

# The social contract – Class 4 gambling

Presentation to Manukau City Council  
Manukau

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*Raising money for our communities*

# 2003 Act = Social Contract = Balance

- Class 4 gambling is lawful provided
  1. Profits are returned to the community, and;
  2. The community has a say about gambling, and;
  3. Gambling is fair, and;
  4. Responsible gambling is promoted, and;
  5. Harm is minimised
- Class 4 societies are licensed fund-raisers for the community

# *“Profits returned to community”*

- Class 4 gambling at CGA venues (589 EGMs) in Manukau City ('06-'07) – 59% of total - generated
  - Proceeds of \$47.3 m (turnover less winnings)
  - Grants of \$25.4 m to Manukau City and Auckland region entities (53%)
  - Payments to the Crown of \$17.5 m
  - Direct payments to local businesses of more than \$7.5 m = total benefit to Manukau City & Auckland region of \$33 m (74.7% of proceeds)

# *v Local costs*

- Primary mode of gambling statistics (*MOH Service User Statistics*)
  - Gambling Helpline helped 205 new clients citing pokies in the Manukau City in 2006, down from 253 in 2004
  - Face to Face (counselling) treatment providers helped 244 new clients citing pokies in Manukau City in 2006 (c.f. the 348 in 2004)
  - Brief interventions in addition
  - People seeking help = 0.18% of 18+ population of 244,423

# Gambling Commission reinforces need for balance (GC/0307)

“The Act permits gambling and accordingly it is not permissible to reduce the permitted activity (gambling) in order to reduce *problem* gambling.” (emphasis added)

“...measures can only be imposed which reduce the harm *caused by problem gambling* as distinct from simply reducing gambling activity, which is a lawful and permitted activity under the Act...”

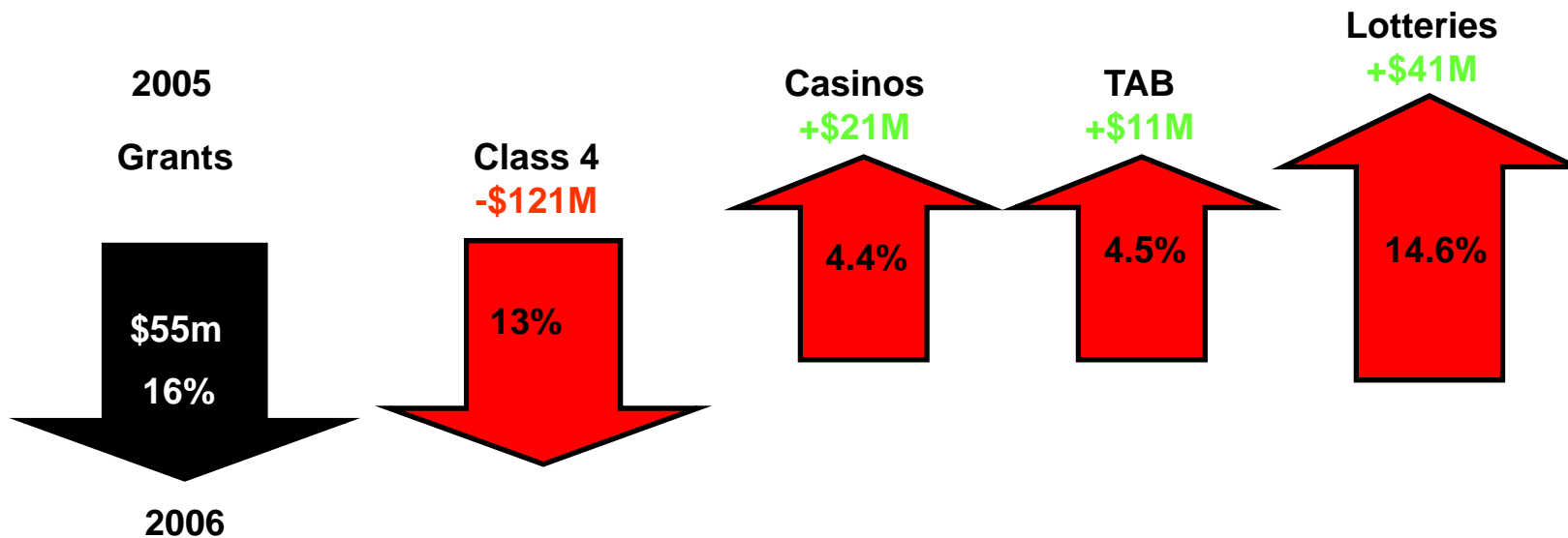
# *“Control growth”*

- Since 2003 C4 gambling opportunities have declined
  - Non-casino machines down 20% to 20,120
  - Over 300 venues closed
  - Number of societies operating machines has declined by more than 50
  - C4 Revenue declined 13% - now about \$900m/year
  - CGA Grants declined 16% - now about \$290m/year
  - Revenue and grants have stabilised since beginning of '07 year

# Gambling Act has significant impact

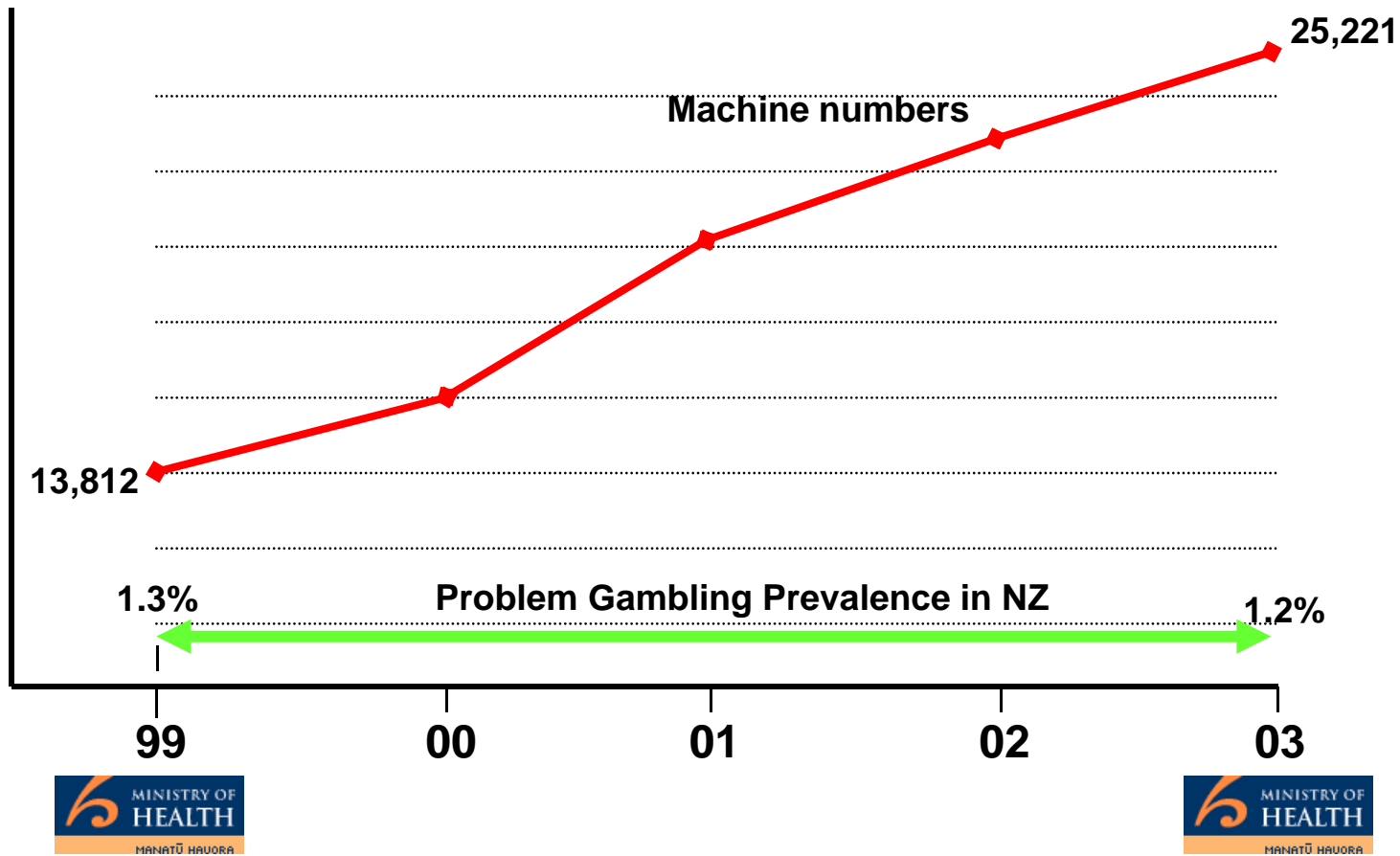
## Gambling spend 2005 - 2006

Source: DIA media release December 2006



# Machine numbers & gambling addiction

Source: DIA Website, MoH Public Health Bulletin #32



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# “Prevent & Minimise Harm”

- PGL - \$20m a year to fund treatment services & research – up more than 50%
- Help-seeking in decline since 2004 (MOH)
- PG prevalence steady @ 1.2% of adult population since 1999 (MOH)
- Social marketing campaign
- Early intervention at venues – exclusion of problem gamblers
- Myriad of controls on how gambling happens

# *“Ensure money benefits community; facilitate community involvement”*

- Minimum 37.12% return to AP
- Regulated limits on expenses
- Scrutiny of transactions
- TA Gambling Venue Policies
- Frequent publication of grants decisions (including declines)

# Sinking Lids

- No replacement
- Significantly reduced benefits to local community
- Reduced economic benefit
  - Less grant money
  - Less money for local businesses
- Reduced social benefit
  - Benefits frequently go to lower socio-economic groups in community to enable participation or provide much-needed services e.g. air ambulance etc

# Sinking lids ignore reality

- ✓ Control Age
- ✓ Licence operators
- ✓ Impose penalties for breaches
- ✓ Ban private ownership
- ✓ Ban advertising
- ✓ Ban jackpot signs
- ✓ Provide information on PG
- ✓ Train venue staff
- ✓ Intervene early
- ✓ Limit wager amount
- ✓ Limit jackpot size
- ✓ Exclude problem gamblers
- ✓ Electronic monitoring system
- ✓ Levy industry for treatment & research
- ✓ Player Info Displays
- ✓ Involve communities
- ✓ Publish grant information

# Challenge for 3 years from now – or sooner if TAs want

- Need more quality information to deliver on the Social Contract
  - EMS now delivering accurate revenue data daily
  - Grant information database standardisation for community benefit
  - Improvements to MOH data gathering on problem gambling
- CGA members committed to transparency and best practice