
Wednesday, 5 August 2020

Te Hui o Te Kaunihera ā-Rohe o Heretaunga

Hastings District Council

District Planning and Bylaws Subcommittee Meeting

Kaupapataka

Attachments – Document 2

Te Rā Hui:
Meeting date: **Wednesday, 5 August 2020**

Te Wā:
Time: **10.30am**

Te Wāhi:
Venue: **Council Chamber
Ground Floor
Civic Administration Building
Lyndon Road East
Hastings**

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TE KAUNIHERA Ā-ROHE O HERETAUNGA

ITEM	SUBJECT	PAGE
4.	CLASS 4 GAMBLING VENUE AND TAB VENUE POLICIES REVIEW	
	Attachment 1: Gambling Class 4 Review Paper 2020	3



GAMBLING REVIEW PROJECT

REVIEW PAPER

29 May 2020

Item 4

Attachment 1

VERSION HISTORY

Provide information on how the development and distribution of the Project Management Plan was controlled and tracked. Use the table below to provide the version number, the author implementing the version, the date of the version, the name of the person approving the version, the date that particular version was approved, and a brief description of the reason for creating the revised version.

Version #	Implemented By	Revision Date	Approved By	Approval Date	Reason
1.0	Janine Green	18.3.20			Initial draft
2.0	Janine Green	16.4.20			Add in demographic details and tracked changes
3.0	Junior	May 2020			Options, issues, additional statistical details
4.0	Janine Green	29.5.2020			Final detail and final check

Item 4

Attachment 1

TABLE OF CONTENTS

1	INTRODUCTION	3
2	LEGISLATIVE FRAMEWORK	3
3	REGIONAL DEMOGRAPHIC PROFILE	5
4	ENVIRONMENTAL SCAN	6
5	LITERATURE REVIEW	11
	Benefits of gambling	11
	Gambling Behaviour	12
	Gambling Harm	13
	Financial impacts	15
6	CURRENT POLICY	20
7	PRE-CONSULTATION AND SPECIAL CONSULTATION PROCEDURE	21
8	KEY ISSUES AND OPTIONS	22
9	PREFERRED POSITION	25
10	SUMMARY AND CONCLUSION	26
11	BIBLIOGRAPHY	27

Item 4

Attachment 1

1 INTRODUCTION

- 1.1 The Gambling Act 2003 and the Racing Act 2003 requires all Territorial Authorities to develop a Class 4 Gambling and TAB Venue policy. The Hastings District Council adopted a Class 4 Gambling and TAB Venue policy in May 2004.
- 1.2 Three yearly reviews were undertaken and completed in May 2007, September 2010, August 2013 and May 2017 and therefore there is a requirement to review this policy in accordance with the Gambling Act 2003 and Racing Act 2003.
- 1.3 Hastings District Council currently has a class 4 gambling cap of 293 machines with 276 active machines operating within the district (Attachment 1).
- 1.4 There is only one TAB venue operating in the district. The TAB venue policy excludes facilities that manage TAB operations out of their venue. A couple of examples are the Elbow room and Zabeels (local operating bars) (Attachment 2).
- 1.5 The purpose of this paper is to analyse and report on the current environment of class 4 gambling in the Hastings District. The term environment is used to cover statistics on gambling harm, benefits, and income generated in the district and regions of a similar demographic to Hastings. The paper includes policy options, issues and a conclusion.

2 LEGISLATIVE FRAMEWORK

- 2.1 As per Section 101 of the gambling act 2003 a territory authority must adopt a class 4 venue policy. In doing so the TA "must have regard to the social impact of gambling within the district."
- 2.2 The purpose and intent of the Gambling Act 2003 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.*
 - *Ensures the integrity and fairness of games.*
 - *Limit opportunities for crime or dishonesty associated with gambling.*
 - *Ensure that money from gambling benefits the community.*
 - *Facilitate community involvement in decisions about the provision of gambling.*
- 2.2 The purpose and intent of the Racing Act 2003 is to:
 - *To provide effective governance arrangements for the racing industry.*
 - *To facilitate betting on galloping, harness and greyhound races and other sporting events.*
 - *To promote the long-term viability of New Zealand racing.*
- 2.3 In developing or reviewing a policy the policy must;

Section 101 (3) (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.

(4) In determining its policy on whether class 4 venues may be established in the territorial authority

district, where any venue may be located, and any restrictions venues, the territorial authority may have regard to any 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 at any venue should be*

Section 102 Adoption and review of class 4 venue policy

(1) A policy on class 4 venues under section 101 must be adopted in accordance with the special consultative procedure in section 83 of the Local Government Act 2002 and, for the purpose of subsection (1)(e) of that section, the territorial authority must give notice of the proposed policy, in a manner that the territorial authority considers appropriate, to—

- (a) each corporate society that holds a class 4 venue licence for a venue in the territorial authority district; and*
- (b) organisations representing Māori in the territorial authority district.*

(2) A policy may be amended or replaced only in accordance with the special consultative procedure, and this section applies to that amendment or replacement.

(5) A territorial authority must complete a review of a policy within 3 years after the policy is adopted and then within 3 years after that review and each subsequent review is completed. Whenever a territorial authority is considering whether to include a relocation policy in its class 4 venue policy, it must consider the social impact of gambling in high-deprivation communities within its district.

(5b) Whenever a territorial authority is considering whether to include a relocation policy in its class 4 venue policy, it must consider the social impact of gambling in high-deprivation communities within its district.

3 REGIONAL DEMOGRAPHIC PROFILE

- 3.1 Below are details of the regional demographics showing the characteristics of the district as required under the Act.
- 3.2 As at 2018 (2. *Statistics NZ*) there are 166,368 people who reside in Hawkes Bay.
- 3.3 The Hastings District covers a geographic area of 5226.61 square kilometres and has a population of 81,537 (2. *Statistics NZ*) with estimated population calculated by Statistics New Zealand of 85,000 in 2019. Hastings population has increased by approximately 11 percent between 2013 and 2018.
- 3.4 Hastings District accounts for 1.7 percent of the NZ population ranking it fourteenth in size out of the 74 Territory Authority's.
- 3.5 The median age in Hastings is 39.1 years and there are slightly more females than males (40,029 males / 41,511 females).
- 3.6 There are a total of 22,269 Maori people in the Hastings District. Maori make up 27.3% of the population and this has increased year on year since 2006. Hastings has a slightly higher percentage of Maori than the New Zealand population as a whole (NZ 16.5% Hastings 27.3%). European make up the largest population group at 71.8%.
- 3.7 Hastings District has 50.3% of the population in full time employment, 3.4% unemployed and 31.5% not in the labour force (not seeking work) which is very similar to the national statistics. There are 21.3% of the Hastings District in full time study.
- 3.8 The median income of the Hastings District is \$28,400 and 12.9% of our population earns over \$70,000.

4 ENVIRONMENTAL SCAN

- 4.1 The environmental scan details NZ Wide and Hastings specific gaming machine numbers, venues and trends.
- 4.2 As at March 2020 department of Internal Affairs statistics show there are 1078 class four gambling venues in NZ. As at December 2018 14,828 non-casino pokies; and 239 casino gambling tables and 3056 casino pokie machines. (3. DIA, 2020)
- 4.3 The number of machines nationally peaked in 2003 (25,221) and there has been a decrease ever since. (3. DIA 2020)
- 4.4 The below tables show the number of venues and number of machines operating from NZ TA's. Hastings District has the seventeenth highest number of machines nationally and holds 1.86% of all gaming machines nationwide.

Gaming Machines venues and numbers by region at 31 March 2020					
Report generated on : 20 April 2020					
District	Total number of approved venues with gaming machines in operation as at Mar 31 2020	Total Number of Machines operating on approved venues as at Mar 31 2020	National % of sites	National % of machines	
ASHBURTON DISTRICT	12	134	1.11%	0.90%	
AUCKLAND – ALL LOCAL BOARDS	226	3121	20.70%	21.06%	
BULLER DISTRICT	8	72	0.74%	0.49%	
CARTERTON DISTRICT	3	45	0.28%	0.30%	
CENTRAL HAWKE'S BAY DISTRICT	2	29	0.19%	0.20%	
CENTRAL OTAGO DISTRICT	10	111	0.93%	0.75%	
CHATHAM ISLANDS DISTRICT	1	2	0.09%	0.01%	
CHRISTCHURCH CITY INCLUDING BANKS PENINSULA WARD	83	1320	7.70%	8.90%	
CLUTHA DISTRICT	11	71	1.02%	0.48%	
DUNEDIN CITY	28	389	2.60%	2.62%	
FAR NORTH DISTRICT	19	273	1.76%	1.84%	
GISBORNE DISTRICT	11	159	1.02%	1.07%	
GORE DISTRICT	7	84	0.65%	0.57%	

GREY DISTRICT	9	90	0.83%	0.61%	
HAMILTON CITY	26	403	2.41%	2.72%	
HASTINGS DISTRICT	17	276	1.58%	1.86%	
HAURAKI DISTRICT	9	119	0.83%	0.80%	
HOROWHENUA DISTRICT	10	155	0.93%	1.05%	
HURUNUI DISTRICT	7	52	0.65%	0.35%	
INVERCARGILL CITY	17	245	1.58%	1.65%	
KAIKOURA DISTRICT	1	15	0.09%	0.10%	
KAIPARA DISTRICT	7	60	0.65%	0.40%	
KAPITI COAST DISTRICT	12	191	1.11%	1.29%	
KAWERAU DISTRICT	3	45	0.28%	0.30%	
LOWER HUTT CITY	27	415	2.50%	2.80%	
MACKENZIE DISTRICT	5	34	0.46%	0.23%	
MANAWATU DISTRICT	5	78	0.46%	0.53%	
MARLBOROUGH DISTRICT	14	201	1.30%	1.36%	
MASTERTON DISTRICT	4	64	0.37%	0.43%	
MATAMATA-PIAKO DISTRICT	12	154	1.11%	1.04%	
NAPIER CITY	20	298	1.86%	2.01%	
NELSON CITY	9	134	0.83%	0.90%	
NEW PLYMOUTH DISTRICT	22	303	2.04%	2.04%	
OPOTIKI DISTRICT	4	57	0.37%	0.38%	
OTOROHANGA DISTRICT	2	23	0.19%	0.16%	
PALMERSTON NORTH CITY	22	313	2.04%	2.11%	
PORIRUA CITY	12	166	1.11%	1.12%	
QUEENSTOWN-LAKES DISTRICT	7	73	0.65%	0.49%	
RANGITIKEI DISTRICT	5	58	0.46%	0.39%	
ROTORUA DISTRICT	26	365	2.41%	2.46%	

Item 4

Attachment 1

RUAPEHU DISTRICT	7	89	0.65%	0.60%	
SELWYN DISTRICT	13	121	1.21%	0.82%	
SOUTH TARANAKI DISTRICT	10	121	0.93%	0.82%	
SOUTH WAIKATO DISTRICT	10	153	0.93%	1.03%	
SOUTH WAIRARAPA DISTRICT	4	51	0.37%	0.34%	
SOUTHLAND DISTRICT	15	88	1.39%	0.59%	
STRATFORD DISTRICT	3	36	0.28%	0.24%	
TARARUA DISTRICT	8	108	0.74%	0.73%	
TASMAN DISTRICT	13	166	1.21%	1.12%	
TAUPO DISTRICT	11	151	1.02%	1.02%	
TAURANGA DISTRICT	36	467	3.34%	3.15%	
THAMES-COROMANDEL DISTRICT	20	248	1.86%	1.67%	
TIMARU DISTRICT	12	157	1.11%	1.06%	
UPPER HUTT CITY	12	166	1.11%	1.12%	
WAIKATO DISTRICT	18	233	1.67%	1.57%	
WAIMAKARIRI DISTRICT	12	163	1.11%	1.10%	
WAIMATE DISTRICT	2	16	0.19%	0.11%	
WAIPA DISTRICT	15	228	1.39%	1.54%	
WAIROA DISTRICT	4	58	0.37%	0.39%	
WAITAKI DISTRICT	12	111	1.11%	0.75%	
WAITOMO DISTRICT	5	60	0.46%	0.40%	
WANGANUI DISTRICT	14	208	1.30%	1.40%	
WELLINGTON CITY	40	633	3.71%	4.27%	
WESTERN BAY OF PLENTY DISTRICT	11	154	1.02%	1.04%	
WESTLAND DISTRICT	6	55	0.56%	0.37%	
WHAKATANE DISTRICT	11	174	1.02%	1.17%	

Item 4

Attachment 1

WHANGAREI DISTRICT	19	274	1.76%	1.85%	
Total	1,078	14,828	100.64%	100.00%	

4. Department of Internal Affairs sourced from [https://www.dia.govt.nz/diawebsite.nsf/Files/Gambling-Statistics-May-2020/\\$file/Quarterly-GM-and-Venues-by-Territorial-Authority-March-2020.pdf](https://www.dia.govt.nz/diawebsite.nsf/Files/Gambling-Statistics-May-2020/$file/Quarterly-GM-and-Venues-by-Territorial-Authority-March-2020.pdf)

- 4.5 According to the Department of Internal Affairs report of March 2020 Hastings has 17 class 4 gambling venues with a total of 293 gaming machines available (276 machines are currently operating). In May 2016 Hastings had 19 class 4 gambling venues with a total of 311 gaming machines.
- 4.6 Currently, Hastings has a population of 81,537 with 276 machines being operated at 17 venues. This equates to a ratio of 3.41 machines per 1000 people.
- 4.7 Hastings has 12 of the 17 venues classed under deprivation nine, two venues located in deprivation eight and 10 and the remaining three venues classed as deprivation two and three.
- 4.8 However for the 2018 index there has been a slight change between the indicators used and consequently the results for each venue; 10 of the 17 venues retained the deprivation nine rating with two venues were re-classed as deprivation eight. There was no change to the one deprivation 10 venue while the remaining four venues varied in rankings between two and seven with some of the venues moving from the 2013 results (Attachment 3).
- 4.9 Overall most of rankings retained the same status between the 2013 and 2018.
- 4.10 The New Zealand Index deprivation is an area based measurement of socioeconomic deprivation in New Zealand where measurements are based on the use of nine census variables which contribute towards a decile rating between 1 and 10 with being the lowest (1. Statistics NZ, (2020).
- 4.11 The indicators used in 2013 and 2018 are as follows and therefore explains the slight difference in deprivation areas for Hastings venues between 2013 and 2018.

NZ Dep 2013	NZ Dep 2018
People aged under 65 years with not access to the internet at home.	People with no access to the internet at home.
People aged 18-64 years receiving a means tested benefit.	People aged 18-64 receiving a means tested benefit.
People living in equalised* households with income below an income threshold.	People living in equalised* households with income below an income threshold.
People aged 18-64 years who are unemployed.	People aged 18-64 who are unemployed.
People aged 18-64 years without any qualifications	People aged 18-64 years without any qualifications
People living in equalised* households below a bedroom occupancy threshold.	People living in equalised* households below a bedroom occupancy threshold.
People with no access to a car	People living in a dwelling that are always damp and/or always have mould greater than A4 size.
Note Equivalisation is a method used to control for household composition.	

(1. *Statistics NZ, (2020)*

- 4.12 While most data and literature suggest that venues are strategically located within high deprivation areas, and council records does support this, for Hastings the majority of the venues are also located in the Hastings District commercial zone. Three other sites had the deprivation rating of two and three with one particular location being the Havelock North Club located within the Havelock North General Residential Zone while the remaining two were zoned commercial.
- 4.13 Having venues mainly in a commercial zone reduces the probability of a gambling venue affecting sensitive sites such as schools, early childhood centres and residential activities.

Item 4

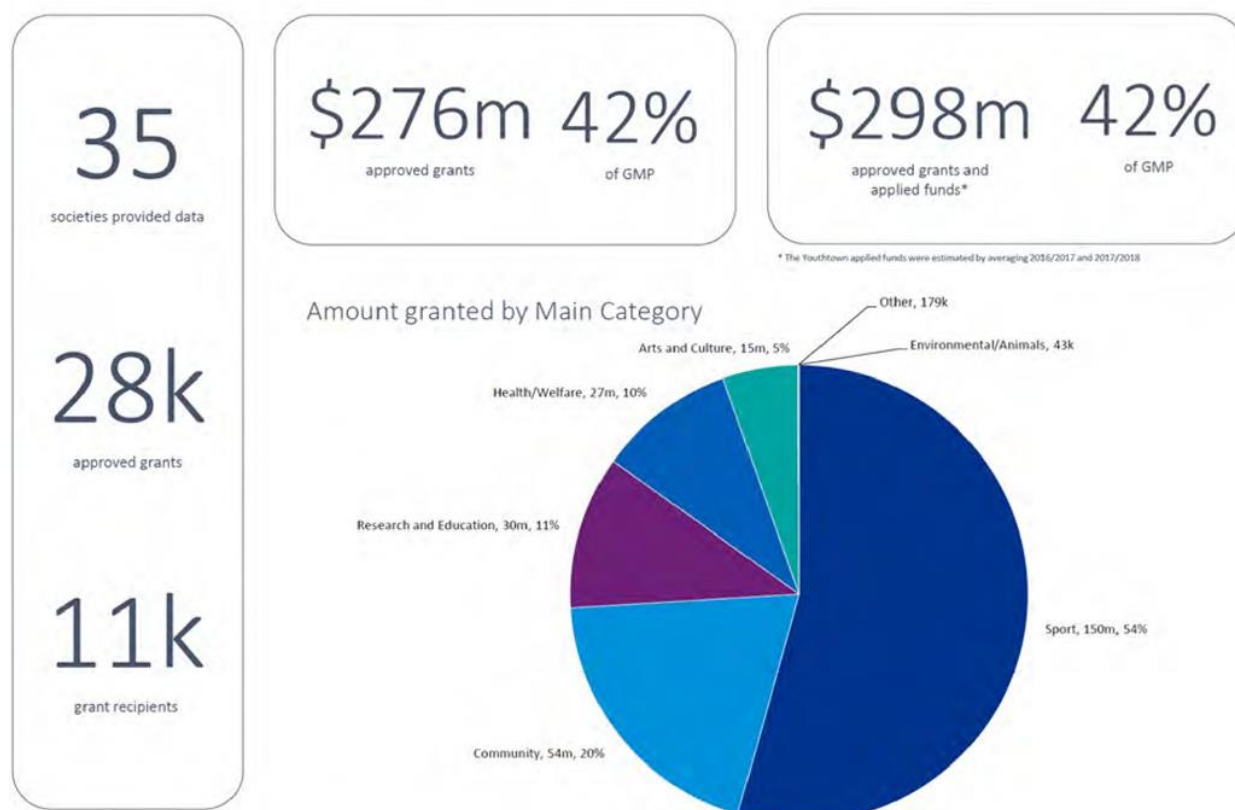
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5 LITERATURE REVIEW

- 5.1 The Gambling Act was introduced to balance the potential harm from gambling against the benefits of using gaming machines as a form of community fundraising. Class 4 Gaming Machine Proceeds (GMP) is expenditure or player loss on Electronic Gaming Machines (EGMs) in the Class 4 Sector.

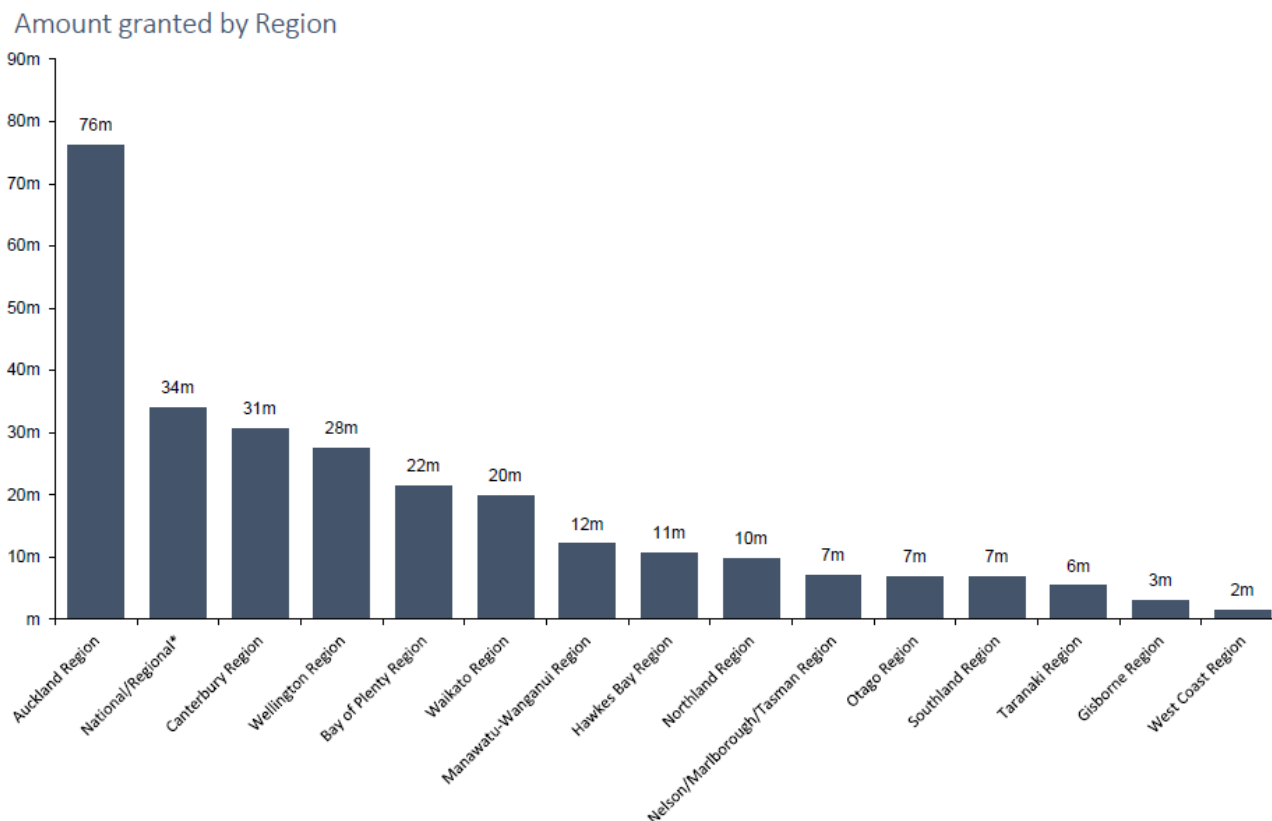
Benefits of gambling

- 5.2 Each year a minimum of 40% of GMP is returned to the New Zealand community, which approximately equated to \$276 Million for the 2018 calendar year. In contrast NZ Lotteries transferred \$202 million to the Lottery Grants Board for community services and projects, the New Zealand Racing Board allocated \$14 million, and Casinos paid just over \$3 million to their community trusts. Therefore this is a considerable contribution and a large sum of money when compared to other sources. (*Gambling law 2020*)
- 5.3 The \$276 million of grant funding was distributed to over 10,853 different organisation's to support their activities. 54 percent of those grants were sports related. (*5. Gambling Law 2020*)
- 5.4 In 2012, the Auckland City Council commissioned a community funding survey. The survey data is summarised in the report *Community Funding: A Focus on Gaming Grants*. The report confirms how essential gaming machine funding is to a very large number of community organisations and how extremely difficult it would be for such funding to be obtained from alternative sources. The report concluded saying "Overall, the non-casino gaming machine industry has a positive economic impact on the Auckland economy."
- 5.5 Details of the main categories where the profits go within NZ are detailed below.



(5. *Gambling Law* sourced from http://www.gamblinglaw.co.nz/download/Gaming_Machine_Grant_Data_2018.pdf)

- 5.6 The graph below shows that \$11 million was returned to the Hawkes Bay region in the 2019 calendar year and the total funding (including the non-published club authorised purpose payments) received from Hastings District alone was over \$7.8 million. As an example of who received funding, the gaming machine industry paid approximately \$2.9 million to Hastings based hospitality businesses, thus supporting local employment and business growth.



(5. *Gambling Law* sourced from http://www.gamblinglaw.co.nz/download/Gaming_Machine_Grant_Data_2018.pdf)

- 5.7 Even though the money gained through gambling is useful and would be difficult to get elsewhere, the 11 million returned to the Hawkes Bay region (which would include Hastings, Napier, Central Hawkes Bay and Wairoa Districts) is unfortunately significantly less than 40% of the GMP for our whole region and therefore is disproportionate to the amount lost by these communities. This is due to their being no location restrictions on where the minimum 40% of GMP goes. Unfortunately our policy cannot effect this.
- 5.8 Lastly, all gaming machine societies since 2004 have been required to contribute to a problem gambling fund. This fund provides approximately \$20 million per annum to the Ministry of Health to support and treat gambling addiction and to increase public awareness. The funding is ring-fenced and cannot be redirected to other health areas.

Gambling Behaviour

- 5.9 The National Gambling Study (NGS) for New Zealand found 75% of the adult population take part in at least one form of gambling annually, with Lotto (56%), raffles or lotteries (45%), and Instant Kiwi or other scratch tickets (30%) being the most common forms (8. *Adams, P., Wilers, J (2016).*
- 5.10 Gambling online is becoming more and more popular, statistics showing lotto 2017/18 Annual Report online sales accounted for 16 percent of its total sales (\$201.1m), compared with 13 percent the previous year. The New Zealand Racing Board noted in its latest six-monthly report that online

channels made up 59.2% of its betting turnover, up 2.2 percentage points on last year. It also said that its online platforms were the fastest-growing channels.

- 5.11 A September 2018 Cabinet paper on online gambling cites research suggesting that New Zealanders gambled approximately \$300 million with offshore providers in 2017, with the market growing annually at between 12 and 20 percent. (18. *Office of the Minister of Internal Affairs*)
- 5.12 Online gambling has said to have a higher risk of harm, due to its easy accessibility and its availability 24 hours a day from the privacy of your own home. There are also no restriction on bet sizes and no one to observe or assist people in trouble. This policy has no provisions to effect online gambling.

Gambling harm

- 5.13 While the majority of New Zealanders gamble infrequently and without harm, a significant minority gamble in a way that puts them at risk of harm. (18. *Thimasarn-Anwar, T., Squire, H., Trowland, H. & Martin, G. (2017).*)
- 5.14 One in five adults (22%) are affected at some time in their lives by their own gambling or the gambling of others. It was estimated in NZ in 2017 that 37,000 people aged 15 and over were high risk harm gamblers, 47,000 moderate risk and 106,000 low risk. (7. *Problem Gambling Foundation 2019*)
- 5.15 Time series analysis shows that these levels of gambling harm have been relatively static for the last seven years. This phenomena is not unique to New Zealand and a number of explanations have been suggested for it.
- 5.16 Comparatively New Zealand has a low problem gambling rate by international standards, 2015 statistics show NZ having a rate of 0.2% whereas USA 4.6%, Singapore 0.5% Australia 0.4% Britain 0.7%. (19. *Calado F, Griffiths MD. (2016)*)
- 5.17 There are six main harms associated with gambling in NZ; decreased health, emotional and psychological distress, financial harm, reduced performance at work, relationship disruption/ conflict or breakdown and criminal activity.(7. *Problem Gambling Foundation 2019*)
- 5.18 Gambling inflicts harm on all family members and there is consistent evidence linking gambling to family violence. (7. *Problem Gambling Foundation 2019*)
- 5.19 One in six New Zealanders say a family member has gone without something they needed or a bill has gone unpaid due to gambling. (6. *Problem Gambling Foundation 2019*)
- 5.20 There are services available in NZ to help those with gambling issues.
- 5.21 The total number of people assisted for gambling problems in 2017 / 18 by TA are detailed below.

Territorial Authority	July 2017 to June 2018	
	New clients Assisted	All clients assisted
Ashburton District Council	9	12
Auckland City Council	1134	2465
Central Hawkes Bay District Council	7	11
Christchurch City Council	287	643
Dunedin City Council	35	131
Gisborne District Council	43	73
Hamilton City Council	103	202

Hastings District Council	48	139
Hutt City Council	30	73
Napier City Council	21	93
Nelson City Council	36	75
New Plymouth District Council	26	54
Palmerston North City Council	29	64
Porirua City Council	109	162
Queenstown - Lakes District Council	2	4
Rotorua Lakes Council	76	135
South Waikato District Council	9	13
Taupo District Council	10	16
Tauranga City Council	63	122
Thames - Coromandel District Council	3	3
Upper Hutt City Council	34	61
Waikato District Council	5	67
Waimakariri District Council	0	6
Waimate District Council	1	5
Waipa District Council	10	16

(http://www.health.govt.nz/our-work/preventative-health-wellness/problem-gambling/service-user-data/intervention-client-data#total_assisted)

- 5.22 A total of 139 clients were assisted with gambling issues and harm in the year 17/18. Hastings is the fifth in regards to gambling help provided across NZ TA's. (15. Ministry of Health (2018).
- 5.23 It is to be noted that more help seeking does not necessarily mean more problem gambling. It could be due to a range of factors such as education, public awareness of help and services available; It may be that Hastings has good services available to help those in need.
- 5.24 In Professor Max Abbott's 2006 paper 'Do EGMs and Problem Gambling Go Together Like a Horse and Carriage?' Professor Abbott stated:
- ...help seeking is only partly driven by the number of people with problems...*
- 5.25 The Gambling Commission in its 2009 Report on the Proposed Problem Gambling Levy: 2010-2013 stated:

"In the Ministry's previous two Service Plans, presentations were seen to be a fair proxy for harm on the assumption that presentations are about help-seeking, and help-seeking is about harm. The 90% weighting previously given to presentations was indicative of the view that presentation data is a highly reliable indicative proxy for the causation of harm. The Commission did not share the Ministry's view.

The Commission ... continues to have serious concerns about whether the number of persons presenting to problem gambling treatment providers is a fair or accurate proxy for harm. Based on the submissions made by problem gambling treatment providers and PwC's recommendations, the Commission recommends that consideration be given to using prevalence data from surveys rather than presentation data. The Commission recognises that prevalence studies have tended to produce a similar picture of the attributed modes of problem gambling so the outcomes may not

diverge very substantially, but the use of that data is capable of providing a fairer indication of responsibility for harm and, in addition, removes any perverse incentives.”

- 5.26 Gambling harm effects those in more deprived locations and Maori and Pacific are disproportionately represented in harm statistics.
- 5.27 The findings of the 2016 HLS mirror those of earlier work (*MoH, 2009; Holland et al, 2017; Abbott et al, 2014*) which found that people living in more deprived areas, Māori and Pacific ethnicities, were at greater risk of ‘problem gambling’ than those of other ethnicities.
- 5.28 Māori and Pacific peoples are more highly represented in neighbourhoods of high deprivation and venues tend to cluster in geographic areas representing the three most deprived populations.
- 5.29 These tend to be the groups who can least afford the financial losses and also experience the lowest returns from gambling proceeds into their community.
- 5.30 Data sourced from the DIA showed that Hastings District venues are mostly in the high deprivation areas of Hastings, similarly to other areas of New Zealand. However these deprivation areas are also most likely to be commercial areas of Hastings.

Financial impacts


- 5.31 Data sourced from the DIA website states \$2.383 billion was lost on four main forms of gambling in 2017/18 year in NZ. The last calendar year Hastings District lost \$4.602 million. From March 2015 to December 2019, GMP for Hastings District increased by \$1,037,079 or by 29.1%. For the year December 2018 to 2019, GMP increased by \$422,618 or by 2.4%. (23. DIA 2020)

Yearly GMP (Dec-2019)

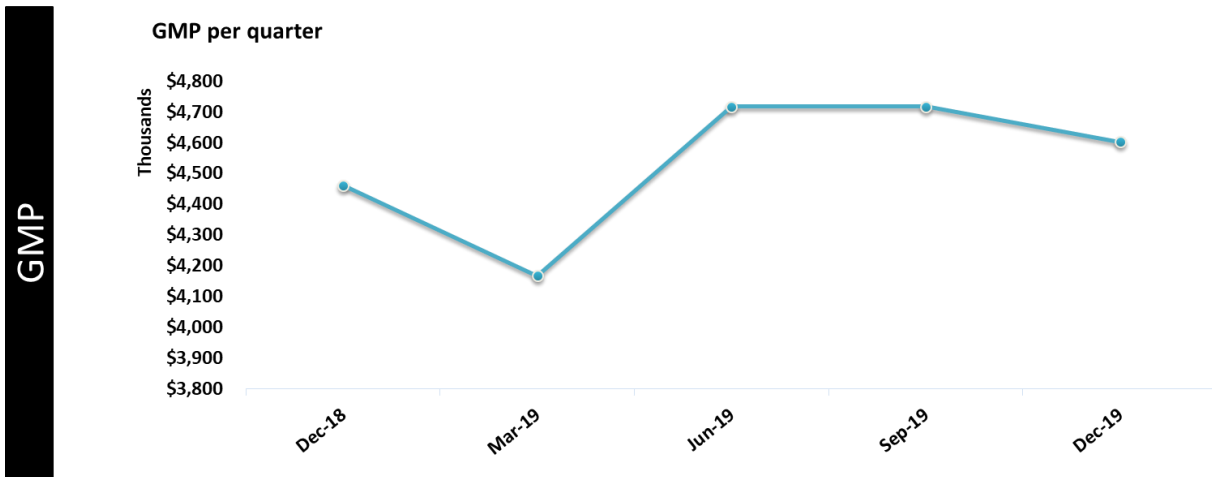
National

\$939,075,153.21

Yearly GMP (year ending)

		% of nat.
Dec-2018	\$17,780,444.63	
Dec-2019	\$18,203,062.64	1.9%
Difference	\$422,618.01	 2.4%

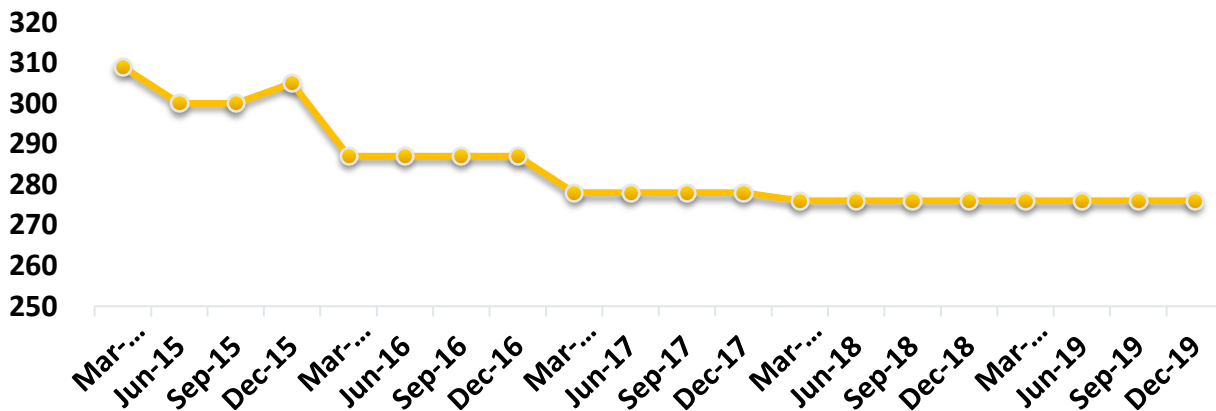
Hasting District GMP by Quarter Dec 18 – Dec 19



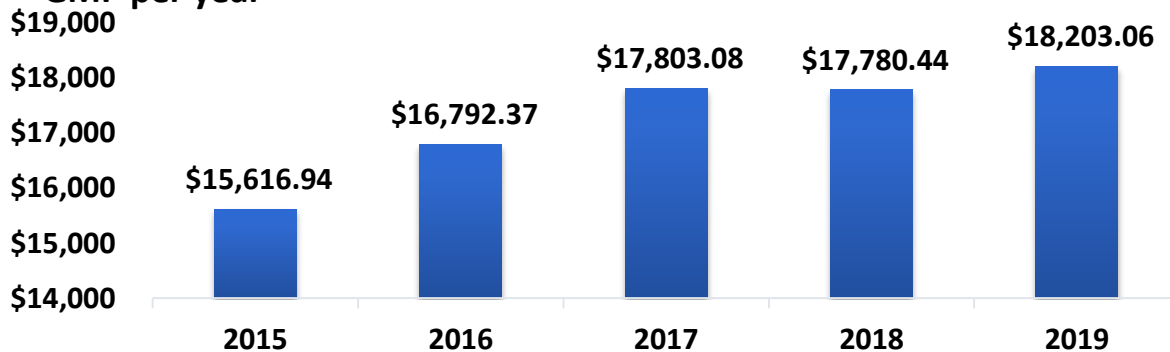
5.32 The above statistics show that Hastings residents are gambling more even though the number of available machines has not changed since the inception of this policy. The DIA in its analysis concluded that in Hastings players are spending longer hours playing gaming machines, betting more per game and more players are playing pokie machines. (23. DIA,2020)

5.33 The following two graphs show spending in relation to the number of machines in the Hastings District. There has been a reduction in machine availability over time however spending has gradually increased by approximately 2 million dollars over this period. This supports the DIA analysis of Hastings players spending and betting habits.

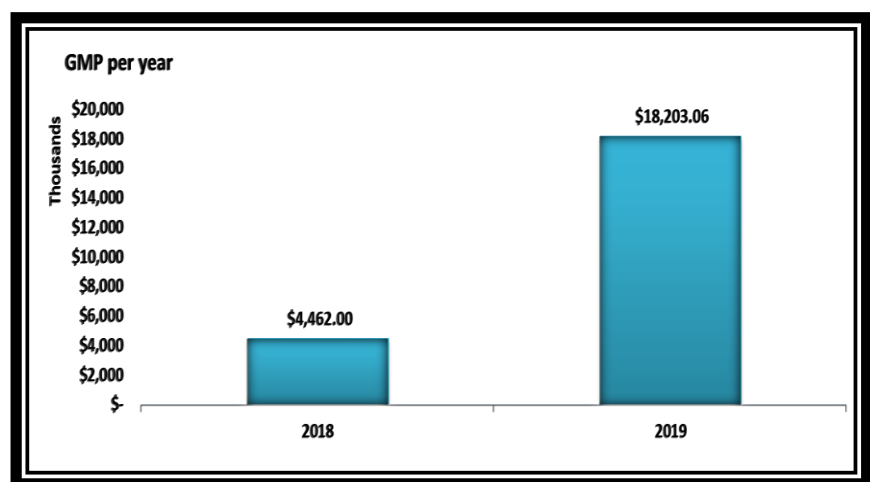
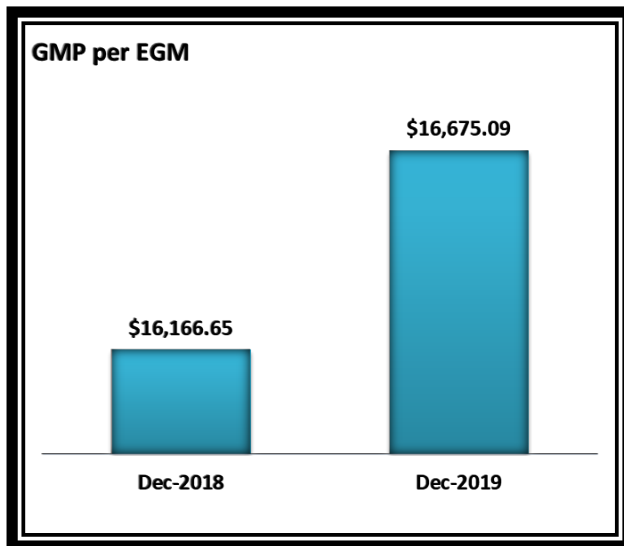
Number of gaming machines



GMP per year

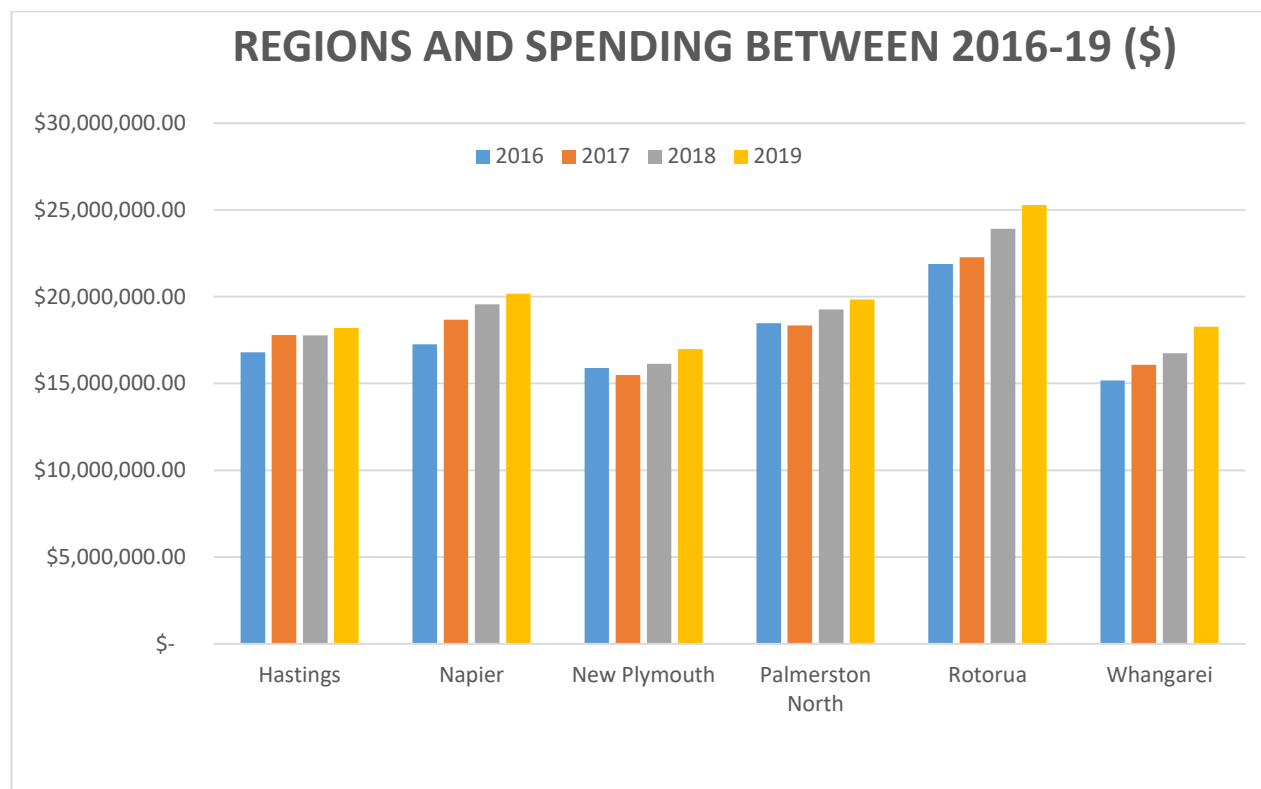


- 5.34 The figure below shows Hastings District GMP per gaming machine has risen by 3.1% between 2018 and 2019. This illustrates money generated since the last review (2017) has risen even though there was a reduction in active machine numbers. This again reinforces DIA's analysis that people are playing machines for longer periods and spending more money.



- 5.35 When comparing Hastings District to our neighbour Napier, between 2015 to 2019 Hastings GMP increased by 29.1%, while conversely Napier City Increased by 37.2%. (23. DIA, 2020). Napier is spending more on gambling over the period as a whole.
- 5.36 However in the year 2018 / 2019 specifically, Napier City decreased their per gaming machine spend by \$107 which is a -.06% change, compared to Hastings, still increasing GMP per gaming machine by \$508 or a 3.1% increased change. Napier has decreased the amount residents are spending on gambling, while Hastings continues to rise. Most towns and cities around New Zealand continue to increase spend year on year. (23. DIA 2020)
- 5.37 The below figures compare spending between regions of a similar population to Hastings. Figures show that all regions have experience a growth in spending with Rotorua's expenditure being approximately 18 million in total (between 2016-19) more than the next closest region of Palmerston North.

5.38 While there is no definitive reason for the difference in spend between each region, there is a continued increase in spend among all regions.



5.39 Despite Napier and New Plymouth containing a similar cap level of machines, spending in Napier is approximately 11 million more in total for the same 2016-19 period (this includes the spending in Waitara). One possible reason is that the population of New Plymouth District is more dispersed than Napier, consequently resulting in people having a further distance to travel to access machines. This could possibly be the same reason why spending in Napier is more than in Hastings District.

5.40 The New Plymouth policy is unique compared to other regions in that it contains both a cap and sinking lid policy. The sinking lid is only applicable to the machines located in Waitara.

District	Spend 2016 - 19	Ranking	Policy
Hastings	70,578,958.90	4 th	Cap – 293
Napier	75,660,360.58	3 rd	Cap – 320
New Plymouth	64,493,022.83	6 th	Cap 320 / Sinking lid Waitara till reaches 25 then move to a cap
Palmerston North	75,943,669.78	2 nd	Cap – 347
Rotorua	93,380,341.15	1 st	Cap – 350
Whangarei	66,255,311.94	5 th	Sinking lid

- 5.41 In conclusion, the reasons for an increase or decrease in problem gambling are complex and multi-faceted and most recent literature and research shows this is not simply a by-product of an increase or decrease of the number of machines or venues or spend. In 1991 and 1999 problem gambling rate in New Zealand declined despite the number of gaming machines doubling and spending trebling. And in 2006 and 2010 problem gambling rates in New Zealand increased, despite the number of machines falling considerably.
- 5.42 The New Zealand National Gambling Study: Wave 4 (2015) noted that problem gambling had plateaued over the last 20 years and the plateauing harm rates were not consistent with the hypothesis that more gambling availability leads to more harm. (*Abbott, M., Bellringer, M., & Garrett, N. (2018)*)

6 CURRENT POLICY

- 6.1 The last Gambling Policy review was undertaken in 2017 and resulted in the change from the sinking lid policy to a capped policy with amendments to improve the wording of various sections.
- 6.2 The capped approach means that every time a venue closes, the number of machines permitted in the Hastings District would remain the same. This would mean that other venues can apply for additional machines if their permitted number of machines hasn't been exceeded or if there are machines available.
- 6.3 A new venue can apply for a venue licence as part of a hearings process. But it would be restricted under Section 93 of the Gambling Act 2003 or the number of machines available. Furthermore, this excludes where a 'club' relocates and/or 'club' mergers if the proposed site meets the specific location requirements.
- 6.4 In terms of the TAB Venue Policy, Hastings District Council has the ability to regulate whether or not new stand-alone TAB venues may be established in the district and if so where these may be located. Council consent is not required under the legislation to establish a TAB facility in a bar, hotel or club. The Hastings District Council's current TAB Venue Policy allows new stand-alone TAB venues to establish subject to specific location requirements.

7 PRE-CONSULTATION AND SPECIAL CONSULTATION PROCEDURE

- 7.1 A pre-consultation questionnaire was circulated to stakeholder groups seeking their views on the current policies governing Class 4 Gambling and TAB venues in Hastings. This process was utilised to see what the appetite was for change or if the current policies were fit for purpose.
- 7.2 Questionnaires were posted and emailed where possible. A two week period was given but was extended in hope of receiving more responses due to the Covid-19 pandemic.
- 7.3 Groups that were contacted were; organisations representing Maori (Marae, Te Taiwhenua O Heretaunga, Te Puni Kokiri), venue hosts (bars), societies and clubs (own machines), Hawke's Bay Problem Gambling (Te Rangihaeata Oranga Trust), Hawke's Bay District Health Board and NZ Racing Association.
- 7.4 As a result there were six online responses received where all responses supported the current capped policy with one response recommending that the cap be set to the current level of 278.
- 7.5 Another respondent believed that Council's should not be involved in class 4 machines. As this a requirement under the Act for Council to govern and implement a gambling policy for the region, this response was disregarded.
- 7.6 It is noted that all stakeholders would be contacted again so they will get two attempts to express their opinions on the proposed policy as part of the Special Consultation Process required when Council notify changes to the policy.
- 7.7 Under section 83 of the Local Government Act the Special Consultative Procedure will be used to consult with stakeholder groups and the community on the proposed gambling policies. A hearing will then be held for those who would like to be heard.
- 7.8 Responses will be analysed and all information added to the hearings report.
- 7.9 This process may have to change as a result of the Covid-19 pandemic which places a limit on social distancing and public gatherings.

8 KEY ISSUES AND OPTIONS

- 8.1 The existing Class 4 Gambling and TAB Venue policies were adopted in May 2017. This review resulted in the move from the sinking lid to the current capped policy for Class 4 Gambling. The TAB Venue policy remained the same with the exception of minor wording changes.
- 8.2 The following options have now been identified for consideration for this review:
- 8.3 Option One: New cap level of 278. This would be a reduction from 293 machines under the current policy. This means that gaming machines in the Hastings District will be maintained at the current level which would be at a ratio of 3.41 machines per 1,000 residents.
- 8.4 Option Two: Current Cap level of 293 machines, making 15 machines available for existing or new venues.
- 8.5 Option Three: Sinking lid; no new machines or venues will be permitted in the Hastings District. As machine are not utilised the number available drops.
- 8.6 A requirement of s 102(5A) of the Gambling Act is that Council consider whether to include a relocation policy (as defined in section 101(5)) in its policy. Section 101(5) defines a relocation policy as a policy setting out if and when the territorial authority 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 venue licence applies.
- 8.7 The current policy includes an exception from meeting parts of the policy if a venue is relocating, and allowed the same number of gaming machines at the new location. The amendments to the Gambling Act mean that the policy cannot provide how many machines are allowed, but rather the Act provides that the same number of machines can be operated at the new venue as the old venue.
- 8.8 The following options have been identified for consideration in terms of a relocation policy:
- Option A: A relocation policy be included in the policy:
- Sub-Option A is that relocation be allowed to the Central Commercial or Havelock North Retail Zone and the specified zones (as in the current policy);
 - Sub-Option B is that relocation be allowed to other Zones.
- Option B: No relocation policy be included
- 8.9 Below are the pros and cons for each of the policy options above.

	Pros	Cons
Option 1: New Cap level of 278	Provide a continuing opportunity for business, especially in the hospitality industry.	Enhance normalisation of an accepted problem activity.
	Retains job opportunities.	Create more opportunity for the negative impacts of gambling.
	Create a more competitive market.	Increase the likelihood of occurrence of gambling addiction, with subsequent

		negative impacts on family life and the extended community impacts.
	Retain funding for community projects.	Further potential for more personal harms (depression, anxiety, suicide, mental and physical health problems, financial) and social harms (crime).
	Provide entertainment opportunities for those who choose to gamble.	May enable gaming machines to be located in vulnerable areas.
	Provides opportunity to gambling in a controlled environment in comparison to online gambling which is unregulated.	
Current relocation policy	Enables the reestablishment of Class 4 venue.	Becomes normalised establishment in society.
	Givens alternative option for site location.	Limited controls compared to proposed policy.
	Greater control of the establishment through relocating venues to less sensitive activities	Greater exposure to sensitive activities such as residential activities, early childhood centres and places of assembly.
Option 2: Current Cap of 293 machines	Provide a continuing opportunity for business growth, especially in the hospitality industry.	Enhance normalisation of an accepted problem activity.
	Create potential further job opportunities.	Create more opportunity for the negative impacts of gambling.
	Create a more competitive market.	Increase the likelihood of occurrence of gambling addiction, with subsequent negative impacts on family life and the extended community impacts.

Item 4

Attachment 1

	Retain funding for community projects.	Further potential for more personal harms (depression, anxiety, suicide, mental and physical health problems, financial) and social harms (crime).
	Provide entertainment opportunities for those who choose to gamble.	May enable gaming machines to be located in vulnerable areas.
	Provides opportunity to gambling in a controlled environment in comparison to online gambling which is unregulated.	Enhance normalisation of an accepted problem activity.
	Provide a continuing opportunity for business growth, especially in the hospitality industry.	Becomes normalised establishment in society.
	Enables the reestablishment of Class 4 venue to specified zone.	Limited controls compared to proposed policy.
	Givens alternative option for site location.	Greater exposure to sensitive activities such as residential activities, early childhood centres and places of assembly.
	Greater control of the establishment through relocating venues to less sensitive activities	
Option 3: Sinking Lid	Continuing opportunity for gamblers with the same choice of sites currently offered.	Restrained (against theoretical potential) grant funding of community projects.
	Restrained increase in problem gambling and its effects on the community.	Move towards online gambling which is unregulated.
	Continued competition between existing businesses, possibly improving their quality and range of services.	May lead to a cluster of Class 4 venues in one location.
	No immediate reduction in grant funding of community projects.	

Item 4

Attachment 1

	Restrained normalisation of an accepted problem activity.	
	Potential longer term reduction to Class 4 problem gambling.	
	Provides opportunity to gambling in a controlled environment in comparison to online gambling which is unregulated.	
	Gives alternative option for site location.	
Relocation policy	Tighter controls for the reestablishment of class 4 venues.	
	Enables the maintenance of Class 4 machines in the community.	

Item 4

Attachment 1

9 PREFERRED POSITION

- 9.1 This report has considered the relevant statutory matters in the review of the Hastings District Class 4 Gambling Venue Policy and the Hastings District TAB venue policy. A literature review has been completed, initial research and initial consultation.
- 9.2 The responses received and research completed has been considered in relation to the current policy and the results showed that the policies are still fit for purpose and that there was no need for significant change.
- 9.3 The preferred position would be to keep a cap and merely amend the Class 4 Gaming Machine Policy to a lower cap of 278 machines (3.41 gaming machines per 1000 resident population) and retain the current relocation policy. This would be the more permissive option.
- 9.4 This would mean that any application for a new venue or an increase of machines at a current venue may be granted if there is machine capacity and it complies with all other requirements of the Class 4 gambling venue policy. The current relocation policy would mean that Class 4 gambling venues would be able to relocate to the identified zones along with the Hastings Central Commercial and Havelock North Village Centre.
- 9.5 This Option would be beneficial as community funding will be maintained while the control of harm created through gambling can be minimised. Retaining a relocation policy would be beneficial to re-establish venues away from sensitive sites.

10 SUMMARY AND CONCLUSION

- 10.1 The reasons for an increase or decrease in problem gambling are complex and multi-faceted and most recent literature and research indicates that machine use and harm is not simply a by-product of an increase or decrease of the number of machines, venues or spend. This position however is not conclusive and therefore it would be unwise to not reduce the number of gaming machines while they are not in use.
- 10.2 In other social policy areas there is still evidence to show a reduction of access and use equates to a reduction in harm, such as in the alcohol industry and smoking. There is no solid evidence stating that the same would not apply for gambling.
- 10.3 The demographics of Hastings has to also be considered, Maori are disproportionately represented in harm statistics and Hastings has a slightly higher than average Maori population.
- 10.4 The research, literature and initial consultation that has been completed and detailed in this report do not indicate the need for significant policy change but just minor amendments.
- 10.5 Whether it is a cap or a sinking lid policy implemented to control gambling, both have their pros and cons and have impact on society. Balancing the need to provide for recreational gamblers to gamble with the need to minimise social harm has been taken into consideration when recommending the preferred option.
- 10.6 The accessibility and increase of gambling online has shown to be a problem area. This method of gambling is unregulated where there is no set amount of spend, access is 24 hours a day, 7 days a week. This form of gambling is mobile so can be played anywhere and without the trained staff who would monitor patrons at class 4 venues. Funding generated is not required to be returned to the community so all funds are directed off shore. Online gambling has shown to have the biggest impact on communities but is out of the remit of this policy.
- 10.7 Retaining the capped policy with minor changes as proposed would be beneficial for the following reasons;
- Funding is still available even with less available machines in the community.
 - Less machines enables venues to better monitor possible gamblers with a problem.
 - Having some Class four venues discourages a movement to online gambling which is unregulated.
 - Retaining the proposed relocation policy enables venues to move if required while still keeping a distance from sensitive sites.
- 10.8 If the proposal is accepted a revised policy will go out for Consultation as per the Local Government Act. The public's view will be added to this research report as well as any additional evidence provided by stakeholders to determine the final policy.

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