36 to 37 and limit the terms of the current relocation policy.

Pub Charity Limited (PCL) invites the Council to reconsider the implications of the proposed amendments and would like to speak to these submissions.

Submission Summary

- Pub Charity Limited (PCL) currently operates 1 venue and 9 gaming machines within the Stratford District Council TLA.
- New Zealand has one of the lowest problem gambling rates in the world¹.
- Stratford's most recent reported problem gambling help seeking statistics of 0 persons for 2020/2021 reflect a low risk profile.
- Class 4 gambling for the overwhelming majority of the community provides a safe vehicle for entertainment, socialising, recreation, and a source of fundraising for the community. It also creates jobs and economic stimulus for local businesses.
- The proposed Stratford District Council Class 4 Gambling Venue Policy incorrectly assumes a lineal relationship between gaming machine numbers and problem gambling harm.
- The Ministry of Health reports that despite a 43% reduction in the number of gaming machines and a 20% increase in population between 2004 and 2023 since 2004, problem gambling prevalence in New Zealand has remained unchanged.

..... the problem gambling rate had remained the same over the last 10-15 years despite gaming machine numbers decreasing. ²

- The proposed policy fails to consider the counter narrative with a growth in uncontrolled and unsupervised gambling options.
- Any suggestion that there is no risk of migration to online gambling is out of touch with reality as the recent COVID lockdowns coincided with significant increases in online gambling spend and Kiwibank is now reporting up to \$30M per month is being spent on New Zealand and offshore online gambling through their bank alone.
- The Gambling Act 2003 which has a balanced set of objectives and anticipated the controlled growth, not a decline, of approved gambling like community-based gaming machines³.
- Problem Gambling research Professor Erwin found no evidence of a decline in problem gambling or problem gambling prevalence from sinking lids but some minor impact on expenditure on class 4 gambling which he qualified by saying (pg 31);

'We don't have information on other forms of gambling activity. Therefore we don't know if the drop in [class 4 machine] spending created spill over effects such as a rise in online gambling'.

¹ <http://www.health.govt.nz/publication/problem-gambling-new-zealand-preliminary-results-new-zealand-health-survey>

² <https://www.health.govt.nz/system/files/documents/publications/national-gambling-study-final-report-report-no-5.pdf>

³ S.3(a) & (c) of the Gambling Act 2003

- The DIA reports an increase in all other forms of gambling including online, as spending on class 4 has declined, while the MoH reported no corresponding reduction in problem gambling prevalence.
- Sinking lid and reductive Class 4 policies have all but destroyed fundraising opportunities represented by Class 4 venues in some areas while gambling spending in the community on all the other forms of gambling with little or no local focus, like LOTTO, TAB and online gambling, increased and continues to grow.
- For these reasons PCL opposes the reasoning and justification for the proposed policy settings and supports the status quo.

Introduction

Public Policy is by nature a balancing act between the interests of different parties. In the case of community-based gaming machines there are multiple stakeholders;

- Those that play the machines for enjoyment
- Businesses that host the machines and derive income
- People whose employment is dependent on the activity
- Community groups and their beneficiaries that received grants from the proceeds
- The general public expecting authorities to provide a safe environment
- Those that are harmed from their gambling and those that advocate for them

Empirical evidence, known for some time in the problem gambling sector, shows that there is no direct correlation between harm and exposure to gaming machine and gaming venue numbers.

The flawed ideology behind the concept encourages those opposing the presence of gaming machines in the community to suggest if a reduction in numbers is beneficial then outright prohibition is better.

Prohibition was not envisaged by the Gambling Acts 2003, quite the opposite, and such an objective sits outside of the legislated mandate.

The Gambling Commission determined as much in GC 03/07⁴ when it found;

'The Gambling Commission considered that the effect of the condition was to reduce gambling generally, and that it cut across what the Commission considered one of the primary purposes of the Gambling Act: to permit gambling.'

Sinking lids - Exposure Theory and the Prevalence of Problem Gambling

Council staff have formed the view that a sinking lid is required based on 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 total gambling spend or problem gambling prevalence a fact recognised by researchers over the years as a false premise.⁵

It should also be noted the proposed Class 4 Gambling 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 11% of all problem gambling help seeking annually (and growing rapidly)
- NZ Racing Board on track and mobile based sports betting, associated with 7.8% of problem gambling help seeking
- Casino gambling responsible for 21% of problem gambling help seeking

⁴ The Gambling Commission, GC 03/07 *Lion Foundation v DIA*

⁵ 'Do Problem Gambling and EGM's Go Together Like a Horse and Carriage'; Abbot, M; 2006

- 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.

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

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

Such thinking in 2023 is outdated.

The imposition of sinking lids on community gaming machines in a number of jurisdictions, including the two largest markets, Auckland and Christchurch, has led to a decline by over one third, or about 8,000, of the community gaming machines since 2004 in the New Zealand Market.

Over that time total spending, in inflation adjusted terms, on community gaming machines has fallen 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.

Some submitters, even those funded within the Ministry of Health framework, claim that reducing community gaming venues and machines leads to better health outcomes. This is not evident in Ministry of Health's own statistics for problem gambling prevalence rates on a national or local level.

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

- *'From examination of the findings of other surveys, taking account of methodological differences and their likely impact, it is concluded that there has probably been no change in the prevalence of current problem and moderate-risk gambling since 2006.*
- *Again adjusting for the likely impact of methodological differences, it is concluded that the prevalence of lifetime probable pathological and problem gambling have probably not changed since the last time a lifetime assessment was made in New Zealand (1999).*
- *From examination of previous New Zealand prevalence studies, it is considered likely that the prevalence of problematic gambling, both current and lifetime, within the range assessed as pathological, problem and moderate-risk, reduced significantly during the 1990s and has since stayed at about the same level.*
- *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.⁶

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

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

The Benefit of Regulated Gambling Venues

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

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

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

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

Since 2003 and 2004 several Councils, on advice from anti gaming groups, imposed restrictions or sinking lids on future community-based gaming machine or venue numbers, encouraged in the belief that by simply reducing one point of access to gambling, as opposed to implementing measures which reduce the harm caused by problem gambling, that problem gambling would be reduced.

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

After 13 years of such policies, and a reduction of over 10,000 community gaming machines there is no evidence that this has had any impact on reducing the already very low prevalence rate of problem gambling in New Zealand.

⁶ 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

Rather than facing restrictions the NZ Racing Board 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.'*⁷

'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.'

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.'

Recently the TAB signed a multi-year deal with global on-line gambling provider Entain with a promise of extending the reach of their online products.

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.'*⁸

The Counterfactual

Class 4 gambling does not operate in a vacuum and as spending had declined on Class 4 gambling it has increased in all other formats, including online gambling. Any transition to unsupervised and uncontrolled gambling environments will be to the detriment of public health and lead to a decline in community funding, tax revenue, Problem Gambling Levy, venue payments and employment.

These risks were evident following the closures of Class 4 venues during COVID 19 lockdowns which resulted in an alarming rise in online gambling. A concern noted by the previous Minister of Internal Affairs Tracey Martin, in a television interview in 2020.

'I can tell you we already know what would happen if we did that because when we had lockdown [COVID Level] Four we closed all Class 4 venues and what we saw was the demographic of New Zealanders who want to or need to gamble in that way shift online. So, we already know that prohibition won't stop a certain group of New Zealanders gambling in this way. ...

*But at the moment online is literally unregulated. So I think we have 700,000 New Zealanders who have been gambling online, two hundred and something millions of dollars gone offshore in one financial year and there is literally no regulation around it.'*⁹

⁷ NZ Racing Board CEO John Allen, Sunday Star Times, November 12, 2017

⁸ The Royal Australian & New Zealand College of Psychiatrists, September 2017

⁹ Hon Tracey Martin, Minister of Internal Affairs, Interview Breakfast Show TV3, 26 August 2020.

Problem gambling providers also expressed concerns about migration to online gambling¹⁰;

Covid-19 lockdowns causing more Pasifika to turn to online gambling

3:02 pm on 8 October 2021

Share this



Eleisha Foon, Journalist

[@eleishafoon](#)

eleisha.foon@rnz.co.nz

Concern is growing that prolonged Covid-19 lockdowns are causing an increase in online gambling within Pacific communities, according to a problem gambling support service.

Problem gambling support service Mapu Maia is reporting more people are gambling online over lockdown, and the impacts will be detrimental if government policy isn't changed to better help the most vulnerable.

Accelerating the existing trend of decline in Class 4 gambling by intentionally reducing its appeal as proposed will simply speed up the migration of gamblers to online options with inferior health outcomes and no community benefits.

Prior to the pandemic Sky City established an offshore online gambling site which saw exponential growth, described as 'exceeding expectations', when physical venues were closed.

SkyCity reports \$22M loss in H2 amid pandemic uncertainty; online casino exceeds expectations

The business lists the performance of its [SkyCity Online Casino](#) as a "highlight for the period," exceeding expectations and delivering significant growth in revenue, EBITDA and customer numbers. The product was launched offshore in August 2019, and the company has seen "a significant correlation" between iGaming and lockdowns.

¹⁰ Radio New Zealand, 8 October 2021

Kiwibank recently released data showing a trend of increasing spend on both domestic and offshore online gambling.

Kiwibank customers spending \$30m every month playing on online gambling sites 30/03/2022

Newshub can reveal that customers of Kiwibank are spending around \$30 million every month playing on online gambling sites.

And that's just one bank's data.

It comes as Internal Affairs says a review to regulate online gambling is "ongoing", despite it being three years since the review was first announced. ¹¹

Myths About Community Based Gaming Machines

During TLA gambling policy hearings a number of false claims are consistently repeated by those who oppose gaming machines in the community and it is clear from comments made from time to time by some Councillors that these claims are given an unwarranted degree of credibility.

I want to take the opportunity to address some of the common misinformation.

Myth #1 – Gaming machines are designed by psychologists to be addictive.

In my 16 years of industry experience I have visited gaming design studios in Australia and the United States, and some of the world's major gaming machine manufacturers.

I am yet to meet a psychologist and I am not aware of any being employed.

Gaming machine games must meet strict technical design standards published by the State, Federal or Government Regulator for each jurisdiction.

All gaming machine games in operation in New Zealand, including all design features, pay tables graphics, must meet the Australasian Technical Standards for fairness and compliance set by the Federal Government of Australia and the Government of New Zealand administered by the Department of Internal Affairs.

The claim that gaming machines are 'designed to addict' was tested formally in a recent High Court case in the state of Victoria, Australia.

In *Guy vs Crown Melbourne Ltd No. 2 (2018) FCA 3* a player claimed that she had developed a gambling addiction as a direct consequence of the design elements of the gaming machine and that Crown Casino had failed in its duty of care to her by deploying the machines.

¹¹ Source: Newshub, 30 March 2022

In dismissing the claimant's case in its entirety, the presiding Judge Justice Mortimer stated;

"I have concluded that none of the applicant's causes of action are made out."

As far as New Zealand is concerned the Ministry of Health reports that gambling addiction from all types of gambling affects 0.2% of the adult population and the Ministry of Health reports of that 0.2% two thirds are relapsed addicts already known to the system.

Despite over 500,000 people playing gaming machines annually the incidence rate of gambling addiction is less than 0.1% of the adult population which is one of the lowest rates in the world and of that 0.1% less than half are associated with community-based gaming machines so 1 in 2,000.

In light of the fact that the adult population has a reasonable degree of exposure to these machines in licensed premises the suggestion that an incidence of addiction of 1 in 2,000 people hardly supports the argument that they are designed to addict.

Myth #2 – Gaming Trusts Target the Poor

The location of potential gaming venues is not set by the licence holders like Pub Charity but by central and local Government statute, regulation and policy.

Under the current Gambling Act 2003 the only venues considered suitable for class 4 gaming were licensed premises.

The underlying thinking is these are locations already focused on an activity for persons of or over 18 years of age with staff already trained in host responsibility. In addition, the Act prohibits gambling being the primary activity of the venue so a dominant primary activity is required.

These regulatory restrictions mean the majority of suitable premises to host gaming machines are Taverns, Pubs and Hotels located in areas zoned commercial or mixed use.

Myth #3 – The Proceeds Do Not Benefit the Community

Unlike LOTTO which applies 82% of the funds its raises to national groups most Class 4 gaming societies have policies that ensure the majority (90% for PCL) of funds raised within a TLA are returned to local organisations within that TLA.

The remainder is set aside for regional and national groups.

In addition to these funding outcomes PCL and other societies were taxed over \$300M (\$30.9M for PCL) by central Government as well as paying over \$12M annually towards the costs of problem gambling research, intervention and public awareness.

On an EBITDA basis Class 4 gaming has the most efficient rate of return.

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.

There is little risk in the SDC retaining the current policy.

Submission 2



Submission to
Stratford District Council
on the proposed
Class 4 Gambling Venues Policy

June 12, 2023

New Zealand Community Trust's submission on Stratford District Council's Gambling Venue Policy

Introduction

Established in 1998, New Zealand Community Trust (NZCT) is one of New Zealand's largest gaming trusts with 13% market share. Our publicans raise funds by operating gaming lounges within their pubs, hotels and other venues. In the 12 months to 30 September 2022, NZCT approved **\$39.2** million distributed in grant funding to sporting, local government and community groups nationwide.

Summary

Gaming machine funding specific to Stratford

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.

NZCT provided to Stratford District Council for the direct benefit of the community from June 2020 to May 2023 a total of **\$248,481** across **33** worthy applications. NZCT during the same period approved multi regional grants that benefit Stratford of **\$919,312** and National Grants that benefit Stratford of **\$44,405** an overall total of **\$1,248,199**.

A list of all the grants made during this time are attached as appendix 1.

NZCT's contribution to community funding reflects its venue numbers and the turnover of each of those venues.

NZCT provided to Stratford District Council for the direct benefit of the community from June 2020 to May 2023 a total of **\$248,481** across **33** worthy applications.

NZCT during the same period approved multi regional grants that benefit Stratford of **\$919,312** and National Grants that benefit Stratford of **\$44,405** an overall total of **\$1,248,199**.

Keeping the current cap of 36 machine and a relocation policy to include 'where landlords are imposing unreasonable terms' will ensure hundreds of thousands of dollars continue to be granted to the local community.

Across Aotearoa

The 2021 TDB Advisory report, Gambling in New Zealand: A National Wellbeing Analysis, found that gambling in New Zealand had a net positive wellbeing benefit of between **\$1,740** million and **\$2,160** million each year.

New Zealand has a very low problem gambling rate by international standards – at 0.2% of people aged 18 and over (approximately 8000 people nationally). According to the New Zealand National Gambling Study: Wave 4 (2015).

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 an informed and balanced approach to community benefit and potential harm from gambling.

All gaming machine societies contribute to a problem gambling fund – which provides some \$20 million per year to the Ministry of Health to support and treat gambling addiction.

Problem gamblers are currently supported using a range of measures. The controlled, class 4 environment is the one of the best environments to reduce gambling harm to people and communities.

Information is freely available in the community to enable support and identify risks associated with gambling by members of the public, individuals at risk, staff at venues, and by loved ones.

Where a sinking lid is used it is a blunt instrument that does little to address problem gambling and reduces community funding by removing the fundraising infrastructure (i.e., gaming machines within tightly controlled entertainment venues) over time. Problem gambling is a complex addiction.

A cap on gaming machine numbers and an effective broader relocation policy to include where landlords are imposing unreasonable terms and that allows venues to move out of deprived areas is much fairer to the community and hospitality business owners, as well as helping address problem gambling.

If gaming venues are removed from the community, gamblers are more likely to move to the online environment where gambling is unregulated, unmonitored, and have no harm minimisation measures. Online gambling incentivises spending and returns nothing to benefit the New Zealand community. The controlled environment around class 4 is recognized as one of the safest places in which to enjoy gambling, whilst providing benefit back to the community.

In addition to contributing some \$1 million each year to the problem gambling levy, NZCT contributes an estimated \$800,000 each year, to resources and initiatives that help minimise harm.

Class 4 societies must distribute or apply 100% of profits to community authorised purposes. It's important to appreciate this a not-for-profit model.

Keep the district cap at 36 and continue to allow relocation

- It is recommended a total cap of 36 machines remain and retain the relocation provision across the district to enable venues to move to new, modern premises. This also allows venues to move if landlords impose unreasonable terms and in the event of natural disaster or circumstances beyond the venue operators' control, or the lease expires.

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.

Venue relocation is a harm minimisation tool. Venue relocation allows venues to move out of a suburban/residential area to a more suitable area; the CBD. There is no good policy reason for taking steps to remove this option. Removing the option to relocate simply entrenches venues in undesirable residential locations.

Enabling relocation permits venues to re-establish after a natural disaster or fire as the current policy allows.

Enabling relocation enables venues to move out of earthquake-prone buildings, an important Health and Safety consideration.

The relocation policy is positive as it assists with the revitalisation of the area. It allows gaming venues to move to new, modern, refurbished premises. Allowing local businesses to upgrade their premises and provide a more modern, attractive offering.

The national picture - 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, including councils accept grants and may depend on pub gaming grants to survive. It is crucial that this fundraising system is sustainable long term.

Seventy-five percent of groups surveyed in 2012 indicated their organisation is moderately or totally reliant on gaming funding to support their core business. Fifty-five percent said there would be a high to extreme risk to their organisation and their core business if they did not receive this funding.¹ There is no evidence that this situation has changed for the better since then.

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. The Covid-19 pandemic has only worsened this situation.

Locally in Stratford

Stratford organisations like these that have benefited from NZCT's grants since 2020 would miss out in the future if less funding is available.

Organisation	Total Amount Approved
Avon School	\$18,613.20
Central Rugby and Sports Club Inc	\$11,149.83
Central Rugby and Sports Club Inc	\$8,400.98
Egmont Rod & Custom Club Inc	\$8,400.00
Huiakama School	\$17,896.00
St Josephs School Stratford	\$11,661.00
St Josephs School Stratford	\$13,671.00
Stratford Amateur Swimming Club Inc	\$7,000.00
Stratford and District Scottish Society Inc	\$5,000.00
Stratford and District Scottish Society Inc	\$3,743.36
Stratford Community House Trust	\$3,769.50
Stratford Cricket Club Inc	\$10,860.00
Stratford Cricket Club Inc	\$2,000.00
Stratford Eltham Rugby & Sports Club Inc	\$10,608.00
Stratford Eltham Rugby & Sports Club Inc	\$2,795.00
Stratford Eltham Rugby & Sports Club Inc	\$4,960.00
Stratford Flyers Swimming Club Inc	\$7,000.00
Stratford Golf Club Inc	\$11,410.00
Stratford High School	\$22,644.67
Stratford High School	\$21,878.20

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

Stratford Primary School	\$5,517.00
Stratford Primary School	\$2,680.00
Taranaki Diocesan School for Girls	\$15,000.00
Taranaki Motorsport Facility Charitable Trust	\$50,000.00
Te Wera Outdoor Recreational Trust Inc	\$7,823.77
	\$284,481.51

While 90 cents of every dollar goes back to the person gambling, every year considerable funds are returned to the community by the non-club class 4 gambling sector. Refer 2020 grant distribution modelling by KPMG on behalf of DIA and industry, which analysed some \$294 million² of grants distributed to in 2019 to more than 9,700 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 already experienced a significant decline

During the last 18 years the pub gaming sector has experienced a significant decline, yet problem gambling has remained static. Department of Internal Affairs (DIA) statistics show that, between 30 June 2003 and 31 December 2022:

- the number of gaming venues reduced from 2,122 to 1,028 (a 50% reduction)³
- the number of gaming machines operating reduced from 25,221 to 14,503 (a 41.7% reduction)⁴.

Council policies contribute to the decline in the pub gaming sector

Sometimes the policies are based on the erroneous belief that limiting and or reducing gaming machine numbers will limit problem gambling. In fact, despite the 41% reduction in gaming machine numbers during the past 17 years, New Zealand's problem gambling rate has remained consistently low as a percentage 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."⁵

Online gambling is the unregulated threat to watch out for

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.

² *Grant Distribution Modelling*, KPMG, November 2020.

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

⁴ *Ibid.*

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

During the Covid-19 lockdown in 2020, 8% of gamblers gambled online for the first time and an additional 12% gambled online more than usual.⁶

Offshore-based online gambling poses considerable risks because it:

- Is highly accessible, and is available 24 hours a day from the privacy of your home;
- Has no restrictions on bet sizes;
- Has no capacity for venue staff to observe and assist people in trouble;
- Reaches new groups of people who may be vulnerable to this online channel;
- Provides no guaranteed return to the person playing;
- Is more easily abused by under 18s;
- Has reduced protections to prevent fraud, money laundering or unfair gambling practices; and is unregulated, so on-line gamblers can be 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 open an account and deposit funds.

Offshore-based online gambling does not generate any community funding for New Zealanders, does not generate any tax revenue for the New Zealand Government, and does not make any contribution to the New Zealand health and treatment services as no contribution is made to the problem gambling levy^{6b}.

Location of gaming machines is more important than their number

Research⁷ 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 Act⁸ 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 town planning.

Helping reduce harm

Research⁹ 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".¹⁰ The Ministry of Health also found

⁶ Impact on Covid-19: Topline results, April 17, 2020, Health Promotion Agency

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

⁸ Section 97A and 102(5A).

^{6b} http://www.gamblinglaw.co.nz/download/Online_gambling_Cabinet_paper.pdf

⁹ Brief Literature Review to Summarise the Social Impacts of Gaming Machines and TAB Gambling in Auckland, Gambling & Addictions Research Centre, AUT University, 2012.

¹⁰ Page 21, Ministry of Health Gambling Resource for Local Government, 2013.

“being a problem gambler is significantly associated with living closer to gambling venues.”¹¹
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.¹²

Gaming machines can only be played in strictly controlled environments

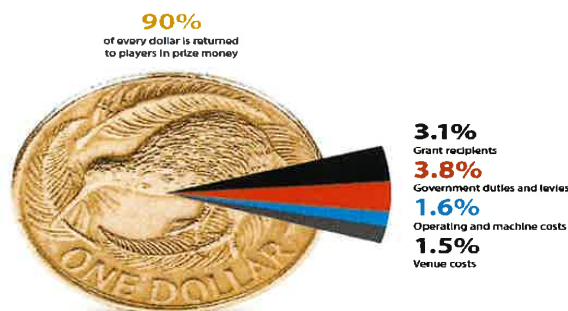
Corporate societies licensed to conduct class 4 gambling are fully aware of their obligations under the Gambling Act 2003. All gaming rooms are operated by trained staff at licensed venues.

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.

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.

NZCT’s revenue distribution in 2021/22



¹¹ Ibid.

¹² Internal Affairs Policy Briefing 3: Options for improving territorial authority gaming machine policies, 28 March 2013.

In the year ending 30 September 2021, NZCT distributed \$43.8 million through 1,889 grants.

NZCT provided to Stratford District Council for the direct benefit of the community from June 2020 to May 2023 a total of **\$248,481** across **33** worthy applications.

NZCT during the same period approved multi regional grants that benefit Stratford of **\$919,312** and National Grants that benefit Stratford of **\$44,405** an overall total of **\$1,248,199**.

Amateur sport has traditionally been our focus, yet we fund education, arts and health also. Between 75 and 80% of the grants we distribute go to sports organisations. Each year, NZCT funds around 50 different sports.

In 2021/22, we funded the equivalent of:

- uniforms for 49,998 rugby teams (one uniform costs \$60), or
- 2,999,867 footballs (one football costs \$15), or
- 5,625 four-person waka (one waka costs \$8,000), or
- more than 2.25 million hours – or 256.8 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 22.4 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.

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 2019, the amount of funds returned to the community from non-casino, non-club gaming grants was \$294 million.¹³ 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 2018/19 reporting period).

Each year the gambling industry pays circa \$18 to \$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.

Reasons to maintain the relocation policy on gaming machines and venues

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

¹³ *Grant Distribution Modelling*, KPMG, November 2020.

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 \$294 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.

The benefits are considerable

Recent research in 2021 carried out independently by TBD who produced the TBD Advisory report, Gambling in New Zealand: A National Wellbeing Analysis⁸, found that gambling in New Zealand had a net positive wellbeing benefit totalling around \$1.7 to \$2.1 billion per annum. The costs and benefits are summarised in table, which can be found on page 87 of the report (replicated below)^{7b}

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

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

The report for the first time reliably indicates benefits, as well as costs and shows that this net benefit is provided each year throughout New Zealand.

Gaming machine numbers have little effect on problem gambling numbers

It is naïve, 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 and usually has co-morbidities, such as mental health issues and other addictions. Evidence show that problem gambling rates have plateaued.

Gaming machines are a legal and valid entertainment choice

Pub gaming is a legal, valid, and enjoyable source of entertainment for Hutt 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.”¹⁴

We recognise that Stratford Council aims, to balance the needs of visitors and residents while achieving a focus on wellbeing and economic development. If appropriate measures remain in place

¹⁴ Gambling Commission decision GC 03/07.

to support problem gambling, then funding structure should remain in the community for the good it will bring.

Pub gaming brings many benefits to New Zealand. Business and Economic Research Ltd (BERL)¹⁵ 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 \$294 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 2012.¹⁶ The study concluded: “Problem gambling and related harms probably reduced significantly during the 1990s but have remained at about the same level despite reductions in non-casino EGM [electronic gaming machine] numbers and the expansion of regulatory, public health and treatment measures.”¹⁷

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”

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.¹⁸

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, New Zealand has one of the lowest rates of problem gambling in the world.¹⁹ 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 ²⁰	

¹⁵ *Maximising the benefits to communities from New Zealand’s Community Gaming Model*, BERL, February 2013.

¹⁶ Pg 8, *NZ 2012 National Gambling Study: Overview and gambling participation*.

¹⁷ Pg 18, *ibid*.

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

¹⁹ *Maximising the benefits to communities from New Zealand’s community gaming model*, BERL, February 2013.

²⁰ 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:

- 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.
- stake and prize money are limited
- odds of winning are 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

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

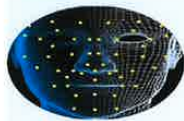
Each year the gambling industry pays circa \$18 - 20 million to the government in the form of a problem gambling levy, so the Ministry of Health can implement its Preventing and Minimising Gambling Harm Strategic Plan (PMGH). These funds pay for the implementation of public health services, intervention services, research, evaluation and workforce development.

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.

In addition to this toolkit, increasingly facial recognition technology is used to identify problem gamblers and assist them to be excluded. NZCT has strongly recommended to the Ministry of Health on the proposed Strategy to Prevent and Minimise Gambling Harm 2022/23 to 2024/25 that this technology be rolled out further as part of problem gambling harm minimisation work underway.



The Guardian - Facial Recognition System

A fully integrated, market-leading system that identifies excluded persons as they enter a gaming room, by matching them against a centralised database.

Three short videos showing how the facial recognition system works can be viewed at: <https://www.coms.net.nz/the-guardian-facial-recognition/>

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.



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.²¹ The world's largest clinical trial²² for problem gambling treatment found that, one year after calling the Gambling Helpline, three-quarters of callers had quit or significantly reduced their gambling.

²¹ Page 16, *Outcomes Framework for Preventing and Minimising Gambling Harm Baseline Report*, May 2013.

²² *The Effectiveness of Problem Gambling Brief Telephone Interventions*, AUT, Gambling & Addictions Research Centre.

About NZCT

Established in 1998, New Zealand Community Trust (NZCT) is the one of the largest gaming trusts with 13% market share, operating in venues and communities throughout New Zealand. In the 12 months to 30 September 2021, NZCT approved \$43.8 million in grant funding to sporting, local government, education, the arts, health, and community groups nationwide.

NZCT's Board, Regional Advisory Committees and management take risk mitigation and assurance seriously and our risk framework recognises the need for effective controls and mitigation tools/strategies to prevent and minimise harm from problem gambling.

While most New Zealanders gamble without experiencing any harm, a small minority who participate suffer some degree of harm and the impacts for them and people affected by their gambling, can be significant.

NZCT contributes through the problem gambling levy approximately \$1 million per annum to the collective annual levy of \$18-20 million. That is a significant amount, on top of an estimated \$800,000 which NZCT expends within the organisation each year, on training, resourcing, and technology, such as facial recognition technology (FRT), directed to identifying and mitigating problem gambling in our venues. We have a strong interest in seeing the levy spent effectively.



Over the last 10 years, the Ministry of Health has received more than \$186 million in funding from the four gambling sectors that contribute to the annual levy.

In that period, it appears the problem gambling rate has not reduced, and the key objectives of the strategy have not been met, as confirmed by the damning Needs Assessment Report.

We have twin goals of serving both our publicans and the communities in which they operate. At least 75% to 80% of the funds we currently 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.²³

Overseas research²⁴ has found participation in sport can lead to increased health and productivity for individuals, and increased wealth or wellbeing of society. While amateur sport is our main focus, we are also strong supporters of other worthy community activities, including local government projects.

²³ Sport England's Value of Sport Monitor.

²⁴ http://www.ausport.gov.au/information/asc_research/publications/value_of_sport.

Further information about our submission

For further information, or if you have any questions about NZCT's submission, contact Don Martin, Communications and Marketing Manager on (04) 495 1594 or don.martin@nzct.org.nz

Our Regional Advisors in Taranaki are:

Selwyn Metcalfe

Chair Regional Advisory Committee

Jen Blyde

Member Regional Advisory Committee

David Lean

Member Regional Advisory Committee

Garry Carnachan

Member Regional Advisory Committee

<https://www.nzct.org.nz/about-us/meet-our-regional-advisory-committees/>

Our Trustees

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Kerry Prendergast

Board Member and Audit and Risk Committee Chair

Lesley Murdoch

Board Member

Peter Miskimmin

Board Member

<https://www.nzct.org.nz/about-us/#meet-our-trustees>

Appendix 1

Grants to Stratford by NZCT – June 2021 to May 2023

Grants to Stratford District - June 2020 to May 2023

Grant #	Organisation	Total Amount Approved	Amount drawn from Stratford District	Date of Approval	Purpose
89207	Avon School	\$18,613.20	\$18,613.20	21/09/2021	Storage container
92648	Central Rugby and Sports Club Inc	\$11,149.83	\$11,149.83	17/05/2022	Travel (from 17 May 2022)
87078	Central Rugby and Sports Club Inc	\$8,400.98	\$8,400.98	18/05/2021	Transport
96626	Egmont Rod & Custom Club Inc	\$8,400.00	\$8,400.00	21/12/2022	Heat Pumps
95720	Huiakama School	\$17,896.00	\$17,896.00	21/11/2022	Replacing pipes, installing salt chlorination
95155	St Josephs School Stratford	\$11,661.00	\$11,661.00	20/09/2022	Playground equipment
88479	St Josephs School Stratford	\$13,671.00	\$13,671.00	2/09/2021	Uniforms
84451	Stratford Amateur Swimming Club Inc	\$7,000.00	\$7,000.00	17/11/2020	Van and bus hire
88274	Stratford and District Scottish Society Inc	\$5,000.00	\$5,000.00	21/09/2021	Drumming equipment
84120	Stratford and District Scottish Society Inc	\$3,743.36	\$3,743.36	17/11/2020	Drumming equipment
90374	Stratford Community House Trust	\$3,769.50	\$3,769.50	18/01/2022	Video screen
95091	Stratford Cricket Club Inc	\$10,860.00	\$10,860.00	20/09/2022	Cricket balls
84189	Stratford Cricket Club Inc	\$2,000.00	\$2,000.00	17/11/2020	Marquee
97479	Stratford Eltham Rugby & Sports Club Inc	\$10,608.00	\$10,608.00	1/03/2023	Playing uniforms and equipment
94059	Stratford Eltham Rugby & Sports Club Inc	\$2,795.00	\$2,795.00	23/08/2022	Defibrillator
82216	Stratford Eltham Rugby & Sports Club Inc	\$4,960.00	\$4,960.00	29/06/2020	200 playing shorts plus embroidery
89596	Stratford Flyers Swimming Club Inc	\$7,000.00	\$7,000.00	17/10/2022	Travel and accommodation
82910	Stratford Golf Club Inc	\$11,410.00	\$11,410.00	6/08/2020	Fuel tank; Access track
93703	Stratford High School	\$22,644.67	\$22,644.67	19/07/2022	Travel and accommodation
88142	Stratford High School	\$21,878.20	\$21,878.20	22/07/2021	Travel and accommodation (excludes food and deposits)
96087	Stratford Primary School	\$5,517.00	\$5,517.00	3/11/2022	Playing uniforms
88502	Stratford Primary School	\$2,680.00	\$2,680.00	21/09/2021	Uniforms
90470	Taranaki Diocesan School for Girls	\$15,000.00	\$15,000.00	14/12/2021	Uniforms for various sports
94290	Taranaki Motorsport Facility Charitable Trust	\$50,000.00	\$50,000.00	23/08/2022	Salary
90838	Te Wera Outdoor Recreational Trust Inc	\$7,823.77	\$7,823.77	18/01/2022	Replace windows and a door
		\$284,481.51	\$284,481.51		

Regional grants that benefit Stratford District

98309	Alzheimers Taranaki Inc	\$5,000.00	\$550.00	15/05/2023	Salary
92177	Alzheimers Taranaki Inc	\$9,464.00	\$1,230.32	19/04/2022	Salaries - Three Community Advisors
84789	Alzheimers Taranaki Inc	\$10,000.00	\$900.00	15/12/2020	Salary
94771	Arts Festival Taranaki Charitable Trust	\$20,000.00	\$2,200.00	20/09/2022	Event costs
86852	Arts Festival Taranaki Charitable Trust Board	\$20,000.00	\$1,800.00	18/05/2021	Venue hire
86439	Athletics Taranaki Inc	\$5,871.63	\$528.45	22/03/2021	Timing and Race Numbers; Venue hire; Medical services
92744	Badminton Central Region Inc	\$8,455.66	\$280.71	17/05/2022	Hall hire - from 17 May 2022 (excludes Hastings Sports Centre hall hire); Contractor - Central Region Coordinator
89288	Basketball Taranaki Inc	\$65,676.72	\$7,881.20	20/10/2021	Basketball hoops installation and delivery
94978	Basketball Taranaki Inc	\$94,988.40	\$10,448.72	27/10/2022	Coaching sessions; Installation of basketball systems
92075	Basketball Taranaki Inc	\$159,160.00	\$20,690.80	19/04/2022	Travel and accommodation; Office rent and stadium hire (from 19 April 2022); Uniforms; Salaries of Community Support Coordinator, Development Officer and General Manager
97370	Basketball Taranaki Inc	\$173,322.00	\$19,065.42	21/03/2023	Stadium hire and office rent; Coaching in schools, administration - excludes fuel and vehicle leases; Basketballs; Salaries of Development Officer - Competition and Officials, Development Officer - Players and Coaches, Community Support Coordinator and General Manager
86233	Basketball Taranaki Inc	\$181,491.30	\$16,334.22	20/04/2021	Uniforms and equipment; Travel and accommodation; Stadium hire and office rental ; Salaries of Administration Support, Development Officer and Chief Executive
94557	Bowls Taranaki Inc	\$10,000.00	\$1,100.00	20/09/2022	Salary
86847	Bowls Taranaki Inc	\$10,000.00	\$900.00	20/04/2021	Salary

2023 - Agenda - Policy and Services - Hearing - Draft Class 4 Gambling Venues and TAB Venues - July - Decision Report - Draft Class 4 Gambli...

Grant #	Organisation	Total Amount Approved	Amount drawn from Stratford District	Date of Approval	Purpose
95373	Cancer Society of NZ Central Districts Division Inc	\$20,000.00	\$880.00	27/10/2022	Salaries of Volunteer Coordinators in Whanganui, Taranaki and Gisborne
86778	Cancer Society of NZ Central Districts Division Inc	\$20,000.00	\$702.02	20/04/2021	Towards salaries of Volunteer Coordinators
82626	Cancer Society of NZ Central Districts Division Inc	\$20,000.00	\$550.00	6/08/2020	Salaries of Volunteer Coordinators in- Gisborne, Hawke's Bay, Manawatu and Taranaki
84755	Cancer Society of NZ Taranaki Centre Inc	\$3,174.00	\$285.66	17/11/2020	Bus service ; Guest Speaker fees; Venue hire
96743	Cancer Society of NZ Taranaki Centre Inc	\$7,000.00	\$770.00	12/12/2022	Marquee hire (with trestle tables) and medical services
97292	CCS Disability Action South and Central Taranaki Inc	\$1,670.00	\$1,309.88	15/02/2023	Purchase of a camera
94047	Central Canoe Polo Association Inc	\$1,876.00	\$154.47	23/08/2022	Vehicle Hire
95069	Central Districts Cricket Association Inc	\$45,770.00	\$878.41	20/09/2022	Salaries of Coach Performance & Pathways - Hawkes Bay, Coach - Female Performance & Pathways, and Head of Operations
91100	Central Districts Cricket Association Inc	\$104,230.00	\$3,756.05	18/01/2022	Salary of Coach Female Performance and Pathways; Development Programmes in Wanganui, Taranaki, Manawatu, Hawke's Bay and Nelson
97045	Central Districts Cricket Association Inc	\$108,000.00	\$4,792.30	16/02/2023	Salaries of Coach - Performance and Pathways - Central Hub, Coach - Performance and Pathways - Hawkes Bay, and Coach - Female Performance and Pathways
85158	Central Districts Cricket Association Inc	\$150,000.00	\$3,430.80	15/12/2020	Development programming - Wanganui; Development programming - Taranaki; Development programming - Nelson; Development programming - Manawatu; Development programming - Hawkes Bay; Salary - Female Performance and Pathways Coach
85070	Central Region Rowing Development Trust	\$45,002.01	\$1,215.05	15/12/2020	Accommodation - excludes booking fee; Sweep oars; Travel to National Championships; Rowsuits; Single sculls
85879	Central Squash Association Inc	\$15,000.00	\$783.00	23/02/2021	Salary
91603	Central Squash Association Inc	\$15,525.00	\$1,005.96	19/04/2022	Salary
98081	Eagles Golfing Society of Taranaki Inc	\$10,107.82	\$1,111.86	19/04/2023	Travel and accommodation - excludes food; Course hire
85715	Eventing Taranaki Inc	\$12,274.69	\$9,574.26	19/01/2021	2021 event costs
85715	Eventing Taranaki Inc	\$12,274.69	\$1,104.72	19/01/2021	2021 event costs
97322	Horses Helping Humans Taranaki	\$5,000.00	\$550.00	21/03/2023	Contractor
84595	Hospice Taranaki Inc	\$25,000.00	\$2,250.00	17/11/2020	Salary
97069	Kart Sport Taranaki Inc	\$6,000.00	\$660.00	31/01/2023	Ambulance and First Aid Cover for Events
93288	Kart Sport Taranaki Inc	\$6,151.25	\$676.64	21/06/2022	Ambulance and first aid cover for events
94938	Lower North Island Secondary Schools Netball Inc	\$15,000.00	\$485.74	23/08/2022	Accommodation
91143	Mid Central Zone of NZRL Inc	\$75,000.00	\$4,607.54	21/02/2022	Salaries of Administrator, Football and Development Officer and General Manager
85243	Mid Central Zone of NZRL Inc	\$75,000.00	\$2,995.25	19/01/2021	Salaries of Community Football and Development Officer and General Manager
83117	Netball Central Zone Inc	\$108,000.00	\$2,813.25	6/08/2020	Salaries of Admin and Finance Officer, Junior Development and Youth Lead, Chief Executive Officer, Community Emerging Talent Manager, Coach Relations - Wellington and Umpire and Bench Lead
96755	Netball Central Zone Inc	\$206,062.68	\$6,932.59	17/01/2023	Vehicle lease; Salaries of Community Communications & Marketing Co-Ordinator, Office Manager, CEO, Community Emerging Talent Lead, Netball Relationship Manager (includes Umpire & Bench official lead), and Coach Relation - Lower North Island
92046	Netball Central Zone Inc	\$250,244.00	\$8,047.85	22/03/2022	Vehicle leases; Office rent; Salaries of Community Communications & Marketing Co-Ordinator, Office Manager, CEO, Community Emerging Talent Lead, Netball Relationship Manager and Coach Relation
86479	Netball Central Zone Inc	\$249,516.17	\$5,725.39	22/03/2021	Vehicle lease; Van hire; Accommodation - excludes bond; Office rental; Salaries of CEO, Community Emerging Talent Manager, Office Manager, Umpire & Bench Lead, Junior & Youth Lead and Coach Relation Wellington
83473	Netball Taranaki Inc	\$197,424.17	\$21,716.66	31/08/2020	Salaries of Maintenance Officer, Communications Officer, Netball Development Officer, National Development Officer, Netball Development Coordinator, Finance Officer, Games Administrator and General Manager; Two vehicle leases
94638	Netball Taranaki Inc	\$241,786.01	\$26,596.46	20/09/2022	Vehicle leases; Salaries of Games Support Officer, Netball Development Officer, Netball Development Officer, Netball Development Coordinator, Communications Officer, Maintenance Officer, Finance Officer, Games Administrator and General Manager
87412	Netball Taranaki Inc	\$297,252.28	\$26,752.71	18/05/2021	Salaries of Netball Development Officers, Netball Development Coordinator, Communications Officer, Maintenance Officer, Finance Officer, Games Administrator and General Manager; Vehicles leases
95094	New Plymouth District Council	\$400,000.00	\$44,000.00	20/09/2022	Construction costs of the Tuparikino Active Community Hub Turf Pavilion

Grant #	Organisation	Total Amount Approved	Amount drawn from Stratford District	Date of Approval	Purpose
94363	No 4 District Federation of NZ Football T/A Central Football Inc	\$160,000.00	\$3,231.25	23/08/2022	Salaries of Community Development Officer - Taranaki, Community Development Officer - Whanganui, Community Development Officer - Manawatu, Community Development Officer - Hawke's Bay, Community Development Officer - Tairāwhiti and Community Development Manager/Community Development Officer
89284	No 4 District Federation of NZ Football T/A Central Football Inc	\$160,000.00	\$3,000.00	21/09/2021	Salaries of Community Development Officer - Taranaki, Community Development Officer - Whanganui, Community Development Officer - Manawatu, Community Development Officer - Hawke's Bay, Community Development Officer - Tairāwhiti / Gisborne and Community Development Manager / Community Development Officer - Hawkes Bay
83936	No 4 District Federation of NZ Football T/A Central Football Inc	\$160,000.00	\$2,000.00	22/09/2020	Salaries of Community Development Officer - Taranaki, Community Development Officer - Whanganui, Community Development Officer - Manawatu, Community Development Officer - Poverty Bay, Community Development Officer - Hawkes Bay and Community Development Manager/Community Development Officer - Hawkes Bay
91875	No 5 District Federation of NZ Football Inc - Capital Football Inc	\$96,675.00	\$1,034.10	22/03/2022	Travel costs for National Youth Development League (on behalf of all Football Federations)
85485	No 5 District Federation of NZ Football Inc - Capital Football Inc	\$106,049.00	\$425.52	19/01/2021	Venue hire and flights for 2021 Futsal National Age Group Tournament (on behalf of all Football Federations)
93131	No 5 District Federation of NZ Football Inc - Capital Football Inc	\$112,000.00	\$721.67	19/07/2022	Travel and accommodation for 2022 Futsal Youth Championships (on behalf of all Football Federations)
87364	No 5 District Federation of NZ Football Inc - Capital Football Inc	\$140,000.00	\$1,523.68	22/06/2021	Accommodation (excludes catering) and flights for the 2021 National Age Group Tournament (on behalf of all Football Federations)
94762	Order of St John Central Region Trust Board	\$247,867.00	\$150,000.00	23/08/2022	Towards ambulances and medical equipment
88618	Southern Hearing Charitable Trust	\$20,000.00	\$612.74	2/09/2021	Salary
88723	Special Olympics Lower North Island Regional Council	\$8,000.00	\$276.98	20/08/2021	Costs associated with camp trip from 24th August 2021
83085	Special Olympics Lower North Island Regional Council	\$12,610.00	\$332.26	6/08/2020	Van hire and accommodation; Mountain passes
90265	Surfing Taranaki Inc	\$30,000.00	\$3,900.00	14/12/2021	Contractor
84828	Surfing Taranaki Inc	\$36,000.00	\$3,240.00	15/12/2020	Contractor
90824	Swimming Taranaki Inc	\$20,000.00	\$2,800.00	14/12/2021	Salary
85288	Swimming Taranaki Inc	\$20,000.00	\$1,800.00	23/02/2021	Salary
90250	Taranaki Area of the NZ Pony Clubs Association Inc	\$20,000.00	\$2,600.00	21/02/2022	Event costs (excludes catering)
89939	Taranaki Badminton Association Inc	\$20,000.00	\$2,400.00	20/10/2021	Contractor
96042	Taranaki Badminton Association Inc	\$20,000.00	\$2,200.00	17/01/2023	Coaching and Sport Development Officer
91761	Taranaki Basketball Club Inc	\$85,000.00	\$9,350.00	22/03/2022	Contractor
86031	Taranaki Basketball Club Inc	\$85,000.00	\$7,650.00	22/03/2021	Contractor - Community Administrator; Contractors - Two Coaching in Schools positions
83352	Taranaki Community Stadium Trust	\$25,019.59	\$2,752.15	22/09/2020	Ziptrack blinds for ends of archgola/veranda; Blast and treat perimeter fence; Maintenance check of lighting towers; Bypass switch for toilet lights; Plumbing; Floor covering; Internal glass door
96325	Taranaki Cricket Association Inc	\$75,160.00	\$8,539.56	13/12/2022	Travel costs; Tournament costs; Umpire fees; Coaching in schools - excludes mileage; Venue hire; Salaries of Pathway Coordinator, Director of Cricket and General Manager
90259	Taranaki Cricket Association Inc	\$100,825.45	\$12,099.05	23/11/2021	Travel and accommodation (excludes food); Uniforms; Salaries of High Performance & Pathway Coach, Coaching & Development Officer and Operations Manager
84695	Taranaki Cricket Association Inc	\$100,000.00	\$9,000.00	17/11/2020	Tournament costs (excludes entry fees and food); Uniforms and equipment; Travel and accommodation (excludes Solway Park and food); Venue hire; Salaries of Coaching & Development Officer, High Performance & Pathway Coach and Operations Manager; Umpire fees
83801	Taranaki Equestrian Jumping Inc	\$30,000.00	\$2,400.00	20/10/2020	Operating costs for the Grand Prix Show 2021
95201	Taranaki Equestrian Jumping Inc	\$50,000.00	\$5,500.00	27/10/2022	Event costs
88208	Taranaki Equestrian Jumping Inc	\$57,361.70	\$6,883.40	2/09/2021	Operating costs for 2022 World Cup Final equestrian event
96208	Taranaki Foundation	\$100,000.00	\$11,361.84	13/12/2022	Destination Play construction costs
91054	Taranaki Foundation	\$400,000.00	\$52,000.00	21/02/2022	Kawaroa Coastal Destination Playspace construction
98162	Taranaki Foundation	\$500,000.00	\$55,000.00	19/04/2023	Playground redevelopment

Grant #	Organisation	Total Amount Approved	Amount drawn from Stratford District	Date of Approval	Purpose
87804	Taranaki Gardens Festival Charitable Trust	\$20,000.00	\$2,400.00	22/07/2021	Printing costs
93220	Taranaki Gardens Festival Charitable Trust	\$20,000.00	\$2,200.00	21/06/2022	Printing costs
89462	Taranaki Golf Association Inc	\$6,000.00	\$720.00	21/09/2021	Salary
94304	Taranaki Golf Association Inc	\$25,000.00	\$2,750.00	23/08/2022	Salaries of Golf Participation Officer and Executive Officer
82918	Taranaki Hockey Federation Inc	\$90,000.00	\$9,900.00	6/08/2020	Salaries of Finance Officer, Executive Officer and Development Officer
88178	Taranaki Hockey Inc	\$120,000.00	\$14,400.00	22/07/2021	Salaies of Finance Officer, Competitions Officer, Executive Officer and Development Officer
90041	Taranaki Hunt Inc	\$5,000.00	\$700.00	14/12/2021	Contractor
83191	Taranaki Hunt Incorporated	\$5,000.00	\$550.00	6/08/2020	Contractor
94528	Taranaki Motor Cycle Club Inc	\$20,000.00	\$2,200.00	23/08/2022	Medic services
84583	Taranaki Motor Cycle Club Inc	\$94,000.00	\$8,460.00	22/03/2021	Repairs and maintenance of clubrooms
82432	Taranaki Multiple Sclerosis Society Inc	\$4,000.00	\$320.00	22/09/2020	Salary
88859	Taranaki Multiple Sclerosis Society Inc	\$10,000.00	\$1,200.00	2/09/2021	Salary
95632	Taranaki Outdoor Pursuits and Educational Centre Trust	\$25,000.00	\$2,750.00	21/11/2022	Salary
84938	Taranaki Outdoor Pursuits and Educational Centre Trust	\$25,000.00	\$2,250.00	15/12/2020	Salary
90309	Taranaki Outdoor Pursuits and Educational Centre Trust	\$30,000.00	\$4,200.00	14/12/2021	Salary
86243	Taranaki Paraplegic and Physically Disabled Association Inc	\$18,080.00	\$1,627.20	22/03/2021	Salaries of Sports Development Administrator and Sports Development Advisor
91961	Taranaki Paraplegic and Physically Disabled Association Inc	\$20,000.00	\$2,400.00	19/04/2022	Salary
96179	Taranaki Rugby Football Union Inc	\$205,200.00	\$23,314.49	13/12/2022	Salaries of CEO, Referee Education Officer, Rugby Operations and Logistics Co-ordinator, Head of Womens Rugby and Coach & Game Development Manager
90093	Taranaki Rugby Football Union Inc	\$290,000.00	\$40,600.00	23/11/2021	Salaries of Referee Education Officer, CEO, Rugby Operation and Logistics Co-ordinator, Head of Women's Rugby, Community Rugby Development Officer, Coach and Game Development Manager and Community Rugby Operations Manager
84188	Taranaki Rugby Football Union Inc	\$300,000.00	\$24,000.00	20/10/2020	Salaries of 8 Club Rugby Development Officers, Head of Womens Rugby, Participation & Development Manager-South, Community Rugby Operations Manager, Rugby Operations and Participation & Development Manager-North
95392	Taranaki Rugby Referees Association Inc	\$9,056.25	\$1,171.99	17/10/2022	Towards jerseys, shorts and socks - excludes tracksuits, training t.shirts, gear bags, flags, sponsorship
90450	Taranaki Secondary Schools Sports Association	\$15,000.00	\$1,650.00	21/06/2022	Salary
90451	Taranaki Secondary Schools Sports Association	\$50,000.00	\$6,000.00	23/11/2021	Salary
84281	Taranaki Secondary Schools Sports Association	\$50,000.00	\$4,000.00	20/10/2020	Salary
83810	Taranaki Sports Trust	\$29,080.00	\$2,326.40	22/09/2020	Digital Outdoor Advertising Display; Contractor: External Consultant; Contractor: Project Manager
94842	Taranaki Sports Trust	\$160,000.00	\$17,600.00	20/09/2022	Salaries of Community Partnerships Lead, Kaiwhakahaere, Event & Volunteer Lead, Project Advisor, Coaching Advisor, Spaces & Places Lead, Health Development Advisor, Healthy Active Learning Lead and Insights & Evaluations Lead
84714	Taranaki Sports Trust	\$160,000.00	\$14,400.00	17/11/2020	Salaries of Project Advisor, Events & Volunteer Lead, Project Analyst, Play and Active Recreation Advisor, Regional Spaces & Places Advisor, Coaching Advisor, Youth Sport Development Lead and Community Engagement Advisor
88930	Taranaki Sports Trust	\$210,000.00	\$25,200.00	21/09/2021	Salaries of Spaces and Places Advisor, Insights and Evaluation Lead, Play Advisor, Healthy Active Learning Lead, Community Partnerships Lead, Project Advisor, Events & Volunteer Lead, Community Engagement Advisor and Coaching Advisor
93912	Taranaki Synthetic Turf Trust	\$400,000.00	\$44,000.00	19/07/2022	Turf upgrade
92446	Taranaki Tennis Association Inc	\$6,000.00	\$660.00	19/04/2022	Contractor
84454	Taranaki Tennis Association Inc	\$9,000.00	\$720.00	17/11/2020	Contractor
86134	Taranaki Tennis Association Inc	\$9,000.00	\$720.00	22/03/2021	Contractor
88117	Taranaki Tennis Association Inc	\$12,000.00	\$1,080.00	20/10/2021	Contractor
96908	Taranaki Tennis Association Inc	\$18,000.00	\$1,980.00	16/02/2023	Contractor

Grant #	Organisation	Total Amount Approved	Amount drawn from Stratford District	Date of Approval	Purpose
89940	Taranaki Touch Association Inc	\$6,000.00	\$780.00	18/01/2022	Accommodation
96287	Taranaki Touch Association Inc	\$10,000.00	\$1,136.18	13/12/2022	Travel and Accommodation (excludes deposit)
89938	Taranaki Touch Association Inc	\$14,000.00	\$1,960.00	23/11/2021	Travel and accommodation (excludes food and deposits); Marquee hire
87985	Taranaki Womens Basketball Club Inc	\$4,060.77	\$406.07	22/07/2021	Travel and accommodation
91967	Taranaki Womens Refuge Charitable Trust	\$5,000.00	\$650.00	19/04/2022	Salary
97457	Taranaki Womens Refuge Charitable Trust	\$5,000.00	\$550.00	15/03/2023	Salary
88916	Tennis Central Region Inc	\$90,000.00	\$3,524.17	21/09/2021	Salaries of Senior Events Coordinator, Participation Manager and Events & Operations Manager
94651	Tennis Central Region Inc	\$90,000.00	\$3,124.80	20/09/2022	Salaries of Senior Events Coordinator, Events & Operations Manager and Participation Manager; Contractor - Chief Executive Officer
83746	Wellington Softball Association Inc	\$50,000.00	\$800.00	22/09/2020	Salary of role working with clubs across the lower North Island
96370	Womad NZ Charitable Trust	\$20,000.00	\$2,272.37	13/12/2022	Hire of Sound System
		\$9,283,815.24	\$919,312.23		
Grants to national organisations that benefit Stratford District					
96977	Canteen Aotearoa Inc	\$40,000.00	\$305.63	16/02/2023	Salaries of Youth Workers
97236	Epilepsy Association of NZ Inc	\$1,500.00	\$82.50	1/03/2023	Salary
86503	Gymsports NZ Inc	\$189,101.92	\$980.58	22/03/2021	Salaries of Operations Manager, Community Sport Manager, National Support Administrator, Midlands Relationship Manager, Central Relationship Manager and Southern Relationship Manager
89266	Halberg Foundation	\$120,000.00	\$1,708.21	21/09/2021	Salaries of regional Disability Sport Advisors
94861	Halberg Foundation	\$120,000.00	\$1,502.45	20/09/2022	Salaries of regional Disability Sport Advisors, Lead Advisors, and Junior Disability Sport Advisor for Bay of Plenty
83684	Halberg Foundation	\$120,000.00	\$896.00	22/09/2020	Salaries of regional Disability Sport Advisors
97355	Motor Neurone Disease Association of NZ Inc	\$11,000.00	\$370.07	29/03/2023	Salary
88078	National Heart Foundation of NZ	\$21,651.00	\$1,665.07	22/07/2021	Salaries of Heart Health Advocates for Gisborne and Taranaki
83429	National Heart Foundation of NZ	\$22,450.00	\$888.08	22/09/2020	Salaries of Heart Health Advocates for Gisborne and Taranaki
84535	NZ Golf Inc	\$150,000.00	\$718.83	17/11/2020	Salaries of Regional Support Manager - Lower North Island, Regional Support Manager - South Island, Regional Support Manager - Waikato/BOP and Regional Support Manager Northern
94584	NZ Rugby Foundation Inc	\$50,000.00	\$4,000.00	20/09/2022	Defibrillators
91837	Parkinsons NZ	\$28,398.00	\$937.16	22/03/2022	Salaries of Nurses in Gisborne, Taranaki, Manawatu and Bay of Plenty
97335	Parkinsons NZ	\$29,974.00	\$867.24	21/03/2023	Salaries of Parkinson's Educators in Gisborne, Eastern Bay of Plenty, Northwestern Bay of Plenty, Taranaki and Manawatu
86959	Parkinsons NZ	\$30,000.00	\$529.20	18/05/2021	Salaries of Nurses in Auckland, Whanganui, Taranaki North, Gisborne, Eastern Bay of Plenty and Northwestern Bay of Plenty
88504	Scout Association of NZ	\$50,000.00	\$306.37	2/09/2021	Salaries of General Manager - Upper North Island, General Manager - Lower North Island and General Manager - South Island
94422	Scout Association of NZ	\$75,000.00	\$1,004.13	23/08/2022	Salaries of General Manager South Island, General Manager Lower North Island and General Manager Upper North Island
82788	Special Olympics NZ	\$125,000.00	\$1,416.25	29/06/2020	Salaries of Regional Sports Coordinators, Sports Director - Auckland, Team Lead RSC - Central North Island
92933	Special Olympics NZ	\$235,800.00	\$952.89	21/06/2022	Salary of Regional Sports Coordinators
85902	Special Olympics NZ	\$250,000.00	\$1,456.69	23/02/2021	Salaries of Regional Sports Coordinators
88492	Stroke Foundation of NZ Limited	\$20,000.00	\$1,200.00	2/09/2021	Salaries of Community Stroke Advisors in Taranaki and Bay of Plenty
83209	Surf Life Saving NZ Inc	\$50,000.00	\$394.40	22/09/2020	Salaries of Sport Manager Eastern Region, Sport Manager Central Regional and Sport Manager Southern Region
93090	Surf Life Saving NZ Inc	\$55,000.00	\$637.06	21/06/2022	Salaries of Sport Manager Central, Sport Manager Southern and Sport Manager Eastern
97391	Surf Life Saving NZ Inc	\$60,000.00	\$673.94	21/03/2023	Salaries of Sport Manager Central, Sport Manager Southern and Sport Manager Eastern
96773	Swimming NZ Inc	\$80,000.00	\$312.93	16/02/2023	Regional Water Skills for Life Advisors; Salaries of Education Advisor - South Auckland, Canterbury Aquatic Education and Water Safety Advisor and North Island Aquatic Education and Water Safety Manager
85170	Swimming NZ Inc	\$85,000.00	\$1,080.00	15/12/2020	Salaries of Aquatic Education and Water Safety Advisors
92225	Tennis NZ Inc	\$90,000.00	\$917.22	19/04/2022	Book A Court hardware installations; Salaries of Participation Coordinator, Coach Development Manager and Head of Participation and Coaching

Grant #	Organisation	Total Amount Approved	Amount drawn from Stratford District	Date of Approval	Purpose
97995	Tennis NZ Inc	\$120,000.00	\$13,333.34	15/05/2023	Salaries of Club Support Manager, Coach Development Manager and National Sport Development Manager; Book A Court hardware installations (Manawatu, Stratford, New Plymouth, Whakatane, Porirua, Auckland)
85409	Tennis NZ Inc	\$115,000.00	\$801.93	23/02/2021	Salaries of Coach Development Manager, Head of Participation and Participation Coordinator - excludes expenses; Book A Court Hardware Installations
98139	Volleyball NZ Inc	\$100,000.00	\$1,239.10	15/05/2023	Travel and Accommodation
89657	Volleyball NZ Inc	\$160,000.00	\$74.88	23/11/2021	Referee Development Manager (North Island), Education and Development Manager, Development and Performance Strategist, Game Development Manager, Business Administration Manager and Chief Executive
91127	Yachting NZ Inc	\$145,000.00	\$1,572.21	21/02/2022	Salaries of Regional Development Manager - Bay of Plenty, Regional Development Manager - Canterbury, Regional Development Manager - Central and Regional Development Manager - Northern
96774	Yachting NZ Inc	\$145,000.00	\$1,093.78	17/01/2023	Salaries of Regional Development Manager - Bay of Plenty, Regional Development Manager - Central, Regional Development Manager - Southern and Regional Development Manager - Northern
85826	Yachting NZ Inc	\$152,000.00	\$487.19	23/02/2021	Salaries of Regional Support Officers
		\$3,046,874.92	\$44,405.33		
		\$12,615,171.67	\$1,248,199.07		

Submission 3

12 June 2023

Stratford District Council
61-63 Miranda Street
Stratford



Maru Wehi Hauora Complex
36 Maratahu Street
P.O. Box 8119
NEW PLYMOUTH 4342
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REVIEW OF THE STRATFORD DISTRICT CLASS 4 GAMBLING VENUES POLICY AND DISTRICT AGENCY BOARD (TAB) VENUE POLICY

“Me mahi tahi tātou mo te oranga o te katoa

We must work together for the wellbeing of the people”

Tena koutou,

Background

Tena koutou, as one of the largest Māori health providers in Taranaki, Tui Ora are committed to the ongoing support and responsibility to the health of Māori in the region. This ranges from mental and emotional health, to physical and beyond. The role of a health promoter in particular has a commitment to the improvement and advancement of Māori health, and enabling people to have control over and to improve their health. This means looking beyond individual behaviours and rather a collective community approach to improving health, at all levels.

Gaming Machines:

Class 4 gaming machines (pokie machines) are the most addictive and harmful form of gambling in Aotearoa. They are addictive by design, meaning they are deliberately designed to keep players playing the machines for as long as possible. They have a significant psychological effect on the player, including:

- **Continuation:** Any winnings can be immediately re-invested – summarised as enticement
- **Isolation:** Played in solitary, in secluded areas that encourage uninterrupted and solitary play – summarised as detachment.
- **False wins:** Winnings are less than what you put in but the way the machine operates makes you feel you have won more than you have. Summarised as pyrrhic victory or bogus win.
- **Near wins and free spins:** Which makes it look like you are about to win when really you aren't - summarised as also-ran.

These tactics are made for a specific purpose, that being enticing loss and enticing inappropriate behaviour that decrease the overall wellbeing of a person and therefore contributes to the disparity that exists between Māori health status and others.

One aspect that the council has not reflected on in the proposed changes is the cultural wrong from gaming machines. As a culture, Māori have been influenced heavily by European harm, including

social, historical and spiritual. Gaming machines are another tool that removes any authentic connection to Māoridom. So, in this sense there is a bias in allowing such depriving activities in our most vulnerable communities – this is further highlighted in the Relocation Policy 6.2.4 *“The new venue must also be in a lower deprivation area than the existing venue.”*



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Tui Ora can appreciate the Sinking Lid Policy and the proposed reduction of sort to the availability of activities that hinder good wellbeing for Maori. However it is the bigger picture that is not addressed by simple moves such as the Sinking Lid policy, and the efforts to really deal to the determinants of Maori community wellbeing by reduction to NO gaming machines.

We therefore submit the following recommendations and statements for council to consider:

- Tui Ora does not support relocation or club merges and strongly encourages a policy that forbids relocation or club merges under any circumstances, especially in lower deprivation areas. The ratio of gaming machines in lower socioeconomic areas is significantly greater than those in well-off areas. Preventing the relocation of gaming machines and any club merges will not only support a Sinking Lid Policy but will further minimise gambling harm, enabling the improvement of health.
- Tui Ora recommends that the district cap of gaming machines to be no more than 5 machines in total for the Stratford District.
- Tui Ora strongly advocates for a policy that not only considers the minimisation of gambling harm in the community but the determinants of health harm from gambling influences. The harm from gambling, gaming machines include income or social status, education, employment, social cohesion and connectedness, culture and housing. This means that the policy will be actively working towards the improvement of health, from a gambling harm perspective.

Tui Ora’s submission encourages the improvement and advancement of Māori health, in all respects that one can achieve quality of life, through the minimisation of gambling harm.

It is time for those that lead to take seriously the concepts that are more important than money making ventures / activities that disempower the brain, body and spirit.

“Me mahi tahi tātou mo te oranga o te katoa

We must work together for the wellbeing of the people”

I wish to speak to this submission.

Nga mihi nui,
Te Haupai Korewha

Health Promotion Team Tui Ora
tehaupai.korewha@tuiora.co.nz



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

Introduction

1. The Gaming Machine Association of New Zealand ("the Association") 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.

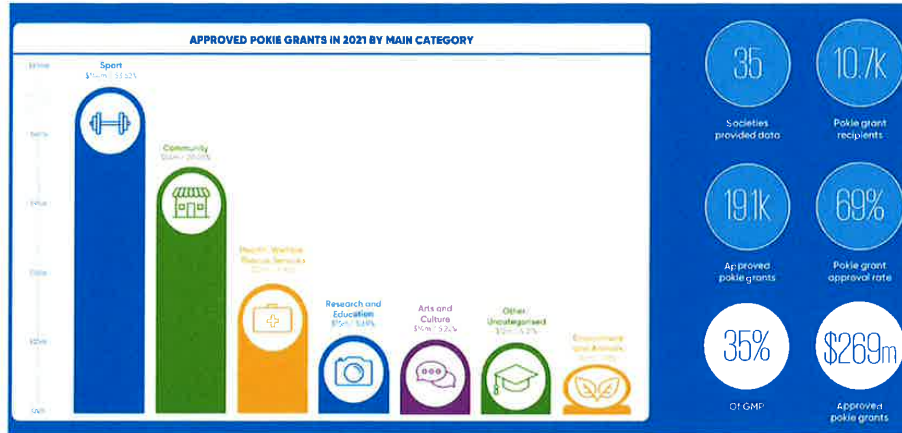
Summary

2. The current policy is working and is reasonable. There is no new evidence or new concern that would justify the adoption of a more restrictive policy.
3. The Associations asks that the:
 - The current cap of 36 machines be retained (the new cap of 27 machines is opposed); and
 - The existing relocation provision be retained. Venue relocation is a harm minimisation tool. Venue relocation allows venues to move out of a suburban/residential area to more suitable areas; the central business districts. There is no good policy reason for taking steps to restrict this option and to limit it to cases when the venue is forced to vacate its existing premises through no fault of its own. **Venue should be able to relocate in any circumstances when the new location is more desirable from a harm minimisation perspective.**

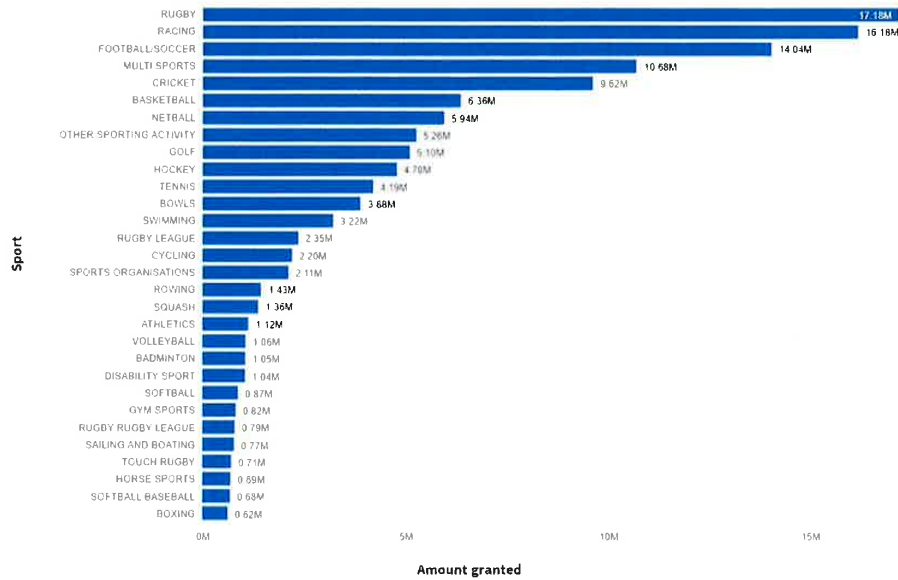
Gaming Machine Funding

4. 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.
5. In 2021, approximately \$269m of grant funding was approved across 19,148 grants to 10,967 different organisations.¹ In addition, over \$50m was applied by various RSAs and Workingmen's Clubs (\$50m) to support their own activities. 54% of the grants distributed in 2021 were sports-related. The second most popular category was community (20%). This funding is crucial.

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



APPROVED POKIE GRANTS BY SPORT



6. The local benefit from the gaming machine funding includes the following:

- External grants made to local community groups; and
- External grants made to national and regional organisations that provide services and support locally.

The Current Gambling Venue Policy is Working

7. The current gambling venue policy is working. Gaming machine numbers have reduced from 49 to 36. Gaming machine venues have reduced from 5 to 3.

8. The number of local problem gambling presentations is very low. The Ministry of Health keeps a record of the number of people in each territorial authority that seek help via phone, text, email, or the face-to-face counselling services that are available. The most recently available data (the year from July 2021 to June 2022) show that no new person from the Stratford District sought help for problem gambling during the year. The presentation data² are as follows:

2017/18	new clients 0	total clients seen 0
2018/19	new clients 0	total clients seen 1
2019/20	new clients 0	total clients seen 1
2020/21	new clients 0	total clients seen 1
2021/22	new clients 0	total clients seen 0

Gambling is an Enjoyable Activity

9. Gambling is a popular form of entertainment that most New Zealanders participate in. The 2018 Health and Lifestyles Survey³ found that 67.2% of adult New Zealanders had participated in some form of gambling in the previous 12 months (estimated to be 2,650,000 adults).



7 in 10 New Zealand adults take part in some form of gambling at least once a year – 1 in 500 New Zealand adults has a gambling problem.

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

Gambling is a recreational activity or a kind of participation sport from which the principal satisfaction derives from the activity itself and from the ebb and flow of wins and losses rather than from ultimate outcome - the net amount won or lost. For most gamblers, the purpose of gambling is not to get rich, but to "have fun," to experience "excitement," or to have "something to look forward to," and they view payment for this recreation in the same light as others look on outlays for theatre tickets, vacation trips, or a night on the town.

11. Gambling for the non-addicted gambler may also be an avenue for socialising, stress relief and a way of having fun. Contrary to how it may appear from a non-gambler's

² <https://www.health.govt.nz/our-work/mental-health-and-addiction/addiction/gambling/service-user-data/intervention-client-data#territorial>

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

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

perspective, gamblers do not necessarily anticipate they will make money from gambling. Parke (2015)⁵ states:

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

Positive Wellbeing Impact from Gambling in New Zealand

- 12. The 2021 TDB Advisory report, Gambling in New Zealand: A National Wellbeing Analysis⁶, found that gambling in New Zealand had a net positive wellbeing benefit totalling around \$1.74b to \$2.16b per annum.



Revenue Breakdown

- 13. 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 are returned to the player in winnings. The money retained is typically allocated as follows:

Typical Distribution of Gaming Machine Profits

	GST Inclusive	GST Exclusive
Government Duty	20%	23%
GST	13.04%	0
Problem Gambling Levy	0.78%	0.90%
DIA Costs	2.9%	3.33%
Gaming Machine Depreciation	6.95%	8%

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

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

Repairs & Maintenance	2.84%	3.27%
Venue Costs	13.9%	16%
Society Costs	1.74%	2%
Donations	37.83%	43.5%

Gaming Machines – Key Facts

14. Gaming machines have been present in New Zealand communities since the early 1980s. Initially the machines were operated without a gaming licence. The first gaming licence was issued to Pub Charity on 25 March 1988, over 35 years ago.
15. Gaming machine numbers are in natural decline. In 2003, New Zealand had 25,221 gaming machines. In December 2022, New Zealand had 14,503 gaming machines.
16. The proceeds from non-casino gaming machines increased 3.1% from \$895 million in 2018 to \$924 million in 2019. However, after adjusting for both inflation and changes in the adult population, expenditure on non-casino gaming machines is declining (\$242 per person in both 2015/16 and 2016/17 years to \$238 in the 2017/18 year). This coincides with declining numbers of venues and machines.
17. New Zealand has a very low problem gambling rate by international standards. The New Zealand National Gambling Study: Wave 4 (2015)⁷ found the problem gambling rate was 0.2% of people aged 18 years and over (approximately 8,000 people nationally). The problem gambling rate is for all forms of gambling, not just gaming machine gambling.
18. All gaming machine societies contribute to a problem gambling fund. This fund provides approximately \$25 million 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.
19. 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

20. A more restrictive policy is not necessary given the significant measures that are already in place to minimise the harm from gaming machines.
21. 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

⁷ <https://www.health.govt.nz/system/files/documents/publications/national-gambling-study-report-6-aug18.pdf>

prohibited to have gaming machines in venues such as sports stadiums, internet cafes, and cinemas.

22. There is a statutory age limit that prohibits persons under 18 years of age playing a gaming machine.
23. 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.
24. 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.
25. Gaming machines in New Zealand do not accept banknotes above \$20.00 in denomination.
26. ATMs are excluded from all gaming rooms.
27. All gaming venues have a harm minimisation policy.
28. All gaming venues have pamphlets that provide information about the characteristics of problem gambling and how to seek advice for problem gambling.
29. 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.
30. All gaming venue staff are required to have undertaken comprehensive problem gambling awareness and intervention training.
31. Any person who advises that they have a problem with their gambling is required to be excluded from the venue.
32. It is not permissible for a player to play two gaming machines at once.
33. All gaming machines have a clock on the main screen. All gaming machines display the odds of winning.
34. 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).
35. It is not permissible to use the word "jackpot" or any similar word in advertising that is visible from outside a venue.

The Status Quo Cap is Reasonable

36. The status quo cap of 36 machines is reasonable, given the current environment of high regulation and naturally reducing machine numbers.
37. There is no direct correlation between gaming machine numbers and problem gambling rates. Over the last ten years, the problem gambling rate has remained the same, despite gaming machine numbers declining rapidly (4,618 gaming machines have been removed from the market).
38. The 2012 National Gambling Survey⁸ concluded that the prevalence of problematic gambling reduced significantly during the 1990s and has since stayed about the same. The report stated on pages 17 and 18:

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

39. The New Zealand National Gambling Study: Wave 3 (2014)⁹ 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...

40. 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).

⁸ <https://www.health.govt.nz/system/files/documents/publications/national-gambling-study-report-2.docx>

⁹ <https://www.health.govt.nz/publication/new-zealand-national-gambling-study-wave-3-2014>

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).

41. Introducing a more restrictive policy is unlikely to reduce problem gambling, but will, over time, reduce the amount of funding available to community groups based in Stratford 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 addicted to gambling. If a new bar is established and the policy prevents that bar from hosting gaming machines, a person who is addicted to gambling will simply travel the short distance to the next bar that has gaming machines, or worse, may move to another form of gambling such as offshore-based internet and mobile phone gambling.

Unintended Consequences – Increase in Internet and Mobile Phone Gambling

42. 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.



43. 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.
44. There is no question that New Zealanders love gambling online. The Lotteries Commission reported in its 2017/18 Annual Report that online sales accounted for 16 per cent of its total sales (\$201.1m), compared with 13 per cent the previous year.
45. TAB New Zealand 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.

46. SkyCity has a very popular offshore-based online casino with a large selection of gaming machine games.



47. A September 2018 Cabinet paper¹⁰ 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. 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."
48. TAB New Zealand estimates that the total online spend with offshore gambling websites by New Zealanders for the 12 months to August 2020 was \$570-\$580m.
49. The migration from physical Lotto stores and SkyCity was apparent during the Covid-19 lockdowns. When the physical venues were closed, the number of online registered players, and the amount of online revenue, skyrocketed.

¹⁰ http://www.gamblinglaw.co.nz/download/Online_gambling_Cabinet_paper.pdf

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

(Information sourced from annual reports)

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

(Information sourced from annual reports)

50. Offshore-based online gambling poses considerable risks because it:

- Is highly accessible, being available 24 hours a day from the comfort and privacy of your home;
- Has no restrictions on bet sizes;
- Has no capacity for venue staff to observe and assist people in trouble;
- Reaches new groups of people who may be vulnerable to the medium;
- Provides no guaranteed return to players;

- Is more easily abused by minors;
 - Has reduced protections to prevent fraud, money laundering or unfair gambling practices; and
 - Is unregulated, so on-line gamblers are often encouraged to gamble more by being offered inducements or by being offered the opportunity to gamble on credit. For example, many overseas sites offer sizable cash bonuses to a customer's account for each friend that they induce to also open an account and deposit funds.
51. Offshore-based online gambling does not generate any community funding for New Zealanders, does not generate any tax revenue for the New Zealand Government, and does not make any contribution to the New Zealand health and treatment services as no contribution is made to the problem gambling levy.

Retaining the Current Relocation Provision

52. 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.
53. The amendment was not made to help venues who found themselves needing to move due to circumstances beyond their control. The amendment was made to encourage and facilitate venues to move from undesirable locations to more desirable locations. In the in committee reading of the Gambling (Gambling Harm Reduction) Amendment Bill (the Bill that led to the enactment of section 97A), the Bill's sponsor, Te Ururoa Flavell, stated¹¹:
- The Government... wanted to allow venues, with permission from territorial authorities, to move their pokie machines out of harm's way—perhaps to central business districts...
54. Venue relocation is a harm minimisation tool. Venue relocation allows venues to move out of a suburban/residential area to more suitable areas; the central business districts. There is no good policy reason for taking steps to restrict this option. Restricting the option to relocate simply entrenches venues in undesirable residential and high deprivation locations.
55. The current relocation provision was put in place after a full public consultation process. There is no new evidence or data to justify a relocation policy change.
56. It is submitted that the relocation provision should not be limited to circumstances where the venue, due to no fault of its own, cannot continue to operate at the existing site, i.e., relocation should not be limited to cases where there has been a natural disaster, fire, public works acquisition, or lease expiry.

11 https://www.parliament.nz/en/pb/hansard-debates/rhr/document/50HansD_20130807_00000040/gambling-gambling-harm-reduction-amendment-bill-in

57. The current relocation policy is positive as it assists with the revitalisation of the district. It allows gaming venues 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.
58. 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

59. The relocation policy should continue to 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 areas of land, which may be better used for affordable high-density housing.
60. 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.
61. In cases where the move is voluntary, council could include an additional criterion that the venue must be able to demonstrate that the move will result in the venue relocating to a more desirable location. This will facilitate moves out of high deprivation areas, and moves when a venue is in a residential area or near to a sensitive site such as a school or community facility.
62. **We should not have to wait for a fire or earthquake to move machines from undesirable areas to more desirable areas. We should seize every such opportunity and promptly facilitate it.**
63. The proposed policy prevents a venue relocating to a higher deprivation area. While the intent of this is supported, the provision could lead to unintended consequences. The best place to locate gaming venues from a harm minimisation perspective is in central

business districts. However, because of the way in which the deprivation rating is calculated, it is common for central business districts to have a very high deprivation rating. The policy amendment could therefore prevent Council from considering an application when a venue wishes to relocate out of a residential area to a nearby central business district. Such relocations should still be able to be considered, as moving gaming venues out of residential areas is considered positive from a harm minimisation perspective.

Council Conflicts of Interest

64. It is important that the committee of councillors that determines the gambling venue policy reflects the full views of the community. It has, however, become common for councillors who are involved in community and sporting groups to withdraw from the gambling venue policy deliberation as they consider the receipt of funding by a group that they are associated with constitutes a conflict. It has also been common for councillors with very strong, pre-determined anti-gambling views to refuse to withdraw from the policy deliberation, despite their strongly held views.
65. The Association has sought independent legal advice (copy attached) from Brookfields Lawyers regarding gambling venue policy conflicts. In summary, the key advice is:
- Being a member of a club or organisation that receives funding from a gaming grant will not usually give rise to conflict of interest when it comes to deciding or discussing Council's gambling venue policy, unless that member holds a paid role (e.g., a coach who is paid for that service); and
 - Where an elected member, outside of a debate on the issue, has expressed a view on the gambling venue policy that suggests that they do not and cannot have an open mind on the matter, this could give rise to a conflict of interest on the grounds of predetermination.

Oral Hearing

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

23 May 2023

Jarrod True
Counsel
Gaming Machine Association of New Zealand
jarrod.true@truelegal.co.nz
027 452 7763

gmanz.org.nz

15 March 2021

By Email: chair@gmanz.nz

Gaming Machine Association of New Zealand
c/o Peter Dengate-Thrush
Independent Chair

ATTENTION: Peter-Dengate Thrush

GAMBLING VENUE POLICY - CONFLICT OF INTEREST

We refer to your email instructions of 26 February 2021, seeking our advice regarding councillor conflicts of interest with respect to decision-making on Council's gambling venue policy.

YOUR QUESTIONS

1. You have asked us to advise whether:
 - a. Membership of a club or organisation that receives gaming machine grant funding would constitute a conflict of interest that would require the councillor to withdraw from decision-making or discussion regarding a proposed gambling venue policy; and
 - b. If Council has itself received gambling grant funding, does this impact on its ability to decide on a gambling venue policy, such that the decision should be made by an independent commissioner?

EXECUTIVE SUMMARY

1. In summary:
 - a. If an elected member has a financial interest in a club or organisation that may be impacted by the gambling venue policy, the member must not participate in any discussion or decision-making on the policy. It would be rare for a financial interest to arise in this context, but examples may be where the elected member is in a paid role at a club or organisation, and the role is funded from a gaming grant. A more remote interest may arise where the quantum of membership fees paid to a club or organisation may be impacted by a gaming grant. In those circumstances,

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it may be prudent to seek a decision from the Auditor-General as to whether the potential interest is deemed too remote to influence decision-making.

- b. Being a member of a club or organisation that receives funding from a gaming grant will not usually give rise to a conflict of interest when it comes to deciding or discussing Council's gambling venue policy, unless that member holds a paid role (e.g. a coach who is paid for that service).
 - c. Being a member or a club or organisation that operates a gaming licence will give rise to a conflict of interest, particularly where the elected member serves in an executive role at the club or organisation.
 - d. Where an elected member, outside of a debate on the issue, had expressed a view on the gambling venue policy that suggests that they do not and cannot have an open mind on the matter, this could give rise to a conflict of interest on the grounds of predetermination.
2. The fact that Council may have previously been the recipient of gaming grant money would not create a conflict of interest when deciding its gambling venue policy. Such democratic decision-making is fundamental to its role and is distinguishable from regulatory or quasi-judicial decision-making where appointment of an independent commissioner may be appropriate to avoid any appearance of bias. The decision-making processes in the Local Government Act 2002 (LGA) already impose important requirements to ensure that such decision-making involves consideration of broader community views and not just the interests of Council as an organisation. It would therefore be unnecessary and inappropriate to appoint an independent commissioner because Council initiatives may have previously benefited from gaming grants.

ANALYSIS

3. Under section 101 of the Gambling Act 2003 (GA), territorial authorities must, using the special consultative procedure in section 83 of the LGA, adopt a policy that specifies whether class 4 venues may be established in the district, and if so, where they may be located (**the policy**). The policy may also specify any restrictions on the maximum number of gaming machines that may be operated at a class 4 venue and may include a relocation policy.

Does membership of an organisation or club create a conflict of interest for participation in discussion or decision-making on gambling venue policies?

4. It is not uncommon for councillors to be members of organisations and clubs, some of which may receive grant funding from gaming machines. This raises the question of whether membership of such a club or organisation would constitute a conflict of interest that would prevent the councillor from participating in discussion or decision-making regarding the policy.
5. Broadly speaking, a conflict of interest occurs when an elected member is affected by some other interest that he or she has in their private life. There are different types of conflict of interest:

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- a. Financial conflicts of interest – where the member (or their spouse or partner) has a direct or indirect financial interest in a particular decision, they cannot discuss or vote on the matter.¹
- b. Non-financial conflicts of interest.

Financial conflicts of interest

6. The applicable legislation is the Local Authorities (Members' Interests) Act 1968 (**LAMIA**). While the LAMIA does not define what a financial interest is, section 6(2) outlines a number of examples where a member will be deemed to have a financial interest:
 - The member, or his or her spouse, owns 10% or more of the issued capital of an incorporated company or any company controlling that company, that has a pecuniary interest (direct or indirect) in a matter before the local authority or committee; or
 - The member, or his or her spouse, is a member of the company and either of them is the managing director or the general manager of the company; or
 - The member, or his or her spouse, is a member of a company controlling the company having a pecuniary interest in the matter before the local authority or committee, and either the member, or his or her spouse, is the managing director or the general manager; or
 - The member, or his or her spouse, is the managing director or general manager of the company, and either of them is a member of a company controlling that company.
7. Other than these examples, the LAMIA does not define what a "financial interest" is. However, the Auditor-General has described a "financial interest" as "a reasonable expectation of financial loss or gain from the particular decision".²
8. It is unlikely that membership alone of a community organisation that receives gaming grant funding would give rise to a financial interest. This is because such organisations and clubs are usually run on a not-for-profit basis. One example where a financial interest could potentially arise would be if the member were in a paid position at the club or organisation, and the funding for that position comes from gaming grants. Another example may be where there is a prospect that membership fees or subscriptions to a club could be affected by the amount of gaming grant funding. However, given that gambling venue policies are relatively high-level in nature and do not directly address matters such as the licensing of particular venues (which involve a separate decision-

¹ Section 6(1) of the Local Authorities (Members' Interests) Act 1968.

² Controller and Auditor-General, **Local Authorities (Members' Interests) Act 1968: A Guide for members of local authorities on managing financial conflicts of interest**, June 2020, at 4.15, referring to the definition of a financial interest in **Downward v Babington** [1975] VR 872.

making process, often by Council officers acting under delegated authority), or allocation of gaming grants (which are decided by the organisations that operate gaming licences subject to statutory requirements), any such potential impact is likely to be too speculative or remote to constitute a financial interest in the decision-making on a gambling venue policy.

9. Notwithstanding this view, where an elected member may receive a financial benefit of the kind described above from a club or organisation receiving gaming grant funding, they may as a matter of prudence wish to first obtain an exemption from the Auditor-General under section 6(3)(f) of the LAMIA (on the grounds that the financial interest is too remote or insignificant to be regarded as likely to influence him or her in voting or taking part in the discussion of the policy) before participating in discussion or decision-making on the policy. It is a relatively simple process to apply for such an exemption.

Non-financial conflicts of interest

10. A non-financial conflict of interest is any situation where a member is not affected financially by a decision but is affected in some other way that may constitute bias or the appearance of bias. Non-financial conflicts of interest are relevant to the avoidance of bias in decision-making. As opposed to financial interests, which can create personal liability for an elected member, bias is a matter of Council's accountability to the public. The avoidance of bias is part of the administrative law principles of natural justice, which require the Council to act fairly in reaching its decisions. The fairness principle has been described in these terms:³

In exercising that discretion, as in exercising any other administrative function, they [members] owe a constitutional duty to perform it fairly and honestly ... What is a fair procedure to be adopted at a particular enquiry will depend upon the nature of its subject matter.

11. The test for whether an interest may give rise to an apparent bias has been stated by the Court of Appeal as being where circumstances:⁴

...might lead a fair-minded lay observer to reasonably apprehend that the judge might not bring an impartial mind to the resolution of the instant case.

12. Unlike a financial conflict of interest, a potential non-financial conflict does not automatically exclude a member from participating in a decision. It will depend on how serious the conflict is. The Auditor-General has suggested a number of factors that may be relevant to an assessment of whether a potential conflict is serious enough to exclude a member from participation in decision-making. They include:⁵

- The type or size of the person's other interest;
- The nature or significance of the particular decision or activity being carried out by the public organisation;
- The extent to which the person's other interest could specifically affect, or be affected by, the public organisation's decision or activity; and

³ **Bushell v Secretary of State for the Environment** [1981] AC 75, 95.

⁴ **Muir v Commissioner of Inland Revenue** [2007] 3 NZLR 495.

⁵ Controller and Auditor-General, **Managing conflicts of interest: A guide for the public sector**, June 2020, at 4.31.

- The nature or extent of the person's current or intended involvement in the public organisation's decision or activity.

13. In our view, in the context of decision-making on a gambling venue policy, the mere fact that an elected member is also a lay member of an organisation or club that receives gaming grant funding is unlikely to give rise to a conflict of interest. This is because of the level of remoteness from any possible benefit or loss associated with the decision-making. In most cases, the contents of a gambling venue policy will not directly impact on funding that has or may be received by a club or organisation from gaming machine grants. The purpose of the policy is to specify whether class 4 venues may be established, and if so their location. It can also specify restrictions on the number of gaming machines that may operate at a class 4 venue. Such matters do not necessarily impact directly on whether a club or organisation may receive gaming grant funding, and if so, the amount of any such grant. Funding decisions are made by the organisations who operate the gaming machines, not the Council. The fact that a member, by virtue of membership of a club or organisation that has received gaming grants, has knowledge or experience of the beneficial impacts that gaming grants can have on the community does not give rise to a conflict of interest. To the contrary, it may contribute to a fair and balanced consideration of the issues arising when making decisions on a gambling venue policy. This would be consistent with the purpose of the of the GA, which is *inter alia* to ensure that money from gambling benefits the community and to facilitate community involvement in decisions about the provision of gambling.⁶

14. It is important to distinguish between membership of a club or organisation that receives gaming grants, and membership of a club or organisation that holds a gaming licence. In our view, while the former would not give rise to a conflict of interest in decision-making on a gambling venue policy, there is a much greater likelihood that the latter could give rise to a conflict of interest. This is particularly the case if the elected member holds an executive role in the club or organisation that operates a gaming licence. This is because, while a gambling venue policy does not specify whether or not a particular club or organisation is able to obtain a gaming licence *per se*, the policy may affect the eligibility of a club or organisation to hold a licence. As such, participation in the discussion or decision-making by a member of any such club or organisation could create an appearance of bias and therefore a conflict of interest.

15. Elected members should also always be mindful of avoiding predetermination, i.e., approaching decision-making with a closed mind. Elected members are entitled (and expected) to bring their previous knowledge and experiences to decision-making, but to approach any decision with an open mind. This means that elected members should be cautious about being vocal, other than in the course of Council debates, about particular views in a manner that may suggest that they do not and cannot have an open mind on a particular matter. This is because a conflict of interest may arise as a result of possible predetermination (i.e. actual or perceived bias).

16. In summary:

⁶ Section 3 of the GA.

- a. If an elected member has a financial interest in a club or organisation that may be impacted by the gambling venue policy, the member must not participate in any discussion or decision-making on the policy. It would be rare for a financial interest to arise in this context, but examples may be where the elected member is in a paid role at a club or organisation, and the role is funded from a gaming grant. A more remote interest may arise where the quantum of fees paid to a club or organisation may be impacted by a gaming grant. In those circumstances, it may be prudent to seek a decision from the Auditor-General as to whether the potential interest is deemed to remote to influence decision-making.
- b. Being a member of a club or organisation that receives funding from a gaming grant will not usually give rise to a conflict of interest when it comes to deciding or discussing Council's gaming venue policy.
- c. Being a member of a club or organisation that operates a gaming licence will give rise to a conflict of interest, particularly where the elected member serves in an executive role at the club or organisation.
- d. Where an elected member, outside of a debate on the issue, has expressed a view on the gambling venue policy that suggests that they do not and cannot have an open mind on the matter, this could give rise to a conflict of interest on the grounds of predetermination.

Would Council be conflicted in deciding a gambling venue policy because it has previously received gaming grants?

17. Council initiatives will frequently fall within the second category of the definition of an "authorised purpose" for which gaming proceeds may be used, as set out in section 4 of the GA i.e., "a non-commercial purpose that is beneficial to the whole or a section of the community". Notwithstanding the eligibility for Council initiatives to receive gaming grants, Parliament conferred territorial authorities with the responsibility of formulating a gaming venue policy for their districts. We do not consider that any conflict of interest would arise in relation to decision-making on a gambling venue policy because the Council may have previously been awarded gaming grants. This is because:

- a. While individual elected members are subject to the LAMIA which prevents them from participating in decision-making where they have a financial interest, Council as an entity is not subject to the LAMIA.
- b. Caselaw recognises the inevitability of a degree of conflict within councils when exercising certain statutory functions. It is established, for example, that a council may object to its own district plan, prosecute itself, and apply to itself for a resource consent.
- c. The standard of impartiality for a Council is that it must approach its duty of inquiring into submissions with an open mind.⁷ Given the requirement to undertake a special consultative process and the diverse views of individual members, it is unlikely that the fact that certain projects

⁷ *Lower Hutt City Council v Bank* [1974] 1 NZLR 545 at 550.

BROOKFIELDS LAWYERS

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undertaken by Council have benefited from gaming grants would unduly influence Council decision-making on its gambling venue policy. For the same reasons outlined above in relation to individual members, the connection between gaming grant money and decision-making on gambling venues is too remote to constitute a conflict of interest. In any event, compliance with the statutory rules in the LGA regarding decision-making by local authorities⁸ and the general principles relating to local authorities⁹ are intended to ensure that Council decision-making is open, transparent, and has regard to the diversity of community interests, notwithstanding the many facets and activities undertaken by Council.

18. We note that Council is not undertaking a quasi-judicial role when formulating a gambling venue policy. There is greater need to avoid the appearance of bias when it comes to regulatory or quasi-judicial decision making (such as considering a resource consent application). In those circumstances, where there is an apparent conflict in Council's interests, it is common for Council to delegate its decision-making to an independent commissioner. To that end, the Resource Management Act 1991 (RMA) specifically allows for the appointment of independent commissioners to decide consent applications. However, while Council may delegate its decision-making on a gambling venue policy to a particular committee or sub-committee of Council, it would be unnecessary (and in our view, inappropriate) to delegate such decision-making to an independent commissioner.

Yours faithfully
BROOKFIELDS



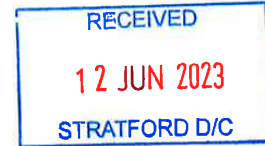
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⁸ Section 76 of the LGA.

⁹ Section 14 of the LGA.

Submission 5



PGF Group Submission Stratford District Council Class 4 Gambling Venues Policy Review 2023

Submitted to	Stratford District Council Class 4 Gambling Venues Policy Review via email submission to submissions@stratford.govt.nz
Details of Submitter	Kristy Kang Policy and Public Health Manager, PGF Group kristy.kang@pgf.nz 09 553 6896
Physical Address	Level 1, 128 Khyber Pass Road Grafton, Auckland 1023
Date of Submission	12 June 2023



EXECUTIVE SUMMARY

PGF Group thanks Stratford District Council for the opportunity to comment on the proposed changes to the Class 4 gambling venues policy.

Stratford is currently operating at its cap of 36 gaming machines from three Class 4 venues. The draft policy proposes that the cap be reduced to 27 gaming machines via a sinking lid policy. Once this number has been reached, the maximum number that may be operated in the district will be capped at 27 gaming machines.

PGF Group supports this shift in policy. A sinking lid policy is one of the best policies available to reduce losses from gambling. Class 4 gambling continues to be the most harmful form of gambling in Aotearoa New Zealand and the primary mode of gambling for people seeking help.

PGF recommends council to take a step further and retain the proposed sinking lid policy even when numbers of gaming machines reduce to 27. In the event a lower cap is adopted, our organisation would recommend council remove the relocation provision. This is to allow for a continued reduction of gambling harm in the district.

We encourage councils and central government to take a closer look at the relationship between harmful gambling, social disparity and the funding model that enables it. Funding communities based on a system that relies on our lowest income households putting money they can ill afford into gaming machines is unethical and inequitable. This impacts groups of people like Māori who experience gambling harm disproportionately and who are significantly more likely to be moderate-risk or problem gamblers than non-Māori. They are more likely to have other risk factors for gambling harm such as low income and live in low socioeconomic areas where the majority of Class 4 gambling is located and more accessible.

Our submission is evidence-based and founded on what is known about gambling harm across Aotearoa New Zealand. As an organisation that sees harm on a daily basis, PGF Group asks council to consider the health and wellbeing of their communities in their decision making moving forward.



SUBMISSION AND RECOMMENDATIONS

1. PGF Group **commends** Stratford District Council for proposing a reduction in its cap from 36 to 27 gaming machines. Our organisation **supports** this shift in policy.
2. PGF Group **recommends** council goes a step further and retain the proposed sinking lid policy even when numbers of gaming machines reduce to 27. To further strengthen the policy, we recommend removing the relocation and club merger provisions. Allowing Class 4 venues to either relocate or merge undermines the efficacy of a sinking lid policy.
3. In the event the relocation clause is adopted alongside either a cap or sinking lid policy, PGF Group **recommends** clause 6.2(4) of the draft policy be strengthened to read: *'the new venue must not be in a decile rating of 7,8,9 or 10'*.

INTRODUCTION

4. PGF Group operates under contract to Te Whatu Ora and is funded from the gambling levy to provide clinical intervention and public health services.
5. As part of our public health work, we advocate for the development of public policy that contributes to the prevention and minimisation of gambling related harms.
6. This includes working with Territorial Local Authorities (TLAs) to encourage the adoption of policies that address community concerns regarding the density and locality of gambling venues; in this case, a sinking lid policy.

PGF GROUP POSITION ON GAMBLING

7. It is important to note that we are not an 'anti-gambling' organisation. We are, however, opposed to the harm caused by gambling and advocate for better protections for those most at risk of experiencing gambling harm.
8. We recognise that the majority of New Zealanders are non-problem gamblers.
9. While most New Zealanders gamble without experiencing any apparent harm, a significant minority do experience harm from their gambling, including negative impacts on their own lives and the lives of others.



10. In 2021/22, total expenditure (losses, or the amount remaining after deducting prizes and payouts from turnover) across the four main forms of gambling – Class 4 Electronic Gaming Machines (EGMs), Lotto, casinos and TAB – was more than \$2.25 billion, or \$627 for every adult (1).
11. In 2022, over \$1 billion was lost to pokies across Aotearoa New Zealand (2). This was the highest annual loss since 2003.
12. Most money spent on gambling in New Zealand comes from the relatively limited number of people who play Class 4 EGMs, and most clients accessing problem gambling intervention services cite pub/club EGMs as a primary problem gambling mode (3).

ADVICE FOR COUNCIL DECISION MAKING

CLASS 4 GAMBLING

13. The harms caused by different forms of gambling are not equal, as evidenced by the different classifications of gambling within the Gambling Act 2003.
14. Class 4 gambling – EGMs in pubs, clubs and TABs – is characterised as high-risk, high-turnover gambling, and is the most harmful form of gambling in New Zealand (3).
15. EGMs are particularly harmful because they are a form of continuous gambling (4). The short turnaround time between placing a bet and finding out whether you have won or lost, coupled with the ability to play multiple games in quick succession makes continuous gambling one of the most addictive forms of gambling available.

CLIENT INTERVENTION DATA

16. The Trusts and Societies who hold the licenses for the 14,503 Class 4 EGMs in New Zealand (as at 31 December 2022) (2) often submit that the relatively low number of people who seek help for a gambling problem is a positive indicator about the prevalence of harmful gambling in New Zealand. This assertion is disingenuous and should be disregarded.
17. The Ministry of Health's *Strategy to Prevent and Minimise Gambling Harm* states that "needs assessment and outcomes monitoring reports show that only 16% of potential clients for



gambling support services (that is, people whose reported harm results in a moderate to high PGSI¹ score) actually access or present at these services”, and that this low service use is also evident for other forms of addiction (3).

18. Furthermore, the Ministry of Health’s Continuum of Gambling Behaviour and Harm (Figure 1) estimates the number of people experiencing mild, moderate or severe gambling harm is more than 250,000 – that’s more than the population of Wellington (3).

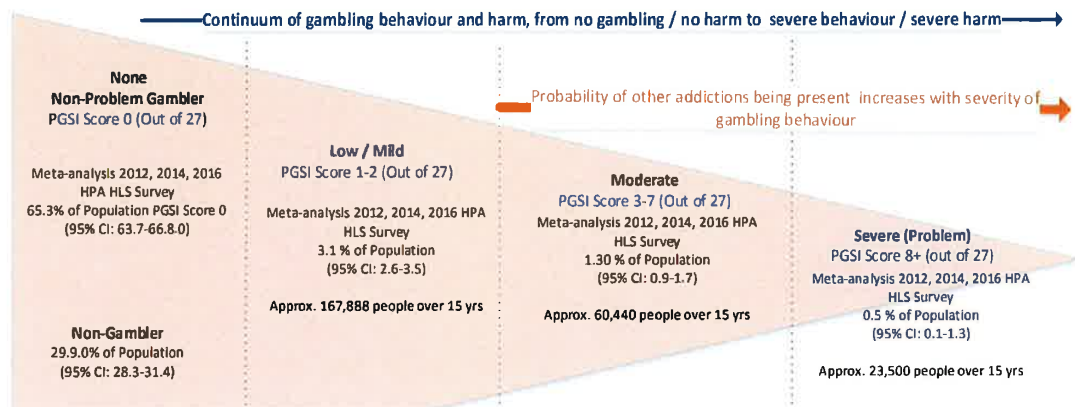


Figure 1: Continuum of Gambling Behaviour and Harm (Ministry of Health, 2019)

19. Moreover, the Department of Internal Affairs (DIA) estimate that 30% of EGM losses is from problem and moderate risk gamblers (5).

20. While the Ministry of Health’s client intervention data is not an accurate measure of the prevalence of gambling harm in New Zealand, it can tell us the rate of harm from different classes of gambling amongst those who have sought help.

21. Data for 2021/22 shows that of the 4,534 individuals who received full intervention support for their own or someone else’s gambling, 2,111 (46.6%) were for Class 4 EGMs (6).

¹ The Problem Gambling Severity Index (PGSI) is commonly used to screen and categorise three levels of harm: severe or high risk (problem gambling), moderate risk and low risk.



Primary Mode	Full Interventions	Percentage
Non-Casino Gaming Machines (EGMs or Pokies)	2,111	46.6%
Lotteries Commission Products	535	11.8%
Casino Table Games (inc. Electronic)	388	8.6%
Casino Gaming Machines (EGMs or Pokies)	420	9.3%
TAB (NZ Racing Board)	394	8.7%
Housie	40	0.9%
Cards	41	0.9%
Other	605	13.3%
Total	4,534	100%

Table 1: 2021/22 client intervention data by primary gambling mode.

22. Given that almost half of the clients in 2021/22 sought help due to Class 4 EGMs (6), this indicates the level of harm EGMs are causing in our communities.

ONLINE GAMBLING

23. Online gambling is the purview of the DIA who have indicated that they will address online gambling within legislation.

24. We also note that online gambling is not within the scope of the Council’s Class 4 gambling policy review.

25. In its submissions, the Gaming Machine Association of New Zealand (GMANZ) and other industry proponents suggest that an ‘unintended consequence’ of a reduction in physical gaming machines could be an increase in online gambling. There is no evidence that this occurs more rapidly due to a sinking lid policy.

26. Rather, the COVID-19 lockdowns have shown that while there was an increase in online gambling during lockdown (namely, MyLotto sales) (7, 8), people returned to Class 4 gambling after the lockdown. This was highlighted when the DIA saw an increase in GMP by 116% in the June to September 2020 quarter, which followed the COVID-19 lockdown in 2020 (9).

IMPACT OF GAMBLING HARM TO VULNERABLE POPULATION GROUPS

27. Gambling harm is an equity issue that disproportionately impacts Māori, Pacific peoples, and Asian peoples. These population groups have been identified in the Ministry of Health’s *Strategy*



to *Prevent and Minimise Gambling Harm 2022/23 to 2024/25* as bearing a burden of harm that greatly outweighs that being experienced by other groups (10).

28. The 2020 Health and Lifestyles Survey (HLS) estimates indicated that Māori were 3.13 times more likely to be moderate-risk or problem gamblers than non-Māori and non-Pacific peoples (11). Meanwhile, Pacific peoples were 2.56 times more likely to be moderate-risk or problem gamblers than non-Māori and non-Pacific peoples (11). We note that 14.2% and 1.4% of Stratford's population are Māori and Pasifika, respectively (12).
29. Asian peoples also experience gambling harm differently. The 2018 HLS found that Asian people's risk factor of harmful gambling was 9.5 times higher when compared with European/Other New Zealanders (13). In Stratford, 2.5% of the population are Asian (12).
30. The current statement of proposal does not consider how the impacts of gambling harm will affect Māori, Pacific, and Asian communities. Further efforts to reduce inequities is urgently needed.

EFFICACY OF A SINKING LID

31. From a public health perspective, there's a generally held view that the easier it is to access an addictive product, the more people there are who will consume that product.
32. It follows then that stronger restrictions on the number and location of addictive products, such as EGMs, constitute a public health approach to the prevention and minimisation of gambling harm.
33. Sections 92 and 93 of the Gambling Act mandate the maximum number of pokie machines a Class 4 venue can host (18 if the venue licence was held on or before 17 October 2001, nine if the licence was granted after that date). This is the minimum regulation a TLA must implement in its Class 4 gambling policy, however many TLAs have chosen to adopt stronger regulations.
34. The Auckland University of Technology's New Zealand Work Research Institute recently published a research paper, *Capping problem gambling in New Zealand: the effectiveness of local government policy intervention*, which aimed to understand the impact of public policy interventions on problem gambling in New Zealand (14).



35. This research focussed on Class 4 gambling to assess the impact of local government interventions (absolute and per capita caps on the number of machines and/or venues and sinking lid policies) on the number of machines/venues and the level of machine spending over the period 2010-2018.
36. Key findings from this research include:
- a. All three forms of policy intervention are effective in reducing Class 4 venues and EGMs, relative to those TLAs with no restrictions beyond those mandated by the Gambling Act.
 - b. Sinking lids and per capita caps are equally the most effective at reducing machine spending.
 - c. Those TLAs who adopted restrictions above and beyond those mandated by the Gambling Act experienced less gambling harm than those TLAs who have not.

THE FUNDING SYSTEM

37. Following the removal of tobacco funding, EGMs were introduced with the primary purpose of funding communities.
38. Trusts and Societies are required to return 40% of GMP to the community by the way of grants or applied funding. This has inextricably linked gambling harm with the survival of community groups, sports and services.
39. Moreover, the unethical nature of the funding model cannot be ignored. The *Gambling Harm Reduction Needs Assessment (2018)*, prepared for the Ministry of Health, raises fundamental questions about the parity of this funding system (15).
40. Further research commissioned by the DIA revealed that there is a very strong redistributive effect from more deprived communities to less deprived communities when examining the origin of GMP and the destination of Class 4 grants (16).
41. Overall, less deprived communities (decile 1-5) provided 26% of the GMP but receive 88% of the grants. Conversely, more deprived communities (decile 6-10) provide 74% of the GMP but receive only 12% of the grants (16).

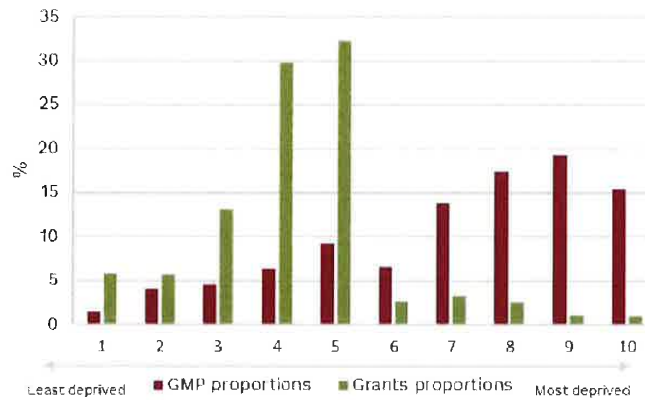


Figure 2: The origin of GMP and the destination of Class 4 grants by socio-economic decile (BERL, 2020)

42. There is a need for a transparent and sustainable funding system to support groups in our communities. This is a sentiment that is shared by other councils, including Hutt City Council, who have decided to take proactive steps to not apply for and accept Class 4 funding.

PRIORITISING THE PREVENTION OF HARM

43. While a sinking lid is at present the best public health approach available to TLAs to prevent and minimise gambling harm in their communities, we contend that such a policy does not go far enough – or work fast enough – to do this.

44. Several councils have already expressed their frustration at the limited opportunities available to them in their attempts to reduce the harm from Class 4 gambling in their communities.

45. We also encourage the Council to advocate to central government for the following:

- a. Adoption of a more sustainable, ethical, and transparent community funding system.
- b. More powers for councils to remove EGMs from their communities.
- c. The urgent removal of Class 4 EGMs from high deprivation areas 7-10 in New Zealand.



CONCLUSION

46. The Gambling Act 2003 was enacted to provide a public health approach to the regulation of gambling and to reduce gambling harm.
47. A sinking lid – with no relocations or venue mergers permitted – is the best public health approach available to councils who wish to maximise prevention and minimisation of gambling harm in their communities.
48. As an organisation that sees harm on a daily basis, we encourage elected representatives to strongly consider the health and wellbeing of their communities in their decision making moving forward.
49. PGF appreciates the opportunity to make a written submission on the Council's proposed Class 4 gambling venues policy.



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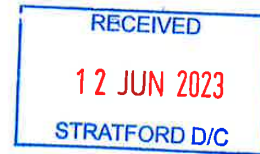


Submission 6

Te Whatu Ora
Health New Zealand

12 June 2023

Director – Environmental Services
Stratford District Council
PO Box 320
Stratford 4352
Email: submissions@stratford.govt.nz



Tēnā koe

SUBMISSION: Stratford District Council Class 4 Gambling Venue and TAB Venue Policy Reviews

We do not wish to speak in support of our Submission.

Te Whatu Ora leads the day-to-day running of the health system across Aotearoa New Zealand, and either provides or commissions services at local, district, regional and national levels. Under the Pae Ora (Healthy Futures) Act 2022, one of the key objectives of Te Whatu Ora is “to promote health and prevent, reduce, and delay ill-health, including by collaborating with other agencies, organisations, and individuals to address the determinants of health.” The National Public Health Service is a Division of Te Whatu Ora and leads the delivery of Health Protection, Health Promotion and Prevention services, as well as working with the Public Health Agency and Te Aka Whai Ora on intelligence, population health and policy.

National Public Health Service – Taranaki welcomes the opportunity to submit on the proposed **Stratford District Council (SDC) Class 4 Gambling Venue and TAB Venue Policy Reviews**.

It is estimated that one in five people in Aotearoa/New Zealand will experience harm from either their own or someone else’s gambling.¹ Research indicates that approximately 5% of the population gambles at a level where they will experience some amount of harm; this figure has remained relatively steady since 2012.²

¹ Ministry of Health. (2022). Strategy to Prevent and Minimise Gambling Harm 2022/23 to 2024/25. Wellington: Ministry of Health.

² Ministry of Health (2019). Progress on Gambling Harm Reduction 2010 to 2017. Wellington, New Zealand.





Te Whatu Ora Health New Zealand

There is also an unfair and unjust distribution of gambling harm, where people on lower incomes or living in areas of high deprivation are more likely to experience harm from gambling. Gambling harm is also experienced inequitably, affecting Māori, Pacific peoples, and Asian peoples as well as young people/rangatahi more often than other groups.³

Class 4 Gambling Venue Policy

National Public Health Service – Taranaki:

- Commends the SDC for increasing the emphasis on gambling harm reduction in the proposed objectives of the policy.
- Supports the proposed reduction in the number of gaming machines able to be operated in the Stratford district.
- Supports the proposal to also not permit the establishment of any new venues.
- Recommends that the SDC adopt a no relocations policy for Gambling Venues; however, if this was not adopted, supports the inclusion of criteria, including deprivation, for consideration when any venue with gaming machines requests to relocate.
- Recommends that the wording of the policy be clarified to confirm that should a gambling venue close and not meet the relocation criteria that there will then be a reduction in the total cap on machines.
- To further reduce the harm associated with gambling, and in particular the inequitable distribution of this harm the National Public Health Service – Taranaki also suggests that the SDC identifies opportunities to work in partnership with iwi, hapū and other agencies such as Tui Ora, when implementing this policy and to further support other gambling harm reduction initiatives.

District Agency Board (TAB) Venue Policy

National Public Health Service – Taranaki:

- Commends the SDC for increasing the emphasis on gambling harm reduction in the proposed objectives of the policy.
- Supports continuing the policy to not allow Board Venues to be established in the Stratford District.
- To further reduce the harm associated with gambling, and in particular the inequitable distribution of this harm the National Public Health Service – Taranaki also suggests that the SDC identifies opportunities to work in partnership with iwi, hapū and other agencies such as Tui Ora, when implementing this policy and to further support other gambling harm reduction initiatives.

Noho ora mai,



Sara Knowles
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National Public Health Service - Taranaki

³ Ministry of Health. 2022. Strategy to Prevent and Minimise Gambling Harm 2022/23 to 2024/25. Wellington: Ministry of Health.



Our reference
F19/13/03-D21/40748

Karakia

Kia uruuru mai
Ā hauora
Ā haukaha
Ā haumāia
Ki runga, Ki raro
Ki roto, Ki waho
Rire rire hau Paimārire

I draw in (to my being)
The reviving essence
The strengthening essence
The essence of courage
Above, Below
Within, Around
Let there be peace.