Gambling Venue Policies 2013

2020 Review Findings Report

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3 Summary of findings

Introduction

Council must have two gambling venue policies under the Racing Industry Act 2020 and the Gambling Act 2003.

Council must complete a statutory review of its two gambling venue policies.

The report answers five key questions using gambling data and key stakeholder views.

Context

Gambling can still cause harm to individuals, their friends, whānau, colleagues and iwi.

Central government classifies pokies as the highest risk category, class 4, due to their high risk of addiction and harm.

Forty per cent of pokie machine proceeds are given as grants to community groups.

There is low compliance with host responsibilities at pokie venues.

The Racing Industry Act 2020 replaced the Racing Act 2003, establishing a new governance framework to facilitate and promote betting in New Zealand.

Effect of the pokie venue policy

The pokie venue policy prevents the number of venues increasing and is still helping to reduce the number of venues and machines in Auckland.

The sinking lid approach helps to minimise gambling harm because it reduces the number of venues in Auckland and over time this reduces gambling harm.

Not allowing relocation increases the likelihood that venue numbers will decrease. A reduction in venue numbers is considered more effective for harm reduction.

Effect of the TAB venue policy

The cap on TAB venues currently has no influence on the availability of betting.

While revenue is stable the number of venues has dropped well below it. This is because online betting and self-service or staffed social outlets in pubs and clubs are more efficient for TAB NZ.

Changes impacting gambling in Auckland

Council's policy name should be updated to reflect the new Racing Industry Act 2020 terms.

While online gambling availability and COVID-19 affect the gambling industry and gamblers, they do not give cause to change the content of the policies.

4 Introduction

4.1 Purpose of the report is to review the gambling venue policies

To present findings from the second statutory review of Auckland Council's Racing Board (TAB) Venue Policy 2013 and Class 4 Gambling (pokie) Venue Policy 2013.

Under the Racing Industry Act 2020 and Gambling Act 2003 Auckland Council must begin reviewing these policies within three years of the previous review.[1] The previous review was completed 15 June 2017. This review was initiated 17 March 2020.

The process for this review is not prescribed. The only requirement is to undertake the special consultative procedure when changing or replacing the policies.

4.2 Scope of the review aligns with council's powers under the Acts

Council must have two gambling venue policies under the Racing Industry Act 2020 and the Gambling Act 2003.

- One to state whether new non-casino pokie venues may be established, and if so, where they may be located and how many pokie machines they may have.
- Another to state whether new TAB venues may be established, and if so, where they may be located.

The Gambling Act 2003 requires territorial authorities to consider a relocation policy when the policies are first reviewed[2]. Auckland Council did this in 2017 and is not required to do this again under the legislation. In 2017 however, the impacts of allowing venues to relocate, were uncertain. Therefore, staff have included findings about the effects of not allowing relocation in this review.

Council can only regulate the number of pokie and TAB venues. Table 1 shows what is in and out of scope for this review.

Table 1: Topics in and out of scope

In scope	Out of scope
Numbers of pokie venues and machines.	Closing current venues.
Pokie venue mergers.	Online gambling.
Pokie venue relocation.	Casino gambling.
Numbers of TAB venues.	TAB offerings in pubs or clubs.

4.3 Current policies aim to control growth and minimise gambling harm

Council currently has a sinking lid policy for Class 4 pokie venues (pokie venues) and a cap for Racing Board TAB venues (TAB venues). These policies aim to:

- control the growth of gambling in Auckland

[1] Gambling Act 2003 Section 102 Adoption and review of class 4 venue policy
Racing Act 2003 section 65E Adoption and review of Agency venue policy

[2] The first time that a territorial authority commences a review of a policy after the Gambling (Gambling Harm Reduction) Amendment Act 2013 comes into force, the territorial authority must (and may at any other time) consider whether to include a relocation policy - the Gambling Act 2003 section 102(5A). This was considered in the 2016 review.

- minimise the harm caused by gambling in Auckland.

Table 2: Summary of current gambling venue policies

Rule	Class 4 Pokie Venue Policy	Racing Board TAB Venue Policy
New venues	Sinking lid. No consent for new venues.	Cap. Consent given to a maximum of 43[3].
Location	N/A.	Proximity rule - no venues within 50 metres of places of worship, school, early childhood centre.
Mergers	Two licensed **club** venues may merge if they reduce the sum of their machines by 1/6th.	N/A.
Relocation	No relocation.	Venues may move if above conditions are met.

4.4 The previous review confirmed the policies with no changes

The policies were made in 2013.[4] They were reviewed in 2016 and council retained them both with no changes. Key findings from that review included:

- The number of pokie venues had decreased by 11%, but overall takings had increased by 10%.
- Pokie venues and gaming machines were more likely to be in areas of high deprivation.
- Māori and Pacific Island communities had higher rates of problem gambling than other ethnicities.
- The impacts of allowing pokie venues to relocate were uncertain. It could reduce harm if they moved away from areas with high deprivation. It also could slow or halt the sinking lid.
- The number of Racing Board TAB venues had decreased by eight, countered by an expansion in automated self-service facilities in bars and clubs.

5 Methodology

5.1 The review asks five key questions to assess policy effectiveness

1. Are numbers of pokie venues and machines still reducing under the sinking lid policy?
2. Is capping the number of TAB venues helping to control the growth of gambling?
3. What effect has not allowing pokie venues to relocate had, especially for communities with high deprivation?
4. What effect have the policies had on minimising harm caused by gambling?
5. Have there been any changes since the last review that have impacted gambling growth or harm?

5.2 Staff obtained new research and gambling data to evaluate the policies

Staff reviewed new research including about:

- residential proximity to gambling machines

[3] This was the number of venues in Auckland when policy was adopted.
[4] RDO/2012/222

- the effects of moving gambling machines to other areas
- the relationship between land-based and online gambling.

Staff also scanned recent New Zealand media content and obtained data from Alcohol Licensing, Ministry of Health, TAB NZ and the Department of Internal Affairs on the numbers of venues, gambling expenditure and problem gambling treatment uptake. Table 3 below shows the method for evaluating the policies.

Table 3: Evaluation method

Intended outcome	Success criteria	Indicator
Reduction in pokie gambling in Auckland.	• Fewer venues. • Fewer machines. • Less money spent on machines. • Fewer venues in areas of high deprivation.	• Number of pokie venues. • Number of pokie machines. • Total money spent at pokie machines per capita. • Number of venues in high deprivation areas.
Capped growth of TAB venues in Auckland.	• 43 venues. • Similar or less money spent.	• Number of TAB venues. • Total money spent at TAB venues.
Reduction in gambling related harm from pokies or betting.	• Fewer people experiencing harm.	• Number of clients utilising problem gambling services in Auckland. • Stakeholders describe effects of policy reducing harms.

5.3 Harm minimisation sector, iwi and industry were invited to share views

Groups interested and impacted by the review were identified for targeted consultation. Table 4 below shows who was engaged in the review and how.

Table 4: Engagement participants

Type	Name	Detail
Gambling industry	• Gaming Machine Association of New Zealand	• Submitted report • Attended interview • Responded to follow-up queries
	• TAB NZ	• Feedback from
	• Clubs New Zealand	• Feedback form
Gambling grant recipients	• Aktive Auckland	• Videocall interview
	• North Harbour Badminton Club	• Feedback form
	• Counties Manukau Sport	• Feedback form

	• Seventeen other grant recipients	• Did not choose to engage at this time
Harm minimisation sector	• Problem Gambling Foundation	• Feedback form
	• Asian Family Services	• Feedback form • Interview with gambling treatment clinicians
	• Mapu Maia / Pacific Counselling	• Feedback form
	• Salvation Army Oasis	• Feedback form
	• AUT Gambling and Addictions Research Centre	• Feedback form
	• Ministry of Health	• Supplied research and data client intervention data towards review
Iwi	• Twenty iwi who hold mana whenua	• Sent letter with feedback form • Follow-up phone call • None decided to engage at this time
Urban Māori Advocacy	• Hāpai Te Hauora: ○ National service contract for gambling harm prevention ○ Te Rūnanga o Ngāti Whātua, Raukura Hauora o Tainui and Te Whānau o Waipareira ○ Māori Public Health body for two iwi who hold mana whenua over Tāmaki Makaurau (collectively with affiliate Iwi and Hapū)	• Hui with Public Health Coordinator, Public Health Advisor and National Workforce Development Lead • Submitted written feedback in form of submission
	• Manukau Urban Māori Advocacy (MUMA)	• Phone-call and sent feedback forms but did not choose to engage at this time
	• Māori Women's Welfare League	• Phone-call and sent feedback forms but did not choose to engage at this time
Implementation	• Alcohol Licensing Department	• Interview • Provided information and update on tavern investigations
	• Department of Internal Affairs	• Provided inspection data

5.4 There are some limitations to this review

As with all social policy a causal link between one policy intervention and a reduction in harm is difficult to isolate.

In New Zealand problem gambling treatment utilisation is used to measure gambling harm. The Ministry of Health however estimate that only about sixteen per cent of people experiencing harm seek help from these services.

The review did not engage directly with problem gamblers or consumers. The harm minimisation sector tried to link staff but were unable to do this for ethical and privacy reasons. The harm minimisation sector does however, advocate on their behalf.

6 Current context for the policies

6.1 Summary

Gambling still causes harm to individuals, their friends, whānau, hapu and iwi.

Council has a limited scope to regulate gambling.

Central government classifies pokies as level 4, the highest risk category due to their high risk of addiction and harm.

Forty per cent of pokie machine proceeds is given as grants to community groups.

There is low compliance with host responsibilities at pokie venues.

The Racing Industry Act 2020 replaced the Racing Act 2003, setting up a new governance framework to promote financial viability and facilitate betting.

TAB NZ largely manage their own betting compliance.

Many TAB NZ venues also host pokie machines, returning funds to sports and racing authorised purposes.

6.2 Harmful gambling has individual, social and economic impacts

The report Measuring the Burden of Gambling Harm in NZ[5] suggests individual gambling harm produces the same order of harm as high alcohol consumption, anxiety and depression. Cumulatively the harm is close to twice that of drug use disorders, bipolar affective disorder eating disorders and schizophrenia combined.

Hāpai te Hauora identify that along with the immediate financial impact problem gambling has it can also result in:

- strained relationships
- conflicts
- engagement in criminal activities
- depression and anxiety
- child neglect
- guilt.

[5] Ministry of Health 2019 Progress on Gambling Harm Reduction 2010-2017.

The harms of gambling are not limited to the gambler but extend to their whānau, hapū and iwi.

"Gambling has been identified as causing the erosion of whānau relationships and values, decreased wairua and emotional wellbeing, loss of identity and decreased time with whānau. Cultural heritage can be lost as a result of selling taonga to provide money for gambling. Decreased engagement with whānau also contributes to this loss as it inhibits the transfer of indigenous knowledge between generations." – Hāpai te Hauora

A recent Problem Gambling Association report calculated that the retail sector lost $445 million to pokie gambling in 2018/19. The increased retail sales would generate 1127 additional jobs and $50 million in wages and salaries.[6] The number of jobs the pokie industry creates was out of scope for that research.

6.3 Gambling is regulated under the Gambling and Racing Acts

Gambling in New Zealand is regulated by the Gambling Act 2003 and the new Racing Industry Act 2020. Gambling is enforced at a national level by the Department of Internal Affairs. These acts provide councils the option to limit the number of venue licenses held for two types of gambling:

- Class 4 venues – venues with non-casino electronic gaming machines, commonly called pokies (pokie venues)
- TAB venues - premises owned or leased by TAB NZ where the main business carried out at the premises is providing racing or sports betting.

Table 5 below provides an overview of the regulatory framework for gambling.

Table 5: Roles of central and local government in regulating gambling activities

Gambling type	Central government role	Local government role
Casinos	• All regulation and enforcement	• None
Lotteries Commission	• All regulation and enforcement	• None
Class 4 pokie venues	• Sets framework (Gambling Act 2003) including maximum number of machines per venue and proceed distribution • Venue licensing subject to local government consent • Enforcement	• Must have policies stating whether new venues can be established in their territories or not • Consenting new venues when allowed under and if compliant with their policy
Betting at TAB venues	• Sets framework (Racing Act 2003) • Venue licensing • Enforcement	• Must have policies stating whether new venues can be established or not • Consenting new venues if they comply with the relevant policy

[6] NZIER 2020 'The retail employment and tax costs of Class 4 gambling in New Zealand'

Self-service TAB machines in taverns	• All regulation and enforcement	• None
Overseas online gambling sites	• None	• None

6.4 Pokie gambling poses a high risk of addiction and harm

The Gambling Act 2003 classifies gambling types from 1 - 4, based on the amount of money spent and the risk of problem gambling associated with each. Pokies are a form of continuous gambling, where money can immediately be reinvested to more gambling.[7] Central government calls them Class 4, defined as high risk, high-turnover gambling.

"For example, if you give a rat a reward every time it presses a bar, it gets bored and doesn't do it anymore. But if you make that reward intermittent and unpredictable then the rat will sit there pressing the bar to exhaustion." – Dr Livingstone, Gambling psychology expert, Stuff 2018

"I've got free will, supposedly, and yet gambling cut through my free will." – Pokie gambling addict, Stuff 2018

Dr Livingstone from Monash University, a gambling addiction expert, describes how pokie machines have been refined over 120 years to be highly addictive.[8] The machines use psychological techniques to keep people playing including operant (intermittent rewards) and classical (associating a reward with a sound) conditioning. A recovering gambling addict tells Stuff how this and other aspects of the physical environment at pokie venues led to over $100,000 of losses.[9] Additional factors that encouraged addictive behaviour included:

- night-like lighting and no windows
- no clocks
- long opening hours enabling open-ended continuous play
- losses disguised as wins.

Pokies give players unrealistic impressions of the odds of winning, confuse people about how much money they have lost and encourage sustained periods of gambling – often in the hope of recovering losses.[10]

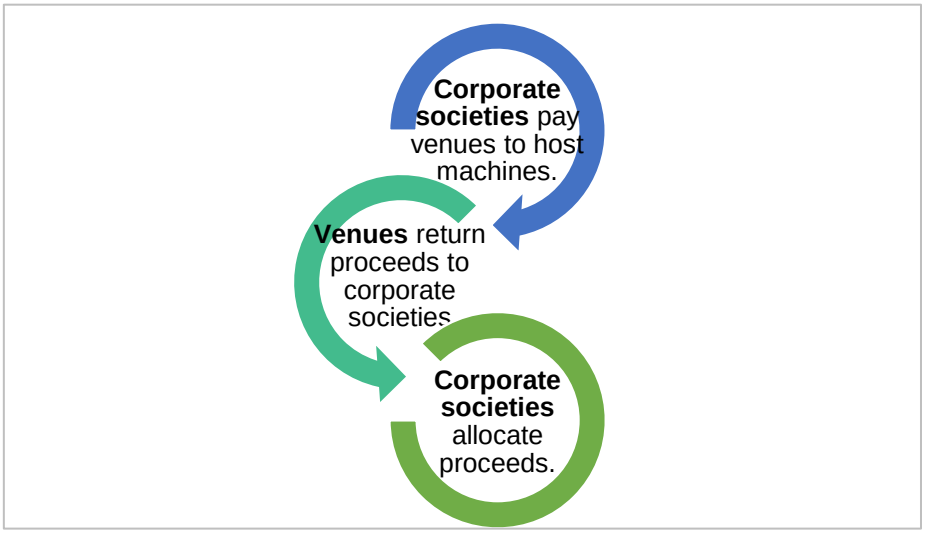
The Health and Lifestyles Survey 2018 found pokie players were more than twice as likely to be at-risk of some level of gambling related harm compared to other gamblers.[11]

6.5 Forty per cent of pokie machine proceeds are used in the community

The Gambling Act 2003 sets up a framework for the community to derive benefits from pokie gambling. Pokie machine ownership is limited to corporate societies. This is shown in Figure 1 below.

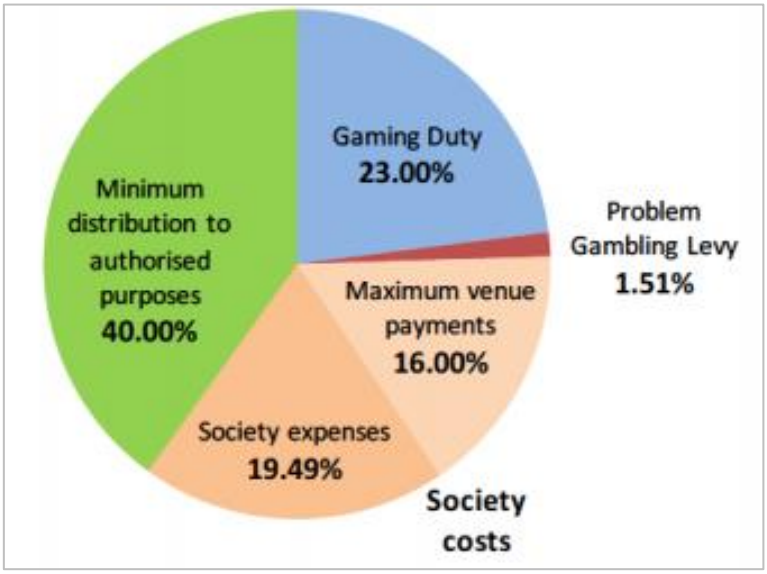
[7] Abbot, 2006
[8] Stuff, 2018
[9] Stuff, 2018
[10] PGF, 2019
[11] Health Promotion Agency, 2019

Figure 1: Pokie gambling framework



Pokie revenue can only be used for running costs, tax, venue payments and authorised community purposes. Societies may apply funds to their own purposes (clubs) or make grants to other bodies for community purposes. Allocation requirements are shown in Figure 2 below.

Figure 2: Allocation of pokie gambling proceeds



Class 4 Gaming Machine Proceeds (GMP) are player losses on pokie machines. Table 6 shows GMP granted to community organisations since the previous review.

Table 6: National pokie machine losses granted for community purposes

Year	GMP National	Grants National
2017	$883m	$272m
2018	$911m	$277m
2019	$939m	$241m

Data on grant distribution within Auckland is not available. Grants go to a wide range of community sectors including environmental, research, educational, health and art / culture-based organisations. On average half goes to sports organisations.

6.6 Perspectives on using pokie revenue in the community differ

"Important community services and sporting groups rely on this funding and know that in doing so the money is often coming from the very whānau …they are trying to support into wellbeing."

"The services are largely essential, and they deserve to have certainty and sustainability in their funding providers. The current system... does not provide that, relying on a small group of people in our poorer communities putting money into the machines".

- Hāpai, PGF and Salvation Army Oasis

Harm Minimisation Sector

In May 2020, Hāpai Te Hauora, Problem Gambling Foundation and Salvation Army Oasis published a white paper calling for an end to community sector dependence on pokie funding.[12] They oppose using problem gamblers and the most deprived to fund community activities. Further, they expose the risk of self-interest and inequity as trust members are self-appointed and unaccountable when deciding who does or doesn't get grants.

Grant Recipients

Perspectives vary among faith-based community organisations[13]. In 2019 the Supreme Sikh Council of New Zealand received the highest amount of grants of all recipients ($4.2 million).[14] In contrast Muslim and some Christian faith-based organisations do not apply for grants, objecting to the use of gambling money.[15]

Sports grant recipients engaged in the review acknowledged the need to limit the growth of pokie gambling because it can be harmful. They prefer the number of pokie venues be maintained rather than reduced however, because community grants are critical to their activities.

Gaming Industry

The Gaming Machine Association of New Zealand views pokie gambling as an important fundraising tool which provides funding to the grassroots of the community.

6.7 DIA undertake inspections and audits

The Department of Internal Affairs (DIA) undertake targeted and risk-based audits of corporate societies and club venues and inspections of tavern pokie venues. Last year society audits focused on grant accountability.

Inspections include checking incident logs and that there is someone trained in host responsibilities on site. This includes interviewing the host about what appropriate actions should be taking place in certain risky gambling scenarios. Table 7 below shows the results for commercial and club venues.

Table 7: Audits and Inspections in Auckland

[12] PGF, Hapai and Oasis, 2020
[13] Stuff, 2019
[14] PGF, Hapai and Oasis, 2020
[15] Stuff, 2019

Year	No. commercial venue inspections	No. non-compliant	No. club venue audits	No. non-compliant
2017	15	3	5	3
2018	28	3	5	4
2019	25	1	6	3

6.8 There is low compliance with host responsibilities at venues

DIA conducted mystery shopper exercises in 2014, 2017 and 2019. These reveal ongoing low compliance with host responsibilities.

DIA Mystery Shopper Exercises

In 2014 and 2017 DIA conducted mystery shopper exercises to raise the industry's awareness of their host responsibilities. Professional actors went into pokie venues and carried out a range of scenarios, such as playing continuously for 12 hours or reporting a family member's gambling problem. These scenarios should trigger 'host responsibility' actions from trained venue staff. Both exercises found low compliance with host responsibilities.

In 2019, DIA explored how mystery shopping could be used as a regulatory tool. They carried out a pilot mystery shop at 19 South Auckland pokie venues. Of these, just one fully and four partially met expectations.

The remaining fifteen venues did not meet any of the expectations.

DIA provided feedback to the venues to help them lift practices. They continue to explore mystery shopping as an effective compliance tool.

The Health and Lifestyles Survey 2018 found 90 per cent of pokie players didn't think their pokie room was monitored. Zero reported staff ever having approached them about gambling. Sixteen per cent of these respondents were experiencing some level of gambling harm and may have benefited from an intervention.[16]

Harm minimisation sector views

An Auckland University of Technology researcher found venue managers often did not see pokie machines as their core business and found the occasional extra work an inconvenience. This may limit the establishment of an in-venue culture of care.

Hāpai te Hauora and Salvation Army notice poor compliance with host responsibilities on their visits and dealings with pokie venues. Hāpai attribute this in part, to a high turnover of kaimahi / staff at venues resulting in inexperienced and untrained staff.

Pokie industry views

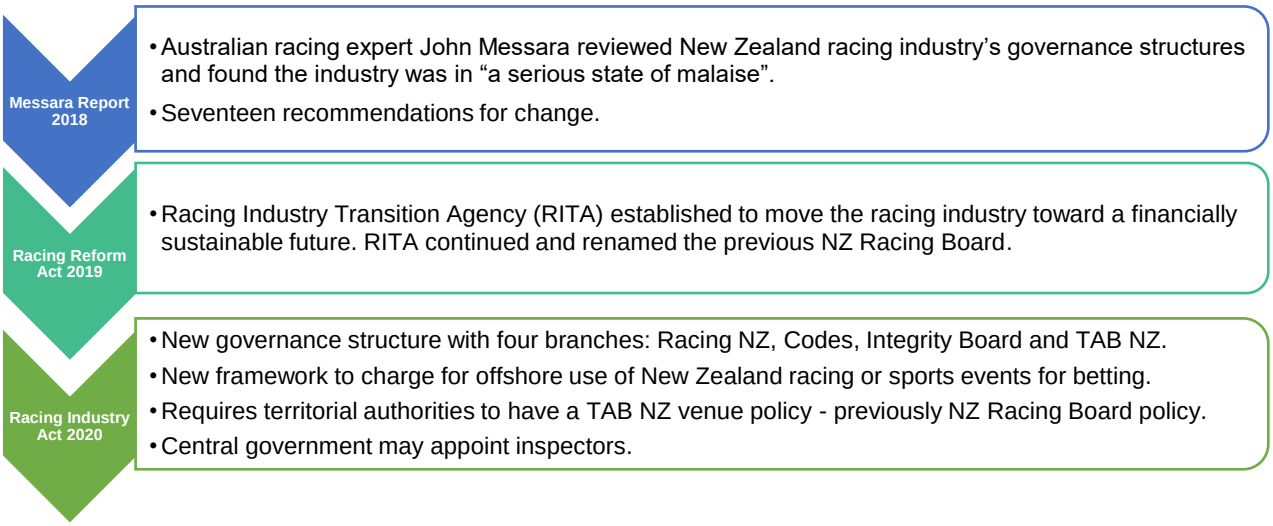
[16] Health Promotion Agency

The Gaming Machine Association say DIA's mystery shopper technique is improving but some scenarios were not acted out correctly. Where there were issues, follow-up actions such as training were carried out. They were not able to provide evidence of these.

6.9 On 1 August the Racing Industry Act 2020 replaced the Racing Act 2003

The racing industry has undergone significant change since the last review. Figure 3 below describes these.

Figure 3: Timeline of changes to the racing industry



6.10 TAB NZ manage their own racing and sports betting compliance

Central government can appoint inspectors under the Racing Industry Act 2020, however DIA do not currently carry out inspections on racing and sports betting. They only inspect TAB NZ venues for any pokie gambling conducted there.

The Gaming License and Performance Manager for TAB NZ told staff venues:

- are connected by CCTV to a central monitoring office
- have signage displayed encouraging players to gamble only at levels they can afford
- are subject to regular internal audits and spot checks to ensure adherence to the legislative and regulatory requirements, along with the Racing Industry Transition Agency's own problem gambling policy requirements
- provide problem gambling awareness training to each employee and agent who is involved in supervising gambling.

Internal audit figures are not available.

> ***"[TAB NZ] takes its statutory responsibilities under the Racing Act 2003 to minimise problem gambling very seriously. The Racing Industry Transition Agency conducts its business activities with integrity and is committed to providing a safe and enjoyable environment for customers to wager responsibly."* – TAB NZ**

7 Are numbers of pokie venues and machines still reducing under the sinking lid policy?

7.1 Key findings

A gradual decrease in the number of pokie venues and machines has continued.

The distribution of pokie venues is still inequitable, with the most venues still being in areas of highest deprivation.

Investigating tavern alcohol licenses has led, and may lead, to more pokie venue closures.

There have been four club venue mergers and two minor relocations.

Gaming industry seek a cap / harm minimisation sector wants to let the lid fall further.

The policy has not reduced pokie revenue, or community funding. Until the COVID-19 shutdown, a two per cent per year increase in revenue had continued. This is linked to factors outside council's control.

7.2 Conclusion

The policy is still helping to reduce the number of venues and machines in Auckland. The policy also prevents the number of venues increasing.

Council could stop club venues from being able to merge or reduce the number of machines they can retain if they do merge. The effect of this on venue numbers, machines and harm would be marginal.

7.3 The number of pokie venues sunk by thirty-three

Table 8 below shows the number of venues and machines each year since the last review and the percentage change per annum.

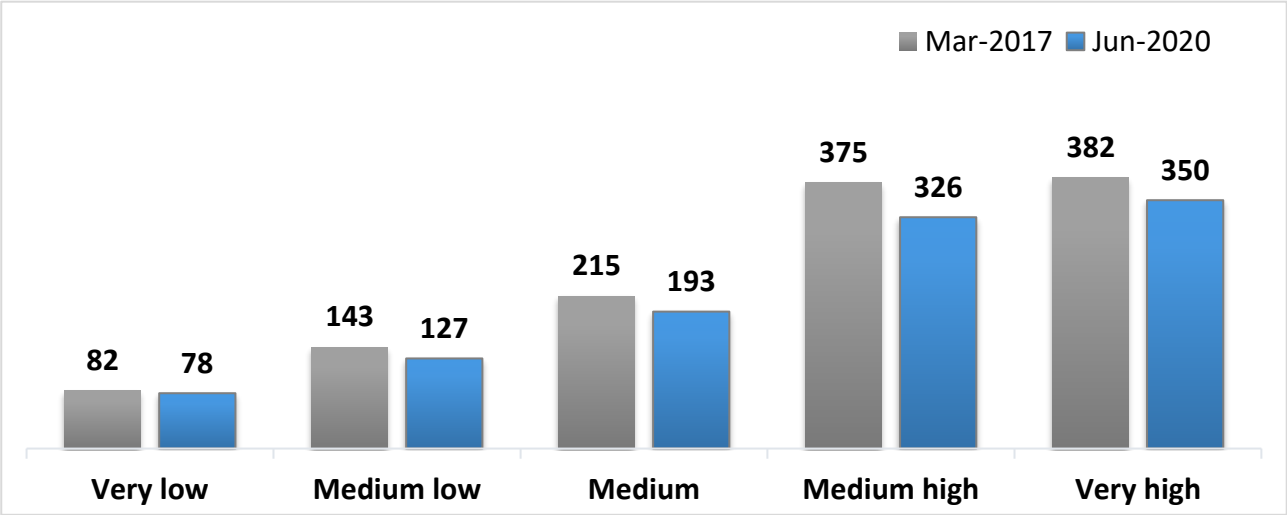
Table 8: Number of pokie venues and pokie machines since 2017

Indicator / Date	June 2017	June 2018	June 2019	June 2020
Number of pokie venues	259	245	234	226
Percentage decrease per annum	-2%	-6%	-5%	-4%
Number of pokie machines	3636	3431	3344	3284
Percentage decrease per annum	-3%	-6%	-3%	-2%

7.4 There are still more venues in very high deprivation areas

Numbers are decreasing relatively evenly across deprivation ratings, so the distribution of venues is still inequitable. Figure 4 below compares the number of venues by deprivation rating in Auckland in June 2017 and June 2020.

Figure 4: Numbers of venues by deprivation rating in Auckland 2017 and 2020



7.5 Investigating alcohol licenses is contributing to pokie venue closures

Under the Gambling Act 2003, gambling cannot be the primary activity of a venue. Under alcohol licensing conditions the primary activity of a tavern must be the sale of alcohol.

Since 2019 Alcohol Licensing investigated 37 taverns that host pokie machines which seemed to be providing gambling as a primary activity rather than operating as a tavern. They opposed the renewal of 18 of those tavern licenses with the District Licensing Authority. At the time of writing the statuses of these are:

- four granted renewal of licence for shortened 'probationary' period
- three granted renewals, but under appeal by Alcohol Regulatory & Licensing Authority
- two renewals declined
- two applications withdrawn by the applicant
- two granted renewal after changing style of operation
- two being investigated
- two closed
- one awaiting decision
- one licence surrendered.

7.6 Four club venues merged retaining 5/6ths of their total machines

Since 2013, council has given consent to four club mergers under the policy and granted one exemption:

- Avondale RSA and New Zealand All Golds Cosmopolitan Club
- Onehunga Bowling Club and the Hillsborough Bowling Club
- Onehunga RSA and Onehunga Workingmen's Club

After a fire left East Coast Bays RSA uninhabitable for some time the Regulatory Committee allowed them to move their pokie machines to merge with Browns Bay Bowling Club who did not have a pokie venue license.[17]

When council adopted the policies, the rational for allowing club mergers was:

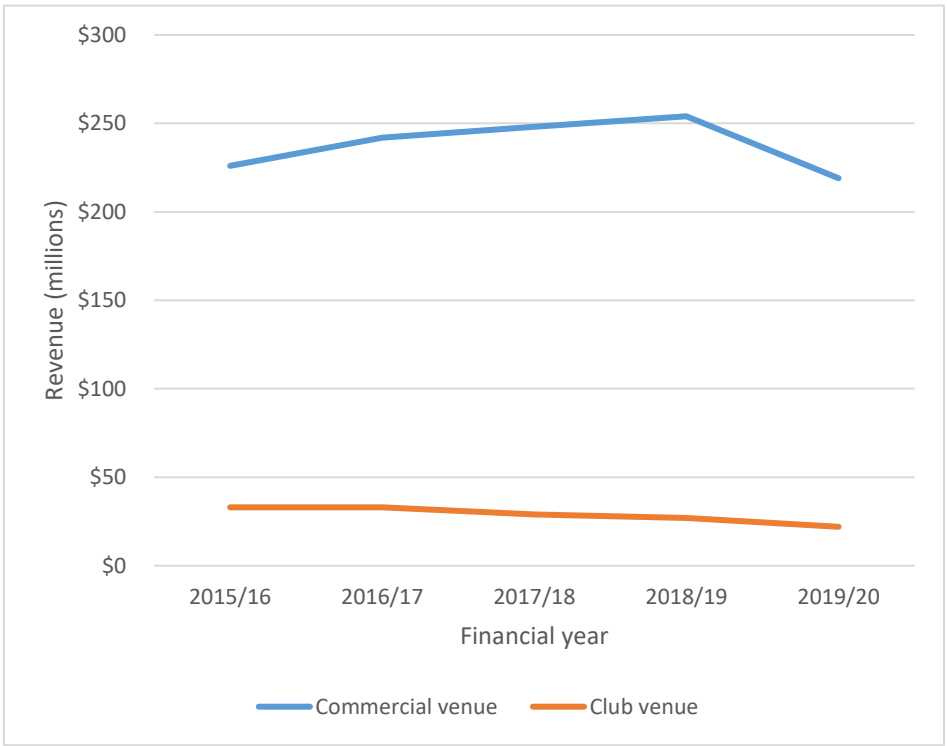
- club venues thought to be less harmful, with only members playing who know each other and benefit from the revenue at their club
- it might align with other council plans by encouraging club venues currently occupying council land and reserves to merge, freeing up the space for other activities.[18]

There are currently no plans to move clubs away from council land. Club audit results show low levels of compliance at Auckland club venues (section 5.7, Table 4).

Nationally, the number of club venues and machines are decreasing faster than non-club venues. Club venue revenue is also decreasing while non-club revenue is increasing.[19]

The proportion of pokie revenue from club venues in Auckland is low. Figure 5 below shows this.

Figure 5: Club versus commercial venue revenue in Auckland



7.7 DIA have allowed two minor relocations under the Waikiwi Precedent

A reversed judgement in the High Court in 2013 set the Waikiwi Precedent. The judge found that a venue license was not specific to the current address of that venue. Justice Collins decided a venue could move if:

- the change in location is minor

[17] Resolution number REG/2017/107
[18] Regional Development and Operations Committee OPEN AGENDA November 2012 https://infocouncil.aucklandcouncil.govt.nz/Open/2012/11/RDO_15112012_AGN_AT.pdf
[19] Internal Affairs, 2019

- the name of the tavern will remain the same
- the ownership and management will not change
- for all intents and purposes, patrons and the public will regard the new venue as being the same as the old venue, even though it's physical location may have changed.

The Department of Internal Affairs have allowed two Auckland pokie venues to relocate under the Waikiwi precedent.

7.8 Gaming industry prefer cap, harm minimisation sector a sinking lid

The gaming industry and some grant recipients say the number of venues has reduced enough. They claim further reductions in venues threatens community funding. They would prefer a cap at the current number.

The harm minimisation sector commends the sinking lid policy and ask that it be maintained.

Hāpai te Hauora wish to strengthen the policy by:

- removing the ability for club venues to merge or limiting the number of combined machines they may have to nine - and introducing the same proximity to schools and workshop rule in the TAB policy
- engaging and prioritising the opinions of the community
- co-creating an overarching goal for gambling harm in Tāmaki Makaurau with Māori.

"Māori in Tāmaki Makaurau have expressed to us that they do not want any more gambling venues in their community.

In Auckland, a large proportion of Māori live in areas of high deprivation and high density of class 4 and TAB venues.

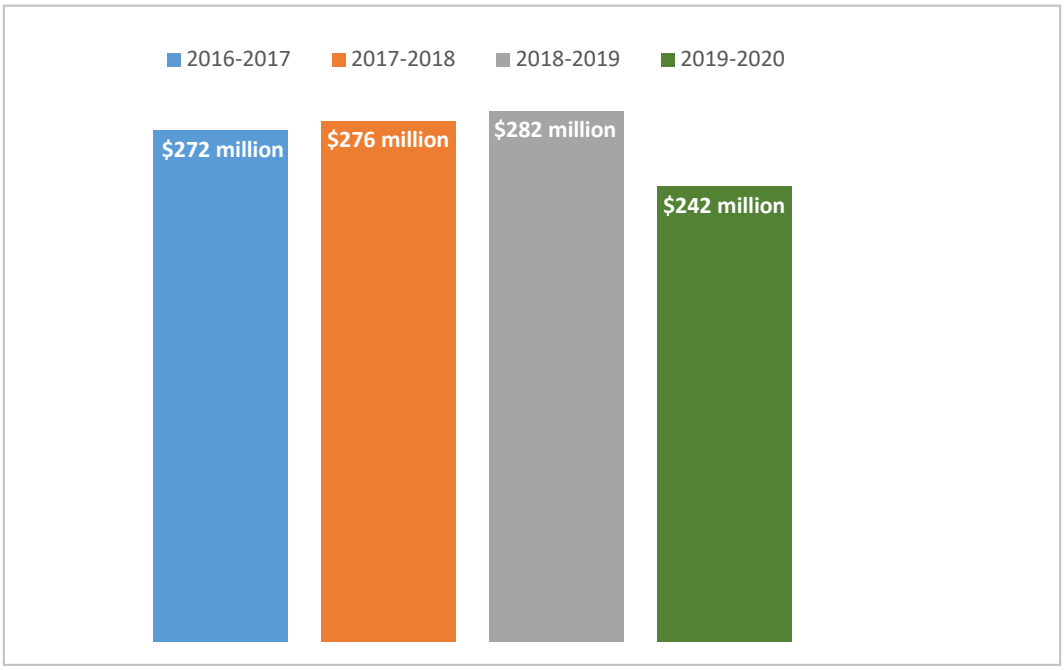
The community has expressed that they have had enough of all the harm that gambling creates and continues to create within their whānau, hapū and iwi."

– Hāpai te Hauora

7.9 The policy has not reduced pokie revenue or community funding

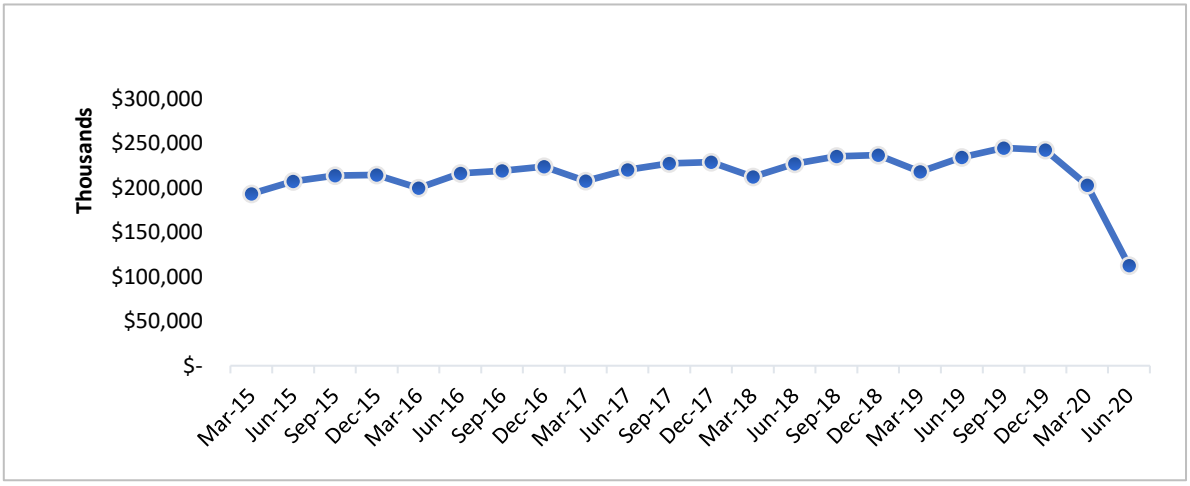
Pokie revenue was increasing by 2 per cent a year, until this year when they dropped by 14 per cent due to the COVID-19 shutdown. Figure 6 below shows this.

Figure 6: Pokie revenue in Auckland by financial year



A minor increase in gaming machine proceeds has also been evident nationally since 2014 and up until the COVID-19 shutdown. Figure 7 below shows this.

Figure 7: Pokie revenue nationally per quarter June 2015 – June 2020



7.10 GMP increase linked to factors outside council's control

The reason for a gradual increase in GMP, despite a drop in venue numbers is uncertain. Research commissioned by DIA in 2017 found no evidence that GMP is related to GDP, population growth or earnings or the number of international visitors. Multivariate analysis did, however, show a positive relationship between GMP and the number of:

- venues where gaming can happen
- new generation Stand Alone Progressive Price machines.

Stand Alone Progressive Price machines have games that contribute to incrementally increasing prizes only won on that gaming machine. They are also capable of winning a linked jackpot which might be won on any one of several linked machines at a venue. They started to be introduced in 2010.[20]

Salvation Army Oasis and Mapu Maia think changes to the Gambling (Venue Payments) Regulations 2016 play a part. The change allowed venues to be paid in proportion to earnings (commission) instead of an average rate. This incentivises higher revenue creation from gamblers rather than observing host responsibilities.

Problem Gambling Foundation and a sports grant recipient and former pokie venue owner also point to reasons outside council's control. These are described by the quotes below.

"With new technology, people can wager more than they could in the past. Sites now also have three jackpots available. [There has been] a reduction in machines but there are more opportunities to win." – ***Grant recipient and former venue owner***

"Since 2014 there has been an increase in criminal activity which could result in laundering the proceeds through pokie machines. There is evidence this happens both here and overseas." – ***Problem Gambling Foundation***

8 Is capping the number of TAB venues helping to control the growth of gambling?

8.1 Key findings

The number of TAB venues has decreased by 11 to 24, and industry revenue is stable.

About 55 per cent of TAB NZ revenue comes from online betting.

TAB venues account for 63 per cent of physical retail outlet revenue in Auckland.

TAB NZ prefer the cap is retained in case there is demand for TAB venues in the future. Online betting growth is more likely however, and retail outlets in pubs and clubs have much lower running costs.

TAB venues often host pokie machines, returning much to racing community purposes.

8.2 Conclusion

The policy is not currently helping to control the growth of gambling. The number of venues has dropped well below the cap, but revenue is stable. This suggests TAB venue decrease does not impact gambling growth.

8.3 The number of TAB venues has decreased, industry revenue is stable

The number of TAB venues dropped by 10, from 34 in 2017 to 24. Table 9 below shows their distribution in Auckland as described by TAB NZ.

[20] Cox and Hurren, 2017 for DIA

Table 9: TAB venues in Auckland in August 2020

North	Central	West	South
3	6	4	11

TAB NZ report closing these 10 TAB venues because of high running costs compared with other revenue streams. These costs were especially unjustified in areas with multiple venues.

The Racing Industry Transition Agency reported having 220,000 active TAB account holders and 580 total retail outlets nationally in mid-2019. Table 10 below shows recent racing industry turnover.

Table 10: Racing industry turnover and revenue

	2016/17	2017/18	2018/19
Turnover	$2681 million	$2738 million	$2771 million
Revenue (after pay-outs)	$349 million	$359 million	$348 million

Due to commercial sensitivity TAB NZ would not disclose their revenue figures for each type of outlet. They did however say 63 per cent of Auckland retail turnover comes from TAB venues. The remaining 36 per cent comes from self-service outlets and social outlets. Table 10 below shows there has also been a minor decrease in the number of self-service outlets in clubs and pubs.

Table 11: Number of self-service and social outlets in pubs and clubs in Auckland

	2017	2020
Self service outlets	42	39
Social outlets	53	40

TAB NZ say about 55 per cent of their revenue comes through online betting. In January 2019 a Fixed Odds Betting platform was introduced on the TAB website and mobile app.

"We are now offering customers thousands more options to bet on and new features such as cashout, meaning that we are now more competitive with overseas bookmakers" – CE, RITA 2019 annual report about the online Fixed Odds Betting platform

8.4 TAB venues often also host pokie machines, returning revenue to the racing industry

Fourteen of the 24 TAB venues in Auckland also host pokie machines. The Racing Industry Transition Agency's 2019 financial report stated that in the 2018-2019 financial year they returned $19 million to sports and racing authorised purposes. Much of this goes to funding the Racing Integrity Unit. Figure 8 below, from the annual report shows racing returns to authorised purposes.

Figure 8: Racing industry pokie revenue returned 2018-2019

	$	
RACING AUTHORISED PURPOSE	**2018/19**	**2017/18**
Racing Integrity Unit	6,685,000	6,280,000
Racing Laboratory Services	1,892,614	1,877,871
Judicial Control Authority	1,380,000	1,380,000
The Races Limited partnership	909,000	909,000
Other gaming distribution to the racing industry	4,113,051	2,323,269
Broadcasting Grant	*500,000*	-
Clubs C4 Audit Grant	*12,901*	-
Infrastructure Grant	*447,469*	*587,587*
Race Form and Racing Calendar publications	*1,142,656*	*1,283,623*
Stakes Enhancement Grant	*1,558,095*	*325,500*
Synthetic Track Grant	*194,182*	-
Youth Retention Grant	*257,748*	*126,559*
TOTAL NET DISTRIBUTIONS TO RACING AUTHORISED PURPOSE (racing industry)	**14,979,665**	**12,770,140**
SPORTS AUTHORISED PURPOSE	**2018/19**	**2017/18**
Distributions to sports authorised purpose	4,214,194	3,464,249
Sports authorised purpose grants returned	-101,298	-74,226
NET GRANTS TO SPORTS AUTHORISED PURPOSE	**4,112,896**	**3,390,023**

21

"[TAB NZ] continues to develop its Gaming operation, having held a Class 4 Operator's Licence since 2011. Currently 44 of our 67 TAB Board Venues host RITA gaming machines. It is estimated that RITA operates around 4.0% of the total number of Class 4 venues and around 3.3% of the total number of Class 4 gaming machines in the New Zealand market."- CE, RITA 2019 annual report

[21] TAB, 2019 Annual Report

9 The effect of preventing pokie venue relocation, particularly for high-deprivation communities

9.1 Key findings

Key findings are summarised in a pros and cons table below.

Table 12: Pros and cons of relocation

Pros	Cons
Venue owners can move to more favorable premises and retain income from hosting pokie machines.	Council cannot choose which venues move.
Venues may move away from high-deprivation areas.	May introduce new harm or more harm in receiving communities.
Maintains or continues increase in community funding availability.	Likely to perpetuate harm by stopping the reduction in total number of venues.
Supported by the Pokie industry.	Difficult to monitor and enforce.
	Requires council resource to develop and implement policy.
	Harm minimisation sector strongly opposed.

9.2 Conclusion

Not allowing relocation minimises harm, including for those in high deprivation areas. This is because it increases the likelihood that venues numbers decrease. It is supported by harm minimisation experts and avoids the risk of unintended negative consequences.

9.3 Last review staff needed more information about relocation

The Gambling (Gambling Harm Reduction) Amendment Act 2013, required councils to consider a relocation policy at their next review. A relocation policy sets out if, and when the territorial authority will grant consent for venues to move locations.[22] Territorial Authorities who adopt a relocation policy consent to venues moving under certain conditions and permit them to take their original number of machines with them (up to maximum of 18).[23]

The purpose was to enable councils to reduce concentrations of pokies in areas of high deprivation. Whenever considering a relocation policy, a territorial authority must consider the social impact of gambling in high-deprivation communities within its district.

Auckland Council fulfilled this requirement in 2016, deciding not to include a relocation policy. Staff determined the impacts were uncertain. The findings report noted that it may be a practical option in the future should there be more research about the impacts.[24]

[22] http://www.legislation.govt.nz/act/public/2003/0051/latest/DLM208661.html section 102 (5A)
[23] Internal Affairs, 2013
[24] Auckland Council Relocation

There is still no specific research on the impacts of allowing venues to relocate, especially in the Auckland context. There is general venue location research to draw from and the views of stakeholders.

9.4 Council cannot choose which venues relocate

The inability to close venues in problematic locations, or to reduce density in areas of high deprivation creates a temptation to allow relocation. For example, an Asian Family Services clinician wondered if there would be merit in allowing venues to move away from playcentres and libraries where recovering gambling addicts need to travel near to look after children. Council, however, cannot choose which venues relocate but only grant consent to applications from venues who wish to move.

Stakeholders agree decisions to move would be to seek an increase in revenue. This means increased gambling patronage, and more risk of gambling harm. For example, in Finland where location is unregulated pokie venues choose to concentrate in lower socio-economic areas, because they are most profitable there.[25]

9.5 Relocation is likely to perpetuate harm and may introduce new gambling harm

Because new venues are not allowed, existing licenses are valuable. If venues could relocate, the decrease in their number in Auckland would likely slow or stop.

Allowing a venue to move is likely to introduce increased gambling harm in the receiving community. Research shows access to gambling opportunities predicts gambling and problem gambling over and above neighbourhood deprivation. This risk is higher for women than men.[26]

A German study found that adding a single venue to an area previously without pokie venues increased problem gambling more than an increase in the number of venues in an area with existing machines.[27] Allowing a venue to move may introduce new people to gambling harm.

> ***"Allowing…venues to relocate just moves the gambling harm associated with those venues to another area. Allowing a relocation policy directly contradicts the purpose of the policy to reduce gambling harm. Therefore, we thank the Auckland council for not having a relocation policy and recommend this be maintained."*** **– Hāpai te Hauora**

9.6 Relocation could introduce unintended consequences

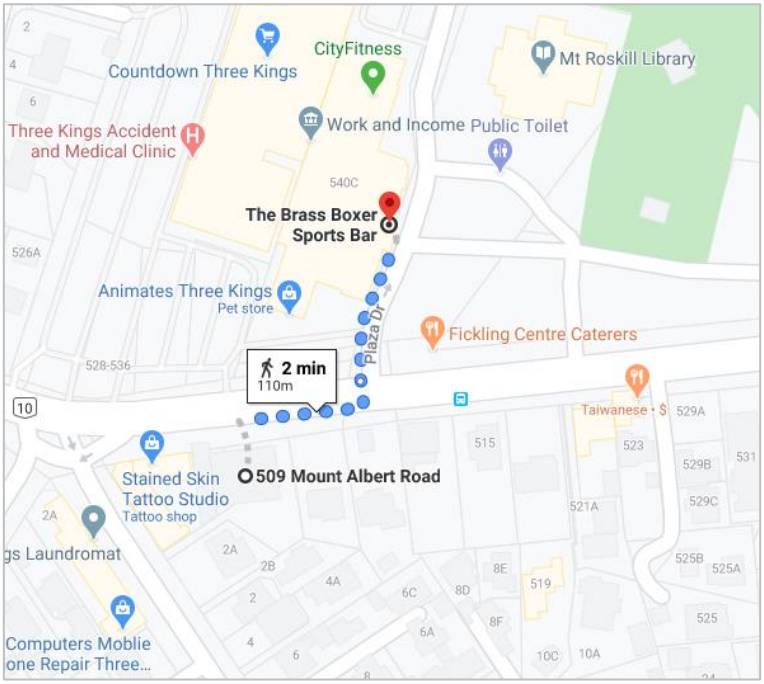
Considering relocation changes in terms of distance or community deprivation levels alone omits other complex effects an individual move could have on diverse communities. For example, the recent decision by DIA to allow a pokie venue to move without territorial authority consent under the Waikiwi precedent.

This precedent focuses on the physical distance a venue is moving – in this case 110 metres - and deemed it to be a minor location change. Figure 9 below shows how this placed the venue

[25] Raisamo et all 2019
[26] Palmer du Preez et al., 2014
[26] Kato and Goto 2018
[27] Strohaker and Becker, 2018

outside a Work and Income New Zealand branch and adjacent to the community library - where previously it was separate.

Figure 9: Pokie venue relocation map



Wardle et al 2017 tried to map risk of gambling harm in regions of England and found deprivation areas do not necessarily mirror risk. Affluent areas have vulnerable people and services for vulnerable people that attract at-risk populations to the area.

Relocations come with changes in venue layout and design. Pokie venues could plan for, or utilise aspects of their new location, to increase the length of time gamblers play without breaks. For example, the Gambling Commission approved Sky City's application in February 2020 to include an outdoor area where gamblers can smoke while playing on gaming machines.

9.7 Relocation could use other harm minimisation tools, but Council cannot enforce

The Gaming Machine Association of NZ suggested requiring venues to adopt facial recognition technology as a condition of moving. This technology can identify and exclude problem gamblers. Requests to move could also be assessed on a case by case basis for social impact or environmental design merits. Council however currently has no powers of enforcement or allocated resource to process applications or monitor this.

There are other conditions a relocation policy could impose, which may have harm minimisation benefits. These include only allowing venues to move from:

- high deprivation areas to lower deprivation areas
- residential areas or close to sensitive sites (such as a school or library) to the central business district
- a rundown or earthquake prone building.

A relocation policy encompassing any of these conditions would require detailed mapping. Alcohol licensing are concerned about the complexity of this and the number of boundaries and loopholes maps would create.

9.8 Gambling industry prefer relocation; the harm minimisation sector is opposed

The Gaming Machine Association of New Zealand submitted a report stating the case for venues to be able to relocate. Benefits listed include the ability to:

- move to more modern or refurbished premises
- continue to operate elsewhere after a fixed lease term or public works acquisition
- re-establish after a natural disaster or fire
- move out of earthquake-prone buildings.

The Association hope that venues being able to move would prevent landlords from charging higher rent prices. They also suggest it would make land currently held by venues and used as large carparks available for housing.

"Allowing local businesses to upgrade their premises and provide a more modern, attractive offering helps to revitalize business districts, encourages tourism, and creates local employment. Now allowing relocation simply entrenches venues in old, unsuitable, and potentially earthquake-prone locations" – Clubs NZ

Clubs NZ agree allowing relocation has benefits for their industry and the community.

Grant recipients who engaged in the review support having a relocation policy, assessed by Council on a case by case basis. This would ensure grant funding availability is maintained.

To minimise harm Hāpai te Hauora, Salvation Army Oasis, AUT and Problem Gambling Foundation and Mapu Maia unanimously advise against allowing relocation. They prefer that venues close.

"…relocation does not effectively reduce the number of opportunities to gamble. Pacific problem gamblers may still have the means to access class 4 gambling even if distance was established, however a no-relocation policy can strengthen sinking lid policies" – Mapu Maia

10 Have the policies minimised gambling harm?

10.1 Key findings

There has been a decrease in the number of people seeking help for problem gambling in Auckland.

More men, Māori, Pacific peoples, and those living in South Auckland seek help for problem gambling.

Research supports reducing pokie venue numbers to minimise harm.

The harm minimisation sector believes a sinking lid policy is still the best way for council to minimise pokie gambling harm.

The harm minimisation sector finds the TAB venue policy less important; some find the cap number high.

10.2 Conclusion

The sinking lid policy helps to minimise gambling harm because it reduces the number of venues in Auckland and over time is likely to reduce gambling harm.

The TAB venue policy does not help to minimise harm. The reduction of venues has no influence on the availability of betting.

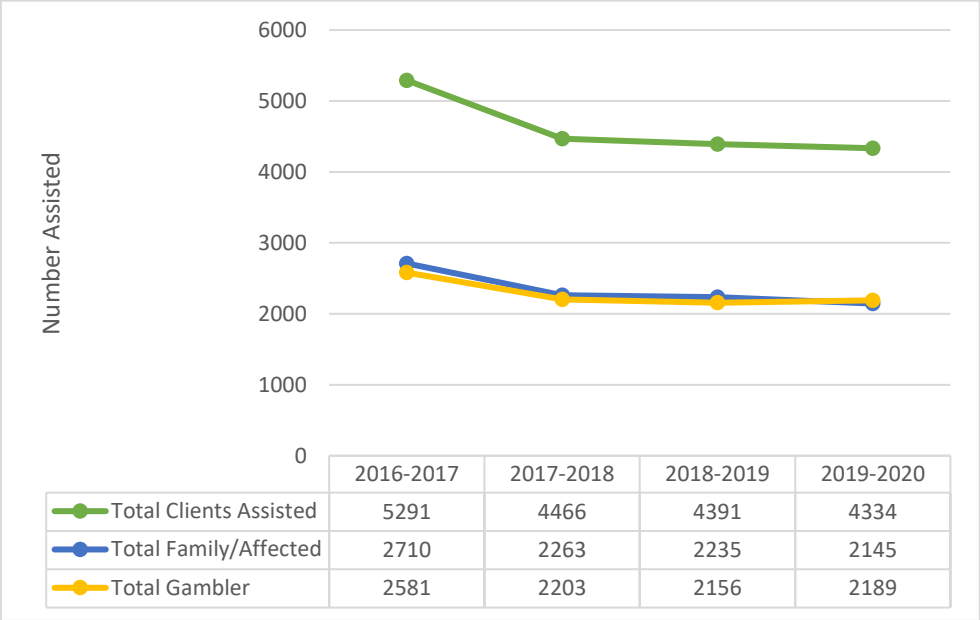
10.3 There is a decrease in the number of people seeking help in Auckland

The Ministry of Health collates client intervention data – the number and characteristics of clients who sought assistance for problem gambling. This could be for their own or someone else's gambling. While they estimate only sixteen per cent of people in the problem gambling or moderate-risk categories access intervention services, this data has been collated consistently since 2004. Therefore, comparisons over time can be drawn.

Ministry of Health say the number of clients assisted nationally has decreased. The number of New Zealanders playing pokies generally has also decreased (18.5 per cent in 2006 compared to 11 per cent in 2018). The number of moderate-risk or problem gamblers in New Zealand has dropped from 68,000 in 2010 to 44,000 in 2018.

The number of clients assisted in Auckland has decreased since the last review. Figure 10 below shows the total number of clients assisted in Auckland by client type, since the last review.

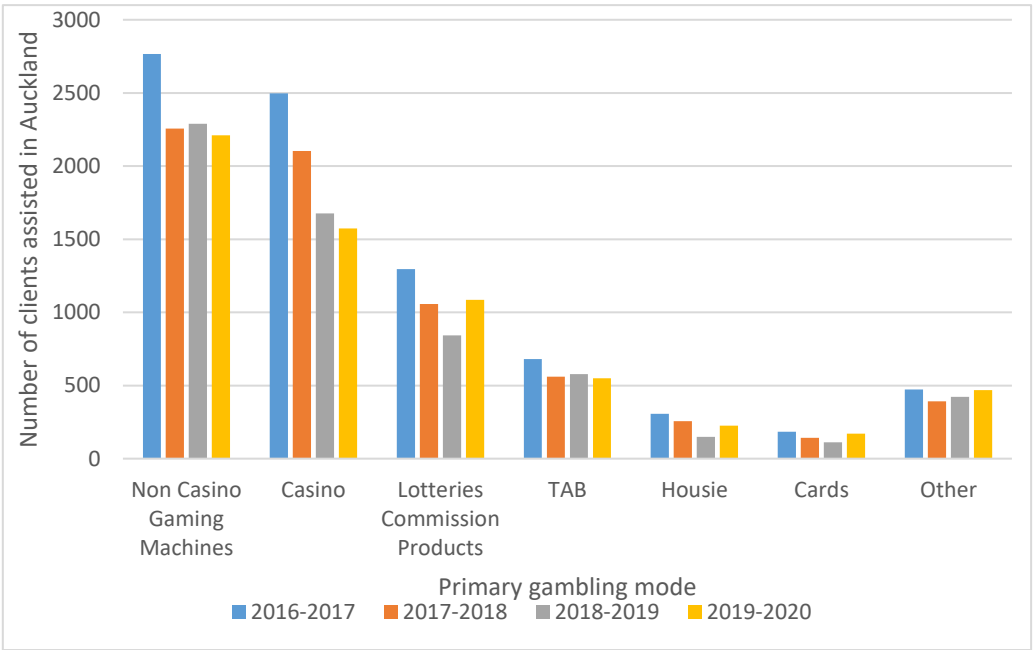
Figure 10: Number and type of clients assisted in Auckland



	2016-2017	2017-2018	2018-2019	2019-2020
Total Clients Assisted	5291	4466	4391	4334
Total Family/Affected	2710	2263	2235	2145
Total Gambler	2581	2203	2156	2189

The most common primary gambling mode identified continues to be class 4 pokies. Figure 11 below shows the breakdown of all Auckland clients assisted by primary gambling mode.

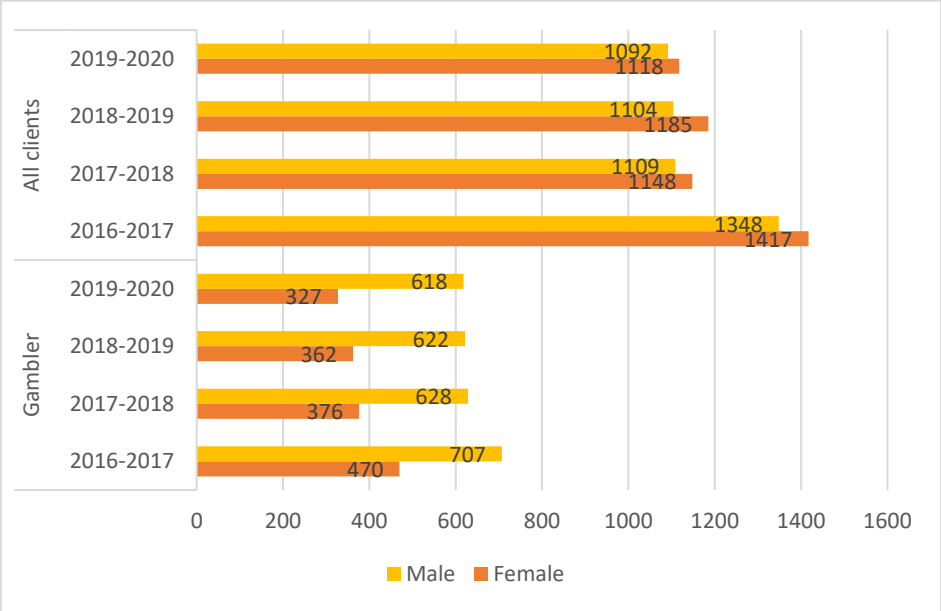
Figure 11: Auckland total clients assisted by problem gambling



10.4 More men, Māori, Pacific and South Aucklanders sought help

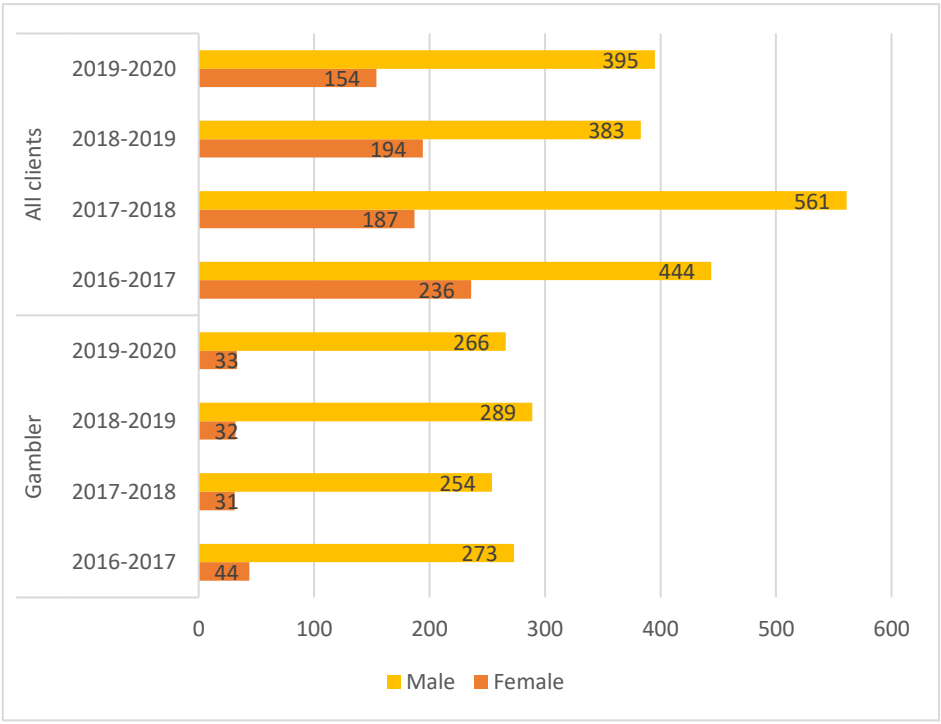
When the client type gambler is isolated more men are seeking help for pokie gambling than women. Figure 12 below shows the gender of clients assisted for class 4 pokie gambling.

Figure 12: Gender of pokie clients assisted in Auckland



More men then woman have been seeking help for TAB venue gambling. Figure 13 below shows the gender of clients assisted for NZ Racing Board gambling.

Figure 13: Gender of TAB clients assisted in Auckland



Māori continue to be over-represented, particularly for primary mode class 4 pokies. Figure 14 below shows clients assisted for class 4 pokie gambling by ethnicity.

Figure 14: Ethnicity of clients assisted in Auckland for pokies

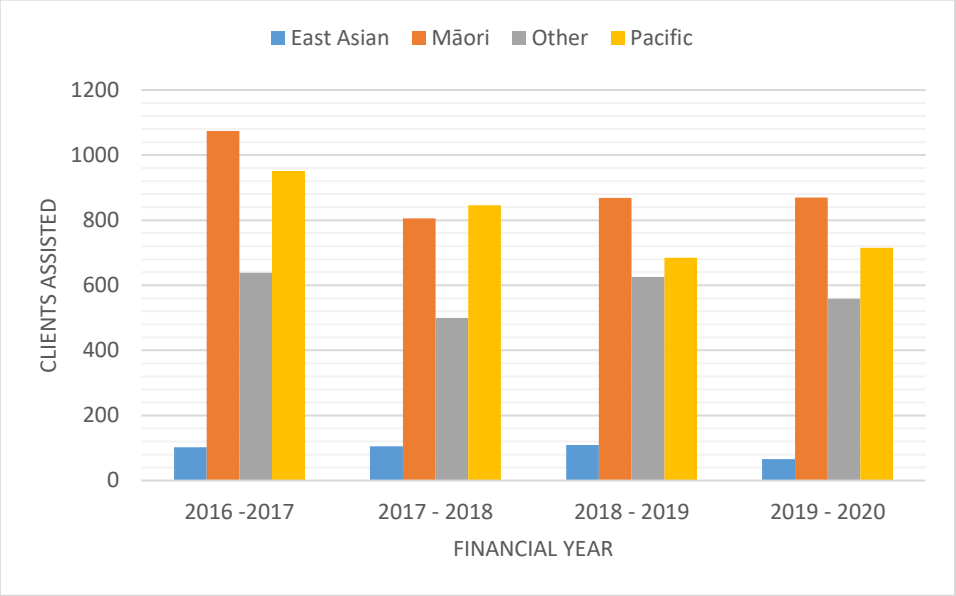
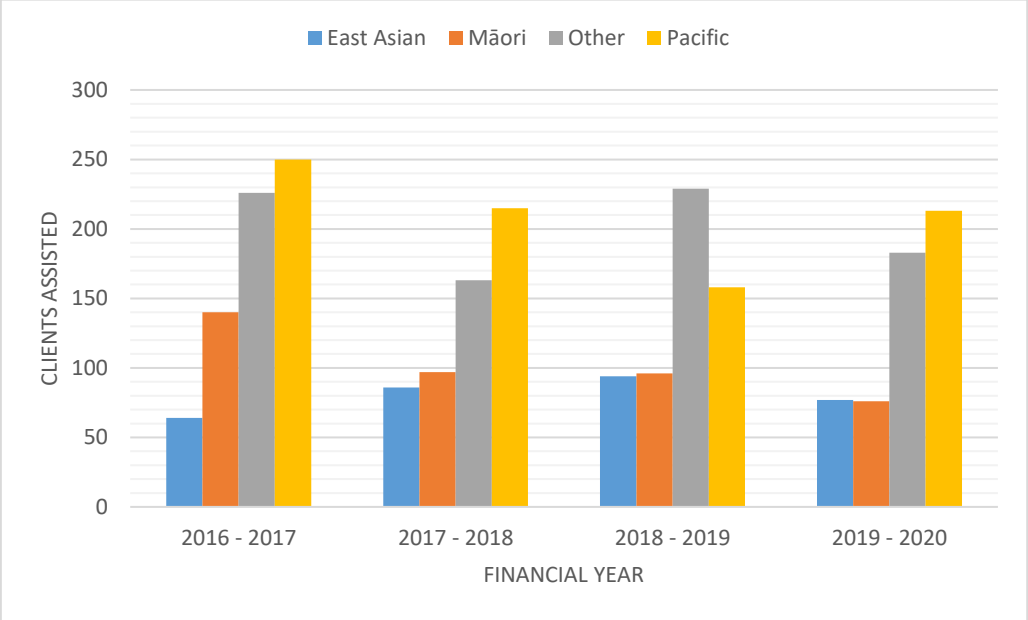


Figure 15 below shows clients assisted for TAB venue gambling by ethnicity.

Figure 15: Ethnicity of Auckland clients assisted for TAB gambling



Problem gambling continues to be experienced unequally across Auckland. Of the total number assisted a larger proportion come from high deprivation areas where more Māori and Pacific peoples live. Figure 16 below shows the distribution of clients assisted who identified class 4 gambling as the primary gambling mode, by ward.

Figure 16: Auckland clients assisted for pokie gambling by ward

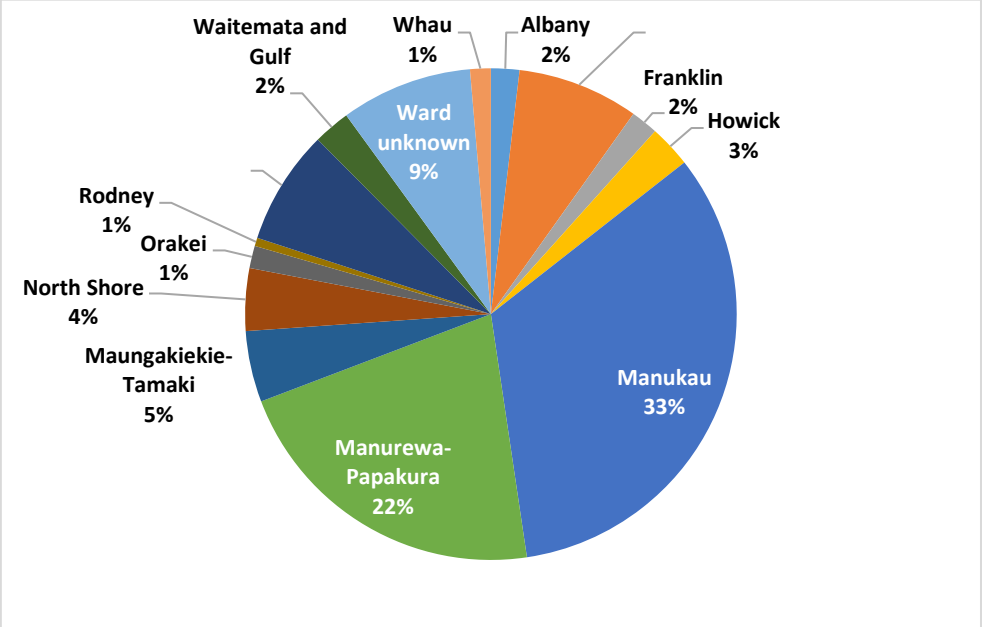
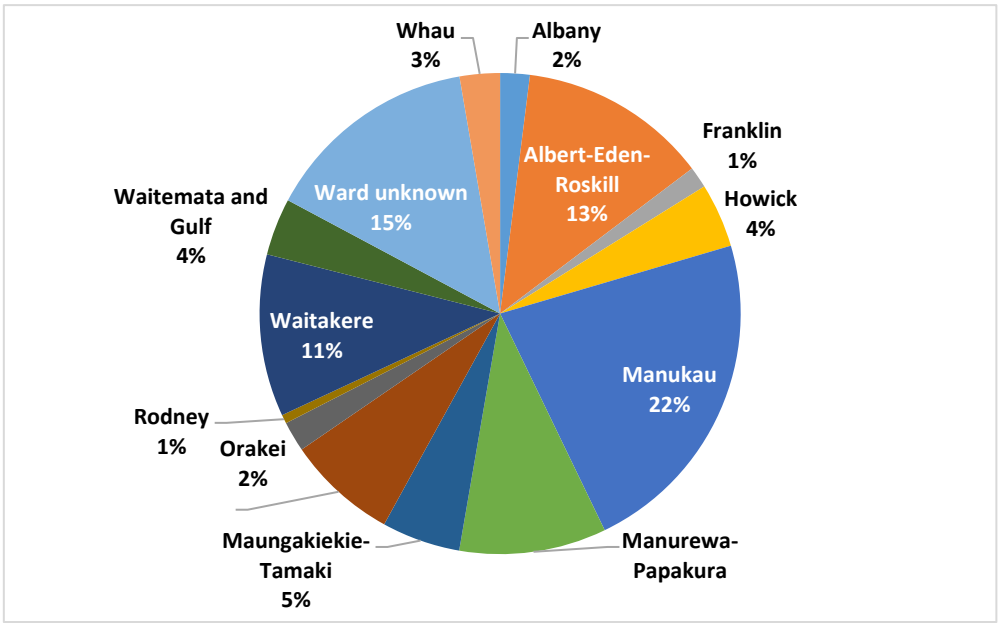


Figure 19 below shows the distribution of clients assisted who identified TAB as the primary gambling mode, by ward.

Figure 19: Auckland clients assisted for TAB gambling by ward



10.5 Research supports reducing pokie venue numbers to minimise harm

When adopting the sinking lid policy, research had already shown an average increase of 0.8 problem gamblers for each new pokie machine in an area.[28] Recent research shows that the bulk of gambling harm affecting the New Zealand population is linked to low and moderate risk

[28] Storer et al, 2009

gamblers and their affected others, who are more numerous than problem gamblers. These groups also increase when problem gambling rates increase.[29]

The body of research linking more opportunities to gamble with more gambling and more gambling harm has continued to build.[30] Research now also shows decreasing opportunities to play in community settings prevents people, and especially women from starting to play pokies and therefore going on to develop pokie gambling problems.[31] [32]

These findings indicate that policies related to restricting or reducing the density of pokie venues play a significant role in containing or reducing gambling related harms.[33]

Ministry of Health asked why levels of harm had plateaued in New Zealand despite declining gambling participation in New Zealand overall.[34] They note this pattern is also seen in Sweden and Victoria, Australia. Possible reasons for the plateau include:

- high levels of relapse, which means the base number of problem gamblers remains
- new migrants and young people are newly exposed to gambling products and go on to experience harm
- the development and promotion of new gambling products, which invite new gambling participation in new population groups, for example new lotteries products and the convergence of gambling and gaming.[35]

10.6 Harm minimisation sector say sinking lid is still the best policy

Hāpai te Hauora emphasise how a sinking lid policy is a long-term strategy to prevent and minimise harm, and therefore its benefits are unlikely to be seen within a short period.

"Decisions made within te ao Māori intentionally have an intergenerational focus, which is reflected in the sinking lid policy. We believe a sinking lid policy is currently the best intervention to prevent future generations from facing the same level of gambling harm that whānau Māori experience in contemporary society." – Hāpai te Hauora

Hāpai ask that the sinking lid policy be strengthened further by preventing club venues from merging and developing a target number of venues for Auckland.

[29] Central Queensland University and Auckland University of Technology. 2017.
[30] Strohaker and Becker, 2018; Bonamis, 2018
[31] Kato and Goto. 2018
[32] Palmer du Preez et al. 2019.
[33] DIA website, Harm Research
[34] Ministry of Health 2019, 'Progress on Gambling Harm Reduction 2010-2017'
[35] Abbott et al 2018 in MoH, 2019

Salvation Army Oasis say the policy has stemmed the growth of pokie gambling in Auckland and is an important measure to reduce the general level of gambling harm.

Asian Family Services clinicians say having fewer venues would aid client's efforts to self-exclude themselves. Currently if they exclude themselves from the casino or their primary pokie venue they can too easily enter another venue nearby.

Problem Gambling Foundation say growth in gambling will increase gambling harm. Any policy that permits geographic density of gambling opportunities will increase harm.

"The availability of machines in communities can influence participation and contribute to social and cultural norms around acceptable levels of participation (such as what people perceive to be unacceptable amount of time or money to spend on gaming machines)." – Salvation Army Oasis

"More venues are more harm, seeing them is an invitation." - Asian Family Services clinician

Mapu Maia say Pacific Island people are more likely to live in areas with higher deprivation and greater opportunities to gamble, including pokie gambling. A sinking lid policy helps to address the inequitable distribution of class-4 pokie machines and the gambling harm which follows, while disallowing that harm to occur in any other regions of New Zealand.

AUT Gambling and Addictions Research Centre says policy that continues to reduce the accessibility and availability of pokie machines is necessary because:

- proximity and access to pokie machines has long been related to harm across populations in New Zealand, especially for low-income communities where there are more venues
- pokie machines have been constituted as a type of 'environmental toxin' from a public health perspective, because the primary cause of harm is the design and delivery of the product itself
- exposure to community-based EGMs has been recently recognised as a women's health issue in New Zealand.

10.7 Pokie industry seeks a cap and highlights benefits

The gambling industry says increasing pokie revenue indicates that sinking lids are ineffective. They prefer a cap at the current level and managing those venues well. This ensures the number of venues doesn't drop so low as to lose the benefits of pokie gambling including:

- entertainment
- community grants.

Clubs New Zealand, some grant recipients and TAB NZ argue in-venue gambling is better than online because staff are there to manage it and benefits are derived for the community.

10.8 The harm minimisation sector finds the TAB venue policy less effective

Not all harm minimisation stakeholders chose to engage about the TAB venue policy. In part because pokie gambling revenue and harm are much greater and because the current number of TAB venues is low.

Salvation Army Oasis pointed out that, Auckland is permitted to house up to 66 per cent of all TAB venues in New Zealand. This is disproportionate to the region's population size. Based on this they say the cap is too high and the policy is unlikely to have an effect.

The current cap of 43, represents the number of TAB venues in Auckland when Council adopted the policy. Hāpai te Hauora ask that the cap limit is lowered because it is too high and unsupported by evidence.

10.9 TAB NZ prefer to keep the cap of 43

TAB NZ report that the number of TAB venues is unlikely to fall lower than current numbers and they would open more if there were demand. They prefer to keep the cap at 43 to have this freedom and point to the less harmful nature of these venues, as they do not sell alcohol, close early and are staffed for purpose.

TAB NZ also reported that self-service outlets are more cost effective and that online customer acquisition is the future.

11 What has changed since the last review that impacts gambling growth and harm?

11.1 Key findings

Racing Board venue policy needs to be renamed TAB venue policy, to reflect the new Racing Industry Act 2020. Public consultation is not required to make this change.

Online gambling availability has increased, but research shows gambling online is often a predictor for gambling addiction rather than the cause of it. Central government has also consulted the public about how to better manage online gambling.

There is no evidence to suggest closing pokie venues will cause more harm through online gambling.

The COVID-19 shutdown had a temporary positive effect for problem pokie gamblers and threatened community funding streams. Evidence of some longer term effects is emerging.

Central government waived operator fees for lockdown period and the pokie industry returned to normal after reopening. Problem pokie gamblers generally also relapsed.

11.2 Conclusion

While online gambling availability and COVID-19 affected the gambling industry and gamblers, they do not give cause to change the content of the policies.

11.3 TAB venue policy name to be updated for Racing Industry Act 2020

Under the new Racing Industry Act 2020, territorial authorities are required to have a TAB venue policy. This must specify whether new TAB venues may be established and if so where they may be located. This mirrors the previous NZ Racing Board policy definition and requirement.

Public consultation is not required for this, because it is outside council's control.

11.4 Online gambling availability has increased

Access to the internet has continued to increase, including through smart phones. These technology changes have resulted in increased availability and volume of online gambling. Risks of online gambling include:

- easily accessible and private means to gamble at any time of the day
- interactive and immersive internet environment
- digital forms of money can lead to increased gambling and losses, as people feel that they are not spending 'real' money[36]
- facilitates the potential concurrent use of alcohol and drugs.[37]

Aside from the Lotteries Commission and TAB NZ, conducting gambling online is currently illegal in New Zealand. This means any other online gambling New Zealander's engage in is hosted by an overseas company and is not subject to New Zealand regulatory oversight.

11.5 Pokie industry concerned that limiting pokie access will cause more harm online

The Gaming Machine Association of New Zealand and some grant recipients expressed concern that reducing the number of physical pokie venues will push gamblers to online gambling. They are also concerned that because some online gambling is hosted by overseas companies the community cannot derive benefits from it through community grants and tax.

11.6 Closing pokie venues unlikely to cause more harm through online gambling

During lockdown the Chief Executive of the Problem Gambling Foundation told Radio New Zealand pokie gambling is a highly addictive place-based form of gambling which cannot be repeated in an online environment.

No research suggests that limiting access to physical pokie venues will cause more online gambling harm.

"There is no research to suggest people transfer a placed based pokie addiction to an online gambling problem. It is the machine itself which is addictive" – Problem Gambling Foundation to Radio NZ April 2020

11.7 Central government consulted the public on how to manage online gambling better

In 2019 central government consulted with the public on options for regulating online gambling. Options consulted on included:

- Lotto and TAB offer existing gambling products (status quo).
- Extend gambling products Lotto and TAB may offer.
- Licensing of domestic operators.
- Licensing of domestic and / or overseas operators.

Central government are currently working through 2997 submissions received. DIA will provide advice to the Minister of Internal Affairs on a new regulatory system for online gambling.[38] No decision, however, will be made before the election.

[36] Gainsbury (2015
[37] Hing et al (2017)
[38] https://www.dia.govt.nz/onlinegamblingconsultation

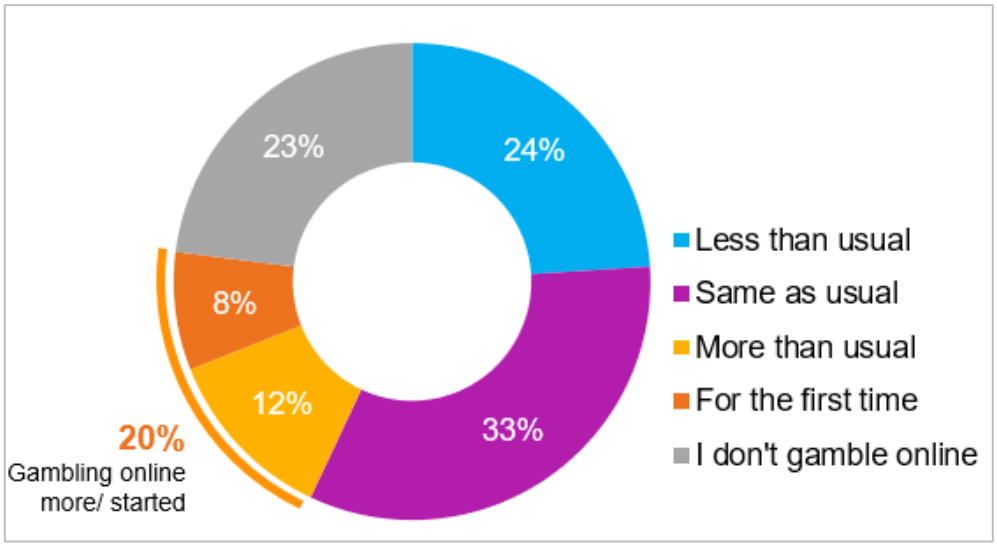
11.8 Online gambling is often a predictor for gambling addiction rather than the cause

Research finds people who gamble online have higher rates of harm, but this is often because of their greater overall gambling involvement. Involvement in internet gambling is more likely among gamblers with existing gambling problems. One third to half of internet gamblers experiencing problems attribute these to place-based forms of gambling and report having had problems before they ever gambled online. When studies isolate internet only gamblers, the rates of harm are lower.[39]

11.9 Some people started gambling online more during lockdown, some less

An online survey by the Health Promotion Agency during the national lockdown for COVID-19 found[40] some increase in online gambling. More people gambled online, the same, or less than usual. Figure 17 below shows responses from those who gamble (n=461) to the question: *"Which of the following best describes how much you have been gambling online since we went to Level 4 lockdown?"*

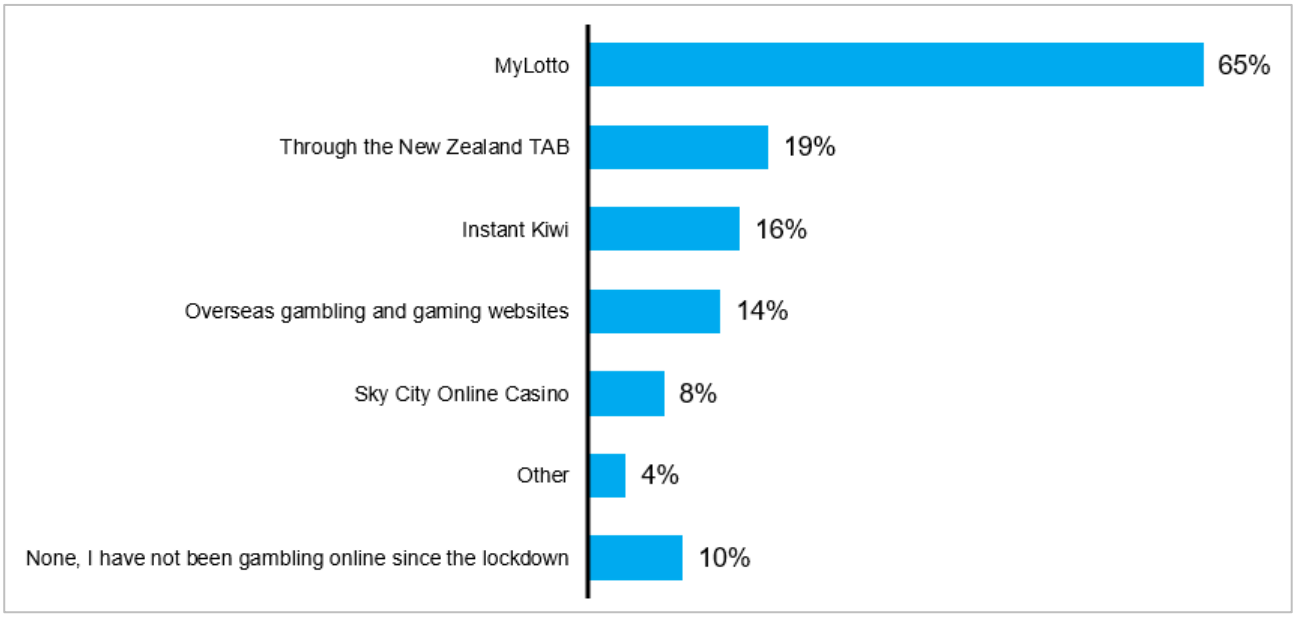
Figure 17: Online gambling use during lockdown



The type of gambling sites online gamblers used during lockdown is shown in figure 18 below. [41]

[39] Hing et al (2017)
[40] As an online survey it excludes those without internet access and may under-represent the elderly and lower socio-economic groups. The sample included Nielsen panel partners but was supplemented by a lead-generation database to boost numbers of Māori and Pasifika respondents.
[41] Health Promotion Agency, 2020

Figure 18: Use of online gambling sites during lockdown

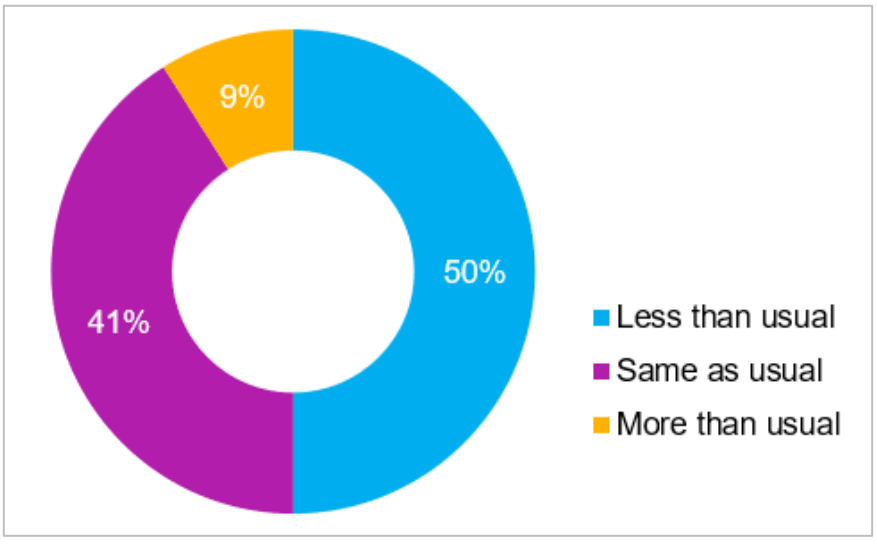


11.10 Lockdown had a temporary positive effect for problem pokie gamblers, evidence of medium term effects on gambling are emerging

During the national response to COVID-19 gambling venues were closed during level three and four. They were also subject to hospitality venue COVID-19 restrictions and reduced revenue during level two.

The Health Promotion Agency conducted an online 'Impact of COVID-19' survey during days 13 – 19 of the level four lockdown.[42] The survey found half of gamblers were gambling less during lockdown. Figure 19 below shows the percentage of respondents who thought they were gambling more, less or the same as usual.

Figure 19: Gambling habits during lockdown



[43]

[42] Health Promotion Agency, 2020.
[43] Health Promotion Agency, 2020.

> ***"There was relief, a lot of people did not gamble, they did not turn online, they picked up other activities, sport, cooking, connecting with friends and family, they went to sleep earlier, cooked their own food and had money in their bank accounts" – Problem gambling clinician at Asian Family Services about clients during lockdown***

The Problem Gambling Foundation said some clients experienced initial stress when the source of their gambling was removed, leading to increased demand for counselling. Many gamblers and their whānau however experienced relief that pokie venues were unavailable. Asian Family Services problem gambling clinicians said their clients' and their families' lives improved while pokie venues were shut, with better physical, and mental health. Most of their clients have relapsed since venues reopened however and have already lost the money they had saved.

A Senior Gambling Harm and Addictions research fellow at AUT says breaks in play aid reflection and control over one's own gambling behaviour. While examples of these benefits are evidenced in behavioural and cognitive science research as well as research about self-exclusion, they were not aware of any research about non-voluntary exclusion like the COVID-19 shutdown imposed.

Health Promotion Agency recently released the results of the second round of their Lockdown Survey,[44] which looked at the changes in the health risk behaviours and the wellbeing of people across Aotearoa after the COVID-19 Alert Level 4 Lockdown. Fewer people reported gambling coming out of lockdown when compared with before lockdown:

- Gambling online, 34% after lockdown compared with 39% pre-lockdown.
- Using a pokie machine, 22% after lockdown compared with 32% pre-lockdown.
- Betting at the NZ TAB, 19% after lockdown compared with 30% pre-lockdown.

11.11 Loss of pokie revenue threatened community funding streams

There was concern the reduction of pokie revenue would threaten community funding availability especially among sports organisations who depend on regular pokie revenue funding to operate.

The Problem Gambling Foundation, Hāpai te Hauora and Salvation Army Oasis's White Paper called for the government to provide funding to these organisations. If community organisations were not dependant on this money, there would be no community interest in venues reopening.[45]

11.12 Industry returned to normal after reopening

The lockdown threatened the financial wellbeing of the hospitality industry, including pokie venues. The gaming machine association however, reported that by mid-June 2020 pokie venue revenue had returned to pre-lockdown levels.

On 1 July 2020, government amended the Gambling (Fees) Regulations 2015 waiving fees payable by existing class 4 gambling operators from 25 March 2020 to 30 June 2020 and freezing fees for the 2019/2020 financial year.[46]

[44] https://hpa.org.nz/sites/default/files/Wave%202%20survey_0.pdf
[45] PGF, Hapai and Oasis, 2020
[46] Corporate library Ref: 200630CA-1695

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