

8 May 2019

Porirua City Council  
PO Box 50 218  
Porirua City 5240  
Attention: Review of Class 4 Gaming Machines and TAB Venues Policy

Tēnā koe

**Re: Class 4 Gaming Machine and Venues Policy**

Thank you for the opportunity to provide written feedback through this submission process.

Regional Public Health (RPH) delivers population and personal health services in the greater Wellington region. Our geographical area of service delivery spans Hutt Valley, Capital & Coast and Wairarapa DHBs. We deliver a range of population and personal health services, aiming to improve the health of communities throughout the greater Wellington region. In particular we focus on achieving equitable health outcomes for Māori, Pacific peoples, tamariki and young people, low income whānau and other people groups facing complex challenges.

We have a range of occupations working within RPH including: medical officers of health and public health physicians, public health advisors, public health analysts, health protection officers and public health nurses.

The following feedback to the policy provides our public health perspective and experiences in our region.

For additional advice or clarification on any of the points raised in our written feedback please contact us.

Nāku noa, nā

Dr Jill McKenzie  
**Medical Officer of Health**

Peter Gush  
**Service Manager**

## Introduction

*The Gambling Act 2003 has defined problem gambling as a public health issue in New Zealand, and the Ministry of Health is now responsible for preventing and minimising gambling-related harm. Part of the general public health approach is to encourage healthy, supportive environments.<sup>1</sup>*

The intent in the introduction and the objectives of the *Porirua City Council* policy emphasise the importance for considering harm reduction in Porirua. Ensuring the social impact and cumulative effects of additional gambling opportunities should be recognised and reflected in this policy through its actions.

### Inequalities/Equity:

*...New Zealand studies found that Māori and Pacific adults have particularly high prevalence rates of risky and problem gambling...findings suggest...unless effective measures are taken to reduce the incidence of problem and risky gambling among Māori and Pacific people, current prevalence differences between these groups and European/Other people will persist or increase.<sup>2</sup>*

Health inequalities often occur when the negative impacts of problem gambling fall disproportionately on low socio-economic groups. It not only affects the individual involved but can also impact on 5-10 people among whānau, friends and wider community of the gambler.<sup>3</sup> Problem gambling particularly affects the poor, ethnic minorities, youth, the aged and other vulnerable groups. As noted by the *Problem Gambling Foundation*:

- Māori populations comprise 31% of intervention service clients<sup>4</sup>, but make up only 15% of the population.<sup>5</sup>
- Pacific populations comprise of 21.2% of intervention service clients but make up only 7% of the population.<sup>6</sup>
- Problem gambling is strongly linked to mental health state and disorders.<sup>7</sup>
- Many problem gamblers also use tobacco, alcohol and other drugs.<sup>8</sup>

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<sup>1</sup> Raising the odds, Ministry of Health 2008; Access or adaptation? Storer, Abbott and Stubbs, 2009

<sup>2</sup> Abbott et al, New Zealand National Gambling Study: Wave 4 (2015) Report Number 6, for Ministry of Health, P.82, 2018.

<sup>3</sup> Gambling in New Zealand Fact Sheet 01, Feb 2012. Problem Gambling Foundation of New Zealand from <http://pgfnz.org.nz/Uploads/Library/00Collection.pdf> 2012.

<sup>4</sup> For the period, July 2017–June 2018. Ministry of Health. Intervention Client Data: Clients assisted by ethnicity. Retrieved from <https://www.health.govt.nz/our-work/mental-health-and-addictions/gambling/serviceuser-data/intervention-client-data#ethnicity> 2019.

<sup>5</sup> Statistics New Zealand. 2013 Census – Major ethnic groups in New Zealand. Retrieved from <https://www.stats.govt.nz/infographics/major-ethnic-groups-in-new-zealand> 2019.

<sup>6</sup> Statistics New Zealand – Ibid.

<sup>7</sup> Sapere Research Group. Gambling Harm Reduction Needs Assessment. Wellington: Ministry of Health. 2018.

<sup>8</sup> Sapere Research Group. Ibid.

## Community 'benefits':

*The community benefits claimed by poker machine operators do not offset these impacts to any serious degree, if at all.*<sup>9</sup>

A common justification for maintaining the status quo policy approach is that significant benefits derived from gambling proceeds go back to the community supporting activities/events. Arguments that there will be serious decline in the ability for community clubs, organisations etc. to operate should be acknowledged but note that trusts only account for 10.2% of charitable giving in NZL compared to 58% given personally.<sup>10</sup>

It should also be noted that a switch to a sinking lid policy will take some years to have any impact on the current receipts. However, as noted in the *Ministry of Health's Gambling Harm Reduction Needs Assessment (2018)*:

*While there is little doubt about the community benefits associated with funding of the charitable sector, the policy rationale for compelling gamblers alone to make a special and very substantial contribution to funding their community benefits is unclear.*<sup>11</sup>

## Economics of gambling

*The pattern that emerges from this observation is of the entrenchment of disadvantage and the transfer of resources away from other financial and commercial activities towards poker machine gambling at a significant rate, with a concentration of this process amongst the most disadvantaged communities. It is also likely to be a key factor in the intergenerational transmission of disadvantage in disadvantaged communities.*<sup>12</sup>

Porirua's 165 machine's gross machine profits (GMP\*) for the year from January 2018 to December 2018 were significant: **\$12,995,749.92** (Appendix A).<sup>13</sup>

This is a sizeable amount that represents a substantial opportunity cost with loss of productivity for local businesses and the wider community. In addition, these proceeds are likely to represent significant financial stresses on households affected by problem gambling, with subsequent impacts on health.

To reduce the impact of problem gambling on low socio-economic households, we would like to see a significant reduction in the amount of money spent on gambling through the number of gaming

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\* Gross machine profit (GMP) – Amount wagered, less the amount paid back as prizes.

<sup>9</sup> Livingstone C et al, Assessment of poker machine expenditure and community benefit claims in selected Commonwealth Electoral Divisions, Monash University, 2012.

<sup>10</sup> PGF Group, Submission on the Western Bay of Plenty District Council Gambling Venues Policy, 2019.

<sup>11</sup> Ministry of Health, Gambling Harm Reduction Needs Assessment, 2018.

<sup>12</sup> Livingstone C et al, Assessment of poker machine expenditure and community benefit claims in selected Commonwealth Electoral Divisions, Monash University, 2012.

<sup>13</sup> Department of Internal Affairs: *Gaming Machine Proceeds by District and Society Type*. Retrieved 23 April 2019 from [https://www.dia.govt.nz/diawebsite.nsf/wpg\\_URL/Resource-material-Information-We-Provide-All-Venues-and-Numbers-by-Territorial-AuthorityDistrict](https://www.dia.govt.nz/diawebsite.nsf/wpg_URL/Resource-material-Information-We-Provide-All-Venues-and-Numbers-by-Territorial-AuthorityDistrict)

machines being reduced and ultimately eliminated. In addition, there are solutions that utilise a community voice, Iwi, whānau/community empowerment and strength-based approaches that could support positive transformation for an individual gambler.<sup>14</sup>

If the community of most need is contributing to the majority of the annual gross machine profits, then:

- encouraging a model that re-distributes or diverts that spend into positive individual, whānau and community-wide goods and services would be more beneficial than maintaining the status quo;
- actively supporting sustainable and suitable addiction services within the community should be encouraged.

### **Evidence of excess burden on PCC community**

According to *Healthspace* (Massey University Website) the rate of new clients for problem gambling from the PCC area is the second highest of all territorial authorities for 2014 (Table 1 the most recent figures – 724.8/100 000 population).

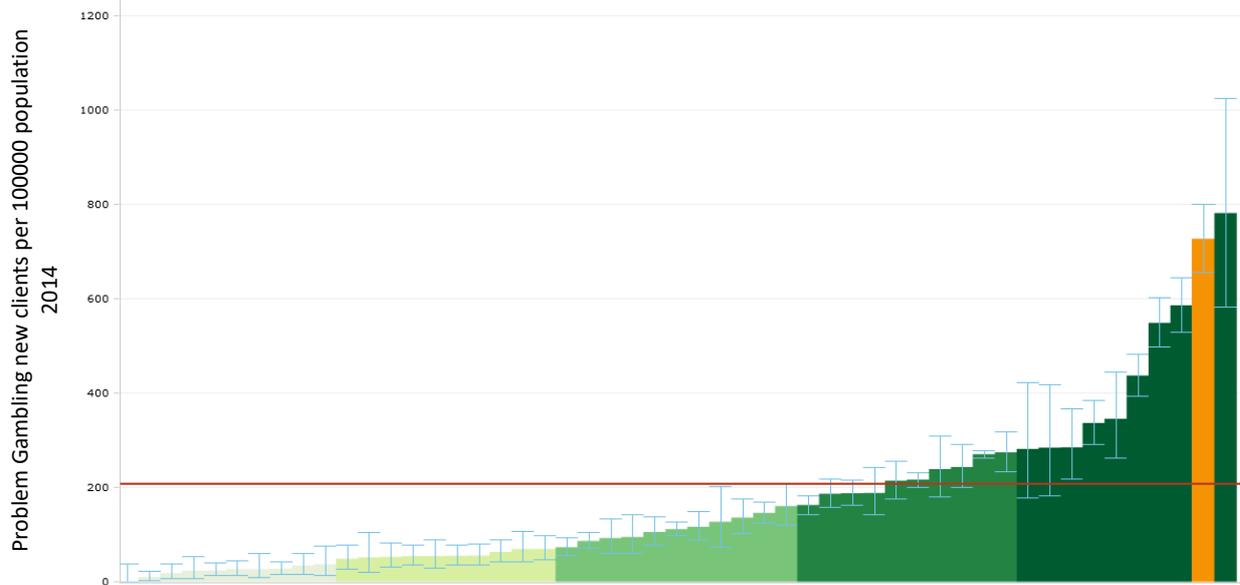
The rate of all problem gamblers is also the second highest of all territorial authorities for the most recently available figures from 2014 (834.9/100 000 population).

This disproportionate burden of harm from problem gambling requires a strong policy response from PCC to reduce this very high level of harm.

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<sup>14</sup> Levy M, *The Impacts Of Gambling For Māori Families And Communities: A Strengths-Based Approach To Achieving Whānau Ora*. For Te Rūnanga o Kirikiriroa. 2015.

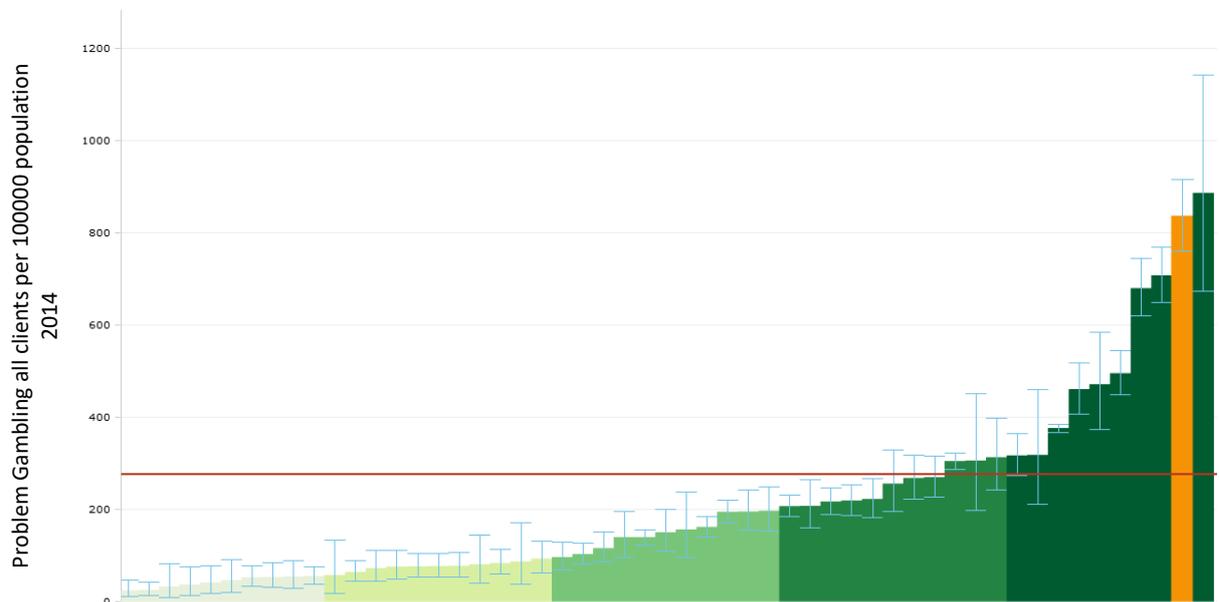
### Problem Gambling Clients: New clients per 100000 population - 2014



Territorial Authority  
(■ = Porirua City: 724.8 (LL=655.1; UL=799.9))

Source: <http://healthspace.ac.nz/dataviews/report?reportId=216&viewId=14&geoReportId=1649&geold=14&geoSubsetId=>

### Problem Gambling Clients: All clients per 100000 population - 2014



Territorial Authority  
(■ = Porirua City: 834.9 (LL=759.9; UL=915.2))

Source: <http://healthspace.ac.nz/dataviews/report?reportId=216&viewId=14&geoReportId=1649&geold=14&geoSubsetId=>

### **Concluding remarks: a step process**

After years of accumulating evidence, formal and anecdotal, the knowledge of the negative social and economic impact of gambling is not new. At a minimum, moving from the status quo to a sinking lid policy would demonstrate clear leadership from PCC around the need to reduce harm from poker machines in the community. The burden of harm caused by gambling is clearly outlined by Browne M et al:<sup>15</sup>

- Decreased health
- Emotional or psychological distress
- Financial harm
- Reduced performance at work or education
- Relationship disruption, conflict or breakdown
- Criminal activity

Ultimately, the elimination of Class 4 gaming machines will be one of the most effective mechanisms to reduce this burden of harm.

This *Porirua City Council* Policy could mitigate the ways in which Class 4 gaming machines exacerbate the social and economic impoverishment already experienced by members of the Porirua community.

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<sup>15</sup> Browne, M., et al, Measuring the burden of gambling harm in New Zealand. 2017.

## Class 4 Gaming Machine and Venues Policy

RPH strongly supports the introduction of a sinking lid policy.

### 1. Option 1 - Status quo

**No.** Disagree. RPH notes that *PCC* recognises a drop in total number of gaming machines but this ad hoc approach would be strengthened by an 'Option 4' strategy that formalises a sinking lid on numbers.

### 2. Option 2 - Remove restrictions on locations

**No.** Strongly disagree. RPH agrees with the *PCC* assessment that allowing venues across **all** of Porirua City will be a counter-productive approach that would allow for greater access to gambling opportunities.

### 3. Option 3 - Increase restrictions on locations

**Yes.** Strongly Agree. Restricting access is a credible harm reduction strategy. A policy that restricted locations to the **CBD only** would be ideal. Research shows that the probability of becoming a problem gambler is statistically higher the closer the access and availability to gambling venues.<sup>16</sup> If the *PCC* increased restrictions on location and adopted a sinking lid policy, this would represent a robust harm reduction approach.

### 4. Option 4 – Introduce a sinking lid policy

**Yes.** Strongly agree. The proposed policy is for a sinking lid policy and has the intent of reducing cumulative effects of Class 4 gambling over time. It is therefore important that machine numbers are reduced over time with this policy as opposed to an ad hoc status quo approach.

The *PCC* states that there is concern about the social impacts of gambling and in particular problem gambling, in its community. In addition, s101 4 (d) of the *Gambling Act 2003* requires that the territorial authority may also consider "the cumulative effects of additional opportunities for gambling in the district."<sup>17</sup> Use of a sinking lid approach will align *PCC* with such considerations of the *Act* and its own guiding concerns about problem gambling.

RPH notes that other Councils including Tauranga, Gisborne and Auckland maintain sinking lid policies.

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<sup>16</sup> Raising the odds, Ministry of Health 2008; Access or adaptation? Storer, Abbott and Stubbs, 2009

<sup>17</sup> Gambling Act 2003, Part 2 s 101 4 (d)

## Relocation Policy

### 1. Option 1 - Status quo

**No.** Disagree. Policy should reflect a harm reduction strategy. Refer to 'Option 3' below.

### 2. Option 2 – Removing restrictions on locations

**No.** Strongly disagree. RPH agrees with the *PCC* assessment that allowing venues across **all** of Porirua City will be a counter-productive approach that would allow for greater access to gambling opportunities.

### 3. Option 3 - Increase restrictions on locations

**Yes.** Strongly agree with a policy that restricted location to the **CBD only** as the ideal approach. If the *PCC* increased restrictions on location and adopted a sinking lid policy, this would represent a robust harm reduction approach.

### 4. Option 4 – Sinking lid?

**Yes.** Strongly agree. Our previous comment from the 'Class 4 Gaming Machine and Venues Policy' Option 4 section applies.

## Appendix A

### Gaming proceeds: Porirua City Jan-Dec 2018

QUARTER (2018)	QUARTERLY GROSS MACHINE PROFIT (GMP)
Q4 – October to December	\$3,185,127.33
Q3 – June to September	\$3,523,710.80
Q2 – April to May	\$3,300,739.60
Q1 – January to March	\$2,986,172.19
<b>Total GMP</b>	<b>\$12,995,749.92</b>

### Venues in Porirua

SOCIETY NAME	VENUE NAME	ADDRESS	NO. OF GAMING MACHINES
<b>Pelorus Trust</b>	Blend N Brew Bar	Shop 2 10 Cobham Court Porirua	<b>18</b>
<b>Air Rescue Services Limited</b>	Metro Bar	5 Lydney Place Porirua	<b>18</b>
<b>Infinity Foundation Limited</b>	North City Tenpin	35 Kenepuru Drive Porirua	<b>18</b>
<b>Porirua Club Inc.</b>	Porirua Club	Lodge Place Porirua	<b>18</b>
<b>Porirua Returned Services Association Inc.</b>	Porirua Returned Services Association Inc.	5 Mckillop Street Porirua	<b>12</b>
<b>New Zealand Community Trust</b>	Sandbar Pub	103 Mana Esplanade Mana-Camborne	<b>18</b>
<b>New Zealand Racing Board</b>	TAB Porirua	2 Serlby Place Porirua	<b>9</b>
<b>Four Winds Foundation Limited</b>	The Co-Op Kitchen & Bar	69a Discovery Drive Porirua	<b>9</b>
<b>Trust House Foundation</b>	The Ledge	1 Serlby Place Porirua	<b>18</b>
<b>New Zealand Community Trust</b>	The Mariner	19 Whitehouse Road Titahi Bay	<b>18</b>
<b>Titahi Bay Bowling Club Inc.</b>	Titahi Bay Bowling Club	13a Tireti Road Titahi Bay	<b>3</b>
<b>Titahi Bay Returned Services Association Incorporated</b>	Titahi Bay Returned Services Association Incorporated	74 Main Road Titahi Bay	<b>6</b>
<b>Total number of gaming machines</b>			<b>165</b>