



te kaunihera ā-rohe o
matamata-piako
district council



Social Impact Assessment of Gambling in Matamata-Piako District 2021

Contents

1.	Introduction	4
1.1	Matamata-Piako Council Vision and Outcomes.....	5
1.2	Wellbeing Considerations	5
1.3	Regulation of Gambling Activities in New Zealand	6
1.4	Local Legislative Requirements.....	7
1.4.1	Class 4 Venue Policy.....	7
1.4.2	TAB Venue Policy	8
1.4.3	Review Requirements	8
2.	Current Situation.....	9
2.1	Class 4 Venues (Matamata-Piako District).....	9
2.2	Class 4 Venues (New Zealand)	9
2.3	Location of Class 4 Venues.....	10
2.4	Class 4 EGMs (Matamata-Piako District)	11
2.5	Class 4 EGMs (New Zealand).....	11
2.6	Gaming Machine Profits (GMP) (Matamata-Piako District).....	12
2.7	Gaming Machine Profits (GMP) (New Zealand).....	14
2.8	Prevalence of EGMs per Person.....	15
2.9	Comparison to other Territorial Local Authorities.....	15
2.9.1	EGMs by Territorial Local Authority.....	15
2.9.2	Annual GMP by Territorial Local Authority.....	16
2.9.3	GMP Loss Per Head by Territorial Local Authority.....	16
2.10	Current Venues and EGMs.....	17
2.11	TAB Venues	19
3.	Gambling Harm	19
3.1	Harm prevention and minimisation controls under the Gambling Act	20
3.2	Problem Gambling Referrals	21
3.3	Online Gambling	24
4.	Community Benefit	25
4.1	Returns to Community.....	25
4.1.1	Registered Clubs.....	25
4.1.2	Corporate Societies	26
4.1.3	TAB NZ.....	28
5.	Class 4 Gambling Venue and TAB Venue Policies	29

5.1	Policy Background	29
5.2	Policy Options	29
5.2.1	Absolute cap	29
5.2.2	Per capita cap	30
5.2.3	Sinking lid	30
5.3	TAB venue policy options.....	30
5.4	Relocation and club mergers	30
Appendix 1 - Breakdown of Grants to Matamata-Piako 2020.....		31
Appendix 2 - Breakdown of Grants to Matamata-Piako January-June 2021.....		32
Appendix 3 - Problem Gambling Foundation Report for Matamata-Piako District December 2021 ...		33

1. Introduction

Gambling and betting are legal and popular activities in New Zealand. The Health and Lifestyles Survey (HLS) 2020¹ notes that 69.3% of adults (an estimated 2.8 million adults) participated in at least one form of gambling activity in the previous 12 months.

There are many forms of gambling, from Lotto, scratchies and Keno, 'pokie' machines in pubs and clubs, to table and card games at Casinos, with the majority of people playing Lotto, however the largest expenditure comes from gaming machines outside casinos.

Gambling and betting activities are governed by the Gambling Act 2003 and the Racing Industry Act 2020 respectively. A summary of annual expenditure on all forms of gambling is shown in figure 1 below to illustrate how New Zealanders gamble²:

Figure 1: National Gambling Expenditure 2015/16 – 2019/20

Gambling Activity	2015/16 (\$m)	2016/17 (\$m)	2017/18 (\$m)	2018/19 (\$m)	2019/20 (\$m)
Gaming Machines (outside Casinos)	\$843	\$870	\$895	\$924	\$802
NZ Lotteries Commission	\$437	\$555	\$561	\$530	\$631
Casinos	\$586	\$572	\$578	\$616	\$504
NZ Racing Board (TAB)	\$342	\$338	\$350	\$332	\$315
Total (\$b)	\$2,209	\$2,334	\$2,383	\$2,402	\$2,252

Matamata-Piako District Council (Council) has legislative responsibilities for issuing licences for venues to operate Electronic Gaming Machines (EGMs) in pubs and clubs and licences for TAB venues to operate.

Under the relevant legislation, Council is required to have a policy on class 4 gambling venues³ and TAB venues⁴. Class 4 venues operate class 4 gambling machines which are sometimes referred to as "pokies" and TAB venues are standalone premises that are owned or leased by TAB NZ and where the main business carried out at the premises is providing racing or sports betting services.

Council must undertake a review of both of these policies every three years. In reviewing our policies, we must consider the social impact of gambling and betting on our communities. This document seeks to provide an overall picture of the social impact of gambling and betting in the Matamata-Piako District. This will assist with providing our community with information, and Council policy setting and direction.

¹ <https://kupe.hpa.org.nz/#!/gambling>

² <https://www.dia.govt.nz/gambling-statistics-expenditure>

³ <https://www.legislation.govt.nz/act/public/2003/0051/latest/DLM208660.html>

⁴ <https://www.legislation.govt.nz/act/public/2020/0028/latest/whole.html#LMS292162>

This assessment provides the facts based on scientific data and survey responses collated and analysed by the Ministry of Health (MoH), Department of Internal Affairs (DIA), Auckland University of Technology (AUT), Health Promotion Agency (HPA) and the Problem Gambling Foundation (PGF).

Although every effort is made to ensure accuracy using the most up-to-date information available at the time of writing this report, no guarantee can be made due to the information being sourced from numerous third parties. It is recommended that this document is used to provide general guidance as to the benefits and risks of the provision of class 4 gambling in our community.

1.1 Matamata-Piako Council Vision and Outcomes

Council has a vision for Matamata-Piako to be the 'Place of Choice, enabling Healthy Communities'⁵. Problem gambling is considered a social and health issue⁶, which can lead to adverse effects for individuals, whānau and the wider community impacting on many aspects of physical and mental health and social connectedness⁷.

Council also enables vibrant cultural values. The community funding from EGMs to local community groups contributes to this outcome by supporting projects that involve volunteers and provide numerous benefits to the community.

The purpose of local government as defined by the Local Government Act 2002 is⁸:

- (a) To enable democratic local decision-making and action by, and on behalf of, communities; and
- (b) To promote the social, economic, environmental, and cultural well-being of communities in the present and for the future.

Therefore, in setting policy for class 4 gambling and TAB venues, Council must consider community views in the provision of gambling in Matamata-Piako as well as the harm and potential and risk of harm versus the community benefit.

1.2 Wellbeing Considerations

Gambling is enjoyed by many as a form of entertainment and the majority of those who choose to gamble, do so occasionally and responsibly. However, gambling can have adverse effects whereby the activity becomes harmful to individuals and their whānau and they are at risk of developing problem gambling behaviours.

The Gambling Act 2003 states that a problem gambler is a person whose gambling causes harm or may cause harm. Harm is further defined within the Act as below:

- a) means harm or distress of any kind arising from, or caused or exacerbated by, a person's gambling; and
- b) includes personal, social, or economic harm suffered—
 - i. by the person; or
 - ii. by the person's spouse, civil union partner, de facto partner, family, whānau, or wider community; or
 - iii. in the workplace; or
 - iv. by society at large.

⁵ <https://www.mpd.govt.nz/pdf/CouncilDocuments/Plans/LongTermPlan/LTCCPS/18-28/LTP-Section1.pdf>

⁶ [https://www.moh.govt.nz/NoteBook/nbbooks.nsf/0/01FE156D98B6EB7DCC2575CF0070101C/\\$file/a-focus-on-problem-gambling-results-200607-nz-health-survey.pdf](https://www.moh.govt.nz/NoteBook/nbbooks.nsf/0/01FE156D98B6EB7DCC2575CF0070101C/$file/a-focus-on-problem-gambling-results-200607-nz-health-survey.pdf)

⁷ <https://www.dia.govt.nz/Services-Casino-and-Non-Casino-Gaming-Problem-Gambling>

⁸ <https://www.legislation.govt.nz/act/public/2002/0084/latest/DLM171803.html>

Harm associated with problem gambling includes economic loss, which can be a precursor for wider impacts such as relationship problems, problems at work, family violence, alcohol abuse, mental health problems and suicide.⁹ As well as affecting the individual, gambling can have far reaching effects on partners and children, wider whānau and friends, and communities as a whole.

The 2020 HLS found that approximately 65,000 adults were moderate risk or problem gamblers. A further 119,000 adults were low risk gamblers, and 180,000 adults had an occasion where they spent more time or money gambling than they intended to, in the past 12 months.

Gambling is considered to be addictive, with problem gambling most commonly associated with EGMs. The 2021 Gambling Harm Needs Assessment noted that whilst class 4 gambling provides more local community funding, it also comes with the highest risk of harm from problem gambling than other forms of gambling. EGMs are the most frequently cited form of gambling that causes harm as reported by gamblers and whānau. In 2019/20, the primary gambling activity for 52% of clients accessing intervention services was EGMs.¹⁰

Nationally, 63% of EGMs are located within medium high or very high deprivation areas and up to two-thirds of the funding paid out in community grants comes from problem gamblers¹¹, meaning expenditure is coming from our communities who can least afford it.

Conversely, a 2021 study calculated the quantifiable net benefits of gambling to New Zealanders' wellbeing of approximately \$1.740m to \$2.160m per annum through net enjoyment benefits, community funding and benefits from revenue generated for the Government¹².

The funding to local and national organisations who provide vital services to our communities can also not be overlooked. For example, in the 2020 calendar year, the class 4 sector returned approximately \$206m to in the form of grants funding to 8,426 different organisations across New Zealand. In the same year, a total of \$871,154.54 was returned to the Matamata-Piako community with 61% of funding allocated to sports organisations, 15% to community groups, 13% to arts and culture, 9% for research and education, and 2% to health/welfare/rescue services.¹³

1.3 Regulation of Gambling Activities in New Zealand

Gambling and betting activity in New Zealand is regulated by the Gambling Act 2003 and the Racing Industry Act 2020 respectively. Both Acts are administered by the DIA with Councils assigned a small regulatory role in relation to the following types of venues:

- Class 4 venues - venues with non-casino electronic gaming machines, commonly referred to as 'pokies'.
- Totalisator Agency Board (TAB) venues - standalone premises that are owned or leased by TAB New Zealand and where the main business carried out at the premises is providing racing or sports betting services.

Figure 2 below, adapted from Taupō District Council's Social Impact Assessment 2020, provides an overview of the regulatory framework and the respective roles of central and local government:

⁹ <https://www.dia.govt.nz/Services-Casino-and-Non-Casino-Gaming-Problem-Gambling>

¹⁰ <https://www.health.govt.nz/system/files/documents/publications/gambling-harm-needs-assessment-2021.pdf>

¹¹ <https://www.health.govt.nz/system/files/documents/publications/gambling-harm-needs-assessment-2021.pdf>

¹² <https://www.tdb.co.nz/wp-content/uploads/2021/10/TDB-Advisory-Wellbeing-Analysis-of-Gambling-in-NZ-2021.pdf>

¹³ <https://www.dia.govt.nz/gambling-statistics-class-4-grants-data-analytical-review>

Figure 2: Overview of Regulatory Framework

Gambling Activity	Central Government (DIA)	Local Government (Council)
Gambling at Class 4 Venues	<p>Sets the legislative framework (e.g. maximum number of EGMs per venue, rules regarding proceed distribution).</p> <p>Responsible for venue licensing, subject to council consent.</p> <p>Enforcement activities.</p>	<p>Section 101 of the Gambling Act 2003 requires Council to have policies in place to regulate the number and location of class 4 venues and EGMs in the District.</p> <p>Council responsible for consenting new venues and EGMs that comply with Council's Class 4 Venue Policy.</p>
Standalone TAB Venues	<p>Sets the legislative framework (e.g.: rules, permitted uses of revenue).</p> <p>Responsible for venue licensing, subject to council consent.</p> <p>Enforcement activities.</p>	<p>Section 96 of the Racing Industry Act 2020 requires Council to adopt a policy on TAB venues. The policy must specify whether or not new TAB venues may be established in the territorial authority district and, if so, where they may be located.</p> <p>Council responsible for consenting new venues that comply with Council's TAB Venue Policy.</p>
TAB Betting at Licenced Premises	Sets the legislative framework for betting and racing activities.	No control over TAB machines in licenced premises.
Casino gambling	Responsible for all regulatory, licensing and enforcement activities.	No control over casino gambling.
Gambling conducted by the New Zealand Lotteries Commission	Responsible for all regulatory, licensing and enforcement activities.	No control over gambling conducted by the New Zealand Lotteries Commission.
Online gambling	<p>Limited control over New Zealand based online gambling websites.</p> <p>No control over overseas based online gambling websites.</p>	No control over online gambling.

1.4 Local Legislative Requirements

1.4.1 Class 4 Venue Policy

Under the Gambling Act 2003, Council is required to have a Class 4 Gambling Venue Policy, which must specify whether or not class 4 venues may be established in the territorial local authority area and, if so, where they may be located. Additionally, Council is also required to consider adopting a relocation policy within the Gambling Venue Policy and the social impacts on high deprivation communities.

In determining its Policy, Council may also have regard to any relevant matters, including:

- The characteristics of the district and parts of the district;
- The location of kindergartens, early childhood centres, schools, places of worship, and other community facilities;
- The number of gaming machines that should be permitted to operate at any venue or class of venue;
- The cumulative effects of additional opportunities for gambling in the district;
- How close any venue should be permitted to be to any other venue;
- What the primary activity at any venue should be.

1.4.2 TAB Venue Policy

Under the Racing Industry Act 2020, Council is required to have a TAB Venue Policy. The Policy must specify whether or not new TAB venues may be established in the territorial local authority area and, if so, where they may be located.

In determining its Policy, Council may also have regard to any relevant matters, including:

- The characteristics of the district and parts of the district;
- The location of kindergartens, early childhood centres, schools, places of worship, and other community facilities;
- The cumulative effects of additional opportunities for gambling in the district.

The Policy applies to standalone TABs, not TABs in pubs or clubs. Any class 4 gaming operations in standalone TAB venues must comply with Council's Class 4 Gambling Policy. TAB outlets or agencies that are ancillary to the main activities of a bar or hotel and are not owned or leased by TAB NZ, do not require territorial local authority consent.

1.4.3 Review Requirements

Both Council's Class 4 Venue Policy and the TAB Venue Policy are to be reviewed every three years using the special consultative procedure with the policies last reviewed in 2019 and the next review due in 2022. The draft policies will be issued for consultation in March-April 2022.

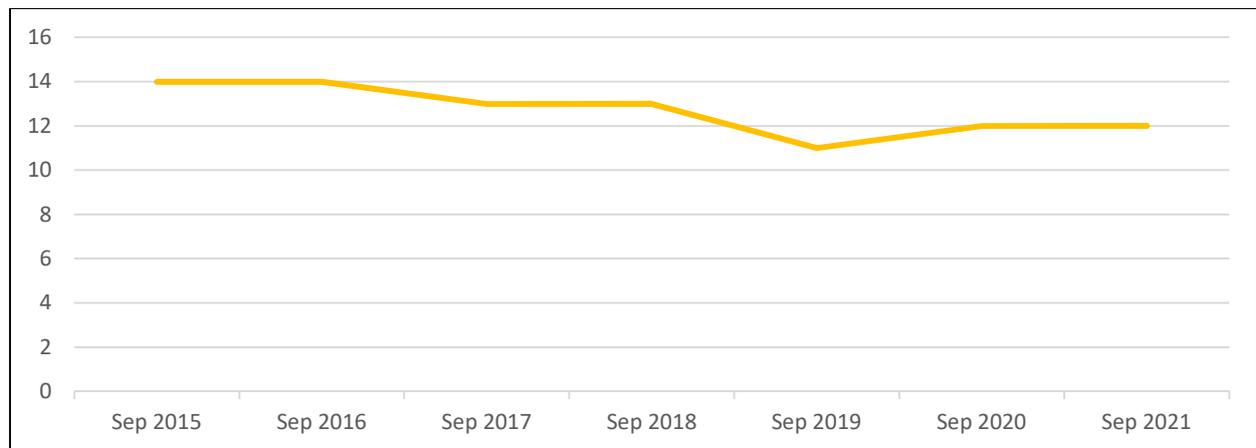
2. Current Situation

The information below has been retrieved from the DIA and details the numbers of class 4 gaming venues and machines in each territorial local authority area since 2015. The information was last updated on 30 September 2021.¹⁴

2.1 Class 4 Venues (Matamata-Piako District)

As at September 2021, there were **12** class 4 gambling venues in the Matamata-Piako district. This shows an increase from 11 venues in 2019 and an overall decrease from 14 in 2015. (A 14% decrease since 2015).

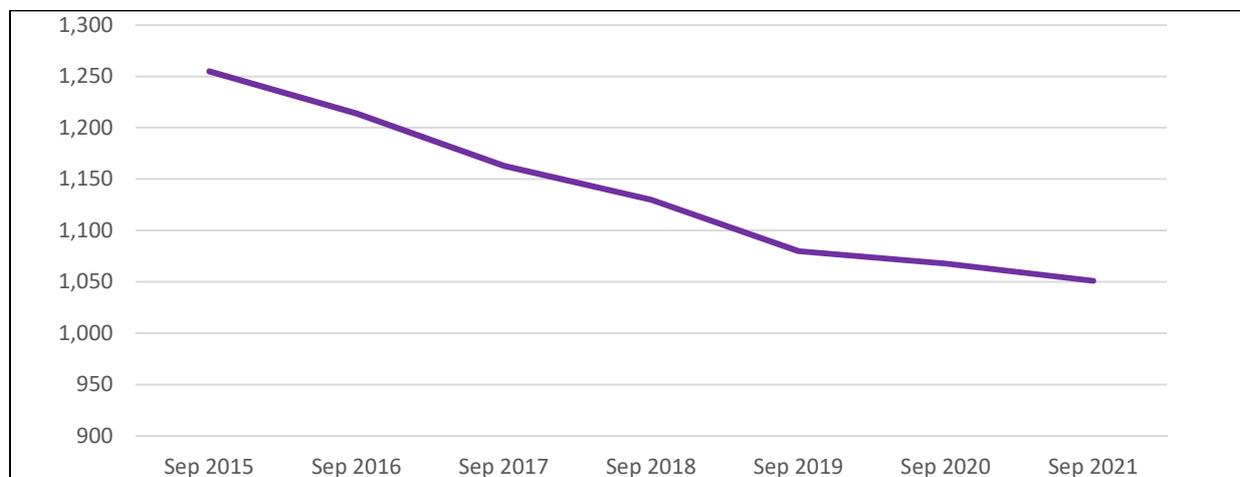
Figure 3: Number of class 4 venues (Matamata-Piako District)



2.2 Class 4 Venues (New Zealand)

As at September 2021, there were **1,051** class 4 gambling venues across New Zealand. This is down from 1,080 in 2019 and 1,255 venues in 2015 and represents an overall decrease of 16% since 2015.

Figure 4: Number of class 4 venues (New Zealand)



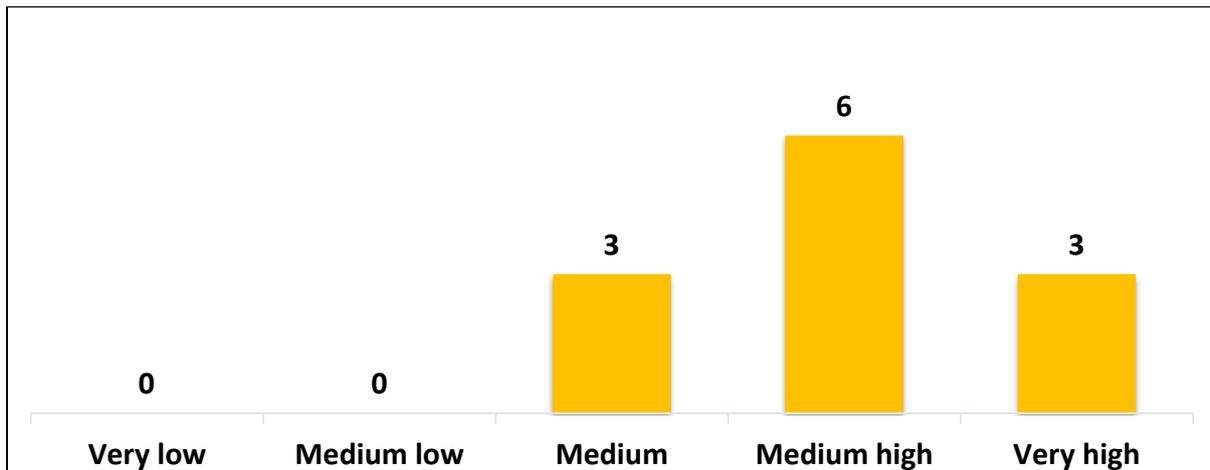
¹⁴ <https://www.dia.govt.nz/gambling-statistics-gmp-dashboard>

2.3 Location of Class 4 Venues

Council are required to consider the location of class 4 venues in relation to the most recent deprivation data (NZDep 2018). Both nationally and locally, class 4 venues are primarily located in areas of economic deprivation. These areas are more likely to have a high proportion of Māori and Pacific residents, who are most at risk of gambling and potentially problem gambling¹⁵.

Nine out of 12 venues in our District are located within medium high to very high social deprivation areas as detailed in the figure 5 below:

Figure 5: Number of venues by deprivation rating

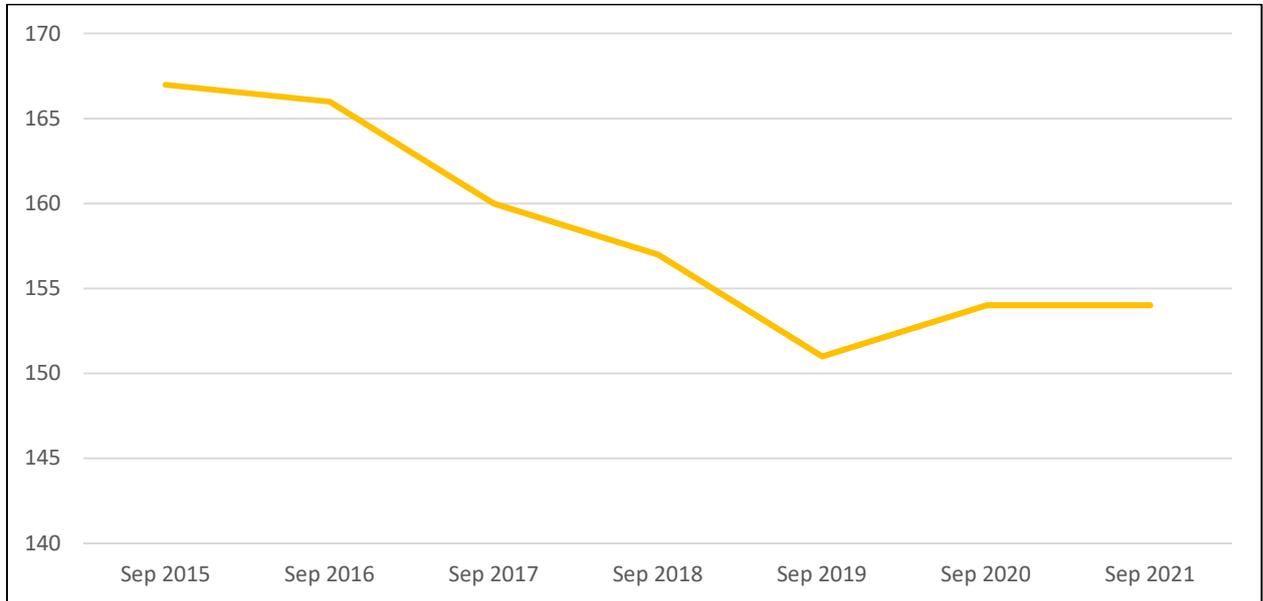


15 <https://www.health.govt.nz/system/files/documents/publications/gambling-harm-needs-assessment-2021.pdf>

2.4 Class 4 EGMs (Matamata-Piako District)

Since 2015, numbers have fluctuated a little, with an overall decrease between 2015 and 2021; from 167 to **154**. This represents an 8% decrease.

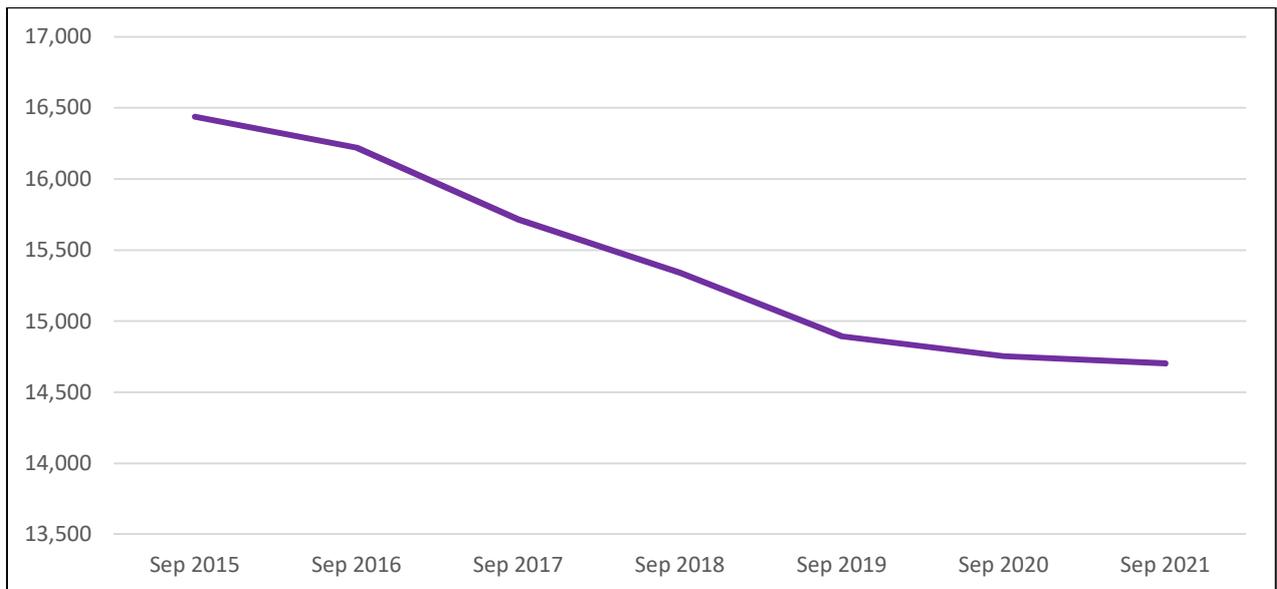
Figure 6: Number of class 4 EGMs (Matamata-Piako District)



2.5 Class 4 EGMs (New Zealand)

As at September 2021, there were **14,704** EGMs across New Zealand. This is down from 16,440 venues in 2015 (an 11% decrease since 2015).

Figure 7: Number of class 4 EGMs (New Zealand)



2.6 Gaming Machine Profits (GMP) (Matamata-Piako District)

Class 4 GMP is calculated as expenditure minus any prizes/grants paid out, and represents player loss on EGMs.

Figure 8 below shows an increasing trend in GMP. When comparing the September 2015 quarter to the September 2021 quarter, there has been an increase from \$1.3m to **\$1.5m**.

The DIA notes that from March 2015 to September 2021 quarters, the GMP for New Zealand decreased by -3.5% compared to Matamata-Piako District which increased by 17.2%. Despite this, both New Zealand and Matamata-Piako District show similar downward trends in the number of EGMs and venues.¹⁶

Figure 8: GMP per quarter (Matamata-Piako District)

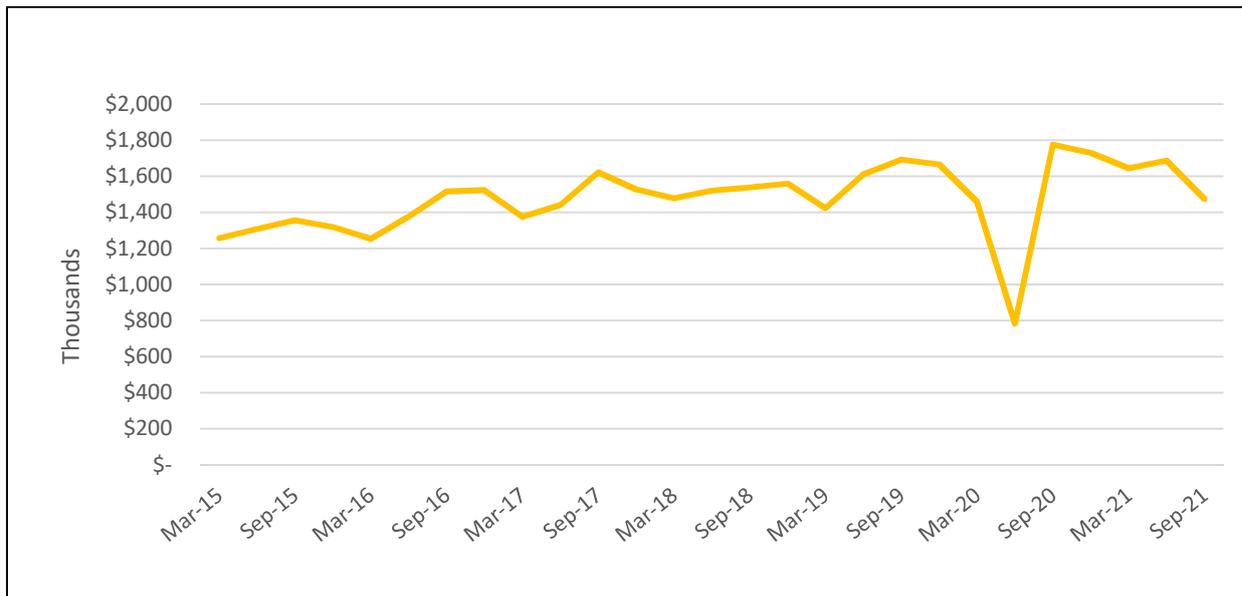
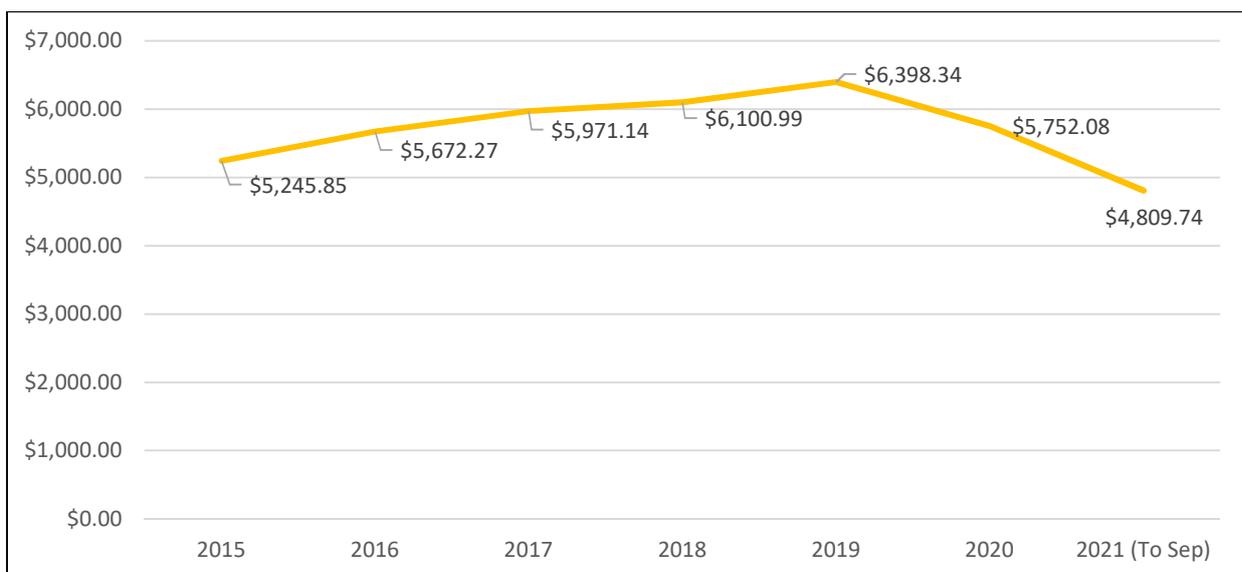


Figure 9: GMP per calendar year (Matamata-Piako District)



¹⁶ <https://catalogue.data.govt.nz/dataset/class-4-gambling-key-performance-indicators>

Figure 10: Class 4 gambling estimated GMP (Matamata-Piako District)¹⁷

Calendar Year	GMP
2021	\$4,809,736.17
2020	\$5,752,078.03
2019	\$6,398,341.72
2018	\$6,100,986.11
2017	\$5,971,136.14
2016	\$5,672,270.54
2015	\$5,245,847.86

¹⁷ <https://catalogue.data.govt.nz/dataset/gaming-machine-profits-gmp-dashboard>

2.7 Gaming Machine Profits (GMP) (New Zealand)

GMP decreased from \$213m in the September 2015 quarter to **\$187m** in the September 2021 quarter.

Nationally, as can also be seen for the Matamata-Piako district, there was a dip in profits during lockdown (June 2020), as venues remained closed.

Figure 11: GMP per quarter (New Zealand)

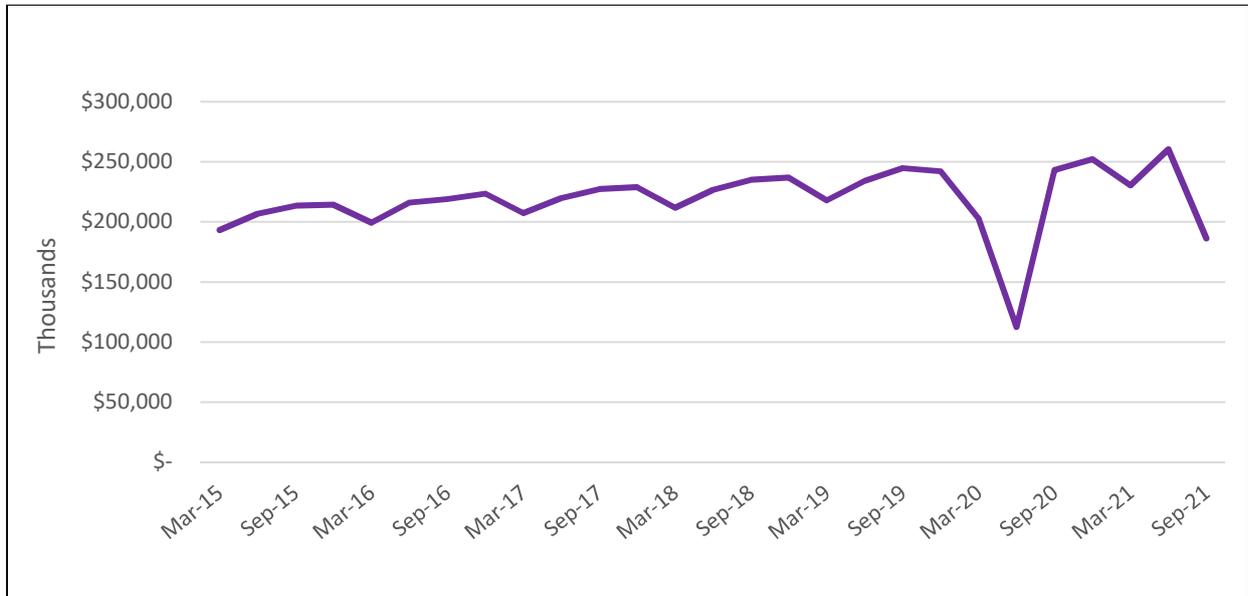
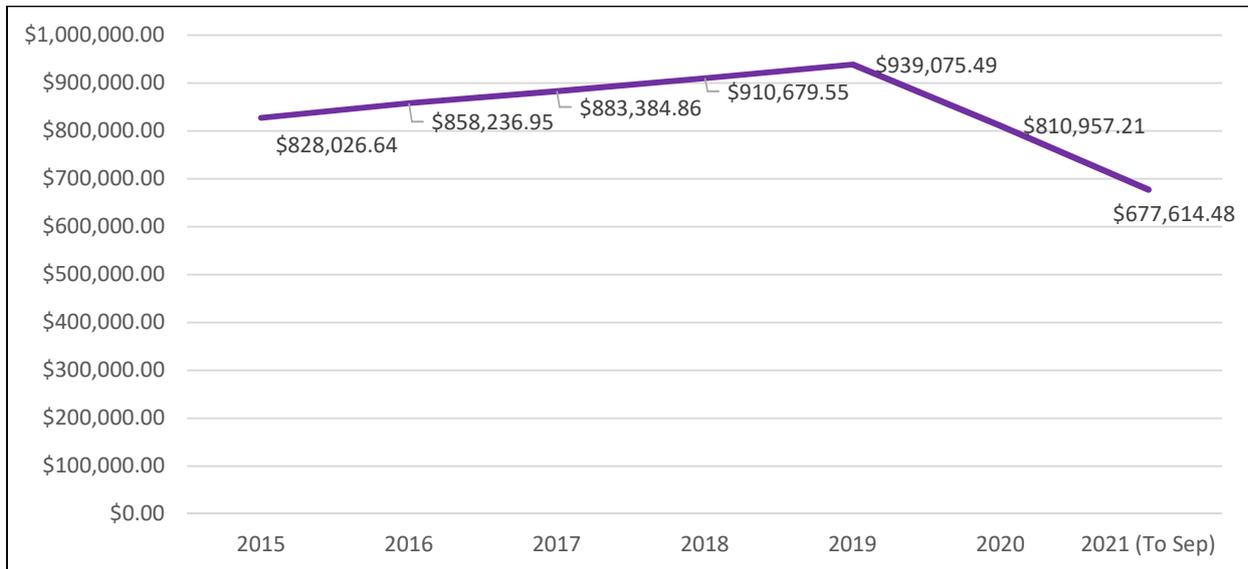


Figure 12: GMP per calendar year (New Zealand)



2.8 Prevalence of EGMs per Person

One way of determining the risks of gambling in our community is to consider the prevalence/density of EGMs based on the number of machines per person.

Having a higher number of people per machine may help reduce gambling harm as the prevalence of machines is less. Conversely, having a lower number of people per machine indicates a higher concentration of machines in a district, which may lead to more gambling related harm as it increases the opportunities for gambling. It is important to note however, that there are mixed views on the effectiveness of restricting access to EGMs.¹⁸

Using 2021 Statistics NZ population estimates, there are approximately 183 people over 18 for every machine in the District.

2.9 Comparison to other Territorial Local Authorities

2.9.1 EGMs by Territorial Local Authority

Figure 13: EGMs by Territorial Local Authority¹⁹

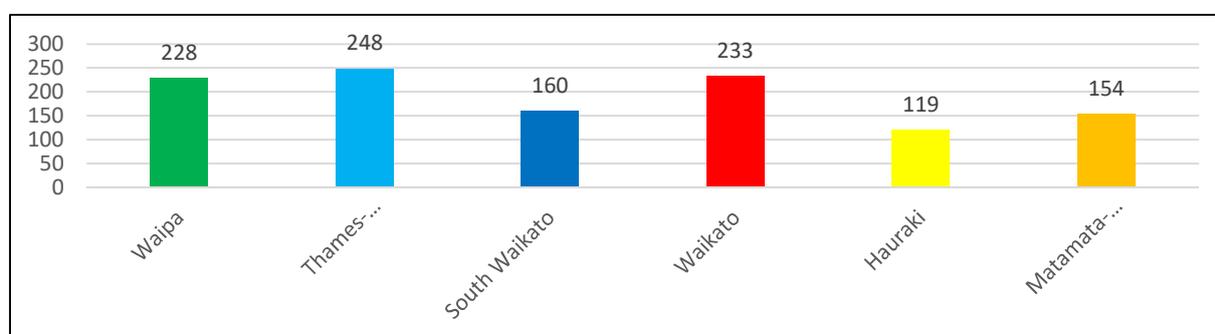


Figure 14: Approximate density of EGMs by Territorial Local Authority

Territorial Local Authority	Approximate Number of 18+ people per EGM
Thames-Coromandel	110
South Waikato	118
Hauraki	144
Matamata-Piako	183
Waipa	199
National	270
Waikato	271

The number of EGMs is relatively low when compared to our neighbouring districts, and Matamata-Piako have the fourth highest density of machines and a higher density of machines compared to the national average.

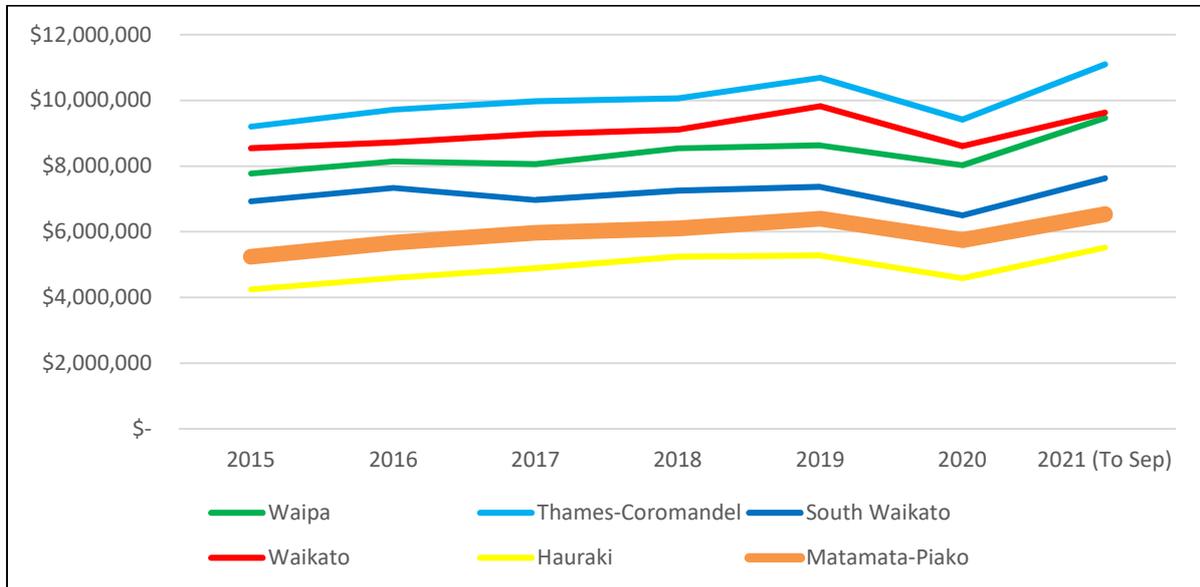
¹⁸ <https://www.health.govt.nz/system/files/documents/publications/gambling-harm-needs-assessment-2021.pdf>

¹⁹ As at 30 September 2021

2.9.2 Annual GMP by Territorial Local Authority

Figure 15 shows the annual GMP for neighbouring Councils since 2015.

Figure 15: Annual GMP by Territorial Local Authority



2.9.3 GMP Loss Per Head by Territorial Local Authority

When reviewing the impact of harm in our region, it is helpful to view how our surrounding Council areas compare when it comes to GMP loss per head.

Figure 16: Comparison of loss per head by Territorial Local Authority

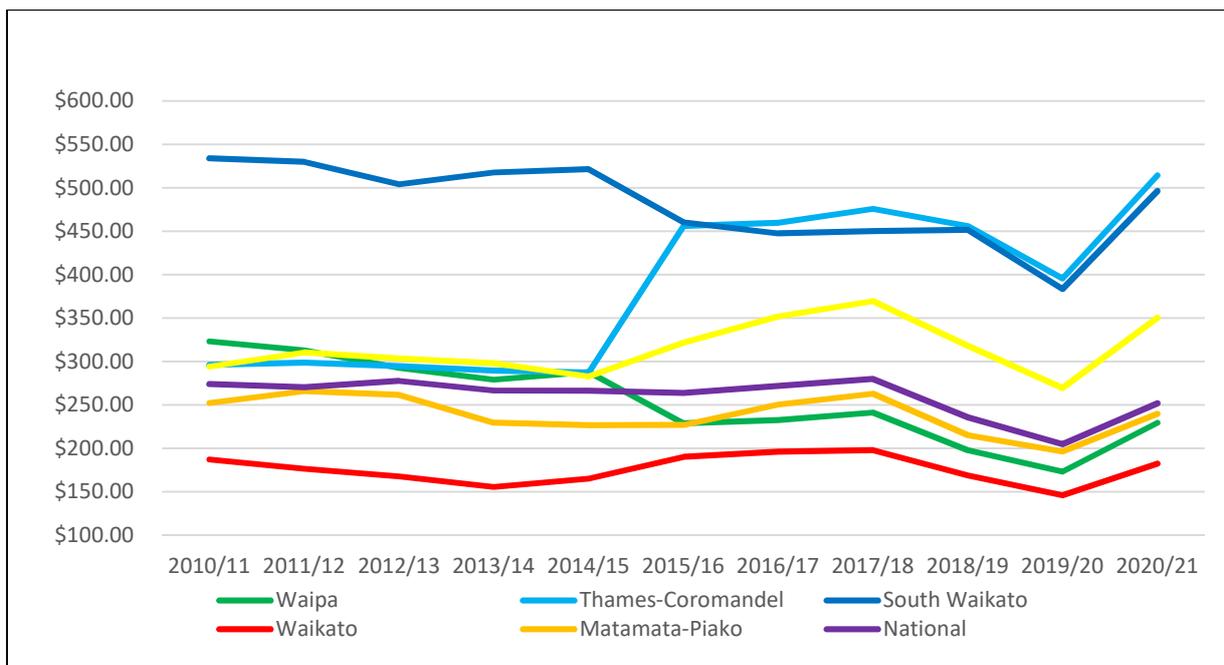
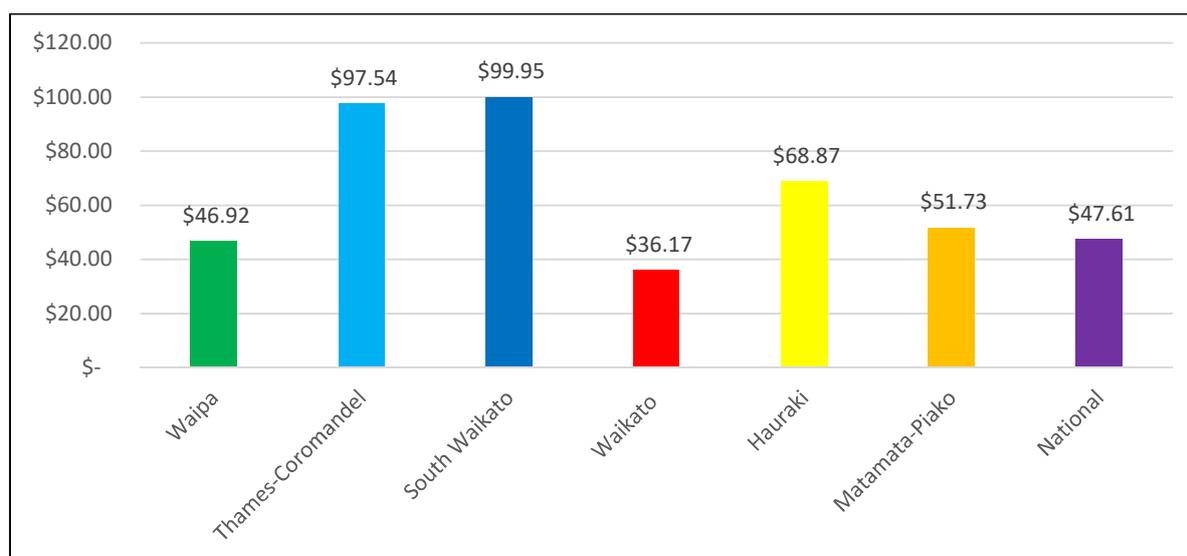


Figure 17: Loss per head September 2021 quarter by Territorial Local Authority



The Gambling Act requires that the theoretical ‘return to player’ (RTP) be set between 78% and 92%. This is a theoretical return to player over the life of the machine (millions upon millions of ‘plays’). Therefore in theory, at a 90% RTP, a patron is losing around 10 cents in each dollar wagered.²⁰ However, this does not take into account the ‘churn’ factor. That is, if someone puts a dollar into a machine, after their first wager, on average they get 90 cents back. But if they then make another wager and lose 10% of that, they will have 81 cents left. Then, if they wager again, they will have 73 cents left, and so on.

From 2010/11, the annual loss per head on pokie machines in Matamata-Piako has been consistently lower compared with the national average. When compared with neighbouring districts, loss per head is significantly lower than Thames-Coromandel, South Waikato and Hauraki District Councils, with only Waipa and Waikato District Councils with lower loss per head.

Looking at loss per head in the September 2021 quarter, Matamata-Piako ranks slightly above the national average and 4 out of 6 local Councils.

2.10 Current Venues and EGMs

The Gambling Act states that venues which held a class 4 venue licence on 17 October 2001, can operate a maximum of 18 EGMs. Operators were required to notify the DIA of the number of machines currently operating by 2003. All venues within Matamata-Piako were operating with a current license at the time the Act came into force, and as such the provisions for pre-2001 apply. Therefore, according to legislation, the number of machines could increase in the district by 11 without needing to obtain Council consent and a further 36 to reach the District cap (subject to Council consent).

Venues licenced after 2001 can operate a maximum of nine machines.

Since 2015, there has been a decrease in the number of venues and machines, from 14 venues in 2015 to 12 in 2021, and 167 EGMs in 2015 to 154 in 2021. Over the same time period we have only received one application to increase the number of EGMs at a venue; The Grand Tavern in Te Aroha, which is currently being processed.

²⁰ [https://www.moh.govt.nz/notebook/nbbooks.nsf/0/253b4a3bb4f7ca47cc2575f2006f9519/\\$FILE/pg-local-govt-resource-may09.pdf](https://www.moh.govt.nz/notebook/nbbooks.nsf/0/253b4a3bb4f7ca47cc2575f2006f9519/$FILE/pg-local-govt-resource-may09.pdf)

Figure 18: Current Venues and EGMs (Matamata-Piako District)

Venue	Society Name	Location	Number of EGMs September 2021	Maximum EGMs possible without Council consent	Allowable Increase
Horse & Jockey	The Lion Foundation 2008	Matamata	18	18	-
Trac Sports Bar	Four Winds Foundation Limited	Matamata	18	18	-
Matamata Club Incorporated	Matamata Club Incorporated	Matamata	18	18	-
The Top Pub & Eatery	Grassroots Trust Limited	Morrinsville	18	18	-
Nottingham Castle Hotel	The Lion Foundation 2008	Morrinsville	18	18	-
Morrinsville District RSA	Morrinsville & District Memorial RSA Inc	Morrinsville	7	12	5
Town and Country Club Incorporated	The Town and Country Club Incorporated	Morrinsville	6	6	-
The Grand Tavern	Pub Charity Limited	Te Aroha	14	14	-
Palace Hotel	Grassroots Trust Limited	Te Aroha	18	18	-
Te Aroha Memorial RSA	The Te Aroha Memorial RSA Inc	Te Aroha	7	10	3
Tahuna Tavern	The Lion Foundation 2008	Tahuna	3	6	3
Waihou Tavern	The Lion Foundation 2008	Waihou	9	9	-
Total:		12	154	165	11

Figure 19: Changes in Venue and EGM Numbers (Matamata-Piako District)²¹

Year	Quarter	# Venues	Venue Change	# EGMs	EGM Change
2015	Mar	14	0	173	
	Jun	14	0	171	-2
	Sep	14	0	167	-4
	Dec	14	0	166	-1
2016	Mar	14	0	166	0
	Jun	14	0	166	0
	Sep	14	0	166	0
	Dec	13	-1	160	-6
2017	Mar	13	0	160	0
	Jun	13	0	160	0
	Sep	13	0	160	0
	Dec	13	0	157	-3
2018	Mar	13	0	157	0
	Jun	13	0	157	0
	Sep	13	0	157	0
	Dec	13	0	157	0
2019	Mar	13	0	157	0
	Jun	11	-2	147	-10
	Sep	11	0	151	+4
	Dec	12	1	154	+3
2020	Mar	12	0	154	0
	Jun	12	0	154	0
	Sep	12	0	154	0
	Dec	12	0	154	0
2021	Mar	12	0	154	0
	Jun	12	0	154	0
	Sep	12	0	154	0

2.11 TAB Venues

Currently in Matamata-Piako, there are no standalone TAB venues.

3. Gambling Harm

Two key purposes of the Gambling Act 2003 are to:

- (a) Control the growth of gambling; and,
- (b) Prevent and minimise harm from gambling, including problem gambling.

²¹ Information provided by DIA in response to an Official Information Act Request

The purpose of the Racing Industry Act 2020 is to reform the law relating to New Zealand racing and to prevent and minimise gambling conducted under the Act, including harm associated with problem gambling. Therefore, there is a focus on harm minimisation within the legalisation and a responsibility for Council to give effect to this at a local level.

A Gambling Harm Reduction Needs Assessment commissioned by the MoH in 2018, found that it is difficult to establish a correlation between a reduction in gambling venues and expenditure²². A review of the effectiveness of different Council policy positions undertaken by AUT²³ found that all three forms of policy intervention (absolute cap, per capita cap and sinking lid) were effective in reducing the number of venues and EGMs. Per capita caps and sinking lids were found to be the most effective in reducing gambling expenditure, with a cumulative impact of reducing gambling expenditure by an estimated 13 – 14%.

The paper entitled “Ending community sector dependence on pokie funding” states that 50% of EGMs in New Zealand are located in our most deprived communities (decile 8-10 on the MoH measurement of deprivation).²⁴ PGF estimates that in Matamata-Piako, around 456 residents are losing 30% of the District’s GMP – or \$1.8m (\$4,013 per person). Conversely, the remaining 70% of GMP losses would come from the remaining 24,888 residents, equalling only approximately \$171 each.²⁵

The 2021 gambling harm needs assessment showed that between 2016 and 2018, the prevalence of harmful gambling among adults remained relatively unchanged. With a prevalence of low-risk gambling affecting approximately 142,000 people and moderate-risk and harmful gambling affecting a further 76,000 adults. It is noted that Māori and Pacific people remain most at risk of harmful gambling.²⁶

The 2018 Census shows there were 34,404 people usually resident in the Matamata-Piako District. The median personal income for our District was \$32,400 per annum in 2018. 84.4% of the population identified as European, with 16.7% identifying as Māori, 5.7% as Asian and 2.1% as Pacific peoples.^{27 28}

3.1 Harm prevention and minimisation controls under the Gambling Act

Every corporate society that holds a class 4 operator’s licence must, in relation to class 4 gambling conducted by the corporate society, ensure that, at all times:

- a) the purpose of conducting that gambling is to raise money for authorised purposes;
- b) the net proceeds from that gambling are maximised and the operating costs of that gambling are minimised;
- c) the costs incurred in conducting that gambling are actual, reasonable, and necessary;
- d) the net proceeds from that gambling are applied to, or distributed for, authorised purposes;
- e) the risks of problem gambling posed by that gambling are minimised; and
- f) all applicable regulatory requirements are complied with.

²² <https://www.health.govt.nz/system/files/documents/publications/gambling-harm-reduction-needs-assessment-v2-aug18.pdf>

²³ <https://workresearch.aut.ac.nz/document-library/project-reports/latest-project-reports/capping-problem-gambling-in-nz-the-effectiveness-of-local-government-policy-intervention>

²⁴ https://www.pgf.nz/downloads/assets/11959/1/ending_community_sector_dependence_on_pokie_funding_20200717.pdf

²⁵ Class 4 Gambling Report on Grants to Matamata-Piako TLA

²⁶ <https://www.health.govt.nz/system/files/documents/publications/gambling-harm-needs-assessment-2021.pdf>

²⁷ <https://www.stats.govt.nz/tools/2018-census-place-summaries/matamata-piako-district>

²⁸ Note that where a person reported more than one ethnic group, they were counted in each applicable group.

DIA guidelines require all gambling operators to fulfil their host obligations to help prevent or minimise harm from gambling. This requires the venue to:²⁹

- ensure a person who is fully-trained in harm prevention and minimisation is on duty at all times the gaming machines are operating;
- provide information and assistance to people who they believe may be problem gamblers and may issue exclusion orders prohibiting such people from entering the gambling area;
- display signage encouraging players to bet at a level they can afford and containing advice on how to seek assistance for problem gambling;
- ensure that only those aged over 18 have access to the machines;
- ensure that gaming machines display the odds of winning, the average winnings paid out to players of the game over a period of time or number of plays, the maximum and minimum spend for the game, and display the current time;
- Have a design feature that interrupts play at irregular intervals not exceeding 30 minutes of continuous play and informs the player of:
 - the duration of their session of play;
 - the amount of money the player has spent;
 - net wins and losses during the session of play.

The HPA in partnership with the DIA and MoH have developed a 'Gamble Host Pack' to support venue staff in their responsibilities as a gambling host.³⁰

3.2 Problem Gambling Referrals

There has been a declining trend in individuals receiving support for their own or a whānau member's problem gambling³¹. Still, the majority of interventions are related to Class 4 gambling with more than half of the interventions being related to class 4 as detailed in figure 20 below:³²

²⁹ [https://www.dia.govt.nz/diawebsite.nsf/Files/Gambling-Factsheets-2021/\\$file/FactSheet-6-2021.pdf](https://www.dia.govt.nz/diawebsite.nsf/Files/Gambling-Factsheets-2021/$file/FactSheet-6-2021.pdf)

³⁰ <http://gamblehostpack.choicenotchance.org.nz/>

³¹ <https://www.health.govt.nz/system/files/documents/publications/strategy-to-prevent-and-minimise-gambling-harm-2022-23-to-2024-25-consultation.pdf>

³² <https://www.health.govt.nz/our-work/mental-health-and-addiction/addiction/gambling/service-user-data/intervention-client-data>

Figure 20: Problem Gambling Interventions by Gambling Type (New Zealand)

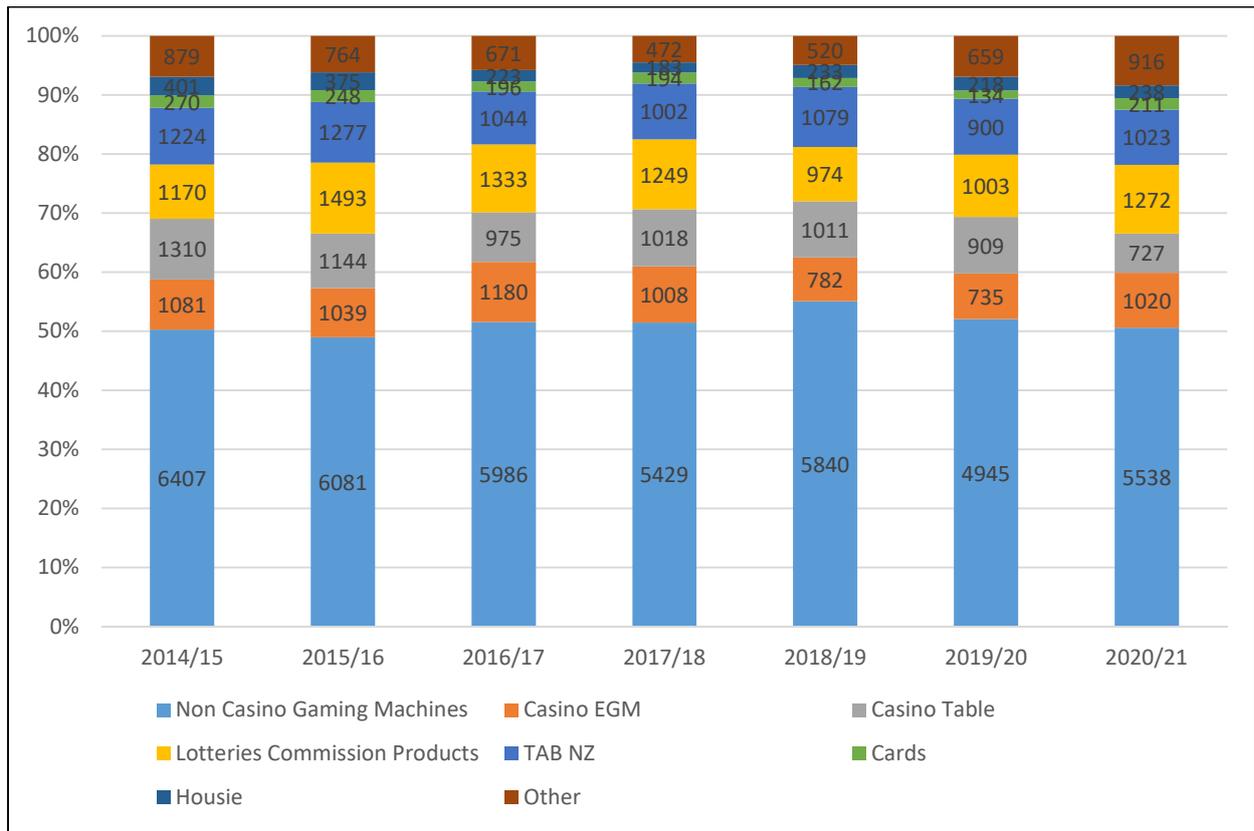
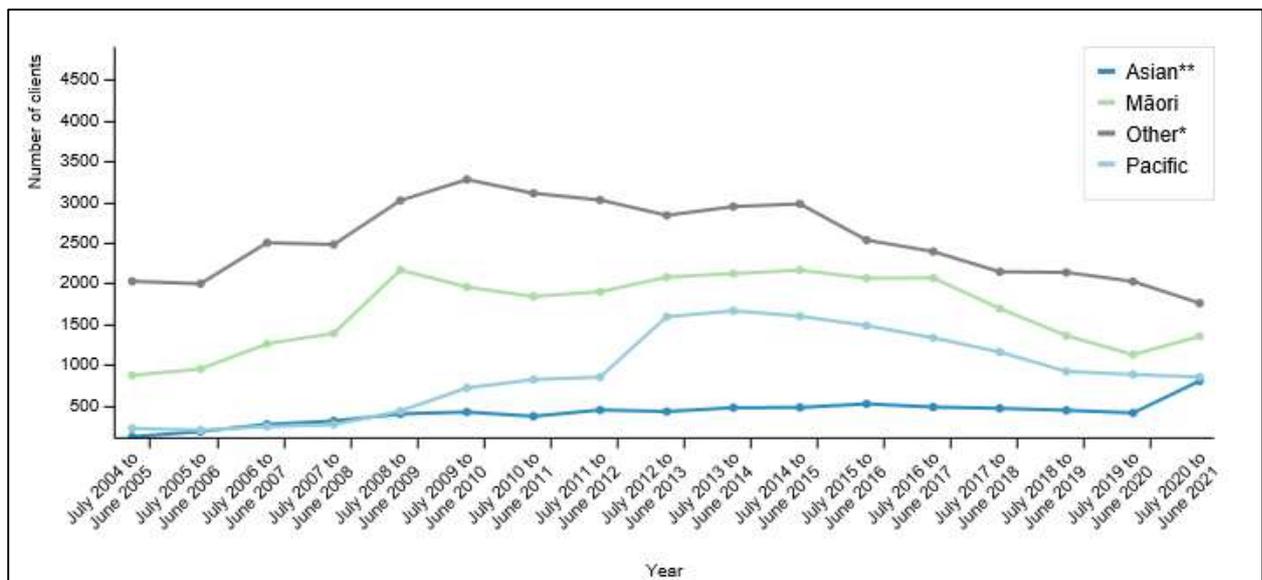
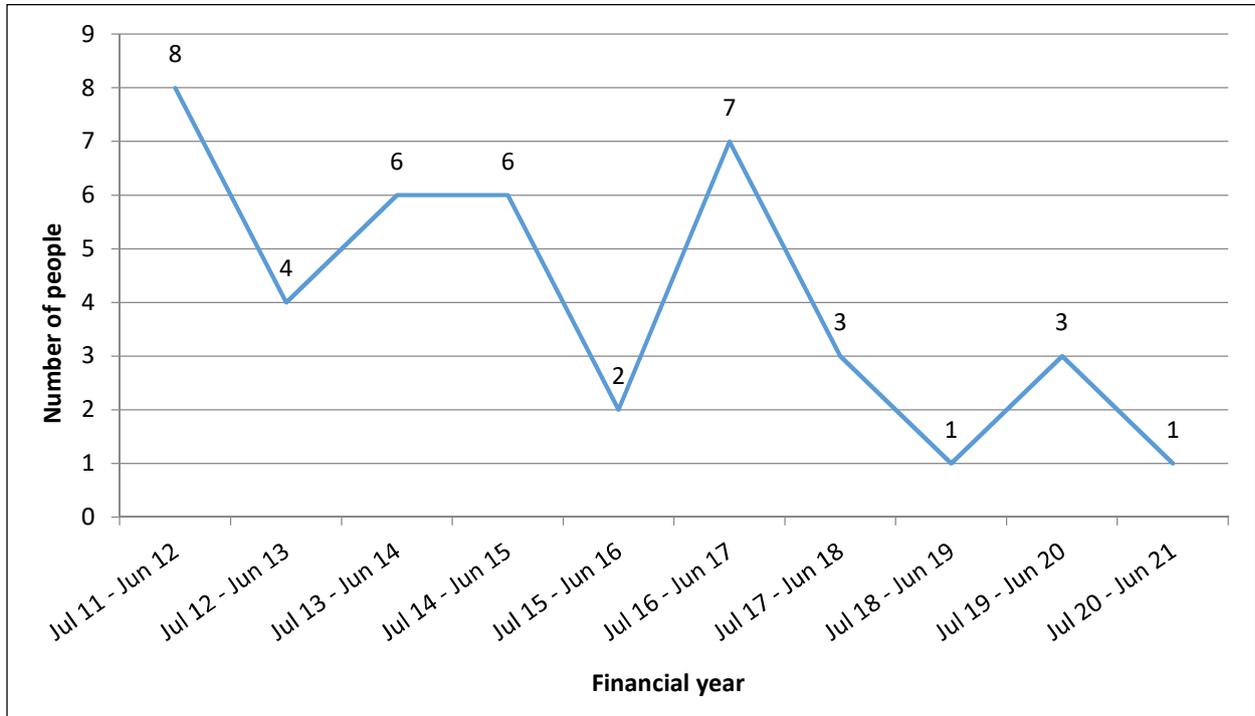


Figure 21: Problem Gambling Interventions by Ethnicity, Excluding Brief Interventions (New Zealand)



For our District, the number of referrals remains low with only **one** new intervention recorded for 2020/21 as shown in figure 20 below.

Figure 22: New referrals received from Matamata Piako District



It is important to understand that this may not provide an accurate representation of the harm occurring in the community and there could be different reasons for the low level of referrals.

There is likely to be a difference between the number of people with gambling problems, and the number who seek help for those problems. Barriers to accessing support may include denial of the problem, pride, shyness, and shame about gambling behaviour.³³ If people do decide to take the step to access help, there are a range of problem gambling services available throughout New Zealand. These are funded through income generated by gambling through the Problem Gambling Levy.

An 0800 freephone helpline is available 24 hours a day, 7 days a week and several services are available to provide specific support for Māori, Pacific peoples, Youth and Asian peoples. These helplines act as a first point of contact for people experiencing some form of gambling-related harm, either directly or as a result of a whānau members gambling.

In-person support is available, however there are no specialist problem gambling support services with a physical office within our District, which means that people either have to access support online, or travel to Hamilton. This may be a barrier for those without internet access, which is often the case for people in highly deprived areas, as well as there being no ability to travel to Hamilton for in-person support.

There are local counselling and support services available in the District, e.g. GP, local budgeting advice and social support services.

Figure 23 shows the number of new clients assisted over time for Matamata-Piako compared to other surrounding Councils.

³³ <https://www.health.govt.nz/system/files/documents/publications/gambling-harm-needs-assessment-2021.pdf>

Figure 23: New problem gambling referrals by Territorial Local Authority

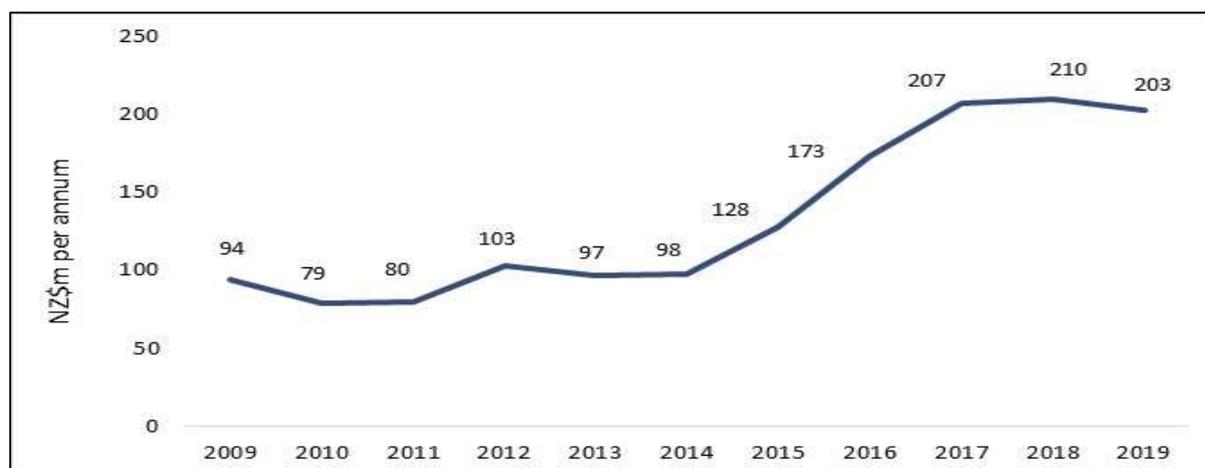
Council	2011 /12	2012 /13	2013 /14	2014 /15	2015 /16	2016 /17	2017 /18	2018 /19	2019 /20	2020 /21
Hamilton	585	490	409	254	317	213	152	215	236	428
South Waikato	14	9	54	56	33	12	34	22	21	56
Waikato	120	154	58	19	25	116	9	31	81	51
Waipa	16	15	96	27	10	7	13	8	5	49
Taupō	73	53	91	57	35	16	21	8	6	32
Ōtorohanga	0	1	0	0	1	0	0	0	1	4
Thames - Coromandel	5	1	4	15	2	1	3	4	4	3
Hauraki	1	0	2	7	4	3	0	3	1	2
Matamata - Piako	8	4	6	6	2	7	3	1	3	1
Waitomo	2	4	0	2	2	2	0	0	1	0

3.3 Online Gambling

Figure 24 below shows that online gambling spend per annum has increased dramatically. Although this sits outside Council control, it is important to note this as an emerging trend.

The DIA is currently conducting a review into online gambling in New Zealand with a view to setting a regulatory framework for the future. This is timely as this form of gambling has gained in popularity over recent years and online gambling and changing technologies have been identified as presenting a new risk.³⁴

Figure 24: National online gambling spend 2009 - 2019



³⁴ <https://www.health.govt.nz/system/files/documents/publications/gambling-harm-needs-assessment-2021.pdf>

4. Community Benefit

Gambling can be harmless activity that people enjoy, and can present opportunities for socialisation. The existence of class 4 gambling, and race and sports betting, also results in some employment and recreational opportunities. However, it can be argued that economic activity from gambling and employment in the industry takes spending and employment away from other sectors rather than providing a significant benefit.³⁵

The Gambling Act 2003 requires gaming societies to return at least 40 percent of the net proceeds from gambling to the community (in accordance with their authorised purposes) in the form of grants. Note that due to COVID-19, in 2020 the Gambling (Class 4 Net Proceeds) Act 2004 was amended to state that societies unable to meet the minimum rate of return to the community, would not be penalised for the 2020 and 2021 financial years. This did not remove the obligation to minimise costs and maximise community returns.³⁶

The Racing Industry Act 2020 requires TABs to ensure its profits benefit New Zealand racing long-term and return funds to New Zealand national sporting organisations.

4.1 Returns to Community

The New Zealand class 4 gambling model returns millions of dollars every year back to the community. There are two types of societies who operate gaming machines:

1. Those that apply funds to their own purposes (e.g. clubs);
2. Those that make grants to other bodies for community purposes. (e.g. corporate gaming societies).³⁷

In addition to the above, TAB NZ return funds to racing and sports groups.

4.1.1 Registered Clubs

Registered Clubs operate EGMs in our District with funding used to directly benefit their members; therefore profits remain in the local economy.

While Club operators don't generally distribute their EGM profits to the wider community through grants, income from EGMs is used for authorised purposes such as the operational cost of the club, enabling clubs to offer low cost meals for its members, and putting on social functions. This supports the social connectedness of our communities.

Examples of this within our District are the local Royal New Zealand Returned and Services' Associations (RSAs) who for many members of our community, provide a safe place to connect with other people and provide low cost meals. This benefits many of our elderly residents in particular, who may live by themselves and be on fixed incomes.

³⁵ <https://www.health.govt.nz/publication/gambling-and-problem-gambling-results-2011-12-new-zealand-health-survey>

³⁶ <https://www.legislation.govt.nz/regulation/public/2020/0136/18.0/LMS360280.html>

³⁷ [https://www.dia.govt.nz/diawebsite.nsf/Files/Pokie-system-101-untracked/\\$file/Pokie-system-101-untracked.pdf](https://www.dia.govt.nz/diawebsite.nsf/Files/Pokie-system-101-untracked/$file/Pokie-system-101-untracked.pdf)

4.1.2 Corporate Societies

The Gambling Act 2003 provides for Class 4 gambling to be permitted only where it is used to raise funds for community purposes. The Act defines the difference between gross proceeds and net proceeds as per the following:

Gross proceeds means:

- The total turnover from gaming machines (less prizes paid out to players);
- plus any interest or other investment returns;
- plus any gains from selling or disposing of gambling assets.

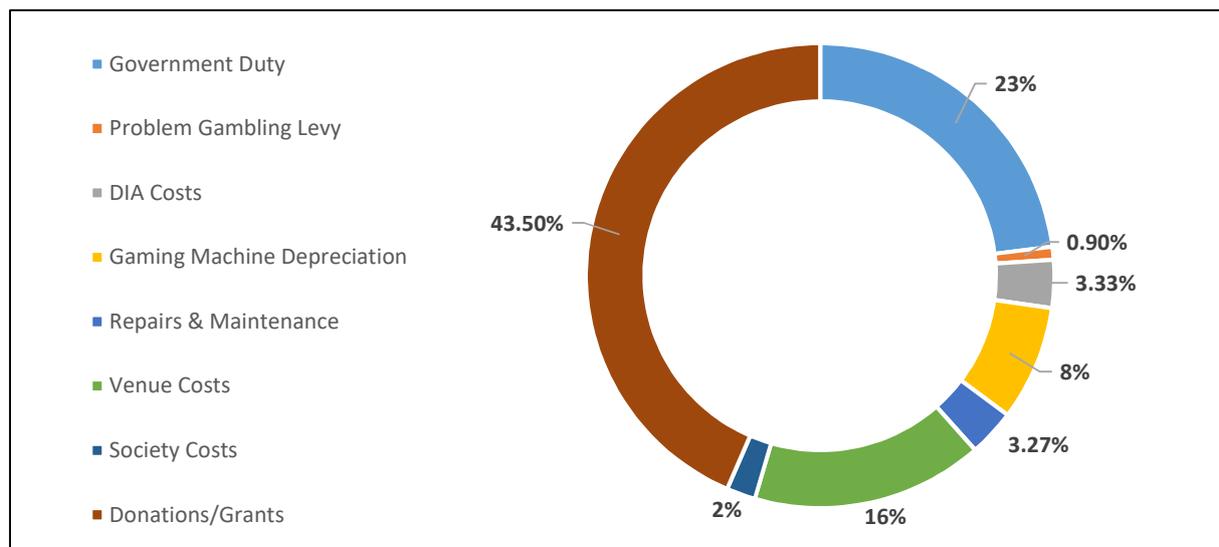
Net proceeds means gross proceeds as defined above, less the sum of:

- the actual, reasonable and necessary costs of conducting gambling;
- the actual, reasonable and necessary costs of complying with the regulatory regime;
- the amount by which any gambling asset is depreciated;
- any losses from the sale or disposal of gambling assets.³⁸

Whilst there is no legislative requirement that grants must be returned to the communities that generated the proceeds, many societies have policies to ensure a large percentage of their proceeds are returned to the communities where the funds were generated. For example, the Lion Foundation aim to distribute and return approximately 90% of the funds generated by venues in the local community back to the local community. The remaining funds are distributed nationally to organisations which benefit communities throughout New Zealand.

Figure 25 shows a breakdown of how proceeds are required to be distributed.

Figure 25: Allocation of class 4 gaming machine gross proceeds (excluding GST)³⁹



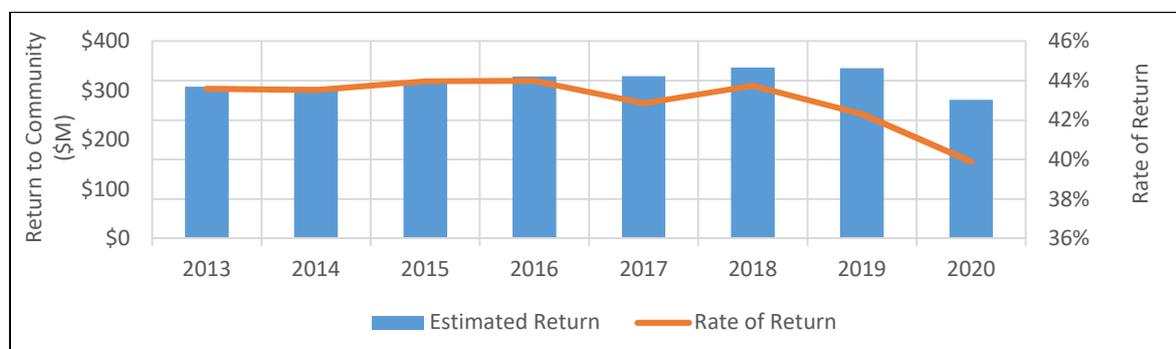
³⁸ <https://www.dia.govt.nz/Gambling-net-proceeds>

³⁹ Information provided by the Gaming Machine Association

4.1.2.1 Class 4 Gambling Return to Community

Figure 26 below shows the estimated return to the community nationwide each year since 2003. This data includes grants returned from both clubs and non-club societies and trusts.⁴⁰

Figure 26: Class 4 gambling estimated return to community (New Zealand)



In 2021 the DIA began reporting on grants returned to local communities from corporate societies. Historically, PGF have been the primary source for this information. There are some differences in the grants reporting to the between the two organisations as detailed in figure 27 below.

It is noted that PGF gather the information from each trust's website and they have a disclaimer noting that while every care has been taken to ensure reporting is as accurate as possible, information published by some trusts can be inconsistent.

The DIA have provided data from information received directly from the trusts. For transparency this Social Impact Assessment reports both sets of data. Grants given to organisations that cover multiple districts or are national bodies are not included. It is unclear how much benefit the Matamata-Piako District derives from the grants made to national organisations.

Figure 27: Class 4 grants return to community (Matamata-Piako District)

Calendar Year	DIA ⁴¹	PGF ⁴²
2015	Data not held	\$804,930
2016	Data not held	\$920,342
2017	\$1,160,085.75	\$785,262
2018	\$1,356,932.95	\$835,346
2019	\$1,073,582.56	\$1,109,745
2020	\$871,154.54	\$871,155
2021 (Jan-June)	\$543,108.54	No data available yet

⁴⁰ <https://catalogue.data.govt.nz/dataset/class-4-gambling-key-performance-indicators>

⁴¹ Information gathered in a response to an Official Information Act request. Information provided by DIA.

⁴² Information provided in a report entitled, 'Class 4 Gambling Report on Grants to Matamata-Piako TLA. Information provided by PGF.

4.1.3 TAB NZ

On 5 December 2019, the Minister for Racing introduced the Racing Industry Bill (which has since passed into legislation as the Racing Industry Act 2020).

The Racing Industry Act established TAB NZ as the sole betting provider for racing and sports in New Zealand. TAB NZ will be able to focus on maximising profits for the benefit of the New Zealand racing industry, whilst having a strong regard for gambling harm minimisation.

The totalisator duty (betting levy) paid to the Crown, was intended to be phased out over three years and these funds instead to be reinvested with the racing and sport sectors. A proportion of the funds is also to be set aside for industry-led gambling harm minimisation initiatives.

TAB NZ has two authorised purposes:

- a) to facilitate and promote betting; and,
- b) subject to ensuring that risks of problem gambling and underage gambling are minimised, to maximise:
 - i. its profits for the long-term benefit of New Zealand racing; and.
 - ii. its returns to New Zealand sports in accordance with agreements entered into under sections 79 and 80 of the Racing Industry Act.

The TAB NZ 2020-21 annual report notes that the 2020/21 racing season was the most profitable year in the history of the TAB. Total betting profit distributions to the racing community were \$149.9m, and 14.9m to the sporting community.

TAB venues are also able to have class 4 gaming machines (subject to Council consent and policy) and in the 2020-21 year, more than \$17m was distributed to racing and sporting organisations.⁴³

Recipients and amount distributed within the Matamata-Piako community for 2020 and 2021 is shown in figure 28 below:

Figure 28: TAB Grants to Matamata-Piako District 2020/2021⁴⁴

Year	Amount
2021 (January to June 2021)	\$8,320.00
2020	\$58,308.00

⁴³ <https://www.tabnz.org/sites/default/files/documents/TAB%20NZ%202020-21%20annual%20report%20-%20web.pdf>

⁴⁴ <https://www.dia.govt.nz/gambling-statistics-class-4-grants-data-analytical-review>

5. Class 4 Gambling Venue and TAB Venue Policies

5.1 Policy Background

As required by legislation, Council first adopted a class 4 gambling policy in 2007. Council have aimed for policy in this area to strike a balanced view between community wellbeing and community benefit from class 4 gambling, therefore the same cap of venues and EGMs has been maintained. In 2013, Council was required to consider whether or not to include a relocation clause in the Policy and chose to implement this under the next policy review in 2016.

Council have had a TAB venue policy since 2007 which has maintained an allowable cap of one standalone TAB venue per town (Matamata, Morrinsville and Te Aroha). The Racing Act 2003 was repealed and replaced with the Racing Industry Act 2020 which disestablished the NZ Racing Board and established Racing New Zealand. The proposed 2022 policy has been updated to incorporate this change in legislation.

5.2 Policy Options

Local Class 4 gambling venue policies must consider the balance between harm minimisation and community benefit (such as community funding and employment) when setting its policy statements.

The Gambling Act 2003 mandates baseline restrictions (18 for venues operating pre-2001 and nine for venues licensed after), regarding the number of EGMs per class 4 venue. Through their gambling venue policies, many Councils have adopted stronger regulations in recent years, including absolute caps on the number of EGMs and/or venues; per capita caps on the number of EGMs and/or venues; and sinking lid policies (restricting the transfer of class 4 licenses in order to slowly reduce availability over time).

The effectiveness of the three policy options available to Councils was assessed by AUT in 2018. This review found that both sinking lids and caps (absolute and per capita) were effective in reducing the number of venues and EGMs. However, there was inconclusive evidence regarding whether policies had any impact on social harm such as personal bankruptcy.⁴⁵

5.2.1 Absolute cap

An absolute cap on venues and EGMs means that once the cap has been reached, no further venues or EGMs will be permitted. This means that if the population grows, there will be a lower provision per capita. If the population decreases, there will be a higher provision per capita, and an increased risk of expenditure per capita as a result. The availability theory suggests that there is a link between prevalence/exposure, and risk of harm from gambling. So if there are more EGMs available, the risk of harm from gambling may increase.⁴⁶

The current provision of venues and EGMs in the District is below our current cap as set out in the 2019 Policy. We could consider the option of setting an absolute cap to align with the current number of gaming machines that can operate without needing Council's consent and venues operating in the District – 165 gaming machines throughout 12 venues. This is the number of machines notified to DIA when the Gambling Act 2003 came into force.

⁴⁵ <https://workresearch.aut.ac.nz/document-library/project-reports/latest-project-reports/capping-problem-gambling-in-nz-the-effectiveness-of-local-government-policy-intervention>

⁴⁶ <https://workresearch.aut.ac.nz/document-library/project-reports/latest-project-reports/capping-problem-gambling-in-nz-the-effectiveness-of-local-government-policy-intervention>

This would mean that no additional venues and machines would be consented as there would be no availability in the cap, and new venues and machines could only be consented if another venue/machine closed down.

5.2.2 Per capita cap

The per capita cap aims to provide the same level of provision adjusted for population, recognising that most people who gamble do so responsibly, and the benefits that result from EGM profits that are directed back to the community. As such, as the population grows, the per capita cap enables additional EGMs or venues to be added. Conversely, if the population declines, the per capita cap may impact on renewal of existing licenses, as the number of EGMs and venues permitted under this policy would decline in line with the population.

The 2019 Policy has a per capita cap calculated using 2017 Statistics NZ population estimates.

As the current provision of venues and EGMs is below the current cap, Council could to re-set the ratio cap to the current provision per capita based on either the 2018 Census or the 2021 Statistics NZ population estimate. This would mean that additional venues and machines could only be added if population growth could support it, or if other venues/machines closed down/ceased to operate.

5.2.3 Sinking lid

Council could consider implementing a sinking lid policy. This aims to reduce the number of venues and EGMs over time, by not issuing any new consents or licenses to new operators or venues. This means that if one venue closes or ceases to operate EGMs, the number of venues and machines will reduce accordingly over time, as no new operator or venue will be permitted.

5.3 TAB venue policy options

All of the above options can be considered in relation to Council's TAB venue policy, noting the current cap of one TAB venue per township and the current absence of any such venues in the District.

5.4 Relocation and club mergers

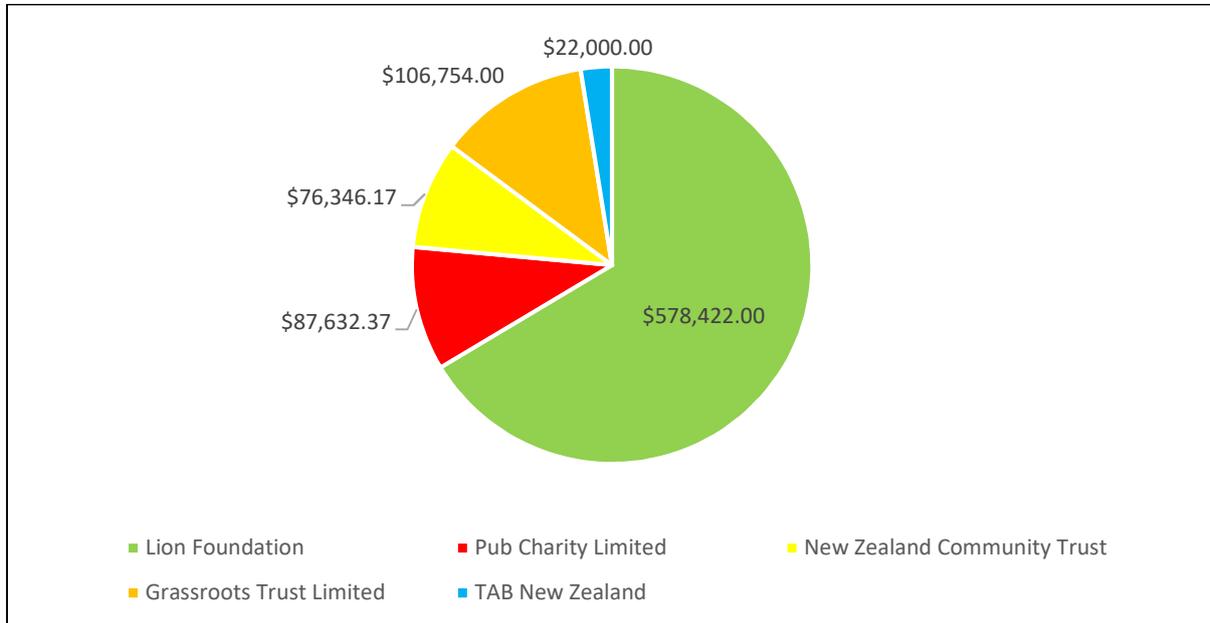
The Gambling Act enables Council to consider the inclusion of a relocation policy within its Gambling Venue Policy. Council implemented a relocation policy in 2016 and could keep this in place or remove the clause, meaning venues would not be able to relocate under any circumstances.

Under a sinking lid policy, relocations would not be permitted as the consent is tied to a property, and a new consent would be required for the new location. This would also mean that if an operator relocates, they would not be granted a new consent for the new location, independent of zoning rules or other district plan rules.

The 2019 Gambling Venue Policy also allows club venues to merge under certain conditions provided that the resulting new venue has equal or less gaming machines than the venues had combined before the merger.

Appendix 1 - Breakdown of Grants to Matamata-Piako 2020⁴⁷

Figure 29: Grants to Matamata-Piako 2020



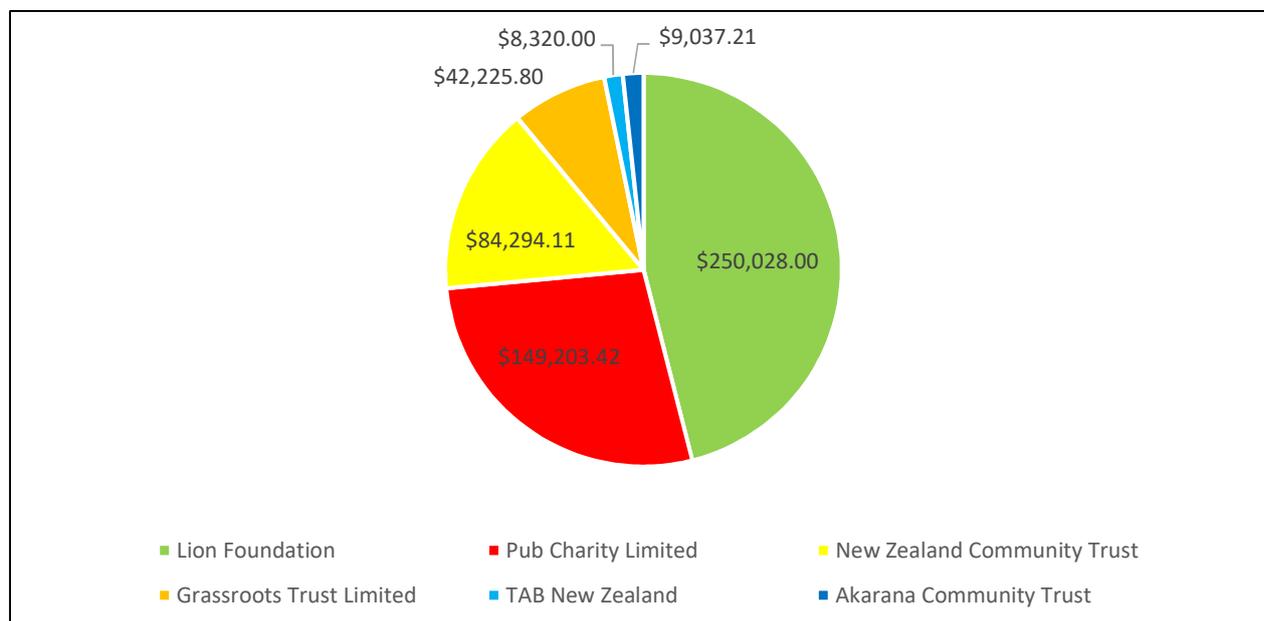
Society	Grants Accepted
Lion Foundation	\$ 578,422.00
Pub Charity Limited	\$ 87,632.37
New Zealand Community Trust	\$ 76,346.17
Grassroots Trust Limited	\$ 106,754.00
TAB New Zealand	\$ 22,000.00
	\$ 871,154.54

Type	Amount
Sport	\$ 526,111.54
Health/Welfare/Rescue Services	\$ 17,287.00
Arts and Culture	\$ 114,750.00
Research and Education	\$ 81,751.00
Community	\$ 131,255.00

⁴⁷ <https://www.dia.govt.nz/gambling-statistics-class-4-grants-data-analytical-review>

Appendix 2 - Breakdown of Grants to Matamata-Piako January-June 2021⁴⁸

Figure 30: Grants to Matamata-Piako January – June 2021



Society	Grants Accepted
Lion Foundation	\$ 250,028.00
Pub Charity Limited	\$ 149,203.42
New Zealand Community Trust	\$ 84,294.11
Grassroots Trust Limited	\$ 42,225.80
TAB New Zealand	\$ 8,320.00
Akarana Community Trust	\$ 9,037.21
	\$ 543,108.54

Type	Amount
Sport	\$ 396,493.80
Health/Welfare/Rescue Services	\$ 4,000.00
Arts and Culture	\$ 15,414.50
Research and Education	\$ 35,498.00
Community	\$ 91,702.24

⁴⁸ <https://www.dia.govt.nz/gambling-statistics-class-4-grants-data-analytical-review>

Appendix 3 - Problem Gambling Foundation Report for Matamata-Piako District December 2021

Class 4 Gambling Report on Grants to Matamata-Piako TLA For: MATAMATA-PIAKO DISTRICT COUNCIL

Introduction

At the time of writing this report, the PGF Group database held data for 787 grants made to the Matamata-Piako District Council area for the period 1 January 2015 to 31 December 2021. The PGF Group grants database currently has 157,135 recorded grants, beginning in 2014.

Every care has been taken to ensure the demarcation of grants to each Territorial Local Authority (TLA) is as accurate as possible, but information published by some Trusts can be inconsistent. The grant data provided in this report is only as accurate as its original source and the PGF Group holds no responsibility for errors in published information.

Although every effort is made to make our database an all-inclusive list of grants, we cannot guarantee that all grants made under Class 4 gambling legislation have been identified and included in our database. For this reason, the grant figures for the 2020 calendar year should be regarded as an overview only.

Of important note is that during the nationwide COVID-19 alert level 4 lockdown (and subsequent lockdowns in Auckland), Class 4 gambling venues were closed. This has resulted in fluctuating Gaming Machine Profits (GMP) figures, and this should be taken into account when analysing figures for 2020.

The Class 4 Funding System in New Zealand

The money lost on Electronic Gaming Machines (EGMs or 'pokies') is called the Gaming Machine Profit (GMP). It is the amount wagered, less the amount paid back as prizes.

All Class 4 EGMs are owned by Gaming Trusts and Societies. The GMP for each machine is monitored by the DIA's Electronic Monitoring System and collected by the Trust that owns the machine. The GMP is then applied in a complex model before it can be distributed to the community as grants:

- A Trust can pay up to 1.28% of a venue's weekly turnover as commission to the venue hosting machines. Payments to all venues across the financial year must not exceed 16% of losses for that year and venues are not legally allowed to use this commission as a source of profit.
- The government receives 23% of GMP as the gambling duty (20%) and DIA regulator fees (3%).
- Trust operating costs must be kept as low as possible and only used for 'reasonable' costs. The true proportion will be unique to each Trust based on its grant contributions but is estimated at 20%.
- The problem gambling levy is 0.78% of GMP and funds treatment services, public health and research.

Finally, Societies and Trusts must return 40% of total proceeds to the community by way of grants or applied funding.

EGM Statistics

The number of Class 4 gambling venues in Matamata-Piako has decreased slightly, with 14 in 2015 and 12 as at 31 December 2020. The number of EGMs in Matamata-Piako has followed this trend, with 166 in 2015, down to 154 as at 31 December 2020.

Despite this decline in the number of machines, Matamata-Piako has followed the national pattern of a general growth in GMP. While we cannot be sure why this is happening, what we do know is that EGM numbers are not being reduced in areas where they need to. Under the current policy, there is a district cap of 201 EGMs, which has the potential to increase GMP in the future, and also increase gambling harm for those in the community.

Table 1: Annual number of Class 4 gambling venues, 2015-2020

	2015	2016	2017	2018	2019	2020
National	1,224	1,197	1,146	1,103	1,078	1,068
Matamata-Piako	14	13	13	13	12	12

Table 2: Annual number of Class 4 EGMs, 2015-2020

	2015	2016	2017	2018	2019	2020
National	16,274	16,031	15,490	15,118	14,828	14,781
Matamata-Piako	166	160	157	157	154	154

Table 3: Annual GMP, 2015-2020 (\$ '000)

	2015	2016	2017	2018	2019	2020
National	828,026	858,236	883,384	910,679	939,075	810,951
Matamata-Piako	5,245	5,672	5,971	6,100	6,398	5,752

Fifty percent of all EGMs in New Zealand are located in our most deprived communities (decile 7-10 on the Ministry of Health measurement of deprivation). We know that only 1.8% of adults in New Zealand are considered severe or moderate risk gamblers. Further, the Department of Internal Affairs (DIA) estimates that 30% of EGM expenditure comes from these severe and moderate risk gamblers.

What this could mean locally is that of the approximately 25,344 usually resident adults in Matamata-Piako per the 2018 Census, around 456 residents are losing 30% of the City's GMP – or \$1.8 million (\$4,013 each). Conversely, the remaining 70% of GMP losses would come from the remaining 24,888 residents, equalling only approximately \$171 each.

When the \$1.8 million lost by severe and moderate risk gamblers in 2018 is compared to 2018 grants to Matamata-Piako organisations, which totalled just over \$835,000 (Table 4), it becomes evident that a majority of the community funding from EGMs comes from a small number of people who can least afford to lose it – especially when considering the location of these machines. In fact, 10 (76.9%) out of Matamata-Piako's 13 Class 4 gambling venues are in medium-high to very-high deprivation areas.

We advocate for a policy that does not permit relocations or club mergers under any circumstances as it strengthens a sinking lid policy. If a venue closes, the pokie machines can not be moved and the number of machines gradually reduces.

Grants to Authorised Purposes

The following grant data presents:

- Grants made to groups we have determined as operating within the Matamata-Piako District Council area.

Instead of listing individual grants, grant data has been categorised into organisational types: Community Groups, Community Services and Sports.

Table 4: Grants to Matamata-Piako organisations, 2014-2020 (\$)

	2014	2015	2016	2017	2018	2019	2020
Community Groups	110,722	156,128	97,652	104,944	112,449	144,406	126,894
Arts		10,000	15,000	14,767	6,500	15,941	10,000
Community Groups	110,722	144,128	82,652	90,177	105,949	128,465	116,894
Māori		2,000					
Community Services	245,757	193,649	158,758	192,531	154,747	393,211	226,992
Community Services	5,776	15,549	13,198	10,635	3,337	10,433	
Education	195,143	144,604	89,064	168,612	105,990	296,325	85,594
Fire Services			42,594				
Health Related	17,898	28,175	10,000	5,942	28,420	59,144	134,398
Kindergartens / Child Care / Plunket	26,940	5,320	3,902	7,343	17,000	27,309	7,000
Sport	372,895	455,153	663,931	487,787	568,150	572,128	517,269
Athletics			2,068				
Basketball	8,704	5,510	9,313	27,036	95,313	168,717	92,452
Bowling	18,135	43,878	15,600	13,346	50,020	29,370	24,973
Community Group							
Cricket	11,000	4,000	18,046	10,000	21,211	28,937	39,000
Cycling	7,000	8,500	14,644	22,984	43,609	22,459	1,421
Equestrian / Pony Clubs	3,000		7,500	6,000		5,278	28,748
Gym Sports (includes weightlifting/boxing/wrestling)		11,895	12,000	13,000	10,000	6,000	
Hockey	5,000			10,000			
League	26,002	32,322	54,751	35,462		2,429	
Motorsports		10,614				5,217	7,500
Netball	8,946	7,624	22,601	669	3,470	18,304	
Other Sports	95,058	87,095	58,332	76,338	135,070	147,395	134,059
Racing	35,750					2,500	
Racquets	4,944	1,734	43,436	32,000	9,477	2,000	67,844
Rugby	85,328	133,690	92,897	130,903	94,920	62,566	89,500
Soccer		23,000	15,000	20,000	35,000	13,450	27,500
Softball	41,449	42,571	74,996	58,475	68,721	47,932	
Special Olympics / Sports for the disabled	6,100	26,516	25,000	24,762		2,000	
Sports Stadiums / Academies / Events Centres			180,000				
Water Sports	16,478	16,204	17,747	6,810	1,340	7,573	4,272
Total	729,374	804,930	920,342	785,262	835,346	1,109,745	871,155

Kindergartens have been combined with childcare, toy libraries and Plunket. Racing is horse or hound racing only, with the majority of this funding going to horse racing.

Some codes of sport receive significantly more than others and therefore have been identified and tabulated. If a sports club for instance names the sport the grant has gone to, then that grant goes against the specific sport. If, however, it is a sports club with several codes and the grant is not specified then that goes against the 'Other Sports' category.

Table 5: Grants to Matamata-Piako organisations, 2020 (\$)

	2020
Community Groups	126,894
Arts	10,000
Matamata Musical Theatre Inc	10,000
Community Groups	116,894
Arts Te Aroha Community Choir Inc	2,440
Future Te Aroha	4,806
Matamata Agricultural & Pastoral Association	10,000
Matamata Bridge Club Inc	2,000
Matamata Country Music Club	8,119
Matamata Historical Society	18,272
Matamata Rose Society Inc	440
Morrinsville A & P Society	13,627
Morrinsville and Districts Senior Citizens Assn Inc	31,000
Te Aroha A P&H Association	5,000
Te Aroha Contract Bridge Club	1,190
Walsh Aviation Support Society	20,000
Community Services	226,992
Education	85,594
Elstow-Waihou School	2,595
Matamata College	8,843
Morrinsville College	70,000
Te Miro School Parent Teacher Association	4,156
Health Related	134,398
Matamata Community Health Shuttle	20,000
Pohlen Foundation Trust	17,287
Te Aroha and District Health Services Charitable Trust	97,111
Kindergartens / Child Care / Plunket	7,000
Manawaru Playcentre	7,000
Sport	517,269
Basketball	92,452
Te Aroha Indoor Basketball Association	92,452
Bowling	24,973
Matamata Bowling Club Inc	3,130
Tui Park Bowling Club	21,843
Cricket	39,000
Matamata and Districts Cricket Association Inc	5,000
Morrinsville Cricket Association	34,000
Cycling	1,421
Te Aroha BMX Club Inc	1,421
Equestrian / Pony Clubs	28,748
Matamata Equestion Group	28,748
Motorsports	7,500
Patetonga Motorcycle Club Inc	7,500
Other Sports	134,059
Elite Marching & Sports Club	2,900
Grand Tavern Hunting & Fishing Club	10,000
Matamata Golf Club	28,000
Morrinsville Golf Club	51,500
Te Aroha Croquet Club	8,910
Te Aroha Golf Club Inc	5,000
United Matamata Sports Inc	7,749

Walton Golf Club Inc	20,000
Racquets	67,844
Morrinsville Squash Rackets Club	65,000
Morrinsville Tennis Club Inc	2,844
Rugby	89,500
Kereone Rugby & Sports Club	17,000
Morrinsville Rugby Sports & Recreation Club	62,500
Te Aroha College Old Boys Rugby & Sports Club	10,000
Soccer	27,500
Matamata Association Football Club	17,500
Morrinsville AFC Inc	10,000
Water Sports	4,272
Te Aroha Group NZ Riding for the Disabled Assn	4,272
Total	871,155

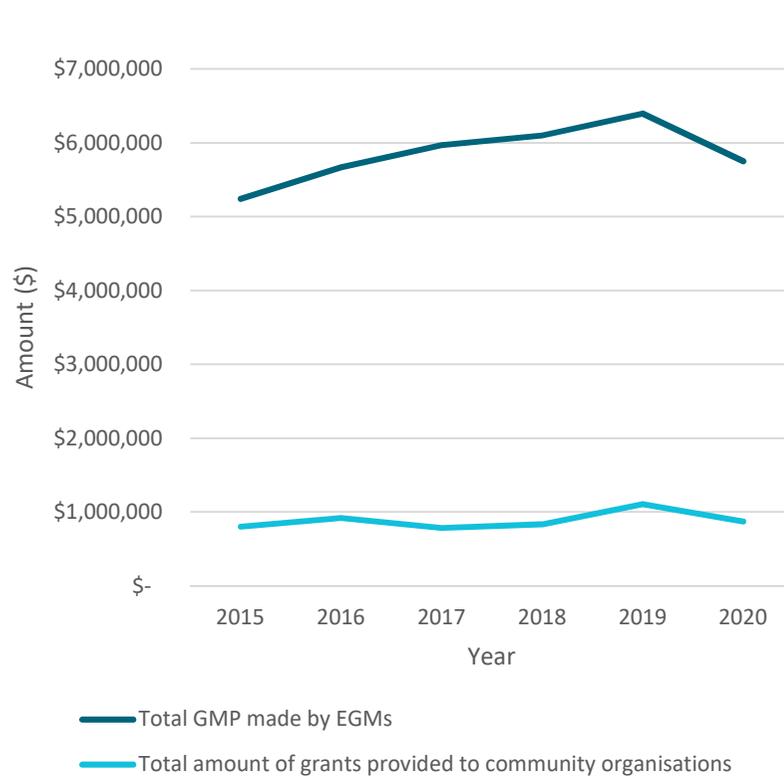
Table 6: Grants to Matamata-Piako organisations,, 2019 (\$)

	2019
Community Groups	144,406
Arts	15,941
Matamata Ccountry Music Club	7,941
Te Aroha Dramatic Society	8,000
Community Groups	128,465
Future Te Aroha	7,345
Matamata Agricultural & Pastoral Association	19,278
Matamata Community MeNZ Shed	2,000
Matamata Rose Society	541
Morrinsville Agricultural & Pastoral Society	7,427
Morrinsville Community MeNZ Shed	5,000
Te Aroha AP and H Association	2,998
Te Aroha Business Association	17,882
Te Aroha Community Patrol	24,812
Te Aroha Contract Bridge Club	3,620
Te Aroha Springs Community Trust	19,367
The Friends of Kimihia Trust	18,194
Community Services	393,211
Community Services	10,433
Matamata Hearing Association Inc	3,000
Matamata Household Budget Advisory Service	3,833
Te Aroha and District Museum Society	3,600
Education	296,325
Firth Primary School	3,035
Karapiro School	6,400
Matamata College	30,665
Matamata Intermediate School	20,000
Matamata Primary School	40,000
Morrinsville College	42,063
Morrinsville Intermediate School	50,000
Morrinsville Primary School	34,559
Port Waikato School Camp Trust	1,343
St Josephs Catholic School – Te Aroha	4,000
Stanley Avenue School – School Kids Club	1,224
Tahuna School	23,000
Tatuanui School BOT	1,244
Te Aroha Primary School	8,792
Te Poi Primary School	5,000
Walton Primary School	12,500
Walton School	12,500
Health Related	59,144
Pohlen Foundation Trust	40,477
Te Aroha and District Health Services Charitable Trust	18,667
Kindergartens / Child Care / Plunket	27,309
Central North Island Kindergaten Trust – Central Kids Mill Crescent Kindergarten	2,972
EWPA – Matamata Playcentre	5,000
Matamata Childcare Centre	12,337
Te Aroha Free Kindergarten Association	3,000
Te Aroha Playcentre	4,000
Sport	572,128
Basketball	168,717
Te Aroha Indoor Basketball Association	168,717
Bowling	29,370

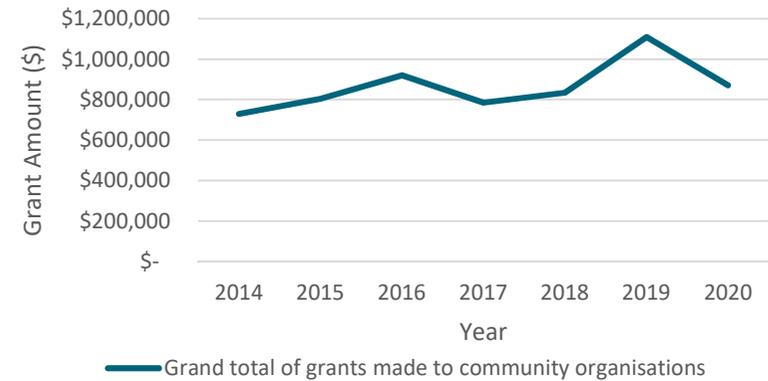
Hinuera Bowling Club	3,567
Morrinsville Bowling Club	13,500
Morrinsville RSA Bowling Club	2,755
Tui Park Bowling Club	9,548
Cricket	28,937
Morrinsville Cricket Association	28,937
Cycling	22,459
Morrinsville Wheelers Cycling Club	3,000
Te Aroha BMX Club	19,459
Equestrian / Pony Clubs	5,278
Matamata Equestion Group	5,278
Gym Sports (includes weightlifting / boxing / wrestling)	6,000
Piako Gymnastics Club	6,000
League	2,429
Te Aroha Rugby League Club	2,429
Motorsports	5,217
Patetonga Motorcycle Club	5,217
Netball	18,304
Rangers Netball Club	10,853
Te Aroha Netball Club	7,451
Other Sports	147,395
Grand Tavern Hunting & Fishing Club	10,000
Matamata Croquet Club	24,800
Matamata Golf Club	21,000
Morrinsville Golf Club	18,800
Te Aroha Angling Club	5,763
Te Aroha Croquet Club	2,925
Te Aroha Golf Club	56,107
United Matamata Sports Club	8,000
Racing	2,500
Matamata Racing Club	2,500
Racquets	2,000
Morrinsville Squash Rackets Club	2,000
Rugby	62,566
Hinuera Rubgy & Sports	5,000
Kereone Rugby & Sports Club	8,000
Te Aroha College Old Boys Rugby & Sports Club	49,566
Soccer	13,450
Morrinsville Association Football Club	13,450
Softball	47,932
Te Aroha Softball Club	47,932
Special Olympics / Sports for the disabled	2,000
Te Aroha Group NZ Riding for the Disabled Assn	2,000
Water Sports	7,573
Te Aroha Angling Club	5,763
Te Aroha Swimming Club	1,810
Total	1,109,745

Snapshot of Matamata-Piako TLA: Gaming Machine Profits (GMP) and Community Grants

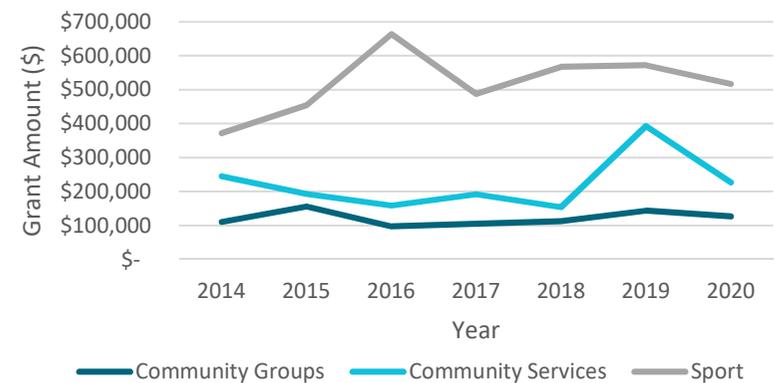
Total GMP for the Matamata-Piako District Council area compared to the total amount of grants provided to community organisations



Total amount of grants provided to community organisations



Breakdown of grants provided to community organisations



Disclaimer: This snapshot is to be interpreted in conjunction with the 'Reports on Grants to Matamata-Piako TLA'. Every care has been taken to ensure the demarcation of grants to each TLA is as accurate as possible, but information published by some Trusts can be inconsistent. Although every effort is made to make our database an all-inclusive list of grants, we cannot guarantee that all grants made under Class 4 gambling legislation have been identified and included in our database.