

# Assessment of the Social Impact of Gambling

Report to support the review of the  
Gambling Venue Class 4 Policy and  
TAB Venue Policy

2024

*make this place home*



**RANGITIKEI**  
DISTRICT COUNCIL

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## Introduction

Territorial authorities must review their gambling venue (Class 4) and TAB venue policies at least every three years. As part of the review process for both of these policies, Council is required to undertake an assessment of the social impact of gambling within the district.

The purpose of this Social Impact Assessment is to provide Council with a complete picture of gambling, trends of gambling within the Rangitikei District, along with the social impacts of gambling. Council is required to consider this information when making the decision on whether or not to make changes to the current policies.

## Legislation

### Gambling Act 2003

The Gambling Act 2003 defines gambling as:

- Paying or staking consideration, directly or indirectly, on the outcome of something seeking to win money when the outcome depends wholly or partly on chance; and
- Includes a sales promotion scheme; and
- Includes bookmaking; and
- Includes betting, paying, or staking consideration on the outcome of a sporting event; but
- Does not include an act, behaviour or transaction that is declared not being gambling under regulations made under section 368 of the Gambling Act 2003.

### Class 1 Gambling

Class 1 gambling is small scale gambling, that does not necessarily have a license. To be considered Class 1 gambling, prizes and potential turnover cannot exceed \$500. An example of Class 1 gambling is office sweepstakes.

### Class 2 Gambling

Class 2 gambling also does not require a license. To be considered Class 2 gambling, the turnover in one session cannot exceed \$25,000, and prizes for one session cannot exceed \$5,000. Class 2 gambling must be run by a society, and the proceeds must be applied to an authorised purpose.

### Class 3 Gambling

Class 3 gambling requires a license issued by the Department of Internal Affairs (DIA). Any gambling where prizes exceed \$5,000 in one session is considered to be Class 3. Class 3 gambling must be run by a society for the purpose of raising money for an authorised purpose.

## Class 4 Gambling

Class 4 gambling is described in section 30 of the Gambling Act 2003 as gambling that satisfies the following criteria:

- The net proceeds from the gambling are applied to, or distributed for, authorised purposes; and
- Either -
  - No commission is paid to or received by a person for conducting the gambling; or
  - The only commission that is paid to or received by a person for conducting the gambling is a commission payment to a venue operator that complies with regulations made under section 371(1)(dd); and
- There are game rules for the gambling; and
- The gambling, and the conduct of the gambling, satisfies relevant game rules; and
- Either -
  - The secretary has categorised the gambling as Class 4 gambling and not as another class of gambling; or the gambling utilises or involves a gaming machine.

In short, Class 4 gambling can be described as an activity that involves the use of an Electronic Gaming Machine (EGM) outside a casino, that is run by a corporate society for the purpose of raising money for an authorised purpose i.e. to raise money to distribute within the community, noting that the funds do not need to be distributed within the community it was generated within. Class 4 gambling is considered to be high-risk and high-turnover gambling.

The Department of Internal Affairs (DIA) is the regulator of the gambling system. The DIA's responsibilities include:

- Licensing operators and venues,
- Ensuring licensed operators maximise the return to the community,
- Encouraging best practice,
- Deterring fraudulent activity in the gambling sector, and
- Minimising harm caused by gambling.

The Ministry of Health is responsible for monitoring the level of problem gambling in New Zealand.

Territorial authorities are required to have a Class 4 Gambling Venue Policy, which must be reviewed every three years.

When developing a Class 4 Gambling Policy, Council has two options on the direction of the policy. Council can either:

- Limit the opportunities for gambling in the community; or
- Manage the impacts of gambling in the community.

Any policy that Council adopts:

- *Must* specify if Class 4 venues can be established in the district, and if so where they can be located, and
- *May* specify a restriction on the maximum number of gaming machines that may be operated at a venue, and
- *May* include a relocation policy.

When developing the policy, Council can have regard to a number of matters including:

- The characteristics of the district, or part of the district, and
- The location of kindergartens, early childhood centres, schools, places of worship, and other community facilities, and,
- The number of gaming machines that should be permitted to operate at any venue or class of venue, and
- The cumulative effects of additional opportunities for gambling in the district, and
- How close any venue should be permitted to be to any other venue, and
- What the primary activity at the venue should be, and
- If a relocation policy is being considered, the social impact of gambling in high-deprivation communities within the district must be considered.

The Gambling Act allows a venue to have up to 18 gaming machines if their license was granted prior to October 2001, otherwise a venue must not have more than 9 gaming machines.

Council is required to review the Class 4 Gambling Venue Policy every three years. The policy does not cease to have effect if it is overdue for review. As part of this review process, the social impact of gambling within the community must be considered. If Council decides to not amend the policy, there are no legislative requirements to consult on the policy. If Council decides that the policy does need to be amended, consultation must occur in accordance with the Gambling Act 2003 section 102 (1), the special consultative procedure in the Local Government Act 2002 section 83, and Council's Significance and Engagement Policy.

Once the policy has been reviewed, whether or not changes are made, Council will be required to adopt the policy, and send a copy of the policy to the DIA.

## Racing Industry Act 2020

The Racing Industry Act came into effect in 2020, replacing the Racing Act 2003.

Under both Acts, Territorial Authorities are required to adopt a policy on TAB venues, and review this policy every three years. The policy will remain in effect if it is overdue for review. When this policy is reviewed, Council must have regard to the social impact of gambling within the district.

The introduction of the Racing Industry Act has not changed the requirements Territorial Authorities have in regard to TAB Venues. The main difference in these Acts relevant to Territorial Authorities is the change from referring to these venues as Agency Venues, to referring to them as TAB Venues.

Under the Racing Industry Act, TAB venues are premises owned or leased by TAB NZ and where the main business carried on at the premises is providing racing betting, sports betting, or other racing or sports betting services. Self-service TAB machines, and franchised outlets, such as TABs operating in taverns fall outside the scope of Territorial Authority TAB policies.

The Racing Industry Act 2020 states:

In determining its policy on whether TAB venues may be established in the district and where any TAB venues may be located, the territorial authority may have regard to any relevant matters, including –

- (a) The characteristics of the district and parts of the districts
- (b) The location of kindergartens, early childhood centres, schools, places of worship, and other community facilities
- (c) The cumulative effects of additional opportunities for gambling

If Council decides to roll over the policy, without making any changes, there is no requirement to consult on the policy, however Council may choose to do so. The special consultative procedure set out in Section 83 of the Local Government Act must be followed if Council decides to amend or replace the TAB Venues Policy. After adopting, amending or replacing the TAB Venue Policy Council is required to provide the policy to TAB NZ and the DIA.

## Rangitīkei District Population

This section presents relevant population highlights of Rangitīkei District and compares them to the New Zealand average. These statistics were chosen to identify if Rangitīkei residents that are more likely to be at risk of experiencing gambling harm.

### District Highlights

Table 1 shows that people who live in Rangitīkei are more likely to have a lower income than the average New Zealander, and are more likely to receive a benefit. Regardless, the unemployment rate, and the number of people on a jobseeker benefit in Rangitīkei is lower than the New Zealand average.



Table 1 Comparison of Rangitikei and New Zealand households

	Rangitikei	New Zealand
Unemployment rate	3.1%	3.3%
Mean personal income	\$59,380	\$74,754
Mean household income	\$109,273	\$125,424
Beneficiaries of working age	13.4%	10.2%
Jobseeker support as % of beneficiaries	44%	49%

Source: Infometrics 2023 [Regional Economic Profile | Rangitikei District | Overview \(infometrics.co.nz\)](#)

## Ethnicity

Table 2 shows that a higher portion of Rangitikei residents are European compared to New Zealand. Despite this, Rangitikei has a significantly higher Māori population than the average across New Zealand. A smaller portion of the Rangitikei population identify as Pacific and Asian when compared to New Zealand statistics.

Table 2 Ethnicity in the Rangitikei District and Across New Zealand

	Rangitikei	New Zealand
European	79.0%	67.8%
Māori	28.2%	17.8%
Pacific	5.5%	8.9%
Asian	2.9%	17.3%
Middle Eastern/Latin American/African	0.5%	1.9%
Other	1.5%	1.1%

Source: Stats NZ 2023 <https://www.stats.govt.nz/2023-census/>

## Deprivation Index

The deprivation index is a measure of socioeconomic deprivation in New Zealand based on social indicator data sourced from the 2018 Census. Deprivation is measured using an index on a scale from 1 to 10, with 1 representing the least deprived areas, and 10 being the most deprived.

The deprivation index scores as based on the following Census variables. The deprivation indicators change each census year, due to changes in the census questions.

Table 3 Census variables used to determine deprivation index scores

NZDep 2013 indicators	NZDep 2018 indicators
People aged under 65 years with no access to the internet at home	People with no access to the internet at home
People aged 18-64 years receiving a means tested benefit	People aged 18-64 receiving a means tested benefit
People living in equivalized households with income below an income threshold	People living in equivalized households with income below an income threshold
People aged 18-64 years who are unemployed	People aged 18-64 who are unemployed
People aged 18-64 years without any qualifications	People aged 18-64 without any qualifications
People not living in their own home	People not living in their own home
People aged under 65 living in a single parent family	People ages under 65 living in a single parent family
People living in equivalised households below a bedroom occupancy threshold	People living in equivalised households below a bedroom occupancy threshold
People with no access to a car	People living in dwellings that are always damp and/or always have mold greater than A4 size

Source: Environmental Health Intelligence New Zealand [EHINZ](#)

Note: *Equivalisation is a method used to control for household composition.*

Table 4 presents the deprivation scores for the individual meshblocks within the Rangitikei District in 2018. The deprivation index using the 2023 Census data has not yet been developed as not all census data has been released.

The 2018 Deprivation Index score for Rangitikei in 2018 was 7.0. This is an increase in deprivation from 6.5 in 2013.

Deprivation Index scores are also reported on by meshblocks. The individual scores for each Rangitikei District meshblock based on the 2018 Census data is identified in the table below.

Table 4 Deprivation scores by meshblock in the Rangitīkei District

Meshbolck area	Deprivation index
Parewanui	6
Turakina	8
Bulls	7
Marton South	9
Marton North	8
Otairi	7
Mokai Patea	5
Taihape	8
Rangitīkei	7

Source: Environmental Health Intelligence New Zealand [EHINZ](#)

Table 5 compares the 2018 deprivation scores of the districts within the Manawatū-Whanganui Region and New Zealand as a whole.

This table shows that deprivation in the Rangitīkei is higher at 7.0, compared to the New Zealand deprivation score of 5.6.

When comparing the deprivation of Rangitīkei to other districts within the Manawatū-Whanganui Region, the Rangitīkei District is in the middle, with districts such as Manawatū and Palmerston North having a lower score, and districts such as Horowhenua and Tararua having higher scores.

Table 5 Deprivation scores by district in the Manawatu-Whanganui District and New Zealand

Territorial Authority	Deprivation Index
Rangitīkei	7.0
Whanganui	7.3
Ruapehu	7.9
Manawatū	5.4
Palmerston North	5.9
Tararua	7.2
Horowhenua	7.5
New Zealand	5.6

Source: Ministry for Business, Innovation and Employment [Regional economic activity report \(mbie.govt.nz\)](#)

When compared to the deprivation score of New Zealand, the deprivation score in Rangitīkei is significantly higher. A higher deprivation score indicates that residents of Rangitīkei are more likely to have worse health outcomes and be exposed to more environmental stresses than the average New Zealander.

## Class 4 Venues and Electronic Gaming Machines

This section provides an overview of Class 4 gambling within the Rangitīkei District, including a breakdown of the number of venues and Electronic Gaming Machines (EGMs) and their locations within the district.

### Current Venues

Figure 1 presents the change in the number of Class 4 gambling venues licenced in the Rangitīkei District between 2013 and 2024. Currently there are five venues within the Rangitīkei District that licenced to operate EGMs. There has been no change in the number of Class 4 venues licenced in the district since 2018, prior to the last review of the Class 4 Gambling Policy in 2019.

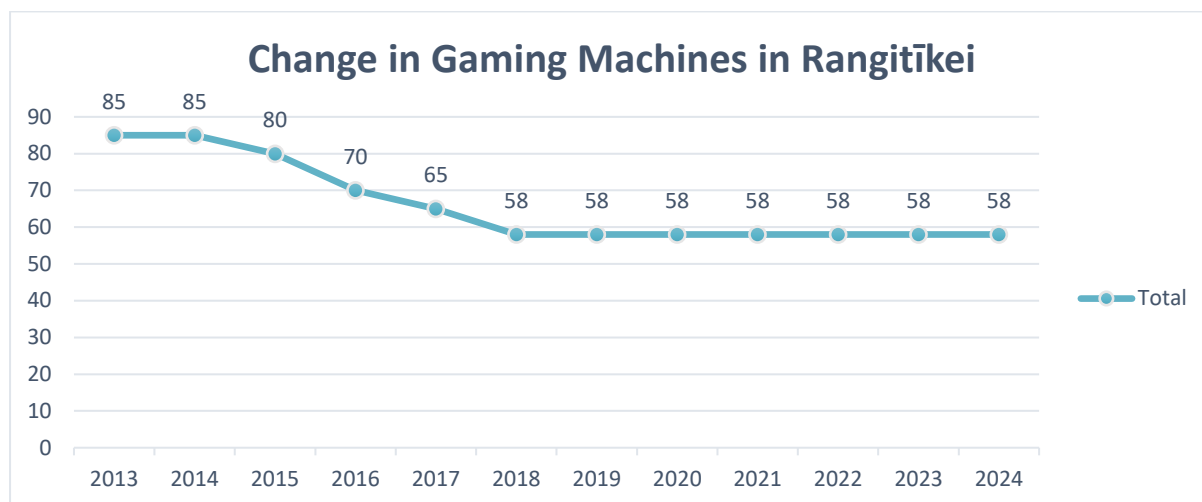
Figure 1 Change in the number of Class 4 venues in the Rangitīkei District between 2013 and 2024



Source: Department of Internal Affairs 2024 [Gaming Machine Profits \(GMP\) Dashboard - Dataset - data.govt.nz - discover and use data](#)

Figure 2 shows the change in the number of EGMs licenced to operate in the Rangitīkei District between 2013 and 2024. Across the five venues currently licenced in the Rangitīkei District, fifty-eight EGMs are licenced to operate. There has been no change in the number of gaming machines licenced in the district since 2018. The 2019 review of the Gambling Venues (Class 4) policy reduced the cap to align it with the number of gaming machines licenced in the district at that time.

Figure 2 Change in the number of Electronic Gaming Machines in the Rangitīkei District between 2013 and 2014



Source: Department of Internal Affairs 2024 [Gaming Machine Profits \(GMP\) Dashboard - Dataset - data.govt.nz - discover and use data](#)

Table 6 identifies each Class 4 venue licenced to operate in the Rangitīkei District, the town in which they are located in, and the number of EGMs each venue is licenced to operate.

Table 6 Location and number of Electronic Gaming Machines at each Class 4 venue in the Rangitīkei District

Venue Name	Location	# Gaming Machines
Station Hotel	Huntermville	3
Captain Cook's Café & Bar	Marton	9
Rangitīkei Tavern	Bulls	18
Gretna Hotel	Taihape	10
Club Hotel	Marton	18

Source: Department of Internal Affairs 2024 [Gaming Machine Profits \(GMP\) Dashboard - Dataset - data.govt.nz - discover and use data](#)

### Gaming machines and venues in the Manawatu-Whanganui Region

Table 7 compares the number of Class 4 venues and the number of EGMs licenced in the Rangitīkei District to the other Territorial Authorities in the Manawātū-Whanganui Region as at the quarter ending March 2024. This table shows that the Rangitīkei is the Territorial Authority in the region that has the least Class 4 venues as well as the least EGMs.

Table 7 Number of Class 4 venues and the number of Electronic Gaming Machines licenced in the Manawatu-Whanganui Region by Territorial Authority

District	Number of Class 4 Venues	Number of EGMs
Rangitīkei	5	58
Horowhenua	7	126
Manawatū	5	90
Palmerton North	21	301
Ruapehu	7	80
Tararua	7	96
Whanganui	14	218
Total	66	969

Source: New Zealand Government [Gaming Machine Profits \(GMP\) Dashboard - Dataset - data.govt.nz - discover and use data](https://data.govt.nz)

### Location of Class 4 Venues in the Rangitīkei District

The five Class 4 venues are allocated across 4 towns in the Rangitīkei District; one in Bulls, two in Marton, one in Hunterville, and one in Taihape. The following maps show the proximity of Class 4 Venues to sensitive sites. These sites have been identified as sensitive based on the locations that Territorial Authorities can have regard to as set out in the Gambling Act 2003 and the Racing Industry Act 2020.

Figure 3 Map showing the proximity of Class 4 venues to sensitive sites in Bulls

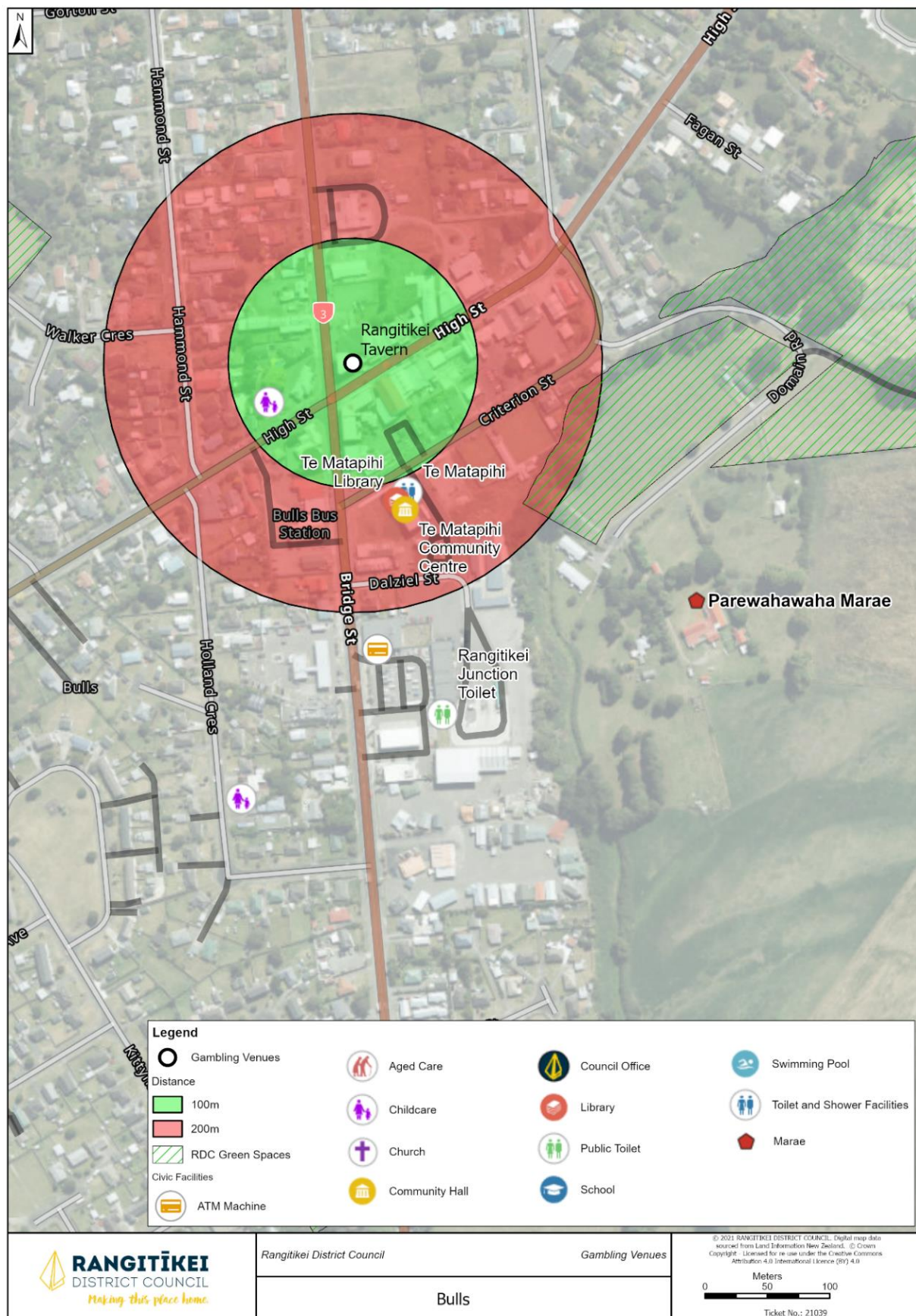


Figure 4 Map showing the proximity of Class 4 venues to sensitive sites in Marton

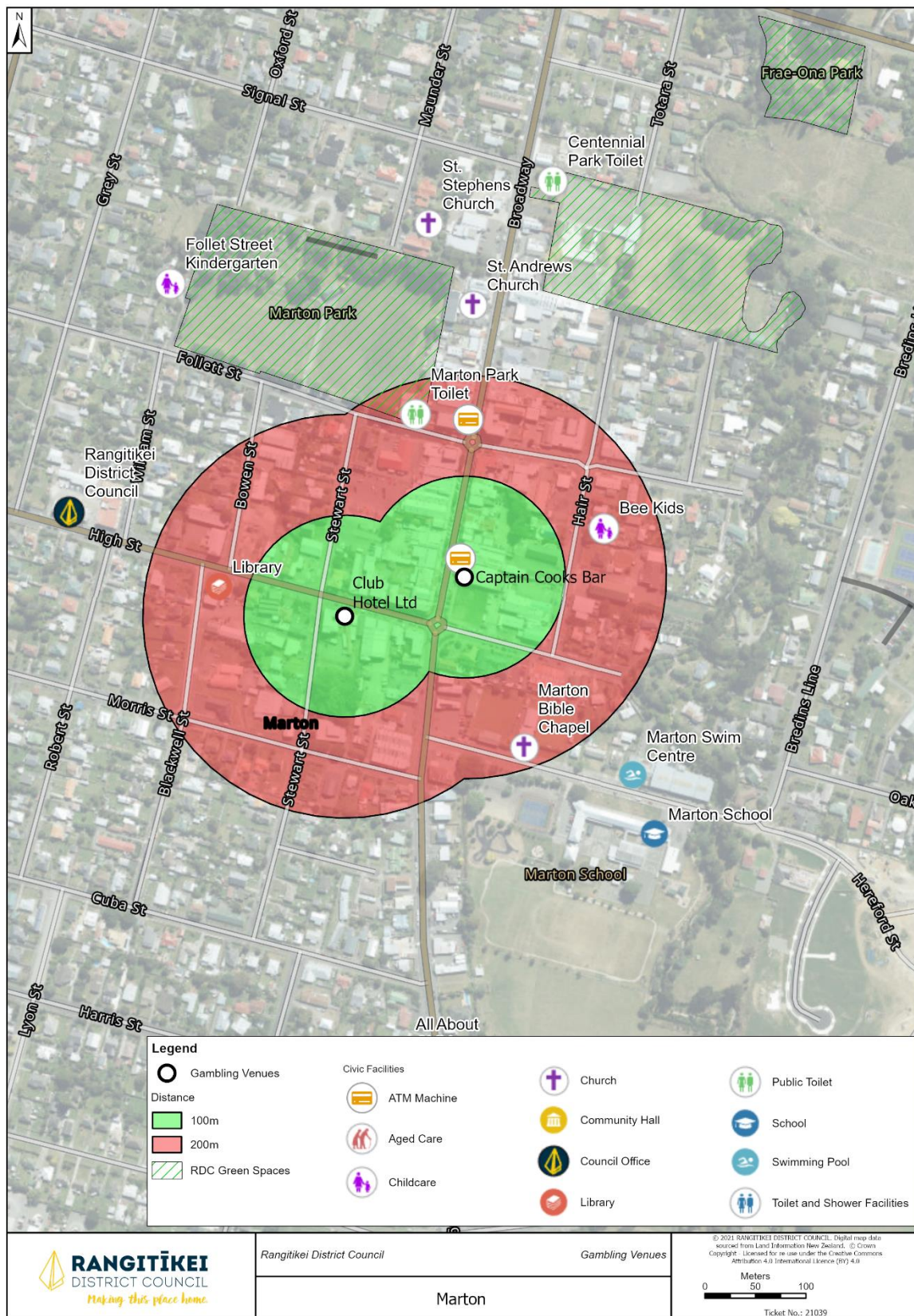




Figure 5 Map showing the proximity of Class 4 venues to sensitive sites in Hunterville

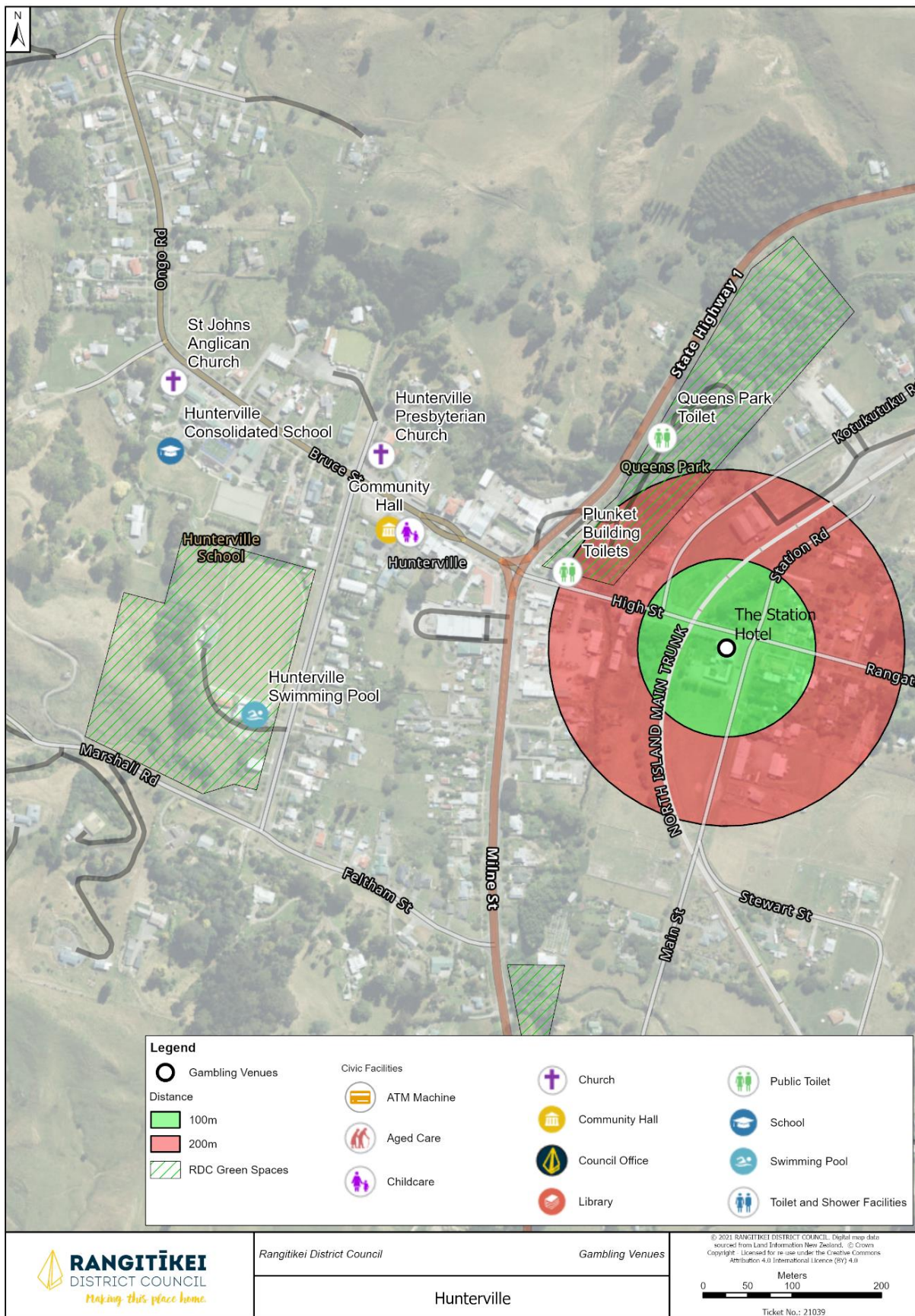
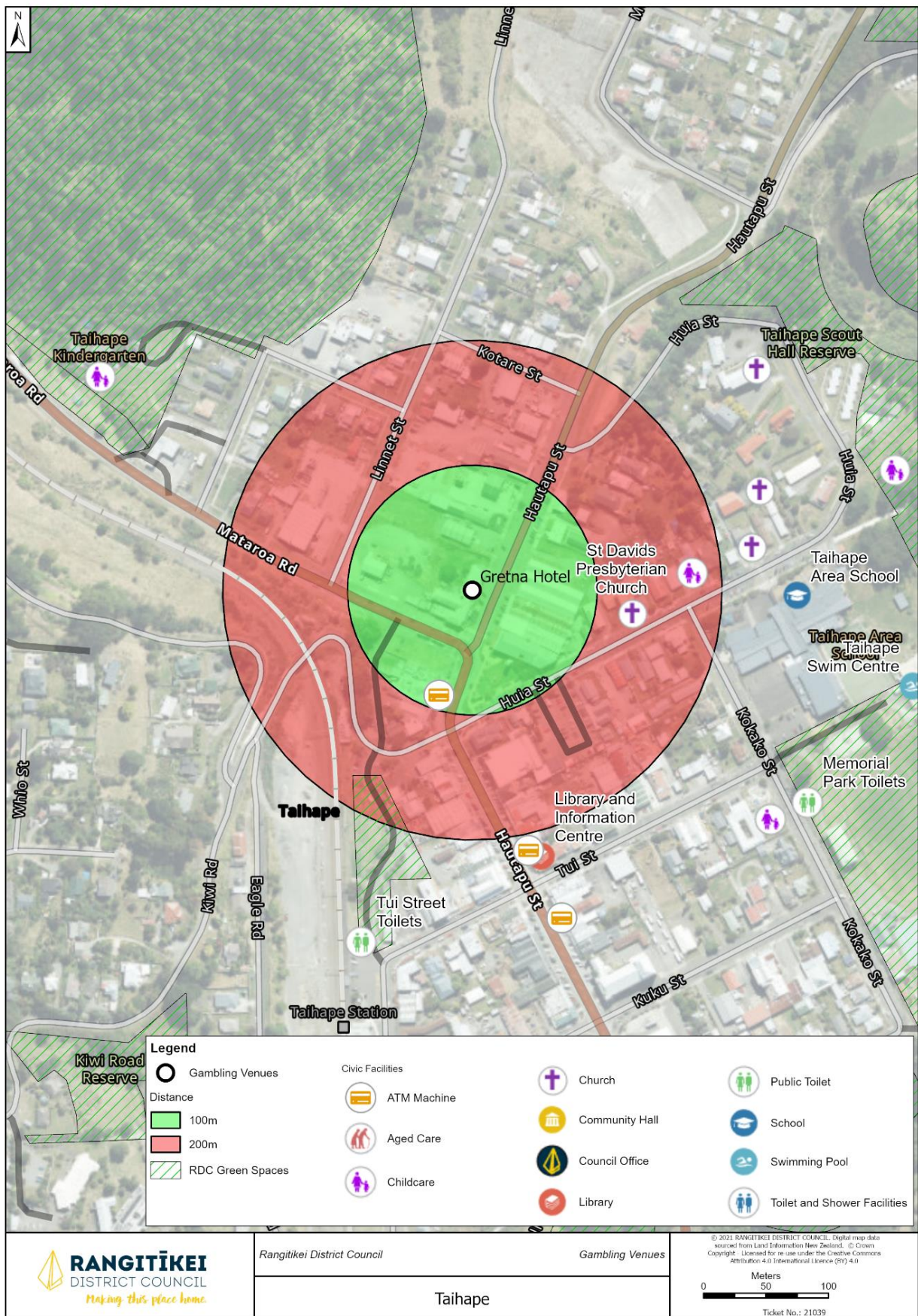


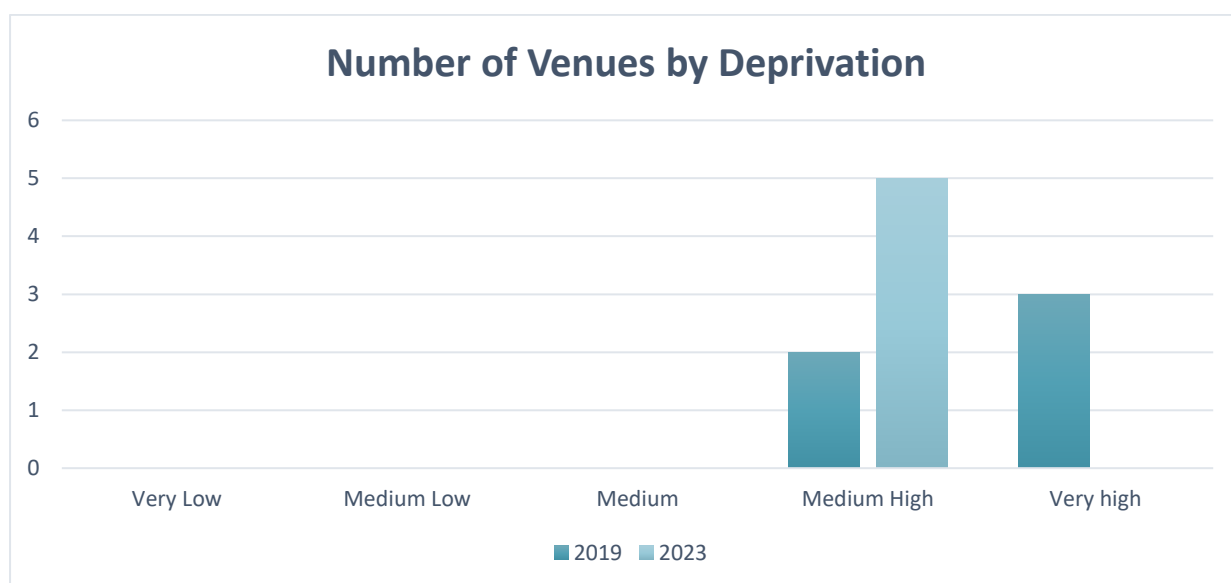
Figure 6 Map showing the proximity of Class 4 venues to sensitive sites in Taihape



## Class 4 Venues by Deprivation

Figure 7 shows the location of Class 4 gambling venues in relation to deprived areas within the Rangitīkei District. This graph suggests that Class 4 venues have moved out of very high deprived areas, to areas assessed as being in medium high deprivation areas. However, since the policy was last updated in 2019 there has not been any changes in the location of any Class 4 venues. The change shown on the graph is due to the change in deprivation scores. The December 2019 results use the deprivation score from the 2013 census data, while the 2023 results use the deprivation index from the 2018 census data.

Figure 7 Number of Class 4 Venues in the Rangitīkei District by deprivation in 2019 and 2023



Source: *Gaming Machine Profits (GMP) Dashboard: New Zealand Government* [Gaming Machine Profits \(GMP\) Dashboard - Dataset - data.govt.nz - discover and use data](#)

## TAB Venues

There are currently no standalone TAB venues within the Rangitīkei District. The Gretna Hotel and Captain Cooks Bar, are self-service TAB venues, and Rangitīkei Tavern has full service, but TAB betting is not the primary purpose of this venue.

## Gambling Expenditure, Profits and Grants

This section presents data on the expenditure, profits and grants associated with Class 4 gambling venues.

### Gambling Expenditure

Table 8 provides a summary of the annual expenditure associated with the 4 main types of gambling in New Zealand. This is the total lost by gamblers in New Zealand. This data shows that expenditure on a range of types of gambling has been increasing across

New Zealand. Of the 4 main types of gambling in this table, casino gambling was the only types that experienced a decrease in yearly expenditure over the last five financial years.

*Table 8 Expenditure on the four main types of gambling in New Zealand*

<b>Gambling Activity</b>	<b>2018/19 (\$m)</b>	<b>2019/20 (\$m)</b>	<b>2020/21 (\$m)</b>	<b>2021/22 (\$m)</b>	<b>2022/23 (\$m)</b>
TAB New Zealand	\$332	\$315	\$385	\$380	\$376
NZ Lotteries Commission	\$530	\$631	\$694	\$654	\$710
Non-Casino Gaming Machines	\$924	\$802	\$987	\$833	\$1,070
Casinos	\$616	\$504	\$559	\$387	\$604
<b>Total</b>	<b>\$2,384</b>	<b>\$2,402</b>	<b>\$2,252</b>	<b>\$2,254</b>	<b>\$2,761</b>

Source: Department of Internal Affairs [gambling statistics expenditure - dia.govt.nz](https://dia.govt.nz/gambling-statistics-expenditure)

### Allocation of TAB Betting Profits

A portion of TAB betting profits are required to be distributed between Racing New Zealand, Sport and Recreation New Zealand, and harm prevention and minimising.

The problem gambling levy must be paid on all profits. The problem gambling levy for the Racing Industry Transition Agency is set at 0.76%.<sup>1</sup>

### Allocation of Class 4 Gross Proceeds

The calculation for Gaming Machine Proceeds (GMP), also known as gaming machine profits, or player losses can be identified using the following equation:

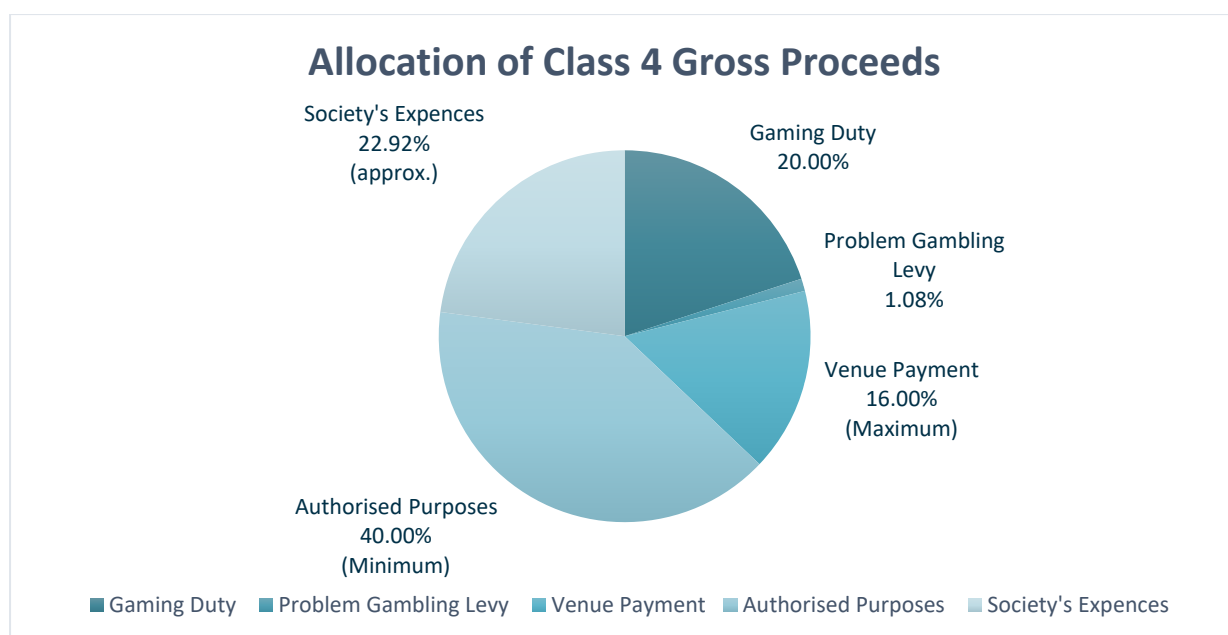
$$\text{GMP} = \text{Turnover} - \text{Prizes} - \text{Jackpots} + \text{adjustments.}$$

Adjustments are corrections made by the society due to malfunctions by the gaming machine.

Net proceeds is the amount remaining to be distributed to authorised purposes after costs, levies and taxes have been deducted from a society's GMP.

Figure 8 shows how gross proceeds from Class 4 gambling is distributed.

Figure 8 Graph showing the distribution of Class 4 Gross Proceed



The minimum amount of proceeds that a licence holder must distribute for authorised purposes is currently equivalent to 40% of GST exclusive gross proceeds per financial year. Authorised purposes for Class 4 gambling are charitable purposes, non-commercial purposes that have community benefits, and promoting, controlling and conducting race meetings including the payment of stakes.

20% is required to be paid as a Gaming Machine Duty, and a further 1.08% as a Problem Gambling Levy.<sup>1</sup>

The maximum payment a venue can receive for operating gaming machines cannot exceed 16% of proceeds in a year and 1.2% turnover in any given week.<sup>2</sup> This level is set with the intention of covering the cost of operating the gaming machines while not letting the venue profit from operating the machines.

This would leave 22.92% of proceeds to cover the society's expenses, however, societies have an obligation to minimise their expenses and maximise the amount distributed to the community.<sup>2</sup>

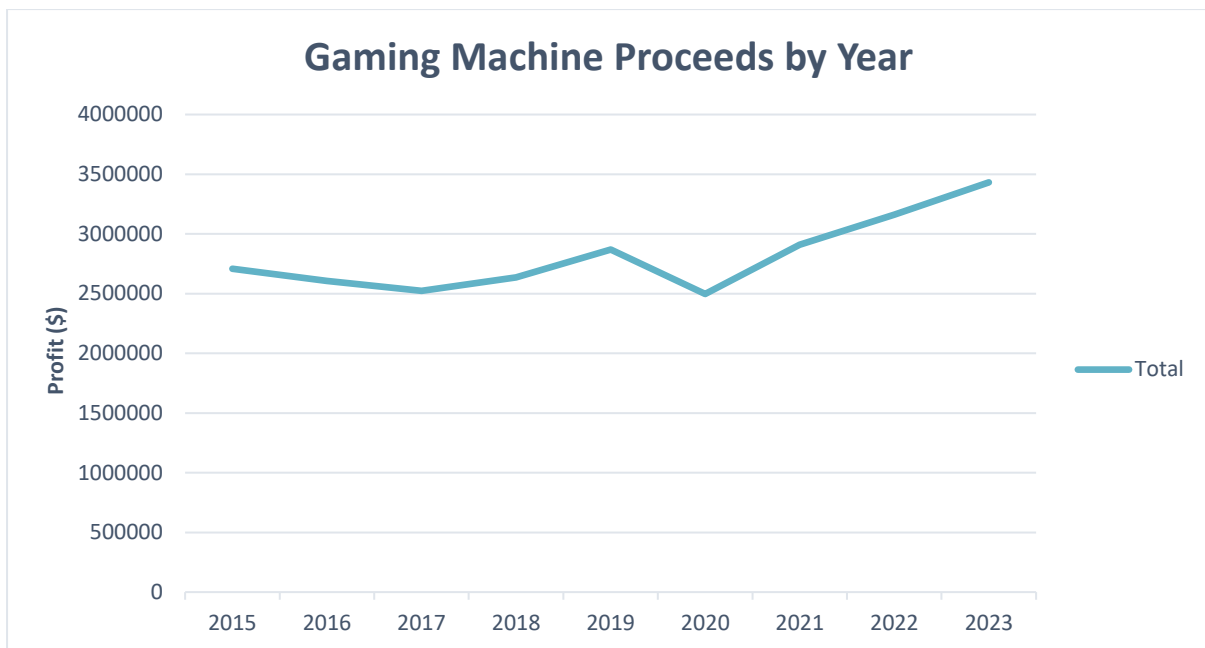
### Gaming Machine Proceeds in Rangitikei

Figure 9 shows the change in GMP per year within the Rangitikei District between 2015 and 2023. GMP remained relatively stable between 2015 and 2019 in the Rangitikei District. In 2020 GMP dipped which likely can be attributed to Covid-19 lockdowns. Since this dip, GMP has gradually risen. 2023 was the highest year for GMP in the period captured by this dataset.

<sup>1</sup> Inland Revenue [Duties \(ird.govt.nz\)](https://ird.govt.nz)

<sup>2</sup> Department of Internal Affairs [Venue Payments System - dia.govt.nz](https://dia.govt.nz)

Figure 9 Gaming Machine Proceeds within the Rangitīkei District between 2015 and 2023



Source: Gaming Machine Profits (GMP) Dashboard: New Zealand Government [Gaming Machine Profits \(GMP\) Dashboard - Dataset - data.govt.nz - discover and use data](#)

### Gaming Machine Profit by Territorial Authority

Table 9 presents one quarter of GMP by Territorial Authority in the Manawatū-Whanganui Region for the quarter ending March 2024.

Despite having the lowest number of Class 4 venues and electronic gaming machines in the region, on average machines in the Rangitīkei bring in more profit than in Ruapehu, and only slightly less than gaming machines in Taraura. This data suggests that each individual gaming machines on average generates more profit in Rangitīkei than in Manawatū, Ruapehu, Taraura, and Whanganui.

Table 9 Gaming Machine Proceeds for the Quarter ending March 2024 by Territorial Authority in the Manawatu-Whanganui Region

District	Number of Class 4 Venues	Number of EGMs	Gaming Machine Profit (GMP)	% of Region GMP	Average GMP per Machine
Rangitikei	5	58	\$805,674.42	5.65%	\$13,890.94
Horowhenua	7	126	\$2,521,492.14	17.69%	\$20,011.84
Manawatu	5	90	\$1,158,170.94	8.13%	\$12,868.57
Palmerton North	21	301	\$5,393,284.97	37.85%	\$17,917.89
Ruapehu	7	80	\$645,652.26	4.53%	\$8,070.66
Tararua	7	96	\$847,991.79	5.95%	\$8,833.25
Whanganui	14	218	\$2,878,691.19	20.20%	\$13,205.01
Total	66	969	\$14,250,957.71	100%	\$14,706.87

Source: Gaming Machine Profits (GMP) Dashboard: New Zealand Government [Gaming Machine Profits \(GMP\) Dashboard - Dataset - data.govt.nz - discover and use data](#)

## Distribution of Grants

All Class 4 venues must be part of a society. The table below identifies the society each Class 4 venue in the district is associated with.

Table 10 Societies associated with each Class 4 venue in the Rangitikei District

Society Name	Venue Name	# Gaming Machines
The Lion Foundation	Station Hotel, Hunterville	3
Pub Charity	Captain Cook's Café & Bar	9
Pub Charity	Rangitikei Tavern	18
Pub Charity	Gretna Hotel Taihape	10
New Zealand Community Trust	Club Hotel Marton	18

Table 11 presents the total grants distributed to organisations within the Rangitikei District by the societies that have Class 4 venues within the Rangitikei District, grants distributed by TAB New Zealand, and societies that do not have Class 4 venues in the Rangitikei District.

Table 11 Total grants distributed to organisations within the Rangitīkei District

Year	Pub Charity	The Lion Foundation	New Zealand Community Trust	TAB New Zealand	Other Societies	Total Granted in Rangitīkei
2023	\$966,989	\$9,163	\$0	\$8,000	\$145,968	\$1,130,120
2022	\$992,396	\$16,706	\$0	\$0	\$79,984	\$1,089,086
2021	\$329,984	\$49,833	\$1,500	\$0	\$13,133	\$394,450
2020	\$298,970	\$7,624	\$0	\$0	\$0	\$306,594
2019	\$481,367	\$110,004	\$1,328,921	\$10,000	\$29,620	\$1,959,912

Source: Department of Internal Affairs [Granted - Digital tool](#)

In 2023 Pub Charity distributed \$44,212,804 in grants to charities around New Zealand. Of the total grants Pub Charity distributed, \$966,989 (2.19%) was granted to organisations within the Rangitīkei District.<sup>3</sup>

In 2023 The Lion Foundation distributed \$21,938,054 in grants across New Zealand. Of the total grants The Lion Foundation distributed, \$9,163 (0.04%) was granted to organisations within Rangitīkei.<sup>3</sup>

Several societies, including Pub Charity and The Lion Foundation, have internal policies that require them to return a majority of grant funding to the communities where it was raised. This means that these societies will likely grant less money to organisations within the Rangitīkei if they no longer operate gaming machines within the district.

### Grants received by Rangitīkei District Council

Rangitīkei District Council has successfully applied to Pub Charity for grants for Marton Market Day and the Harvest Festival. In 2024 Council received \$40,518, \$51,695 in 2023, and \$39,661 in 2022. Council has also received \$80,000 in 2018 for the Marton Skatepark extension and \$6,844 in 2017 for drinking fountains in parks.

Council has also received funding from the Lottery Grants Board of \$374,000 for the Nga Awa Block in 2022, \$46,000 for the bikes and bike trailer, and \$500,000 for Te Matapihi, \$100,856 for the Shelton Pavilion refurbishment, and \$10,000 for the Swim-for-all programme and Youth Club Services prior to 2016.

Council also received \$3,500 from the Lion foundation in 2017 for drinking fountains in parks.

<sup>3</sup> Department of Internal Affairs [Granted - Digital tool](#)



## Popular Methods of Gambling

The New Zealand Health and Lifestyle Survey 2020 reported that 69% of all New Zealand adults, for the purpose of this survey those aged 16 and older, had gambled at least once in the 12 months prior to the survey.<sup>4</sup>

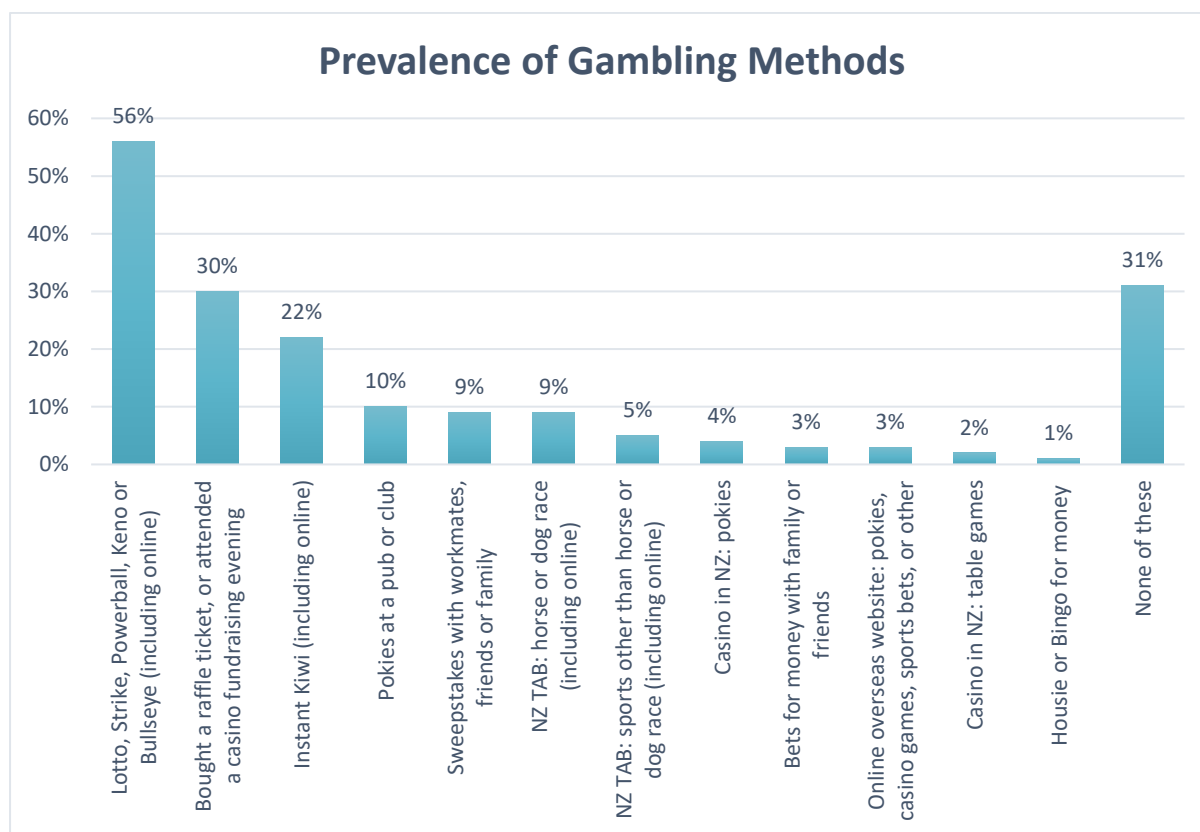
Figure 10 shows the percentage of New Zealand adults that partook in each method of gambling.

This graph shows that 56% of New Zealand adults had purchased lotto products (excluding Instant Kiwi) in the 12 months prior to the survey. 22% of New Zealand adults had purchased Instant Kiwi products.

27% of New Zealand adults participated in some form of online gambling.

In the 12 months prior to the 2020 Health and Lifestyles Survey, only 3% of New Zealand adults participated in gambling through overseas websites.

Figure 10 Prevalence of methods of gambling among New Zealand adults



Source: [Te Whatu Ora | Health New Zealand 2020 Health and Lifestyles Survey: Top line | Te Whatu Ora | Health Promotion \(hpa.org.nz\)](#)

<sup>4</sup> [Te Whatu Ora | Health New Zealand 2020 Health and Lifestyles Survey: Top line | Te Whatu Ora | Health Promotion \(hpa.org.nz\)](#)

## Regular Gambling

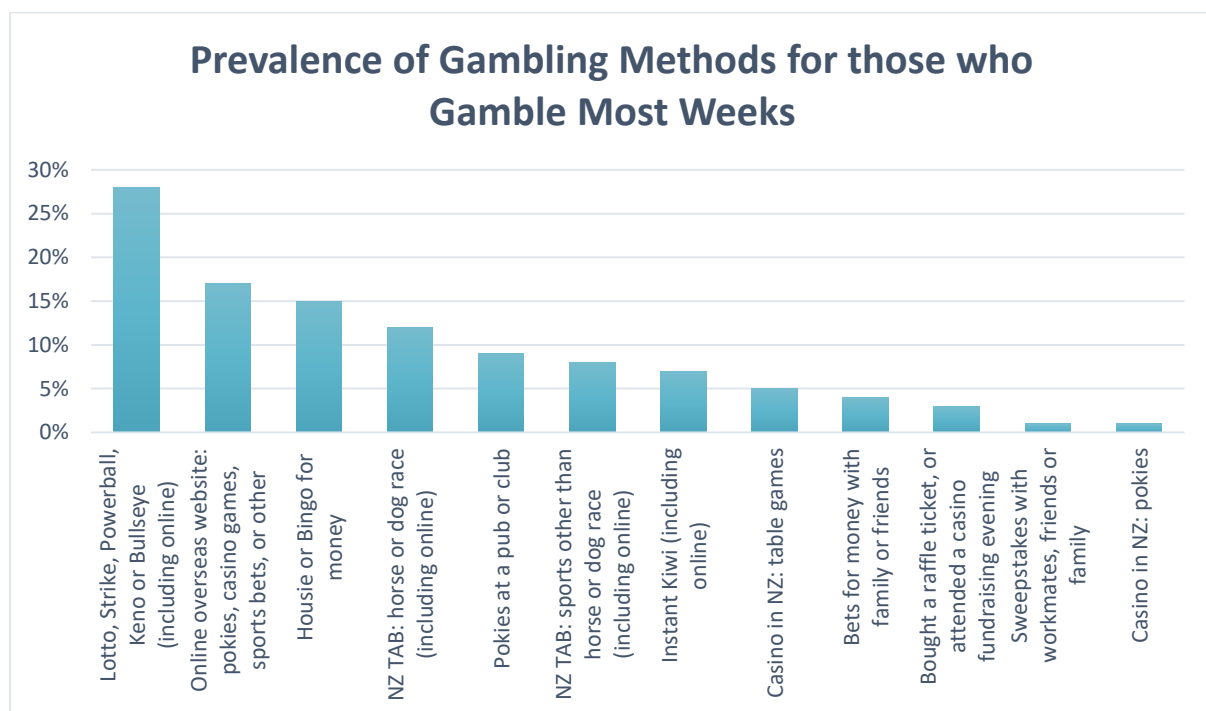
Of those who participate in any form of gambling most weeks, online overseas websites was the second most common form at 17%, after the purchase of lotto products at 28%.

NZ TAB horse and dog race was the 4<sup>th</sup> most common method of gambling for regular gamblers at 12%, and other TAB sports was the 6<sup>th</sup> most common form of gambling for regular gamblers at 8%.

Gaming machines was the 5<sup>th</sup> most common method of gambling for regular gamblers.

These figures for lotto and TAB include in person and online gambling.

Figure 11 Prevalence of Gambling Methods for those who Gamble Most Weeks



Source: *Te Whatu Ora | Health New Zealand 2020 Health and Lifestyles Survey: Top line | Te Whatu Ora | Health Promotion (hpa.org.nz)*

## Gambling Harm

The Ministry of Health | Manatū Hauora (MoH) recognises gambling harm as a significant social, economic, and health issues in New Zealand. Around 1 in 5 New Zealanders will likely experience harm from gambling in their lifetime, either through their own gambling or a family or friend gambling. MoH recognise that Māori, Pacific, Asian, young people, and people on low incomes are disproportionately affected by harmful gambling.<sup>5</sup>

<sup>5</sup> Ministry of Health | Manatū Hauora [Strategy to Prevent and Minimise Gambling Harm 2022/23 to 2024/25 \(beehive.govt.nz\)](#)

When considering gambling harm, most of the emphasis is placed on the person who gambles, and the harm to their family friends and the general community is often overlooked.<sup>6</sup> Around 1 in 7 New Zealanders reported harm from second hand gambling within the last 12 months.<sup>7</sup> Second hand harm was defined as an argument about time or money spent on betting or gambling, or someone going without something they need, or bills not being paid due to too much money being spent on gambling by another person.

48% of adults also reported that they were concerned about the level of gambling in their community.<sup>8</sup>

The Ministry of Health identify that sinking lids and Per Capita Caps are the most effective ways to reduce spending on gaming machines.<sup>9</sup>

### Harm to the Individual

The most common harm to an individual's health is the significant increase in stress and anxiety, often as a result of feeling shame and stigma over their gambling habit. Several studies have also suggested that approximately 60% of moderate or severe problem gamblers have suffered depression as a result of their gambling.<sup>10</sup> Some studies have also begun to link high risk gamblers with obesity as they are less likely to participate in regular exercise, more likely to consume excessive amounts of alcohol, smoke often and are less likely to seek medical care due to financial constraints.<sup>10</sup>

Gambling can have harm on an individual's financial stability. Common financial related harm that stems from gambling can look like erosion of savings, struggling to or the inability to pay bills, borrowing money, and a decline in a person's standard of living. There has been limited research on how problem gambling affects an individual's financial, however the Salvation Army found through research in 2004 that 12-14% of people accessing Salvation Army social services identified as problem gamblers.<sup>11</sup>

### Harm to Family

Immediate family including spouse or partner, parents and children, are likely to experience harm from a family member engaging in problem gambling however harm can extend to extended family members, friends and other people in their life. The most

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<sup>6</sup> Ministry of Health | Manatū Hauora [Measuring the Burden of Gambling Harm in New Zealand | Ministry of Health NZ](#)

<sup>7</sup> Health New Zealand | Te Whatu Ora [Second-hand gambling harm and concern about gambling within the community: Results from the 2018 Health and Lifestyles Survey | Te Whatu Ora | Health Promotion \(hpa.org.nz\)](#)

<sup>8</sup> Health New Zealand | Te Whatu Ora [Second-hand gambling harm and concern about gambling within the community: Infographic | Te Whatu Ora | Health Promotion \(hpa.org.nz\)](#)

<sup>9</sup> Ministry of Health | Manatū Hauora [Capping Gambling in NZ: The effectiveness of local government policy interventions | Ministry of Health NZ](#)

<sup>10</sup> Ministry of Health | Manatū Hauora [Measuring the Burden of Gambling Harm in New Zealand | Ministry of Health NZ](#)

<sup>11</sup> The Salvation Army [Problem Gambling | The Salvation Army](#)

common harm experienced by family include harm to their mental wellbeing, a decline in their living situation and standard of living, breakdowns in relationships, neglect of children, and the overall quality of their life.<sup>10</sup>

### Harm to the Community

Initial research has associated gambling problem gambling to the community both indirectly and directly.<sup>10</sup> Direct harm to the community has been associated with an increase in crime by problem gamblers. Indirect harm to the community has been identified as contributing to poverty, worsening health outcomes, and increasing demand on health services including mental health services paid for by the community.<sup>10</sup>

### Harm to Māori and Other Minority Ethnic Groups

Māori and other minority ethnic groups such as Pacific and Asian are disproportionately affected by harm caused by gambling. The most commonly accepted reasoning for this is due to their socio-economic and political status within society.<sup>10</sup> Additional types of gambling harm unique to Māori has been identified. These harms include destruction of Māori family values and caregiving practices, damage to mana, erosion of cultural values, and emotional harm to a person's wairua and identity.<sup>10</sup>

### Class 4 Gambling Harm

The Ministry of Health reference several studies that have found that Class 4 gambling is the most common form of gambling associated with pathological or problem gambling behaviour.<sup>12</sup> Class 4 gambling is considered to be high-risk and high-turnover. Class 4 gambling is considered to be high risk due to the instant nature of this form of gambling, and the way it keeps players engaged with methods such as lighting, music and the appearance of being close to winning.

### Online Gambling Harm

Territorial Authorities only have authority over the location and number of TAB and Class 4 gambling venues. Territorial Authorities do not have any ability to control online gambling, however it is important to understand the relationship between different types of gambling.

Online gambling is gambling accessed via an internet browser on any devices capable of utilising the internet. Online gambling, for the most part is illegal in New Zealand, apart from the Lotteries Commission and TAB. Any other gambling website does not originate in New Zealand and therefore is not bound by New Zealand law. This is how Christchurch Casino and SkyCity Entertainment Group are able to operate online gambling in New Zealand.

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<sup>12</sup> Ministry of Health | Manatū Hauora [Capping Gambling in NZ: The effectiveness of local government policy interventions | Ministry of Health NZ](#)

Setting up an account on online gambling sites is usually less rigorous and the authenticity is unknown. It is illegal to advertise gambling to New Zealanders, nevertheless social media is used to advertise offshore gambling sites. This is usually achieved by advertising a free to play app or website, but when users search for the app or website, they unintentionally end up on a pay to play version.

Data on online gambling rates is limited as neither the Department of Internal Affairs or the Ministry of Health collect data on how many New Zealanders access online gambling or how much money is spent by New Zealanders on online gambling.

### Gambling Harm Intervention Services

Table 12 presents the change in the number of clients assisted for problem gambling in the Rangitikei District compared to the total for New Zealand between 2015 and 2023.

This table suggests that the number of people that have received intervention for gambling harm has fluctuated between 2015 and 2023.

*Table 12 Clients that received intervention for gambling harm*

Year (July-June)	New Clients Rangitikei	Total Clients Rangitikei	Total New Zealand Clients	Increase from previous year New Zealand	Rangitikei clients as a % of all NZ clients
2015/16	14	16	12420	-2.5%	0.13%
2016/17	0	4	11609	-6.5%	0.03%
2017/18	6	8	10555	-9.1%	0.08%
2018/19	0	1	10602	0.4%	0.01%
2019/20	2	3	9502	-10.4%	0.03%
2020/21	0	3	10946	15.2%	0.03%
2021/22	35	35	9683	-11.5%	0.36%
2022/23	1	2	10386	7.3%	0.02%

Source: Ministry of Health [Gambling harm intervention services data](#) | Ministry of Health NZ

Table 13 presents the number of clients assisted for problem gambling in New Zealand by ethnicity. People who are Māori, Pacific and Asian are considered to be more at risk of experiencing harm from gambling.

*Table 13 Clients that received intervention for gambling harm by ethnicity*

Year	Asian	Maori	Pacific	Other	Total
2015/16	1347	4246	2342	4485	12520
2016/17	929	4273	2187	4220	11609
2017/18	1044	3720	2012	3779	10555
2018/19	951	3594	1923	4134	10602
2019/20	937	3041	1897	3627	9502
2020/21	1721	3548	1838	3839	10946
2021/22	1535	3107	1726	3315	9683
2022/23	1490	3390	2154	3352	10386

Source: Ministry of Health [Gambling harm intervention services data](#) | Ministry of Health NZ

Table 14 below breaks down the number of clients assisted for problem gambling in New Zealand by type of gambling. This table shows that more clients require gambling harm intervention due to non-casino gaming machines than other types of gambling. The level of who receive intervention, whether it be the gambler, or family or other affected party, for non-casino gaming machines has remained relatively stable over the past 4 years.

*Table 14 Clients that received intervention for gambling harm by gambling type*

	2019/20	2020/21	2021/22	2022/232
Non Casino Gaming Machines	4945	5538	4652	4731
Casino EGM	735	1020	778	951
Lotteries Commission Products	1003	1272	1207	1225
TAB New Zealand	900	1023	980	1085
Overseas other	551	644	826	941

Source: Ministry of Health [Gambling harm intervention services data](#) | [Ministry of Health NZ](#)

## Impacts of Removing Gambling Machines

There has been very limited research completed on the flow on effects of household spending if Class 4 gambling was no longer an option. The New Zealand Institute of Economic Research (NZIER) completed a study to attempt to understand how spending would change if spending on Class 4 gambling was no longer an option. This research did not find any evidence that spending on Class 4 gambling would be substituted with other forms of gambling including illegal and online gambling. The study also found that money otherwise spent on Class 4 gambling would not be saved. This suggests that any money not spend on Class 4 gambling would be absorbed within other household expenses.

## Benefits of Gaming Machines

Venues may choose to operate gaming machines to offer a form of entertainment at their venue. Some suggest that venues that operate gaming machines attract customers who may stay longer or drink more.<sup>13</sup>

However, there is also anecdotes that gaming machines can put off customers from entering a venue, and that pokie gamblers do not tend to drink a lot of alcohol.<sup>10</sup>

<sup>13</sup> Department of Internal Affairs

[google.com/url?sa=t&rct=j&q=&esrc=s&source=web&cd=&ved=2ahUKewj0y5ic-b6IAxVxzTgGHWaqlOAOQFnoECBMQAOQ&url=https%3A%2F%2Fwww.dia.govt.nz%2Fdiawebsite.nsf%2FFiles%2FPokie-system-101-untracked-10-2016%2F%24file%2FPokie-system-101-untracked-10-2016.docx&usg=AOvVaw2c6UcfzExDPaqnXwnKoZXF&opi=89978449](https://www.google.com/url?sa=t&rct=j&q=&esrc=s&source=web&cd=&ved=2ahUKewj0y5ic-b6IAxVxzTgGHWaqlOAOQFnoECBMQAOQ&url=https%3A%2F%2Fwww.dia.govt.nz%2Fdiawebsite.nsf%2FFiles%2FPokie-system-101-untracked-10-2016%2F%24file%2FPokie-system-101-untracked-10-2016.docx&usg=AOvVaw2c6UcfzExDPaqnXwnKoZXF&opi=89978449)