



PAPAIOEA
PALMERSTON
NORTH
CITY

PALMERSTON NORTH CITY COUNCIL

AGENDA **MINUTES ATTACHMENTS** **COMMUNITY COMMITTEE**

9AM, WEDNESDAY 9 AUGUST 2023

COUNCIL CHAMBER, FIRST FLOOR
CIVIC ADMINISTRATION BUILDING
32 THE SQUARE, PALMERSTON NORTH

COMMUNITY COMMITTEE MEETING

9 August 2023

6 Hearing of Submissions: Draft Gambling Venue Policies 2023

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2. Submitter # 36 - Te Whatu Ora	18
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Gambling Venue Policy Review

- **Jarrold True – Gaming Machine Association of New Zealand.**
- **The Gaming Machine Association of New Zealand represents the vast majority of New Zealand's gaming societies.**

Introduction

- **The Association asks that Council:**
 - Retain the current ability for venues to relocate following a natural disaster or fire.
 - Broaden the relocation provision to enable venues to move in any circumstances when they are moving to a location with a lower deprivation rating and/or out of areas close to suburban/residential areas.
 - Broaden the relocation provision to enable venues to move to new, modern premises, and to move to buildings that have a higher earthquake rating.
 - Retain the current cap of 347 gaming machines.

Gaming Machine Relocation

- **The current policy allows venues to relocate following a natural disaster or fire.**
- **This is fair and reasonable. There is no new evidence or new concern that would justify a policy change.**
- **Removing the provision could result in a loss of \$5.8m of community funding overnight, in the event of a natural disaster.**

Expanding Relocation

- **The venue relocation provision should be expanded.**
- **Venue relocation is a harm minimisation tool.**
- **Venue relocation allows venues to move out of undesirable areas such as high deprivation areas and areas close to suburban/residential areas.**
- **Not allowing relocation entrenches venues in undesirable areas.**

Relocation Purpose

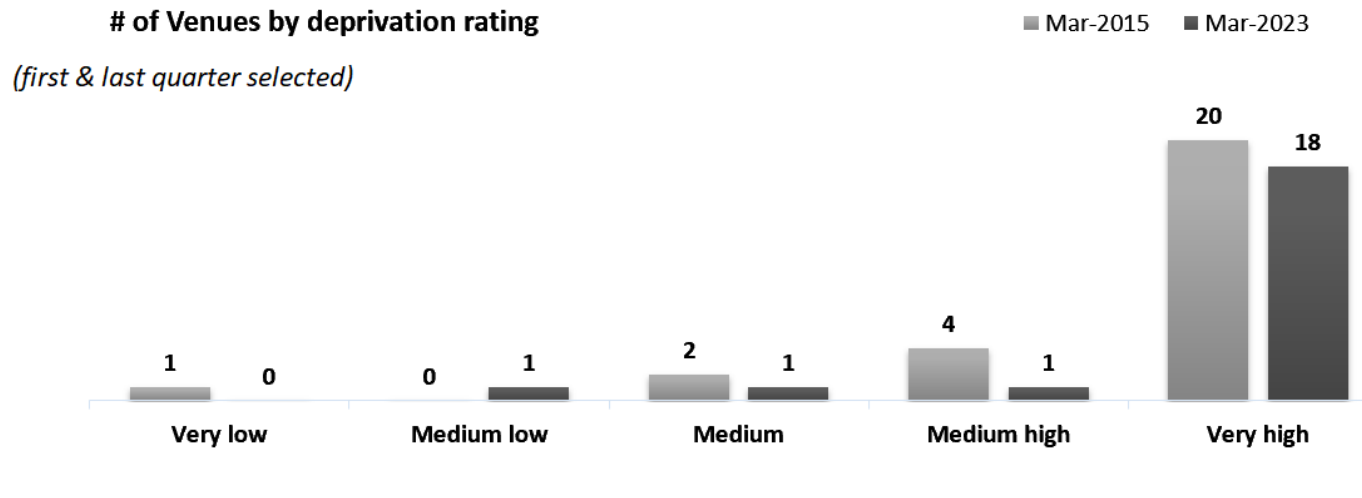
- **The Gambling Act was amended in 2013 to enable relocations as a result of a Māori Party Bill.**
- **The purpose of the amendment was to move venues out of harm's way to more appropriate areas such as central business districts.**
- **Parliament wanted gaming venues to move out of undesirable locations regardless of the reason for the move.**

Why Wait for a Natural Disaster?

- **A gaming venue should be able to relocate to an area that is more desirable from a harm minimisation perspective, anytime.**
- **We should not have to wait for a fire or earthquake to move gaming machines out of undesirable areas, such as high deprivation areas or areas close to suburban/residential areas.**

Current Venue Location

- 18 of the 21 venues are in very high deprivation areas.



- Half of all the venues are located in the suburbs or villages.

Gaming Machine Relocation

- **It is also fair and reasonable to allow venues to move:**
 - Out of earthquake prone buildings.
 - To free up large blocks of land.
 - When the landlord is demanding unreasonable rentals.
 - To new, modern, refurbished premises.

Business Redevelopment Positive

- It is positive to have vibrant town centres with modern, refurbished businesses.



The old Te Rapa Tavern



The new Te Rapa Tavern

- Redevelopment improves the local economy and creates employment.
- Redevelopment encourages tourism.

The Current Cap is Reasonable

- **The current cap is reasonable.**
- **There is no new evidence or new concern that would justify the adoption of a more restrictive policy.**
- **Gaming machine venues are naturally declining.**
- **2015 Palmerston North had 358 machines. Palmerston North now only has 295 machines.**

Problem Gambling

- **The problem gambling rate is very low: 0.2%.**
- **There is no link between gaming machine numbers and problem gambling rates.**
- **In the last 10 years, 4,618 machines have been removed (a 25% reduction). However, over the same period, the problem gambling rate has remained the same.**

Benefits from Gaming

- **Player entertainment (67% of adult New Zealanders gamble at least once a year).**

Benefits from Gaming

- In 2022, \$5.8m in grants were made to local community groups.
- In addition to the \$5.8m in local grants, there were regional and national grants that provided a local benefit.
- In addition to the external grants, the Ashurst Memorial RSA, the Manawatu Darts Association, and the Palmerston North Cosmopolitan Club used their gaming machine proceeds to provide services and facilities to its members.
- The funding is valuable and not able to be replaced.

Questions

- Questions welcomed.

PNCC Gambling Policies Review

Public Health Services, MidCentral, Te Whatu Ora
16/08/2023

Our position

Public Health Services, MidCentral

- thanks PNCC for putting whānau first
- supports sinking lid policy for class 4 gambling venues
- supports sinking lid policy for class 4 gambling machines

Our additional recommendations

1. PNCC considers either limiting relocations to defined areas (eg based on deprivation) or not allowing relocations at all.
2. When clubs merge, the number of class 4 gaming machines can only be the existing total for one venue and not the sum of both venues.

Gambling is not a harmless activity

Experience of harm

individuals participating in gambling
family, whānau and affected others
5-10 people other than the gambler are harmed

Other health problems

smoking
hazardous alcohol consumption and other drugs
depression
poorer self rated health

Gambling related harm is unevenly distributed

The most deprived people are the most affected

19 out of 21 venues in Palmerston North are in deprived areas

- Palmerston North 90%
- Nationally 61%

Māori, Pacifica and our young people are over represented amongst people and communities who experience gambling related harm

Financial Losses

**2021 \$21.5 Million was spent on
Class 4 Gaming Machines in Palmerston North**

NZ Institute for Economic Research 2020 report

“evidence suggests that Class 4 gambling competes with other industries for household expenditure, but not so much with other forms of gambling”

Unequal Redistribution of Profits

**Approx. 24% of GMP returned as grants to
Palmerston North Community**

88% returned to decile 1-5 (*least deprived*)
Contributed 26% to GMP

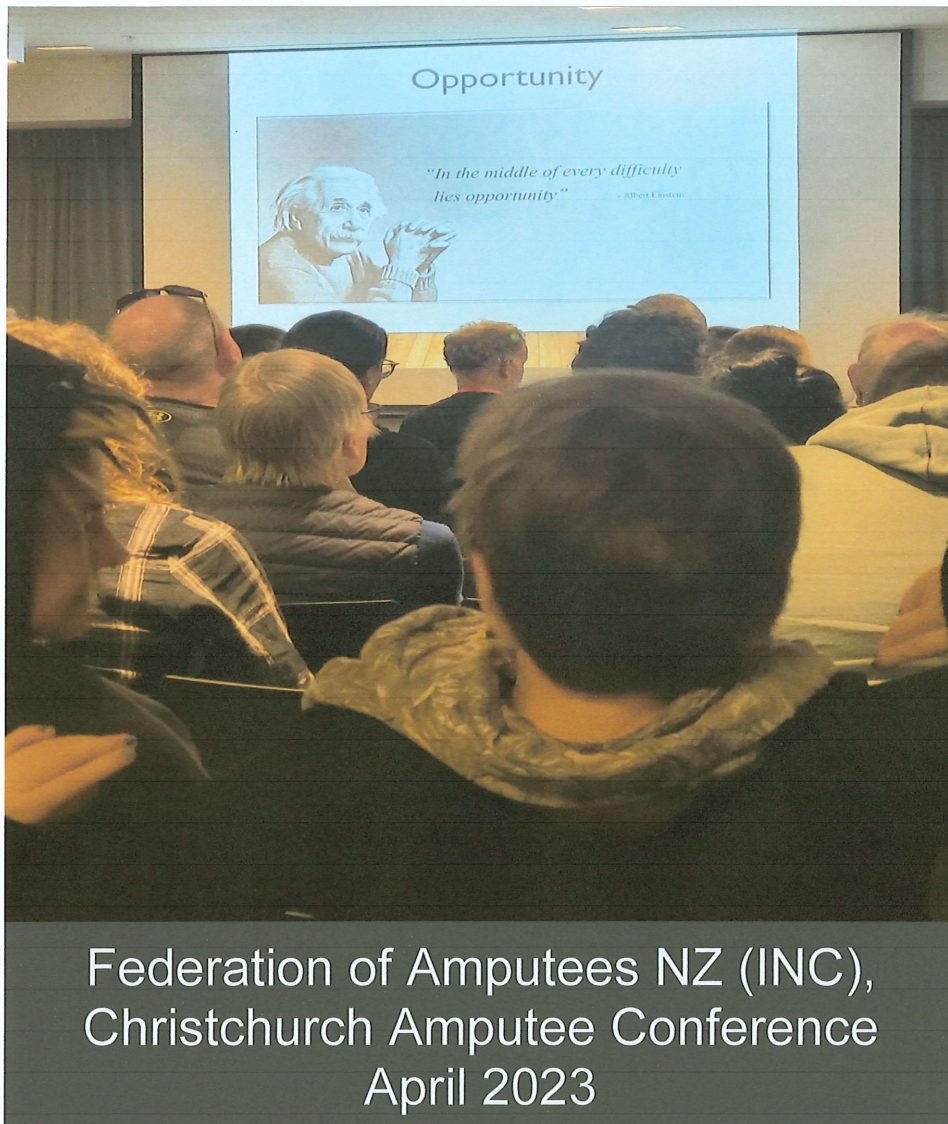
12% returned to decile 6-10 (*most deprived*)
Contributed 74% to GMP

Pātai / Questions?



**Amputee Society of Manawatu &
Districts Inc.**

To the Management
Masonic Hotel.
—



Federation of Amputees NZ (INC),
Christchurch Amputee Conference
April 2023

Pub Charity Grant Number GF230108-2974

Dear The Masonic Hotel,

On behalf of the Amputee Society of Manawatu and Districts

(ASMD) and its members, I wish to express a very big thank you for your sponsorship through Pub Charity.

Your help allowed 5 members of the ASMD to fund travel to Christchurch in April 2023 and pay for accommodation and registration with the Amputees Federation of New Zealand incorporated Conference.

This gave those attending an opportunity to meet fellow amputees from all over New Zealand and develop new friendships.

It also gave them the opportunity to learn about new technology in modern prosthetics and power assisted artificial limbs from Australia. United States of America and the New Zealand Limb Service.





It helped each member to gain more self awareness and better self-esteem in coping with their disabilities in their everyday lives .

The group discussions on how to find organisations which could assist with better living were invaluable.

Also, discussions on how to deal with Phantom pain in the body after an amputation of fingers, hands, arms and legs were very helpful.





Those that attended the Christchurch Conference came back home excited from what they had learnt and experienced at the Conference.

Again I thank you for your generous sponsorship through Pub Charity

Kindest Regards
Eddie Johns
ASMD Secretary
CI- 72 Humber Street, Rongotea 4865

email - asmdsecretary@gmail.com
Mobile - 022 6741 206

A handwritten signature in black ink that reads "Eddie Johns". The signature is stylized with a large, looped "E" and a long, sweeping underline.

Funding community activity

Presentation to Palmy Council

9 August 2023

Our position

- A sinking lid removes community funding for Palmy we therefore recommend retaining the current cap of 347 machines
- Broaden the relocation provision to allow venues to move to new and modern premises away from high deprivation areas

Return of funds to Palmy

NZCT returned more than a \$1,303,821 to the direct benefit of the Palmy Community between Oct 2019 up to May 2023, across 113 grant applications

And \$1,015,343 multi regional grants that benefit Palmy and the broader community in the same period



It is a balancing act for Councils

Between 2003 and 2021, more than 10,000* gaming machines were removed, reducing funding to community organisations

Reducing gaming machine numbers has not reduced problem gambling but has reduced community funding

*DIA statistics

Most people gamble for entertainment

Gambling is mainstream, widespread and socially accepted

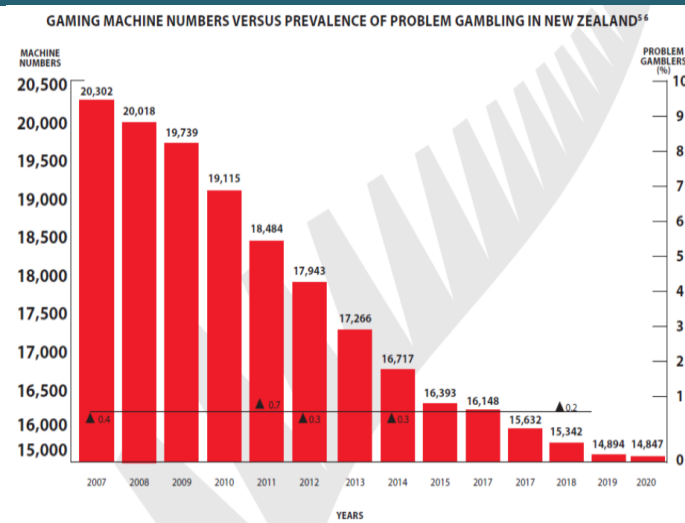
Around 75% of Kiwis regularly participate in gambling for entertainment*

*Ministry of Health/AUT, 2018

Problem gambling affects 0.2% of the adult population

Machine numbers have been declining. Problem gambling numbers are static.

NZ National Gambling Study 2015 Overview and gambling participation.
DIA statistics <https://www.dia.govt.nz>



There's a substantial problem gambling levy in place

\$20 million from the gambling sector every year funds the Ministry of Health's harm prevention and minimisation programme, funding problem gambling services

Relocations are positive

- Help reduce harm from problem gambling by allowing venues to relocate out of high-deprivation areas
- Supports local hospitality businesses and jobs
- Respond to future demands (urban growth, rezoning, demographic changes)
- Allow appropriate benefit and responsibility to be placed on venue operators rather than landlords
- Avoids driving people online

For every dollar spent



90%

of every dollar is returned
to players in prize money



10%

3.1% of every dollar is
returned to the Community
in Grants

3.8%
Government duties & levies

3.1%
Operating costs

Gambling Venue Policy Review

The Lion Foundation



The Lion Foundation



1. Established 1988
2. Distributed over \$1 Billion to the New Zealand Community - \$42 million last year
3. National organisation with 4 regional Grants Committees
4. Relationship with Council - \$468,181 since 2013.



The Lion Foundation



- Do not support sinking lid;
- Current policy appropriately balances the potential harm from gambling whilst preserving community access to funding
- Relocation Clause – pleased to see that venue relocations are permitted – but request that the wording of the clause be expanded to fully appreciate the effectiveness of the tool as a harm minimisation measure



The Lion Foundation



Most notable Council projects funded :-

Splash pad (2020)

Multi Purpose sports turf (2018)

Skate Park (2017)



Gambling in NZ



- Problem gambling rate remains relatively unchanged- 0.2% of people aged 18 and over. This is gambling over all forms of gambling.
- Increased access to unregulated offshore online gambling is very worrying. Closing physical environments will expose problem gamblers to an unregulated and harmful environment.
- Gambling Harm Needs Assessment 2021 (MoH) prevalence of harmful gambling remains relatively unchanged



Gambling in NZ



- Sinking lid polices completely ignore the research that concludes that gambling is and has always been a popular form of entertainment
- Sinking lid polices disregard the value that the businesses provide to the economy of the City
- C4 Venues provide a safe and highly regulated environment . There are significant measures in place to minimize harm, from gaming machines
- Extremely well funded problem gambling service exists – approximately \$25 mil per year. Available 24hr/365days /40 languages. Free face to face counselling



Harm Minimisation



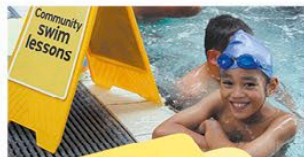
<p>Safe Pair of Hands</p>	<ul style="list-style-type: none"> • Harm Minimisation Training Programme – developed and implemented by Account Managers with substantial experience in Gaming and Hospitality Industry; • A vast range of in venue resources and online resources • Conflict resolution and armed robbery training
<p>Harm Minimisation Training</p>	<ul style="list-style-type: none"> • Harm Minimisation Policy • Host responsibility • What is harm minimisation • Recognise signs of problem gambling • Techniques to approach patrons showing signs of harmful gambling • Recognition of minors



Harm Minimisation



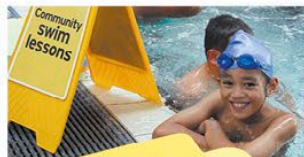
Harm Minimisation Training	<ul style="list-style-type: none"> • Good understanding of exclusion processes and exclusion orders • Access to resources - videos and suite of Health Promotion Agency harm minimisation material • Appropriate levels of supervision and observation • Managing problems – unpaid prize reports, equipment faults • Familiarisation with Game rules • Regular face to face contact with TLF account managers • Formal Harm Minimisation refresher training
Harm Minimisation Policy	<p>Approved by DIA and currently being updated to reflect the provisions of the new harm minimisation regulations.</p>



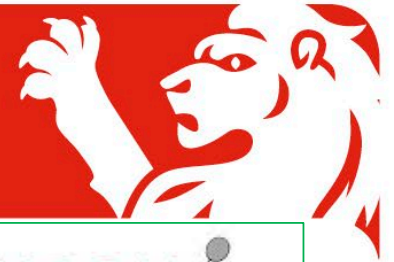
Community Support



- TLF is a board based inclusive funder – Sport, Health , Education and Arts/Community
- Recommendations made by local community members who have been appointed to Regional Grants Committee
- Funding only for Authorised Purpose (Gambling Act)
- Funding only upon successful application
- Webinars held regularly to encourage potential recipients to successfully navigate the grant application process

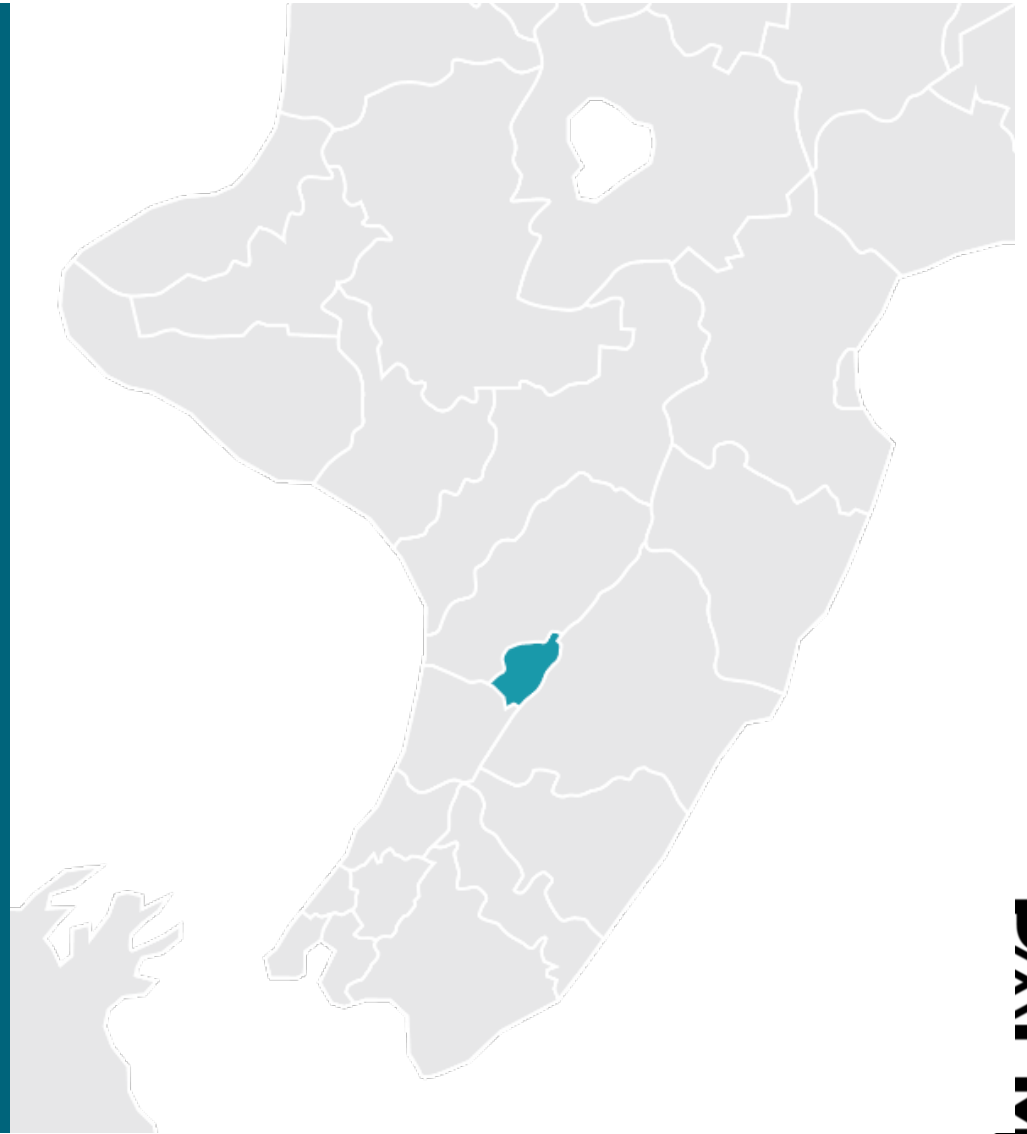


Community Support



Palmerston North City Council

Class 4 Gambling and TAB
Venues Policy Review





Loss per day
v.s.
median
income



In Palmerston North, approx.
\$60.8k was lost on **pokies**
everyday last year

v.s.

Palmerston North residents
have a **median income** of
\$30k





Harm from Pokies

- Most harmful form of gambling in Aotearoa New Zealand
- Highly addictive and specifically designed to be very absorbing
- 47% of all clients cite Class 4 gambling as primary mode of harm



Client Statement

Gambling is normalised within my family. My dad was a gambler. I tried my best to protect my kids... but I've noticed that my kids have started showing an interest in the pokies too.

So, we're in a destructive cycle. It's costing all of us our health, our savings, and our mana.

My one request to Council is to make pokies less accessible. The pokies are everywhere and it's actually hard to avoid them.



Best Policy = Sinking Lid

Trend

- Over 50% of all councils in NZ have a sinking lid
- 75% of city councils in NZ have a sinking lid

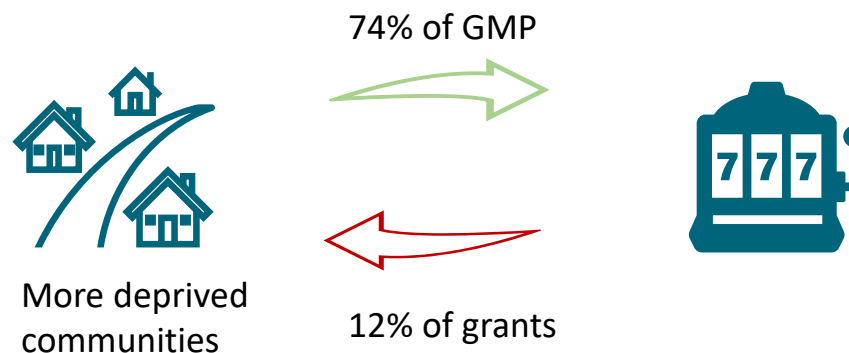
Why?

- Best public health approach to minimise harm
- Evidence shows a sinking lid reduces *problem gambling expenditure* by 13%



Class 4 Community Grants

- Need to focus where money is *coming from*
- Evidence strongly suggests that Class 4 gambling **transfers wealth** from more deprived communities to less deprived communities





Is online gambling replacing pokies?

- No evidence online gambling is replacing pokies
- Regulated by Central Government
- Pokies still the most harmful form of gambling