

2020 Social Impact Assessment of Gambling in the Whanganui District

2020

1. Executive summary

This Social Impact Assessment of Gambling in the Whanganui District identifies trends in class 4 gaming machine and TAB gambling in Whanganui and the social impacts on communities for the review of Council's existing Gambling Venues Policy 2017 (incorporating both class 4 gambling venues and TAB venues).

- Whanganui District residents are at risk of problem gambling and gambling-related harm due to: all but one of the class 4 venues are located in high deprivation areas, and 26% and 3.6 per cent of residents identify as Māori and Pasifika respectively.
- Total number of pokies have decreased since 2013 from 257, to 208 as of June 2020; Whanganui has one standalone TAB venue and 14 class 4 venues.
- Whanganui District has a total of 1 electronic gaming machine for every 218 people, slightly higher than the national average of 1 electronic gaming machine per 338 people.
- Gamblers in New Zealand spent \$2,402 million dollars on the four main forms of gambling in the 2019 financial year, 1.2 per cent less than last year, once adjusted for inflation. Gaming machines outside of casinos saw the greatest share of spend.
- For Whanganui, Gaming Machine Proceeds (GMP - total pokie revenue generated minus payouts) totalled \$10,735,860 in 2019. This is an increase of \$270,796 (2.5%) on the total in 2018.
- GMP per class 4 gaming machine has risen steadily since 2015 in Whanganui despite a decrease in machine numbers, which could be attributed to more people partaking in class 4 gambling, or people who normally gamble doing so at a higher frequency.
- Negative social impacts of gambling include -
 - Decrements to physical and mental health (both morbidity and mortality);
 - Emotional or psychological distress;
 - Financial harm;
 - Reduced performance at work or education;
 - Relationship disruption and harm to others, including parenting issues and domestic abuse;
 - Criminal activity; and
 - Alcohol and other addiction.
- Gambling harm is often hidden, but when recognised can manifest itself as crime, violence and violent crime, issues with physical and mental health, negatively impact relationships, and loss of productive/employment.
- Nationally, 0.2% of the adult population are estimated to be problem gamblers; applied to Whanganui this is 91 people. However research has suggested that reducing the issue of gambling to 'problem' categories is inadequate to accurately capture harmful gambling behaviour.
- A 2014 local non-representative study found 18% of respondents said gambling had a negative effect on their lives.

- Total clients residing in Whanganui who have accessed gambling harm intervention services reached a total of 51 in 2017/18; a sharp increase from 2016/17 (27) and above the previous highest number, 42 in 2014/15.
- Whanganui lost \$56.88 per head for the 2019 June quarter. This is the 21st highest loss out of 66 territorial authorities.
- GMP by June 2020 was at \$1,422,993, a nearly 50% decrease on the same period in 2019. This is likely to do with all venues being closed for around eight weeks due to COVID-19 restrictions, which could, in turn, connect the availability of gambling venues to gambling spend and other forms of gambling harm.
- Positive social impacts of gambling include:
 - Entertainment;
 - Job creation; and
 - Funding sports groups and community services.
- In 2019, \$1,236,935.60 was granted to community groups and organisations in the Whanganui District from GMP.
- International and domestic visitors spent a total of \$2,580,646 on cultural, recreation, and gambling services in 2018.

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2. Introduction

2.1. Purpose

The purpose of this Social Impact Assessment report (SIA) is to provide necessary information on gambling-related trends and harm within the Whanganui District to be considered as part of the review of Whanganui District Council's Gambling Venues Policy.

2.2. Scope

The scope of this report aligns itself with the requirements made under s101(2) and 96(4) of the Gambling Act 2003 and Racing Industry Act 2020 respectively in that a territorial authority must have regard to the social impact of gambling within the territorial authority district.

The SIA looks at the following:

- Characteristics of the district
- The proximity of kindergartens, early childhood centres, schools, places of worship, and other community facilities to Gambling venues and TAB venue
- Gambling venue locations and socioeconomic deprivation
- The number of Class 4 gaming machines
- National and local gambling trends
- Social impacts of gambling - Costs
- Social impacts of gambling - Benefits

3. BACKGROUND

3.1. Legislative framework

3.1.1. Gambling Act 2003 and the Racing Industry Act 2020

Both the Gambling Act 2003 and the Racing Industry Act 2020 allow communities, through territorial authorities, to place permissive or restrictive controls on class 4 and TAB related gambling.

According to s101(3) of the Gambling Act 2003, a territorial authority's Gambling Venue 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;
- b) may specify any restrictions on the maximum number of gaming machines¹ 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;

¹Gaming machines or class 4 gaming machines as referred to in this report are defined in the Gambling Act 2003 as a device, whether totally or partly mechanically or electronically operated, that is adapted or designed and constructed for the use in gambling. Also commonly known as 'pokies'.

- e) how close any venue should be permitted to be to any other venue; and
- f) what the primary activity at any venue should be

Section 96(1) of the Racing Industry Act 2020 states a territorial authority’s TAB venue policy must specify whether or not new TAB venues² may be established in the territorial authority district and, if so, where they may be located. Similarly to the s101(3) of the Gambling Act 2003, s96(4) of the Racing Industry Act 2020 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; and
- c) the cumulative effects of additional opportunities for gambling in the district.

4. METHODOLOGY

Council officers sourced and reported on data collated from the Department of Internal Affairs, Statistics New Zealand, and various other resources that are referenced through this report.

5. Results

5.1. Demography of the district’s residents

5.1.1. Population highlights

| 2018 | Number |
|--|------------------------------|
| Total population | 45,309 |
| Median age | 43.0 |
| Average household size | 2.36 |
| | % of total population |
| Households owned or partly owned or in a trust | 67.2% |
| Households renting | 32.8% |
| Higher degree & qualification | 9.4% |
| Māori descent | 26.3% |
| Median income | \$24,400 |
| Unemployed | 5.1% |

Table 1: Whanganui District population highlights-2018³

² Premises that are owned or leased by TAB New Zealand and where the main business carried on at the premises is providing racing betting or sports betting services under this Act.

³ Statistics NZ

5.1.2. Population

According to 2018 Census data, the total population of Whanganui is 45,309 (Table 2).

| Population | Number (2018) | % of total population |
|-------------------------------------|----------------------|------------------------------|
| Population (excluding O/S visitors) | 45,309 | 100.0 |
| Females | 23,397 | 51.6 |
| Males | 21,912 | 48.4 |

Table 2: Whanganui District population- 2018⁴

| Area | Number (2018) | % of total population |
|--------------------|----------------------|------------------------------|
| Balgownie | 120 | 0.3 |
| Bastia-Durie Hill | 2,130 | 4.7 |
| Brunswick-Papaiti | 1,371 | 3.0 |
| Castlecliff East | 1,917 | 4.2 |
| Castlecliff West | 1,593 | 3.5 |
| College Estate | 1,284 | 2.8 |
| Cornmarket | 1,350 | 3.0 |
| Gonville North | 2,565 | 5.7 |
| Gonville South | 2,004 | 4.4 |
| Gonville West | 1,707 | 3.8 |
| Kaitoke-Fordell | 1,770 | 3.9 |
| Laird Park | 2,247 | 4.9 |
| Lower Aramoho | 1,869 | 4.1 |
| Mowhanau | 1,293 | 2.8 |
| Otamatea | 1,731 | 3.8 |
| Putiki | 666 | 1.5 |
| Springvale East | 1,452 | 3.2 |
| Springvale North | 348 | 0.7 |
| Springvale West | 1,572 | 3.5 |
| St Johns Hill East | 1,173 | 2.6 |
| St Johns Hill West | 2,202 | 4.9 |
| Titoki | 2,943 | 6.5 |
| Upper Aramoho | 2,097 | 4.6 |

⁴ Ibid.

| | | |
|----------------------------------|-------|-----|
| Upper Whanganui | 1,155 | 2.5 |
| Wembley Park | 1,695 | 3.7 |
| Whanganui Central | 606 | 1.3 |
| Whanganui East – Riverlands | 2,184 | 4.8 |
| Whanganui East – Williams Domain | 2,277 | 5.0 |

Table 3: Whanganui District population by census area- 2018⁵

6.5% of Whanganui’s population normally resides in the Titoki statistical area, followed by Gonville North (5.7%), and Williams Domain, St Johns Hill West, Laird Park, Riverlands and Bastia-Durie Hill, each of which contain almost 5% of the District’s population.

5.1.3. Service age groups

Whanganui’s population is usually aged between 45 to 74 years (27.2%) followed by those under 15 years of age (19.7%).

| Age group (years) | Number 2013 | % of total population | Number 2018 | % of total population | |
|-------------------|----------------|--------------------------|----------------|--------------------------|---|
| Under 15 years | 8,517 | 20.2 | 8,937 | 19.7 | ↑ |
| 15-24 years | 5,070 | 12.0 | 5,154 | 11.4 | ↓ |
| 25-34 years | 3,999 | 9.5 | 4,872 | 10.7 | ↑ |
| 35-44 years | 4,884 | 11.6 | 4,743 | 10.5 | ↓ |
| 45-54 years | 6,027 | 14.3 | 5,970 | 13.2 | ↓ |
| 55-64 years | 5,556 | 13.2 | 6,324 | 14.0 | ↑ |
| 65-74 years | 4,191 | 9.9 | 5,112 | 11.3 | ↑ |
| 75-84 years | 2,769 | 6.6 | 2,958 | 6.5 | ↓ |
| 85 years and over | 1,146 | 2.7 | 1,242 | 2.7 | — |
| Total | 42,153 | 100 | 45,309 | 100.0 | |

Table 4: Whanganui District usually resident population by age group – 2013 & 2018⁶

5.1.4. Ethnicity

79.2% of residents identified themselves as European, 26.3% as Māori, and 3.6% as Pacific peoples.

| Ethnic group - multi-response | Number | % of total population 2013 | % of total population 2018 | |
|---------------------------------------|--------|----------------------------------|----------------------------------|---|
| European | 35,874 | 81.8 | 79.2 | ↑ |
| Māori | 11,910 | 23.0 | 26.3 | ↑ |
| Pacific peoples | 1,617 | 2.8 | 3.6 | ↑ |
| Asian | 1,872 | 2.9 | 4.1 | ↑ |
| Middle Eastern/Latin American/African | 213 | 0.4 | 0.5 | ↑ |

⁵ Statistics NZ

⁶ Statistics NZ – totals may differ from the sum of column entries due to rounding.

| | | | | |
|-----------------|---------------|-----|-----|---|
| Other ethnicity | 555 | 2.0 | 1.2 | ↓ |
| Total | 45,309 | | | |

Table 5: Whanganui District population by ethnicity - 2018⁷

A key population highlight is the proportion of Māori and Pasifika, particularly Māori who represent 26% of the district’s population. A national study showed Māori and Pasifika are disproportionately affected by problem gambling that tend to occur alongside other issues including hazardous drinking and smoking.⁸

5.2. Class 4 gambling venues

5.2.1. Number of class 4 gambling machines.

Table 6 and Figure 1 demonstrate the number of class 4 gambling machines for the Whanganui District for the years 2012 through to March 2020.

2014 saw a reduction of 22 electronic gaming machines (EGMs) compared to the previous year. Numbers of EGMs decreased again in following years, with a further reduction of 18 EGMs between 2018 and 2019. Changes to numbers of EGMs could be explained by a venue housing EGMs having closed or relocated.

Note: Not all Class 4 gambling venues are currently operating the number of gaming machines they ‘may operate’. They may be operating fewer gaming machines than their notified number, or fewer gaming machines than the number specified on the territorial consent issued for the venue; or they may have applied to the Department of Internal Affairs for permission to cease operating gaming machines for a specified period. Any venue voluntarily operating fewer machines than they ‘may operate’ can increase to the number they ‘may operate’ *without territorial consent*.⁹

| Year | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
|----------------------|------|------|------|------|------|------|------|------|------|
| total number of EGMs | 257 | 257 | 235 | 235 | 232 | 225 | 225 | 207 | 208 |

Table 6: Number of class 4 gambling machines for Whanganui from 2012 to March 2020¹⁰

⁷ Ibid.

⁸ Thimasarn-Anwar, T., Squire, H., Trowland, H. & Martin, G. (2017). *Gambling report: Results from the 2016 Health and Lifestyles Survey*. Wellington: Health Promotion Agency Research and Evaluation Unit.

⁹ Ministry of Health (2009). Problem Gambling Resource for Local Government.

¹⁰ Department of Internal Affairs

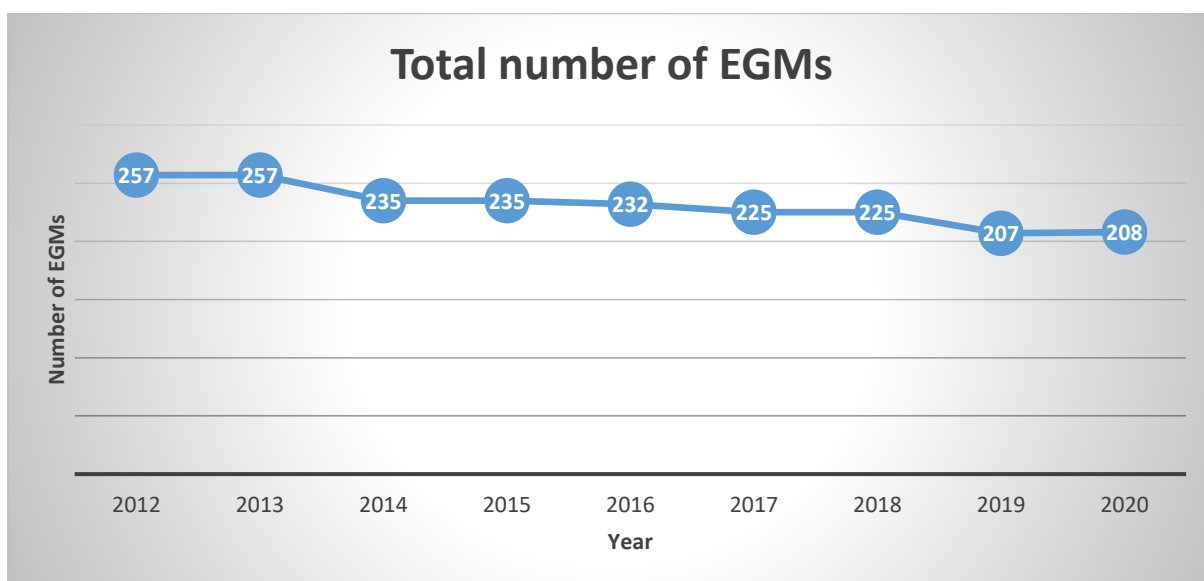


Figure 1: Number of class 4 gambling machines for Whanganui from 2012 to March 2020¹¹

5.2.2. Location of class 4 gambling venues.

Table 7 presents all 14 currently licenced class 4 venues in the Whanganui District by society name, venue name, physical address, and the number of EGMs.

| Society Name | Venue Name | Venue Physical Address | Number of Gaming Machines |
|-----------------------------------|----------------------|--|---------------------------|
| Infinity Foundation Limited | Barracks Sports Bar | 170 St Hill Street Whanganui 4500 | 18 |
| New Zealand Community Trust | Caroline's Boatshed | 181 Somme Parade Whanganui 4540 | 12 |
| Castlecliff Club Inc | Castlecliff Club Inc | 4 Tennyson Street Castlecliff, Whanganui 4501 | 15 |
| New Zealand Community Trust | Castlecliff Hotel | 1 Polson Street Castlecliff, Whanganui 4540 | 17 |
| Wanganui Cosmopolitan Club Inc | Club Metro | 13 Ridgway Street Whanganui 4540 | 15 |
| New Zealand Community Trust | Red Lion Inn | 45-47 Anzac Parade Whanganui 4540 | 9 |
| New Zealand Community Trust | Shotz | 75 Guyton Street Whanganui 4540 | 18 |
| The Lion Foundation (2008) | Sportz Bar | 197 Victoria Avenue Whanganui 4540 | 14 |
| St John's Club Inc | St John's Club | 158 Glasgow Street Whanganui 4500 | 18 |
| New Zealand Community Trust | Stellar Bar | 2 Victoria Street Whanganui 4540 | 18 |
| Racing Industry Transition Agency | TAB Wanganui | 5b Puriri Street Gonville, Whanganui 4501 | 9 |
| New Zealand Community Trust | Tandoori Spice Bar | 88 Guyton Street Whanganui 4540 | 18 |

¹¹ Ibid.

| | | | |
|----------------------------|---------------------|---|------------|
| The Lion Foundation (2008) | The Grand Hotel | 99 Guyton Street Whanganui 4540 | 9 |
| Whanganui East Club Inc | Whanganui East Club | 101 Wakefield Street Whanganui East, Whanganui 4540 | 18 |
| | | TOTAL | 208 |

Table 7: Location of class 4 gambling venues in Whanganui- March 2020¹²

Figure 2 maps information in the table above.

As presented in the map below (Figure 2), the majority of class 4 venues are located within the town centre.

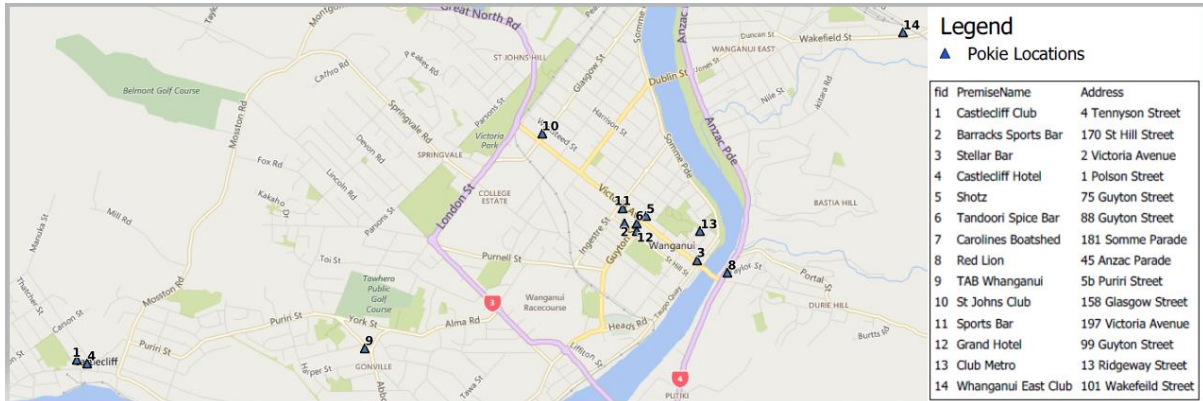


Figure 2: Location of class 4 gambling venues in Whanganui 2020

Figures 3 and 4 examine the distance between class 4 venues and sensitive sites, the latter defined as a school (secondary and primary), preschool, marae, and church. Currently no class 4 venues are determined to be within 100 metres of a sensitive site, but there are five class 4 venues within 200 metres of a sensitive site.

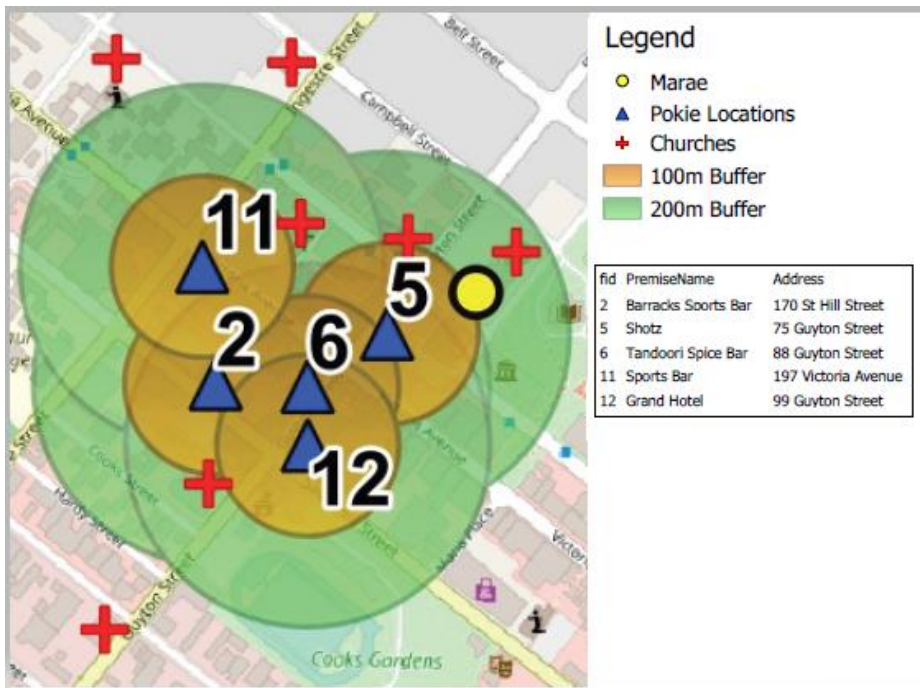


Figure 3: Location of class 4 gambling venues within 200m of sensitive sites- town centre

¹² Department of Internal Affairs

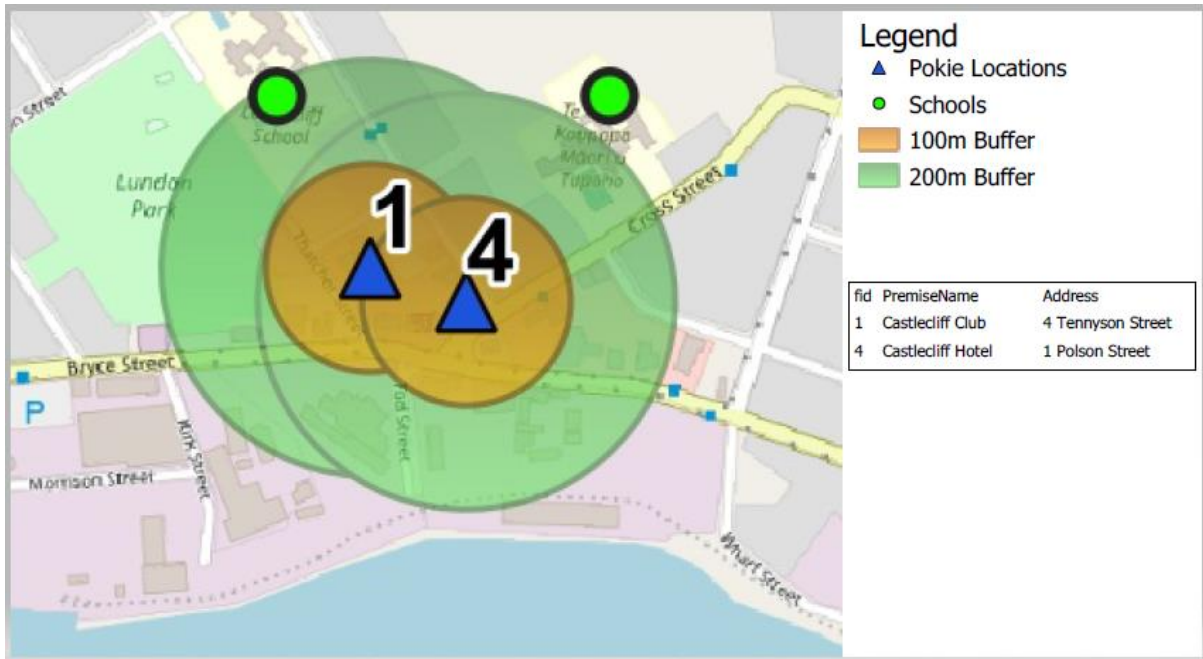


Figure 4: Location of class 4 gambling venues within 200m of sensitive sites- Gonville

5.2.3. Density

It is generally considered that the greater the availability of class 4 gaming machines for a population or density of electronic gaming machines (EGMs), the greater the risk of problem gambling prevalence and gambling related harm. A meta-analysis of surveys of problem gambling conducted by Storer et al. found strong statistical evidence that every one increase of an EGM in an area results in an increase of 0.8 problem gamblers. There was no evidence of plateauing of problem gambling prevalence when EGM density increased.¹³ The study also reported populations displayed adaptation to EGMs with problem gambling prevalence declining over time.¹⁴

For Whanganui, class 4 gambling machines are concentrated within the town centre. Based on the total amount of the district's population who are 18 and over, Whanganui District has a total of 1 EGM for every 166 people, slightly higher than the national average of 1 EGM per 230 people.¹⁵

5.3. TAB venues

At present, there is only one standalone TAB venue located in the Whanganui District and its location is presented in Figure 5 below.

¹³ Storer, J., Abbott, M., & Stubbs, J. (2009). Access or adaptation? A meta-analysis of surveys of problem gambling prevalence in Australia and New Zealand with respect to concentration of electronic gaming machines. *International Gambling Studies*, 9(3), 225-244.

¹⁴ Ibid.

¹⁵ These figures were worked out by dividing the total population who identified as 18 and over at the 2018 census by the total amount of EGMs in June 2018.

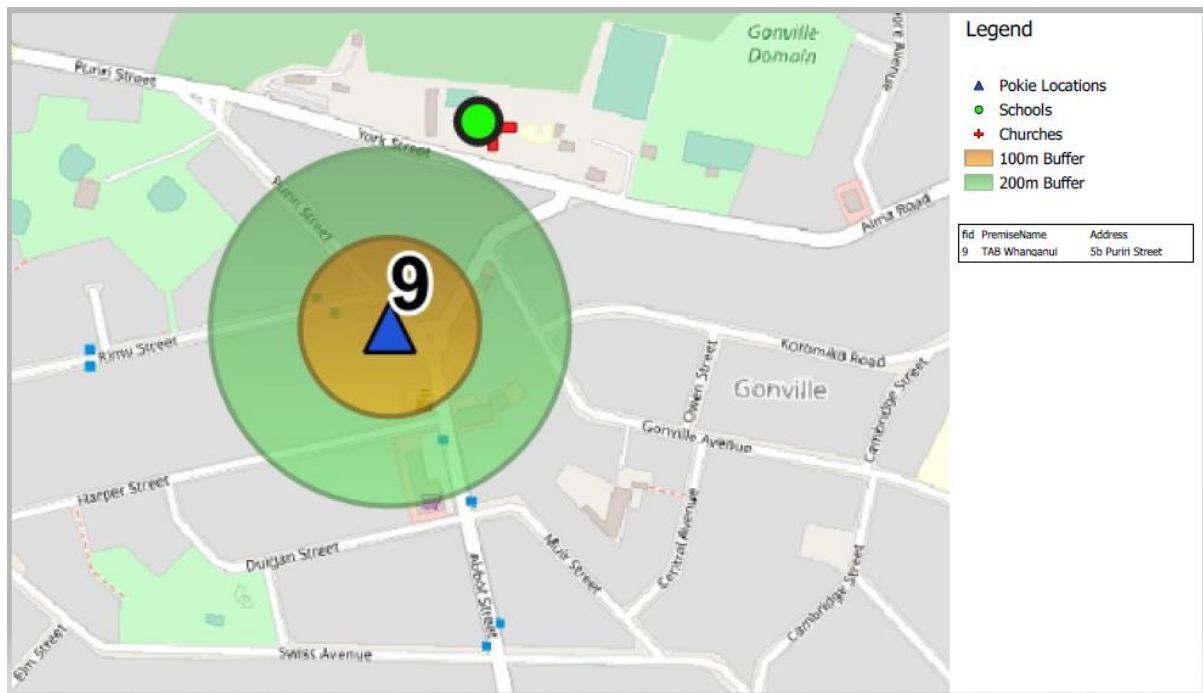


Figure 5: Location of standalone TAB venue in Whanganui- 2020

Under the Racing Industry Act 2020, territorial authorities are only empowered to permit or restrict the establishment and location of TAB venues that are standalone. Other TAB venue types are exempt from these controls.

5.4. Gambling venue locations and socioeconomic deprivation

Research indicates a relationship between a person's likelihood to participate in gambling activity is higher if the person is socioeconomically deprived.¹⁶ Research focusing on the distribution of EGMs across areas of New Zealand showed that the ratio of EGMs to people in higher socio-economic areas were 1 to 465 compared to 1 to 75.5 in poorer areas of the community.¹⁷

Evaluating deprivation and its connection with gambling harm, the New Zealand 2012 National Gambling Study assessed whether individuals had gone without quality food or home heating. It was found that almost 75 per cent of people who said they were experiencing problems with gambling purchased cheaper food in the past twelve months compared to the remaining 25 per cent.¹⁸

Data analysis shows that gambling spend in decile 10 communities (highest deprivation) is more than 3 times the spend in decile 1 communities¹⁹ (lowest deprivation).

¹⁶ Shore. (2008). Assessment of the Social Impacts of Gambling in New Zealand. Auckland: Ministry of Health.

¹⁷ Wheeler, B. W., Rigby, J. E., & Huriwai, T. (2006). Pokies and poverty: problem gambling risk factor geography in New Zealand. *Health & place*, 12(1), 86-96

¹⁸ Abbott, M., Bellringer, M., Garrett, N., & Mundy-Mcpherson, S. (2014a). New Zealand 2012 National Gambling Study: Gambling harm and problem gambling. Report number 2. Auckland: Auckland University of Technology, Gambling and Addictions Research Centre.

¹⁹ Dot Loves Data Dashboard – Gambling – Accessed 25 September 2020

<https://products.dotlovesdata.com/dashboards/report/62ee8967-1244-430d-bed5-38dc7dc80a51>

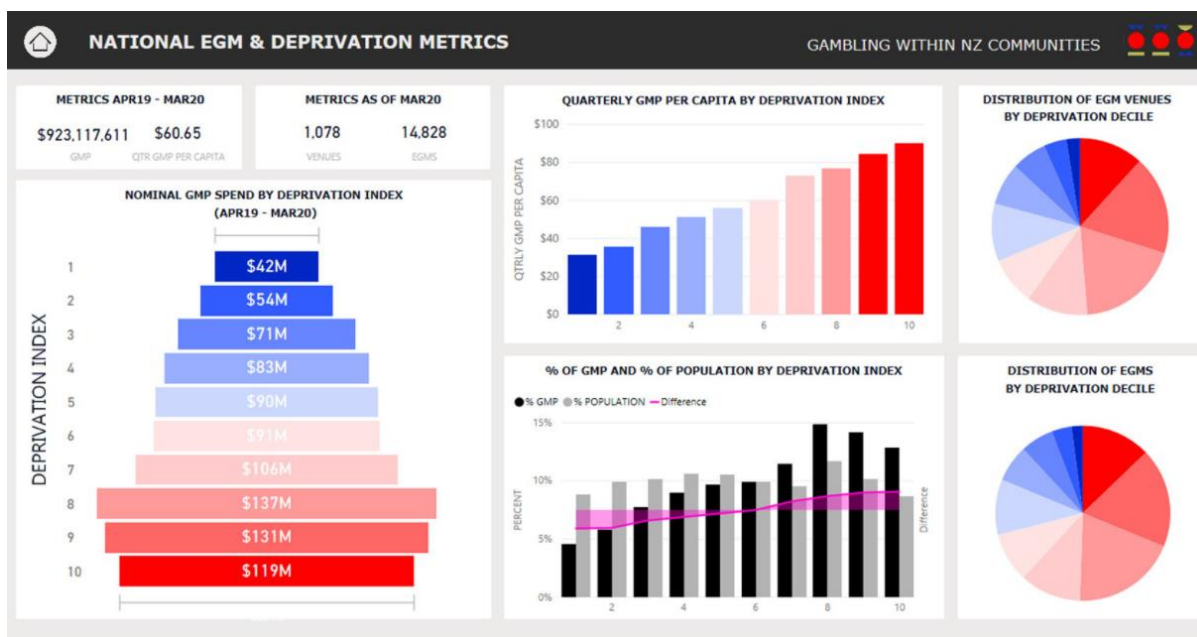


Figure 6: EGM prevalence and spend by deprivation index

In New Zealand, socioeconomic deprivation is calculated by the Department of Public Health of the University of Otago. The 2018 Deprivation Index combines nine variables from the 2018 census which reflect eight dimensions of deprivation. A deprivation score is calculated for each statistical area and its constituent meshblocks (the smallest geographical units defined by Statistics New Zealand), and generally contain between 100 and 200 people.

This is done by assessing meshblocks against a set of nine variables which are then scaled from 1 to 10, with 10 being the highest and 1 the lowest (through to nil deprivation). The nine variables are tabled below in Table 8.

| Dimension of deprivation | Description of variable |
|--------------------------|---|
| Communication | People with no access to the Internet at home |
| Income | People aged 18-64 receiving a means tested benefit |
| Income | People living in equivalised* households with income below an income threshold |
| Employment | People aged 18-64 who are unemployed |
| Qualifications | People aged 18-64 without any qualifications |
| Owned home | People not living in their own home |
| Support | People aged <65 living in a single parent family |
| Living Space | People living in equivalised* households below a bedroom occupancy threshold |
| Living Conditions | People living in dwellings that are always damp and/or always have mould greater than A4 size |

Table 8: Socioeconomic deprivation dimensions²⁰

*equivalisation: methods used to control for household composition.

²⁰ Adapted from Table 1: Variables included in NZDep2018 found in *NZDep2018 Index of Deprivation* (December 2019), University of Otago.

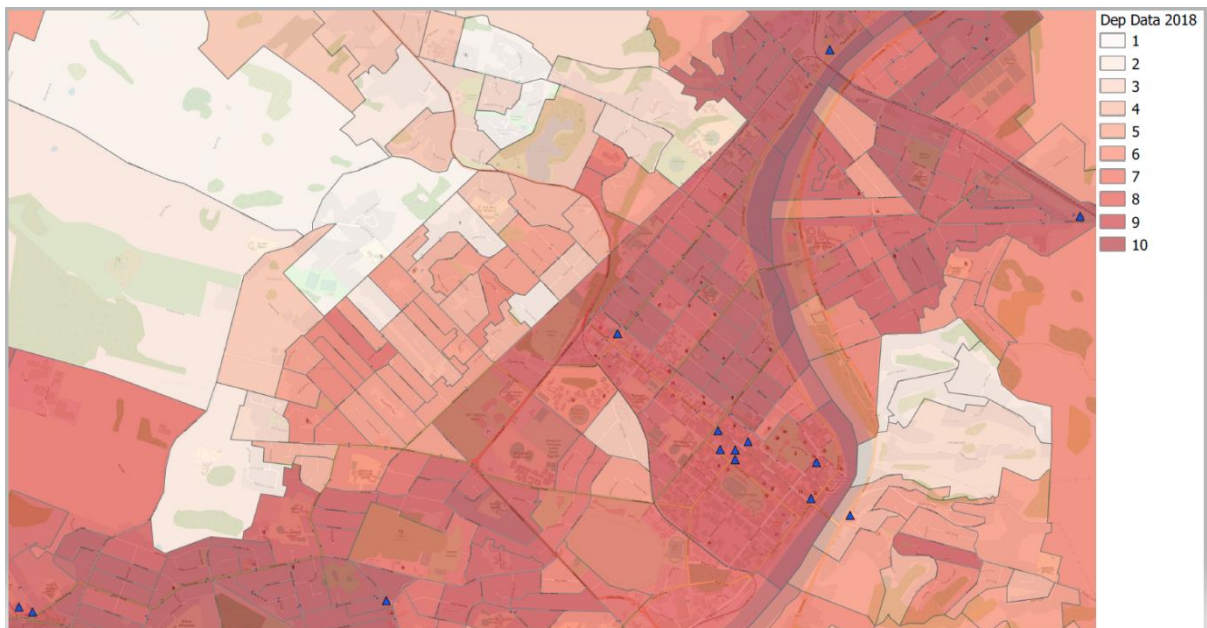


Figure 7: Location of class 4 venues vs deprivation

When we examine the location of class 4 venues against highly deprived areas (defined as a deprivation score between 8 and 10), we find that 13 out of the 14 class 4 venues are located in highly deprived areas (Table 9).

| Venue | Deprivation score |
|----------------------|-------------------|
| Barracks Sports Bar | 9 |
| Caroline's Boatshed | 10 |
| Castlecliff Club Inc | 9 |
| Castlecliff Hotel | 9 |
| Club Metro | 9 |
| Red Lion Inn | 5 |
| Shotz | 9 |
| Sportz Bar | 9 |
| St John's Club | 9 |
| Stellar Bar | 9 |
| TAB Wanganui | 10 |
| Tandoori Spice Bar | 9 |
| The Grand Hotel | 9 |
| Wanganui East Club | 10 |

Table 9: Location of class 4 gaming and TAB venue vs deprivation score

Additionally, as much as 69% of Whanganui's population live in the highest deprivation, decile 8 – 10 areas.²¹

²¹ Dot Loves Data Dashboard – Gambling – Accessed 28 September 2020
<https://products.dotlovesdata.com/dashboards/report/93b02fd7-ac3d-4373-85e9-8354f02c0966>

5.5. National gambling trends

Gamblers in New Zealand spent \$2,402 million dollars (inflation adjusted) on the four main forms of gambling in the 2018/19 financial year, a decrease of 1.2 per cent from the previous year.²² Gaming machines (outside of casinos) saw the greatest share of spend over the same period.

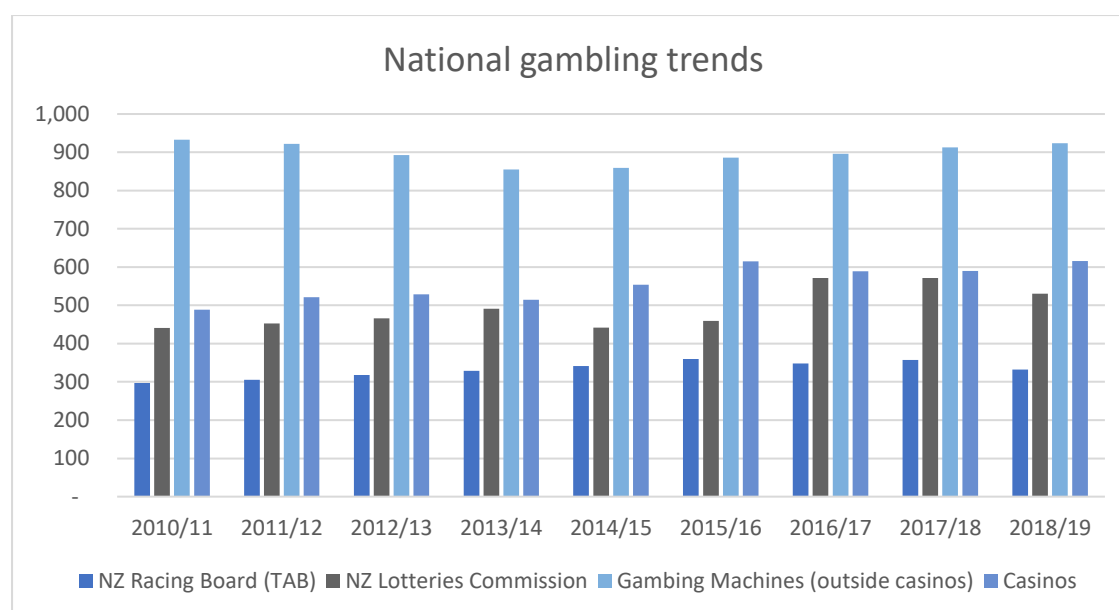


Figure 8: National gambling trends- FY 2010/11 to 2018/19

- TAB saw a progressive increase in spend since 2013/14, with a decline in 2016/17 and again in 2018/19.
- Spend on lottery products saw a marginal decline in 2014/15, rising again in subsequent years with another decline in 2018/19.
- Casinos have seen an increase in spend since 2013/14 with a marginal decline in 2016/17 before rising again in subsequent years.
- Gaming machines have seen progressive increases in spend since 2013/14.

In summary, the total reported expenditure over the four main forms of gambling has seen progressive increases since 2011/12. TABs, Lottery products, and at Casinos have seen fluctuations in spend in differing years but all have had an overall increase in spend between 2011/12 and 2018/19. Gaming Machines (outside of casinos) spend has not fluctuated in consecutive years and has seen spend progressively increase since 2013/14.

An estimated \$241 million was distributed to a variety of community purposes from gambling proceeds in 2019. This amounts to 26% of the \$919 million lost on class 4 gambling in that same year.²³

- TAB gave over \$19 million nearly \$15 million of which was returned to the racing industry;
- The Lottery Grants Board distributed \$178 million across a range of sectors.

5.6. Gaming Machine Proceeds

Gaming Machine Proceeds from class 4 gambling machines for Whanganui are presented in Table 10.

²² The Department on Internal Affairs. Summary of gambling expenditure for FY 2018/19

²³ PGF Group, Hāpai Te Hauora, The Salvation Army Oasis. (2020). *Ending community sector dependence on pokie funding* [White Paper]

| Year | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 1 st and 2 nd Qtr |
|--------------------|-------------|--------------|--------------|--------------|--------------|--|
| WHANGANUI DISTRICT | \$9,537,327 | \$10,022,391 | \$10,144,537 | \$10,465,064 | \$10,735,860 | \$3,830,919 |

Table 10: Class 4 gaming machines proceeds for Whanganui

Table 10 shows that Gaming Machine Proceeds (GMP) generated from Whanganui District class 4 machines in 2019 totalled \$10,735,860. This is an increase of \$270,796 (2.5%) compared to the total GMP in 2018, and an increase of \$591,323 (5.8%) compared to total GMP generated in 2017. As of third quarter 2020, GMP looks set to be below the amount from 2019. This would be the first time GMP has decreased in over 5 years.

Figure 9 below presents the total amount of GMP from class 4 gaming machines in the Whanganui District in comparison to all of NZ for the years 2015 to the first and second quarters of 2020. Changes in the total GMP collected in Whanganui for the years 2015 to 2020 broadly mirror year on year GMP from New Zealand in terms of trends.

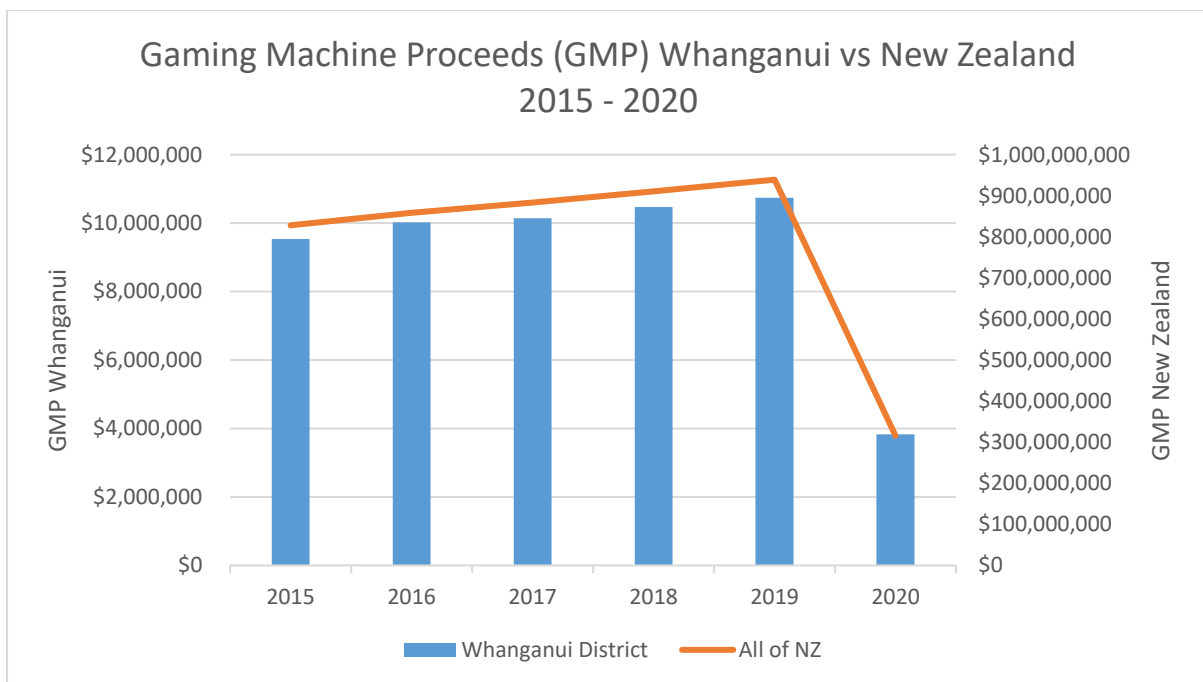


Figure 9: Gaming machine proceeds Whanganui vs New Zealand- 2012 to 2020

Table 11 below expands on the information presented in Figure 9, demonstrating the amount of GMP per gaming machine. Looking at the GMP/EGM in the Whanganui District, GMP spread equated to \$51,864 per machine in 2019. This saw a significant drop in GMP per EGM in 2020, but a steady rise every other year. This rise in GMP per EGM despite decreasing accessibility might be attributed to more people partaking in class 4 gambling, or persons who normally gamble doing so at a higher frequency.

| Year | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 1st and 2nd Qtr |
|------------------------------|---------------|---------------|---------------|---------------|---------------|---|
| GMP - Whanganui District | \$9,537,327 | \$10,022,391 | \$10,144,537 | \$10,465,064 | \$10,735,860 | \$3,830,919 |
| GMP - All Of NZ | \$828,026,639 | \$858,236,950 | \$883,384,865 | \$910,679,549 | \$939,075,153 | \$315,399,898 |
| EGMs - Whanganui District | 235 | 232 | 225 | 225 | 207 | 208 |
| EGMs - All of NZ | 16,614 | 16,274 | 16,031 | 15,490 | 15,118 | 14,828 |
| GMP/EGM - Whanganui District | \$40,584 | \$43,200 | \$45,087 | \$46,511 | \$51,864 | \$18,418 |
| GMP/EGM - All of NZ | \$49,839 | \$52,737 | \$55,105 | \$58,791 | \$62,116 | \$21,271 |

Table 11: Gaming Machine Proceeds (GMP) and Electronic Gaming Machines (EGMs)

5.7. Social impacts of gambling - Costs



Figure 10: Social impacts of problem gambling²⁴

Figure 10 depicts the social costs of gambling.

Taken from *Measuring the Burden of Gambling Harm in New Zealand*²⁵, social impacts of gambling can be grouped as follows:

- Decrements to health (both morbidity and mortality);
- Emotional or psychological distress;
- Financial harm;
- Reduced performance at work or education;
- Relationship disruption and harm to others; and
- Criminal activity.

It should be noted gambling harm is often considered as hidden. This includes the fact that people who engage in problem gambling may be disinclined to say or unaware that they have a gambling

²⁴ Problem Gambling Foundation. (2011). Fact Sheet no. 5. Accessed from:

https://www.pgf.nz/uploads/7/1/9/2/71924231/fs05-social_impacts_of_problem_gambling.pdf

²⁵ Browne, M., Bellringer, M., Greer, N., Kolandai-Matchett, K., Rawat, V., Langham, E., Rockloff, M., Palmer Du Preez, K. and Abbott, M., (2017). *Measuring the burden of gambling harm in New Zealand*. New Zealand Ministry of Health.

problem, but indicators of gambling harm are often difficult to distinguish or be solely attributed to gambling as a root cause²⁶.

Before delving into specifics of gambling harm, key findings from 2017's *Measuring the burden of gambling harm in New Zealand*²⁷ are provided below to add further context.²⁸

- The study estimates that the total burden of harms occurring to gamblers is greater than common health conditions (such as diabetes and arthritis) and approaches the level of anxiety and depressive disorders.
- Both qualitative and quantitative results suggest that this burden of harm is primarily due to damage to relationships, emotional/psychological distress, disruptions to work/study and financial impacts.
- The most critical result from the research is regarding absolute scale of harms from gambling to the New Zealand population. There was an estimated 161,928 years of life lost to disability as a result of harms from gambling in 2012. Within this number 67,928 years were attributed to gamblers themselves and 94,729 to people who were effected by someone else's gambling. This represents a substantial level of harm compared to other issues. In addition this calculation does not include harms experienced beyond a 12 month period, meaning that it is likely to be conservative.
- Although some of this 'burden of harm' was concentrated in problem gamblers, the results suggested that at a population level the majority of harm may not be accruing to those who are problem gamblers.

This paper has recently been challenged by the Gaming Machine Association for errors and selection biases, with a view to having it officially withdrawn or an official caution against its use.²⁹ As a ruling has not been made and it is still available via the Ministry of Health, and since its results are mostly relied on for context, it is relied on as a source in this assessment.

5.7.1. Decrements to health

Most harm to an individual's health in relation to gambling exposure is related to increased levels of stress or anxiety³⁰. Comorbidities, when one or more additional diseases or disorders are co-occurring with a primary disease or disorder, have also been associated with gambling including mental health

²⁶ Bond, K. S., Jorm, A. F., Miller, H. E., Rodda, S. N., Reavley, N. J., Kelly, C. M., & Kitchener, B. A. (2016). How a concerned family member, friend or member of the public can help someone with gambling problems: a Delphi consensus study. *BMC psychology*, 4(1), 6; & Downs, C., & Woolrych, R. (2010). Gambling and debt: the hidden impacts on family and work life. *Community, Work & Family*, 13(3), 311-328.

²⁷ Browne, M., Bellringer, M., Greer, N., Kolandai-Matchett, K., Rawat, V., Langham, E., Rockloff, M., Palmer Du Preez, K. and Abbott, M., (2017). *Measuring the burden of gambling harm in New Zealand*. New Zealand Ministry of Health.

²⁸ Officers would like to thank the authors of *Measuring the burden of gambling harm* which have provided a framework and evidence used in this report's assessment of social costs from gambling.

²⁹ True, J. & Cheer, M., (2020). *Gaming Machine Gambling Statistics and Research Paper – Information for Territorial Authorities*.

³⁰ Browne, M., Bellringer, M., Greer, N., Kolandai-Matchett, K., Rawat, V., Langham, E., Rockloff, M., Palmer Du Preez, K. and Abbott, M., (2017). *Measuring the burden of gambling harm in New Zealand*. New Zealand Ministry of Health.

and age related impairments.³¹ The New Zealand 2012 National Gambling Study³² noted that reported good health decreased with increasing risk of problem gambling and that those experiencing or at risk of developing a gambling problem had higher rates of tobacco and substance abuse, including alcohol and higher smoking prevalence.³³

5.7.2. Emotional or psychological distress.

Gambling has also been identified to cause harm in terms of emotional or psychological distress as experiences of guilt, anxiety, and helplessness; as well as shame, stigma, grief, and self-hatred.³⁴ On a similar note, the 2014 phase of the New Zealand national gambling study showed 4% of those who gambled in past 12 months expressed feelings of guilt.³⁵

5.7.3. Financial harm

Financial harm can include escalating harms such as the erosion of savings, juggling or failure to pay bills, borrowing money, or a decline in the standard of living.³⁶ As reported by Browne et al (2017) deprivation can occur where individuals go without necessities as a result of increasing or perpetual gambling behaviours, and that this process (from loss of discretionary consumer items to deprivation to crisis) differs on other factors such as socio-economic status, income, lifestyle, and severity of the gambling problem.³⁷

Individuals experiencing gambling problems were more likely to experience higher levels of deprivation, with close to three-quarters reporting they were forced to purchase cheaper food during the past twelve months compared to a quarter of adults generally.³⁸

The Salvation Army's 2005 investigation of Foodbank clients showed that 37% of the people accessing Foodbank services were either affected by the problem gambling of others or were problem gamblers themselves.³⁹ One of the findings from a more recent 2010 study was that a higher density of gaming

³¹ Lorains, F. K., Cowlshaw, S., & Thomas, S. A. (2011). Prevalence of comorbid disorders in problem and pathological gambling: Systematic review and meta-analysis of population surveys. *Addiction*, 106(3), 490-498.

³² Abbott, M., Bellringer, M., Garrett, N., & Mundy-Mcpherson, S. (2014a). New Zealand 2012 National Gambling Study: Gambling harm and problem gambling. Report number 2. Auckland: Auckland University of Technology, Gambling and Addictions Research Centre.

³³ Ibid.

³⁴ Raisamo, S., Halme, J., Murto, A. & Lintonen, T. (2013). Gambling-related harms among adolescents: a population-based study. *Journal of Gambling Studies / co-sponsored by the National Council on Problem Gambling and Institute for the Study of Gambling and Commercial Gaming*, 29(1), 151-159. doi: 10.1007/s10899-012-9298-9

³⁵ Abbott, M., Bellringer, M., Garrett, N., & Mundy-Mcpherson, S. (2014a). New Zealand 2012 National Gambling Study: Gambling harm and problem gambling. Report number 2. Auckland: Auckland University of Technology, Gambling and Addictions Research Centre.

³⁶ Browne, M., Bellringer, M., Greer, N., Kolandai-Matchett, K., Rawat, V., Langham, E., Rockloff, M., Palmer Du Preez, K. and Abbott, M., (2017). Measuring the burden of gambling harm in New Zealand. New Zealand Ministry of Health.

³⁷ Ibid.

³⁸ Abbott, M., Bellringer, M., Garrett, N., & Mundy-Mcpherson, S. (2014a). New Zealand 2012 National Gambling Study: Gambling harm and problem gambling. Report number 2. Auckland: Auckland University of Technology, Gambling and Addictions Research Centre.

³⁹ Salvation Army & Abacus Counselling & Training Services Ltd. (2005). Salvation Army Social Services Project Final Report. Manukau City: Salvation Army.

machines were associated with a higher number of food parcels being given out by the Salvation Army.⁴⁰

5.7.4. Reduced performance at work or education

Preoccupation with gambling can impair studying or working relationships which can negatively impact work performances.⁴¹ Absenteeism and theft of resources to support gambling activities are other manifestations of gambling related problems.⁴²

5.7.5. Relationship disruption, and harms to others

Problem gambling has a strong connection with the breakdown of family and personal relationships. Research indicates that people experiencing problems with gambling are more likely to be separated or divorced, and also experiencing higher levels of conflict in other personal relationships.⁴³

Estimates from Australia's Productivity Commission indicate that one person's gambling problem typically affects five to 10 people.⁴⁴

The New Zealand 2012 National Gambling Study found around one in 12 participants were of the view that they had been affected personally by another person's gambling.⁴⁵ Persons surveyed said they were affected by adverse financial impacts, relationship break-ups, stress to family, loss of trust, anger, frustration, and resentment. Furthermore, approximately one in 33 adults reported an argument about gambling in their household during the past 12 months and around one in 36 reported that their family or household had gone without something they needed or that bills were not paid because of gambling.⁴⁶

Research also suggests that Māori and those who live in high deprivation areas suffer the greatest impacts from the gambling of others.⁴⁷ This compounds with the higher gambling rate and higher problem gambling rate among these demographics, making them significantly more susceptible to gambling harm.

5.7.6. Link between gambling and family violence.

In a 2016 New Zealand study, 370 gamblers and 84 affected others accessing national problem gambling treatment services took part in a survey on gambling and family/whānau violence and abuse (454 total participants).⁴⁸ Of this sample, the main modes of problematic gambling reported by

⁴⁰ Wall, M., Peter, M. You, R., Mavoa, S., & Witten, K. (2010). Problem Gambling Research: A study of community level harm from gambling Phase one Final Report. Auckland: Centre for Social and Health Outcomes Research and Evaluation.

⁴¹ Griffiths, M. (2009). Internet gambling in the workplace. *Journal of Workplace Learning*, 21 (8), 658-670.

⁴² Browne, M., Bellringer, M., Greer, N., Kolandai-Matchett, K., Rawat, V., Langham, E., Rockloff, M., Palmer Du Preez, K. and Abbott, M., (2017). Measuring the burden of gambling harm in New Zealand. New Zealand Ministry of Health.

⁴³ Ibid.

⁴⁴ Productivity Commission. (1999). *Australia's Gambling Industries: Inquiry Report*. Canberra: Commonwealth of Australia.

⁴⁵ Abbott, M., Bellringer, M., Garrett, N., & Mundy-Mcpherson, S. (2014a). *New Zealand 2012 National Gambling Study: Gambling harm and problem gambling. Report number 2*. Auckland: Auckland University of Technology, Gambling and Addictions Research Centre.

⁴⁶ Ibid.

⁴⁷ Theramasarn-Anwar, T., Squire, H., Trowland, H. & Martin, G. (2017). *Gambling report: Results from the 2016 Health and Lifestyles Survey*. Wellington: Health Promotion Agency Research and Evaluation Unit.

⁴⁸ Bellringer, M., Palmer du Preez, K., Pearson, J., Garrett, N., Koziol-McLain, J., Wilson, D., & Abbott, M. (2016). Problem gambling and family violence in help-seeking populations: Co-occurrence, impact and coping.

gamblers and affected others⁴⁹ were pub electronic gaming machines (EGMs) (37% and 35% respectively), casino table games (23%, 20%), casino EGMs (15%, 8%) and horse or dog race betting (7%, 16%). The main findings of this study are presented in Box 1.⁵⁰

The most common abuse was verbal:

- 37% 'screamed or cursed at' another person and 41% were victims of this
- 34% 'insulted or talked down to' another person and 40% were victims of this.

Physical abuse was less common:

- 7% caused physical harm and 9% were victims of physical harm
- 9% threatened physical harm and 12% were threatened with physical harm
- No participants reported sexually abusing someone but 4% were sexually abused.

More affected others reported committing and being victims of violence and abuse (except for financial abuse) than gamblers:

- 57% of affected others committed violence/abuse compared with 41% of gamblers
- 66% of affected others were victims of violence/abuse compared with 47% of gamblers.
- About three-quarters of the family/whānau violence/abuse was to, or from, a current or ex-partner; the other family members were sons or daughters, and other family/whānau members.

Box 1: Problem gambling and family violence in help-seeking populations: Co-occurrence, impact, and coping-key findings

5.7.7. Criminal activity

In compiling this social impact assessment, officers made contact with Police NZ with regards to gambling related crime. At present, Police NZ do not code offences in association to gambling or gambling harm. Regardless, studies tend to support a relationship between problem gambling and criminal behaviour.

Bellringer et al. suggests a relationship exists between gambling and crime that is somewhat complex, in that sometimes crimes are committed to pay gambling related debts whilst other cases crimes are the cause of gambling itself.

In Bellringer et al.'s investigation, a sample of 32 gamblers (26 being classified as problem gamblers) were interviewed to provide insight into the links between gambling and crime in New Zealand. Almost two-thirds of participants reported their gambling behaviours were associated with, contributed to, and/or caused the crimes they had committed.⁵¹

Auckland University of Technology, Gambling and Addictions Research Centre and Centre for Interdisciplinary Trauma Research.

⁴⁹ Affected others reported the main mode of problematic gambling for the problem gambler they knew.

⁵⁰ Bellringer, M., Palmer du Preez, K., Pearson, J., Garrett, N., Koziol-McLain, J., Wilson, D., & Abbott, M. (2016). Problem gambling and family violence in help-seeking populations: Co-occurrence, impact and coping. Auckland University of Technology, Gambling and Addictions Research Centre and Centre for Interdisciplinary Trauma Research.

⁵¹ Bellringer, M., Abbott, M., Coombes, R., Brown, R., Mckenna, B., Dyal, L., & Rossen, F. (2009). Formative investigation of the links between gambling (including problem gambling) and crime in New Zealand. Auckland: Auckland University of Technology Gambling and Addictions Research Centre and the University of Auckland Centre for Gambling Studies.

Browne et al. also accounts that there is substantial unreported crime, a large proportion of which is likely to be related to gambling.⁵²

5.7.8. Problem gambling

Problem gambling refers to gambling that significantly interferes with a person's life, especially with their finances, their job, and their relationships with partner, family, and friends.

While exact numbers are difficult to reach, it is suggested that 0.2% of the adult population are problem gamblers (10,000 people), 1.5% were moderate-risk gamblers (about 76,000 people), 3.3% were low-risk gamblers (about 168,000 people) and 70% were non-problem gamblers.⁵³

When extrapolated to Whanganui's population:

- 91 persons could be identified as problem gamblers.
- 680 persons could be identified as moderate-risk gamblers.
- 1495 persons could be identified as low-risk gamblers.
- 31716 persons could be identified as non-problem gamblers.

Outlined in a 2014 New Zealand gambling study, factors for moving towards risky gambling or remaining at risk included higher gambling frequency or expenditure, casino or pub pokie machine gambling, having a lower quality of life, experiencing significant life events, having higher levels of mental distress and using cannabis. Protective factors were gambling with other people, having a higher household income and not using illegal drugs.⁵⁴ Being Māori or Pasifika was associated with moving towards risky gambling and remaining at risk.⁵⁵ Being a problem gambler is significantly associated with living closer to gambling venues.⁵⁶

It should also be noted that 'problem gambling' as a framework has been criticised, with suggestions that it is not sufficient to accurately capture the level of harm suffered by gamblers as a whole. With the focus being on categories of gambler, it fails to consider nuances such as the level of harm suffered by those in lower categories – suggestions being that 'low-risk' gamblers suffer as much as 50% of gambling-related harm – and the harm suffered by those classified as non-problem gamblers⁵⁷.

5.7.9. Regressive tax effect and economic regional output leakage

A negative consequence of gambling can be attributed to the manner gambling expenditure is collected and redistributed as a regressive tax. A regressive tax is defined when the collection of

⁵² Browne, M., Bellringer, M., Greer, N., Kolandai-Matchett, K., Rawat, V., Langham, E., Rockloff, M., Palmer Du Preez, K. and Abbott, M., (2017). Measuring the burden of gambling harm in New Zealand. New Zealand Ministry of Health.

⁵³ Thermasarn-Anwar, T., Squire, H., Trowland, H. & Martin, G. (2017). *Gambling report: Results from the 2016 Health and Lifestyles Survey*. Wellington: Health Promotion Agency Research and Evaluation Unit.

⁵⁴ M, Abbott; M, Bellringer; N, Garrett; & S, Mundy-McPherson. (2014). New Zealand National Gambling Study: Wave 3 (2014) - report number 5; Ministry of Health, Wellington.

⁵⁵ Ibid.

⁵⁶ Ministry of Health. (2008). Raising the Odds? Gambling behaviour and neighbourhood access to gambling venues in New Zealand. Wellington: Ministry of Health.

⁵⁷ Browne, M., Bellringer, M., Greer, N., Kolandai-Matchett, K., Rawat, V., Langham, E., Rockloff, M., Palmer Du Preez, K. and Abbott, M., (2017). Measuring the burden of gambling harm in New Zealand. New Zealand Ministry of Health.

revenue comes from a higher portion of persons who have lower incomes/experiencing higher deprivation than those who do not.⁵⁸

A regional impact analysis measuring the economic impact of electronic gaming machines in regional areas of Australia found that the distribution of gambling revenue leads to poor relative performance of the sector and large leakages out of the regional economy and in turn negatively impacting levels of regional output, income and employment.⁵⁹

Given that \$10,735,860 of proceeds were collected from class 4 gambling machines in the Whanganui District in 2019, this money could be better spent otherwise and more beneficially to gamblers, in terms of return (social, cultural, economic capital etc), when taking into account persons who are more likely to partake in gambling activities are usually deprived.

Estimates suggest that problem gamblers contribute between 30 and 60% of GMP per year, which would mean that most, if not all, of yearly community grants are made entirely by problem gamblers.⁶⁰

Furthermore, it can be argued gaming proceeds redistributed back to communities via community grants are likely to provide marginal benefit to gamblers and their families, who are usually socioeconomically less off than others, and that benefits would be greater if the gambler spent this money differently.

5.7.10. Class 4 gambling loss per head

The financial loss per head to pokie machines was calculated from the expenditure figures released by the DIA divided by the adult population. Whanganui lost \$81.98 per head for the year of 2019. This is the 21st highest loss out of 66 territorial authorities.

⁵⁸ Livingstone, C., & Adams, P. J. (2011). Harm promotion: observations on the symbiosis between government and private industries in Australasia for the development of highly accessible gambling markets. *Addiction*, 106(1), 3-8.

⁵⁹ Pinge, I. (2000). Measuring the economic impact of electronic gaming machines in regional areas-Bendigo, a case study. Centre for Sustainable Regional Communities, La Trobe University.

⁶⁰ PGF Group, Hāpai Te Hauora, The Salvation Army Oasis. (2020). *Ending community sector dependence on pokie funding* [White Paper]

| | Territorial Authority | Quarterly GMP | LPH - Adult Population | | Territorial Authority | Quarterly GMP | LPH - Adult Population |
|----|----------------------------|------------------------|------------------------|----|--------------------------------|------------------|------------------------|
| 1 | KAWERAU DISTRICT | \$ 678,670.55 | 132.45 | 34 | CHRISTCHURCH CITY | \$ 19,917,811.07 | 68.10 |
| 2 | WAIROA DISTRICT | \$ 746,777.01 | 124.09 | 35 | RANGITIKEI DISTRICT | \$ 757,423.91 | 67.00 |
| 3 | ROTORUA DISTRICT | \$ 6,506,105.74 | 123.62 | 36 | TARARUA DISTRICT | \$ 877,525.75 | 65.63 |
| 4 | THAMES-COROMANDEL DISTRICT | \$ 2,734,929.55 | 111.75 | 37 | WESTLAND DISTRICT | \$ 450,916.76 | 65.01 |
| 5 | WHAKATANE DISTRICT | \$ 2,912,878.05 | 111.62 | 38 | ASHBURTON DISTRICT | \$ 1,643,702.08 | 64.70 |
| 6 | OPOTIKI DISTRICT | \$ 747,475.86 | 109.76 | 39 | MATAMATA-PIAKO DISTRICT | \$ 1,667,582.58 | 63.93 |
| 7 | NAPIER CITY | \$ 5,088,377.04 | 107.20 | 40 | WELLINGTON CITY | \$ 10,367,328.90 | 63.56 |
| 8 | SOUTH WAIKATO DISTRICT | \$ 1,871,359.21 | 106.61 | 41 | AUCKLAND CITY | \$ 73,583,992.83 | 61.51 |
| 9 | INVERCARGILL CITY | \$ 4,197,502.32 | 100.99 | 42 | MASTERTON DISTRICT | \$ 1,184,074.17 | 60.65 |
| 10 | GORE DISTRICT | \$ 946,201.73 | 98.96 | 43 | CENTRAL OTAGO DISTRICT | \$ 1,030,018.14 | 59.80 |
| 11 | LOWER HUTT CITY | \$ 7,676,819.21 | 96.75 | 44 | MACKENZIE DISTRICT | \$ 231,252.14 | 59.66 |
| 12 | HOROWHENUA DISTRICT | \$ 2,508,989.77 | 96.62 | 45 | STRATFORD DISTRICT | \$ 412,366.68 | 58.54 |
| 13 | TAURANGA DISTRICT | \$ 9,657,057.60 | 92.83 | 46 | KAPITI COAST DISTRICT | \$ 2,397,755.09 | 56.54 |
| 14 | WAITOMO DISTRICT | \$ 622,831.34 | 91.46 | 47 | HAMILTON CITY | \$ 6,700,175.16 | 55.76 |
| 15 | GREY DISTRICT | \$ 938,297.30 | 91.40 | 48 | WAIIPA DISTRICT | \$ 2,201,555.90 | 55.07 |
| 16 | HAURAKI DISTRICT | \$ 1,391,683.80 | 89.68 | 49 | CENTRAL HAWKE'S BAY DISTRICT | \$ 575,939.99 | 53.96 |
| 17 | PORIRUA CITY | \$ 3,608,405.84 | 88.66 | 50 | SOUTH WAIRARAPA DISTRICT | \$ 426,704.84 | 51.20 |
| 18 | GISBORNE DISTRICT | \$ 2,938,528.24 | 86.29 | 51 | TASMAN DISTRICT | \$ 2,030,306.52 | 49.82 |
| 19 | TAUPO DISTRICT | \$ 2,427,088.33 | 86.14 | 52 | WAITAKI DISTRICT | \$ 864,242.31 | 49.69 |
| 20 | FAR NORTH DISTRICT | \$ 4,112,396.89 | 84.76 | 53 | WAIMAKARIRI DISTRICT | \$ 2,140,163.35 | 46.92 |
| 21 | WHANGANUI DISTRICT | \$ 2,827,180.95 | 81.98 | 54 | DUNEDIN CITY | \$ 4,752,386.22 | 46.73 |
| 22 | UPPER HUTT CITY | \$ 2,727,177.38 | 81.06 | 55 | HURUNUI / KAIKOURA DISTRICT | \$ 596,418.93 | 46.27 |
| 23 | BULLER DISTRICT | \$ 621,137.00 | 80.85 | 56 | WAIKATO DISTRICT | \$ 2,484,939.34 | 45.46 |
| 24 | PALMERSTON NORTH CITY | \$ 5,142,927.50 | 79.73 | 57 | MANAWATU DISTRICT | \$ 947,967.87 | 41.80 |
| 25 | RUAPEHU DISTRICT | \$ 705,884.37 | 77.15 | 58 | CLUTHA DISTRICT | \$ 559,003.07 | 41.27 |
| 26 | HASTINGS DISTRICT | \$ 4,602,324.27 | 76.43 | 59 | WESTERN BAY OF PLENTY DISTRICT | \$ 1,638,382.32 | 41.17 |
| 27 | MARLBOROUGH DISTRICT | \$ 2,786,429.62 | 74.13 | 60 | CHATHAM ISLANDS DISTRICT | \$ 22,102.44 | 40.93 |
| 28 | SOUTH TARANAKI DISTRICT | \$ 1,489,108.56 | 73.61 | 61 | KAIPARA DISTRICT | \$ 641,153.91 | 36.42 |
| 29 | TIMARU DISTRICT | \$ 2,590,733.07 | 71.38 | 62 | OTOROHANGA DISTRICT | \$ 241,793.74 | 32.70 |
| 30 | CARTERTON DISTRICT | \$ 505,014.54 | 71.12 | 63 | QUEENSTOWN-LAKES DISTRICT | \$ 956,620.34 | 30.19 |
| 31 | NEW PLYMOUTH DISTRICT | \$ 4,290,014.52 | 70.20 | 64 | WAIMATE DISTRICT | \$ 186,839.31 | 30.13 |
| 32 | NELSON CITY | \$ 2,761,156.99 | 69.18 | 65 | SOUTHLAND DISTRICT | \$ 647,397.68 | 27.96 |
| 33 | WHANGAREI DISTRICT | \$ 4,688,276.01 | 68.53 | 66 | SELWYN DISTRICT | \$ 1,110,584.23 | 24.87 |

Figure 11: Class 4 gambling loss per head

5.7.11. Local evidence of harm from gambling

In 2014, the Māori Problem Gambling team at Nga Tai O Te Awa did a research project around the impact gambling may have on individuals, their whanau and community in the Whanganui region.

The project involved the administering of a survey, collecting key local information on gambling within the Whanganui District. A total of 273 individuals responded to the survey with the following presenting key highlights:⁶¹

- Most respondents identified as female (217 female; 56 male); most respondents were aged 25-34 (21%), followed by 35-44 and 65 and above (20% respectively); and 54% of respondents identified as Māori and 43% as New Zealand/ European.
- 57% of respondents said that they participated in a form of gambling.
- The top three forms of gambling respondents said they participated in were lotto (42%), scratchies (23%), and pokies (9%); 7% said they participated in TAB/sports betting.
- When asked if gambling has had a negative effect, “no” had the highest frequency of responses at 64%. Of those respondents who were affected 18% said financial neglect/hardship, followed by mental or physical health (6%), domestic violence (5%), employment (4%) and crime/theft (4%).

⁶¹ Provided by Nga Tai O Te Awa, 2017.

- 82% of those who participated in a gambling activity said that on an average week they spent between \$10-\$25.

5.7.12. Gambling harm intervention services

One of the Ministry of Health’s obligations under the Gambling Act 2003 is the provision of high-quality, effective and accessible services to prevent and minimise gambling harm.⁶² Accordingly, the Ministry continues to fund a toll-free helpline offering both referrals to face-to-face services and intervention services for those without access to face-to-face services or those who prefer a helpline service.⁶³

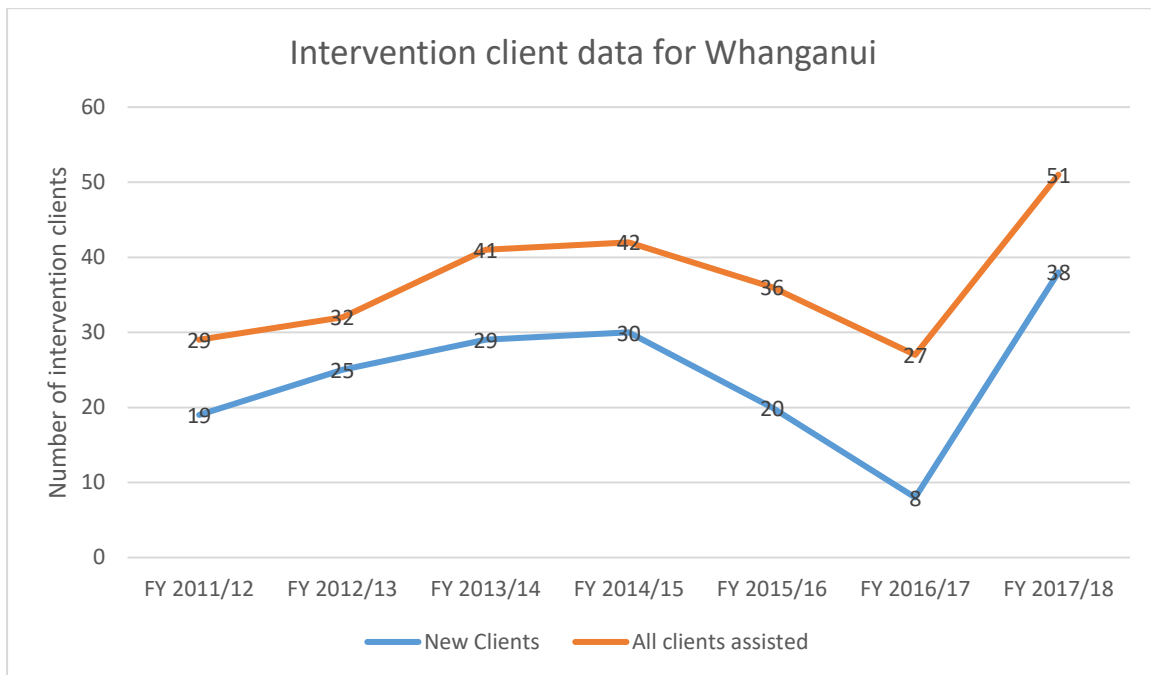


Figure 12: Gambling intervention service client data for Whanganui- FY2011/12 to FY2017/18

Figure 13 presents a comparison of new clients and the total number of clients (“all clients assisted”) who have accessed gambling harm intervention services determined to reside in the Whanganui District over each financial year from 2011/12 to 2017/18. There tends to be an increase of new clients from 2011/12 onwards with an all-time low for the past 6 years in 2016/17, which then spikes in 2017/18, taking it to its highest measured point.

All clients assisted followed a similar curve, with a drop between 2014/15 and 2016/17, followed by a spike upwards in 2017/18.

As clients accessing these intervention services are self-selective, and not neglecting those clients that were encouraged to access these services by a relative, a gambling venue as part of the gambling Act’s regulations, or a public health professional, the numbers presented likely under-represent the number of persons experiencing gambling harm. A final note on gambling harm intervention services, is that they do not discriminate the form of gambling practiced by clients. Clients assisted by gambling harm services presented in Figure 13 captures clients experiencing harm from all forms of gambling including online, class 4 machines, etc.

⁶² Ministry of Health. (2020). Strategy to Prevent and Minimise Gambling Harm 2019/20 to 2021/22. Wellington: Ministry of Health.

⁶³ Ibid.

It is difficult to determine the exact impact Council's class 4 and TAB venue policies has had on the intervention numbers. One could assume that, from 2011 to 2016, lower intervention numbers in tandem with lower machine numbers has reduced the level of problem gambling overall. However, this must be weighed against the fact GMP has only continued to increase, and that intervention services are only provided to those who seek them. Additionally, the increase in services provided in 2017/18 has no immediate explanation. While Whanganui was not alone in this result, it occurred in less than half of the reporting districts.

5.8. Social impacts of gambling - Benefits

The main benefit of gambling is realised through the distribution of profits from gaming machines and Lotto back into the community.⁶⁴ Schools, sport clubs and other not for profit and community based organisations are increasingly reliant on gambling as a source of funding. Many grant recipients would prefer not to be dependent on gambling proceeds for funding due to the fact that the money that goes into grants is largely or entirely drawn from vulnerable problem gamblers.⁶⁵ There is also the issue that, unlike public funding, transparency and appeal requirements are very limited.⁶⁶

In addition to distribution of gaming machine proceeds a number of positive social impacts have been identified:

- Entertainment
- Job creation
- Funding community groups and services

5.8.1. Distribution of class 4 Gaming Machine Proceeds

The gaming industry puts money back into the community by way of grants administered through various trusts that operate gaming machines at the gaming venues. These grants provide financial support to local and national clubs, charities and community organisations.

All corporate societies licensed to operate Class 4 gambling must apply or distribute their net proceeds to "authorised purposes". Under the Gambling Act 2003 Authorised purposes mean:

- 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 Industry Act 2020, including the payment of stakes.

The minimum amount for a corporate society that is a licence holder to give to authorised purposes, is an amount equivalent to 40% of its gross proceeds.⁶⁷ In 2018, between grant funds (\$276 million) and New Zealand Racing Board funding (\$71 million), an amount in the vicinity of \$347 million was provided in funding⁶⁸, of the \$911 million total GMP reported by the DIA for that year.

The Gambling (Class 4 Net Proceeds) Amendment Regulations 2020 was recently came enacted which creates an exemption for the 40% minimum for any financial years that end in 2020, or 2021.

⁶⁴ Abbott, M., Bellringer, M., Garrett, N., & Mundy-McPherson. (2015). New Zealand 2012 National Gambling Study: Attitudes Towards Gambling. Report Number 3. Gambling & Addictions Research Centre.

⁶⁵ PGF Group, Hāpai Te Hauora, The Salvation Army Oasis. (2020). *Ending community sector dependence on pokie funding* [White Paper]

⁶⁶ Ibid

⁶⁷ Gambling (Class 4 Net Proceeds) Regulations 2004, r10.

⁶⁸ True, J. & Cheer, M., (2020). Gaming Machine Gambling Statistics and Research Paper – Information for Territorial Authorities.

| Trust | Sum of Amount | Data to |
|--|------------------------|------------|
| Lion Foundation (2008) | \$ 578,844.00 | 31/12/2019 |
| New Zealand Community Trust | \$ 352,760.00 | 31/12/2019 |
| Infinity Foundation Ltd - Now part of Grassroots 28/7/20 | \$ 206,581.43 | 31/07/2019 |
| New Zealand Racing Board (TAB) | \$ 50,755.17 | 31/07/2019 |
| Trillian Trust | \$ 49,995.00 | 31/12/2019 |
| Pub Charity | \$ 27,000.00 | 31/12/2019 |
| Grand Total | \$ 1,265,935.60 | |

Figure 13: Grants made by pokie trusts

Figure 14 shows the amount class 4 trusts donated to the Whanganui territorial authority.

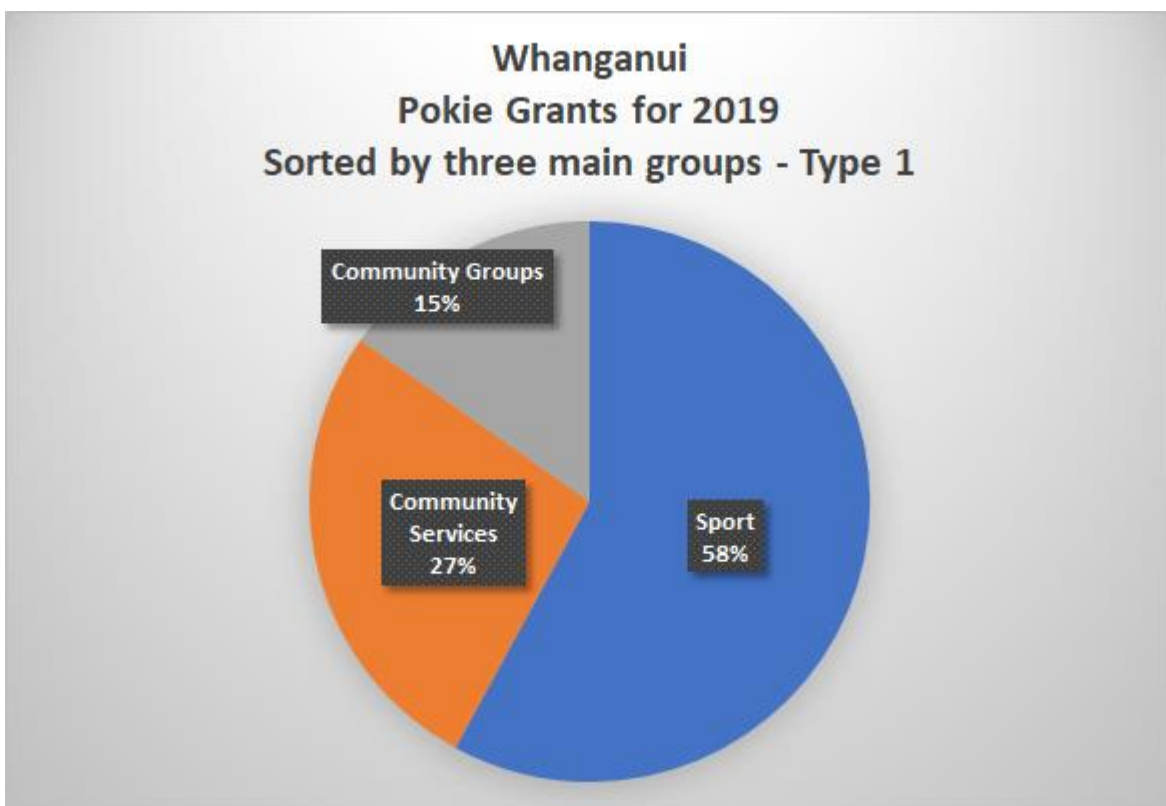


Figure 14: Grants from gaming machine proceeds to Whanganui by main categories: 1/1/19 – 31/12/19

The top five grants distributed from GMP in the Whanganui District for 2019 were other sports⁶⁹, education, community services, community groups, and water sports (Figure 16).⁷⁰

⁶⁹ Sports Clubs come under the 'Other sports' category where they cover a range of sports and yet not specific to any one sport.

⁷⁰ Grant information was provided for by the Problem Gambling Foundation of New Zealand. This information was sourced from gaming society websites, and the reader is cautioned as there may be inaccuracies in this information due to inaccuracies carried over from gaming society websites, the information is not regularly audited, and the assignment of categories.

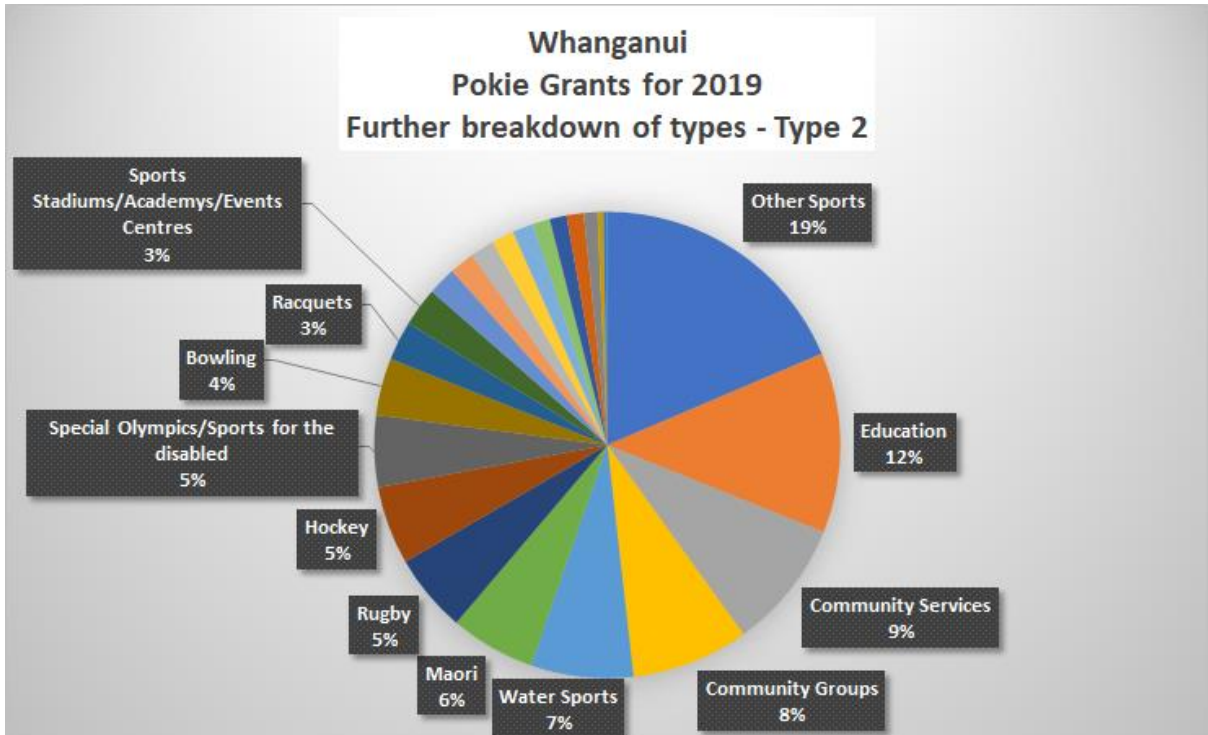


Figure 15: Main recipients of grants distribution from GMP 1/1/2018 – 31/3/2020

A representation of total grants distributed from 2018 to 2020 by trusts is displayed in Figure 17.

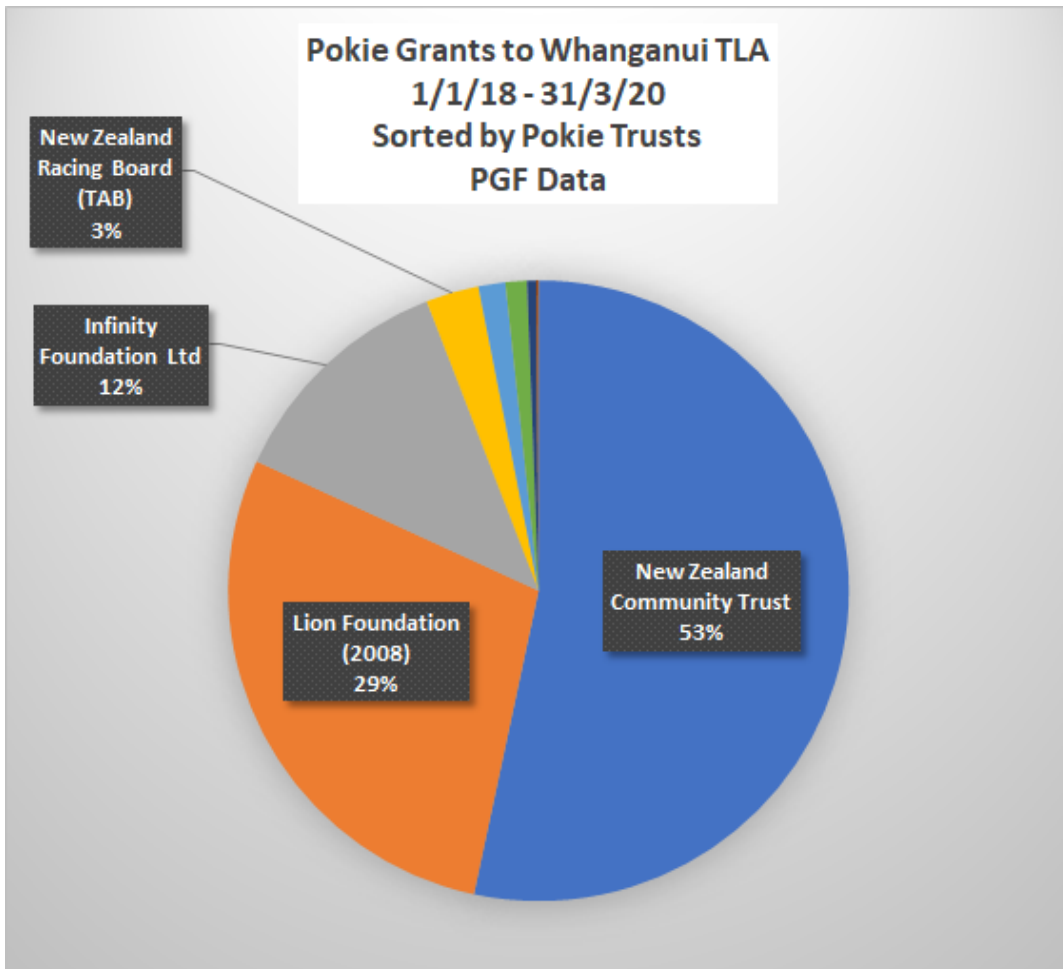


Figure 16: Pokie trusts and share of grants distributed for 1/1/2018 – 31/3/2020

NZ Community Trust made 53% of all pokie grants distributed in Whanganui over 2018 to 2020, followed by Lion Foundation (2008) and the Infinity Foundation Ltd.

Taken from NZ Community Trust and Lion Foundation (2008) websites⁷¹, Box 2 shows a selection of various community organisations and trusts who received grants for the 2019/20 financial year.

| | |
|--|--|
| <ul style="list-style-type: none"> • Wanganui Sports Foundation • Tamaupoko Community Led Trust • Wanganui Pirates Rugby Football Club Inc • Wanganui Darts League Inc • Wanganui Enterprises Trust • Kai Iwi School • Wanganui Tech Cricket Club Inc | <ul style="list-style-type: none"> • Wanganui Sports Foundation • Arahunga Special School • Mosston School • Wanganui Enterprises Trust • Hockey Wanganui Inc • Hospice Whanganui • KidsCan Charitable Trust • Life Education Trust Wanganui and Districts • Wanganui Boys & Girls Gym Club Inc • Wanganui Community Education Services Inc • Wanganui Multiple Sclerosis Soc Inc • Wanganui Rowing Assn Inc • Whanganui District Council |
|--|--|

Box 2: Selection of GMP grant recipients from NZ Community Trust and Lion Foundation (2008)

These various community groups/ trusts who received funding from pokie generated grants presented in Box 2 serve to illustrate the scale of various communities and activities that have benefited from receiving this revenue.

5.8.2. Economy and Employment

There are 14 class 4 gambling venues in the Whanganui District, all of these operating out of a bar or club, and while the existing class 4 machines do not solely contribute to the running of these establishments, they do provide these businesses with revenue which can support staffing and operational costs. This rationale can similarly be applied to the one standalone TAB venue.

For the year 2018, International and domestic visitors spent a total of \$2,580,696 on cultural, recreational, and gambling services.⁷²

5.8.3. Entertainment

Gambling when undertaken in a responsible manner can be considered as a form of pastime or entertainment. Most people gamble in the hope of winning money or a prize but for some people it is a form of entertainment.⁷³ This entertainment might be through a gaming machine, betting on a sports game, playing cards or bingo at a community group centre.

⁷¹ Rather than presenting every grant provided, which are readily available at corresponding websites, officers have selected the two largest grant providers.

⁷² Taken from Ministry of Business, Innovation, and Employment's *The New Zealand Tourism Dashboard* located here: https://mbienz.shinyapps.io/tourism_dashboard_prod/#tab-2655-1

⁷³ Browne, M., et al. (2017). Measuring the Burden of Gambling Harm in New Zealand. Central Queensland University and Auckland University of Technology. Gambling & Addictions Research Centre.

6. Conclusion

The findings of this social impact assessment indicate that the Whanganui District has current and potential levels of gambling harm sufficiently warranting the adoption of a restrictive policy on class 4 and TAB gambling.

Whanganui's population profile increases the likelihood for communities to experience or be subjected to gambling harm. Profile factors such as 26.3% of the population identify themselves as Māori and 68% of the population living in high deprivation areas make Whanganui District more prone to experiencing gambling harm.

A 2014 local study demonstrated 37% of respondents who participated in a gambling activity said that it negatively impacted their lives.

The number of clients who were recorded as residing in Whanganui that accessed a gambling harm intervention service decreased between 2014/15 and 2016/17, but experienced a significant spike in 2017/18.

Furthermore when applying national estimates to Whanganui, 91 people could be identified as problem gamblers and 680 as moderate- risk gamblers. The likelihood actual gambling harm and the total amount of problem gamblers could in fact be higher than what is extrapolated from the aforementioned national study, based on the district's population profile, location of gambling venues in high deprivation areas, and the higher amount of EGMs per population compared to the national average.

On the other hand, the report makes evident positive social impacts to Whanganui District. Positive social impacts stemming from gambling include being a source of funding, job creation, and as a source of entertainment.

As discussed above, 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 proceeds support a range of local organisations and communities.

In concluding, Council should consider rolling over its existing Gambling and TAB venue policies, with possible amendments to improve clarity and consistency. Based on the findings of this report, Council's existing gambling and TAB venues 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 minimising the harm to communities caused by gambling, and to continue to provide access to community organisations, premises relying on class 4 proceeds, and support responsible gambling practices.