#### PRESENTATIONS AND TABLED DOCUMENTS FROM CLASS 4 GAMING VENUE AND BOARD VENUE POLICY HEARINGS SUBCOMMITTEE 18 NOVEMBER 2021

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# Hutt City Council

Class 4 Gambling Venue Policy Review

### Support wellbeing approach

- Support a sinking lid policy with no relocations and club mergers
- Commend additional commitments
- One of the best Class 4 policies in recent years

### Sinking lid policy

- Best policy to reduce harm
- One of the most effective policies at reducing machine spending



Is online gambling replacing pokies?

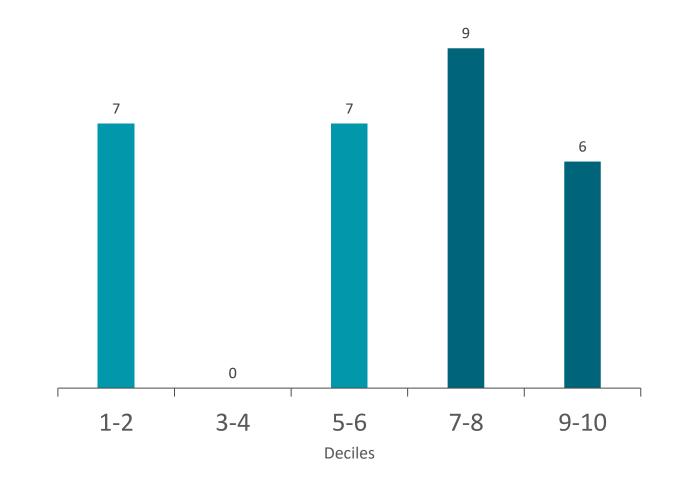
- No evidence online gambling is replacing pokies
- Regulated by Central Government
- Pokies still the most harmful form of gambling
- Online gambling growing and increased during lockdowns



Harm from Pokies

- Most harmful form of gambling in New Zealand
- NZIER report indicates that
   Lower Hutt's population has
   an unusually high exposure to,
   and level of Class 4 gambling
- Six people are affected by a problem gambler

### Venues by Deprivation



# Pacific peoples in Lower Hutt

- High representation of Pacific peoples in four of the top-five areas for total Class 4 expenditure in Lower Hutt:
  - Glendale (16.8%)
  - Naenae Central (23.9%)
  - Taita North (33.9%)
  - Taita South (25%)
  - Waiwhetu (9.7%)
- Harm extends to families and communities of problem gamblers



# Asian peoples in Lower Hutt

- Growing Asian population in Lower Hutt
- Asian people's risk factor for harmful gambling is 9.5x higher compared to European/Other
- Stigma and shame prevent help-seeking





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# **Thank You**



### Submission on Review of Hutt City Councils Gaming Venue and Board Venue Policy

When creating public policy the focus must always be on what the intended outcome from the policy you want to achieve. If the policy and its intended outcomes do not match then you are unlikely to get the results you want.

This submission is explicitly to oppose option 2 of the Gaming Venue and Board Venue Policy review specifically the option to introduce a sinking lid amendment to the policy. Outlined below are the policy goals which will be the starting point of this submission:

- To control the growth of Class 4 gaming machine numbers within Hutt City;
- To put in place measures to reduce the harm caused by problem gambling;
- To encourage responsible gambling practices and attitudes in Class 4 gaming venues; and
- To facilitate community access to information about the funds produced and distributed from Class 4 gaming within the city.

Please be advised that these outcomes are not in dispute, the only matter of issue is the methods used to obtain them. The submission will be in two sections for discussion and feedback: the case for and against a sinking lid policy and local examples of the impact of gambling funds on the community. The case for and against a sinking lid policy

Use of sinking lid gambling policies has become prevalent in local government policy over the last 10 years. Councils that have seen the highest rate of gambling related harm and pokie machine spending such as Christchurch and Auckland have adopted policies that place restriction on accessibility of new and existing machines. Christchurch for example has one of the most strictest policies in the country specifically as it adopts the accessibility theory – that is that access has led to increased participation and therefore contributed to a greater proportion of harm.

Research has suggested that there are several key factors that go into a problem gamblers decision making process when using a pokie machine. They are venue, machine design and social accessibility. When choosing to gamble the thought process plays out in order of priority; how to gamble, where to gamble and the game itself. A sinking lid policy only targets the venue factor of a problem gamblers thought process it does not target appropriately or address the how to gamble aspect which is the highest priority in a persons mind. This essentially means that a problem gambler may not necessarily be someone going to a local bar but someone playing online. A sinking lid policy does nothing to discourage that person from gambling only the person who will get human interaction out of the exchange ie gambling with others.

Advertising of gambling sites is also an area of concern as feedback received from a recent Ministry of Health Study has found that there are indications that the principles that govern gambling Code for Advertising are being stretched by organisations such as Lotto NZ and TAB. Advertising creates acceptability about

products and activities and normalises it which poses a risk to people when overuse of those products are potentially harmful.

Data from both AUT and Ministry of Health has shown that all the policies including sinking lid and absolute cap work in curbing pokie machine accessibility by up to 14%. However, since 2015 there has been a steady increase in pokie related profit despite local governments enacting both sinking lid and absolute cap policies. Of 67 local governments in 2020 only 22 had a sinking lid policy with several such as Gisborne council for example actively reviewing removing sinking lid from their policies. The key part as to why these discussions are taking place is that gambling related harm and gambling related profit has not decreased as sinking lid and absolute cap indicated it would. In 2020 along gambling trusts reported increased profits despite venue shut down for a prolonged period of time due to Covid 19. When you post record profits despite not being able to operate for a full financial year, something else is at play. Further to this research has been unable to conclude whether sinking lid creates spillover effects ie rise in online gambling activity. While it does reduce machine use overall expenditure across the country has not decreased significantly to indicate that sinking lid is the primary cause of reduction. Further research is needed to determine if sinking lid creates spill over effects and what proportion of funds are lost in online gambling activity which is difficult to regulate and does not have clear guidelines under the existing Gambling Act.

Further investigation and research is needed to determine the driving causes of increased pokie related profit these could be from social factors to commercial ones but without the data to understand why there has been an increase in use and

increased return in profit after cost, there is not enough evidence to suggest sinking lid policies will have the desired effect. As outlined above, sinking lid only targets one factor of a person's priority decision making when deciding to gamble and the data shows that is not enough to get the desired policy outcomes achieved.

#### Impacts of Gambling Funds in the Local Community.

Gambling funds are used to fund charities and local organisations that have a variety of social outcomes that local governments cannot cover or fund directly. That is a fact, what is also a fact is that gambling trust funds are only a small portion of the total profits received from pokie machines. That is also a fact which is dictated by the Gambling Act which sets out how much must be donated to a charitable purpose on a regular basis. It also dictates the tax revenue streams the Department of Internal Affairs manages on behalf of Inland Revenue. Put simply gambling organisations must both pay tax revenue and fund a portion of their earnings to the local community to meet their licensing requirements.

Now gambling prevention advocates will argue that the good does not outweigh the harm. That is a subjective opinion because the data does not exist that can specifically calculate the inherent good from community organisations vs the inherent harm caused by problem gambling. What is clear is that accessibility has not stopped gambling revenues from increasing and problem gambling persisting as a health issue. When deciding whether to implement a policy that limits accessibility the data must show that the policy outcome is achievable. Based upon current

research there is not enough data to show the outcomes are achieveable in reducing gambling related harm only pokie machine accessibility.

From a local charities perspective applying for gambling trust funding is a time consuming and involved process often requiring copious amounts of documentation to show the intended outcomes from receipt of funds, while also demonstrating financial viability and reconciliation processes to meet the licensing requirements. It is not an easy process and takes time to learn and develop before you can be successful at it. Charities across the country big and small inherently rely upon gambling trust funding to pay their overheads and projects due to both local and central government having inadequate amount of funds to cover directly. Now some charities government funded or otherwise do not receive a high income stream from their users often because they are working in complex social areas that would make it unwieldy to charge their users for use. With cost being a barrier to access for some services they have to be even more careful that they do not drive away their users with their costs. Such actions could lead to them to harming rather than helping and also create a feeling of burnout which has been more prevalent among volunteers in the last ten years. This has also been compounded by the effects of the economy the need to work longer hours and more activities taking up more time in a person's day to day.

For the purposes of this submission I would like to demonstrate the percentage of gambling trust funding and its effects on a specific group of charitable organisations that being amateur sports clubs. These organisations do not have access to local government funding period as their goals and purposes are outside of the viable funding grants that local governments offer. They also have one of the highest sets of operational costs our of all charity types due to the involved nature of their work.

Below is a brief list of the last financial years football clubs within lower hutt and the percentage of their income that was derived from grant funding:

Wainuiomata Association Football Club Inc: 2019 Financial year
 Total grant funding: \$85369.47 vs total operational cost \$156,351.09
 Total gross profit for the year: \$218 loss
 Percentage of grant to operational cost 54%

Lower Hutt Association Football Club 2020 Financial Year
 Total grant funding: \$333,717 vs operational cost \$589,808
 Total gross profit for the year: \$22,539 profit
 Perecentage of grant to operational cost 57%

Stop Out Sports Club Inc 2020 Financial year
 Total grant funding: \$268,145 vs operational cost \$436,676.00
 Total gross profit for the year: \$5,583.00
 Percentage of grant to operational cost 52%

Petone Football Club Inc 2020 Financial Year
 Total grant funding: \$95,538 vs operational cost \$135,861
 Total gross profit for the year: \$553
 Percentage of grant to operational cost 58%

Naenae Football Club Inc 2020 Financial year
 Total grant funding: \$37,976 vs operational cost \$67,145
 Total gross profit for the year: \$3000
 Percentage of grant to operational cost 56%

Stokes Valley Football Club Inc 2021 Financial Year
 Total grant funding \$42,744 vs operational cost \$108,469
 Total gross profit for the year \$2,324
 Percentage of grant to operational cost 39%

While this is not an exhaustive list it is an example of the impact gambling trust funding on local charities that don't readily have access to local government funding. All these organisations have other revenue streams from, bar sales, subscriptions, player fees and sponsorship to name a few but these streams combined together are not enough to meet their operational costs. While the funding from gambling for charities is low in comparison to the total received to charitable organisations that amount is significantly higher due to multiple sources of grant funding. A charity may have one grant funder it goes to for everything which is based upon its location, operating dynamic and size whereas larger organisations that cover a wider area tend to have accessibility to more venues and thus a higher proportion of their income tends to be from grant funding as opposed to subscriptions. Simple put a radical change in the nature of accessibility of grant funding during a post Covid environment would be negatively detrimental on not just the organisations above but across the wider Charitable sector within the Hutt Valley. Accessibility will reduce due to a sinking lid policy thereby venues reduce which will cause a higher level of competition on the grants left available between these organisations. If the organisations are in a specific geographic area any change or upheaval can be potentially devasting to them and their operations which will have long term consequences on the wider community.

#### Conclusion

While sinking lid and absolute cap policies are the norm for local governments there is yet to be enough research done to conclude whether they are successful in reducing gambling related harm and addressing the health issue of problem gambling. The current data concludes that accessibility has reduced as a response to sinking lid and absolute cap but that gambling related revenue streams have gone the opposite way and increased year on year. Further research is needed to determine what trends are driving this and whether local government or central government can institute policies that tackle those trends directly. Sinking lid at best indirectly motivates gambling trends but it does not stop them entirely and while evidence suggests sinking lid acts as a barrier to new gambling there is insufficient evidence to suggest it targets problem gambling or gambling addiction. Council should therefore continue the current status quo and investigate further options it can enact that can target problem gambling and assist locl charities ie funding availability, targeted grants and funding programmes, social services and advocacy with Internal Affairs and government to amend the Gambling Act further to address its current deficiencies.

New Zealand Work Research Institute. (2020). *Capping Gambling in New Zealand: The effectiveness of Local Government Policy Intervention* 

Sapere Research Group (2018), Gambling Harm Reduction Needs Assessment (Prepared for the Ministry of Health Addictions Team)

DotLovesData (2020) Sinking Lid Numbers and Current Data Trends

# **TAB New Zealand**

### Hutt City Council Gambling Policy Submission



TAB New Zealand (TAB NZ) is a statutory body established through the Racing Industry Act 2020 to provide betting services to New Zealanders.

Each year we return around \$150-\$170 million back to the New Zealand racing industry - including the livelihoods of thousands of Kiwis involved in this sector, and National Sporting Organisations.



#### **TAB NZ invites council to;**

- Retain the Current TAB Venue Policy
- Retain the Current C4 Policy (Option 2 Status Quo)
- Ensure a robust relocation policy is in place

Generally, TAB NZ opposes a cap or sinking lid policy for TAB NZ Venues. Given the alternative TAB services available, a restriction on TAB Venues is immaterial.



#### **TAB Board Venues...**

- Applies only 'Standalone' TAB NZ Venues that **Must** be owned or leased by TAB New Zealand for wagering;
  - TAB Lower Hutt
  - TAB Naenae
  - TAB Petone
  - TAB Wainuiomata
- Does not include social venues (aka Pub TAB's or Club TAB's) offering TAB Products.

Part of the wider TAB Wagering channel offering including OnCourse and Account.



#### **TAB NZ Venues..**

TAB NZ conducts its business activities with integrity and is committed to providing a safe and enjoyable environment for customers to wager responsibly.

Our venues offer one of the safest environments to partake in gambling;

- TAB NZ has statutory obligations to minimise harm
- TAB NZ provides problem gambling awareness training to each employee and agent
- All TAB NZ Venues have internal CCTV for the security and safety of staff & customers
- Automatic teller machines (ATMs) are prohibited in any TAB NZ Venues
- TAB NZ does not sell or serve alcohol in its Venues
- TAB NZ Venues have modest trading hours
- Less than 10% of all problem gambling presentations are for race or sports betting.



#### The Current C4 Policy is Reasonable given...

- A current environment of good Government regulation
- Problem gambling rate (for all forms of gambling) is low by international standards (0.2% of the adult population)
- The gaming machine numbers have already declined considerably within NZ through natural attrition.
- Restrictions accelerate the migration of the gambling spend to offshore based providers that make NO community grants and pay no New Zealand taxes.



#### **Offshore Gambling Markets**

TAB NZ estimates New Zealanders spent nearly **\$580 million** with Offshore Gambling providers in the 12 months to 31 July 2020.

Offshore WAGERING	Offshore 'CASINO GAMES'	
\$123M	\$453M	
Estimated annual spend by NZers w/ offshore betting operators in L12M	Estimated annual spend by NZers w/ offshore gaming operators in L12M	
-13%	+56%	
YoY decline in spend during FY20	YoY growth in spend during FY20	
+20%	+40%	
3-year CAGR for spend prior to beginning of FY20	3-year CAGR for spend prior to beginning of FY20	

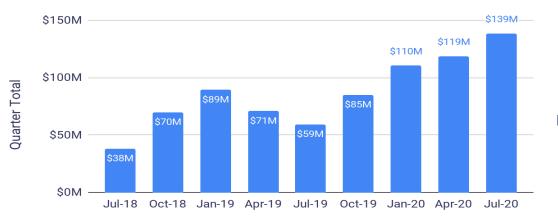


#### **New Zealand Total Online Gambling Market**





#### **Offshore 'Casino Games' Quarterly Spend**

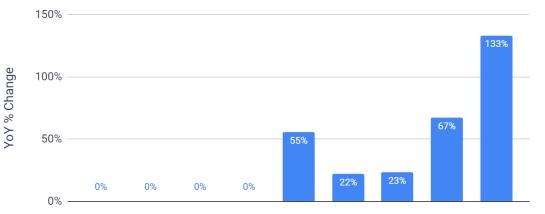


#### \$139M

Estimated spend by NZers w/ offshore gaming operators in May-July Quarter-FY20

#### \$119M

Estimated spend by NZers w/ offshore gaming operators in Feb-April Quarter-FY20



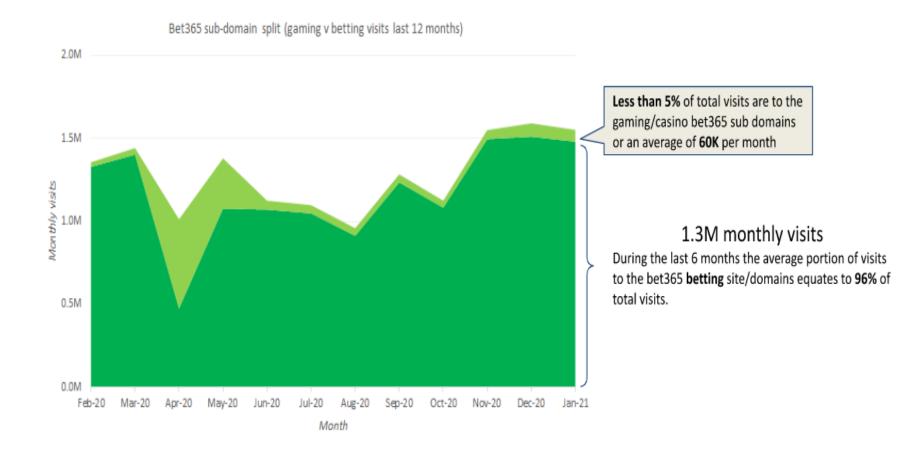
+133%

Y-o-Y growth in spend during July Quarter-FY20 +67%

Y-o-Y growth in spend during April Quarter-FY20



#### **BET365 Wagering/Casino Breakdown**





#### **Offshore Website Usage**

Figures sourced from SimilarWeb, for the 12 months to 30 June 2021, provide some insight into hours spent on offshore online casino sites:

Top 10 Online Casino Sites Used by New Zealanders Total Time Spent on Site (Hours)						
	Name	Website	%	Hours		
1	Spin Casino	https://www.spincasino.com	35%	1,548,000		
2	Jackpot City Casino	https://www.jackpotcitycasino.com	31%	1,378,000		
3	Voodoo Dream	https://www.voodoodreams.com	10%	422,000		
4	Leo Vegas	https://www.leovegas.com	5%	213,000		
5	Royal Vegas Online Casino	https://www.royalvegascasino.com	5%	212,000		
6	Sky City Online Casino	https://www.skycitycasino.com	4%	197,000		
7	Ruby Fortune	https://www.rubyfortune.com	4%	160,000		
8	Gaming Club Casino	https://www.gamingclub.com/nz	3%	135,000		
9	Casigo	https://www.casigo.com	2%	87,000		
10	Twin	https://twin.com	2%	85,000		
	Total (Hours)			4,437,000		



Offshore Gambling providers poses a considerable risk to New Zealand as:

- **NO** restrictions on bet sizes, provides no guaranteed return to players
- **NO** capacity for venue staff to observe and assist people in trouble
- More easily abused by minors
- Reduced protections to prevent fraud, money laundering or unfair gambling practices
- Is completely unregulated, so online gamblers are often encouraged to gamble more by being offered inducements or by being offered the opportunity to gamble on credit. For example, many offshore sites offer sizable cash bonuses to a customer's account for each friend that they induce to also open an account and deposit funds.
- Does not generate any benefits to New Zealand









### Funding community activity

**Presentation to Hutt City Council** 

18 November 2021



#### **Our position**

- A sinking lid removes community funding for the Hutt
- The relocation provision needs to be amended to allow relocations within the CBD



### **Return of funds to Hutt City**

NZCT returned \$2.43 million to Hutt City organisations in the three years to September 21, across 247 worthy applicants

This is substantially lower than the amount we would usually return due to Covid-19 closing venues



### 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\*

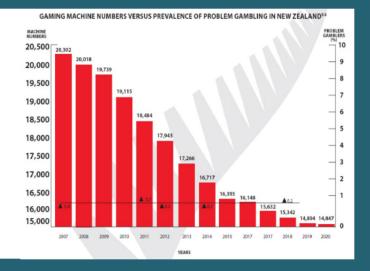
\*Ministry of Health/AUT, 2018



# 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



#### Questions

Ngā mihi

#### For every dollar spent



## 91%

of every dollar is returned to players in prize money





3.3% of every dollar is returned to the Community in Grants

3% Government duties & levies

2.7% Operating costs

#### Introduction

- The Gaming Machine Association of New Zealand represents the vast majority of New Zealand's gaming societies.
- The Association:
  - Supports option 2 the status quo cap.
  - Opposes the removal of the relocation provision.

## **Benefits from Gaming**

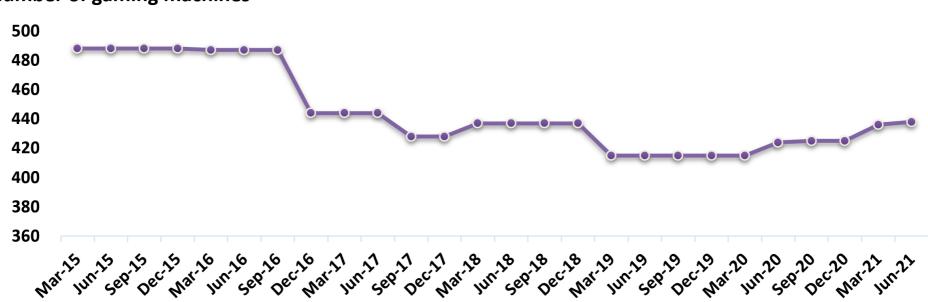
- Player entertainment (67% of adult New Zealanders gamble at least once a year).
- \$5.2m in external grants to local community and sporting groups.
- \$1.6m in national and regional grants that provide a local benefit.
- \$1.7m in club authorised purpose payments.

## **Social Impact Report**

- The presentation numbers in the social impact report are wrong and misleading. Correct figures:
- 2014/15: 221 interventions 81 (excluding brief interventions)
- 2019/20: 134 interventions 48 (excluding brief interventions)
- Presentation numbers have fallen.

## **The Current Policy is Working**

 Gaming machine numbers have reduced by 10% - 50 machines lost under the current policy.



Number of gaming machines

## **Problem Gambling**

- The current cap is reasonable.
- 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.

## The Move to Online Gambling

 Adopting a sinking lid is unlikely to reduce problem gambling, but will accelerate the migration to offshore-based online gambling.



## **Online Gambling Spend**

- TAB NZ online market now 59.2% of all turnover.
- TAB NZ estimates that New Zealanders are spending \$570-\$580m per annum on online gambling with offshore providers.

## Lotto and SkyCity Online Spend

NZ Lotteries Commission 'Mylotto'				
	FY20	FY19	FY18	
Registered Players	1,230,000	845,000	746,000	
Increase on previous Year	45.6%	13.3%	17.1%	
MyLotto Sales	\$430.6m	\$227.6m	\$201.1m	
Increase on previous Year	89.2%	13.2%	25.8%	

Sky City Casino NZ Online Casino				
	FY21	FY20	Movement	
Customer Registrations	48,958	25,661	90.8%	
Total Bets	\$792.5m	\$253.5m	212.5%	

## **Offshore-Based Online Gambling**

- Offshore-based online gambling is undesirable.
- No local grants.
- No local employment.
- No New Zealand taxes.
- No harm minimisation regulations/controls.
- Large prizes.
- Frequent inducements to gamble.

## **Gaming Machine Relocation**

- Venue relocation is a harm minimisation tool.
- Venue relocation allows venues to move out of undesirable areas such as residential areas and high deprivation areas.
- Not allowing relocation entrenches venues in undesirable areas.

#### Questions

• Questions welcomed.

#### Introduction

 Glenn McTaggart – Naenae Bowling Club Board Chairperson.

- Clubs NZ and the Naenae Bowling Club:
  - Strongly oppose the proposal to remove the Bowling Club's 12 machines removal of machines from Council buildings.
  - Oppose the removal of the club merger provisions and removal of the relocation provisions.

## **Targeting One Club**

 The only venue impacted by the Council building policy is the Naenae Bowling Club, with its modest 12 machines.

• The other 28 gaming venues and 426 gaming machines will not be affected.

## **Naenae Bowling Club**

- 1,100 members.
- Hosts national and international events.
- Hutt City's premier sporting and community facility.
- The club has operated gaming machines for over 20 years.

## Putting the Club at Risk

- The 12 gaming machines generate a profit for the club of \$85k-\$105k each year.
- This money is used for the upkeep of the facility.
- Removal of the machines will cause significant financial pressure for the club, resulting in the club incurring unsustainable operational losses.

## **Grossly Unfair**

- Removal of existing use rights is totally unprecedented and grossly unfair.
- The planning and budgeting undertaken by the club when considering the move, included the projected gaming revenue.
- The club has spent \$220,000.00 purchasing the gaming machines and setting up the gaming room.

#### **No Benefit**

- Removing the 12 machines will not reduce problem gambling.
- The gambling spend will migrate to the other gaming sites.
- There are 3 gaming venues and 45 gaming machines within 450m of the club.

## **Negative Consequences**

- The gaming machine spend will move from the club environment to the commercial environment.
- The research states that club gaming machines are approximately 7 times safer than hotel/pub machines.
- 100% of the club gaming machine proceeds are spent locally. Not all hotel/pub machine money is spent locally.

## **Policy Change**

- No objection is made to a policy that provides that new gaming venues or newly relocated gaming venues cannot be in Council buildings.
- Such a policy does not intrude on existing use rights and does not target one, reputable, safe, modest, operator.

#### Questions

• Questions welcomed.

#### **Gambling Venue Policy Review**

#### Samantha Alexander

#### The Lion Foundation



#### The Lion Foundation



- Not for profit Charitable Trust. Established 1985.
- 2. Distributed close to \$1 Billion to community organisations throughout New Zealand.
- 3. Our purpose is to distribute funds NOT to grow or promote gambling.
- 4. Currently operate EGMs at one venue in HCC Victoria Tavern.



#### **Our Submission**

- 1. Important to adopt a balanced approach that appropriately considers tow sides of the coin. Retain the status quo.
- 2. Retain relocation provisions. Relocation is an effective Harm Minimisation tool.
- Implementing a Sinking Lid Policy threatens longer term continuation of real community benefits through grants distribution. Concerning that HCC is considering closing the door completely on funding from C4.
- 4. C4 businesses contribute significantly to the economy of HCC over and above the community funding they provide. A vast majority of funding distributed is spent in the community



#### **Our Submission**

- There is no link between gaming machine numbers and problem gambling rates. In NZ, the problem gambling rate is very low – 0.2%
- 2. There is also no proven link between increases or decreases in gambling spend and problem gambling rates
- 3. Despite a substantial decline in venue numbers and gaming machines over the past 10 years the problem gambling rate has remained the same.
- 4. All Class 4 Societies contribute significant funds to the problem gambling fund.



#### The Problem doesn't go away.

- 1. Class 4 gambling is only one of many forms of legal gambling available in NZ.
- 2. Class 4 gambling is highly regulated by the Government with significant checks and balances in place
- 3. The Community funding model is one of the most effective in the world
- Reducing one form of gambling away doesn't suddenly stop that spend – it simply shifts it into other forms of gambling primarily to unregulated offshore online



#### Harm Minimisation



FOUNDATION

Here for good

Safe Pair of Hands	<ul> <li>Harm Minimisation Training Programme – developed and implemented by Account Managers with substantial experience in Gaming and Hospitality Industry;</li> <li>Venue level- Conflict resolution and armed robbery training provided to venue personnel.</li> <li>Close working relationships with Industry</li> </ul>
Harm Minimisation Training	<ul> <li>Harm Minimisation Policy – approved by DIA</li> <li>Significant investment- time and money</li> <li>Recognise signs of problem gambling</li> <li>Techniques on how to approach patrons showing signs of harmful gambling</li> <li>Recognition of minors</li> <li>Staff and customers have access to resources - videos, Health Promotion Agency harm minimisation material, exclusion processes and orders.</li> <li>Class 4 venues provide appropriate levels of physical supervision and observation of patrons</li> <li>Class 4 venues enable person to person contact and social interaction</li> <li>Monthly Compliance checks</li> </ul>
Swip	



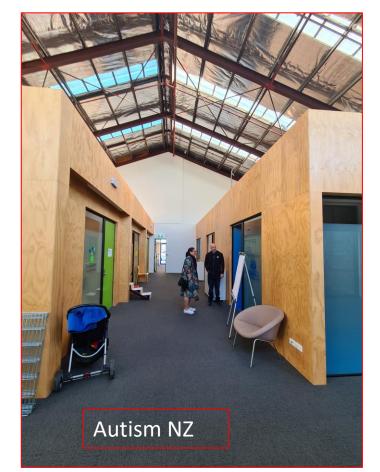






#### **Grant Funding**













#### Thank You



#### Submission to Hutt City Council Re Class 4 Gaming.

I write to support the reduction of harm due to gambling. However, the request for submissions seems to me to be very proscriptive. A wider consideration needs to be applied.

It's true that gambling has been a form of fundraising embraced by the citizens of New Zealand since the signing of the Treaty of Waitangi, - or before. Much of it has been sanctioned by the state and only a portion of it is set up to provide a positive return to community purposes.

As a sailor and sailing administrator, I have been involved in fund raising for the sport of sailing since 1968. In my experience, I have watched raffles being run and gambling nights being attended, - much of it was illegal and harmful. I support anything that enables less harm in our community and wish for the day when education, sport, health and disability, and all other charities, had no need to apply for funding to Class 4 gaming institutions, or for that matter to the Lotteries Commission. However, that time has not yet come.

There are massive changes happening as a result of COVID and our resultant changed lifestyle. In a meeting this week, the Lotteries Commission has reported to one of the organisations I raise funds for that they have had twice the amount of money to gift than in recent years. This is due to online gambling and it is certainly going to continue. The amount of money moving offshore through online gambling is certainly growing and of course no portion of that is being gifted back to the people of New Zealand.

I'm the first to admit that Class 4 gaming in New Zealand is not perfect. The short history of it shows that the audits of the gaming companies need to be continually well managed. It's interesting that there is concern about the 'problem gamblers' that come to the fore in class 4 gaming. The reality is that it is the gambling arena where they are more easily identified. In itself, that is good.

I would assert that on balance, it is not a big price to pay. I note with a sense of scepticism that there is not so much chasing of recalcitrant gamblers who may invest in Lotto, horse racing or Pakapoo. I also note that big raffles are coming into the fore again. Like it or not, the desire for a flutter, which is a normal human experience, will continue to drift off course to become a hopeless desire to provide a more enriched lifestyle or just keep family bills at bay. The reason that I say that the dangers of Class 4 gaming 'are not a big price to pay', is that for the first time in this country's history, those with gambling problems are able to be identified and indeed deferred. Unfortunately, it is often only deferred to another form of gambling.

It's my submission that indeed, there is harm from Class 4 Gaming, which may be ameliorated by some form of sinking lid policy. However, that doesn't mean to say that any solution has been applied. It will just drive 'problem gambling' into other arenas. I have yet to see that any sinking lid policy has been shown to be successful in eradicating problem gaming. There are many good things that are being achieved by Class 4 gaming and it's my contention that it's a 'windmill' that our elected council representatives could well cease tilting at.

For the organisation I mostly represent, I can honestly say that over \$80,000 of class four gaming money, (augmented by \$12,000 of Hutt City Funds has been instrumental in the development of a newly designed yacht for people with disabilities. You will be invited to the launching and blessing, along with TV cameras. It's a product of the Hutt Valley and of class 4 gaming

Don Manning QSM Trustee and CEO Sailability Wellington Trust.

