

**Ashburton District Council**

# **Report on Class 4 Gambling in Ashburton District**

**A social assessment to inform the 2022 review of the Ashburton  
District Council's Gambling Venue Policy**

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## *Document Control*

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## ***1. Executive summary***

This report provides an overview of gambling in New Zealand and the Ashburton District, with particular reference to Class 4 gambling. It focuses on the social effects of pokie machine gambling, including problem gambling, and reports on recent changes in the industry and participation since the current policy was first adopted in 2004, and subsequently reviewed in 2012, 2016 and 2019.

Class 4 gambling has both positive and negative impacts for the community. One of the key benefits is the grant funding available through the distribution of proceeds to community organisations. Approximately \$1.4 million was returned to the Ashburton District community in grants in the 2020 calendar year.

The district is somewhat unique in that local trustees of the Braided Rivers Trust Charitable Foundation make decisions on the distribution of funds generated from Lion Foundation gaming machine venues in the district. The majority of gaming machine venues in the district are operated by the Lion Foundation. This sees the majority of community grants funded from gaming machine income generated in Ashburton District, staying in the district.

However, problem gambling is a serious social issue, not only for those directly affected (the problem gambler) but also their network of family, friends, workplace, and the community at large. Problem gambling is sometimes funded by the proceeds of crime, adding further to the negative impacts experienced by the community.

The Class 4 gambling industry in New Zealand appears to have reached a point of maturity, with the total number of machines and venues in decline. The introduction of the Gambling Harm and Prevention Minimisation Regulations 2004 appears to have been one of the key factors contributing to this change, primarily through increasing compliance costs associated with operating pokie gambling venues.

The current Ashburton District Gambling Venue Policy is having an impact on the number of new gaming venues and the number of machines going into new venues, rather than significantly impacting on existing venues. The overall number of venues and gaming machines in the district has stayed the same over the past three years, and the number of residents seeking problem gambling intervention services has decreased since the last review.<sup>1</sup>

Overall, the current Ashburton District Council Gambling Venue Policy appears to be achieving the balance sought between enabling venues to offer Class 4 gambling as part of their entertainment mix, while limiting the number of machines in the district to reasonable levels.

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<sup>1</sup> The number of clients assisted (excluding brief intervention type) has ranged from 12 (July 2017-June 2018) to 7 (July 2020-June 2021) (Ministry of Health, 2022).

## ***2. Purpose***

This report has been prepared as part of the review of Ashburton District Council’s Gambling Venue Policy. The Gambling Act 2003 (s.102(5)) requires all councils review their Class 4 Gambling Venue Policy within three years of the adoption of the policy. The review must consider whether the social impacts of and/or risk of harm from gambling requires greater regulation. The first time that a territorial authority commences a review of a policy after the Gambling (Gambling Harm Reduction) Amendment Act 2013 comes into force, the territorial authority must (and may at any other time) consider whether to include a relocation policy (s.101(5)).

The original policy was adopted by Council in March 2004, and reviewed in 2006/07, 2009/10, 2012/13, 2015/16 and 2018/2019. The outcome of the 2012/13, 2015/16 and 2018/19 reviews was to roll-over the policy for a further three years. The community were not consulted on either review however key stakeholders were invited to provide information as part of pre-consultation.

Ashburton District Council’s Gambling Venue Policy covers both Class 4 “pokie” gambling and New Zealand Racing Board venues. However, this report focuses on pokie machine gambling, as the district does not have any stand-alone Totaliser Agency Board (TAB) stores.

This report provides background information to inform the 2022 policy review process. It provides stakeholders and the Ashburton District community with information relevant to Class 4 gambling within a district context.

The report provides the following information:

- An overview of the Gambling Act 2003 (including relevant amendments) and the requirements on territorial authorities
- An overview of the gambling industry and of gambling in New Zealand, with particular reference to Class 4 gambling (gaming or pokie machines)
- A review of information available on the social effects of pokie machine gambling, including problem gambling
- An assessment of Class 4 gambling in the Ashburton District
- An assessment of the social effects of pokie machine gambling in the Ashburton District, including problem gambling
- Information on changes in Class 4 gambling within Ashburton District since 2019.

## ***3. Legislative framework***

The [Gambling Act 2003](#) (“the Act”) covers all gambling in New Zealand, including Class 4 or gaming machine gambling.

### 3.1. Purpose of the Gambling Act 2003

In summary, the purpose of the Act is to:

- Control the growth of gambling
- Prevent and minimise the harm caused by gambling, including problem gambling
- Ensure modes of gambling are fair and transparent
- Ensure that money from gambling benefits the community
- Enable community involvement in decisions about the provision of gambling ([s.3](#)).

### 3.2. Controls on class 4 gambling

The Act categorises gaming (pokie) machines and race and sports betting as Class 4 gambling. The Act specifies that Class 4 gambling may only be conducted by a corporate society (a trust which distributes grants to community organisations) which holds a:

- Class 4 gambling venue consent, issued by the relevant territorial authority ([s.30-33](#))
- Class 4 gambling operator’s licence, issued by the Department of Internal Affairs, and
- Class 4 gambling venue licence, issued by the Department of Internal Affairs.

**A Class 4 venue consent** will be granted by the territorial authority if the application meets the requirements of the territorial authority’s Class 4 Gambling Venue policy.

**A Class 4 venue licence** is granted by the Secretary of Internal Affairs if an application meets the requirements of a venue licence prescribed in sections [65](#) – [84](#) of the Gambling Act 2003.

**A Class 4 gambling operator’s licence** is granted to approved corporate societies by the Secretary of Internal Affairs if the applicant has been granted a venue consent by the relevant territorial authority and the application meets the requirements of the Act, including:

- Details of the purposes for which net proceeds will be distributed
- A statement of how the applicant intends to minimise the risks of problem gambling
- Information about the financial viability of the proposed operation and the means to maximise the net proceeds to be distributed for authorised purposes and how those proceeds will be distributed
- Information on key personnel including financial circumstances

- Any other information the Secretary may request to ascertain the suitability of the corporate society and its key personnel
- The gambling equipment to be used meets relevant minimum standards
- The venue is not used mainly for operating gaming machines.

For further information see [s.50 – 64](#) of the Act.

### **3.3. Statutory limits on machine numbers**

The Act limits the number of gaming machines permitted at a venue. Venues which held a Class 4 venue licence on 17 October 2001 can operate up to 18 machines, while venues with a Class 4 venue licence issued after 17 October 2001 but before the commencement of the Gambling Act 2003 are able to operate up to nine machines as long as the Council venue policy allows this ([s.89 – 97](#)).

There is the option of applying for ministerial discretion to permit more than nine machines at some sites provided, amongst other things, the territorial authority has issued a consent that is consistent with its Class 4 gambling venue policy ([s.95 – 96](#)).

### **3.4. Role of territorial authorities**

Territorial authorities are required to adopt a Class 4 Gambling Venue Policy, with the policy being required to have been through a special consultative procedure (as detailed in s.83 of the Local Government Act 2002). The Act requires territorial authorities review their Gambling Venue Policy at least every three years. During the 2016 review, amendments to the Gambling Act required consideration of whether or not to have a relocation policy (see section 3.6 of this report). Council determined the current relocation provisions in the policy were sufficient, which are in line with the Waikiwi case law criteria. Specific conditions are provided in the policy.

The requirement for territorial authorities to maintain Class 4 gambling venue policies is intended to provide communities with the opportunity to have some influence over Class 4 gambling in their community, and in particular to be able to control where venues may be established and the permitted number of gaming machines at each venue. The Act, however, only provides limited ability for a local authority policy to influence venues established prior to 2001.

### **3.5. Introduction of regulations**

The Harm Prevention and Minimisation Regulations 2004 includes a list of unsuitable Class 4 gambling venues, including:

- A venue at which the primary activity is anything other than onsite entertainment focused on persons 18 years and over, including (without limitation):
  - o Food outlets such as dairies, supermarkets, fast food outlets or similar venues
  - o Offices, private residences, sports stadiums, circuses or fairs, amusement parlours, or other similar venues
  - o Internet cafes or other venues where the primary activity is electronic media
  - o Libraries, art galleries, museum, theatres, cinemas or similar premises
  - o Places of worship or venues that are not fixed permanent structures, including tents or vehicles.

The regulations also require additional controls on gaming machines to interrupt play and provide information on the duration of play, how much the player has spent, net wins or losses and ask whether the player wishes to continue to play.

Information must be provided by law at the venue about problem gambling and there are requirements to provide problem gambling awareness training to personnel employed at the venue to approach persons they consider may have problems.

It is a requirement that at all times the gaming machines are operated by someone on site that has undertaken harm minimisation training. In some cases the venue manager may ban the player from the gambling area of a venue for two years.

### **3.6. Gambling (Gambling Harm Reduction) Amendment Act 2013**

The Gambling (Gambling Harm Reduction) Amendment Act 2013 amended sections 101 and 102 of the Gambling Act 2003. The amendments require that the first time a territorial authority commences a review of its gambling venue policy after 14 September 2013, the territorial authority must consider whether to include a venue relocation policy (see s.102(5A) of the Gambling Act 2003).

#### *Relocation policy*

The purpose of a relocation policy is to help address concentration of Class 4 venues in high deprivation areas. Defined in the Gambling Act 2003, a relocation policy sets out if and when Council will grant consent in respect of a venue within its district where the venue is intended to replace an existing venue (within the district) to which a Class 4 licence applies.

A relocation policy could permit Class 4 venues to re-establish at new sites. The policy would need to specify circumstances that would allow relocation. These could include:

- expiration of lease,

- acquisition of property under the Public Works Act,
- site development, and/or
- natural disaster making the venue unusable.

The policy could require the new site to be located within the same Census Area Unit (as defined by Statistics New Zealand) as a way to control the location of venues and machines in high deprivation areas.

The implications of a relocation policy could:

- Allow venues to retain the number of machines specified in a licence granted prior to 17 October 2001
- Protect venues in places where a sinking lid policy operates. A sinking lid policy is when no new licences can be granted for Class 4 gaming machine venues and machines cannot be transferred if a venue closes.

Council does not have a relocation policy, as our current policy only references transfers under the Waikiwi case law criteria.

## 4. Gambling in New Zealand

### 4.1. Gambling participation

The Gambling Act 2003 classifies gambling based on the amount of money spent and the risk of problem gambling associated with an activity. Classes of gambling range from Class 1, representing low-stake, low-risk gambling, to Class 4, which represents high-risk, high-turnover gambling.

Class 4 gambling is a common form of entertainment in New Zealand. In a 2020 study it was found that approximately 7 in 10 New Zealanders aged 15 years and older participated in some form of gambling in the prior twelve months (Health Promotion Agency, 2020). The study found that there was an overall reduction in gambling participation between 2006 and 2020. The same study in 2016 found that a typical adult who participated in at least one gambling activity in the past year was likely to: 1) be aged 45 years old or older, 2) be born in New Zealand, 3) drink alcohol, 4) work full-time or part-time, 5) play games on mobile devices, not for money, 6) smoke, and 7) not live in the Auckland region (Health Promotion Agency 2018).

Key findings from the 2020 study are shown in Figure 1 and were that:

- younger adults aged 16-24 years were less likely to have gambled in the past year. People aged 45 -64 years old were the most likely to have gambled in the past year
- Pacific and Asian people were less likely than Māori and people of European/Other ethnicity to have gambled in the past year. Past-year gambling

participation rates for Māori and people of European/Other ethnicity were very similar

- past-year gambling participation did not differ greatly by deprivation status.

**Table 4-1 - Past year gambling participation among New Zealand adults (% , estimated number of people in the 2020 New Zealand population)**

2020

Population group	Total		Estimated number of adults <sup>i</sup>	
	%	(95% CI)	Total	(95% CI)
Total	69.3	( 66.9 - 71.6 )	2,837,000	( 2,739,000 - 2,932,000 )
<b>Age group (years)</b>				
16-24	45.7	( 37.7 - 53.9 )	268,000	( 221,000 - 316,000 )
25-44	70.5	( 66.2 - 74.5 )	992,000	( 932,000 - 1,049,000 )
45-64	76.0	( 72.1 - 79.6 )	945,000	( 897,000 - 990,000 )
65+	73.6	( 68.8 - 78.1 )	633,000	( 591,000 - 671,000 )
<b>Ethnicity (total)</b>				
Māori	73.5	( 69.9 - 76.9 )	433,000	( 411,000 - 453,000 )
Pacific	63.0	( 57.1 - 68.7 )	179,000	( 162,000 - 195,000 )
Asian	49.8	( 40.5 - 59.1 )	348,000	( 283,000 - 413,000 )
NZ European / Other	74.6	( 72.0 - 77.1 )	2,149,000	( 2,073,000 - 2,221,000 )
<b>Neighbourhood deprivation</b>				
Least (1-3)	72.8	( 68.1 - 77.2 )	951,000	( 889,000 - 1,008,000 )
Mid (4-7)	71.3	( 67.0 - 75.3 )	1,240,000	( 1,165,000 - 1,310,000 )
Most (8-10)	61.6	( 57.2 - 65.9 )	647,000	( 601,000 - 691,000 )

Source – Health and Lifestyles Survey, Health Promotion Agency (2020).

Other studies have found a higher level of gambling prevalence, with the National Gambling Study (Gambling and Addictions Research Centre, 2014) identifying that 80% of the population (18 years and over) had participated in some form of gambling over the last year. Another study in 1999 found that 94% of adult New Zealanders gamble and 48% do so regularly (Abbott and Volberg, 2000). There is limited research that has been published since these reports.

Although the figures for the prevalence of gambling in New Zealand appear to vary widely, all recent research indicates that over half of New Zealand adults participated in some

form of gambling over the past 12 months, with 1 in 5 gambling weekly or more frequently (Gambling and Addictions Research Centre, 2014).

## 4.2. Gambling expenditure

Total gambling expenditure has increased significantly in New Zealand in the past 25 years, during which time Lotto, TAB Sports betting, gaming machines and casinos have all been introduced. ‘Expenditure’, as discussed here, refers to turnover less prizes. Gambling expenditure in New Zealand totalled \$204 million in 1985, rose to \$2,039 million in 2004, declined to \$2,005 million in 2011, and reached a new peak of \$2,402 million in 2018/19 (Department of Internal Affairs, 2015a; 2022a).

Gaming machines outside of casinos were introduced in 1991 and national expenditure in this sector has risen from \$107 million in 1991 to a peak of \$1,035 million in 2004, and reduced to \$870 million in 2016/17 (Department of Internal Affairs, 2015a; 2022a).

Figure 2 shows gambling expenditure by sector across 2010-2021. Gamblers in New Zealand spent \$2,252 million dollars on the four main forms of gambling in the 2019/20 financial year, \$150 million (6.2 per cent) less than the previous year. Total gambling expenditure in New Zealand had trended upwards between 1985 and 2004, but the introduction of the Gambling Act in 2003 appears to have made some impact, with expenditure figures stabilising around the \$2 billion mark since 2004. The flattening out of spending on gambling may indicate that the gambling market has reached a point of maturity where in future there will be slow or no growth in overall expenditure.

**Table 4-2 - Reported gambling expenditure 2010/11 to 2020/21 (\$ million)**

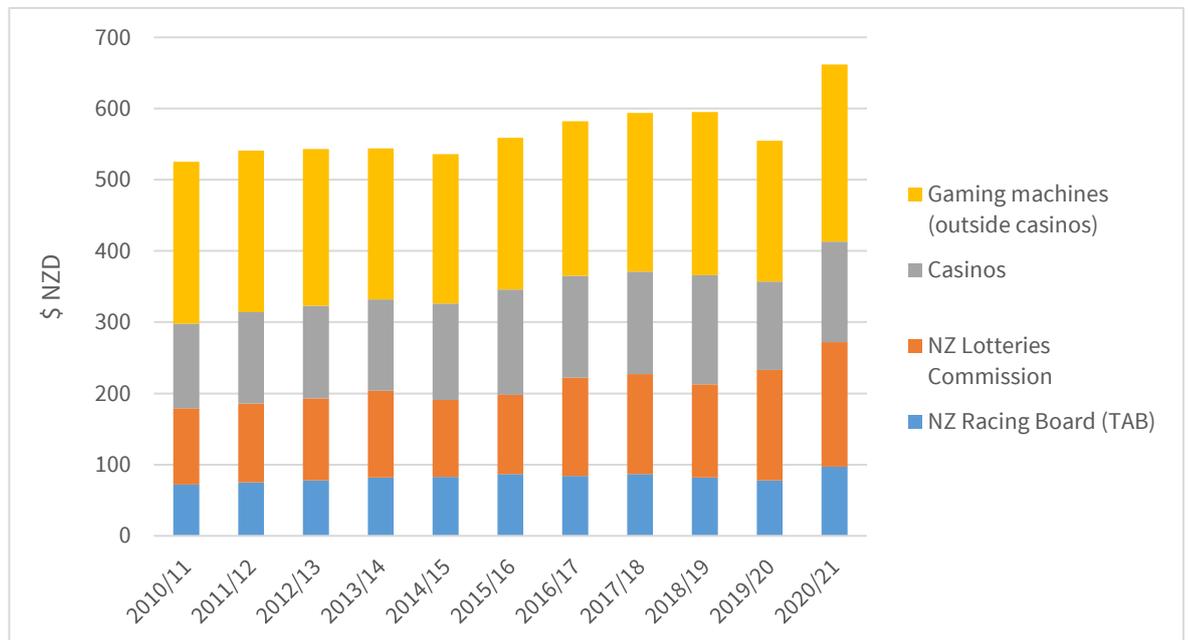
	2010/ 11	2011/ 12	2012/ 13	2013/ 14	2014/ 15	2015/ 16	2016/ 17	2017/ 18	2018/ 19	2019/ 20	2020/ 21
<b>NZ Racing Board (TAB)</b>	\$273	\$283	\$294	\$310	\$325	\$342	\$338	\$350	\$332	\$315	\$385
<b>Lotteries Commission</b>	\$404	\$419	\$432	\$463	\$420	\$437	\$555	\$561	\$530	\$631	\$694
<b>Gaming Machines (outside casino)</b>	\$856	\$854	\$827	\$806	\$818	\$843	\$870	\$895	\$924	\$802	\$987
<b>Casinos</b>	\$448	\$483	\$490	\$486	\$527	\$586	\$572	\$578	\$616	\$504	\$559
<b>Total</b>	\$1,982	\$2,038	\$2,042	\$2,065	\$2,091	\$2,209	\$2,334	\$2,383	\$2,402	\$2,252	\$2,625

Source – Department of Internal Affairs (2022a).

Adjusting for the effects of both inflation and changes to New Zealand’s population (18 years and older), gambling expenditure increased by 19 per cent, from an average of \$555 per person in 2019/20, to \$662 per person in 2020/21. This comprises \$249 from gaming machines, \$175 from lottery products, \$97 from NZ Racing Board products, and \$141 from

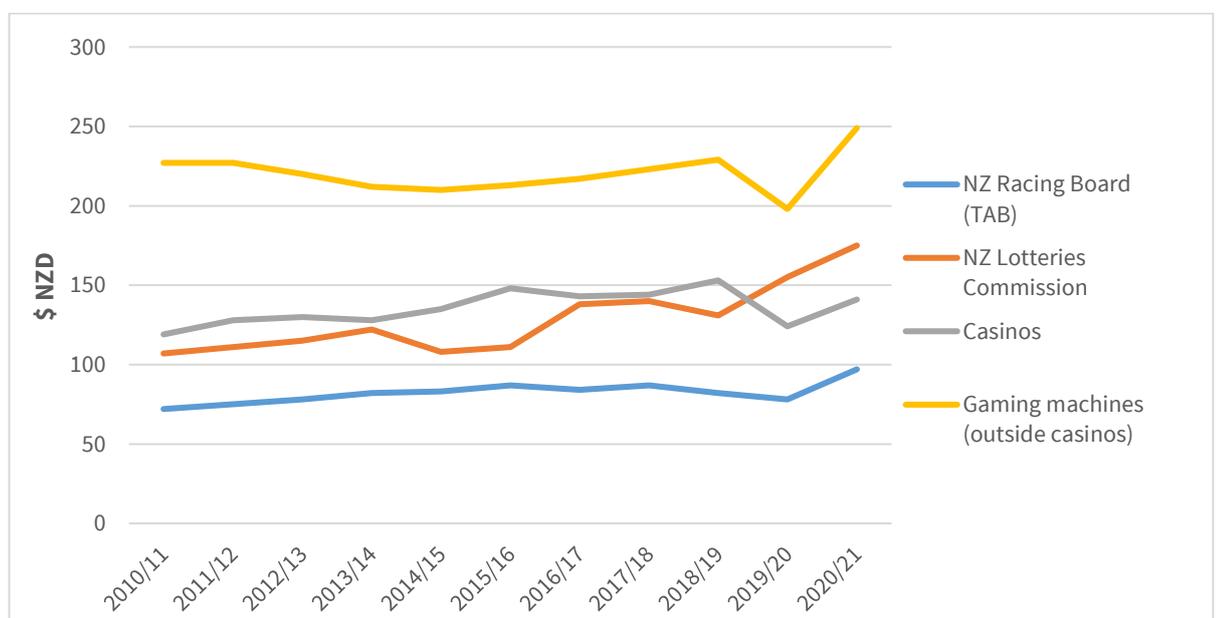
casinos. This information is shown in Figures 1 and 2. It is important to note that the expenditure from years 2019/20 and 2020/21 may not be representative, due to the impacts of Covid-19.

**Figure 1- Total inflation adjusted expenditure per capita**



Source – Department of Internal Affairs (2022a).

**Figure 2- Inflation adjusted expenditure per capita by type**



Source – Department of Internal Affairs (2022a).

As shown by Table 4-3, gross machine proceeds or gaming machine profits (GMP) (the money left after paying out prizes) for Ashburton District for the year end September

quarter 2021 was \$1,366,827.88 (Department of Internal Affairs, 2022b). Nationally, Ashburton ranks 38<sup>th</sup> out of 65 territorial authorities for the loss per head of population. This is calculated by taking the population 18 years and over and dividing it by the latest expenditure figures published by the DIA for that quarter. The population figures come from the 2018 census (usual population) and the expenditure for the period is taken from the DIA statistics (September 2021).

**Table 4-3 Nationwide gaming machine proceeds by territorial authority, and loss per person 18 or over (September 2021 quarter)**

	<b>District</b>	<b>GMP</b>	<b>Pop ≥18</b>	<b>Loss/person</b>
1	KAWERAU DISTRICT	604676.82	5124	\$ 118.01
2	ROTORUA DISTRICT	5469567.87	52629	\$ 103.93
3	WHAKATANE DISTRICT	2663335.95	26097	\$ 102.06
4	OPOTIKI DISTRICT	653510.23	6810	\$ 95.96
5	SOUTH WAIKATO DISTRICT	1622316.15	17553	\$ 92.42
6	THAMES-COROMANDEL DISTRICT	2225777.47	24474	\$ 90.94
7	NAPIER CITY	4219723.74	47466	\$ 88.90
8	WAIROA DISTRICT	534162.83	6018	\$ 88.76
9	LOWER HUTT CITY	6363588.2	79344	\$ 80.20
10	GORE DISTRICT	766302.57	9561	\$ 80.15
11	HOROWHENUA DISTRICT	2060123.29	25968	\$ 79.33
12	TAURANGA DISTRICT	8141496.3	104034	\$ 78.26
13	PORIRUA CITY	3122412.29	40701	\$ 76.72
14	INVERCARGILL CITY	3143198.98	41565	\$ 75.62
15	TAUPO DISTRICT	2083497.64	28176	\$ 73.95
16	FAR NORTH DISTRICT	3580738.76	48519	\$ 73.80
17	HAURAKI DISTRICT	1142317.93	15519	\$ 73.61
18	PALMERSTON NORTH CITY	4743504.19	64503	\$ 73.54
19	WANGANUI DISTRICT	2510798.37	34488	\$ 72.80
20	GISBORNE DISTRICT	2424932.36	34056	\$ 71.20
21	MARLBOROUGH DISTRICT	2655827.5	37587	\$ 70.66
22	WAITOMO DISTRICT	472264.36	6810	\$ 69.35
23	SOUTH TARANAKI DISTRICT (MARCH 2021 INCD. STRATFORD)	1882283.96	27273	\$ 69.02
24	GREY DISTRICT	706579.63	10266	\$ 68.83
25	CARTERTON DISTRICT	488110.87	7101	\$ 68.74
26	UPPER HUTT CITY	2241345.22	33645	\$ 66.62
27	HASTINGS DISTRICT	3949418.64	60219	\$ 65.58
28	RUAPEHU DISTRICT	588001.7	9150	\$ 64.26
29	NEW PLYMOUTH DISTRICT	3860437.15	61110	\$ 63.17
30	BULLER DISTRICT	480841.73	7683	\$ 62.59
31	WHANGAREI DISTRICT	4155427.95	68409	\$ 60.74
32	NELSON CITY	2398395.14	39912	\$ 60.09
33	CHRISTCHURCH CITY INCLUDING BANKS PENINSULA WARD	17373153.23	292461	\$ 59.40

34	TIMARU DISTRICT	2084222.82	36297	\$	57.42
35	TARARUA DISTRICT	760871.54	13371	\$	56.90
36	MATAMATA-PIAKO DISTRICT	1475261.86	26085	\$	56.56
37	RANGITIKEI DISTRICT	625019.67	11304	\$	55.29
38	ASHBURTON DISTRICT	1366827.88	25404	\$	53.80
39	MASTERTON DISTRICT	1032711.95	19524	\$	52.89
40	CENTRAL OTAGO DISTRICT	894456.7	17223	\$	51.93
41	WAIPA DISTRICT	2025529.38	39978	\$	50.67
42	WELLINGTON CITY	8251674.64	163110	\$	50.59
43	MACKENZIE DISTRICT	194602.39	3876	\$	50.21
44	KAPITI COAST DISTRICT	2076570.29	42408	\$	48.97
45	TASMAN DISTRICT	1959438.41	40749	\$	48.09
46	HAMILTON CITY	5732357.96	120162	\$	47.71
47	WESTLAND DISTRICT	323512.87	6936	\$	46.64
48	SOUTH WAIRARAPA DISTRICT	380980.52	8334	\$	45.71
49	WAITAKI DISTRICT	762862.88	17391	\$	43.87
50	WAIMAKARIRI DISTRICT	1900995.5	45612	\$	41.68
51	CENTRAL HAWKE'S BAY DISTRICT	430412.86	10674	\$	40.32
52	WESTERN BAY OF PLENTY DISTRICT	1562317.93	39795	\$	39.26
53	MANAWATU DISTRICT	863341.86	22677	\$	38.07
54	DUNEDIN CITY	3819932.46	101697	\$	37.56
55	WAIKATO DISTRICT	2050527.84	54657	\$	37.52
56	AUCKLAND CITY	42606958.06	1196331	\$	35.61
57	HURUNUI DISTRICT (JUNE 2019 INCD. KAIKOURA)	449934.32	12891	\$	34.90
58	CLUTHA DISTRICT	460187.5	13545	\$	33.97
59	KAIPARA DISTRICT	518994.16	17604	\$	29.48
60	OTOROHANGA DISTRICT	178505.51	7395	\$	24.14
61	SOUTHLAND DISTRICT	540216.9	23157	\$	23.33
62	SELWYN DISTRICT	1005375.89	44658	\$	22.51
63	QUEENSTOWN-LAKES DISTRICT	708835.77	31683	\$	22.37
64	WAIMATE DISTRICT	137359.35	6201	\$	22.15
65	CHATHAM ISLANDS DISTRICT	10698.57	540	\$	19.81

### 4.3. Gaming machine and venue numbers

Gaming machine numbers in New Zealand are naturally declining. In June 1994, there were 7,770 pokie machines in New Zealand and this increased to a peak of 25,221 machines in 2003. Since then the number of machines has declined slowly but steadily from 16,393 at 31 December 2015 (Department of Internal Affairs, 2015) to 14,743 in December 2021 (Department of Internal Affairs, 2021a).

Likewise, the number of gaming machine venues in New Zealand has decreased in recent years with venue numbers falling from 2,104 in September 2003 to 1,238 in December 2015 (Department of Internal Affairs, 2015) 1,050 in December 2021 (Department of Internal Affairs, 2021a). The total number of venues is made up of 859 pubs/commercial

premises and 191 clubs/non-commercial premises (Department of Internal Affairs, 2021a). Increased compliance costs associated with new gaming regulations<sup>2</sup> and a seemingly mature gaming market mean it is unlikely there will be any significant increase in either total gaming venues or number of machines in the future.

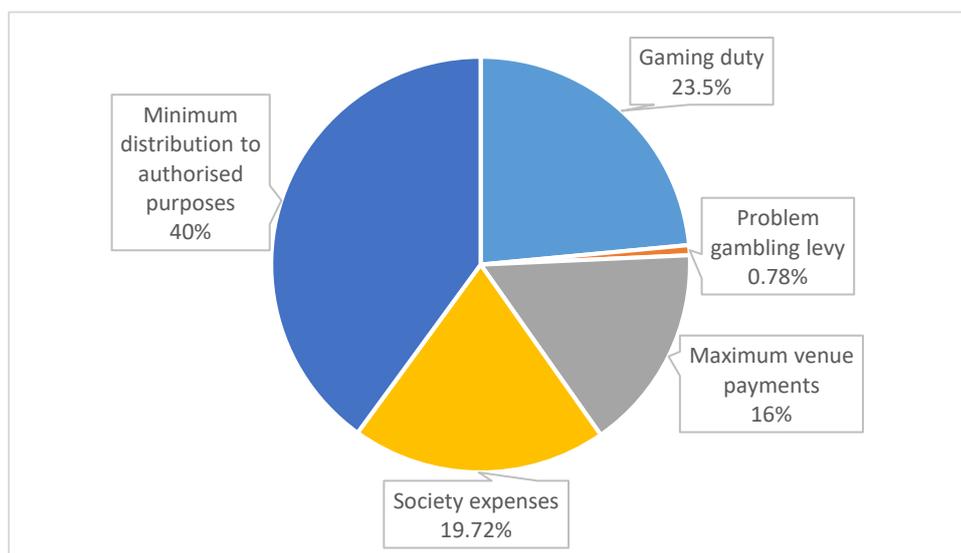
## 5. Distribution of proceeds from gaming machines

New Zealand is one of the few countries where Class 4 gambling is a not-for-profit activity. The Gambling Act provides for Class 4 gambling to be permitted only where it is used to raise funds for community purposes. Gaming machine societies are required under the Gambling Act and the Gambling (Class 4 Net Proceeds) Regulations 2004 to distribute a minimum amount of 40 per cent of their proceeds to the community. However, there is difficulty in tracking these funds, and no requirement for these funds to go back into the local communities where they came from.

Corporate societies must provide information on how to apply for a grant at each venue and must publish details of grant availability at least every three months. Societies must also publish details of both successful and unsuccessful applications for grants at least annually and detail the amount(s) given to successful applicants (see s.110 of the Gambling Act).

In September 2014, regulations were introduced which set new minimum thresholds for the return of gaming funds to the community. In the first financial year following promulgation, societies must return a minimum of 40% of net proceeds (up from 37.12%). This rises to a minimum of 41% in year three and 42% in year five.

**Figure 3 - Allocation of Class 4 gaming machine gross proceeds (excluding GST)**



Source - Department of Internal Affairs (2022c).

<sup>2</sup> The Gambling (Harm Prevention and Minimisation) Regulations, 2004.

## 6. Problem gambling in New Zealand

### 6.1. Definition of problem gambling

While most people who gamble do not experience problems resulting from their gambling, for some it can have negative impacts. Section 4 of the Gambling Act 2003 defines a problem gambler as “a person whose gambling causes harm or may cause harm”. In this context gambling-related harm:

- (a) *means harm or distress of any kind arising from, or caused or exacerbated by, a person’s gambling; and*
- (b) *includes personal, social, or economic harm suffered –*
  - (i) *by the person; or*
  - (ii) *the person’s spouse, partner, family, whanau, or wider community; or (iii) in the workplace; or (iv) by society at large.*

There are two main categories of problem gamblers:

- pathological gamblers, who typically have a craving to gamble more and more, are unable to stop despite massive losses and who feel out of control of their gambling, and
- problem gamblers, a category with multiple meanings that refers generally to people with patterns of gambling behaviour that have an adverse effect on general health, personal and family relationships, work or wider social activities. This is considered a less severe category than pathological gamblers (Rankine and Haigh 2003).

### 6.2. Prevalence of problem gambling

In 2012, the Ministry of Health in collaboration with AUT undertook the New Zealand National Gambling Study (NGS). Those who provided a response in 2012 were also contacted in 2013, 2014 and 2015.

The study was based on the Problem Gambling Severity Index (PGSI), which is a standardised measure of gambling risk levels. It is a nine-item scale which provides a measure of current gambling behaviour. Based on the PGSI, adults who had participated in gambling within the last 12 months were classified as one of the following:

- **Non-problem gamblers:** not experiencing any negative consequences of gambling
- **Low-risk gambler:** probably gambling at levels that are not leading to negative consequences

- **Moderate-risk gambler:** gambling at levels that may or may not be leading to negative consequences
- **Problem gambler:** gambling at levels that are leading to negative consequences.

The study found that in 2012, 80% of adults had participated in gambling within the 12 months before the data collection. This had reduced to 75% in 2015.

Of those that had gambled, only 0.2% were classified as problem gamblers in 2015, compared with 0.6% in 2012. The percentage of low risk (4.6% in both 2012 and 2015) and moderate risk gamblers (1.7% in 2012, 1.8% in 2015) remained about the same (Bellringer et al, 2020).

This survey has not been undertaken again since 2015.

### 6.3. Social impacts of problem gambling

There are a range of personal and social costs associated with problem gambling. These include potential:

- mental health issues including depression and anxiety,
- financial problems or bankruptcy,
- involvement in criminal activities,
- unemployment,
- family violence,
- impacts on personal relationships, and
- impacts on employers through lost productivity, fraud and theft (PGFNZ, 2012).

The SHORE report (2008) found that those who had higher levels of participation in gambling activities (based on time spent and losses relative to income) perceived themselves to have experienced significantly worse physical health, worse mental health, poorer feelings about self and lower satisfaction with life.

Problem gambling can affect not only the gambler themselves, but also the people around them including family, friends, work colleagues and the wider community. The 2011/12 New Zealand Health Survey found that 2.5%, or about one in 40 people, were negatively affected by other people's gambling (Rossen, 2015). In Ashburton District, this could translate to approximately 800<sup>3</sup> people experiencing negative effects associated with someone else's problem gambling.

Other studies have found higher rates of people affected by the gambling behaviour of others. The 2018 Health and Lifestyles Survey found that 1 in 14 New Zealand adults reported second-hand gambling harm in their wider family or household in the last 12 months. The survey also found that 5% had reported an argument, and 4% had reported someone going without (Health Promotion Agency, 2019).

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<sup>3</sup> Calculated from Statistics NZ 2012 estimated population, 31,700.

## 6.4. Harm minimisation

### *Player Information Display and Operator Training*

All Class 4 gaming machines are required by section 8(1) of the Gambling (Harm Prevention and Minimisation) Regulations 2004 to have a feature that interrupts play at regular intervals (not exceeding 30 minutes of continuous play) and informs the player of how long they have been playing the machine, how much they have spent, and asks whether they wish to continue playing.

Gaming machines must also provide this information at any time if requested by the player. Other information which must be available is the player's net win or loss during the player's session of play, the odds of winning the game, the average winnings paid out to players, and the maximum and minimum player spend rate for the game.

The regulations also require the holder of a Class 4 gambling venue licence to provide problem gambling awareness training to its employees and to have information about problem gambling available to the public (see sections 11 and 12).

### *Multi Venue Exclusion Programme*

Corporate societies, gambling venues, problem gambling services and the Department of Internal Affairs have been working collaboratively to establish multi-venue exclusion programmes throughout New Zealand. This allows a person to self-exclude from several venues at once without having to visit each venue personally (The Lion Foundation, 2012).

## 6.5 Problem gambling treatment services in New Zealand

### *Problem Gambling Levy*

The Ministry of Health has responsibility for managing the funding of problem gambling support services. The funding comes from a levy on the gambling industry regulated through the Gambling Act 2003, which reimburses the government for the costs associated with preventing and minimising gambling harm.

The levy is collected on the profits of New Zealand's four main gambling operators: gaming machines in pubs and clubs, casinos, the New Zealand Racing Board and the New Zealand Lotteries Commission; and is set every three years, with the formula used for calculating the levy rates for each sector specified by the Gambling Act 2003.

The current levy for gaming machine operators is 0.78% of gross gambling profits, established under the Gambling (Problem Gambling Levy) Regulations 2019. This has decreased from the 2013 levy which was 1.48%.

### *Telephone Helpline Services*

The Gambling Helpline service provides a free 0800 contact service and acts as a first point of contact for people experiencing some form of gambling-related harm, either directly or as a result of a significant other's gambling.

#### *Intervention Services*

There are two national providers of problem gambling services – the Problem Gambling Foundation of New Zealand and the Salvation Army's Oasis Centre for Problem Gambling – as well as a number of regional or local providers.

The total number of clients receiving intervention services for problem gambling in New Zealand from July 2020 to June 2021 was 10,945. This is an increase of 1,444 clients from the previous year (Ministry of Health, 2022). In Ashburton District, 8 clients were assisted<sup>4</sup> (which is 0.073% of the overall total number of clients assisted in New Zealand) (Ministry of Health, 2022).

Within these figures there are demographic groups which are over-represented in the problem gambling statistics. Maori and Pacific people are more likely than other ethnic groups to be problem gamblers and suffer gambling-related harm (Abbott and Volberg, 2000). Based on population statistics, both are over-represented in the problem gambling intervention figures. Maori account for the greatest single ethnic group assisted by gambling intervention services, accounting for 28.4% of the total number of clients in 2020/21. This is down from a peak of 36% in 2008/9. Pacific clients have recorded a decrease of almost 2% over the previous year, with a total of 17.9% of clients assisted.

It is important to note that there is likely to be a difference between the number of people with gambling problems, and the number who have sought help for those problems.

## **7. Gaming machine gambling in Ashburton District**

### **7.1. Gaming machine and venue numbers in Ashburton District**

As at 31 December 2021, there were 134 pokie machines in Ashburton District. This compares with 12 venues and 135 machines in September 2015, a decrease of 0.7% in the number of machines district over the past 6 years (Department of Internal Affairs, 2021a). The number of pokie machines in the district has been gradually decreasing since December 2004, when there were 162 pokie machines (Department of Internal Affairs, 2015, 2021a).

The number of venues in the district decreased to 12 in December 2015 with the closure of The Shed (which housed 18 machines) in June 2015 (Department of Internal Affairs, 2015). In March 2016, an application was received from Robbies to add an additional two machines (which is the maximum number of machines possible under the current policy of seven machines). This venue is now known as the Phat Duck. The Railway Tavern

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<sup>4</sup> This includes all intervention types including brief interventions.

Rakaia also added an additional machine. There have been no changes in venue or machine numbers in the Ashburton District since 2018.

Nationally, both venue and machine numbers are dropping, and are doing so at a faster rate than Ashburton District. However, when the average number of machines per venue is compared, the district remains below the national average.

**Table 7-1 - Change in number of Class 4 gaming machine venues and machine numbers, 2018-21**

	Change in number of venues	Change in number of machines
<b>Ashburton District</b>	No change	No change
<b>New Zealand</b>	-67 (-6%)	-514 (-3%)

**Table 7-2 - Average number of machines per venue, 2006 - 2021**

	2006	2009	2012	2015	2018	2021
<b>Ashburton District</b>	12.3	12.1	11.7	11.3	11.1	11.2
<b>New Zealand</b>	12.3	13.0	12.8	13.2	13.6	14.0

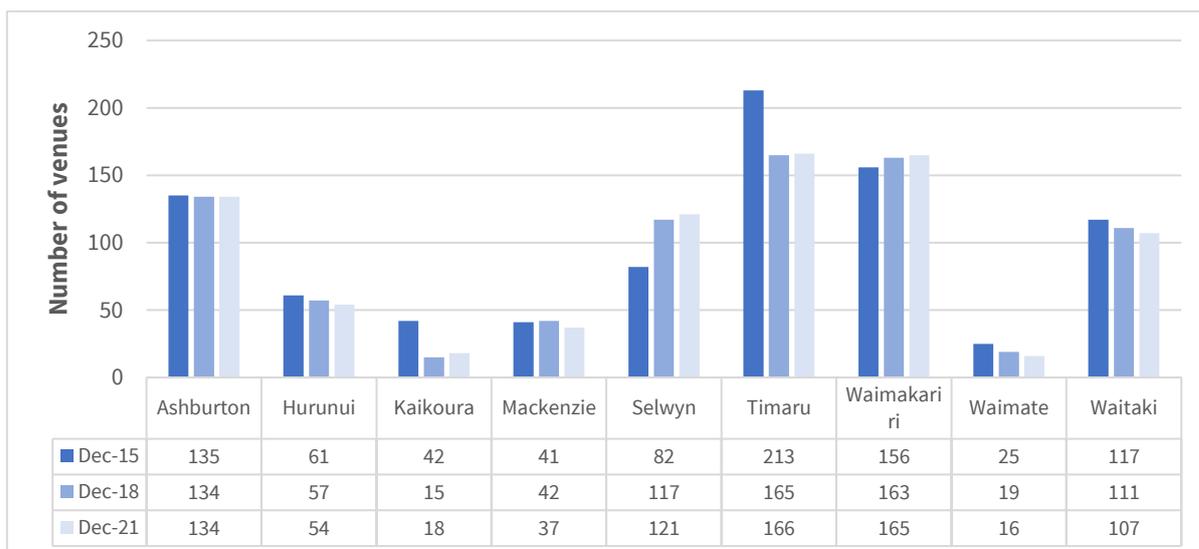
Using the 2021 population estimate for Ashburton District of 35,900 residents, this translates to 37.3 gaming machines per 10,000 residents. This has dropped from 47.9 in 2012, and 40.5 in 2015, which shows that the growth of the district's population is not being reflected in the growth of non-casino gaming machines.

The national average (using the 2021 national population estimate of 5,122,600) is 28.8 gaming machines per 10,000 residents. Ashburton District has, therefore, a higher than the national average ratio, however both the district and national averages have decreased since 2006, showing that Ashburton District is following the national trend.

It should be noted that rural territorial authorities tend to have a higher than average machine to resident ratio due to lower population densities and greater dispersal of venues. In 2005, territorial authorities with more than 100 machines per 10,000 residents were all rural authorities. By contrast cities tended to be under 50 machines per 10,000 residents (Ministry of Health, 2006).

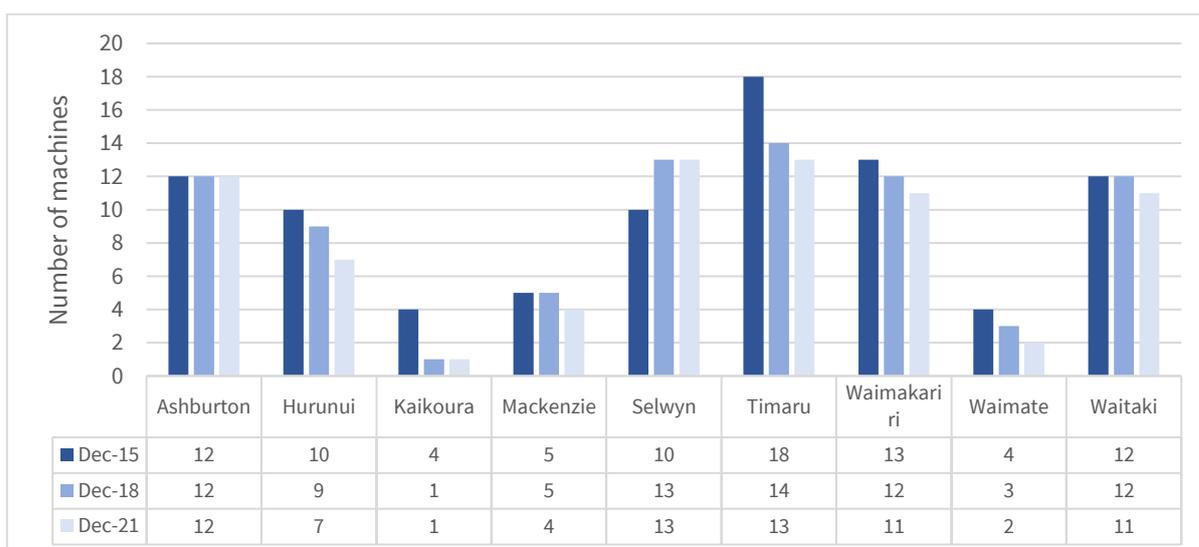
The following graphs give an indication of the comparative density of venues and number of machines for neighbouring territorial authorities in the Canterbury region. It is important to note that since 2015 in most areas there has been a decline in venue and machine numbers.

**Figure 4 - Number of venues per Canterbury territorial authority 2015-2021<sup>5</sup>**



Source – Department of Internal Affairs (2021a).

**Figure 5 - Number of machines per neighbouring territorial authority**



Source – Department of Internal Affairs (2021a).

## 7.2 Types of venue and society

All gaming machines in Ashburton District are in licensed premises, with 102 in pubs or taverns, and 32 in chartered clubs.

The two clubs in the district with gaming machines (the Ashburton MSA and the Ashburton Returned Services Association (RSA)) operate as societies and use the funds

<sup>5</sup> Christchurch has been excluded from this graph as the much higher venue and machine numbers skews the data.

generated primarily for club related capital expenditure, typically building and equipment purchases.

The Lion Foundation is the largest gaming society in the district and operates machines in five licensed premises. These are the: Devon Tavern, Hinds Tavern, Hotel Ashburton, Tinwald Tavern, and the Railway Tavern Hotel Rakaia. The remainder of the societies operating gaming machines in the district are other national operators, namely, Four Winds Foundation Ltd, Air Rescue Services, New Zealand Community Trust, and Trust Aoraki Limited.

The following table shows gaming machine venues in Ashburton District 2009-2021, the society which holds the gaming license for each venue, the number of machines at each venue, and whether the venue was licensed before October 2001. Please note, those in grey are no longer current gaming machine venues.

**Table 7-3- Ashburton District venue and machine numbers 2009-2021**

Venue name	Society name	Dec 2009	Dec 2012	Dec 2015	Dec 2018	Dec 2021	Change since 2018	Approved prior to 2001
<b>Arcadia Restaurant &amp; Bar</b>	Four Winds Foundation Ltd	0	0	7	7	7	-	No
<b>Ashburton Club &amp; MSA</b>	Ashburton Club & MSA	18	18	18	18	18	-	Yes
<b>Ashburton RSA</b>	Ashburton Returned Services Assn. Inc.	18	18	18	14	14	-	Yes
<b>Blue Pub</b>	NZ Community Trust	9	9	8	8	8	-	Yes
<b>Devon Tavern</b>	The Lion Foundation (2008)	18	18	18	18	18	-	Yes
<b>Hinds Tavern</b>	The Lion Foundation (2008)	3	3	3	3	3	-	Yes
<b>Hotel Ashburton</b>	The Lion Foundation (2008)	18	18	18	18	18	-	Yes
<b>Millies</b>	Four Winds Foundation	7	0	0	0	0	-	No
<b>Phat Duck Ashburton (previously Robbie's Bar &amp; Bistro)</b>	Air Rescue Services Limited	5	5	5	7	7	-	No
<b>Railway Tavern Rakaia</b>	The Lion Foundation (2008)	6	6	6	7	7	-	Yes
<b>Revival Sports Bar</b>	The Lion Foundation	0	5	0	0	0	-	No

Venue name	Society name	Dec 2009	Dec 2012	Dec 2015	Dec 2018	Dec 2021	Change since 2018	Approved prior to 2001
<b>South Rakaia Hotel</b>	Trust Aoraki Limited	7	7	7	7	7	-	Yes
<b>The Brown Pub</b>	NZ Community Trust	9	9	9	9	9	-	Yes
<del>The Shed (Somerset Tavern)</del>	<del>The Lion Foundation</del>	<del>18</del>	<del>18</del>	0	0	0	-	Yes
<del>Tinwald Club</del>	<del>Tinwald Club Inc</del>	0	0	0	0	0	-	Yes
<b>Tinwald Tavern</b>	The Lion Foundation (2008)	18	18	18	18	18	-	Yes
<b>TOTAL gaming venues – Ashburton District</b>		13	13	12	12	12	-	
<b>TOTAL gaming venues – New Zealand</b>		1,491	1,381	1,238	1,117	1,050	<b>-67</b>	
<b>TOTAL gaming machines – Ashburton District</b>		157	152	135	134	134	-	
<b>TOTAL gaming machines – New Zealand</b>		19,359	17,670	16,393	15,257	14,743	<b>-514</b>	

Source – Department of Internal Affairs (2021a).

**Table 7-4 - Breakdown of venue and machine numbers by area in Ashburton District 2009-2021**

	VENUES					MACHINES				
	Dec 2009	Dec 2012	Dec 2015	Dec 2018	Dec 2021	Dec 2009	Dec 2012	Dec 2015	Dec 2018	Dec 2021
<b>Ashburton</b>	8	8	7	7	7	120	118	102	100	100
<b>Methven</b>	2	2	2	2	2	21	18	17	17	17
<b>Rakaia</b>	2	2	2	2	2	13	13	13	14	14
<b>Hinds</b>	1	1	1	1	1	3	3	3	3	3

Source - Department of Internal Affairs, (2021a).

**Table 7-5 - Total gaming machine expenditure in Ashburton District 2013-2020**

	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
<b>Total expenditure (class 4)</b>	\$5,860,043	\$6,023,338	\$6,038,061	\$5,988,963	\$5,988,963	\$6,135,463	\$5,366,377
<b>Expenditure per head of total population*</b>	\$181 (32,300)	\$184 (32,800)	\$181 (33,300)	\$177 (33,900)	\$174 (34,400)	\$177 (34,600)	\$154 (34,900)
<b>Average expenditure per week per head of population</b>	\$3.49	\$3.53	\$3.49	\$3.40	\$3.35	\$3.41	\$2.96

Source - Department of Internal Affairs (2022d) \*Statistics New Zealand Total Population Estimates.

**Table 7-6 - Total gaming machine expenditure in New Zealand 2013-2020**

	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
<b>Total expenditure (gaming machines, outside casinos)</b>	\$806m	\$818m	\$843m	\$870m	\$895m	\$924m	\$802m
<b>Expenditure per head of total population*</b>	\$181 (4,442,100)	\$181 (4,516,500)	\$183 (4,609,400)	\$185 (4,714,100)	\$186 (4,813,600)	\$189 (4,900,600)	\$161 (4,979,200)
<b>Average expenditure per week per head of population</b>	\$3.49	\$3.48	\$3.52	\$3.55	\$3.58	\$3.63	\$3.10

Source - Department of Internal Affairs (2022a) \*Statistics New Zealand Total Population Estimates.

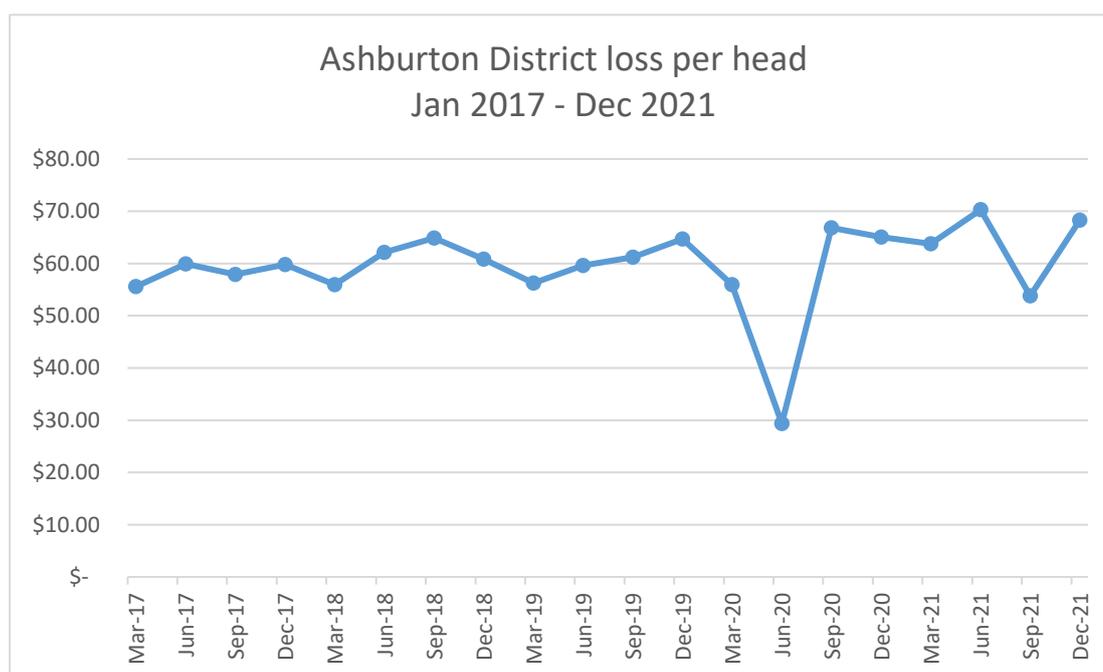
## 8. Economic effects of gaming machine gambling in Ashburton District

### 8.1. Total expenditure and loss

‘Expenditure’, also known as ‘net proceeds’, ‘revenue’, or ‘losses’, refers to the amount put into machines (turnover) which is not returned through prizes. The total expenditure for the district for the year ending December 2021 was \$6,506,807 or around \$17,826 per day. This is an increase of 18% on the level of expenditure of the previous year, however, expenditure in 2020 may have been impacted by the Covid-19 outbreak.

Ashburton District ranks 30th of 65 territorial authorities in terms of gross machine proceeds (the money left after taking out prizes) for the September 2021 quarter. The monetary loss per head of population to pokie machines in the Ashburton District is \$53.80 (Figure 6). This is down from the September 2018 quarter when the loss per head was \$70.41.

**Figure 6 - Class 4 gambling loss per head of population in Ashburton District**



Source – Department of Internal Affairs and Statistics New Zealand<sup>6</sup>

<sup>6</sup> This is calculated by using the percentage of residents 18 and over in the 2018 census (76%), and using that against the total estimated population for the Ashburton District for years 2017, 2019, 2020 and 2021 to estimate the population aged 18 and over.

## 8.2. Distribution of proceeds and return to the community

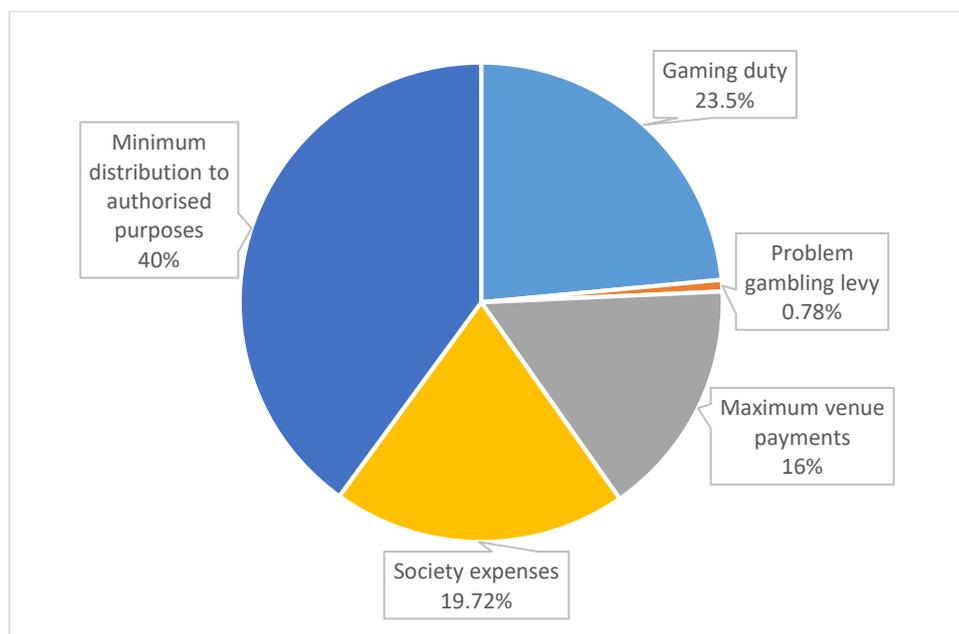
Regulations prescribe how proceeds may be applied. Societies that operate gaming machines fall into two categories:

1. Clubs – operating gaming machines in their own premises such as chartered clubs, sports clubs, or Returned Services Associations (RSAs)
2. Public societies – operating gaming machines in commercial venues such as hospitality businesses including pubs, hotels and restaurants.

Clubs are permitted to use all profits (following deductions for tax and the gambling levy) to benefit the Club as long as those purposes are recognised as authorised purposes (including mortgage repayments, club operating costs, members' welfare, courtesy vehicles and charitable activities).

As shown by Figure 7, Corporate societies are legally required to return a minimum of 40% of the proceeds from non-casino gaming machines to the community in the form of grants. The remainder of the gross proceeds go to the government in taxes and duties, and is used to cover the operating costs and overhead costs of operating the machines which are incurred by the corporate society operating the machines. Corporate societies have an obligation to minimise costs and return the maximum amount possible to the community and are often able to distribute more than 40% (Department of Internal Affairs, 2022c).

**Figure 7 - Allocation of Class 4 gaming machine gross proceeds**



Source – Department of Internal Affairs (2022c).

The distribution of funds to community groups continues to be locally controlled, with the Grants Distribution Committee consisting of the six elected Ashburton Trust Board members, the Mayor of Ashburton District, and two independent community representatives. The arrangement between the Braided Rivers Community Trust Ashburton and the Lion Foundation means that all proceeds generated through the gaming machines in the Braided Rivers Community Trust establishments will be returned to Mid Canterbury based organizations.

## 9. Grants to Ashburton District from Gaming Proceeds

According to the Department of Internal Affairs data, the total grants to the Ashburton District for the 2020 calendar year was just under \$1.4 million<sup>7</sup>. However, the Gaming Machine Association of New Zealand (2018) (in the 2018 report provided to Ashburton District Council during the previous pre-consultation) state:

*The Problem Gambling Foundation's data is gathered from society websites, and not all societies publish their authorised purpose payments. The funds applied and distributed by club societies, for example, are not published. Further, if the grant recipient's name does not indicate that it is located within the territorial authority, the amount of that grant is not included in the Problem Gambling Foundation's figures.*

The Gaming Machine Association New Zealand state the total authorised purpose funding (including the non-published club authorised purpose payments as defined in the quote above) received from Ashburton District-based venues is over \$2.47 million annually.

The table below outlines the grants received by the Ashburton District community from gaming venue trusts operating in the district for 2020.

The table does not include profits from machines that are registered to Air Rescue Services Limited, Ashburton Club & MSA and Ashburton Returned Services Association Inc., as those profits go directly to these organisations.

**Table 9-1 - Gaming Machine Trust Grants to Ashburton District 2020**

<b>Gaming Machine Trust Grants to Ashburton District January – December 2020</b>	
<b>Trust</b>	<b>Amount granted</b>
The Lion Foundation	\$1,361,986
NZ Community Trust	\$19,703

<sup>7</sup> Note - there is room for error with this figure due to grants that may have been missed, or grants which do not specify the region to which they are granted, or are granted to national organisations.

Four Winds Foundation	\$6,650
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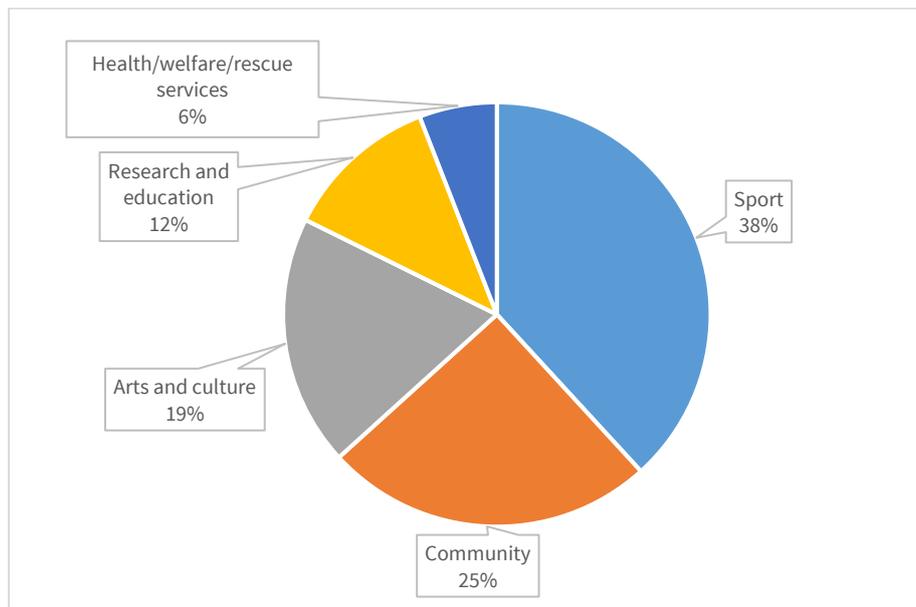
Source – Department of Internal Affairs 2021b

According to the total of grants on the DIA database as shown by Table 9-1 and Figure 9, the main contributor to the district was the Lion Foundation. In fact, this Trust contributed \$1,361,986 to the district which is equivalent to 98% of the total grants for the 2020 calendar year. The Lion Foundation has 5 venues housing 64 pokies therefore it would be expected to dominate the figures.

The NZ Community Trust was second with a contribution of \$19,703 to the Ashburton area. This was equivalent to 1.4% of the total grants for 2020 calendar year.

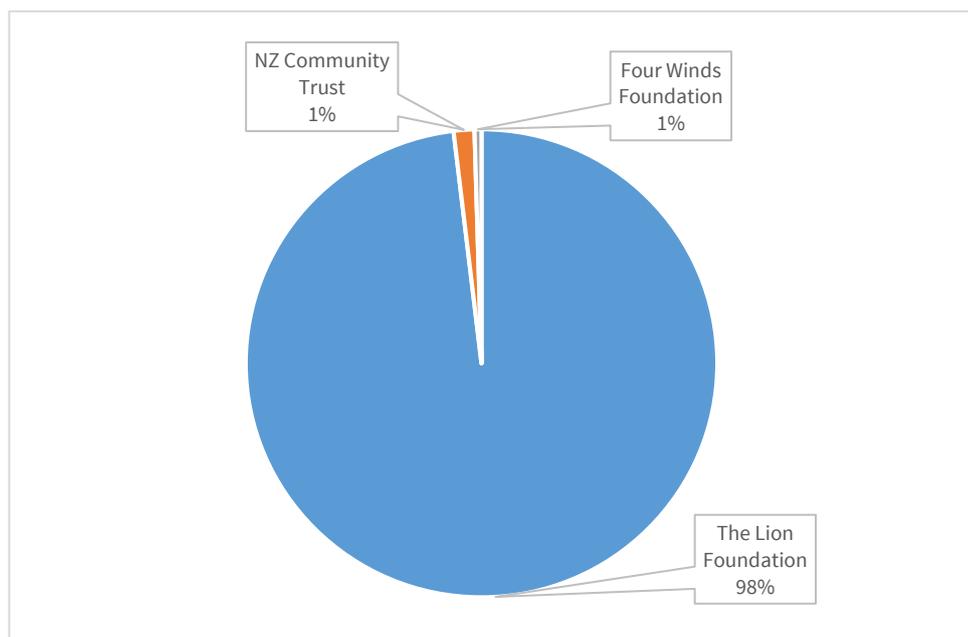
When considering the type of grants, ‘Sports’ received the most grants – with 38% of the total, followed by ‘Community’ which received 25%, ‘Arts and Culture’ received 19%, ‘Research and Education’ received 12%, and ‘Health/Welfare/Rescue Services’ received 6%.

**Figure 8 – Class 4 Grants to Ashburton District sorted by category - 2020**



Source – Department of Internal Affairs 2021b

**Figure 9 – Class 4 Grants to Ashburton District 2020**



Source – Department of Internal Affairs 2021b

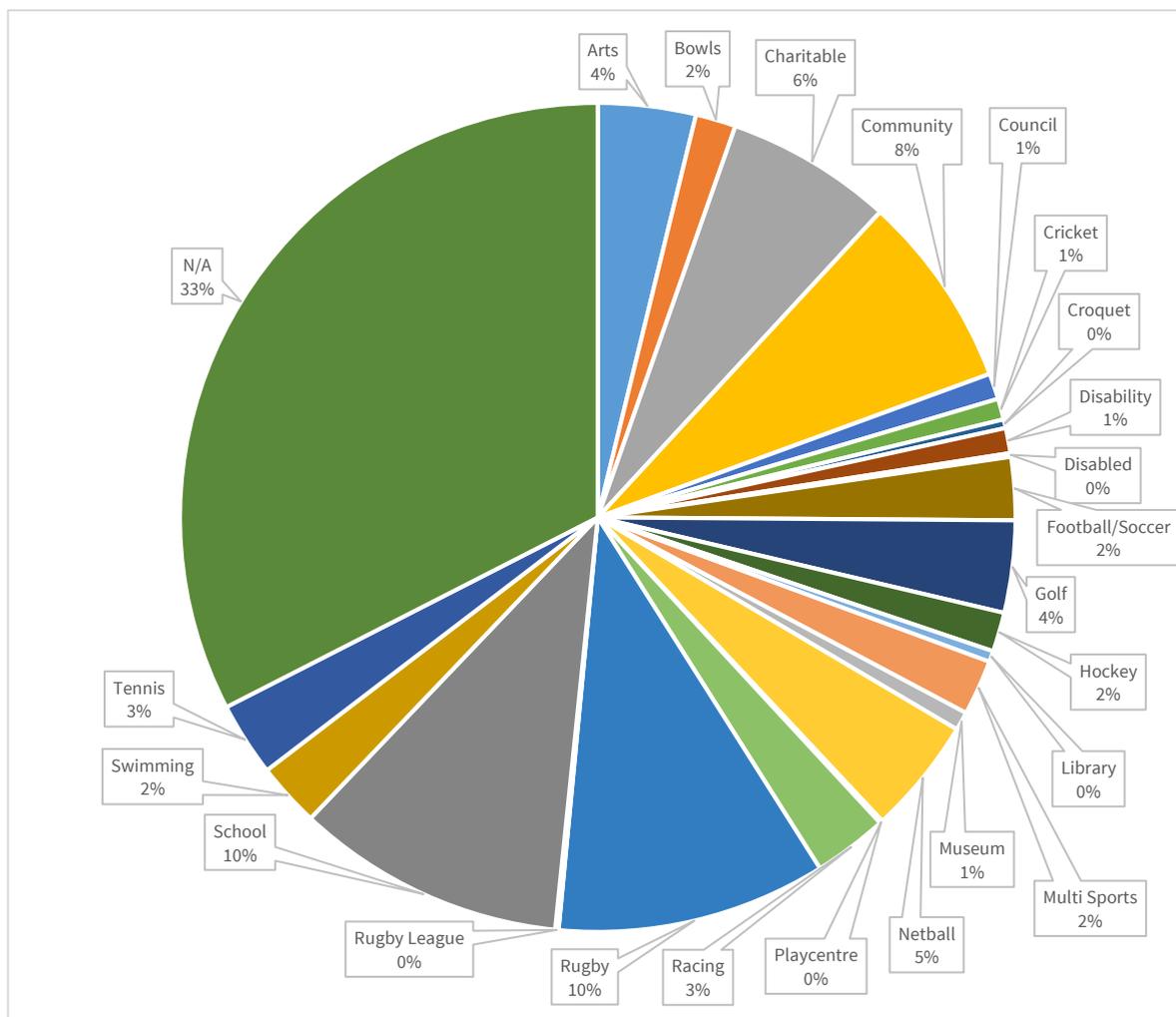
Looking closer at the further breakdown of grants (Table 9-2 and Figure 10), ‘school’ received the most amount of money in grants at 10.44% of total grants (\$144,911.00), ‘rugby’ came in 2nd at 10.42% (\$144,732.00), and ‘community’ came in 3rd at 7.6% (\$104,990.00) of total grants. It is important to note however, that 33% of the total grants were not categorised.

**Table 9-2 - Grants by type, 2020**

Type	Amount granted
Arts	\$ 52,500.00
Bowls	\$ 21,651.00
Charitable	\$ 89,832.00
Community	\$ 104,990.00
Council	\$ 14,000.00
Cricket	\$ 11,352.53
Croquet	\$ 4,709.00
Disability	\$ 13,600.00
Disabled	\$ 2,000.00
Football/Soccer	\$ 34,000.00
Golf	\$ 49,826.00
Hockey	\$ 21,272.00
Library	\$ 5,955.00
Multi Sports	\$ 30,000.00
Museum	\$ 10,000.00
Netball	\$ 63,000.00
Playcentre	\$ 1,558.00
Racing	\$ 40,000.00
Rugby	\$ 144,732.00
Rugby League	\$ 1,825.00
School	\$ 144,911.00
Swimming	\$ 34,490.00
Tennis	\$ 40,000.00
N/A	\$ 452,135.00
<b>TOTAL</b>	<b>\$ 1,388,338.53</b>

Source – Department of Internal Affairs 2021b

**Figure 10 – Class 4 Grants to Ashburton District by type 2020**



Source – Department of Internal Affairs 2021b

## 10. Problem gambling in Ashburton District

### 10.1. Vulnerability

A survey undertaken in New Zealand by Abbott and Volberg (2000) found the prevalence of problem gambling varies significantly according to demographic variables. The variables identified were age, ethnicity, highest qualification, labour force status, occupation, household size and household income (Abbott and Volberg, 2000). In summary, the highest risk demographic groups identified were:

- People aged between 25 and 45 years
- People who identify as Maori and Pacific Island

- People with no formal qualification
- People who are unemployed
- People who work in elementary occupations and plant and machine operators and elementary occupations
- People living in households with 5 or more people
- People who live in households with an income of \$20,000 to \$30,000<sup>8</sup>.

## 10.2. Problem gambling services

There are two main providers of counselling to problem gamblers in Ashburton District, the Problem Gambling Foundation and the Salvation Army Oasis Centre. Both organisations provide services as an outreach from Christchurch and conduct counselling services in Ashburton District on an ‘as required’ basis.

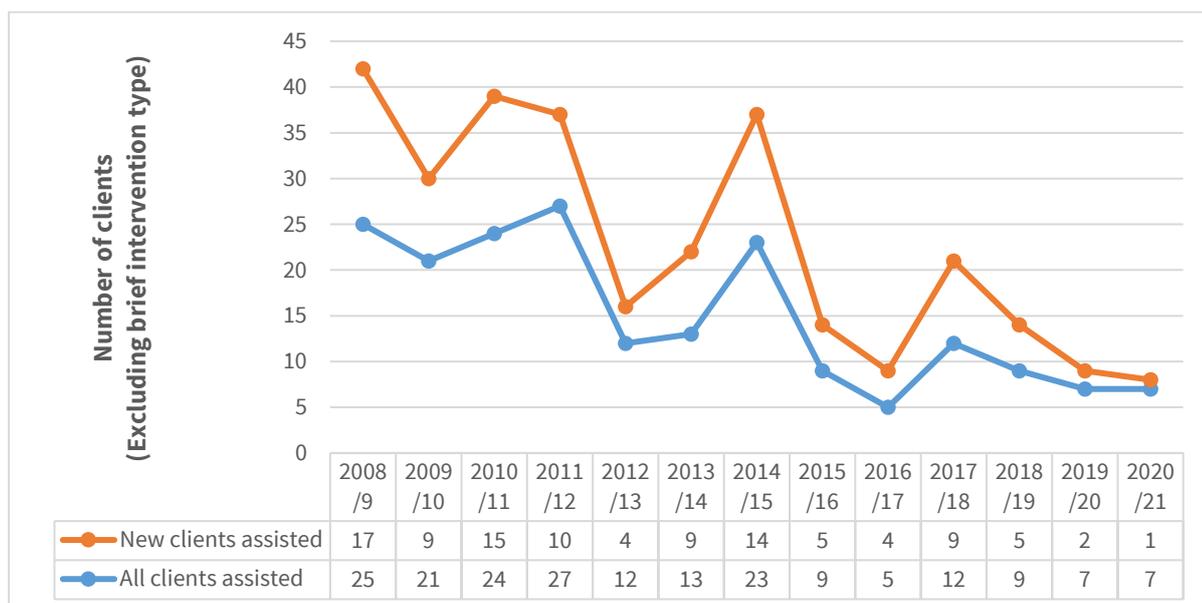
The Ministry of Health collates gambling service intervention data throughout New Zealand. Figure 11 shows the number of new and repeat clients in Ashburton District for the years 2008/09 to 2020/21.<sup>9</sup> It is important to note that the total number of clients excludes brief interventions. These interventions are often administered at large group events and fairs where people affected by gambling harm are likely to be in attendance. Because of the nature of these interventions, the numbers can fluctuate. Therefore excluding brief interventions from the data set provides a more accurate depiction of the change in the number of clients.

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<sup>8</sup> Equivalent to income of \$33,226 to \$49,839 in 2022. Information retrieved from Reserve Bank of NZ inflation calculator.

<sup>9</sup> The Ministry of Health changed the definition of intervention clients in 2008 to include a wider group, in particular clients who accessed intervention services through telephone only. For this reason, direct comparisons with data prior to 2008 cannot be made.

**Figure 11 - Number of clients (excluding brief interventions) in Ashburton District 2008/09 – 2020/21**



Source - Ministry of Health (2022) (excluding brief intervention type).

Figure 12 shows the number of new problem gambling intervention clients for Ashburton District, compared to New Zealand as a whole in 2020/21.

**Figure 12 - Problem Gambling Clients, Ashburton District compared to New Zealand 2020/21**

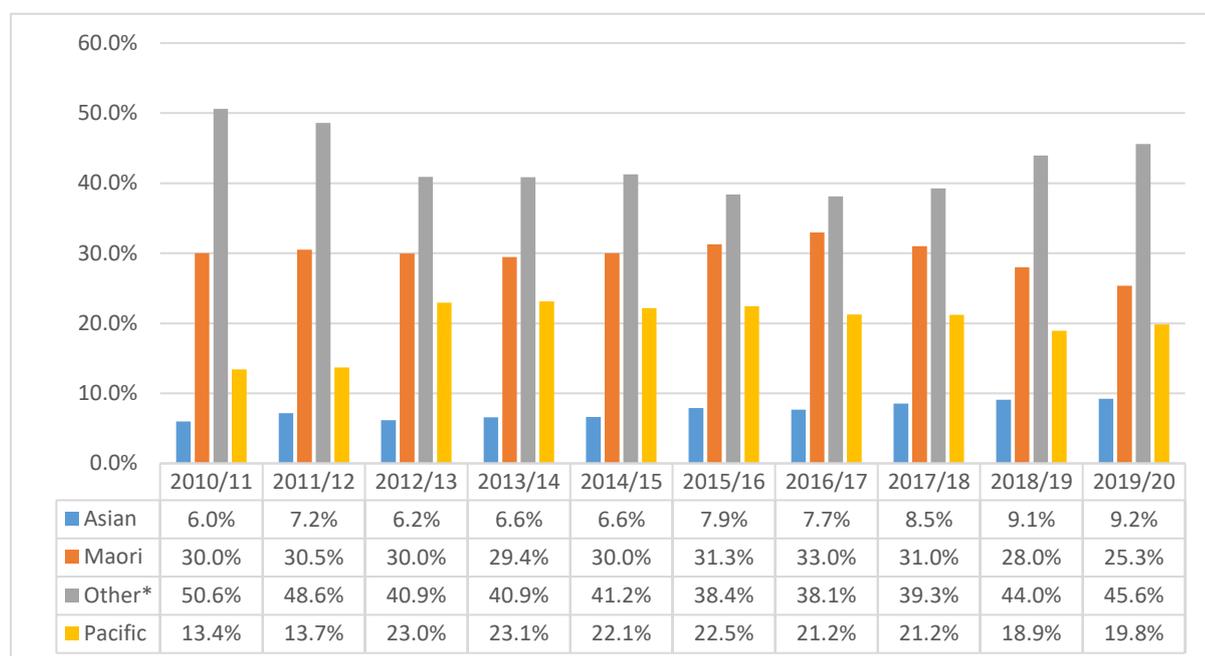
	Ashburton District (pop estimate 35,900)	New Zealand (pop estimate 5,122,600)
<b>New clients requiring an intervention</b>	1	2,311
<b>(Excluding brief interventions 2020/21)</b>	0.03 clients per 10,000 people	4.51 clients per 10,000 people

Source - Ministry of Health (2022).

Comparatively, the number of people seeking assistance for gambling problems in Ashburton District is lower than the national figures. Both have decreased since 2015, when there were 4.2 clients per 10,000 requiring an intervention and 8.9 clients per 10,000 nationwide. As a percentage, Ashburton District accounts for 0.04% of the total number

who accessed gambling intervention services in 2020/21, down from 0.32% in 2014-15 (Ministry of Health, 2022). This figure is well below Ashburton District’s proportion of the total population of New Zealand.

**Figure 13 - Problem Gambling Clients by ethnicity (NZ), excluding brief intervention**



Source - Ministry of Health (2022). \*Other includes New Zealand European and ethnic groups not otherwise specified.

Figure 13 shows the ethnic breakdown of problem gambling clients in New Zealand from 2010 to 2020. Both Maori and Pacific people are often over-represented in these statistics. A breakdown of interventions within Ashburton District by ethnicity is not available.

Other factors which have been anecdotally reported as possibly having an impact on problem gambling figures in the Canterbury region include reported high level of migration of residents displaced by the Christchurch earthquakes of 2010 and 2011, and associated stress. This doesn’t appear to be reflected in the ‘full intervention’ clients in Ashburton District, as numbers are lower than 2009, pre-earthquake levels.

## **11. Impact of Ashburton District Council’s Gambling Venue Policy**

### **11.1 Ashburton District Council’s Gambling Venue Policy**

Ashburton District Council has had a Gambling Venue Policy since 2003. The policy has the following provisions:

### **Where Racing Board venues may be established:**

Racing Board venues may be established in Ashburton District subject to:

- meeting application and fee requirements;
- the venue being for the purposes of race and sports betting and:
  - controlled by the New Zealand Racing Board, or
  - owned or leased and operated by the New Zealand Racing Board
- the venue being within a business zone of the Ashburton District Plan, or otherwise permitted by resource consent
- that necessary resource consent(s) have been granted and complied with
- the venue not being one where the primary activity of the venue is associated with family or children's activities and is not on a site listed as a “designated site” within Appendix A.1 of the Ashburton District Plan (Operative 2001).

### **Where Class 4 gambling venues may be established:**

Class 4 gambling venues may be established in Ashburton District subject to:

- meeting application and fee requirements. The primary activity of the venue being:
  - for the sale of liquor or for liquor and food, or
  - the venue being a New Zealand Racing Board venue, and
  - the venue being within a business zone of the Ashburton District Plan, or otherwise permitted by resource consent.
- that necessary resource consent(s) have been granted and complied with; and
- the venue not being one where the primary activity of the venue is associated with family or children's activities and is not on a site listed as a “designated site” within Appendix A.1 of the Ashburton District Plan (Operative 2001).

### **Numbers of gaming machines to be allowed:**

- New venues shall be permitted a maximum of 5 gaming machines.
- Existing venues, with licences issued before 17 October 2001, operating 9 or more gaming machines on 22 September 2003, shall be permitted to increase the number of machines operated at the venue to a maximum of 18 machines.
- Existing venues with licenses issued after 17 October 2001 and operating 7 or less gaming machines on 22 September 2003, shall be permitted a maximum number of 7 machines.
- No venue shall operate more than 18 gaming machines.

### **Transfer of existing Class 4 gambling venue conditions:**

- Council's policy allows the transfer of existing class 4 gambling venue conditions provided that the Waikiwi case law criteria is met, as this is not considered a 'relocation'.
- This criteria is that:
  - The new building will be in a site that is very close to the existing site;
  - The class 4 venue's name will be the same;
  - The ownership and management of the venue will be the same; and
  - For all intents and purposes, the patrons and public will regard the venue as being the same venue, even though its physical location will change in a relatively minor way.

## **11.2 Summary of pre-consultation feedback on current Gambling Venue Policy**

Key stakeholders were sent a letter requesting information considered relevant to the updating of this report be provided. As a result, those who responded also provided feedback on the current policy, and changes they would like to see in the 2022 review.

### **The Lion Foundation**

- Notes that the Braided Rivers Community Trust has been appointed as a grant committee to ensure that local community organisations benefit from grant funding
- Notes the decline in machines and venues, and that there has been no growth to suggest a change to the policy is necessary or justified
- Does not believe that a sinking lid policy will help to reduce gambling harm, believes it is a blunt tool with little effect
- Concerned about the increase of accessibility to offshore unregulated online gambling
- Submits that reduction in physical, safe environments will facilitate further harm, and that their venues provide a safe environment for those who choose to gamble
- Notes that all venue staff are trained in harm minimisation
- Supports the retention of the current policy
- Attached letters of support from a number of organisations within the district that have received grants.

### **New Zealand Community Trust**

- Supports the current policy as it allows for relocation and does not have a sinking lid
- Notes that 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. The TBD advisory report also notes that costs relating to gambling harm are subject to considerable research, however the benefits of gambling are often overlooked
- Notes that the removal of gaming venues will likely result in the move to the online environment where gambling is unregulated, unmonitored, and have no harm minimisation measures. There is also no return to benefit the NZ community via online gambling
- Notes that class 4 societies must distribute or apply 100% of profits to community authorised purposes and notes that it is a not-for-profit model
- Suggests that the Covid-19 pandemic means there is more reliance on grants and public donation for voluntary organisations
- Reports that problem gambling rates in New Zealand are low compared to other countries (such as UK, Australia, USA and Canada)
- Notes that reducing the number of gaming machines does not reduce the prevalence of problem gambling.

### **Salvation Army Oasis Centre**

- Notes that gambling harm from class 4 gaming machines seems to impact mostly on those who are already vulnerable and experiencing poverty
- Notes that continued failure to address and respond to these inequities is not only unjust, but in the case of Māori, also constitutes a violation of articles one and three of Te Tiriti o Waitangi
- Reports that there are links between gambling and significant social issues such as domestic violence, child neglect and abuse
- Suggests Councils should play an important role in incentivising communities to seek less harmful ways to fund necessary services as the class 4 community funding model is not sustainable
- Notes that the amount of gambling derived funding is neither stable nor reliable, as seen in the Covid-19 lockdowns
- Recommends a policy with a sinking lid, and no relocation. Notes this is the best way to manage and reduce the number of gaming machines
- Recommends that a sinking lid policy be applied to TABs
- Does not believe that the harm caused by gambling can be 'offset' by charitable contributions

## 12. Social impacts of gambling in high deprivation communities

Living in an area that has a high socio-economic deprivation-score is a major risk factor for problem gambling (Ministry of Health 2008). People who live in lower socio-economic neighbourhoods (generally those with a higher deprivation index score) are more likely to be exposed to gambling and suffer gambling related harm. Research from the Ministry of Health (2008) suggests that people in lower income groups contribute a disproportionately greater amount of their income to gambling than people in a higher income bracket.

Community deprivation in New Zealand is measured through the deprivation index (Atkinson, Crampton & Salmond, 2014) which takes into account a number of variables from the 2013 Census, including:

**Table 12-1 - Community deprivation dimensions and variables**

Dimension of deprivation	Description of variable (in order of decreasing weight in the index)
<b>Communication</b>	People aged <65 with no access to the Internet at home
<b>Income</b>	People aged 18-64 receiving a means tested benefit
<b>Income</b>	People living in equivalised* households with income below an income threshold
<b>Employment</b>	People aged 18-64 unemployed
<b>Qualifications</b>	People aged 18-64 without any qualifications
<b>Owned home</b>	People not living in own home
<b>Support</b>	People aged <65 living in a single parent family
<b>Living space</b>	People living in equivalised* households below a bedroom occupancy threshold
<b>Transport</b>	People with no access to a car

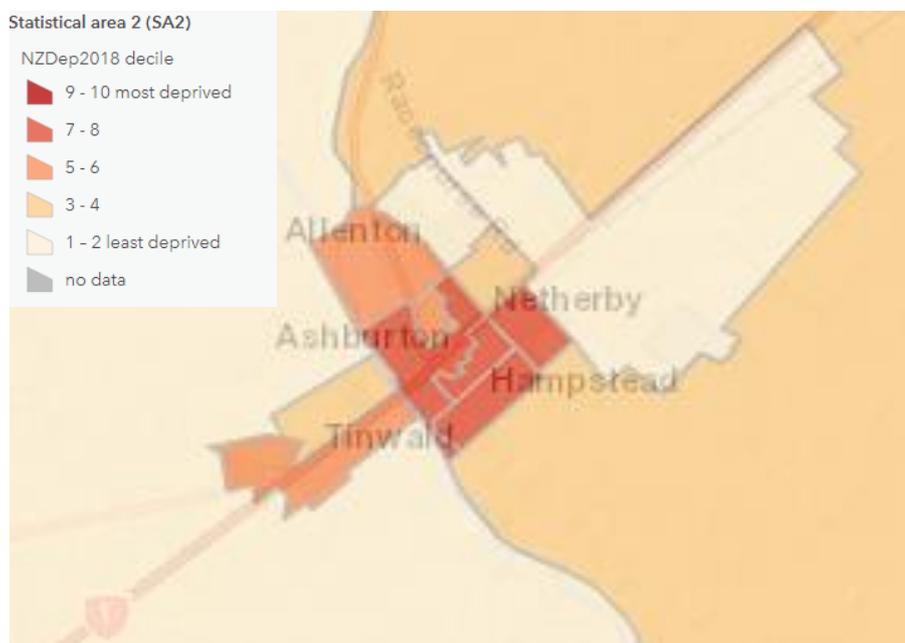
Source - Atkinson et al. (2014).

A score of 10 on the index indicates that the community is in the most deprived 10% of areas in New Zealand and a score of 1 indicates the least deprived areas. It is important to note that urban areas in Ashburton District generally have lower deprivation scores than rural areas.

**Table 12-2 - Number of machines by area (2022) and deprivation score (2018)**

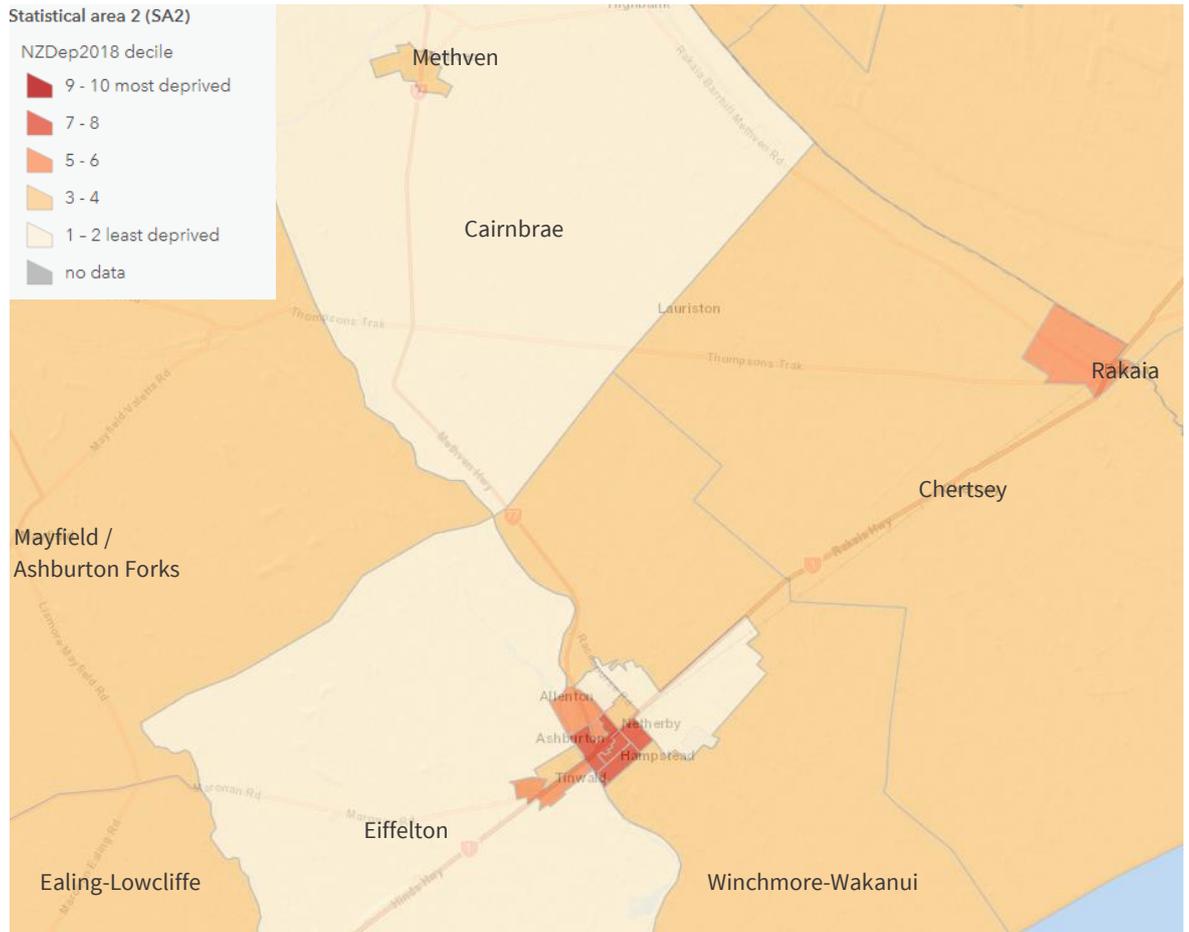
Venue	2022 Number of machines	Area (SA2)	2018 Deprivation score
<b>Ash Hills Dance Bar and Restaurant (formerly Arcadia Restaurant &amp; Bar)</b>	7	Ashburton Central	8
<b>Ashburton Club &amp; MSA</b>	18	Ashburton Central	8
<b>Devon Tavern</b>	18	Ashburton East	8
<b>Phat Duck Ashburton</b>	7	Allenton East	4
<b>Hotel Ashburton</b>	18	Allenton East	4
<b>Hinds Tavern</b>	3	Ealing-Lowcliffe	4
<b>The Blue Pub, Methven</b>	8	Methven	3
<b>Canterbury Hotel (The Brown Pub), Methven</b>	9	Methven	3
<b>Ashburton RSA</b>	14	Ashburton East	8
<b>South Rakaia Hotel</b>	7	Rakaia	6
<b>Railway Tavern, Rakaia</b>	7	Rakaia	6
<b>Tinwald Tavern</b>	18	Tinwald South	6

**Figure 14 - Deprivation in Ashburton District – Urban Areas 2018<sup>10</sup>**



<sup>10</sup> Images taken from NZDep 2018 interactive map – retrieved from [EHINZ](https://www.ehinz.govt.nz/)

**Figure 135 - Deprivation in Ashburton District – Rural Areas 2018**



## 13. Conclusion

### The gambling industry

- Total gambling expenditure had trended upwards between 2010/11 and 2020/21.
- Class 4 gambling in New Zealand appears to have reached a point of maturity with venue and machine numbers in decline.
- Gamblers in New Zealand spent \$2,625 million dollars on the four main forms of gambling in the 2020/21 financial year, \$373 million (16.5 per cent) more than the previous year.
- The introduction of the Gambling Harm and Prevention Minimisation Regulations, 2004 which introduced monitoring and compliance costs, appears to have had an impact on the gambling industry, causing many smaller gambling venues to cease operating.

- It is important to note that the Covid-19 outbreak and subsequent controls such as lockdown, are likely to have had an impact on the gambling data from 2019 onwards.

### **Problem Gambling**

- Problem gambling is a serious social issue for those directly involved in the problem and for the community at large.
- Comparatively, the number of people seeking assistance for gambling problems in Ashburton District is lower than the national figures, per 10,000 of population, and is lower than the 2015 rate.
- Ashburton District accounts for a small proportion of the total number of new people accessing gambling intervention services, at 0.04% in 2020/21.

### **Distribution of Proceeds**

- About \$1.4million was returned to the Ashburton District community in grants in the 2020 calendar year.
- When considering grants by the main categories, sports received the greatest proportion of 38%, followed by community with 25%, arts and culture with 19%, research and education with 12%, and health/welfare/rescue services with 6%.
- Despite the Lion Foundation taking over the management and running of Ashburton Trust Charitable Foundation gaming venues in 2009, a committee of local representatives make decisions on the distribution of funds to community groups. This means that the majority of community grants funded from gaming machine income generated in Ashburton District stay in the district. During 2020 the Lions Foundation accounted for 98% of grants funded (\$1,361,986).

### **Impact of Legislation and Local Policy**

- Gaming machine numbers in New Zealand are naturally declining.
- While the number of gaming machines and venues in Ashburton District has fallen over the past 12 years, this appears to be more a reflection of national trends driven by higher compliance costs and a maturing gaming industry rather than an impact of the ADC Gambling Venue Policy.
- Since the last review, there have been no change in the number of venues or number of machines. That means the average number of machines per venue is now 11 for 2020 (compared to 14 nationwide for 2020).
- The addition of pokie machines as a form of entertainment at licensed premises appears to becoming somewhat “unfashionable”. There have been new on-license premises established in the district since this policy took effect, however none have

applied for a gambling venue license. This is likely due to a combination of higher compliance costs combined with the ADC Gambling Venue Policy machine number restrictions.

## **14. Stakeholders consulted**

The following stakeholders were sent letters requesting information considered relevant to the updating of this report and to the review of the Gambling Venue Policy:

- Age Concern Ashburton
- Arowhenua Whanau Services
- Ashburton Club & MSA
- Braided Rivers Community Trust Association
- Ashburton Performing Arts Theatre Trust
- Ashburton Police
- Ashburton RSA
- Blue Pub Methven
- Brown Pub Methven
- CAP (Christians Against Poverty)
- Caversham Foundation Ltd
- Community and Public Health
- Community House Mid Canterbury
- Devon Tavern
- Eureka Trust
- Family Mental Health Services
- Four Winds Foundation Ltd
- Hakatere Marae Komiti
- Hinds Tavern
- Hospitality NZ
- Hotel Ashburton
- New Zealand Community Trust
- New Zealand Racing Board
- Oasis Centre
- Pegasus Health
- Perry Foundation
- Presbyterian Support
- Problem Gambling Foundation of New Zealand
- Pub Charity
- Railway Tavern
- Safer Ashburton District
- Salvation Army
- Society of St Vincent de Paul
- South Rakaia Hotel
- The Lion Foundation
- The Phat Duck
- Tinwald Tavern
- Waitaha Health

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