



**Kaipara District Council**

**Gambling Policies Review**

**Class 4 Gambling Venues Policy and**

**Totalisator Agency Board (TAB) Venue Policy**



Kaipara te Orahaakui

**KAIPARA  
DISTRICT**

Two Oceans Two Harbours

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## 1 Introduction

### 1.1 Purpose

The Gambling Act 2003 and the Racing Act 2003 were passed into law in 2003. The Acts require every territorial authority to adopt a Class 4 Gambling Venues Policy (s101 Gambling Act 2003) and a New Zealand Racing Board Policy (s65D Racing Act 2003).

These policies are required to be reviewed every three years (s102 Gambling Act 2003; s65E Racing Act 2003), and if the decision is made to amend them, they are required to use the special consultative procedure in s83 of the Local Government Act 2002.

Kaipara District Council (KDC) last reviewed and amended these policies in 2015, which saw the subsequent adoption in June 2015 of the:

- Class 4 Gambling Venues Policy; and
- Totalisator Agency Board (TAB) Venue Policy.

Council, when reviewing the policies, must have regard to the **social impacts of gambling** within the district. There are various social impacts seen in our community from gambling, which includes:

- The Kaipara district spent nearly \$3 million on gaming machines in the year ending December 2017 (DIA, 2018). Nearly half these profits leave the district, by way of central government taxes and corporate society administration costs;
- The Kaipara district received over \$800,000 funding towards community organisations between January 2016 and December 2017 from non-club gaming machine proceeds (Problem Gambling Foundation (PGF), 2018);
- The clubs in the Kaipara district also receive funding from gaming machine proceeds generated in their venues (i.e. Returned Service Associations and sports clubs);
- Gambling can provide entertainment opportunities, allowing for social interaction with others and a release from stress and day-to-day living for people;
- The gaming machine expenditure, measured through gaming machine spend per head, has been slowly increasing, from \$173.39 to \$177.52 per head over the last three years<sup>1</sup> (DIA, 2018); and
- An estimated 0.3% of New Zealand adults are problem gamblers (Allen & Clarke, 2015).

<sup>1</sup> Figures adjusted for inflation, Quarter 1, 2018

This report does not assess social impacts of other types of gambling (i.e. casinos, lotteries or internet gambling). These fall within the scope of regulation of the Department of Internal Affairs (DIA). It is worth noting a number of characteristics and developments in gambling methods that are regulated by the DIA, as these provide context for the figures on Class 4 and TAB gambling. The 2016 Health and Lifestyles Survey found that:

- Lotto is the most common form of gambling in New Zealand, with over 55% of New Zealand adults having purchased a lottery ticket in 2016 (Thimasarn-Anwar, Squire, Trowland & Martin, 2017);
- 10% of adults had played gaming machines at a pub or club (Thimasarn-Anwar et al., 2017). This is a decrease from 19% in 2006/2007 and 13% in 2014;
- 3% of adults had bet money or bought tickets online through an overseas website for money or prizes (Thimasarn-Anwar et al., 2017);
- The proportion of adults playing pokies in pubs or clubs once a week has dropped from 2.0% in 2006/2007 to 0.8% in 2016 (Thimasarn-Anwar et al., 2017).

This report will present the findings of the three-year statutory review, and is intended to inform Council's decision on whether to retain these policies in their current form, or consult with the public on possible amendments to one or both of the policies. This report is intended to be received by Council in preparation for a decision to be made at the Ordinary Council meeting in July 2018.

## 1.2 Definitions

- **Class 4 gambling/gaming:** All gambling using gaming machines (pokies) outside of casinos.
- **Class 4 venue:** A place used to conduct Class 4 gambling, not including a casino, which contains gaming machines.
- **Corporate society:** Non-profit organisations that own and operate gaming machines and distribute part of their profit to community groups in the form of authorised purpose grants. They are also commonly called 'pokie trusts'.
- **Expenditure, proceeds, Gaming Machine Proceeds (GMP):** Interchangeable terms that mean the gross amount wagered by gamblers, less the amount paid out or credited as prizes or dividends. In other words 'expenditure' is the amount lost or spent by players, as well as the gross profit of the gambling operator.
- **Gaming machines:** Electronic gaming machines that operate outside of a casino location (i.e. a club, bar, pub or hotel). They may also be called 'non-casino gaming machines' or more commonly 'pokies'.
- **TAB Venue:** Premises that are owned or leased by the New Zealand Racing Board (NZRB) and where the main businesses carried out at the premises is providing race betting or sports betting services under the Racing Act 2003.

### 1.3 Gambling regulation in New Zealand

The Gambling Act 2003 and the Racing Act 2003 regulate gambling activity in New Zealand. This is mostly done at the national level, through the DIA and the NZRB. However, the Acts do allow for local authorities to play a small role. The Acts allow communities, through territorial authorities, to place permissive or tighter controls on Class 4 and TAB related gambling.

According to s101(3) of the Gambling Act 2003, a territorial authority's Gambling Venues Policy:

- a) *Must specify whether or not Class 4 venues may be established in the territorial authority district, and if so, where they may be located; and*
- b) *May specify any restrictions on the maximum number of gaming machines that may be operated at a Class 4 venue; and*
- c) *May include a relocation policy.*

In determining the contents of its policy, s101(4) of the Gambling Act allows territorial authorities to have regard to relevant matters, including:

- a) *The characteristics of the district and parts of the district;*
- b) *The location of kindergartens, early childhood centres, schools, places of worship, and other community facilities;*
- c) *The number of gaming machines that should be permitted to operate at any venue or class of venue;*
- d) *The cumulative effects of additional opportunities for gambling in the district;*
- e) *How close any venue should be permitted to be to any other venue;*
- f) *What the primary activity of any venue should be.*

Class 4 venue policies that were reviewed after 2013 were required to consider a relocation policy, and the 2015 KDC Policy allows for relocation in specific circumstances (and subject to proximity exclusions).

Section 65D(3) of the Racing Act 2003 states a territorial authority's TAB Venue Policy must specify whether or not new TAB venues may be established in the territorial authority's district and, if so, where they may be located. Similarly to s101(3) of the Gambling Act, s65D(4) of the Racing Act allows territorial authorities to consider relevant matters, including:

- a) *The characteristics of the district and parts of the district;*
- b) *The location of kindergartens, early childhood centres, schools, places of worship and other community facilities;*
- c) *The cumulative effects of additional opportunities for gambling in the district*

## 1.4 Class 4 gambling venues

Class 4 gambling venues are generally run by clubs (including chartered, sports clubs and Returned Service Associations) and corporate societies. There are differences in how they operate, and what they are required to do with the proceeds generated from gaming machines.

- **Corporate societies** (i.e. the Lion Foundation; Pub Charity Limited) pay venues a fee to host gaming machines, and are issued licenses by the DIA. They must be non-profit, and explicitly established to raise funds for community purposes.
- **Clubs** provide pokies for their members and guests only, and use the profits to provide services for the club and its membership.

As at 20 May 2018, there are currently **seven** Class 4 venues operating in the Kaipara, with **60** machines between them (DIA, 2018). These venues are:

- One Returned Service Association (RSA) venue;
- Two sports and social club venues; and
- Four corporate society venues (i.e. pubs)

The ratio of gambling machines to the adult population in the Kaipara district is approximately **1: 276**, which is slightly above the New Zealand figure of **1: 271** (DIA, 2018). There are 1,156 venues across New Zealand, operating 15,632 gaming machines (PGF, 2018).

## 1.5 TAB venues

In 1951, the Totalisator Agency Board (TAB) was established as the only betting operator in New Zealand (NZRB, 2018). In 2003, the NZRB was established under the Racing Act 2003 to administer all racing and sports wagering in New Zealand. The TAB provides sports betting for domestic and international sports events, and is only permitted to allow bets on sports approved by Sports NZ. The NZRB uses the proceeds to support its business operations, and the remainder is distributed to sports codes.

The TAB offers a number of different types of venues (TAB, 2018):

- **TAB Store:** This is an official TAB location. They may be located within another business but they will be in a totally separate area from the host business;
- **Pub TAB:** These outlets are always located within another business, and form part of the services operated by the host. They have all the facilities of a TAB, while offering customers the benefits of being in licensed establishment;
- **TAB outlet:** These offer TAB facilities similar to those found in a pub, but in another business, i.e. working men's clubs or video stores;

- **Pub with TAB self-service terminal:** The terminals offer most of the TAB products, and the business (i.e. the pub) usually does not have any other TAB facilities available;
- **TAB online:** The TAB also offers patrons with the option to have an online gambling account to place bets.

The Racing Act 2003 requires Council to have a TAB Venue Policy, however this only applies to stand-alone TAB venues (Racing Act, 2003). Self-service TAB machines (i.e. in pubs or bars) and franchised outlets (pub TABs, TAB outlets) therefore fall outside the scope of the Policy, and Council's control.

As of May 2018, Kaipara has **no stand-alone TAB venues**, however the current policy provides for a maximum of **two** to establish in the district. There are two self-service venues, and one manned terminal in the Kaipara district (NZRB, 2018). These are located in pubs and clubs in the Kaipara. There are 602 outlets located across the country (NZRB, 2018).

### 1.6 Council's current gambling venues policies

In June 2015, Council adopted the:

- Class 4 Gambling Venues Policy; and the
- Totalisator Agency Board (TAB) Venue Policy

Table 1 provides an overview of the existing policies.

Table 1: Current KDC policy approach

TAB Venue Policy		
Approach		Description
Whether new venues may establish	Cap	<ul style="list-style-type: none"> <li>• The maximum number of venues is <b>two</b>.</li> </ul>
Where new venues may establish	Proximity rule	<ul style="list-style-type: none"> <li>• TAB venues can move within the district, provided specific circumstances and conditions are met;</li> <li>• A TAB venue can be established (including relocation) but it must be a permitted activity in the District Plan, or have obtained a resource consent;</li> <li>• A TAB venue cannot be established (including relocation) within 100 metres of a kindergarten, early childhood centre, school, place of worship or other community facility.</li> </ul>
How many machines a venue can have	TABs with gaming machines are regulated under the Class 4 Gambling Venues Policy.	

Class 4 Gambling Venues Policy		
Approach		Description
<b>Whether new venues may establish</b>	Sinking lid	<ul style="list-style-type: none"> <li>No new Class 4 venues can be established in the district;</li> <li>This will lead to a decrease in the number of venues and machines.</li> </ul>
<b>Where new venues may establish</b>	Relocations and mergers	<ul style="list-style-type: none"> <li>Class 4 venues can move within the district, provided specific circumstances and conditions are met;</li> <li>Class 4 venues that are clubs are allowed to merge;</li> <li>A Class 4 venue relocation must be a permitted activity in the District Plan, or have obtained a resource consent;</li> <li>A Class 4 venue cannot be relocated within 100 metres of any kindergarten, early childhood centre, school, place of worship or other community facility.</li> </ul>
<b>How many machines a venue can have</b>	Sinking lid	<ul style="list-style-type: none"> <li>Venues total number of pokies is restricted to the number that was licensed on 18 September 2003;</li> <li>Where clubs merge, the total number of machines they can operate is the lesser of 30 gaming machines, or the sum of the machines previously operated by each club individually;</li> <li>This will potentially lead to a decrease in the number of venues and machines within the district.</li> </ul>

### 1.7 Reviewing the policies

The respective legislation requires both policies to be reviewed every three years. This report presents the findings of this review, undertaken by staff, drawing on a number of sources. This included:

- Conducting literature-based research;
- Assessing quantitative data from a number of sources, including the DIA, the Ministry of Health (MOH), the NZRB and the PGF; and
- Seeking insight from key stakeholders (industry representatives and public health organisations).

An earlier draft of this Report was circulated to key stakeholders for their feedback. There was a natural divide between public health organisations who supported the current Policies, and in some cases asked Council to take a more restrictive approach, and organisations that represent venues or own and operate gaming machines, who asked Council to consider a more permissive policy position. The table below has considered responses received from key stakeholders.



Stakeholder	Feedback	Rationale	Council Officer Response
<b>Lion Foundation</b>	Proposes a cap on existing machine numbers (i.e. 7 venues, 60 machines) rather than sinking lid policy.	A cap can be reviewed each three years in response to population numbers, and is used by many councils around New Zealand. This allows the Council to control machine numbers, by ensuring the balance of community needs for entertainment and harm minimisation without being administratively onerous.	Council officers are recommending to Council that the Class 4 Gambling Venues Policy be examined to consider the sinking lid versus cap approach to gaming machines.
	Proposes clarification around relocation policy	Suggests the current relocation policy wording is confusing; and provision should be expanded to allow venues to relocate if: <ul style="list-style-type: none"> <li>• The move is to a building with a higher earthquake rating; and</li> <li>• If the move is new, modern premises; and</li> <li>• If the landlord is imposing unreasonable terms.</li> </ul>	Council officers are recommending to Council that the Class 4 Gambling Venues Policy be examined to consider amendments to expand the reasons for relocations, including those proposed by the submitter.
	There is a significant reliance on gaming trusts for community funding.	Research was conducted by Auckland Council for their gambling policy review in 2013, with 990 grant recipients contacted, and 192 completing an online survey. 75% of the respondents indicated that their organisation is moderately or totally reliant on this funding. Over two thirds (68%) thought they would be unlikely to find another source of funding if gaming funding was unavailable.	Council officers have amended the report to include this evidence when examining the financial impacts and benefits of gambling.

Stakeholder	Feedback	Rationale	Council Officer Response
<b>New Zealand Community Trust</b>	Community organisations rely on pub gaming to survive	Annual funding to community organisations from gaming trusts has reduced by around \$60 million since 2003. 75% of groups surveyed in 2012 indicated their organisation is moderately or totally reliant on gaming funding; 55% said there would be a high to extreme risk to their organisation and their core business if they did not receive this funding.	Council officers have amended the report to include evidence of the importance of grants to community organisations when examining the financial impacts and benefits of gambling.
	The review reports findings on funding for community organisation under-estimated funds.	The data was sourced from the PGF, and the data missed out a large number of grants that cannot be obviously identified to a particular territorial authority's district; and does not include funds distributed by clubs.	Council officers have amended the reporting on community funding, following data received from The Lion Foundation and Pub Charity Limited, and has changed reporting to highlight that the funding amount that is known does not include funds distributed by clubs.  All clubs were sent this report for Review, and have not replied with data regarding their funding and how it is applied or distributed.
	Recommends a change from sinking lid to a cap based on current gaming machine numbers, or a ratio of machines per head of population.	Kaipara district is a 'low risk' for problem gambling. There is no justification for the current sinking lid and restricted relocations policy.	Council officers are recommending to Council that the Class 4 Gambling Venues Policy be examined to consider the sinking lid versus cap approach to gaming machines.
	Recommends a broad relocation policy.	This will allow venue operators to move to new premises for their own reasons, as well as when forced to by circumstances beyond their control.	Council officers are recommending to Council that the Class 4 Gambling Venues Policy be examined to consider amendments to expand the reasons for relocations, including those proposed by the submitter.

Stakeholder	Feedback	Rationale	Council Officer Response
Pub Charity Limited	PCL encourages Council to submit the policy proposal to a full public consultation process.	That a failure to communicate with and consider the views of local community groups should be considered.	<p>If Council resolves to amend either or both of the Policies, they are required to be amended using the Special Consultative Procedure of the Local Government Act i.e. 'full public consultation process'.</p> <p>The Policies in their current state underwent this in 2015, and <b>three</b> submissions were received.<sup>2</sup> The current Policy position (i.e. a sinking lid) has already been subject to the full public consultation process, and no submissions were received by community groups.</p> <p>If Council chooses to amend the current Policy, Council staff will invite known grant recipients to submit on the proposed Policy.</p>
	Failure to communicate with and consider the views of local community groups that benefit from Class 4 funding.	That the funding generated from Class 4 gambling is essential for the operation of a number of community organisations.	<p>The author has amended the Report to include data gained regarding community groups feedback on the importance of funding from Auckland Council in 2013.</p> <p>The author notes that if the Policy is amended, it would undergo full public consultation, and community groups would be able to submit on the proposed Policy.</p>
	The report is misleading, inaccurate or selective in the nature of information presented.	PCL raised concerns about data being gained from PGF; causative links being drawn between problem gambling and negative health, economic and social impacts; the expenditure data used by the author; the lack of evidence in order for the author to reach conclusions on	<p>The author has subsequently reviewed and amended the report to:</p> <ul style="list-style-type: none"> <li>• Cite PGF as a main source of data;</li> <li>• Update funding information received from corporate societies (including PCL and TLF), including a full</li> </ul>

<sup>2</sup> Problem Gambling Foundation, New Zealand Community Trust and Clubs New Zealand Incorporated.

Stakeholder	Feedback	Rationale	Council Officer Response
		the policies effectiveness; lack of information on TAB spending; community funding not explicitly mentioning club funds; use of the term 'problem gambler'.	<p>breakdown of funding received in the Kaipara as an appendix to the Report (<b>Appendix 1</b>);</p> <ul style="list-style-type: none"> <li>• Confirm that the links between problem gambling and negative impacts are 'associative', rather than 'causative';</li> <li>• Include information provided from PCL regarding the likelihood of problem gambling to be associated with another mental health diagnosis;</li> <li>• Use of inflation-adjusted data throughout the report where possible;</li> <li>• An admission that adequate data is difficult to ascertain;</li> <li>• Inclusion of definitions from the Problem Gambling Severity Index (PGSI) and ensuring 'problem gambler' is not used as a blanket term, but rather reflects the prevalence of 'problem gambling' (i.e. 0.3% of New Zealand's population).</li> </ul>
<b>Ministry of Health (MOH)</b>	Supportive of the review report.	MOH commended the use of DIA figures in particular and provided links to current and updated research reports.	The author has in particular used the updated 2016 Health and Lifestyles Survey (Feb 2018) which has indicated declining numbers of problem gamblers in New Zealand.
	Recommends examining the policy framework for mergers.	KDC's current policy has a limit of 30 machines maximum for merging clubs, which is the highest possible limit under the Gambling Act. Kaipara has 4 out of 7 venues as clubs, with 25 machines combined. If all	Council officers have considered the possibility of this, however notes that these clubs are geographically spread out (i.e. Dargaville, Mangawhai and Ruawai) and a merger between them is generally considered

Stakeholder	Feedback	Rationale	Council Officer Response
		the clubs wanted to they could potentially move all machines into a single venue.	unlikely. If Council chooses to review the current Policy, the framework regarding club mergers can be considered.
<b>Problem Gambling Foundation</b>	Recommends the Policy is made more restrictive, to prohibit relocations and club mergers.	PGF states this will provide a 'true sinking lid', and will allow Council's policy to be more restrictive with regard to its high risk population and high deprivation areas.	Council officers are recommending that the Class 4 Gambling Venues Policy be reviewed, particularly the relocation provisions.  The MOH has also recommended that Council consider the potential impacts of the policies current position on mergers.
<b>Gaming Machine Association</b>	Asks Council to replace the sinking lid with a cap at current numbers (7 venues and 60 machines)	The GMA submits that: <ul style="list-style-type: none"> <li>• gaming machine proceeds generated are important for community funding purposes (including funds gathered and distributed in clubs);</li> <li>• there is a high percentage of return to players on a non-casino gaming machine;</li> <li>• gaming machine numbers are in natural decline;</li> <li>• problem gambling rates are on the decline; that problem gambling has a low prevalence in New Zealand;</li> <li>• gaming machine societies contribute to a problem gambling fund;</li> <li>• There are significant measures in place to minimise harm from gambling machines (i.e. age limits; restrictive limits on amount of money staked, machines do not accept bank notes above \$20,</li> </ul>	Council officers are recommending to Council that the Class 4 Gambling Venues Policy be examined to consider the sinking lid versus cap approach to gaming machines.

Stakeholder	Feedback	Rationale	Council Officer Response
		<p>ATMs are excluded from gaming rooms; venues must have harm minimisation policies; gaming venue staff are required to have undertaken awareness and intervention training).</p>	
	<p>Asks Council to expand the relocation provision, provided a draft wording for the relocation provision.</p>	<p>Similar to other stakeholders (TLF, NZCT), the GMA has asked Council to consider expanding the relocation provision to enable venues to move:</p> <ul style="list-style-type: none"> <li>• to new modern, premises; and</li> <li>• to buildings that have a high earthquake rating; and</li> <li>• if the current landlord is imposing unreasonable terms</li> </ul> <p>These expansions will allow businesses to upgrade their premises, revitalise business districts, and address health and safety and legislative requirements (i.e. earthquake-prone buildings).</p>	<p>Council officers are recommending to Council that the Class 4 Gambling Venues Policy be examined to consider amendments to expand the reasons for relocations, including those proposed by the submitter.</p>
<p><b>Department of Internal Affairs</b></p>	<p>The DIA does not generally submit on Council policies, however has suggested KDC consider some of the stated application requirements.</p>	<p>KDC's current Policy requires an applicant provide:</p> <ul style="list-style-type: none"> <li>• evidence of Police approval for owners and managers of the venue; and</li> <li>• a 12-month Business Plan or budget for the establishment, covering both gambling and other activities proposed for the venue.</li> </ul> <p>The DIA has stated these requirements are more applicable for a licence application under the Sale and Supply of Alcohol Act 2012, and that they potentially impinge on the statutory responsibility of the DIA (i.e.</p>	<p>Council officers recommendation for the Class 4 Gambling Venues Policy has highlighted that amending the Policy will allow the opportunity for the DIA's concerns to be addressed.</p>

Stakeholder	Feedback	Rationale	Council Officer Response
		under s68 of the Gambling Act 2003, it is the Secretary's responsibility to determine the suitability of key persons involved in the operation of the venue).	
<b>Northland District Health Board</b>	The NDHB supported the initial recommendation of the author to 'roll-over' the current Policies.	This support is based on the NDHB stating the current policies: <ul style="list-style-type: none"> <li>• have the best fit for the risk profile of the district;</li> <li>• enable Council to control the growth of gambling; and</li> <li>• minimise gambling harm.</li> </ul>	

There was a large proportion of feedback received that sought to compare the potential harm of Class 4 gambling with other modes of gambling. In particular, the rise in Lotto (which has increased its proceeds by 32% between 2015 and 2017) and online gambling was cited. There was a particular focus on the problems and dangers of online gambling, and it should be noted that there are significant differences between online gambling and gambling in Class 4 venues, and their potential to contribute to New Zealand communities. In particular, it was noted that offshore-based Internet gambling does not provide tax revenue, and no contributions are made to the New Zealand Problem Gambling Levy (a fund that is currently generated through gaming machine proceeds).

There was also a significant amount of feedback citing the measures undertaken to minimise and mitigate gambling harm by Class 4 hosts, including limits on amount of money that can be staked; gaming machines that must display a pop-up that interrupts play; gaming venues being required to have a harm minimisation policy; venues having signage and promotional material on the characteristics of problem gambling; and the highly regulated and controlled mechanisms of the machines themselves.

## 2 Context

### 2.1 Social impacts

The legislation requires Council to have regard to the social impacts of gambling when developing and reviewing its gambling venue policies. This section provides some context for the review of these policies, with a focus on gaming machines in Class 4 venues, and TAB venues. Kaipara data has been used where available.

Figure 1 shows New Zealand's annual expenditure on the four most significant forms of gambling for the period 2009/2010 to 2016/2017.

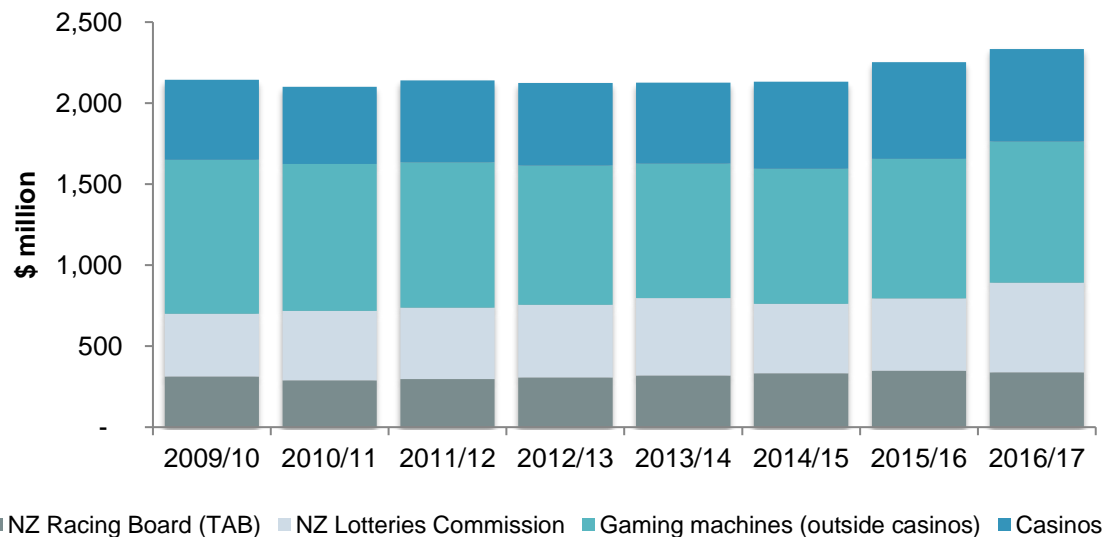


Figure 1: Total inflation adjusted gambling expenditure 2009 – 2017 (DIA, 2018)

Figure 2 compares New Zealand's annual expenditure across the four main forms of gambling for the period 2009/2010 to 2016/2017. It shows that across all years, the most money was spent on gaming machines, and the least at TAB venues. Figure 2 also shows a downward trend in gaming machine expenditure, until a gradual increase in 2014.



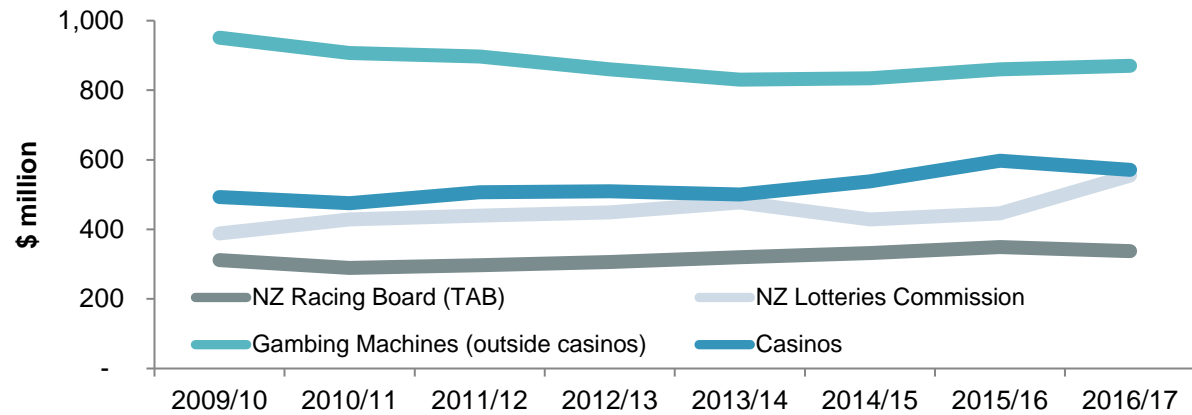


Figure 2: Inflation adjusted gambling expenditure by type (2009 - 2017) (DIA, 2018)

TAB, gaming machine and casinos have seen an increase in spend since 2013/2014, whereas money spent on lottery products marginally declined between 2013/2014 and 2014/2015, before rising again in 2015/2016.

### 2.2 Expenditure on gambling at Class 4 venues

Gaming machines must return a certain percentage back to the player over time. This is known as theoretical return to player (RTP) and is measured against turnover. There is an upper limit here of 92%, although some games are set to return slightly lower. This is highly variable in the short term, but represents an average across the life of the gaming machine. On average, for every dollar gambled, the patron can expect to win back \$0.92 if the RTP is set to 92% (PGF, 2018).

Figure 3 shows the contribution by different Class 4 venue types, using national averages formulated by venue type and number of machines at each venue, extrapolated using Kaipara venue and machine numbers (DIA, 2018). As Figure 3 shows, the vast majority of gaming machine proceeds in the Kaipara are generated in non-club spaces i.e. pubs and taverns.

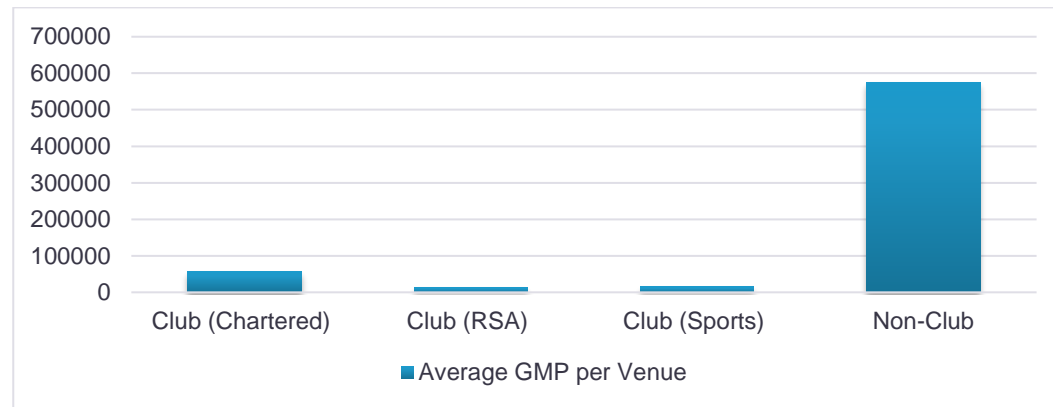


Figure 3: Average GMP per venue (quarter ending 31 December 2017) (DIA, 2018)

Table 2 below presents the total amount of GMP from Class 4 gaming machines in the Kaipara district, in comparison to all of New Zealand, for the years 2014 to 2017, and the percentage of the New Zealand total the Kaipara district’s spend contributes.

Table 2: GMP in Kaipara vs New Zealand 2014 – 2017 (DIA, 2018)

Year	Kaipara	New Zealand	Kaipara % of New Zealand total
2014	\$2,499,495.80	\$808,023,775.45	0.31%
2015	\$2,626,073.20	\$653,113,672.78	0.40%
2016	\$2,845,875.70	\$857,013,483.58	0.33%
2017	\$2,975,498	\$882,718,941.42	0.34%

Table 3 shows a number of indicators, and how they have changed since 2015, when the last Class 4 Gambling Venues Policy was adopted. This includes:

- Decreases in venues and gaming machines in the Kaipara;
- Increases in total Gaming Machine Proceeds (GMP) generated in the Kaipara;
- Percentage changes in GMP from the previous year, showing small year-on-year increases;

- An average spend per machine, showing more is spent on each machine as the machines decrease; and
- An average spend per head showing an increase over the life of the Policy of \$4.19 per adults in the Kaipara. Pub Charity Limited has submitted that the total average spend per week is \$3.40.

The data provided by the PGF (2018) shows that the Kaipara has the 55<sup>th</sup> highest loss per head of population out of 67 territorial authorities.

Table 3: Gambling indicators in the Kaipara 2015 – 2017 (DIA, 2018)

	Venues	Gaming machines	Gaming machine proceeds		\$ spend per machine	\$ spend per head (inflation adjusted for Q1 2018)
			Total	% change from previous year		
Year ending 31 December 2017	7	60	\$2,975,498.00	↑ 4.5%	\$49,591	\$177.58
Year ending 31 December 2016	8	65	\$2,845,875.70	↑ 8.4%	\$43,782	\$179.03
Year ending 31 December 2015	9	67	\$2,626,073.20	↑ 5.1%	\$39,195	\$173.39

### 2.3 Expenditure on gambling at TAB venues

In relation to racing's contribution to the New Zealand economy, in 2017 the NZRB:

- made an underlying operating profit of \$148.0 million, up \$3.3 million (2.3%) from 2016 (NZRB, 2018);
- distributed \$9.3 million to 34 national sporting organisations (an increase of 16.1% on the previous year) (NZRB, 2018); and
- distributed \$3.2 million in gaming grants to community sporting organisations (up 6.2% on the previous year) (NZRB, 2018)

There is a distinct lack of data available on TAB expenditure in the Kaipara, however, the NZRB was able to inform Council officers that there have been no distributions made to sporting organisations in the period from June 2015 – December 2017.

## 2.4 Deprivation and Class 4 venues and gaming machines

The geographical location and density of Class 4 venues and gaming machines is important to this report, because research shows that being a problem gambler is significantly associated with living closer to gambling venues. In terms of density, the more gaming venues within a close driving distance of a person's neighbourhood, the greater the likelihood that the person will gamble at a gaming venue (Young, Markham & Doran, 2012). Table 4 shows that the Kaipara's gaming venues are all located in areas of high deprivation (7 – 10) (NZDepIndex, 2013). The deprivation scores of areas are also considered when assessing the Kaipara district's risk profile.

**Table 4: Deprivation index scores of venues in Kaipara**

Venue	Deprivation index score	Number of machines
Mangawhai Club	7	9
Mangawhai Tavern	7	8
Three Furlongs Hotel	9	9
Ruawai Bowling Club	10	3
Northern Wairoa Returned Services Association	9	5
Dargaville Central Hotel	9	9
Northern Wairoa Hotel	9	18

## 2.5 Problem gambling

A problem gambler is defined in the Gambling Act 2003 as 'a person whose gambling causes harm, or may cause harm'. The Act then further defines harm as:

- a) 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 –
  - a. by the person; or
  - b. the person's spouse, civil union partner, de facto partner, family whanau, or wider community; or
  - c. in the workplace; or
  - d. by society at large.

There are various national surveys that report around 80% of the population engage in some form of gambling activity (MOH, 2012, 2014, 2015). This figure has remained largely unchanged since 2005 (MOH, 2012).

New Zealand uses the Canadian Problem Gambling Screen Index (CPGSI) to assess and categorise harms from gambling. These classifications are described as:

- **Problem Gambler:** Likely to be experiencing adverse consequences from their gambling;
- **Moderate Risk Gamblers:** This group may or may not have experienced adverse consequences from gambling;
- **Low Risk Gamblers:** This group likely will not have experienced any adverse consequences from gambling.

The prevalence of moderate-risk gambling and problem gambling has also remained relatively stable over the last decade. In 2014, 0.3% of the adult population were identified as problem gamblers (about 7,000 – 17,000 people), 1.5% were moderate risk gamblers (about 49,500 people), 5.0% were low-risk gamblers (about 165,000 people) and 70% were non-problem gamblers (Browne, Bellringer, Greer, Kolandai-Matchett, Rawat, Langham & Abbott, 2017). The 2016 Health and Lifestyles Survey shows a further reduction in these numbers, and determined that 3.3% of the New Zealand population meets the PGSI criteria for low-risk gambling, 1.5% for moderate-risk gambling, and 0.1% for problem gambling (Thimasarn-Anwar et al., 2017).

When the 2014 figures are extrapolated to Kaipara's population, it translates to:

- 50 people could be problem gamblers;
- 253 people could be moderate risk gamblers;
- 842 people could be low-risk gamblers; and
- 11,788 could be non-problem gamblers.

The Royal Australasian and New Zealand College of Psychiatrists reports that '*approximately 90% of people diagnosed with problem gambling have at least one other mental health diagnosis*'.

In 2012, nearly 70% of problem gambler clients in New Zealand cited gaming machines (including those located in casinos) as their primary mode of gambling (Allen & Clarke, 2015). It should be noted that one in three people seeking help with their gambling outside of casino products are linked to other gambling products, including Lotto and the TAB. The 'problem gambler' is difficult to identify for a number of reasons, including:

- The amount of money gambled, won or lost is not relative to the amount of time spent at gaming machine venues;
- Venue operators and staff cannot determine the frequency that gamblers attend other venues to play other gaming machines;
- Class 4 gamblers do not generally exhibit any anti-social or revealing behaviours at the venue;
- The impact and consequences of gambling addictions are felt within the home and family environment; and
- Gambling addictions are not obvious when a problem gambler is in a single-person situation.

The New Zealand 2012 National Gambling Study (2014) found that Pasifika communities, followed by Maori, are more likely than other ethnicities to be engaged in high risk gambling (Abbott, Bellringer, Garrett & Mundy-McPherson, 2014). These communities often bear extra, culturally specific costs as a result of problem gambling, for instance an erosion of whanau values, negligence of caregiving responsibilities, and the loss of cultural capital (MOH, 2009).

**2.5.1 Problem gambling intervention services**

To address the potential ‘harms’ of gambling, there is a range of problem gambling service providers across New Zealand, some of which specifically target ethnic groups most at risk from harm (Maori, Pacific Island and Asian). The development and implementation of problem gambling intervention services in New Zealand are funded by the Problem Gambling Levy, which is collected from gambling proceeds by the Inland Revenue Department (IRD). The MOH is charged with funding and co-ordinating the intervention services, which are then delivered by a range of service providers by contractual agreement.

Figure 4 shows the total number of clients for intervention services from 2007 to 2015 for gaming machines and TAB betting. This figure includes the gamblers themselves, and family members/affected others. It shows that there was a significant peak in clients for gaming machines in 2009/2010, before the number started decreasing (with a small rise in 2013/2014), and that the total number of clients for TAB betting has been slowly increasing, but at a much smaller overall volume than clients seeking help for gaming machine problem gambling.

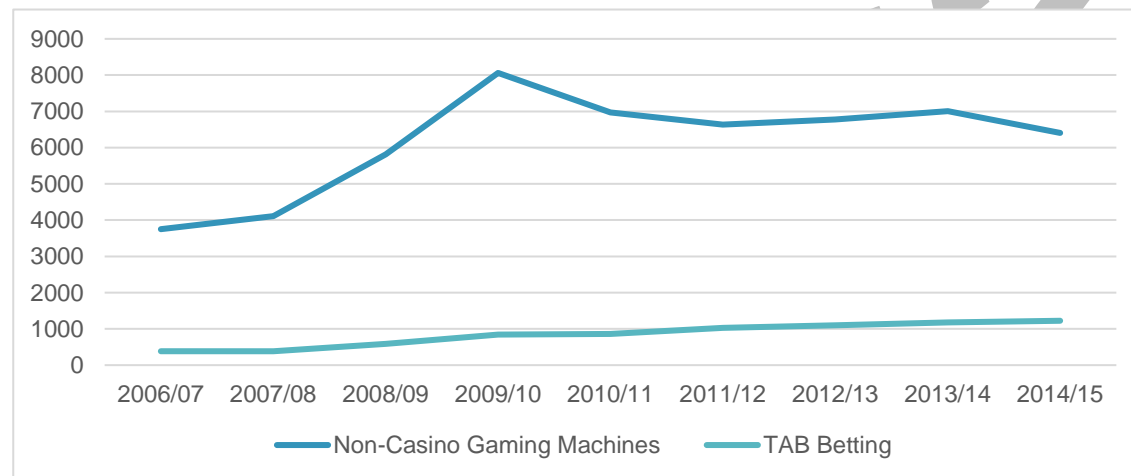


Figure 4: Total number of client for intervention services, 2006 – 2015 (MOH, 2016)

## 2.6 Impacts and benefits of gambling

There are many positive and negative impacts and benefits as a result of gambling. The most pronounced negative effects are financial losses, crime, family violence and addiction to alcohol and tobacco (DIA, 2018). The MOH considers that in New Zealand, gaming machines are strongly associated with a high risk of developing gambling-related harm (MOH, 2016).

TYPE	IMPACTS
<b>Health</b>	<ul style="list-style-type: none"> <li>• 94% of problem gamblers report having smoked 100 or more cigarettes in a given year, compared to 67% for non-problem gamblers (MOH, 2015);</li> <li>• 59.6% of problem gamblers are hazardous drinkers (compared to 41.4% for non-problem gamblers (Abbott et al., 2014);</li> <li>• 28% of problem gamblers report going without fresh fruit and vegetables, compared to 6% of general adults (Abbott &amp; Volberg, 1991);</li> <li>• 41.5% of problem gamblers reported using cannabis compared to 12.3% of non-problem gamblers (Abbott et al., 2014);</li> <li>• 1 in 5 problem gamblers are affected by increased risks of mental disorder (i.e. depression), anxiety attacks and stress (Levy, 2015);</li> <li>• 1 in 33 adults reported an argument about gambling in their household during the past 12 months (MOH, 2012);</li> <li>• 1 in 36 adults reported their family or household had gone without something they needed or that bills were not paid because of gambling (MOH, 2012).</li> </ul>
<b>Financial</b>	<ul style="list-style-type: none"> <li>• Problem gambling can lead to higher debts, fewer resources to spend on accommodation, food, clothing and education (Levy, 2015);</li> <li>• Family and household finances in Maori communities are often interconnected, exacerbating risks that the whole household can be affected (Levy, 2015);</li> <li>• Problem gamblers are more likely to experience higher levels of deprivation, with close to three-quarters reporting they were forced to purchase cheaper food during the past 12 months, compared to a quarter of adults generally (MOH, 2015);</li> <li>• Gaming machines can have a positive social impact, in that it often provides base funding for clubs that own Class 4 gaming machines;</li> <li>• A number of stakeholders replied to the review report with evidence regarding community benefits. For example, Auckland Council conducted research in 2013, with 192 recipients of grants completing an online survey. 75% of survey respondents indicated their organisation is moderately or totally reliant on this funding, and 68% thought they would be unlikely to find another source of funding if gaming funding was unavailable;</li> <li>• The Gaming Machine Association submitted that \$300 million in grants are made each year from non-casino gaming machines, that clubs in New Zealand receive approximately \$50 million each year in gaming proceeds, and that the total authorised purpose funding (including</li> </ul>

TYPE	IMPACTS
	<p>non-published authorised purpose payments) received from Kaipara district-based venues is over \$1.17 million annually;</p> <ul style="list-style-type: none"> <li>• The money generated can also improve facilities and services through funding;</li> <li>• The return to players on non-casino gaming machines is required to be set between 78% and 92%, with most being set at 91.5%. On average, for every \$1.00 gambled, 91.5 cents is returned to the player in winnings.</li> </ul>
<b>Interpersonal relationships</b>	<ul style="list-style-type: none"> <li>• Relationships and access to social networks are negatively impacted by problem gambling. It may lead to housing evictions, child neglect and health problems (Levy, 2015);</li> <li>• It is estimated that one person's gambling typically affects 5 – 10 people (Allen &amp; Clarke, 2015);</li> <li>• 1 in 12 participants in the New Zealand 2012 National Gambling Study were of the view that they had been affected personally by another person's gambling (Abbott et al., 2014).</li> </ul>
<b>Family violence</b>	<ul style="list-style-type: none"> <li>• In a recent New Zealand study (AUT, 2017), 370 gamblers and 84 affected others accessing national problem gambling treatment services took part in a survey on gambling and family/whanau violence and abuse (454 total participants). The main findings were that: <ul style="list-style-type: none"> <li>○ the most common abuse was verbal (37% 'screamed or cursed at' another person)</li> <li>○ physical abuse was less common: <ul style="list-style-type: none"> <li>▪ 7% caused physical harm;</li> <li>▪ 9% threatened physical harm;</li> </ul> </li> </ul> </li> <li>• More affected others reported committing and being victims of violence and abuse than gamblers.</li> </ul>
<b>Entertainment</b>	<ul style="list-style-type: none"> <li>• Entertainment can be a positive impact of gambling, provided it is communal and safe (i.e. housie);</li> <li>• Gaming machines do not provide the same social well-being gains;</li> <li>• Gaming machines in clubs are often considered less harmful than in private bar/tavern venues, as staff and other club members are more likely to identify and address problem behaviours early.</li> </ul>
<b>Employment</b>	<ul style="list-style-type: none"> <li>• 57% of problem gamblers report having been out of work for more than one month, compared to 20% of non-problem gamblers (Abbott &amp; Volberg, 1991);</li> <li>• 32% of problem gamblers report receiving income from the benefit, compared to 13% of general adults (Abbott &amp; Volberg, 1991);</li> <li>• Problem gambling can affect working performance. Absenteeism and theft of resources to support gambling activities are other manifestations of gambling-related problems;</li> </ul>



TYPE	IMPACTS
	<ul style="list-style-type: none"> <li>• The Australian Productivity Commission (1999; 2010) notes that the retail sector is adversely affected by gambling venues;</li> <li>• Other surveys establish a positive correlation between gambling and regional economic benefits, including increased consumption of goods, but also of alcohol and tobacco;</li> <li>• The NZRB directly employs around 835 staff (NZRB, 2018)</li> <li>• A 2010 report by the NZRB stated the racing industry employs more than 16,930 FTE positions (NZRB, 2010).</li> </ul>

### 2.7 Distributing the proceeds from gaming machines

An important distinction between profits obtained from Class 4 venues and other forms of gambling is that a portion of the net proceeds must be used for 'authorised purposes'. Under the Gambling Act 2003, authorised purposes means:

- Charitable purposes;
- Non-commercial purposes beneficial to the whole or a section of the community; and
- Promoting, controlling and conducting race meetings under the Racing Act 2003, including the payment of stakes.

Societies that operate gaming machines fall into two main categories:

- **Clubs** that operate gaming machines in their own premises (chartered clubs, sports clubs or Returned Service Associations). The proceeds from clubs are often spent by the clubs for their own authorised purposes (i.e. the operating costs for the club). Therefore, the funds are returned to the community where they came from and can benefit the community directly. It should be noted that the figures and tables below do not consider the gaming machine proceeds raised by clubs, as these are generally not reported on;
- **Corporate societies** that operate gaming machines in commercial venues (typically pubs, hotels or restaurants). There are three corporate society venues in the Kaipara district.

About a quarter of the gaming machine profits (GMP) are spent on fixed costs (i.e. Government duties, levies and licensing fees) and another portion of the proceeds are used by societies to meet their 'actual, reasonable and necessary' operating costs that they incur in running their operation. This includes local businesses being paid a commission by corporate societies for hosting machines in their venues. The remainder is 'net proceeds', and this must be allocated to authorised community purposes. At least 40% of the proceeds generated from gaming machines are required to be spent on authorised purposes, which is generally done by way of society grants. In this way, Class 4 gambling provides dividends for the community.

These grants are given to community organisations, including multiple sports codes, education groups, community service organisations and cultural and art organisations.

Council staff sought information from the PGF on the distribution of gaming proceeds in the Kaipara, and this was updated within information received from Pub Charity Limited and The Lion Foundation as part of the informal feedback process in June 2018. Table 5 shows the top four pokie trusts contributing to the Kaipara, with the grants distributed from the period 01 January 2016 to 31 December 2017.

**Table 5: Top four pokie trust grants in Kaipara 2016 - 2017**

Trust	Pokie grants
Pub Charity Limited	\$734,091.02
Trillian Trust	\$60,005.80
Lion Foundation (2008)	\$12,487.00
NZ Community Trust	\$9,000.00
Total	\$815,583.82

Table 6 shows the total sum of grants distributed in the Kaipara from the period January 2016 to December 2017. A total of \$819,841.02 was distributed in that period by 'pokie trusts' or corporate societies (PGF, 2018).

**Table 6: Total grants distributed in Kaipara (2016 - 2017) (PGF, 2018)**

Trust	Sum of amount
North and South Trust	\$1,258.00
Blue Sky Community Trust	\$3,000.00
Four Winds Foundation Limited	\$3,000.00
NZ Community Trust	\$9,000.00
Lion Foundation (2008)	\$12,487.00
Trillian Trust	\$60,005.80
Pub Charity Limited	\$734,091.02
Total	\$819,841.02

TLF operates nine gaming machines at the Dargaville Central Hotel. During the 2017/2018 financial year, TLF provided a total of \$12,487 in grants to four local groups operating in the Kaipara district:

Organisation	Donation
Girls Brigade (Dargaville Company)	\$524
Hikuwai O Kaipara Waka Ama Club Inc.	\$4,963
Selwyn Park School	\$4,000
Support of Sexually Abused for Dargaville and Districts Inc.	\$3,000

Pub Charity Limited operates two venues, and 26 gaming machines in the Kaipara, and over the period 01 January 2016 to 31 December 2017, they distributed 100 grants, totalling \$734,091.02. These grants are shown in **Appendix 1** of this Review Report.

There are important things to note when considering the distribution of proceeds in the Kaipara:

- Grants analysed are grants made **only** to organisations in the Kaipara i.e. they do not include wider organisations, such as Northland Emergency Services Trust or clubs such as the Northland Rugby Football Union Inc., which includes other territorial authorities;
- PGF had on its database **104 individual grants** in the Kaipara for the period from 01 January 2016 to 31 December 2017 (PGF, 2018);
- The second highest contributor to the Kaipara was the Trillian Trust, who granted \$60,005.80 in the same period (PGF, 2018). This Trust has no venues in the Kaipara, which demonstrates that net proceeds are likely to leave the district in which they were generated.

### 3 Effectiveness of Council policies

This section considers the effectiveness of each of the Kaipara District Council's Policies.

#### 3.1 Class 4 Gambling Venues Policy

The 2015 Policy put a sinking lid on the number of venues and gaming machines throughout the Kaipara. Council determined that a sinking lid was an appropriate method to manage the social impacts of gambling, by controlling the growth in gambling to reduce gambling harm. The Policy does not contain specific objectives, but instead repeats the purpose of the Gambling Act 2003. This is to:

- Control the growth of gambling;
- Prevent and minimise the harm caused by gambling, including problem gambling;
- Authorise some gambling and prohibit the rest;
- Facilitate responsible gambling;
- Ensure the integrity and fairness of games;
- Limit opportunities for crime or dishonesty associated with gambling;
- Ensure that money from gambling benefits the community; and
- Facilitate community involvement in decisions about the provision of gambling

The Policy also states, at 5.1:

***“Objectives of the Policy insofar as promoted by the Gambling Act 2003***

*Council believes that there are a sufficient number of gaming machines and Class 4 gambling venues to serve the demand in the Kaipara district therefore a restrictive policy in the form of a ‘sinking lid’ approach is considered appropriate.*

*The ‘sinking lid’ approach gives Council the opportunity to exercise greater control over the impact of gambling within the district.”*

This has meant that developing indicators to determine the effectiveness, or otherwise, of the policy has required a degree of interpretation. Council officers believe the effectiveness of the Policy should be measured against the objective, as stated in 5.1, to ‘exercise greater control over the impact of gambling within the district’. This can be interpreted to mean exercising control over the growth of gambling, and preventing and minimising the harm caused by gambling (i.e. the impact). As such, staff believe a number of indicators can be used to determine whether the 2015 Policy has been effective. This includes:

- Number of venues;
- Number of gaming machine numbers;
- Gaming machine proceeds in the district; and
- Number of relocations since the Policy was adopted in 2015.

These indicators do not take into account broader economic variables, such as increases in disposable incomes, spill-over of gambling from one area into another as a result of the sinking lid, and gamblers changing their primary mode of gambling.

Since the Policy’s adoption, there has been a reduction of three venues, and nine gaming machines, equating to a 30% decrease in venues, and a 13% decrease in machines in the Kaipara (DIA, 2018).

Despite the reduction in venues and machines, takings from Class 4 venues in Kaipara was \$2,975,498 for the year ending 31 December 2017 (DIA, 2018). This is an increase of 13% (which equates to \$349,424.80) from the total year ending 31 December 2015 (DIA, 2018). However, this mirrors the national trend, which has seen the gaming machine proceeds in New Zealand as a whole increase by 9%, and has increased from \$826,980,832.78 (2015) to \$882,718,941.42(2017) (DIA, 2018).

There are difficulties in measuring whether the Policy has been effective in preventing and minimising the harm caused by gambling. There are significant shortcomings in the quality of data available, particularly at a local level, with data in the period post-Policy adoption being hard to attain, and there are difficulties attributing causation with intervention.

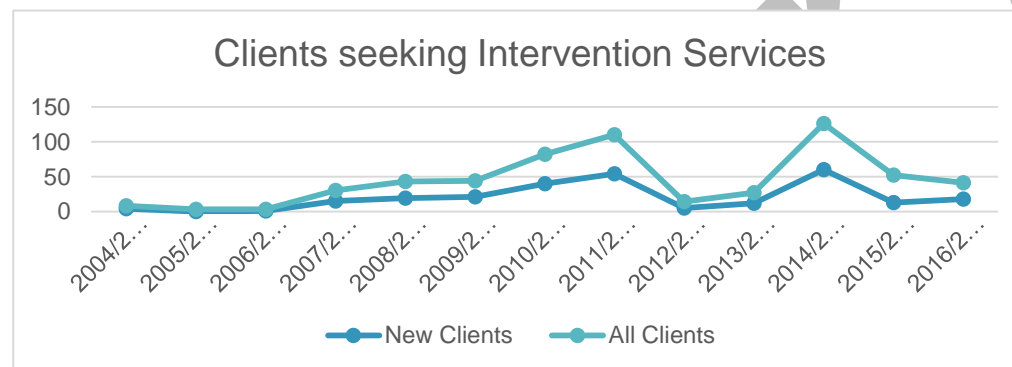


Figure 5: Clients seeking intervention services, 2004 – 2017 (MOH, 2018)

Figure 7 shows the comparison of new clients and total number of clients ('all clients assisted') who have accessed gambling harm intervention services determined to reside in the Kaipara district over each financial year from 2004/2005 to 2016/2017. As Figure 7 demonstrates, there are considerable peaks and dips in the number of clients seeking intervention services. This may be the result of increased promotion for these services at particular times. There is some growth in the number of people seeking support, however this could be explained by increasing awareness levels about problem gambling, and associated support services.

As clients accessing these intervention services are self-selective, the numbers presented are more than likely to under-represent the real number of persons experiencing gambling harm. This data does not discriminate on the form of gambling practiced by clients, and the data in Figure 7 does not differentiate between the different modes of gambling (i.e. online, Class 4, TAB).

The 2015 Policy also adopted a relocation policy for Class 4 venues. Since the Policy was adopted, there have been no relocations, and Council has not received any applications seeking a relocation. There are currently no restrictions on how close one venue is permitted to another in the Policy. The location of a venue is, however, restricted by clauses requiring compliance with the District Plan, and proximity restrictions for sensitive sites.

### 3.1.1 Risk profile for the Kaipara district

The guidance material developed by the MOH to assist territorial authorities when developing social impact assessments recommended that territorial authorities generate a 'gambling profile' of the district, based on certain key criteria (KPMG, 2013). A risk profile is a useful tool for Council to determine what type of policy to develop. The below table uses guidance material from the MOH to create a Kaipara district risk profile.

Table 7: Gambling Risk Profile for the Kaipara (KPMG, 2013)

Gambling risk category and method	Kaipara risk factor (low = 1; medium = 2; high = 3)	Risk score
<b>Risk 1: Gambling prevalence rate</b> Number of intervention clients versus national rate of help-seeking by district population	<ul style="list-style-type: none"> <li>Low risk = 1 x 2 (weighting)</li> </ul>	2
<b>Risk 2: Gambling density</b> Number of machines per 10,000 people and expenditure per person, per annum	<ul style="list-style-type: none"> <li>Number of machines per 10,000 people (Low risk = 1)</li> <li>Expenditure per person, per annum of machines per 10,000 people (Medium risk = 2)</li> </ul>	3
<b>Risk 3: Ethnicity</b> Percentage of district's population that are Maori and Pasifika	<ul style="list-style-type: none"> <li>% Maori population (High risk = 3)</li> <li>% Pasifika population (Low risk = 1)</li> </ul>	4

Gambling risk category and method	Kaipara risk factor (low = 1; medium = 2; high = 3)	Risk score
<b>Risk 4: Community Deprivation</b> District's overall deprivation	• High risk = 3	3
<b>Risk 5: Service availability</b> Number of services per 10,000 people	• High risk = 3	3
<b>Total risk points</b>		<b>15</b>
<b>Risk profile</b>		<b>Medium risk</b>



According to the toolkit, a medium risk means the policy option is one that restricts locations or restricts locations and number of machines (KPMG, 2013). The next profile up from this is high risk, and sets a gambling policy option for a venue sinking lid or venue and machine number sinking lid. This indicates that the current Policy may be more restrictive than required, when considering the risk profile of the Kaipara.

### 3.1.2 Conclusion

As demonstrated, the Class 4 Gambling Venues Policy's sinking lid has been relatively effective in controlling the growth of gambling. There have been decreases in both the number of venues and machines. The risk profile toolkit assesses Kaipara as being a 'medium risk' district, however the Policy already in place is that which is recommended for high risk districts (i.e. a sinking lid policy).

However, the overall spend on gaming machines in the district has increased, meaning the gaming machine proceeds per machine has also increased. As discussed earlier in this report, this does not mean that the policy is ineffective, and this may be the result of increased disposable income, fluctuations based on visitor numbers, or 'spill-over' from other areas and modes of gambling and population increase, among other factors. The figures demonstrate that the spend per head has only had a minor increase since the Policy was amended.

Table 8: Effectiveness Indicators for Class 4 Gambling Venues Policy

% change in gaming machine numbers	% change gaming machine proceeds	Result
 13%	 13%	Reduced number of gaming machines and venues. Higher than expected increase in profits.

Based on the data gathered through this review, it can be inferred that the Class 4 Gambling Venues Policy has been effective at reducing gambling harm. In some cases, there may be issues with under-reporting of gambling harm.

### 3.2 Effectiveness of the TAB Venue Policy

The Kaipara District Council Totalisator Agency Board (TAB) Venue Policy repeats the purpose of the Racing Act, which is:

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

The Policy does not state explicit objectives at **6.1**, but does state:

*'A restrictive policy is in line with the community's priorities of health, safety and the promotion of well-being. Limiting the number of TAB venues that can be established gives Council the opportunity to exercise control over the impact of gambling within the district.'*

As such, staff believe the effectiveness of the TAB Venue Policy should be measured against the following indicators:

- The number of TAB venues;
- Gambling expenditure on TAB services; and the
- Number of gamblers seeking intervention

The TAB Venue Policy caps the number of venues to **two**. There are currently no stand-alone TAB venues in the district. There are three venues in pubs and clubs around the district. The absence of TAB venues in the Kaipara mean that assessing the effectiveness, or otherwise, of the Policy is not an easy task to accomplish, on the above indicators.



The most obvious indicator of effectiveness is that there have been no TAB venues opened within the Kaipara over the life of the period, which means the growth and impact of TAB gambling has been controlled as much as possible, given Council’s limited scope of regulation. This would determine that the Policy has been effective.

Figure 8 shows calls to the Problem Gambling Helpline (both gamblers and significant others) for Kaipara and Northland. This data should not be relied on solely when assessing the effectiveness of the Policy, as the figures do not differentiate between gambling mode (i.e. includes gambling modes that Council has no control over).

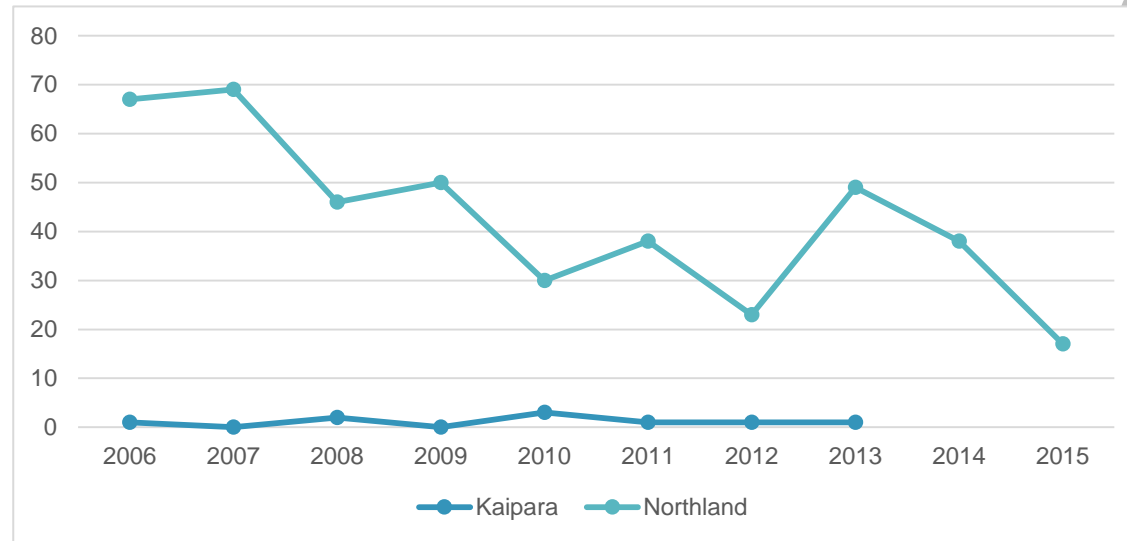


Figure 6: Calls to the Problem Gambling Helpline (gamblers and significant others) 2006 – 2015 (MOH, 2015)

Figure 9: NZRB Gross Betting Revenue (2015 – 2017)

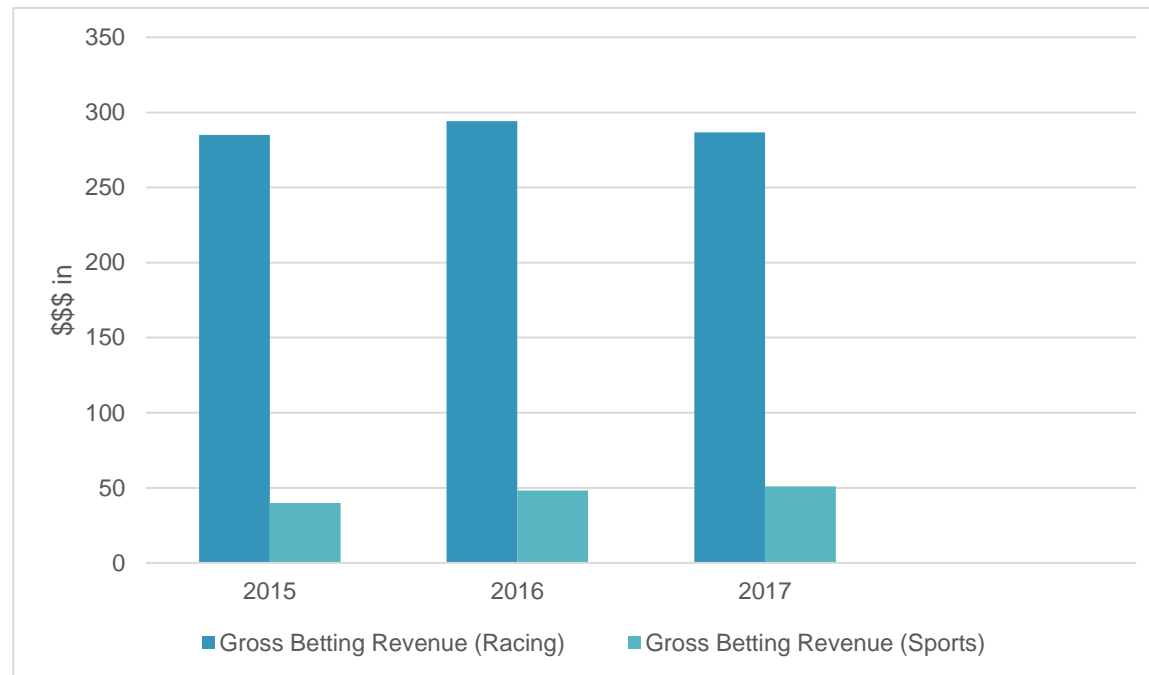



Figure 9 shows that gambling expenditure nationally on TAB gambling has risen from a combined total of \$325 million in 2015, to \$337.7 million in the year ending 2017 (NZRB, 2015; NZRB, 2017). The 2017 gross betting revenue is a small decrease on the 2016 combined gross betting revenue, which was \$343.3 million (NZRB, 2016).

### 3.2.1 Conclusion

Table 10: Effectiveness Indicators for TAB Venue Policy

% change in TAB venues	% change TAB proceeds	Result
N/A	 3.8%	<p>The number of stand-alone TAB venues has stayed the same (as zero out of a possible two).</p> <p>Changes in proceeds are not able to be regulated by Council (as they are generated from TAB outlets, self-service terminals and online betting, which central government regulates).</p>

Based on the above, it is considered that the current Policy's controls are working effectively, and no further regulation is considered necessary in relation to TABs beyond those already imposed in the Racing Act 2003, Council's 2015 TAB Venue Policy and other controls.

The TAB Venue Policy caps the number of permitted venues at **two**. There are currently zero TAB venues operating in the Kaipara district. Assessed on those numbers alone, the Policy is highly effective at exercising control over the impact of gambling within the district. However, there are many opportunities for Kaipara's residents to participate in TAB sports betting outside of Council's scope, and therefore the options available for Council when reviewing, or making possible amendments to, this Policy are limited.

The poor availability of relevant data to assess the contribution of TAB venues to gambling harm makes it difficult to assess effectiveness on a national scale, which could then be extrapolated to a district level, and aid in understanding how the Policy could be improved. Council staff consider that the relevance of a Council TAB Venue Policy is diminishing, and that in the next review cycle there should be work undertaken with the NZRB and DIA on ways to improve the management of gambling harm from the products outside of Council's regulatory framework for improved results.

There is an increasing focus on promoting online or telephony services for TAB, which is also outside the scope of regulation that can be undertaken by KDC. As at May 2018, there were 218,851 account customers nationwide, with 364 being based in the Kaipara (NZRB, 2018).

## 4 Conclusion

The findings of this report indicates that the Kaipara district has current and potential levels of gambling harm, that sufficiently warrant the continued adoption of a Policy on Class 4 and TAB gambling that is restrictive in nature.

Kaipara's population profile increases the likelihood for communities to experience or be subject to gambling harm. Profile factors, such as percentage of population that identify as Maori, and high levels of deprivation across the district make the Kaipara more prone to experience gambling harm. When applying 2014 national estimates to the Kaipara, as identified in Section 2.5:

- 50 people could be problem gamblers;
- 253 people could be moderate risk gamblers;
- 842 people could be low risk gamblers; and
- 11,788 could be non-problem gamblers.

The report also shows that the gambling has evident positive social impacts for the Kaipara district. This includes being a source of funding for clubs, job creation, provision of grants to community organisations, providing funding services for problem gamblers, and a source of entertainment. As discussed in the report, the range of differing local community organisations who received grants from gaming machine proceeds is inclusive, and as signalled by the snapshot provided in this report, demonstrates gaming machine proceeds support a range of local organisations and communities.

Based on the findings of this report, Council's existing policies are determined to strike a sound balance between the negative and positive impacts of gambling, namely the need to promote the district's health by controlling the growth of gambling, minimising the harm to communities caused by gambling, and continuing to provide access to funds for community organisations.

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## Appendix 1

Pub Charity Limited			
Donations approved Kaipara District 2016/2017			
Date Paid	Applicant name	Purpose	Amount approved
22/01/2016	Mangawhai Community Trust Inc	New equipment	\$ 5,321.93
22/01/2016	The Dargaville Gardens Trust	Saw sculpture project	\$ 2,800.00
22/01/2016	Hikuwai Kaipara Waka Ama Club	Club singlets	\$ 2,150.50
22/01/2016	Mangawhai Rayders Cycle Club Inc.	30 shirts	\$ 2,434.55
22/01/2016	Otamatea High School	Team uniform playing sets	\$ 1,779.25
22/01/2016	Northland Field Days Inc	Shade sails	\$ 16,295.00
22/01/2016	Te Kopuru Amateur Swimming Club	Pool hire	\$ 500.00
22/01/2016	Hakaru Pony Club	Base for arena	\$ 33,005.00
22/01/2016	Dargaville Rugby and Sports Club Inc	Medical supplies, rugby jerseys, senior shorts and socks etcetera as per resolution	\$ 10,298.42
26/02/2016	Seniornet Dargaville Inc	Attendance to the NZ Federation of Seniornet Annual Meeting for two as per items on cost breakdown	\$ 1,000.00
26/02/2016	Seniornet Mangawhai Inc	Laptops with Windows 10 and MS software	\$ 1,500.00
26/02/2016	Kaihu Valley Rugby Football Club	Playing jumpers, shorts, socks, warm up tees, mouth guards and mini midgets	\$ 5,000.00
30/03/2016	Otamatea Hawks Rugby Club	Equipment as per items on resolution only	\$ 8,259.58
30/03/2016	Northern Wairoa Netball Centre	New rep uniforms	\$ 8,027.00
30/03/2016	Otamatea Community Services Inc	New car for service operations	\$ 5,217.39

30/03/2016	Maungaturoto JMB Rugby Club	Playing gear for the JMB team and ripper tags for the midgets	\$	2,895.24
22/04/2016	St Josephs Catholic School PTA - Dargaville	2 x Kai cooks	\$	3,000.00
22/04/2016	Otamatea High School	Accommodation costs	\$	660.00
22/04/2016	Mangawhai Historical Society Inc	Staging an exhibition of NZ artist John Foster's work	\$	6,800.00
22/04/2016	Tangowahine School	Educational activities	\$	2,189.00
27/05/2016	Northern Wairoa Community Radio Trust	Operation costs as per items on cost breakdown	\$	6,000.00
27/05/2016	SANZ First Dargaville	21st NZ Scout Jamboree	\$	2,000.00
27/05/2016	Dargaville Primary School BOT	Bus travel	\$	1,110.00
27/05/2016	Southern Football Club	First Aid equipment and training gear	\$	10,000.00
27/05/2016	Maungaturoto Care & Share Family Support Group Trust	Wages, hall hire, telephone and supervision costs	\$	4,700.00
24/06/2016	Mangawhai Arts Inc	Staging of the Kaipara Art Awards	\$	3,100.50
27/05/2016	Dargaville Business Forum	Christmas flags	\$	5,981.15
24/06/2016	Dargaville Rugby and Sports Club Inc	Training turf hire, 2 x sets of senior uniforms, 1 x set of junior uniforms and training gym hire	\$	7,160.61
24/06/2016	Dargaville Intermediate PTA	Accommodation	\$	3,000.00
22/07/2016	Sanz Kaiwaka Scout Group	Transport	\$	3,000.00
22/07/2016	Otamatea Rugby Club	Strapping tape	\$	2,500.00
22/07/2016	Ruawai College BOT	Accommodation expenses	\$	2,000.00
22/07/2016	Dargaville High School	Accommodation	\$	2,500.00
22/07/2016	Northland Powerlifting & Bodybuilding Assn	Flights	\$	5,000.00
22/07/2016	Northland Surfing Association Inc	High performance coaching	\$	2,400.00
26/08/2016	Kauri Coast Recreational Society Inc	Towards the construction of a new multi -sport facility at Memorial Park in Dargaville	\$	178,207.00
26/08/2016	Kaiwaka Sports Association	Asymmetrical bars	\$	7,500.00



26/08/2016	Mangawhai Museum and Historical Society Incorporated	Power	\$ 1,900.00
26/08/2016	Kumarani Productions	Two new laptop computers etcetera as per resolution	\$ 4,000.00
26/08/2016	Dargaville Intermediate PTA	Bus and travel expenses	\$ 1,000.00
23/09/2016	Northern Wairoa Cricket Club	Cricket coach	\$ 3,000.00
23/09/2016	Northern Wairoa A & P Assn	Entertainment costs as per items on cost breakdown only	\$ 8,000.00
23/09/2016	Tangiteroria Home and School Association	Shade systems hip roof	\$ 10,000.00
23/09/2016	St Josephs Catholic School PTA - Dargaville	Pie warmer	\$ 782.00
31/10/2016	Kaipara Vintage Machinery Club	New computer, catalogue system and defibrillator	\$ 4,880.00
31/10/2016	Mangawhai Community Trust Inc	Treadmill	\$ 6,545.00
31/10/2016	Aranga School	Unique software	\$ 3,685.00
31/10/2016	Otamatea Community Services Inc	3 x new desktop computers	\$ 3,417.00
31/10/2016	Maungaturoto Squash Club	Professional squash coach for Term 4	\$ 2,000.00
2/12/2016	Mangawhai Walking Weekend Charitable Trust	Hat and lanyards.	\$ 2,358.75
2/12/2016	Dargaville Primary School BOT	School website upgrade	\$ 2,000.00
2/12/2016	Otamatea High School	New rugby playing tops.	\$ 1,168.00
2/12/2016	Dargaville High School	1st 15 Rugby kit as per resolution	\$ 5,000.00
2/12/2016	Hikuwai Kaipara Waka Ama Club	Equipment - W1 and the W2	\$ 5,400.00
2/12/2016	Dargaville Gardens Trust	Swamp garden renovation proposal	\$ 5,890.73
27/01/2017	Mangawhai Tennis Club	Costs of fence	\$ 3,819.00
27/01/2017	Dargaville Primary School BOT	Handheld radios	\$ 2,912.00
27/01/2017	Dargaville Rugby and Sports Club Inc	Uniforms	\$ 4,875.00
27/01/2017	Dargaville Lawn Tennis Club	8 Bulbs and gear trays for lighting of courts	\$ 8,000.00
27/01/2017	Dargaville Community Development Board	Website design, SSI security certificate, photographic images, visitor and live here resource	\$ 14,450.00

24/02/2017	Dargaville High School	Paddles, life jackets and accommodation	\$ 7,509.12
24/02/2017	Mangawhai Museum and Historical Society Incorporated	New digital hardware and software	\$ 9,994.64
24/02/2017	Otamatea Community Services Inc	Hiace minibus	\$ 15,000.00
24/02/2017	Kaihu Valley Rugby Football Club	Away games only	\$ 4,275.00
24/02/2017	Kaihu Valley Rugby Football Club	Gym equipment	\$ 10,000.00
24/03/2017	Dargaville Primary School BOT	Software programme	\$ 2,980.00
24/03/2017	Northern Wairoa Bulls Rugby League & Sports Club Inc	New sports uniforms, training equipment, first aid gear, team carry bags and sideline gear	\$ 13,839.62
24/03/2017	Mangawhai Activity Zone Charitable Trust Inc	Outdoor gym	\$ 10,000.00
24/03/2017	Kaipara Abuse Prevention Inc	Continuing and expanding the youth mentoring programme for 12 months	\$ 10,000.00
24/03/2017	Seniornet Dargaville Inc	Travel expenses, accommodation, meals and registration fees	\$ 1,500.00
21/04/2017	Southern Football Club	Sport club	\$ 12,761.25
21/04/2017	Northern Wairoa Golf Club Inc	Fairway scarifier	\$ 8,000.00
21/04/2017	Otamatea High School	Accommodation	\$ 1,000.00
21/04/2017	Mangawhai Tennis Club	Lighting of the two tennis courts	\$ 5,000.00
21/04/2017	Kaurilands Community Kindergarten	New barbecue	\$ 1,800.00
21/04/2017	Dargaville Rugby and Sports Club Inc	Netball gear	\$ 1,564.71
26/05/2017	Dargaville Rugby and Sports Club Inc	Turf fees, goalie gear, uniforms and medical supplies	\$ 5,077.35
26/05/2017	Otamatea High School	Transport costs	\$ 1,000.00
26/05/2017	Ruawai College BOT	Accommodation	\$ 5,000.00
26/05/2017	Dargaville Arts Association Inc	Newspaper and radio advertising	\$ 9,976.25
26/05/2017	Dargaville Rugby and Sports Club Inc	Bus travel	\$ 2,565.22
23/06/2017	Northern Wairoa Youth Rugby	Travel and accommodation	\$ 6,480.00

23/06/2017	Hakaru Pony Club	Costs involved with the rebuild of the water-jump	\$	16,291.86
23/06/2017	Dargaville Arts Association Inc	Hosting the Kaipara Art Awards	\$	6,000.00
23/06/2017	Dargaville High School	Accommodation, travel and uniforms	\$	3,000.00
21/07/2017	Dargaville High School	Accommodation and travel	\$	4,000.00
28/08/2017	Mangawhai Museum and Historical Society Incorporated	Upgrade cafe facilities	\$	12,982.88
22/09/2017	Arapohue Bowling Club Inc	Bowdry ground-drying machine, green markers and green numbers	\$	1,800.00
22/09/2017	Northern Wairoa A & P Assn	Entertainment for A&P show	\$	9,000.00
27/10/2017	Dargaville Community Development Board	CCTV system for Dargaville township	\$	30,000.00
22/09/2017	Dargaville Arts Association Inc	Painting and redo walls of Muddy Waters	\$	9,698.07
27/10/2017	Hikuwai Kaipara Waka Ama Club	New club singlets	\$	1,442.10
27/10/2017	Dargaville Rugby & Sports Club Inc	New gym equipment	\$	8,000.00
27/10/2017	Nga Waka O Tirohanga	20 traditional maori raincapes	\$	4,000.00
4/12/2017	Kaipara Vintage Machinery Club	Equipment and furniture items	\$	2,303.35
4/12/2017	Northern Wairoa Netball Centre	12 netball posts, junior hoops, nets, post pad and sockets	\$	4,000.00
4/12/2017	Te Kopuru Amateur Swimming Club	Pool hire	\$	2,375.00
4/12/2017	Dargaville Primary School BOT	100 students fees for surf lifesaving day	\$	1,500.00
4/12/2017	Dargaville Amateur Swimming Club Inc	Pool hireage	\$	2,000.00
		<b>100</b>	<b>\$</b>	<b>734,091.02</b>