

Gaining the community dividend from Class 4 gambling

Presentation to North Shore City Council
Takapuna

Francis Wevers, CEO Charity Gaming
Association

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Charity Gaming Association Inc



Raising money for our communities

2003 Act = Social Contract = Balance

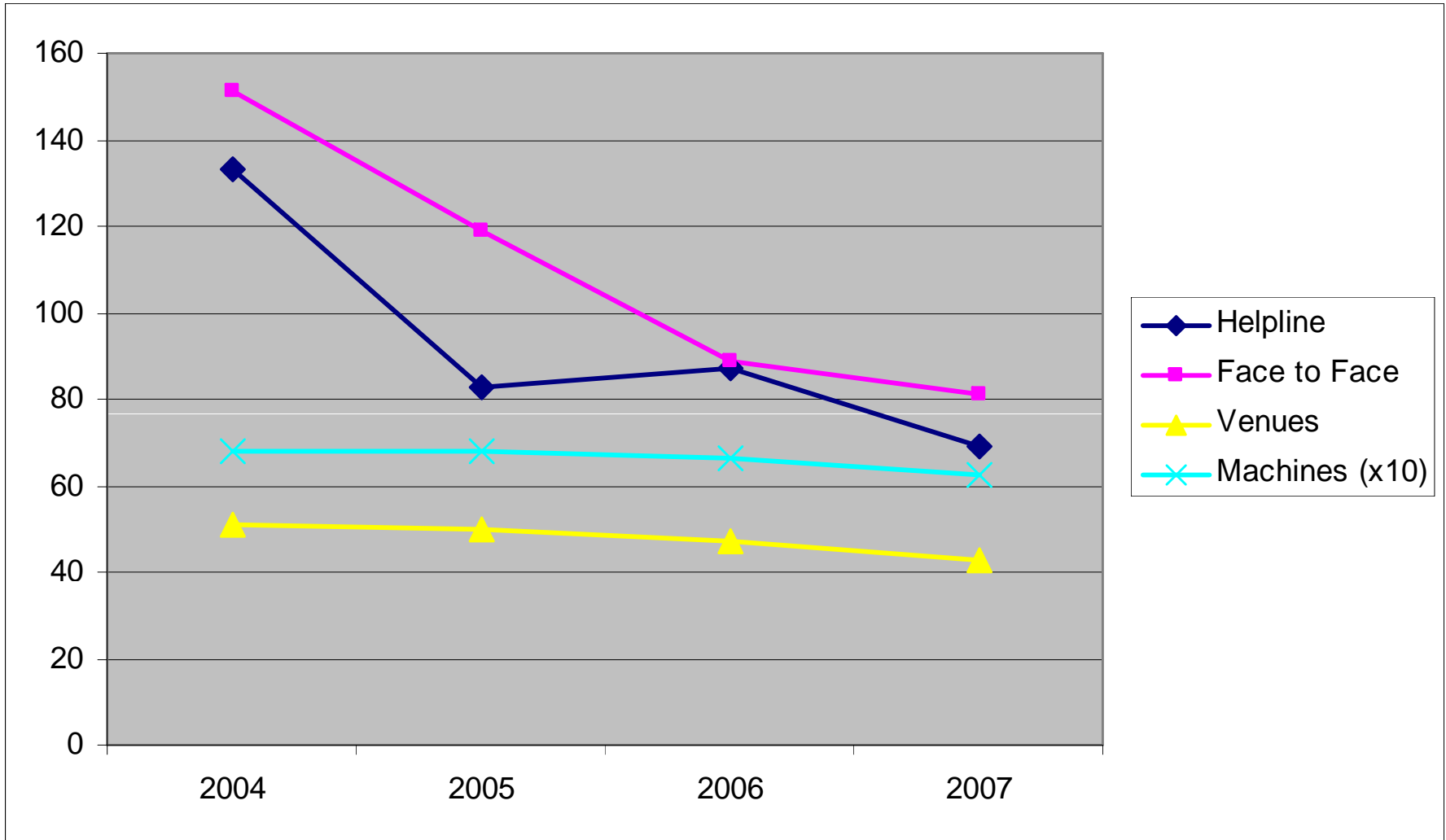
- Class 4 gambling is lawful provided
 1. Profits are returned to the community, and;
 2. The community has a say about gambling, and;
 3. Gambling is fair, and;
 4. Responsible gambling is promoted, and;
 5. Harm is minimised
- Class 4 societies are licensed fund-raisers for the community

“Profits returned to community”

- Class 4 gambling at CGA venues (317 EGMs) in North Shore City ('07-'08) – 49% of total - generated
 - Proceeds of \$16.5 m (turnover less winnings)
 - Grants of \$7.6 m to North Shore City entities (46%)
 - Payments to the Crown of \$5.5 m
 - Direct payments to local businesses of more than \$2.8 m = total benefit to North Shore City of \$10.4 m (63% of proceeds)

v Local costs

- Primary mode of gambling statistics (*MOH Service User Statistics*)
 - Gambling Helpline helped 69 new clients citing pokies in the North Shore City in 2007, down from 133 in 2004
 - Face to Face (counselling) treatment providers helped 81 new clients citing pokies in North Shore City in 2007 (c.f. the 151 in 2004)
 - Brief interventions in addition
 - People seeking help = 0.09% of 18+ population of 158,524 (*2006 census*)



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...”

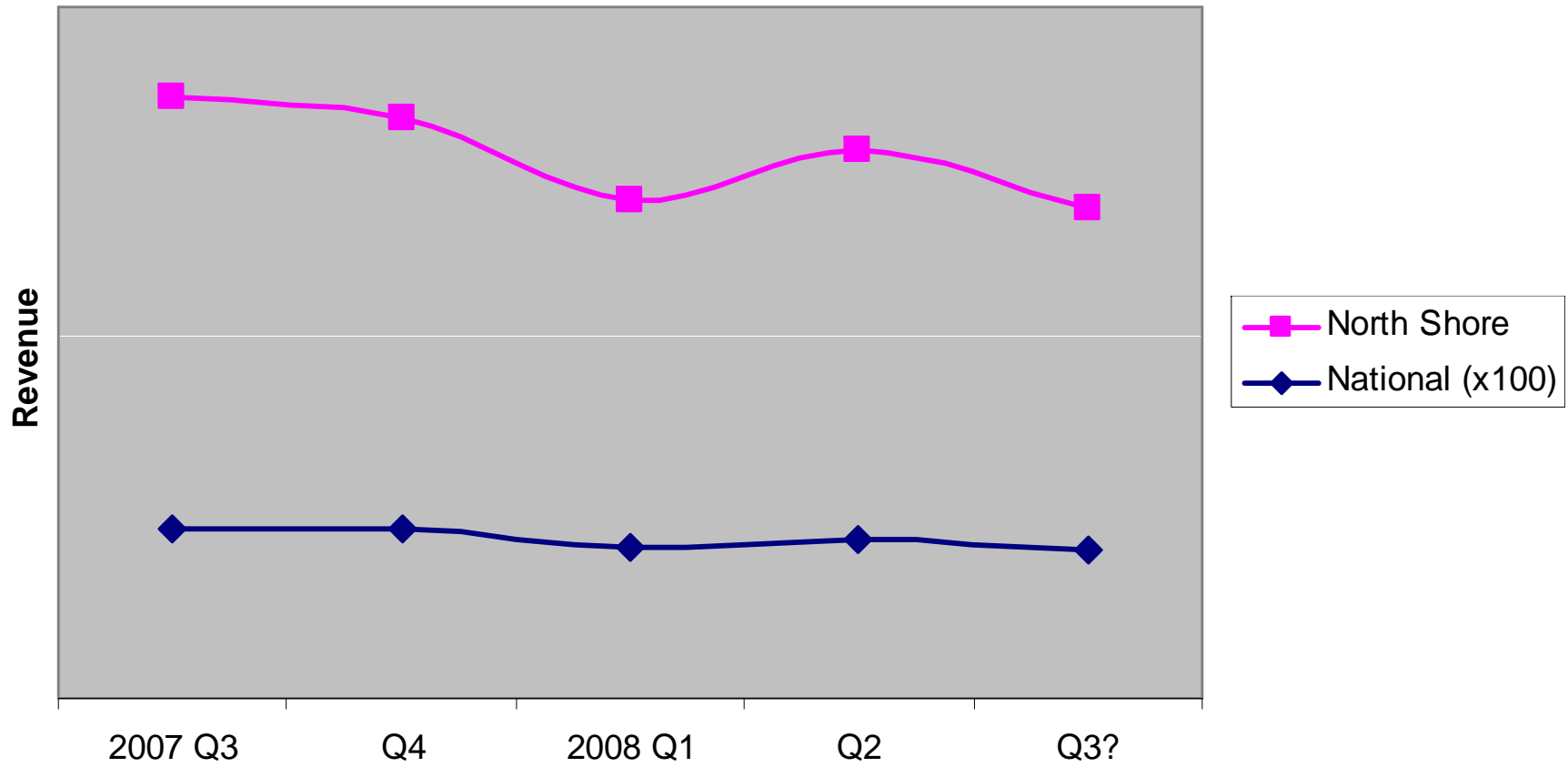
Purposes of Gambling Act 2003

- Control growth of gambling
- Prevent & minimise harm
- Authorise some gambling & prohibit the rest
- Facilitate responsible gambling
- Ensure gambling is fair
- Limit opportunities for crime
- Ensure that money from gambling benefits the community
- Facilitate community involvement in decisions about the provision of gambling

“Control growth”

- Since 2003 C4 gambling opportunities have declined
 - Non-casino machines down 22% to 19,856
 - Over 300 venues closed
 - Number of societies operating machines has declined by more than 250 (58 less corporate)
 - C4 Revenue declined 13% - now about \$900m/year
 - CGA Grants declined 16% - now about \$290m/year
 - Revenue and grants declining again in 2008

Comparative Revenue 2007/2008



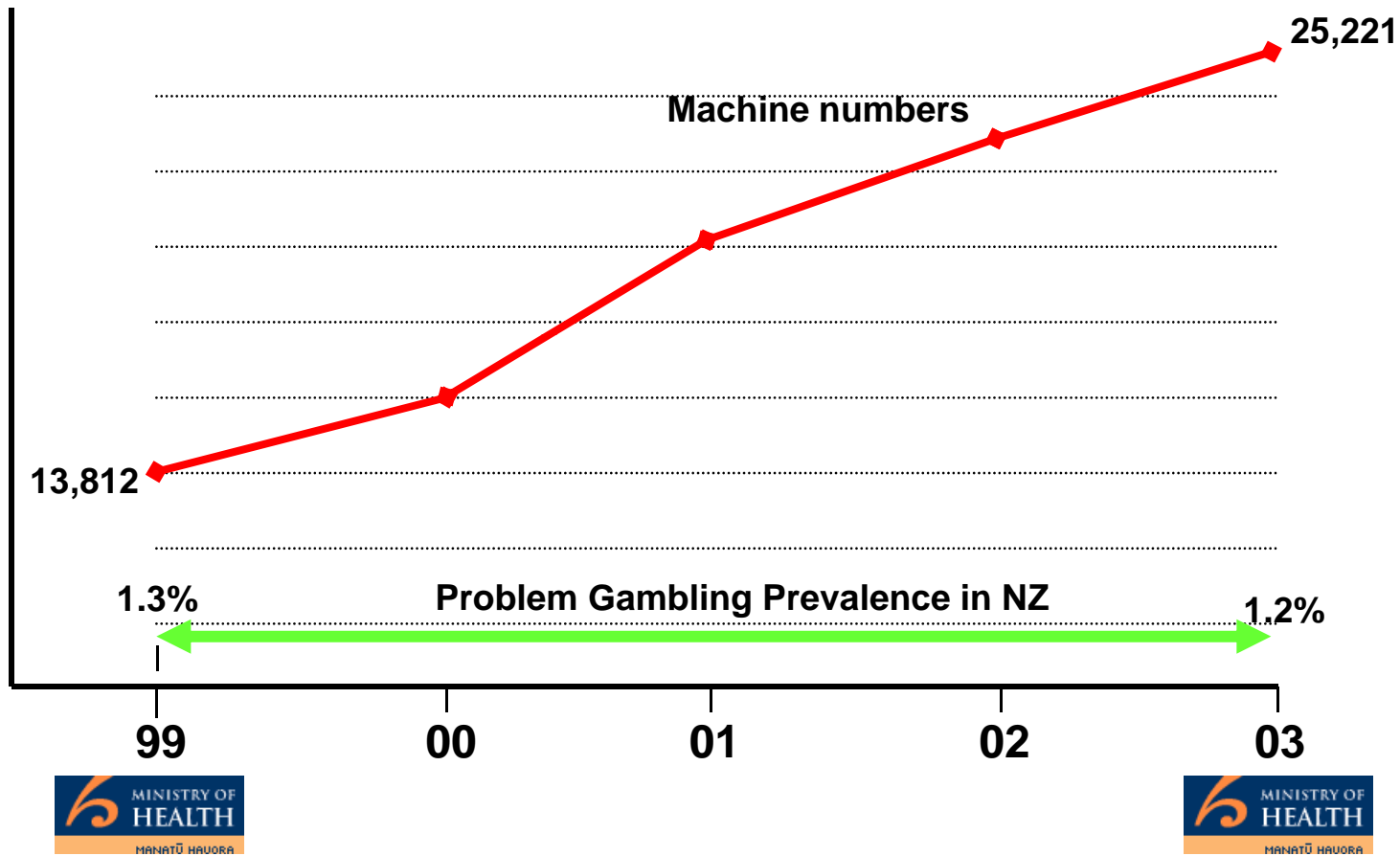
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Machine numbers & gambling addiction

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

The future

- Better Balance
- Ensuring community gets a dividend
- Enhanced engagement with local communities to identify priorities and needs
- Reduced capture by special interests