



Social Impact Assessment of Gambling in the Whanganui District

2017

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 Class 4 Gambling Venue Policy 2014 and New Zealand Racing Board Venue (TAB) Policy 2014.

- Whanganui District residents are at risk of problem gambling and gambling related-harm due to: 39 per cent of the population live in high deprivation areas, and 22% and 2.6 per cent of residents identify as Māori and Pasifika respectively.
- Total number of pokies have decreased since 2013 from 257, to 225 as of June 2017; Whanganui has one standalone TAB venue and 15 class 4 venues.
- Whanganui District has a total of 1 electronic gaming machine for every 140 people, slightly higher compared to the national average of 1 electronic gaming machine per 205 people.
- When we examine the location of class 4 venues against highly deprived areas (defined as a deprivation score between 8 to 10), it was found that 14 out of the 15 class 4 venues are located in highly deprived area (Table 9).
- Gamblers in New Zealand spent \$2,209 million dollars on the four main forms of gambling in the 2015/16 financial year, 5.6 per cent more than the previous year. Gaming machines outside of casinos saw the greatest share of spend consequently.
- For Whanganui, Gaming Machine Proceeds (GMP - total pokie revenue generated minus payouts) totalled \$10,022,391 in 2016. This is an increase of \$485,064 (5%) compared to the total in 2015.
- GMP per class 4 gaming machines has risen steadily since 2014 in Whanganui though less machines, therefore less accessibility to EGMs, and can be attributed to more people partaking in class 4 gambling, or persons who normally gamble are doing so at a higher frequency.
- Negative social impacts of gambling include -
 - 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.
 - Criminal activity.
- Gambling harm is often hidden, but when recognised can manifest itself as crime, violence and violent crime, negatively impact relationships, and loss of productive/employment.
- Nationally, 0.3% of the adult population are estimated to be problem gamblers; applied to Whanganui this is 126 people.
- 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 36 in 2015/16; a decline from 2014/15 (42) and 2013/14 (41) totals.

- Whanganui lost \$74.76 per head for the 2017 March quarter. This is the 25th highest loss out of the 67 territorial authorities.
- Positive social impacts of gambling include-
 - Redistribution of gaming proceeds to local communities through grants
 - Entertainment
 - Base funding for clubs that own class 4 machines
 - Improve facilities and services through funding
 - Job creation
 - Funds services to help problem gamblers (Problem Gambling Levy)
- In 2016, \$1,579,949.26 was granted to community groups and organisations in the Whanganui District from GMP up 3.5% on 2015's total GMP (\$1,526,718.09).
- International and domestic visitors spent a total of \$2,224,053 on cultural, recreation, and gambling services in 2016.

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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 and TAB venue policies.

2.2. Scope

The scope of this report aligns itself with the requirements made under Sections 101 (2) and 65D (2) of the Gambling Act 2003 and Racing Act 2003 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 Act 2003

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

According to Section 101 (3) of the Gambling Act 2003 states that 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; and
- 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, Section 101(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:

¹Gaming machines or class 4 gaming machine as referred to in this report is defined in the Gambling Act 2003 meaning 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'.

- 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 65D(3) of the Racing Act 2003 states a territorial authority’s TAB venue policy must specify whether or not new Board venues² may be established in the territorial authority district and, if so, where they may be located. Similarly to the Section 101 (3) of the Gambling Act 2003, Section 65D(4) of the Racing Act 2003 allows territorial authorities to consider relevant matters including:

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

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

2013	Number
Median age	42.4
Average household size	2.36
	% of total population
Couples with children	33%
Households with a mortgage	29%
Medium and high density housing	11%
Households renting	28%
Public transport (to work)	0%
Walked, jogged, cycled to work	8%
Higher degree	3%
Māori descent	23%
Overseas born	11%
Low income households	28%
Unemployed	9.60%

Table 1: Whanganui District population highlights-2013³

² Means premises that are owned or leased by the Board 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 2013 Census data, the total population of Whanganui is 42,150 (Table 2).

Population	Number (2013)	% of total population
Population (excluding O/S visitors)	42150	100.0
Females	21939	52.0
Males	20214	48.0

Table 2: Whanganui District population- 2013⁴

Area	Number (2013)	% of total population
Otamatea	1284	3%
Blueskin	1767	4%
Maxwell	1644	4%
Castlecliff North	1959	5%
Castlecliff South	1257	3%
Mosston	1062	3%
Balgownie	222	1%
Tawhero	1815	4%
Gonville South	2988	7%
Gonville East	1305	3%
Gonville West	1551	4%
Springvale West	1359	3%
Springvale East	1899	5%
Whanganui Collegiate	1146	3%
Laird Park	2172	5%
Whanganui Central	1215	3%
Spriggens Park	306	1%
Cooks Gardens	279	1%
St Johns Hill	2115	5%
Lower Aramoho	1707	4%
Upper Aramoho	1989	5%
Williams Domain	2136	5%
Wembley Park	1587	4%

⁴ Ibid.

Kowhai Park	2070	5%
Bastia Hill	645	2%
Durie Hill	1458	3%
Putiki	324	1%
Marybank-Gordon Park	486	1%
Fordell-Kakatahi	2415	6%

Table 3: Whanganui District population by census area- 2013⁵

7% of Whanganui's population normally reside in Gonville South, followed by Fordell-Kakatahi (6%), and Kowhai Park, Williams Domain, St Johns Hill, Laird Park, Springvale East, and Castlecliff North, all of which contain 5% of the District's population respectively.

5.1.3. Service age groups

Whanganui's population is usually aged between 35 to 49 years (18.4%) followed by 50 to 59 (14.4%), and 60 to 69 (11.7%). 7.4% of Whanganui's population is aged 18 to 24.

Service age group (years)	Number	% of total population
Babies and Pre-schoolers (0 to 4)	2,808	6.7
Primary Schoolers (5 to 11)	3,912	9.3
Secondary Schoolers (12 to 17)	3,729	8.8
Tertiary education and independence (18 to 24)	3,132	7.4
Young workforce (25 to 34)	3,996	9.5
Parents and homebuilders (35 to 49)	7,770	18.4
Older workers and pre-retirees (50 to 59)	6,060	14.4
Empty nesters and retirees (60 to 69)	4,950	11.7
Seniors (70 to 84)	4,641	11.0
Elderly aged (85 and over)	1,152	2.7
Total	42,150	100.0

Table 4: Whanganui District population by service age group - 2013⁶

5.1.4. Ethnicity

77% of residents identified themselves as European, 21.7% as Māori, and 2.6% as Pacific peoples.

Ethnic group - multi-response	Number	% of total population
European	32,436	77.0
Māori	9,141	21.7
Pacific peoples	1,113	2.6
Asian	1,149	2.7

⁵ Statistics NZ

⁶ Statistics NZ

Middle Eastern/Latin American/African	159	0.4
New Zealander	759	1.8
Other ethnicity	18	0.0

Table 5: Whanganui District population by ethnicity - 2013⁷

A key population highlight is the proportion of Māori and Pasifika, in particularly Māori who represent close to 22% of the district’s population. A national study showed Māori and Pasifika are disproportionately affected by problem gambling that tend to exist with co-existing 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 demonstrates the number of class 4 gambling machines for the Whanganui District for the years 2012 through till June 2017.

2014 saw a reduction of 22 electronic gaming machines (EGMs) compared to the previous year, and again this trend was repeated with a drop of 10 EGMs between 2014 and 2015. There seems to be a natural attrition of EGMs every two years that could be explained by a venue housing EGMs having closed or relocated.

Year	2012	2013	2014	2015	2016	June 2017
total number of EGM	257	257	235	235	225	225

Table 6: Number of class 4 gambling machines for Whanganui from 2012 to June 2017⁹

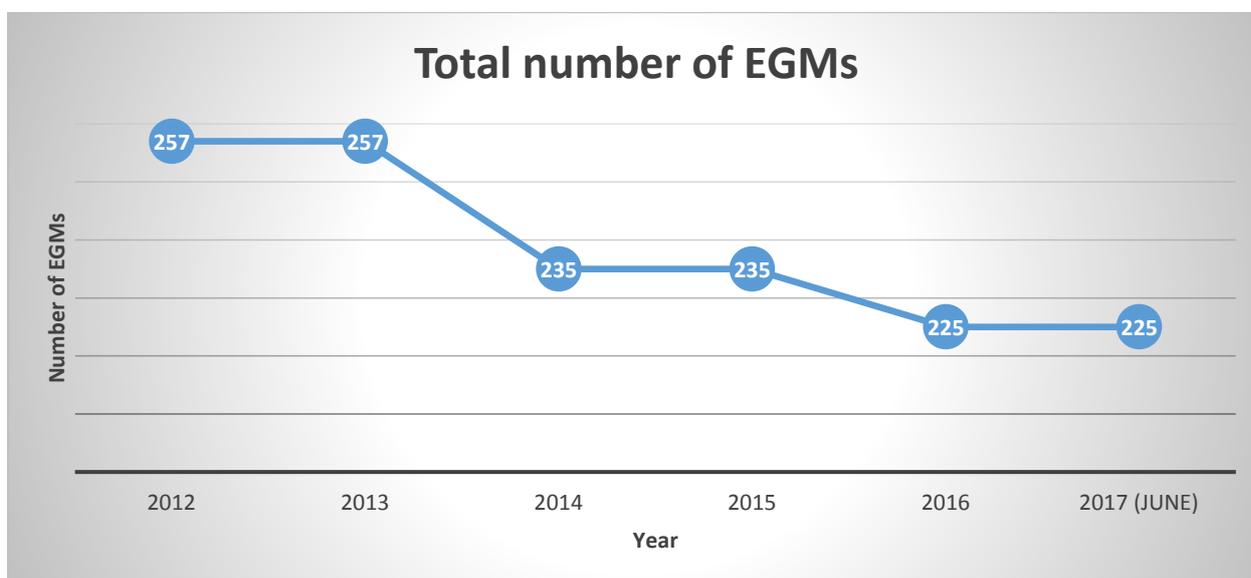


Figure 1: Number of class 4 gambling machines for Whanganui from 2012 to June 2017¹⁰

⁷ Ibid.

⁸ Rossen, F. (2015). Gambling and problem gambling: results of the 2011/12 New Zealand Health Survey. Auckland, NZ: Centre for Addiction Research.

⁹ Department of Internal Affairs

¹⁰ Ibid.

5.2.2. Location of class 4 gambling venues

Table 7 presents all 15 currently licence 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
New Zealand Community Trust	Caroline's Boatshed	181 Somme Parade Whanganui 4540	12
Castlecliff Club Inc	Castlecliff Club Inc	4 Tennyson Street Castlecliff 4501	15
New Zealand Community Trust	Castlecliff Hotel	1 Polson Street Wanganui 4540	17
Infinity Foundation Limited	Midtown Motor Inn (Wanganui)	321 Victoria Avenue Wanganui 4540	18
New Zealand Community Trust	Red Lion Inn	45-47 Anzac Parade Wanganui 4540	9
New Zealand Community Trust	Shotz	75 Guyton Street Wanganui 4540	18
The Lion Foundation (2008)	Sportz Bar	197 Victoria Avenue Wanganui 4540	14
St John's Club Inc	St John's Club	158 Glasgow Street Wanganui 4500	18
New Zealand Community Trust	Stellar Bar	2 Victoria Street Wanganui 4540	18
New Zealand Racing Board	Tab Wanganui	5b Puriri Street Gonville 5001	9
New Zealand Community Trust	Tandoori Spice Bar	88 Guyton Street Wanganui 4540	18
The Lion Foundation (2008)	The Grand Hotel	99 Guyton Street Wanganui 4540	9
Wanganui Cosmopolitan Club Inc	Wanganui Cosmopolitan Club	13 Ridgeway Street Wanganui 4540	14
Wanganui East Club Inc	Wanganui East Club	101 Wakefield Street Wanganui 4540	18
Wanganui Returned Services Inc	Wanganui RSA	170 St Hill Street Wanganui 4540	18

Table 7: Location of class 4 gambling venues in Whanganui- 2017¹¹

Figure 2 maps information in the table above.

¹¹ Department of Internal Affairs

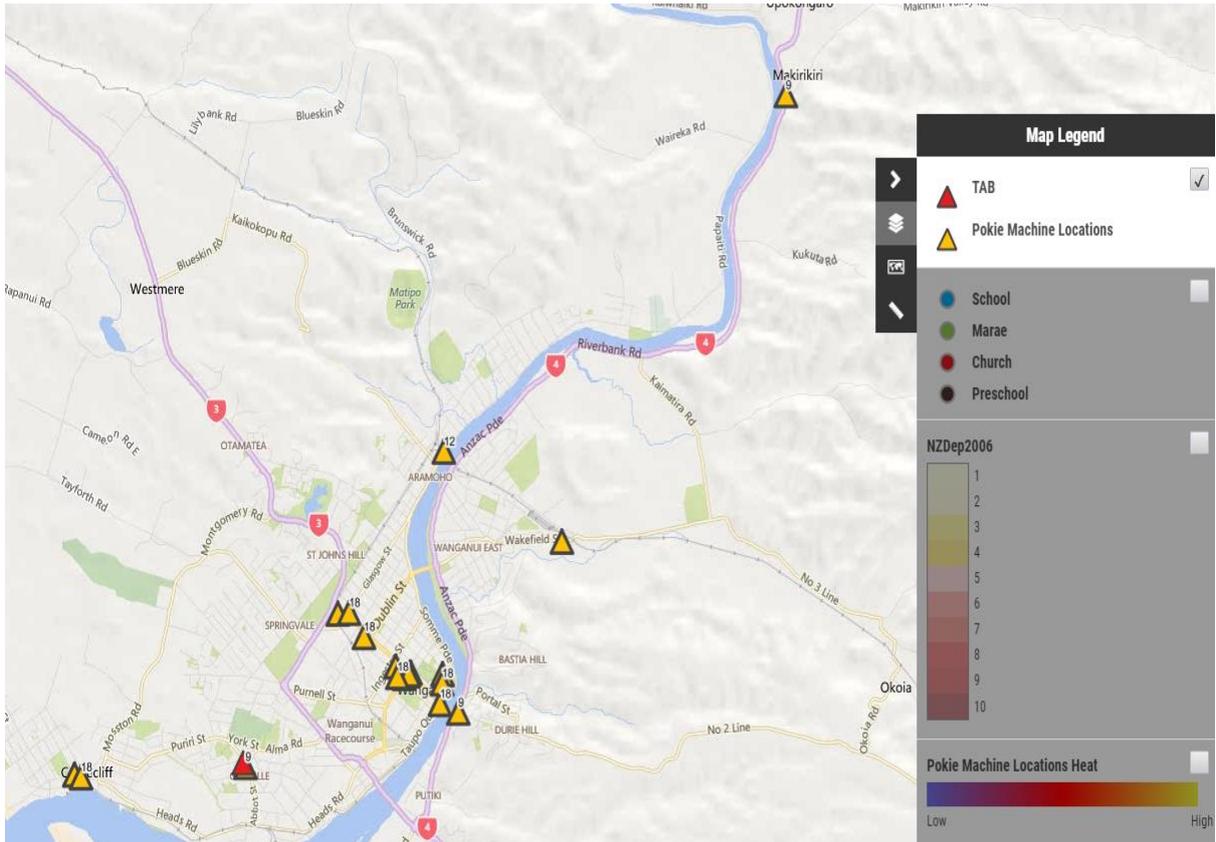


Figure 2: Location of class 4 gambling venues in Whanganui (mapped) 2017

As presented above in Figure 2 and the heat map (Figure 3), the majority of class 4 venues are located within the town centre.

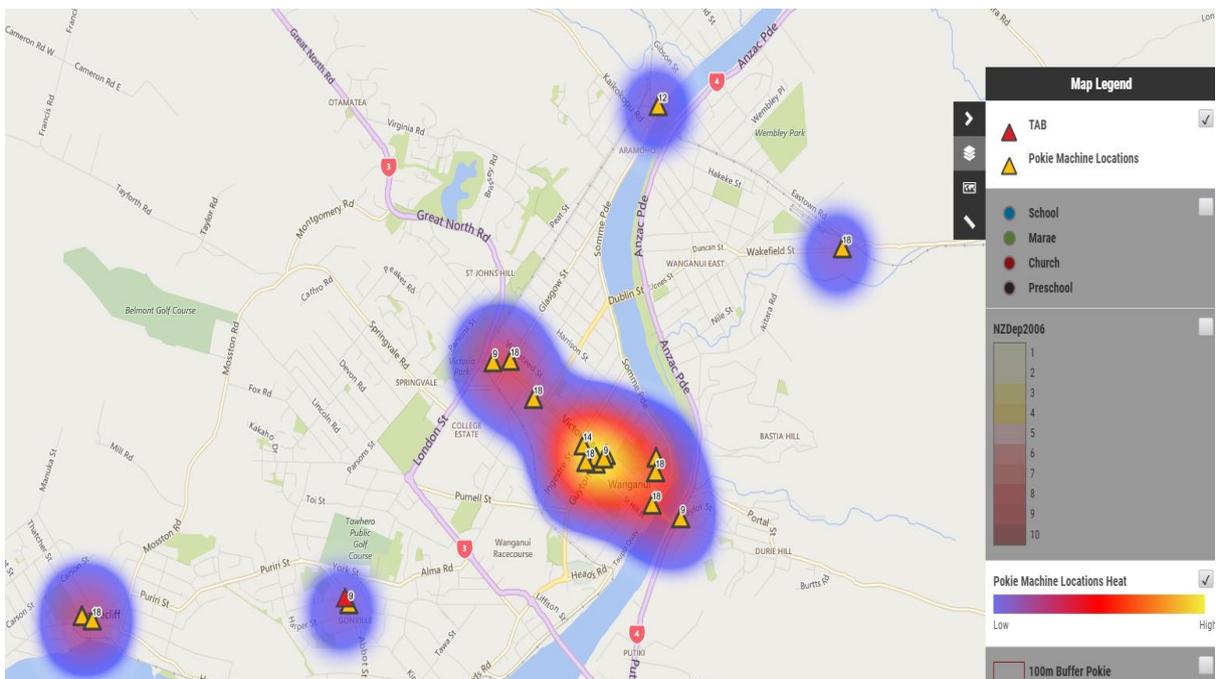


Figure 3: Location of class 4 gambling venues in Whanganui (heat map) 2017

Figures 4 and 5 examine the distance between class 4 venues and sensitive sites, the latter defined as a school (secondary and primary), preschool, marae, and church. Three class 4 venues are determined to be within 100 metres of a sensitive site, and nine class 4 venues within 200 metres of a sensitive site.

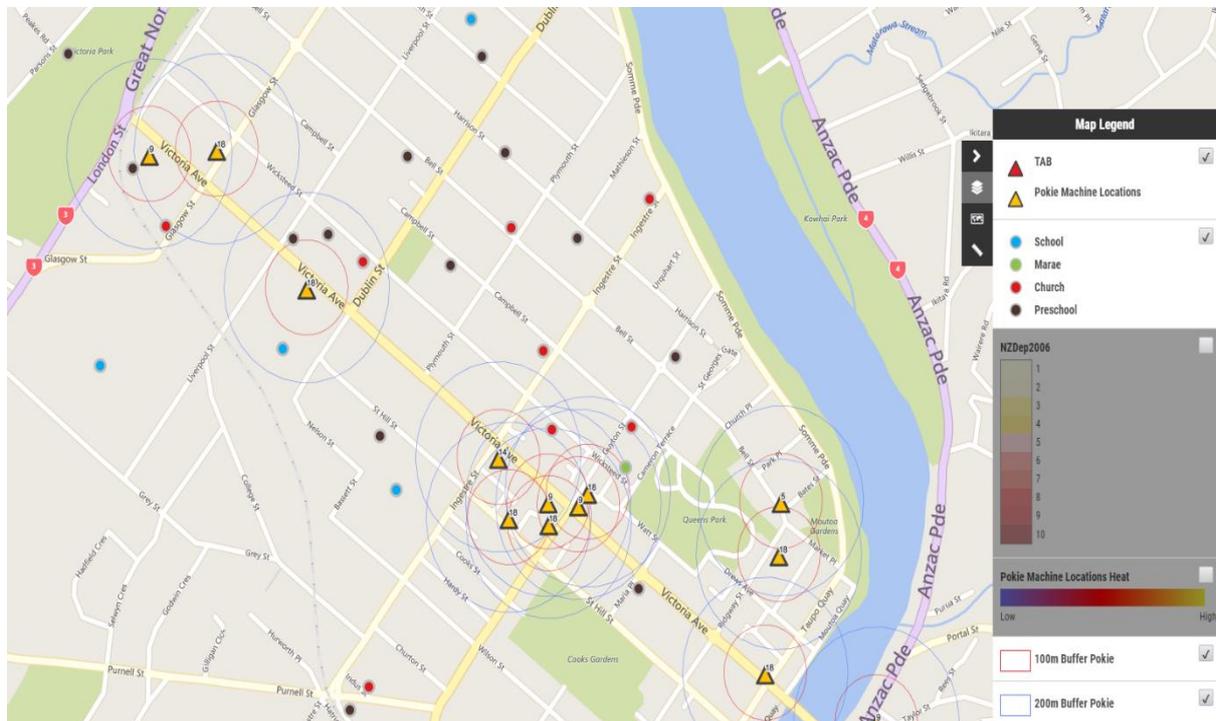


Figure 4: Location of class 4 gambling venues vs sensitive sites- town centre

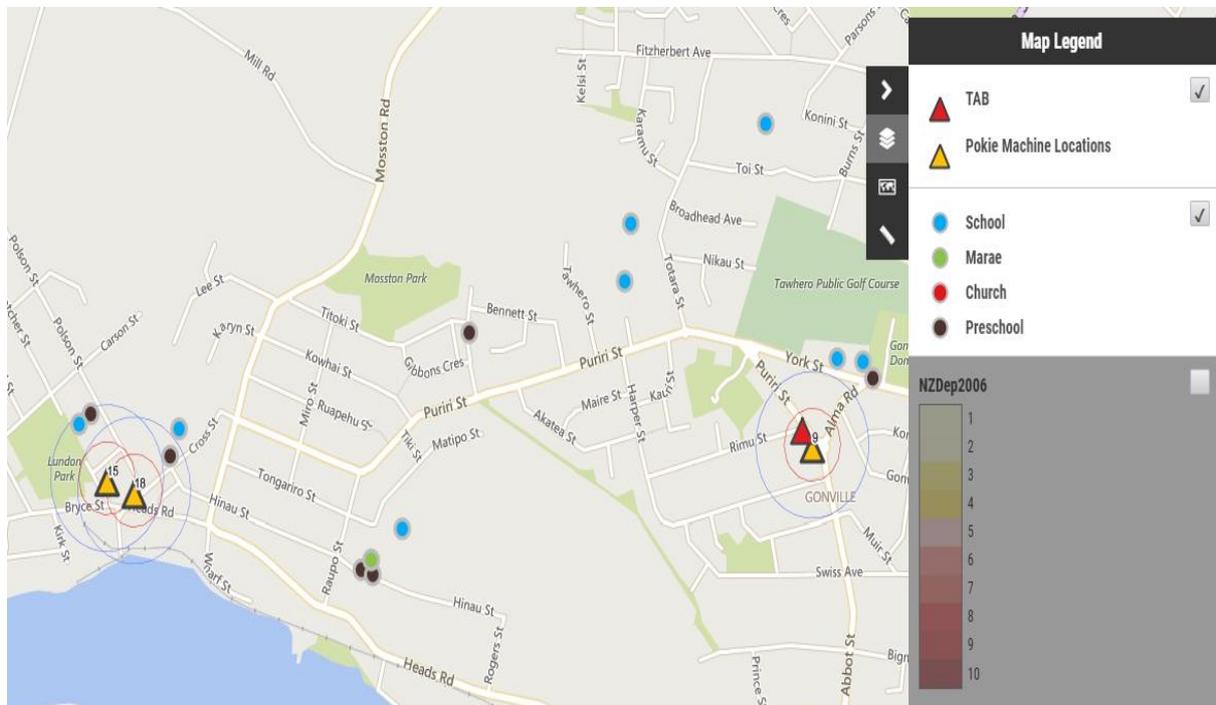


Figure 5: Location of class 4 gambling venues vs sensitive sites- Gonville

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 increased 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.¹² The study also reported populations displayed adaption to EGMs with problem gambling prevalence declining over time.¹³

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 140 people, slightly higher compared to the national average of 1 EGM per 205 people.¹⁴

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 6 below.

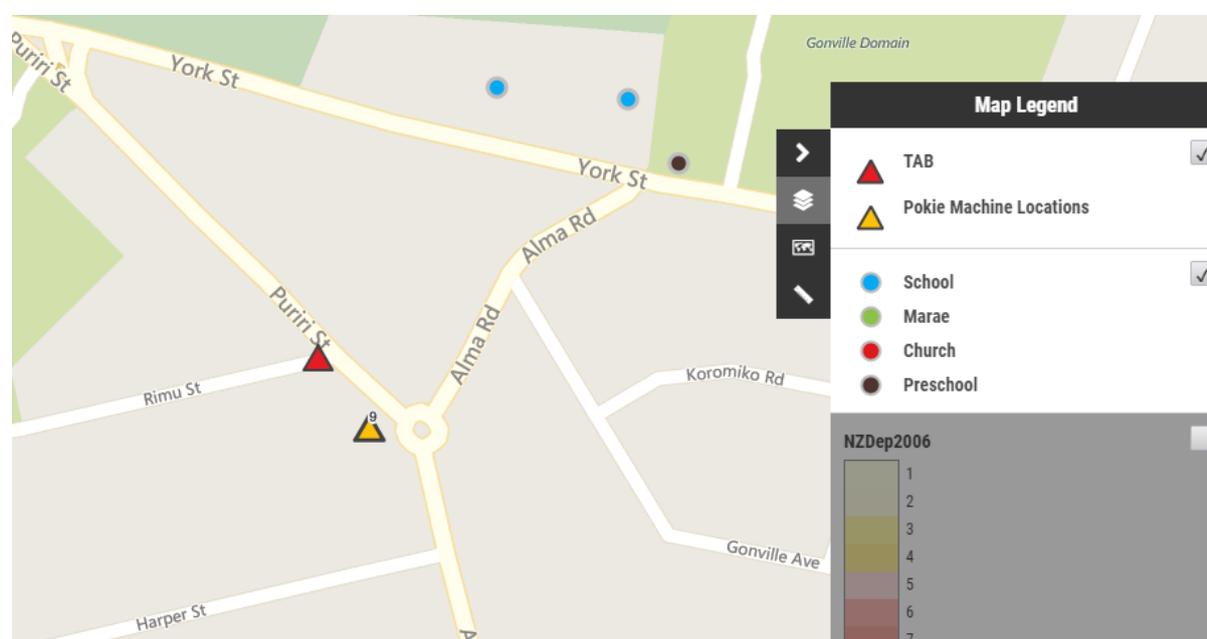


Figure 6: Location of standalone TAB venue in Whanganui- 2017

Under the Racing Act 2003, territorial authorities are only empowered to determine the location and whether to permit establishment of TAB venues that are standalone only. Other TAB venues types are exempt from these controls. At present, other than the one standalone TAB venue, the Whanganui District has three Pub TABs (a TAB outlet located in another business), and two TAB self-service terminals (self-service terminals usually located within another business such as a hotel).

¹² 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.

¹³ Ibid.

¹⁴ These figures were worked out by dividing the total population who identified as 18 and over by the total amount of EGMs.

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.¹⁵ 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.¹⁶

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 of the sample.¹⁷

In New Zealand, socioeconomic deprivation is calculated by the Department of Public Health of the University of Otago. This is done by assessing meshblocks against a set of eight variables which are then scaled from 1 to 10, with 10 being the highest and 1 the lowest (through to nil deprivation). The eight variables are tabled below in Table 8.

Dimension of deprivation	Description of variable
Communication	People aged <65 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 unemployed
Qualifications	People aged 18-64 without any qualifications
Owned home	People not living in own home
Support	People aged <65 living in a single parent family
Living Space	People living in equivalised* households below a bedroom occupancy threshold
Transport	People with no access to a car

Table 8: Socioeconomic deprivation dimensions¹⁸

*equalisation: methods used to control for household composition.

As the New Zealand Deprivation Index is produced at a meshblock level, an overall deprivation score for Whanganui District would be an average of deprivation found at the meshblock level. A better way to understand the extent of socioeconomic deprivation across Whanganui is to study where individuals are represented in both Dep 9 and Dep 10 scores (or fifth quintile) as displayed in Figure 7.

¹⁵ Shore. (2008). Assessment of the Social Impacts of Gambling in New Zealand. Auckland: Ministry of Health.

¹⁶ 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.

¹⁷ 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.

¹⁸ Adapted from Table 1: Variables included in NZDep2013 found in *NZDep2013 Index of Deprivation* (May 2014), University of Otago.

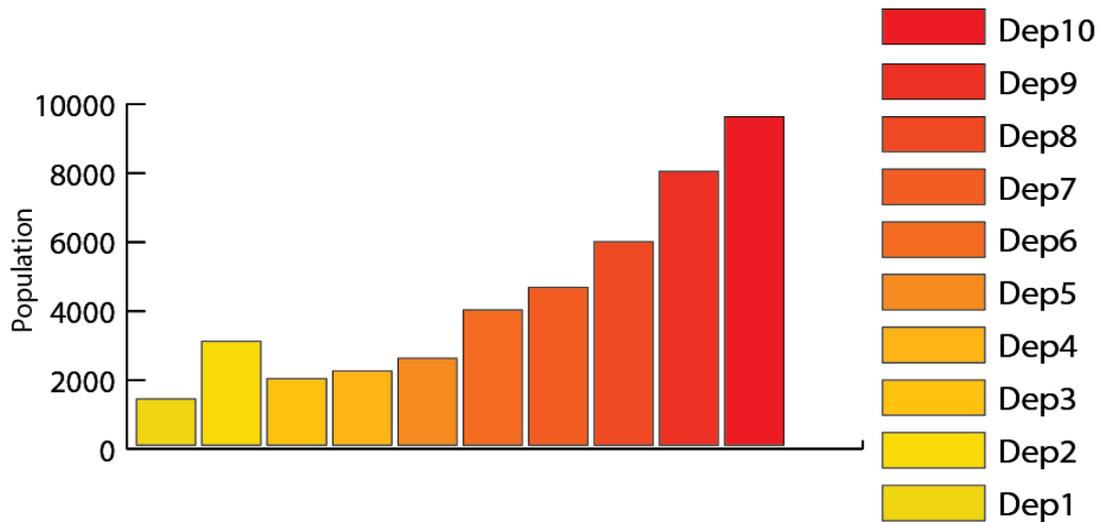


Figure 7: Whanganui District's population by deprivation¹⁹

According to Figure 7, for 2013, Dep 9 (7785) and Dep 10 (9342) represented as a combined total is 17127 (or as a percentage of the total population of Whanganui is 39%²⁰). That is to say that 39% of Whanganui District's population can be said to be experiencing high levels of socioeconomic deprivation²¹.

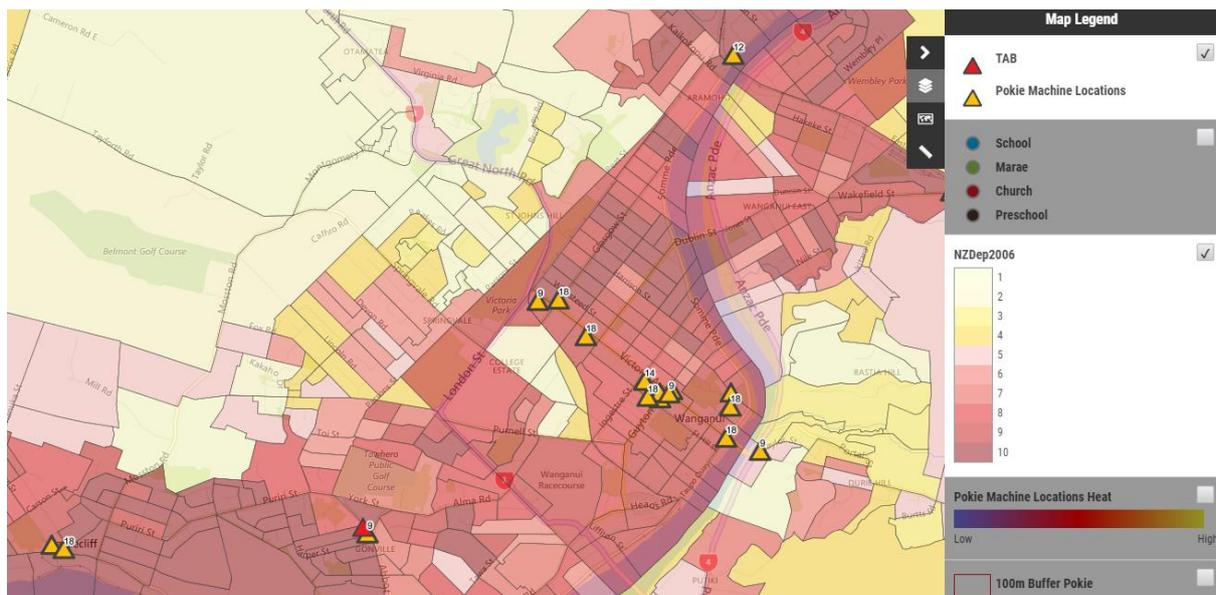


Figure 8: Location of class 4 venues vs deprivation

When we examine the location of class 4 venues against highly deprived areas (defined as a deprivation score between 8 to 10), we find that 14 out of the 15 class 4 venues are located in highly deprived area (Table 9).

¹⁹ Provided by June Atkinson, Department of Public Health, University of Otago adapted from *Socioeconomic Deprivation Indexes 2013*.

²⁰ 2013's population of 42153 was used instead of the more recent 2015 population estimate as the deprivation index is based on Whanganui's 2013 population.

²¹ NB: this is based on 2013 socioeconomic deprivation indexes

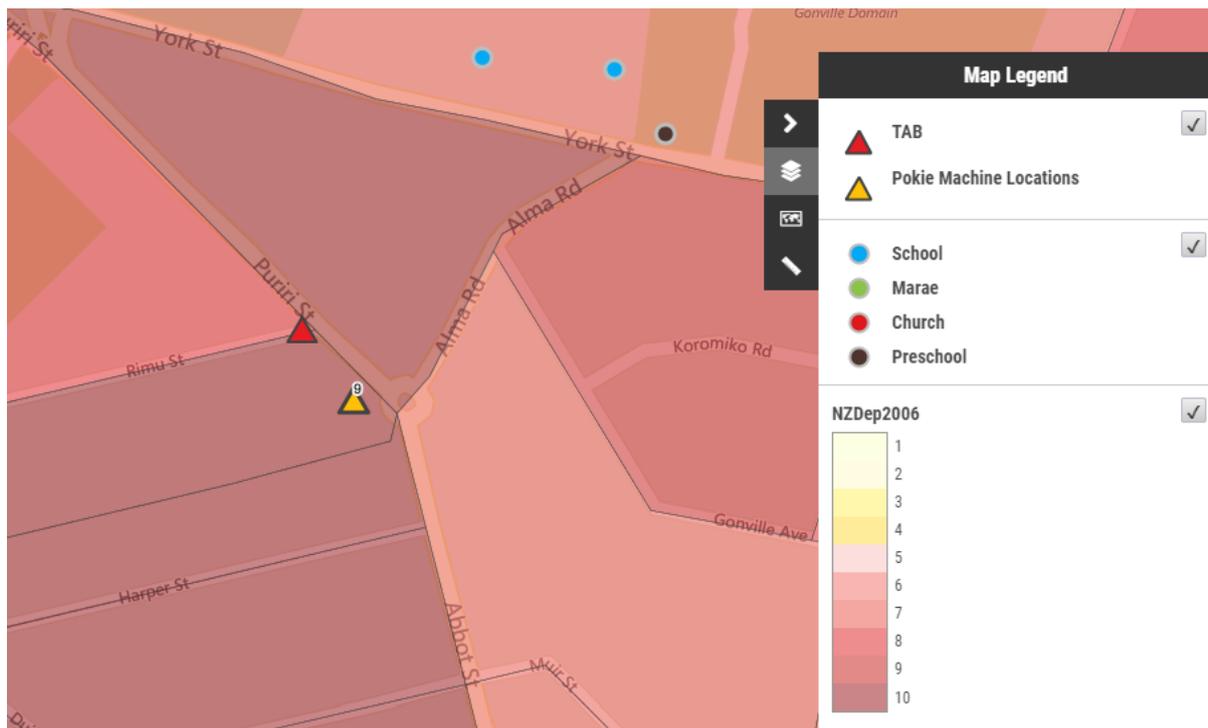


Figure 9: Location of TAB venue vs deprivation

Venue	Deprivation score
Caroline's Boatshed	9
Castlecliff Club Inc	9
Castlecliff Hotel	9
Midtown Motor Inn (Wanganui)	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 Cosmopolitan Club	9
Wanganui East Club	10
Wanganui RSA	9
TAB Venue	10

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

5.5. National gambling trends

Gamblers in New Zealand spent \$2,209 million dollars on the four main forms of gambling in the 2015/16 financial year, 5.6 per cent more than the previous year.²² Gaming machines outside of casinos saw the greatest share of spend consequently.

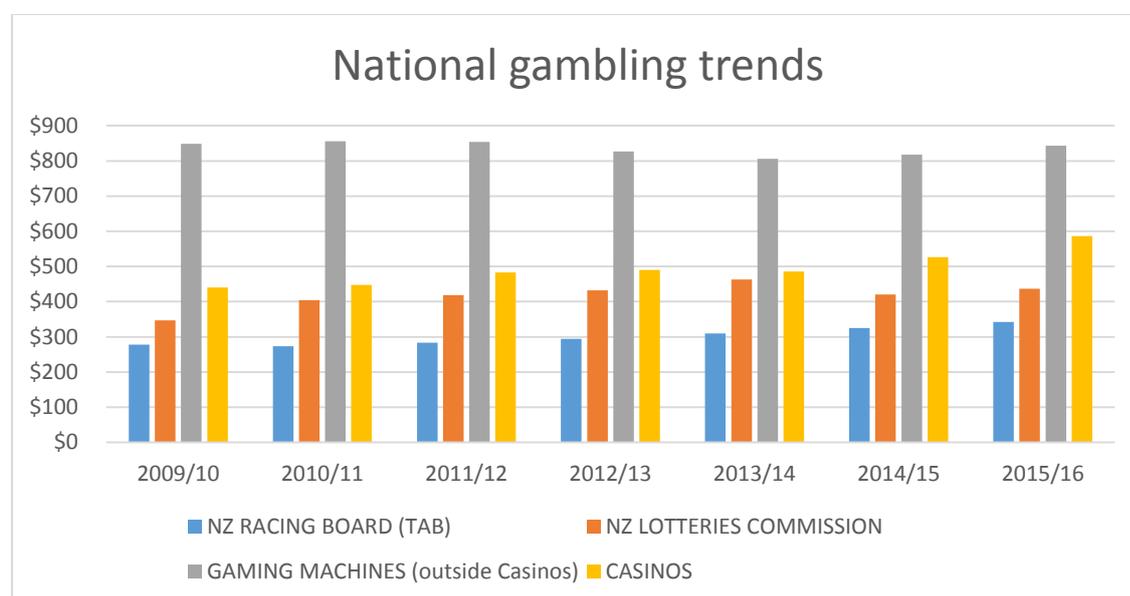


Figure 10: National gambling trends- FY 2009/10 to 2015/16

TAB, Gaming machines, and Casinos have seen an increase in spend since 2013/14, whereas money spent on lottery products have seen a marginal decline between 2013/14 and 2014/15, before rising again in 2015/16.

An estimated \$654 million, (equal to 29.6 per cent of total expenditure) was distributed to a variety of community purposes from gambling proceeds.²³

- TAB made racing distributions and national sporting organisation grants totalling \$143 million;
- The Lottery Grants Board distributed \$182 million across a range of sectors, including sports, culture, health and community services;
- Non-casino gaming machine trusts raised an estimated \$275 million for authorised purposes;
- Non-casino gaming machine clubs raised an estimated \$49 million for club purposes; and,
- Casinos paid just over \$5 million to their community trusts.

²² The Department on Internal Affairs 2016.

²³ Ibid.

5.6. Gaming Machine Proceeds

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

Year	2012	2013	2014	2015	2016	2017 1st Qtr
WHANGANUI DISTRICT	\$ 10,220,201	\$ 9,276,652	\$ 8,950,971	\$ 9,537,327	\$ 10,022,391	\$ 2,369,643

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 2016 totalled \$10,022,391. This is an increase of \$485,064 (5%) compared to the total GMP in 2015, and an increase of \$1,071,420 (12%) compared to total GMP generated in 2014. It is interesting to note the total GMP in 2016 is higher than the GMP in 2012, a year prior to the Gambling (Gambling Harm Reduction) Amendment Act 2013 receiving Royal assent. The amendment introduced further regulations to class 4 gambling and community involvement in decisions about provisions of gambling in 2013, yet in 2016, the GMP reached totals higher than prior to the amendment.

Figure 11 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 2012 to 2016. The total GMP collected in Whanganui for the years 2012 to 2016 seemingly mirror year on year GMP from New Zealand in terms of trends bar 2014 where New Zealand GMP tended to flat line compared to 2013, Whanganui experienced a drop in total GMP in comparison for the same period analysed.

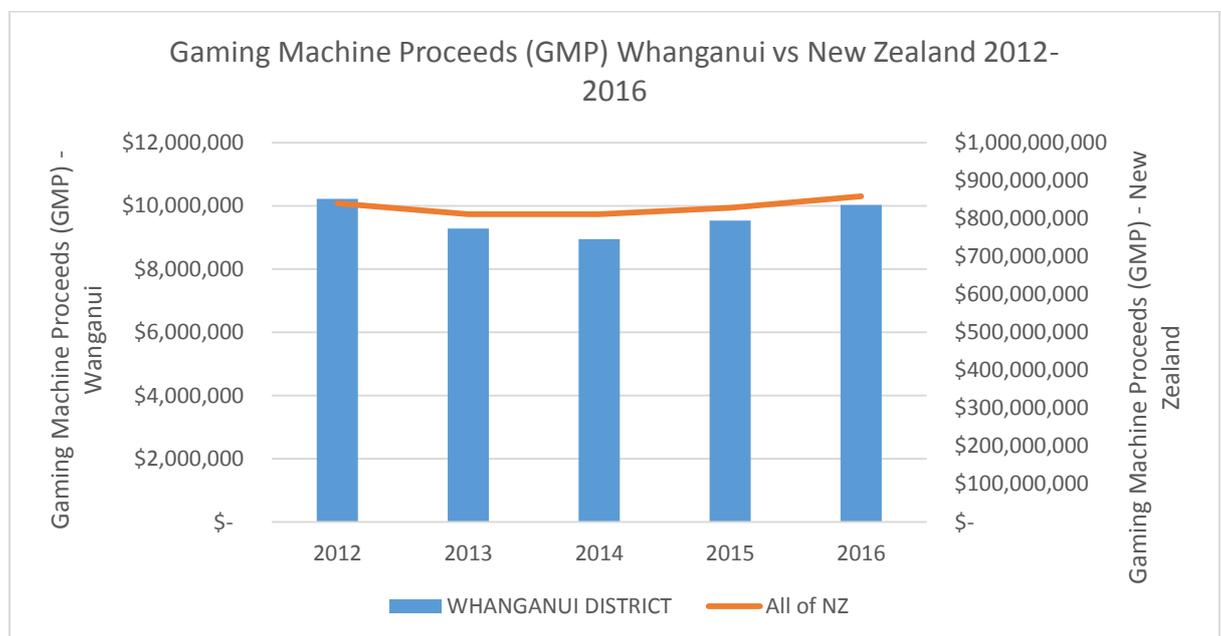


Figure 11: Gaming machine proceeds Whanganui vs New Zealand- 2012 to 2016

Table 11 below expands on the information presented in Figure 11, demonstrating the amount of GMP per gaming machine. Looking at the \$/EGM Whanganui District, GMP spread evenly across all electronic gambling machines in 2012 and equates to \$39,767 per machine. This saw an overall decrease of GMP per EGM in 2013, but only to gradually rise every year after. This rise in GMP per

EGM though less machines therefore less accessibility to EGMs in 2016 than before, might be attributed to more people partaking in class 4 gambling, or persons who normally gamble are doing so at a higher frequency.

Year	2012	2013	2014	2015	2016	2017 1st Qtr
GMP - Whanganui District	\$ 10,220,201	\$ 9,276,652	\$ 8,950,971	\$ 9,537,327	\$ 10,022,391	\$ 2,369,643
GMP - All Of NZ	\$ 840,129,505	\$ 811,583,857	\$ 811,414,179	\$ 828,026,639	\$ 858,236,950	\$ 207,333,812
EGMs - WHANGANUI DISTRICT	257	257	235	235	225	225
EGMs - All Of NZ	17,670	17,266	16,717	16,393	16,148	16,031
\$/ EGMs - Whanganui District	\$ 39,767	\$ 36,096	\$ 38,089	\$ 41,109	\$ 44,544	\$ 10,532
\$/ EGMs - All of NZ	\$ 47,546	\$ 47,005	\$ 48,538	\$ 50,511	\$ 53,148	\$ 12,933

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

5.7. Social impacts of gambling - Costs



Figure 12: Social Impacts of problem gambling²⁴

Figure 12 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.
- Criminal activity.

It should be noted gambling harm is often considered as hidden, in that not only persons who are gambling are not inclined to say they have a gambling problem, including and for instance if a persons is able to knowingly recognise their gambling activity negatively impacts their family, but indicators of

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.

gambling harm are often difficult to distinguish or be solely attributed to gambling as a sole or root cause.²⁶

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 is accruing to those who are not necessarily problem gamblers.

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 anxiety²⁹. 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 and age related impairments.³⁰ The New Zealand 2012 National Gambling Study³¹ 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.³²

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 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.

³⁰ 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.

³¹ 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.

³² Ibid.

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.³³ 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.³⁴

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.³⁵ 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.³⁶

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.³⁷

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.³⁸ One of the findings from a more recent 2010 study was that a higher density of gaming machines were associated with a higher number of food parcels being given out by the Salvation Army.³⁹

Figure 13 gives an indication of individuals who required a food parcel from City Mission Wanganui due to a harmful associated with gambling, drugs, or alcohol.

³³ 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

³⁴ 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.

³⁵ 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.

³⁶ Ibid.

³⁷ 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.

³⁸ Salvation Army & Abacus Counselling & Training Services Ltd. (2005). Salvation Army Social Services Project Final Report. Manukau City: Salvation Army.

³⁹ 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.



Figure 13: Food parcels required due to gambling/drugs/alcohol problem

Categories associated with food parcel provision were coded together under one code making it difficult to determine exactly how many individuals were accessing food parcels due to harmful gambling practices. Considering harm from gambling is often comorbid when presented and the unlikelihood of food parcel recipients prompted to provide accurate reasons for accessing food parcels, the results displayed should be taken as an indication as it is probable the number of individuals accessing food parcels due to gambling related harm is higher than presented or known.

5.7.4. Reduced performance at work or education

Preoccupation with gambling can impair studying or working relationships which can negatively impact work performances.⁴⁰ Absenteeism and theft of resources to support gambling activities are other manifestations of gambling related problems.⁴¹

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.⁴²

Estimates from Australia’s Productivity Commission indicate that one person’s gambling problem typically affects five to 10 people.⁴³

⁴⁰ Griffiths, M. (2009). Internet gambling in the workplace. *Journal of Workplace Learning*, 21 (8), 658-670.

⁴¹ 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.

⁴² Ibid.

⁴³ Productivity Commission. (1999). *Australia's Gambling Industries: Inquiry Report*. Canberra: Commonwealth of Australia.

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.⁴⁴ 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.⁴⁵

5.7.6. Link between gambling and family violence.

In a recent 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).⁴⁶ Of this sample, the main modes of problematic gambling reported by gamblers and affected others⁴⁷ 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 1.⁴⁸

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

⁴⁴ 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.

⁴⁵ Ibid.

⁴⁶ 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.

⁴⁷ Affected others reported the main mode of problematic gambling for the problem gambler they knew.

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

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.⁴⁹

Browne et al. also accounts that there is substantial unreported crime, a large proportion of which is likely to be related to gambling.⁵⁰

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.

In 2014, 0.3% of the adult population were identified as problem gamblers (about 7,000 to 17,000 people), 1.5% were moderate-risk gamblers (about 49,500 people), 5.0% were low-risk gamblers (about 165,000 people) and 70% were non-problem gamblers.⁵¹

When extrapolated to Whanganui's population:

- 126 persons could be identified as problem gamblers.
- 632 persons could be identified as moderate-risk gamblers.
- 2107 persons could be identified as low-risk gamblers.
- 29505 persons could be identified as non-problem gamblers.

Outlined in 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.⁵² Being Māori or Pasifika was associated with moving towards risky gambling and remaining at risk.⁵³ Being a problem gambler is significantly associated with living closer to gambling venues.⁵⁴

⁴⁹ Bellringer, M., Abbott, M., Coombes, R., Brown, R., Mckenna, B., Dyllal, 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.

⁵⁰ 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.

⁵¹ 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.

⁵² Ibid.

⁵³ Ibid.

⁵⁴ Ministry of Health. (2008). Raising the Odds? Gambling behaviour and neighbourhood access to gambling venues in New Zealand. Wellington: Ministry of Health.

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 revenue comes from a higher portion of persons who have lower incomes/experiencing higher deprivation than those who do not.⁵⁵

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.⁵⁶

Given that \$10,022,391 of proceeds were collected from class 4 gambling machines in the Whanganui District in 2016, 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.

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, if the gambler spent this money differently.

⁵⁵ 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.

⁵⁶ 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.

5.7.10. Class 4 gambling loss per head

The financial loss per head to pokies machines was calculated from the expenditure figures released on the DIA site for March 2017 quarter divided by the adult population from the latest census (2013). Whanganui lost \$74.76 per head for the 2017 March quarter. This is the 25th highest loss out of the 67 territorial authorities.

	Area	Loss per head		Area	Loss per head
1	Kawerau District	\$ 126.49	34	New Plymouth District	\$ 65.67
2	Thames-Coromandel District	\$ 125.09	35	Timaru District	\$ 63.10
3	Wairoa District	\$ 119.63	36	Buller District	\$ 63.10
4	Rotorua District	\$ 109.41	37	Westland District	\$ 61.46
5	Napier City	\$ 100.44	38	Ashburton District	\$ 60.32
6	Opotiki District	\$ 98.25	39	Auckland City	\$ 59.92
7	Invercargill City	\$ 92.48	40	Wellington City	\$ 59.86
8	Tauranga City	\$ 90.79	41	Rangitikei District	\$ 58.85
9	Whakatane District	\$ 90.18	42	Matamata-Piako District	\$ 58.82
10	Lower Hutt City	\$ 87.47	43	South Wairarapa District	\$ 58.46
11	Waitomo District	\$ 86.41	44	Kaikoura District	\$ 58.46
12	Hauraki District	\$ 85.68	45	Waitaki District	\$ 56.17
13	Taupo District	\$ 84.86	46	Masterton District	\$ 55.90
14	Far North District	\$ 82.85	47	Kapiti Coast District	\$ 54.60
15	Horowhenua District	\$ 81.79	48	Hamilton City	\$ 53.71
16	Gisborne District	\$ 81.78	49	Waipa District	\$ 53.63
17	Hastings District	\$ 80.86	50	Kaipara District	\$ 51.30
18	Gore District	\$ 80.75	51	Waimakariri District	\$ 51.07
19	Ruapehu District	\$ 79.48	52	Tasman District	\$ 49.46
20	Grey District	\$ 78.09	53	Central Hawke's Bay District	\$ 46.48
21	Porirua City	\$ 77.78	54	Waikato District	\$ 46.02
22	Upper Hutt City	\$ 77.16	55	Carterton District	\$ 44.42
23	Mackenzie District	\$ 76.84	56	Stratford District	\$ 43.01
24	Palmerston North City	\$ 75.02	57	Hurunui District	\$ 42.59
25	Wanganui District	\$ 74.76	58	Dunedin City	\$ 41.97
26	Central Otago District	\$ 74.08	59	Clutha District	\$ 40.94
27	South Waikato District	\$ 73.48	60	Western Bay of Plenty District	\$ 40.79
28	Taranua District	\$ 73.47	61	Queenstown-Lakes District	\$ 36.69
29	Marlborough District	\$ 69.74	62	Waimate District	\$ 35.75
30	Chatham Islands Territory	\$ 68.66	63	Manawatu District	\$ 34.86
31	Nelson City	\$ 67.39	64	South Taranaki District	\$ 34.65
32	Whangarei District	\$ 65.95	65	Otorohanga District	\$ 32.73
33	Christchurch City	\$ 65.82	66	Southland District	\$ 30.76
			67	Selwyn District	\$ 28.27

Figure 14: Class 4 gambling loss per head

5.7.11. Local evidence of harm from gambling

In 2014, the Maori 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:⁵⁷

⁵⁷ Provided by Nga Tai O Te Awa, 2017.

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

5.7.12. Preventing and minimising 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.⁵⁸ 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.⁵⁹

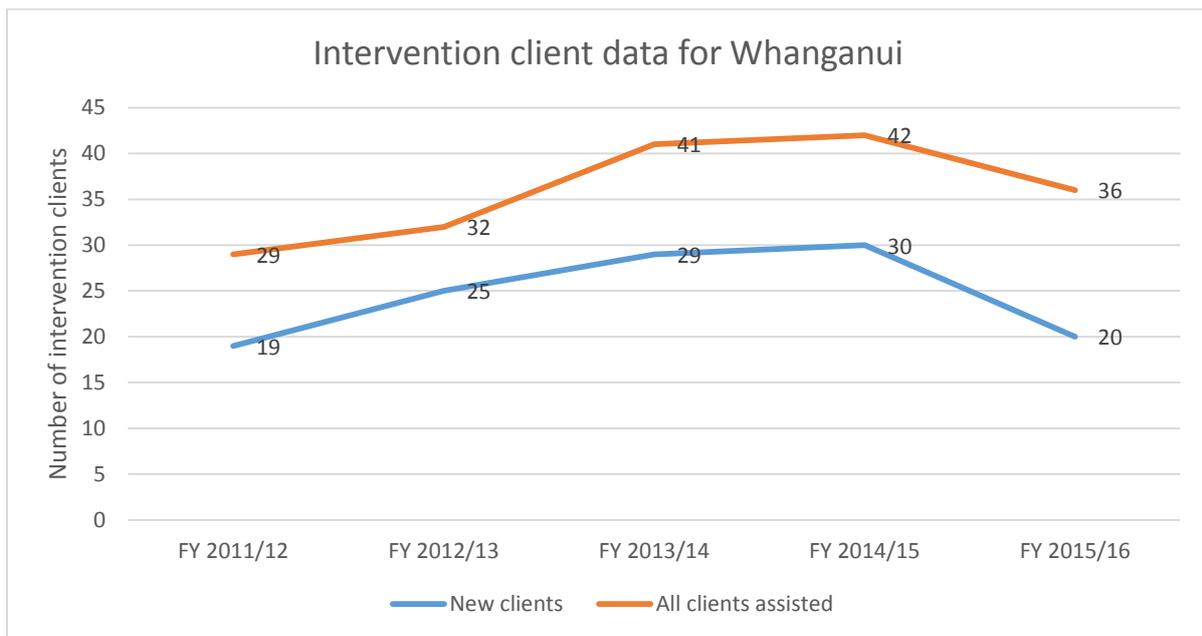


Figure 15: Gambling intervention service client data for Whanganui- FY2011/12 to FY2015/16

Figure 15 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 2015/16. There tends to be an increase of new clients from 2011/12 onwards with a decline in 2014/15 that eventually brings 2015/16 new clients numbers (20) nearing 2011/12 counts.

⁵⁸ Ministry of Health. (2016). Strategy to Prevent and Minimise Gambling Harm 2016/17 to 2018/19. Wellington: Ministry of Health.

⁵⁹ Ibid.

All clients assisted followed a similar curve with some stagnation between 2013/14 and 2014/15, followed by a decent in all clients assisted to total 36 in 2015/16.

As clients accessing these intervention services are self-selective, and not neglecting that clients were encouraged to access these services by a relative, close one, or from a gambling venue as part of the gambling Act's regulations or public health professionals, the numbers presented are more than likely to under represent the real number of persons experiencing gambling harm. A final note on gambling harm intervention services, is the services do not discriminate the form of gambling practiced by clients. Clients assisted by gambling harm services presented in Figure 15 capture clients experiencing gambling harm from all forms of gambling including online, class 4 machines etc.

It is difficult to determine the exact impact Council's class 4 and TAB venue policies had on the reduced intervention numbers. One could argue that Council's sinking lid class 4 policy had ensured reduction of class 4 gaming machines in 2014 and again in 2016 aided to lower the numbers of clients assisted if we reason a lower number of clients means lower gambling harm generated. However, this must be weighed with the fact that gross machine proceeds have only continued to increase and the self-selecting nature of intervention services.

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.⁶⁰ Schools, sport clubs and other not for profit and community based organisations are increasingly reliant on gambling as a source of funding.

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

- Entertainment
- Base funding for clubs that own class 4 machines
- Improve facilities and services through funding
- Job creation
- Funds services to help problem gamblers (Problem Gambling Levy)

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 clubs, charities and community organisations.

All corporate societies⁶¹ 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 Act 2003, including the payment of stakes.

⁶⁰ 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.

⁶¹ According to the Gambling Act 2003 means a society that is incorporated under the Incorporated Societies Act 1908 or Charitable Trusts Act 1957, or company incorporated under the Companies Act 1993 (that does not have the capacity or power to make a profit and is incorporated and conducted solely for authorised purposes) or a working men's club registered under the Friendly Societies and Credit Unions Act 1982.

The minimum amount for a corporate society that is a licence holder, for any of its financial years that start after 3 September 2014, is an amount equivalent to,—

- “(a) for its first and second such financial years, 40% of the specified amount:
- “(b) for its third and fourth such financial years, 41% of the specified amount:
- “(c) for its fifth and later such financial years, 42% of the specified amount.”⁶²

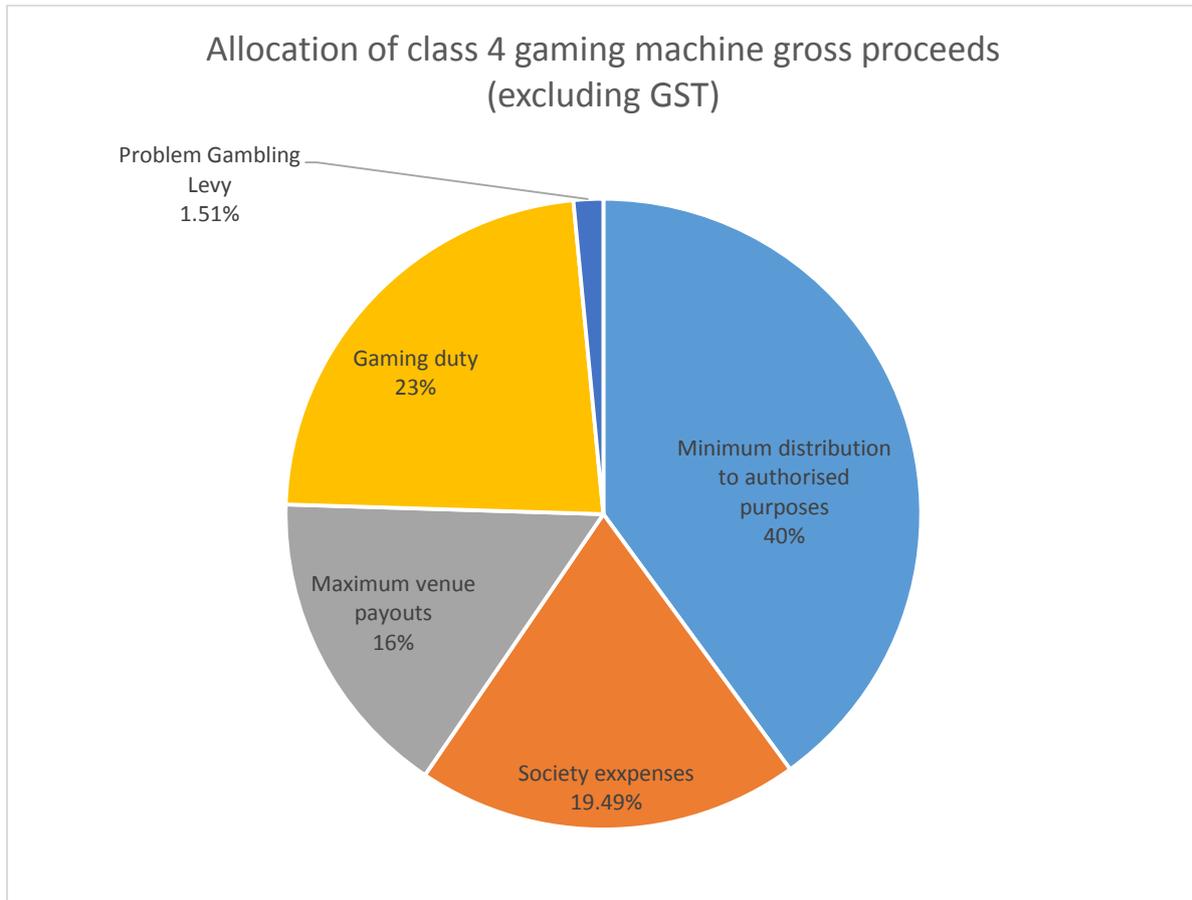


Figure 16: Allocation of class 4 gaming machine gross proceeds (excluding GST)

Figure 16 shows the allocation of class 4 gaming machine proceeds.

⁶² Gambling (Class 4 Net Proceeds) Amendment Regulations 2014. Section 10 (1)(a)(b)(c).

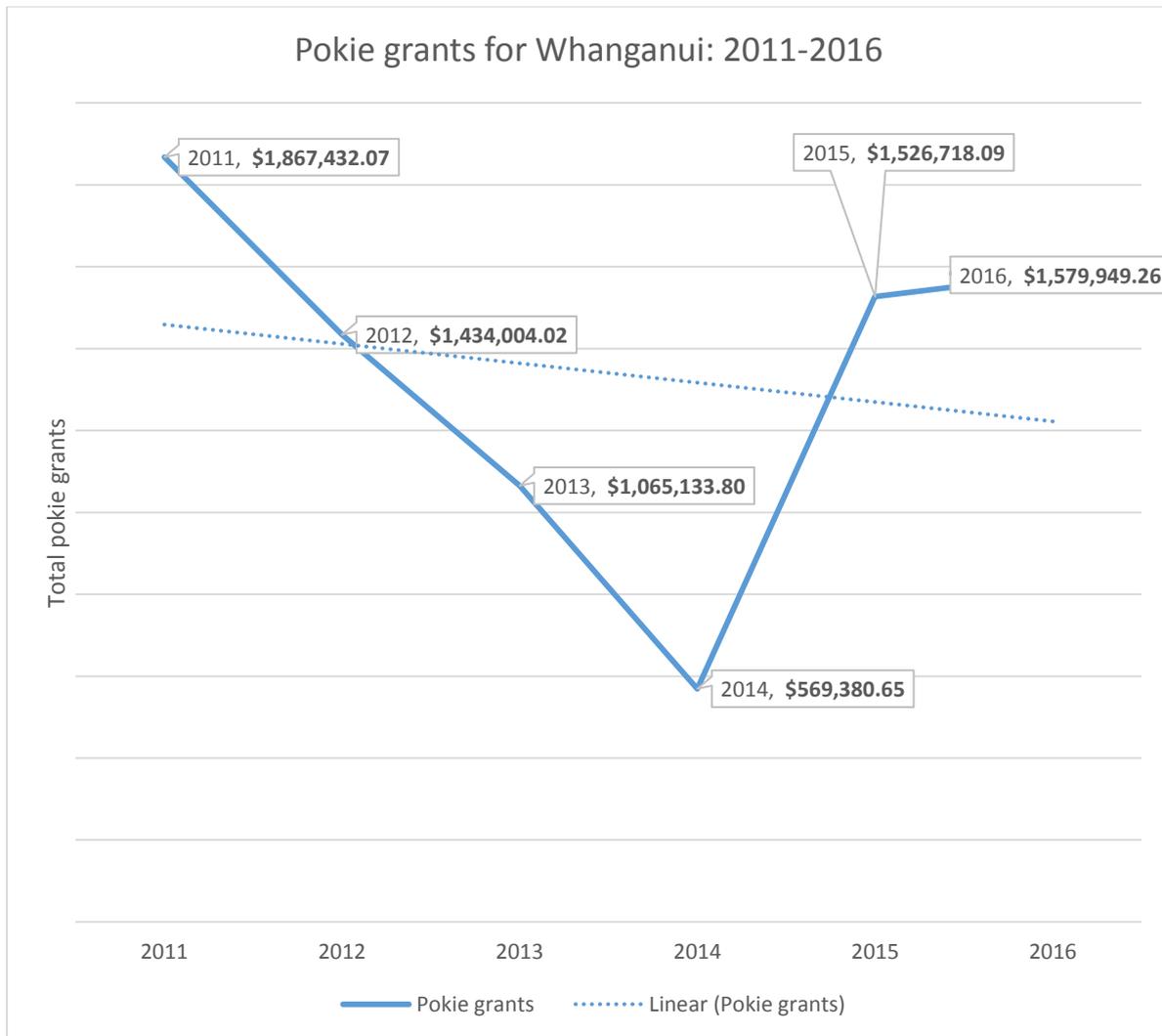


Figure 17: Grants from gaming machine proceeds for Whanganui: 2011-2016

In 2016, \$1,579,949.26 was granted to community groups and organisations in the Whanganui District from GMP up 3.5% on 2015's total GMP (\$1,526,718.09).

The top five grants distributed from GMP in the Whanganui District for 2016 were other sports⁶³, community groups, racquets, rugby, and education (Figure 18).⁶⁴

⁶³ Sports Clubs come under the 'Other sports' category where they cover a range of sports and yet not specific to any one sport. Also sports like petanque, touch, shooting, roller sports, croquet and golf come under this category.

⁶⁴ 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 regular audited, and the assignment of categories.

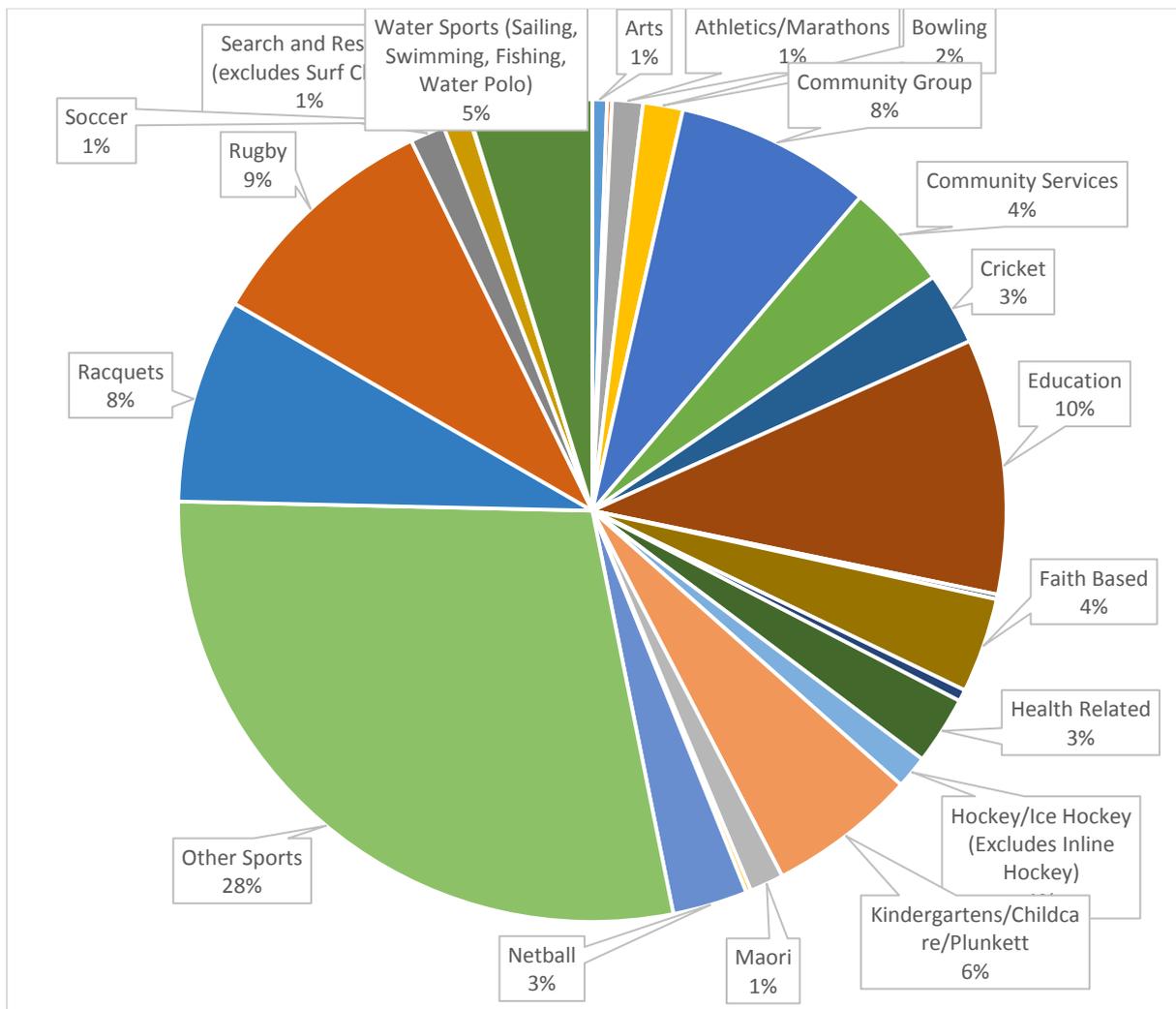


Figure 18: Main recipients of grants distribution from GMP-2016

A representation of total grants distributed for 2016 by trusts is displayed in Table 12 and Figure 19.

Pokie gaming machine proceeds Trust	Total Grants for 2016
NZ Community Trust	\$ 809,100.00
Lion Foundation (2008)	\$ 414,101.00
Pub Charity Ltd	\$ 212,751.53
Infinity Foundation Ltd	\$ 91,083.41
NZ Racing Board (TAB)	\$ 22,462.00
Grassroots Trust Grants	\$ 15,000.00
First Sovereign Trust	\$ 7,783.82
Southern Trust	\$ 5,000.00
Mainland Foundation	\$ 1,000.00
Pelorus Trust	\$ 1,000.00
The Pegasus Sports Foundation	\$ 667.50

Table 12: Pokie trusts and grants distributed for 2016

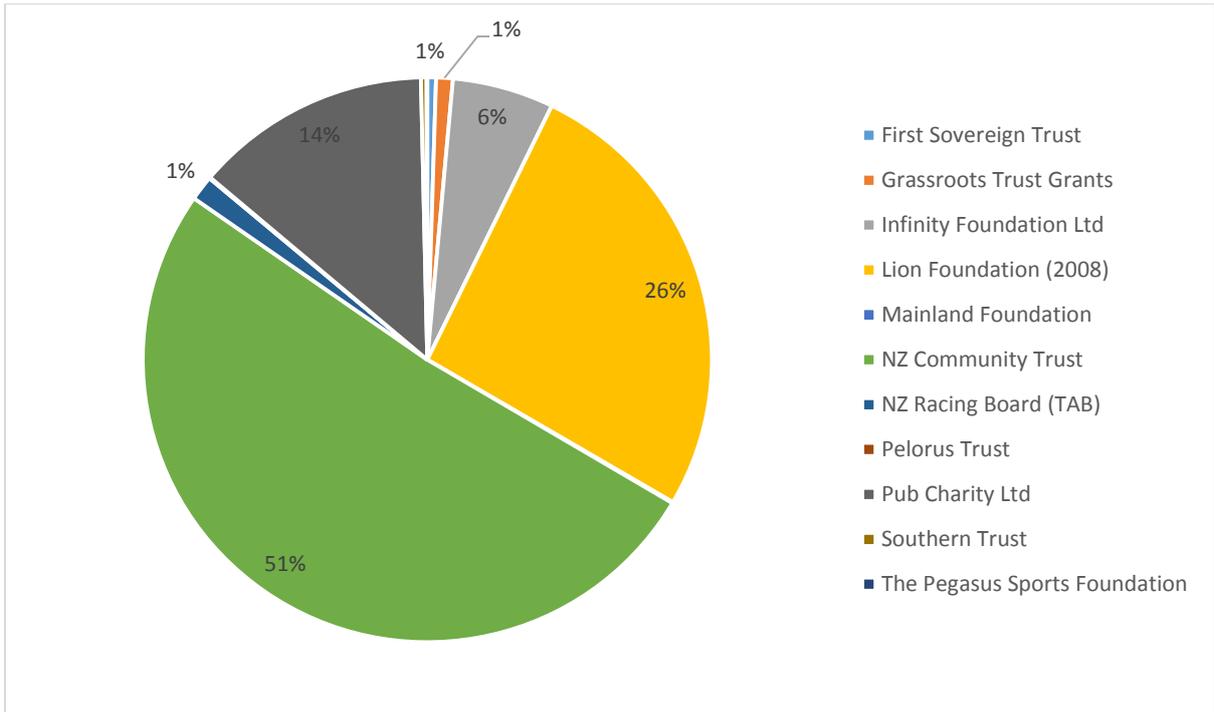


Figure 19: Pokie trusts and share of grants distributed for 2016

NZ Community Trust had a 51% of all pokie grants disrupted in Whanganui over 2016, followed by Lion Foundation (2008) and Pub Charity Ltd.

Taken from NZ Community Trust and Lion Foundation (2008) websites⁶⁵, Box 2 shows a selection of various community organisations and trusts who received grants for the 2016/17 financial year.

<ul style="list-style-type: none"> • Wanganui Events Trust • Tupoho Iwi and Community Social Service Trust • W F K A – Aramoho Kindergarten • Alzheimers Wanganui Inc • Athletics Wanganui Inc • Wanganui High School • Wanganui Tech Cricket Club Inc • Wanganui Amateur Roller Skating Club Inc • Whanganui Safe and Free Inc • Mangamahu Primary School 	<ul style="list-style-type: none"> • Brain Injury Assn Inc – Whanganui • Hospice Whanganui • Aramoho Wanganui Rowing Cl • Birthright Wanganui Inc ub • Wai Ora Christian Community Trust • Whanganui Restorative Practices Trust • Whanganui Multisport Club Inc • Whanganui Volunteer Centre Trust • Whanganui Football Incorporated • Wanganui Sports Foundation • Wanganui Swimming Club Inc
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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.

⁶⁵ Rather than presenting every grant provided, which are readily available at corresponding websites, officers have selected the two largest grant providers.

5.8.2. Economy and Employment

There are 15 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 2016, International and domestic visitors spent a total of \$2,224,053 on cultural, recreation, and gambling services.⁶⁶

5.8.3. Entertainment

Gambling when undertaken in a responsible manner can be considered as a form of past time or entertainment. Most people gamble in the hope of winning money or a prize but for some people it is a form of entertainment.⁶⁷ This entertainment might be through a gaming machine, betting on a sports game, playing cards or bingo at a community group centre.

5.9. Gambling risk profile

KPMG, in consultation with the Ministry of Health, have put together a gambling resource for local government to construct a gambling profile for territorial authorities that provide rudimentary context for Whanganui District's gambling review. This resource has been recently removed from The Ministry of Health's website as it was found the tool tends to average out a district's gambling risk and disregards geographic risk factor differences at a sub-district level, officers have opted to utilise the tool as a point of contrast. By considering five known categories of gambling risk, the tool takes the data presented in this social impact assessment and provides a risk rating score based on an assessment of the following risk factors:

- District prevalence rate
 - This is a way of measuring at risk gambling within the district by combining national statistics and local intervention data.
- District gambling density
 - This measures the opportunities available for people to gamble.
- District ethnicity
 - Māori and Pacific populations are more likely to experience harm from at-risk gambling.
- Community deprivation
 - Research shows that communities with a higher deprivation score are more likely to experience harm associated with at-risk gambling.
- Availability of services to help
 - Availability within the district of intervention services that specialise in preventing and minimising gambling harm.

⁶⁶ 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

⁶⁷ 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.

Gambling risk category and method	Whanganui risk factor (Low = 1, Medium = 2, High = 3)	Risk score
District prevalence rate <i>Number of intervention clients vs national rate of help seeking by district population.</i>	0.01% (Low risk=1) x 2	2
District Gambling density <i>Number of machines per 10,000 people & Expenditure per person, per annum</i>	<ul style="list-style-type: none"> Number of machines per 10,000 people = 64 (Low risk=1) Expenditure per person, per annum of machines per 10,000 people = \$79 (2016) (Low risk=1) 	2
District ethnicity <i>Percentage of district's population that are Māori and Pacific.</i>	<ul style="list-style-type: none"> 21% Māori (High risk=3) 2.6% Pacific people (Low risk=1) 	4
Community deprivation <i>District's overall deprivation.</i>	Deprivation score is 8 (High risk=3)	3
Availability of services to help <i>Number of services per 10,000 people.</i>	Number of services per 10,000 people = 0.6 (High risk=3)	3
	Total risk rating score	14 (Medium risk)

Table 13: Whanganui District's gambling risk profile using KPMG tool

Table 13 shows Whanganui District scores a total of 14 across the five risk categories, which sets the district at a medium risk. According to this tool kit, a medium risk means that the policy option is one that restricts locations and/or numbers of machines. The next risk profile up from this is high and sets a gambling policy option to a venue sinking lid and/or machine number sinking lid. Again, as alluded to previously, the tool provides a position on gambling risk, but due to its inherent fallacies, is not an accurate picture of real gambling risk for the Whanganui District.

6. Conclusion

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

Whanganui's population profile increases the likelihood for communities to experience or be subjected to gambling harm. Profile factors such as 22% of the population identify themselves as Māori and 39% of the population experience high degrees of deprivation make Whanganui District more prone to experiencing gambling harm.

Recent local data has indicated persons accessing food parcels due to gambling and other comorbidities. 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 have been relatively consistent since FY2013/14.

Furthermore when applying national estimates to Whanganui, 126 people could be identified as problem gamblers and 632 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 for clubs, job creation, provision of grants to community organisations, funding services to help problem gamblers, 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 venue location provisions, including relocation of class 4 venues, to act as a safeguard against the possibility of increases to gambling harm. 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.