



## STAFF REPORT

**TO:** Environment & Planning Committee

**FROM:** David Lewis, Co-ordinator-Regulatory Services

**REFERENCE:** E503

**SUBJECT:** **GAMBLING VENUE POLICY REVIEW - REPORT EP07/08/02 -**  
Report prepared for 1 August 2008 Meeting

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### 1. PURPOSE OF THE REPORT

To provide a summary of the submissions received and a recommended course of action to satisfy the statutory requirement to review Council's Gambling Venue Policy.

### 2. SPECIAL CONSULTATIVE PROCEDURE

The advertising of the Review of the Gambling Venue Policy was carried out in accordance with the Special Consultative Procedures of the Local Government Act 2002 and attracted a total of two submissions. These are attached as Appendix 1 and Appendix 2.

In terms of the consultative procedure required by the Local Government Act 2002, Council has an obligation to give the submitters an opportunity to appear and be heard in support of their submission. The submitters have been so notified and both have indicated that they do not wish to be heard.

### 3. SUMMARY OF SUBMISSIONS

#### 3.1 New Zealand Racing Board

The lengthy submission on behalf of the New Zealand Racing Board contains a review of the history of the Gambling Act 2003 and controls in the form of Regulations and restrictions that have been imposed. They question the Policy requirement for community consultation (advertising) in respect of new Class 4 Venue applications and why there may be control on the number of machines when the Act permits a maximum of nine machines. It is also submitted that a cap on the maximum number of machines in the District should be imposed to allow six machines per 1,000 population rather than a "floating lid" as in the present Policy.

#### Comment

- i) The reason for requiring applications for new venues to advertise their intent was to do more with site suitability rather than trying to control machine numbers. In this respect, retention of the advertising requirement is recommended.

- ii) It is considered that the ability of Council to restrict the number of machines if special circumstances relating to a particular site exist, should be retained.
- iii) If a cap on the number of machines was introduced as submitted, this would allow a total number of 270 machines (for a population of 45,000) compared with the present 196 (an increment of two machines over three years). A significantly higher total to comply with a national average is not considered to be warranted and would be undesirable. The submitter did concede to withdraw this part of the submission if the words “in accordance with the Special Consultative Procedures” were added to Clause 3.1(b). This amendment is recommended.

### **3.2 Community Action for People and Planet**

This submission suggests that the number of machines should be regarded on a town by town basis rather than on a District basis and that Council does not seem to have the information necessary to determine how well the Policy has performed in relation to harm minimisation.

#### **Comment**

To comply with this submitter’s recommendation would require significant research (for which Council has neither the resources nor budget) that would not necessarily result in definitive answers. Even the Problem Gambling Foundation (PGF) states that they “acknowledge that the correlation between increased gambling and increased problem gambling and the growth in gambling opportunities does not establish causation. The question of causation requires longitudinal, time series and quasi-experimental research to answer.” It is also interesting to note that, following discussions with the PGF and the research that they had carried out into our Council’s situation, they did not deem it necessary to make any submissions to Council’s review of the Policy. It is believed that the minimal increase in gaming machines that has occurred over the last three years (which represents an actual increase in the numbers of population per machine) is significant in relation to harm minimisation.

### **3.3 Staff Submission**

A couple of typographical errors have been discovered in the Policy that require rectification.

## **4. COMMITTEE’S DECISION**

The Environment & Planning Committee are delegated by Council power to consider the submissions presented and then to reaffirm the Tasman District Council’s Gambling Venue Policy with or without amendment.

## **5. RECOMMENDATION**

**It is hereby recommended that the Tasman District Council amends the Gambling Venue Policy by adding to the end of Clause 3.1(b) the words “in accordance with the Special Consultative Procedures” and by amending the words “Clause 2.1(e)” in Clauses 4.2 and 4.3 to “Clause 3.1(e)” and that the Policy as amended be adopted.**

D R Lewis  
**Co-ordinator – Regulatory Services**

**The New Zealand Racing Board Submission on the Tasman District Council Gambling Venue Policy and Board Venue Policy**

Background

1. The New Zealand Racing Board is a statutory body operating under the Racing Act 2003. The New Zealand Racing Board is the authority responsible for administering racing, racing betting and the racing judicial system in New Zealand and is the only entity which can legally conduct racing betting in New Zealand. The New Zealand Racing Board has 102 stand alone TAB Agencies ("Board Venues") in New Zealand. The Board Venues are owned or leased by the New Zealand Racing Board and controlled and run by the New Zealand Racing Board.
  
2. The New Zealand Racing Board invites Council to amend the Policy by:
  - a. Simplifying and streamlining the application process by removing the public consultation requirement for every new class 4 gambling venue;
  - b. Allowing new venues as of right to have up to 9 machines; and
  - c. Removing the need for a further full public consultation process by removing the ability to determine an overall number cap from time to time; or alternatively setting a cap now which is reasonable namely a cap at the national average of 6 gaming machines per 1000 residents.

Key Facts

3. Class 4 gambling (gaming machines in pubs and clubs) is legal and has been legal in New Zealand since 1988.<sup>1</sup>
  
4. Approximately 93 cents in every dollar gambled in a gaming machine is either returned to the player as winnings or distributed to the community by way of grants.<sup>2</sup>

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<sup>1</sup> Gaming and Lotteries Act 1977 and Gambling Act 2003.

<sup>2</sup> Class 4 Gambling (Net Proceeds) Regulations and Class 4 Gambling Game Rules.

5. Between 70% and 90% of New Zealanders over the age of 18 years participate in one form of gambling activity on a regular basis.<sup>3</sup>
6. Approximately 1.2% of people who participate in gambling are considered to be problem gamblers (ie people whose lives, work, economic status etc is negatively affected by their gambling).<sup>4</sup> The problem gambling prevalence rate has reduced by over 50% since 1991 when the rate was 3.3%.<sup>5</sup>
7. Gaming machine numbers in New Zealand have steadily decreased since June 2003. In June 2003 there were 25,221 machines. In March 2007 there were 20,302 machines, a 19.5% decrease. Annexed is a graph obtained from DIA and a DIA media release showing the continuing downward trend in gaming machine numbers.
8. Gaming machine societies have declined considerably. In 2003 there were 113 societies. There are currently 67 licensed societies, a 40% decrease.<sup>6</sup>
9. The number of venues which host gaming machines has decreased by over 100 in the last two years.<sup>7</sup>
10. The Charity Gaming Association (an association which represents over 90% of all gaming societies) estimates that the amount of funds returned to the community in the 12 month period to June 2006 was \$55,000,000.00 less than that returned to the community in the 12 month period to June 2005.<sup>8</sup> Community organisations have suffered considerably as a result of the funding decline.

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<sup>3</sup> Ministry of Health report August 2006.

<sup>4</sup> National problem gambling activity study 1999.

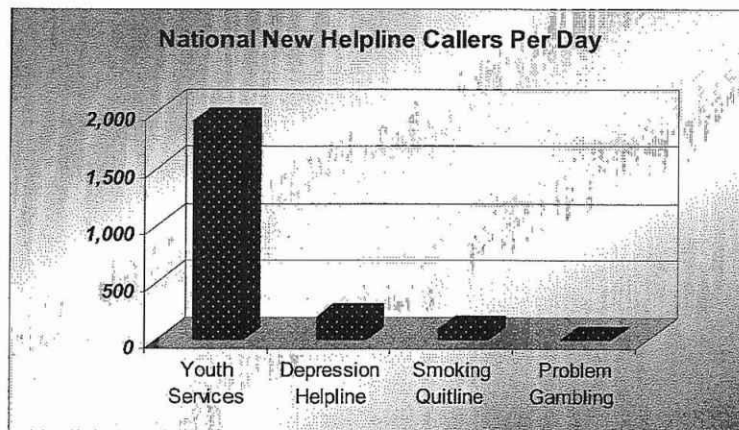
<sup>5</sup> Ministry of Health National Surveys 1991, 1999, 2003.

<sup>6</sup> Department of Internal Affairs statistics March 2007.

<sup>7</sup> Department of Internal Affairs statistics March 2007.

<sup>8</sup> Data collected by the Charity Gaming Association from its members.

11. All gaming machine societies contribute to a problem gambling fund. This fund provides approximately \$70,000,000.00 to the Ministry of Health to support and treat gambling addiction and to increase public awareness. The programme is working as is evident by the considerable reduction in the number of people seeking help from the national gambling helpline and intervention services. In fact some concern has been raised by the media about the amount of funding which is being received per individual problem gambler. For example, concern was raised by the New Zealand Herald that Hamilton's Pacific People's Addiction Service received \$143,160.00 to provide counselling for a target of 306 people – but it attracted only eight users at an average of \$17,895.00 per gambler.<sup>9</sup>
  
12. The Gambling Helpline currently receives approximately 5 new callers a day nationally from people seeking advice and support. To put this number in perspective 100 new callers a day are received by the Smoking Quitline, 200 new callers a day are received by the Depression Hotline and 1,650 new callers a day are received by Youthline.<sup>10</sup> The extremely high media attention that problem gambling receives and the significant funding available to anti-gambling organisations distorts the perception of the size and degree of problem gambling in New Zealand.



<sup>9</sup> New Zealand Herald 19 April 2007.

<sup>10</sup> Ministry of Health Intervention services user report 2006, Quitline website, New Zealand Herald.

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### New Regulations

13. Since the Policy was first introduced the following new regulatory safeguards have been imposed:
  - a. The Gambling (Harm Prevention and Minimisation) Regulations 2004;
  - b. The Gambling (Infringement Notices) Regulations 2004;
  - c. The Gambling (Problem Gambling Levy) Regulations 2004;
  - d. The Gambling (Fees and Revocations) Regulations 2004;
  - e. The Gambling (Class 4 Net Proceeds) Regulations 2004;
  - f. The Gambling (Class 4 Bankings) Regulations 2006; and
  - g. The Gambling (Electronic Monitoring Fees) Regulations 2006.
  
14. The regulations are comprehensive and include the following:
  - a. A list of unsuitable and prohibited venues, eg sports stadiums, internet cafes, cinemas. A copy of clause 4 of the Gambling (Harm Prevention and Minimisation) Regulations 2004 is annexed. The Regulations provide that the primary activity of the venue must be focused on persons over 18 years of age. The types of venues permitted are accordingly limited to licensed premises, clubs, TAB agencies and massage parlours etc;
  - b. Limits on stake and prize money. The maximum stake is \$2.50. The maximum prize for a non jackpot machine is \$500.00. The maximum prize for a jackpot linked machine is \$1,000.00. These limits only apply to gaming machines in pubs and clubs. Gaming machines at casinos do not have these restrictions and offer considerably larger stakes and prizes. It is also not illegal in New Zealand to participate in internet gambling. Internet gambling stakes and prizes are unrestricted;
  - c. A requirement that gaming machines have a feature that interrupts play and displays a pop up message. The pop up message informs the player of the duration of the player's session, the amount spent and the amount won or lost. The message is then displayed asking the player whether they wish to continue with their session or collect the credits;

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- d. A prohibition on the use of the word "jackpot" or any similar word in advertising and a prohibition on advertising being visible from outside a venue;
  - e. A requirement that pamphlets must be at the venue which provide information on odds and also information about the characteristics of problem gambling and how to seek advice for problem gambling;
  - f. A requirement that signage be displayed in venues which encourages players to gamble only at levels they can afford and advice on how to seek assistance for problem gambling;
  - g. A requirement that one staff member must be present at all times who has undertaken comprehensive problem gambling awareness and intervention training;
  - h. A requirement that 1.68% of gaming machine proceeds be paid as a problem gambling levy. The levy is used to fund research and problem gambling services; and
  - i. A requirement that a minimum of 37.12% of gaming machine proceeds are distributed to the community each year.
15. Other restrictions have also been imposed since the Policy was first introduced including:
- a. In September 2004 the Department of Internal Affairs ("DIA") set limits on the amount of venue payments that may be paid to venues under section 116 of the Act. The limits ensure that costs are kept to a minimum and thus the proceeds available to the community are maximised;
  - b. In June 2006 a new set of comprehensive Game Rules were established by the DIA pursuant to section 367 of the Act. The Game Rules set out in detail how the machines must be operated and how issues such as player disputes and machine malfunctions must be dealt with; and
  - c. All venues must be connected to an electronic monitoring system by 18 March 2007. The electronic monitoring system ensures greater accountability of gaming machine turnover.

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#### Requirement for Community Consultation in Respect of All New Class 4 Venue Applications

16. We have reviewed most of the Gambling Venue Policies and Board Venue Policies which are in place in New Zealand. Apart from the Matamata-Piako Draft Policy, the Tasman District Policy is the only Policy we are aware of that requires the public to be consulted on every application for a new class 4 venue consent.
  
17. The Policy is required by the Act to be reviewed every 3 years. During the review process the public's views are heard during the special consultation process. The community views can be considered, balanced and recorded in the Policy. It is therefore submitted that it is not necessary for a separate consultation process to be undertaken for each new class 4 venue. Separate consultation will delay applications and involve additional costs for both the applicant and Council.

#### Allowing New Venues as of Right to Have up to 9 Machines

18. The Act expressly permits 9 machine venues. There is no research or evidence to support departing from the national 9 machine limit.
  
19. Nine machines gives customers a greater choice of games to play. At any gaming lounge it is extremely rare for all the machines to be used at once. The ability to host 9 machines will not necessarily correspond with an increased level of gambling, but rather provide better game choice for players.
  
20. In order to justify the space and staff requirements that gaming requires it is only viable for venues to include gaming as part of their entertainment mix if the venue can operate 9 machines. Given the fixed costs involved in establishing a class 4 venue, a venue with less than 9 machines is often uneconomic to establish.
  
21. The latest research confirms that a restriction on the number of machines at venues will not reduce problem gambling. In March 2007 at the Dunedin Hearing, the Problem Gambling Foundation South Island General Manager David Coom stated:

*"We accept that there is no evidence of a link between machine numbers and problem gambling. It doesn't matter whether a venue has 18 machines or*

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*2 machines. It is the accessibility of gambling venues, rather than the number of machines at each venue which is the issue."*

22. When making submissions to the Department of Internal Affairs Bernie Smulders General Manager of Woodland Charitable Trust stated:

*"We believe the number of machines present in a venue has nothing to do with the predisposition to develop a gambling problem and indeed represents flawed logic when applied as a harm minimisation approach."*

A Cap Should Be Recorded in the Policy to Avoid the Necessity for Public Consultation in the Future

23. The current Policy provides that Council may 'from time to time' determine an overall machine number cap. The subsequent setting of a cap is an amendment to the Policy and accordingly under section 102(2) of the Gambling Act 2003 the special consultative procedure under section 83 of the Local Government Act 2002 will need to be undertaken before the cap could be implemented.
24. It is submitted that the reference to a cap be removed from the Policy or alternatively a cap be set at the national average of 6 machines per 1000 people.

A Restrictive Cap or Sinking Lid Policy Will Not Reduce Problem Gambling

25. It is likely that Council will receive submissions suggesting that a sinking lid or a restrictive cap should be introduced. A sinking lid or restrictive cap is unlikely to reduce the prevalence of problem gambling, but would reduce the amount of funding available to community organisations in the Tasman District.
26. Problem gamblers are highly adaptive people, who are likely to simply move to another venue, another form of gambling or gamble on the internet. Other forms of gambling such as internet gambling are legal in New Zealand, do not have the safeguards that gaming venues have and do not return any funds to the community.

JWT-464501-42-5-V1:jef

27. The latest research undertaken by Professor Max Abbott, the Dean of the New Zealand Gambling Research Centre, indicates that limiting gaming machine numbers and the introduction of caps generally appears to have little (if any) impact on player expenditure and problem gambling.<sup>11</sup>
28. In the 2006 publication *Do EGMs And Problem Gambling Go Together Like a Horse and Carriage?* Professor Max Abbott noted:
- "EGM reductions and the introduction of caps generally appears to have little impact" (page 1).*
- "Over time, years rather than decades, adaptation ('host' immunity and protective environmental changes) typically occurs and problem levels reduce, even in the face of increasing exposure." (page 6).*
- "Contrary to expectation, as indicated previously, although EGM numbers and expenditure increased substantially in New Zealand from 1991 to 1999, the percentage of adults who gambled weekly dropped from 48% to 40%. This is of particular interest because it suggests that greater availability and expenditure do not necessarily increase high-risk exposure." (page 14).*
29. On 21 March 2007 Professor Abbott made a presentation at the Gaming Expo in Auckland. Professor Abbott confirmed that limiting the number of gaming machines does not reduce problem gambling prevalence and cited numerous overseas examples where caps or sinking lid policies did not have any effect on problem gambling prevalence.
30. Victoria imposed a statewide cap of 30,000 machines in 1999. The research from the Productivity Commission (1999) found that while Victoria had less than half as many gaming machines per capita as New South Wales and the Australian Capital Territory, Victoria's gaming machine expenditure per adult was similar. The research concluded that far more was spent on each machine in Victoria than in other parts of

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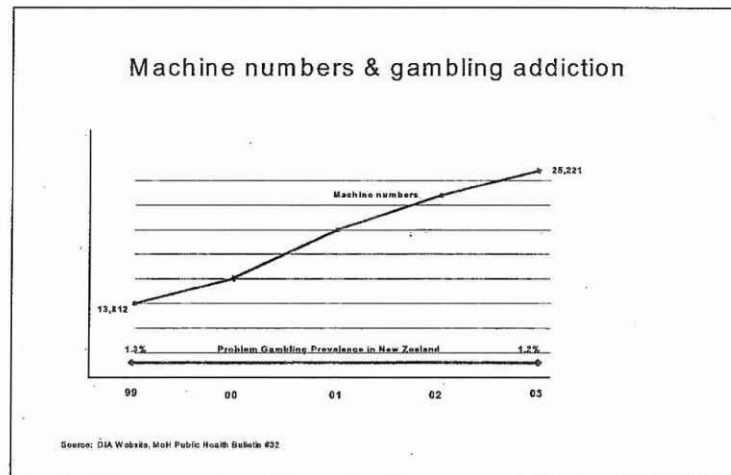
<sup>11</sup> Abbott M.W. (2006). *Do EGMs and Problem Gambling Go Together Like A Horse and Carriage?*

Australia. Victoria's problem gambling prevalence was also similar to Australian Capital Territory and not significantly lower than that of New South Wales.

31. The South Australian Centre for Economic Studies undertook a detailed assessment of the impact of caps in 2005. It concluded that there was little or no impact on problem gambling prevalence or problem gamblers.
32. When commenting on the exposure theory, Shaffer, LaBrie and LaPlante (2004) in *Psychology of Addictive Behaviours* at page 43 noted:

*"to our knowledge, no scientific research has established a causal link between disordered gambling and either literal or figurative proximity to gambling."*
33. Reducing machine numbers further will reduce the amount of community funding available to Tasman District community groups but is unlikely to reduce problem gambling. Problem gamblers are people who are addicted to gambling. If a new bar is established and the Policy prevents that bar from hosting gaming machines, a person who is addicted to gambling will simply travel the short distance to the next bar which has gaming machines. A restrictive Policy will however reduce the number of casual players who while enjoying the entertainment offered at a venue will not have the opportunity to play on the gaming machines with any loose change they may have.
34. As detailed in the graph below the data from the Ministry of Health shows that an increase in gaming machines in New Zealand does not have any direct link with the prevalence of problem gambling. The prevalence rate of problem gambling has in fact decreased between 1999 and 2003 despite the number of gaming machines doubling in the same period, namely increasing from 13,812 to 25,221 machines.

JWT-464501-42-5-V1:jef



35. With non-casino gaming machine numbers decreasing over the last three years there has been a clear trend showing a reduction in the amount spent gambling on gaming machines and an increase in the amount gambled in other forms of gambling.
36. In a media statement issued by the Minister of Internal Affairs Rick Barker on 8 December 2006 the Minister noted that spending on all forms of gambling in New Zealand had increased except gambling spending on non-casino gaming machines. Spending on non-casino gaming machines decreased by 11.8%. The largest increase in spending was on Lotteries Commission products, due mainly to the introduction of Big Wednesday. Overall spending in 2005/06 on gambling was made up of:

| Gambling Product              | 2005/06 Spending | Increase/Decrease from 2004/05 |
|-------------------------------|------------------|--------------------------------|
| Racing and sports betting     | \$258m           | +4.6%                          |
| Lotteries Commission products | \$321m           | +14.7%                         |
| Casinos                       | \$493m           | +4.4%                          |
| Non-casino gaming machines    | \$906m           | -11.8%                         |

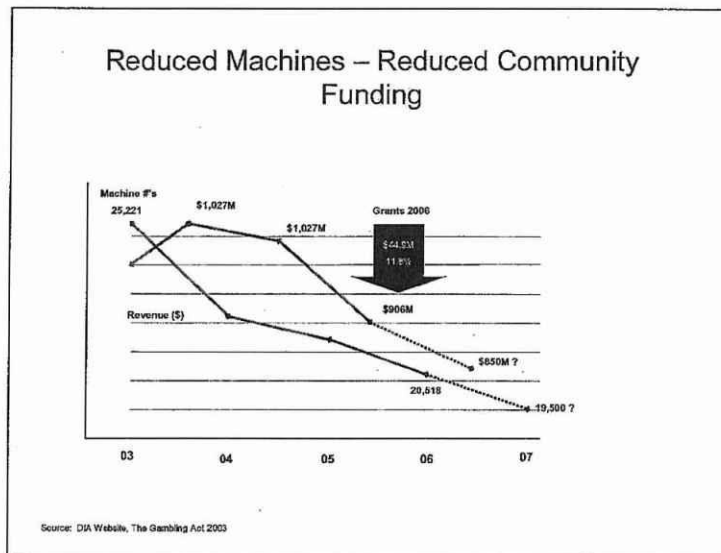
37. In summary the introduction of a sinking lid or restrictive cap is unlikely to have any impact on the prevalence of problem gamblers or on the total amount spent on all

JWT-464501-42-5-V1:jef

forms of gambling but will see a reduction in funds which are available to be returned to the community.

### Community Funding

38. Many of the community groups do not qualify for central or local government funding. The traditional forms of fundraising are important but are frequently inadequate to meet the costs of most modern projects. Without the ability to apply for gaming funding a lot of community organisations would not be able to continue and most would not be able to offer the current level and quality of services to the community. Although some grants are small (\$500.00-\$2,000.00) the funding received is often the difference between the organisation breaking even or running at a loss for the year.
39. Reducing machine numbers in the Tasman District will result in less casual/recreational play and thus less funding for the community. The evidence shows a direct link between gaming machine numbers and community funding.



### Conclusion

40. It is acknowledged that Council needs to strike a balance between the costs and benefits of gambling. It is accepted that a small percentage (1.2%) of people who

JWT-464501-42-5-V1:jef

play gaming machines do have a problem with their gambling. The gaming industry works hard to minimise the harm that is caused to the small group of people who play the machines and are considered to be problem gamblers. The odd flutter on a gaming machine is however a form of entertainment for a lot of people and over 98% of these people are not adversely affected. Gaming machines provide a considerable amount of community funding to local community groups each year. This funding is the lifeblood of many organisations within the Tasman District.

41. In order to reduce the cost and complexity of applications (and thus increase the amount of funds available for distribution to the community) it is submitted that the community views can be appropriately received and addressed during the regular Policy review and consultation process and that it is not necessary for a separate consultation to be held in respect of all new class 4 venue applications.
42. Nine machines per venue are permitted under the Gambling Act. There is no evidence to support departing from the national 9 machine limit. In fact the research confirms that limiting the number of machines per venue will not reduce problem gambling. It is therefore submitted that new venues should be permitted as of right to host up to 9 machines.
43. The ability to determine a cap from time to time will require a further full public consultation process. It is submitted that the reference to determining a cap be deleted or alternatively replaced by a cap set at the national average of 6 machines per 1000 people.

  
\_\_\_\_\_  
Jarrod True  
Solicitor for New Zealand Racing Board

22/6/07  
Date

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JWT-464501-42-5-V1;jef

Gambling (Harm Prevention and Minimisation) Regulations 2004 – Clause 4 – Primary Activity

**4. Unsuitable class 4 venues—**

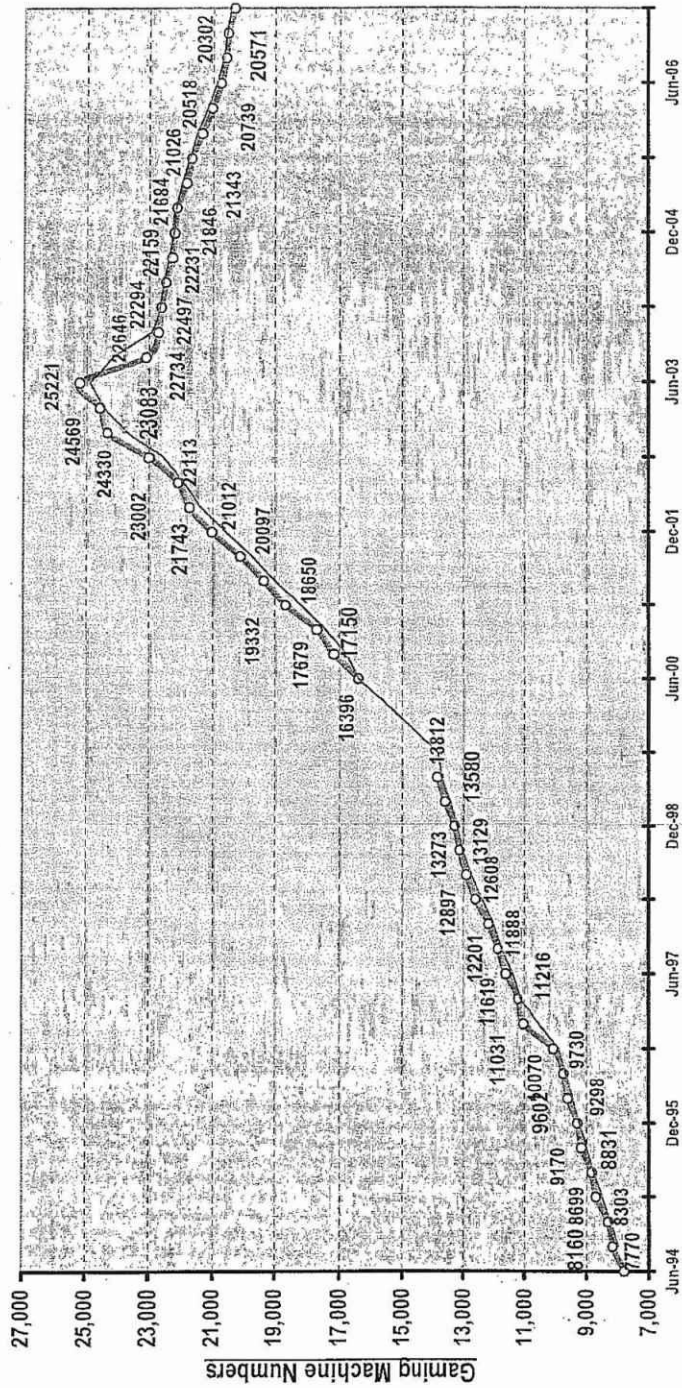
The following venues are declared unsuitable to be a class 4 venue:

- (a) a venue at which the primary activity is anything other than onsite entertainment, recreation, or leisure focused on persons 18 years and over, including (without limitation)—
  - (i) a dairy, supermarket, or other similar venue:
  - (ii) a fast-food outlet or other similar venue:
  - (iii) an office:
  - (iv) a private residence:
  - (v) a sports stadium:
  - (vi) a circus, fair, amusement parlour, arcade or park, theme park, or other similar venue:
- (b) a venue that is not a fixed permanent structure, including (without limitation)—
  - (i) a tent or marquee:
  - (ii) a vehicle, vessel, aircraft, trailer, or other conveyance:
- (c) a footpath (whether or not undercover):
- (d) a concourse area (whether or not enclosed):
- (e) an internet-cafe or cyber-cafe, or any other venue at which the primary activity is electronic media (including games):
- (f) a library, art gallery, museum, theatre, cinema, or other similar venue:
- (g) a place of worship.

JWT-464501-42-5-V1:jef



**Gaming Machine Numbers: June 1994 to March 31 2007**  
**at 3-Monthly Intervals**



## Gambling spending drops in 2005/06 year

8 December 2006

Statistics for 2005/06 show that New Zealanders' gambling spending has fallen below \$2 billion.

The Department of Internal Affairs' Gaming Policy Manager, John Markland, said that spending on the main forms of gambling fell by 2.5 per cent, from \$2.027 billion in 2004/05 to \$1.977 billion in 2005/06.

"The overall reduction is entirely the result of reduced player spending on non-casino gaming machines," Mr Markland said. "This is significant because we know that gaming machines are the most harmful form of gambling."

Overall spending in 2005/06 on gambling was made up of:

| Gambling product              | 2005/06 Spending (Player Losses) | Increase / Decrease from 2004/05 |
|-------------------------------|----------------------------------|----------------------------------|
| Racing and sports betting     | \$258m                           | + 4.6%                           |
| Lotteries Commission products | \$321m                           | + 14.7%                          |
| Casinos                       | \$493m                           | + 4.4%                           |
| Non-casino gaming machines    | \$906m                           | - 11.8%                          |
| <b>Total spending</b>         | <b>\$1.977 billion</b>           | <b>- 2.5%</b>                    |

Mr Markland said that the 2005/06 non-casino gaming machine results are consistent with trends established in the previous year as a result of the smoke-free legislation that came into force on 10 December 2004.

"Spending on non-casino gaming machines increased until December 2004, before settling at a level below the equivalent 2003/04 figures. What we're seeing in 2005/06 is a full year of player expenditure at this reduced level, rather than a continued decline.

"Even so, 2005/06's non-casino gaming machine expenditure (\$906 million) is still double the amount players spent on pub and club machines in the year 1999/2000 (\$450 million)," Mr Markland noted.

Mr Markland said that the detail, accuracy and timeliness of the non-casino gaming machine expenditure statistics would be greatly enhanced from the end of March 2007, when all machines will be connected to a new electronic monitoring system.

The largest increase in spending was on Lotteries Commission products.

"This was in part a result of Big Wednesday's introduction," Mr Markland said. "Past experience has shown that expenditure on Lotteries Commission products increases when new products are offered, and generally settles over the following years."

Measures taken by casinos to mitigate the effects of the smoke-free legislation and rising interest in casino table games, particularly poker, were reasons identified by Mr Markland for the increase in player expenditure at casinos.

"In the meantime, though, trends in many gambling statistics, including the expenditure statistics and gaming machine numbers, look positive in terms of the objectives of the Gambling Act 2003, which include preventing and minimising gambling-related harm," Mr Markland said.

Media Release

18 April 2007

### Fewer gambling operators

The number of licensed gambling operators in New Zealand pubs and clubs dropped by almost 13.5 per cent per cent in the year to 31 March 2007, according to gambling licensing statistics compiled by the Department of Internal Affairs. There were 6.6 per cent fewer venues in the same period and 3.4 per cent fewer gaming machines.

Machine numbers have been declining since they peaked in June 2003 before the passing of the Gambling Act, which introduced a much stricter licensing regime and reduced limits on the number of gaming machines allowed in venues.

The Department's Director of Gambling Compliance, Mike Hill, said the decline in the March 2007 quarter was expected as the installation of the Electronic Monitoring System (EMS) for gaming machines neared completion.

"It was simply not viable for some gambling operators to remain in the sector under the new electronic environment brought in by the Gambling Act," Mike Hill said.

"EMS enables the Department to track and monitor gaming machine operations, ensuring the integrity of games and the accurate accounting of money. It also enhances management information and the ability to better manage gambling operations.

"From March 19 it became illegal for pubs and clubs to operate gaming machines not connected to EMS and a number of venues chose not to continue. From now on I would expect numbers to be fairly stable."

In the three months to March 31, 2007, licence holders declined 6.7 per cent on the December 06 quarter, from 476 to 444, venues by 3.5 per cent, from 1666 to 1607 and gaming machines by 1.05 per cent, from 20,518 to 20,302.

| <b>Licensed gambling operations in pubs and clubs</b> |                        |               |                        |
|---|------------------------|---------------|------------------------|
| <i>Date</i>   | <i>Licence holders</i> | <i>Venues</i> | <i>Gaming machines</i> |
| 31 March 2007   | 444                    | 1607          | 20,302                 |
| 31 December 2006                                      | 476                    | 1666          | 20,518                 |
| 30 September 2006                                     | 481                    | 1676          | 20,571                 |
| 30 June 2006  | 496                    | 1701          | 20,739                 |
| 31 March 2006   | 513                    | 1721          | 21,026                 |
| 31 December 2005                                      | 526                    | 1747          | 21,343                 |
| 30 September 2005                                     | 535                    | 1770          | 21,684                 |
| 30 June 2005  | 553                    | 1801          | 21,846                 |
| 31 March 2005   | 568                    | 1838          | 22,159                 |
| 31 December 2004                                      | 584                    | 1850          | 22,231                 |
| 31 December 2003                                      | 672                    | 2031          | 22,734                 |
| 30 June 2003 <sup>1</sup>                             | 699                    | 2122          | 25,221                 |

1. Machine numbers peaked in the quarter before the Gambling Act was passed.

Further information, including numbers of venues and machines by territorial authority and the changes in these numbers, is available from the Department's website: [www.dia.govt.nz](http://www.dia.govt.nz)

The Department will commence publishing EMS data, including gaming machine proceeds by territorial local authority area, with the quarterly gambling licensing statistics, ending 30 June 2007.

Media Contact:

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# CommunityAction for People and Planet

www.communityaction.net.nz



## **Submission to TDC's Review of Gaming Venues Policy.**

**Submitter:** CommunityAction for People and Planet.

PO Box 68 Motueka

Contact: Duncan Eddy, Coordinator.

(An opportunity to speak in support of this submission in Motueka would be appreciated)

### **Submission**

The increase in the amount of poker machines over the district is very minimal, and this is clearly positive. However, some councils have gone further, and voted to stop an increase in the amount of machines altogether.

This issue should be looked at on a town by town basis, rather than across the district. In Motueka, one venue with poker machines has closed down in the past twelve months, and it would be useful to know the impact that this has had on machine numbers in Motueka. Even more useful would be some data on how much relevance the amount of machines in the district has on the amount of harm arising from their use and abuse. Tasman District residents, according to 2006 Census figures, have one of the lowest incomes in the country. Researchers claims that poker machines do more harm in low income communities. This is something we need to take seriously.

There was a 20 percent increase in the amount of machines in the district leading up to the Gambling Act being passed. Since then, that flood has reduced to a trickle. Pre 2001, and post 2004 figures of a range of figures detailing the use and abuse of poker machines needs to be considered. The consultation document does not contain these figures.

At this point the council doesn't appear to have access to the information necessary to see how well the policy has performed in pursuit of objective 1, section 6.1 of the policy. This outcome cannot be achieved, or measured, solely via reference to the 2nd objective listed in that policy.

### **Recommendation**

Council should assess the effectiveness of the policy by obtaining a breakdown of figures detailing the increase/decrease in poker machine venues, poker machine related harm, and the amount of money being spent in these machines, before determining whether the current policy has worked, or if it is need of tinkering in order to more adequately fulfill it's objectives.