

Gambling Venue policies 2013

2023 Review Findings report

March 2024



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Summary

Introduction

Council must have two gambling venue policies under the Racing Industry Act 2020 and the Gambling Act 2003. Council must complete a statutory review every three years.

The council has a Class 4 Gambling Venue Policy with a sinking lid on machines and venues, and a TAB Venue Policy with a cap on TAB Venues (43).

Class 4 Gambling (Pokies) Venue Policy 2013 findings

The sinking lid aims to minimise gambling harm by reducing the number of venues in Auckland and over time.

The Pokie Venue Policy prevents the number of venues increasing and is still helping to reduce the number of venues and machines in Auckland. While problem gambling help data indicates harm may not have reduced further in the last three years, the policies are likely to be limiting harm that would have otherwise increased.

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

Pokie Venue Policy options assessment

Staff assessed two policy options:

- Option 1 Status quo - Retain current Pokie Venue Policy (recommended).
- Option 2 Enhanced status quo - Amend the Pokie Venue Policy to prevent pokie club venues from merging.

Staff recommend Option 1: status quo - retain the Pokie venue policy. This ensures that Auckland Council continues contributing to minimising gambling harm using the regulatory powers available, in the most efficient way.

TAB Venue Policy 2013

The TAB Venue Policy aims to minimise harm by limiting the number of TAB venues using a cap (43). The number of TAB venues has decreased by six to 18, and industry revenue is stable.

The TAB Venue Policy is not helping to control the growth of gambling because the number of venues has dropped well below the cap (although revenue is stable).

TAB venues have reduced under the current cap, with the industry now focused more on online betting. The council, however, cannot regulate online TAB gambling.

Tab Venue Policy options assessment

Staff analysed three policy options:

- Option 1: Status quo - Retain current TAB venue policy (recommended).
- Option 2: Lower cap - Amend to lower TAB cap to current number of venues (18).
- Option 3: Propose to change the cap to sinking lid.

Staff recommend Option 1: status quo - retain the TAB Venue Policy to: continue contributing to minimising gambling harm using the regulatory powers available to Auckland Council in the most efficient way and comply with legislative requirements.

Introduction

Purpose of the report is to review the gambling venue policies

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

Under the Racing Industry Act 2020 and Gambling Act 2003 (the Acts), Auckland Council must review these policies within three years of the previous review.¹ The previous review was completed October 2020. This review was initiated September 2023 (RSCCC/2023/40)².

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

Scope of the review aligns with Auckland Council’s powers under the Acts

The scope of the review aligns with the council’s powers under the acts including having:

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

The Gambling Act 2003 requires territorial authorities to consider a relocation policy when the policies are first reviewed.³ Auckland Council did this in 2017 and again more thoroughly in 2020. It is not required to do this again under the legislation.

Table 1 shows what is in and out of scope for this review.

Table 1: Topics in and out of scope

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

Current polices aim to control growth and minimise gambling harm

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

- control the growth of gambling in Auckland
- minimise the harm caused by gambling in Auckland.

Table 2: Summary of current gambling venue policies

¹[Gambling Act 2003 Section 102 Adoption and review of class 4 venue policy Racing Act 2020 section 65E Adoption and review of Agency venue policy](#)

²Regulatory and Safety committee infocouncil.aucklandcouncil.govt.nz/Open/2023/09/20230905_RSCCC_MIN_11298.PDF

³The first time that a territorial authority commences a review of a policy after the Gambling (Gambling Harm Reduction) Amendment Act 2013 comes into force, the territorial authority must (and may at any other time) consider whether to include a relocation policy - the Gambling Act 2003 section 102(5A). This was considered in the 2016 review.

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

The previous review confirmed the policies with no changes

The policies were made in 2013. They were reviewed in 2017 and 2020 and council retained them both with no changes. Key findings from the 2020 review included:

- Class 4 pokies are the most common primary gambling mode for problem gamblers. This was followed by casino pokies then TAB betting.
- The Racing Industry Act 2020 replaced the Racing Act 2003, establishing a new governance framework to facilitate and promote betting in New Zealand.
- Under the sinking lid, the number of pokie venues and machines had gradually reduced.
- Council's TAB Venue Policy had no effect on mitigating gambling related harm. The decreases have happened for reasons outside the policy's influence.
- TAB NZ had reduced the number of TAB venues in Auckland to 24, well below the current cap of 43. TAB NZ revenue however was stable.
- Gambling causes harm to individuals their friends, whānau, hapu and iwi.
- The number of people in Auckland seeking help for TAB gambling decreased by 19 per cent since 2016.
- The number of pokie venues in Auckland decreased by 33 venues, or 13 per cent since 2016.
- There was a decrease in the number of people seeking help for problem gambling in Auckland.
- Māori and Pacific Island communities had higher rates of problem gambling than other ethnic groups.

Methodology

This review asks four key questions to assess policy effectiveness

1. Are numbers of class 4 venues and machines still reducing under the sinking lid policy?
2. Given the 2020 findings, is retaining the cap of 43 TAB venues still the most suitable policy?
3. Are the policies helping to minimise harm caused by gambling?
4. What changes have occurred that impact the policies or gambling harm?

Staff obtained new research and gambling data to evaluate the policies

⁴ This was the number of venues in Auckland when policy was adopted.

Staff reviewed new research about:

- new enforcement regulations being introduced at the end of 2023
- changes since the 2020 statutory review.

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

Table 3: Evaluation method

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

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

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

Table 4: Engagement participants

Type	Name	Method
Gambling industry	Gaming Machine Association of New Zealand	Key informant interview
	TAB NZ	Key informant interview
	Lion Foundation	Feedback form
	Pub Charity	Key informant interview
	New Zealand Community Trust	Feedback form
Harm minimisation sector	Problem Gambling Foundation	In-person
	Asian Family Services	Key informant interview
	Mapu Maia / Pacific Counselling	Key informant interview
	Salvation Army Oasis	Feedback form

	Ministry of Health/Te Aka Whai Ora	Key informant interview
Iwi	Twenty iwi who hold mana whenua	Email and phone call, but none were able to engage at this time
Urban Māori Advocacy	Hāpai Te Hauora: National service contract for gambling harm prevention. Te Rūnanga o Ngāti Whātua, Raukura Hauora o Tainui and Te Whānau o Waipareira Māori Public Health body for two iwi who hold mana whenua over Tāmaki Makaurau (collectively with affiliate Iwi and Hapū)	Key informant interview
Implementation	Alcohol Licensing Department	Online video call
	Department of Internal Affairs	Online video call

Broader context

Gambling is regulated under the Gambling and Racing Acts- to reduce gambling harm

Gambling in New Zealand is regulated by the Gambling Act 2003 and the new Racing Industry Act 2020. Gambling is enforced at a national level by the Department of Internal Affairs. These acts provide councils the option to limit the number of venue licenses held for Class 4 gambling.

- Class 4 venues – venues with non-casino electronic gaming machines, commonly called pokies (pokie venues)

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

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

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

Harmful gambling has individual, social and economic impacts

Individual gambling harm produces the same order of harm as high alcohol consumption, anxiety and depression. Cumulatively the harm is close to twice that of drug use disorders, bipolar affective disorder eating disorders and schizophrenia combined.⁵

The 2020 Health and lifestyles Survey estimates that in 2020, some 184,000 people aged 16 years or older were at some degree of risk of harm from gambling. About 183,000 adults reported second-hand gambling harm in their wider families or households.⁶

Problem gambling foundation identify that along with the immediate financial impact problem gambling has it can also result in:

- decreased health
- emotional or psychological distress
- financial harm
- reduced performance at work or education
- relationship disruption, conflict or breakdown
- criminal activity⁷.

A recent Problem Gambling Association report calculated that the retail sector lost \$302 million to pokie gambling in 2022. Around 60 per cent of all Class 4 pokie venues in Aotearoa are in medium-high or very-high areas of deprivation. In Auckland City, 104 out of 216 venues are in the most deprived communities.⁸

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

⁶ Ministry of Health. 2021. Results from the Health and Lifestyles Survey 2020. Wellington: Te Hiringa Hauora.

⁷ PGF 2022

⁸ PGF 2022

Pokie Venue Policy



1. Why do we regulate Pokie Venues?

Problem/Opportunity

- Pokie gambling causes harm to individuals, their friends, whānau, hapu and iwi.
- Pokie machines are designed to keep people playing and pose a high risk of addiction and harm.
- Under the Gambling Act 2013 councils can minimise harm by limiting the number of venues and pokie machines.

Context

- The Government introduced new regulations: the Gambling Harm Prevention and Minimisation Amendment Regulations 2023; to strengthen gambling harm minimisation in class 4 venues.
- The Gambling Act 2013 ensures that forty per cent of pokie machine proceeds must be given as grants to community groups.
- There is a low compliance with host responsibilities at pokie venues.
- Online gambling is a concern but not covered by the Pokie Venue Policy. The council cannot regulate online gambling.

Conclusion

The council regulates pokie venues through a sinking lid policy that aims to minimise gambling harm by reducing the number of venues in Auckland over time.

Pokie gambling poses a high risk of addiction and harm

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

Pokie machines are a particularly addictive form of gambling and people who gamble on pokie machines are at increased risk of gambling problems and harm.

A 2023 study published in the journal *Addiction* found that gambling on pokie machines is more addictive than other forms of gambling.⁹ The study found that people who gambled on pokie machines were more likely to have

gambling problems than people who gambled on other forms of gambling, such as casinos, sports betting, and lotteries. People who gambled on pokie machines were more likely to experience

"So once somebody starts gambling and if they're gambling regularly ... once they actually get addicted, their brain is telling them 'gamble more, gamble more'. The pokie machine's got bells and whistles that happen when you've nearly won, even if you haven't actually won." - Problem gambling foundation 2023

⁹Badji, S., Black, N., & Johnston, D. W. (2023).

harm from their gambling, such as financial hardship, relationship problems, and mental health problems.¹⁰

Problem gamblers are likely to experience the social costs of gambling, including depression, breakdowns of interpersonal relationships, reduced productivity, unemployment, bankruptcy, and crime. Additionally, the literature points to comorbidity between gambling and mental health disorders including compulsive and criminal behaviour.¹¹

Pokie machines are designed to keep people playing

Researchers believe that the addictive nature of pokie machines is due to a number of factors, including the:

- high frequency of rewards. Pokie machines are designed to provide frequent, small rewards, which can be very addictive.
- unpredictable nature of the rewards. The rewards on pokie machines are unpredictable, which can keep gamblers engaged and chasing the next win.
- social isolation of pokie machine gambling. Pokie machine gambling is often a solitary activity, which can lead to increased gambling problems.

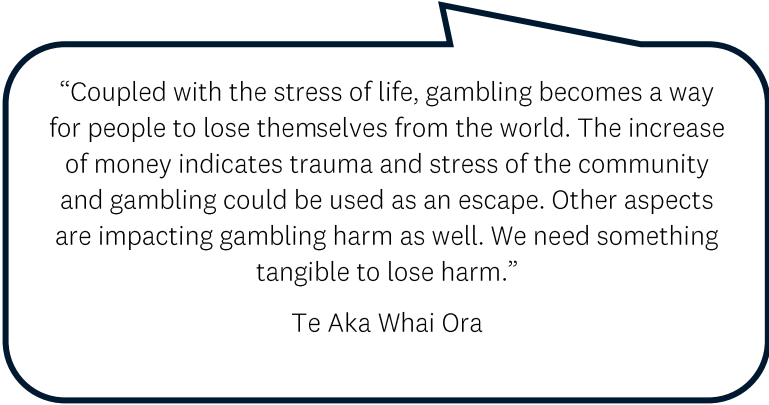
Pokie machine gamblers had different brain activity patterns in the reward system than the non-gamblers. The researchers believe that these changes in brain activity may contribute to the addictive nature of pokie machine gambling.¹²

The machines are designed to keep you addicted through the following features:

- False wins: This happens when the amount of money you win on a multi-line bet is less than what you put in
- Nearly wins: Pokie machines mislead users by falsely implying that they have nearly won.
- Free spins: These just make you feel you are doing better than you really are by making it look like you're getting close to a win.

Additional factors that encourage addictive behaviour include:

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



“Coupled with the stress of life, gambling becomes a way for people to lose themselves from the world. The increase of money indicates trauma and stress of the community and gambling could be used as an escape. Other aspects are impacting gambling harm as well. We need something tangible to lose harm.”

Te Aka Whai Ora

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

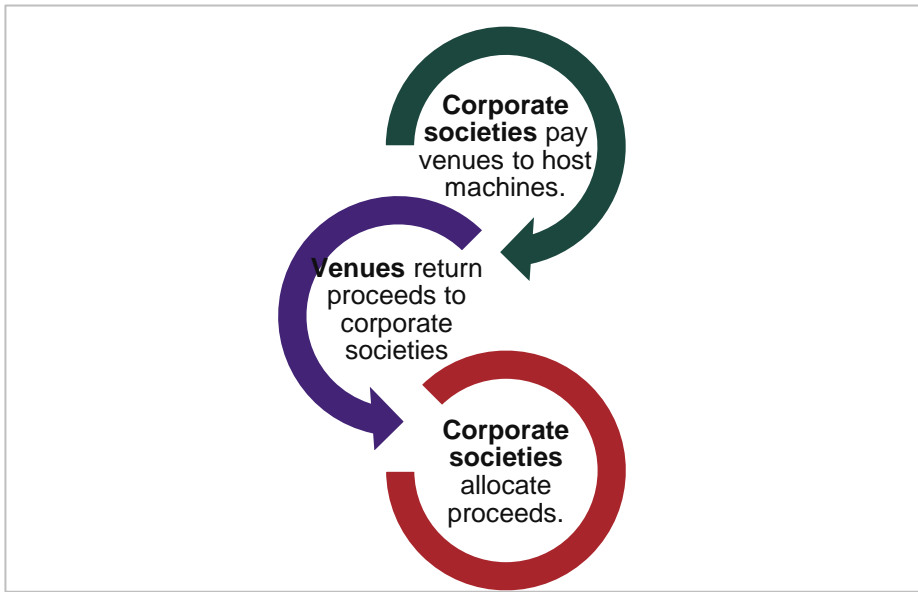
The Gambling Act 2003 sets up a framework for the community to derive benefits from pokie gambling. Pokie machine ownership is limited to corporate societies. This is shown in Figure 1 below.

¹⁰ Hing, N., Russell, A., Browne, M. (2017).

¹¹ Miller, L., & Gordh, A. S. (2021).

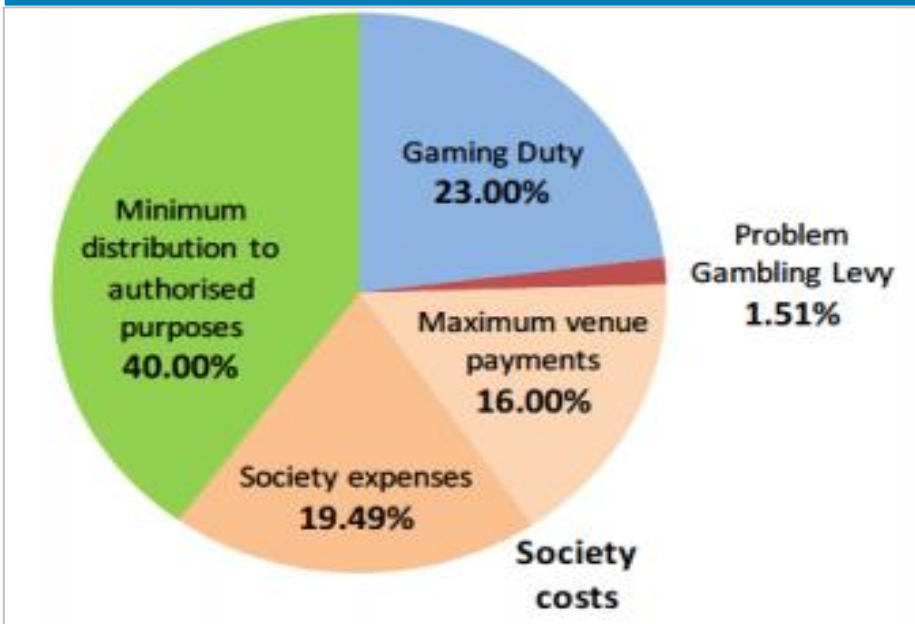
¹² Adams, P., Wiles, J. (2016).

Figure 1: Pokie gambling framework



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

Figure 2: Allocation of pokie proceeds



Grants in Auckland have increased in the last three years

Gambling machine proceeds (GMP) are player losses on pokie machines. This is what is used for community purposes.

Table 6 shows GMP granted to community organisations since the previous review.

Financial year	GMP Auckland	Grants Auckland	GMP National	Grants National
2019/2020	\$283M	\$81M	\$939M	\$295.2M
2020/2021	\$232M	\$56.9M	\$810.95M	\$215.74M
2021/2022	\$203M	\$60.7M	\$858.7M	\$269.28M
2022/2023	\$301M	\$82.24M	\$1B	\$328.15M

Data on grant distribution within Auckland is now available. Grants go to a wide range of community sectors including environmental, research, educational, health and art / culture-based organisations. On average, half of all grants go to sports organisations.¹³

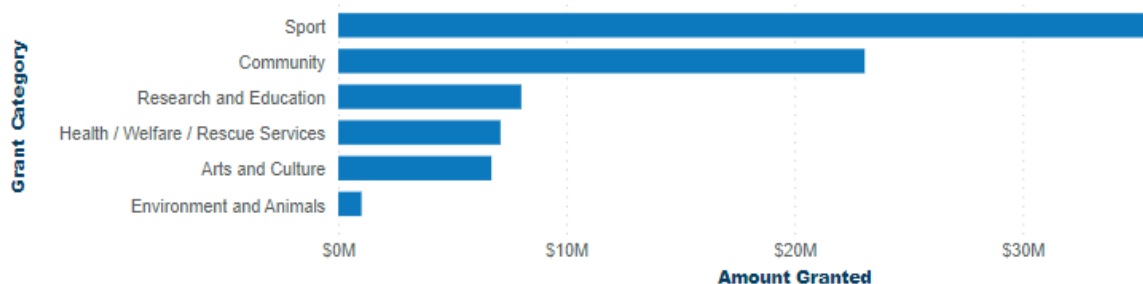
Auckland was allocated \$82 million in 2022. Of this, community organisations were granted \$23 million in 2022. Sports organisations was granted \$35 million in 2022.¹⁴

Figure 3 shows GMP granted to community organisations in 2022.

Figure 3: Auckland Allocation of Grants in Auckland

Amount Granted by Category

Year of Acceptance ● 2022



Perspectives on using pokie revenue in the community still differ

Hāpai Te Hauora, Problem Gambling Foundation and Salvation Army Oasis published a white paper calling for an end to community sector dependence on pokie funding. They oppose using problem gamblers and the most deprived to fund community activities. Further, they expose the risk of self-interest and inequity as trust members are self-appointed and unaccountable when deciding who does or doesn't get grants.¹⁵

The Gaming Machine Association of New Zealand, Lion trust and Pub Charity views pokie gambling as an important fundraising tool which provides funding to the grassroots of the

¹³ <https://granted.govt.nz/>

¹⁴ <https://granted.govt.nz/>

¹⁵ PGF, Hapai and Oasis, 2020

community. This provides funding to community groups that help with education, sports and community initiatives within Auckland.

DIA investigate pokie funding use and discover misappropriation

The DIA have investigated fund use since the last review and have laid several charges. For example, following an investigation by the Department of Internal Affairs (DIA), 58 charges have been filed against a Christchurch man relating to the alleged theft of over \$200,000 in grant funding.

The defendant, who was involved both in the Class 4 gambling sector and the community sports sector, obtained \$202,341.60 worth of grants on behalf of sporting organisations by allegedly submitting false quotes and failing to spend grant money on authorised purposes.¹⁶

DIA also respond to complaints and completes some audits at venues

Figure below shows class 4 cases/incident reports. The graph indicates incident reports from 2020-2023.

Figure 4: Class 4 cases/incident report

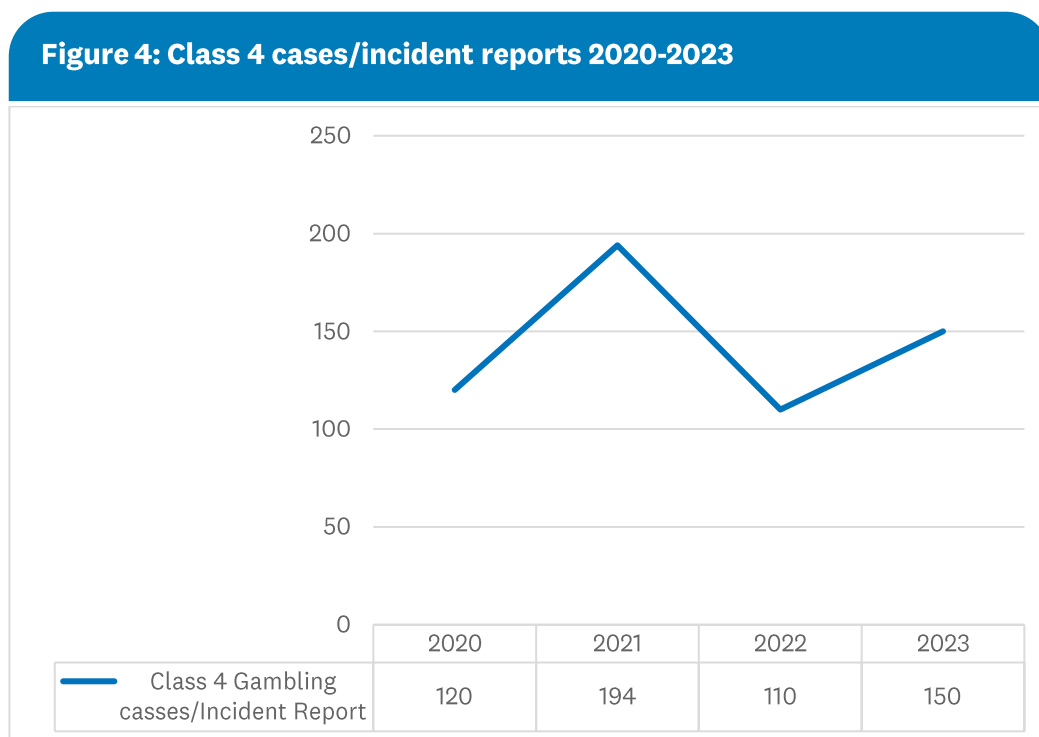


Table 7: Outcome of Case/incident

Outcome of case incident	2020	2021	2022	2023
Compliance Action	1	8	17	22
Information/Documents provided	2	2	18	26

¹⁶ DIA 2023

No further actions	117	181	73	67
In progress	*	1	*	22
Ongoing monitoring	*	2	2	1
Received	*	*	*	13
Total	120	194	110	151

Table 8: Class 4 Venue Inspections in Auckland

Calendar Year	Venue inspections (announced)	Venue inspections (unannounced)	Venue inspection (unable to determine announced or unannounced)	Total venue inspections
2020	*	*	10	10
2021	8	*	*	8
2022	1	11	11	23
2023	2	46	1	49

The introduction of the new enforcement regulations will likely increase the number of venue inspections and infringements.

Gambling Harm Prevention and Minimisation Amendment Regulations 2023

The Government has announced new Gambling Harm Prevention and Minimisation Amendment Regulations 2023 to strengthen gambling harm minimisation in class 4 venues.¹⁷

These new regulations are designed to ensure venues and gambling societies meet their responsibilities to prevent problem gambling. They include changes to advertising and branding regulations, establishing clearer procedures to enable the identification of problem gamblers through strengthening monitoring practices. They also establish infringement offences for breaches of these requirements.

Figure 5. Gambling Harm Prevention and Minimisation Amendment Regulations 2023

<p>1. 15 June 2023</p> <p>Includes three changes that come into effect:</p> <ul style="list-style-type: none"> removing the venue managers responsibility for complying with existing restrictions on advertising jackpots and jackpot branding (regulations 9 and 10) new infringement offences for non-compliance with existing regulations 9,10 and 11 changes to modernise how infringement fees are paid.
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¹⁷ [Gambling \(Harm Prevention and Minimisation\) Amendment Regulations 2023](#)

2. 1 September 2023

New requirements about what problem gambling awareness training must cover including mandatory practical and interactive sessions on how to interact with gamblers, identify signs of harm and provide gamblers with information on how they can seek help.

3. 1 December 2023

All changes are in force, including:

- All venue staff who supervise gamblers must be trained, replacing the previous rule where a minimum of one harm minimisation trained person was required at the venue if gambling was available.
- Venue staff who are supervising gamblers must be trained in the new requirements, and this training must occur at least once per year.
- Clearer requirements around identifying harm -- staff will have to conduct at least three physical observations (sweeps) of the gaming area per hour, these must be at least 10 minutes apart and they must be recorded. Venue managers are required to review these records weekly.
- Venue staff must have conversations with gamblers if they have been identified as showing certain signs of harm. The conversation is to assist with identifying whether the player is a problem gambler, and a record must be kept of these conversations.
- New venue layout requirements to ensure easier monitoring of ATMs by staff from the main bar or service area, and to ensure that gaming machines generally are not visible from outside of the venues.

Stakeholder views on the new regulations are mixed

Stakeholders have noticed poor compliance with host responsibilities on their visits and dealings with pokie venues. They say poor compliance at these venues is likely due to inexperienced and untrained staff.

Asian Family services believes that with the new laws coming in that there will be more onus on the host.

Hāpai te Hauora believes that there is mandated responsibility with the new regulations to ensure there is adequate staff. Training for staff should have a cultural component focused on minimising harm.

Problem Gambling stated that the new regulations put more responsibility on the venues.

The Gaming Machine Association indicated that regulation won't make a difference because it's the status quo.

TAB racing board believe that with the new rules that are being enforced it will be hard to manage and could cause potential harm to staff when dealing with difficult customers.

Online gambling availability has increased, but is out of council's control

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

- easily accessible and private means to gamble at any time of the day
- interactive and immersive internet environment

- digital forms of money can lead to increased gambling and losses, as people feel that they are not spending 'real' money¹⁸
- facilitates the potential concurrent use of alcohol and drugs.¹⁹

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

Online gambling availability has increased, but research shows gambling online is often a predictor for gambling addiction rather than the cause of it. Central government has also consulted the public about how to better manage online gambling. Online gambling is a concern but not related to the Pokie Venue Policy through harm (reference 2020 report). Further, council cannot regulate it.

¹⁸ Gainsbury (2015)

¹⁹ Hing et al (2017)

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

Key findings

- The gradual decrease in the number of pokie venues and machines has continued.
- The number of Pokie Venues has decreased by 10 since the last review.
- The distribution of pokie venues is still inequitable, with most venues still being in areas of highest deprivation.
- The gaming industry seek a relocation policy / harm minimisation sector wants to let the lid fall further.
- The harm minimisation sector agree that the sinking lid is working, with recommendations.
- The Sinking lid is not influencing Gaming Machine Proceeds (GMP) in Auckland or nationally.

Conclusion

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

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

The number of pokie venues sunk by ten since the last review

Table 9 below shows the Number of pokie venues and pokie machines since 2020. A gradual decrease in the number of pokie venues and machines has continued but slowed.

Research indicates that sinking lids reduce gambling expenditure by 13 per cent relative to regions not adopting policies beyond national-level restrictions.²⁰

Table 9: Number of pokie venues and pokie machines since 2020

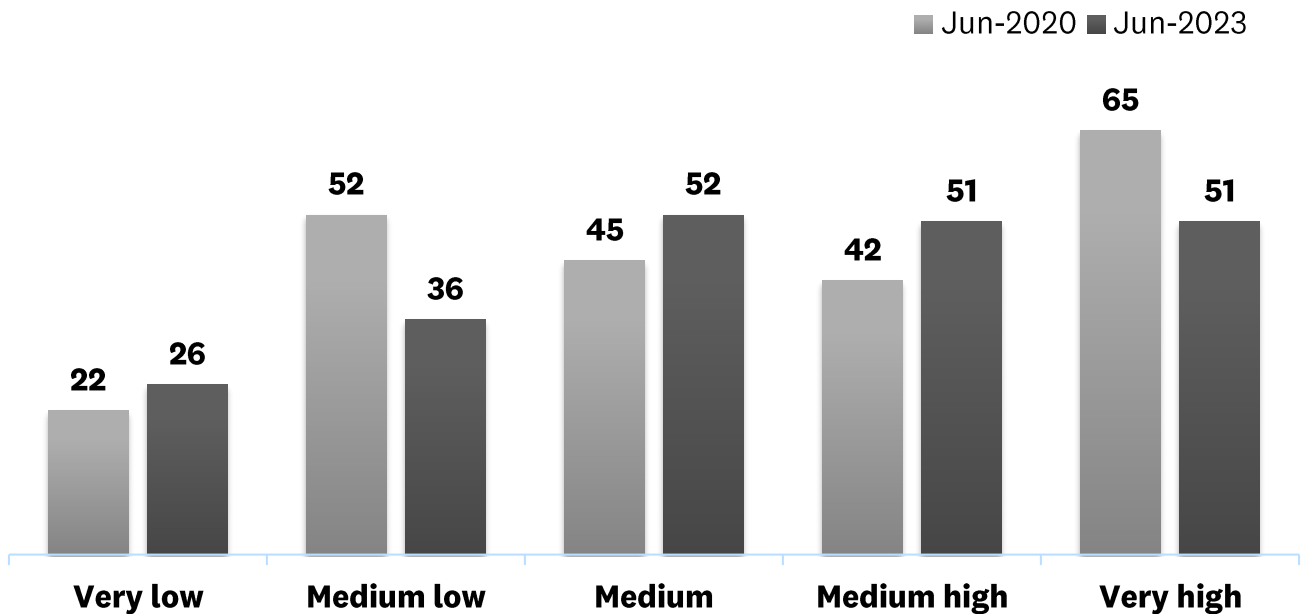
Indicator	June 2020	June 2021	June 2022	June 2023
Number of pokie venues	226	221	220	216
Percentage decrease per annum	-4%	-2%	-0.45%	-2%
Number of pokie machines	3284	3229	3216	3170
Percentage decrease per annum	-3%	-2%	-0.4%	-1%

²⁰E Erwin, C., Pacheco, G., & Turcu, A. (2021).

There are still more venues in very high deprivation areas

Numbers are decreasing relatively evenly across deprivation ratings, so the distribution of venues is still inequitable. Figure 6 below compares the number of venues by deprivation rating in Auckland in June 2020 and June 2023.

Figure 6: Numbers of venues by deprivation rating in Auckland 2020 and 2023



There has been a decrease in the number of venues within high deprivation areas. In the most socio-economically deprived areas, the number of venues has decreased from 65 in December 2020 to 51 in June 2023.

While the number of venues is decreasing overall, there is an increase in the number of venues in medium socio-economic deprivation areas. Between December 2022 and June 2023, the number of venues in medium socio-economic deprivation areas increased from 44 to 52 venues. This is an increase of eight venues.²¹

On average in New Zealand, a decile 10 community will spend \$344 per person on gambling a year, but a decile 1 community will only spend \$121 per person. Business Desk's own analysis shows that gaming machines are overwhelmingly within the most deprived communities.²²

Around 50 per cent of all venues are concentrated in the poorest areas (as defined by lower socio-economic status and high deprivation measures).²³

Alcohol licensing investigations of tavern and pokie takings are complete

Under the Gambling Act 2003, gambling cannot be the primary activity of a venue. Under alcohol licensing conditions the primary activity of a tavern must be the sale of alcohol. During COVID-19 Auckland Council investigated 37 Taverns which seemed to be providing gambling as a primary activity rather than operating as a tavern. This resulted in several closures, and some improvements in practice.

²¹ The reasons for this are unclear, it could be due to data issues or changes to the way deprivation is measured.

²² Business Desk 2022

²³ PGF 2022

There has been no need for other activity of any note in relation to investigating taverns with pokies since the 2020 review.

Since 2020 review there have been no club mergers

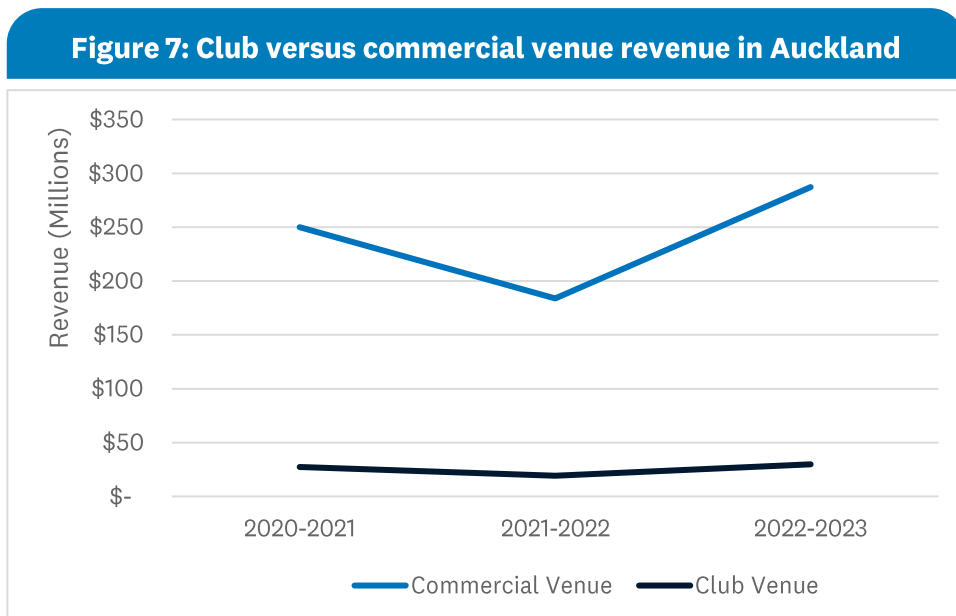
There have been no further club mergers or closures. When council adopted the policies the rationale for allowing club mergers was:

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

Club revenue is, but there are also low levels of compliance

Club venue revenue has stayed the same within the review period while non-club revenue is increasing.

The proportion of pokie revenue from club venues in Auckland is low. Figure 7 below shows this.



Gaming industry prefer relocation and some grant recipients oppose the sinking lid

The gaming industry and some grant recipients say the number of venues has reduced enough. They say the sinking lid is a blunt and ineffective tool and that further reductions in venues threatens community funding. They would prefer a cap at the current number.

Harm minimisation sector commend the policy, some wish to strengthen it

Hāpai te Hauora endorsed and confirmed their input from the 2020 review; the harm still stands from the last review.

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

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

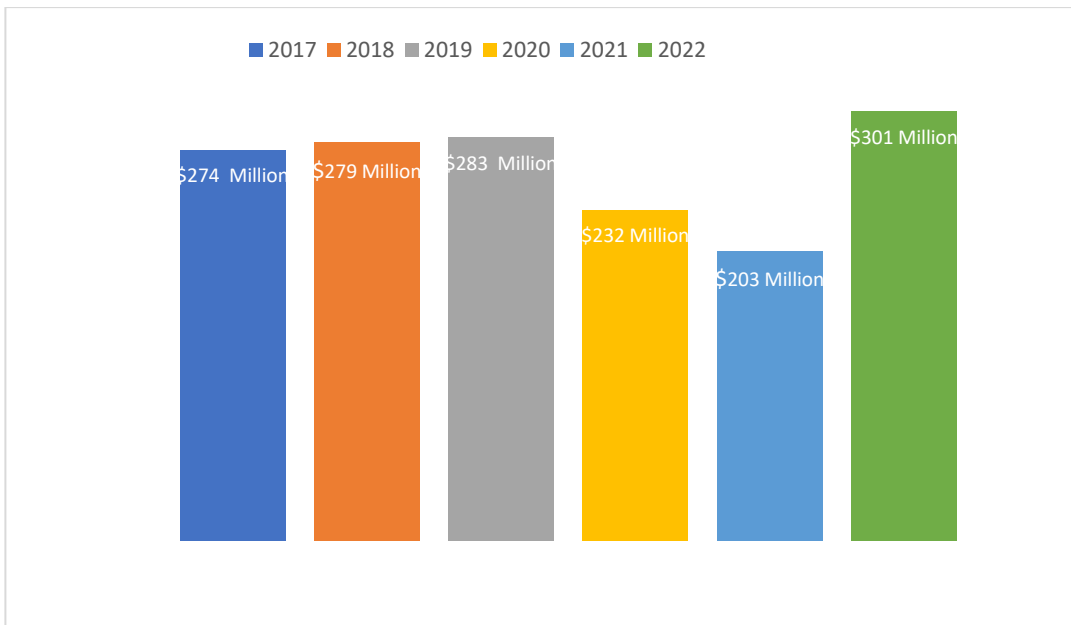
Salvation Army say a true sinking lid policy should be considered a better option to support gambling harm reduction.

The policy has not reduced pokie revenue or community funding

Pokie revenue was increased from 2020 to 2023. Figure 8 below shows this.

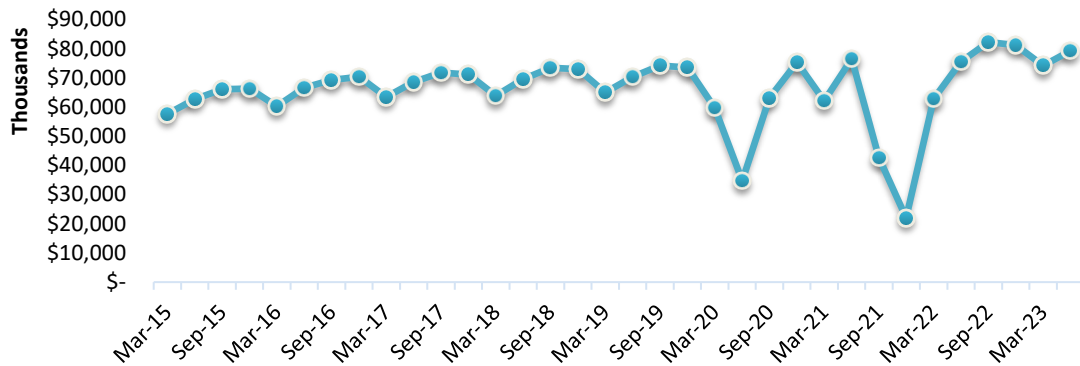
"Auckland Council sets the precedent of having a good strong policy on class 4 gambling. A strong sinking lid policy indicates to the community what Auckland Council stands for. The front of mind issue is health and well-being for communities. The policy has inspired other councils to adopt a sinking lid policy" - PGF

Figure 8: Pokie revenue in Auckland by financial year



A sharp decrease from pokie revenue from June 2021 to December 2021 is attributed to the Auckland COVID-10 lockdown. Proceeds increased again from March 2022 to June 2022 then steadied to March 2023. This growth is consistent with the growth before COVID-19 closures. Figure 9 below shows this.

Figure 9: Pokie revenue Auckland per quarter June 2015 – June 2023



Gambling machine proceeds increase linked to factors outside council's control

The reason for a gradual increase in gambling machine proceeds, despite a drop in venue numbers, is uncertain. The drop in 2023 could also be due to factors outside of council's control.

- **Asian family services** have said that because of Lockdown people were holding on to their money. When stores opened again the money that was saved was used for gambling at the pokies.
- **Problem Gambling Foundation, Mapu Maia and Asian family** also point to reasons outside council's control such as cost of living, inflation, and Covid-19.

3. Has the Pokie Venue Policy minimised gambling harm?

Key findings

- There has been a decrease in the number of people seeking help for pokie problem gambling in Auckland.
- More men, Māori, Pacific peoples, and those living in South Auckland seek help for problem gambling.
- Research supports reducing pokie venue numbers to minimise harm.
- The harm minimisation sector believes a sinking lid policy is still the best way for council to minimise pokie gambling harm.
- There has been an increase in clients assisted for pokie gambling.

Conclusion

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

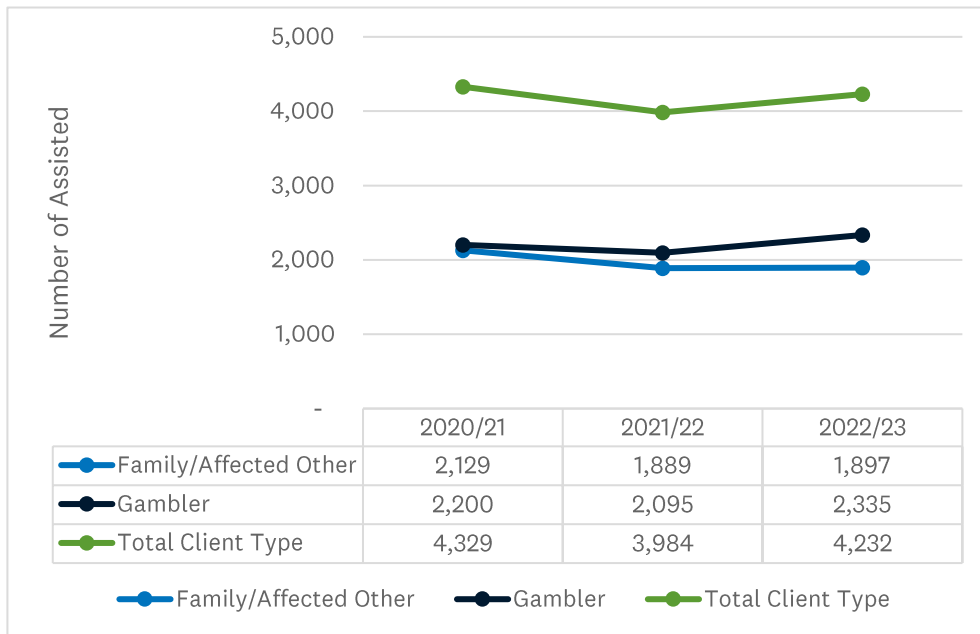
Client intervention data since 2020 is mixed

The Ministry of Health collates client intervention data – the number and characteristics of clients who sought assistance for problem gambling. This could be for their own or someone else’s gambling. While they estimate only sixteen per cent of people in the problem gambling or moderate-risk categories access intervention services, this data has been collated consistently since 2004.²⁴ Therefore, comparisons over time can be drawn.

Ministry of Health say the number of clients assisted nationally has decreased. The number of clients assisted that are family members in Auckland has decreased since the last review. The number of gamblers, however, has increased. Figure 10 below shows the total number of clients assisted in Auckland by client type, since the last review in 2020.

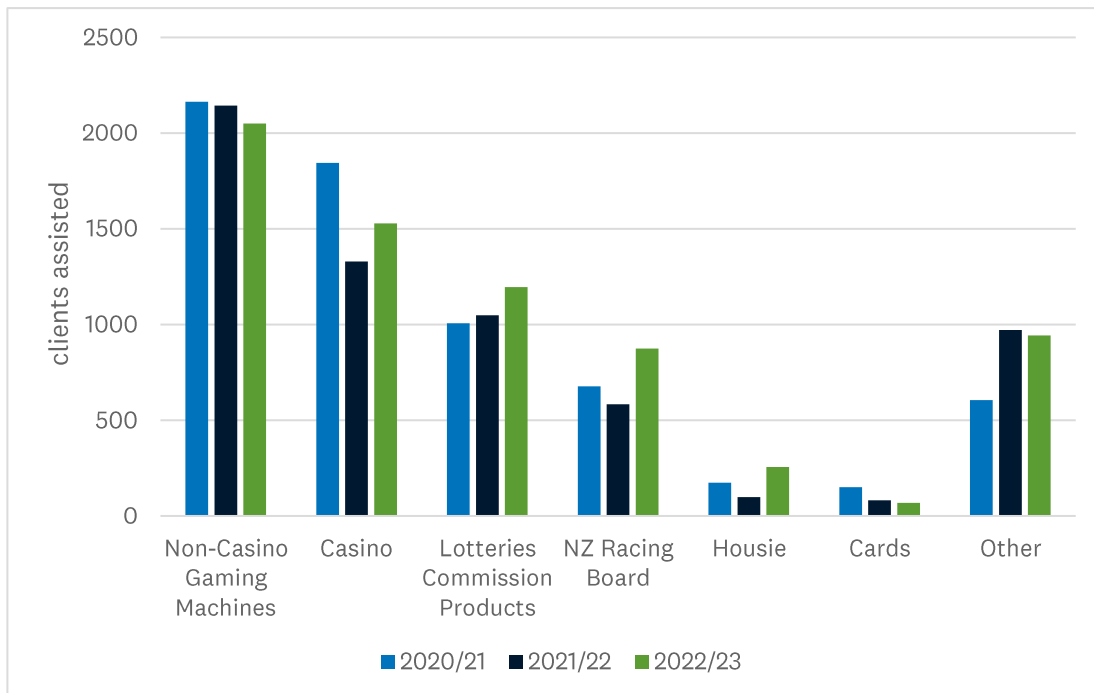
²⁴ Ministry of Health. (2022)

Figure 10: Number and type of clients assisted in Auckland



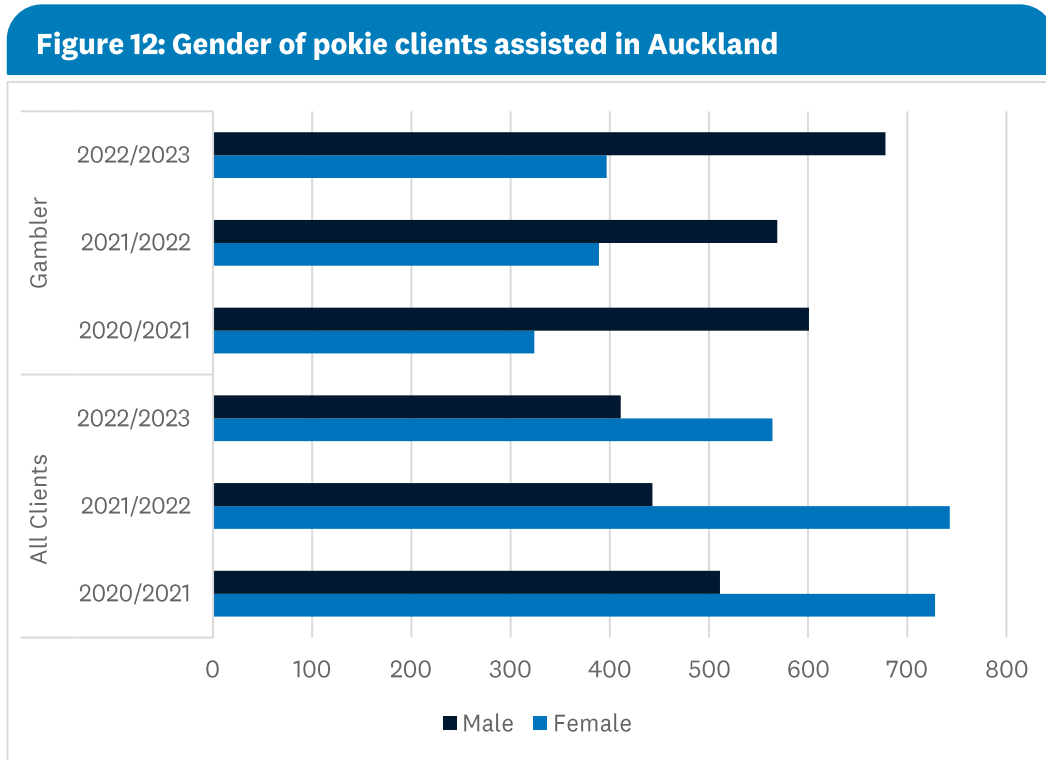
The most common primary gambling mode identified continues to be class 4 pokies, but this has decreased during the review period. The number of total clients seeking help has decreased overall for pokies. Figure 11 below shows the breakdown of all Auckland clients assisted by primary gambling mode.

Figure 11: Auckland total clients assisted by problem gambling mode

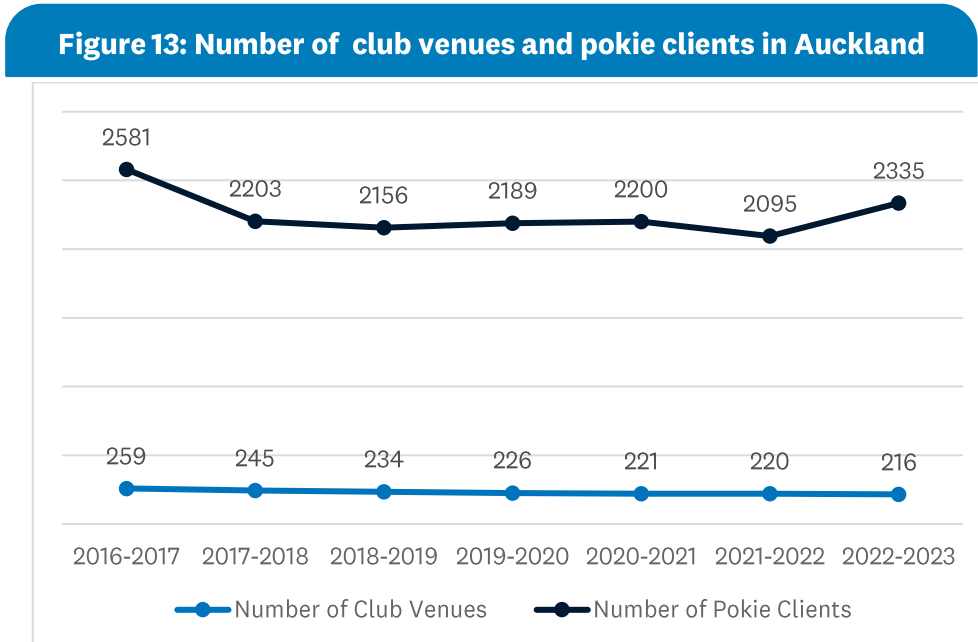


More men, Māori, Pacific and South Aucklanders sought help

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

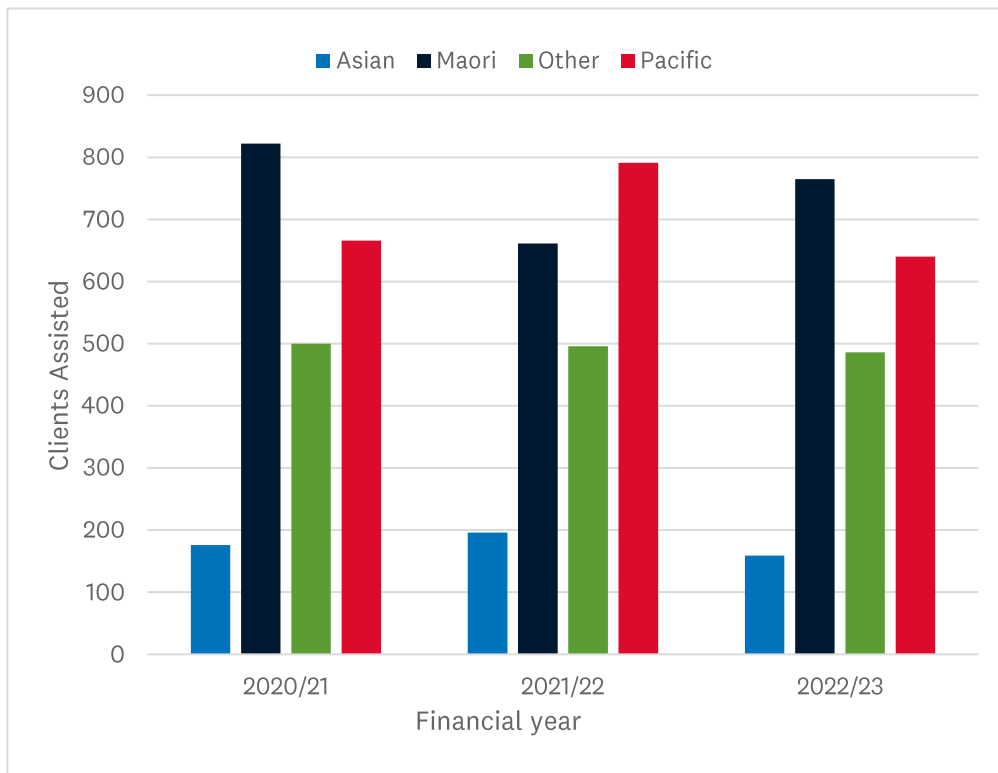


The number of pokie venues below and clients assisted mode class 4 pokies. Figure 13 below shows clients assisted for class 4 pokie gambling and pokie venues in Auckland.



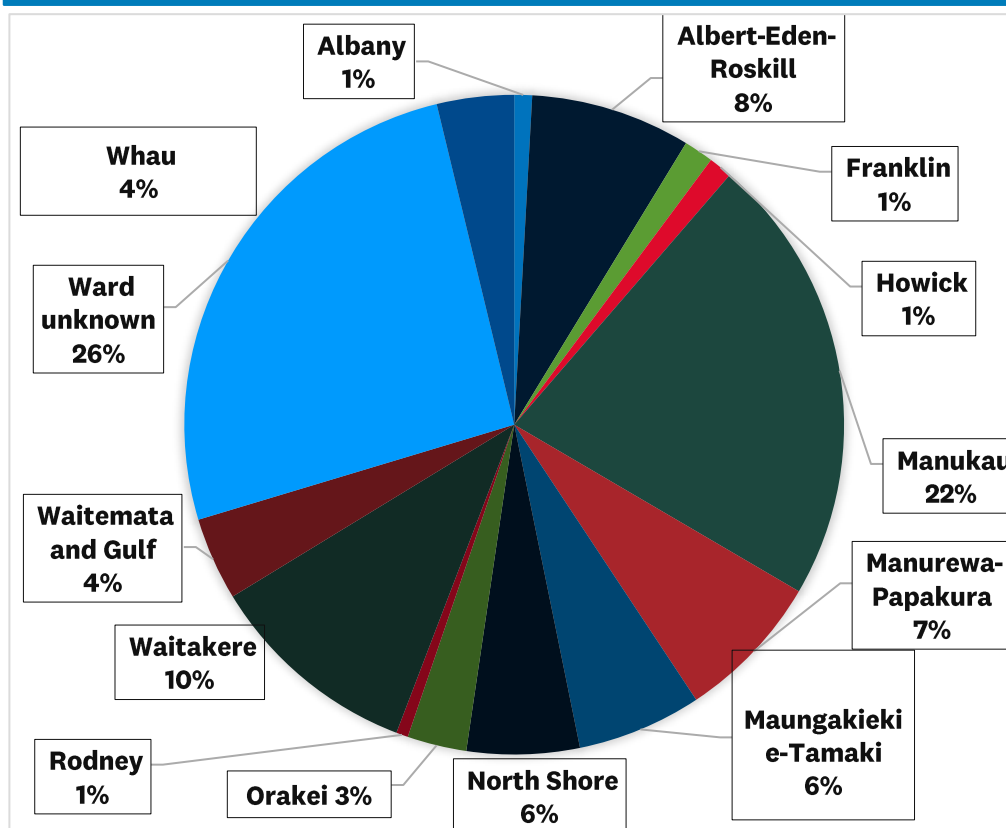
Māori and Pasifika continue to be over-represented, particularly for primary mode class 4 pokies. Figure 14 below shows clients assisted for class 4 pokie gambling by ethnicity.

Figure 14: Ethnicity of clients assisted in Auckland for pokies



Problem gambling continues to be experienced unequally across Auckland. Of the total number assisted a larger proportion come from high deprivation areas where more Māori and Pacific peoples live. Figure 15 below shows the distribution of clients assisted who identified class 4 gambling as the primary gambling mode, by ward. The distribution in southern wards appears to have decreased, although the number in ward unknown has increased and could account for this.

Figure 15: Auckland clients assisted for pokie gambling by ward



Research supports reducing pokie venue numbers to minimise harm

The 2020 review re-established the link between pokie venue reduction and minimising harm. It also confirmed that the bulk of gambling harm affecting the New Zealand population is linked to low and moderate risk gamblers and their affected others, who are more numerous than problem gamblers.²⁵ These groups also increase when problem gambling rates increase. When adopting the sinking lid policy, research had already shown an average increase of 0.8 problem gamblers for each new pokie machine in an area.²⁶

The body of research linking more opportunities to gamble with more gambling and more gambling harm has continued to build. For example impact studies on previous pokies reduction or removal policies have suggested that reduced availability is connected to declining total consumption and problem gambling²⁷

Research shows decreasing opportunities to play in community settings prevents people, and especially women from starting to play pokies and therefore going on to develop pokie gambling problems. These findings indicate that policies related to restricting or reducing the density of pokie venues play a significant role in containing or reducing gambling related harms.²⁸ Results suggest that sinking lids reduce gambling expenditure by 13 per cent relative to regions not adopting policies beyond national-level restrictions.

²⁵ Auckland council Gambling findings report 2020

²⁶ Auckland council Gambling findings report 2020

²⁷ Sulkunen, P., Babor, T. F., Cisneros Örnberg, J., Egerer, M., Hellman, M., Livingstone, C. & Rossow, I. (2021)

²⁸ E Erwin, C., Pacheco, G., & Turcu, A. (2021).

Harm minimisation sector say sinking lid is still the best policy with some recommendations

Salvation Army Oasis say the policy has stemmed the growth of pokie gambling in Auckland and is an important measure to reduce the general level of gambling harm. They also recommend however, a stricter approach with a true sinking lid policy with no relocation.

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

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

Research continues to support the link between a sinking lid and harm prevention

AUT Gambling and Addictions Research Centre says policy that continues to reduce the accessibility and availability of pokie machines is necessary because.²⁹

- proximity and access to pokie machines has long been related to harm across populations in New Zealand, especially for low-income communities where there are more venues
- pokie machines have been constituted as a type of ‘environmental toxin’ from a public health perspective, because the primary cause of harm is the design and delivery of the product itself
- exposure to community-based pokies has been recently recognised as a women’s health issue in New Zealand.³⁰

Pokie industry seeks a cap and highlights benefits

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

- entertainment
- community grants.

Pub Charity and **TAB NZ** argue in-venue gambling is better than online because staff are there to manage it and benefits are derived for the community.

²⁹ Palmer du Preez, K., Landon, J., Garrett, N., Bellringer, M., Page, A., Coomarasamy, C., & Abbott, M. (2014)

³⁰ Auckland council Gambling findings report (2020)

4. What are the effects of preventing pokie venue relocation, particularly for high-deprivation communities?

Key findings

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

Table 9: Pros and cons of relocation

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

Conclusion

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

Allowing relocation was raised by the gaming industry

The Gambling (Gambling Harm Reduction) Amendment Act 2013 required councils to consider a relocation policy at their next review. A relocation policy sets out if and when the territorial authority will grant consent for venues to move locations.³¹ Territorial Authorities who adopt a relocation policy consent to venues moving under certain conditions and permit them to take their original of machines with them (up to maximum of 18).³² Council is not required to consider relocation again because it was looked at in 2020. Relocation was suggested by a GMANZ, but Council have reconfirmed these findings from 2020 through engagement with the harm minimisation sector.

2023 engagement confirms 2020 findings about relocation

The last review ruled out allowing relocation policy because:

- the Council cannot choose which venues to relocate. Relocations are likely to seek an increase in revenue, which means more gambling and more harm
- relocation is likely to perpetuate harm and may introduce new gambling harm and other unintended consequences in other communities.

³¹ <http://www.legislation.govt.nz/act/public/2003/0051/latest/DLM208661.html> section 102 (5A)

³² Internal Affairs, 2013

Gambling industry prefer relocation; the harm minimisation sector is opposed

For the industry, allowing relocation is seen as positive as it enables venues to move:

- from a high deprivation area to a lower deprivation area
- from an unsuitable site such as a residential area or an area close to a sensitive site (e.g., a school or library) to a more suitable area such as a central business district
- to a new, modern, vibrant, refurbished premise
- out of an earthquake-prone building
- out of large blocks of land that could be used for more suitable purposes, such as new high-density affordable housing.

NZ Community Trusts claims that allowing relocations with minimal impediments (they are subject to Gambling Act regulation and associated licensing requirements in any event) will allow venues to move out of areas of high deprivation and other sensitive sites, such as schools and childcare centres to more suitable locations.

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

Lion Trust and Pubs NZ agree allowing relocation has benefits for their industry and the community.

To minimise harm, **Hāpai te Hauora, Salvation Army Oasis, Asian family services, Problem Gambling Foundation and Mapu Maia** unanimously advise against allowing relocation. They prefer that those venues close. Relocation policies can make it more difficult for people to access gambling harm support services. If a gambling venue is relocated to a new area, people who are struggling with gambling problems may have to travel further to access support.³³

Relocation could turn into stationing in commercial zones near supermarkets, restaurants, offices etc., creating hubs or super clubs where people are enticed to those who are vulnerable and look to pokie class 4 venues as a solution to their hardship – Mapu Maia

The findings from the sector confirms the previous findings.

“With relocation, the harm is still going to be created but we know from research it generates the most amount of harm and we know people go there. A lot of people use gambling to work with emotional issues and increase more foot traffic and with the Asian community, gambling fills that void of loneliness.”

- Asian Family Services

³³ Auckland council findings report (2020)

5. What has changed since the last review that impacts pokie gambling growth and harm?

Key findings

- The Government has introduced new regulations: the Gambling Harm Prevention and Minimisation Amendment Regulations 2023; to strengthen gambling harm minimisation in class 4 venues.
- There will be new infringement offences for pokie venues that fail to comply with the changed regulations.
- There has been an increase in the number of minor relocations allowed by DIA under the Waikiwi precedent.
- On 19 February, 2023 however, the High Court issued a judgement stating that “Waikiwi” relocations are unlawful and must stop. This means in future only councils can allow relocations of pokie venues if their class 4 gambling policy allows them.

Conclusion

There will be new infringement offences for pokie venues which fail to comply with the changed regulations. That next review we may see impact of new regulations, and changes to the implementation of the Waikiwi precedent

Government introduced new regulations to strengthen gambling harm minimisation

The Government has put in place new Gambling Harm Prevention and Minimisation Amendment Regulations 2023³⁴, to strengthen gambling harm minimisation in class 4 venues. The changes focus on increased penalties for venues that are non-compliant with the rules legislated in the Gambling Act 2003 and strengthening host responsibility requirements for venues.³⁵

Key changes include:

- mandatory annual training for all staff dealing with gamblers, ensuring that staff in pokies venues are better trained
- new requirements around the steps venues must follow to identify harmful gambling, such as regular sweeps and recording signs of gambling harm
- two new rules around venue design that will support harm minimisation by ensuring that staff can better monitor ATMs and pokie machines are less visible
- a range of new infringement offences to help penalise those who fail to comply with harm minimisation regulations.

Hopefully the government’s new rules for pokies will force venues to take more responsibility to prevent problem gambling but wants more action taken – Hāpai Te Hauora 2023

Hāpai Te Hauora hopes the Government’s new rules for pokies will force venues to take more responsibility to prevent problem gambling but wants more action taken.

The Waikiwi precedent since 2020 review

³⁴ [Gambling \(Harm Prevention and Minimisation\) Amendment Regulations 2023](#)

³⁵ [Beehive 2023](#)

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

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

There has been an increase in the minor relocations under the Waikiwi precedent

There has been an increase in the number of minor relocations allowed under the Waikiwi precedent. There have been six relocations since the last review. This may be limiting the effects of council gambling policies.

This has driven public interest from lobby groups. An anti-pokie lobby group has filed High Court proceedings arguing local councils’ sinking lid policies are being circumvented because the Department of Internal Affairs lets organisations move pokie machines around rather than get rid of them.³⁶

The anti-pokie lobby group Feed Families Not Pokies Aotearoa claims the “Department of Internal Affairs has allowed venues to hold onto licences to operate the machines when they should have been terminated”.³⁷

Four relocations have been granted pending license and two have been granted since last review:

Table: 10: venue relocations in Auckland

Venue Name	Outcome	Adress Then/(Now)	Relocation distance
QF Tavern131 Queens Street,	Granted	131 Queens Street, Auckland (Level 1, 16 Wyndham Street, Auckland)	140m
Wairau Park Tenpin	Granted	19 Link Drive, North Harbour, Auckland (Unit 1, 18 Link Drive, North harbour, Auckland)	111m
123 Karioke Bar	Granted Licence pending	1/16 Gooch Place, Howick, Auckland (Unit 2A, 9 Gooch Place, Howick, Auckland)	63m
Kaipara Tavern	Granted Licence pending	26 Commercial Road, Helensville, Auckland (88 Commercial Road, Helensville, Auckland)	221m

³⁶ [Newsroom 2023](#)

³⁷ [Newsroom 2023](#)

Jacks Mt Eden	Granted Licence pending	Shop 2, 8-14 Rocklands Ave, Mount Eden, Auckland (Shop 1, 8-14 Rocklands Ave, Mount Eden, Auckland)	6m
Right Track Sports Cafe	Granted Licence pending	4 Fort Street, Auckland Central, Auckland (Shops 3-5, 16-20 Fort Street, Auckland Central, Auckland)	28m

[The High court has now issued that “Waikiwi” relocations are unlawful and must stop](#)

On 19 February 2023, the High Court issued the judgement stating that “Waikiwi” relocations are unlawful and must stop. In future only councils can allow relocations of pokie venues if their class 4 gambling policy allow for them.

This is likely to result in more Pokie venue closures and fewer venue relocations in the next review period.

[DIA have made Grant allocation available via website](#)

DIA have made grant allocations available on their website. This is good for transparency so the public can see where the money is being allocated.³⁸

³⁸ <https://granted.govt.nz/>

6. Pokie Venue Policy Options assessment

The following section assesses the effect of the policies and councils' options in response to the findings.

Summary

- Staff analysed two policy options for this assessment. The two options were:
 - Retain the Pokie revenue policy (recommended).
 - Amend the Pokie Venue Policy to prevent pokie club venues from merging.
- The number of pokie venues and gaming machines has reduced, including in high deprivation areas. Clients seeking help for pokie gambling increased slightly since 2020. All clients seeking problem gambling help has decreased since 2020.

Conclusion

Staff recommend Option 1: status quo - retain the Pokie Venue Policy. This ensures that council continues contributing to minimising gambling harm using the regulatory powers available in the most efficient way.

Option one is recommended because there is evidence to show that Auckland Council is minimising harm, and that the policy is the best way of limiting the growth of gambling and gambling harm with the tools the council has available. While problem gambling help data indicates harm may not have reduced further in the last three years, the policies are likely to be limiting harm that would have otherwise increased.

Objectives of the current policies

The current policies aim to:

- control the growth of gambling in Auckland
- minimise the harm caused by gambling in Auckland.

The policies support the following Auckland Plan 2050 outcomes:

- improve health and wellbeing for all Aucklanders by reducing harm (for example from smoking, alcohol and gambling) and disparities in opportunities
- advance Māori wellbeing
- ensure regulatory planning and other mechanisms support business, innovation and productivity growth.

The policies support the following Māori Plan, Kaitiakitanga outcome:

- whānau wellbeing and resilience are strengthened by focusing on social equity and whānau wellbeing.

This section provides an overview of each option and applies a consistent assessment criteria to each.

Assessment criteria

Staff have presented overviews of each option including its strengths and weaknesses, and developed assessment criteria to enable comparison of the options. Each criterion is drawn from the desired outcomes for the policies.

The criteria are unweighted and allow for objective assessment. Staff used an intervention logic model to evaluate the policies. The results of this are summarised in table 15 below.

Table 11. Options criteria summary

Desired outcome	Success criteria	Indicators	2020	2023	Impact
Reduction in Class 4 gambling in Auckland.	<p>Decrease in venues in Auckland.</p> <p>Decrease in machines in Auckland.</p> <p>Less money spent on machines in Auckland.</p> <p>Fewer venues in areas of high deprivation in Auckland.</p>	<p>Number of venues.</p> <p>Number of machines.</p> <p>Gaming machine revenue.</p> <p>Number of venues in areas of high deprivation.</p>	<p>226 venues in Auckland.</p> <p>3284 machines in Auckland.</p> <p>\$242 million lost, reduction due to COVID-19.</p> <p>65 venues in high-deprivation areas of Auckland.</p>	<p>216 venues in Auckland.</p> <p>3170 machines in Auckland.</p> <p>\$300 million lost. Trending number similar to pre-covid lockdown</p> <p>51 venues in high-deprivation areas of Auckland.</p>	<p>✓ Decrease in venues.</p> <p>✓ Decrease in machines.</p> <p>✗ Decrease in gaming machine revenue – This is due to COVID 19.</p> <p>✓ Decrease in venues in high-deprivation areas of Auckland.</p>
Reduction in gambling related harm from Class 4 and betting.	Decrease in clients seeking help for pokie and gambling in Auckland.	Number of clients utilising problem gambling services.	2210 clients assisted for pokie gambling.	2335 clients assisted for pokie gambling.	✗ Slight increase in clients seeking help from pokie gambling.

Pokie Venue Policy Options

Staff have identified two options in response to the Pokie Venue Policy findings.

Option one: retain the Pokie Venue Policy. Under this option, there would be no change to council’s policy intent or objectives. Council continues to apply a sinking lid approach. Pokie venues will not be able to relocate. Club venues will still be permitted to merge if they reduce their combined total number of machines by 1/6th.

Option two: Amend the Pokie Venue Policy to prevent pokie club venues from merging. Club pokie venues would not be able to merge and retain 5/6ths of their total number of pokie machines. The number of club venues that do this is very low or none. The effect preventing this would have on minimising harm is low to none. Option one also avoids the cost and risks associated with public consultation at this time.

The following options were discounted:

- **No policy.** Under the Gambling Act 2003 council must have a policy.
- **Change the policy to a cap.** Does not align with the findings about the high level of harm that pokie gambling continues to cause.
- **Adopt a relocation policy.** Findings show that allowing relocation won't reduce gambling harm.

Pokie Venue Policy options assessment

Staff have compared these options against the following criteria:

- effectiveness at minimising gambling harm. How is the policy minimising harm?
- effectiveness at controlling the growth of gambling. How is the policy controlling growth?
- efficiency at controlling the growth of gambling and minimising gambling harm. How efficient is the policy in controlling growth and minimising harm?

Staff have identified risks and risk mitigation and advantages and disadvantages.

Options are summarized below.

Option one: Retain Pokie Venue Policy

Table 12. Option one: retain the pokie policy.

Option One	Retain the Pokie venue policy
Description	<ul style="list-style-type: none"> • Under this option, there would be no change to council’s policy intent or objectives. Council continues to apply a sinking lid approach. Pokie venues will not be able to relocate. Club venues will still be permitted to merge if they reduce their combined total number of machines by 1/6th.
Example of what is included in this option	<ul style="list-style-type: none"> • If adopted, the policy would continue to apply for three years from this decision until it is due for review again. During this time the number of venues and machines is likely to continue to gradually decline.

Effectiveness at controlling the growth of gambling	<ul style="list-style-type: none"> No current effect on gambling growth.
Effectiveness at minimizing gambling harm	<ul style="list-style-type: none"> Prevents any new venues being located within 50 metres of the nearest boundary of a church or other place of worship, a marae, a school or early childhood education centre.
Problem/opportunity the option is responding to (Strength)	<ul style="list-style-type: none"> Low resourcing requirements which respond to the current resourcing challenges. No further resource required to complete the review.
Problem/opportunity the option is not responding to (Weakness)	<ul style="list-style-type: none"> Updated views of public not included in decision.
Implementation considerations	<p>Process:</p> <ul style="list-style-type: none"> Once approved by committee the policy will roll over for the next 3 years until the next review. Implementation: The policy would be in place for three years until due for review again. <p>Financial:</p> <ul style="list-style-type: none"> A low cost option. The policy would simply roll over. <p>Other resource:</p> <ul style="list-style-type: none"> No additional staff requirements. <p>Timeline:</p> <ul style="list-style-type: none"> Given there is limited additional work required. The policy would roll over for the next 3 years.

Advantages and disadvantages of option one

Table 13. Advantages and disadvantages of retaining the current Pokie Venue Policy.

Advantages	Disadvantages
<ul style="list-style-type: none"> The number of venues will continue to gradually decline without further resource or cost to council and stakeholders for consultation. 	<ul style="list-style-type: none"> Updated views of public not included in decision.
<ul style="list-style-type: none"> Club venues retain the choice to merge and keep a majority of their pokie machines. 	<ul style="list-style-type: none"> If club venues choose to merge, an opportunity to reduce the number of machines in Auckland is lost. Between 4 and 24 machines per merger, depending how many those club venues hosted.
<ul style="list-style-type: none"> Harm from pokie gambling is unlikely to increase significantly and likely to continue to decrease without further resource. 	<ul style="list-style-type: none"> Some stakeholders are uncertain about the end goal for Auckland pokie venue numbers.

Option two: Amend the Pokie Venue Policy to prevent pokie club venues from merging

Table 14. option two Amend the Pokie Venue Policy to prevent pokie club venues from merging.

Option two	Amend the Pokie Venue Policy to prevent pokie club venues from merging
Description	<ul style="list-style-type: none"> Amend the Pokie Venue Policy to prevent pokie club venues from merging.
Example of what is included in this option	<ul style="list-style-type: none"> Under this policy there would be no change to council's policy intent, but the objective would be to apply additional levers to reduce the number of machines faster. Implementation: Under this option staff would investigate a target number of venues for Auckland and draft a statement of proposal. Council would consult the public about changing the purpose of the policy to include the target and remove the clause allowing club venues to merge and retain 5/6ths of their total machines
Effectiveness at controlling the growth of gambling	<ul style="list-style-type: none"> No current effect on gambling growth.
Effectiveness at minimising gambling harm	<ul style="list-style-type: none"> Prevents any new venues being located within 50 metres of the nearest boundary of a church or other place of worship, a marae, a school or early childhood education centre.
Problem/opportunity the option is responding to (Strength)	<ul style="list-style-type: none"> Council will not miss opportunities to reduce the number of machines further if club venues decide to merge.
Problem/opportunity the option is not responding to (Weakness)	<ul style="list-style-type: none"> Club venues may choose not to merge preferring to retain all their pokie machines so an opportunity to decrease the number of pokie venues is lost. Would not affect gambling harm. There have been zero mergers since 2020 review.
Implementation considerations	<p>Process:</p> <ul style="list-style-type: none"> Special consultative procedure and public consultation with stakeholders. Resource and effort from public and stakeholders for consultation. <p>Financial:</p> <ul style="list-style-type: none"> One FTE for four months and cost of notification for special consultative procedure. <p>Timeline:</p> <ul style="list-style-type: none"> Given there is some redesigning work with staff and elected members, a medium-term timeframe is expected (approximately 10-12 months).

Advantages and Disadvantages of option two

Table 15. Advantages and disadvantages amending Pokie Venue Policy to and prevent club venues from merging.

Advantages	Disadvantages
<ul style="list-style-type: none"> Updated views of the public included in the decision. 	<ul style="list-style-type: none"> One full time employee required for four months and notification costs incurred for special consultative procedure.
<ul style="list-style-type: none"> End goal of the policy clarified for stakeholders. 	<ul style="list-style-type: none"> Stakeholder resource and effort required to make submissions.
<ul style="list-style-type: none"> If club venues choose to merge the number of machines in Auckland will decrease more than it would otherwise. The number of machines it would reduce by is unknown but likely to be low. 	<ul style="list-style-type: none"> If club venues choose not to merge because they prefer to keep all their machines, an opportunity to reduce the number of venues is lost.
	<ul style="list-style-type: none"> Club venues who wish to merge and retain much of their pokie machine entitlement will no longer have that choice.

Table 16. Options assessment criteria

Option / Criteria	Effectiveness at controlling the growth of gambling	Effectiveness at minimising gambling harm	Efficiency and controlling growth and minimising gambling harm	Risk / Mitigation
<p>Option one: retain Pokie Venue Policy. (recommended)</p>	<p>✓ Number of pokie venues and machines likely to continue gradually decreasing.</p>	<p>✓ Number of people seeking help has increased slightly but the trend has stayed similar to pre-covid</p> <p>Harm minimisation sector and research supports the idea that harm is minimised by the policies that reduce opportunities to gamble on pokie machines.</p>	<p>✓ Low cost. Occasional resource for responding to requests for pokie club venue mergers and exemptions.</p>	<p>Council may miss opportunities to reduce the number of machines further if club venues merge. This risk must be accepted however the impact of it would be low because the numbers of club venues who merge is low.</p>
<p>Option two: amend Pokie Venue Policy to include a target and prevent club venues from merging.</p>	<p>✓ As above. Nil additional impact on effectiveness. Council can only prevent new venues opening. Club venues have not used the merger in the last 3 years. The likelihood they will is unknown.</p>	<p>✓ Council will not miss opportunities to reduce the number of machines further if club venues decide to merge.</p> <p>✗ Club venues may choose not to merge preferring to retain all their pokie machines so an opportunity to decrease the number of pokie venues is lost.</p>	<p>✗ Marginal benefit from using public and council resources for consultation. Unlikely to create any further reduction in harm.</p>	<p>Public consultation may generate a lot of interest and lead to discussion outside the scope of the proposal. The public, stakeholders and council will use time and resource to process and respond to this.</p> <p>Mitigation Clear messaging about the intent of the proposal may mitigate some of this risk.</p>

7. Analysis and recommendation

Staff recommend policy Option one: Status Quo retain the Pokie Venue Policy:

This ensures that council continues contributing to minimising gambling harm using the regulatory powers available in the most efficient way.

This option is recommended because there is evidence to show that council is minimising harm and that both policies are the best way of limiting the growth of gambling and gambling harm with the tools Council has available. There have been no merges since the last review in 2020.

While problem gambling help data indicates harm may not have reduced further in the last three years, the policies are likely to be limiting harm that would have otherwise increased. The number of pokie venues and gaming machines have reduced, including in high deprivation areas. Clients seeking help for pokie gambling increased slightly since 2020. All clients seeking problem gambling help has decreased since 2020.

Option two has been proposed as a way to strengthen the policy but staff found that the number of club venues that do this is very low or none. The effect preventing this would have on minimising harm is low to none. Option one also avoids the cost and risks associated with public consultation at this time.

TAB Venue Policy



1. Why do we regulate TAB Venues?

Problem/Opportunity

- While not as addictive as pokies, racing and sports betting also poses a risk of harm and addiction.
- TAB venues cause harm in Auckland, particularly for Māori and Pacific peoples, and those living in South Auckland.
- Under the Gambling and Racing Act the council can minimise harm by limiting the number of TAB venues.
- The council aims to minimise harm by limiting the number of TAB venues through a cap (43).

Context

- Many TAB venues also host pokie machines, returning funds to sports and racing related community purposes.
- TAB NZ manage their own racing and sports betting compliance.
- Online gambling is a concern but not covered by the TAB Venue Policy. The council cannot regulate online gambling.

Conclusion

The council regulates TAB Venues through a cap (43) and a proximity rule that aims to minimise harm.

TAB gambling is regulated under the Gambling and Racing Acts 2013

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

- premises owned or leased by TAB NZ where the main business carried out at the premises is providing racing or sports betting’.

Table 17 below provides an overview of the regulatory framework for TAB gambling.

Table 17: Roles of central and local government in regulating gambling activities

Gambling type	Central government role	Local government role
Betting at TAB venues	Sets framework (Racing Act 2003) Venue licensing Enforcement	Must have policies stating whether new venues can be established or not Consenting new venues if they comply with the relevant policy
Self-service TAB machines in taverns	All regulation and enforcement	None
Overseas online gambling sites	None	None

TAB NZ manage their own racing and sports betting compliance

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

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

- are connected by CCTV to a central monitoring office
- have signage displayed encouraging players to gamble only at levels they can afford
- are subject to regular internal audits and spot checks to ensure adherence to the legislative and regulatory requirements, along with the Racing Industry Transition Agency's own problem gambling policy requirements
- provide problem gambling awareness training to each employee and agent who is involved in supervising gambling.³⁹

Internal audit figures are not available.

³⁹ Auckland council gambling findings report (2020)

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

Key findings

- The number of TAB venues has decreased by six to 18, and industry revenue is stable.
- TAB NZ prefer the cap is retained in case there is demand for TAB venues in the future. Online betting growth is more likely however, because retail outlets in pubs and clubs have much lower running costs.
- Growth in online betting is much more likely, given the 25-year partnership deal with Entain an online sports betting company.
- TAB online gambling is out of council’s control.
- TAB venues often host pokie machines, returning much to racing community purposes.

Conclusion

The policy is not currently helping to control the growth of gambling. The number of venues has dropped well below the cap (18), but revenue is stable. This suggests TAB venue decrease does not impact gambling growth.

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

The number of TAB venues dropped by six from 2020 from 24 to 18. Table 10 below shows their distribution in Auckland as described by TAB NZ.

Table 18: TAB venues in Auckland in August 2023

North	Central	West	South
1	5	4	7

TAB NZ report closing these 6 TAB venues because of high running costs compared with other revenue streams, or simply lack of demand.

Table 11 below shows recent TAB turnover.

Table 19: Racing industry turnover and revenue from annual report

	2020	2021	2022
Turnover	\$2275M	\$3076M	\$2928M
Revenue (after pay-outs)	\$327M	\$372M	\$354M

Due to commercial sensitivity TAB NZ would not disclose their revenue figures for each type of outlet. Table 12 below shows there has also been a noticeable decrease in the number of self-service outlets in clubs and pubs.

Table 20: Number of self-service and social outlets in pubs and clubs in Auckland

Type	2020	2023
Self-service outlets	39	30
Social outlets	40	34

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

Thirteen of the 18 TAB venues in Auckland also host pokie machines. TAB’s annual report stated that in the 2022 financial year they returned \$17 million to sports and racing authorised purposes. Much of this goes to funding the Racing Integrity Unit. Figure 9 below, from the annual report shows racing returns to authorised purposes.⁴⁰

25-year Entain deal consolidates online betting growth focus

Entain has been approved to sign a 25-year strategic partnership with the New Zealand TAB. Previous Minister for Racing Kieran McAnulty announced the approval of a 25-year partnership between TAB NZ and UK betting company Entain that delivers at least \$900 million in guaranteed funding for the racing industry over the next five years.⁴¹

Figure 9: Racing industry pokie revenue returned 2021/2022

	2022 \$000	2021 \$000
Racing Community	12,855	7,116
Sporting Community*	4,384	–
TOTAL BETTING DUTY SAVINGS TRANSFERRED AND TRANSFERABLE	17,239	7,116

Commissions and other payments to the sporting community

Y2022

Total National Sporting Organisation (NSO) Commissions	\$12.6M
Betting Duty Savings paid	\$4.4M
TOTAL (excluding Class 4 grants):	\$17.0M

Total NSO commissions in 2020/21 were \$13.0m.

Note: Sporting betting information use charges are collected separately from TAB NZ and flow directly to NSOs.

⁴⁰ TAB annual report. (2022).

⁴¹ [Behive. \(2023\).](#)

3. Has the TAB Venue Policy minimised gambling harm?

Key findings

- More men, Māori, Pacific peoples, and those living in South Auckland seek help for problem gambling.
- The harm minimisation sector finds the TAB Venue Policy less important; some find the cap number high.
- There has been an increase in clients assisted for those seeking help with TAB gambling since the 2020 review.
- TAB is focusing on online betting over physical venues which is outside of council control, demonstrated in the new partnership with TAB and Entrain.
- COVID-19 restrictions have been lifted allowing greater accessibility and availability of TAB venues for people to participate in land-based gambling.

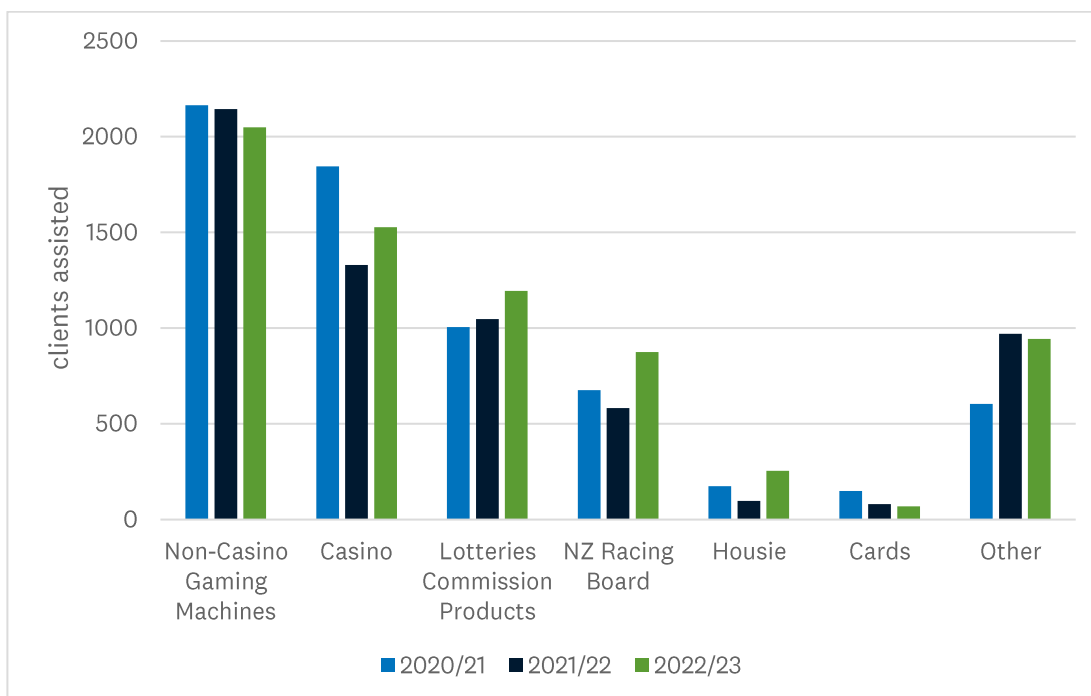
Conclusion.

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

There has been an increase in clients assisted for those seeking help with TAB gambling

There has been an increase in those seeking help with TAB gambling since 2020. Figure 16 shows the breakdown of all Auckland clients assisted by primary gambling mode.

Figure 16: Auckland total clients assisted by problem gambling mode



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

Figure 17: Gender of TAB clients assisted in Auckland

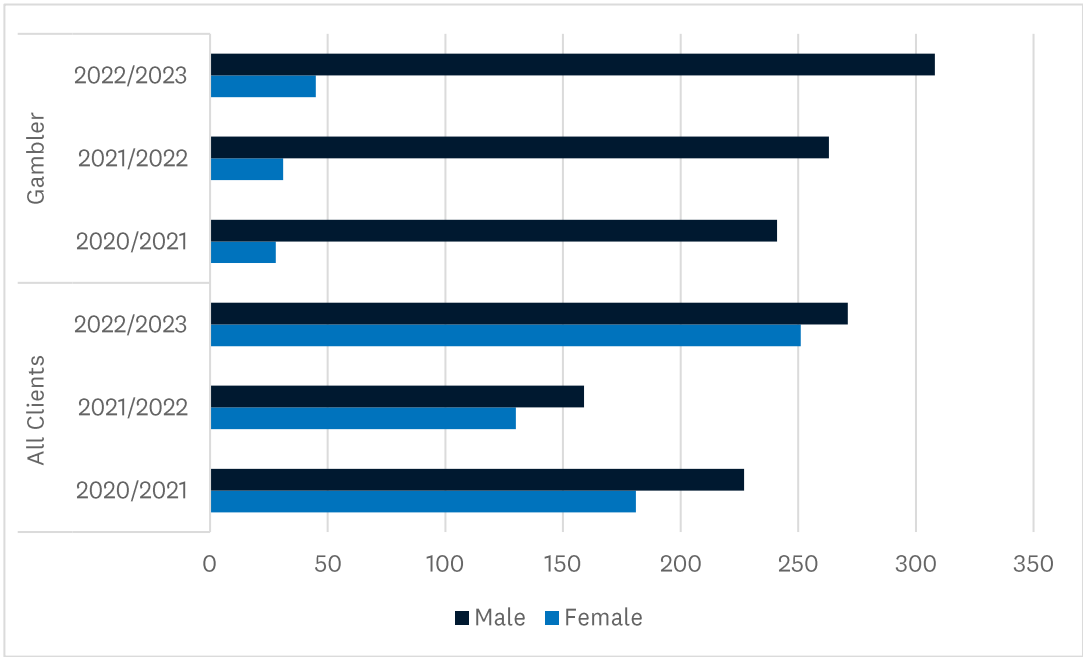


Figure 18 below shows clients assisted for TAB venue gambling by ethnicity.

Figure 18: Ethnicity of Auckland clients assisted for TAB gambling

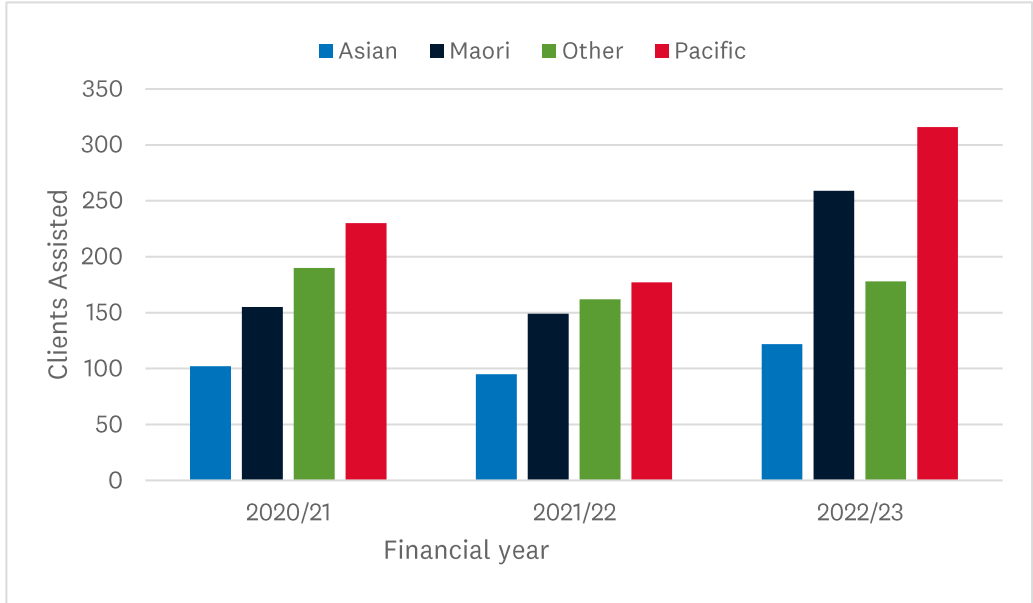
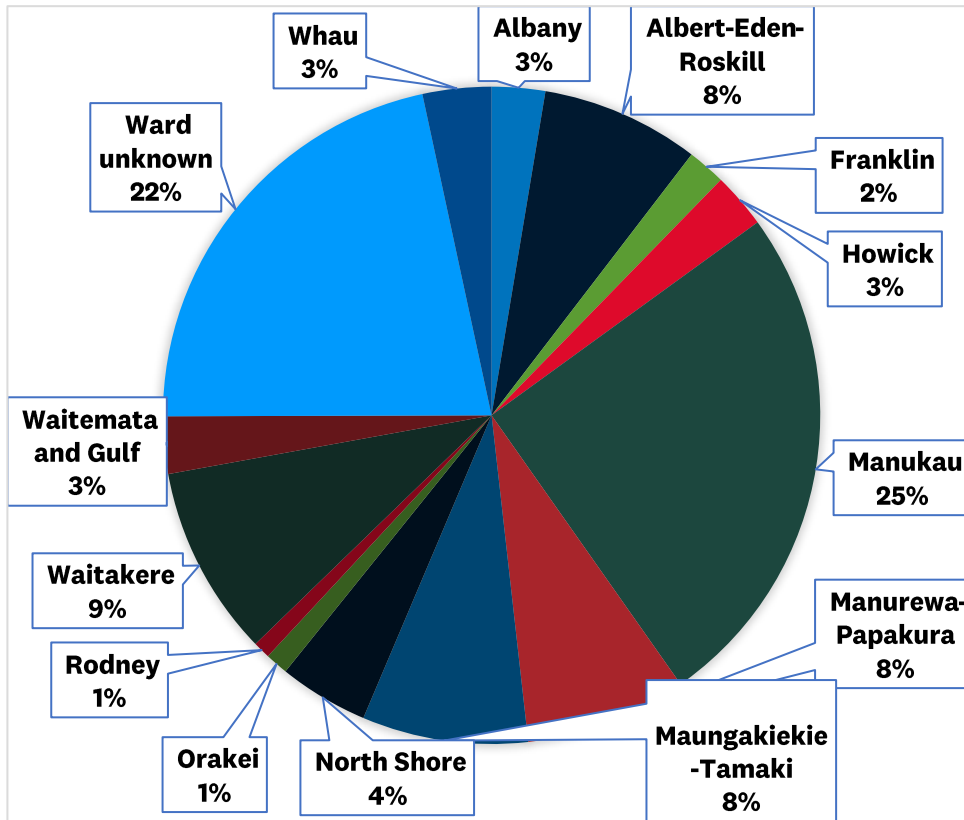


Figure 18 below shows the distribution of clients assisted who identified TAB as the primary gambling mode, by ward.

Figure 19: Auckland clients assisted for TAB gambling by ward



The harm minimisation sector finds the TAB Venue Policy less effective

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

Stake holder views are uncertain and mixed

The harm minimisation sector agree that leaving the cap at 43 TAB venues is high but were uncertain or mixed about what is appropriate instead.

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

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

4. TAB Venue Policy options assessment

The following section assesses the effect of the policies and councils' options in response to the findings.

Key findings

- Staff analysed three policy options for this assessment. These were:
 - Option one: Retain the TAB Venue Policy (recommended).
 - Option two: Change the Cap to current number of venues.
 - Option three: Change policy to a sinking lid.
- These options were identified because there is evidence to show that council is minimising harm and that both policies are the best way of limiting the growth of gambling and gambling harm with the tools Council has available.
- TAB venues have reduced under the current cap, with the industry now focused more on online betting.

Conclusion

Staff recommend Option one: status quo - retain the TAB Venue Policy to: continue contributing to minimising gambling harm using the regulatory powers available to council in the most efficient way and comply with legislative requirements.

Option one recommended because there is evidence to show that council is minimising harm and that the TAB Venue Policy is the best way of limiting the growth of gambling and gambling harm with the tools Council has available.

Objectives of the current policies

The current policies aim to:

- control the growth of gambling in Auckland
- minimise the harm caused by gambling in Auckland.

The policies support the following Auckland Plan 2050 outcomes:

- improve health and wellbeing for all Aucklanders by reducing harm (for example from smoking, alcohol and gambling) and disparities in opportunities
- advance Māori wellbeing
- ensure regulatory planning and other mechanisms support business, innovation and productivity growth.

The policies support the following Māori Plan, Kaitiakitanga outcome:

- whānau wellbeing and resilience are strengthened by focusing on social equity and whanau wellbeing.

This section provides an overview of each option and applies a consistent assessment criteria to each.

Assessment criteria

Staff have presented overviews of each option including its strengths and weaknesses, and developed assessment criteria to enable comparison of the options. Each criterion is drawn from the desired outcomes for the policies.

The criteria are unweighted and allow for objective assessment.

Staff used an intervention logic model to evaluate the policies. The results of this are summarised in table 15 below.

Table 21. options criteria summary

Desired outcome	Success criteria	Indicators	2020	2023	Impact
Capped growth of Racing Board TAB venues in Auckland.	43 venues or less. Similar TAB revenue or less.	Total number of venues. TAB revenue.	23 venues. Cannot obtain evidence on revenue.	18 venues. Cannot obtain evidence on revenue.	✓ Less than 43 venues. Could not obtain Auckland TAB venues specific data, however overall, TAB revenue is similar.
Reduction in gambling related harm from Class 4 and betting.	Decrease in clients seeking help for pokie and TAB venue gambling in Auckland.	Number of clients utilising problem gambling services.	677 clients assisted for TAB venues.	877 clients assisted for TAB venues.	✗ Slight increase in clients seeking help from pokie gambling. ✗ Increase in clients seeking help for TAB venue gambling.

TAB Venue Policy options

Staff identified and considered three options in response to the review findings.

Staff have identified three options in response to the TAB Venue Policy findings:

- Option one: Retain the TAB policy.
- Option two: Amend to lower the TAB cap to current number of venues (18).
- Option three: Propose to change the cap to a sinking lid.

This section provides an overview of each option and applies consistent assessment criteria to each.

The following options were discounted:

- No policy - Council must have a policy under the Racing Industry Act 2020.

TAB venue options assessment

Staff have compared these options against the following criteria:

- effectiveness at minimising gambling harm. How is the policy minimising gambling Harm?
- effectiveness at controlling the growth of gambling. How is the policy at controlling the growth of gambling?
- efficiency at controlling the growth of gambling and minimising gambling harm. How efficient is the policy in controlling the growth of gambling and minimising harm?

Staff have identified risks and risk mitigation and advantages and disadvantages.

These are summarized in Tables below.

Option one: Retain TAB Policy

Table 22. Option one: Retain TAB Policy

Option One	Retain TAB Venue Policy
Description	<ul style="list-style-type: none"> • Retain the TAB Venue Policy
Example of what is included in this option	<ul style="list-style-type: none"> • Under this option the policy intent and objectives would not change. Council would leave the existing cap of 43 venues in place and maintain the proximity rule. TAB NZ could increase the number of primary activity betting venues they have, if they were not within 50 metres of schools or places of worship. • Implementation: The policy would be in place for three years until due for review again.
Effectiveness at controlling the growth of gambling	<ul style="list-style-type: none"> • No current effect on gambling growth.
Effectiveness at minimising gambling harm	<ul style="list-style-type: none"> • Prevents any new venues being located within 50 metres of the nearest boundary of a church or other place of worship, a marae, a school or early childhood education centre.
Problem/opportunity the option is responding to (Strength)	<ul style="list-style-type: none"> • No further resource required to complete the review.
Problem/opportunity the option is not responding to (Weakness)	<ul style="list-style-type: none"> • Updated views of public not included in decision.
Implementation considerations	<p>Process:</p> <ul style="list-style-type: none"> • Once approved by committee the policy will roll over for the next 3 years until the next review. <p>Financial:</p>

	<ul style="list-style-type: none"> • A low cost option. The policy would simply roll over. <p>Other resource:</p> <ul style="list-style-type: none"> • No additional staff requirements. <p>Timeline:</p> <ul style="list-style-type: none"> • The policy would roll over with immediate effect as limited additional work is required.
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Advantages and disadvantages of option one

Table 23. Advantages and disadvantages of retaining the current Cap.

Advantages	Disadvantages
<ul style="list-style-type: none"> • No further resource required to complete the review. 	<ul style="list-style-type: none"> • Updated views of public not included in decision.

Option Two: Amend to lower TAB cap to current number of venues (18)

Table 24. Options Two: Amend to lower TAB cap to current number of venues.

Option Two	Amend to lower TAB cap to current number of venues (43)
Description	<ul style="list-style-type: none"> • Lower the cap to current number of TAB venues
Example of what is included in this option	<ul style="list-style-type: none"> • Cap lowered to current number of TAB venues (current number 18) • Special legislative procedure • Public consultation
Effectiveness at controlling the growth of gambling	<ul style="list-style-type: none"> • No current effect on gambling growth. • Public and council resource for consultation for nil benefit because the number of this type of venue is unlikely to increase
Effectiveness at minimising gambling harm	<ul style="list-style-type: none"> • Prevents any new venues being located within 50 metres of the nearest boundary of a church or other place of worship, a marae, a school or early childhood education centre. • As above, but no additional impact. Any growth of betting is likely to be from revenue streams outside Council's control.
Problem/opportunity the option is responding to (Strength)	<ul style="list-style-type: none"> • Policy updated for the current context • Updated views of the public included in the decision.
Problem/opportunity the option is not responding to (Weakness)	<ul style="list-style-type: none"> • Perception risk that council is over-reacting to TAB if council proposes to increase regulation, when they have already reduced their TAB venue numbers.

Implementation considerations	<p>Process:</p> <ul style="list-style-type: none"> • Special consultative procedure and public consultation with stakeholders • Resource and effort from public and stakeholders for consultation. <p>Financial:</p> <ul style="list-style-type: none"> • One FTE for four months and cost of notification for special consultative procedure. <p>Timeline:</p> <ul style="list-style-type: none"> • Given there is some redesigning work with staff and elected members, a medium-term timeframe is expected (approximately 10-12 months).
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Advantages and disadvantages of option two

Table 25. Advantages and disadvantages of lowering the cap to current venue number (18)

Advantages	Disadvantages
<ul style="list-style-type: none"> • Policy updated for the current context. 	<ul style="list-style-type: none"> • One FTE for four months and cost of notification for special consultative procedure.
<ul style="list-style-type: none"> • Updated views of the public included in the decision. 	<ul style="list-style-type: none"> • Resource and effort from public and stakeholders for consultation.
	<ul style="list-style-type: none"> • Disproportionate action as the findings show that venue numbers are low - and harm has decreased despite the policy.

Option three: Change the TAB policy to a sinking lid

Table 26. Option 3: change TAB policy to a sinking lid

Option Three	Change TAB policy to a sinking lid
Description	<ul style="list-style-type: none"> • Under this option council would apply a sinking lid approach. When a venue closes the number of venues allowed drops to that number.
Example of what is included in this option	<ul style="list-style-type: none"> • Special consultative procedure and public consultation with stakeholders • Resource and effort from public and stakeholders for consultation • Statement of proposal

Problem/opportunity this option is responding to (Strength)	<ul style="list-style-type: none"> • Policy updated for the current context.
Problem/opportunity this option is not responding to (Weakness)	<ul style="list-style-type: none"> • Disproportionate action as the findings show that venue numbers are low – and it is unlikely to have any effect on harm from sports betting harm has decreased despite the policy
Implementation considerations	<p>Process:</p> <ul style="list-style-type: none"> • Special consultative procedure and public consultation with stakeholders • Resource and effort from public and stakeholders for consultation <p>Process:</p> <ul style="list-style-type: none"> • Special consultative procedure and public consultation with stakeholders • Resource and effort from public and stakeholders for consultation <p>Financial:</p> <ul style="list-style-type: none"> • One FTE for four months and cost of notification for special consultative procedure. <p>Timeline:</p> <ul style="list-style-type: none"> • Given there is some redesigning work with staff and elected members, a medium-term timeframe is expected (approximately 10-12 months).

Advantages and disadvantages of a sinking lid policy

Table 27. Advantages and disadvantages of a sinking lid policy

Advantages	Disadvantages
<ul style="list-style-type: none"> • Policy updated for the current context. 	<ul style="list-style-type: none"> • One FTE for four months and cost of notification for special consultative procedure.
<ul style="list-style-type: none"> • Updated views of the public included in the decision. 	<ul style="list-style-type: none"> • Resource and effort from public and stakeholders for consultation. • Perception risk with having strict policy without justification from findings report. • Disproportionate action as the findings show that venue numbers are low - and harm has decreased despite the policy.

Table 28. Options criteria summary table

Option / Criteria	Effectiveness at controlling the growth of gambling	Effectiveness at minimising gambling harm	Efficiency and controlling growth and minimising gambling harm	Risk / Mitigation
<p>Option one: retain TAB Venue Policy. (recommended)</p>	<p>No current effect on gambling growth.</p>	<p>✓ Prevents any new venues being located within 50 metres of the nearest boundary of a church or other place of worship, a marae, a school or early childhood education centre.</p>	<p>✓ No cost.</p>	<p>TAB NZ may choose to open new venues. This risk of significant numbers opening is very low but must be accepted. Reputational risk if harm minimisation sector perceives Council to be retaining a policy with a high cap number. Mitigation: Staff could mitigate this by communicating the reasons for this decision.</p>
<p>Option two: amend TAB Venue Policy cap to current number of venues</p>	<p>No additional impact. Any growth of betting is likely to be from methods outside Council’s control.</p>	<p>✓ As above, but no additional impact. Any growth of betting is likely to be from methods outside Council’s control.</p>	<p>✗ Public and council resource for consultation for nil benefit because the number of this type of venue is unlikely to increase.</p>	<p>Public consultation may generate a lot of interest and lead to discussion outside the scope of the proposal. The public, stakeholders and council will use time and resource to process and respond to this.</p>

				Mitigation: Clear messaging about the intent of the proposal may mitigate some of this risk.
Option three: amend TAB Venue Policy to a sinking lid	No additional impact. Any growth of betting is likely to be from methods outside Council's control.	✓ As above, but no additional impact. Any growth of betting is likely to be from methods outside Council's control.	<ul style="list-style-type: none"> ✗ Public and council resource for consultation for nil benefit because the number of this type of venue is unlikely to increase. ✗ Marginal benefit from using public and council resources for consultation. Unlikely to create any further reduction in harm. 	<p>Public consultation may generate a lot of interest and lead to discussion outside the scope of the proposal. The public, stakeholders and council will use time and resource to process and respond to this.</p> <p>Mitigation: Clear messaging about the intent of the proposal may mitigate some of this risk.</p>

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5. Analysis and recommendation

Staff recommend Option one: retain the TAB Venue policy:

Staff recommend option one to continue contributing to minimising gambling harm using the regulatory powers available to council in the most efficient way. There are low legal and strategic risks to council by retaining the current policies. While new TAB venues could open, with room under the current cap, this is considered unlikely as numbers have not increased for a number of years and there is a general focus on online gambling.

TAB venues have decreased, and revenue is stable. The number of people seeking help for TAB gambling has increased. This, however, is likely to be linked to growth of online sports betting. New venues opening, and especially any significant number of venues opening is very unlikely because this type of venue is not cost-effective for TAB NZ.

The following options were considered by staff but found that Option two: Change the Cap to current number of venues, Council could consult the public about a new, lower cap for the current context. However, having a cap would incur cost and resource for consultation that is unlikely to result in any further decrease in gambling harm.

Option three was also considered: Change policy to a sinking lid. A sinking lid would mitigate the minor perception risk to council that new TAB venues open under the higher cap. It would also prevent the cap becoming too high again, if more venues close. It would, however, be a disproportionate response to the already current low number and decrease in venues in Auckland.

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