

**GAMBLING IMPACT ASSESSMENT:**  
*For Auckland City Council, Manukau City  
Council, North Shore City Council, Waitakere  
City Council, Franklin District Council,  
Papakura District Council, and Rodney District  
Council*

**Part Two: Auckland City data**

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## Table of contents

<b>1. AUCKLAND TERRITORIAL AUTHORITY DATA .....</b>	<b>4</b>
<b>2. AUCKLAND CITY .....</b>	<b>5</b>
2.1 CENSUS UNIT ANALYSIS SUMMARY FOR AUCKLAND CITY .....	6
2.2 GRANT DISTRIBUTION IN AUCKLAND CITY .....	7
2.3 GAMBLING HELPLINE DATA FOR AUCKLAND CITY .....	10
2.4 PERSONAL COUNSELLING DATA FOR AUCKLAND CITY .....	16
2.5 SUMMARY OF WORKSHOP DATA FOR AUCKLAND CITY .....	19
<b>3. CONCLUSIONS FOR AUCKLAND CITY.....</b>	<b>30</b>

## Table of figures and tables

<b>TABLE 1: SUMMARY OF VENUES AND MACHINES FOR AUCKLAND CITY .....</b>	<b>6</b>
<b>TABLE 2: SUMMARY OF GAMBLING MACHINE CONCENTRATIONS BY KEY VARIABLES FOR AUCKLAND CITY .....</b>	<b>6</b>
<b>FIGURE 1: THE DISTRIBUTION OF FUNDS BY THE NATIONAL GAMBLING MACHINE TRUSTS IN AUCKLAND CITY AND THE REST OF NEW ZEALAND.....</b>	<b>7</b>
<b>FIGURE 2: FUNDING ALLOCATION TO THE DIFFERENT CATEGORIES BY EACH OF THE NATIONAL GAMBLING MACHINE TRUSTS OPERATING IN AUCKLAND CITY .....</b>	<b>8</b>
<b>FIGURE 3: GAMBLING PROBLEM HELPLINE CLIENT TYPE DISTRIBUTION - NATIONAL AND AUCKLAND CITY (N=20,200).....</b>	<b>10</b>
<b>FIGURE 4: GAMBLING PROBLEM HELPLINE CLIENT GENDER DISTRIBUTION - NATIONAL AND AUCKLAND CITY (N=19,732).....</b>	<b>11</b>
<b>FIGURE 5: GAMBLING PROBLEM HELPLINE CLIENT AGE DISTRIBUTION - NATIONAL AND AUCKLAND CITY (N=14,767).....</b>	<b>12</b>
<b>FIGURE 6: GAMBLING PROBLEM HELPLINE CLIENT ETHNIC DISTRIBUTION - NATIONAL AND AUCKLAND CITY (N=20,200).....</b>	<b>12</b>
<b>FIGURE 7: GAMBLING PROBLEM HELPLINE CLIENT SEVERITY (DSM-IV) SCORE DISTRIBUTION - NATIONAL AND AUCKLAND CITY (N=4,964) .....</b>	<b>13</b>
<b>FIGURE 8: GAMBLING PROBLEM HELPLINE CLIENT SUICIDAL IDEATION DISTRIBUTION - NATIONAL AND AUCKLAND CITY (N=18,477).....</b>	<b>14</b>
<b>TABLE 3: PROBLEM GAMBLING MODE BY LOCATION (AUCKLAND CITY TERRITORIAL AUTHORITY DISTRICT AND NATIONWIDE) .....</b>	<b>15</b>
<b>FIGURE 9: PERSONAL COUNSELLING GENDER DISTRIBUTION - NATIONAL AND AUCKLAND CITY (N=4,994).....</b>	<b>16</b>
<b>FIGURE 10: PERSONAL COUNSELLING ETHNIC DISTRIBUTION - NATIONAL AND AUCKLAND CITY (N=4,992).....</b>	<b>17</b>
<b>FIGURE 11: PERSONAL COUNSELLING AGE DISTRIBUTION - NATIONAL AND AUCKLAND CITY (N=4,178).....</b>	<b>18</b>

## **1. Auckland Territorial Authority Data**

**Note:** It is important to read this report in conjunction with the Introduction and Regional Overview report (Part 1).

The following report was commissioned by the seven territorial authorities within the Auckland region to inform the development of their local gambling venue policies required by the recently passed Gambling Act 2003. Under this new Act, territorial authorities have specific responsibilities in relation to consents for “Class 4” gambling venues, i.e. local venues providing either electronic gambling machines (EGMs) or race or sports betting. Prior to drafting their gambling venue policies, the Act requires territorial authorities to conduct an assessment of the social impacts of gambling on their communities.

The current sub-report (Part 2) collates information pertaining to the Auckland City district alone. This information was collected from available sources over a six week period in November and December 2003. It collates information from databases on population characteristics, the allocation of community benefit funds by the six main EGM trusts, and trends in help-seeking for problem gambling within the district. It also summarises feedback from a workshop that sought public views on the future role of the Auckland City Territorial Authority with respect to Class 4 gambling.

Information on population characteristics was derived from 2001 census information available on line from Statistics New Zealand in relation to the number of local gambling venues and the number of EGMs per “Census Area Unit” (CAU). These concentrations were analysed with respect to demographic variables that included ethnicity, deprivation indices and household income. Data on the distribution of community benefit funding was derived from the six National Gambling Machine Trusts (NGMTs). The systems for collecting data on the proceeds from gambling in Chartered Clubs and on the community benefits distributed from smaller localised societies are not available so the information collated represents only part of the funds distributed. Information on help-seeking for problem gambling was derived from two sources; client records from the Gambling Problem Helpline for the period November 1998 to November 2003 and from the Problem Gambling Committee database for personal (face-to-face) counselling for the period 1997 to 2002. Public feedback was collected from one two-hour facilitated workshop that incorporated five focus groups. Members in each focus group were asked discuss their views regarding a standard set of issues regarding the role of territorial authorities on their management of Class 4 gambling. The notes taken from each session were analysed according to themes then clustered into theme categories as presented in this report.

**Note:** For a fuller description of procedures and limitations to data collection methods, please consult the methodology section in the Introduction and Regional Overview Report (Part 1).

## **2. Auckland City**

Auckland City's population of 367,737 constitutes 32% of the Region's total. 19.7% of the population is under 15 years of age compared to 22.9% for the Region.

8.4% of people in Auckland City are Maori compared to 11.6% in the Auckland Region. The population contains 13.7% Pacific people and 18.7% Asian people compared to the Region as a whole (14% and 13.8% respectively).

The median income of people in Auckland City is \$22,300 compared with \$21,100 for the Region as a whole.

Auckland City has 163 Class 4 gambling venues and a total of 1,959 gambling machines (excluding machines in the Sky City casino). There is one Class 4 venue machine per one hundred and eighty-eight Auckland City residents (all ages). Forty-four venues operate machines (632) owned by the six trusts that comprise the National Gaming Machine Trusts. Seventy-five venues operate machines (930) owned by other trusts and societies. Forty-four clubs operate the remaining 397 machines. The average number of machines at club venues is nine machines, and at non-club venues thirteen. According to the Department of Internal Affairs (DIA), thirty-four venues (33 non-club and 1 club) were issued gambling licences after 17 October 2001. There are twenty-one standalone and twenty non-standalone TAB agencies in Auckland City.

## **2.1 Census Unit Analysis Summary for Auckland City**

Table 1 below provides overall data on the number of standalone TAB outlets, non-standalone TAB outlets and class 4 venues in Auckland City. It also provides the total number of gambling machines and the population per gambling machine.

**Table 1:** Summary of venues and machines for Auckland City

	<b>Number</b>
Standalone TAB Agencies	20
Non-Standalone TAB Agencies	21
Class 4 Venues	163
Gambling Machines	1,959 <sup>1</sup>
Population per Gambling Machine	188

Table 2 below gives a synopsis of the data analysis discussed above for Auckland City, with respect to the concentration of machines in more deprived areas (as measured by the NZDep index), household income, age and ethnicity.

**Table 2:** Summary of gambling machine concentrations by key variables for Auckland City

<b>Key Variables</b>	<b>Likelihood of having high concentrations of electronic gambling machines</b>
<ul style="list-style-type: none"> <li>• Deprivation</li> </ul>	<ul style="list-style-type: none"> <li>• Clear gradient: Areas of high deprivation more likely</li> </ul>
<ul style="list-style-type: none"> <li>• Household Income</li> </ul>	<ul style="list-style-type: none"> <li>• Low income areas more likely</li> </ul>
<ul style="list-style-type: none"> <li>• Age</li> </ul>	<ul style="list-style-type: none"> <li>• Younger areas more likely:</li> </ul>
<ul style="list-style-type: none"> <li>• Maori</li> </ul>	<ul style="list-style-type: none"> <li>• More likely to have high concentration</li> </ul>
<ul style="list-style-type: none"> <li>• Pacific</li> </ul>	<ul style="list-style-type: none"> <li>• Less likely to have high concentration</li> </ul>
<ul style="list-style-type: none"> <li>• Asian</li> </ul>	<ul style="list-style-type: none"> <li>• More likely</li> </ul>

**Note:** more detail on the data supporting these trends is available in the Introduction and Regional Overview Report (Part 1).

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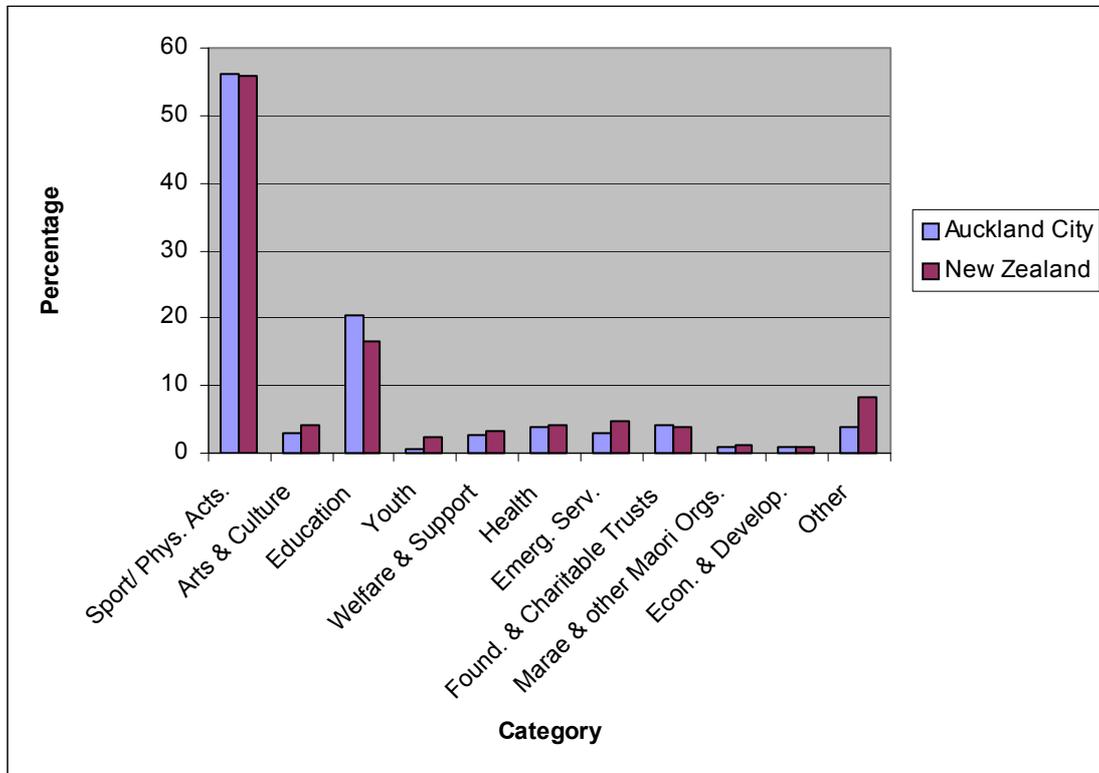
<sup>1</sup> Excludes the 1,647 gambling machines operated by Sky City casino.

## 2.2 Grant distribution in Auckland City

It is estimated that of the \$777 million dollars spent nationally on EGMs, \$219 million is spent in the Auckland region. At least \$4.2 million of this money was returned to Auckland City as community funding (as a proportion of the \$28 million provided in grants to the region through the six trusts making up the NGMT).<sup>2</sup>

In general, Auckland City received a similar distribution of funds from the NGMTs when compared with the distributions at the national level, with a slighter higher proportion of funding going to Education (Figure 1).

**Figure 1:** The distribution of funds by the National Gambling Machine Trusts in Auckland City and the rest of New Zealand

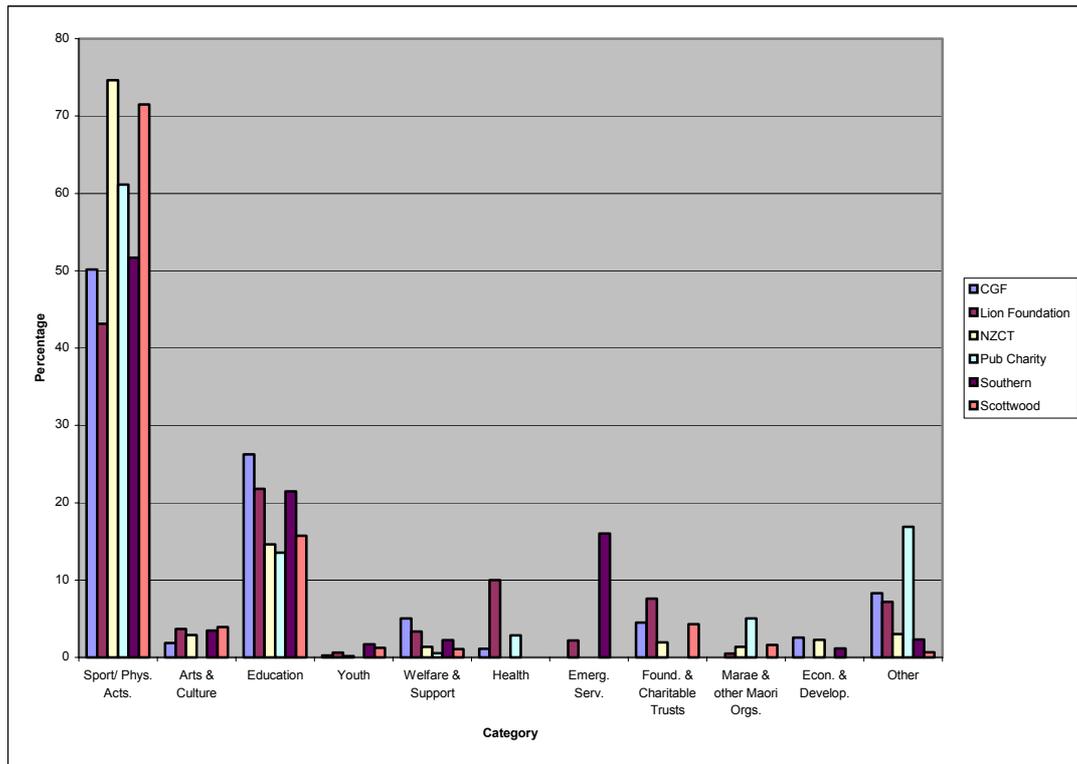


There were some differences in the types of donations made to Auckland City by each individual trust when compared with the national average (Figure 2).

<sup>2</sup> Auckland City would in addition have received a (similar) proportion of the estimated \$54 million provided in grants to the Auckland region by local gambling trusts.

**Part 2: Auckland City – January 2004**  
**Gambling Impact Assessment for the seven Auckland territorial authorities**

**Figure 2:** Funding allocation to the different categories by each of the National Gambling Machine Trusts operating in Auckland City



**Community Grants Foundation Inc.**

Community Grants Foundation Inc. gave a higher proportion of funding to Education (26.25 per cent) in Auckland City than the national average (16.44 per cent). More funds were also allocated to Welfare & Support groups (5.04 per cent) and Economy & Development (2.56 per cent) than the rest of New Zealand (3.30 per cent and 0.89 per cent respectively). Less money was awarded to Sport & Physical Activities (50.16 per cent), Youth (0.25 per cent) and Health (4.16 per cent) compared with the New Zealand average: 55.98 per cent, 2.32 per cent and 4.16 per cent respectively.

**Lion Foundation**

The Lion Foundation gave 21.78 per cent of its funding in Auckland City to Education which was higher than the national average (16.44 per cent). More funding was awarded to Health organisations (9.99 per cent) and Foundations & Charitable Trusts (7.59 per cent), both categories receiving more than twice the national average (4.16 per cent and 3.79 per cent respectively). Fewer funds were given to Sport & Physical Activities (43.09 per cent), Emergency Services (2.20 per cent) and Youth (0.59 per cent) than the rest of New Zealand (55.98 per cent, 4.67 per cent and 2.32 per cent respectively).

### **New Zealand Community Trust**

The money allocated by the New Zealand Community Trust to Auckland City for Sport & Physical Activities (74.64 per cent) was much higher than the national allocation (55.98 per cent). Slightly less money was awarded to Educational groups in Auckland City (14.61 per cent) than the national average (16.44 per cent). Fewer funds were awarded to Youth (0.15 per cent) and Welfare & Support groups (1.36 per cent) with no funds distributed amongst Health or Emergency Services.

### **Pub Charity Inc.**

Again Auckland City received more funding for its Sport & Physical Activities category than the national average (61.15 percent compared with 55.98 per cent). Funding to Marae & other Maori organisations (5.04 per cent) was also higher than the national average of 1.16 per cent. Pub Charity Inc. allocated less funding for Education (13.56 per cent vs. 16.44 per cent nationally), Welfare & Support groups (0.52 per cent vs. 3.30 per cent nationally) and Health (2.84 per cent vs. 4.16 per cent for all of New Zealand).

### **The Southern Trust**

The Southern Trust awarded 21.45 per cent of its funds to Education compared with a national average of 16.44 per cent. Emergency services also received a higher level of funding, receiving 16.02 per cent of the Southern Trust funds compared to 4.67 per cent at the national level. Fewer funds were awarded to Sport & Physical Activities (51.69 per cent vs. 55.98 per cent), Welfare & Support (2.21 per cent vs. 3.30 per cent), with no allocations made to Health organisations or Foundations & Charitable Trusts.

### **Scottwood Trust**

The Scottwood Trust allocated most of its funds to Sport & Physical Activities (71.50 per cent), which was higher than the national average (55.98 per cent). Fewer funds were given to Education (15.71 per cent vs. 16.44 per cent nationally), Youth (1.22 per cent vs. 2.32 per cent), and Welfare & Support groups (1.09 per cent vs. 3.30 per cent). Health and Emergency Services received no funding.

## 2.3 Gambling Helpline Data for Auckland City

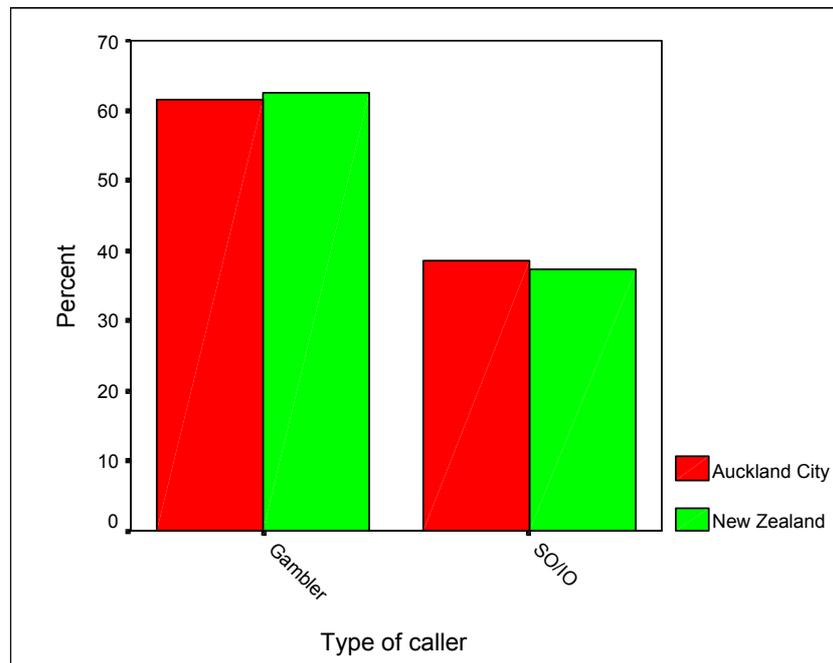
**Note:** To be read in conjunction with the copyright, limitations and disclaimer included in Appendix 1 of Part 1 of this report.

Overall, 1,623 callers (who had called during the operating period from November 1998 to November 2003) were identified as being primarily located within Auckland City<sup>3</sup>. This equates to 1 in every 227 Auckland City residents. A further 18,577 clients were identified as having called from outside this district.

### Type of Caller

Overall, the breakdown of client type (Gambler, Significant Other/Interested Other) from within Auckland City was very similar to the rest of New Zealand. Approximately two-thirds of callers were identified as Gamblers, 61.5% for Auckland and 62.6% for the rest of New Zealand. Subsequently, the minority of callers were classified as a Significant Other/Interested Other, 38.5% within Auckland and 37.4% nationwide. See Figure 3 for details.

**Figure 3:** Gambling Problem Helpline Client Type Distribution - National and Auckland City (N=20,200)

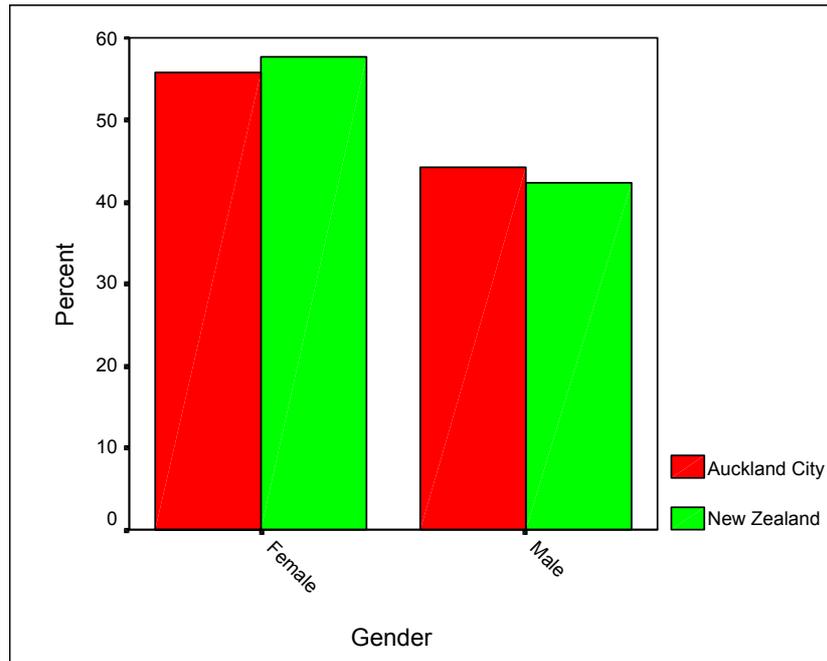


<sup>3</sup> When data was retrieved, callers were categorised as having called from one of two locations: 1. Within Auckland City District, or 2. Elsewhere in New Zealand (i.e. Outside of the Auckland City District).

## Gender

Overall, more females contacted the Helpline than males. However, there was slightly less gender variance in Auckland (55.8% female, 44.2% male) than nationwide (57.5% female, 42.5% male). See Figure 4 for details. Details regarding gender were missing for 468 clients (23 Auckland, 445 nationwide).

**Figure 4:** Gambling Problem Helpline Client Gender Distribution - National and Auckland City (N=19,732)

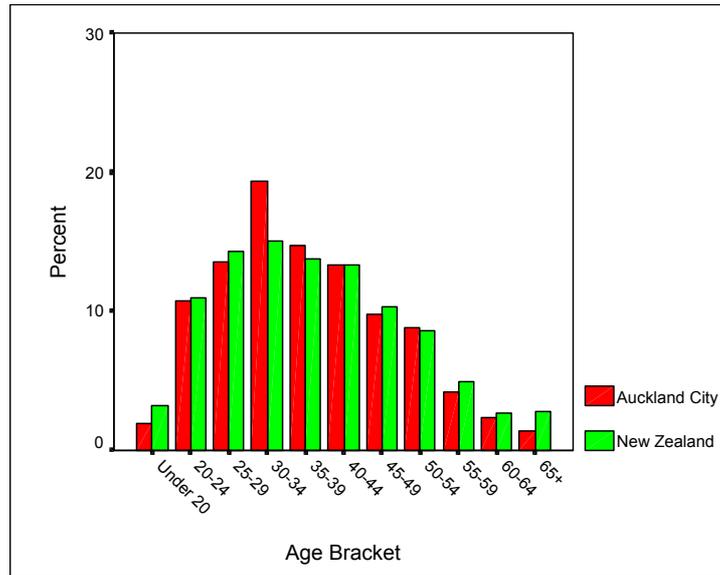


## Age

Callers to the Helpline varied widely in age, and in general age distributions were fairly similar for both nationwide and Auckland City calls. Caller's for both regions peaked in the 30-34 age bracket – however, the magnitude of the peaks differed substantially: 19.3% in Auckland City compared with 15% nationwide. Overall, small proportions of callers fell into the younger and older age groups: Under 20 (1.9% Auckland, 3.2% nationwide), 60-64 (2.3% Auckland, 2.7% nationwide) and 65+ (1.4% Auckland, 2.8% nationwide). See Figure 5 for details. Data regarding age were missing for 5433 clients (370 Auckland, 5063 nationwide).

**Part 2: Auckland City – January 2004**  
**Gambling Impact Assessment for the seven Auckland territorial authorities**

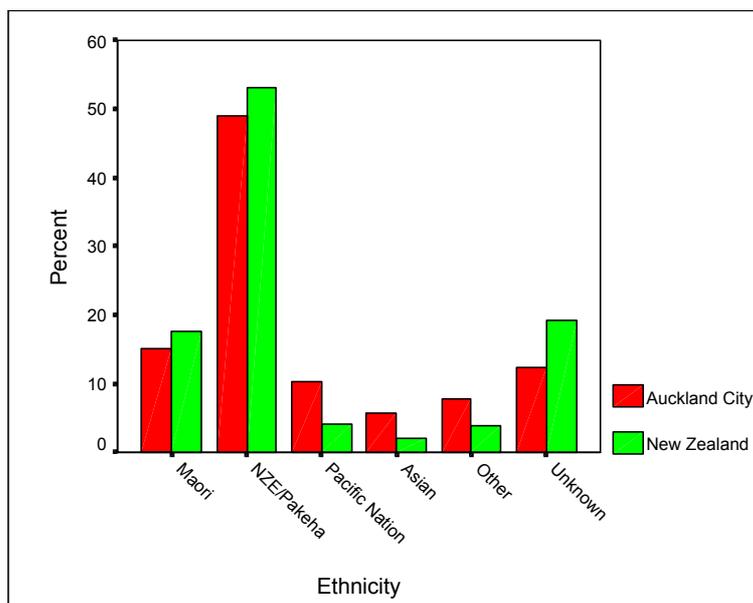
**Figure 5:** Gambling Problem Helpline Client Age Distribution - National and Auckland City (N=14,767)



**Ethnicity**

The ethnic distributions varied widely, however regardless of location, the majority of callers were Pakeha (49% Auckland compared with 53.2% nationwide), followed by Maori (15% Auckland, 17.5% nationwide). Higher proportions (more than double) of the following ethnic groups were observed within Auckland than nationwide: Pacific Nation (10.3% Auckland and 4.1% nationwide), Asian (5.7% Auckland and 2.0% nationwide), Other (7.7% Auckland and 3.8% nationwide) and Unknown (12.3% Auckland and 19.3% nationwide). See Figure 6 for details.

**Figure 6:** Gambling Problem Helpline Client Ethnic Distribution - National and Auckland City (N=20,200)



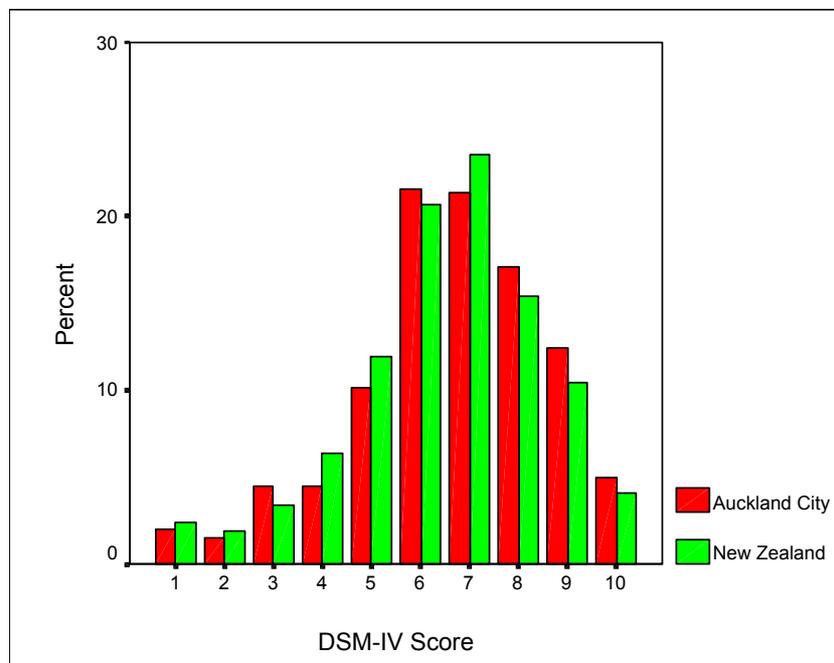
### DSM-IV Score

Figure 7 illustrates the distribution of DSM-IV scores according to caller location. DSM-IV scores were not recorded for a large proportion of gamblers, subsequently, the following discussion refers to 403 callers from Auckland and 4561 callers nationwide. Similar distributions were observed regardless of caller location, with most callers having high DSM-IV scores. The majority of callers (42.9% Auckland, 44.1% nationwide) scored either 6 or 7.

From Auckland City 9% of callers had a score of 3-4 (thus fulfilling the criteria for problem gambling), compared with 9.8% of nationwide callers. The majority of callers fulfilled the criteria for 'pathological gambling' (obtaining a score of 5+ on the DSM-IV): 87.6% in Auckland and 85.9% nationwide.

There were several other substantial differences observed according to the origin of call. In particular, substantially higher proportions of nationwide than Auckland City callers were observed in relation to the following DSM-IV scores: 4 (4.5% Auckland City, 6.4% nationwide), 5 (10.2% Auckland City, 11.9% nationwide), and 7 (21.3% Auckland City, 23.5% nationwide). Conversely, substantially higher proportions of Auckland City than nationwide callers were observed in relation to the following DSM-IV scores: 8 (15.4% nationwide, 17.1% Auckland City) and 9 (10.4% nationwide, 12.4% Auckland City). See Figure 7 for details.

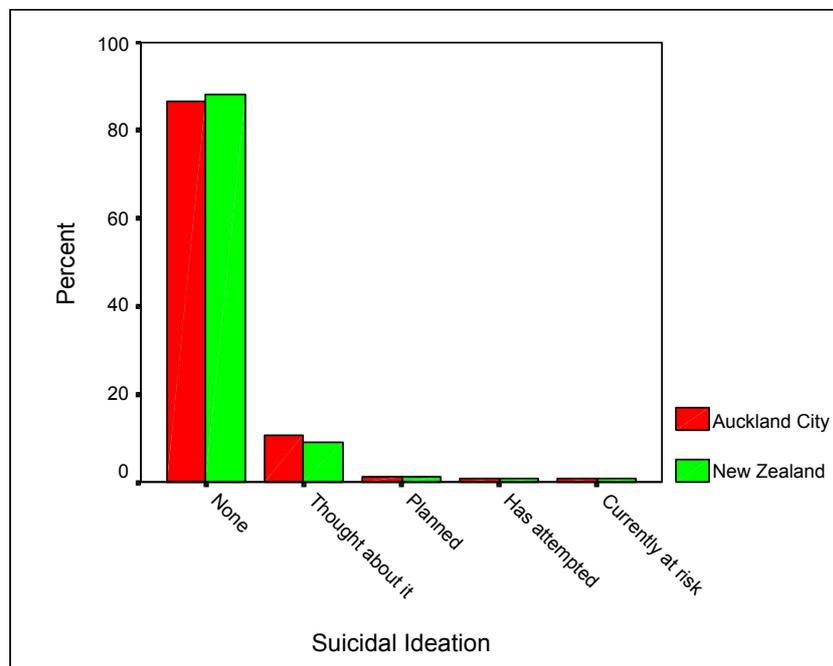
**Figure 7:** Gambling Problem Helpline Client Severity (DSM-IV) Score Distribution - National and Auckland City (N=4,964)



**Suicidal Ideation**

Overall, the vast majority of callers indicated that they had no suicidal ideation (86.4% Auckland, 88.1% nationwide), however a slightly higher proportion of Auckland than nationwide callers indicated that they had had thoughts regarding suicide (10.8% Auckland, 9.1% nationwide). Regardless of location, very small proportions indicated that they had planned a suicide attempt (1.3% Auckland, 1.1% nationwide) or attempted suicide in the previous 12 months (0.7% Auckland, 0.8% nationwide). Similarly, very small proportions were assessed as being currently at risk (0.7% Auckland, 1.0% nationwide). See Figure 8 for details. These data pertain to 18,477 callers (1,488 Auckland City, 16,989 nationwide).

**Figure 8:** Gambling Problem Helpline Client Suicidal Ideation Distribution - National and Auckland City (N=18,477)



**Problem Gambling Mode**

Overall, gaming machines were the mode cited by most gamblers as being the primary mode of gambling with which they were experiencing problems. However, there was a large amount of variance observed between Auckland and nationwide callers with regards to the type/location of the gaming machines. In particular, non-casino gaming machines accounted for over half of the callers in Auckland (58.3%) and over three-quarters nationwide (79.2%). There was also a large amount of variance with regards to the next most frequently cited mode - casino gaming machines. In Auckland they accounted for almost a quarter of callers (24.2%), compared to the national figure of 9.3%. The third greatest mode for Auckland City callers was Casino Tables (9.1% compared with 2.7% nationwide). Therefore, casino modes of gambling accounted for substantially more Auckland City (33.3%) than

**Part 2: Auckland City – January 2004**  
**Gambling Impact Assessment for the seven Auckland territorial authorities**

nationwide (12%) callers. Presumably a large proportion of this variance can be attributed to the presence of the Sky City Casino in Auckland City.

Data regarding problem mode were unavailable for 2,346 gamblers who had contacted the Helpline (139 Auckland City, 2,207 nationwide). Some modes of gambling were included within the Other & Multiple category due to small frequencies.

**Table 3:** Problem Gambling Mode by Location (Auckland City Territorial Authority District and nationwide)

	<b>Auckland (%)</b> N=859	<b>New Zealand (%)</b> N=9,430
<b>Non-Casino Gaming Machines</b>	58.3	79.2
<b>Casino Gaming Machines</b>	24.2	9.3
<b>Casino Tables</b>	9.1	2.7
<b>Track Betting</b>	6.1	6.4
<b>Other &amp; Multiple</b>	1.7	1.7
<b>Sports Betting</b>	0.6	0.7

## 2.4 Personal Counselling Data for Auckland City

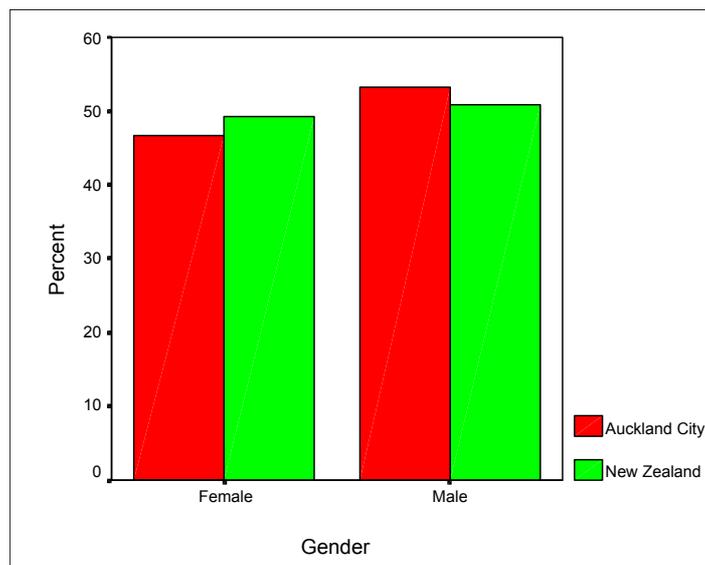
**Note:** To be read in conjunction with the limitations included in Section 4.7 of Part 1 of this report.

Overall, 4,996 records were accessed and analysed for people who attended face to face gambling counselling services between 1997 and 2002<sup>4</sup>, 901 of these clients resided in Auckland City<sup>5</sup>.

### Gender

The gender ratio of clients in Auckland City was uneven: 53.3% were males, 46.7% were female. This was the greatest variance observed amongst all seven of Auckland's Territorial Authorities (as mentioned previously, Auckland City was one of two Territorial Authorities who had more male than female clients). In comparison, 50.8% of nationwide clients were male and 49.2% were female. See Figure 9 for details. Data regarding gender were missing for two nationwide clients.

**Figure 9:** Personal Counselling Gender Distribution - National and Auckland City (N=4,994)



### Ethnicity

The largest ethnic grouping of clients were Pakeha, however there was substantial variance according to location (41.8% Auckland City compared with 49.9% nationwide). Maori made up a further 15.3% (substantially lower than the national figure of 23.5%), followed by 13.8% Pacific Nation (substantially higher than the

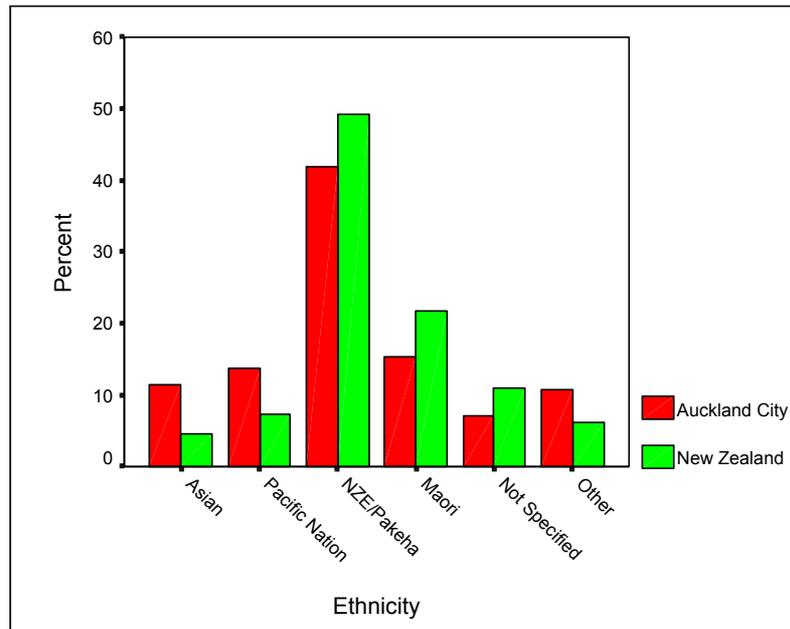
<sup>4</sup> These represented approximately 50% of all the clients who received face-to-face gambling counselling during the 1997-2002 period.

<sup>5</sup>When data was retrieved, clients were categorised as residing in one of two locations: 1. Within the Auckland City District, or 2. Elsewhere in New Zealand (i.e. Outside of the Auckland City District).

**Part 2: Auckland City – January 2004**  
**Gambling Impact Assessment for the seven Auckland territorial authorities**

national figure of 5.8%) and 11.4% Asian (also substantially higher than the national figure of 3.3%). There were proportionally more clients of unspecified ethnicity nationwide (11.1%) than in Auckland City (7%). On the other hand, there were substantially more Auckland City clients classified as Other (10.7%) than nationwide (6.1%). See Figure 10 for details. Details regarding ethnicity were missing for 4 nationwide clients.

**Figure 10:** Personal Counselling Ethnic Distribution - National and Auckland City (N=4,992)

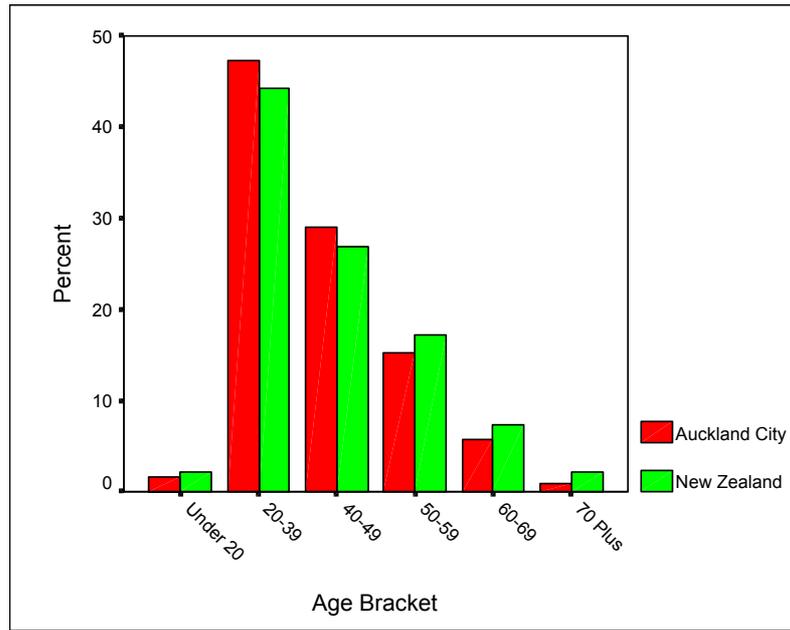


### Age

The age distribution of Auckland City clients reflected nationwide data, however there were several substantial differences. The majority of clients were aged between 20 and 39 (47.4%); however, this was lower than the national figure of 44.2%. More than one quarter of clients were aged 40-49 (29.1%, compared with 26.9% nationwide) and substantial proportions were aged 50-59 (15.3% compared with 17.2% nationwide) and 60-69 (5.8%, compared with 7.4% nationwide). Relatively small proportions were aged under 20 (1.6%, compared with 2.2% nationwide) and 70+ (0.8% compared with 2.1% nationwide). See Figure 11 for details. There were no available details regarding age for 818 clients (162 Auckland City, 656 nationwide).

**Part 2: Auckland City – January 2004**  
**Gambling Impact Assessment for the seven Auckland territorial authorities**

**Figure 11:** Personal Counselling Age Distribution - National and Auckland City (N=4,178)



## 2.5 Summary of Workshop Data for Auckland City

The following summarises data gathered from the workshop focus groups (4 industry groups and 1 community group) that were held in Auckland City.

A semi-structured discussion guideline utilising six open-ended questions was developed, to effectively facilitate discussion within the specified time frame

### **Question 1: What are the positive aspects (benefits) and negative aspects (costs) of restricting the number of poker machines allowed in bars and clubs?**

#### *Community*

In general, the community group felt that the subsequent reduction of harm associated with gambling would be a positive aspect, particularly for adolescents and low socio-economic groups. Another positive aspect was the reduced exposure for those near educational facilities.<sup>6</sup>

It was felt that restricting machines would have a negative impact by reducing funding thereby disadvantaging local sports groups and schools. It was noted that these costs should be government compensated and additional pressure should be placed on community groups to access alternative funds

#### *Industry*

Industry participants identified the protection that these restrictions would provide for the community and industry. In particular, more control would be provided over licensing issues and the growth of gambling, including the number of machines in the country. Therefore current licensed operators would be protected by that: further growth is limited to 'genuine' operators with levels of integrity (as opposed to 'fly by night' licensing), and ensuring that current sites can be maintained while providing a good return on investment. New growth of premises operating to access income from gambling machines (and not providing any other services to the community) would be limited because financially they could not survive under the new Act. Some participants felt that it was a "feel good brigade".<sup>7</sup> Restricting venues to nine EGMs was accepted by the Industry with no support for further reductions.

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<sup>6</sup> The need for more research was raised, especially in regards to the impacts arising from the current number of machines, age restrictions, and effects of proximity on participation

<sup>7</sup> (1) Discussion suggested that the size of the prize was more important than the number of machines (and as such the jackpot should not be banned). It was noted that people move from one premises to another to follow jackpots and the restriction on wager size was mentioned in comparison to the casino. It was argued that it was possible to lose clothing and money at EGMs, but casino's enabled people to lose houses.

(2) The market demand concept was discussed with the suggestion that the market will self-regulate and thus, dictate the number of machines. The current level of regulation was thought sufficient, with support for the maintenance of the *status quo*.

**Summary Question 1a: What might be the (social, economic, cultural, environmental) impacts of more/fewer/same number of machines?<sup>8</sup>**

**Social impacts of More EGMs**

***Community***

The community group felt that this would increase access to gambling and negative gambling-related harms for individuals, families and communities, particularly at-risk groups including youth, Asian, Pacific peoples and Maori. It was felt that more research is required to assess familial impacts, crime associated with gambling and the reflective impacts on social services currently available.

***Industry***

Increasing the number of EGMs was considered relative to increasing problem gambling, behaviour attributed by some to be an absolute individual choice. Positive social impacts included increased funding for community/sports groups and increased entertainment opportunities. It was noted that market demand would determine self-levelling of the industry.

**Social Impacts of the same number of EGMs**

***Community***

The community group felt that maintaining the same number of machines would maintain current levels of gambling-related harm with a likelihood of increasing harm. Research is required to identify 'who is being hurt' and what this can be attributed to for example, increased accessibility. Community also felt that it was imperative that research be conducted on the distribution of funds within communities, to assess how much is re-circulated to EGM players, communities and schools.

***Industry***

The Industry participants felt that the current restrictions limit the development of new venues (although it was cited that amalgamation is plausible) and that although current community funding is adequate, there is no possibility of growth. Research is required to investigate the impact of five rather than nine EGMs per venue on the prevalence of problem gambling. Furthermore, current restrictions will negatively impact on socialisation for the majority of individuals without gambling-related problems.

A multitude of negative impacts were identified in relation to restricting the number of EGMs per venue.<sup>9</sup> In particular, venue operators/sites were concerned with the financial viability of businesses.<sup>10</sup> Some venue operators/sites (*for example, RSA's, clubs*) who are heavily reliant on this source of finance mentioned increased funding

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<sup>8</sup> Auckland Industry: The Act legislates a restriction therefore more EGMs is a non-issue

<sup>9</sup> It was specified that there were 3 distinct groups of venue operators (i.e. those existent pre 2001, those operant from 2001-2003, and new sites operating since 2003), each impacted on by the new Act.

<sup>10</sup> Restrictions of 4 – 5 machines was not considered economically viable for a business

**Part 2: Auckland City – January 2004**  
**Gambling Impact Assessment for the seven Auckland territorial authorities**

pressures for things such as ground rental if numbers are reduced. Other venue operators mentioned that although there may be a reduction in the number of machines, the cost of running those increases meaning that local businesses would lose income and some may even be destroyed. This situation results in the reduction of money, the loss of jobs for those employed by industry operators and the loss of familial income. Another negative aspect identified by the Industry was the potential for a proliferation of gambling venues if there are further restrictions on the number of EGMs per venue, although amalgamation between sites was cited. A preference for well run/looked after larger sites was noted.

Limiting the number of EGMs per venue within the community was considered an effective motive for people to go elsewhere [outside local community] such as the casino. In this regard, money will continue to be spent on gambling, however, it will not be returned to the local community. Less EGMs also results in the loss of revenue for the community, and thus restricting grants to community groups who could suffer serious impacts. There is concern as to where this funding will come from in the future. Also noted was the perception that EGMs are a form of entertainment and should not be the primary purpose of any new establishment. However, even with a reduction in EGMs per venue, it is considered that the TLA is too under-resourced to police the sustainability of this.

### **Social Impacts of Fewer EGMs**

#### ***Community***

The Community participants felt that new EGM venues/sites will not be financially viable if EGM numbers are reduced.

#### ***Industry***

The Industry felt that fewer EGMs would not stop problem gambling as people will either travel to other areas with accessible EGMs or find alternative forms of gambling to partake in. This will cause less community funding to be available and limit entertainment.

### **Cultural impacts of More EGMs**

#### ***Community***

Community felt that more EGMs would increase negative gambling-related harms within the Maori community. The need for more research exploring ethnic specific communities such as Asian and Pacific peoples was cited and it was noted that there are currently limited services available.

#### ***Industry***

Industry felt that cultural impacts rely heavily on the integrity of the venue operator.

### **Cultural Impacts of the same number of EGMs**

***Community***

Increasing numbers of ethnic minority groups may become dependent on gambling, particularly since disproportionate numbers of minority groups are currently negatively affected such as indigenous/migrant populations and youth.

**Cultural Impacts of Fewer EGMs**

***Community***

Community participants considered that locating fewer EGM venues near schools, particularly Asian language schools, would reduce accessibility and associated harms.

***Industry***

It was noted that the number of RSA's would reduce through amalgamation, reducing employment opportunities.

**Economic impacts of More EGMs**

***Industry***

The Industry considered that increasing the number of EGMs was relative to access to credit facilities within gambling venues and it was noted that market demand was a form of self-regulation.

**Question 1b: What are your views on restricting poker machines by location?**

***Community***

In the community group there was a general preference for venues to not be concentrated in one particular area or to spread out into community areas.

***Industry***

Industry felt that the laws and legislation regarding density issues was relaxed and must be developed. It was noted that Auckland city has many entertainment venues, so the best location for new gambling venues are within the CBD and commercially zoned areas. The issues surrounding venue locality to churches and schools were dismissed as some venues are currently situated in close proximity (for example, Sky City Casino). Licensed venues were described as being pressured and under represented and the industry felt that although current restrictions are appropriate they must be monitored appropriately.

### **Question 1c: What are your views on restricting poker machines per head of population in an area?**

#### ***Community***

Community support for this was noted and the ceasing of New Zealand's gambling proliferation was mentioned.

#### ***Industry***

Industry considered it important for more information and research regarding geographic and demographic data of the Auckland city region if this is to be done and there was contention regarding the justification of this type of ratio. The Industry felt that many variables should be considered, including information of specific ethnic populations (indigenous/migrant) and the sub-groups within each and associated with differential variables for each of the wards with Auckland city. This measure was cited as arbitrary and transient, as there is no limit on population growth. *Status quo* was supported, as Auckland city was cited under the national average of EGM per population

### **Question 1d: What are your views on placing restrictions on TAB locations?**

There was general consensus amongst all Territorial Authority workshop groups that any restrictions placed on TABs should be the same as EGM venues, although some mentioned tighter controls were necessary if EGMs are introduced.

Diversity was apparent and although not everyone agreed, there was a general preference for TABs to not have EGMs and remain horse racing and sports betting venues. One of the major points associated with this question was the feeling that current TABs policing is inadequate and there are no restrictions placed on minors, some suggesting two separate entrances could be used. Furthermore, it was noted that TAB profits are currently sustainable and EGMs would increase profits, as TABs do not give funding back to the community. It was suggested that any policy should specify funds being returned to the community, with a 'By (specific district) For (specific district)' perspective.

TAB gambling was also seen to be a different form of gambling from EGMs, attracting different crowds of people and producing insignificant numbers of problem gamblers. It has been in the country for many years now and was not considered a major factor in the proliferation of gambling in New Zealand. There was concern that this form of gambling would fall under the auspices of gambling policy, and mention that it should be looked at separately.

Some felt that the placement of EGMs in TABs would make them appear 'shabby', and EGM use will be disguised. Concerns were raised that EGMs will eventually become the primary business for TABs, following on from comments made regarding the need for more research investigating other gambling forms such as Internet gambling that may be available in TABs, as it is uncertain what effects these forms will have on current TAB operations.

Finally, it was noted that a collaborative transparent process with a reference group within each council should be used to determine new licenses and renewals.

**Question 2: What are the positive aspects (benefits) and negative aspects (costs) of restricting or keeping poker machines to/in particular types of venues?**

*Community*

Community agreed that restrictions are required for deciding what types of venues have EGMs and where they are placed, it was perceived that EGMs are currently placed everywhere.

*Industry*

Industry supported *status quo*. They felt that staff training and education was a negative impact, however restricting EGMs to licensed premises was favourable as they are controlled environments with structures already in place and skilled staff enabling easier monitoring, particularly with respect to minors. Restricting EGMs to liquor licensing venues was considered an attractive feature for the venues limited to nine machines since 2001, and the potential selling/buying capacity of them.

On the negative aspects, Industry noted that many gamblers do not consume alcohol; so restricting EGMs to liquor licensed premises does not cater for those who do not go there. It was also mentioned that alcohol, drugs and gambling would be readily accessible in the one venue resulting in increased negative social costs. The issue of policing was considered problematic, as there may be a lack of training for particular venues, operators and staff.

**Summary Question 2a: What impacts (social, economic, cultural, environmental) might there be if machines were in other than licensed premises, e.g. an Internet café, dairy or petrol station?**

**Social Impacts**

*Community*

It was noted that this will increase the risk of youth participating and the loss of governance, such as the monitoring and supervision of youth, will occur.

*Industry*

It was noted by some that this would increase positive control of ‘publicans’, especially if identification of problem gamblers is a requirement of training for venue operators and staff. Others cited that there were no positive social impacts.

**Part 2: Auckland City – January 2004**  
**Gambling Impact Assessment for the seven Auckland territorial authorities**

It was felt that a negative social impact could be the increase of youth gambling due to a lack of governance/supervision resulting in a loss of control, policing and regulation as availability of EGMs increases.

### **Cultural Impacts**

Most groups considered positive cultural impacts a non-issue. On the other hand, Industry noted that an increased numbers of children participating in gambling would be a negative cultural impact and concern was raised that finances for this would come from lunch money or stealing.

**Summary Question 2b: What impacts (social, economic, cultural and environmental) might there be if machines were restricted in their proximity to certain facilities such as schools, retirement homes, churches, marae etc?**

### **Social Impacts**

#### ***Community***

Community supported a reduction in proximity to schools, particularly near language schools with a large percentage of Asian students. It was also noted that less exposure would be beneficial, particularly for schools that have students over the age of 18.

Upon discussion of the negative social impacts, the Community group felt that restrictions should not be too prescriptive.

#### ***Industry***

Industry felt that it should remain *status quo*, that it is not an issue about proximity, as although gambling venues could be placed 500 metres from schools, they may also be around the block and out of the way. They feel that there should be distinctions of locality/proximity in residential areas and liquor license premises should remain consistent as they monitor access to minors. Also noted was that there are gambling venues placed right next to churches and schools in particular areas, which have not had problems. A final point was that market demand should determine where gambling venues are located.

Regarding the negative social impacts, Industry felt that there were restrictions currently in place and that if the Council wants to limit under-age gambling EGMs should not be located near schools. Discussion covered the community funding and benefits received by some churches and the possibility of restrictions on proximity resulting in some businesses closing down causing a loss of funding for the community.

### **Economic Impacts**

#### ***Community***

It was noted by the Community that it is more important to look at ease of access, rather than proximity.

***Industry***

Industry felt that market demand should determine location and proximity of EGMs, although clustering gambling venues together was considered logical. The market which will dictate and regulate will cover any negative economic impacts.

**Cultural Impacts**

***Community***

The Community only noted one negative cultural impact, that children might walk past and contemplate entering.

***Industry***

Industry felt that the positive cultural impacts are the large community benefits, such as welfare, scholarships, buildings etc but that this issue is not black and white.

**Question 3: What are the positive aspects (benefits) and negative aspects (costs) of recreational groups receiving funding from gambling?**

***Community***

The Community group felt that there are positive aspects for sports participants and their families who receive funding. Therefore, reducing the EGM revenue would result in less people participating in sports and there are few alternative sources of funding.

***Industry***

Funding enables employment and survival for particular employees that provide beneficial services to the community (for example, cancer society, surf life saving, St John's) which the Council does not need to provide. The Industry felt that a positive aspect was the fact that the process is community driven as wide ranges of activities are funded, such as sport, arts, religious and cultural organizations, and schools benefited in terms of equipment such as computer.

Industry felt that a negative aspect was the difficulty in getting funding. They felt that venue operators must ensure that auditing measures and processes are in place, if not, the Council should control dispersion of funds. They also noted that there is no replacement for community funds if they are reduced.

**Question 4: What are the positive aspects (benefits) and negative aspects (costs) of host responsibility programmes by venues?**

*Community*

The Community group thought that a host responsibility programme should be in place and standardised, accessibility to minors must be addressed and the identification of individuals and those in need of assistance requires monitoring and resources. Furthermore, advertising must address the negative aspects of gambling participation. An incentive for venue owners/operators to be good hosts must be highlighted; or rather disincentives for not being good hosts should be in place such as fines, loss of licence. Increased information, signs and posters (written in specific languages for Asians, Pacific peoples and Maori) are necessary.

On the negative aspects of such a programme it was felt that more research is required, as is standardisation certification for those working at the ‘coal face’. As an aside, smoking inside EGMs rooms was considered a negative impact on health.

*Industry*

Industry felt that a host responsibility programme is an absolute must as preventative measures from individual operators/owners are more effective than waiting for a levy from the Problem Gambling Committee. It will allow venues to remain regulated, provide pleasant/safer environments for patrons, and build trust with the local community. It was noted that all RSA’s and chartered clubs have already adopted policies (official programmes). A host responsibility programme should also include a 24-hour helpline for venue operators\owners. Others in these groups cited that legislation exists for gambling and drinking within licensed premises, thus it is unnecessary to ‘re-invent the wheel’. New requirements should also include gambling awareness with manager’s training/licensing etc, and a self-exclusion process. More public health information such as brochures and posters are required, Help-line and treatment information is also necessary.

On the negative aspects, it was cited that those who are responsible for policing (for example, a problem gambling officer) might get on a ‘power-trip’, possibly discouraging people from entering venues. Also, policing and enforcing the policy costs money and it was noted that bar managers are not qualified counsellors although they are expected to approach problem gamblers. The risks involved of non-identification through non-expertise in this area need to be clear for owners and staff (for example, can they be sued?). Others in these groups supported host responsibilities and suggested raising the standard. It was also stated that random checks to ensure standards are kept should occur.

## **Question 5: What is your vision (or future direction) for gambling in your City?**

### ***Community***

The Auckland Community had varying responses to how many EGMs there should be in a venue; answers ranged from keeping the number of machines the same or reducing further, some suggesting by 50% while others suggested taking EGMs out altogether.

The Community group wanted restrictions on policing, controls on where machines could be located and control over short-term licenses in venues. Furthermore, they wanted a freeze on new licenses while the Auckland Council conducts more research.

Funding should be directed to local areas and ‘proper’ funding made available for community groups. They would also like to see effective solutions for people with problems, balanced advertising and a standardised host responsibility programme in every venue. It was also suggested that the government should conduct an ‘anti-Gambling’ advertising campaign.

### ***Industry***

It was cited in the Auckland industry group that no new licenses should be issued; it was believed that the emphasis should be on the venue not the number of EGMs. Also, EGMs should be limited to licensed premises. There was support for *status quo*, however, it was emphasised that further limits should be placed on those who are not good hosts. Integrity was an important issue and the Industry group believed good hosts should be rewarded with more machines, and that the ceiling of eighteen should be higher.

Some industry wanted the existing venues and number of machines (up to September 2003) to be secured but growth to be controlled/regulated with no proliferation of venues, others wanted the possibility of increasing numbers of EGMs and the establishment of new sites. They would like venues to be well run, well regulated and accepted by the community as entertainment destinations.

They believe the Council needs qualified people to do inspections and monitoring, suggesting the DIA should be involved because they have good industry knowledge, and that all staff at venues are trained in a host responsibility programme and the procedures are well regulated. The Industry would like clear, concise, easily understood rules and clear accountability.

They feel there should be more local than national control particularly with the grant distribution, which should be made to benefit the local people and community. The Industry wanted the entertainment value of gambling acknowledged as well as the fact that it is part of the community and it raises funds for the community in a responsible way as an entertainment venue.

The Industry groups felt that all the focus was on EGMs and that other modes of gambling such as the Internet need to be looked at because there are inconsistencies in

**Part 2: Auckland City – January 2004**  
**Gambling Impact Assessment for the seven Auckland territorial authorities**

the monitoring of these forms. They would like a level playing field between TABs, clubs, pubs, and gambling venues; rules should be the same for all of these venues.

They do not want the Council to instigate a policy that is overly restrictive to Auckland City and want it kept in line with the level of national regulation/legislation. They also wanted flexibility in policing for example, if a site burns down, someone else could take the machines that were located in that venue. They feel there is already a lot of legislation, and are worried that the council's decision may be made based on emotion.

**Question 6: What are your views on the following possible courses of action re: development of GVP?**

***Community***

Some members of the Auckland Community group felt that as councils were paid to do a job the policy should be done on time however, the majority agreed that the policy should be done thoroughly and therefore going over time was okay, some suggested that a temporary arrangement should be completed in six months with a review in one year. They think that there should be a freeze on new licenses while the council conducts proper research.

***Industry***

Some of the Auckland Industry group believe that if the policy is not completed in the required six months the entire industry will stop; therefore the Council has to move as quickly as possible and complete in the legal time frame. If this doesn't happen, there will be problems for the parties involved, including the potential for the council to be sued for non-compliance and the down stream effects on gambling venues. This sector of the industry suggested that the council hold a special meeting to consider the draft policy instead of waiting for a monthly meeting. Others emphasised that they wanted the policy to be done properly and it was acceptable to them if the council went a few months over the time.

### **3. Conclusions for Auckland City**

**Note:** A fuller description of conclusions and recommendations relevant to Auckland City is provided in Section 4 of the Introduction and Regional Overview Report (Part 1).

A major obstacle to forming a picture of gambling in Auckland City is the absence of data sources to monitor social and economic impacts. For example, while data is presented around distribution of grant money by the six large national trusts, it excludes a substantial (well over half of the overall total) amount of money that is distributed by local clubs and trusts. Furthermore there are no readily available sources to track expenditure on gambling within the district (i.e. the amount of money spent by gamblers in each territorial authority or regionally), there is no readily available data on economic benefits such as job creation, or data on negative impacts such as rates of bankruptcy or property crime. An appendix in Part 1 of this report (Introduction and Regional Overview) provides an indicator framework which details the types of information that should be routinely collected in the future.

The following lists key observations from the data that was available regarding gambling in Auckland City:

- The concentration of EGMs and EGM venues is consistently higher in areas of higher economic deprivation and lower household income.
- Higher concentrations of EGMs occur in areas of Auckland City with higher numbers of younger, Maori and Asian people. They are less concentrated in areas with more Pacific people.
- Because of the wide range of organisations receiving funding, it is not possible to judge the equity of the distribution of community benefit funds from EGM gambling. However, analysis of grants by the six main national trusts suggest that of the \$4.6 million distributed in Auckland City, just over half goes into sports and physical activities; and about 15 percent to education, with the remainder being distributed amongst 9 other categories, including an “other” category. The distribution is similar to averages across the whole of New Zealand.
- Eighty three percent of first time callers to the Gambling Problem Helpline identified EGMs as their primary mode of gambling, and 33 percent identified casino tables or casino EGMs as their primary mode. The proportion of those identifying casinos is higher than in other districts.
- The largest proportion of those seeking help for their gambling on either the Gambling Problem Helpline or face-to-face counselling services fell between the ages of 20 and 39.
- The gender of those presenting for help varied with 44% male to the Gambling Problem Helpline contrasting with 53.3% male to the personal counselling services.

**Part 2: Auckland City – January 2004**  
**Gambling Impact Assessment for the seven Auckland territorial authorities**

- Views expressed during the workshops was divided between those who pointed out the benefits to community organisations from the proceeds from gambling versus those concerned about reducing the negative social and economic impacts of more gambling.

In the development of the Draft Gambling Venue Policy for Auckland City, the Territorial Authority considers the following issues specific to the district:

That the presence in the district of a casino with 1,647 EGMs will impact on the use of other venues, the consumption of gambling and the rates of problem gambling.

That consideration is given to the impacts on special populations within Auckland City, particularly given the higher proportions of Pacific and Asian peoples and their specific needs and issues regarding gambling.

That consideration is given to the likely negative and positive impacts of increasing, decreasing or maintaining the *status quo* of venues/machine numbers particularly in relation to their higher concentration in areas of higher economic deprivation.