

Hospitality New Zealand Wellington Branch

**SUBMISSION TO WELLINGTON CITY
COUNCIL ON THE PROPOSED 2020
GAMBLING VENUES POLICY**



CONTACT DETAILS:

Hospitality New Zealand

Contact: Adam Parker

Phone: 027 550 2558

Email: adam@hospitality.org.nz

www.hospitality.org.nz

Hospitality New Zealand Wellington Branch

About Hospitality New Zealand

Hospitality New Zealand is a member-led, not-for-profit organisation representing approximately 3,000 businesses throughout New Zealand, including Taverns, Pubs, Bars, Restaurants, Cafes, Retail Liquor and Commercial Accommodation providers such as Camping Grounds, Lodges, Motels, Hotels and Backpackers.

We have a team of 8 locally based Regional Managers across the country, with a National Head Office based in Wellington. We have our own lawyer, who specialises in employment and alcohol licensing matters as well as being able to advise on the entire range of hospitality-related statutes and legislation. Our team is available 24/7 for members to obtain assistance, advice and guidance on a range of topics, questions and queries as they arise, and we have over 130 written resources available to members.

As well as our own resources, Hospitality New Zealand also work closely with Police, Local Government and the Health Promotion Agency to educate and ensure correct legal guidance for our members through the production of additional resources and interactive workshops.

Hospitality New Zealand also offer training and up-skilling courses to our members and their staff. Some of these modules include but are not limited to: 'LCQ training' and 'becoming a responsible host'. In addition, Hospitality New Zealand have recently implemented a service for completing alcohol license applications on behalf of our members. Although this is a new offering as part of the membership, we anticipate that this will reduce error and workload for not only our members, but also the licensing officials at Wellington City Council.

Based on the aforementioned information, Hospitality New Zealand considers themselves as part of the solution to preventing alcohol related harm by helping our members provide a safe and regulated environment for the consumption of alcohol.

Hospitality New Zealand has a 115-year history of advocating on behalf of the hospitality and tourism sector and is led by Chief Executive, Julie White. The Wellington Hospitality New Zealand branch president is Matt McLaughlin of Panhead Tory Street and Danger Danger, and the Regional Manager for the branch is Adam Parker.

The Wellington Branch of Hospitality New Zealand represents Wellington City, Lower and Upper Hutt, the Wairarapa, Porirua and the Kapiti Coast, which is made up of 337 members and a local committee in Wellington city.

We wish to make an oral submission should the opportunity arise

We appreciate the opportunity to make a submission on the Draft Local Alcohol Policy.

Hospitality New Zealand Wellington Branch

Introduction and Overall Comments

1. The Hospitality industry is not only a significant employer in New Zealand, but it is the cornerstone of our culture and plays a vital role in our social life.
 2. Hospitality New Zealand and its members support the minimisation of harm caused by gambling however, the Number of Class 4 Gaming Machines available in New Zealand has had no discernible effect on the number of problem gamblers identified. ¹
 3. Department of Internal Affairs (DIA) statistics show that, between 30 June 2003 and 31 March 2020: the number of gaming venues naturally reduced from 2,122 to 1,074 (a 49% reduction)¹. The number of gaming machines operating reduced from 25,221 to 14,847 (a 41% reduction)¹.
 4. Over the past 15 years, more than 10,000 gaming machines have been removed from New Zealand communities, but the problem gambling rate has remained static at an average of around 0.5% of the adult population over this time (currently 0.1%–0.2%, according to the most recent studies). This is among the lowest problem gambling rates in the world. Canada's, for example, is 3%
 5. All Class 4 venues are strictly supervised by the Department of Internal Affairs (DIA) and controlled through electronic monitoring, trust auditing and enforcement testing to rigorously minimise gambling harm. Hospitality NZ embraces these requirements by delivering quality training in Harm Minimisation, Host Responsibility, and supporting our members to operate at Best Practice level.
 6. If gaming venues are removed from the community, gamblers will most likely move to the online environment where gambling is unregulated and unmonitored. There is no harm minimisation measures in the online world, and returns nothing to the New Zealand community
 7. There is no evidence that a sinking lid policy is the best option for Wellington. A sinking lid simply reduces community funding by removing the fundraising infrastructure. This does nothing to tackle the complex addiction that is problem gambling
 8. Hospitality New Zealand strongly oppose both Option A, and Option B of the proposed Wellington Gambling Venues Policy 2020.
 9. Hospitality New Zealand agree with Option C of the proposed Wellington Gambling Venues Policy 2020. No change to the existing policy would provide our members with the best possible outcome for the sustainability of their business, given the recent economic impact from Covid-19.
-

Hospitality New Zealand Wellington Branch

Does problem gambling prevalence correlate with number of gaming machines?

10. Our members are responsible hosts who take the issue of problem gambling seriously. While some 95% of New Zealanders gamble in some form during their lifetime, problem gambling equates to only 0.1-0.3% of the population and has done so for many years despite fluctuations in the numbers of machines available.
11. In Wellington, there are currently 44 problem gamblers who have excluded themselves from gaming venues. According to the National Gambling Study from the Health Promotion Agency, around 13% of adult New Zealanders enjoy playing gaming machines. Wellington's population aged 15+ years is 136,847 which means that up to 17,790 people enjoy gaming machines for entertainment. This would mean that the percentage of those people who are excluded from gaming venues due to a gambling problem is 0.0025%.²
12. Hospitality NZ agrees that those who have a problem with gambling need to be helped. However, they will not be helped by limiting the number and location of machines as noted in point 36 of the Gambling Law Research Paper.³

More machines, more problem gambling?

13. There appears to be no direct correlation between gaming machine numbers and problem gambling rates. Over the last ten years, the problem gambling rate has remained static, despite gaming machine numbers declining rapidly (4,472 gaming machines have been removed from the market).” Such limitations will simply reduce grants available to the community.
14. Statistics have shown that through natural attrition, the number of gaming machines have fallen dramatically since 2004. Wellington has had the greatest decline in gaming venues in the region at 46% and has also seen a 39% decline in the number of gaming machines over the same period. Wellington's decline is comparable with other cities, such as Auckland and Christchurch.
15. Problem gambling, like any addiction, requires focused treatment and attention. Information on responsible gambling at venues, the use of personal exclusions and player information displays (PID's or 'pop ups') and displaying personal statistics to machine users, are all current measures to inform people around the topic of problem gambling. On-site venue training through the Gaming Trusts and HNZ (in collaboration with DIA) ensures that venues are actively managing their legislative responsibilities towards their guests to ensure a safe community environment.

Location of gaming machines is more important than their number

16. Research⁴ suggests that when it comes to preventing and minimising gambling harm, the

Hospitality New Zealand Wellington Branch

location of gaming machines is more important than the number of gaming machines operating. The Government acknowledged this point in 2013 when it amended the Gambling Act⁴ to require local authorities to consider adding relocation clauses to their gambling policies.

17. As well as harm minimisation benefits from allowing venues to relocate out of areas of high deprivation, relocation clauses provide sensible options for business owners who are otherwise at the mercy of building owners who know they have captive tenants. Relocation clauses also give councils more flexibility for re-zoning and city planning.

Lotto and unregulated online offshore gambling

18. The relatively uncontrolled Lotto market has also increased in recent years.

- Outlets are up by 47% since 2010
- Sales are up by 60% since 2010
- Registered people playing MyLotto (online) up by 180% since 2014

With smart phones changing the digital landscape, and offshore gambling providers providing 24/7, unrestricted and unmonitored access to electronic gaming, there is a huge risk to a vulnerable sector of the population⁵.

19. Offshore gambling entities do not:

- Return proceeds to our communities
- Pay GST or provisional tax to the central government
- Pay the problem gambling levy that New Zealand operators do
- Operate under any gambling harm minimisation programme or restrictions around vulnerable users
- Have a closing time
- Have any control mechanisms around trained staff physically monitoring customers
- Provide information for problem gambling help to New Zealanders
- Have restrictions on credit card use for gambling

According to new information released by DIA in June 2019, New Zealanders spent more than \$2m dollars per month or \$381m over 18 months on unmonitored offshore gaming⁶.

20. Furthermore, Covid-19 has had an incredibly detrimental impact on not only the gaming sector but the whole Hospitality Industry. During the Covid-19 lockdown, 8% of gamblers gambled online for the first time and an additional 12% gambled online more than usual⁷.

The pub gaming sector of Hospitality is suffering due to council policy

Hospitality New Zealand Wellington Branch

21. One of the main contributors to the decline of the pub gaming sector is the inflexibility of council gambling policies, particularly those with sinking lids on gaming machine numbers and those that do not allow relocation of venues in a broad range of circumstances.
22. Council policies appear to be based on the belief that the reduction of gaming machine numbers in Wellington will tackle problem gambling. Despite the 41% reduction in gaming machine numbers over the past 17 years, New Zealand's problem gambling rate has remained consistently low at around 0.3% to 0.7% of the population. The 2015 New Zealand Gambling Study (the most recent) found the rate was 0.2% and the latest Health and Lifestyles Survey found it was 0.1%. The 2012 New Zealand Gambling Study concluded "...there has probably been no change in the prevalence of current problem and moderate-risk gambling since 2006."⁸

Expanding the relocation policy

23. Venue relocation is an important harm minimisation tool. It allows venues to move out of residential areas to more suitable areas, such as the CBD. Allowing relocation enables gaming venues to move to new, refurbished premises, or to re-establish after natural disasters for example. Allowing relocation also prevents landlords from demanding unreasonable rentals and gives the venue operator the ability to relocate to an alternative venue if necessary
24. Hospitality New Zealand recommend changing the existing relocation policy to allow movement of machines within the Wellington CBD.

Hospitality New Zealand recommendations

25. Hospitality New Zealand agrees with the continuation of the existing policy on gaming machine and venue numbers (option C); we strongly oppose the introduction of a sinking lid
26. Hospitality New Zealand expand the current relocation provision to enable venues located within the Central Area Zone to relocate within that zone.

On behalf of our members, we are available for consultation on this important community issue and wish to speak to our submission during the verbal hearing process

Hospitality New Zealand Wellington Branch

Reference list

1. DIA statistics: https://www.dia.govt.nz/diawebsite.nsf/wpg_URL/Resource-material-Information-We-Provide-Summary-of-Venues-and-Numbers-by-Territorial-AuthorityDistrict
2. New Zealand 2012 Gambling Study: Gambling harm and problem gambling
3. <http://www.gamblinglaw.co.nz/download/Research/TAInfo.pdf>
4. Brief Literature Review to Summarise the Social Impacts of Gaming Machines and TAB Gambling in Auckland, Gambling & Addictions Research Centre, AUT University, 2012
5. https://www.nzherald.co.nz/nz/news/article.cfm?c_id=1&objectid=12254522
6. <https://assets.mylotto.co.nz/assets/uploads/f1ecf8c6-e22b-11e8-8852-eeb1d7d3b241.pdf>
7. Impact on Covid-19: Topline results, `April 17 2020, Health Promotion Agency
8. Page 7, *New Zealand 2012 Gambling Study: Gambling harm and problem gambling*