



Oasis
Reducing Gambling Harm

8 August 2018

Gambling Commission
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RE: Application by Christchurch Casinos Limited (CCL) for renewal of a Casino Venue Licence under section 134 of the Gambling Act 2003

1 BACKGROUND

- 1.1 The Salvation Army is an international Christian and social services organisation that has worked in New Zealand for over one hundred and thirty years. The Army provides a range of practical social, community and faith-based services, particularly for those who are suffering, facing injustice or those who have been forgotten and marginalised by mainstream society.
- 1.2 The Salvation Army Oasis, formally established in 1997, offers free outpatient services for gamblers, their families, and affected others, alongside public health services, and is staffed by qualified and experienced clinical and public health practitioners. We are supported under a national Addictions, Supportive Accommodation and Reintegration Services leadership team within the larger Salvation Army administrative infrastructure.

2 GENERAL COMMENTS AND POSITION REGARDING LICENCE RENEWAL

- 2.1 The Salvation Army Oasis thanks the Gambling Commission for the opportunity to provide feedback in relation the application made by CCL. The Salvation Army Oasis has reviewed the application, including information provided by the Commission regarding the renewal process, and provides comment below.

- 2.2 The Salvation Army Oasis neither supports nor opposes CCL’s application to renew the venue licence for Christchurch Casino. While we believe that reducing the availability of gambling products is a worthwhile policy strategy for preventing and minimising gambling harm, we recognise there is no legal basis on which to lodge a position of opposition to CCL’s application. Renewal of the Casino’s licence would not constitute an “increase in casino gambling” as defined by the Gambling Act 2003.
- 2.3 The Salvation Army Oasis will instead focus this submission on advocating for the attachment of new conditions to the current venue licence and other policy instruments (e.g. the Host Responsibility Programme (HRP) and operator’s licence), if the Gambling Commission decides to renew.

3 THE LICENCE RENEWAL PROCESS

- 3.1 The Salvation Army Oasis has some concerns about the level of consultation undertaken by Geoff Baines and James Baines (of Taylor Baines & Butcher Partners) in preparation of the Casino Impact Report (CIR). While we appreciate that the report was likely prepared under time constraints, we believe that the views of the local community are crucial in determining the social and economic impact of the Casino, and as such, should be thoroughly sought.
- 3.2 Moreover, The Salvation Army Oasis estimates that decision-makers have historically dismissed the views of the public regarding casinos. The establishment of the Queenstown and Hamilton casino venues in the early 2000s, as well as the expansion of the Auckland Casino through the New Zealand International Convention Centre Act 2013 more recently, are examples of events where concerns expressed by the community went unheard.¹
- 3.3 The Christchurch Casino’s licence renewal process could have been an opportunity to reverse this tradition. We believe that higher significance should be placed on robust community consultation during licence applications.

¹ 58% of submitters to the 2001 Gaming Review believed that the community’s concerns regarding the establishment of the Queenstown/Hamilton Casinos, and casinos generally, were “not heeded” (National Research Bureau Ltd. (2001). *The 2001 Gaming Review Final Report: Synopsis and Summary of Submissions*. Auckland, New Zealand: NRB). Similarly, the majority of submitters on the New Zealand International Convention Centre Bill 2013 opposed the Bill (Department of Internal Affairs. (2013). *New Zealand International Convention Centre Bill: Officials’ Report to the Commerce Committee*. Unpublished).

4 INSUFFICIENT DATA REGARDING COMMUNITY ATTITUDES TO THE CASINO

- 4.1 The CIR uses data from the National Gambling Study (NGS) to gauge local attitudes towards the Casino. It states that Christchurch respondents, in comparison to respondents across the whole country, were significantly more in favour of gambling activities as a business enterprise (e.g. casinos), significantly less likely to think that there were too many gambling venues across New Zealand, and significantly more likely to believe that there were too many electronic gaming machines in pubs and clubs. The implied conclusion is that Christchurch residents are supportive of the Casino as a business enterprise and as their preferred operator of electronic gaming machines.
- 4.2 However, while The Salvation Army Oasis believes that the results of the NGS are useful in evaluating the attitudes of Christchurch towards gambling and related issues in a general sense, we do not believe that the results can be extrapolated in the manner above to constitute an assessment of the local community's views towards the Christchurch Casino itself. We support Paul Delfabbro's claim (in his review of the report) that a formal survey specifically asking about the Casino would have been better placed to accurately evaluate such views.
- 4.3 As it stands, the data contained in the CIR is neither sufficient nor robust enough to make any claims regarding the attitudes of Christchurch residents to the Casino.

5 INSUFFICIENT DATA REGARDING VIEWS OF MĀORI, PACIFIC, AND ASIAN COMMUNITIES

- 5.1 In their assessment of the adverse social effects of the Casino, Baines and Butcher state that they were largely unsuccessful in their attempts to consult representatives from diverse communities (e.g. various Canterbury hāpu, ethnic associations, and ethnic community groups). The Salvation Army Oasis appreciates that the ethnic composition of Christchurch is less diverse than New Zealand more generally.²
- 5.2 However, as our Māori, Pacific, and Asian communities are disproportionately burdened by gambling harm, we believe that all steps should have been taken to ensure these groups were fully involved in the development of the CIR. This point stands double for Māori, who as Te Tiriti o Waitangi partners are owed consultation, especially given the magnitude of CCL's application.

² Statistics New Zealand. (2013). New Zealand Census.

5.3 The Salvation Army Oasis submits that more robust data is required before an assessment on the social and economic impact can be made. In its present condition, the CIR does not contain sufficient evidence to demonstrate that renewing the Casino's licence will result in a net benefit for the local community and New Zealand in general.

6 GAMBLING HARM

6.1 The Salvation Army Oasis believes, in general, that the Christchurch Casino is committed to providing a safe gambling environment for its patrons. Our participation at liaison meetings, and our collaboration with the Host Responsibility team, has evidenced this.

6.2 However, we recognise that casino gambling (and the heightened anonymity, all-absorbing atmosphere, and higher stakes associated with casino gambling) carries particular risks (such as money laundering and loan sharking) that need to be appropriately balanced through adequate host responsibility measures.

6.3 We also note that the Christchurch region has a relatively high level of gambling participation compared to other centres (82.5% versus 75% in Auckland and 81% in Wellington)³ and a higher proportion of people seeking help for gambling than New Zealand in general.⁴

6.4 Statistics from the Christchurch Oasis centre over the 2017 calendar year show that 30.8% of clients within the Christchurch City Council catchment area sought help with us specifically regarding casino-related gambling harm. This in itself suggests that the Christchurch community is experiencing tangible harm related to casino gambling, and is something the Gambling Commission should take into account when reviewing this licence application.

6.5 Another concern is that the Christchurch Casino was the worst performing casino in the Department of Internal Affairs' 2016 mystery shopper exercise, meeting expectations for only one out of three enacted scenarios.⁵

³ Abbott, M., Bellringer, M., Garrett, N., & Mundy-McPherson, S. (2014). *New Zealand 2012 National Gambling Study: Overview and Gambling Participation. Report Number 1*. Auckland, New Zealand: Auckland University of Technology, p. 22.

⁴ Based on the Ministry of Health's intervention client data for July 2016 to July 2017, 1207 people (0.32% of the Christchurch population) sought help for gambling in Christchurch, against 11,609 people (0.25% of the population) in total across the country.

⁵ Department of Internal Affairs. (2017). *Sector Report: Gaming Machine Mystery Shopper Exercise Results*. Wellington, New Zealand: New Zealand Government.

6.6 Based on these facts, The Salvation Army Oasis believes there is work needed to improve the standards of host responsibility and harm minimisation at Christchurch Casino. We provide recommendations to this end below.

7 FORMAL LIAISON GROUPS

7.1 One of the ways that The Salvation Army Oasis believes the Casino could prevent and minimise gambling harm is by establishing a formal liaison group.

7.2 Four out of the five other casinos in New Zealand have provisions for a formal liaison group set out in their venue licences. Currently the Casino is required under its HRP to convene a regular “liaison meeting” with Ministry of Health treatment providers, Christchurch Council, and government agencies such as the Department of Internal Affairs and the Police.

7.3 The Salvation Army Oasis submits that this requirement should be formalised within the Casino’s venue licence, and include the following provisions:

- CCL will meet the costs of the establishment and operation of the group;
- The group will meet at a minimum of four times per year; and
- Group membership will include representatives from local specialist gambling treatment providers (such as The Salvation Army Oasis and the Problem Gambling Foundation), other local health and social service providers, Christchurch Council, government agencies (such as the Department of Internal Affairs and Police), relevant community organisations, and local hāpu and iwi (such as Ngāi Tahu).

7.4 Expanding membership to include such organisations and community groups would better align with the purposes of the Ministry of Health’s integrated problem gambling strategy (as enabled by section 317 of the Gambling Act 2003), which emphasises community ownership and empowerment as key aspects of a public health approach to gambling harm.

8 MANDATORY COUNSELLING FOR EXCLUDED PATRONS

- 8.1 Christchurch Casino's HRP stipulates that excluded patrons must meet certain conditions before they are granted re-entry to the venue, but does not detail these conditions.⁶ The Casino website states that one of the re-entry requirements is "verification that counselling was completed with a problem gambling counsellor", although the 2012 Problem Gambler Identification Policy (PGIP) pronounces that this is only the case for exclusions of 12 months or more.⁷
- 8.2 The Salvation Army Oasis submits that the conditions of re-entry be made clear, and easy to locate (appended to the HRP, for example). For many people contemplating reducing their gambling, Internet research is the first step – it would be helpful if the relevant information was simple to find.
- 8.3 We also have significant concerns regarding the requirement to complete counselling. The Salvation Army Oasis believes this is a crucial harm minimisation measure. It is common knowledge that only a small proportion of problem gamblers seek formal help for their gambling problems, and research shows that although participation in gambling is reducing over time, rates of problem gambling are remaining static due to high rates of relapse.⁸ We therefore support any policy that directs people to engage with treatment providers.
- 8.4 However, in light of SKYCITY Auckland recently relaxing the mandatory counselling requirement for re-entry within its own HRP, The Salvation Army Oasis is concerned that other casinos may drop their own standards to suit. We believe that removing this requirement deviates from the Department of Internal Affairs' pursuit of building a "culture of care" within gambling venues, and is contra to the harm minimisation objectives of the Gambling Act 2003.
- 8.5 If this licence application is approved, The Salvation Army Oasis advocates securing the re-entry requirement to complete counselling (for example, by adding a condition to the Casino operator's licence). This would demonstrate a clear commitment by CCL to the prevention and minimisation of gambling harm, and help justify the Casino's continued operation over the next 15 years.

⁶ It is stated that the conditions are "contained in the Exclusion SOP" but we were unable to locate this.

⁷ The most current PGIP does not detail the re-entry conditions but again states they are provided in the "Exclusion and Re-Entry" standard operating procedures.

⁸ Abbott, M., Bellringer, M., & Garrett, N. (2018). *New Zealand National Gambling Study: Wave 4 (2015). Report Number 6*. Auckland, New Zealand: Auckland University of Technology, p. 12.

9 RETURNS TO THE COMMUNITY

- 9.1 Section 138 of the Gambling Act 2003 stipulates that for a casino venue licence to be renewed, the Gambling Commission must be satisfied that renewing the licence will result in a net benefit to the local and regional communities around the casino, and to New Zealand generally. In its application, CCL points to its support for community organisations through the Christchurch Casino Charitable Trust (CCCT) as evidence of such “net benefit”.
- 9.2 However, Christchurch Casino contributes far less to its charitable trust relative to most other casinos in New Zealand. At present, Christchurch is not required by its venue licence to provide a minimum level of funding to the CCCT. All other New Zealand casinos must provide a minimum level of funding to an independent charitable trust, as set out in their venue licences. The minimum payment requirements vary, but in simple terms, most range from around 1-1.5% of revenue or 2.5% of net profits.
- 9.3 According to the Skyline Enterprises Annual Report, in 2017 the Christchurch Casino generated around \$62 million in revenue, for an operating profit of over \$17 million (before deducting interest and taxes), and contributed \$180,000 to the CCCT. That is a contribution of less than 0.3% of revenue. The Salvation Army Oasis compares Christchurch Casino’s contributions to that of other New Zealand casinos in Table 1.

Table 1: Annual revenue vs. charitable trust contributions for New Zealand casinos

Casino	2017 revenue	Trust contributions	Revenue contributed
SKYCITY Auckland	\$566.7 million	\$3,185,198	0.56%
SKYCITY Hamilton	\$59.4 million	\$694,136	1.17%
SKYCITY Queenstown & Wharf Casino	\$11.9 million	\$109,734	0.92%
Christchurch Casino	\$62 million	\$180,000	0.29%

These figures are intended to be illustrative only and may not be exact. All SKYCITY revenue figures are taken from SKYCITY’s 2017 Financial Report, and SKYCITY contribution figures are taken from the casinos’ respective websites. Christchurch figures are taken from the Skyline Enterprises’ 2017 Financial Report. We were unable to locate contribution data for Dunedin Casino.

- 9.4 Christchurch Casino’s contributions to the community could also be compared to those made by Class 4 venues. It is implied in the CIR that the increase in Class 4 gambling that occurred in Christchurch when the Casino closed for three months following the February 2011 earthquake suggests that failing to renew the Casino licence would result in Casino gamblers transferring to gaming machine venues with “less diligent host responsibility procedures” and a greater association with harm, at an apparent cost to the community.

- 9.5 The Impact Report also states that the Casino generates an annual average of \$36.5 million in gaming machine revenue. Based on last year's figures, a Class 4 venue with that level of revenue would have allocated about \$1.36 million for community purposes.
- 9.6 The Salvation Army Oasis thus believes that the community benefits of the Casino remaining open are significantly overstated.
- 9.7 A lot of money is invested into the Christchurch Casino by residents and visitors to the city, and a significant proportion of this money is likely to have come from people experiencing gambling harm.
- 9.8 The Salvation Army Oasis does not believe that the Casino's very small contribution to the community provides a net benefit when considered against the gambling harm generated by the casino (as evidenced by clients of The Salvation Army Oasis, the Problem Gambling Foundation, and many other health and social services throughout Christchurch). At the very least, we believe that the Casino should provide returns to the community at a level sufficient to mitigate this harm.
- 9.9 If CCL's application is successful, The Salvation Army Oasis recommends amending the venue licence to include a minimum level of funding to be paid to the Casino's independent charitable trust, at a rate no less than that required by other casino venues in New Zealand. The rate should also be set at a level sufficient to ensure that, balanced against social and economic harms attributed to the Casino, the Casino's continued operation would still constitute a "net benefit" for the local community, and New Zealand more generally.

10 SUMMARY

- 10.1 The Salvation Army Oasis submits that more robust data is required to support CCL's application to renew its venue licence in respect of Christchurch Casino. Insufficient evidence is supplied within the CIR to enable an informed decision by the Gambling Commission with regard to the social and economic impact of the Casino and whether its continued operation will constitute a "net benefit" for the Christchurch community and New Zealand more generally.
- 10.2 We submit that the requirement to liaise with relevant stakeholders (as currently stipulated within the Casino's HRP) should be formalised within the venue licence, and expanded to include all relevant community organisations.
- 10.3 Another recommendation is that the requirement for mandatory counselling (in order to re-enter the casino following exclusion) be similarly formalised and protected.

10.4 Finally, we submit that the venue licence be amended to include specific requirements regarding minimum contributions to the CCCT, no less than that required by other New Zealand casinos, and at a level sufficient to recover the cost of any harms dealt to the community by the Casino.

10.5 The Salvation Army Oasis wishes to be heard in support of this submission.

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