

# Gambling in Palmerston North

An assessment of the social impacts of gambling  
to inform the Palmerston North City Council's  
review of gambling policies

May 2023

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## Introduction

This assessment of the social impact of gambling is intended to assist in the 2023 review of the Palmerston North Class 4 Gaming and TAB Venue Policy (the Gambling Policy). The preparation of this information, and its consideration during the review of the Gambling Policy, meets the Council's obligation to have regard to the social impact of gambling in the district.

The Gambling Policy was first adopted by the Council in 2004, to meet its obligations under the Gambling Act to have a policy for issuing consent for class 4 gaming venues. The policy was subsequently reviewed in 2005, 2008, 2012, and 2017.

The Gambling Act does not provide any guidance on what constitutes the "social impact" of gambling, and it is left to each local authority to decide how best to meet the requirements of the Act. This is complicated by difficulties in obtaining data on different aspects of gambling and related matters at a city level. This assessment uses data on the impact of gambling within Palmerston North wherever possible.

There are many forms of gambling which can be accessed in the City. This impact assessment includes data on gambling in Palmerston North to show the scope of opportunities for gambling. This includes Lotto products, race and sports betting, and class 4 gaming machines (pokies). Other, less prominent, forms of gambling such as raffle tickets, and informal betting (such as office sweepstakes) are outside the scope assessment, primarily due to the difficulty of obtaining reliable data.

It should be noted that while this assessment has regard for the social impact of gambling generally, the Gambling Policy only applies to class 4 gaming machines and the location of TAB venues. Other forms of gambling are not covered by the Council's policy.

## Legislative context

### The Gambling Act 2003

Gambling is prohibited in New Zealand unless it is authorised under the Gambling Act 2003.

Gambling means:

- *paying or staking consideration, directly or indirectly, on the outcome of something seeking to win money when the outcome depends wholly or partly on chance; and*
- *includes a sales promotion scheme; and*
- *includes bookmaking; and*
- *includes betting, paying, or staking consideration on the outcome of a sporting event; but*
- *does not include an act, behaviour, or transaction that is declared not to be gambling by regulations made under section 368 of the Gambling Act 2003.*

The Act classifies gambling into four classes.

- *Class 1* is small-scale gambling. Prizes and turnover from the activity cannot exceed \$500 and all turn-over is applied to the winners of the game. A licence is not required. An office sweepstake is an example of Class 1 gambling.

- *Class 2* is gambling for the purpose of fundraising. The turnover cannot exceed \$25,000 and prizes cannot exceed \$5,000. A licence is not required.
- *Class 3* gambling requires a licence to be issued by the Department of Internal Affairs (DIA). The activity can only be run by a society and the prizes can exceed \$5,000. Examples of Class 2 and 3 gambling may include housie and fundraising raffles.
- *Class 4* is gambling on gaming machines (pokies). This can only be conducted by a club or a non-club society. A proportion of the revenue is distributed to authorised purposes (such as community grants). An 'operator licence' and 'venue licence' are required.

#### Class 4 Gambling:

Class 4 gambling on gaming machines outside casinos is only permitted when society operators of gaming machines have established that the purpose of gambling is for an 'authorised purpose'. The Act defines authorised purpose (section 4(1)(b)) as either a charitable purpose, a non-commercial purpose that is beneficial to the whole or a section of the community; or promoting, controlling and conducting race meetings under the Racing Industry Act 2020, including the payment of stakes.

#### *Club Society*

Clubs own and host their gaming machines and mainly apply raised funds from their gaming machines to the club. Most clubs are non-profit organisations, predominantly owned by their members.

Examples of clubs are RSAs, sports clubs and cosmopolitan clubs. Each club has an active membership, of whom have the opportunity to be involved with sports and other social activities that clubs run.

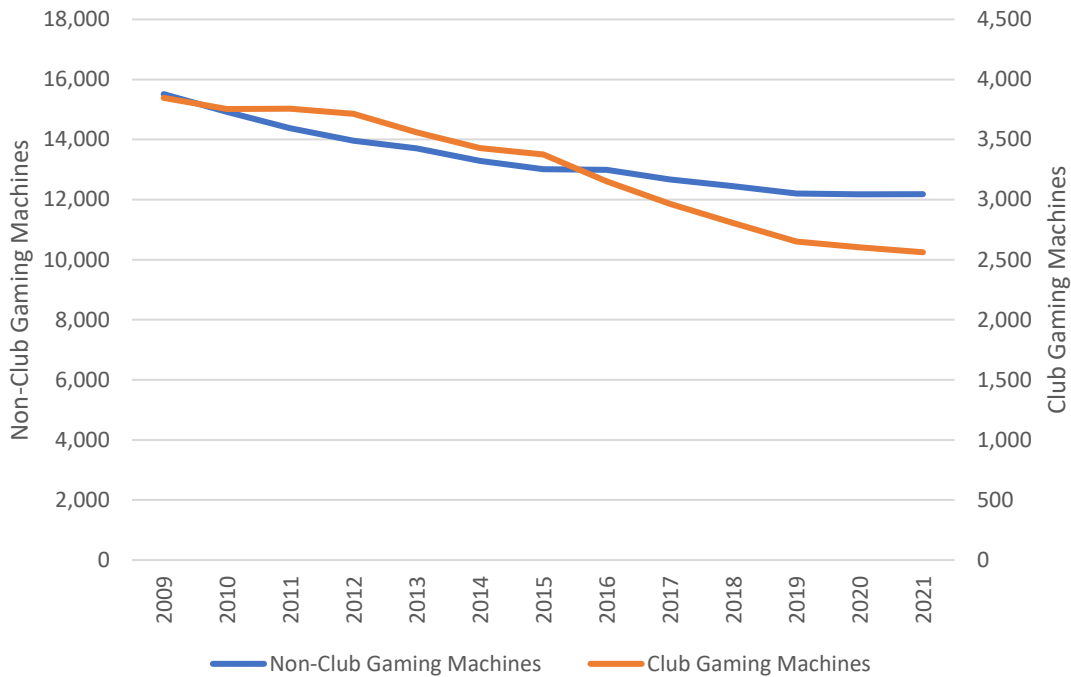
#### *Non-club societies*

Non-club societies own gaming machines and reimburse pubs and bars for hosting the machines. Non-club societies must be non-commercial, and can be established in various corporate forms, including companies, trusts, charities or incorporated societies. Non-club societies make their own decisions on how to run their operations and how they distribute their grants, within the constraints of the Gambling Act 2003 and its related regulations.

There are no limits on how many non-club societies can be licensed, as long as they meet the licensing requirements of the Gambling Act. This allows persons to establish societies to raise money through gaming machines for their chosen community cause. Non-club societies mainly distribute net proceeds from their gaming machines to community organisations that align with the societies' authorised purposes. There are a small number of non-club societies that mainly apply their proceeds to their own authorised purposes.

Figure 1 shows that non-club gaming machines in New Zealand are far more prevalent than club gaming machines. In 2021 there were 2,562 club gaming machines and 12,181 non-club gaming machines.

Figure 1: Gaming Machines by Type in New Zealand 2009 - 2021



Source: Department of Internal Affairs

### Racing Industry Act 2020

The following information relates to 'TAB venue', which the Racing Industry Act 2020 defines as 'premises that are owned or leased by the TAB NZ and where the main business carried on at the premises is providing racing betting, sports betting, or other racing or sports betting services under this Act'. Under the Racing Industry Act 2020 (Subpart 2 – TAB venues) the TAB NZ must seek consent from the relevant territorial authority in order to establish a TAB venue. Territorial authorities consider these applications for consent under a 'TAB venue policy' which they develop and adopt according to the Racing Industry Act 2020. A TAB venue 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. When determining a TAB venue policy the territorial authority may have regard to any relevant matter including –

- a) the characteristics of the district and parts of the district:
- b) the location of kindergartens, early childhood centres, schools, places of worship, and other community facilities:
- c) the cumulative effects of additional opportunities for gambling in the district.

## Gambling in Palmerston North

There are many opportunities to gamble in Palmerston North, including ad hoc gambling activity that falls under class 1 and 2 such as 'instant games', 'game of chance', 'lottery' or 'prize competitions'. Other examples of where gambling is offered on a consistent basis includes the following.

- *Housie, also known as bingo*
- *Race (both on- and off-course) and sports betting provided by TAB*
- *Lotteries products such as Lotto, Strike, Powerball, Keno, and scratch tickets such as Instant Kiwi*
- *Gaming Machines ('pokies') in pubs or clubs*
- *Online casino gaming sites.*

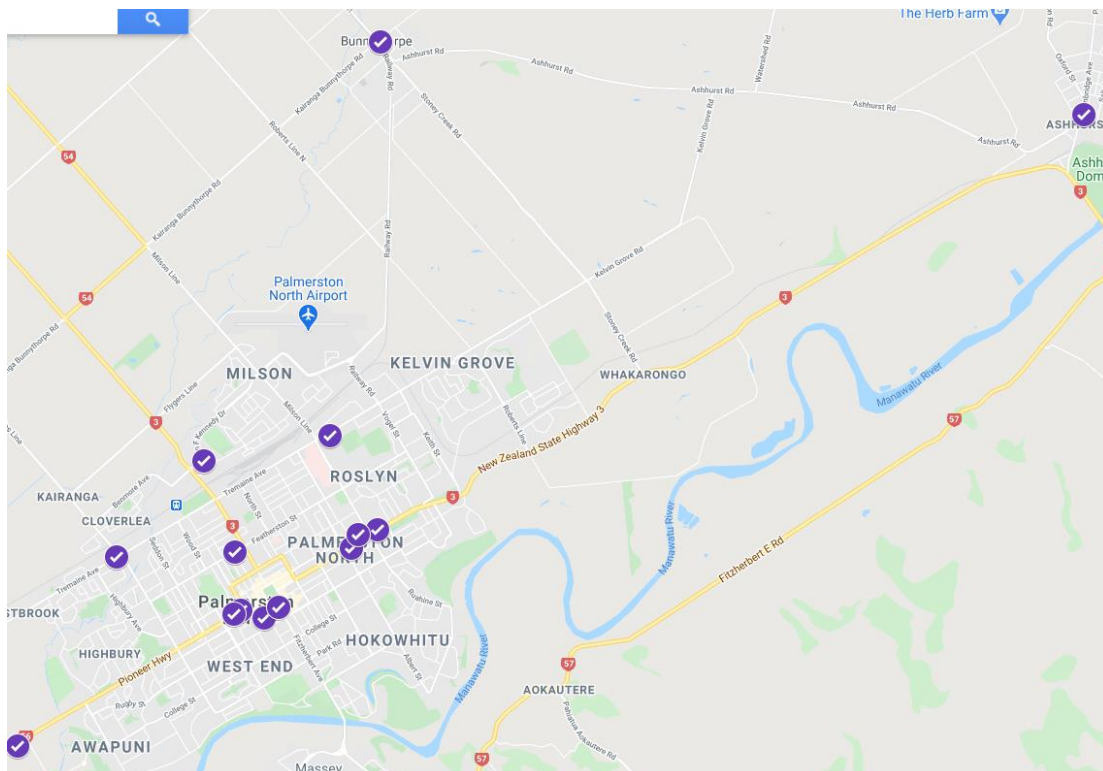
### Housie

Housie is available weekly at places such as the Cosmopolitan Club, which is based in central Palmerston North. Games start from \$2.00. According to the Cosmopolitan Club Housie is mostly attended by members, but members of the public can join via a sign in process.

### Race (both on- and off-course) and sports betting provided by TAB

The map below (Figure 2) shows the locations of TAB facilities in Palmerston North. There are two TAB venues, on Fitzherbert and Broadway Avenues. There are a further 12 premises in Palmerston North that have ancillary TAB facilities. Of these, 11 are located in pubs and one is located in the Ashhurst RSA. The map shows the locations of these the 12 outlets. TAB gaming is also available online through the TAB website or the TAB application. Playing online requires the prospective player to set up an account, and various measures are in place to prevent underaged players.

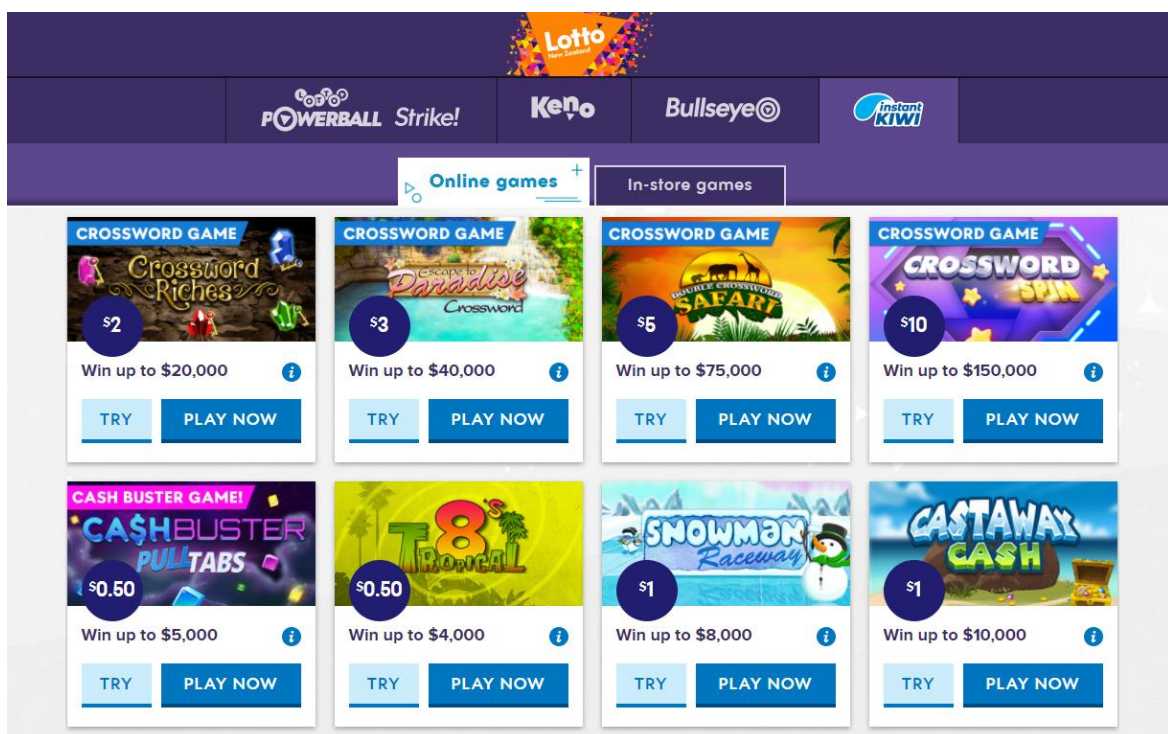
Figure 2: The locations of TAB facilities in Palmerston North



## Lotto New Zealand products

Lotto New Zealand provides Lotto, Powerball, Strike, Keno, Bullseye and Instant Kiwi products. These products are sold through Lotto stores located throughout the City in dairies, supermarkets, and petrol stations. It is also possible to purchase and play Lotto products on the Lotto New Zealand website or by downloading the Lotto application to a device. Playing through these platforms requires an account set-up where the person must provide verification they are 18 years or over. Some of the products cost as little as \$0.50 to play. The Instant kiwi scratch tickets that are available instore also have a virtual equivalent available online. The screenshot below is taken from the Lotto website, illustrating the various Instant Kiwi online games.

Figure 3: An illustration of various Lotto products

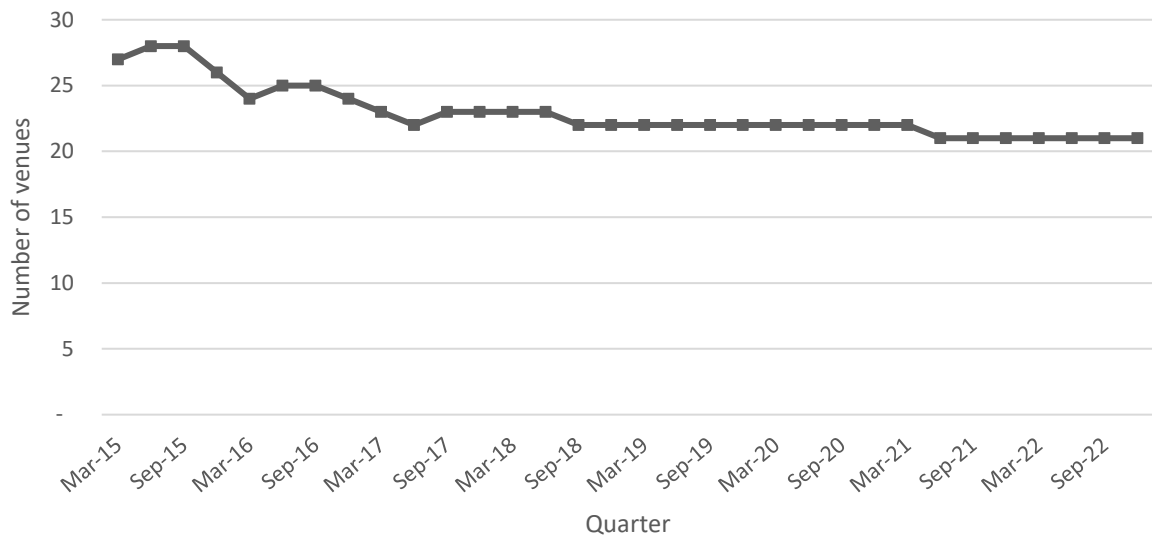


## Gaming machines (outside casinos)

The graph below (Figure 4) shows the number of venues in Palmerston North that were licensed to operate electronic gaming machines. The number of venues in Palmerston North has continued to decrease since the September 2015 quarter.



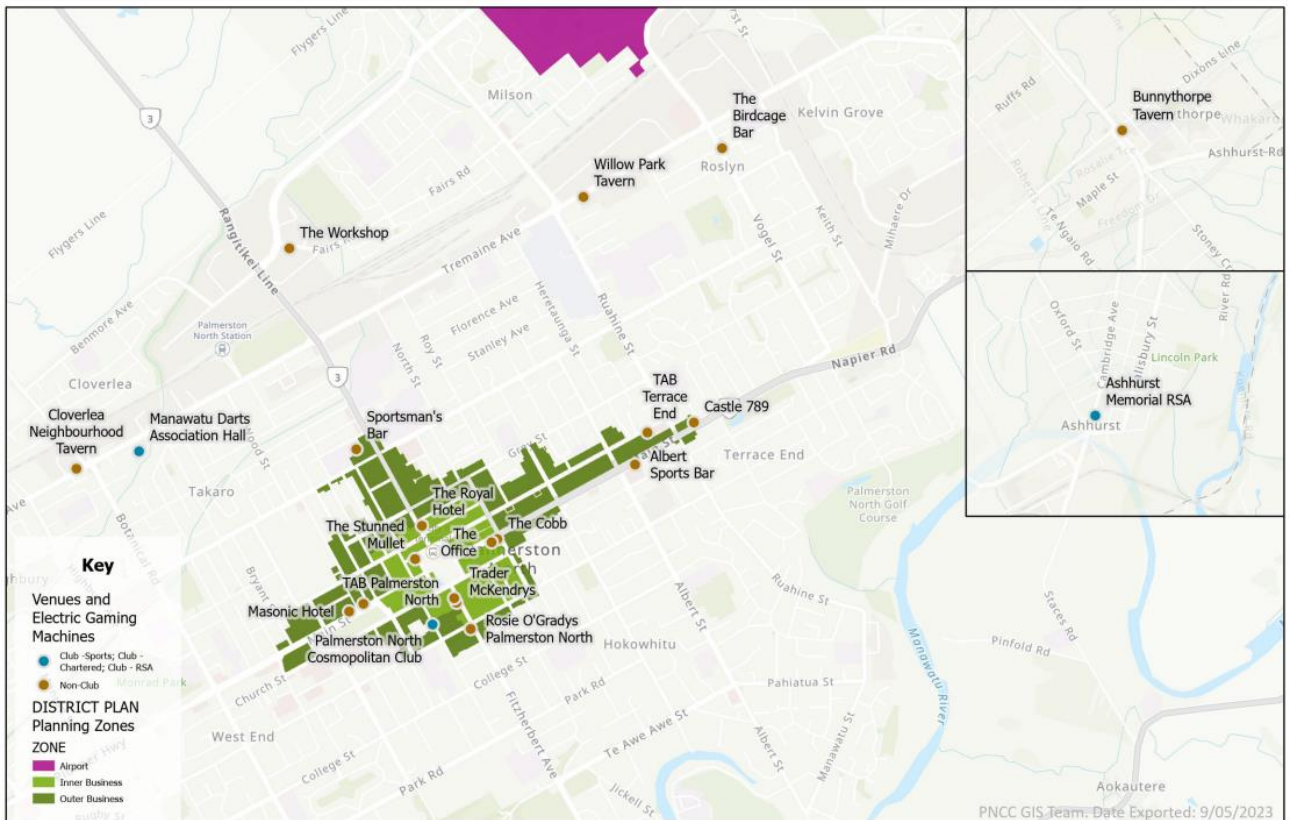
Figure 4: Number of class four venues in Palmerston North



Source: Department of Internal Affairs

As of December 2022, there are 295 gaming machines across the 21 licensed pokie machine venues in Palmerston North. The map below (Figure 5) shows the locations of the venues, whether they are club or non-club societies, and also the District Plan zone they are located in according to the current class four venue policy. This map is also available on the Council’s website [here](https://bit.ly/3NUKZE6) (<https://bit.ly/3NUKZE6>).

Figure 5: Locations of pokie machine venues in Palmerston North (as at December 2022)



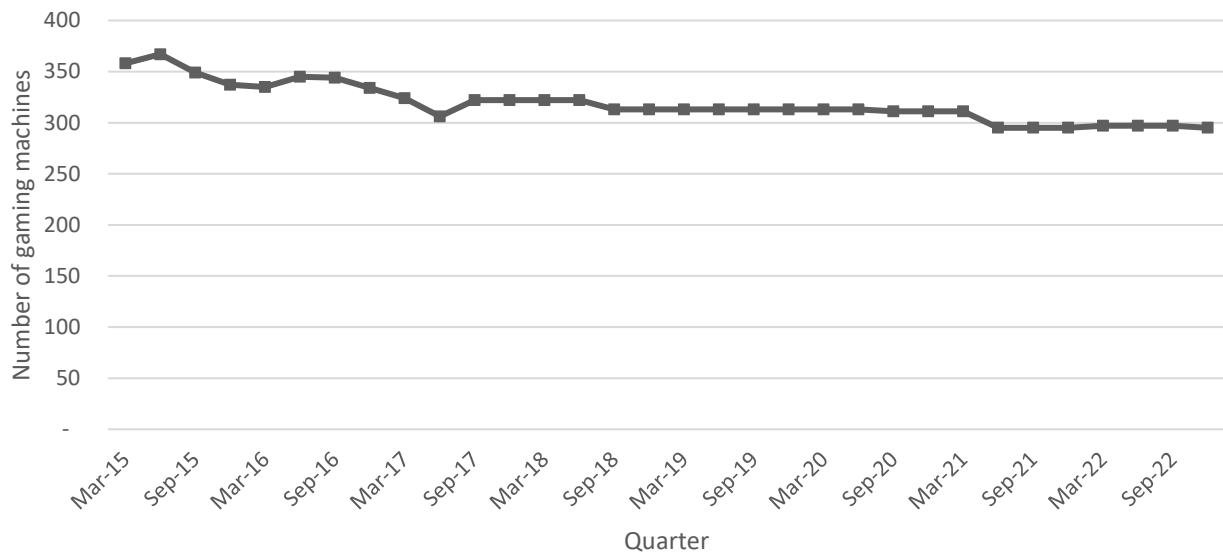


Most gaming venues are located in or near the central city, however almost half of all gaming machines are located in the suburbs or villages, with 43 machines in the Cloverlea/Westbrook/Takaro areas, nine in Milson, 30 in Roslyn, 45 in the Terrace End/Papaioea area, nine in Bunnythorpe and six in Ashhurst. The majority (86 percent) of venues in Palmerston North are non-club venues.

The venues licensed to operate electronic gaming machines are almost exclusively in areas with very high deprivation.<sup>1</sup> Nineteen of the 21 venues are located in very high deprivation areas, which is very different to the distribution of pokie machines over New Zealand overall. Nationally, only a quarter of class four venues are in very high deprivation areas, and a further 20 percent of venues are in areas of medium-high deprivation.

The graph below (Figure 6) shows the number of electronic gaming machines that are licensed to operate in Palmerston North. The number of gaming machines in Palmerston North has followed the same downward trend as venues, from 367 gaming machines in June 2015 to 295 in December 2022.

Figure 6: Number of Gaming Machines in Palmerston North



Source: Department of Internal Affairs

### Online gambling

The internet offers access to unregulated online gambling opportunities. These sites can be found via a simple google search. Some websites also rank online gambling sites according to factors such as “welcome bonus”, “payout rate”, “payout speed” or “deposit options” to assist gamblers to find the site that best suits their needs. However, the authenticity of these sites is unknown. Gambling which is offered via an overseas website is not bound by New Zealand law, and so setting up an account on these sites is a less rigorous process than on the TAB and NZ Lotto websites.


<sup>1</sup> University of Otago Socioeconomic Deprivation Index (2018).

## Gamblers in Palmerston North

### Participation in gambling activity

There is currently no regular collection of data on a local scale that provides insights into the number of residents who participate in gambling activity. On a national scale the Health Promotion Agency's Health and Lifestyle Survey measures New Zealanders' behaviours, attitudes and knowledge on a range of health and lifestyle topics, including gambling. This is a biennial monitor and it has been carried out since 2008. Table 1 shows that in 2020, 69.3 percent of respondents aged 15+ years took part in at least one gambling activity in the past 12 months.

Table 1: *National Health and Lifestyle Survey participation in gambling for people aged 15+ (percentage)*

Indicator	Year (%) 							
	2006	2008	2010	2012	2014	2016	2018	2020
Any gambling activities	82.7	77.4	81.3	69.7	70.2	70.2	67.2	69.3
Pokies at pub / club / casino	21.5	22.8	20.2	16.5	14.7	11.9	13.0	10.9
Any Lotto products	67.1	63.8	65.6	59.7	59.5	60.8	55.1	59.1
Online gambling - overseas websites	-	-	0.2	1.4	3.5	3.2	2.2	2.6
Any horse / dog races / sports events (NZ)	17.7	13.8	17.3	15.7	14.4	12.2	11.3	10.9
Online gambling - any	-	-	-	-	-	-	13.2	26.7

Source: Te Hīringa Hauora/Health Promotion Agency

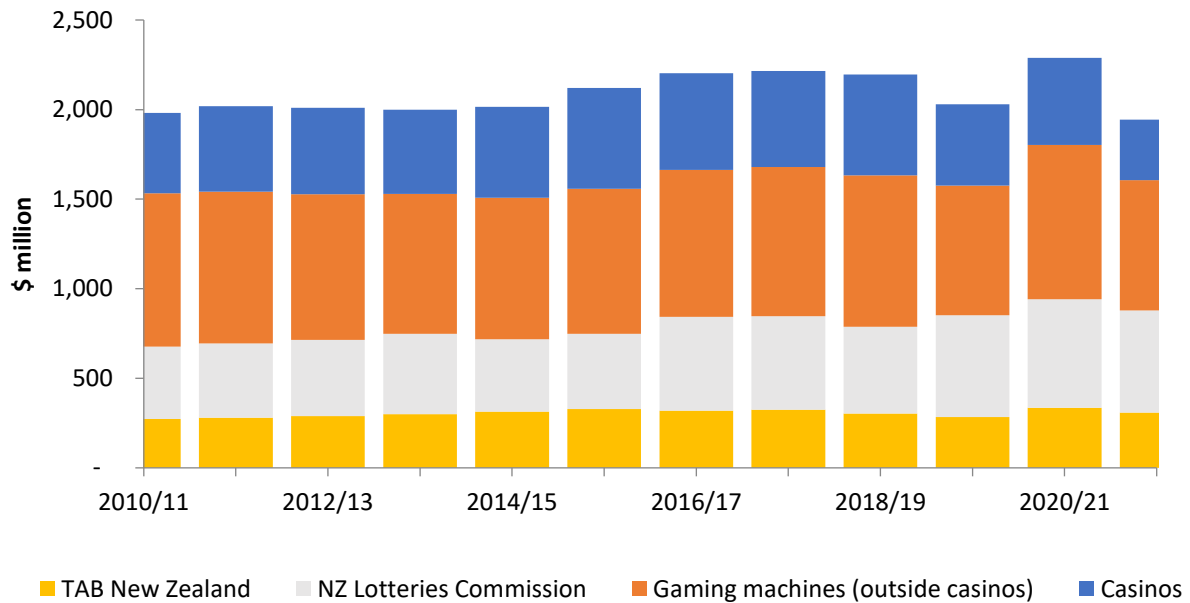
Lotto products were the most prevalent gambling activity at 59.1%, and this was followed by any form of online gambling at 26.7%. Participation rates for pokie machines significantly decreased to 10.9% in 2020 compared with 21.5% in 2006. Interviewing for the 2020 Health and Lifestyles Survey was delayed for five months due to COVID-19 lockdown and it is unclear what impact the delays to the survey and pandemic may have had on the data. The majority of respondents aged 15+ years reported taking part in gambling activity in 2020.

### Gambling expenditure

The DIA collates data from the four main types of gambling activity; TAB racing and sports betting, NZ Lotteries products, gaming machines (outside casinos) and casino gambling. The data is taken from the Electronic Monitoring System and gambling operators which are mandated by the Gambling Act. This data is only available on a national scale.

The graph below shows the total inflation adjusted gambling expenditure for the four main types of gambling in New Zealand at the end of the financial year. Gaming machines outside of casinos have consistently received the most expenditure and TAB New Zealand has consistently received the least amount of expenditure. In the 2020/2021 financial year expenditure at gaming machines was \$861 million, compared with \$487 million at casinos, \$606 million at NZ Lotteries Commission and \$336 million at TAB New Zealand.

Figure 7: Total inflation-adjusted gambling expenditure in New Zealand



Source: Department of Internal Affairs

#### Notes on Figure 7:

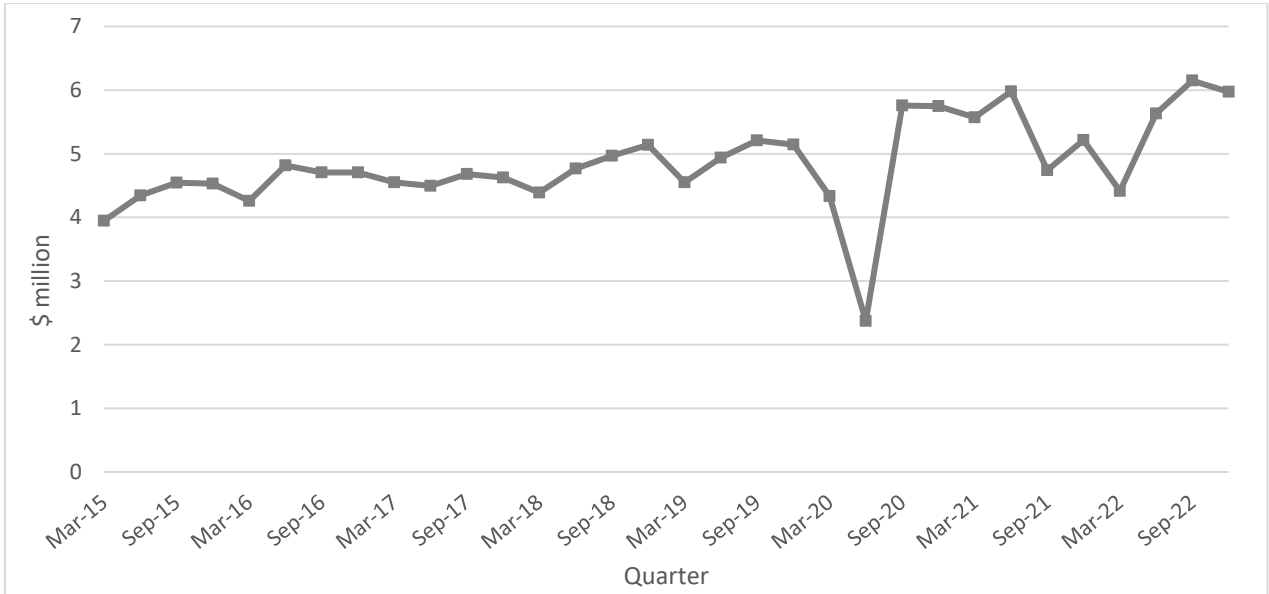
*Expenditure: Also known as "gross profit" or "casino win", means the gross amount wagered by gamblers, less the amount paid out or credited as prizes or dividends. In other words, "expenditure" is the amount lost or spent by players, as well as the gross profit of the gambling operator.*

*Financial year end: The figures reflect the gambling operator's reported balance date. In most cases this will be 30 June. In some cases, however, the balance date differs (e.g. New Zealand Racing Board at 31 July and Dunedin Casino at 31 March).*

#### Gaming machine (outside casinos) proceeds

The DIA collates quarterly data from all gaming machines in New Zealand. It has created the Gaming Machines Statistics Dashboard which is regularly updated. Statistics on this dashboard are available at a territorial authority level. Figure 8 shows the gaming machine proceeds (GMP) for gaming machines in Palmerston North from 2015 to 2022. GMP is expenditure, or player loss, on electronic gaming machines in the class 4 sector. The GMP for machines in Palmerston for the December 2022 quarter was \$5,976,974.

Figure 8: Gaming machine proceeds per quarter in Palmerston North

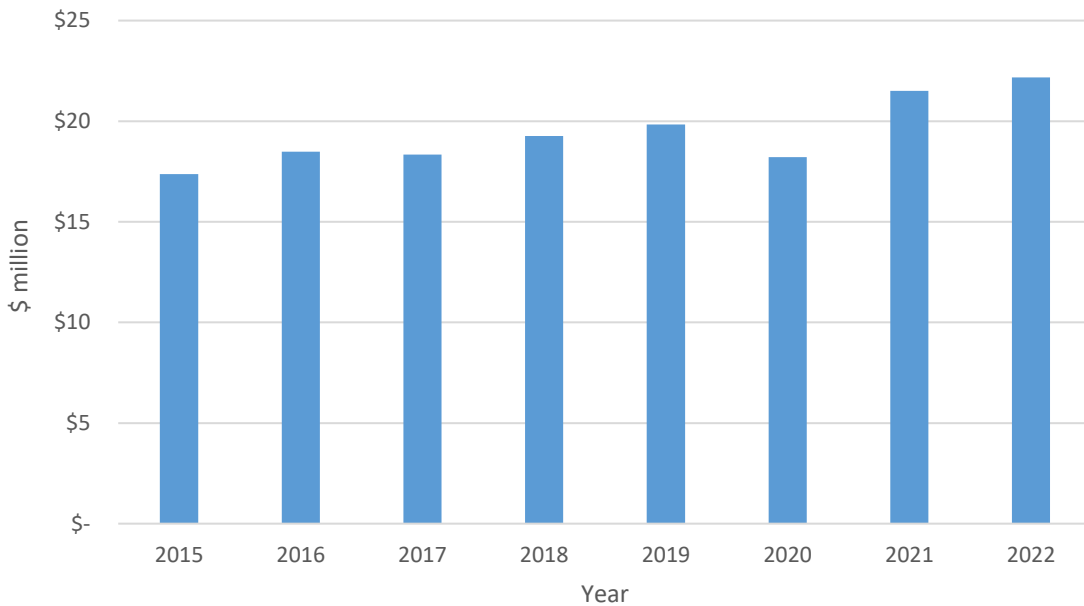


Source: Department of Internal Affairs

The drop in proceeds in 2020 reflects the seven to eight weeks of gambling venue closure due to COVID-19 and from 2020 to 2022 there are fluctuations which may have also been affected by the COVID-19 restrictions.

Between 2015 to 2022 gaming machine proceeds (GMP) reached their highest in 2022 at \$22,173,761, as shown in Figure 9.

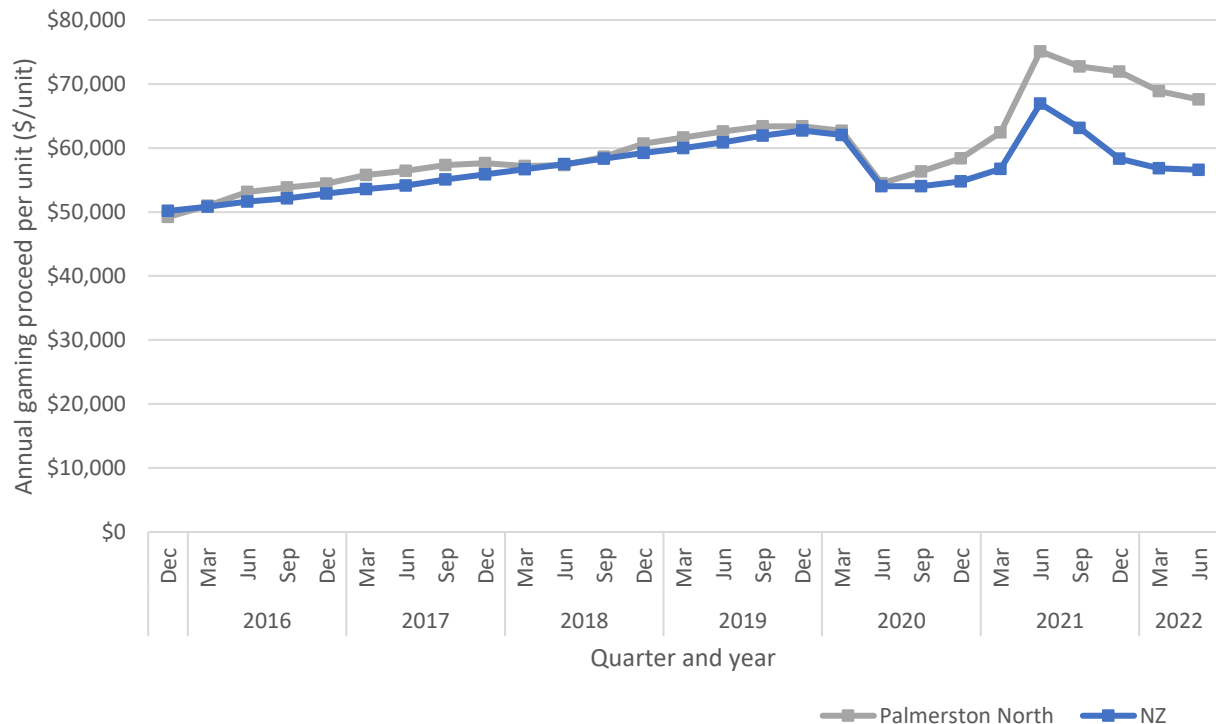
Figure 9: Annual gaming machine proceeds in Palmerston North



Source: Department of Internal Affairs

Figure 10 shows annual gaming proceeds per gaming machine unit in Palmerston North and New Zealand. Proceeds per gaming machine in Palmerston North were higher than proceeds per total number of gaming machines in New Zealand. This means that, while the number of machines in the city has been declining (see Figure 6), the annual proceeds from each machine have not decreased accordingly. Players are spending longer hours playing gaming machines, betting more per game or more players are playing pokie machines. Figure 10 shows that the annual proceeds per gaming machine in Palmerston North at June 2022 were \$75,165, compared to \$69,956 per machine for New Zealand overall.

Figure 10: Annual gaming machine proceeds per gaming machine (Palmerston North and NZ)



Source: Department of Internal Affairs

## Community benefit from gambling

Most gambling (excluding racing and casino gambling) provides a community benefit in the form of grants paid back to the community. There may also be some indirect economic benefits such as supporting the viability of hospitality businesses, or complementing visitor activities.

### TAB New Zealand

Betting profits derived from racing and sports betting is retained by TAB NZ and distributed according to the Racing Industry Act 2020. Under the Act, TAB NZ is charged with the following objectives:

- *To facilitate and promote betting; and*
- *Subject to ensuring that risks of problem gambling and underage gambling are minimised, to maximise;*
  - o *Profits for the long term benefit of New Zealand racing; and*

- *Its returns to New Zealand sports in accordance with agreements entered into under section 79 and 80 of the act.*

### Lotto New Zealand

The Lotto New Zealand annual report for the 2019/2020 financial year states that for every \$1 from combined sales (year ending 30 June 2020) 55 cents was allocated to prizes and 23 cents was transferred to NZ Lottery to distribute in grants to the community. From the period 1 July to 30 June 2020, the Lottery Grants Board received \$313m to be distributed in grants to the community.

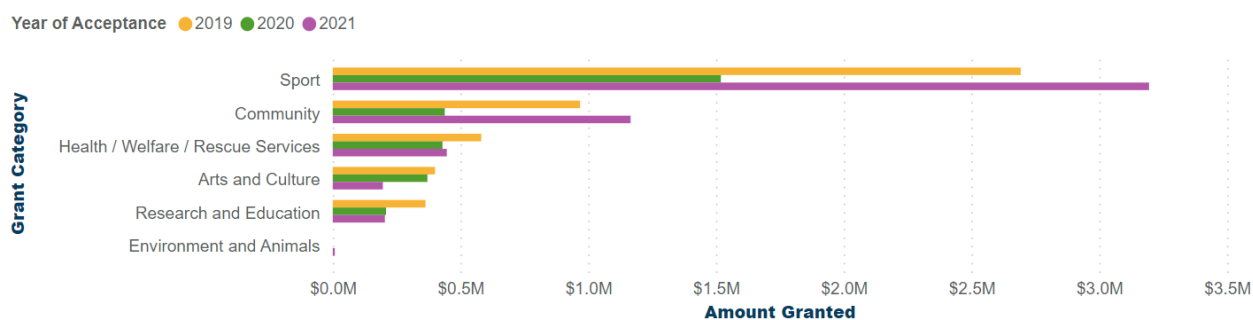
### Gaming machines (outside casinos)

The Gambling Act 2003 requires gaming societies to return at least 40% of the net proceeds from gambling to the community in line with their authorised purposes. Gaming societies administer the distribution of community grants themselves. DIA provides data on gaming machine proceeds that are distributed to community groups through grants. This data is gathered from non-club societies who own the gaming machines.

In 2021, the most recent year for which grants data is available, \$5,217,283 in grants were distributed to organisations in Palmerston North. This allocation represents 24.25% of the gaming machine proceeds from gaming machines operated in Palmerston North that year and is reported by the DIA as 'pokie grants'.

Figure 11 shows which community sectors the pokie grants were distributed to in Palmerston North in 2019, 2020 and 2021. In all three years sports initiatives received the largest allocation – in 2021 sports organisations received 61% of the pokie grants, followed by the community sector with 22%. This allocation reflects the national trend for the distribution of funding, with sport by far the major beneficiary throughout New Zealand.

Figure 11 Palmerston North 'pokie grants' allocated by sector



Source: Department of Internal Affairs

Table 2 shows the nine organisations which received Palmerston North pokie grants of more than \$100,000 in 2021. These organisations may serve a wider community than Palmerston North.

Table 2: *Palmerston North organisations which received ‘pokie grants’ of more than \$100,000 in 2021*

Organisation	Grant
Manawatū Rugby Union	\$467,981
Arohanui Hospice Service Trust	\$446,348
Central Districts Cricket Association	\$248,132
Manawatū Cricket Association	\$208,085
Order of St John Central Region Trust Board	\$174,485
Central Football	\$160,000
Manawatū Mountain Bike Club	\$152,500
PN Marist Football Club	\$129,136
Hockey Manawatū	\$126,533

## Negative impacts of gambling

The negative impacts of gambling can occur for the individual, for the individual’s family and friends, and for the wider community. Problem gambling is the most evident negative impact of gambling and can lead to mental health problems, economic hardship, and in some cases can be a driver for crime. Class 4 gambling is most often cited as the primary mode of gambling for problem gamblers<sup>2</sup>. PGF Services (formerly the Problem Gambling Foundation) suggests that class 4 gambling is a regressive tax that disproportionately takes money from people on low incomes. Problem gamblers are estimated by the PGF to contribute 30-60% of the amount paid out in community grants overall, and furthermore, that the majority of the money paid out in grants is contributed by those who can least afford it.<sup>3</sup>

### Problem gambling

The Gambling Act 2003 defines a “problem gambler” as “a person whose gambling causes harm or may cause harm”. One of the purposes of the Act is to “prevent and minimise the harm caused by gambling, including problem gambling”. While gambling itself is legal when conducted in accordance with the Gambling Act, gambling operators have an obligation to minimise the harm caused by problem gambling. For class 4 venues, this is achieved by requiring operators and societies to provide, when applying for an operator or venue license, a statement about how they will minimise the risks of problem gambling and their policy for identifying problem gamblers.

PGF Services describes pokies are a continuous form of gambling, where any winnings can immediately be ‘reinvested’. This is unlike Lotto, for example, where there is a delay before a result is known.

Minimising problem gambling in class 4 venues is generally confined to the staff at venues identifying such problem gamblers in accordance with the venue policy and then approaching the problem gambler with information on assistance available. A venue may exclude a person it has identified as a problem gambler (exclusion procedures), or a gambler can choose to exclude

<sup>2</sup> Manatū Hauora, Ministry of Health (2019). *Strategy to prevent and minimize gambling harm 2019-20 to 2021-22*.

<sup>3</sup> PGF, Hāpai Te Hauora Māori Public Health and the Salvation Army. (2020). *Ending community sector dependence on pokie funding; White paper*.



themselves (self-exclusion procedures). Such exclusions have similarities with trespass notices, although health providers encourage venues and societies to view these more appropriately as an “advanced mental health directive”, as a tool designed to help an individual manage an addictive behaviour.

Table 3 shows the number of clients who received problem gambling treatment services in Palmerston North from July 2004 to June 2022. This data is collected by service providers and submitted to the Ministry of Health, which collates and publishes the data.

Table 3: *Problem gambling intervention in Palmerston North*

Date	New Clients Assisted <sup>4</sup>	All Clients Assisted <sup>5</sup>	% of All Clients Assisted Nationally <sup>6</sup>
July 2004 – June 2005	42	56	1.73%
July 2005 – June 2006	49	72	1.94%
July 2006 – June 2007	41	78	1.47%
July 2007 – June 2008	62	86	1.51%
July 2008 – June 2009	33	47	0.48%
July 2009 – June 2010	51	66	0.50%
July 2010 – June 2011	55	73	0.60%
July 2011 – June 2012	65	100	0.84%
July 2012 – June 2013	30	57	0.46%
July 2013 – June 2014	58	73	0.58%
July 2014 – June 2015	62	88	0.69%
July 2015 – June 2016	33	59	0.48%
July 2016 – June 2017	37	66	0.57%
July 2017 – June 2018	70	107	1.01%
July 2018 – June 2019	48	76	0.72%
July 2019 – June 2020	47	76	0.80%
July 2020 – June 2021	60	93	0.85%
July 2021 – June 2022	142	172	1.78%

Table 4 shows individuals in New Zealand who have received support for their own, or someone else’s gambling, by the primary problem gambling mode they have reported. Gamblers who sought help were most likely to report non-casino Gaming Machines as their primary problem gambling mode. Those categorised as ‘family/affected other’ are clients affected by someone else’s gambling. The table shows most of this group reported non-casino gaming machines as the primary problem gambling mode.

<sup>4</sup> New Clients – The number of clients that have contacted an intervention service for the first time in the period for psychosocial support either by phone or face-to-face in this Territorial Authority.

<sup>5</sup> Total number clients assisted in this year in this Territorial Authority (includes new clients and clients who first contacted a service in a previous year).

<sup>6</sup> The number of clients assisted in Palmerston North as a percentage of the total number of clients assisted nationally.

Table 4: Clients assisted in New Zealand by primary problem gambling mode

Clients Assisted in New Zealand by Primary Problem Gambling Mode					
Year	Type of Client (New clients only <sup>i</sup> )	Non-casino Gaming Machines	Casino Gaming Machines	NZ Lotteries Commission	TAB New Zealand
2018/2019	Gambler	809	165	171	181
	Family/Affected Other <sup>ii</sup>	277	27	85	59
2019/2020	Gambler	703	151	151	128
	Family/Affected Other	196	46	64	38
2020/2021	Gambler	849	184	169	151
	Family/Affected Other	243	28	92	47
2021/2022	Gambler	621	142	140	122
	Family Affected	152	31	86	52

Problem gambling can contribute to a number of costs for the individual and those around them, as is evidenced by the data in Table 4 (above). This harm includes:<sup>7</sup>

- *Decreased health*
- *Emotional or psychological distress*
- *Financial harm*
- *Reduced performance at work or education*
- *Relationship disruption, conflict or breakdown*
- *Criminal activity*

The study by the Ministry of Health also concluded that low- and moderate risk gamblers (as opposed to the small group of problem gamblers) contribute to the majority of the harm experienced as a result of gambling.

## Conclusion

The national 'Health and Lifestyle' 2020 survey showed more than two-thirds of New Zealand respondents reported participating in some form of gambling at least once in the previous twelve months. Most respondents reported NZ Lotto products as the gambling activity they took part in, followed by online gambling. Pokie machines and horse/dog races and sports betting recorded much lower participation rates.

This participation data is interesting because the data for national expenditure in the four main types of gambling (NZ Lotto products, gaming machines outside casinos, TAB racing and sports betting, and casinos) shows that expenditure at gaming machines outside casinos is the largest expenditure by far. In the 2021/2022 financial year the total inflation adjusted gambling expenditure at gaming machines outside casinos was \$727 million, compared to \$570 million on NZ Lotto

<sup>7</sup> Ministry of Health. (2018). *Measuring the Burden of Gambling Harm in New Zealand*.

products. This means that while people may be more likely to purchase Lotto products, much more spending occurs on pokies.

Palmerston North has three of the four main types of gambling (NZ Lotto products, gaming machines outside casinos, TAB racing and sports betting) available for residents and visitors to the City. Due to the lack of available data at a local authority level it is difficult to assess the level of expenditure that goes towards all forms of gambling available in Palmerston North. However, for class four gambling machines in Palmerston North the data does show that expenditure continues to increase year after year. Although there was a dip in gaming machine expenditure in 2020 due to the Covid-19 restrictions, expenditure continues to track upwards in the following years. In contrast the number of venues and pokie machines in the City is continuing to decline.

Alongside the employment and business benefits associated with venues with pokie machines, the main community benefits attributed to class four gambling is the distribution of pokie machine proceeds in the form of community grants. In Palmerston North non-club societies distributed \$5.2 million of net pokie machine proceeds in community grants. Since 2019 the sports sector has received the largest share of these community grants.

There are also well documented negative impacts of class four gambling. The number of new clients in Palmerston North who sought intervention for gambling problems hit its highest total in July 2021 to June 2022, with 142 clients. This was double the number of new clients that sought help in July 2020 to June 2021. Nationally the most cited mode of gambling for those seeking problem gambling intervention is gaming machines. While problem gamblers who seek help make up only a small proportion of gamblers overall, and of those spending money on pokies, research suggests that negative effects may also be experienced by those who are not problem gamblers. These effects can include financial hardship, emotional distress, disruption of work and study, and damage to relationships.<sup>8</sup>

This assessment of the social impact of gambling is to inform the Council's decision-making within the narrow scope of its influence (decisions about pokie machine venues and location). This assessment provides data to provide a better understanding of the extent of the distribution of proceeds from pokie machines. The known harms of gambling must be weighed against the community benefits which come from the distribution of some of the proceeds to sporting and other organisations.

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<sup>i</sup> New clients are clients who the Ministry has not identified as having received support for their own or someone else's gambling in the past.

<sup>ii</sup> Family/Affected Other are Clients affected by someone else's gambling.

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<sup>8</sup> Ministry of Health. (2018). *Measuring the Burden of Gambling Harm in New Zealand*.