

CASINO IMPACT REPORT

An assessment of the social and economic impacts of the Christchurch Casino

Commissioned by Christchurch Casino Limited and prepared for the Gambling Commission by James Baines and Geoff Butcher

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EXECUTIVE SUMMARY

Introduction

1. The purpose of this report is to fulfil the relevant requirements of the legislation regarding the application by Christchurch Casinos Limited to renew its casino venue licence. The Gambling Act 2003 (at sections 134, 136 and 137) states the requirements regarding a casino impact report.
2. The two principal strands of the required assessment - social and economic - have been co-ordinated by the consultants, resulting in a single Casino Impact Report.
3. The assessment approach adopted a participatory process, facilitating and involving direct inputs from more than 110 relevant stakeholder groups and organisations. Reflecting a commitment to evidence-based assessment, this assessment incorporates a variety of sources of relevant evidence, including primary and secondary sources, both quantitative and qualitative in nature.
4. The assessment also adopted a phased approach. The Scoping Phase was reported previously, in February 2017. This final report covers the Main Assessment Phase and subsequent Feedback Phase, which allowed for the review of preliminary findings by key stakeholders who had been involved in the assessment consultations.

Institutional environment

5. In the context of this report, the relevant role of the Gambling Commission is to consider the Casino's licensing application.
6. The Department of Internal Affairs administers and enforces casino gambling legislation in New Zealand and works with the gambling sector and problem gambling treatment providers to help minimise harm. It also produces annual gambling expenditure statistics.
7. The Ministry of Health is responsible for funding and coordinating problem gambling services.
8. The Health Promotion Agency is a Crown entity established in 2012 to lead and support national health promotion issues, including efforts to minimise gambling harm.
9. Agencies providing support for problem gamblers in Christchurch are the Gambling Helpline, the Problem Gambling Foundation of New Zealand and the Salvation Army OASIS Centre for Problem Gambling.
10. The Gambling and Addictions Research Centre is part of the National Institute for Public Health and Mental Health Research within the Auckland University of Technology. It carries out research that increases the understanding of how gambling and addictions affect society, and enhances policy and professional practice.

The Christchurch Casino

The licences

11. Christchurch Casino (hereafter “the Casino”) operates under two licences - a Casino Premises Licence issued under section 31 of the Casino Control Act 1990, and Casino Operator’s Licence issued under section 37 of the Casino Control Act 1990.

Location

12. Christchurch Casino is located in the Central Business District (CBD) of Christchurch, New Zealand. The 4,087.5m² casino was New Zealand’s first when it opened on 4 November 1994.

Gambling opportunities

13. As at 19 September 2003, the day after the date of Royal Assent of the Gambling Act when the gambling opportunities were fixed, there were 500 EGM’s 34 tables, Keno and the Racing Game in operation. Keno and the Racing Game were retired in 2007 in favour of 2 tables, one for each of these games. The formal gambling opportunities have remained unchanged since this date and are for 36 tables and 500 gaming machines.

Operational changes over time

14. Other operational changes include -
 - purchase of the Georgian Antiques Building in 2006 to create an additional 80 car park spaces;
 - major refurbishment of the Gallery Cafe in 2006; over the next few years the Main gaming floor and Grand Café were also refurbished;
 - the Monza Sports Bar was created for the Rugby World Cup in September 2011 out of the Gallery Café;
 - the Mashina Bar/night club was established in October 2013, using the lower basement - previously a car park area. This facility has subsequently become a function and events venue and was re-branded as Sixty6 on Peterborough in July 2016;
 - purchase of the old Laycocks site for additional car park spaces in September 2015;
 - purchase of the I-site shop at Christchurch International Airport in March 2016; and
 - purchase of 72 Salisbury Street in September 2017.

Effect of the Canterbury earthquakes

15. The earthquakes that hit Canterbury have had a significant effect on the business and the operation of the Casino. It had previously operated 24 hours a day, seven days a week. The Casino was forced to close for the period 22 February to 25 May 2011, (96 days). By the time the Casino was able to re-open, its staff numbers had halved from well in excess of 500 to approximately 240.
16. The Casino was the first major entertainment business to re-open in the central city after the February earthquakes. The Casino is not yet back to 24/7 operations. However the number of staff employed is again approaching 500.

Current operations

17. At present, the Casino operates 36 tables and 500 EGMs in its gaming spaces. Other

entertainment facilities operating within the Casino building include the Grand Café, the Chi Kitchen, the Monza Sports Bar, the Valley Bar, and Sixty6 on Peterborough as a specialist function venue. The Casino operates 16-hour days Monday to Thursday (11am to 3am) and 24-hour days Friday to Sunday, and over public holidays. Prior to the earthquakes the Casino had operated 24 hours a day, 7 days a week.

Trends and patterns in Casino patronage

18. Based on total daily visitor numbers, the total number of visits annually has been fairly constant over the past six years, ranging from a low of 680,000 in 2011-2012 to a high of 745,000 in 2014-2015, a variation of less than +/-5% over the period.
19. In the most recent year, monthly patronage numbers displayed a slight rise in December compared to the previous year and a relative decline at the height of summer (January and February)
20. The variation in daily visitor numbers indicates a strong cyclical, weekly pattern, with the number of daily visitors usually greatest on Fridays and Saturdays and least on Mondays and Tuesdays.
21. Many Casino patrons visit on multiple occasions. Analysis of the behaviours of 23,654 'carded Players Club members' over the most recent financial year shows that, on average, these visitors made 12 separate visits to the Casino during the 12-month period. However, there is evidently great variation. Those patrons who visited the Casino only once during the previous 12-month period accounted for 34% of all the carded Players Club patrons, but only 3% of all the visits (gambling episodes) by carded Players Club patrons. Similarly, those patrons who visited the Casino at a frequency of no more than once per month over the previous 12-month period accounted for 81% of all the carded Players Club patrons, but only 21% of all the visits by carded Players Club patrons.

Host Responsibility at the Casino

22. Host Responsibility at Christchurch Casino has continually evolved since opening in 1994. In the early days of its operation, the Casino interacted with a broad grouping of community agencies interested in promoting responsible gambling practices, known as Community Action for Responsible Gambling (CARG). In January 2007 the first Host Responsibility Manager was appointed by the Casino to give full effect to the intent of the Gambling Act. CARG meetings were replaced with Problem Gambling Liaison Meetings (PGLM), reflecting the Casino's changed responsibilities in terms of ensuring responsible gambling and harm minimisation under this new Act. In January 2015, the role of Host Responsibility Executive (HRE) was created, replacing the former manager role and relocating the direct reporting line from within Risk & Compliance to the Security and Surveillance Department.
23. All staff at the Casino can contribute to the success of the Host Responsibility Programme and certain staff have specific responsibilities.
24. Various levels of staff training are provided in order to equip Casino employees to meet their host responsibilities effectively. All regular training has been brought in-house, enabling its continuous development in response to recent practical experience, and its efficient delivery to more employees. Additional training in recognised and emerging areas of importance - Alzheimer's, suicide and disability awareness - has also been introduced via external facilitators.

25. "Servizio" is the name given to a computer-based tool developed recently via a collaboration between Christchurch Casino and Bally Technologies. Servizio allows for real-time alerts to key staff about customers whose play is considered 'Continuous Play', whether they are using a loyalty card or not whilst playing an Electronic Gaming Machine.
26. Gambling and drinking behaviours are observed directly by any of the customer-facing staff at the Casino, including the Surveillance operators. Such observations result in a range of interventions.

Security and Surveillance

27. The Casino places emphasis on projecting itself as a safe and secure entertainment venue. In this context, maintaining a pleasant customer experience involves Casino staff observing patron behaviours both outside and inside the Casino and intervening, via refusals prior to entry, warnings issued within the venue for behaviour-related incidents or trespass notices issued when unacceptable behaviour occurs.
28. Security staff provide a visible presence for guests while Surveillance staff monitor the interior and exterior of the premises via closed circuit television.
29. Security and surveillance activities are allied closely to Host Responsibility activities.

Responsible Service of Alcohol

30. The responsible service of alcohol is an integral part of the Casino's overall Host Responsibility Policy and Programme. The Casino is recognised as not being a significant contributor to the alcohol-related harms observed in the Victoria Street Entertainment and Hospitality Precinct.

Relationship with counselling services for problem gambling

31. Two agencies in Christchurch have contracts with the Ministry of Health to provide gambling counselling. They are the Problem Gambling Foundation and the Salvation Army's OASIS Centre.
32. The Casino convenes Problem Gambling Liaison Meetings three times a year. These are usually attended by representatives of both counselling agencies, as well as the DIA Casino Inspectors, and representatives of the telephone helpline services.

Relationships with businesses in the Victoria Street vicinity

33. The Casino has on numerous occasions collaborated with other businesses in the Victoria Street vicinity, including the Victoria Streetscape project, the StreetSafe initiative, assistance with parking spaces, and Host Responsibility training for other hospitality businesses.
34. Of the 14 businesses operating in the vicinity of the Casino which were interviewed for this assessment, 9 confirmed that the existence of the Casino had influenced their choice of location. Seven of these respondents operate in the Entertainment and Hospitality sector.

Relationships with neighbouring residents

35. Two central city residential areas adjoin the Casino, each with its own long-established residents' association. Being located on the eastern side of Victoria Street, the Casino is

perceived as being 'closer' to the Victoria Neighbourhood Association (VNA) area to the east and north than it is to the Inner City West Neighbourhood Association (often referred to as ICON) area to the west and south. In fact, it is Victoria Street itself which is the north-eastern boundary of the ICON area.

36. The Casino management has had communications and exchanges with the VNA for some time. There currently appears to exist a mutual "no surprises" understanding between the Casino and the VNA, which acknowledges that the Casino has consulted regularly with the VNA in recent years on a range of matters.
37. There has been no similar relationship with ICON. Both parties met at the Provisional Local Alcohol Plan mediation in 2016 and agreed to exchange information *"with a view to establishing better communications between the Casino and ICON in future."*

Future developments

38. CCL is providing land for the construction of a combined hotel/carpark building across the street to the north of the Casino, for which resource consent applications have been lodged.
39. There is no intention to re-open the Mashina Bar/nightclub.

Assessment of economic impacts

40. The economic assessment took into account the positive economic impacts of the Casino, including a minor impact on tourism, as well as the negative impact of patrons' spending being transferred away from other businesses
41. The assessment of Christchurch City and Canterbury region economic impacts was done using appropriate input - output models and associated multipliers. The models were expanded to include a "Casino Industry" which was based on the Casino's actual revenue and operating expenditure averaged over the last three years. This enabled calculation of the total impacts of Casino operations on Christchurch and Canterbury.
42. Assessment of how various groups of Casino patrons would have spent their time and money in the absence of the Casino was based on a survey of 658 Casino patrons. This was grossed up by the total spending of each of these groups to give the negative economic impacts of the Casino on spending in various other sectors, and multipliers were applied to this spending to estimate total negative "Trade Diversion" economic impacts of the Casino on Christchurch and Canterbury.
43. The patron survey also enabled an estimate of the impacts of the Casino on tourist spending, and multipliers were applied to this spending to estimate total Christchurch and Canterbury economic impacts of the Casino via tourism.
44. The above impacts were combined to provide estimates of the Net Economic Impact of the Casino. As is shown in Summary Table 1, the operation of the Casino leads to an estimated 95 Full Time Equivalent (FTE) jobs in Christchurch and an additional \$23 million per year of Added Value, including \$6 million per year of additional earned household income. The Canterbury net impacts are somewhat larger at 104 FTE extra jobs and \$26 million per year of extra Value Added, including \$9 million per year of extra earned household income.

Summary Table 1: Net Economic Impacts of Christchurch Casino on Christchurch City and Canterbury Region

	Employment (FTEs)		Value Added (\$m / yr)		Gross Household Income (\$m / yr)	
	Christchurch	Canterbury	Christchurch	Canterbury	Christchurch	Canterbury
Casino	590	603	67	71	27	30
Trade Diversion	-520	- 524	-46	-48	-22	-22
Tourism	26	26	2.3	2.3	1.1	1.1
Total Impacts*	95	104	23	26	6	9

* Totals may not add due to rounding. All numbers in text have been rounded

45. At a national level, the establishment of the Casino has increased Real Gross Disposable National Income by \$70-140 million per year. This is a measure of the national (market) economic benefit of the Casino.
46. The Casino generates approximately \$18 million per year in tax directly. This is offset in part by the loss of tax from businesses which lose spending to the Casino, but the net tax impact of the Casino is still substantial.
47. There are non-market costs and benefits associated with the Casino. The most obvious cost is the potential increase in harm from problem gambling, while there are benefits associated with an increase in consumer choice, and with the contribution of the Casino towards providing a "big city" experience and increasing the sense of vitality in the city, particularly at night when the Casino is seen by patrons as providing a safe social and entertainment environment. The Casino plays a role in attracting new residents and businesses and visitors, particularly conference visitors. Funding from the Casino also contributes to the economic impacts of festivals and events such as Cup Week and major sporting events.

Economic effects of no licence renewal

48. If the Christchurch Casino closes, then the net positive economic impacts of the Casino would be reversed. A net 95 FTE jobs and \$23 million per year of Added Value, including \$6 million of earned household income, would be lost to the Christchurch economy, with slightly larger impacts at the regional level. At the national level, Real Gross Disposable Income would fall by in excess of \$70 million per year.

The Social Environment

The Casino neighbourhood

49. For the purposes of this assessment, the Casino neighbourhood is defined as the area bounded by Bealey Avenue to the north, Colombo Street to the east, Armagh Street to the south, and Park Terrace to the west.

City Plan designations

50. Principal features of the current District Plan relevant to this area are -
 - the Entertainment and Hospitality Precinct,
 - the Central City Business zoning corresponding to the Entertainment and Hospitality Precinct, and
 - the predominance of residential zoning throughout the remainder of the defined Casino neighbourhood, with a few exceptions identified.

The VNA area

51. This area is predominantly residential, with commercial activity around its fringes. The largest concentration of commercial activity has always been along Victoria Street as its western boundary.

The Inner City West Neighbourhood Association (ICON) area

52. As with the VNA area, this part of the ICON area is a mix of residential and commercial properties, with the greatest concentration of commercial activity being along the Victoria Street corridor. Residential properties dominate the western fringe, facing Hagley Park, with other pockets close to Cranmer Square. Several up-market hotels are located nearby, and the Cathedral Grammar School occupies much of the two blocks immediately west of Cranmer Square.

The Victoria Street business corridor

53. For a long time this commercial area has exhibited a mixture of businesses, including some which service the needs of local residents, as well as being a destination for other city residents with boutique shops and restaurants. Office space has also long been part of the mix, with a much higher concentration of office space occurring south of this area (i.e. south of Kilmore Street).

Residents of the City who work at the Casino

54. Casino employees places of residence are spread widely across the entire City, in all directions and in both inner and outer suburbs. In addition, 9% of staff live outside the City boundary, from Hawarden, Amberley and Leithfield in the north, to Oxford and Darfield in the west, to Rakaia in the south.
55. The length of service of current staff at the Casino covers the full range from recent recruits to those who have worked there for more than twenty years, some even prior to opening.

Attitudes of Christchurch residents to the Casino

56. The 2012 National Gambling Survey questions related to attitudes towards gambling revealed that, when compared with New Zealanders across the whole country sample, Christchurch respondents were (a) significantly more likely to be in favour of gambling activities as a business enterprise, (b) significantly less likely to think that there were too many gambling venues in general, but (c) significantly more likely to think that there were too many Electronic Gaming Machine venues in clubs and pubs.
57. Comments received from Charitable Trust recipients regarding the perceived role of the Casino in the community highlighted the belief that the Casino is an integral part of the Christchurch community, a significant giver, and for most people is harmless. Even so, there was a mixed response regarding Casino social responsibility with several acknowledging the fact that they 'give back' and didn't want to do harm, and several expressing the belief that the Casino should be giving more to the community, especially to community organisations that can help address harm.
58. Most of the companies providing goods or services to the Casino see it as a high-profile attraction within the fabric of the City, as well as being a focus of attraction that benefits other businesses nearby and in the CBD. Comments on the management and staff of the Casino focus on good working relationships, strong leadership, and the professional culture of the

organisation.

59. Corporate sponsors view the Casino as having a symbiotic relationship with themselves, noting its role in organisational networking in the City. They refer to its pre-quake role in the southern Victoria Street location as a social hub for the CBD in an environment of cross-over entertainments in the central city, and its importance for the City's continued post-quake redevelopment, linking with the performing arts precinct of the future.

The gambling environment

60. The Christchurch Casino was the first in the country to open in 1994. The Casino's location has not targeted high-deprivation residential communities, nor does its location make it particularly accessible to high-deprivation communities.
61. As has been the case for the whole country, Christchurch has experienced a declining number of Non-Casino Gaming Machine (NCGM) venues since the Gambling Act gave local authorities the power to determine local Gambling Venue Policy.
62. Regarding trends in Lotteries and TAB outlets, in April 2015 there were three TAB venues in Christchurch, down from seven in July 2012. The NZ Racing Board operates one gaming site in Christchurch which opened in August 2011. The NZRB operates no such sites in either Waimakariri or Selwyn Districts.

Participation in gambling

63. Nationally, gambling participation has fallen - and frequent participation in riskier forms of gambling has fallen markedly - since the 1990s. However, results from recent iterations of the New Zealand Health and Lifestyles Survey suggest that these downward trends might have slowed or levelled off.
64. In terms of continuous forms of gambling, it should be remembered that the numbers of Non-Casino Gaming Machines (NCGMs) peaked in excess of 25,000 Electronic Gaming Machines (EGMs) in 2003 and had declined to about 18,000 EGMs by 2012.
65. While gambling participation nationally has fallen, the preferred mode of gambling has diversified somewhat over the past decade. Casino gambling appears to be the mode of gambling which has changed least in its level of popularity or preference over the past decade, while the level of preference for NCGMs has declined markedly and the levels of preference for all other modes have increased markedly.
66. The large majority of local and regional patrons to the Casino live in Christchurch City and its neighbouring Local Authority areas of Waimakariri and Selwyn Districts.
67. In the last five years, trends in participation and preferences in the Christchurch and Canterbury area have been similar to national trends. NCGMs continued to decline as the preferred mode of gambling, reaching 51% by 2016, while Casino gambling was reasonably steady at 17% and had been surpassed slightly by Lotteries and TAB gambling at 19%. 'Other' gambling, which includes Internet gambling had increased more markedly than on the national scene, rising to 9% in 2016. The major difference between trends in Christchurch and trends in the neighbouring, more rural districts, is the predominance in the latter of NCGM (50%) and Lotteries/TAB gambling (40%), which accounted for 90% of gambler preferences by 2016. At that time, Casino gambling in these districts accounted for 7% of gambler preferences.
68. Local Christchurch Casino gamblers have come from all parts of the City, with a slight bias

towards the west but nevertheless significant numbers from all four quadrants of the City, and from inner and outer suburbs.

69. Local Casino visitors during the most recent financial year were evenly balanced between women (51%) and men (49%), reflecting exactly the City's resident population at the last census in 2013. In contrast, international visitors to the Casino during the past year were far more likely to be male (63%) than female (37%). The ages of Casino visitors were spread quite broadly, irrespective of their geographic origins.
70. Maori and Pasifika patrons at the Casino are under-represented compared with the resident population of the City, while Asian patrons are over-represented.

Trends in gambling expenditures

71. Nationally, total gambling expenditures (player losses) in the main gambling sectors increased almost every year from 1983/84 (when there were only two main sectors - the Golden Kiwi and betting on races) to a peak of \$2.039 billion in 2003/04 (when there were four main sectors - NCGMs, the casinos, the NZRB and the NZLC).
72. Much of the growth over the past 25 years is attributable to spending on NCGMs, which were first licensed in 1988. While NCGM spending has generally declined for more than a decade, there has been a substantial increase in spending on NZLC products. There have also been smaller, less consistent, increases in spending on casino gambling and NZRB products.
73. In recent years, total gambling expenditures nationally have been steady in nominal \$ terms, but have declined significantly in real \$ terms.
74. For the three TLA areas comprising the principal Casino patron catchment, total expenditures on NCGMs and the NZ Racing Board have both declined marginally over the past decade, while expenditure on Lotteries products has increased substantially. Overall, the level of expenditure in non-casino modes of gambling fluctuated a little but did not change substantially between the beginning and the end of the period.
75. Incorporating data on Casino gambling expenditure during this period reveals that the level of total gambling expenditure per year remained virtually constant in nominal \$ terms, with the exception of two years - 2009/10 and 2010/11 - when it was almost ten per cent less.

Businesses that provide goods or services to the Casino

76. In the most recent financial year, the Casino purchased goods or services from 251 companies throughout the country. Of these, 63% were based in Christchurch, a further 6% in the Canterbury region, and the remaining 31% elsewhere in New Zealand.
77. Christchurch companies operate across a range of sectors including Food and Beverage supplies, Professional services, Technical services, Building services, Hotel accommodation, Uniforms and various Consumables.
78. The majority of the companies surveyed have been part of the city and regional economy for more than three decades, and many have long-established business relationships with the Casino, spanning one or two decades.

Community organisations receiving financial support from the Casino Charitable Trust

79. Over the twenty-three years covered by the reports of the Christchurch Casino Charitable

Trust, the Trust has made total distributions of \$3,765,000 (averaging \$163,700 per year) to 93 community organisations in a variety of categories, namely Church organisations, Telephone & other Counseling Services, Community Support Agencies, Education & Youth Agencies, Specialist Support Services and Research Agencies

80. Two organisations have received grants every single year since the Charitable Trust began making distributions; two others every year except one; and one other every year except four. Apart from these examples of sustained, long-term support, many other organisations (19) have received continued support over a period of five years or more, while at the other end of the spectrum, 32 organisations received support only on an occasional basis (1 or 2 years only).
81. In the most recent financial year, the Casino provided corporate sponsorships to seventeen city and regional organisations including major sports and recreational organisations, major cultural organisations, organisers of major community events, and organisations working in the voluntary sector and the business community. In the last three financial years corporate sponsorships ranged between \$404,000 and \$673,000 in total.
82. Collectively, these organisations work for the benefit of hundreds of thousands of city and regional residents as well as visitors to the city.
83. Hundreds of local community groups also receive fund-raising assistance to the total of \$30,000 to \$40,000 annually from the Casino via one of several mechanisms being: subsidised fund-raising events hosted at the Sixty6 on Peterborough venue and distributions of vouchers to Casino restaurants.

Assessment of social impacts

Overview of social effects

84. Assessment of the social effects of the Christchurch Casino is based on a consideration of numerous groups of people who have some kind of association with the operations of the Casino. These include -
 - Casino visitors/patrons,
 - the households and social networks of Casino patrons,
 - the social agencies which provide support services to Casino patrons and Affected Others,
 - local residents who live in the vicinity of the Casino,
 - the owners and employees of neighbouring businesses in the vicinity of the Casino, and tourism businesses,
 - Casino employees and their households,
 - the owners and employees of businesses which provide goods or services to the Casino,
 - the beneficiaries of organisations which receive grants from the Charitable Trust or sponsorships from the Casino, or which receive fund-raising assistance from the Casino.

Entertainment at the Casino

85. The 2012 NGS found that almost two-thirds of respondents gave 'entertainment' as a reason for their gambling at casino table games or EGMs, a level of response that had been increasing steadily over the previous two decades.

86. While the responses differed somewhat by ethnicity, at least half the respondents in all ethnicities gave 'entertainment' as a reason for their casino gambling activities.
87. Analysis of the carded play of Players Club members at the Casino has identified four distinct categories of gamblers. The four categories are (A) those not observed as displaying risky gambling behaviours, (B), those for whom initial risks were observed, (C) those where risk identification was escalated, and (D) those who self-excluded themselves or were excluded from the Casino by the Host Responsibility Executive as a result of high-risk behaviour. Their gambling behaviours are distinguished both in terms of the frequency of their gambling and in terms of the typical amount of money they spent during each visit.
88. The Casino's 2016/17 Host Responsibility data suggests that 94.7% of those patrons who gambled, did so without risk of harm, while the adjusted 2012 NGS data suggests that 92.3% gambled without risk. Applying these percentages yields a mean estimate of 72,100 who gambled at the Casino without harm. Along with the estimated 14,700 who visited the Casino but did not gamble, this implies a total of 86,800 individual resident New Zealanders who enjoyed entertainment without experiencing harm at the Christchurch Casino in the most recent 12-month period.
89. This assessment has found both quantitative and qualitative data that give a strong indication of the nature and extent of the entertainment function provided by the Casino. Two independent sources of data both indicate similar levels of harmless and harmful gambling at the Casino. Given the relatively stable patterns of gambling participation and gambling expenditures in recent years, the estimate of 86,800 resident New Zealanders enjoying entertainment without harm at the Christchurch Casino in a recent 12-month period provides a reasonable indication of the numbers of people who enjoy this social benefit.

Casino direct employment

90. When casinos were first legislated for in New Zealand, employment-related objectives included the creation of additional employment, the quality of the jobs created, the permanence of those jobs, and the level of skills associated with employment. The first review of New Zealand casinos (in 1998) also expressed interest in the type of employment being offered (e.g. full-time vs part-time) and the accessibility of the work opportunities to women and youth. These considerations draw attention to the role of training, the nature of the work environment, the career opportunities and the concept of work-life balance.
91. The exit interviews and the survey of current staff enable a more in-depth assessment of effects experienced by the Casino's staff, covering aspects such as training opportunities, future employability, the nature of the work environment, and the benefits and social disadvantages of their Casino work.
92. The gender mix in the total Casino staff in 2017 (57% female and 43% male) is almost identical to that observed by AIGR in 1997. Access to employment opportunities at the Casino for women has clearly not declined, nor does gender appear to be a strongly determining factor in the range of jobs accessible to women at the Casino.
93. The distribution of male and female staff across the major departments in 2017 has changed somewhat to that observed 1997. Female staff still form a significant majority in Food and Beverage (70%) but this is no longer the case in Gaming where male staff (52%) slightly outnumber female staff (48%). Another notable change is that female staff (65%) now significantly outnumber male staff in the Finance department, although male staff (70%) still outnumber female staff in Security and Surveillance.

94. As in other sectors of the economy, the total Casino workforce has become relatively more casualised since the late 1990s. Furthermore, the extent of casualisation differs markedly between males and females. However, the survey of current existing staff found that a large majority (85%) of those who were previously in some form of relatively precarious employment or unemployment had gained secure full time positions at the Casino.
95. Length of service is evenly spread across short-term, medium-term and long-term periods of employment, with 34% of current employees having worked at the Casino for less than two years, while 24% have worked there for between 11 and 23 years. Significant cohorts with 15 years (10 staff), 20 years (11 staff) and 23 years service (18 staff) indicate an organisation with a considerable level of staff commitment and institutional memory.
96. Annual staff turnover for the whole organisation in the past three years varied between 28% and 36% of total staff numbers. There is considerable variation in turnover rates across different departments in the Casino. The relativities observed by AIGR twenty years ago persist. Administration and Gaming remain the most stable departments, with Security relatively stable as well, while Food and Beverage continues to experience relatively high levels of staff turnover, year after year.
97. CCL records indicate that people currently employed at the Casino are well spread geographically around the City in terms of their place of residence. Employment at the Casino can therefore be said to be directly supporting to some extent the social and economic activities of about 480 households across the City.
98. Employee feedback on the quality of training provided by the Casino over the past four years has been consistently positive, both for specialist Host Responsibility training and for training needs generally. The staff survey revealed that very few individuals have not gained new work-related skills since starting work at the Casino. The Casino training opportunities mentioned most frequently were management and supervisor training, host responsibility training, training in various gaming activities, Health & Safety and First Aid training, computer training, customer service training and hospitality training.
99. In similar vein, very few staff (5%) envisaged no career opportunities at all and almost four out of five staff perceived 'moderate' to 'a great deal' of career opportunity at the Casino. The survey of existing staff found that three-quarters perceived themselves as more employable as a result of their work experience at the Casino.
100. Staff exit surveys over the past four years indicate that a large majority of staff (89%) rated the Casino as a positive work environment, while even more (96%) rated it as a safe work environment.
101. While almost three-quarters express satisfaction with their pattern of hours of work, responses from existing staff reveal a significant minority who find that their hours of work do not suit their lifestyle expectations, particularly reflected in the loss of time spent with family and friends, the limitations placed on other social activities outside work, particularly sporting activities, as well as disruption to sleep and associated health impacts. Although comparative survey data for other similar businesses has not been found, it is unlikely that these types of response are exceptional for people working in the hospitality sector where shift work and changing shift schedules are the norm.
102. A large majority of respondents to the staff survey (77%) acknowledged a range of non-wage/salary benefits as a result of their employment at the Casino, including free or subsidised medical insurance, free meals at work, which saved individuals both money and the

time needed to prepare their own meals, and free shuttles from work at the end of a shift.

103. A significant majority (58%) also pointed to social disadvantages of their Casino-related employment, mainly related to the impacts of shift work and unusual hours of work - the negative impact on time spent with partners, family and friends, and especially the sacrifice of missing important family events or special occasions. However, there is no suggestion that casino employment experience reported by the staff compares unfavourably with similar employment experience elsewhere.

Casino indirect employment and local business benefits

104. Some service providers have a business relationship that is typically episodic rather than continuous, while other providers of goods or services supply on a regular basis.
105. The survey of 40 companies carried out for this assessment found that the scale of company revenue associated with their Casino-related business activities is not insignificant. While almost half the respondents (45%) reported 2% or less of their annual revenue comes from the Casino, 18% reported in the range 3-5% of revenue, 13% reported in the range 6-10% of revenue, and another 13% reported more than 10% of their annual revenue.
106. Of the eight hospitality businesses which have established close to the Casino in Victoria Street, all but one confirmed that the Casino's presence had influenced their choice of location, and reported that they typically gained about 10% of their annual revenue from Casino-related custom (either staff or patrons).
107. The Input/Output modelling carried out for this assessment found that, in addition to 450 FTEs employed directly by the Casino, the company's purchases of goods and services within the local and regional economy currently supports a further 140 FTEs, an increment of some 31% in the total employment generated and therefore a similar increment in the number of households supported by this income.
108. A significant number of companies expressed the view that their business relationship with the Casino was significant because -
- it supported the viability of the company (55%),
 - it has enabled their company to develop new products, new services or new areas of work (38%), and
 - the association with the Casino brand was useful for their marketing (43%).
109. In addition to the revenue benefits, several of the nearby hospitality businesses in Victoria Street commented on the positive influence of the Casino's security systems for safety in the area.

Benefits associated with the activities of funding recipients

110. A large number of community organisations, both large and small, receive financial assistance from the Casino via various mechanisms - distributions made by the Christchurch Casino Charitable Trust, corporate sponsorships and the fund-raising opportunities via events at Sixty6 Peterborough Street or the allocation of vouchers to Casino restaurants.
111. For Charitable Trust distributions, the actual dollar level of support did not necessarily adequately reflect the significance of the contributions to their organisations. The fact that for some the contributions were consistent (i.e. received on a yearly basis) was also significant and

appreciated.

112. The benefits of the Casino Charitable Trust donations to the organisations relate to their increased ability to pay for operating costs and to provide services to their clients and the community. Several commented on the benefits to their organisations of being able to network with other like-minded organisations through the Casino connection.
113. It was estimated that in total, over 41,000 people benefitted annually from the services provided via the Charitable Trust funding.
114. The financing environments for organisations receiving corporate sponsorship from the Casino vary markedly. In total, commercial sponsorships account for between 7% and 70% of the funding for the various sports organisations, 25% to 65% for the community events, and ~20% for the cultural organisations. The range of sponsorships from the Casino tended more towards the larger end of the spectrum than was the case with Charitable Trust distributions.
115. In some cases, the sponsorship funds went into their general funding pool for core operations, and were therefore not targeted at particular activities or initiatives.
116. Some sporting organisations targeted the funds at coaching, junior development programmes; community engagement and welfare programmes, and academies and schools programmes, noting that the numbers of players, coaches, umpires and parents involved in the region numbered between 20,000 and 30,000.
117. Cultural organisations devoted their sponsorship funds to extending their community engagement programmes and putting on performances for a wider range of audiences, noting their regional audience reach in the order of 100,000.
118. Those involved in organising community events devoted their sponsorship funds to event operational costs such as traffic management, citing a typical event with 4,500 entrants.
119. The Chamber of Commerce said the funds were used to deliver two 'meet the PM' luncheons, attended by 440 members.

Problem gambling harms and related effects

120. This section has three main components -
 - a qualitative description of the nature of problem gambling and the dimensions of gambling-related harm;
 - a quantitative assessment of the extent of problem gambling that may be associated with the Christchurch Casino, and the extent of corresponding gambling-related harms to third parties ;
 - a discussion of the effectiveness of Christchurch Casino's evolving Host Responsibility Programme.
121. Harm from gambling can include, among other things, relationship breakdown, depression, suicide, reduced work productivity, job loss, bankruptcy, and various types of gambling-related crime (including family violence and crime committed to finance gambling). There are also 'ripple effects'; that is, harms can and often do extend beyond gamblers to encompass family members, whanau, friends, employers, colleagues and whole communities.
122. Based on CCL data, we estimate 4,089 'at-risk' gamblers (including low-risk, medium-risk and

- high-risk gamblers) in a 12-month period. The corresponding estimate based on 2012 NGS data is 5,941, a difference of 45%.
- 123.
124. The difference in estimates of high-risk gamblers is 17% and in estimates of moderate-risk gamblers is 29%, while the difference in estimates of low-risk gamblers is higher at 58%.
125. The fact that the difference is greatest for low-risk gamblers may reasonably be attributed to several possible factors: (i) the probability that patrons playing Casino EGMs are at somewhat less risk of unobserved harm than those playing non-casino gaming machines in less well supervised venues, (ii) the likelihood that observing low-risk gambling behaviour anywhere involves a greater degree of uncertainty, and (iii) the likelihood that those with the highest level of gambling risk - Maori and Pasifika - are under-represented amongst the Casino patrons based on the survey of Casino visitors carried out for this assessment.
126. In summary, given the uncertainties associated, an overall difference of 45% and a difference for high-risk gamblers of only 17% suggests that the "orders of magnitude" are appropriate, particularly for high- and moderate-risk gamblers.
127. The 2012 NGS found that the risks associated with gambling are higher for some ethnicities, particularly Maori, Pasifika and Asian people. However, direct data for the numbers potentially harmed by gambling at the Casino, including data for the three levels of gambling risk, do not exist.
128. The NZ Harms Study found that, while fewer Maori and Pasifika gamble, if they do gamble they are more likely to develop gambling problems. The research also found that Maori and Pasifika gamblers tend to have a higher average spend than others. There is particular cultural pressure on ex-patriot Pasifika.
129. The same research found a number of factors which influence the likely level of risk and harm for Asian gamblers - having significant discretionary cash, limited English language skills, disconnection from their families, and a reluctance to seek support outside their families.
130. In the context of the Christchurch Casino's principal domestic patron catchment, the higher rate of population-level gambling risk for these ethnicities is substantially reduced by the much lower proportions of these ethnicities in the local population than the national population. As a result, by comparison with national population figures, this assessment has estimated the incidence of harmful gambling by Maori is 45% lower, by Pasifika is 64% lower, and by Asians is 34% lower while a greater proportion of harmful gambling locally (up 16%) is by European and other ethnicities.
131. The most relevant data available is from MoH help-seeking data, citing the Casino as the preferred mode of gambling, and from the Casino Host Responsibility data identifying the ethnicity of those excluded. These numbers may well be a reasonable indication of the numbers of high-risk gamblers at the Casino, though they do not include adequate consideration of moderate-risk and low-risk gamblers of various ethnicities.
132. While the numbers of Maori and Pasifika gamblers seeking help for Casino gambling are similar to the numbers of Maori and Pasifika exclusions from the Casino, this is not the case for East Asian gamblers, which may be attributed to the lack of a cultural tradition of seeking support outside the family.
133. There are difficulties in attempting to quantify the scale of harms to third parties. Discussions with AUT researchers pointed to two approaches to quantification.

134. The Australian Productivity Commission (APC, 1999) analysis provides the basis for estimating the numbers of 'significant others' who are likely to be affected by the actions of problem gamblers. Using this approach we estimate that the number of 'significant others' affected by problem gamblers at the Casino to be between 2,315 and 2,700 if a multiplier of 5 is applied, and between 4,630 and 5,400 if a multiplier of 10 is applied.
135. The NZ Harms Study attempts to quantify the societal level of total harms. That study estimated for all modes of gambling throughout New Zealand that 514,360 people are harmed each year by someone else's gambling. The research has not attempted to differentiate these harms quantitatively between different modes of gambling. If we combine this estimate with data from the Ministry of Health on help seeking by family/affected others, we estimate 5,500 such other individuals each year are affected by gambling at the Casino. This figure is only 2% above the range estimated using the higher APC multiplier.
136. In the absence of other empirical data, this would appear to be an upper-end estimate of the number of individuals harmed by someone else's gambling at the Casino. However, it does not differentiate between the three levels of risk and the corresponding nature and scale of harm to "affected others". In summary, there is far greater uncertainty associated with quantitative estimates of "family/affected others" irrespective of the data source used.
137. Reviewing the Casino's problem gambling-related reporting measures over the past four years suggests that the Casino is improving its effectiveness in identifying at-risk gamblers as early as possible. Nevertheless, the significant number of low-risk gamblers estimated at 2,546 per year, even by the Casino's own data, suggests that there is still scope to improve the effectiveness of the Casino's Host Responsibility programme and procedures.
138. The most recent Mystery Shopper exercise concluded that the three casino businesses in New Zealand (SKYCITY, Christchurch and Dunedin) have put considerable focus on harm minimisation practice since 2014, and noted a significant change in culture with a stronger focus on preventing and minimising harmful gambling.
139. Nevertheless, the failure of either Casino staff or the surveillance programme (Servizio) to detect a patron engaging in six hours of continuous play is a noteworthy incident. Nevertheless, lessons have been learned and adjustments made to the Servizio programme. Several other changes have also been instituted, involving both additional staff resources and investments to improve software support for better detection of problem behaviours.
140. The minutes of the Problem Gambling Liaison meetings held over the past two years reveal the following themes -
- the effectiveness of HR training and HR procedures has been a regular topic of discussion, noting (in April 2016) the increase in HR reports and HR interventions;
 - an on-going focus on research and innovation in HR systems and practices; and
 - training initiatives associated with a new Induction Manual and 2-year refresher courses, and the advent of staff training on Alzheimer's Awareness and Suicide Awareness.

Crime and other undesirable behaviours

141. In their 1998 report, the AIGR researchers concluded that whilst fears were expressed prior to the opening of casinos regarding connections between casinos and crime in New Zealand, in 1995 there was little evidence to support these fears.

142. At that time, the Police reported that they initially expected a considerable number of criminal incidents to occur in and around the Casino. However the anticipated increase did not eventuate and after a few months of operation, the Police radically cut down their routine visits to the Casino.
143. On the matter of crime committed to fund gambling, the AIGR researchers commented that relevant data have proved extremely difficult to obtain, a situation which persists to this day.
144. The average annual number of Reportable Incidents alleged over the past 16 Calendar Years has been at a rate of ~0.034% of all visits to the Casino. Corresponding data provided by the Department of Internal Affairs on its completed investigations into such reports, suggest even lower rates of actual incidents.
145. The corresponding average annual number of Police Incidents over the past 16 years has been 9, indicating that Police Calls For Service by the Casino have occurred at the negligible level of one incident for every 78,000 Casino visits, averaging fewer than one per month.
146. These findings suggest that while the small number of Casino patrons willing to attempt criminal or undesirable behaviour each year may have increased very slightly, the Casino management has in place programmes and procedures to identify and respond appropriately.
147. It would appear that the rate of incidents reported has remained extremely low during the entire period the Casino has been in operation. Those agencies responsible for overseeing regulatory compliance with the Gambling Act, and also with overseeing general good order view the Casino as a well managed, responsible and responsive organisation.

Neighbourhood amenity effects

148. The potential effects of the Casino on neighbourhood amenity which have been raised in consultation for this assessment focus on its influence on the choice of location by other businesses, the access to entertainment and hospitality outlets for nearby residents and the adverse effects on residential amenity and good order in the neighbourhood resulting from undesirable alcohol-related behaviours.
149. The critical question for this assessment is the extent to which the Casino is responsible for these effects.
150. The Casino has been present for 23 years. For the first 17 years, there were no records of complaints by any nearby residents regarding the impact of the behaviour of Casino patrons on residential amenity values.
151. The Police statistics for Southern Victoria Street indicate clearly the extent to which Calls For Service (CFS) to the Alcohol Harm Team increased significantly in the years after the earthquakes.
152. The changing levels of intoxication in public areas over time were also reflected in the number of cases where the Casino refused entry on the grounds of intoxication.
153. Since the earthquakes of 2010 and 2011, the Casino has found itself part of a business cluster with a very different character. For 2-3 years, the Mashina Bar was operating as a nightclub till 3am, a short-term response to a significant city-wide social demand in post-quake Christchurch, due to the lack of other entertainment offerings in the Central City. As such, the

Casino came to be seen as part of the late-night economy that collectively had a significantly deleterious effect upon neighbourhood night-time amenity values.

154. The Casino no longer contributes directly to the activities that continue to cause residential amenity loss. Nevertheless, there are some nearby residents who hold the Casino at least partly responsible for the overall longer-term change in local residential amenity values because of the locational choices of other businesses.

Social effects of no licence renewal

155. The closure of the Christchurch Casino would likely result in a significant number of people - perhaps between 31% and 50% of those who currently gamble on Casino EGMs - transferring their appetite for gambling to other, less well-regulated modes of gambling.
156. The expected changes in gambling mode suggest it is highly unlikely that the closure of the Casino will result in a substantial decrease in the extent of gambling-related harms. The overall outcome from a closure of the Casino - in terms of the extent of harm avoided - is highly uncertain.
157. The potential employment effects and the corresponding effects on the households supported by these jobs after closure of the Casino will change over time.
158. It is likely that all 450 FTEs and 140 indirect and induced FTEs will be lost initially on Casino closure, although this situation may not persist for long. Ultimately, the extent of lost employment is assessed at 90 FTEs, allowing for growth in other sectors as Casino spending is transferred elsewhere.
159. The implications for future neighbourhood amenity if the Casino closes are simply uncertain. Factors other than the future of the Casino are likely to be more influential.

1 INTRODUCTION

1.1 Assessment required by the Gambling Act

The Gambling Act 2003 states the following requirements regarding a casino impact report -

s134 Application for renewal of casino venue licence

- (1) *The holder of a casino venue licence may apply to the Gambling Commission to renew the licence.*
- (2) *An application under subsection (1) must be -*
 - (a) *made in the period that is at least 1 year but not more than 2 years before the date on which the licence is due to expire; and*
 - (b) *on the relevant form; and*
 - (c) *accompanied by a casino impact report.*
- (3) *A casino impact report must be prepared by a person approved by the Commission as independent of the applicant, and must -*
 - (a) *report on the expected social and economic effects on the local and regional areas affected by the operation of the casino, and on New Zealand generally, of -*
 - (i) *the continued operation of the casino; and*
 - (ii) *the closure of the casino; and*
 - (b) *report on matters identified by the Gambling Commission.*
- (4) *The Gambling Commission may specify the research to be undertaken in preparing a casino impact report.*
- (5) *The applicant for renewal of a casino venue licence must pay for the casino impact report.*

s136 Information and matters to be considered

Before deciding whether to renew a casino venue licence, the Gambling Commission must consider -

- (b) *the casino impact report*

s137 Renewal of casino venue licence

- (1) *The Gambling Commission must not renew a casino venue licence unless it is satisfied -*
 - (c) *renewing the licence will result in a net benefit -*
 - (i) *to the local and regional communities around the casino; and*
 - (ii) *to New Zealand generally.*
- (2) *In assessing whether there is a net benefit, the Gambling Commission must consider -*
 - (a) *the social and economic effects of granting, or refusing to grant, the renewal; and*
 - (b) *the level of support for the application, including the result of any poll conducted by the local authority; and*
 - (c) *the nature and standard of the casino facilities.*

Christchurch Casino Limited was notified of the Gambling Commission's approval of the two consultants on 11 November 2016.

1.2 Approach to this assessment

The two principal strands of the required assessment - social and economic - have been co-ordinated by the consultants, resulting in a single Casino Impact Report.

The investigations have been staged in several phases, as follows -

- (i) Scoping Phase: aimed at clarifying the scope of the assessment in terms of the range of impacts to be assessed and the methodologies to be adopted. (November 2016 - February 2017)
- (ii) Main Assessment Phase: aimed at preparing a Draft Casino Impact Report for client and stakeholder review. (February - August 2017)
- (iii) Feedback Phase: aimed at allowing stakeholders to critique the preliminary findings in the Draft Casino Impact Report prior to the client lodging its licence application. (September - October 2017)
- (iv) Final Reporting: including responding to stakeholder feedback as appropriate. (October 2017)

The assessment approach adopted a participatory process, facilitating and involving direct inputs from a wide range of relevant stakeholders. Reflecting a commitment to evidence-based assessment, this assessment incorporates a variety of sources of relevant evidence, including primary and secondary sources, both quantitative and qualitative in nature. Such a multi-method approach reinforces the validity of the results. The informed consent of participants and attention to confidentiality for individuals were also important considerations for this assessment.

1.2.1 Scoping Phase

Since it was almost two decades since the most recent casino licensing occurred in New Zealand, we have conducted a literature review focused on providing “guidance on the appropriate scope (potential social impacts) and methods to be used in the subsequent social impact assessment.”¹ The literature search was international in scope with a particular focus on Australasia and literature generated after (but not limited to) the year 2000. The report on the literature review was submitted to the Gambling Commission in February 2017.

Regarding the potential scope of social impacts, an important issue identified in the literature review is the need to acknowledge that the concept of ‘impacts’ embraces both positive and adverse social impacts. On the positive side of the ledger, potential social impacts include effects experienced by -

- casino visitors/patrons - locals as well as tourists,
- neighbouring residents,
- neighbouring businesses,
- casino employees,
- businesses which provide goods or services to the Casino,
- organisations which receive grants or sponsorships from the Casino, or which receive fund-raising assistance from the Casino.

¹ Morgan, B 2016. Literature Review of the Social Impacts of Casinos. Prepared for the Christchurch Casino as part of the Christchurch Casino Social and Economic Impact Assessment Report. November 2016. p.1

On the negative side of the ledger, potential social impacts include effects experienced by -

- casino visitors experiencing problem gambling to any degree,
- others associated with problem gamblers (family members, household members, friends, employers, employees, creditors,...),
- social agencies providing services to problem gamblers,
- neighbouring residents,
- neighbouring businesses.

In respect of assessment methodology, the literature review revealed the importance of adopting a multi-method approach, incorporating the use of qualitative, quantitative, primary and secondary data and facilitating genuine stakeholder (community of interest) involvement. In practice, this would include many (if not all) of the following -

- **Document review** (e.g. previous casino impact studies; relevant research; casino licence conditions; casino Host Responsibility policy statement; CCC CPTED reports; Gambling Commission reports; DIA audit reports;);
- **Site visits and direct observation** of the Casino and its surrounding neighbourhood;
- **Secondary data analysis** (e.g. CCL's visitor/Club data; National Gambling Survey; problem gambling data from service providers and CCL; MoH problem gambler help-seeking data; CCC GVP documentation; Census demographic data; Police incident mapping; residents association data;);
- **Structured surveys** (primary data) of Casino visitors; Casino staff; supply-chain businesses; recipients of Casino grants/sponsorships; businesses operating in the vicinity of the Casino
- **Key Informant interviews** with Casino managers/staff, relevant CCC department representatives, service providers, other public agencies.....;
- **Focus Groups** (e.g. neighbouring residents; gambling researchers; CCL Host Responsibility personnel;);
- **Reference Groups** (e.g. Problem Gambling Liaison Group; CCC representatives;)

Scoping discussions were held with the following stakeholders -

- Christchurch City Council (Strategic Policy, Alcohol Licensing, Metropolitan Community Advice/CPTED and Legal divisions);
- Salvation Army OASIS Gambling Treatment Centre;
- Canterbury and Christchurch Tourism;
- DIA Gambling Policy Unit/Inspectorate;
- Ministry of Health Harm Minimisation and Monitoring;
- Crown Public Health, Canterbury;
- NZ Police, Christchurch;
- Victoria Neighbourhood Association; and
- Health Promotion Agency.

Telephone contact was also made with the Problem Gambling Foundation, both Christchurch and Auckland offices.

1.2.2 Main Assessment Phase

Social impact assessment

The range of methods described in Section 1.2.1 above have been employed in this assessment in order to provide a high level of engagement with stakeholders and interested parties.

Feedback from the Gambling Commission's independent peer reviewer:

Feedback from the peer review of our proposed assessment process that was commissioned by the Gambling Commission was received on 15 June 2017. At this point in time, at least half the assessment work had already been completed. Nevertheless, it is worth noting the peer reviewers conclusions -

"In summary, I feel confident that the approach outlined in the Scoping Report has the potential to produce an evaluation report that reflects the international principles. The proposed methodology appears to be comprehensive and there would appear to be appropriate sources of data available (although approval to use it can sometimes take time or not be forthcoming). My main suggestions for additions relate to a bit more focus on: particular social or cultural groups and the impacts of the Casino on them; some focus on the nature and quality of the employment generated; appreciation of the product mix of the Casino's gambling activities and its impacts on patrons; the links between gambling and alcohol; and, the broader extent to which the Casino improves people's perceived quality of life in the areas proximal to the Casino. Do they generally have a positive attitude towards it?"

This assessment has sought to address these matters.

Surveys:

Surveys of Casino visitors and Casino staff elicited 658 and 158 responses respectively. The survey of Christchurch businesses providing goods or services to the Casino achieved 40 responses². The survey of community organisations receiving grants from the Christchurch Casino Charitable Trust achieved 20 responses³. The survey of 17 Christchurch and Canterbury organisations receiving corporate sponsorships from the Casino in the past three years achieved 14 responses⁴. The survey of businesses operating in the vicinity of the Casino along Victoria Street and adjacent streets achieved 16

² During the 2016-17 financial year, 251 businesses provided goods or services to the Casino. The assessment team sought to interview 50 (i.e. 20%) of these businesses - all those whose business transactions exceeded a threshold figure - and achieved 40 such interviews, a response rate of 80%.

³ Since its inception in 1995, the Christchurch Casino Charitable Trust has made distributions to 89 community organisations in Christchurch and Canterbury. Since 2011, 46 organisations have received such grants. The assessment team sought to interview 10 organisations which had received grants almost every year since the Trust began, and a further 12 organisations which had received grants most years since 2011, a total of 22 organisations or 48% of all recent recipients. The team achieved 20 such interviews, a response rate of 91%.

⁴ 17 organisations have received corporate sponsorships consistently over the past three years, including 11 related to sports and recreation and 5 related to arts and culture. The assessment team sought to interview all these organisations and achieved 14 such interviews, a response rate of 82%

responses⁵.

Key informant interviews and focus groups:

Semi-structured interviews, small group discussions or email exchanges were held with the following -

- Department of Internal Affairs – Gambling Policy Unit; Casino Inspectors
- Ministry of Health – research group
- Auckland University of Technology – gambling research group
- Crown Public Health, Canterbury
- Christchurch City Council – Strategic Policy, Gambling Venue Policy, Alcohol Licensing, Crime Prevention Through Environmental Design (CPTED), Research group
- Christchurch & Canterbury Tourism
- NZ Police - Metro Crime Squad and Alcohol Harm Reduction Unit
- Salvation Army/OASIS counselling centre
- Problem Gambling Foundation
- Victoria Neighbourhood Association (residents association east and north of the Casino)
- ICON (residents association west and south of the Casino)
- Etu Pasifika - Services for Pacific Families
- Pasifika communities representative
- Te Runanga of Ngai Tahu
- He Waka Tapu Trust, Health and Social Services provider
- Mahaanui Kura Taiao
- Nga Hau e Wha - counsellor
- Christchurch Chinese Community representative
- Christchurch Guangdong Association representative
- Christchurch Indian Association representative

Similarly, within the Casino organisation itself, detailed discussions were held with -

- the Chief Executive and his Personal Assistant
- the Risk & Compliance manager
- the Host Responsibility Executive
- the Security & Surveillance manager
- the Food & Beverage manager.
- the Business Analyst

In total, more than 110 businesses and community organisations in Christchurch have contributed to this assessment activity. These are listed in Appendix A.

⁵ The primary geographic focus was on businesses (14) operating in the two city blocks between Kilmore and Salisbury Streets. However, since local business collaborations in recent years have also involved businesses north of Salisbury Street, some of these businesses (2) were also interviewed.

Principal sources of secondary data:

These include the following -

- Ministry of Health:
 - Help-seeking data (e.g. Gambling Helpline) on preferred mode of gambling; with sub-national data and breakdown by ethnicity.
- Auckland University of Technology:
 - National Gambling Survey data on gambling participation and gambling risk (2012);
 - NZ Harms research (2017) - harms experienced by gamblers and by 'affected others'
 - Australian Productivity Commission report on social and economic impacts of gambling (1999)
- Casino Control Authority:
 - Previous Casino Social Impact Assessments (SIAs) in New Zealand (1998)
- Department of Internal Affairs:
 - Class 4 venues data on number of venues, number of machines and visitor spend, nationally and by Territorial Local Authority (TLA);
- NZ Lotteries Board:
 - data on expenditure trends on Lotteries products in the Casino principal catchment
- NZ Racing Board:
 - data on expenditure trends on NZRB products in the Casino principal catchment
- Christchurch Casino Limited:
 - employee demographics,
 - Players Club data (demographics, visitation patterns, spend);
 - Host Responsibility incident and reporting data;
 - Security & Surveillance incident and reporting data.
- Christchurch City Council:
 - business statistics for hospitality precincts;
 - Provisional Local Alcohol Policy (LAP) reports;
 - Gambling Venue Policy-related research;
 - Crime Prevention through Environmental Design (CPTED) reports for the Casino area.
- Statistics NZ:
 - Usually-Resident population – immediate neighbourhood,
 - demographics for region, city and neighbourhood.
- Victoria Neighbourhood Association:
 - local 'census' data on quake effects on UR population,
 - community log of residential amenity effects of hospitality precinct activities.

Economic impact assessment

See Section 4.1 for an explanation of this.

1.2.3 Feedback Phase

A Draft Casino Impact Report containing provisional findings was completed on 1 September 2017 and provided to the senior management and Board of Christchurch Casino Limited. The consultants had made a presentation to the Problem Gambling Liaison Group meeting held on 30 August focusing specifically on the assessment and findings about social harm from gambling at the Casino.

Relevant sections of the draft report were sent to the following for review and comment -

- DIA - Casino inspectorate,
- Police - Metro Crime Squad and Alcohol Harm Reduction Unit,
- CCC - Policy Analyst, Strategic Policy Unit,
- CCC - Senior Alcohol Licensing Inspector, Regulatory Compliance,
- representatives of both residents' associations - VNA and ICON.

Feedback discussions were held with senior management and the Board of CCL on Friday 15 September. A presentation was made to relevant CCC staff⁶ on Wednesday 11 October.

While minor editing was required, no changes were necessary to the substantive findings of the Draft Report as a result of the feedback exchanges.

1.3 Report structure

The remainder of this report is structured in the following way -

- Section 2: explains the institutional environment in which the Christchurch Casino operates;
- Section 3: describes the principal Casino licence conditions relevant to this social and economic impact assessment, and the historical and contemporary Casino operations;
- Section 4: describes the assessment of economic impacts;
- Section 5: describes the social environment (context for the Casino) and key relationships between the Casino and the city and region;
- Section 6: describes the assessment of social impacts.

⁶ Notification was organised by the Chief Executive's PA and included: Team Leader Policy, Senior Policy Analyst and Policy Analyst (Strategic Policy Unit), Team Leader Alcohol Licensing and Senior Alcohol Licensing Inspector (Regulatory Compliance), and Principal Advisor Urban Regeneration.

2 INSTITUTIONAL ENVIRONMENT FOR THE CHRISTCHURCH CASINO

2.1 Gambling Commission

The Gambling Commission is an independent decision making body set up under the Gambling Act 2003. It considers casino licensing applications, hears appeals on gaming machine and non-casino gaming machine licensing and enforcement decisions, consults on and recommends gambling levy rates⁷.

2.2 Department of Internal Affairs

The Department of Internal Affairs⁸ administers and enforces casino and non-casino gambling in New Zealand and works with the gambling sector and problem gambling treatment providers to help minimise harm. It also produces annual gambling expenditure statistics, disseminates news and information, and consults on proposed changes to gambling regulation.

The Department of Internal Affairs gathers and publishes gambling expenditure data from the Electronic Monitoring System and gambling operators for the four main types of gambling (TAB and sports betting, lotteries, non-casino gaming machines, and casino gaming)⁹.

2.3 Ministry of Health

The Ministry of Health¹⁰ is responsible under the Gambling Act 2003 for funding and coordinating problem gambling services. In order to carry out this function, the Ministry is required to produce an integrated problem gambling strategy focussed on public health. The strategy must include measures to promote public health by preventing and minimising gambling harm, services to treat problem gambling, independent research on gambling, social and economic impacts, and evaluation¹¹. The current strategy¹² sets out a framework for the structure, delivery and direction of Ministry funded problem gambling services and activities. It also outlines the Ministry's relationships with key stakeholders and organisations who deal with problem gambling. The Ministry's Three Year Service Plan¹³ sets out current funding for problem gambling related services.

⁷ http://www.gamblingcommission.govt.nz/gcwebsite.nsf/wpg_URL/About-Us-Index!OpenDocument

⁸ <https://www.dia.govt.nz/Gambling>

⁹ https://www.dia.govt.nz/diawebsite.nsf/wpg_URL/Resource-material-Information-We-Provide-Gambling-Expenditure-Statistics

¹⁰ <https://www.health.govt.nz/our-work/mental-health-and-addictions/problem-gambling>

¹¹ <http://www.legislation.govt.nz/act/public/2003/0051/latest/DLM210255.html>

¹² Preventing and Minimising Gambling Harm Six Year Strategic Plan 2010/11 - 2015/16.

¹³ Preventing and Minimising Gambling Harm: Three Year Service Plan and Levy Rates 2013/14 - 2015/16.

2.4 Health Promotion Agency

The Health Promotion Agency (HPA)¹⁴ is a Crown entity established in 2012 to lead and support national health promotion issues, including efforts to minimise gambling harm. In particular, HPA works to increase awareness of early indicators of gambling problems, increase monitoring of gambling behaviours, increase early self-help behaviours, and increase safer gambling help practices in gambling venues. It does this through media campaigns to educate the public, assisting frontline gambling services, and research and evaluation. It is funded by alcohol and problem gambling levies.

2.5 Agencies providing support for problem gamblers

These include the Gambling Helpline as well as a range of counselling and treatment services.

2.5.1 Gambling Helpline

The Gambling Helpline is a free 24-hour service that offers help to those with gambling problems or to those who are worried about somebody else's gambling. It has a general 0800 number and other 0800 numbers for specialist advice (Maori Gambling Helpline, Pasifika Gambling Helpline, Youth Gambling Helpline, Gambling Debt Helpline). The helplines offer support, encouragement, counselling, referrals, self-help tools, online chat forums, literature and information.

2.5.2 Problem Gambling Foundation of New Zealand

The Problem Gambling Foundation of New Zealand¹⁵ is Australasia's largest problem gambling treatment provider, offering information, free confidential phone and face to face counselling, and support groups. As well as a general 0800 number, it also has an Asian Family Hotline and Mapu Maia, a Pacific counselling team. It is a non-profit organisation funded by the Ministry of Health through gambling levies.

2.5.3 Salvation Army OASIS Centres for Problem Gambling

The Salvation Army Oasis Centres¹⁶ offer free confidential support, education, and counselling for those affected by gambling and their families; and public health services such as policy development, supporting safe gambling environments, awareness raising and education, and strengthening communities.

2.5.4 Gamblers Anonymous

Gamblers Anonymous¹⁷ is a 12-step programme that offers weekly meetings for people experiencing harm from gambling.

¹⁴ HPA website: <http://www.hpa.org.nz/what-we-do/minimising-gambling-harm>; HPA's dedicated gambling website - 'Choice not Chance': <http://choicenotchance.org.nz/#slider=0>

¹⁵ <http://www.pgfnz.org/>; Christchurch clinic: 15a Stanley Street, Sydenham, ph: 0800 664 262/03 379 2824.

¹⁶ Christchurch Oasis Centre, 126 Bealey Avenue, Christchurch 8013, ph: 03 365 9659, email: oasis_christchurch@nzf.salvationarmy.org

¹⁷ <http://www.12steps.nz/12-step-programs/gamblers-anonymous/>

2.6 Gambling research

The Gambling and Addictions Research Centre is part of the National Institute for Public Health and Mental Health Research within the Auckland University of Technology. It carries out research that "increases the understanding of how gambling and addictions affect society, and enhances policy and professional practice"¹⁸.

¹⁸

<https://niphmhr.aut.ac.nz/research-centres/gambling-and-addictions-research-centre>

3 THE CHRISTCHURCH CASINO

3.1 Introduction

This section seeks to describe the development history of the Christchurch Casino (“the Casino”), the current operations of the Casino, and the intentions of Christchurch Casino Limited for the Casino’s future development as at the present time. It also summarises the statutory licence requirements which determine the manner in which the Casino is designed and operated.

3.2 Casino Licence conditions

Christchurch Casino operates under two licences - a Casino Premises Licence issued under section 31 of the Casino Control Act 1990, and Casino Operator’s Licence issued under section 37 of the Casino Control Act 1990.

3.2.1 Casino Premises Licence.

The full wording of this licence is provided in Appendix B

Under this licence, the holder is required to -

- (1) maintain design details and seek approvals for any changes to these design details, with an assessment of impacts the alterations may have;
- (2) ensure that gambling activity is not visible from outside the Casino Venue, and that there is provision for generation of emergency power to maintain in situations of an interruption to mains power minimum services to the Gambling Area, and lighting in highly sensitive areas such as count rooms, surveillance suite, cashiering locations and gambling equipment storerooms;
- (3) notify the Inspectorate with a minimum of 3 days notice in writing any intention to use an Additional Gambling Area;
- (4) ensure that the count room is located in a secure area and shall, as a minimum requirement, provide effective electronic surveillance in accordance with the Surveillance Standard;
- (5) ensure that the cashier's cage is located immediately adjacent to the gaming floor and is clearly visible to patrons, and meets other specified minimum design requirements;
- (6) provide facilities within the Casino Venue for the use of Gambling Inspectors and the Police.
- (7) support the Christchurch Casinos Charitable Trust;
- (8) provide notification about any changes in the state of affairs of the Licence Holder and ‘associated persons’;
- (9) allow for an audit of the casino business at any time and seek approval for its own independent auditors;
- (10) not open an overseas bank account without formal approval;

(11) provide any information relating to the operations of the Casino, CCL and associated persons to the Commission on request;

(12) allow Commission staff or any other authorised persons to enter and remain on the premises at any time.

3.2.2 Casino Operator's Licence.

The full wording of this licence is provided in Appendix C

Under this licence, the holder is required to -

(1) abide by limits on the number of gaming machines and gaming tables, and the ratio of gaming machines to gaming tables;

(2) operate at least two table games whenever the casino is operating;

(3) operate only gaming tables, game types and games mixes specified in the licence, and must obtain prior approval to change these or create new wagering opportunities;

(4) operate in accordance with approved floor layouts showing positions of gaming tables and gaming machines, and obtain approval before changing such layouts;

(5) operate no more than 4 ATMS in the venue, which must be located outside the Gambling Area and Additional Gambling Areas, and are limited to dispensing no more than \$50 per transaction except as approved in writing by the Commission;

(6) refrain at all times from using mobile EFTPOS terminals or like devices in the Gambling Area or Additional Gambling Areas;

(7) provide formal notification to the Commission of the installation or relocation of all ATMs and EFTPOS terminals in the casino venue;

(8) provide security and surveillance equipment and facilities in the Gambling Area and Additional Gambling Areas, and surveillance areas which shall at all times meet and may exceed the Surveillance Standard, and seek the prior approval of the Commission before installing new equipment;

(9) ensure that the cashier's cage is located immediately adjacent to the gaming floor and is clearly visible to patrons, and meets other specified minimum design requirements;

(10) ensure that the Casino is operated in compliance with its Host Responsibility Programme, which is to be publicly available on its website, and should address a range of matters specified by the Commission;

(11) provide annual reports to the Commission on the implementation of the Host Responsibility Programme and any amendments;

(12) comply with the Advertising Standards Authority Code for Advertising Gaming and Gambling;

(13) not permit intoxicated persons to gamble in the casino;

(14) notify the Commission of any change in the state of affairs of the licence holder and shall notify the Commission in the event that the licence holder or an associated person of the licence holder is involved in any offence involving dishonesty, bankruptcy, or other relevant investigation;

(15) allow for an audit of the casino business at any time and seek approval for its own independent auditors;

(16) not open an overseas bank account without formal approval;

(17) provide any information relating to the operations of the Casino, CCL and associated persons to the Commission on request;

(18) submit for the approval of the Commission samples of gaming guides authorised for distribution to patrons, patron video tapes, films depicting casino play, and a submission stating the odds and house advantage on bets permitted in each authorised game;

(19) if requested by the Commission, provide training in handling money and chips, maintaining gambling equipment, providing security and surveillance services, and supervising or managing any of these functions;

(20) allow Commission staff to enter and remain on the premises at any time.

3.3 Current Casino operations

3.3.1 Casino establishment

Christchurch Casino is located in the Central Business District (CBD) of Christchurch, New Zealand. The 4,087.5m² Casino was New Zealand's first when it opened on 4 November 1994. The original premises application for the Casino sought approval for 30 gaming tables, 350 gaming machines, and a large Keno area.

3.3.2 A brief history of ownership

Christchurch Casinos Limited (CCL) became an incorporated company on 27 February 1992, the same year that construction of the building began. In November 1994 it opened for operation as New Zealand's first casino. It was a joint venture principally between Aspinall (NZ) Limited, (European-based Casino operators) and Skyline Enterprises, (New Zealand-based Hospitality and Tourism company) which both held a 46% shareholding in Christchurch Casinos Limited. The remaining 8% was held by a handful of minority shareholders.

On 29 June 2004, Sky City Entertainment Group announced that it had settled the acquisition of the Aspinall (NZ) Limited shareholding in Christchurch Casinos Limited. The deal marked the end of an era for Aspinall. Skyline Enterprises had opposed Sky City's purchase and had attempted to purchase the Aspinall shareholding itself. The acquisition was motivated in part by the 2003 Gambling Act which prohibits the opening of any new casinos in New Zealand.

In December 2012 after several months of negotiations, Skyline Enterprises purchased Sky City's share in Christchurch Casino giving Skyline Enterprises full control of the Casino, (the minority shareholdings had been purchased prior to this by both Skyline and Sky City leaving each with an effective 50% ownership). Of Skyline shareholders, approximately 93% are New Zealand citizens¹⁹.

3.3.3 Operational changes over time

As noted above, the original premises application for the Casino sought approval for 30 gaming tables, 350 electronic gaming machines (EGMs), and a large Keno area. It later also introduced an electronic racing simulation called The Racing Game. The number of tables and gaming machines were increased over time, obtaining approval to increase the number of tables and machines from 35 and 350 respectively on opening to a peak of 37 tables and 506 machines in August 2000 (in addition to Keno and the Racing Game).

As at 19 September 2003, the day after the date of Royal Assent of the Gambling Act when the gambling opportunities were fixed, there were 500 EGM's 34 tables, Keno and The Racing Game in operation. Keno and The Racing Game were retired in 2007 in favour of 2 tables, one for each of these games. The formal gambling opportunities have remained unchanged since this date and are for 36 tables and 500 gaming machines.

Other operational changes include -

- purchase of the Georgian Antiques Building in 2006 to create an additional 80 car park spaces;
- major refurbishment of the Gallery Café in 2006; over the next few years the Main gaming

¹⁹ South Island - 83.14%; North Island 9.61%; Overseas - 7.25% - CCL data, 27 November 2017.

floor and Grand Café were also refurbished;

- the Monza Sports Bar was created for the Rugby World Cup in Sept 2011 out of the Gallery Café;

- the Mashina Bar/night club was established in October 2013, using the lower basement - previously a car park area. When operating as a bar/night club, Mashina remained open till 3am²⁰. This facility has subsequently become a function and events venue and was re-branded as Sixty6 on Peterborough in July 2016. In its present mode of operation, events at the venue typically close no later than 1am;

- purchase of the old Laycocks site for additional car park spaces in Sept 2015; and

- purchase of 72 Salisbury Street in September 2017.

3.3.4 The effect of the Canterbury earthquakes

The earthquakes that hit Canterbury have had a significant effect on the business and the operation of the Casino. It had previously operated 24 hours a day, seven days a week (24/7). The 22 February 2011 earthquake saw the CBD closed and a "red zone" created into which public entry was denied. As a consequence of this zoning, rather than any material damage to the building, the Casino was forced to close for the period 22 February to 25 May 2011, (96 days). By the time the Casino was able to re-open, following a shift of the "red zone" boundary, its staff numbers had halved from well in excess of 500 to approximately 240.

The Casino was the first major entertainment business to re-open in the Central City after the February earthquakes. Like the anchor projects listed in the Christchurch Central Development Unit Rebuild Plan, the operator describes its re-opening as intended to give other businesses the confidence to re-open or re-build. Its re-opening also gave the greater Canterbury community a "safe" entertainment venue to begin their journey back to normality. The process of returning to normal continues. The Casino is not yet back to 24/7 operations. However the number of staff employed is again approaching 500.

3.3.5 Patterns and trends in Casino patronage

Several data sources have been used to gain a picture of the recent patterns and trends in Casino patronage. The Casino collects data on the numbers of people visiting every hour of every day that the Casino is open. The Casino also has detailed data on the visits by Casino Players Club members who have chosen to use their Club cards²¹ - hereafter referred to as 'carded Players Club members'.

Total patron numbers

It is important to distinguish between the number of individual visits to the Casino and the number of individual visitors to the Casino over any given time period. As described in more detail below, many Casino patrons will tend to visit on multiple occasions. Indeed, on the basis of the behaviours of

²⁰ See also Section 3.3.12 for information on the StreetSafe initiative.

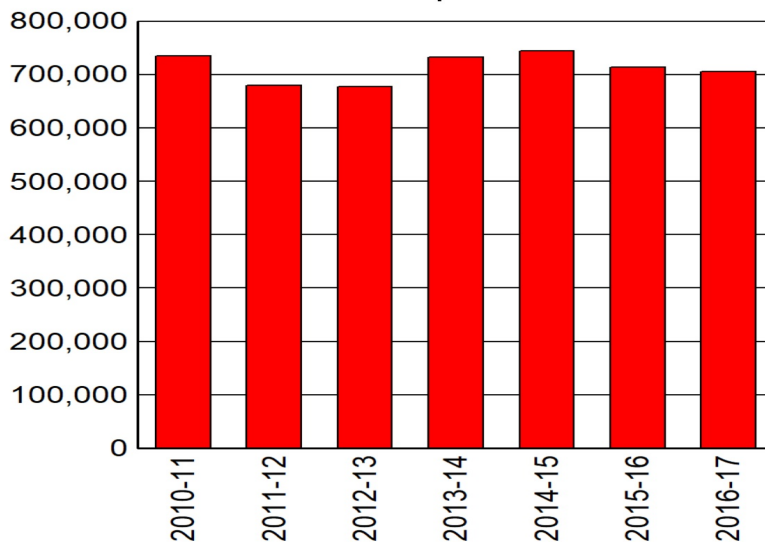
²¹ Carded Players' Club members account for 42% of all Casino visitors and 65% of all gambler expenditure on EGMs at the Casino. Pers.Comm. 5 July 2017.

'carded Players Club members'²², on average, these visitors made 12 separate visits to the Casino during the period between April 2016 and March 2017. The frequency of patron visits is discussed in more detail below.

Annual patronage - 2011 to 2017:

Based on total daily visitor numbers, the total number of visits annually has been fairly constant over the past six years, ranging from a low of 680,000 in 2011-12²³ to a high of 745,000 in 2014-15, a variation of less than +/-5% over the period, as shown in Figure 3.1.

Figure 3.1 Annual Casino Patronage - 2011-2017



Monthly

patronage - April 2016 to March 2017:

Based on the same data set, monthly patronage numbers displayed a slight rise in December and a relative decline at the height of summer, as shown in Figure 3.2

Daily Casino visitor numbers - January to March 2017:

Based on the same data set, the variation in daily visitor numbers indicates a strong cyclical, weekly pattern, with the number of daily visitors usually greatest on Fridays and Saturdays and least on Mondays and Tuesdays, as shown in Figure 3.3. In January and February, peak visitor numbers are typically twice the corresponding number of visitors on relatively quiet days, while in March the ratios are closer to three-to-one.

²² At 31 March 2017 there were 28,180 such 'carded Players Club members'. However, only 23,654 of these members were active gamblers in the last financial year (April 2016 to March 2017).

²³ Note that the Casino was closed for just over one month during the 2010-11 year and for just under two months during the 2011-12 year. This is the 96-day period described in section 3.3.4.

Figure 3.2 Monthly Casino patronage - April 2016 to March 2017

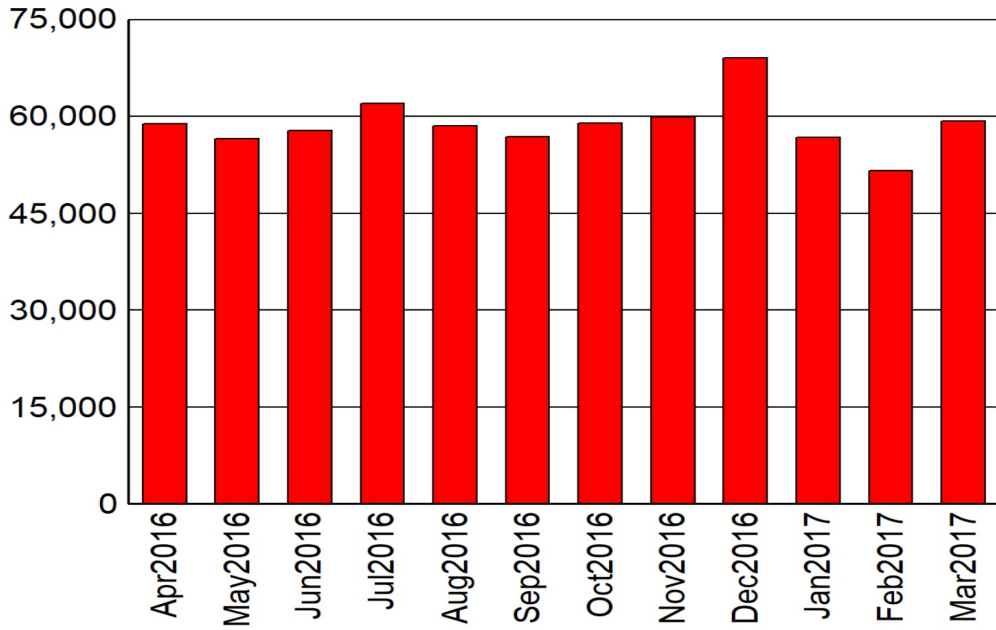
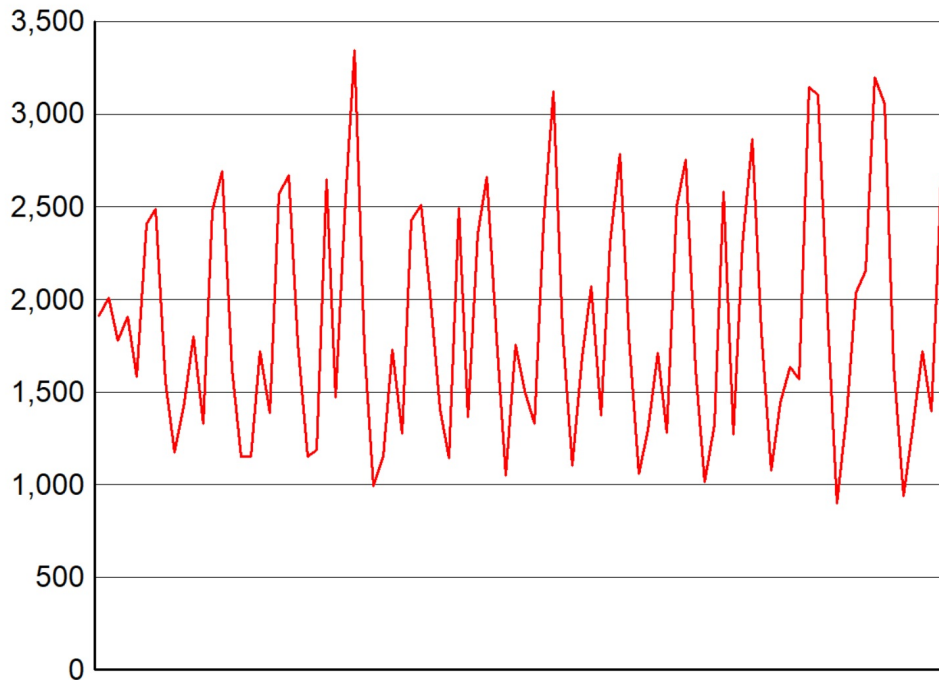


Figure 3.3 Daily Casino visitor numbers - January to March 2017



Frequency of patron visits and corresponding typical levels of patron spend

Based on data representing the behaviour of 23,654 individual 'carded'²⁴ Players' Club members during the 12-month period from April 2016 to March 2017, it is evident that almost two-thirds (64%) of these patrons visited the Casino no more than four times in the previous 12-month period, and almost nine out of every ten members (89%) visited the Casino at a frequency of once per fortnight or less. It is also evident that 6% of these patrons visited more frequently than once per week. Indeed, 23 of these patrons averaged five visits to the Casino per week throughout the year, the highest individual frequency being 360 visits in one year.

Expressed in another way, those patrons who visited the Casino only once during the previous 12-month period accounted for 34% of all the carded Players Club patrons, but only 3% of all the visits (gambling episodes) by carded Players Club patrons. Similarly, those patrons who visited the Casino at a frequency of no more than once per month over the previous 12-month period accounted for 81% of all the carded Players Club patrons, but only 21% of all the visits by carded Players Club patrons.

Casino refusals for entry

The Casino seeks to enforce certain standards of dress and behaviour by those on its premises. In addition to screening arrivals at the Casino on the basis of age, in order to prevent under-age gambling, visitors can be and have been refused entry on the basis of dress, level of intoxication and displaying undesirable behaviour which might upset other patrons. By far the greatest number of refusals are associated with the level of intoxication, as demonstrated in the following three graphs (Figure 3.4), all drawn to the same vertical scale. Furthermore, the greatest number of intoxication-related refusals is invariably on Friday and Saturday nights.

3.3.6 Current Casino operations (as at January 2017)

At present, the Casino operates 36 tables and 500 EGMs in its gaming spaces. The tables have a variety of game mixes approved for use, the most common of which include Blackjack, Roulette, Baccarat, Money Wheel, Tai Sai, together with a number of forms of Poker.

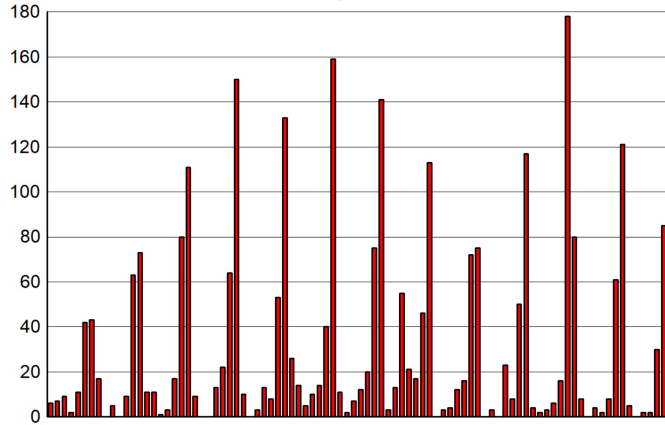
Other entertainment facilities operating within the Casino building include -

- the Grand Café is the Casino's largest restaurant and caters for 140 guests, depending on the style of dining;
- the Chi Kitchen is an authentic Cantonese restaurant and can accommodate 50 guests, again depending on the style of dining;
- as the name suggests, the Monza Sports Bar is a more relaxed dining option and has a capacity for 105 guests, with a further 32 seats in the Atrium.

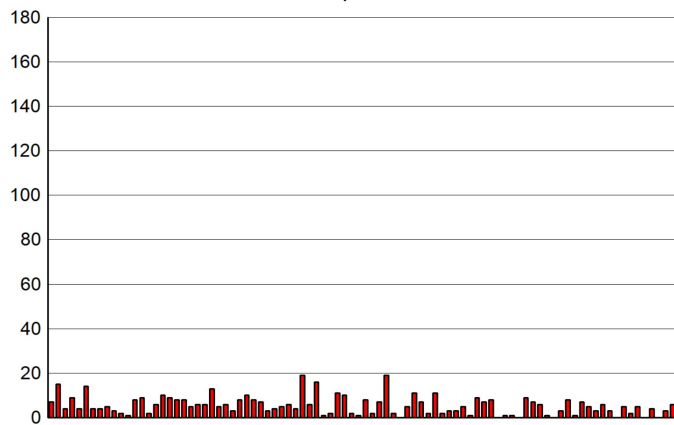
²⁴ Players Club members are issued with their own unique cards. Using these cards when they gamble enables the Casino operator to monitor their gambling behaviour - the number of their visits, the timing of their visits and the amount of money they win or lose at the Casino.

Figure 3.4 Daily Refusals for Intoxication, being Under-Age, and Inappropriate Dress - January to March 2017

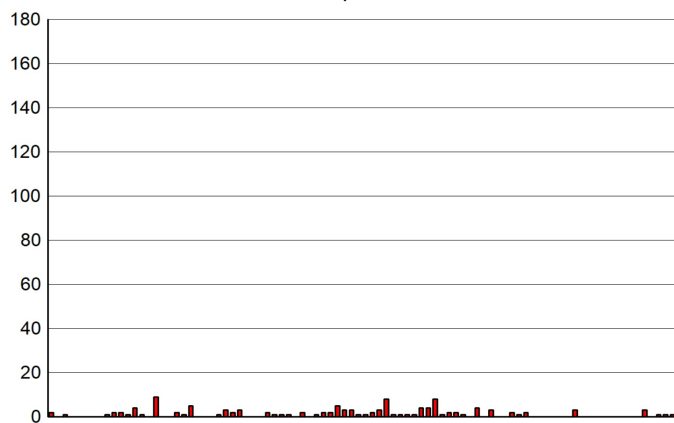
Intoxication



Under Age



Inappropriate Dress



- the Valley Bar services the gaming areas of the Casino. There is limited bar seating for 34 guests; and

- Sixty6 on Peterborough is a specialist function venue. It can accommodate almost any type of function e.g a cocktail party of 430, a theatre-style event for 350, or a sit- down dinner for 300. In the eight-and-a-half months²⁵ since the venue opened in mid-2016, there have been 97 events hosted by the Casino, involving a broad range of local community organisations, schools, sports clubs and local businesses, and attended by a total of 12,850 people, averaging 132 attendees at each event. While some events are fund-raisers²⁶, many merely involve use of the venue on a commercial basis. For the Financial Year to 31 March 2017, the venue hosted 28,179 guests.

The Casino operates 16-hour days Monday to Thursday (11am to 3am) and 24-hour days Friday to Sunday, and on public holidays.

As at 1 April 2017, the Casino employed 478 people, including 154 in the Gaming division and 155 in the Food and beverage Services division. A full breakdown of Casino staff is provided in Appendix D.

The Casino administration offices are divided across two nearby locations: 30 Victoria Street and 338 Durham Street.

3.3.7 Host Responsibility Policy and Programme

Christchurch Casino Host Responsibility Policy

Host Responsibility at Christchurch Casino has evolved continually since opening in 1994. Even in the early days the Casino had a Host Responsibility Policy. Under this policy Casino management introduced a self-barring program which was a precursor to such action being legislated for in the Gambling Act 2003 and this provided for problem gamblers to self-identify and bar themselves from the Casino. The Gambling Act of 2003 brought with it a significant change from the previous Casino Control Act 1990. While both ensured the integrity and fairness of gambling, The Gambling Act 2003 re-directed the focus away from one of promoting tourism and jobs to one of controlling the growth of gambling and minimising any potential harms.

In these early days of its operation, the Casino interacted with a broad grouping of community agencies interested in promoting responsible gambling practices, known as Community Action for Responsible Gambling (CARG²⁷).

In January 2007 the first Host Responsibility Manager was appointed by the Casino to give full effect to the intent of the Gambling Act. CARG meetings were replaced with Problem Gambling Liaison Meetings (PGLM), reflecting the Casino's changed responsibilities in terms of ensuring responsible

²⁵ Data are for 8 September 2016 till 21 May 2017.

²⁶ See Section 5.7.3 for details.

²⁷ By 2006, the members of CARG included NZ Police, Christchurch City Mission, Abacus Counselling, a general practitioner, Christchurch City Council, Gambling Advisory Services, Salvation Army OASIS centre, Odyssey House, Prisoners Aid Rehabilitation Society, Rata Counselling Centre, Problem Gambling Foundation (Asian Services), Familial Trust, Community Probation Service, PR South Ltd, as well as representatives from the Casino. Other organisations were sometimes co-opted to attend meetings - Department of Internal Affairs, Ministry of Health, Woodlands Trust, He Oranga Pounamu. Pers.Comm. 13 July 2017.

gambling and harm minimisation under this new Act.

Until 2009, the Casino operated a Responsible Gaming Programme, which became the Host Responsibility Programme (HRP²⁸) in 2009, placing further emphasis on harm minimisation. In practical terms, its intent is to ensure the venue provides a safe gambling environment, as well as requiring the Casino to facilitate the safe use of gambling products and the responsible consumption of alcohol by its customers. Furthermore, the Casino's HRP contains a number of reporting provisions and is reviewed every two years by the Gambling Commission.

In January 2015, the role of Host Responsibility Executive (HRE) was created, replacing the former manager role and relocating the direct reporting line from within Risk & Compliance to the Security and Surveillance Department. This move provided more operational connectedness with other employees who are a key part of the Host Responsibility Programme's day to day operations. This new appointment was intended to raise the profile of Host Responsibility and reinforce a staff culture around customer care.

Christchurch Casino Host Responsibility Programme

Staff involvement and methods of observation:

All staff at the Casino can contribute to the success of the HRP and certain staff have specific responsibilities. Front-of-house staff on the gaming floor, including those from both the Electronic Gaming Machine (EGM) and Tables areas and those in the various food and beverage outlets have direct contact with Casino patrons. All front-line staff have the opportunity to observe customers' behaviour at close quarters. Individual gaming activity can be monitored directly for all Players' Club members who use their membership card. For patrons not using membership cards, gaming behaviour can be monitored by tracking the duration of play and the level of play on individual EGMs. Staff in the Surveillance Department observe patron behaviours remotely through closed-circuit television. They are constantly looking out for indicators of problem gambling or intoxication, unusual or suspicious behaviours by patrons, as well as the possible presence of minors in the Casino. They also maintain oversight of staff, ensuring compliance with all policies, procedures and regulatory requirements.

Staff training:

Various levels of staff training are provided in order to equip Casino employees to meet their host responsibilities effectively. All employees undergo a one-hour Host Responsibility Induction course, while all licensed²⁹ employees are required to attend an all-day training course, addressing Problem Gambling Awareness (PGA), the Responsible Service of Alcohol (RSA), and Anti-Money Laundering (AML) procedures. All Food and Beverage employees must complete an additional 3-hour RSA training course, while Food and Beverage Team Leader, managers and supervisors undergo Level 2 PGA training. Specialist training in Advanced Host Responsibility is a requirement for Gaming Floor Managers and Shift Managers and Security Shift Managers addressing problem gambling interventions and the systems in place to support such interventions.

All regular training has been brought in-house, enabling its continuous development in response to

²⁸ The most recent April 2016 version of the HRP is provided in Appendix E.

²⁹ 'Licensed employees' refers to those individuals who hold a Certificate of Approval (COA) issued by the Dept of Internal Affairs (DIA) to work in a casino and in relation to gaming – including Surveillance, Gaming, Security, Cash Desk, Customer Services (Players Club) Desk, Technician, and some administrative staff..

recent practical experience, and its efficient delivery to more employees. The Casino HRE believes that such in-house training provides for more targeted, relevant and recent material. All in-house Host Responsibility training is developed by the HRE with the assistance of other employees and managers. Finally, all employees must now undertake a 2-hour refresher course in the Responsible Service of Alcohol and in Problem Gambling Awareness every two years.

Additional training in recognised and emerging areas of importance has also been introduced via external facilitators³⁰. Alzheimer's, suicide, stress and disability awareness training is now delivered periodically to a growing number of employees from across the Casino's operations. First delivered in 2015 to Security Shift Managers, Gaming Shift Managers, Host Responsibility and other senior managers, it is to be repeated in 2017.

According to the HRE, more employees are receiving more Host Responsibility and related training than was the case two years ago.

Information materials:

The Gambling Act (2003) requires the casino operator to exclude problem gamblers from its premises. Further, the Harm Prevention and Minimisation Regulations (2004) require the casino operator to provide information to any patron when harm from problem gambling is suspected. Information about potential problem gambling includes: signs of problem gambling, exclusion options and the support services available, and may be in either verbal or written forms.

Written forms of this information and other Host Responsibility messages include -

- the Playsafe/Drinksafe brochure entitled "Your Guide to Enjoying Christchurch Casino" is available throughout the Casino, in particular, at the Cash Desk, where it is given out whenever a patron has a cash card declined;
- information panels in the gaming areas and in the toilet areas;
- contact information for Gambling Helpline is on all EGM screens and on all gaming tables;
- information provided to Players Club members whenever they receive an upgrade in Club status;
- the small cards carried by staff members listing General Indicators and Strong Indicators of problem gambling, and signs of intoxication;
- a dedicated Host Responsibility (HR) section on the Casino's website;
- other signage around the Casino including digital displays and ATM screens; and
- messages on Christchurch Casino advertisements and promotional material.

The role of technology

"Servizio" is the name given to a 'mobile Host Responsibility alerts and reports tool' developed recently via a collaboration between Christchurch Casino and Bally Technologies. Servizio allows for real-time alerts to key staff around customers whose play is considered 'Continuous Play', whether they are

³⁰ Delivered by Lifeline Aotearoa.

using a loyalty card or not whilst playing an Electronic Gaming Machine. Servizio also assists with identifying customers who may have simply been in the Casino for long periods and allows for staff to make reports to Host Responsibility from their positions on the Gaming Floor, via the mobile device.

The Casino has also been working with Canadian-based company Focal Research to develop software that can help identify concerning patterns of play on Electronic Gaming Machines. The software uses complex algorithms to assess and compare an individual's play against other Christchurch Casino customers' and recognised patterns of potentially harmful play. The project has been underway since 2016 and is expected to go 'live' during 2017.

Casino staff are able to pass on information from their observations and interactions with customers via the introduction of an electronic reporting form, and such information is received by the key senior managers with oversight for Host Responsibility. This system was recently upgraded with its installation on more terminals throughout the premises, making the reporting process more efficient for staff.

Host Responsibility procedures:

Gambling and drinking behaviours are observed directly by any of the customer-facing staff at the Casino (including the Surveillance operators).

'Interventions' by general Casino staff or by specific Casino Host Responsibility personnel - e.g. the Host Responsibility Executive (HRE), Gaming Shift Manager, Gaming Floor Manager, Security Shift Manager, or another senior manager - can be triggered in a variety of ways, including -

- a written 'report' by staff, entered into the Host Responsibility Log, held within the Security Information Management Platform, a database for recording observations of patron behaviour;
- verbal communication from staff directly to an above listed manager for immediate intervention with the patron concerned, which is then noted in the written report;
- Servizio alerts - computerised monitoring alerts identifying individual behaviours that exceed certain threshold values for continuous play or level of play; these also assist in monitoring Persons Of Interest and detecting banned members;
- calls and/or information received from third parties, expressing concern about a patron's behaviour, and
- background analysis of all available data sources (e.g. Players' Club records, staff reports, etc.) on an individual patron over a period of time.

As a result of direct observations by staff or a Servizio alert, the first level of intervention is a direct approach by staff to discuss the customer's gambling, ascertain if help is wanted and to reinforce the Playsafe/Drinksafe messages. In cases where a higher level of concern is triggered, a more significant and immediate intervention is made by a Senior Operational Manager on duty to ascertain the degree of risk and discuss options for harm minimisation. In serious cases the options may include voluntary self-exclusion or casino-exclusion. As a result of reviewing an individual's history of observed behaviours at the Casino, specific interventions can take a variety of forms -

- a decision to classify the individual as a Gambler of Interest (GOI), and then to analyse all relevant historical information together with any further reports that result from the increased monitoring, and complete a further review at least monthly;

- a face-to-face meeting or a telephone interview with the patron aimed at identifying particular 'risk factors' or relevant 'protective factors', and where deemed appropriate, to discuss options of self-exclusion or casino-exclusion as a harm-minimisation measure.

Under the Gambling Act (2003), a self-exclusion order is issued -

- when a patron volunteers to self-exclude for their own personal reasons; or
- when a patron agrees to self-exclude, having been prompted by the Casino during an intervention.

A casino-exclusion order is issued -

- when a manager at the Casino determines that exclusion is necessary and the patron does not wish to self-exclude.

Exclusion from Christchurch Casino can be for any period up to 24 months. The HRE explained that 3-month exclusions generally reflect a 'first episode' situation and the 'potential for harm'. Re-entry to the Casino following a 3-month exclusion period requires a meeting and assessment by the Casino HRE.

Re-entry to the Casino following exclusion for any longer period (6-24 months) involves a mandatory course of problem gambling counseling, confirmed by a letter from the counselor, and a subsequent meeting and assessment by the Casino HRE. From the assessment of the patron at the re-entry meeting, the HRE may decline a re-entry application based on the continued risk of harm from any gambling allowed at the time. The patron in such cases will be required to apply for re-entry again at a later time.

Re-entry to the Casino always involves the requirement that the individual becomes a Players Club member and uses their membership card³¹ whenever gambling at the Casino. The membership card enables the patron to access the pre-commitment feature within the Casino Electronic Management System that allows a player to set their own limits for time and spend. The HRE noted that for the 2016 calendar year approximately 40% of such re-entry interviews resulted in the re-entry being declined. Those declined can and do vary dependent on the circumstance of each case; all are unique.

In terms of compliance with the Casino's HR obligations, it is important that the HRE be able to justify decisions made - to deem a patron as a Gambler of Interest or to exclude a patron from the Casino or to allow continued visits.

3.3.8 Security and Surveillance Programme

The Casino places emphasis on projecting itself as a safe and secure entertainment venue. In this context, maintaining a pleasant customer experience involves observing patron behaviours both outside and inside the Casino and intervening, via refusals prior to entry, warnings issued within the venue for behaviour related incidents or trespass notices issued when unacceptable behaviour occurs. Refusals prior to entry may be in relation to dress standards, age eligibility, intoxication or behaviour. Security staff provide a visible presence for guests while Surveillance staff monitor the interior and exterior of the premises via closed circuit television. Security and surveillance activities are allied closely to Host Responsibility activities.

³¹ Use of the Players Club card allows the highest level of scrutiny of the patron's gambling behaviour, resulting in the earliest intervention if required..

Front-line Security staff - those staff with face-to-face contact with patrons - observe patron behaviour first hand from the time they set foot initially inside the Casino to when they leave, having visited the gaming floor and/or the various hospitality areas within the Casino. Security Officers have several options for reporting incidents of unacceptable or undesirable behaviour: either verbally at the time by radio communication, or recording information via the intranet which is collated in a central log for staff to access. The Security department has access to a customer relations database which stores business information relating to Casino activities from all departments. Security incidents are entered into this system by the Security Shift Managers.

Based on the incidents recorded, the Casino provides monthly reports to the Department of Internal Affairs on the following matters -

- breaches of exclusion;
- breaches of trespass;
- children found abandoned while adults gamble;
- under-age people on the premises but not participating in gaming;
- under-age people participating in gaming;
- under-age people refused prize payment;
- alleged assaults in the gaming area;
- alleged begging;
- alleged cheating;
- cheating equipment located on a patron;
- counterfeit chips located or presented;
- counterfeit notes presented;
- alleged drug offences;
- alleged money laundering;
- suspected loan sharking; and
- alleged theft in the gaming area.

Security Officers regularly conduct external patrols of the adjacent car parks and Casino property and Surveillance staff conduct regular sweeps of the Casino on the lookout for banned or persons of interest.

Surveillance Operators and Security Officers receive specialist in-house training before they commence their role. They also require a Casino Certificate of Approval to be able to carry out their duties.

3.3.9 Responsible Service of Alcohol Policy

As will be evident from the preceding sections, the responsible service of alcohol (RSA) is an integral part of the Casino's overall Host Responsibility Policy and Programme.

For the past four years, the Casino has won the Award for Excellence in Host Responsibility, awarded by Hospitality NZ³² and sponsored by the Health Promotion Agency (HPA). The HPA manager promoting good practice in Drinking Environments visited the Casino following its most recent competition award to investigate the factors underlying the organisation's continued success. Commenting on the Casino's approach to host responsibility in the service of alcohol he noted that *"They really are 100%. They do everything right; everything is in place ... the Casino does not leave any gaps."* He made particular reference to the fact that the Casino's RSA training is not confined just to bar staff, but is a requirement for all staff, and also to *"the combined messaging about avoiding*

32

<http://www.hospitalitynz.org.nz/events/awards-for-excellence.html> The Casino won the same award in 2008

harms from alcohol and gambling” which is made widely available to patrons through the use of small, pocket-size cards and brochures³³.

As explained in section 3.3.11 below, the Casino has offered Host Responsibility training to staff of other hospitality businesses in Victoria Street, at the Casino’s cost.

The Casino is recognised by the Police as not being a significant contributor to the alcohol-related harms observed in the Victoria Street Entertainment and Hospitality Precinct (see further discussion in Section 6.3.2).

3.3.10 Relationship with counselling services for problem gambling

Two agencies in Christchurch have contracts with the Ministry of Health to provide gambling counselling. They are the Problem Gambling Foundation and the Salvation Army’s OASIS Centre.

When the Australian Institute for Gambling Research (AIGR) conducted a previous assessment of the social and economic impacts of casinos in New Zealand in 1998, they found³⁴ *“that a hostile and uncooperative relationship appears to exist between the New Zealand casinos and the CGS³⁵. In contrast, while they are critical of some aspects of casino operations, other service providers such as the CPG³⁶ and OASIS Centre report a cooperative and professional working relationship to address the issues.”*

In our consultation for this assessment, we found a similar, although much less extreme, difference persists between the attitudes of the two agencies than that reported in 1998. This may well be attributed to PGF’s commitment to its advocacy role for the regulation of gambling in this country.

The Casino convenes Problem Gambling Liaison Meetings three times a year. These are usually attended by representatives of both counselling agencies, as well as the DIA Casino Inspectors, and representatives of the telephone helpline services.

Minutes of these meetings over the past two years indicate that the sessions are used to provide updates on recent Host Responsibility activities, initiatives and reporting by the Casino; to discuss Host Responsibility issues and to receive feedback from counselling representatives.

Both counselling agencies acknowledge that these meetings are open to all their counsellors to attend - *“meetings are open and transparent - they always answer questions; they encourage all our staff to attend, not just me.”*; *“the Practice Leader and the Public Health Leader, and any new staff when they arrive”*.

Both counselling agencies also described other occasions when personnel from the Casino visit their

³³ The brochure, entitled “Your Guide to A Great Time Out - Play Safe/Drink Safe”

³⁴ AIGR, 1998, at p.122.

³⁵ CGS is the Compulsive Gambling Society, the forerunner of the Problem Gambling Foundation. CGS established in 1988 with funding from the New Zealand Lottery Grants Board. In 2001 The Problem Gambling Foundation succeeded the Compulsive Gambling Society, moving away from an addictions and medical-based philosophy to a public health approach, for which it has been a strong advocate ever since. <https://www.pgf.nz/about-us.html> accessed 24 August 2017.

³⁶ The full name is Salvation Army OASIS Centre for Problem Gambling (CPG).

agencies, or vice versa. For example, the Host Responsibility Executive³⁷ from the Casino has visited PGF to meet with staff and to process self-exclusions, and staff from both PGF and Oasis have visited the Casino to gain a better understanding of the gambling environment their clients experience.

The relationship between the Casino and these counselling agencies is described by Oasis as constructive - *"Considering our roles - open and honest; very professional; mutual; all their team are easy to work with - but not too close"* however *"we'll always be on the other side of the fence"*.

3.3.11 Relationships with businesses in the Victoria Street vicinity

The Casino has operated on its existing premises since opening in 1994. Given the disruptions that occurred with the earthquakes in 2010 and 2011, this section focuses on initiatives that the Casino has undertaken in the Victoria Street vicinity since 2011.

The Casino has on numerous occasions collaborated with other businesses in the Victoria Street vicinity, including -

- the Victoria Streetscape project,
- the StreetSafe initiative,
- assistance with parking spaces, and
- Host Responsibility training for other hospitality businesses.

These are described further below.

The Victoria Streetscape Project

The Victoria Streetscape Project was a project funded by several businesses in the Casino locality (including the Casino) aimed at revitalising and promoting the Victoria Street area post-quakes (2014-2016), and making an input into council planning for the area. The group was broad based, with attendances including more than 30 local businesses, another ten property owners, as well as Knox church, and several representatives from the Victoria Neighbourhood Association. A City Council representative also attended group meetings.

The group has been formalised into a Society, named Victoria District Incorporated, with its own set of rules and formal governance structure. The Casino contributed two members to the Executive Committee of nine, including secretarial services. The purposes, objects and functions of the Society include (inter alia) -

- to collaborate with the Christchurch City Council, the Canterbury Earthquake Recovery Authority, Ngai Tahu and with other business and community groups to restore and expedite the recovery of the Victoria District;
- to facilitate and coordinate the planning, rebuilding and recovery of the Victoria District and the businesses and communities in and around the Victoria District;
- to rally, procure, make available and encourage the businesses, professionals and communities in and around the Victoria District to assist the Christchurch City Council and the Canterbury Earthquake Recovery Authority to perform their respective roles in the recovery and rebuild of the Victoria District.

Several businesses including the Casino contributed finance totalling ~\$50k for hiring consultants, preparing branding initiatives and new developments (e.g Poet's Corner). Community submissions on

³⁷

Both the current Host Responsibility Executive and his predecessor.

design options were called for via a couple of drop-in sessions held at Sixty6 on Peterborough (i.e. at the Casino), and at Knox Church. Carparking capacity was a major issue.

Of the 14 businesses operating in the vicinity of the Casino which were interviewed for this assessment, 7 acknowledged their involvement in the Streetscape project, while three commented specifically on the Casino's support and initiative associated with the Project.

The Victoria StreetSafe initiative

This initiative was implemented by the Casino and other hospitality businesses in Victoria Street in 2013 as part of a collaborative Accord. This was at a time when the number of bars with late-night licences was increasing and the Casino and neighbouring residents were experiencing undesirable or anti-social behaviour by bar patrons - pre-loading, side-loading, urinating, noisy behaviour, etc. This initiative is described more fully in the following section 3.3.12. Of the 14 businesses operating in the vicinity of the Casino which were interviewed for this assessment, 7 acknowledged their awareness of the StreetSafe initiative.

Assistance with parking spaces

Given the perceived shortage of parking spaces servicing local businesses, and the prospect of future declines in parking capacity as currently vacant lots are built on, the Casino currently leases 36 carparks in its Peterborough Street carpark to business owners in Victoria Street and Durham Street. This arrangement was confirmed by four of the local businesses interviewed for this assessment.

Host Responsibility Training

As part of the effort by local businesses to promote Victoria Street as a premium quality hospitality destination, the Casino offered to provide other local hospitality businesses, at no charge, five sessions of Host Responsibility training, covering aspects such as control of the front door, cut-off times for serving alcohol, and managing intoxicated patrons. These five sessions were offered between July and November 2015. Of these five, three sessions were attended by a total of about 25 individuals from 7 hospitality businesses operating in Victoria Street.. A Senior Alcohol Licencing Inspector from the CCC and the Team Leader of the Police Alcohol Harm Reduction Unit attended and presented at one of these sessions.

This training took place during the period of the Victoria StreetSafe initiative described in Section 3.3.12 of this report.

Choice of business location

Of the 14 businesses operating in the vicinity of the Casino which were interviewed for this assessment, 9 confirmed that the existence of the Casino had influenced their choice of location. Seven of these respondents operate in the hospitality sector. Three of the 14 businesses acknowledged business dealings with the Casino involving either reciprocal customer arrangements or as supplier of services to the Casino.

3.3.12 Relationships with neighbouring residents

Overview

Two central city residential areas neighbour the Casino, each with its own long-established residents' association. Being located on the eastern side of Victoria Street, the Casino is perceived as being 'closer' to the Victoria Neighbourhood Association (VNA) area to the east and north than it is to the

ICON area to the west and south. In fact, it is Victoria Street itself which is the north-eastern boundary of the ICON area.

Nevertheless, the Casino management has had communications and exchanges with the VNA for some time. From the VNA perspective, such communications have been motivated primarily by its interest in maintaining the residential amenity and residential function of its area. There currently appears to exist a mutual "no surprises" understanding between the Casino and the VNA, which acknowledges that the Casino has consulted regularly with the VNA in recent years on a range of matters. The current Casino management is seen as being pro-active in working with the local residential community, and being *"responsive, even when he doesn't have to be"*. If there is a concern, it is that the current constructive relationship is very dependent on the current personalities involved - *"if these should change, what reassurance is there that the relationship would continue in this vein?"*

However, there has been no similar relationship with ICON, the residents' association to the west and south of the Casino. This was acknowledged by ICON representatives, who added that *"ICON members have never raised issues associated with the Casino - certainly never in recent memory, since 2011"*. Both parties met at the 2016 mediation on the Provisional Local Alcohol Plan and agreed to exchange information *"with a view to establishing better communications between the Casino and ICON in future (as you have done with VNA)"*.

Several initiatives by the Casino involving VNA members serve to exemplify the relationship between the Casino and the VNA, including -

- consultation over the intended re-purposing of the underground space;
- the Victoria StreetSafe initiative;
- the Victoria Streetscape project; and
- invitations to meals at the Casino.

Each of these is now described briefly.

Consultation on re-purposing the underground space

In August 2013, before the Mashina Bar opened in October 2013, the Casino management consulted with the VNA and other residents in the immediate area about its intended use of the underground space. The consultation - which was attended by about 40 residents - focussed on the space as primarily an events / function centre. Those consulted expressed no issues with using the space for events such as quiz nights, dinners, fund-raisers, etc. When the VNA subsequently consulted with its own members, no one saw this as an inappropriate use, which they reported back to the Casino management. However, when the Casino opened the Mashina Bar, it appeared to residents that the primary use was as a bar for younger people, which was a surprise. Although 'live music on Friday and Saturday nights' and 'bar trade' were mentioned during the consultation, those present had the impression - perhaps incorrectly- that the other uses would be the main focus. As explained later, in Section 6.3.3 of this report, the Mashina Bar closed in July 2016 and now operates as an events venue called Sixty6 on Peterborough.

The Victoria StreetSafe initiative

This initiative was implemented by the Casino and other hospitality businesses in Victoria Street in 2013 as part of a collaborative Accord. This was at a time when the number of bars with late-night licences was increasing and the Casino and neighbouring residents were experiencing undesirable or anti-social behaviour by bar patrons - pre-loading, side-loading, urinating, noisy behaviour, etc. The Casino had opened the Mashina Bar/nightclub in October 2013 in response to perceived post-earthquake demand, and also to address a growing problem for the Casino - the Casino was having to turn away 150-250³⁸ people at its front door on Friday and Saturday nights, because they did not meet Casino expectations for dress or behaviour, and this was beginning to deter some core clientele of the Casino by changing the atmosphere/ambience of the Casino entrance. While the Casino was able to control dress code and patron behaviour inside the Casino premises, it could not control the undesirable behaviour outside in neighbouring streets and vacant lots, fueled by pre-loading and side-loading activities. Nor could it avoid the lengthy queues of patrons reportedly waiting outside. In addition to the Casino's existing security patrols around the streets immediately adjacent to the Casino building³⁹, a group of Victoria Street hospitality businesses, including the Casino, engaged external contractors to provide night-time patrols in the wider neighbourhood of Victoria Street⁴⁰ (see Figure 3.5 below) and its environs on Friday and Saturday nights from 11.00pm to 3.30am.

These patrols were aimed at controlling the outdoor behaviours of bar patrons, keeping the surrounding streets clean and safe, and preventing loitering. As part of the Accord arrangements, communicated to the VNA by one of the bar owners at the northern end of Victoria Street, residents were to be provided with patrollers' contact numbers so that they could make direct contact if anxious about any undesirable behaviour in their street. The considerable delay (well over a year) in actioning this measure was not

³⁸ Casino records show that on Fridays and Saturdays in June, July and August 2010, the Casino averaged 3,056 patrons and 30 exclusions (1%). In 2012 the corresponding average figures were 3,038 patrons and 191 exclusions (6%). On one Saturday - 18 August 2012 - the Casino had 3,154 patrons and 413 exclusions (13%).

³⁹ Note that the Casino takes responsibility for cleaning the surroundings of its own premises - the triangle of Victoria/Peterborough/Durham streets. Casino security staff pick up bottles and rubbish in the carpark and Casino cleaners go out each morning cleaning up rubbish around the Casino perimeter including gutters.

⁴⁰ The main patrol area covered Victoria Street, Montreal and Durham Streets (between Victoria Street and Bealey Avenue) and Peacock, Beveridge and Conference Streets. If requested, the patrols would go further afield.

the fault of Casino management, who assumed the agreement had been carried out as intended. VNA members acknowledged the Accord and the presence of the patrols, but questioned, on the basis of their own monitoring records, how seriously they were implemented *"particularly in the northern sector of Victoria Street - more notional than real."* However, VNA also noted that *"the Casino maintained patrols in the southern sector longer than the other Accord partners in the northern sector"*.

The patrols ceased in August 2016 following the closure of the Mashina Bar.

The Victoria Streetscape project

This project has been described already in the previous section (3.3.11). Casino management was instrumental in ensuring that VNA became involved in the project, and also championed a particular initiative on behalf of the residents.

Invitations to Dinner and High Tea at the Casino

As a means of building better understanding about the Casino operation amongst neighbouring residents of the Casino, CCL invited members of the VNA to visit the Casino for a complimentary 'high tea' on 10 July 2015 and a half-price dinner in the Casino's Chinese restaurant on 13 August 2015. Twelve local residents attended the 'high tea' and 10 attended the dinner.

Figure 3.5: StreetSafe patrol coverage



3.3.13 Future development intentions

A combined hotel/carpark building is currently proposed⁴¹ on a site owned by the Casino across Peterborough Street to the north of the Casino. The building will contain 434 carpark spaces (an increase of 210 on existing site capacity) and 60 cycle parks and will be accessible 24/7 to members of the public, Casino patrons and hotel guests. The 10-level development is also expected to include conference facilities (600sq.m), retail outlets (400sq.m) and more food and beverage outlets (650sq.m)⁴².

CCL considers this a significant contribution to future central city carparking capacity. While consent application has been lodged with CCC, it is expected that the building would be completed in 2-3 years time at the earliest.

There is no intention to re-open the Mashina Bar/nightclub, since the venue has been re-purposed as Sixty6 on Peterborough events venue.

⁴¹ CCL is not proposing to build the building itself; rather to facilitate its development by making the current carpark land available for the development to proceed.

⁴² Source: CCL - The Peterborough Newsletter 1 - 2016.

4 ECONOMIC ASSESSMENT

4.1 Overview of Economic Assessment

4.1.1 Scope of the Economics Section

This section begins by summarizing the matters which the literature and the Gambling Commission-appointed peer reviewer suggest an economic impact assessment should cover, and then describes how this report addresses those matters.

Section 4.2 contains a detailed description of the way in which the Casino directly and indirectly affects the local and regional economies via its operations, the trade diversion effects of Casino visitors reduced spending at other businesses, and the impacts of the Casino on tourism. These individual impacts are calculated using Input-Output models, and then summed to give the net economic impacts of the Casino on the city and regional economies.

Section 4.3 contains a description of the ways in which the Casino might affect consumer and producer surplus, and estimates of the national macro-economic impacts on Real National Disposable Income. These estimates were obtained via the use of a Computable General Equilibrium (CGE) model which used actual operating costs of Christchurch Casino as a production function.

Section 4.4 describes the tax effects of the Casino from a central government perspective, including consideration of the effect of transfers to electronic gaming machines at the Casino from other Class 4 gaming premises, and the geographic distribution of the profits of the Casino according to place of residence of the shareholders.

The final section, 4.5, describes the effects of the Casino at a more nebulous, but nonetheless significant, societal level. It comments on the impacts of the Casino on adjacent businesses, benefits of a wider choice to consumers, the ways in which the Casino assists the city to promote itself and the region through assistance in funding major events, and the contribution the Casino makes to the vitality of the city by contributing to what interviewees describe as "*big city amenity and vibrancy*" which is felt to be important in attracting and retaining residents, businesses and tourism, including conventions. This non-financial societal benefit serves to some degree as an offset to the negative social impacts of the Casino due to problem gambling, which are described in section 6.3.1 of this report.

4.1.2 Background

The Gambling Act 2003 requires that an application for renewal of a casino venue licence must be accompanied by a casino impact report which amongst other things, reports on the "*expected ... economic effects on the local and regional areas affected by the operation of the casino, and on New Zealand generally, of -*

- (i) *The continued operation of the casino, and*
- (ii) *The closure of the casino.*

4.1.3 Definition of Economic Effects

"Effects" can refer to either economic impacts, or economic costs and benefits, or both. The initial ex ante assessments of New Zealand casinos in the 1990s generally focused on the economic impacts⁴³ of casinos using Input-Output (I-O) models, and this approach is also taken by the vast majority of the studies identified in the literature search⁴⁴. The more comprehensive studies take into account not only the positive direct and flow-on economic impacts of a casino's operations, but also the negative ("trade diversion") effects of a reduction in consumers' spending in other businesses, as their spending shifts away from these areas and towards casinos. Studies may also take into account the effects of the Casino on tourism, and the associated economic impacts. This report uses I-O models to estimate the Christchurch and Canterbury economic impacts of the Casino on employment, household income and Value Added⁴⁵, taking into account the trade diversion effects and the tourism effects of the Casino.

The next level of analytical sophistication is a Computable General Equilibrium (CGE) model exploring the macro-economic analysis. A CGE model takes into account the re-allocation of resource amongst industries when a casino is opened⁴⁶ and calculates the change in national GDP. While a CGE analysis can conceptually be done at the regional level, there are significant limitations at this level. Moreover, CGE models are generally not suitable for establishing the impacts on employment⁴⁷, which is of major interest at the city and regional level. In this report, CGE analysis⁴⁸ is used to estimate the effects of the Casino on Real National Disposable Income at a national level.

Cost Benefit analysis is a much broader measure than the measure of changes in the market economy, and takes into account non-market costs and benefits. Gambling generates recognised social costs through problem gambling, and a full Cost Benefit analysis would attempt to measure the impact of the Casino on these costs. While some studies have attempted to put a dollar value on these social costs, no such attempt has been made in this report. This does not imply that such costs are irrelevant, but rather that valuation is an extremely imprecise exercise⁴⁹, primarily because of the associated uncertainty as regards both the number of affected people and the costs of the harm per affected

43 Generally speaking, impacts reported are employment and Value Added (with the latter being virtually the same as Gross Domestic Product and, in accounting terms, equivalent to EBITDA plus salaries and wages).

44 See Morgan, 2016, *Literature Review of the Social Impacts of Casinos* and Butcher, 2017, *Addendum - Economic Impacts of Casinos*

45 Value added is calculated by summing profit before tax, interest and depreciation (EBITDA) and wages & salaries.

46 Or closed. Over a small range, the impacts of a given \$million reduction are generally the same as those of an expansion, although of course they are of the opposite sign.

47 Generally a CGE model is "closed" with regard to the labour market, and assumes that total regional employment is unaffected by the casino, and the labour market clears by adjustments to the real wage rate.

48 Undertaken by Infometrics NZ.

49 See Williams, Rehm and Stephens (2011) p11 describing some of the attempts. *Unfortunately, the figures obtained from this approach are somewhat arbitrary and fairly unreliable, making them subject to widely different estimates. Even the strongest supporters of this full cost-benefit approach acknowledge these serious difficulties. For example, Anielski and Wynne (2009) ended up abandoning this strategy in their socio-economic study of gambling in Nova Scotia.*

person. There are also non-market benefits of the Casino associated with increased consumer choice in entertainment and the social vitality of the city. As is outlined later in this report⁵⁰, it is the view of the authors that this weighing up of market costs and benefits against non-market costs and benefits is best undertaken by the Gambling Commissioners who will consider Christchurch Casino's application for a renewal of its venue licence. The purpose of this economic and social assessment is to enable the commissioners to weigh things up in an informed manner.

4.1.4 Issues to consider in Economic Assessment and Study Approach

This economic assessment began with a review of the literature on the economic impact of casinos and the findings were then considered within the wider literature on economic impact analysis. Combining the literature review⁵¹ and the comments of the peer reviewer⁵² provides a list of issues that need to be taken into account in the economic assessment. These issues, together with the way in which they are addressed in this study, are described below.

- Deciding what impacts to measure. *This study reports on the commonly used metrics of GDP, household income and employment at a regional level and Real Gross National Disposable Income at a national level.*

- Deciding how to measure impacts. *This study uses both input - output models and Computable General Equilibrium models where appropriate. The results take into account both the positive impacts of the casino and the negative impacts of trade diversion away from other businesses when consumers switch spending to the casino. Impacts on tourism are also considered.*

Issues with combining costs and benefits. *This study quantifies financial costs and benefits of market transactions, and also describes and, where possible, quantifies social costs and benefits but does not put a financial value on these.*

Too narrow a time window. *The study looks at a long-term operating perspective.*
Too narrow a geographic focus. *The study looks at the city, regional and national impacts.*

4.1.5 Calculation of Economic Impacts Using Input-Output Models

Christchurch city and Canterbury region economic impacts have been estimated using appropriate city and regional input-output models. The models have been modified by including a Christchurch Casino industry, the input structure of which was developed using actual Casino expenditure data. While input-output models have their limitations, assuming as they do that there is spare capacity in the economy and that the Casino has not "squeezed out" other businesses by making labour and capital scarce, the alternative is to use general equilibrium models which have their own limitations, particularly at a city and regional level. It is our view that input-output models give the most useful view of the impacts at a city and regional level, provided that trade diversion effects are taken into account. At the national level, the balance of modelling limitations shifts, and it is felt that the most appropriate

⁵⁰ In section 6.1, at p.83

⁵¹ Including an excellent summary of literature contained in Williams, R.J., Rehm, J., and Stephens, R.M.G. 2011, *"The Social & Economic Impacts of Gambling"*. Final Report prepared for the Canadian Consortium for Gambling Research. An earlier paper by Williams and Stephens (2004) also provides a useful list of the issues that need to be considered in developing an analytical framework.

⁵² Professor Paul Delfabbro, School of Psychology, University of Adelaide. Letter to the Gambling Commission, 30 May 2017.

approach is to use Computable General Equilibrium modelling . Market benefits at that level have been calculated using the Infometrics CGE model.

Detail of the development of the Input - Output models is given in Appendix F. These models are similar to those used in the initial economic impact studies which preceded the establishment of a casino in Christchurch, but with one major difference. The initial studies were based on assumptions about the likely financial performance of the Casino, the sorts of spending which patrons of the Casino would otherwise have undertaken, and the likely effect of the Casino on tourists' behaviour. In contrast, this report is based on:

- (i) the actual financial operating data of the Casino over the three years to March 2017;
- (ii) Detailed analysis of the Casino's "Accounts Payable" records to determine where the Casino suppliers are located;
- (iii) A survey of 658 Casino patrons to find out how they think the Casino affected their activity and spending decisions and, if they were visitors to Christchurch, their travel decisions; and
- (iv) Information from the Casino on where staff usually reside.

4.2 Economic Impacts of Christchurch Casino

The economic impacts of the Christchurch Casino encompass the direct effects of operations at the Casino, the indirect and induced effects of the Casino on other businesses as the Casino purchases inputs and staff spend their income, the reductions in impacts at other businesses associated with patrons of the Casino switching their spend from these businesses to the Casino, and an increase in economic impacts associated with the tourism impact of Casino patrons staying in the city for longer than they otherwise would have.

4.2.1 Economic Impacts of the Casino Operations⁵³

The Casino employs approximately 500 people being a mix of full and part-time staff which is equivalent to approximately 450 Full Time Equivalents (FTEs). These people are paid a total of approximately \$21 million per annum in wages and salaries⁵⁴, and total value added by the Casino at market prices⁵⁵ is approximately \$52 million per year. This includes wages and salaries, depreciation, profits, interest and taxes, including gaming tax and GST.

Inclusion of multiplier effects⁵⁶ raises the total gross impacts in Christchurch to a total of 590 FTEs and

⁵³ Note that this excludes economic impacts arising from any capital expenditure which is over and above the maintenance costs which are included in the Casino's operating expenditure. The convention in economic impact analysis is that capital expenditure is excluded unless it is of a regular and on-going nature. One-off economic impacts of major capital expenditure are usually calculated separately, and have not been included in this analysis

⁵⁴ Including items such as Fringe Benefits tax, directors' fees, and superannuation.

⁵⁵ Including GST.

⁵⁶ Multiplier effects are the flow-on effects on other businesses as the Casino makes purchases and as Casino employees spend their household incomes. For example, the Casino purchases laundry services; the laundry service increases its production and purchases soap powder from retailers and employs more staff; the retailers employ more staff and purchase electricity; the various wages from all these producers are used to buy consumption goods and services; producers of those goods and services expand their

\$67 million per year of Value Added, including \$27 million/year of earned household income (see Table 4.1, bottom of column 2).

The economic impacts at the regional level are 603 jobs and \$71 million per year of added value, including \$30 million per year of earned household income. The higher impacts at the regional level reflect the fact that some of the wages are earned and spent by employees who live outside Christchurch and partly because of some significant suppliers who are outside the city proper.

The national economic impact, calculated using a national Input-Output model under restrictive assumptions, is estimated to be 690 jobs and \$83 million of Value Added, including \$36 million of earned household income. More relaxed assumptions⁵⁷ raise the total impacts to 880 jobs and \$110 million per year of Value Added. A more reliable estimate of the national economic financial benefit is generated using a CGE model as shown in section 4.3.

Table 4.1 Direct and total Gross Impacts of the Casino on Christchurch, Canterbury and New Zealand

	Christchurch	Canterbury	New Zealand	New Zealand (no tax increase, profits spent by Households)
Direct Employment (FTEs)	450	450	450	450
Total Value Added (\$m/yr)	\$52	\$52	\$52	\$52
Household Income (\$m/yr)	\$21	\$21	\$21	\$21
Total Employment (FTEs)	590	603	690	880
Total Value Added (\$m/yr)	67	71	83	110
Household Income (\$m/yr)	27	30	36	39

4.2.2 Trade Diversion and Tourism Generation

A comprehensive analysis recognises that the Casino does not operate in a vacuum, and takes into account the effects of Casino spending on other economic activities in the city, the region and New Zealand. It recognises that when spending at the Casino by local residents goes up with positive economic impacts, spending in other areas will go down with negative economic impacts. Similarly, visitors who spend money at the Casino may have otherwise spent money elsewhere, and the Casino may or may not have affected the duration of their stay in Christchurch, Canterbury and New Zealand. Hence the analysis needs to take these effects into account in order to show the net economic impacts of the Casino.

employment and production; and so on.

⁵⁷ Assumes there is no increase in aggregate savings and taxes, and that all additional Value Added is spent by households.

Survey of Casino Patrons

A survey of 658 Casino patrons was undertaken in April and May 2017 specifically for this impact assessment⁵⁸. The first period of sampling covered all those patrons exiting the Casino and was used to determine the usual place of residence of a typical mix of Casino patrons. This stage had 502 respondents. The second period of sampling covered 156 respondents and was restricted to those who live outside Christchurch, with the aim being to increase the total sample size to provide more robust results for the behaviour of "visitors to Christchurch who attend the Casino". In total the survey covered 358 Christchurch residents and 300 visitors to Christchurch.

Origin of Visitors

Because of the limited size of the survey sample compared to the total annual visitor numbers of approximately 750,000, it was decided to supplement the survey data with data from the Casino's Players Club carded data base. Players Club data were used to calculate visit and patron numbers⁵⁹ by origin for the 40 % of total Casino visits (and 75 % of gaming spend) which are made by Players Club members. Survey data pertaining to non-Club Card members were used to calculate visits and patron numbers for the balance of the Casino visits. On that basis, it is estimated that Christchurch residents account for 63 % of all visits to the Casino, people from the rest of Canterbury account for a further 19 %, the rest of New Zealand accounts for 14 per cent, and international visitors for just over 4 %.

Activities at the Casino, and Alternatives

Casino patrons were asked which activities they had undertaken at the Casino, and what they would have done had they not come to the Casino. The results are shown in Tables 4.2 and 4.3 below.

Table 4.2 Activities at the Casino by origin of patrons

	Restaurant	Bar	Gaming	Just Looking	Total
Christchurch Residents	138	77	276	33	348
% of respondents*	40%	22%	79%	9%	151%
% of responses	26%	15%	53%	6%	100%
Visitors to Christchurch	115	99	237	38	299
% of respondents*	38%	33%	79%	13%	164%
% of responses	24%	20%	48%	8%	100%

* Respondents could undertake more than one activity

Of interest from the perspective that the Casino adds to community amenity, beyond providing an additional form of entertainment via gaming, is that 21 % of both local patrons and patrons who were

⁵⁸ See Appendix G for more detail of the survey process.

⁵⁹ Players Club carded members typically visit the Casino on 12 occasions per year.

visitors to Christchurch were not gaming. They were going to the Casino because it provided a better venue than the available alternatives for eating, drinking or socialising.

Of significance from an economic impact perspective are the responses about where people would have spent their money had the Casino not been open (see Table 4.3). Many visitors would otherwise have stayed at their accommodation or would have undertaken non-commercial activities and hence would not have spent that money in Christchurch.

In assessing the net economic impacts of the Casino it has been assumed that local patrons who would otherwise have stayed at home would, at some other time, have spent their money on a typical mix of other consumption goods. It has also been assumed that 38 % of visitors to the city who spent money at the Casino would otherwise have taken their unspent money away with them.

Impacts of Trade Diversion

Casino Club card data were used to calculate spending at the Casino by origin of patron for the 75 % of total gambling expenditure and 35 % of total restaurant and bar expenditure which is undertaken by Club Card members. Patron survey data on the origin of non-Club Card members was used to allocate the balance of spend at the Casino to origin of patrons.

Spend by patron origin was combined with information on where local and out-of-town Casino patrons would otherwise have spent their money in order to estimate a total reduction in spending at other businesses arising from spending at the Casino. This change in spend information was then rated up by economic multipliers for those alternative forms of spending to calculate the negative economic impacts of this reduced spending at other activities.

The results suggest that the loss of spending at those alternatives directly and indirectly reduced economic activity in the City by 520 FTE jobs and \$46 million per year of Added Value, including \$22 million per year of earned household income (see Table 4.4 below - line on trade diversion). Similarly, the results suggest that loss of spending in Canterbury reduced employment by 524 FTE jobs and \$48 million per year of Added Value, including \$22 million per year of household income.

Table 4.3 Alternative Activities Undertaken if the Casino was Not Open

	Different place to gamble	Restaurant or bar	Movie, play or concert	Shopping	Other Commercial activity	Other Non-commercial activity	Stayed at home or in accommodation	Not sure	Total
Alternative to Restaurants Bars and Just Looking									
Christchurch Residents	0	81	5	9	9	17	87	7	215
% of respondents*	0	40%	2%	4%	4%	8%	42%	3%	103%
% of responses	0	38%	2%	4%	4%	8%	41%	3%	100%
Visitors to Christchurch	0	125	6	15	10	17	37	7	217
% of respondents*	0	66%	3%	8%	5%	9%	20%	4%	115%
% of responses	0	58%	3%	7%	5%	8%	17%	3%	100%
Alternatives to Gaming									
Christchurch Residents	9	54	14	8	6	23	172	11	297
% of respondents*	3%	20%	5%	3%	2%	8%	62%	4%	108%
% of responses	3%	18%	5%	3%	2%	8%	58%	3%	100%
Visitors to Christchurch	13	92	9	20	13	21	82	20	270
% of respondents*	5%	39%	4%	8%	5%	9%	35%	6%	114%
% of responses	5%	34%	3%	7%	5%	8%	30%	8%	100%

* Respondents could undertake more than one alternative

4.2.3 Tourism Impacts of the Casino

Patrons who were visitors to the city were asked whether the existence of the Casino had altered the duration of their stay in the city, and if so by how much. Visitors said that, on average, they spend an extra 0.21 nights in the city. Making some assumptions about the number of visits to the Casino in a typical visitor trip to Christchurch, we estimate that the Casino leads to an additional 137,000 visits to the city by people from other parts of New Zealand (110,000) and overseas (27,000). Multiplying this figure by an average 0.21 visitor nights per visitor and by \$150 per visitor night, it is estimated that total visitor spending arising from the existence of the Casino is about \$4.3 million. Using a typical mix of visitor spending and appropriate industry multipliers, it is estimated that this spending leads to a total increase in Christchurch economic activity of 26 FTE jobs and \$2.3 million per year of Value Added including \$1.1 million per year of earned household income (see Table 4.4. - line on tourism). The Canterbury impacts are almost identical because regional tourism multipliers are much the same as City tourism multipliers.

4.2.4 Net Impacts of the Casino on Christchurch and Canterbury.

Combining the gross positive impacts of the Casino, the negative impacts of trade diversion, and the positive impacts of Casino-related tourism indicates that on balance the existence of Christchurch Casino generates 95 FTE jobs and \$23 million per year of Added Value, including \$6 million per year of household income, in Christchurch. In Canterbury the impacts are 104 FTE jobs and \$26 million per year of Added Value, including \$9 million per year of earned household income (see Table 4.4. - bottom line).

Table 4.4 Net Economic Impacts of Christchurch Casino on Christchurch City and Canterbury Region.

	Employment (FTEs)		Value Added (\$m / yr)		Gross Household Income (\$m / yr)	
	Christchurch	Canterbury	Christchurch	Canterbury	Christchurch	Canterbury
Casino	590	603	67	71	27	30
Trade Diversion	-520	- 524	-46	-48	-22	-22
Tourism	26	26	2.3	2.3	1.1	1.1
Total Impacts*	95	104	23	26	6	9

* Totals may not add due to rounding. All numbers in the text have been rounded.

4.3 Costs and Benefits, and Changes in National Economic Aggregates

4.3.1 Impacts versus Benefits

Impacts are not the same thing as benefits. An increase in economic activity, generally expressed as an increase in regional Value Added or GDP, can come from an increase in employment of labour and capital, but both these things have an opportunity cost and the net benefit is the increase in regional GDP less that opportunity cost. This opportunity cost is not readily established, and for this reason we report on the increase in employment and GDP at a regional level, but do not attempt to quantify the "economic benefit" of this.

Some activities generate benefits or costs which are not reflected in consumer or producer decisions, and these are termed "externalities". The principal identified negative externality associated with the Casino relates to the wider social costs of problem gambling. For reasons outlined earlier, no attempt has been made to put a financial value on the costs of an increase in problem gambling associated with the operation of Christchurch Casino. The principal non-market benefit is associated with greater consumer choice in options for entertainment and an added sense of vitality in the city.

4.3.2 Consumer and Producer Surplus

Benefits consist of increases in consumer and producer surplus, terms which refer to the difference between what something costs to produce, and what it is worth to consumers. If the Casino does not produce any consumer surplus, then consumers will not come to the Casino, and if there is no producer surplus then producers will not continue to operate the Casino. These surpluses are difficult to calculate, and in any case consumers who did not go to the Casino would have spent their money elsewhere with a resultant consumer surplus, and the Casino owners would otherwise invest their money elsewhere with a resultant producer surplus. The net economic benefit of the Casino is the difference between the Casino consumer and producer surplus, and the consumer and producer surplus associated with alternative consumption and investment.

We have not attempted to calculate the level of consumer surplus because of the difficulties involved in measuring not only the surplus of the Casino but also the surplus of the likely alternative consumption

and production. However, the macro-economic modelling does, in effect, estimate the change in producer surplus and reports this as a change in Real Gross Disposable Income.

4.3.3 Changes in Macroeconomic Aggregates

Infometrics was asked to investigate the economy-wide economic impacts of the closure of the Christchurch Casino⁶⁰. For technical modelling reasons, the analysis was of a Casino being introduced rather than removed, but the impacts of removal are very similar per dollar of revenue change, although of course of the opposite sign⁶¹.

For an increase in Casino revenue (gambling revenue less payout, plus revenue from ancillary services) of \$100m, the change in real gross national disposable income (RGNDI) - a measure of national economic benefit - is between \$116m and \$242m per year, depending on the nature of the flow-on effects that might ensue⁶². The flow-on effects are largely attributable to the Casino paying a higher wage rate than paid by other industries, particularly those in hospitality, plus the relatively low requirements of physical capital (buildings and equipment) per unit of output. There is also a small increase in foreign exchange earnings from additional net spending by international tourists.

Scaling these figures down to the average \$60 million per year Total Revenue of Christchurch Casino means that the addition of the Casino has increased RGNDI by \$70 million - \$144 million per year. Given that the Casino capital stock now exists, the impact of the Casino continuing to exist is estimated to be \$70 million per year, and closure of the Casino will lead to a reduction on RGNDI of that amount..

Although the analysis is at the level of the whole economy, most of the economic effects are likely to be noticed in the Canterbury region. Effects are transmitted to other regions through imports from those regions and through the movement of labour in response to changing employment opportunities.

4.4 Tax Effects and Geographic Distribution of Profits

The Casino generates significant tax via PAYE, Company Tax, Gaming Tax and GST. The annual value of these taxes is estimated to be approximately \$18 million per year. It is not possible to estimate accurately what proportion of this would be gathered if the Casino were to close and consumers spent their money in other ways, but indications are that it would be significantly less than this because:

- a) Much of the gaming tax would be lost, particularly if there was a transfer to internet gambling;
- b) Company tax is likely to be much less because the Casino has a much higher-than-average ratio of profits to sales than the businesses from which it diverts spending;

⁶⁰ See Appendix H for the full Infometrics Report.

⁶¹ The exception is that removal of the Casino will not suddenly reduce capital stock. The stock will instead slowly depreciate or be used for some alternative purpose.

⁶² The higher number reflects the standard capital closure assumption in the model that total investment will change. If investment does not change, as might be the case where the casino already exists, or where closure will lead to under-utilised capital assets, the lower number represents the likely impact.

c) PAYE will be about 40 per cent less because average pay at the Casino is considerably higher than average pay in other industries, and because net household income resulting from Casino operations, including trade diversion and tourism impacts, is equal to only 40% of the total wages paid at the Casino; and

d) GST would be reduced because net Value Added as a result of the Casino operations is equivalent to only 60 per cent of the direct Value Added at the Casino.

The Casino shareholder is Skyline Enterprises, a company in which approximately 93% of the shares are owned by New Zealand residents, so approximately 93% of profits are retained within New Zealand and hence any associated personal tax remains in New Zealand.

4.4.1 Tax associated with Electronic Gaming Machines (EGMs)

In the last three years Casino revenue has averaged \$15.8m per year from table games and \$36.5m per year (\$3 million per month) from machines. Over that period the Casino has paid or distributed an annual average of:

- \$2.87m in gaming duty;
- \$0.53m in sponsorships, and \$0.17 m to the charitable trust;
- \$1.01m in levies to DIA; and
- \$4.23m in company tax;

yielding a total sum of money to public funds of \$8.8 m per year.

If the Casino had not operated then some of this money would have gone to EGMs in other Class 4 venues, and some to other forms of gambling. Only 3 per cent of Casino gambling patrons who responded to the survey of patrons said that they would otherwise have gone to alternative venues to gamble, although a further 17% said they would have gone to another bar or restaurant, and they may have gambled there. This percentage is much lower than is suggested by the surge in Class 4 venue gambling when the Casino was closed for three months. As is discussed in section 6.4.2 of this report, Casino closure was accompanied by a surge in expenditure at Class 4 EGMs of \$1.5 million per month⁶³. This is equivalent to about 44% of the average Casino EGM expenditure, and 30% of Total Casino gambling, prior to closure. The inconsistency between what people said they would do otherwise and what they actually did during the period of closure may arise for several reasons, principal among them being that the survey respondents were predicting what they would have done instead on that night, whereas the section 6.4.2 figure is a strong indication of ACTUAL changes in gambling behaviour in the medium term. This may or may not be the same as changes in the long term, when it is possible that people would slowly drift to other forms of gambling including on-line gambling.

There is obviously considerable uncertainty about the proportion of Casino gambling which would transfer to other taxed forms of gambling in New Zealand, including both EMGs and other Casinos, in the long term. We have considered amounts of 25%, 32%, and 50% in the analysis below (see Table

⁶³ From an average of \$7.4 million to an average of \$8.9 million per month, compared to Casino machine revenues pre-earthquake of \$3.4m / month. $\$1.5 / \$3.4 = 44\%$

4.5), and have assumed a breakdown of expenditure on Class 4 EGMs on the basis of data provided by Department of Internal Affairs^{64,65}.

Table 4.5 Changes in Revenue to the broadly-defined Public Sector arising from Casino closure.

	Breakdown of spend at Class 4	Assumed % of gaming diverted to Class 4		
		50 %	32 %	25 %
Amount of gaming diverted \$m		18.2	11.82	9.13
Public Funds from diverted amount				
Gaming Duty (23 %)	23 %	4.20	2.72	2.10
Problem Gambling Levy (1.51 %)	1.51 %	0.28	0.18	0.14
Tax on Venue Payments (assume 10 % profit margin x 28 % tax)	16 %	0.08	0.05	0.04
Society expenses 19.49 % (non-profit – zero company tax)	19.49 %	0.00	0.00	0.00
Distribution to "Authorised Purposes " (assume charities, no tax)	40 %	6.43	4.73	3.65
Sub-Total – Funds to public from diverted Class 4 gaming	100 %	11.86	7.68	5.93
Balance of former gambling spend		0.95	1.13	1.20
- assumed 10 % margin 28 % tax				
Total Additional Funds to public resulting from Closure		12.8	8.8	7.1
Less Loss of Public funds currently generated by ChCh Casino		(8.8)	(8.8)	(8.8)
Net Gain (loss) of public funds from Casino Closure		+4.0	0	-1.7

These figures suggest that if 50 per cent of Casino EGM gambling switches to Class 4 EGMs, then Casino closure could lead to an increase in revenue to the broadly defined public sector of up to \$4.0million per year. As described earlier, this will be offset in part by likely lower PAYE and GST, particularly if the switch is to on-line gambling which generates no GST or PAYE.

If only 25 % of Casino EGM spend transfers to Class 4 EGMs, then the Casino closure would lead to a decrease in revenue to the broadly defined public sector of \$1.7million per year. The decline will be even greater once the likely reductions in PAYE and GST are taken into account. A transfer of 32% would have no impact on revenue to the broadly defined public sector.

Any loss in public sector income needs to be seen in the context of the likely impacts on the scale of gambling harm that would be likely to accompany a shift in gambling from Casino EGMs to Class 4

⁶⁴ Department of Internal Affairs. *Guide: Pokies in New Zealand. A guide to how the System Works*, at p.4. Gambling Duty 23 %; Problem Gambling Levy 1.5 %; Max Venue payments 16 %; Other Society Expenses 19.49%; Minimum Distribution to Authorized Purposes 40 %.

⁶⁵ We have assumed the same mix of expenditure on all other forms of gambling. To the extent that some of this assumed transfer (to Class 4 venues) is to other casinos, which generate lower public financial returns than Class 4 venues, then the figures above are over-stated.

EGMs, and the other social and economic impacts associated with Casino closure as described in Section 6.4 of this report, including the reduced choice and obvious reduction in Consumer Surplus to those EGM gamblers who have been forced to choose an alternative that they like less than the Casino.

4.5 Consumer Choice, Community Amenity and Contribution to a Dynamic City

As was noted by Stephens et al in their comprehensive analysis of the social and economic impacts of gambling - *"One of the more important and unambiguous positive impacts of gambling is that it offers entertainment value and an additional leisure option for the population."*⁶⁶

It is a widely accepted tenet of economics that increased choice increases wellbeing, and it is unarguable that the Christchurch Casino is an addition to the range of recreational choices available in Christchurch. A number of business people⁶⁷ contacted in regard to this study regarded the Casino as a valuable part of social amenity in Christchurch. A number of respondents to the survey of Casino patrons made similar comments. The comments by respondents and interviewees can be summarised as follows:

- There is not a lot to do on an evening in Christchurch, and the Casino is a valuable addition to the available range of activities in the "late night economy";
- The Casino provides a large scale and reasonably up-market entertainment venue with standards of behavior and dress beyond that which apply in most other entertainment venues;
- The Casino provides a safe social and entertainment environment, particularly for women who feel intimidated by, or harassed in, other typical bars;
- If Christchurch wants to have a reputation in the tourism and particularly the conference market as a *"big city experience"*, albeit a big city of modest size, then it has to have a good range of night entertainment opportunities. The Casino is part of the "city package" and conveys an image of *"glitz, glamour and wealth"*. The *"street presence"* of a casino is also important in this regard, and the street presence of Christchurch Casino was felt to be far superior to the street presence of the casinos in Hamilton, Queenstown and Dunedin. Christchurch Casino is part of what enables Christchurch to compete effectively with Queenstown and Auckland for conferences;
- *"Our job is to get more people (visitors and residents); to make the city alive"*⁶⁸. There is a logical flow: Christchurch wants to attract dynamic businesses; these businesses come because they think that Christchurch will attract a dynamic labour force; a young and dynamic labour force requires an attractive environment; and while the natural environment of Christchurch has considerable attraction to some, there must also be a reasonably sophisticated social and entertainment environment. Christchurch Casino is a contributor to that environment.

⁶⁶ Williams et al, 2011. p7.

⁶⁷ Senior staff in ChristchurchNZ (formerly Christchurch & Canterbury Tourism (CCT), Canterbury Development Corporation (CDC), International Education, the Convention Bureau and the Christchurch City Council's Major Events team), Canterbury Employers' Chamber of Commerce; Development Christchurch Ltd

⁶⁸ Comment by ChristchurchNZ economic development and tourism marketing staff.

- Christchurch, particularly the entertainment heart, is struggling to re-establish itself following the earthquakes. *"Casino closure would have a significant negative effect on investor confidence"*. It would *"rip the guts out of the small entertainment cluster"* which has developed in Victoria St, and would be a loss to the re-developing entertainment precinct on Oxford Tce, given that the distance between the two is very walkable. Casino closure would also remove a supporting activity for the Town Hall when that re-opens in 2018.

The existence of the Casino contributes to the vitality of the entertainment hub in Victoria Street, and is of value to a number of adjacent businesses, some of whom chose to locate there because of the Casino. Discussions with real estate agents and property managers who deal in the area suggested that there was no market discounting of property values associated with proximity to the Casino. To the extent that potential buyers considered location near to the Casino, it was more likely to be a positive consideration than a negative one.

The value to various social and sports clubs of the grants made by the Casino is described in section 6.2.4 of this report. People involved in larger corporate activities also mentioned events that simply wouldn't have happened without significant grants from the Casino. The Casino is a major sponsor of Cup Week (one of Christchurch's most significant festival events), and of the Crusaders. Both of these generate significant economic impacts for the city. While it is impossible to measure the proportion of these impacts which would be lost should the Casino grants and sponsorships cease, it is reasonable to assume that some of the existing impact arises because of sponsorship by the Casino.

4.6 Summary of Economic Effects of Casino, and its Closure

Christchurch Casino directly creates 450 FTE jobs, and indirectly creates another 140 FTE jobs via its purchases of inputs and the staff's household expenditure. Associated with this is total city Value Added of \$67 million per year and earned household income of \$27 million per year.

The transfer of expenditure away from other businesses has a significant negative impact, which is offset to some extent by a small amount of additional tourism generated by the Casino. Once these trade diversion and tourism impacts are also taken into account, the overall effects of the Casino is to add 95 FTE jobs and \$23 million of Added Value, including \$6 million of earned household income, to the Christchurch economy.

When viewed from the perspective of the entire region, the impacts on Canterbury are somewhat greater, and it is estimated that the Casino generates a net 104 FTE jobs and \$26 million per year of Value Added, including \$8 million per year of earned household income.

At a national level, the Casino generates an increase in Real Gross National Disposable Income - a measure of national benefit, of \$70 million - 140 million per year, with the higher figure being based on the assumption that gross investment in the economy increases when there is an additional high-returning investment such as a Casino, and the lower figure being more relevant for an existing casino, and as a measure of the impact of Casino closure.

There are non-market costs and benefits associated with the Casino. The most obvious cost is the potential increase in problem gambling, while there are benefits associated with an increase in consumer choice, and the contribution of the Casino towards providing a "big city" experience, and a sense of vitality in the city, particularly at night when the Casino is seen by patrons as providing a safe

social and entertainment environment. The Casino plays a role in attracting new residents and businesses and visitors, particularly conference visitors. Funding from the Casino also contributes to the economic impacts of festivals and events such as Cup Week and major sporting events.

If Christchurch Casino closes, then these impacts would be reversed. A net 95 FTE jobs and \$23 million per year of Added Value, including \$6 million of earned household income, would be lost to the Christchurch economy, with slightly larger impacts at the regional level. At the national level, Real Gross Disposable Income would fall by in excess of \$70 million per year. There would be a loss of consumer choice and community amenity, and a less diversified and dynamic city environment, particularly at night time. The likely impact on the level of gambling harm is discussed in section 6.4.3 of this report.

5 THE SOCIAL ENVIRONMENT

5.1 Identifying communities of interest

Elements of the social environment relevant to an assessment of the social effects of the Christchurch Casino include -

- the immediate residential neighbourhood (see sections 5.2.3 and 5.2.4),
- the community of business activities along Victoria Street (see section 5.2.5),
- residents of the city who work at the Casino (see section 5.3),
- attitudes of Christchurch residents and business operators to the Casino (see section 5.4),
- the gambling environment in the City (see section 5.5),
- the businesses in the city and region that provide goods or services to the Casino (see section 5.6),
- the range of charitable organisations across the city and region that receive financial support via the Casino's Charitable Trust (see section 5.7.1), and
- the range of organisations across the city and region that receive corporate sponsorship (see section 5.7.2) or fund-raising assistance (see section 5.7.3).

5.2 The Casino Neighbourhood

The AIGR (1998) study of two New Zealand casinos was carried out three years after the Christchurch Casino opened. In their report⁶⁹ the researchers stated that *"the Christchurch Casino was built in an area which was previously less developed than the nearby Central Business District (CBD) and shopping precinct."* They described the neighbourhood in the following terms -

"The casino precinct, the area immediately surrounding the casino site, is a transitional area on the fringe of Christchurch's central business district. It contains a mixture of commercial offices, restaurants, retailers and wholesale premises and residential accommodation. It has, in recent years, developed a tourist and entertainment focus, and contains the Town Hall and three major hotels Over 200 businesses are located in the precinct The largest employers ... are central or local government organisations and three major hotels About 700 residents live in the precinct, mostly in high density apartment housing which is rented rather than owned Residents in the precinct are not typical of those in metropolitan Christchurch. There is a disproportionate number of adults in full-time employment without dependent children."

The following sections provide a contemporary description of the Casino neighbourhood.

5.2.1 Extent and composition

For the purposes of this assessment, the Casino neighbourhood is defined as the area bounded by Bealey Avenue to the north, Colombo Street to the east, Armagh Street to the south, and Park Terrace to the west.

⁶⁹ AIGR (1998). At p.145.

This incorporates the two central-city residential neighbourhood areas which have had formal representation for many years through the Victoria Neighbourhood Association (VNA) and the Inner City West Neighbourhood Association (ICON), as well as the commercial corridor along Victoria Street and the various streets that intersect with Victoria Street.

5.2.2 City Plan designations

Principal features of the current District Plan relevant to this area are -

- the Entertainment and Hospitality Precinct⁷⁰, which covers the entire length of Victoria Street, from Bealey Avenue in the north to Kilmore Street in the south. This is one of four such Entertainment and Hospitality Precincts in the Central City, and the Plan describes this precinct as a 'Lower Noise Level Area';
- the Central City Business zoning corresponding to the Entertainment and Hospitality Precinct;
- the predominance of residential zoning throughout the remainder of the defined Casino neighbourhood, with the following exceptions -
 - Central City Hospital Zoning for Lyndhurst Hospital at the Montreal/Bealey corner;
 - Central City Mixed Use Zoning east of the Casino itself;
 - Central City Guest Accommodation Zoning covering the two existing hotel sites (The George Hotel, Hotel Montreal); and
 - Central City School Zoning covering the existing Cathedral Grammar School site.

These zones are shown in Figure 5.1.

5.2.3 The Victoria Neighbourhood Association (VNA) area

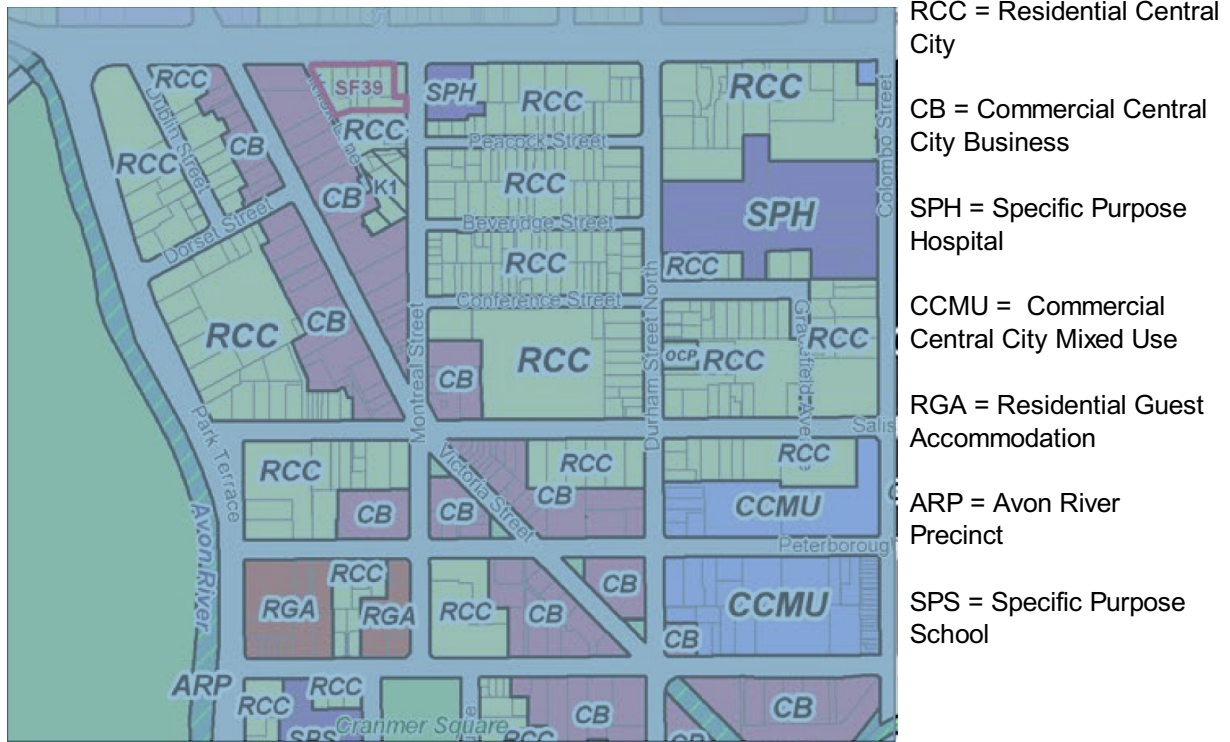
Extent

The area known as the Victoria Neighbourhood is bounded by the south side of Bealey Avenue, the west side of Colombo Street, north side of Salisbury Street and east side of Victoria Street. Included within this area are Montreal, Peacock, Beveridge, Conference and Durham Streets; Gracefield Avenue and Airedale Place. The Victoria neighbourhood is a well-established, intact and coherent residential neighbourhood, currently the most densely populated in the Central City⁷¹. Residents living slightly outside these boundaries sometimes participate in Victoria Neighbourhood meetings or activities as well.

⁷⁰ It is also "*a City Council designated sex industry location*" - Christchurch District Licensing Committee (10 November 2015) at para.76.

⁷¹ This section is based on material provided by the Victoria Neighbourhood Association - Introducing the Victoria Neighbourhood Association, Inc: Who we are, where we live and what we do. January 2017.

Figure 5.1 District Plan Zones in the Study Area



Composition and character

This area is predominantly residential, with commercial activity around its fringes. The largest concentration of commercial activity has always been along Victoria Street as its western boundary.

In 2012, the Victoria Neighbourhood Association (VNA) described the area as follows:

“The core streets are particularly narrow, with little through traffic and a dense collection of cottages (some protected), older homes, flats and modern townhouses. Gracefield Avenue is tree-lined, one of the few such residential streets within the Four Avenues. There is a large City Council social housing complex on Conference Street and two rest homes - one behind Victoria Street and the other on Colombo Street.

This area is one of the few largely intact, residential areas adjacent to the Central Business District. It also is one of the most densely populated. However, it is a very quiet area, especially at night and on weekends, apart from traffic on Bealey Avenue and to a lesser extent, Salisbury Street. Visitors often remark that it is quieter than where they live in the suburbs.”

and noted that:

“Unlike many Christchurch neighbourhoods, residents here know most of their neighbours, see each other regularly and are actively engaged in central city affairs. For almost 30 years, there has been a close sense of fellowship, illustrated by:

- *an active residents' group*
- *annual summer picnic in Aldred Park on Durham Street (40 - 50 attending)*
- *monthly potluck dinners in residents' homes (15 - 35+ usually attending)*
- *biennial midwinter Christmas dinner (50 - 60 attending)*
- *Neighbourhood Week activities (60 - 70 participating)*
- *WEA Book Club group (fully subscribed)*
- *Neighbourhood Support (current contacts = 180+).*

In many ways, it embodies the characteristics of a 'healthy neighbourhood'. We are committed to safeguarding this."

The VNA point out that many residents have lived in the neighbourhood for over 25 years. Others have moved in or built new homes more recently, attracted by the residential flavour so close to the city, noting:

"Victoria Street was one of those attractions, with its cafes, restaurants, retail shops and offices where many residents worked. The majority of people living here traditionally did most of their errands and shopping in the city - by foot, bike or the free Shuttle bus prior to the earthquakes."

In addition to the cafes, restaurants, retail shops and offices referred to above, prior to the earthquakes, the Victoria Street business area also hosted a branch of the Post Office, a pharmacy, a medical practice and several grocery stores selling fresh fruit and vegetables. It is within easy walking distance of Hagley Park, the Avon River and the Central City.

Changes since the earthquakes

Data from the two census in 2006 and 2013 demonstrate the effect of the earthquakes on the usually-resident population of this area. In 2013, the usually-resident population of the VNA area was recorded as 519, a decline of 34% from the 2006 figure of 785. Household numbers declined to a slightly greater extent⁷².

With much rebuild and repair activity having taken place already, the VNA remains predominantly residential. However, some parts have experienced a loss of residents and an increase in short-term or sporadic rental occupation, particularly on Gracefield Avenue and along Durham and Montreal Streets, while others have remained more intact, particularly on Conference, Beveridge and Peacock Streets⁷³. The Council housing north of Salisbury Street is under repair and is partially re-occupied at this time.

5.2.4 The Inner City West Neighbourhood Association (ICON) area

Extent

The ICON area is bounded on its eastern side by Victoria and Durham Streets, on its western side by

⁷² From 411 in 2006 to 249 in 2013, a decline of 39%.

⁷³ Based on data from the VNA 'census' of the number of inhabited residential units, created initially in 2015 and updated in 2016. These observations are confirmed by the Statistics NZ Census data from 2006 and 2013 at the meshblock level.

Hagley Park and the Botanical Gardens, and extends from Bealey Avenue in the north to Oxford Terrace in the south. For the purposes of this assessment, the part of the ICON area of most interest is the northern portion - north of Armagh Street, and bounded by Park Terrace to the west.

Composition and character

As with the VNA area, this part of the ICON area is a mix of residential and commercial properties, with the greatest concentration of commercial activity being along the Victoria Street corridor. Residential properties dominate the western fringe, facing Hagley Park, with other pockets close to Cranmer Square. Several up-market hotels are located nearby, and the Cathedral Grammar School occupies much of the two blocks immediately west of Cranmer Square.

Changes since the earthquakes

A substantial proportion of residential property was badly damaged in the earthquakes, including the gothic heritage buildings (old Normal School and Teachers' College) and Victoria Mansions along Montreal Street, and the modern 7-storey apartment block on Peterborough Street, close to the Casino. Many smaller residential properties in this area suffered similarly, with the result that the residential population has declined markedly.

While the whole ICON area experienced a 49% drop in usually-resident population⁷⁴ between 2006 and 2013, that northern part of the ICON area within the Casino study area experienced an even greater decline of 56%⁷⁵. Indeed, the block between Peterborough and Salisbury Streets, west of Montreal Street lost 78% of its usually-resident population⁷⁶, while the triangular block bounded by Victoria, Montreal and Kilmore Streets lost 77%⁷⁷

Indications at the present time suggest that the subsequent re-development will be oriented towards more expensive inner-city apartments⁷⁸, with the prospect of a changing demographic for this part of the city, but also prospects for resident numbers to recover.

⁷⁴ From 1,698 in 2006 to 873 in 2013.

⁷⁵ From 873 in 2006 to 384 in 2013.

⁷⁶ From 273 in 2006 to 60 in 2013.

⁷⁷ From 78 in 2006 to 18 in 2013.

⁷⁸ Discussions with a Real Estate representative point to almost 200 apartments coming on stream between the present time (2017) and 2019 within the study area in the vicinity of Kilmore and Montreal Streets. Pers.Comm. 21 June 2017.

5.2.5 The Victoria Street business corridor

Extent

For the purposes of this assessment, the business neighbourhood, of which the Christchurch Casino is now a part, comprises the commercial activities along both sides of Victoria Street, from Kilmore Street in the south to Bealey Avenue in the north, as well as Durham Street (between Kilmore and Salisbury Streets) and various businesses along east-west-aligned streets that intersect Victoria Street - Kilmore, Peterborough and Salisbury Streets.

Composition and character

For a long time this commercial area has exhibited a mixture of businesses, servicing the needs of local residents - as noted above - as well as being a destination for other city residents with boutique shops and restaurants. Office space has also long been part of the mix, with a much higher concentration of office space occurring south of this area (i.e. south of Kilmore Street). Local residents also reported the previous existence of two brothels near the intersection of Montreal and Victoria Streets, established since prostitution law reform occurred. Statistics NZ Business Statistics data for employment numbers put the total number of people employed in the Casino study area at February 2011 at 5,181. Major contributors to this workforce were Professional and Technical Services⁷⁹ (730 or 14%), Public Administration (675 or 13%), Gambling Activities⁸⁰ (590 or 11%), Accommodation Providers (478 or 9%), and Food and Beverage Services (327 or 6%).

Changes since the earthquakes

Using Statistics NZ Business Statistics data for employment numbers as an indicator, the overall level of business activity⁸¹ in the Casino study area one year after the principal earthquake was 2,969, or 57% of the pre-earthquake level. Four years later⁸², the overall business activity level was still only 70% of the pre-earthquake level. The business statistics indicate that three sectors have led the recovery in this part of the Central City - Professional and Technical Services⁸³, Food and Beverage Services⁸⁴ and Gambling Activities⁸⁵.

The same Business Statistics reveal that while the overall level of business activity within the 4

⁷⁹ Generally those working in offices.

⁸⁰ Predominantly Casino staff.

⁸¹ As indicated by the numbers employed each February.

⁸² i.e. in February 2016.

⁸³ 721 at February 2016 or 99% of the 2011 level.

⁸⁴ 313 at February 2016 or 96% of the 2011 level. The survey of ground-floor businesses in the southern section of Victoria Street carried out for this assessment confirmed that eight hospitality businesses had established close to the Casino, and all but one confirmed that the Casino's presence had influenced their choice of location.

⁸⁵ 520 at February 2016 or 88% of the 2011 level.

Avenues one year after the 2011 earthquake had dropped by an almost identical proportion - down to 58% of pre-earthquake levels - the hospitality sector represented by Food and Beverage Services had collapsed to 22% of pre-earthquake levels, reflecting the damage to popular hospitality locations such as the Oxford Strip and High Street. Furthermore, while the overall business activity level within the 4 Avenues four years later had recovered to 66% of pre-earthquake levels, the Food and Beverage sector has not led the way for the wider Central City⁸⁶ in the same way as it has for the Victoria Street Area.

As noted previously, the new and current District Plan contains specific provision for an Entertainment and Hospitality Precinct, which covers the entire length of Victoria Street, from Bealey Avenue in the north to Kilmore Street in the south. However, specific provisions in the Provisional Local Alcohol Policy are still subject to appeals.

The composition of hospitality outlets along Victoria Street has certainly changed since the earthquakes, with somewhat fewer restaurants and somewhat more bars. In contrast to the CBD (4 Avenues - see Table 5.1) as a whole, Victoria Street (Table 5.2) has seen a marked increase in licensed premises, as indicated in the following comparative data on alcohol licences -

Table 5.1 Alcohol licences within 4 Avenues: 2010 and 2017

Central City area (within the 4 avenues boundary)		
Total CBD area - CURRENT Licence*	September 2010	7 January 2017 (% of 2010)
On	282	138 (49%)
Off	56	19 (34%)
Club	13	9 (69%)
Total	351	166 (47%)

NB: *these totals include all licences with a "current" status, meaning the licence is valid and can be used.

All but 4 of these licensed premises are new to Victoria Street since the earthquakes. Particular concentrations of licensed premises occur (i) occupying the entire block opposite the Casino (one remains open till 3am and one till 4am), and (ii) on both sides of Victoria Street, immediately north of the intersection with Montreal Street (5 remain open till 3am).

⁸⁶

By February 2016, total employment in the Food and Beverage Sector within the 4 Avenues was only 51% of its 2011 level. By mid-2017 (at the time of writing the Draft Report) this has become a dynamic and rapidly changing situation.

Table 5.2 Alcohol licences in Victoria Street: 2010 and 2017

Victoria Street Vicinity		
Victoria Street + Kilmore, Peterborough and Salisbury Streets in vicinity	September 2010	1 March 2017 (% of 2010)
On	21	25 (119%)
Off	1	0
Club	0	0
Total	22	25 (114%)
South of Salisbury Street	14	13 (93%)
North of Salisbury Street	8	12 (150%)

The contrast in trends of licensed premises between Victoria Street and the Central City as a whole was largely influenced initially by the absence of access restrictions for Victoria Street post-quake, and the existence of other controls on earthquake recovery activities within the Central City. The District Plan provisions cited above came into effect in 2015 and may have reinforced this pattern locally. In addition, residents’ association representatives suggested that the Casino is clearly perceived as part of the available hospitality trail along Victoria Street. Some suggested that the existence of the Casino in this location, with its ability to be open on a 24-hour/day basis, was used as a precedent-setting argument for granting other licenses nearby allowing opening hours to extend as late as 3am and 4am. Indeed, this was explicit in the decision⁸⁷ of the Christchurch District Licensing Committee (10 November 2015) regarding the application for an alcohol licence at the Calendar Girls premises, immediately opposite the Casino on Victoria Street.

It would appear that the cumulative change⁸⁸, particularly in respect of activities associated with new night-time hospitality premises, had by 2015 resulted in changes to the amenity values experienced by local residents.

⁸⁷ At para.61 of the decision: “We think in the overall scheme of things that it is very relevant that the Casino, the only premise with a 24 hours licence in the city is in the vicinity of other late night premises. We believe it is probably better for the community to have later trading enterprises in close proximity rather than spread across the city.”

⁸⁸ At para.77 of the above decision: “The evidence by the Objectors concerning vandalism, noise and other issues in the area was well documented and presented.” and at para.78: “The corridor of premises on Victoria Street collectively have an impact on the amenity and good order of the locality.” and at para.81: “...there is little disagreement that the amenity and good order of Victoria Street has changed since the earthquake.”

5.2.6 Overall changes for the Casino neighbourhood

The overall changes that have occurred in the Casino neighbourhood since the 2011 earthquakes can be summarised as follows -

- loss of some affordable housing (CCC housing);
- emergence of expensive inner-city apartment developments;
- substantial areas of vacant land remaining;
- loss of some services - post office, medical practice, pharmacy, grocery stores;
- convenience stores opened;
- Knox church repaired and re-opened;
- substantial new office accommodation coming on stream meaning more daytime workers for local hospitality outlets; and
- substantial concentration of hospitality outlets with a notable increase in premises operating primarily as bars and open to 3am or 4am.

5.3 Residents of the City who work at the Casino

Two sources of data have been used to assemble the following description of the existing⁸⁹ body of Casino staff: employee records of 478 staff at 1 April 2017 and the staff survey conducted as part of this assessment during April 2017, which achieved 158 responses. The distribution of respondents across departments/functions in the Casino operation is tabulated in Appendix I.

5.3.1 Demographics and distribution across the City

Data for all staff currently employed at the Casino demonstrate that their places of residence are spread widely across the entire City, in all directions and in both inner and outer suburbs. In addition, 9% of staff live outside the City boundary, from Hawarden, Amberley and Leithfield in the north, to Oxford and Darfield in the west, to Rakaia in the south.

When data for City residents are analysed by compass sector (i.e. NE, SE, NW, SW), the remaining 91% of staff are distributed fairly evenly around the City as follows -

- 18% in 18 suburbs to the NE;
- 28% in 17 suburbs to the NW;
- 22% in 16 suburbs to the SE; and
- 22% in 18 suburbs to the SW.

⁸⁹ As at May 2017.

The respondents to the staff survey exhibited the following demographic attributes (with the corresponding data⁹⁰ for Christchurch City at the last census in parenthesis) -

- by age:	20-29 years	18%	(22%)
	30-39 years	27%	(18%)
	40-49 years	27%	(20%)
	50-59 years	16%	(19%)
	60-69 years	11%	(15%)
	70+ years	1%	(6%)
- by sex:	female	54%	(51%)
	male	46%	(49%)
- by ethnicity:	NZ/European	72%	(80%)
	Maori	8%	(6%)
	Pasifika	2%	(2%)
	Asian	17%	(9%)
	Other	1%	(3%)
- by educational achievement:			
	Secondary	42% ⁹¹	(16%)
	Secondary/Industry Training Qual.	13%	(39%) ⁹²
	Tertiary qual.	39%	(30%)
	Tertiary/post-grad.	6%	(15%)

While survey demographic percentages are not identical to corresponding census data, it is evident that relativities between population segments are reasonably comparable, particularly for age band, sex and ethnicity.

5.3.2 Length of service of staff and annual turnover of staff

As Table 5.3 demonstrates, the length of service of current staff at the Casino covers the full range from recent recruits to those who have worked there for more than twenty years, some even prior to opening. Indeed, more than one-third of all current staff have worked at the Casino for a decade or more, while just fewer than one quarter have been there for less than two years. Over the past three financial years, the rate of staff turnover overall has been 30%, 36% and 28%, respectively. The rate of turnover has been significantly higher for Food & Beverage-related positions⁹³ than for Gaming positions⁹⁴. This is probably associated with the more specialist nature of the latter and the relative absence of similar employment opportunities elsewhere in the City.

⁹⁰ i.e. % usually-resident Christchurch aged 20 and over at 2013 census.

⁹¹ These will include those in the process of studying at tertiary level but not yet completed their degree

⁹² An approximation, inferred from census categories, and probably over-estimated

⁹³ For example: Grand Café (33%, 83%, 76%); Monza (139%, 88%, 61%), Valley Bar (65%, 71%, 86%)

⁹⁴ Gaming (20%, 9%, 15%)

Table 5.3 Years working at the Casino

Years at Casino	#	%
Less than 1 year	17	11%
1-2 years	19	12%
3-5 years	35	22%
6-10 years	29	18%
11-20 years	38	24%
More than 20 years	20	13%
Total:	158	100%

5.4 Attitudes of Christchurch residents, business operators and community organisations to the Casino

Enquiries with Christchurch City Council staff revealed that there are no ratepayer or resident survey data that provide indications of the attitudes of the City's residents at large to the presence and operation of the Casino.

In the absence of such survey material, this assessment draws on the responses of organisations in Christchurch that were surveyed⁹⁵ or otherwise consulted for this assessment. Surveys⁹⁶ include Charitable Trust recipients, businesses supplying the Casino, Corporate Sponsorship recipients and local Victoria Street businesses.

There are also some pertinent data in the 2012 National Gambling Survey⁹⁷.

⁹⁵ In the case of surveyed responses, the materials analysed are the responses to an open question "Do you have any comments/observations regarding the on-going operation of the Christchurch Casino, or the possible closure of the Casino?"

⁹⁶ These are all listed in Appendix A.

⁹⁷ While the NGS Report #3 provides country-level data, disaggregated data for respondents from Christchurch City and for the three Territorial Local Authorities (TLAs) most closely associated with Christchurch Casino have been obtained from the NGS research team. However, since these survey sub-samples are much smaller and therefore have lower statistical confidence associated with their data, the disaggregated data are reported in the tables in this section ONLY where the differences from the national figures are statistically significant, as determined by the NGS research team.

5.4.1 Information in the 2012 National Gambling Survey

Reasons for having gambling

The 2012 NGS asked about people’s views on gambling for a variety of purposes, including fundraising for worthy causes, generating government revenue and gambling as a business enterprise (i.e. a casino). The 2012 NGS responses are summarised in Table 5.4.

Table 5.4 Views on the reason for having gambling

Gambling activities should be for ...	In favour All NZ	In favour Chch City	In favour CCC, SDC,WDC
Fundraising for worthy causes	84.9%	Not significantly different	Not significantly different
Government revenue	26.6%	35.3%	35.3%
Business enterprise	24.4%	34.3%	31.7%

It is evident from Table 5.4 that survey respondents from Christchurch and from the three TLAs most closely associated with the Christchurch Casino had, in 2012, a significantly more positive attitude to the legitimacy of gambling as a business enterprise than respondents from elsewhere in the country.

The report⁹⁸ also provides time-series data on the same question, but only at the country level. These data indicate that support for gambling as fundraising for worthy causes was steady at about 93% during the 1990s, but subsequently declined to 85% in 2012. Whereas support for gambling as a business enterprise fluctuated between 22% and 32% during the 1990s before settling on 25% in 2012.

Gambling availability

Respondents to the 2012 NGS were asked if they thought there were too many gambling venues in the country. At the country level 40.9% of respondents agreed. The proportion was significantly lower amongst Christchurch respondents (32.9%) and also amongst respondents in the three TLAs (31.4%).

Those who said that there were too many gambling venues were then asked to indicate from a list what types of venues there were too many of. With the exception of Housie/Bingo venues, casinos (at 9%⁹⁹ of respondents) were least likely to be considered excessively available. Furthermore, this comparative ranking had prevailed at the country level in a 2005 survey (14%¹⁰⁰ had responded at that time that there were too many casinos) indicating that this attitude had declined over the next seven years. However, a much higher proportion of the 2012 respondents (66.4% nationally) expressed the view that there were too many EGM¹⁰¹ venues in clubs and pubs around the country. Respondents living in

⁹⁸ NGS Report #3 Table 8, p.29.

⁹⁹ Ibid. Table 4, p.25. Responses from those living in Christchurch or the three TLAs were not significantly different.

¹⁰⁰ Ibid. Table 10, p.30.

¹⁰¹ Electronic Gaming Machines (otherwise known as ‘pokies’) in Class 4 venues

Christchurch (83.5%) or the three TLAs (81.6%) were significantly more likely to express this attitude regarding EGM venues.

Socially undesirable activities

Respondents to the 2012 NGS were asked to look at a list of gambling activities and say if they thought any of them were socially undesirable. Casinos were significantly less likely¹⁰² than non-casino gaming machines and internet gambling to be viewed as socially undesirable. Indeed, Casinos were viewed as socially undesirable by a minority of respondents nationwide. The 2012 NGS responses are shown in Table 5.5

Table 5.5 Views on socially undesirable gambling activities

Socially undesirable activity	% of respondents - country level
Non-casino gaming machines	56.6%
Internet gambling	54.5%
Casinos	47.1%
Text games or competitions	39.3%
Horse/dog race betting	20.4%

Time series data¹⁰³ reveal that the high rating for NCGMs followed the trends in NCGM numbers, rising steadily from 38% disapproval in 1985 to 64% disapproval in 2005, before declining to 57% disapproval in 2012. Casino’s disapproval ratings followed a similar pattern, although they did not exist at all in 1985. Disapproval of casinos began at 38% in 1995, increasing to 59% in 2005 (just after the moratorium came into effect), before declining to 47% in 2012.

5.4.2 Comments from Charitable Trust recipients

Overall, comments from Charitable Trust recipients were positive. It is however important to keep in mind that these comments and observations may not reflect the view of all of the participants/organisations interviewed. The comments received regarding the perceived role of the Casino in the community highlighted the belief that the Casino was an integral part of the Christchurch community providing vibrancy and a heartbeat to the city, a significant giver, and for most people harmless. The comments received regarding Casino management and staff noted close relationships with management, and approachable, personable, friendly staff who are committed to the community and help make connections.

There was clearly a mixed response regarding Casino social responsibility with several acknowledging the fact that they ‘give back’ and didn’t want to do harm, and several expressing the belief that the Casino should be giving more to the community, especially to community organisations that can help address harm. Several commented on Casino host responsibility noting that they are responsible and willing to ban people and that they do everything to “a very high order”.

¹⁰² Ibid. Table 5, p.26. Responses from those living in Christchurch or the three TLAs were not significantly different.

¹⁰³ Ibid. Table 11, p.31.

Specific anonymised comments are listed in Appendix J.

5.4.3 Comments from businesses providing goods or services to the Casino

Most companies commented positively on the role they see the Casino playing in the City generally, with some also making specific comments about its key role supporting the City's tourism development. They see the Casino as a high-profile attraction within the fabric of the City, as well as being a focus of attraction that benefits other businesses nearby and in the CBD. Some comments highlight the variety of patrons and reasons for visiting the Casino, apart from gambling - the elderly visiting at lunch time or for afternoon teas, those interested in the Sports Bar and restaurants because there is a degree of separation from gambling areas. Several also highlighted what they see as the crucial role the Casino's virtually continuous operation has played in the City's gradual re-emergence from the traumas of the earthquakes. A few companies chose to comment positively on the Casino's support for community organisations and community events.

Comments on the management and staff of the Casino focus on good working relationships, strong leadership, and the professional culture of the organisation, using descriptors such as 'integrity', 'very organised', 'strict policies', 'respectful', 'loyal' and 'trusting'.

Quite a number of companies chose to comment in strongly positive terms about aspects of the Casino's host responsibility practices - their perceptions of its security and reporting systems, its implementation of standards and rules and following through on their host responsibility obligations.

The only negative comment received concerned the state of the interior decor of the Casino building, an issue of personal taste.

Specific anonymised comments are listed in Appendix J.

5.4.4 Comments from corporate sponsorship recipients

Corporate sponsors view the Casino as having a symbiotic relationship with themselves, noting its role in organisational networking in the City and referring to its pre-quake role in the southern Victoria Street location as a social hub for the CBD in an environment of cross-over entertainments in the Central City, and its importance for the City's continued post-quake redevelopment, linking with the performing arts precinct of the future. Several emphasised the importance of the Casino as a responsible entertainment venue that attracts tourists when they are here.

Several of the corporate sponsor recipients with community engagement programmes referred to the Casino's supportiveness for this type of work. Half the recipients acknowledged positively the professionalism of Casino staff and management.

There were no negative comments or cautionary observations.

Specific anonymised comments are listed in Appendix J.

5.4.5 Comments from Victoria Street businesses

Several businesses confirmed previous responses about some degree of cross-over patronage, with several describing the Casino as 'good neighbours' and noting in particular the positive influence of Casino security arrangements.

For one person with direct experience of a friend being harmed by Casino gambling, there was a clearly expressed desire to see *"the Casino take more responsibility for controlling harm and supporting victims"* but, equally explicitly, they were not calling for the Casino's closure.

Specific anonymised comments are listed in Appendix J.

5.4.6 Summary

While we would expect recipients of Charitable Trust distributions and Corporate Sponsorships to be generally favourably disposed to the Casino, it is also true that they have formed their opinions and attitudes on the basis of direct interactions with Casino management and staff over a period of years. With the very few exceptions noted explicitly above, these attitudes are strongly positive and supportive of the Casino and the manner in which it is perceived as operating.

In the National Gambling Survey of 2012, public attitudes expressed relatively little support at the country level for gambling "as a business" (25%) compared with gambling for "fundraising for worthy causes" (85%). However, it is conceivable that a casino that is widely recognised as devoting management time, staff time, company resources and financial support to a wide range of worthy community causes, while at the same time is also recognised as being diligent in its host responsibility functions, may indeed attract a greater degree of public support than these country-level survey results would imply. The results shown in Table 5.4 above, derived from a survey in 2012 when the Casino had been operating in the city for 18 years, do indeed indicate a significantly more positive public attitude.

As the 2012 NGS survey found, the proportion of New Zealanders who considered casino gambling is socially undesirable was not actually a majority (47%).

5.5 The Gambling environment, visitors to the Casino and Players Club members

5.5.1 Number and location of gambling venues

The following summary is taken from the Ministry of Health Strategy to Prevent and Minimise Gambling Harm 2016/17 and draws on a range of New Zealand studies and surveys.

For all New Zealand

The number of NCGM¹⁰⁴ venues in New Zealand peaked at more than 2,200 in the late 1990s and has been declining relatively steadily since. The quarterly total of licensed NCGMs peaked at 25,221 on 30 June 2003, fell by around 2,000 shortly after the Gambling Act 2003 (the Act) was passed, and has been falling relatively steadily since. As at 31 December 2015 there were 1,238 venues and 16,393 machines.

Since 2005, several analyses have shown an association between the number of NCGM venues, the number of NCGMs and the level of NCGM expenditure on the one hand, and higher deprivation on the other. Some of these analyses also suggest that NZ Lotteries Commission and NZ Racing Board retail outlets tend to be located in higher deprivation areas.

There are six casinos in New Zealand: one each in Auckland, Hamilton, Christchurch and Dunedin, and two in Queenstown. They operate a total of just over 2,800 gaming machines¹⁰⁵ and just under 200 table games. The Christchurch Casino was the first to open, in 1994. The Hamilton casino was the last, in 2002. The Act prohibits any more casinos.

For Christchurch TLA area

As noted above, the Christchurch Casino was the first in the country to open in 1994. As regards proximity to residential areas of social deprivation, 2013 census data indicate that the immediate neighbourhood of the Casino has a preponderance of lower deprivation meshblocks with some pockets of higher-deprivation households. From this it can be concluded that the Casino's location has not targeted high-deprivation residential communities, nor does its location make it particularly accessible to high-deprivation communities.

As for the whole country, Christchurch has experienced a declining number of NCGM venues since the Gambling Act gave local authorities the power to determine local Gambling Venue Policy (GVP). In its first review of GVP, following the Gambling (Gambling Harm Reduction) Amendment Act 2013, the staff paper prepared for the Regulation and Consents Committee noted that *"the intent of the current policy is that the number of venues and machines will decline over time through attrition; In line with the decline seen throughout New Zealand, the number of venues in Christchurch has halved between 2003 and 2014 (from 184 to 92 sites) and the number of machines has reduced from 2,386 to 1,343 over the*

¹⁰⁴ The gambling activity common to casinos and other venues relates to the playing of Electronic Gaming Machines (EGMs). Those EGMs in Class 4 venues (i.e. in pubs, bars and clubs) are often referred to in official reporting as Non-Casino Gaming Machines (NCGMs).

¹⁰⁵ i.e. about 15% of all EGMs operating in the country at 31 December 2015.

*same period*¹⁰⁶. The CCC report also pointed to the strong geographical association between venue locations and areas of high socio-economic deprivation in Christchurch¹⁰⁷.

Regarding trends in Lotteries and TAB outlets, in April 2015 there were three TAB venues in Christchurch, down from seven in July 2012¹⁰⁸. When supplying data for this assessment¹⁰⁹, the NZ Racing Board advised that it also operates one gaming site in Christchurch which opened in August 2011. The NZRB operates no such sites in either Waimakariri or Selwyn Districts.

5.5.2 Participation in gambling

For all New Zealand

According to the MoH source cited in the previous section, most adults in New Zealand gamble at least occasionally. However, only a minority participate in any gambling activity other than buying New Zealand Lotteries Commission (NZLC) products or raffle tickets. For example, the 2012 National Gambling Study (NGS) found that 62 percent of adults had bought a Lotto ticket at least once in the previous year, but only:

- 14 percent had played a non-casino gaming machine (NCGM) at least once;
- 12 percent had bet on a horse or dog race at least once;
- 8 percent had played a casino gaming machine in New Zealand at least once;
- 5 percent had bet on a sports event at least once;
- 4 percent had played a casino table game in New Zealand at least once.

Differences among gambling activities are more pronounced when frequency of participation is considered. For example, the 2012 NGS estimated that 17 percent of adults bought a Lotto ticket at least once a week, but that only 1.5 percent played an NCGM this frequently.

Gambling participation has fallen - and frequent participation in riskier forms of gambling has fallen markedly - since the 1990s. For example, the 1991 national survey estimated that 18 percent of adults participated at least once a week in continuous forms of gambling, while the equivalent 2012 NGS estimate was 6 percent. As another example, the Department of Internal Affairs (DIA) 1990 participation and attitudes survey estimated that 5 percent of adults played a NCGMs at least once a week; the equivalent figure in the last such survey in 2005 was 3 percent, and the 2012 NGS estimate was 1.5 percent. However, results from recent iterations of the New Zealand Health and Lifestyles Survey (HLS) suggest that these downward trends might have slowed or levelled off. In terms of continuous forms of gambling, it should be remembered that the numbers of NCGMs peaked in excess of 25,000 EGMs in 2003 and had declined to about 18,000 EGMs by 2012.

The 2012 NGS also indicated that the percentage of adults participating in more than three different gambling activities at least once during the previous year (another risky gambling behaviour) had fallen

¹⁰⁶ Meeting papers for Council meeting on 16 April 2015. At p.130.

¹⁰⁷ Ibid. Map 1 on p.134.

¹⁰⁸ Ibid. At p.130

¹⁰⁹ NZRB OIA response, 4 August 2017.

since the 1990s. Once again, however, recent iterations of the HLS suggest that this downward trend might have slowed or levelled off.

While gambling participation has fallen, the preferred mode of gambling¹¹⁰ has diversified somewhat over the past decade (see Figure 5.2). In 2004, almost three-quarters of gambling help-seekers (74%) stated their preferred mode of gambling was NCGMs. By 2016, the proportion had fallen to less than one-half (49%). Over the same period, the proportion who preferred casino gambling - both table games and EGMs - increased slightly, from 16% to 18%¹¹¹, while Lotteries and TAB racing overtook casinos, increasing from 9% in 2004 to 22% in 2016. Cards and Housie increased as the preferred mode of gambling for help-seekers, from 1% in 2004 to 5% in 2016, and "other", which includes internet gambling, increased from 1% to 6%.

In summary, casino gambling appears to be the mode of gambling which has changed least in its level of popularity or preference over the past decade, while the level of preference for NCGMs has declined markedly and the levels of preference for all other modes have increased markedly.

For Christchurch and Canterbury

Data from carded Players Club members indicate that the large majority of local and regional visitors to the Casino live in Christchurch City (CCC) and its neighbouring Local Authority areas of Waimakariri (WDC) and Selwyn Districts (SDC).

The corresponding data and trends for the three Local Authority areas most closely associated with the Christchurch Casino (CCC, WDC and SDC) combined, although over a shorter time period, are shown in Figure 5.3. In the last five years, trends in the Christchurch and Canterbury area have been similar to national trends. NCGMs continued to decline as the preferred mode of gambling, reaching 51% by 2016, while casino gambling was reasonably steady at 17% and had been surpassed slightly by Lotteries and TAB gambling at 19%. 'Other' gambling, which includes Internet gambling had increased more markedly than on the national scene, rising to 9% in 2016. The major difference between trends in Christchurch and trends in the neighbouring, more rural districts, is the predominance in the latter of NCGM (50%) and Lotteries/TAB gambling (40%), which accounted for 90% of preferences by 2016. At that time, casino gambling accounted for 7% of gambler preferences.

¹¹⁰ Reported by the Ministry of Health on the basis of information collected from all those who seek help via the various gambling helplines

¹¹¹ Fluctuating somewhat between 14% and 19% over this period.

Figure 5.2 Preferred mode of gambling for help seekers: All New Zealand - 2004/05 to 2015/16

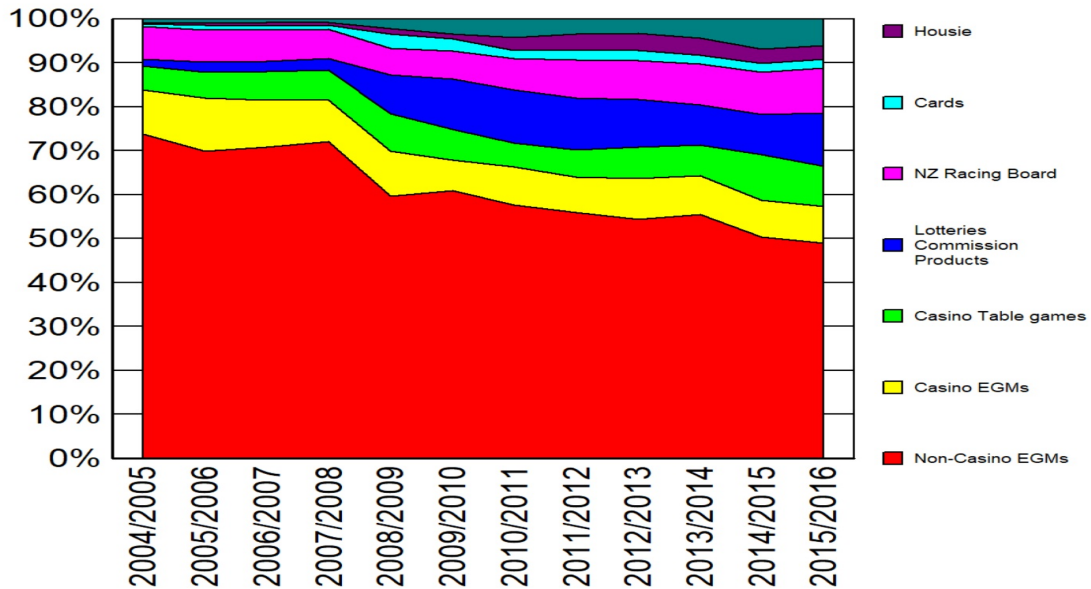
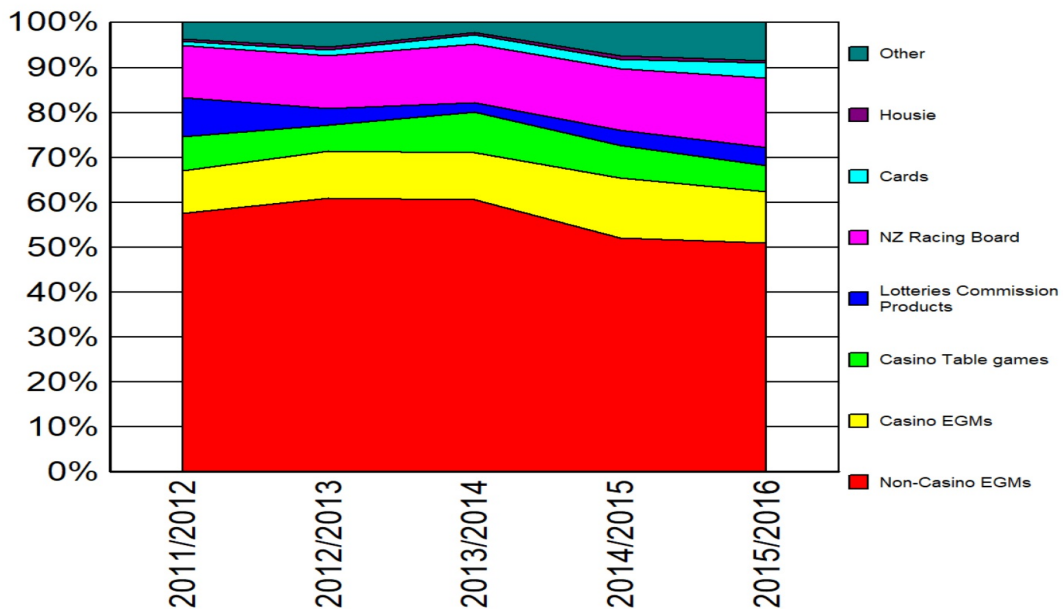


Figure 5.3 Preferred mode of gambling for help seekers: CCC, WDC and SDC - 2011/12 to 2015/16



At Christchurch Casino

Two sources of data inform the following analysis of gambling participation at the Christchurch Casino:

- data on all current Players Club members¹¹² as well as carded Players' Club members who were active in the 2016-2017 financial year¹¹³; and
- data from the visitor survey carried out for this assessment¹¹⁴.

Origins of visitors:

Players Club data provides two sets of answers to the question of visitor origins. Analysis of all¹¹⁵ current Players Club members indicates a much broader distribution of origins than the analysis of those Players Club members who were active during the most recent financial year. Not surprisingly, the proportion of visitors who live locally is considerably lower when evaluated over the lifetime of the Casino and its Players Club.

Table 5.6 Origins of Casino visitors

Origin	All Players Club members	Carded Players Club members active in 2016-17
Local (Christchurch)	58%	80%
Regional & National	22%	14%
International	6%	4%
Unknown	14%	2%

The data on all current members indicate that local Christchurch Casino gamblers have come from all parts of the City, with a slight bias towards the west but nevertheless significant numbers from all four quadrants of the City, and from inner and outer suburbs as follows -

- 21% in 24 suburbs to the NE;
- 30% in 19 suburbs to the NW;
- 20% in 24 suburbs to the SE; and
- 29% in 24 suburbs to the SW.

¹¹² Place of residence, age, sex.

¹¹³ Place of residence, age, sex, frequency of visits, typical level of spend on gambling activities per visit.

¹¹⁴ Place of residence, age, sex, ethnicity.

¹¹⁵ i.e. all individuals who have ever signed up, minus those known to have since died.

Demographics of visitors:

Players Club data reveal that local Casino visitors during the most recent financial year were evenly balanced¹¹⁶ between women (51%) and men (49%). This exactly reflects the City’s resident population at the last census in 2013. In contrast, international visitors to the Casino during the past year were far more likely to be male (63%) than female (37%). The same data set reveals that the ages of Casino visitors during the most recent financial year were quite broadly spread, irrespective of their geographic origins.

Table 5.7 Age distribution of Casino visitors - 2016-2017

Origin	20-39 years	40-59 years	Over 60 years
Local	38%	29%	33%
Regional/national	26%	36%	38%
International	39%	33%	28%

Players Club data do not capture the ethnicity of members. However, the visitor survey for this assessment provides some data. For those who answered the question on ethnicity, the responses are tabulated below in Table 5.8 for Christchurch residents and for all other patrons.

Table 5.8: Ethnicity of Casino patrons

Ethnicity	Chch residents #	Chch residents %	Non-Chch residents #	Non-Chch residents %
NZ European	184	62%	124	45%
NZ Maori	18	6%	15	5%
Pasifika	3	1%	4	1%
Chinese	16	5%	20	7%
Other Asian	36	12%	30	11%
Other	41	14%	83	30%
Total:	298	100%	276	100%

The proportion of Christchurch City residents in the 2013 census who considered themselves NZ Maori was 8%; those who considered themselves Pasifika was 3%; those who considered themselves Asian was 9%. Maori and Pasifika patrons at the Casino are under-represented compared with the resident population of the City, while Asian patrons are over-represented compared with the resident population of the City.

¹¹⁶

Local residents who responded to our visitor survey also reflected this even split.

5.5.3 Trends in gambling expenditures

For all New Zealand and all forms of gambling

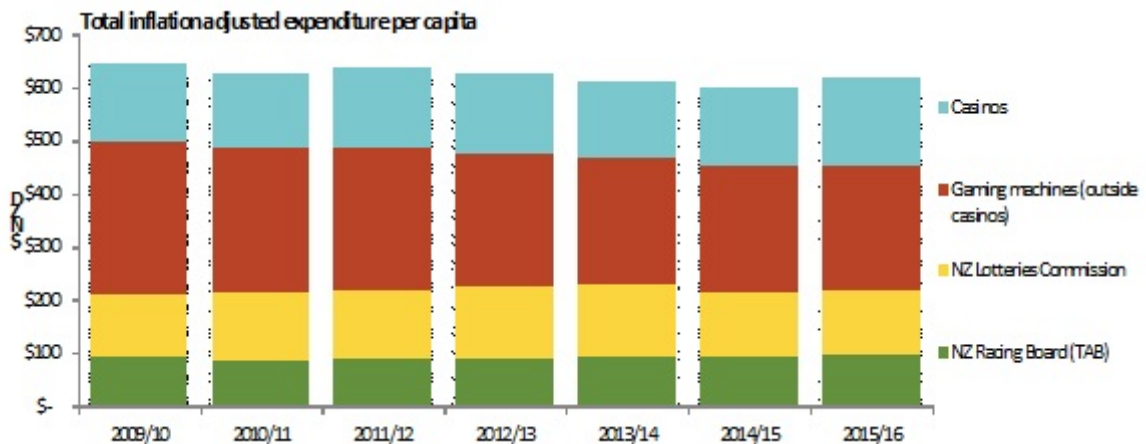
According to the same MoH source and based on DIA data, total gambling expenditures (player losses) in the main gambling sectors increased almost every year from 1983/84 (when there were only two main sectors - the Golden Kiwi and betting on races) to a peak of \$2.039 billion in 2003/04 (when there were four main sectors - NCGMs, the casinos, the NZRB and the NZLC), before dropping slightly in 2004/05 to \$2.027 billion. Between 2003/04 and 2014/15 annual expenditure in these four sectors ranged around \$2 billion, from just over \$1.9 billion (in 2009/10) to \$2.091 billion (in 2014/15). In inflation-adjusted terms (see Figure 5.4) the figure varied only slightly in the six years from 2009/10 to 2014/15 (inclusive), but the \$2.091 billion figure in 2014/15 was around half a billion dollars below the \$2.039 billion figure for 2003/04. In summary, in recent years, total gambling expenditures have been steady in nominal \$ terms, but have declined significantly in real \$ terms.

Much of the growth over the past 25 years is attributable to spending on NCGMs, which were first licensed in 1988. From 1990/91 (the first year for which figures are reported) until 2003/04, NCGM spending rose every year: from \$107 million in 1990/91 to a high of \$1.035 billion in 2003/04, when it accounted for more than half the annual total for the four main gambling sectors.

Over the 10 years from 2004/05 to 2013/14 spending in the NCGM sector fell from \$1.027 billion to \$806 million, even without adjusting for inflation. However, spending on NCGMs increased slightly, to \$818 million, in 2014/15.

While NCGM spending has generally declined for more than a decade, there has been a substantial increase in spending on NZLC products. There have also been smaller, less consistent, increases in spending on casino gambling and NZRB products.

Figure 5.4



Source: Department of Internal Affairs, 2010-2016 Gambling Expenditure Statistics.

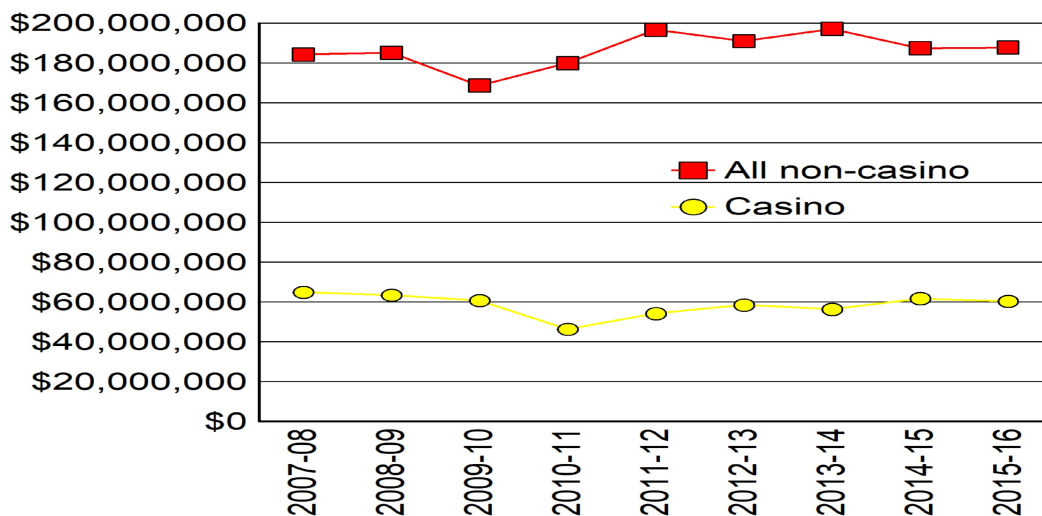
Most casino gambling expenditure derives from gaming machines. Comparing the gambling participation and expenditure information establishes a key point: most of the money spent on gambling in New Zealand comes from the relatively limited number of people who play non-casino or casino gaming machines, or both. This has been the case for more than a decade.

For Christchurch and Canterbury

Since there are no published data on sub-national expenditure trends for each of the principal modes of gambling, data were specifically requested from the NZ Racing Board, Lotteries Commission and DIA for expenditures in the three TLAs most closely associated with the Christchurch Casino - see Figure 5.5¹¹⁷. The data provided indicate that total expenditures on NCGMs and the NZ Racing Board in these three TLAs have both declined marginally over the past decade, while expenditure on Lotteries products has increased substantially. Overall, the level of expenditure in non-casino modes of gambling fluctuated a little but did not change substantially between the beginning and the end of the period, although non-casino expenditure appears somewhat higher in the few years post earthquakes. This will be discussed further in section 6.4.2.

To complete the picture of trends in gambling expenditure in Christchurch and Canterbury over the past decade, data on total gambling expenditure at the Casino are included separately in Figure 5.5. It is noteworthy that during this period the level of total gambling expenditure per year remained virtually constant in nominal \$ terms, with the exception of two years - 2009/10 and 2010/11 - when it was almost ten per cent less. With the exception of those two years, the complementary patterns of Casino and non-casino expenditure in the primary Casino catchment are evident in Figure 5.5.

Figure 5.5 Non-casino expenditure - CCC, WDC and SDC - and Casino total expenditure: 2008-2016



117 Data are in nominal \$ terms, i.e. not adjusted for inflation.

5.6 The businesses in the city and region that provide goods or services to the Casino

5.6.1 Business location

In the most recent financial year, the Casino purchased goods or services from 251 companies throughout the country. Of these, 63% were based in Christchurch, a further 6% in the Canterbury region, and the remaining 31% elsewhere in New Zealand. Purchases ranged from the hundreds of thousands of dollars to the tens of dollars.

5.6.2 Sector of activity

For this assessment, the top¹¹⁸ 50 Christchurch companies were approached and 40 responses achieved. These 40 companies operate in the following sectors -

- Food and Beverage supplies (13)
- Professional services (10)
- Technical services (7)
- Building services (4)
- Hotel accommodation (2)
- Uniforms (2)
- Consumables (2).

5.6.3 Years in business

The majority of these companies have been part of the city and regional economy for more than two decades, as the following table reveals.

Table 5.9 Years of company operation

Number of years in operation	# of companies
Fewer than 5 years	1
6-10 years	2
11-20 years	12
21-30 years	8
More than 30 years	17

¹¹⁸ Meaning the companies with whom the Casino spent the most money during 2016-2017. Minimum expenditure during the financial year for all respondents was at least \$15,000.

5.6.4 Number of employees (FTEs)

The size of these companies, in terms of the numbers of employees they have, is heavily weighted at both ends of the range, as the following table indicates. Aggregate current employed FTEs across all the respondent companies totalled at least 1,926.

Table 5.10 FTEs employed

Number of FTEs	# of companies
1-10	15
11-20	7
21-30	3
More than 30	15

5.6.5 Years doing business with the Casino

The majority of these Christchurch companies have long-established business relationships with the Casino, spanning one or two decades, as revealed in the following table.

Table 5.11 Years of doing business with the Casino

Years	# of businesses
1-5 years	8
6-10 years	10
11-20 years	14
More than 20 years	8

5.6.6 Business revenue associated with supplying the Casino

Companies were asked to indicate the approximate percentage of their annual business revenue in the previous three years that came from purchases by the Casino. Responses reflect the fact that some service providers have a business relationship that is typically episodic rather than continuous, while others are involved with regular supplies. Nevertheless, the scale of company revenue associated with their Casino-related business activities is not insignificant, as revealed in Table 5.12

5.6.7 Promotional assistance or sponsorship from the Casino

Not one of the forty companies interviewed for this assessment has received financial assistance in the form of sponsorships from the Casino.

Table 5.12 % of annual company revenue from Casino business in last 3 years

% range	# of companies
Less than 1%	8
1-2%	10
3-5%	7
6-10%	5
More than 10%	5
d/k or did not respond	5

5.7 Casino financial support for the community

5.7.1 Charitable Trust distributions

As noted in section 3.3.1 of this report, Condition 7 of the Casino Premises Licence requires the Casino to “support the Christchurch Casinos Charitable Trust”, which in turn is required “at least once in each calendar year, and at such other times as the Trustee may determine, distribute to charities such moneys as the Trustee considers proper and which are available from the General Trust Fund for distribution”.

Over the twenty-three years covered by the reports of the Christchurch Casino Charitable Trust, the Trust has made distributions to 93 community organisations. For the first decade of its operation, the total annual distributions averaged approximately \$194,000. Since 2005, the total annual distributions have averaged closer to \$141,000 (see Figure 5.7). In total, \$3,765,000 has been distributed since 1995.

Distributions have been made to community organisations in a variety of categories, namely -

- Church organisations (10),
- Telephone & other Counseling Services (10),
- Community Support Agencies (24),
- Education & Youth Agencies (15),
- Specialist Support Services (24),
- Research Agencies (1),

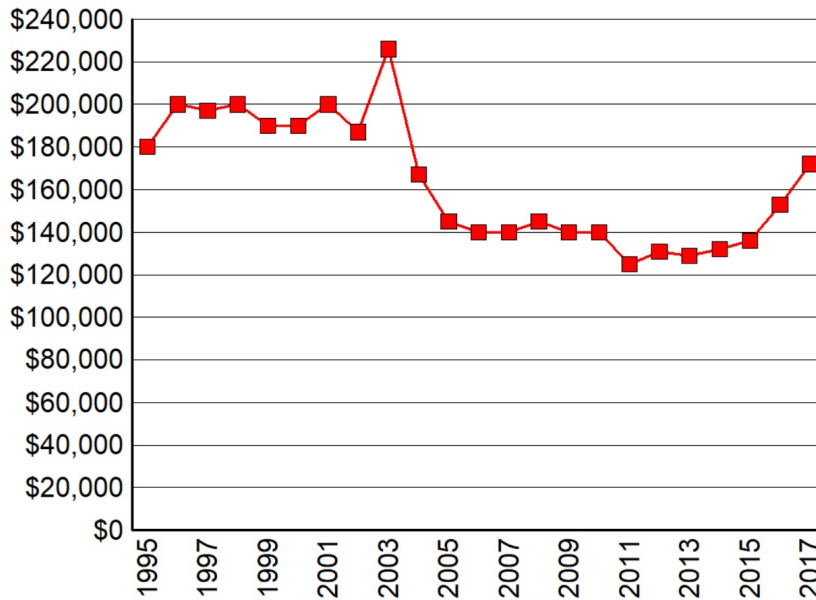
as well as several (5) organisations that received “non-criteria donations or special grants”.

Within the last decade, individual grants have ranged between \$1,500 and \$30,000. Two organisations¹¹⁹ have received grants every single year since the Charitable Trust began making distributions; two

¹¹⁹

The Christchurch City Mission and Cholomondley Children’s Inc.

Figure 5.6 Total Annual Distributions by the Christchurch Casino Charitable Trust: 1995-2017



others¹²⁰ every year except one; and one other¹²¹ every year except four. Apart from these examples of sustained, long-term support, many other organisations (19) have received continued support over a period of five years or more, while at the other end of the spectrum, 32 organisations received support only on an occasional basis (1 or 2 years only). Of the total of 93 community organisations, 50 have received distributions since 2011.

A selection of those receiving sustained support have been interviewed for this assessment¹²².

¹²⁰ Lifeline Christchurch and Life Education Trust.

¹²¹ Barnado’s Christchurch.

¹²² The assessment team sought to interview 10 organisations which had received grants almost every year since the Trust began, and a further 12 organisations which had received grants most years since 2011, a total of 22 organisations or 44% of all recent recipients. The team achieved 20 such interviews, a response rate of 91% - or 40% of all organisations which received grants in the past six years.

5.7.2 Corporate sponsorships

In the most recent financial year, the Casino granted corporate sponsorships to seventeen city and regional organisations, ranging in value from \$1,000 to \$200,000. Representatives of most of these organisations have been interviewed for this assessment¹²³.

Recipients of Casino sponsorship included major sports and recreational organisations (rugby, racing and trotting, netball, basketball, car club, surf life-saving clubs), major cultural organisations (Symphony Orchestra, Court Theatre, Woolston Brass Band), organisers of major community events (Lantern Festival, City marathon, World Golden Oldies tournament), organisations working in the voluntary sector (Rotary Club, St John Ambulance, Cystic Fibrosis Association, Ronald McDonald House, Canterbury Rescue Helicopter), and the business community (Employers Chamber of Commerce). Collectively, these organisations work for the benefit of hundreds of thousands of city and regional residents as well as visitors to the city.

5.7.3 Fund-raising assistance

Fund-raising events in the Sixty6 on Peterborough venue

Events at Sixty6 on Peterborough associated explicitly with fund-raising activities include Quiz or Bingo nights. Groups raising funds are responsible for inviting participation. If more than 100 participants attend, then the Casino provides the venue and quizmaster free-of-charge and contributes a prize. Until the end of May 2017, there had been 35 such Quiz or Bingo events, averaging 132 participants per event. A further 20 such events had already been booked for the period June through August 2017.

Fund-raising assistance via vouchers to the Casino restaurants

Another form of fund-raising assistance provided by the Casino to a broad range of Christchurch and Canterbury clubs, community groups and specific causes¹²⁴ comes in the form of vouchers to the Casino restaurants. The total value of such vouchers for the past four years is shown in Table 5.13.

Table 5.13: Total value of Casino restaurant vouchers applied to fund-raising

Year	\$ amount
2013	\$17,000
2014	\$21,000
2015	\$21,000
2016	\$28,000

In the most recent year, 157 groups received this kind of support, spread broadly across sports clubs (36%), community groups (29%), other charities (18%) and schools (17%). These groups represent

¹²³ The assessment sought interviews with all 17 organisations, and achieved 14 interviews, a response rate of 82%.

¹²⁴ e.g. Fiji Cyclone Relief

interests in many parts of the City, including Aranui, Avondale, Avonside, Beckenham, Burnside, Burwood, Halswell, Linwood, Mairehau, New Brighton, Papanui, Redwood, Riccarton, Roydvale, Russley, St Albans, St Martins, Shirley, South Brighton, Spreydon, Sumner, Sydenham, Waitikiri, and Yaldhurst - and also other parts of the region, including Amberley, Ellesmere, Kaiapoi, Kaikoura, Liethfield, Lincoln, Malvern, Oxford, Prebbleton, Rangiora, Rolleston, Southbridge, Swannanoa and Weedons.

6 ASSESSMENT OF SOCIAL EFFECTS

6.1 Overview of the social effects of the Christchurch Casino

As signalled earlier in the scoping work for this assessment, consideration of the social effects of the Christchurch Casino is based on a consideration of numerous groups of people who have some kind of association with the operations of the Casino. These include -

- Casino visitors/patrons - locals as well as tourists - who choose to go to the Casino for entertainment,
- the households and social networks of Casino patrons, whose gambling at the Casino may cause harm to others,
- the social agencies which provide support services to Casino patrons and Affected Others who experience some degree of harm as a result of their gambling
- local residents who live in the vicinity of the Casino,
- the owners and employees of neighbouring businesses in the vicinity of the Casino, and those tourism businesses which benefit from the increase in stay of some visitors, resulting from the existence of the Casino;
- Casino employees and their households,
- the owners and employees of businesses which provide goods or services to the Casino, and
- the members or beneficiaries of organisations which receive grants from the Casino Charitable Trust or sponsorships from the Casino, or which receive fund-raising assistance from the Casino.

The social effects arising from the operations of the Casino are many and varied in nature and extent. Some are positive social effects, such as -

- the enjoyment of entertainment or social recreation available within the Casino, whether associated with gambling activities or with visits to the Casino's restaurants or bars,
- the employment-related benefits for those who work at the Casino,
- the benefits to nearby businesses, or businesses which supply goods or services to the Casino, or tourism businesses,
- the benefits to residents of the Central City from the increased availability or accessibility of services which are in part supported by the Casino, such as the convenience store opposite the Casino, and
- the benefits associated with the activities of funding recipients, whether they receive financial assistance via the Christchurch Casino Charitable Trust, via corporate sponsorships directly from the Casino, or via other forms of fund-raising assistance such as use of Sixty6 on Peterborough.

Other social effects are undoubtedly negative, such as -

- the harm caused to those Casino patrons who gamble beyond their means or in a manner which causes them harm and also causes harm to others in their household, family/whanau and wider social networks,
- a range of illegal or criminal behaviours or other undesirable behaviours associated with gambling at the Casino, and

- adverse effects on nearby residential amenity associated with the behaviours of intoxicated patrons.

As we explained in our Scoping Report, at times it is suggested that a holistic economic assessment would combine the financial value of the commercial activities associated directly or indirectly with the Casino, with an estimated dollar value of any non-market social costs and benefits associated with the Casino operation. It is our view that there is little point in trying to put a financial value on these social costs and benefits, a view which is supported by a number of articles in the literature¹²⁵. The reason is that social values become highly uncertain, and in many cases purely speculative.

This uncertainty relates particularly, but by no means exclusively, to the costs of problem gamblers, who have negative effects not just on themselves, but also on the family and business communities of which they are a part. Not only is it quantitatively uncertain what these costs are, it is also very uncertain what the effect of closure of the Casino will be on the level of these costs. It is sometimes argued that problem gamblers who are denied access to a casino will simply turn to an alternative form of gambling¹²⁶, and it is possible that providers of this alternative will make much less effort to minimise the harm to problem gamblers than does the Casino.

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See for example:

Williams, R.J., Rehm, J., and Stevens, R.M.G. *The Social and Economic Impacts of Gambling*. Final report prepared for the Canadian Consortium for Gambling Research. (March 11, 2011)

See in particular p 11 where the authors say, in discussing the various attempts to monetise the social costs of gambling, "Unfortunately the figures obtained from this [full cost benefit] approach are somewhat arbitrary and fairly unreliable, making them subject to widely different estimates. It also continues to remain unclear how to create a monetary value for some variables. Even the strongest supporters of this full cost-benefit approach acknowledge these serious difficulties. For example, Anielski and Wynne (2009) ended up abandoning this strategy in their socio-economic impact study of gambling in Nova Scotia".

Australian Institute for Gambling Research, *Social and Economic Impacts of Gambling in New Zealand: Final Report*. University of Sydney, (July 2001). See p 109: "Previous attempts have been made in international and New Zealand studies to calculate the costs and benefits of gambling in dollar terms. The lack of rigorous, objective and systematic gambling research has generated highly contentious estimates".

Stevens, R.M.G. & Williams, R.J. *Socio-Economic Impacts Associated with the Introduction of Casino Gambling: A Literature Review and Synthesis*. Alberta Gaming Research Institute, (July 31, 2004.)

See in particular p3 where the variability in the quality of studies and the estimates of the dollar value of the social costs of gambling is described.

Walker, D.M. & Barnett, A.H. 1999. *The Social Costs of Gambling - An economic perspective*. Journal of Gambling Studies. (1999) Autumn;15(3):181-212

Australian Productivity Commission. *Australia's Gambling Industries. Inquiry Report. Report No. 10*, November 1999. See in particular Section 9.2, "The most remarkable aspect of the estimates reported is their range - from US\$60 - \$52,000 per problem gambler per year"

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The 2012 National Gambling Survey found that 53.1% of the participants who used casino EGMs in the past year also used non-casino EGMs in the last year. AUT, Pers.Comm. 27 July 2017. See also data and discussion elsewhere in this report (section 6.4.2) on the observed transfer of gambling activity during the 3-month period when the Christchurch Casino was closed after the February 2011 earthquakes.

For this reason we have decided not to try to put a dollar value on the social impacts of the Casino¹²⁷, and to leave it to the commissioners to weigh up the social and economic costs and benefits. In our view, not only is it extremely difficult to create some single value for the combined social and economic impacts - "the net effect", but to do so trespasses to some extent on the role of the commissioners to make this overall judgment.

6.2 Positive social effects

The following sections address -

- the enjoyment of entertainment or social recreation available within the Casino, whether associated with gambling activities or with visits to the Casino's restaurants or bars,
- the employment-related benefits for those who work at the Casino,
- the benefits to nearby businesses, or businesses which supply goods or services to the Casino, or tourism businesses, and
- the benefits associated with the activities of funding recipients, whether they receive financial assistance via the Christchurch Casino Charitable Trust, via corporate sponsorships directly from the Casino, or via other forms of fund-raising assistance.

6.2.1 Entertainment at the Casino

This assessment draws upon a range of qualitative and quantitative information sources, including the 1999 Report from the Australian Productivity Commission into Australia's Gambling Industries, the results of the 2012 National Gambling Survey in New Zealand, the analysis of Players Club data at the Christchurch Casino, the results of the 2015/16 Household Expenditure Survey in New Zealand, the consultation interviews and the survey of Casino visitors carried out for this assessment.

The 1999 Report from the Australian Productivity Commission (APC) into Australia's Gambling Industries

Ministry of Health, Auckland University Gambling Studies researchers and DIA regulatory staff consulted in the early stages of the assessment reported here made reference to this Australian national investigation as a relevant and authoritative source. The APC investigators have a number of pertinent observations to make about the notion of entertainment related to gambling.

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We note that the study entitled "Measuring the Burden of Gambling Harm in New Zealand (May 2017) at p.180 postulates the use of a non-financial numeraire for assessing population-level harm from gambling - "Annual years of healthy life lost" - for the purposes of "comparisons between PGSI categories, harms to self and others, gambling and other comparable health states, and demographic differences." However, the research has not attempted to attribute quanta of harms between different modes of gambling, or indeed to differentiate quantitatively between different modes. AUT, Pers.Comm.20 June 2017. Furthermore, the same report acknowledges (at p.54) that "Currently, there is no adequate measure to assess the harms associated with gambling behaviours and exposure. This is partly due to an emphasis in gambling research on linking harm to problem gambling severity and clinical diagnosis using somewhat shallow and restrictive measures of impacts and outcomes. These measures often fail to differentiate and illustrate the harms that occur beyond the individual to family, friends, extended family, and communities; nor do they capture the various individual, cultural, environmental, social, and political constructions of harm that occur on varying levels of severity."

The APC report observed¹²⁸ the polarised nature of the debate about the validity of the notion of entertainment in a gambling context. The debate stems from the consideration of whether or not the gambling industry is just another entertainment industry and should therefore be regarded and regulated no differently from other entertainment industries or requires specific regulation. The Commission reported the predominant view that the gambling industry is a special case, noting¹²⁹ that -

“The perceived ‘questionable’ nature of the gambling industries reflects their ability simultaneously to provide entertainment that is harmless to many people, while being a source of great distress - and even of financial and personal ruin - to a significant minority. The imbalance between the consequences for each group can be very marked, a feature not found in other entertainment industries. (Alcohol consumption provides a closer analogy).”

By way of elaboration, the Commission expressed that view¹³⁰ that -

“gambling is best characterised as a form of entertainment, albeit one where a major element of that entertainment is the chance of winning some money.”

and further noted -

“Indeed, a key source of gambling problems arises when people see gambling as a means of realistically increasing their wealth, rather than as a form of entertainment that is, on average, going to cost them money.”

¹²⁸ At p.5, paras 2 and 3.

¹²⁹ At pp.13-14.

¹³⁰ At p.5.3.

Elsewhere in their report the Commission observes that¹³¹ -

“The average recreational gambler gambles for entertainment - as a way of spending leisure time”

“For some consumers, gambling is a means of social interaction - gambling venues provide a social setting to meet people.”

They also comment on experiences associated with the venue¹³² -

“many consumers combine gambling with other social activities such as dining out, drinking with friends or watching live entertainment. As such, the demand for venue based forms of gambling, can be influenced by other services provided by the venue. Indeed, many venues offer cheap meals and drinks, subsidised by gambling revenue, to attract gamblers.”

And, in reference to surveys about reasons why people gamble, or motivating factors¹³³ -

“Normally, what people undertake voluntarily is regarded as a reasonable revelation of their preferences, and any anticipated costs from their actions are not considered, therefore, to constitute social costs. This seems to be a reasonable depiction of the vast majority of gamblers who are able to control their expenditure and engage in gambling as a form of entertainment or of passing time.”

Results of the 2012 National Gambling Survey (NGS)

Amongst the areas of enquiry covered by the NGS was the reasons national survey participants gave for taking part in the various gambling activities. As a general finding, Report No. 1 noted¹³⁴

“Entertainment was mentioned by over 50% of participants in relation to card games, casino table games, casino EGMs, overseas internet gambling, horse and dog race betting, non-casino EGMs, sports betting, and bets with friends or workmates.” More specifically, Table 23¹³⁵ of the NGS Report contained the following results -

¹³¹ At p.3.11, paras 1 and 2.

¹³² At p.3.13.

¹³³ At p.4.7. paras 2 and 3.

¹³⁴ At p.11, final bullet point.

¹³⁵ At p.81. Note that other distinct categories of response to the question about reasons for gambling participation include: To win prizes/money; For excitement/for a challenge; To support worthy causes; Out of curiosity; To oblige or please other people; As a gift for another person; As an interest/or a hobby; and To be with people/get out of the house.

Table 6.1 NGS 2012 - Reasons for participating - As entertainment

Reasons for participating	Casino table games %	Casino EGMs %
As entertainment	69%	63%

Drawing on a series of earlier DIA surveys as well as the 2012 NGS, Table 47 of the NGS Report No.1¹³⁶ provided similar data in time series form.

Table 6.2 Reasons for participating - time series responses

Reasons for participating	1995 %	2000 %	2005 %	2012 %
Casino gambling				
As entertainment	57%	58%	65%	66%
Casino EGMs				
As entertainment			69%	63%

Appendix 8 of the same report provides a breakdown of the 2012 NGS responses by sex, age and ethnicity, the last of which are summarised in the following table. All ethnicities show at least half the respondents citing entertainment as a reason for their casino gambling.

Table 6.3 Reasons for participating - by ethnicity

Reasons for participating	Casino table games %	Casino EGMs %
European/Other		
As entertainment	73%	65%
Maori		
As entertainment	50%	57%
Pasifika		
As entertainment	58%	50%
Asian		
As entertainment	60%	64%

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At p.128.

Christchurch Casino Players Club data - 1 April 2016 to 31 March 2017

Analysis of the carded play of Players Club members at the Casino has identified four distinct categories of gamblers. The four categories are -

- (A) those not observed as displaying risky gambling behaviours,
- (B), those for whom initial risks were observed,
- (C) those where risk identification was escalated, and
- (D) those who self-excluded themselves or were excluded from the Casino by the Host Responsibility Executive as a result of high-risk behaviour.

Their gambling behaviours are distinguished both in terms of the frequency of their gambling and in terms of the typical amount of money they spent during each visit, as shown in Table 6.4.

Table 6.4 Players Club carded play - frequency of visits and typical spend/visit

Category	# players	Ave # visits in the year	Mean Casino win per visit	Median¹³⁷ Casino win per visit	% of carded players
(A) All carded -(B)-(C)-(D)	22401	10	\$59	\$35	94.7%
(B) carded Host Responsibility Log entries	769	49	\$330	\$123	3.3%
(C) carded Gamblers of Interest (Gols)	337	50	\$1,133	\$168	1.4%
(D) carded Exclusions ¹³⁸	147	28	\$447	\$180	0.6%

Comparison of CCL data with NGS data¹³⁹

In order to compare the risk prevalence estimates from the CCL data with those of the NGS, it is necessary to adjust the latter to take account of the very different ethnic composition of the Christchurch Casino's principal domestic patron catchment, compared with the national population, as revealed in Table 6.5. This is because prevalence of the risk of harm from gambling differs markedly by ethnicity¹⁴⁰.

¹³⁷ The fact that Median values are substantially lower than Mean values indicates a skewed distribution with a relatively small number of players spending relatively larger amounts.

¹³⁸ Note that some Excluded players will not have played for the whole year because of their exclusion.

¹³⁹ It must be remembered that the risk prevalence estimates produced by the NGS are for all forms of gambling and are therefore not specific to casino gambling. However there are no other recent, independent data sets available against which to compare the CCL data.

¹⁴⁰ 2012 NGS Report No.2, at Table 6, p.46.

Table 6.5 Ethnic composition¹⁴¹ of the Usually Resident Population, aged 20 years and older, 2013 Census

Ethnicity	All NZ	Christchurch City	Waimakariri District	Selwyn District
Maori	14.9%	8.5%	7.4%	7.0%
Pasifika	7.4%	3.1%	0.8%	1.2%
Asian	11.8%	9.4%	1.7%	3.2%
European/Other	78.5%	88.7%	98.2%	97.0%

Taking into account the above ethnicity data reduces the aggregate level of risk (prevalence of at-risk gambling) assessed for the Casino's principal domestic patron catchment by 18%, compared with the national gambling population¹⁴² surveyed in the NGS. This 18% adjustment is included in Table 6.6 below as the last column.

Table 6.6 Comparison of Casino's 2016/17 Host Responsibility data and 2012 NGS data (original and adjusted)

Casino 2017 data			NGS 2012 data			
Carded members who visited but did not gamble	16.0%	Of those who gambled	Did not gamble	20.2%	Of those who gambled	Adjusted
(A) All carded -(B)-(C)-(D) No risk identified	79.5%	94.7%	Not at risk	72.3%	90.6%	92.3%
(B) carded HR Log Initial risk identified	2.8%	3.3%	Low-risk gamblers	5.0%	6.3%	5.2%
(C) carded Gols Risk identification escalated	1.2%	1.4%	Moderate-risk gamblers	1.8%	2.2%	1.8%
(D) carded Exclusions High-risk response	0.5%	0.6%	High-risk gamblers	0.7%	0.9%	0.7%

¹⁴¹ Note that the Census allows multiple responses to the question on ethnicity.

¹⁴² This is probably still a conservative assumption, since no allowance has been made for the fact that the Casino visitor survey carried out for this assessment found Maori and Pasifika were under-represented, compared with the Usually Resident population.

The following estimate of the number of patrons who visited the Casino during the period April 2016 to March 2017, and were able to enjoy the entertainment without engaging in risky behaviour that might cause them harm, is based on applying the percentages¹⁴³ 'Not at risk' to the total number of individual visitors to the Casino who participated in gaming activities of any kind, and then adding this to the number who visited but did not gamble at all.

The total number of individual, New Zealand-resident visitors to the Casino during the 2016/17 financial year has been estimated at 91,900¹⁴⁴. With reference to the proportions of carded Players Club members who visited the Casino to gamble (84%) or visited without participating in any gambling (16%), this suggests that the total number of New Zealand-resident visitors to the Christchurch Casino in the 2016/17 year who participated in gambling was 77,200¹⁴⁵.

The Casino's 2016/17 Host Responsibility data suggests that 94.7% of these visitors gambled without risk, while the adjusted 2012 NGS data suggests that 92.3% gambled without risk. Applying these percentages to the mean estimate derived above yields a mean estimate of 72,100¹⁴⁶ who gambled at the Casino without harm. Along with the estimated 14,700 who visited the Casino but did not gamble, this implies a total of 86,800 resident New Zealanders who enjoyed entertainment at the Christchurch Casino in a recent 12-month period, without experiencing harm. Against this is an estimated 5,000¹⁴⁷ who gambled there and experienced some degree of harm, a matter that will be discussed in more detail in section 6.3.1.

As noted in Table 6.4 above, the average (mean) expenditure per visit of those gamblers who were able to avoid harmful gambling behaviour was \$59. At 10 visits over the 12-month period, this implies a total spend of \$590 on casino-related entertainment per year, or \$49 per month.

To put this in context, Table 6.7 gives the results from the 2015/16 Household Expenditure Survey carried out by Statistics NZ of the average weekly spend on the listed items.

¹⁴³ The range comes from applying the Casino data and the NGS data as upper and lower bounds to the estimate. This must be seen as a conservative approach (i.e. tending to under-estimate the percentage 'Not at risk', since the NGS percentages refer to all forms of gambling, not just Casino gambling and the NGS data also indicate clearly that casinos are NOT the source of the greatest percentage of harms.

¹⁴⁴ With a range of 78,800-113,800 - see Appendix K for details supporting these estimates.

¹⁴⁵ With a range 66,200-95,600.

¹⁴⁶ With a range 71,200-73,100.

¹⁴⁷ With a range 4,100-5,900.

Table 6.7 2015/16 NZ Household Expenditure on listed items

Category of expenditure	Average weekly spend	Corresponding average monthly spend
Alcoholic beverages ¹⁴⁸	\$22.20	\$96
Restaurant meals	\$24.60	\$107
Recreational and Cultural services	\$45.00	\$195

Consultation interviews and Casino visitor survey - the Casino as a safe place to be

In addition to the quantitative analysis presented above, this assessment encountered numerous observations which help to characterise the attraction of the Casino in a social context -

- *"the Casino is seen as a safe place for women for a night out, compared with other licenced venues where they may be vulnerable to unwanted attention"*
- *"the Casino is seen by older, retired people as a "warm, safe place". It appeals to elderly who are single, may have lost their partners, with free tea and coffee and inexpensive meals; most are Players Club members - they regularly get free gifts"*
- *"good stories about elderly people visiting regularly - for organised activities and inexpensive meals with no compulsion to gamble. It is a safe place of entertainment compared with ordinary bars"*
- *"it's a safe place of entertainment - even for women on their own"*

These observations have been particularly relevant in post-quake Christchurch.

Interviewers for the assessment team, who carried out the survey of Casino visitors in April 2017, provided salient commentary from their observations¹⁴⁹ -

"Most respondents were agreeable to a brief interview, even though many were (we think) wary that their gambling habits and spending might be scrutinised. Some were very interested in the purposes of the survey, the level of the interviewers' independence, and the relicensing application.

There were many Casino users who thought we would not want to interview them as they had only attended the Casino for the restaurants and not for gaming. This group proved to be a significant component of the Casino users, often telling us their reasons for enjoying the Casino venue because it was warm, safe, had a high security presence, high standard of presentation and cleanliness, had a reasonable dress code, excellent and cheap meals, and friendly, attentive, courteous staff who always made them feel welcome. They also reported that after the earthquakes in Christchurch it was one of the first venues to re-open and that they just continued attending. Others told us that it was hard to find good places to go in Christchurch

¹⁴⁸ Statistics NZ advise that survey responses on the level of expenditure on alcoholic beverages notoriously under-state the actual such expenditures. Pers.Comm. 8 August 2017.

¹⁴⁹ Bearing in mind that they interviewed 348 individual local residents.

in the evenings and the Casino restaurants and bars were a safe lively place to be.”

The same interviewers made a series of general observations -

“Many of the people who come to the Casino do not come to play the games - they come for company and for a reason to be doing something in a day. We took to calling the Casino ‘Community House Victoria Street’.

They come for the events the Casino provides, be it the prize draws, the free Bingo, the Quiz nights, the free birthday meals etc. They come because the security and reception staff welcome them as they enter and they feel known. They come because the staff in the restaurant treat them with respect, take them to their seat, talk to them and then they are waited on even if their meal costs only \$9.00. They come because they feel part of a wider world instead of being alone in their house where ever that is. Many spend very small amounts but it is their “fun money” and they are in a community while they spend it. They feel safe, and this is not only the women, but also the older men or people who are lonely. They can be quiet and on their own and it is a very different sort of place compared to going to a big pub and feeling overwhelmed and alone and not feeling very safe as you leave. At the Casino people know they can ask the security staff to escort them to their car close by if needed, or there is a shuttle they can use for local travel.

Many are members of the Players Club even if they are not players. This has different levels of membership but at the base level you can get reduced meal costs and the chance to be involved in the special promotions and draws.”

They also made specific observations about elderly Casino users -

“This was a large group of respondents. Many were single and more willing to engage with the interviewers and talk at length about their liking for the Casino and the safe and friendly venue they experience. It was obvious that they appreciated the attentiveness of the staff who took their coats, helped them into their coats on departure, held doors open for them, and helped them into their taxis or shuttles, and chatted with them and often joked. We had the strong impression that many of these folk were living alone and quite lonely, and that the Casino met many of their social needs. I talked with one 87 year old woman who has been coming to the Casino every day, for all of these reasons, since her husband died 13 years ago for her evening meal. Another elderly woman who had years of selfless good works for hundreds of local people told me she could come to the Casino as an anonymous person where she could have her time out and not look after others. There were also many older men who reported coming for their main meal of the day, the gaming not a feature of their visit, or otherwise incidental.”

and women users -

“As in the elderly respondents, women respondents reported on the safety and high security features of the Casino making it feel like a good venue for them. Many attended on their own, or with women friends, and younger women often came in larger groups.”

Summary

This assessment has found both quantitative and qualitative data that give a strong indication of the nature and extent of the entertainment function provided by the Casino.

Two independent sources of data both indicate similar levels of harmless and harmful gambling at the Casino. Given the relatively stable patterns of gambling participation and gambling expenditures noted in Section 5.5, the estimate of 86,800 resident New Zealanders enjoying entertainment without harm at the Christchurch Casino in a recent 12-month period provides a reasonable indication of the numbers of people who enjoy this social benefit.

6.2.2 Direct employment in the Casino

Overview of employment effects

While one of the stated aims of the Casino Control Act, 1990 was to promote employment, the Committee of Enquiry expressed interest in the quality of the jobs created and the permanence of those jobs, as well as the level of skills associated with employment in the Casino. The Australian Institute for Gambling Research researchers noted¹⁵⁰ that casinos are labour intensive and draw on a wide range of retailing and hospitality skills. Against an emerging general economic trend at the time of increasing casualisation and precariousness of work arrangements¹⁵¹, there was also interest in the type of employment being offered (e.g. full-time vs part-time) and the accessibility of the work opportunities to women and youth. These considerations draw attention to the role of training, the nature of the work environment, the career opportunities and the concept of work-life balance.

Data sources

This assessment has drawn on a variety of sources of researched information, data and commentary. In 1998, the Australian Institute for Gambling Research (AIGR) completed their report on the social and economic impacts of two casinos in New Zealand - being Sky City Casino in Auckland and the Christchurch Casino. When discussing employment effects, that research referenced the 1989 Report of the Committee of Enquiry into the Establishment of Casinos in New Zealand and the 1995 DIA Report into the Social Impact of Gaming in New Zealand.

¹⁵⁰ AIGR, 1998. Study of the Social and Economic Impacts of New Zealand Casinos. Final Report. Prepared for the New Zealand Casino Control Authority. 1998. At p.345.

¹⁵¹ For example, see Baines, JT and Newell, J 2004. Multiple Job Holding in New Zealand: A Growing Presence in New Zealand's labour Markets, 20-year trends. In Labour, Employment and Work in New Zealand. Proceedings of the Eleventh Conference 22&23 November 2004, Victoria University of Wellington. At pp.235-244.

Other data sources include -

- CCL information on the current organisational structure of the Casino operation,
- CCL data on employment type, with demographic breakdown,
- CCL data on staffing levels and staff turnover for the past three years,
- CCL staff Exit Survey responses¹⁵² for the past four years, and
- information from the staff survey conducted for this assessment.

In terms of empirical data, the AIGR research focused on evidence of the type of jobs created, gender composition of the Casino staff, training provided, and employee turnover during the early years of the Casino's operation. Similar data have been provided by CCL for the most recent years of the Casino's operation.

The exit interviews and the survey of current staff enable this assessment to provide a more in-depth assessment of effects experienced by the Casino's staff, covering aspects such as training opportunities, future employability, the nature of the work environment, and the benefits and social disadvantages of their Casino work. The geographical distribution of staff places of residence has also been analysed. In this way, more attention is given to the experience and perspectives of Casino staff than was possible with the AIGR research.

As a business that has employed in the vicinity of 500 staff for the duration of its existence, the Christchurch Casino ranks in the top 10% of employers in the City¹⁵³.

Findings

The findings reported here cover both the early years of the Casino's operation and the most recent years.

1998 AIGR Report on New Zealand casinos

The AIGR researchers identified¹⁵⁴ that the original proposal for Christchurch Casino estimated approximately 390 FTEs. By September 1995 the Casino had directly generated 482 FTEs and by July 1997 had generated 524 FTEs, the increases being attributed to higher than predicted levels of patronage¹⁵⁵.

The AIGR researchers analysed the gender composition of staff in the various departments. They found¹⁵⁶ that, in 1997, the Casino employed more female staff (56%) than male staff (44%), noting that

¹⁵² Unless identified otherwise, the number of responses was 250. (i.e. only where there were missing responses will a different number be noted.)

¹⁵³ Canterbury Employers Chamber of Commerce. Pers.Comm. 12 July 2017.

¹⁵⁴ Ibid. At p.358.

¹⁵⁵ *"The most significant increase in FTE jobs has occurred in Gaming, particularly for table gaming staff. The number of Food and Beverage FTE jobs increased 1995-96, but declined slightly in 1996-97, while the number of jobs in Christchurch Casino Administration have remained relatively stable."* Ibid. p359.

¹⁵⁶ Ibid. At p.363.

“female staff form a significant majority in the Gaming Department and in the Food and Beverage Department”, while “Male staff form a significant majority in Administration, particularly in security positions.” By way of explanation, they noted that *“Management claim that the casino has created employment for older women returning to the workforce with skills in household management and budgeting.”* Furthermore, the AIGR analysis in 1997 found¹⁵⁷ that *“gender discrimination is not a factor in part time or full time employment at Christchurch Casino”,* that 83% of jobs at the Casino were full time and that casual work arrangements were not used at all at that point in time.

The AIGR analysis of training provided by the Casino in 1997 refers only to training courses for gaming employees.

The AIGR analysis of employee turnover in the Casino workforce in the first two years is limited, with no absolute numbers provided. Nevertheless some comparative observations are worth noting for later comparison with data for the most recent years. They found¹⁵⁸ that the lowest rates of turnover - *“the most stable departments for employment”* - were Gaming and Administration. *“The Food and Beverage Department typically has rates of staff turnover up to 50% higher than for the total casino workforce. This is reportedly characteristic of employment in the hospitality sector.”* *“Security has one of the lowest rates of staff turnover typically security has rates of staff turnover up to 50% less than for the Administration Department as a whole.”*

CCL data

The data provided by CCL enables an analysis of the following aspects of Casino employment -

- type of employment (FT, PT or casual),
- the gender composition,
- the duration of employment,
- rates of staff turnover,
- the geographical distribution of staff across the City,
- the levels of income earned compared with the City’s labour market as a whole,
- the adequacy of staff training,
- staff perceptions of career opportunities,
- staff perceptions of the nature of the work environment, and
- staff experience of work-life balance.

The current organisational structure (as at 1 April 2017¹⁵⁹) for Casino employees is provided in Appendix D. This indicates a total of 478 employees. The largest departments are Gaming (154), Food and Beverage (155), Security and Surveillance (45) and Finance (39)¹⁶⁰.

¹⁵⁷ Ibid. At p.364.

¹⁵⁸ Ibid. At p.366.

¹⁵⁹ Given the level of staff turnover (discussed later in this report), the total staff numbers do vary (see next footnote), but the overall organisational structure remains.

¹⁶⁰ By August 2017, staff numbers in Gaming had increased to 162, in Food & Beverage to 175, while staff numbers were virtually unchanged in Security & Surveillance (44) and Finance (40) - an overall increase of 23 during the period of this assessment work.

Type of employment arrangement

Twenty years after the AIGR research, the Casino currently¹⁶¹ employs 284 female staff (57%) and 217 male staff (43%) - an almost identical split to that observed by AIGR in 1997.

The distribution of male and female staff across the major departments in 2017 has changed somewhat. Female staff still form a significant majority in Food and Beverage (70%) but this is no longer the case in Gaming where male staff (52%) slightly outnumber female staff (48%). Another notable change is that female staff (65%) now significantly outnumber male staff in the Finance department, although male staff (70%) still outnumber female staff in Security and Surveillance. Access to employment opportunities at the Casino for women has clearly not declined, nor does gender appear to be a strongly determining factor in the range of jobs accessible to women at the Casino.

As in other sectors of the economy, the total Casino workforce has become relatively more casualised since the late 1990s, as Table 6.8 illustrates. In 1997, there were no casual staff positions at all, and full-time positions made up 83% of all staff, with 84% for males and 82% for females. In 2017, the extent of casualisation differs markedly between males and females.

Table 6.8 Type of employment by gender - August 2017

	Casual	Part Time	Full Time	Total
Female	57 (20%)	72 (25%)	155 (55%)	284
Male	26 (12%)	18 (8%)	173 (80%)	217
Total	83 (17%)	90 (18%)	328 (65%)	501

Duration of employment

Length of service is evenly spread across short-term, medium-term and long-term periods of employment, with 34% of current employees having worked at the Casino for less than two years, 22% for 2-5 years, 20% for 6-10 years and 24% for 11-23 years, including significant cohorts with 15 years (10 staff), 20 years (11 staff) and 23 years service (18 staff). These data indicate an organisation with a considerable level of staff commitment and institutional memory. Enquiries with the Canterbury Employers Chamber of Commerce elicited the response that comparable city-wide or regional data are not available.

¹⁶¹ As at 14 August 2017.

Rates of staff turnover

Annual staff turnover for the whole organisation in the past three years varied between 125 and 152, or between 28% and 36% of total staff numbers.

As observed in the AIGR research, there is considerable variation in turnover rates across different departments in the Casino. The following table demonstrates that the relativities observed by AIGR twenty years ago persist. Administration and Gaming remain the most stable departments, with Security relatively stable as well, while Food and Beverage continues to experience relatively high levels of staff turnover, year after year.

Table 6.9 Staff turnover at the Casino, by department - 2014/15 to 2016/17

Department	Number of staff leaving/year Range: 2014/15 to 2016/17	% of total staff Range: 2014/15 to 2016/17
All Departments	125- 152	28%- 36%
Administration ¹⁶²	42737	0%-13%
Gaming ¹⁶³	24-30	13%-18%
Security & Surveillance	42959	17%-27%
Food & Beverage	75-107	57%-83%

Direct income support for households across the City

CCL records indicate that people currently employed at the Casino are well spread geographically around the City in terms of their place of residence - from the Central City out to the outskirts of the City and beyond. If the City is divided simply into four quadrants associated with the compass rose, the distribution of current staff places of residence is given in Table 6.10. Employment at the Casino can therefore be said to be directly supporting to some extent the social and economic activities of about 480 households across the City.

¹⁶² Includes Executive, Finance, Human Resources, Information Services

¹⁶³ Includes Gaming, Cash Desk and Casino Host

Table 6.10 Geographic distribution of staff places of residence

Location	% of staff
NE Christchurch	18%
SE Christchurch	22%
SW Christchurch	22%
NW Christchurch	29%
Outside Christchurch	9%

Comparative level of income

The lowest and highest personal income quartiles for Christchurch City residents in 2013 were approximately \$15,000 p.a.¹⁶⁴ (lowest quartile) and \$50,000p.a.¹⁶⁵ (highest quartile). The median personal income in 2013 for Christchurch City¹⁶⁶ was \$29,800p.a. Data from Statistics NZ Labour market surveys indicate that wage and salary levels have generally increased by 10% over the period 2013 to 2017, implying a lowest quartile income level of \$16,500p.a. currently, a current median income level of \$32,780p.a. and a highest quartile income level of \$55,000p.a. currently. Amongst Casino employees currently working full time, none earn less than \$16,500p.a., all of them earn more than the median \$32,780p.a. and 24% earn more than \$55,000p.a. These data indicate that 76% of full-time wage or salary earners at the Casino earn income at levels between the median income and the highest quartile.

Enquiries with the Canterbury Employers Chamber of Commerce elicited the response that it does not have comparable income distribution data for other Canterbury companies of similar size.

Staff training and its adequacy

A high priority for staff training within the Casino occurs in the context of implementing the Casino's Host Responsibility Policy and Programme. This has been described previously in Section 3.3.7.

The Gambling Commission requires the Casino to report employee feedback on the quality of the all-day training course. This involves two reporting measures: (1) employee recall¹⁶⁷ of knowledge and behaviours related to host responsibility, particularly Problem Gambling Awareness; (2) employee perceptions of the effectiveness of training¹⁶⁸. Table 6.11 summarises the employee feedback on these

¹⁶⁴ i.e. the lowest 25% of income earners in Christchurch earned less than \$15,000p.a. at the 2013 census.

¹⁶⁵ i.e. the highest 25% of income earners in Christchurch earned more than \$50,000p.a. at the 2013 census.

¹⁶⁶ Statistics NZ at <http://www.stats.govt.nz/StatsMaps/Home/Maps/2013-census-quickstats-about-a-place-map.aspx> accessed 7 June 2017.

¹⁶⁷ Reported as an average score out of a maximum of 20.

¹⁶⁸ Reported as an average score on a scale of 1-7, where 1=poor and 7=excellent.

two measures over the past four years as reported to the Gambling Commission.

On the adequacy of training more generally, the staff Exit Survey¹⁶⁹ asks all departing staff the question “Did you receive the necessary training so you could do your role?” to which 93% responded¹⁷⁰ ‘Yes’ and 7% ‘No’.

Table 6.11 Employee feedback on Host Responsibility training

Reporting measure	2014	2015	2016	2017
Employee recall (average score out of 20)	17.6 (88%)	18.0 (90%)	18.3 (91%)	18.7 (93%)
Employee perception of effectiveness (average score on scale of 1-7)	6.3	6.2	6.5	6.5

Staff perceptions of career opportunities

The staff Exit Survey also enquired about staff perceptions of career opportunities within the Casino, asking the question “Did you feel there was room for growth/promotion at the Casino?” Responses are summarised in Table 6.12, indicating that very few staff (5%) envisaged no opportunities at all and almost four out of five staff perceived ‘moderate’ to ‘a great deal’ of career opportunity.

Table 6.12 Staff perceptions of career opportunities within the Casino

Response	%
A great deal	17%
A lot	24%
A moderate amount	37%
A little	17%
None at all	5%

¹⁶⁹ Responses have been accumulated over the past four years, covering 250 individuals.

¹⁷⁰ Out of 249 responses.

The nature of the work environment

The staff Exit Survey asked two questions related to staff experiences of their work environment. The first question was “How positive was the Casino’s work environment?” Responses are tabulated below, revealing that most staff experienced the Casino as a positive work environment and outnumbered those of the opposite view by a ratio of 15:1.

Table 6.13 Staff experiences of the Casino work environment - how positive?

Response	%
Extremely positive	33%
Moderately positive	46%
Slightly positive	10%
Neither positive nor negative	4%
Slightly negative	3%
Moderately negative	2%
Extremely negative	1%

The second question focused on staff perceptions about the safety of their work environment and asked “Did you feel the Casino was a safe working environment?” Responses in Table 6.14 reveal high levels (96%) of workplace safety experienced.

Table 6.14 Staff experiences of the Casino as a safe working environment

Response	%
Extremely safe	65%
Very safe	31%
Moderately safe	3%
Slightly safe	0%
Not at all safe	1%

Staff experience of work-life balance

The staff Exit Survey asked about staff experiences of their work-life balance with the following question “How easy was it to balance your work life and personal life while working at the Casino?” Responses¹⁷¹ are shown in Table 6.15, revealing a significant spread of experience. This issue will be addressed further (below) with responses from the staff survey carried out for this assessment.

¹⁷¹ Out of 249.

Table 6.15 Staff experience of achieving their desired work-life balance

Response	%
Extremely easy	16%
Very easy	30%
Moderately easy	26%
Slightly easy	20%
Not at all easy	8%

Staff reflections on working at the Casino

When asked the question “*Did you like working at the Casino?*”, the responses were substantially positive and outnumbered negative responses by a ratio of 30:1, as revealed in Table 6.16.

Table 6.16 “Did you like working at the Casino?”

Response	%
Liked a great deal	61%
Liked a moderate amount	30%
Liked a little	3%
Neither liked nor disliked	2%
Disliked a little	2%
Disliked a moderate amount	1%
Disliked a great deal	1%

Staff survey for this assessment

The data gathered via the staff survey¹⁷² undertaken for this assessment enables an analysis of the following aspects of Casino employment -

- their previous employment circumstances and the associated change in work circumstances,
- skills gained during their employment at the Casino,
- staff perceptions of their future employability,
- changes in life satisfaction as a result of their experience of Casino employment,
- adequacy of their household income,
- suitability of their hours of work,
- the benefits to the household and the social disadvantages of their Casino work, and
- voluntary work in the community.

Previous employment circumstances and the associated change in work circumstances

¹⁷² Unless stated otherwise, the results refer to the responses from 158 current employees of the Casino.

Previous employment circumstances were explored via the question “Before you started this job, what was your employment situation?” The responses in Table 6.17 reveal that only half had previously been employed on a full-time basis, while 15% had been on casual work contracts or unemployed.

Table 6.17 Previous employment circumstances

Previous employment circumstances	#	%
Full-time work	79	50%
Part-time work	21	13%
Lived/worked in another country	20	13%
Casual/temporary work	8	5%
Unemployed	16	10%
Not looking for work	7	4%
Other ¹⁷³	7	4%
Total:	158	100%

Further analysis, comparing the type of employment contract at the Casino with their previous employment circumstances, is detailed in Table 6.18 and reveals several interesting aspects, notably -

- some people (11) previously in full-time work have chosen to take part-time employment at the Casino;
- most (81%) of those previously in part-time work have now gained full-time employment;
- all who were previously in casual work or unemployed have gained full-time or part-time contracts at the Casino;
- of the 52 survey respondents who were previously in some form of relatively precarious employment or unemployment, 44 (85%) have gained full-time employment at the Casino, 6 have gained part-time employment at the Casino and two have gained casual work at the Casino, representing a substantial reduction in the level of precarious employment for this group.

Skills gained during their employment at the Casino

The issue of gaining new skills while employed was explored with a question which allowed respondents to identify several possible mechanisms for gaining new skills. Responses are summarised in Table 6.19. Many respondents noted multiple mechanisms for gaining new skills. The Casino training opportunities mentioned most frequently were management and supervisor training (24), host responsibility training (24), training in various gaming activities (18), Health & Safety and First Aid

¹⁷³ "Other" includes individuals in a variety of circumstances including current and recent self-employment, occasional contract work, several part-time jobs and 'in between' jobs.

Table 6.18 Nature of change in working circumstances

Previously working ..	To Full-time at Casino	To Part-time at Casino	To Casual at Casino
Full-time	66	11	2
Part-time	17	3	1
In another country	12	8	-
In casual work	7	1	-
Unemployed	14	2	-
Not looking for work	3	3	1
Other ¹⁷⁴	6	0	1
Total:	125	28	5

training (18), computer training (7), customer service training (6) and hospitality training (6). Very few individuals have not gained new work-related skills since starting work at the Casino.

Table 6.19 Gaining new skills

Gained new skills since working at the Casino?	#	%
Gained skills on the job	122	77%
Casino training	99	63%
Initiated training myself	33	21%
No new skills	6	4%
Total:	158	

Staff perceptions of their future employability

Closely associated with the previous question about gaining new skills was a question about perceptions of their future employability - "As a result of working for Christchurch Casino, do you think you are more employable (i.e. more likely to get another job if you wanted to) than you were before?" Three-quarters of all survey respondents replied in the affirmative, as shown in Table 6.20.

¹⁷⁴ "Other" includes individuals in a variety of circumstances including current and recent self-employment, occasional contract work, several part-time jobs and 'in between' jobs.

Table 6.20 Staff perceptions of their future employability

More employable as a result of working for the Casino?	#	%
Yes	117	74%
No	38	24%
Unstated/unsure/not applicable	3	2%
Total:	158	100%

Changes in life satisfaction as a result of their experience of Casino employment

This topic was explored via the question “*Since you started your job at the Casino and as a result of your job at the Casino, would you say that your sense of satisfaction with your life has got worse/stayed the same/improved?*” While for half the respondents, there had been no change, those who believed their life satisfaction had improved since starting work at the Casino outnumbered those who believed it had declined by a ratio of 3:1. For many, this pattern of responses is likely to be related to their individual experience of shift work and how well or otherwise the shift-work regime impacts on other aspects of their life. This is discussed further below in terms of the responses on the perceived suitability of their hours of work and the potential social disadvantages of working at the Casino.

Table 6.21 Change in life satisfaction since starting work at the Casino

Satisfaction with life has ...	#	%
Improved	53	34%
Stayed the same	82	52%
Declined	19	12%
Unstated/unsure	4	2%
Total:	158	100%

*Adequacy of their household income*¹⁷⁵

The survey of existing Casino staff indicates that the level of income adequacy they experience may be marginally¹⁷⁶ below the national average¹⁷⁷. While 54% reported their income was enough or more than enough to meet their everyday needs (cf 57% nationally), 45% said their income was just enough or not enough to meet their everyday needs (cf 43% nationally), as tabulated below. It should perhaps be noted, in this context, that the Casino's trading hours have yet to recover to the same level as prior to the earthquakes when it operated on a 24/7 basis. Overall demand, particularly from tourists, remains well below pre-quake levels.

Table 6.22 Adequacy of household income

Household has ...	#	%
Not enough money	18	11%
Only just enough money	53	34%
Enough money	70	45%
More than enough money	15	9%
Unstated	2	1%
Total:	158	100%

Responses appear to be influenced by the extent to which the employee is the sole provider of income in the family. Those who responded "not enough" were the sole providers of income in 44% of cases, whereas those who made more positive responses were much less likely to be sole providers.¹⁷⁸ Furthermore, responses at the extreme ends of the spectrum also appear to reflect relationship status and the existence of dependents in the household. Those who responded "not enough" were equally divided (50/50) between single and married (in a relationship) and had the highest proportion of dependents (44%). Those who responded "more than enough" were much more likely to be married (in a relationship) (80%) and had the lowest proportion of dependents (27%).

¹⁷⁵ Statistics NZ at http://www.stats.govt.nz/browse_for_stats/people_and_communities/Households/HouseholdEconomicSurvey_HOTPYeJun13.aspx accessed 7 June 2017.

¹⁷⁶ Probably in line with the national average - within the margins of statistical uncertainty, taking into account both survey sources.

¹⁷⁷ However, there are no corresponding average data for Christchurch City.

¹⁷⁸ Those who responded "only just enough" in 28% of cases, those who responded "enough" in 20% of cases and those who responded "more than enough" in 27% of cases.

Suitability of their hours of work

This issue was explored via the question “*On the whole, do you believe your hours of work at the Casino suit your lifestyle?*” While almost three-quarters express satisfaction with their pattern of hours of work, responses, as shown in Table 6.23, reveal a significant minority who find that their hours of work do not suit their lifestyle expectations.

Table 6.23 Suitability of work hours

Hours of work suit my lifestyle	#	%
Yes	112	71%
No	43	27%
Unstated	3	2%
Total:	158	100%

Most of the dissatisfaction arises due to shift work and changing patterns of shift work. The most commonly stated impact is the disruption to and loss of time spent with family and friends (37% of those responding ‘No’). Other common themes were associated with the limitations placed on other social activities outside work (14%), and particularly sporting activities (7%), as well as disruption to sleep and associated health impacts (14%). Greater flexibility over shift-work scheduling was suggested by numerous respondents as a possible means to alleviate some of these problems.

Although comparative survey data for other similar businesses has not been found, it is unlikely that these types of response are exceptional for people working in the hospitality sector where shift work and changing shift schedules are the norm. Indeed, it is worth pointing out that none of the survey responses to this question contained comments that compared their casino employment experience unfavourably with their employment experience elsewhere.

Benefits to the household and the social disadvantages of their Casino work

The staff survey concluded with a couple of open questions which asked “*In your opinion, apart from the income that you earn, what have been the benefits to your household/partner/children as a result of having your current job at the Casino?*” and “*In your opinion, have there been any disadvantages socially for your household/partner/children as a result of having your current job at the Casino?*”

A large majority of respondents to the staff survey (77%) acknowledged a range of non-wage/salary benefits as a result of their employment at the Casino. However, some of these benefits do have expenditure implications (i.e. they reduce living costs that would otherwise have to come out wages/salaries). The most frequently mentioned ‘other benefits’ were free or subsidised medical insurance (25%) and free meals at work (27%), which saved individuals both money and the time needed to prepare their own meals - breakfast, lunch or dinner, depending on their shift. A significant proportion of respondents (18%) expressed the view that their Casino working regime suited their lifestyle, provided flexibility and a good work-life balance and allowed them to enjoy leisure activities, community activities or engage in study. Other cost-saving benefits experienced by employees and their household members included ‘scratchie’ specials and discounts (14%), and free shuttles from work at the end of a shift. In terms of personal or social benefits, 3% mentioned staff parties as

enjoyable social events, 9% mentioned their enjoyment in the job, the friends they made on the job and even meeting partners (in several cases). A number of respondents (4%) referred to "gaining stability" in their lives, or "a sense of purpose" and "belonging" as a result of a stable and secure job at the Casino.

A significant majority (58%) also pointed to social disadvantages of their Casino-related employment, mainly related to the impacts of shift work and unusual hours of work. By far the most common (32%) was the negative impact on time spent with partners, family and friends, and especially the sacrifice of missing important family events or special occasions (11%). Others (12%) referred to the constraints on time and opportunities to meet and socialise away from work, due to the 'anti-social hours' they work. Numerous comments were made about the need for flexibility in planning shift rosters or allowing subsequent changes.

Several questions also explored employee perceptions of the effects of working at the Casino on their physical and mental health, and their opportunities to socialise. Responses are presented in Table 6.24, correlated with the responses on whether or not their hours of work suited their lifestyle.

While those who responded that their hours of work at the Casino suited their lifestyle generally, there were still almost one-third (31%) who noted the interference with social activities had resulted in a decline in the number of social contacts they were able to engage in as a result of their Casino workstyle. Those who responded that their hours of work at the Casino did not suit their preferred lifestyle were twice as likely (62%) to report a similar decline in social contacts as a result of their Casino workstyle. Similar comparisons are evident in the responses regarding the impact of Casino workstyle on employees' physical health - 24% of those who find the Casino workstyle suits them reported a decline in their physical health compared with 46% of those who do not find the Casino workstyle suits them, and regarding the impact of Casino workstyle on employees' mental health - 13% of those who find the Casino workstyle suits them reported a decline in their mental health compared with 30% of those who do not find the Casino workstyle suits them.

It is not possible to assess whether these responses are in any degree exceptional or not, since comparative survey data in other similar¹⁷⁹ businesses has not been found. Nevertheless, as the following Table 6.24 shows, there is an internal consistency between the responses to the question on hours of work suiting lifestyle and the set of questions regarding health and social contacts.

Voluntary work in the community

This was explored via the question "*Has your employment at the Casino allowed you to contribute unpaid voluntary work to any community organisation (e.g. emergency services,) during normal working hours?*" In response, the Casino's involvement with meals at Ronald McDonald house was mentioned by 8% while a further 11% mentioned other voluntary work activities in their community.

¹⁷⁹

i.e. other businesses of similar scale in the hospitality sector.

Table 6.24 Perceived effects on employee physical and mental health and social contacts

Hours of work suit my lifestyle	As a result of my job at the Casino my physical health has..		
	Declined	Stayed the same	Improved
Yes	27 (24%)	70 (64%)	13 (12%)
No	20 (46%)	17 (40%)	6 (14%)
	As a result of my job at the Casino my mental health has..		
	Declined	Stayed the same	Improved
Yes	14 (13%)	80 (73%)	16 (14%)
No	13 (30%)	28 (65%)	2 (5%)
	As a result of my job at the Casino the number of social contacts I have has ...		
	Declined	Stayed the same	Improved
Yes	34 (31%)	44 (40%)	32 (29%)
No	27 (62%)	8 (19%)	8 (19%)

Summary

The absence of comparative data for other companies, and particularly for other companies of similar size and sector, means that it is not possible to rate the Casino company's performance in any comparative way. Nevertheless, there is a degree of consistency between the AIGR and CCL data on certain employee aspects. Furthermore, the staff Exit Survey and Staff Survey carried out for this assessment paint a largely positive picture of the experience of employees at the Casino, while also pointing to several aspects that could be improved, most notably linked to the management of shift work arrangements. While the survey responses on achieving work-life balance (Table 6.15) confirm the challenges for some posed by shift work, which are not unique to the Casino, the responses describing the overall experience of working at the Casino (Table 6.16) suggest strongly that employment at the Casino is not unduly blighted by such challenges. Shift work is an unavoidable element for most roles in Casino employment, as it is in many other hospitality and entertainment businesses. Indeed, the data on duration of employment, types of employment contract, rates of staff turnover and perceptions of the work environment point to a predominantly positive experience for staff employed at the Casino.

6.2.3 Casino indirect employment and local business effects

Overview of effects

In this section, 'local' refers either to businesses located in Christchurch City which supply goods or services to the Casino, or to businesses located physically close by - in the southern part¹⁸⁰ of Victoria Street.

The scope of such effects includes -

- effects on revenue, for companies supplying goods or services to the Casino and for neighbouring hospitality businesses,
- employment effects, often referred to as 'indirect' employment, and
- other effects for these supply chain companies such as influences on business viability, marketing, and innovation - or effects associated with proximity to the Casino.

Data sources

This assessment draws on three sources of data -

- the survey of 40 supply chain companies,
- interviews with 14 nearby businesses in the vicinity of the Casino, and
- the economic I/O modelling data assembled for the economic assessment.

Revenue effects

Supply chain companies

A brief profile of the companies surveyed was presented earlier in this report at section 5.6.

As part of the survey, companies were asked to indicate the approximate percentage of their annual business revenue in the previous three years that came from purchases by the Casino. Responses reflect the fact that some service providers have a business relationship that is typically episodic rather than continuous, while others are involved with regular supplies. Nevertheless, the scale of company revenue associated with their Casino-related business activities is not insignificant, as revealed in Table 6.25.

Businesses located near the Casino in southern Victoria Street

Twelve ground-floor retail and hospitality businesses were interviewed in the southern section of Victoria Street for this assessment. As noted in section 5.2.5, these interviews confirmed that eight hospitality businesses had established close to the Casino, and all but one confirmed that the Casino's presence had influenced their choice of location. Furthermore, when asked about the percentage of their revenue

¹⁸⁰ i.e. south of Salisbury Street.

Table 6.25 % of annual company revenue from Casino business in last 3 years

% range	# of companies
Less than 1%	8
1-2%	10
3-5%	7
6-10%	5
More than 10%	5
d/k or did not respond	5

attributable to the presence of the Casino, 5¹⁸¹ out of these 7 hospitality businesses indicated a range between 1-5% at the lower end and 30% at the top end with 10% being a modal value. Most experience either Casino staff or patrons visiting them and, in some instances, indicated that the Casino sometimes supports other restaurants by bringing groups of patrons for a change of scene. Friday and Saturday nights are experienced as the most popular in this regard.

Employment effects

The most comprehensive basis for estimating indirect employment effects of the Casino's expenditures within the regional economy is the Input/Output modelling carried out as part of the economic assessment. For more detail, refer to Section 4 of this report.

This modelling found that, in addition to 450 FTEs employed directly by the Casino, the company's purchases of goods and services within the local and regional economy and the expenditure of staff household income in the local economy currently supports a further 144 FTEs, an increment of some 32% in the total employment generated and therefore a similar increment in the number of households supported by this income.

Other effects

Supply chain companies

When 'supply chain' companies were asked if any aspect of the business relationship with the Casino is significant for any other reason (i.e. other than revenue and FTEs employed), respondents were initially equally inclined to say "Yes" (19) or "No" (18)¹⁸², noting such explanations as -

- "Christchurch Casino is owned by another client of ours",
- "the location is so close",
- "their corporate business is good in winter months",
- "we have a good relationship with the maintenance manager - so he rings us for one-off jobs",
- "we see them as an important business partner",
- "The relationship we have at executive level ..",

181 The other two hospitality businesses were not able to provide an estimate

182 Three out of the 40 did not respond.

Taylor Baines & Butcher Partners

- *"We value ongoing relationships with existing clients"*,
- *"We find there's a flow on to other core services"*,
- *"They give us visibility"*,
- *"we have a close and personal relationship with the people buying our products"*,
- *"The Casino is very loyal; history counts; they do work with clients closely"*,
- *"They are one of many clients we need and who make up our core business structure"*,
- *"We are part of a close-knit community within the Four Avenues; we are part of a collective of businesses working in the tourism sector - together we have the ability to grow the city; we are part of "Inspire Foundation" that supports selected 15-20 year old youth that show talent in their chosen field .."*,
- *"There are other non-quantifiable benefits such as the fact that they are a nice client to work for, which is important as part of my work involves establishing good relationships"*,
- *"Having the Casino as a client gives us credibility and shows that we have the resources to deal with that sort of client and that we have a high level of response"*,
- *"They are a large direct-sale customer; it gives us economy of scale; their orders are regular and reliable"*,
- *"Our survival is by referrals, not by advertising"*,
- *"Provides a place for us to showcase"*

With further prompting, a significant number of companies expressed the view that their business relationship with the Casino was significant because -

- it supported the viability of the company (22 or 55%),
- it has enabled their company to develop new products, new services or new areas of work (15 or 38%), and
- the association with the Casino brand was useful for their marketing (17 or 43%).

Of all 40 companies interviewed, only one had a relationship which had developed negatively but nevertheless remained determined to address this - *"It is on my 'to do' list."*

When asked if the presence and operation of the Casino in Christchurch affected their business in any other way, the large majority (28) said "No" while 7 said "Yes", noting such explanations as -

- *"The fact the Casino is an entertaining option ...it gives other businesses confidence"*,
- *"Only positive"*,
- *"Good for other customers to see that we supply the Casino"*.

Businesses located near the Casino in southern Victoria Street

In addition to the revenue benefits summarised above, several businesses commented on the positive influence of the Casino's security systems for safety in the area -

- *" their security helps look after us as well",*
- *"We had some problems with the results of anti-social behaviour around our property - discovered this when coming to work in the morning - and the Casino have been positive in dealing with it; their security staff keeping an eye on our place and use of Casino video cameras to observe the vicinity", and*
- *"make the area very safe and secure".*

Summary

It is evident that the business-related social effects from the Casino's operation extend well beyond the physical premises of the Casino. While the indirect employment multiplier is itself significant, the Casino's relationships with other businesses in the city and region is significant to many of them for reasons of business viability, innovation and marketing.

In the local business neighbourhood, the Casino is clearly an integral part of the entertainment and hospitality precinct and has an active role in pursuing the positive development of the precinct.

6.2.4 Benefits associated with the activities of funding recipients

As described previously in Section 5.7, a large number of community organisations, both large and small, receive financial assistance from the Casino via various mechanisms. The Casino's Operating Licence requires it to fund annually the distributions made by the Christchurch Casino Charitable Trust. These are funding decisions over which the Casino itself has no control. The other two mechanisms for providing financial assistance, entirely at the Casino Company's discretion, are the corporate sponsorships and the fund-raising opportunities via events at Sixty6 Peterborough Street or the allocation of vouchers to Casino restaurants.

In total these various mechanisms have contributed between \$590,000 and \$880,000 annually over the last three years¹⁸³ to organisations in the Christchurch and Canterbury communities

The effects of the Charitable Trust distributions and the corporate sponsorships have each been the focus of targeted surveys, as described in Section 1.2.2.

¹⁸³ In the last three financial years Charitable Trust distributions ranged between \$156,000 and \$176,000; corporate sponsorships ranged between \$404,000 and \$673,000; and fund-raising assistance ranged between \$30,000 and \$40,000. CCL Pers.Comm. 25 October 2017.

Significance of Casino Charitable Trust contributions

The community organisations interviewed were read a number of short statements describing the level of support they received from the Casino Charitable Trust and were asked to indicate which best described the situation for their organisation (see Table 6.26). The table below shows that for four organisations the support they received was more than any other business but for the majority of the organisations, the level of support they received was relatively low-level or average compared to other support they received.

Table 6.26 Level of support organisations received from the Casino Charitable Trust

Level of support received from the Casino Charitable Trust	Number of organisations
No other business gives us as much	4
It is among the largest donors for us	1
It is an average donor compared to others	7
It is a relatively low-level support compared with other businesses	7
Other – between low level support and average	1

It was however pointed out by many of those who indicated low-level or average support that this did not necessarily reflect the significance of the contributions to their organisations. As is evident in some of the organisations’ comments noted below, the Trust’s contributions are still appreciated, valued and significant irrespective of their level -

- *yes, we would like more but every little bit helps and it all contributes.*
- *it is relatively low-level support compared with other businesses but it is still valuable and significant – the money covers a specific aspect of our work – we use every single cent, there is no wastage.*
- *in terms of cash, the Casino is an average donor compared to others but value add pushes it to above average...the money from the Casino Charitable Trust is a fraction of the money needed to operate but what is important is the cumulative effects of all the other involvements by the Casino.*
- *it is an average donor compared to others but it is significant in terms of our overall costs.*
- *no other businesses gives us as much – it is the only support we get from outside the church so we are very grateful.*
- *no business gives us as much – their grant is significant and has a good impact on our outreach and our programmes.*

The fact that for some the contributions were consistent (i.e. received on a yearly basis) was also significant and appreciated -

- *it is relatively low-level support compared with other businesses but we are not ungrateful – we have received donations from the Trust for at least five years but could go back as far as 20 years.*
- *it is an average donor compared with others but it makes a difference as it has been*

consistent over the last five years.

Benefits of the Charitable Trust funding

The benefits of the Casino Charitable Trust donations to the organisations relate to their increased ability to pay for operating costs and to provide services to their clients and the community.

Operating costs include staff salaries, rent, power, transport, computers, photocopying and other administrative costs. It was noted that these operating costs were expensive and that the Trust donations were therefore “very valuable” -

- it enables us to keep a roof over our heads, we have a tight budget with staff to support, it keeps us in a position to do our work.*
- salaries is our 'big' money requirement.*
- helps pay rent, power and wages to the coordinator, having money to pay for the coordinator is valuable and helpful (compared with special funds/projects money) because operational costs are so expensive.*

While some of the organisations used the donations to fund their organisation’s activities as a whole, others targeted the funding towards specific programmes. For some, the funding enabled programmes and services to be implemented, for others the funding increased the number of people able to access existing programmes and services. Several organisations pointed out the importance of the Trust’s donations given the fact that the government does not like to fully fund community programmes and expects organisations to supplement any government funding with non-government funding.

Table 6.27 lists some of the groups who are benefiting from the funding and some of the services that they have access to as a result.

The organisations interviewed were asked to estimate the number of people who benefitted from the services that they were able to provide as a result of the Casino Charitable Trust’s funding. It was estimated that in total, over 41,000¹⁸⁴ people benefitted annually from the services provided. One organisation noted that for every \$1000 invested in a child (through their services) there was a calculated \$8000 return.

In addition to being able to provide services and programmes, several organisations noted benefits associated with the Casino’s ‘cheque giving ceremony’. This annual event involves organisations gathering at the Casino to receive their funding cheque.

Fourteen of the twenty organisations mentioned this event, with several noting that it was beneficial to be seen and to be able to network with like-minded organisations -

184 For some organisations the number of people who benefitted related to specific programmes or activities, for others it related to their total number of estimated clients (due to Trust donations being used for general purposes).

Table 6.27 Benefits of the funding for Charitable Trust recipients

Groups that benefit	Benefits of the funding through services provided
<ul style="list-style-type: none"> - Women, men, elderly and children affected by domestic/sexual abuse/violence - Vulnerable children and families/children and families in crisis/families in unsafe homes due to issues such as stress, addiction, violence, and abuse - Those affected by mental illness, at risk of suicide - Those affected by substance addiction - Those struggling with finances and debt - Youth - Tenants - Primary school children - Single mothers - Street workers - Unemployed - Inmates - General public 	<ul style="list-style-type: none"> - Training and education - Safe house - Home security measures - Outreach (prison and community) - Referrals - Grocery packages - Camps (for youth) - Mentoring - Various programmes and courses including leadership programmes - Advocacy - Advice and information - Phone lines - Counselling - Play therapy - Parenting programmes - Budget/financial advice - Interest free lending - Pre-employment courses - Emergency/crisis response - Children’s supervised contact service - Children’s respite care - Peer support - Health programmes

- we saw a lot of organisations and people we know.
- the cheque giving evening is nice for us because it is one of the few events where we are publicly acknowledged, thanked and spoken to warmly, they are very personable and it is an opportunity for us to meet with others who work in the community.

Several organisations noted similar positive networking benefits due to the relationship they had with Casino staff -

- the Casino connects us with other like-minded organisations due to the relationship with Brett¹⁸⁵ which is a positive spin off.
- our close personal relationship with Brett is crucial as it helps Brett understand what our organisation needs (which he often responds to) and his knowledge is then shared with others which equates to advocacy of our organisation.

185

Brett Anderson, as referred to in this quote, is the current CEO of CCL

Significance of Corporate Sponsorships

The financing environments for these organisations and events vary markedly, comprising contributions from commercial sponsors, central and local government funding, members subscriptions or ticket sales, industry funding and funds from other charitable sources. For example, commercial sponsorships account¹⁸⁶ for between 7% and 70% of the funding of the various sports organisations, 25% to 65% of the community events, and ~20% for the cultural organisations.

To put the Casino's sponsorship contributions in perspective, the organisations were asked to describe its significance across a spectrum, with responses tabulated in Table 6.28. The range of sponsorships from the Casino tended more towards the larger end of the spectrum than was the case with Charitable Trust distributions. This probably reflects the relative size of the total pool of funds available in each case.

Benefits of Corporate Sponsorship funding

Organisations were asked "What did this support enable you to do, that would not have been possible without it?" Four replied to the effect that the sponsorship funds¹⁸⁷ went into their general funding pool for core operations, and were therefore not targeted at particular activities or initiatives. For two other organisations - both sports associated with Show Week in Christchurch - the sponsorship elevates the main event in their respective racing calendars - *"this is the backbone of our calendar; the richest, most glamorous event"*

Other sports organisations responded - *"supports coaching and junior development programmes; community engagement and welfare programme"*, and *"supports the two academies and schools programme"*, in each case noting that the numbers of players, coaches, umpires and parents involved in the region numbered between 20,000 and 30,000.

The cultural organisations made similar responses - *"without this funding we would have to reduce the extent of our community engagement activity"*, and *"enables us to put on shows for adults, youth and children"* with both noting their regional audience reach in the order of 100,000.

Those involved in community events responded - *"pays for operational expenses of the event; traffic management costs have rocketed since the quakes"*, for an event with 4,500 participants, and *"put on a special performance by people who perform at the ... Festival"*.

The Chamber of Commerce said the funds were used to deliver *"two 'meet the PM' luncheons, attended by 440 members"*¹⁸⁸ and described as *"a cost-effective way for members to interact with high-level government."*

186 Figures derived from the survey of 14 such organisations carried out for this assessment.

187 For three out of four, commercial sponsorships accounted for between a quarter and two-thirds of total income.

188 Being 15% of total membership.

Table 6.28 Significance of Casino sponsorship - 2016-2017

	<i>“No other business gives us as much”</i>	<i>“Among the largest donors for us”</i>	<i>“An average donor compared with others”</i>	<i>“Relatively low-level support”</i>
Sports and recreation	1	4	2	1
Cultural	0	1	1	0
Community events	0	2	1	0
Business	0	0	1	0
All survey recipients	1	7	5	1

6.3 Adverse social effects

6.3.1 Social effects (harms) of “at risk” and problem gambling

Overview

This section has three main components -

- a qualitative description of the nature of problem gambling and the dimensions of gambling-related harm;
- a quantitative assessment of the extent of problem gambling that may be associated with the Christchurch Casino as evidenced by various sources of data¹⁸⁹, and the extent of corresponding gambling-related harms to third parties as evidenced by various sources of data¹⁹⁰;
- a discussion of the effectiveness of Christchurch Casino’s evolving Host Responsibility Programme.

¹⁸⁹ Including the National Gambling Survey, MoH data on the preferred mode of gambling by people seeking help through counseling services, data reported annually by the Christchurch Casino to the Gambling Commission and data from the Casino’s internal Host Responsibility monitoring records.

¹⁹⁰ Including the Australian Productivity Commission Report and the NZ Harms Study.

Data sources

It should be noted at the outset that this assessment did not itself seek to generate primary data on the incidence of problem gambling associated with Christchurch Casino. Rather, the intention has been to identify, access, collate and review a range of existing data sources. These include -

- The 2012 National Gambling Survey,
- The 1998 AIGR Study of the Social and Economic Impacts of New Zealand Casinos,
- The 1999 Report of the Australian Productivity Commission on Australia's Gambling Industries,
- The 2017 CQU/AUT report on Measuring the Burden of Gambling Harm in New Zealand,
- The MoH data (2004-2016) on help-seeking and preferred modes of gambling,
- CCL reports to the Gambling Commission (2014-2017),
- Other CCL Host Responsibility data,
- DIA Mystery Shopper exercises in 2014 and 2016,
- Interviews with gambling addiction counsellors at PGF and OASIS Centre,
- Interviews with DIA casino inspectors, and
- Minutes from Problem Gambling Liaison Group meetings.

Defining a "problem gambler"

The Gambling Act 2003 defines a problem gambler as a person whose gambling causes harm or may cause harm, and 'harm' is defined as:

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

The nature of gambling harm

The breadth in the legal definition of gambling-related 'harm' set out above reflects an understanding that has been evolving for some time. It is interesting to observe that a previous social and economic impact assessment of the Auckland and Christchurch casinos in 1998¹⁹¹ noted the unresolved disagreements over an appropriate definition of problem gambling at that time. The authors of that study decided that *"the term problem gambling will be used in this report to encompass the continuum from addictive gambling to less severe gambling problems."* This stance is compatible with DIA's definition of problem gambling as *"occasional or regular gambling to excess to the extent that it leads to problems in other areas of life, particularly with finances and interpersonal relationships."*

¹⁹¹ Australian Institute for Gambling Studies (AIGS), 1998. Study of the Social and Economic Impacts of New Zealand Casinos. Final Report prepared for the Casino Control Authority. p.92

As explained in MoH (2016)¹⁹², there are different ways to measure gambling harm, noting that the Australian Productivity Commission¹⁹³ in 2010 cautioned against a narrow focus on 'problem gamblers' (in the sense of people scoring above a certain threshold on a screening instrument) because:

- there is substantial existing harm and risks of future harm among gamblers who would not be categorised by screening instruments as problem gamblers;
- it can lead to an excessive focus on individual traits (such as prior mental health conditions) that may sometimes precipitate gambling problems; and
- it largely ignores the harmful effects associated with *other people's* gambling.

According to the same MoH (2016) source¹⁹⁴, harm from gambling can include, among other things, relationship breakdown, depression, suicide, reduced work productivity, job loss, bankruptcy, and various types of gambling-related crime (including family violence and crime committed to finance gambling). There are also 'ripple effects'; that is, harms can and often do extend beyond gamblers to encompass family members, whanau, friends, employers, colleagues and whole communities.

The conception of gambling harms outlined above highlights the relevance and importance of focusing not only on the harm's experienced by the individual gamblers themselves but also on the harms experienced by other people related to the gambler through family, household, friendship, employment or other contractual relationships.

The 2017 research report produced by the Central Queensland University and Auckland University of Technology (CQU and AUT, 2017) and entitled "Measuring the Burden of Gambling Harm in New Zealand" reports an extensive effort to describe and quantify a comprehensive range of harms that can arise as a result of inappropriate, risky gambling. The research team identified¹⁹⁵ eight domains of gambling-related harm, being -

- decrements to the person's health, both morbidity and mortality;
- emotional or psychological distress;
- financial difficulties, diverted financial resources, bankruptcy or reduction of financial situation;
- reduced performance / loss of role at employment or study;
- relationship conflict or breakdown;
- criminal activity and neglect of responsibilities, including the consequences of such actions;
- cultural harms; and
- life-course and inter-generational harms.

¹⁹² Ministry of Health, 2016. Strategy to Prevent and Minimise Gambling Harm 2016/17 to 2018/19. Wellington: Ministry of Health. p.10

¹⁹³ Australian Productivity Commission, 2010. *Gambling*. Canberra.

¹⁹⁴ Ministry of Health, 2016. p.10

¹⁹⁵ CQU and AUT, 2017. pp.10-12.

Since a primary thrust of the research effort was to quantify the total extent of gambling-related harm to society, the research team explained¹⁹⁶ -

- there should be an effort to capture the expected degree of harm across the spectrum of gambling problems;
- harm to “affected others” (most notably family/whanau and friends) should be acknowledged and measured; and
- gambling harms are diverse and can potentially affect multiple domains of health and wellbeing. Thus, harm should not be narrowly construed (e.g. as a financial loss) but rather capture all relevant dimensions.

However, while the research cites numerous examples where the harm experienced is clearly associated with gambling in a casino, the analytical frame does not appear¹⁹⁷ to support quantitative analysis of total community harms specifically attributable to casino gambling, or indeed to any particular mode of gambling.

Nevertheless, the report does provide a useful and relatively detailed discussion of the nature of gambling-related harms - describing how harm is manifested - covering harm to the individual, harm to family and significant others, harms to the broader community, harms in Maori and other New Zealand communities (Pacific people and Asian people), and social influences on the experience of harm.

An extract of this is provided in Appendix L for reference.

The measurement of gambling harm

Harm to the gambler

For this assessment, we have prepared estimates of the likely number of individual gamblers experiencing harm at the Christchurch Casino on the basis of (a) national ‘at risk’ prevalence data, and (b) the Casino’s Host Responsibility data and data reported by the Casino to the Gambling Commission each year.

In order to prepare these estimates, we have had to estimate the number of individual New Zealand residents visiting the Casino in the most recent financial year (April 2016 to March 2017) - refer to Appendix K for these details. We estimated the total number of such individuals to be 77,200¹⁹⁸

¹⁹⁶ Ministry of Health, 2016. p.11

¹⁹⁷ Confirmed by AUT researchers. Pers.Comm. 20 June 2017, noting that this will require further research.

¹⁹⁸ Within a range 66,200-95,600.

Estimates based on the Casino's Host Responsibility and Surveillance data

As reported earlier in Section 6.2.1, analysis of the carded play of Players Club members at the Casino has identified four distinct categories of gamblers. The four categories are -

- (A) those not observed as displaying risky gambling behaviours,
- (B) those for whom initial risks were observed,
- (C) those where risk identification was escalated, and
- (D) those who self-excluded themselves or were excluded from the Casino by the Host Responsibility Executive as a result of high-risk behaviour.

Their gambling behaviours are distinguished both in terms of the frequency of their gambling and in terms of the typical amount of money they spent during each visit. Applying these Casino-specific observational data suggests the total numbers of at-risk, New Zealand-resident gamblers at the Casino in the 2016/17 year, as shown in Table 6.29.

Table 6.29 At-risk gamblers at Christchurch Casino during the 12 month period April 2016 to March 2017 (based on Casino-specific data)

Category of risk	Mean estimate	Range of estimates
Low risk	2,546	2,184-3,154
Moderate risk	1,080	926-1,338
High risk	463	397-573
Total 'at-risk' gamblers	4,089	3,507-5,065

Estimates based on the national prevalence of problem gambling

The principal source of data which quantifies the prevalence of at-risk gambling - at all levels of risk - is the National Gambling Survey (NGS) carried out in 2012. Using a screening instrument called the Problem Gambling Severity Index (PGSI) screen, the 2012 NGS estimated^{199,200} that:

- 0.7 percent of adults in New Zealand (approximately 24,000 people) were current problem gamblers;
- 1.8 percent (60,000 people) were current moderate-risk gamblers;
- 5.0 percent (168,000 people) were current low-risk gamblers;
- 72.3 percent (2.430 million people) were current non-problem ('recreational') gamblers; and
- 20.2 percent (769,000 people) non-gamblers.

After considering a wide variety of studies conducted in New Zealand over the previous three decades, the 2012 NGS researchers considered it likely that the prevalence of problematic gambling (defined as

¹⁹⁹ Ibid. p.11. The aggregate figure of 92.5% for current non-problem gamblers and non-gamblers has been disaggregated, based on further detail in the NGS reports.

²⁰⁰ We note that slightly different estimates are presented in the CQU and AUT, 2017 report at p.183, Table 23 (4.91% low-risk; 1.72% moderate risk; 0.64% high-risk), although they ostensibly come from the same source.

moderate-risk gambling and worse, as determined by standard screening instruments) had reduced during the 1990s and since then had remained at around the same level.

As advised previously in section 6.2.1, in order to compare the risk prevalence estimates from the CCL data with those of the NGS, it is necessary to adjust the latter to take account of the very different ethnic composition of the Christchurch Casino's principal domestic patron catchment, compared with the national population. This is because prevalence of the risk of harm from gambling differs markedly by ethnicity. The 2012 NGS Report No. 2²⁰¹ found that the prevalence of problem gambling was much higher amongst Maori (6.2%) and Pasifika (8.0%) than amongst European/Other (1.7%). The prevalence of problem gambling was also higher for Asian people (2.9%). However, as shown in Table 6.5 in section 6.2.1, the percentages of Maori, Pasifika and Asian residents are much lower in the Christchurch Casino's principal domestic patron catchment than in the New Zealand population overall. Taking into account the comparative, population-level ethnicity data reduces the aggregate level of risk (prevalence of at-risk gambling) assessed for the Casino's principal domestic patron catchment by 18%, compared with the national gambling population surveyed in the NGS. This 18% adjustment is included in Table 6.30 below as the last column. This is probably still a conservative (i.e. upper end) assumption, since no allowance has been made for the fact that the Casino visitor survey carried out for this assessment found Maori and Pasifika were under-represented, compared with the Usually Resident population.

Table 6.30 Comparison of Casino's 2016/17 Host Responsibility data and 2012 NGS data (original and adjusted)

Casino 2017 data			NGS 2012 data			
Carded members who visited but did not gamble	16.0%	Of those who gambled	Did not gamble	20.2%	Of those who gambled	Adjusted
(A) All carded -(B)-(C)-(D) No risk identified	79.5%	94.7%	Not at risk	72.3%	90.6%	92.3%
(B) carded HR Log Initial risk identified	2.8%	3.3%	Low-risk gamblers	5.0%	6.3%	5.2%
(C) carded Gols Risk identification escalated	1.2%	1.4%	Moderate-risk gamblers	1.8%	2.2%	1.8%
(D) carded Exclusions High-risk response	0.5%	0.6%	High-risk gamblers	0.7%	0.9%	0.7%

Applying the adjusted national prevalence data suggests the numbers of at-risk gamblers at the Casino in the 2016/17 year as shown in Table 6.31.

²⁰¹ At Table 6 on p.46.

Table 6.31 At-risk gamblers at Christchurch Casino during the 12 month period April 2016 to March 2017 (based on national prevalence data, 2012)

Category of risk	Mean estimate	Range of estimates
Low risk	4,012	3,441-4,696
Moderate risk	1,389	1,191-1,720
High risk	540	463-669
Total 'at-risk' gamblers	5,941	5,096-7,359

Comparison of CCL data with NGS data

When the national problem gambling prevalence data are adjusted for the significant differences in ethnic composition, the estimates for high-risk gamblers at the Casino differ by only 17%²⁰², the estimates for moderate risk gamblers at the Casino differ by 29%²⁰³ and the estimates for low-risk gamblers at the Casino differ by 58%²⁰⁴. In terms of the overall numbers of gamblers estimated to experience harm at the Casino in a 12-month period, the difference between the two estimates is 45%²⁰⁵.

The fact that the difference is greatest for low-risk gamblers may reasonably be attributed to several possible factors: (i) the probability that patrons playing Casino EGMs are at somewhat less risk of unobserved harm than those playing non-casino gaming machines in less well supervised venues, (ii) the likelihood that observing low-risk gambling behaviour anywhere involves a greater degree of uncertainty, and (iii) the likelihood that those with the highest level of gambling risk - Maori and Pasifika - are under-represented amongst the Casino patrons based on the survey of Casino visitors carried out for this assessment.

In summary, given the uncertainties associated, an overall difference of 45% and a difference for high-risk gamblers of only 17% suggests that the "orders of magnitude" are appropriate, particularly for high- and moderate-risk gamblers.

Analysis by ethnicity

As noted above, the 2012 NGS found that the risks associated with gambling are higher for some ethnicities. However, direct data for the numbers potentially harmed by gambling at the Casino, including data for the three levels of gambling risk, do not exist.

The most relevant data available is from MoH help-seeking data, citing the Casino as the preferred mode of gambling (see Table 6.34), and from the Casino Host Responsibility data identifying the

²⁰² 540 (adj.NGS) compared with 463 (CCL)

²⁰³ 1,389 (adj.NGS) compared with 1,080 (CCL)

²⁰⁴ 4,012 (adj.NGS) compared with 2,546 (CCL)

²⁰⁵ 5,941 (adj.NGS) compared with 4,089 (CCL)

ethnicity of those excluded (see Table 6.35). These numbers may well be a reasonable indication of the numbers of high-risk gamblers at the Casino, though they do not include adequate consideration of moderate-risk and low-risk gamblers of various ethnicities.

There are addiction services in Christchurch that provide for Maori and Pasifika, but they are not contracted by the Ministry of Health to provide gambling addiction services. Both these services were consulted as part of this assessment. Consulting the various ethnic communities more broadly - Maori²⁰⁶, Pasifika²⁰⁷, Chinese²⁰⁸ and Indian²⁰⁹ - was attempted, but with little success. Nevertheless, the discussions that were held appeared to complement the research findings cited below.

The NZ Harms Report²¹⁰ concluded that *“It is clear that Maori are at particular risk of experiencing harm from gambling, and Pacific people, if they gamble, are much more likely than others to develop gambling problems.”* By way of explanation, the report notes that *“gambling was not a norm within traditional Maori culture”* and that the use of *“Maori symbols such as the “TikiTiki” (which symbolises good fortune) in electronic gaming machines (EGMs) was a feature that female Maori gamblers connected with, as it gave them a feeling of being welcomed and a way to identify with their own culture.”* Several studies found that *“some gambling effects were unique to Maori; these included destruction of Maori family values and caregiving practices, damage to mana (prestige, status, spiritual power), and emotional harms in terms of a person’s wairua (spirit/soul) and identity”* and that *“impacts on whanau included child neglect, whakama (shame), loss of respect for and of a trustful relationship with the gambler, negative consequences of resultant debt, and emotional distress and depression.”*

The same report²¹¹ observed that *“The five largest Pacific ethnic groups are Samoan, Cook Islander, Tongan, Niuean, and Fijian people. Although a large proportion of Pacific people do not gamble (as reflected in the lower participation rate compared with the national average), those who do gamble are at greater risk of developing problem gambling. It has also been shown that whilst fewer Pacific people take part in gambling activities than the general population, a disproportionate number of those who do gamble have a higher expenditure than other population groups.”*²¹² These observations were reinforced in an interview with a Pasifika social worker for this assessment, who explained *“Among Pasifika people, Tongan women are the heaviest gamblers - they experience the extreme social and*

206 Via approaches Te Runanga o Ngai Tahu, Ngai Tuahuriri, Mahaanui Kura Taiao, Rehua Marae and Nga Hau e Wha

207 Via approaches, facilitated by the Ministry for Pacific Peoples, to six Pasifika leaders, and to a Community Board Pasifika representative.

208 Via approaches to the Chinese Association, Canterbury and the Guangdong Association.

209 Via approaches to the Indian Association.

210 The 2017 CQU/AUT report on Measuring the Burden of Gambling Harm in New Zealand at pp.39-41.

211 Ibid. At pp.42-43.

212 In the 2012 New Zealand National Gambling Study, typical monthly expenditure on gambling was slightly higher among Asian participants than European/Other participants (mean \$74 cf. \$66), though Maori and Pacific participants reported higher monthly averages (mean \$116 and \$112 respectively) - CQU/AUT, 2017, at p.43.

cultural pressures having to support weddings and tangi; they are driven by the need to get a big win to meet these expectations. Pasifika people are notoriously generous.” This particularly influences expectations on ex-patriot Pasifika who are always expected to repatriate a significant proportion of their income to their home country, creating extreme pressures to contribute financially - “some take out unsustainable loans, others gamble and get into strife - with negative consequences for other aspects of their health and wellbeing.” The NZ Harms Study concurred, noting “gambling participation is associated with cultural beliefs, practices, and obligations amongst Samoan and Tongan communities, such as for fa’alavelave and other ‘gift-giving’ obligations” and “Pacific mothers who follow a gift giving cultural practice seem more likely to gamble and spend more money per week on gambling; and migrant Pacific mothers are more likely to gamble than those who are New Zealand born.”

The same report²¹³ observed that “The Asian community in New Zealand is also made up of many ethnicities with the five largest communities being Chinese, Indian, Filipino, Korean, and Japanese” and noted that “It is well established that Asian clients seeking help for their gambling cite casino based gambling and more particularly, table games, as the primary mode of problematic gambling.” The report “hypothesised that the acculturation process, lack of experience in New Zealand commercial gambling environments, significant spare cash and free time, limited English ability, difficulty gaining employment, and disconnection from family, all create a negative cycle whereby stress leads to gambling to try to win money and/or escape pressures. The lack of a cultural tradition of seeking support outside the family (‘face-saving’ avoidance of shame) is highlighted as both a significant barrier to help-seeking and a harmful impact of gambling where it contributes to disconnection and alienation from one’s community among Asian gamblers.”

In the context of this assessment of the extent of gambling harm that may be attributable to gambling at the Christchurch Casino, the cultural factors that pre-dispose certain ethnicities to greater harm from gambling are important considerations. They need to be considered alongside data on the composition of the local population²¹⁴ (see Table 6.32) - all non-European ethnicities have far lower representation in the City and nearby regional resident population²¹⁵ - and data on preferred mode of gambling.

²¹³ Ibid. At pp.43-44.

²¹⁴ <http://www.stats.govt.nz/StatsMaps/Home/People%20and%20households/2013-census-population-dwelling-map.aspx> Note that % figures sum to more than 100% since census respondents could identify with multiple ethnicities.

²¹⁵ As summarised in section 5.5.2, the survey of Casino visitors carried out for this assessment found that Maori and Pasifika are likely to be under-represented amongst Casino patrons when compared with the ethnic composition of the local population at the last census while Asian people are likely to be over-represented.

Table 6.32 Ethnic composition of the Usually Resident Population, 2013 Census

Ethnicity	All NZ	Christchurch City	Waimakariri District	Selwyn District
Maori	14.9%	8.5%	7.4%	7.0%
Pasifika	7.4%	3.1%	0.8%	1.2%
Asian	11.8%	9.4%	1.7%	3.2%
European/Other	78.5%	88.7%	98.2%	97.0%

The NZ Harms Report²¹⁶ stated “Statistics on help-seeking show that primary modes of problematic gambling can differ by ethnicity. In the 2013/2014 financial year, 31% of all presentations to problem gambling services were in relation to non-casino EGM gambling. However, 70% of Maori identified non-casino EGMs as the primary problematic mode, compared to 37% of Pacific people and just nine percent of Asian gamblers. Asian gamblers were more likely to identify casino table gambling as problematic, and Pacific people identified lottery products and housie (bingo) more often than other groups.”

This assessment has reviewed the data on preferred modes of gambling amongst gamblers seeking help from various gambling helplines over the past five years²¹⁷ provided by the Ministry of Health. Table 6.33 summarises the trends apparent in these data for each of the ethnicities of interest and highlights differences in prevailing preferences and trends between New Zealand as a whole and the Christchurch Casino domestic catchment area.

The analysis suggests a slightly declining trend in gambling at the Christchurch Casino amongst Maori as well as a marked decline in their non-casino gaming machine (NCGM) gambling, although this remains by far their preferred mode of gambling. Also apparent has been a significant increase in Maori gambling through the TAB and Lotteries in recent years. These trends were confirmed in several interviews with an addiction counsellor and a social worker. In answer to the question “Do your clients tell you where they do most or all of their gambling?” - “the TAB and the pokies”; “The Casino is not seen as a major attraction for most Maori - too rich for most Maori - who are more likely to prefer their local club or pub.” Nevertheless, interviews with another Maori community representative and a Pasifika health service provider both acknowledged the Casino as a place where their people go on occasions for entertainment - “We know our ‘aunties’ go there on occasions - for an outing - but its always food first, then the entertainment; never been discussed as a problem” and “staff go to the casino quite regularly and tried to persuade me to go, when we were there for a staff Christmas function in the restaurant”.

The analysis suggests a fluctuating preference for gambling at the Christchurch Casino amongst Pasifika people with non-casino gaming machines remaining by far the predominant mode. For East Asian gamblers seeking help, Casino table games have been the predominant mode of gambling throughout this period, with Casino gaming machines and non-casino gaming machines making up most of the remainder in almost even proportions.

²¹⁶ At pp.39-40.

²¹⁷ i.e. for the years 2011/12 to 2015/16.

Table 6.33 Recent trends (2011/12 to 2015/16) in preferred modes of gambling - by ethnicity

Ethnicity	All New Zealand		CCC, WDC and SDC TLAs	
	% change in Casino as preferred mode	Comments	% change in Casino as preferred mode	Comments
Maori	+2%	Relatively low % of casino gambling (10%-12%). Little change in mode preferences	-3%	Moderate % of casino gambling (18%-15%). Declining NCGM use (70%-56%). Increased % for Lotteries and NZRB (9%-19%) and for Others (2%-5%)
Pasifika	-2%	Moderate % of casino gambling (16%-14%). Most preferred modes were NCGM (43%-40%) and Lotteries (17%-27%)	+2%	Low-moderate but fluctuating % of casino gambling (13%-5%-15%) NCGM remains the predominant mode by far (~75%)
East Asian	-6%	Preponderance for but slightly decreasing preference for casino gambling (75%-69%). NCGMs remained constant (~10%), as did all other modes	5%	Predominant and fluctuating preference for casino gambling (64%-83%-66%) Marked increase in NCGMs. In last two years (14%-28%) Marked decrease in all other modes.

To give a sense of scale, Table 6.34 summarises the numbers (for each ethnicity) of individual gamblers resident in the Christchurch Casino domestic catchment who have sought help over the past five years for gambling at the Casino.

Table 6.34 Numbers of individual gamblers seeking help for Casino-related gambling (resident in Christchurch, Waimakariri and Selwyn)

	2011/12	2012/13	2013/14	2014/15	2015/16
Maori help-seekers - casino	16	19	18	19	16
Pasifika help-seekers - casino	2	2	3	1	3
East Asian help-seekers - casino	18	24	27	26	19

Approximate²¹⁸ 'order of magnitude' comparisons can be made with the numbers of exclusions from the Christchurch Casino over a similar period - in Table 6.35..

Table 6.35 Total exclusions from the Christchurch Casino - 2011-2016

	2011/12	2012/13	2013/14	2014/15	2015/16
Maori and Pasifika exclusions	14	6	15	20	20
East Asian exclusions	92	65	69	67	93

While the numbers of Maori and Pasifika gamblers seeking help for casino gambling (Table 6.34) are similar to the numbers of Maori and Pasifika exclusions from the Casino, particularly in the last three years, (Table 6.35), this is not the case for East Asian gamblers. The fact that there have been far fewer East Asian help-seekers than exclusions may be attributed to the lack of a cultural tradition of seeking support outside the family, as described earlier. Alternatively, it may be influenced by the fact that there are no Asian gambling counsellors on the staff of the two Christchurch-based counselling services. Counselling support is provided 'at a distance'²¹⁹ via the Asian Family Service, based in Auckland and contracted via the Problem Gambling Foundation.

²¹⁸ The MoH help-seeker data is for Financial Years while the Casino exclusions data is for Calendar Years. Furthermore, the Casino data do not distinguish between Maori and Pasifika people.

²¹⁹ MoH confirm that Asian help seekers resident in the Christchurch area but using the Auckland-based service are counted in the help-seeking statistics for Christchurch (not Auckland). Pers.Comm.18 August 2017.

Harms to 3rd parties:

The reality of gambling-related harms to third parties or ‘significant others’ has been acknowledged at the beginning of this section. However, there are difficulties in attempting to quantify the scale of such harms. Furthermore, it should be noted that it has not been part of this assessment to conduct detailed primary research on 3rd-party harms in order to attempt independent quantification. We also note that the 1997 AIGR assessment of casino impacts did not consider this aspect at all²²⁰.

Discussions with AUT researchers pointed to two approaches to quantification. The Australian Productivity Commission 1999 analysis provides one, very approximate basis for estimating the number of ‘significant others’ who are likely to be affected by the actions of ‘high-risk’ gamblers.

The NZ Harms Study attempts to quantify the societal level of total harms²²¹ by multiplying the numbers of estimated at-risk gamblers by a set of ‘utility weights’ reflecting the degree of total harm for each level of risk, and estimated on the basis of surveying²²² both health experts and people who experienced harm from their own gambling or from someone else’s gambling.

In addition to these two sources of data, the Ministry of Health has provided data on the numbers of ‘family/affected others’ who have sought help through various helplines.

The Australian Productivity Commission approach

The NZ Harms Study²²³ refers to the Australian Productivity Commission (APC, 1999) findings where “*estimates indicate that one person’s gambling problem typically affects five to 10 people.*”

Discussions with AUT researchers confirmed that, prior to the NZ Harms Study published in May 2017, there had been no NZ research that attempted to quantify 3rd-party harms from gambling. In directing this assessment to the APC findings, the AUT researchers noted that the multiplier of “five to 10”²²⁴ applies to high-risk gamblers only.

Taking the estimates of the annual numbers of high-risk gamblers at the Casino expressed earlier in this section - 463 based on 2016/17 Casino-specific data and 540 based on adjusted 2012 NGS data - we estimate that the number of ‘significant others’ affected by problem gamblers at the Casino to be

220 There appears to be one reference to ‘significant others’ in its discussion of caseloads for the Centre for Problem Gambling in Christchurch - at p.115 where it notes that “*Clients are referred to the Centre from Christchurch Casino and from self-referrals. There have been a small number of referrals from significant others.*”

221 Using as the measure of societal-level harm a parameter described as ‘annual years of healthy life lost’. CQU/AUT, 2017, at p.180.

222 Ibid. At p.165.

223 At para.4, p.32.

224 Whether the use of this range is intended to reflect overall uncertainty or to allow for 3rd-party harms associated with low- and moderate-risk gamblers is not explained. In considering the applicability of these APC multipliers to New Zealand gambling circumstances, factors such as differences in population demographics, per capita spend on gambling, and the nature of the gambling environment may be relevant. However, these factors have not been explored in this assessment.

between 2,315 and 2,700 if a multiplier of 5 is applied, and between 4,630 and 5,400 if a multiplier of 10²²⁵ is applied.

The NZ Harms Study approach

By applying the 2012 NGS findings on the prevalence of gambling risk, this study produces national estimates of both the number of gamblers harmed²²⁶ - estimated at 260,011 - and the number of people harmed by someone else's gambling²²⁷ - estimated at 514,360. The study then applied measures of harm to each group in order to estimate the total level of societal harm, measured in terms of 'Years of Healthy Life lost'. However, the research has not attempted to attribute these quanta of harms between different modes of gambling, or indeed to differentiate quantitatively between different modes. These are questions that require further research²²⁸.

Nevertheless, on the basis of these results, the researchers conclude that -

- low-risk gambling is responsible for 48.0% of all harms to gamblers,
- moderate-risk gambling is responsible for 33.6% of all harms to gamblers,
- high-risk gambling is responsible for 18.4% of all harms to gamblers, while
- 'harm to self' comprises 41.5% of all societal gambling-related harms, and
- 'harm to others' comprises 58.5% of all societal gambling-related harms.

Even though these findings are not particularly useful for identifying the numbers of individual 'others' who are harmed nor, more specifically, the numbers attributable to gambling at the Casino, there are some important implications to be drawn. Firstly, the total quantum of societal harms is associated more with low-risk gambling than with high-risk gambling, although the severity of harms is far higher for problem gamblers than for low-risk²²⁹ gamblers. Secondly, this distribution of societal harms reinforces the importance of early identification of problem behaviours by gamblers wherever they may be gambling. These findings reinforce the importance, for Host Responsibility programmes and practices, of identifying and intervening as early as possible when signs of risky gambling occur.

²²⁵ The 2012 NGS provides some support for the 10x multiplier figure. The NGS found 0.7% of New Zealand's adult population are high-risk gamblers. $10 \times 0.7\% = 7\%$. The same NGS found that 8% of respondents had reported that someone else's gambling had affected them.

²²⁶ See Table 23, p.183. The table shows separate estimates for each of the three levels of gambling risk - low, moderate and high.

²²⁷ See Table 24, p.185. The table shows separate estimates for each of the three levels of gambling risk - low, moderate and high - as well as for non-gamblers and non-problem gamblers.

²²⁸ AUT, Pers.Comm. 20 June 2017

²²⁹ The researchers acknowledge considerable uncertainties around the quantified estimates, particularly for low-risk situations.

MoH data on help-seeking by 'affected others'

The Ministry of Health has provided data on those seeking help from various gambling helplines around the country - disaggregated between gamblers seeking help and 'family/affected others' seeking help. Acknowledging the limitations of such data in absolute terms²³⁰, this assessment has not relied on the data in an absolute sense but has focused on the relative values of the data in the following two tables, comparing local casino-related data and national all-modes data.

The national data for the last five years, encompassing all modes of gambling, are summarised in Table 6.36. Two trends are apparent. Firstly, with the exception of the final year (2015/16), the total number of help-seeking calls has been increasing. Secondly, the proportion of help-seeking calls from family/affected others has been increasing throughout the whole period.

Table 6.36 All Help-seekers in New Zealand - gamblers vs family/affected others

	2011/12	2012/13	2013/14	2014/15	2015/16	Average '12-'16
Family/affected others	1561	2049	2264	2241	2180	2059
Gamblers	4657	4882	4936	4970	4416	4772
Total calls	6218	6931	7200	7211	6595	6831
% family/affected others	25%	30%	31%	31%	33%	
% gamblers	75%	70%	69%	69%	67%	

Corresponding data for the three TLAs in the Casino's primary catchment are presented in Table 6.37. As for the country as a whole, with the exception of the final year (2015/16), the total number of help-seeking calls has been increasing. However, the proportion of calls by family/affected others is considerably lower and more fluctuating.

Table 6.37 Help-seekers with Casino as preferred mode (CCC, WDC, SDC) - gamblers vs family/affected others

	2011/12	2012/13	2013/14	2014/15	2015/16	Average '12-'16
Family/affected others	19	18	30	29	15	22
Gamblers	94	114	127	128	113	115
Total calls	113	132	157	157	128	137
% family/affected others	17%	14%	19%	18%	12%	
% gamblers	83%	86%	81%	82%	88%	

²³⁰

In other words, acknowledging that only a proportion of problem gamblers or family/affected others make use of helpline services.

We note that using the ratio of calls by 'family/affected others' between these two tables (i.e. comparing the number of such calls related to Christchurch Casino with the total for all of New Zealand and for all modes of gambling) and applying this ratio to the total number of adult New Zealanders estimated in the NZ Harms Study to be harmed by someone else's gambling - 514,360 - yields an estimate of 5,500 'family/affected others'. This figure is only 2% above the range estimated using the higher APC multiplier.

In the absence of other empirical data, this would appear to be an upper-end estimate of the number of individuals harmed by someone else's gambling at the Casino. However, it does not differentiate between the three levels of risk and the corresponding nature and scale of harm to "family/affected others". In summary, there is far greater uncertainty associated with quantitative estimates of "family/affected others" irrespective of the data source used.

The effectiveness of Christchurch Casino's Host Responsibility Programme

The Casino's Host Responsibility Programme has been described in section 3.3.7 of this report. In this section we consider the effectiveness of the programme and the scope for future improvements, drawing on data from CCL's mandatory annual reporting to the Gambling Commission, the two Mystery Shopper exercises conducted by DIA in 2014 and 2016, minutes of the Problem Gambling Liaison Group meetings over the past two years, and comments from DIA casino inspectors and gambling addiction counsellors at the OASIS Centre and Problem Gambling Foundation.

When this report was being prepared, the Gambling Commission was yet to conclude the most recent review of the Casino's Host Responsibility Programme (HRP). Submissions, with recommendations for changes and/or endorsement of the Programme had been received²³¹ from the DIA, MoH/HPA, Salvation Army OASIS Centre and Homecare Medical. The Gambling Commission ultimately made its decision on 6 October 2017 and notified CCL on 27 October, with the updated HRP to take effect from 10 November 2017²³².

Annual reporting to the Gambling Commission

According to the Casino's Host Responsibility Executive (HRE), over the past four years, Casino management has sought to put more emphasis on early detection of problematic gambling behaviours by encouraging front-line staff to be more observant. This would translate into more entries in the HR Log, which represents the accumulation of problem intel. As noted previously, the Casino is required to make detailed annual reports to the Gambling Commission, covering a range of measures and indicators. These reporting measures include the total number of observations of Casino patrons who have been observed showing one or more signs of problem gambling behaviour, the number of individual Casino patrons in the HR Log, the number of active 'Gamblers of Interest', and the number of individuals excluded by the Casino. Data on these reporting measures for the past four years are presented in Table 6.38

²³¹ Letter from the Gambling Commission to Risk & Compliance Manager, 8 August 2017.

²³² Decision from the Gambling Commission to CCL, 27 October 2017.

The significant increases in the past few years in the number of individual Casino customers with HR log entries (almost 1200% increase over the past 4 years) and Exclusions (a 55% increase over the past 4 years) suggest that the Casino is improving its effectiveness in identifying at-risk gamblers as early as possible. Nevertheless, given the number of low-risk gamblers estimated at 2,546 per year, even by the Casino’s own data²³³, this suggests that there is still scope to improve the effectiveness of the Casino’s Host Responsibility programme and procedures.

Table 6.38 Problem gambling-related reporting measures - 2013/14 to 2016/17

Reporting Measure	2013/14	2014/15	2015/16	2016/17
Total number of observations of Casino customers who have been observed showing one or more signs of problem gambling	481	813	2791	3217
<i>Index of change (2014 = 1.00)</i>	<i>1</i>	<i>1.69</i>	<i>5.8</i>	<i>6.69</i>
Number of individual Casino customers in the Host Responsibility (HR) Log	145	310	952	1686
<i>Index of change (2014 = 1.00)</i>	<i>1</i>	<i>2.14</i>	<i>6.57</i>	<i>11.63</i>
Number of active ‘Gambler of Interest’ (GoI) files	29	70	107	146
<i>Index of change (2014 = 1.00)</i>	<i>1</i>	<i>2.41</i>	<i>3.69</i>	<i>5.03</i>
Total number of individuals excluded	173	185	209	268
<i>Index of change (2014 = 1.00)</i>	<i>1</i>	<i>1.07</i>	<i>1.21</i>	<i>1.55</i>

Two Mystery Shopper exercises by DIA

The Department of Internal Affairs has conducted two ‘Mystery Shopper’ exercises in New Zealand’s casinos and other Class 4 gambling venues in 2014 and 2016²³⁴. In comparative terms, the Department²³⁵ found that -

“Since 2014, gaming machine societies and casinos have put considerable effort into harm minimisation practice. The Department has noted a significant change in attitude towards the issue of gambling host responsibility in this time.”²³⁶

And for casinos in particular -

“The four SKYCITY casinos have made significant improvements. They have made positive changes, not only to systems and processes but also to culture and staff attitude towards

²³³ And estimated at 4,012 using adjusted NGS data.

²³⁴ <https://www.dia.govt.nz/Gambling-machine-mystery-shopper-exercise-2017> - accessed 17 July 2017

²³⁵ The Department of Internal Affairs which commissioned the Mystery Shopper exercises.

²³⁶ Sector report: Gaming machine mystery shopper exercise results June 2017. p.3

*helping those who display signs of harmful gambling. Christchurch and Dunedin casinos have also made progress, but the results indicate more can be done to lift their performance.*²³⁷

*“The three casino businesses in New Zealand (SKYCITY, Christchurch and Dunedin) have put considerable focus on harm minimisation practice since 2014, and we have noted a significant change in culture with a stronger focus on preventing and minimising harmful gambling. Similarities in gambling harm behaviours played out in the scenarios used in 2014 and 2016 mean comparisons can be made. The results show an overall improvement across the casino sector.”*²³⁸

Commenting on Christchurch Casino specifically, the Department found -

“- of the three mystery shopper visits to Christchurch Casino, the response to one visit met the Department’s expectations;

*- the Christchurch Casino response to two of the scenarios did not meet expectations. In one of these we acknowledge that the mystery shopper performed a gambling harm cue at a lower level of intensity than intended. Despite this she was at a machine for six hours and there was no staff interaction recorded. Therefore the assessment of not met expectations remains.”*²³⁹

and -

“- Christchurch Casino met the Department’s expectations relating to EFTPOS declines at the cashier desk, and displayed sound practices and procedures.

- Christchurch Casino has invested in new technology, Servizio, to manage un-carded play.

*- Christchurch Casino has seen an increase in the number of harm minimisation observations reported by Casino staff.”*²⁴⁰

The failure of either Casino staff or the surveillance programme (Servizio) to detect a patron engaging in six hours of continuous play is a noteworthy incident. CCL explains²⁴¹ that the incident has been examined in detail and been found to involve a pattern of gambling activity that was of exceptionally low frequency, such as not to suggest continuous play. Nevertheless, Casino management further explains that lessons have been learned and adjustments made already to the Servizio programme. Several other changes have also been instituted, involving both additional staff resources and investments to improve software support²⁴² for better detection of problem behaviours. While it is important to learn

237 Ibid.

238 Ibid. pp.8-9

239 Ibid. p.9

240 Ibid. p.10

241 HRE Pers.Comm. 28 August 2017.

242 For example, Board approval has been given to implement facial recognition software.

from this experience, it must be remembered that this single case involved not one patron out of three, but one patron out of 118,200 individuals and one visit out of 706,580 visits in the past 12 months.

Problem Gambling Liaison Meetings minutes

As described in section 3.3.7, Problem Gambling Liaison Meetings (PGLMs) replaced the earlier multi-agency Community Action for Responsible Gambling meetings, reflecting the Casino's changed responsibilities in terms of ensuring responsible gambling and harm minimisation under the new legislation. These PGLMs, held about three times each year, typically brought together representatives of Casino management, the DIA inspectorate, gambling addiction counselling agencies, and others involved in gambling help-line services. The Police and Christchurch City council have also been represented on occasions.

A review of the minutes of these meetings between June 2015 and December 2016 reveals several themes -

- the effectiveness of HR training and HR procedures has been a regular topic of discussion, noting (in April 2016) the increase in HR reports and HR interventions;
- an on-going focus on research and innovation in HR systems and practices, including -
 - collaboration between the Casino and AUT on the development of Problem Gambling software,
 - introduction of new surveillance equipment in the table area to better monitor risks, particularly associated with Baccarat,
 - the development of the Servizio system and application of Australian research into continuous-play alerts,
 - collaboration with Canadian researchers to develop improved risk-identification algorithms,
 - the introduction of anti-money-laundering and pre-commitment initiatives,
- training initiatives associated with -
 - a new Induction Manual and 2-year refresher courses,
 - the advent of staff training on Alzheimer's Awareness and Suicide Awareness.

The meetings also provide regular opportunities for feedback from other agencies, including the gambling addiction counsellors who periodically provide insights into emerging trends such as the incidence of Multi Venue Exclusions, trends in presentations for other modes of gambling (Class 4 and TAB) and a trend amongst Asian gamblers towards sports betting and on-line gambling.

Comments from DIA Casino inspectors and gambling addiction counsellors

DIA casino inspectors interviewed²⁴³ for this assessment commented on a degree of “*staff complacency*” at the time of the first Mystery Shopper exercise, but noted that since then the Casino has “*introduced Servizio surveillance technology, tightened some procedures²⁴⁴, and encouraged staff to be more attentive and diligent about recording interventions.*” They also expressed the view that “*the change in managerial staff has seen a marked change in staff attitudes towards their HR responsibilities*” and noted that a major learning from the most recent Mystery Shopper exercise has been “*don’t rely too much on technology.*”

Observations about Casino HR effectiveness from the two gambling addiction counselling agencies in Christchurch agree on some matters and differ on others. Both agreed that there are aspects of Host Responsibility that the Casino does well, and that the Casino has taken some initiatives they didn’t have to. The Salvation Army Practice Leader rated HR practices “*top notch - they let us know about problems; keep close liaison; respond to our suggestions²⁴⁵.*” while the PGF Practice Leader acknowledged “*the pre-commitment initiative is good; the little cards²⁴⁶ around the neck are good*” and observing that they “*have come to a good arrangement*” with the HR Executive around Casino re-entry²⁴⁷, noting that “*the hardest clients to work with are those who want to go back into the Casino.*”

The PGF Practice Leader questioned some aspects of the Casino’s HR practices such as the HRE sometimes changing a PGF client’s Safety Plan²⁴⁸ and the in-house arrangement for HR staff training - “*prefer to see this not done in-house, because the Casino has a different perspective on Host Responsibility from a therapist’s perspective.*” Questioning the assumption that “*just because someone has lots of money, doesn’t mean their gambling is not causing harm*”, it was suggested that pre-commitment be a compulsory requirement for all gamblers at the Casino.

The Salvation Army Practice Leader commented that “*the Liaison Group meetings are always open and transparent - they always answer questions, and they encourage all our staff to attend, not just me*” and also observed that “*the Christchurch Casino innovates a lot*” citing the introduction of the pre-commitment limits as an example.

Both Practice Leaders compared the Host Responsibility practices of the Christchurch Casino favourably with those of other gambling establishments - “*the manager is more pro-active than elsewhere; always suggests MVEs²⁴⁹; wants to work with OASIS and PGF; always follows through and provides us with feedback*” and “*is better than in other casinos I know - it comes down to personalities*”

243 27 March 2017.

244 For example, more cash withdrawals declined

245 For example, remembering to take the names of excluded patrons off their Players Club mailing list.

246 Signs of Problem Gambling on one side and Responsible Service of Alcohol on the other side.

247 Automatic re-entry now seems less likely than it was in the past. The pre-commitment requirements has been helpful for re-entry players.

248 Which stipulates limits on gambling time and gambling spend.

249 Multi-Venue Exclusions

in HR management and how well staff are trained.”

Summary

This assessment has identified the likely extent of gambling-related harm as a result of New Zealand residents' gambling at the Casino. The various inputs to this assessment suggest that the extent of such harms to the Casino gamblers themselves occurs at a somewhat lower level than for the gambling population at large and across all modes of gambling. Nevertheless, the total number of people harmed by their gambling at the Casino is not insignificant.

Although Maori, Pasifika and Asian gamblers are typically at greater risk of harm from their gambling, the lower presence of these ethnicities in the local population and the under-representation of Maori and Pasifika amongst visitors to the Casino results in substantially fewer local residents of these ethnicities being harmed by their Casino gambling than would otherwise be the case. The fact that there are now no corresponding specialist addiction counselling services (i.e. for people of these ethnicities) based in Christchurch may reflect this relatively low incidence. However, this lack of accessibility to culturally appropriate services is probably not helpful for those who do experience gambling harm.

While the Casino's Host Responsibility practices have attracted considerable positive comment from various quarters, the recent data indicates that there is still scope for improving the effectiveness of early detection of problematic gambling behaviours.

6.3.2 Crime or otherwise socially undesirable behaviours

Overview of crime and undesirable behaviour impacts

Literature and previous reports suggest it is useful to delineate several dimensions of criminal, illegal or otherwise undesirable behaviours potentially associated with casinos. These include -

- (a) within a casino: breach of trespass, breach of exclusion orders, under-age gambling, physical assaults, cheating, counterfeit chips or notes, money laundering, loan sharking, begging, theft, drug offences;
- (b) outside the casino premises but in the casino precinct, related to gambling: children found abandoned while parents/care-givers gamble;
- (c) outside the casino premises but not related to gambling: assaults, drunken or disorderly behaviours related to the consumption of alcohol;
- (d) further afield geographically: crime to fund gambling habits, illegal gambling activities.

Of the above, items (a), (b) and (d) will be addressed in this section of the report, while item (c) will be addressed in section 6.3.3 on Neighbourhood Amenity effects..

Data sources

This assessment has drawn on a variety of sources of researched information, data and commentary. In 1998, the Australian Institute for Gambling Research (AIGR) completed a report²⁵⁰ on the social and economic impacts of two casinos in New Zealand - being Sky City Casino in Auckland and the Christchurch Casino. In 2001, the same organisation completed research²⁵¹ on the social and economic impacts of gambling in New Zealand.

As noted in these two reports, there are some dimensions of criminal behaviour for which little or no New Zealand empirical data or researched information existed. This was particularly the case for crime to fund gambling habits and for the incidence of illegal gambling activities²⁵². Furthermore, it appears that these information gaps still persist, drawing similar observations as recently as the 2017 report Measuring the Burden of Gambling Harm in New Zealand²⁵³. Other data sources include -

- incident investigation records held by the Department of Internal Affairs, covering the period 2004 to 2017;
- mandatory incident reporting to the Department of Internal Affairs prepared by Christchurch Casino, covering the period 2001 to 2016;
- NZ Police summaries of suspicious transactions (related to money laundering), covering the last three financial years (2014/15 to 2016/17);
- two Crowe Horwath audit reports addressing Anti-Money Laundering and Countering the Financing of Terrorism, prepared in 2015 and 2017;
- interviews with the NZ Police and the DIA Casino Inspectorate;
- discussions with representatives of both neighbouring residents associations; and
- various survey responses relating to perceptions of safety in the Casino precinct.

250 AIGR, 1998. Study of the Social and Economic Impacts of New Zealand Casinos. Final Report. Prepared for the New Zealand Casino Control Authority. 1998. 438p.

251 AIGR, 2001. Social and Economic Impacts of Gambling in New Zealand. July 2001. 151p.

252 Only when such activities result in criminal prosecutions are records created of these types of crime.

253 At p.37: *“Evidence surrounding the links between gambling and crime is incomplete and under-reported within New Zealand and internationally. The Australian Institute for Gambling Research (AIGR) (2001) analysed the impact of crime at two casinos in New Zealand (in Auckland and Christchurch) and found that the impacts of crime at both casinos were not as extensive as predicted. Further, since there was little reliable data on crimes committed to fund gambling, it was not possible to determine the impact of the casinos on crime. The authors concluded that while the New Zealand Department of Internal Affairs (DIA) had previously found no significant evidence to directly link crime with gambling, this may be because precise statistical data has not been available. AIGR (2001) assert that while analysts agree that gambling is indeed linked to crime, the most significant finding from their literature review of gambling and crime is that there is a lack of data or evidence to form valid assessment of levels of gambling-related crime. The literature on gambling and crime has been found to be questionable and often contradictory (Bellringer et al, 2009).”*

Findings

The findings reported here cover both the early years of the Casino's operation and the most recent years.

1998 AIGR Report on New Zealand casinos

Discussing the situation in New Zealand immediately following the advent of the first casino, the AIGR researchers²⁵⁴ cited a DIA report²⁵⁵ which expressed "little concern about crime in relation to casinos" noting that "A great deal of effort went into strict probity checks of everyone involved in the Christchurch Casino when it was being established. Few problems are now apparent. There has been very little increase in street or visible crime outside the Casino. The systems to prevent money laundering appear to be working well." The AIGR researchers further cited²⁵⁶ the related submission by the DIA Inspectorate in Christchurch which stated "that there has been little crime of any sort (in the Casino). In addition security checks on two occasions have prevented attempts to launder stolen foreign currency" and noted that "the main crime concerns expressed by Police were in relation to gaming machines outside of casinos."

The AIGR researchers said in summary²⁵⁷ "whilst fears were expressed prior to the opening of casinos regarding connections between casinos and crime in New Zealand, in 1995 there was little evidence to support these fears. There was, however, evidence of criminality in other areas of the nation's legal and illegal gambling industries, particularly with regard to gaming machines."

When discussing predicted crime impacts, with reference to the social impact report prepared for the Parkroyal Casino, the researchers made the following observations²⁵⁸ -

- local residents, business groups and social service agencies are reported as holding some fears of increased crime. Local residents feared 'more people in the area, especially at night, would increase burglary and vandalism' while seven people also expressed fears of security for pedestrians.
- five business people expressed fears of crime and break-ins to cars and property.
- Social service groups expressed concerns about crime, although their main concerns were about gambling addiction and the effect of gambling on low income families.

However, the Police reported that "Initially the Christchurch Police expected a considerable number of criminal incidents to occur in and around the Casino. However the anticipated increase did not eventuate and after a few months of operation, the Police radically cut down their routine visits to the

254 At p.142, 3rd bullet point.

255 Written ten months after the opening of Christchurch Casino

256 At p.142, 4th bullet point.

257 At p.143, para.2.

258 At pp.149-150

Casino.”

The AIGR researchers went on to discuss actual impacts²⁵⁹, beginning by citing the Southern Regional Police Commander - *“The Christchurch Casino has had very little impact upon the services delivered by Christchurch police during the past two years and a half despite the fact that the Casino had recorded over 3 million patrons through the door as at June 1997.... In fact, the level of offending has been considerably less than would have normally been expected for an entertainment venue of the size of the Casino.”* Over a three-year period²⁶⁰ *“there were some 150 trespass notices issued and 21 arrests made for trespass, theft and other minor matters.”*²⁶¹ Within the total of 150 were 77 ‘minors/underage found in the casino’, 17 ‘alleged theft (chips, money, wallets)’, 7 ‘alleged cheating (past posting, top hatting)’, one ‘alleged assault’ and one ‘child abandoned in car outside’²⁶². Over the same period, data from the Casino Supervision and Inspection Unit²⁶³ revealed some 8,800 minors had sought and been refused entry. On the basis of these data, the AIGR researchers concluded²⁶⁴ *“It is apparent that the Christchurch Casino security staff are active in policing the issue of underage entry, both at the entrance to and also within the Casino.”*

On the matter of crime in the Casino precinct, the researchers referred to ‘manual Police statistics’ as the basis for the Police Commander’s statement that *“there has been no upsurge of offences in the vicinity of the Casino”*²⁶⁵. They also noted that the relative safety of the Casino precinct was further reinforced in a 1996 survey of ‘public perceptions of sense of safety’.

Regarding the incidence of illegal gambling in Christchurch, the researchers stated²⁶⁶ -

“Prior to the casino’s opening, there were apparently three illegal card games in operation; however these were reported to have closed down a short time after the legal establishment opened. One of these illegal games had been the target for an armed hold-up in the course of its operation.

One or two illegal card games have apparently begun operating again after a period of closure, thus following a similar trend on a smaller scale which has seen the closure and re-opening of illegal games in Auckland. Despite this re-opening, and the apparent operation of smaller illegal card games in various ethnic communities at times (commenced by persons who have been barred or have self-bared from the casino), the Police Officers interviewed indicated that the legal casino ‘is really the only game in town’ and there is not as much illegal gambling in

²⁵⁹ At pp.161-171 - section 4.4.1

²⁶⁰ 4 Nov 1994 to 1 Nov 1997

²⁶¹ At p.163, para.1.

²⁶² See Table 4.8 on p.162.

²⁶³ At p.164, para.3.

²⁶⁴ At p.165, para.1.

²⁶⁵ At p.164, para.1.

²⁶⁶ At p.168, paras 2 and 3.

Christchurch as there used to be. The conclusion which can be drawn from data and intelligence supplied by the Police is that the legal casino has had the effect of restricting illegal gaming houses in Christchurch.”

On the matter of crime committed to fund gambling, the AIGR researchers commented²⁶⁷ that relevant data “have proved extremely difficult to obtain”. They referred to “a few publicised cases which suggest a link between problem gambling and the casino (and other forms of gambling).”

The researchers noted²⁶⁸ that, despite the cases referred to, “a Detective Sergeant attached to the Commercial and Multiple Fraud Section of the Christchurch Police stated that ‘the Casino hasn’t had an impact on the fraud squad. If it is a betting problem that people have, they’ll find another way or other form of gambling’ [if they are excluded from the Casino]” In a further elaboration²⁶⁹ “the view of the Detective Sergeant who was a member of the Christchurch Community Reference Group, familiar with the gambling industry and clientele in Christchurch, was that the issue of criminal activity to fund gambling had been exaggerated in public debates. He was aware of several cases where people had cited gambling as the reason for their crime, but he also indicated that the gambling rationale had been used as means for securing a lesser penalty, using the defence of ‘diminished responsibility’. Police however ‘have no firm evidence to indicate that the level of such offending [to fund gambling at the Casino or elsewhere] is substantial’.

The AIGR researchers went on to comment on the role of Casino management and the significance of a co-operative approach between Casino management and the regulatory and policing authorities. With reference to the observations of several members of the Christchurch Community Reference Group on “the high standard of management at the Casino”, the researchers concluded²⁷⁰ that “an effective management team which implements the provisions of the Casino Control Act to the full is arguably also an effective deterrent of criminal activity both within and in association with the Casino. While a degree of independence of action is required for the DIA Inspectorate and Police to adequately fulfil their functions, a cooperative approach by Casino management contributes to an effective regulatory regime and minimisation of crime.”

The AIGR report thus made the following summary findings²⁷¹ -

- there was no apparent upsurge in crime that was anticipated;
- the constructive relations between Police and Casino security staff alleviates some of the pressures which might be expected to fall to the public purse - police have radically reduced their visits;
- the reported crimes are typical of casinos elsewhere - but have lower incident levels;
- the reduction in numbers of illegal card games, resulting in increased tax benefits to the state from corresponding gambling - an unanticipated side effect of legal casinos;

²⁶⁷ At p.168, para.4.

²⁶⁸ At p.169, para.2.

²⁶⁹ At p.169, para.3.

²⁷⁰ At p.171, para.2.

²⁷¹ At pp.186-188.

- it is difficult to draw substantive conclusions on crime committed to fund gambling of any kind
- needs further research;
- the Casino security staff are policing the age restrictions;
- there has been no significant increase in resources used by Police in relation to casinos; the small National Police Casino Unit was disbanded in 1996;
- the public perception about the links between casinos and crime in New Zealand continues to be one of suspicion and caution;
- the comparatively low levels of crime in the Casino were attributed to -
 - the regulatory structure and DIA full-time surveillance and supervisory role,
 - effective Casino management,
 - the Casino location - well-serviced, low crime history,
 - constructive relations between Police and Casino security,
 - strict application of a dress standard, and
 - adequate and permanent security presence to refuse entry to potential problem patrons.

2001 AIGR on the social and economic impacts of gambling

Completed only three years after the previous casino-specific research cited above, this report has little to add on most topics. However, this 2001 report does make reference to studies by Abbott, McKenna and Giles first published in 2000 and based on interviews with prison inmates, which investigate the relationship between their gambling and their criminal offending²⁷². The study of women prisoners revealed²⁷³ that *few women said their early offending or convictions related to gambling. It was concluded that most women were "criminals first and problem gamblers second" rather than people whose offending careers commenced as a consequence of problem gambling.* Similarly, the study of male prisoners revealed²⁷⁴ that *only five percent of problem gamblers said their early offending was gambling-related.*"

While such research provides some independent empirical evidence of the extent of links between gambling and crime in this country, it suggests that more research is required in order to elucidate directions of causality and the sequencing of causality. Furthermore, the research does not enable conclusions to be drawn as to the role or significance of casino gambling in the New Zealand context, nor specifically the significance of gambling at the Christchurch Casino.

²⁷² At p.86, paras 2 and 3.

²⁷³ Abbott and McKenna, 2005. Gambling and Problem Gambling Among Recently Sentenced Women in New Zealand Prisons. In *Journal of Gambling Studies*, Volume 21, Issue 4, pp 559–581

²⁷⁴ Abbott, McKenna and Giles, 2005. Gambling and Problem Gambling among Recently Sentenced Male Prisoners in Four New Zealand Prisons. In *Journal of Gambling Studies*, Volume 21, Issue 4, pp 537–558

Casino reporting to the Department of Internal Affairs - 2001-2016

The Casino has certain mandatory reporting requirements, some of which relate to the incidence of potentially illegal or criminal behaviour. The DIA regulatory regime covers matters that would breach the harm minimisation legislation - under-age gambling; unattended children in the carpark; begging, cheating and use of counterfeit chips or notes inside the Casino; money laundering and loan sharking, as well as breach of trespass and breach of exclusion. Matters such as theft, assault or drug offences in the Casino are matters for the Police.

The Casino provides monthly reports of any such incidents to the Department of Internal Affairs ²⁷⁵. These data have been summarised on an annual basis for the period 2001 to 2016, and tabulated in Appendix M. The data set also includes a category 'Police Incident' which refers to calls for service made to Police by Casino management or security personnel for incidents such as arguments at the front entrance, members of the public disputing their refused entry, or vehicle break-ins in the Casino carpark.

In addition to the monthly reports referred to above, the DIA inspectors receive information about incidents from the Casino via two channels: (i) daily reports at the end of each day, which the Inspectors have to review and analyse, and (ii) calls from senior managers at the Casino, alerting DIA to incidents as and when they happen - these are incidents that may lead to complaints from patrons to the DIA. From the inspectorate's observations, the Casino is seen to adopt an anticipatory approach. Casino staff hand out DIA business cards whenever there is such an incident. The inspectors reported²⁷⁶ that very few - maybe one or two per month - actually turn into complaints. The Casino has video footage of all incidents inside the premises, which is available for DIA inspectors to view and assess.

The average annual number of such Reportable Incidents over the past 16 Calendar Years has been 237. Given annual Casino patron visits over this period in the order of 700,000, these data indicate an extremely low alleged incidence of such behaviours at ~0.034%²⁷⁷ of visits. Corresponding data provided by the Department of Internal Affairs on its completed investigations into such reports, suggest even lower rates of actual incidents²⁷⁸. Furthermore, the corresponding average annual number of Police Incidents over the past 16 years has been 9, indicating that Police Calls For Service by the Casino have occurred at the negligible level of one incident for every 78,000 Casino visits, averaging fewer than one per month. Even with the recent increase post-earthquakes, the number of Police Incidents recorded by the Casino has averaged between one and two a month.

Further disaggregated analysis demonstrates that for most categories of alleged offence, the number of

²⁷⁵ It should be noted that these incidents have not, at the time of reporting, necessarily led to formal prosecutions and verdicts. Most categories are described in the reports to DIA explicitly as "alleged".

²⁷⁶ Interview, 27 March 2017.

²⁷⁷ Or 3 incidents in every 10,000 visits.

²⁷⁸ The average Total annual number of Reportable Incidents over the past 6 years was 279, whereas the average Total number of completed DIA investigations over the same period which resulted in some sort of regulatory action was 34. In other words, the majority of 'reported' incidents were in fact precautionary reports. This suggests a rate of actual incidents of 0.005% of visits, the same level as found by AIGR researchers in 1998.

incidents has been negligible. The additional analysis also explores whether there have been identifiable changes between the pre-earthquake experience and the more recent post-earthquake experience.

As is evident in Table 6.39, 10 out of the 19 categories of alleged offences have remained at the same level of occurrence throughout the past 16 years. Five categories have seen increases in annual levels of alleged occurrence - breach of casino exclusion, breach of trespass, alleged assaults not in the gaming area, alleged theft not in a gaming area, and alleged drug offences. Four categories have seen decreases in annual levels of alleged occurrence - alleged cheating, alleged theft in a gaming area, alleged under-age not participating in gambling and alleged under-age participating in gambling.

These findings suggest that while the small number of Casino patrons willing to attempt criminal or undesirable behaviour each year may have increased very slightly, the Casino management has in place the programmes and procedures to identify and respond appropriately. By way of example, there was a period when under-age gamblers were discovered persistently for a while and the DIA Inspectors took this up with the Casino management, stating that such a situation was unacceptable and could not be allowed to continue. Problems were identified both at the main entrance (insufficient staff numbers when large groups of young people arrived simultaneously) and in the use of the lifts between the basement carpark and the gaming floor (inadvertently leading to uncontrolled access). As a result, the Casino introduced better lighting in the foyer (to assist visual recognition by video), more staff on the door, lift access from the carpark was tightened up (has to stop at ground floor for vetting), and more staff were allocated to the gaming floor.

The incidence of suspected money laundering is even smaller, with no cases reported in the past six years²⁷⁹ and the only case of suspected money laundering in DIA records covering the past thirteen years²⁸⁰ occurring in 2009. The Casino's performance in preventing money laundering is subject to independent auditing²⁸¹. The audit process differentiates four categories of findings, and the report explains²⁸² that the corresponding "severity ratings are based on the use of professional judgement to assess the extent to which deficiencies could have an effect on compliance with the requirements of section 58(3) and 57 of the Act."

²⁷⁹ Casino Reportable Incidents data for Fiscal Years 2001-2016.

²⁸⁰ Christchurch Casino Complaints & Incidents Recorded by sub-category - 2004-2017. OIA request2016170263.

²⁸¹ Carried out most recently by the consultancy Crow Horwath and reported in June 2015 and May 2017.

²⁸² Crow Horwath, 2015, at p.7.

Table 6.39 Incidence of alleged offences

Category of alleged offence	Annual Average # incidents 2001-2016	Annual Average # incidents 2001-2010	Annual Average # incidents 2011-2016
<i>Incidents inside the Casino</i>			
Breach of casino exclusion order	74	51	113
Breach of self-bar	52	53	50
Breach of trespass	46	39	56
Assault in gaming area	1	1	1
Assault not in gaming area	6	2	12
Begging	3	2	3
Cheating	2	3	1
Possessing cheating equipment	0	0	0
Counterfeit chips	0	0	0
Counterfeit notes	0	0	0
Money laundering	0	0	0
Loan sharking	0	0	0
Theft in gaming area	26	28	21
Theft not in gaming area	8	7	11
Drug offences	2	1	4
Under-age not participating in gaming	10	13	4
Under-age participating in gaming	7	10	2
Under-age refused prize payment	0	0	0
<i>Incidents outside the Casino</i>			
Children found abandoned	1	1	1

The four severity ratings are -

High: Issue represents a control weakness, which could cause or is causing major disruption of the process or major adverse effect on the ability of the process to achieve its objectives;

Moderate: Issue represents a control weakness, which could cause or is causing major disruption of the process or major adverse effect on the ability of the process to achieve its objectives;

Low: Issue represents a minor control weakness, with minimal but reportable impact on the ability to achieve process objectives; and

Process improvement: Audit recommendation is for improving already existing processes and controls.

The 2015 audit identified four low-level risks and four opportunities for process improvements and concluded *“Based on the procedures performed and evidence obtained, we believe the Company has complied, in all material respects, with the requirements of section 57 and 58(3) of the Anti-Money Laundering and Countering Financing of Terrorism Act 2009 for the period from 1 January 2014 to 31 March 2015.”* The 2017 audit identified one low-level risk and two opportunities for process improvements and expressed an identical conclusion for the subsequent two-year period.

With regard to all categories of criminal or undesirable behaviours discussed above, the corresponding data for the period 1994-1997 in the AIGR 1998 report cited earlier was 150 trespass notices²⁸³ over a three-year period and approximately 3 million visits, which is a rate of 0.005%.

Interviews with Police and DIA inspectorate

Commenting on the fact that the Casino reports far more incidents than usually eventuate, the DIA Casino inspectors expressed the view that the Casino is very intent on being compliant with the harm minimisation policy and the auditing process - *“if something goes wrong, the earlier we know about it, the better.”*²⁸⁴

From a Police perspective²⁸⁵ *“Casino incidents are very very rare the Casino is very well managed, with well-trained security staff. The Police have never had many calls to the Casino and don't get many complaints about the Casino.”*

Other matters

A report on the topic of Crime and Undesirable Behaviour related to the Casino and covering the entire period of its operation would be incomplete without reference to an incident which occurred in 2007 and was widely reported in local media. The incident involved *“Allegations of improprieties at, or associated with, Christchurch Casino”* and is described at length in a Department of Internal Affairs Briefing at the time²⁸⁶. A subsequent media release records the following findings -

“An independent audit has confirmed that there is no evidence of money being skimmed or misappropriated from Christchurch Casino's gaming machines, the Minister of Internal Affairs, Rick Barker, said today.

BMM Testlabs of Melbourne was engaged to test the integrity of the Casino's gaming machine monitoring system after the Department of Internal Affairs found no evidence to support allegations made by two former senior Casino managers, Stephen Lyttelton and Peter Arbuckle. ... This independent, accredited testing company found no evidence of any such actions being performed.”

²⁸³ i.e. trespass notices issued in response to such incidents within the Casino.

²⁸⁴ Interview, 27 March 2017.

²⁸⁵ Interview with Head of the Metro Crime Squad, 21 June 2017.

²⁸⁶ Internal Affairs Briefing to the Hon. Rick Barker, Minister of Internal Affairs, entitled *Allegations of Improprieties at, or associated with, Christchurch Casino*. 13 July 2007.

Summary

It would appear that the rate of incidents described in this section has remained extremely low during the entire period the Casino has been in operation. Those agencies responsible for overseeing regulatory compliance with the Gaming Act, and also with overseeing general good order view the Casino as a well managed, responsible and responsive organisation.

6.3.3 Neighbourhood amenity effects

Overview of effects

The potential effects of the Casino on neighbourhood amenity which have been raised in consultation for this assessment focus on its influence on the choice of location by other businesses, the access to entertainment and hospitality outlets for nearby residents and the adverse effects on residential amenity and good order in the neighbourhood resulting from undesirable alcohol-related behaviours.

Representatives of both nearby residents associations acknowledged that the Casino itself has always been accessible as a relevant hospitality venue for those over twenty years of age, and that it caused few, if any, problems to residents for most of the time it has been in existence²⁸⁷. They also acknowledge that the first of the new hospitality venues that arrived in Victoria Street as part of the post-quake recovery were viewed initially in a positive light, especially since they were described as 'temporary' while waiting for the CBD to be redeveloped. However, the principal focus of neighbourhood concerns since then has been on the adverse effects on residential amenity and good order in the neighbourhood. These negative effects are seen by neighbouring residents as resulting from the proliferation of late-night bars with much later closing times than before the earthquakes, and the significant increase in the incidence of associated undesirable alcohol-related behaviours that has occurred as a direct result.

The critical question for this assessment is the extent to which the Casino is responsible for these effects.

Data sources

This assessment draws on the following sources of information, commentary and data -

- Statistics NZ business statistics relevant to business recovery post-quakes;
- CCC planning designations and data on licensed premises;
- CCC reports on Crime Prevention Through Environmental Design (CPTED);
- interviews with residents association representatives (both VNA and ICON);
- VNA data on incidents in the neighbourhood;
- Police statistics on Alcohol Harm Calls For Service (CFS);
- interviews with the Police Alcohol Harm Unit and Metro Crime Squad;
- CCL data on refusals of entry to the Casino; and
- interviews with businesses in Victoria Street.

Background situation

²⁸⁷

The only exception being the short time the Mashina Bar was open, as discussed later in this section.

Some of the relevant background information has been set out in earlier sections of this report²⁸⁸. Nevertheless, this section aims to provide a succinct and coherent summary narrative.

For the first 17 years of its existence, the Casino was part of an up-market²⁸⁹ civic and tourism destination cluster on the northern edge of the CBD. This cluster included the Town Hall, Convention Centre, Crowne Plaza Hotel and several other restaurants on the corner of Kilmore and Durham Streets. All were within easy walking distance of each other. The Crowne Plaza Hotel and the Christchurch Casino had overlapping ownership interests.

The earthquake sequence of 2010 and 2011 has changed this situation dramatically. The Convention Centre, Crowne Plaza Hotel and other restaurants on the corner of Kilmore and Durham Streets have disappeared - casualties of the earthquakes - and the Town Hall is not due to re-open after its repairs until early 2019. Meanwhile, the Casino has been operational for all except a three month period in 2011, when it was temporarily inaccessible within the Red Zone boundary.

Most of the CBD was closed to the public for a much longer period, including most of the hospitality outlets in the Central City. In contrast, most of Victoria Street was not closed off, nor subject to planning and recovery controls exercised by the Canterbury Earthquake Recovery Authority (CERA). Post-quake recovery occurred at very different rates in these two parts of the Central City²⁹⁰.

The other factor which had a major influence on the nature of the post-quake Victoria Street area was a series of plan designations by the City Council, and negotiations between Council and other businesses needing to re-locate out of their Central City sites²⁹¹. As explained in Section 5.2.2, the principal new features of the District Plan relevant to changing the character of this area are the designation of the Entertainment and Hospitality Precinct within the Central City Business Zoning and the inclusion within this precinct of a Council designated sex industry location. Other features of the zoning for this area retained the predominance of residential use and other elements of existing use patterns.

These changes led quickly to the establishment of numerous hospitality outlets concentrated along Victoria Street. It was not long before residents began experiencing not only the benefits of accessibility to these new outlets but also the significant adverse effects on noise and nuisance as a new clientele adopted Victoria Street as its prime Central City destination for night time entertainment. As noted in the CPTED²⁹² Report of September 2012 -

288 Most notably Section 3.3.3 on Operational Changes over time at the Casino, particularly the opening and closing of the Mashina Bar; Section 3.3.12 on the Casino's involvement in the StreetSafe initiative; Section 5.2.2 on City plan designations; and Section 5.2.5 on post-quake business recovery in the CBD and in Victoria Street.

289 Police describe this as "a 5-star precinct". Interview 2 August 2017.

290 As discussed in Section 5.2.5

291 For example, the Cruz Bar shifted to Victoria Street in May 2011 from a previous location in Manchester Street, while Calendar Girls moved from its existing building in the newly designated East Frame to a new site in Victoria Street. The previous building in the East frame has subsequently been demolished.

292 Crime Prevention Through Environmental Design (CPTED)

“Although Victoria Street was known pre-quake as an evening entertainment area featuring restaurants, cafes and wine bars, the nature of the area has changed post-quake and is now increasingly a late night entertainment area focussed on bars and clubs. This draws a very different demographic into the area, with a different set of issues. It is questionable whether the current environment in Victoria Street features the supporting collateral necessary to allow a late night entertainment area to operate safely.”

Evidence for the scale and timing of these adverse effects is found in Police data on Calls For Service (CFS)²⁹³ by the Alcohol Harm Unit, CCL data on the numbers of people refused entry each day because of intoxication²⁹⁴, and the VNA Log of incidents. These data will be discussed below.

The Casino opened its own Mashina Bar in October 2013. It remained open as a nightclub until July 2016, at which time it ceased to be a nightclub and was converted into an events venue. As a result of concerns and complaints from residents, the StreetSafe initiative was implemented by the Casino and other hospitality businesses in Victoria Street in 2013 as part of a collaborative Accord. This was at a time when the number of bars with late-night licences was increasing and the Casino and neighbouring residents were experiencing undesirable or anti-social behaviour by bar patrons - pre-loading, side-loading, urinating, noisy behaviour, etc. According to Casino management, the Casino had opened the nightclub in response to perceived demand, and also to address a growing problem for the Casino - the Casino was having to turn away 150-250 people at its front door on Friday and Saturday nights, because they did not meet Casino expectations for dress or behaviour, and this was beginning to deter some core clientele of the Casino by changing the atmosphere/ambience of the Casino entrance. While the Casino was able to control dress code and patron behaviour inside the Casino premises, including inside the Mashina Bar, it could not control the undesirable behaviour outside in neighbouring streets and vacant lots, fueled by pre-loading and side-loading activities. Nor could it avoid the lengthy queues of patrons reportedly waiting outside the Mashina Bar. The Casino and some other hospitality businesses engaged external contractors to provide night-time patrols in the neighbourhood of Victoria Street and its environs on Friday and Saturday nights from 11.00pm to 3.30am - as described in Section 3.3.12.

The Provisional Local Alcohol Policy pertaining to Victoria Street has still not been settled despite attempts at mediation. The current situation appears to offer the prospect of Victoria Street being divided in two, with the area north of Salisbury Street operating to a 1am closing time while the area south of Salisbury Street (which includes the Casino) operating to a 3am closing time (or later if the premises is designated as a ‘nightclub’). As this report was being finalised, it was announced that the City Council has withdrawn the Provisional Local Alcohol Policy and will seek to develop a new policy over the next 18 months²⁹⁵

Findings

The Police statistics for Southern Victoria Street indicate clearly the extent to which Calls For Service (CFS) to the Alcohol Harm Team increased significantly in the years after the earthquakes - see Figure 6.1. Further analysis reveals that a large majority of the calls were for incidents of Drunkenness or

²⁹³ Provided on an annual basis covering the calendar years 2008 to 2016.

²⁹⁴ Provided on a daily basis covering the Financial Years April 2010 to March 2017.

²⁹⁵ The Press, p.1, 25 November 2017.

Disorder or Minor Assault. In the period 2008-2010, there was on average one such call per week (generally at the weekend) and this category of CFS accounted for 80% of all calls. By contrast, in the period 2012 to 2014, there were on average more than three such calls per week, accounting for 91% of all calls, and in the period 2015-2016 there were on average just over two calls per week, accounting for 87% of all calls.

The quantitative statistics provided by the Police are complemented by descriptive and anecdotal data in the Victoria Neighbourhood Association social impact Log²⁹⁶. Residents' observations of undesirable, anti-social and sometimes criminal behaviours observed in their neighbourhood since the advent of the late-night hospitality businesses and recorded in the Log include -

Crime:

- breaking and entering,
- theft,
- serious fights/assault/threat of assault

Damage:

- vandalism to private or public property, for example
- broken window/door of a local shop,
- vandalism to cars and fences,
- breaking into cars at Bishopspark Retirement Village,
- fires lit in hedges and rubbish bins,
- gardens pulled out,
- street signs pulled up/thrown onto property

Disorderly behaviour:

- less serious fights,
- public urination, defecation,
- vomiting on the footpath, street or private property,
- aggression and intimidation.

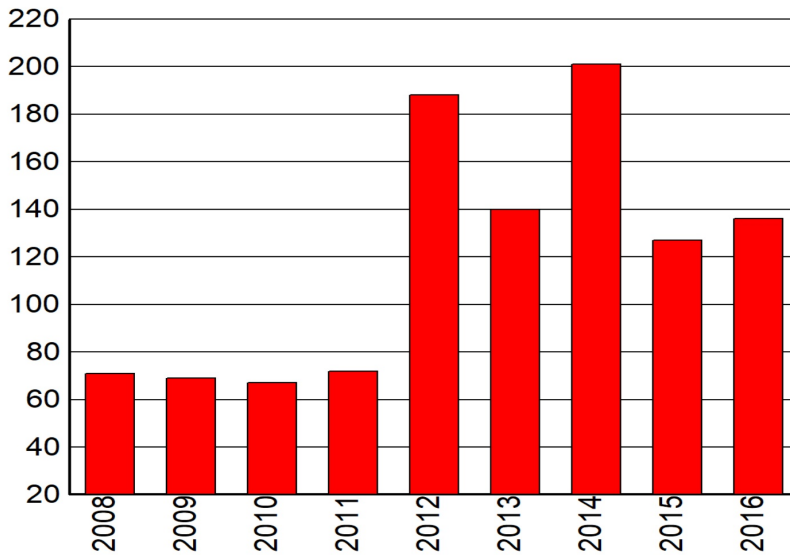
The Log includes many incidents of disrupted sleep, some with direct evidence that the disruptions were caused by intoxicated patrons coming or going from licensed premises²⁹⁷. Of particular concern was the impact on families²⁹⁸. VNA representatives interviewed commented that *"their monitoring indicated that this (the StreetSafe initiative) was not seriously implemented, particularly in the northern sector of Victoria Street"* but also noted that *"the Casino maintained patrols in the southern sector longer than the other Accord partners in the northern sector."*

²⁹⁶ VNA Log of alcohol-related harm evidence (as of June 2017) at Table 1.

²⁹⁷ Ibid. *"People and vehicle noise when returning to cars; disorderly behaviour up to 3:00 or later."*

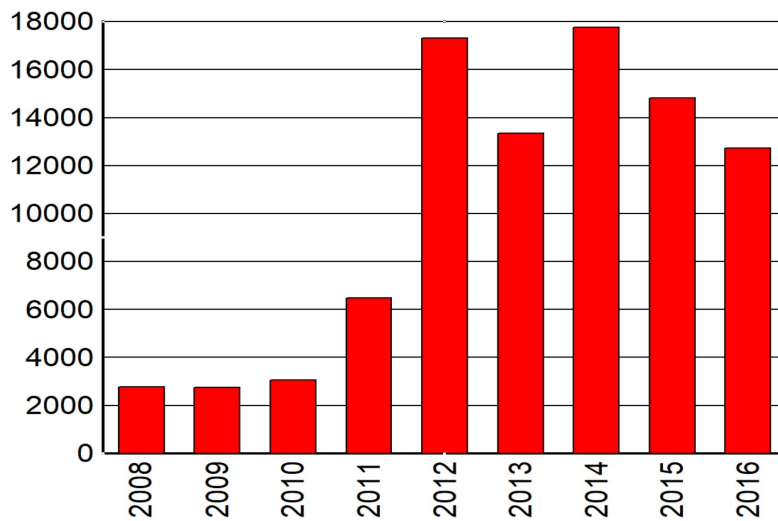
²⁹⁸ There have been a few instances of households living very close to Victoria Street itself, choosing to move further away. Three examples were cited by VNA representatives, including one family with young children who experienced a drunken break-in.

Figure 6.1 Police Calls For Service: Southern Victoria Street - 2008-2016



The changing levels of intoxication in public areas over time were also reflected in the number of cases where the Casino refused entry on the grounds of intoxication - see Figure 6.2 below. As with the Police CFS data, the highest spikes in numbers occurred during the 2012 and 2014 calendar years, when levels of Casino refusals for intoxication were more than six times the pre-2011 level. From a pre-quake level of between 50 and 60 refusals per week (mostly on Friday and Saturday nights), the number rose to between 330 and 350 per week.

Figure 6.2 Casino entry refusals for intoxication: 2008-2016



If all criteria for refused entry are included - inappropriate age, inappropriate dress, inappropriate behaviour and intoxication - a similar patterns is evident over time. The main difference is that the 2012 and 2014 spikes are only three times the pre-2011 level. In other words, the main cause of this increase in refusals was intoxication.

The Police Alcohol Harm Unit reported that the spikes in CFS incidents in 2012 and 2014 were largely attributable to certain specific hospitality premises in Victoria Street, and specifically excluded the Casino in this regard, observing that *“although the Mashina Bar did have some CFS related to disorder on the street, they were never sufficient to warrant further action; nevertheless the Police expressed surprise that the Casino had embarked on the Mashina Bar enterprise under its overall alcohol license because it could have put its whole suite of alcohol-related activities at risk”*²⁹⁹

While the hospitality sector is known for having relatively high levels of business turnover³⁰⁰, the other factor likely to influence the level of hospitality sector activity in Victoria Street in the near future - and therefore the associated level of late night noise, nuisance and disruptive behaviours experienced by local residents - will be the re-opening of hospitality venues in the CBD, most notably along the traditional Oxford Terrace strip. Police expect 15 such new hospitality businesses to open before the end of 2017. Their expectation is that *“everywhere else will then become much quieter.”*³⁰¹ Victoria Street is now seen by Police³⁰² as becoming progressively more restaurant oriented - *“no longer a huge problem area in terms of alcohol-related harms and hotspots”* - as other parts of the Central City come back on stream. By contrast, residents representatives expressed the view that *“if conditions for licensed premises remain as they are, residents do not expect a substantial change in the nuisance outcomes from all the other late night bars. We know from experience that even one bar trading later than 1am so close to a residential area can cause unacceptable problems for those living here.”*³⁰³

However, they acknowledged that *“Since the Mashina Bar closed, they have never observed a queue outside the Casino - it is no longer part of the scene.”*

Summary

The Casino has been present for 23 years. For the first 17 years, there were no records of complaints by any nearby residents regarding the impact of the behaviour of Casino patrons on residential amenity values.

Since the earthquakes of 2010 and 2011, the Casino has found itself part of a business cluster with a very different character. For 2-3 years, the Mashina Bar was operating as a nightclub till 3am, a short-term response to a significant city-wide social demand in post-quake Christchurch, due to the lack of

299 Interview 2 August 2017.

300 Even during the period of this assessment work, several bars in Victoria Street have closed and been replaced by others or by other businesses.

301 Interview 2 August 2017.

302 Interview 25 July 2017.

303 Although this observation was not informed by the Police information about 15 licensed premises opening in the CBD before the end of 2017.

other entertainment offerings in the Central City. As such, the Casino became seen as part of the late-night economy that collectively had a significantly deleterious effect upon residential neighbourhood night-time amenity values.

The Casino has now returned to its previous modus operandi. The re-purposed groundfloor premises, now known as Sixty6 Peterborough Street, is an aspect of the Casino's current operations that previously gained the approval of nearby residents as an appropriate activity³⁰⁴.

The Casino no longer contributes directly to the activities that continue to cause residential amenity loss. Nevertheless, there are some nearby residents who hold the Casino at least partly responsible for the overall longer-term change in local residential amenity values because of the locational choices of other businesses.

6.4 Social effects of no license renewal

6.4.1 An alternative scenario

In order to consider the likely social effects if the Casino's licences were not to be renewed, it is necessary to postulate the alternative scenario. If the Christchurch Casino closes, we make the following assumptions -

- those seeking non-gambling entertainment will spend their entertainment dollars elsewhere in the City, or travel elsewhere in the country or overseas for their entertainment;
- those seeking gambling-focused entertainment will visit other casinos in New Zealand or Australia, and some will visit Class 4 gambling venues in the City;
- the overall level of gambling expenditure in the Casino patron catchment will persist;
- the numbers of Class 4 gambling venues and the associated numbers of non-casino gaming machines in the City will remain much as they are at the present time; the City's 'sinking lid' policy on Class 4 venues was retained at the last review³⁰⁵, at which time the Council resolved not to include a relocation policy within the Policy;
- those employed directly by the Casino company itself will seek other employment opportunities if they wish to remain working;
- the companies which supply goods or services to the Casino will pursue new markets/customers for their goods or services; some may reduce employee numbers in the short term;
- the most critical factor influencing neighbourhood residential amenity in future will be whether or not the future activity on the Casino premises/site is related to hospitality and the Late Night Economy.

6.4.2 Learning from past experience - changes in gambling mode

Two sources of evidence provide possible insight into likely implications for gamblers if the Casino were to close. These data sources are the 2012 NGS and the data provided by the Department of Internal

³⁰⁴ Refer to Section 3.3.12 - *Consultation on re-purposing the underground space*

³⁰⁵ Confirmed 16 April 2015. Pers.Comm. Team Leader Policy, Strategic Policy Unit, CCC 11 October 2017.

Affairs for monthly expenditures in the Casino’s principal domestic patron catchment.

The National Gambling Survey in 2012 found³⁰⁶ that 53.1% of the participants who used casino EGMs in the past year also used non-casino EGMs in the last year. Furthermore, 36.3% of participants used both casino and non-casino EGMs at least monthly over this period. For this assessment, the corresponding data were requested from the AUT research team³⁰⁷ for Christchurch City respondents and for respondents living in the three TLAs comprising the principal domestic patron catchment for the Casino (CCC, WDC, SDC). These data are presented in Table 6.40.

Table 6.40 NGS 2012 data on cross-over behaviour in use of Casino EGMs and NCGMs

	All NZ respondents	Casino catchment respondents	Christchurch City respondents
Used casino EGMs and NCGMs in the past year	53.1%	49.6%	46.8%
Used casino EGMs and NCGMs at least monthly	36.3%	31.2%	31.2%

This appears to be strong evidence of a degree of cross-over behaviour by EGM players.

The major Christchurch earthquake of 22 February 2011 resulted in the closure of the Casino for almost a three-month period, as reported in section 3.3.4 of this report. The Department of Internal Affairs has provided monthly expenditure data for all Class 4 venues in the three TLAs which comprise the principal domestic patron catchment for the Casino for the period January 2009 to December 2012. These data are presented in Figure 6.3.

The average monthly Class 4 spend in the three-month period just prior to the earthquake was \$7,402,000 and the average spend during the three-month Casino closure period was \$8,924,000, a difference of \$1,522,000, or 44% of the average EGM spend in the Casino in the three-month period prior to the closure³⁰⁸. Such a 44% transfer from Casino to other Class 4 venues is well within the estimated range identified in the 2012 NGS and reported above. Similar data from the NZ Racing Board/TAB did not show any unusual pattern during the period March-May 2011. However, similar data from the Lotteries Commission indicate a spike of some \$2-300,000 in March and April 2011. However, inter-monthly variations on this scale occurred four times during the four-year period covered by the data.

Figure 6.3 shows that the Class 4 venue spend remained somewhat higher in the months after the Casino re-opened than in the months before it closed. The difference in spend - some \$500,000 per month - exactly equals the difference in average monthly EGM spend at the Casino between these pre- and post-quake periods. The DIA’s own analysis concluded that the three-month ‘spike’ in Class 4 gambling expenditure was likely linked to the Casino closure, and expenditure patterns soon reverted

³⁰⁶ AUT researchers. Pers.Comm. 26 July 2017.

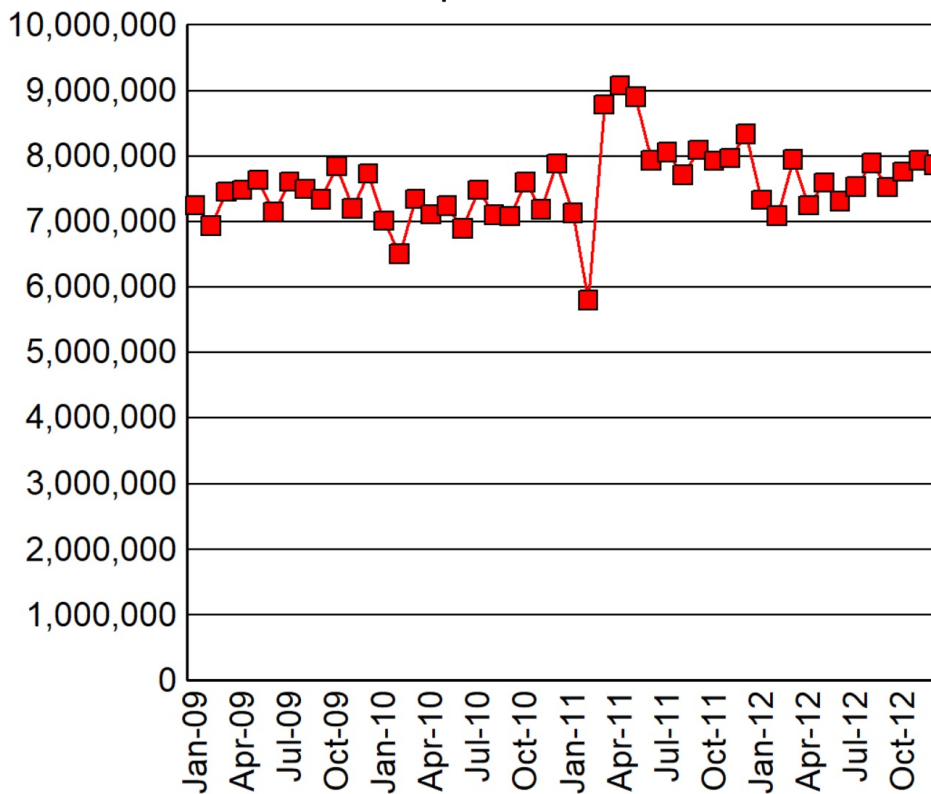
³⁰⁷ AUT researchers. Pers.Comm. 1 November 2017.

³⁰⁸ i.e. \$1.5m/\$3.4m = 44%, where \$1.5m comes from DIA Class 4 expenditure data and \$3.4m comes from CCL EGM spend data.

once the Casino re-opened, although the Casino did not resume 24/7 operation, explaining the subsequent difference in spend³⁰⁹.

An OASIS counsellor recounted that, during the period of the Casino closure, there were reports from Class 4 venue operators at the time saying "we've never had people queuing up to play the pokies before." DIA inspectors had similar accounts - "all pokies occupied and other people waiting behind them to play". They also noted that the increased numbers of visitors to Class 4 venues, as well as the increased quantities of cash on the premises resulting from this, led to more security effort and security staff at these Class 4 venues.

Figure 6.3 Monthly Class 4 gambling expenditure in the Casino catchment: 2009-2012



These data therefore provide compelling evidence that, if the Casino were to close, a substantial number of people who currently gamble on Casino EGMs would transfer their gambling activity to Class 4 venues, while others might spend more on Lotto.

Given the research findings cited earlier in section 6.3.2 that "the legal casino has had the effect of restricting illegal gaming houses in Christchurch", it would also be logical to conclude that another possible consequence of closing the Christchurch Casino might well be the re-emergence of several illegal card games in the City.

³⁰⁹ Interview with DIA Class 4 venue inspector, 4 October 2017.

Our general conclusion is that the closure of the Christchurch Casino would likely result in a significant number of people who currently gamble at the Casino transferring their appetite for gambling to other, less well-regulated modes of gambling, including illegal card games and internet gambling.

6.4.3 Changes in gambling harm

The National Gambling Survey found that the prevalence rates for problem gambling differ markedly depending on the gamblers preferred mode of gambling. The highest rates of problem gambling are associated³¹⁰ with non-casino gaming machines (31.0%), casino gambling (15.0%), bets with friends and workmates (11.6%), Internet gambling (8.8%), Lotto (8.7%) and playing cards for money but not in a casino (6.2%).

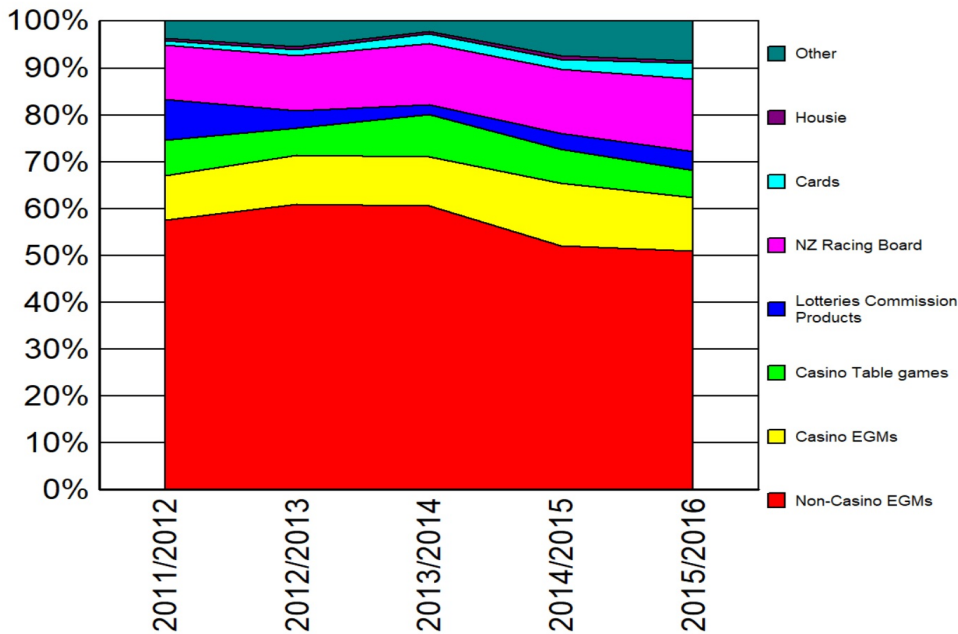
In the Christchurch Casino catchment, Ministry of Health data on trends in help seeking by preferred mode of gambling over the past five years - see Figure 6.4 - show that non-casino gaming machines remain the preferred mode of gambling (57% declining to 51%) amongst those who are harmed by their gambling, with the Casino second most preferred (constant at 17%), Lotteries declining (9% to 4%), the NZ Racing Board/TAB increasing (11% to 15%) and Other, which includes Internet gambling increasing as well (4% to 9%). Cards, not played at a casino, have also increased (1% to 3%) amongst help seekers.

Taking the Casino out of this mix would leave non-casino gaming machines, the NZ Racing Board/TAB and Other/Internet gambling as the dominant modes for local gamblers, which between them accounted for 75% of the preferred modes of gambling by help seekers in 2015/16.

The changes in gambling mode, concluded in the previous section, suggest it is highly unlikely that the closure of the Casino will result in a substantial decrease in the extent of gambling-related harms. - for several reasons. Firstly, some of those who currently gamble without harm at the Casino will likely shift their gambling activities and expenditure elsewhere, where they may become at risk of harm due to less diligent host responsibility procedures. Secondly, those already vulnerable to harmful gambling at the Casino will likely be even more vulnerable if they continue their risky gambling habits elsewhere, where signs of problems are far less likely to be detected early. And thirdly, changing the mode of gambling that causes harm to the gambler, will do nothing to reduce the level of harm then caused to third parties associated with the gambler. DIA inspectors interviewed for this assessment commented on the *"genuine effort by casinos into harm minimisation"* and contrasted this with *"tokenism in Class 4 venues"*, although they noted that the wealthier clubs now adopt *"a very responsible attitude - they have the resources to employ more staff, but smaller clubs struggle."*

³¹⁰ NGS 2012, Report No.2, Table 18, p.63.

**Figure 6.4 Help-seekers by preferred mode of gambling: 2011-2016
For Christchurch City, Waimakariri and Selwyn Districts**



The overall outcome from a closure of the Casino - in terms of the extent of harm avoided by such a measure - is therefore highly uncertain. Indeed, assuming the overall level of gambling activity continues - as it did when the Casino closed after the earthquakes - then it is conceivable that the level of gambling-related harm in the Casino catchment population might increase.

6.4.4 Employment effects

The potential employment effects post-closure will change over time. The corresponding effects on the households supported by these jobs will therefore also change over time.

The direct employment at the Casino has been assessed at 450 FTEs and the indirect and induced employment elsewhere in the local and regional economy associated with Casino operation has been assessed at an additional 144 FTEs. It is likely that all these jobs would be lost initially, although this situation may not last for long³¹¹. As reported in section 6.2.2, three quarters of all current Casino staff assert that they have gained new skills while working at the Casino and see themselves as more employable as a result of this experience. It therefore seems likely that many will find alternative employment elsewhere because of the transferability of their work skills, particularly in the tourism, hospitality and retail sectors. The extent of this will depend on the state of the labour market at the time. They will compete with other potential employees at that time and therefore may displace these.

The longer-term extent of lost employment is assessed at 90 FTEs, allowing for growth in other sectors as Casino spending is transferred elsewhere.

³¹¹ A few days to a few months.

6.4.5 Neighbourhood amenity effects

As discussed in this assessment, neighbourhood amenity for those living or working in the vicinity of the Casino comprises the positive contributions associated with access to entertainment and hospitality at the Casino for local residents and the adverse effects of alcohol-related anti-social behaviours associated with the Late Night Economy.

The nature and extent of future neighbourhood amenity effects will depend on the nature of the activity that replaces the Casino on its site.

If the replacement activity is not entertainment-related, then some local residents will lose one of their existing entertainment options. It is conceivable that some alternative entertainment-related activity (e.g. cinema, theatre³¹²) could occupy the building. At the present time, this can be no more than speculation. Therefore, the nature and extent of positive contributions to future neighbourhood amenity are highly uncertain.

Regarding the adverse amenity effects associated with Late Night Economy, as have been experienced over the past six years, it has already been assessed that the future incidence of adverse alcohol-related amenity effects is unrelated to the Casino's current mode of operation. Considerable uncertainty exists already around the future concentration and composition of hospitality outlets in Victoria Street. It is likely that these may already be about to change significantly with the re-opening of the Oxford Terrace hospitality precinct, as reported in section 6.3.3. In other words, factors other than the future of the Casino are likely to be more influential.

Whether the hotel/car park development currently proposed adjacent to the Casino would proceed if the Casino closed is unknown.

In summary, the implications for future neighbourhood amenity if the Casino closes are simply uncertain.

6.4.6 Responses to the 'no casino' scenario by survey respondents

The surveys conducted for this assessment with Charitable Trust recipients, supply-chain companies and corporate sponsorship recipients asked respondents to "*describe the likely consequences for your organisation if Christchurch Casino ceased to operate in 2019 (i.e. at the end of its current licence period).*" Their responses are summarised below, with detailed comments in Appendix N.

³¹²

Bearing in mind the design of the present building, with its absence of outward looking windows, such activities are predominantly inward-looking.

Responses to the 'no casino' scenario from recipients of the Christchurch Casino Charitable Trust distributions.

As a whole, organisations gave very similar responses, indicating that any closure would impact on them significantly - resulting in the need to "*struggle on*", to downscale (meaning fewer people could access their services), and to look for funds elsewhere. Although they were used to fundraising, it took time and resources to do it. It was also noted that it is "*getting harder and harder to find funding sources*".

Even the five organisations that acknowledged "*no great impact*" financially, still noted that the Trust's donations were "*valuable*", that they would "*feel a loss*", that they would "*experience a significant impact as a whole*", and that it would impact on their budget. This sentiment reflects the responses received regarding the level of support from the Trust (see s.6.2.4 above) - reiterating the fact that the level of financial support does not necessarily reflect the significance of that support. Several organisations also noted the importance of the relationship they have with the Casino and the impact that that loss would have on them, including "*lost opportunities*". Seeking new funding sources would mean new relationships would need to be built.

Three organisations noted that a closure may have some positive effect on clients that had gambling problems although the likelihood of this was uncertain due to the presence of other gambling opportunities.

Specific anonymised comments are listed in Appendix N.

Responses to the 'no casino' scenario from businesses supplying goods or services to the Casino at present

Of the 40 companies interviewed, four responded that the closure of the Casino (i.e. with no renewal of its licence) would have no significant material effect on their businesses while 35 expected an adverse impact of some degree. Further analysis of the responses distinguished 28% of companies surveyed expected some minor loss of revenue, 45% expected a significant loss of revenue, and 20% expected to shed staff as a result of losing the Casino account.

Responses to the 'no casino' scenario from corporate sponsorship recipients

Of the 14 organisations interviewed, ten viewed the prospect of the Casino closure as likely to have a negative impact, with seven of these envisaging critically negative impacts. Various organisations indicate that the loss of Casino sponsorship will result in reduced services to clients, to schools and academies, and reduced programmes of activity. One described it as "*a lifeline to events*" while another referred to "*a domino effect*" referring to the other (non-sponsored) organisations that will be impacted consequentially.

6.4.7 Summary

The social consequences of a decision not to renew the Casino's licences must be viewed in the context that gambling expenditure at the Christchurch Casino currently accounts for about one-quarter of all gambling expenditure in its principal catchment area³¹³ and probably less than one-fifth of those who are harmed by some form of gambling³¹⁴.

Closure of the Casino would certainly result in the loss of a major entertainment option for the City and its residents, and a high-profile feature of the City's suite of attractions for tourists. While many existing Casino employees would likely find alternative employment elsewhere, Casino closure would reduce the quantum and diversity of job opportunities in the City. General growth in the city and regional economy would, in time, create sufficient new job opportunities to offset those losses, but it is quite likely that Christchurch would have a permanently smaller economy and level of employment than would otherwise be the case.

At the very local level, the impact of Casino closure on neighbourhood residential amenity is uncertain. The Casino has had a significant role in the post-quake regeneration of Victoria Street. Whether its closure would create a new opportunity or leave a hole is difficult to predict.

The consequences for gambler activity are perhaps of most concern socially, if it is assumed that the overall level of gambling persists. Past experience suggests it is likely that a proportion of local Casino patrons would transfer their gambling activity to other modes, and those most likely to transfer their gambling include those who are harmed by gambling. While the long-term extent of such transfer is uncertain, several other modes of legal gambling - notably Class 4 pokies and internet gambling - pose greater risks of harm than those posed by a Casino.

If fewer than 32% of current Casino EGM gamblers transfer to another legal mode of gambling (most likely including those already vulnerable to harm from such gambling), then there could be a particularly perverse social outcome of an increase in gambling harm at the same time as less 'public realm' financial resource is generated (see section 4.4.1 of this report) to address this increased level of harm, or to at least generate some other form of public good.

³¹³ Refer Figure 5.5 The Casino also is currently the location of about one-quarter of all EGMs operating in its principal catchment area.

³¹⁴ Refer Figure 6.4