

14 September 2018

Strategy to Prevent and Minimise Gambling Harm Consultation  
Ministry of Health  
PO Box 6140  
Wellington 6140

gamblingharm@moh.govt.nz

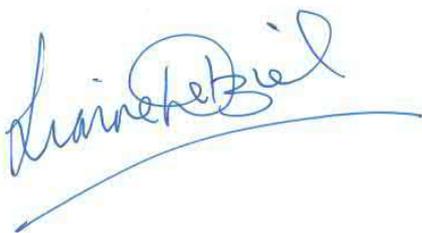
**Christchurch City Council submission on the Problem Gambling Levy and Strategy to Prevent and Minimise Gambling Harm**

Christchurch City Council (the Council) thanks the Ministry of Health for the opportunity to provide comment on the Strategy to Prevent and Minimise Gambling Harm, and setting the problem gambling levy for 2019/20-2021/22.

Please find attached a copy of the consultation questionnaire completed with the Council's responses.

For any clarification on points within this submission please contact Jenna Marsden, Senior Policy Analyst [jenna.marsden@ccc.govt.nz](mailto:jenna.marsden@ccc.govt.nz).

Yours faithfully



Lianne Dalziel  
**Mayor of Christchurch**

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# Making a submission

## *Strategy to Prevent and Minimise Gambling Harm: Consultation document*

### Your feedback

The Ministry welcomes your thoughts and feedback on this draft strategy, which outlines the proposed strategic direction and services to prevent and minimise gambling harm, and the associated gambling levy rates, to apply from 1 July 2019 to 30 June 2022.

Your feedback is vital to help us develop the final strategy.

### How to provide feedback

You can provide feedback by:

- making an online submission at <https://consult.health.govt.nz>
- using the form at the end of this document and emailing it to [gamblingharm@moh.govt.nz](mailto:gamblingharm@moh.govt.nz)
- sending a hard copy to:  
Strategy to Prevent and Minimise Gambling Harm Consultation  
Ministry of Health  
PO Box 5013  
Wellington 6140
- attending a discussion and consultation meeting (meeting details are available on our website [www.health.govt.nz/consultgambling](http://www.health.govt.nz/consultgambling)).

### Publishing submissions

We may publish all submissions or a summary of submissions on the Ministry of Health's website, unless you have asked us not to.

If you are submitting as an individual, we will automatically remove your personal details and any identifiable information. You can also choose to have your personal details withheld if your submission is requested under the Official Information Act 1982.

### Closing date for submissions

The Ministry of Health must receive your submission by Friday 21 September 2018.

Any submissions received after this due date may not be included in the analysis of submissions, even if they have been posted earlier. You might prefer to email your submission to ensure that the Ministry receives it on time.

## Information about the person/organisation providing feedback

You are encouraged to fill in this section. The information you provide will help the Ministry analyse your feedback. However, your submission will still be accepted if you do not fill in this section.

This submission was completed by: (name) Jenna Marsden  
Address: (street/box number) PO Box 73012  
(town/city) Christchurch  
Email: Jenna.Marsden@ccc.govt.nz  
Organisation (if applicable): Christchurch City Council  
Position (if applicable): Senior Policy Analyst

This submission (tick one box only):

- is made by an individual or individuals (not on behalf of an organisation nor in their professional capacity)  
 is made on behalf of a group or organisation(s).

Please indicate which sector(s) your submission represents (you may tick more than one box):

- |   |  |
|---|--|
| <input type="checkbox"/> Māori                          | <input type="checkbox"/> Family/whānau               |
| <input type="checkbox"/> Pacific                        | <input type="checkbox"/> Consumer                    |
| <input type="checkbox"/> Asian                          | <input checked="" type="checkbox"/> Local government |
| <input type="checkbox"/> Service provider               | <input type="checkbox"/> Central government          |
| <input type="checkbox"/> Gambling industry (levy payer) | <input type="checkbox"/> Researcher                  |
| <input type="checkbox"/> Other (please specify) _____   |  |

### Summary of submissions

If you wish to be notified when a summary of submissions is available, please ensure your contact details are provided above and tick the box below.

- I wish to be informed when the summary of submissions is available.

### Privacy

We may publish all submissions, or a summary of submissions, on the Ministry's website. If you are submitting as an individual, we will automatically remove your personal details and any identifiable information.

If you do not want your submission published on the Ministry's website, please tick this box:

- Do not publish this submission.

Your submission will be subject to requests made under the Official Information Act. If you want your personal details removed from your submission, please tick this box:

- Remove my personal details from Official Information Act responses.

If your submission contains commercially sensitive information, please tick this box:

- This submission contains commercially sensitive information.

# Consultation questions

The following questions about the *Strategy to Prevent and Minimise Gambling Harm: Consultation document* (the draft strategy) are designed to help you prepare your feedback. However, you do not have to answer the questions if you prefer to structure your submission in some other way.

Please include or cite relevant supporting evidence in your submission, if you can.

You are also welcome to provide any other feedback on the draft strategy or more generally any ideas on preventing or minimising gambling harm in New Zealand (refer question 16).

## Strategic direction

The Gambling Act 2003 defines harm, the purpose of the strategy (to prevent and minimise gambling harm) and key components that a strategy must include. Neither these legislative provisions nor the content of the other strategic documents and frameworks with which the proposed strategy is expected to align are under consideration in this consultation.

In terms of the strategic direction, objectives and associated priority actions (sections 1 and 2):

1. Do you support the strategic direction outlined in the proposed strategy?  
 Yes    No. If not, please explain why.

Christchurch City Council supports the overall goal of this strategic plan for a collaborative approach between government, the gambling sector and communities to prevent and minimise gambling related harm and to reduce gambling-related health inequities.

### **Christchurch City Council's Stance on Gambling Harm**

The Council has serious concerns about the potential and actual harm to our citizens from problem gambling. Christchurch has a higher proportion of the population seeking problem gambling services than nationally (8.2 clients per 10,000 population in Christchurch compared to 6.6 nationally).

The true extent of problem gambling and gambling related harm is difficult to determine because it relies on self-reporting and seeking support from problem gambling service providers, which can be influenced by several factors such as increased public awareness, cultural influences, and the accessibility of services. Longitudinal studies such as the National Gambling Study, and problem gambling service user data provide good indicators of the level of harm experienced, however the Council acknowledges that it does not portray the full extent of harm being experienced by our residents.

The Council has particular interest in the much higher risk of significant harm associated with non-casino gaming machines. The problem gambling service user data show:

- problems experienced with gambling on class 4 gaming machines accounts for almost half of the gambling intervention services clients both locally and nationally
- 87% of first-time callers to the Gambling Helpline in 2014 (with regard to their own gambling) reported that non-casino gaming machines were their primary mode of gambling.

The proportion of non-casino gaming machines as the primary mode of problem gambling has decreased while other modes of gambling have become more problematic, however it remains significantly more problematic than any other form of gambling.

### **Gambling and TAB Venue Policy**

The Council has a Class 4 Gambling and TAB Venue policy that provides for a sinking lid approach to venue consents for class 4 gambling venues. No new venues can be established and venue consents may not be transferred (other than as provided for under the Waikiwi Tavern [2013] NZHC 1330 exception).

The Council has taken the approach that reduction in the number of machines and venues is the best approach to minimising harm.

2. Does the draft strategic plan adequately reflect changes in the gambling environment?

Yes     No. If not, what else should be included and why?

The Council agrees that overall, the gambling environment is much the same as it was three years ago.

An emerging concern is the potential rise in online gambling (overseas-based in particular) and associated gambling-related harm. Although participation levels are still low in comparison to other forms of gambling, the prevalence of problem gambling among those who gamble via overseas internet gambling (as identified in the National Gambling Study) is 11.5%. This problem gambling prevalence rate seems extraordinarily high in comparison to other gambling modes. Coupled with technology improvements (smartphone access, increased broadband capacity and speed, more trusted money transfer methods), it can be expected that participation will increase and highlights that sector could be a growing area of concern in future.

3. Are there any objectives or priority actions that you feel are more important or less important than the others?

Yes. If yes, please identify these and explain why?     No.



No comment.

## Service plan and funding

The Gambling Act 2003 requires the service plan, and by implication the indicative budget appropriations, to have a focus on public health. The legislation is not under consideration in this consultation.

In terms of the content of the service plan and indicative budgets (section 3):

6. Does the draft service plan adequately cover what it needs to cover, for example, does it include the right types of services and activities?

Yes  No. If not, what is not adequately covered and why?

7. Does the draft service plan provide the right mix of activities (public health, intervention and research/evaluation) including line item activities in tables 14–17 ?

Yes  No. If not, what changes should be made and why? This may include suggesting the Ministry stop an activity or add a new one.

Christchurch City Council agrees with the increased focus on intervention services during the 2019/20-2021/22 period.

The Council has particular concern about the potential and actual gambling harm to our citizens because Christchurch has a higher proportion of the population seeking problem gambling services than nationally. Compounding this, the Council notes the disconnect between the expected prevalence of moderate to severe harm identified through the National Gambling Study and the actual number of clients receiving problem gambling services. This indicates that services are not adequately reaching those in need.

Innovative intervention approaches and more accessible and targeted services responsive to the needs to different population groups are needed to address the persistent gambling harm.

8. Which research and evaluation areas/items listed in the proposed strategy in Section 3.7 and Appendix 1 do you consider to be a high priority or a low priority? Please explain why.

**High priority:**

Christchurch City Council welcomes research and evaluation of the effectiveness of territorial authority policy on gambling harm minimisation. The Council considers this a high research priority because of the significantly greater risk associated with non-casino gaming machines and the Council's desire to make the most meaningful contribution toward minimising gambling related harm through our class 4 venue policy. This proposed research has the potential to influence the Council's future policy approach.

The Council would be particularly interested in whether controls such as relocation to areas of low deprivation could have just as much, or a greater positive effect on minimising gambling harm than a policy of attrition, which may have the unintended consequence of entrenching existing venues in the market.

**Low priority:** No comment.

9. Do you think the total indicative funding appropriation (\$55.339 million over three years) proposed in the draft service plan is appropriate?

Yes  No. If not, please explain what that funding appropriation should be and why.

The Council notes that the indicative funding excludes approximately \$5 million of unspent funding which will be carried over. The Council supports this effective increase in funding in order to focus on longstanding inequities and support greater service reach, and would further support this increase (carrying on beyond the initial three-year period).

The Council suggests the Ministry considers an even greater budget increase allocated to support the focus on greater service reach given that there is a significant gap between the number people experiencing harm from gambling, and the number who actually seek help.

10. Do you think that the service plan would be more effective if some funding amounts allocated in Tables 14–17 were shifted from one budget line item or service area to another? This may include proposing the Ministry stop funding some activities or should fund something not already covered in the proposals.

Yes  No. If yes, please explain what changes in funding are required and why.

No comment.

## Levy formula and levy rates

The levy formula is prescribed in legislation and is not under consideration in this consultation. The figures for variables A, B and R are derived from data held by the Ministry, the DIA and IRD and are a matter of record. Comment on variable C (the \$55.339 million funding appropriation proposed for the strategy) is covered in questions 9 and 10 above.

In terms of the other components of the levy formula (section 4):

11. Are the player expenditure forecasts for each gambling sector (D) realistic?

Yes  No. If not, please explain why not.

12. Are there realistic pairs of expenditure/presentation weightings (W1 and W2) other than those discussed in this consultation document?

Yes     No. If yes, please explain what and why.

No comment.

13. Which pair of weighting options for W1 and W2 do you prefer, if any, and why? Please keep in mind that the levy weighting options only affect the proportion of levy to be paid by each gambling sector and do not affect the total amount of the levy.

Client presentations is the most appropriate measure of apportioning harm to the gambling sectors under the current levy formula, and the Council believes the weighting should reflect this. The Council supports a 10/90 weighting (10% based on expenditure level and 90% based on intervention service presentations).

14. Do you have any comment on the estimated levy rates for each sector, keeping in mind that the levy formula itself is set out in legislation and is not under consideration in this consultation?

No comment.

## **Policy in relation to electronic gaming machines (NCGMs) and the levy formula**

The Ministry and DIA are interested in your views about the location of NCGMs and the operation of the levy formula, in achieving gambling harm reduction. Following your comments, if the Government determines that changes may be required, specific proposals would be consulted on separately at a later date. Please note that the current Act and policy settings will be used to set the levy for the next levy period from 1 July 2019 to 30 June 2022.

### **Concentration of class 4 NCGMs in lower socioeconomic areas (section 1.9)**

A. Do you think operators of class 4 NCGM venues should be incentivised to move from lower socioeconomic areas to higher socioeconomic areas?

Yes     No. If yes, please explain what and why.

The Council has particular concern regarding the concentration of class 4 non-casino gaming machines in lower socioeconomic areas, but recognises the options for local government to address this effectively are somewhat limited. Attached to this submission is background information which illustrates the venue concentration evident in Christchurch.

Christchurch City's approach to class 4 gambling venues is a sinking lid – that is, no new venues are permitted to establish, and relocations are not permitted. Council considers the best approach to harm minimisation within the current options available is to focus on reduction of gambling opportunities throughout the city, which is achieved by way of attrition. While the policy stops the establishment of any additional venues in areas at greater risk of gambling harm, it does not (and cannot) address existing venues in such areas.

The Council has considered a relocation policy, in part for the purpose of harm minimisation (eg: allowing relocations, but only to areas of low deprivation), however concluded that without incentive to relocate, the likely uptake of such a policy would be low, and therefore would have little impact.

This links to the proposed research and evaluation of the effectiveness of territorial authority policy on gambling harm minimisation, and the outcome of that research could influence whether investigation into incentives for relocation would be valuable. In principle the Council supports investigating possible incentives for relocation out of areas of high socioeconomic deprivation, and would be happy to engage with the Ministry of Health further on this as a matter of interest.

- B. What barriers, if any, do you think currently exist to moving class 4 gambling venues out of lower socioeconomic areas?

- Likely uptake / desire on the part of venue operators to relocate.
- Market drivers (operators locate where demand is).

- C. If barriers do exist, how do you think venues can be incentivised to move?

The Council considers financial incentives would likely provide the greatest motivation for venues to relocate out of lower socioeconomic areas. One possibility might be a slightly reduced levy rate for venues who relocate for harm minimisation purposes.

### **The levy formula (section 4)**

While the proposed levy is based on, and will be set using, the current levy formula set out in the Act, the Ministry and DIA are also interested in your views about the levy formula and what could change in the future. Keep in mind the formula helps to apportion the levy to each sector and itself does not change the total amount levied.

- D. Does the current formula provide a reasonable way to reflect the relative harm caused by each gambling sector? If no, what sort of formula would better reflect the relative harm caused by each sector? Please explain what changes should be made and indicate if there are any additional elements that you think should be included in the formula and/or whether any of the current elements should be removed from the formula.

Christchurch City Council agrees that the levy should be apportioned to each gambling sector based on the prevalence and degree of harm associated with that mode of gambling.

The levy is largely apportioned based on these problem gambling intervention service presentations, however those who seek help represent only a small proportion of those who experience harm. Presentations can be influenced by a number of factors eg: public awareness of the service, accessibility, and sub-standard host responsibility practices. Gambling related harm, as acknowledged throughout the consultation document, is much greater than problem gambling service user client presentations.

The Council believes there is a need for additional elements to better reflect the actual level of gambling-related harm. The Council suggests consideration of the expected prevalence of moderate and problem gambling as identified by the National Gambling Study is also taken into account in setting the levy formula in future.

## Anything else?

15. Is there anything else you would like to tell us about the draft strategy or preventing and minimising gambling harm more generally?

No comment.

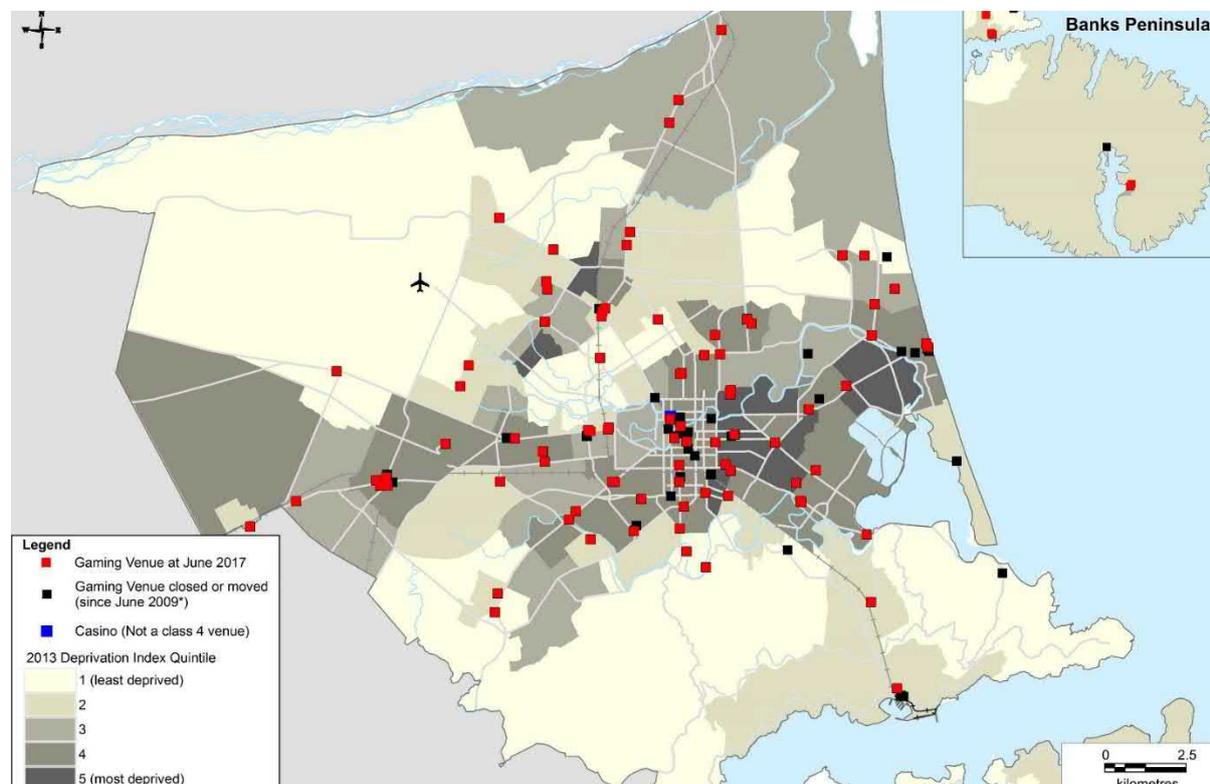
Thank you for taking the time to provide feedback.

## Attachment 1: Location of Class 4 Venues in Christchurch with Reference to Deprivation

### Key points

- 54% of all gaming machines in Christchurch are located in areas with a deprivation score of 7 or higher.
- For Christchurch it is evident that, (with the exception of deprivation 10):
  - The higher the deprivation score, the greater the number of class 4 gaming machines.
  - The higher the deprivation score, the greater the percentage of the population within 200m of a class 4 gaming venue.

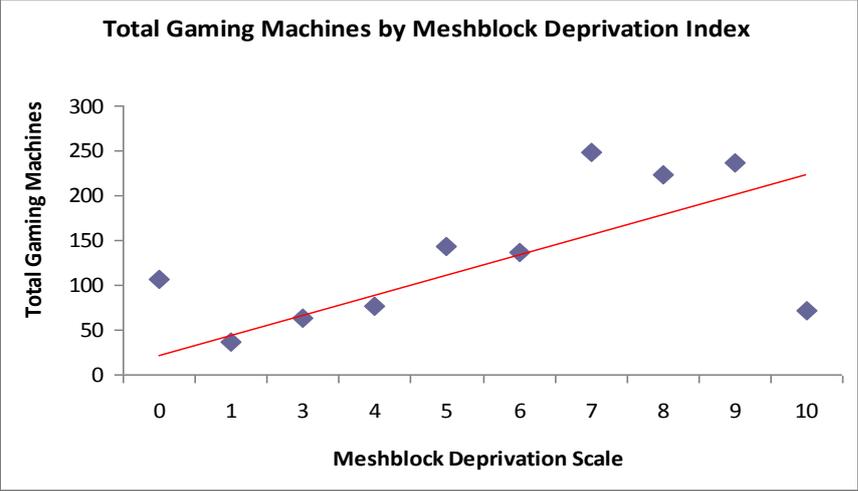
Map of Gambling Venues with Area Unit Deprivation, June 2017.



Christchurch Class 4 Gaming Venues and Machine Numbers by Deprivation Score, as at September 2017.

Deprivation Score	Count of Venues	Count of Machines	% Venues	% Machines
1	2	36	2.3	2.6
2	6	108	6.9	7.9
3	9	131	10.3	9.6
4	8	100	9.2	7.3
5	9	127	10.3	9.3
6	8	125	9.2	9.2
7	19	290	21.8	21.2
8	20	343	23.0	25.1
9	6	105	6.9	7.7
10	0	0	0.0	0.0

Number of Machines in Christchurch by Meshblock Deprivation



Percentage of Christchurch Population by Deprivation Index in Meshblocks Adjacent to Gaming Venues.

