

Questions and Answers - Gambling and Board Venue Policy

Q: Why does Council have a Gambling and Board Venue Policy? Isn't gambling a central government issue?

A: The Gambling Act 2003 (the Act) requires Councils to have a Gambling and Board Venue Policy and to review this policy every three years.

Q: When did we last review our policy?

A: We last reviewed it in 2015.

Q: Why is Council just reviewing the policy now if this is supposed to happen every three years?

A: The current review began in 2018.

Q: What powers does Council have under the Gambling Act 2003?

A: The Act requires Hutt City Council to set a Class 4 gambling venue policy to influence the extent of and minimise the impacts of Class 4 gambling in the city. In particular, it enables Council to control where venues can be established and the permitted number of gambling machines at each venue. Council's powers are limited to regulating and administering Class 4 gambling.

Q: Can Council close down Class 4 gambling venues and/or remove gambling machines?

A: Council's policy can cap the number of gambling machines, set limits on the number of venues, take a position on merging locations and on relocating machines and venues, and proactively regulate venues with gambling machines. It cannot close class 4 gambling venues or remove machines from these venues.

Q: What about other forms of gambling?

A: Council's powers are limited to regulating and administering Class 4 gambling. Council has no power to control other forms of gambling.

Q: What does the review include?

A: The review includes a social impact assessment (SIA) and a report by New Zealand Institute of Economic Research (NZIER) on the impact of class 4 gambling in the city.

Q: What did the Social Impact Assessment show?

A: The SIA found that the current policy has been largely unsuccessful in achieving the stated objectives of controlling the growth of class 4 gambling machine numbers in Lower Hutt, and putting in place measures to reduce the harm caused by problem gambling.

Q: What about the NZIER report? What did this find?

A: The NZIER report, *Harmless fun for all – class 4 gambling in Lower Hutt*, was commissioned to support the SIA. The analysis identified the following situation in the city:

- a greater exposure to Class 4 gambling, with 4 electronic gambling machines (EGMs) per 1000 population, compared with 2.9 EGMs per 1000 population nationally. Lower Hutt also has more venues per 1000 population than nationally;
- total gambling machine profits (GMP) in the city amounted to over \$26 million in 2020, representing a 45 percent increase since 2015, despite GMP decreasing in 2020 due to the COVID-19 level 4 lockdown;
- GMP per adult was \$100 higher than the national GMP per adult in 2019. This can't be explained by increasing incomes or local economic growth;
- GMP per machine increased 66 percent between 2015 and 2020 and GMP per adult is over 50 percent higher than national GMP per adult;
- Lower Hutt has the highest GMP per capita and per adult compared to councils with similar sized populations (eg: Palmerston North, Hastings, Tauranga, and Whangarei) or neighbouring territorial authorities (Porirua, Upper Hutt, and Wellington);

In summary, Te Awa Kairangi ki Tai Lower Hutt has a higher than average number of Class 4 gambling machines and higher gambling expenditure per capita than the national average. A substantial proportion of the machines are in parts of the community that have a higher risk of developing problems from gambling.

Q: How many gambling machines and venues are currently in Te Awa Kairangi ki Tai?

A: There are 425 electronic non-casino gambling machines located across 28 venues in Te Awa Kairangi ki Tai Lower Hutt.

Q: What will my organisation do for funding if money from gambling machines dries up?

A: It is very unlikely that a change in policy to a wellbeing approach will have any impact on total funds available for organisations to apply for in the short to medium term (over the next 1 to 10 years).

Total gambling machine profits in the city amounted to over \$26 million in 2020, representing a 45 percent increase since 2015, despite the fall in the number of machines in the city over the last five years and GMP decreasing in 2020 due to the COVID-19 level 4 lockdown.

Q: Are there benefits to Class 4 gambling? Local community organisations contribute a lot to the city through their activities and we would all suffer if they were unable to continue because of a lack of funding.

A: Gambling is a common activity for between 70 and 80 percent of New Zealanders and for the vast majority of those individuals there is little to no risk of harm or addiction. It does however, seem unlikely that society would be able to reap the benefits of increased economic activity and development in deprived communities, without any net loss given the actual harm attributable to gambling activities.

Over time, the reasons gamblers give for engaging in gambling have remained relatively unchanged. More than half of all gamblers consistently state that they gamble in order to win money. Secondary benefits attributed to gambling, particularly Class 4 gambling, are the social connectedness, and general feeling of wellbeing that individuals self-report.

Q: What about the sports sector?

A: The Class 4 gambling funding accessed by the local sports clubs and organisations creates social value through:

- Supporting the activities of these clubs as they provide participation and development opportunities predominantly for children and young people. In the long term this contributes to improved health and wellbeing of individuals, positive social behaviour, greater community connectedness and also makes an economic contribution to communities through events and the value of voluntary time.
- Funding in the majority of instances is used to support core costs of running sport and recreation, the most common categories being salaries, facility and ground hire costs, sports equipment, maintenance, events, tournaments and camps, and coaching.

Q: What proportion of gambling machine funds is returned to Te Awa Kairangi ki Tai Lower Hutt communities?

A: Based on data provided by the Problem Gambling Foundation, over the past three years, the proportion of funds allocated from gambling machine proceeds collected in Te Awa Kairangi ki Tai has varied from almost 30 percent in 2017 to a low of 16 percent in 2019 (excluding clubs).

Societies	Te Awa Kairangi ki Tai gambling machine Proceeds	Grants	Proportion
2017	\$24,549,504.03	\$7,307,943.12	29.8%
2018	\$25,829,097.93	\$4,609,270.43	17.8%
2019	\$29,700,000.00	\$4,800,000.00	16.2%
Grand Total	\$80,078,601.96	\$16,717,213.55	20.9%

Q: Which organisations have received funding and how much?

A: Trusts may allocate funding to community groups outside the region in which those funds are collected.

Data for distribution is difficult to obtain. The Problem Gambling Foundation has identified the proportion of funds distributed to various community groups in 2018. A breakdown of the distribution of the 2018 grants shows that sports groups received approximately half of the funding available, with community groups and community services receiving between 17 percent and 33 percent.

Type	Sum of Amount	Type	Sum of Amount
Community Services	\$ 837,530.32	Water Sports (Sailing, Swimming, Fishing, Water Polo)	\$ 56,813.25
Community Group	\$ 597,951.43	Netball	\$ 52,933.00
Other Sports	\$ 538,890.31	Council	\$ 52,152.00
Soccer	\$ 392,695.21	Motorsports (Cars/Hot Rods/Motor cycles)	\$ 50,000.00
Education	\$ 352,439.72	Sports Stadiums/Academys/Events Centres	\$ 45,000.00
Cricket	\$ 303,978.66	Cycling	\$ 42,762.00
Rugby	\$ 295,695.68	Special Olympics/Sports for the disabled	\$ 39,302.75
Softball	\$ 147,166.74	League	\$ 26,419.80
Health Related	\$ 136,250.98	Faith Based	\$ 25,564.33
Gym Sports (Includes weightlifting/Boxing/Wrestling)	\$ 116,299.38	Bowling	\$ 21,215.91
Kindergartens/Childcare/Plunkett	\$ 100,382.90	Hockey/Ice Hockey (Excludes Inline Hockey)	\$ 15,574.50
Maori	\$ 96,296.14	Basketball	\$ 12,365.51
Racquets	\$ 74,462.92	Athletics/Marathons	\$ 1,000.00
Arts	\$ 60,484.78	Equestrian/Pony Clubs	\$ 925.75
		Grand Total	\$ 4,492,553.97

Q: What is the wellbeing approach?

A: Council's vision is a city where everyone thrives and the review of the Class 4 Gambling Venue and Board Venue Policy 2015 was undertaken using Council's vision as a guiding principle.

The recommended policy seeks to address and influence some of the harms caused by class 4 gambling in the city and has two main elements – taking a public health approach to minimising the social and economic harms of class 4 gambling, particularly in high deprivation communities, and

ensuring that Council can take a leadership role and demonstrate this through its operational work and management of its own estate.

Q: Will you be taking the gambling machines out of Council-owned facilities?

A: Option one proposes that:

- Council owned venues would no longer be used for Class 4 gambling. Existing gambling machines operated from Council owned venues would be removed over a period of time
- Council would no longer seek funding from gambling machine societies
- Council would reconsider the leasing of Pelorus House and its fit with the proposed policy direction

Q: What is the kaitiaki approach? Why would Council get involved when central government are responsible for monitoring the gambling industry?

A: In line with council's commitment to community partnership, the policy suggests that council enforcement officers could assess gambling venues as part of their routine work in relation to the venues' overall compliance with the requirements of the policy and regulatory obligations placing a shared responsibility for well-run venues on venue operators and Council. This moves the Council's policy from a current 'one off' assessment to an ongoing and holistic approach, integrated with liquor licensing enforcement. It is likely that additional operational resources will be required for this work. Implementing these aspects requires further work exploring potential approaches (taking in to consideration the role DIA plays) and discussions with the Regulatory Services Division.