

Before Hearing Commissioners

under: the s134 of the Gambling Act 2003

in the matter of: Application for renewal of casino venue licence

between: **Christchurch Casinos Limited**
Applicant

and: **Gambling Commission**
Respondent

Statement of Evidence of James Talbot Baines

Dated:

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STATEMENT OF EVIDENCE OF JAMES TALBOT BAINES

INTRODUCTION AND PROFESSIONAL EXPERIENCE

- 1 My full name is **James Talbot Baines**. I have been practising as a Social Impact Assessment consultant since 1989. During that time I have provided consultancy services within New Zealand to public sector and private sector organisations, and internationally to the Ministry of Foreign Affairs, the United Nations Development Programme and the World Bank.
- 2 I have had more than 20 years involvement in the International Association for Impact Assessment (IAIA), the foremost international network of environmental and social impact assessment (SIA) professionals. In this period, I was Chair of the SIA Section for seven years, during which time I participated actively in the development of the International Principles for Social Impact Assessment (2003).
- 3 In acknowledging my independence to conduct this social impact assessment, the Gambling Commission took into account my previous experience of assessments in the gambling sector.
- 4 I have extensive experience as a social expert witness in New Zealand, appearing before council planning hearings, the Environment Court, the Environmental Protection Authority's Board of Inquiry, the Casino Control Authority and the Local Government Commission.
- 5 I confirm that I have read the 'Code of Conduct for Expert Witnesses' contained in Schedule 4 of the High Court Rules 2016 as if references to the court were reference to the Commission. My evidence has been prepared in compliance with that Code in the same way as I would if giving evidence in the High Court. The issues I address are within my area of expertise, except where I state that I am relying on what I have been told by another person, and I will not omit to consider material facts known to me that might alter or detract from the opinions I express in my evidence.
- 6 I am fully aware that my role in these proceedings is not as an advocate for any particular outcome but to provide evidence that may assist the Commission in its deliberations.

PREPARING THE CASINO IMPACT REPORT

- 7 Preparing the Casino Impact Report (the *CIR*) - including the scoping, main assessment and feedback phases of activity and report writing - occurred over a period of almost twelve months, from December 2016 to November 2017. I have undertaken no further data gathering nor assessment since that time.

- 8 In preparing the CIR, our focus has been to assemble as much relevant empirical evidence as we could regarding the social and economic effects of the Casino's operation, and to put this before the Commission for its deliberation.

CONTENTS OF THIS STATEMENT

- 9 I am conscious that the Commissioners already have a CIR that runs to 270 pages, including an Executive Summary of 18 pages that summarises the key findings of the CIR. I do not intend to repeat that material in this statement in such detail.
- 10 With this in mind, my statement includes:
- 10.1 an overview of key findings on social impacts in the CIR;
 - 10.2 my responses to issues raised by the Commission's Peer Reviewer;
 - 10.3 my responses to issues raised in submissions; and
 - 10.4 some concluding comments about the CIR.
- 11 Any further details on Casino operations I will leave for CCL witnesses to provide.

OVERVIEW OF KEY FINDINGS ON SOCIAL EFFECTS

Groups of people affected

- 12 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:
- 12.1 Casino visitors/patrons;
 - 12.2 Households and social networks of Casino patrons;
 - 12.3 Social agencies which provide support services to Casino patrons and "affected others";
 - 12.4 Local residents who live in the vicinity of the Casino;
 - 12.5 Owners and employees of neighbouring businesses in the vicinity of the Casino, and tourism businesses;
 - 12.6 Casino employees and their households;
 - 12.7 Owners and employees of businesses which provide goods or services to the Casino;

12.8 Beneficiaries of organisations which receive grants from the Charitable Trust or sponsorships from the Casino, or which receive fund-raising assistance from the Casino.

Casino visitors entertained without harm

- 13 Two independent sources of data both indicate similar levels of harmless and harmful gambling at the Casino. The resulting estimate of 85,900 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. This includes those who visit the casino but do not engage in any form of gambling.

Casino visitors and others harmed by gambling

- 14 We have estimated that somewhere in the order of 4,089 and 5,941 gamblers (including low-risk, medium-risk and high-risk gamblers) experience some degree of harm from gambling in a 12-month period. Of these, between 463 and 540 are high-risk gamblers. The CIR text provides more detail of the full range of estimates (see Tables 6.29 and 6.31).
- 15 We estimate that somewhere in the order of 5,400 and 5,500 “affected others” experience some degree of harm each year as a result of someone else’s gambling.
- 16 The 2012 National Gambling Survey (*NGS*) found that the risks associated with gambling are higher for some ethnicities, particularly Maori, Pasifika and Asian people. Direct data for the numbers of such ethnicities potentially harmed by gambling at the Casino, including data for the three levels of gambling risk, do not exist. However, 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 (see table 6.32).

Amenity effects for residents living in the local neighbourhood of the Casino

- 17 The Casino has been present in the neighbourhood for 23 years. For the first 17 years, the neighbourhood associations had no records of complaints by any nearby residents regarding the impact of the behaviour of Casino patrons on residential amenity values.
- 18 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.

- 19 The neighbourhood associations acknowledge that the Casino no longer contributes directly to the activities that continue to cause residential amenity loss in the neighbourhood. 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, which were also influenced by post-earthquake Council zoning decisions.

Local business benefits

- 20 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).
- 21 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.

Effects for Casino employees and their households

- 22 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.
- 23 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.
- 24 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.
- 25 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.
- 26 A significant majority (58%) also noted 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.

Effects for owners and employees of supply-chain companies

- 27 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.
- 28 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.
- 29 Furthermore, a significant number of companies expressed the view that their business relationship with the Casino was significant because:
- 29.1 it supported the viability of the company (55%);
 - 29.2 it has enabled their company to develop new products, new services or new areas of work (38%), and
 - 29.3 the association with the Casino brand was useful for their marketing (43%).
- 30 The Input/Output modelling of economic impacts 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.

Beneficiaries of organisations which receive grants from the Charitable Trust or sponsorships from the Casino

Charitable Trust funding

- 31 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. It was estimated that in total, over 41,000 people benefitted annually to some degree from the services provided via the Charitable Trust funding.

Sponsorships

- 32 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.
- 33 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.

MY RESPONSES TO ISSUES RAISED BY THE COMMISSION'S PEER REVIEWER

- 34 The Commission engaged Professor Delfabbro to provide a peer review of the CIR. In his review, Professor Delfabbro has made a number of helpful observations and a number of criticisms of the content in the CIR. I will address those matters relating to the assessment of social effects, while Mr Butcher will do the same for those matters relating to the assessment of economic effects.
- 35 Professor Delfabbro draws attention to the following matters, which I will address in turn:
- 35.1 insufficient methodological detail describing our quantitative analysis of gambling harm and our use of the NGS data at [13];
- 35.2 insufficient analytical detail describing our qualitative analyses at [14]-[16];
- 35.3 limitations of primary data at [17]-[18]; as well as:
- 35.4 a range of specific comments regarding the clarity of reporting - at [19] and also from [31]-[59].

Re: Insufficient methodological detail describing our quantitative analysis of gambling harm

- 36 At [13] Professor Delfabbro states that "*in those sections of the CIR that make use of the (NGS) data, it was not made clear that sufficient cases were available (or had been selected) from this national data-set to allow valid conclusions to be drawn about the Christchurch region.*"
- 37 Our quantitative analysis of the extent of gambling harm associated with the Casino made use of two independent (i.e. unrelated) sources of data - the NGS data (based on 6,251 responses) and the Casino's Players' Club data (based on the behaviours of 23,654 individuals) (*CCL data*).

- 38 In order to estimate the numbers of individuals harmed by gambling at the Casino - whether based on the NGS or the CCL data - it is first necessary to estimate the number of unique individuals who visit the Casino in a given period - we chose a 12-month period. The number of unique visitors is different from the number of visits, because many visitors visit more than once in a year.
- 39 Our method (logic and assumptions) for estimating this number of unique visitors is set out explicitly in Appendix K of the CIR. I accept Professor Delfabbro's point that this aspect of methodology could have been given greater prominence in the main text. Nevertheless, it is already explicit in the report.
- 40 Regarding our use of the NGS data set, where it has been used to estimate the number of individuals harmed by gambling at the Casino (e.g. in Table 6.31), this has been based on data drawn from the full nationally representative sample of 6,251 respondents, with particular reference to the prevalence data disaggregated by ethnicity. The population sub-sample for Christchurch contained 402 respondents rendering its analysis less reliable in aggregate, and totally unreliable for the ethnic sub-populations.
- 41 Because the prevalence of the risk of harm from gambling differs markedly by ethnicity, and because the ethnic composition of Christchurch Casino's principal domestic patron catchment (i.e. Christchurch City, Waimakariri District and Selwyn District) differs markedly from the national population, I believe it is appropriate to adjust the national population-level prevalence estimates for gambling harm by combining (a) national population-level ethnicity-specific prevalence data with (b) catchment-level demographic data for ethnic composition. This approach makes use of the ethnicity-specific prevalence data based on a total sample of 6,251 and applies it to the demographic data of the most relevant population for this assessment.
- 42 Regarding our use of the NGS data set for other aspects of the assessment, this has sometimes used (e.g. in Tables 5.4 and 6.40) the subset of NGS data relating to the three Territorial Authorities mentioned above (i.e. the principal domestic patron catchment) or the full national data set (e.g. Tables 6.1 and 6.3). The differences are explicit in the text.
- 43 The NGS included 510 respondents from this Casino patron catchment, a number which compares favourably with Professor Delfabbro's suggested sample size of 300-400 (at [18]).
- 44 I believe the above explanation addresses Professor Delfabbro's comments.

Re: Insufficient methodological detail describing our qualitative analyses

- 45 At [14], Professor Delfabbro states *"In my view, insufficient detail was provided concerning the qualitative data as well. It was not always clear how the data/transcripts were converted into themes and then analysed. Rather, the CIR contains several sections where lists of quotes are presented without a clear analytical framework or sense of what views represent 'majority opinions'."*
- 46 I accept that the CIR lacks detail on the analytical approach used to generate qualitative data. I will now address this deficiency in reporting, and in so doing confirm the validity of the qualitative data contained in the CIR.
- 47 In any participatory social impact assessment, qualitative data arises from several sources. The principal sources of qualitative data presented in the CIR come from answers to open (i.e. undirected) questions in the survey of supply chain businesses, the survey of organisations receiving Casino sponsorship funding or Charitable Trust grants, and the survey of businesses operating in the vicinity of the Casino. A copy of the questionnaires used for each of the four surveys is contained in **Appendix 1**. In a few instances, where relevant, other qualitative commentary can arise from key informant interviews and focus group discussions.
- 48 I will now summarise the approach to survey development and analysis that was used. I will cover the use of open questions, the questionnaire design and piloting process, and the analysis of results.
- 49 Each survey needed to obtain information that describes the respondent's organisation and its activities, and identifies the nature and scale of the relationship with the Casino or the Charitable Trust. The questions about the 'effects' of the relationship were open questions. For the survey of supply chain businesses there was an additional closed 'effects' question (i.e. with specific possible responses) which generated quantitative data (as reported in the middle of p.106). Some closed questions invited respondents to contribute additional comments if they wished, an invitation that was not always taken up. The question about the expected consequences of a casino closure was an open question. Finally, each survey finished with an open question inviting any further comments from the respondent.
- 50 Development of the questionnaire for each of the surveys involved contributions from all team members. Each questionnaire was piloted with one or two respondents to check for clarity/ambiguity of wording and to familiarise each interviewer - all three interviewers were present at the pilot interviews.

- 51 Participation by survey respondents was preceded by presentation, discussion and signing of a written consent form which explained the reasons for the survey, assured the respondent of anonymity and confidentiality in the use of the results (their responses), asked whether or not they wished to receive a copy of the aggregate results and findings of the survey, and advised them of their right to withdraw from this research at any stage if they chose to do so.
- 52 Analysis of the qualitative responses received, based on the written transcripts of the interviews, followed a two-stage process. Firstly, another team member reviewed the unstructured written material to identify emergent themes (e.g. see p.243 of the CIR). Then I checked this analysis against the raw material, confirming the identified themes. As I understand it, this is the kind of process that Professor Delfabbro recommends (at [15(a)]).
- 53 While I did not actually quantify the proportions of comments associated with each theme, the information to do so is evident in the CIR. To assist the Commission, I will provide a tabulated summary below of the levels of responses under each theme identified in Appendix J (Attitudes of Christchurch residents towards the Casino) and Appendix N (responses to the No Casino option). I can assure the Commission that the responses listed in Appendices J and N are all the responses received relevant to these themes, not just a selected sample of responses. To avoid any misunderstanding, I point out that the reference to 'Christchurch residents' earlier in this paragraph refers to the fact that the respondents to our surveys (Supply chain respondents, Charitable Trust recipients, Corporate Sponsorship recipients) are all residents of Christchurch.

Table: Percentage of responses commenting on each identified theme

Theme of response	Supply chain respondents	Charitable Trust recipients	Corporate Sponsorship recipients
Total responses	40	20	14
Casino's role in the community	8%	35%	29%
Casino management and staff	40%	30%	43%

Theme of response	Supply chain respondents	Charitable Trust recipients	Corporate Sponsorship recipients
Casino social/host responsibility	20%	35%	-
Casino's role in the city generally	30%	-	43%
Casino's role in city's tourism sector	15%	-	14%
Casino's role in organisational networking	-	-	21%
Responses to the No Casino option	40%	100%	79%

For example: 8% of the 40 supply chain respondents referred to the role of the casino in the community. 35% of the 20 Charitable Trust recipients referred to casino social/host responsibility. 79% of the 14 Corporate sponsorship recipients referred to the effects of a permanent Casino closure.

54 I also note that, under the theme "Casino social/host responsibility", not all the comments received were positive. These are clearly included in Appendix J.

55 I note Professor Delfabbro's concluding observation on this topic at [16] that "*none of this necessarily implies that the consultants' reporting is any way misleading;*" (sic). I believe that my explanation addresses his concerns and supports the validity of the qualitative data reported in the CIR.

Re: Limitations in Primary data

56 Professor Delfabbro poses what he describes as several '*limitations in primary data*'. These relate to:

56.1 at [17], the absence of a dedicated Casino patron survey using the Problem Gambling Severity Index (PGSI); and

- 56.2 at [18], the absence of a survey of attitudes to the Casino of "residents in the local area, in the wider region and even nationally".
- 57 Regarding the absence of a dedicated patron survey using the PGSI framework, I make the following observations in response:
- 57.1 in consultation with the Ministry of Health, which is responsible under the Gambling Act 2003 for funding and coordinating problem gambling services, it was agreed that the NGS data was appropriate to use for this assessment activity;
- 57.2 it seems that, in Professor Delfabbro's mind (see his reference to 'venue-based research' [55]), this data deficiency would have been remedied by adding a series of questions to our patron survey to explore the prevalence of PGSI classified gamblers visiting the Casino. He did indeed suggest this in the peer review of our Scoping Report (2nd Comment on p.4 at lines 3-4). However, he also noted then that the results of such a survey "*may be confounded by the demographic characteristics of the sample*" (same reference, at lines 6-7). But I believe there are other considerations to take into account, both on matters of principle and for logistical reasons;
- 57.3 research focused exclusively on the prevalence of problem gambling at the Christchurch Casino would not have been of any assistance in exploring the question of comparative problem gambling risks in other gambling venues and modes in Christchurch, and this is a critical issue that a forward-looking assessment must address (i.e. in relation to the casino closure scenario). That would require a repeat of the NGS-level effort in order to be considered sufficiently robust to take precedence over the NGS data set already available;
- 57.4 a casino 'patron survey' will automatically exclude that segment of the population that does not visit gambling venues at all. I believe this is similar to the point that Professor Delfabbro acknowledges about the survey sample being '*confounded by the demographic characteristics of the sample*'. It is essential to know this when making population-based prevalence estimates;
- 57.5 this raises the question of whether an exit interview at a gambling venue is the appropriate time and location in which to ask such questions in order to have the greatest confidence in the results. Indeed, the lead researchers in the NGS team explained that such a venue-based survey is likely to over-represent moderate/high risk gamblers since they are

significantly more frequent visitors. The resulting survey snapshot is therefore unlikely to be representative of the Casino's catchment population;

- 57.6 in my opinion, it would have been inappropriate to add such questions into a short patron exit survey. Apart from adding significantly to the length of the questionnaire/interview (9 more multi-choice questions, each with 4 options), the nature of PGSI questioning would have changed the tenor very significantly - probably to the extent that interviewees would have considered pulling out of the interview as a result of finding it intrusive or threatening. In this regard it is worth noting that the NGS interviews were all conducted face-to-face in respondents' homes;
- 57.7 in my experience, this is not the kind of clinical research normally carried out for social impact assessments, which is why we rely for empirical data on dedicated, published research such as the NGS.
- 58 Finally, on this particular matter, it is worth pointing out that while New Zealanders are generally spending less on gambling now than in the past (see Figure 5.4), the NGS researchers pointed out that the prevalence of all levels of risky gambling has not changed significantly in the last 15 years. The 2012 NGS results remain relevant and robust.
- 59 Regarding the absence of a survey of attitudes to the Casino of "*residents in the local area, in the wider region and even nationally*", I make the following observations in response:
- 59.1 at the local community level, on the basis of discussions with neighbourhood representatives and their detailed knowledge of their community's experiences (as described in the CIR), it was agreed that surveying was unnecessary.
- 59.2 I have read all the written submissions received by the Gambling Commission to this application. Had there been any significant adverse social effects experienced within the local neighbourhood, I would have expected this to be reflected in written submissions. Although the addresses of submitters had been redacted, the content of the written submissions indicated explicitly to me that one submitter was a local resident by the statement "*I am a city centre resident and the Casino has been my neighbour for a number of years.*" This submitter supports the application;
- 59.3 the legislation invites the local authority to conduct a poll if it deems this appropriate or necessary. Discussions with the Christchurch City Council during the scoping phase of our

assessment made it clear that the assessment team would not be conducting such a survey of attitudes but would be conducting surveys of social effects. The Council staff raised no concerns about this;

- 59.4 more generally, attitudinal surveys do not generally rate highly in social impact assessments as being particularly determinative, since the primary focus - of the law, the CIR and the Commission's decision - is on actual behaviours and impacts. My understanding is that licensing is not determined by whether people say they want the Casino, it is determined on the basis of the assessed impacts.
- 60 While I accept that any assessment might benefit from having additional sources of data so long as they are well founded, I do not believe that the absence of further venue-based PGSI research or of local community attitudes constitutes a significant limitation on the data sources available via this CIR.

Re: Clarity in Reporting

- 61 I will now provide responses to a number of particular issues that Professor Delfabbro has raised concerning the assessment of social impacts in the CIR.
- 62 At [34] in reference to Chapter 5 and particularly to sections 5.3 and 5.4, Professor Delfabbro is critical of "*the lack of a clear introductory section to map out the content*" and the "*Many different data sources (collected for different purposes)...*" It was my intention, as the author, to map out the content of this chapter at the outset. I believe section 5.1 does precisely this by outlining the elements of the social environment that I considered relevant to the assessment of social impacts. In my opinion, the descriptor "many different data sources" is an exaggeration. Section 5.3 relies on two data sources, as described in the opening paragraph. Section 5.4 also relies on two data sources, as described in the text on p.58. Professor Delfabbro's injunction (at [8]) to aim for triangulation requires multiple data sources.
- 63 At [36], again with reference to Chapter 5, Professor Delfabbro expresses surprise at "*so little analysis of the different products offered by the Casino in this chapter.*" The different products offered by the Casino are described in Chapter 3 (section 3.3.3) entitled The Christchurch Casino. Professor Delfabbro notes that "*There is some quite compelling data on the effects of the Earthquake enforced closure of the Casino on EGM expenditure at other venues in the CIR, but not much is really said about table games ...*" This "compelling data" is actually contained in Chapter 6 (section 6.4.2). Since the Casino is the only venue within its primary patron catchment that offers table games, there were no corresponding data on transfers of table game expenditure to other

venues and no basis on which to postulate a credible scenario as was the case with EGM players – table game players may have migrated their gambling to another city in New Zealand or Australia or Asia. They may have tried internet gambling, or they may have simply waited till the Casino re-opened. In the absence of data, I did not speculate.

- 64 At [37], Professor Delfabbro "*questioned the lack of product differentiation*" regarding the data presented in Table 5.5 of the CIR, noting that "*A casino has both gaming machines and table games.*" The simple fact is that the NGS question about views on socially undesirable gambling activities did not differentiate table games and EGMs inside casinos. I am inclined to agree with Professor Delfabbro's implied preference – that it would have been interesting if the NGS question had provided for such differentiation. Nevertheless, I am not prepared to speculate on what that might have revealed regarding the comparison of attitudes between non-casino gaming machines and casino-based EGM's.
- 65 At [38], Professor Delfabbro states "*it is clear that the authors wanted to mount a case that the probability of problem gambling was highest for gaming machines*" (emphasis added). His inference is incorrect. Our report simply reflects the consistent messages derived from interviews with a range of counsellors and gambling inspectors and also from the NGS. I note that later in [38], Professor Delfabbro himself states "*gaming machines which most research has shown to be the highest risk activity.*"
- 66 At [40], in relation to the help-seeker data presented (e.g. pp.65-66), Professor Delfabbro states "*I found the terminology 'preferred mode of gambling' to be unclear. Is it the favourite activity of the participants or the one which they choose most frequently? Some greater clarity around this definition would make the evidence more compelling*" The Ministry of Health, which was the source of the data sets in question, confirms that the data relate to the Primary Problem Gambling Mode, which they describe as the mode of gambling which the help seeker says causes them the greatest degree of harm.
- 67 At [41], Professor Delfabbro states "*It seems odd and unconvincing to cite helpline data as the basis for discussions around people's preferred type of gambling and then to conclude (p.65) that 'casino gambling appears to be the mode of gambling which has changed least in its level of popularity or preference over the last decade', when the comparison appears to be between help-seekers and an earlier Ministry of Health Survey which was based on the whole population. This does not constitute a valid comparison.*" I have not tried to make such a comparison. Section 5.5.2 summarises data that indicates some changing patterns of gambling activity at a national level and at a local/regional level. For the national trends,

two complementary data sources are summarised: a population-based data set and a help-seeker sub-population-based data set. However, at the local/regional level we found no population-based data, hence the corresponding help-seeker data was summarised. I accept that help seekers will differ in their demographic characteristics from the general population of gamblers, but that, of itself, does not render the help-seeker data irrelevant. I note that Professor Delfabbro acknowledges (at [59]) the usefulness of help-seeker data in relation to trends for the sub-populations of Maori, Pasifika and East Asian gamblers contained in Table 6.34 of the CIR.

- 68 At [44], Professor Delfabbro is critical of the methods used to assess casino employee experiences when he states "*Exit surveys do not capture the experiences of current employees*". It would appear that this remark overlooks the substantial survey of current casino staff which is reported in some detail at pp.96-103 of the CIR.
- 69 At [46], Professor Delfabbro states, with specific reference to p.82 of the CIR "*It was not clear to me why the analysis was solely confined to 'entertainment' only. It was surprising that other known motivations for gambling were not addressed and no explanation was offered for restricting the analysis to entertainment.*" In response, I note that the explanation is provided in some detail in the preceding pages 79-81 which are part of a section entitled 'Entertainment at the Casino'. I also note that the other motivations covered by the NGS question are listed explicitly in footnote 135, should the reader wish to explore further. Given the nature of these other motivations, I do not agree with Professor Delfabbro's speculation that "*If, in fact, many other motivations were rated as highly as 'entertainment', then this diminishes the value of this evidence in support of the Casino's benefits to consumers.*" The data on 'entertainment' as a motivation is presented in the context which is described on pp.79-81.
- 70 At [47] and later at [50], Professor Delfabbro is critical of the use of qualitative information, with particular reference to pp. 86, 87, 88 and 105-106 and refers to "*isolated qualitative comments*". I accept that I could have provided a little more information on the sources of the four comments below Table 6.7 on p.86 of the CIR. However, I am constrained to some extent by considerations of anonymity and confidentiality. Firstly, I note that these extracts appear in a sub-section of the report entitled 'Consultation interviews and Casino visitor survey - the Casino as a safe place to be'. Secondly, I will add that the four comments referred to above came from key informant interviews and were included because the four interviewees are from distinctly contrasting perspectives - a government agency, a local community representative, a business representative and a counsellor for a particular ethnic sub-population. Despite these contrasting perspectives, their four observations constitute, in my opinion, a strong case of what

Professor Delfabbro refers (at [8]) to as 'triangulation' of information. Regarding the extracts cited on the remainder of p.86 and on p.87, as noted explicitly in the text of the report, this commentary was provided by the two team members who had, between them, interviewed 348 individual local residents in the Casino patron exit survey. Regarding Professor Delfabbro's comments on the qualitative data presented on pp.105-106, these are not "*isolated qualitative comments*" but rather a complete listing of comments relevant to the theme of "other effects" as described in the introductory sentence. In my professional opinion, my comments above indicate that these are relevant sources of qualitative information which have been presented explicitly and without further interpretation by me. I leave it to the Commissioners to decide how much weight to give to such data.

- 71 At [48], Professor Delfabbro states "*I was concerned about the validity of the conclusion on p.88 - 'Two independent sources of data both indicate similar levels of harmless and harmful gambling at the Casino.'* *One of these sources appears to be anecdotal qualitative information and this is not really suitable for reaching this type of conclusion.*" I believe Professor Delfabbro has misunderstood the statement, which does not refer to 'anecdotal qualitative information' as he suggests. The 'two independent sources of data' refer to the two estimates of harmless and harmful gambling (based on the NGS data and the CCL data) presented in the preceding Table 6.6 on p.84. I stand by my conclusion expressed in the second paragraph on p.88, albeit with the correction to the quantitative estimate from 86,800 to 85,900. I therefore believe Professor Delfabbro's conclusion in [49] is based on an erroneous assumption.
- 72 At [52], Professor Delfabbro states "*One of the major areas of concern I had about the report was the section relating to the profiling of gambling risk and the conclusion that the level of risk was generally lower than implied by reference to the NGS data.*" Firstly, I will say that is his inference, not mine. I have not tried to justify his implied conclusion. The point I was making is that in this assessment we have used two different ways of estimating the level of harmful gambling at the Casino. The NGS data leads to a mean estimate of 540 high-risk gamblers per year (with a range of 463-669 - see Table 6.31) and the CCL data leads to an estimate of 463 players excluded because they demonstrated high-risk gambling behaviour (with a range of 397-573 - see Table 6.29). I did not attempt to draw the conclusion that the actual level of risk at the Casino is lower than that implied by the NGS data. I said that given the associated uncertainties, this suggests to me that the orders of magnitude are appropriate (see para.3 on p.118).
- 73 At [53] to [55], Professor Delfabbro is critical of the comparison I have made between the Casino's HRP data and the NGS data based

on the PGSI. I accept that the PGSI-based framework and the Casino classification of gambling risk levels based on observable behaviours are different - because they are used for different purposes. Nevertheless, 'assessing the risk of harm' (NGS measure) is not unrelated to 'detecting cause for concern' (casino HRP measure). A casino cannot screen at the door every visitor against the PGSI. A casino, and indeed any other regulated gambling venue, relies on personnel to observe the behaviours of gamblers. I believe it is not irrelevant to compare these two data sets, if only to see whether or not a casino's Host Responsibility efforts - based on the observed behaviours of its gambling patrons - are effective at detecting risk. I do not claim, nor imply, that the Casino's HRP measures indicate that rates of problem gambling in the casino's patron population are lower than is the case nationally.

- 74 At [56], Professor Delfabbro states, on the basis of Australian research, that *"rates of problem gambling in people engaging in Casino gambling (and particularly on a weekly basis) are typically found to be higher than for other forms of gambling."* He has earlier recommended reliance on casino-specific venue-based research using the PGSI framework in preference to a NZ survey based on a nationally representative sample (as in [55]). He now appears to be suggesting that we should give more credence to the findings of research in three Australian States on the relative prevalence of problem gambling between a sub-sample of casino gamblers (i.e. those gambling on a weekly basis) and those engaged in other forms of gambling (as in [56]). That is, he suggests we use data from a different country and culture suggesting higher rates of problem gambling among a sub-sample of casino gamblers than the rates typically found for other forms of gambling generally. I do not believe that Professor Delfabbro has demonstrated the relevance of giving any weight to such Australian data. In my opinion, it is illogical to do so.
- 75 At [58], Professor Delfabbro questions the value of referring to 20-year old Australian Institute of Gambling Research data on New Zealand casino employment. In response, I would say that wherever possible we have tried to acknowledge earlier assessments of social impacts so that this CIR can reflect the community's experience over the lifetime of the current licence, and not focus just on the most recent year.
- 76 At [59], Professor Delfabbro states in relation to enquiries about gambling amongst Maori and Pasifika people, that *"No specific primary research was conducted to investigate these groups."* This statement is simply incorrect. Numerous efforts were made to enquire into the extent of casino gambling and potential gambling-related harms amongst Maori, Pasifika, Chinese and Indian patrons. These include approaches to Te Runanga o Ngai Tahu, Ngai Tuahuriri Runanga and Mahaanui Kura Taiao, the Rehua Marae, the

Christchurch Indian Association, the Christchurch Chinese Community and the Christchurch Guangdong Association, and subsequent discussions with He Waka Tapu Trust (a Maori Health and Social Service provider), a counsellor at Nga Hau e Wha National Marae, Etu Pasifika (providing health and social services for Pasifika people) and an independent counsellor for Pasifika people. However, no quantitative data was forthcoming. Hence we turned to helpline data which Professor Delfabbro acknowledges at [59]. I accept the call for caution in these circumstances.

- 77 In summary, I believe I have provided responses to Professor Delfabbro's critique of the CIR. Professor Delfabbro states at [22] that "*the only substantial concern I had concerning the CIR was the validity of its conclusions concerning the impact of the Casino on problem gambling.*" I believe I have addressed these in the foregoing paragraphs with additional explanations as requested and clarifications of some of his misunderstandings.

AN OVERVIEW OF SUBMISSIONS

- 78 I understand that the Commission received 74 submissions in relation to this licence application, of which 64 are in support, 8 are opposed and 2 neither support nor oppose the application.
- 79 Substantial submissions have been received from the Problem Gambling Foundation (*PGF*) (opposed) and the Salvation Army OASIS (the *Salvation Army*) (neither support nor oppose). The Christchurch City Council (neither support nor oppose) is the only Territorial Authority to lodge a submission. I will comment on each of these below.
- 80 The submissions speak for themselves. The only other summary observation I will make is that more than one-third (38%) of the 74 submissions make reference to gambling harm. Indeed, 30% of submissions in support do so while acknowledging the importance of addressing gambling harm at the Casino.

MY RESPONSES TO ISSUES RAISED IN SUBMISSIONS

Re: the submission from Christchurch City Council

- 81 The Council's submission makes no reference at all to the CIR.
- 82 At [4], I note that the Christchurch City Council expresses its concern that "*Christchurch has a higher proportion of the population seeking problem gambling services than nationally and the Council has serious concerns about the potential and actual harm to our citizens from problem gambling.*" While the submission does not state the data set on which this statement is based, I expect it refers to all help seekers resident in Christchurch City who have been recorded on the Ministry of Health database. I have no reason

to doubt the veracity of the statement on face value. However, it begs the questions about which modes of gambling underpin this situation and whether closure of the Casino would be likely to result in fewer or more calls for such help.

Re: the submission from Problem Gambling Foundation (PGF)

- 83 At [3.6], PGF states "*we would have expected the introduction to have included further discussion of what is meant by 'the expected social and economic effects.'*" I believe we have provided an appropriate discussion of this matter at the beginning of section 6.1 of the CIR (pp.77-78). As PGF acknowledges (at [3.5]), the phrase is not defined in the Gambling Act 2003.
- 84 At [3.9 – 3rd bullet point], PGF states that the CIR "*does not report on limiting opportunities for crime or dishonesty associated with money laundering, despite casinos being recognized as providing money laundering and terrorism financing opportunities.*" I am somewhat surprised by this statement, since the CIR makes no fewer than 13 explicit references to money laundering and addresses topics such as staff training (p.23), monthly reporting to the Department of Internal Affairs (pp.27, 144-145), discussions at Problem Gambling Liaison Meetings (p.136), NZ Police summaries and a formal audit of Anti-Money Laundering measures at the Casino (pp.139, 147), commentary in the 1998 AIGR Report on New Zealand casinos (p.140) and tabulated data on alleged incidents (Table 6.39 on p.146).
- 85 The other criticisms of the CIR contained in the PGF submission (at [3.9]-[3.12]; [3.16]; [3.17] and [5.2]) appear to rely on, or at least align with, Professor Delfabbro's critique, which I have addressed above.
- 86 Consequently, I do not accept PGF's "*initial position*" (at [1.4]) that "*the Taylor Baines Butcher Casino Impact Report does not provide enough evidence to satisfy the Gambling Commission*".
- Re: the submission from the Salvation Army OASIS**
- 87 The Salvation Army raises concerns regarding the adequacy of consultation with the "local community" (at [3.1]) and with Maori, Pacific and Asian Communities (at [5.1]).
- 88 I believe I have addressed these concerns at paras. 59 and 76 respectively of this statement and confirm that substantial and repeated efforts were indeed made to consult with local and ethnic communities.
- 89 The Salvation Army also raises concerns regarding our use of the NGS attitudinal data (at [4.1]) and the absence of a local community survey of attitudes towards the Christchurch Casino (at [4.2]).

- 90 As I have explained already at para. 59 above, the primary focus of the CIR is an assessment of social effects, not community attitudes towards the Casino. The attitudinal data presented in section 5.4 of the CIR is contextual in its purpose.
- 91 I also acknowledge that there are challenges to conducting and interpreting attitudinal surveys as distinct from simple public opinion polls. One important challenge is associated with providing the respondents with sufficient relevant information in order to enable them to make informed responses based on a consideration of effects. A second challenge arises in relation to the timing of such an attitudinal survey. In my professional opinion, it is inappropriate - in the context of an effects assessment - to conduct public opinion polls aimed at establishing the level of support or opposition within a community when a decision is in prospect when responses are more likely to be influenced by the desire for a particular outcome.
- 92 I leave it to the Commission to decide how much weight to give to the attitudinal data reported in the CIR.

MY CONCLUSIONS

- 93 Having read the submissions and considered again the content of the CIR, I make the following final observations:
- 93.1 I believe the CIR does not in any way try to minimise the importance and extent of social harm caused by gambling at the Casino;
- 93.2 I believe the CIR represents a genuine attempt to provide a comprehensive and balanced set of information about social effects, and includes the evidence on social harm within the broader context of all the social and economic effects; and
- 93.3 I trust that the explanations I have provided in this statement give greater clarity and address the issues raised by Professor Delfabbro.
- 94 Finally, I stand by the findings on the nature and extent of social impacts presented in the CIR.

Dated: 5 November 2018



James Talbot Baines

APPENDIX 1

[#]

3 What is the scale of your organisation, or the extent of your reach into the local or regional community, as evidenced by -

- # of clients/year
 - # of members/subscribers
 - Annual audience attendance
 - # season ticket holders
 - # of call-outs/incidents
 - geographical coverage
 - other indicators?
-
-

[#]

4 What are the principal sources of income supporting your organisation's activities, and the relative proportion of each source? (e.g. government/local government funding, members' subscriptions; community donations; business sponsorships; lottery grants;)

-%
-%
-%
-%
-%
-%

[#]

5 What was the nature and scale of the support you received from the Christchurch Casino in the most recent financial year? [Tick any that apply]

- \$.....? (donation, etc.)
- resources (e.g. use of facilities, donations of equipment)
- time (i.e. staff contributing voluntary time)
- sponsored events?

6 Did the support involve your organisation visiting the Casino for an event?

- Yes
- No

7 What did this support enable you to do, that would not have been possible without it?

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.....

.....

[#]

8 Can you estimate how many people in the local/regional community benefitted from this support?

9 How does the level of support from the Christchurch Casino compare with support from other business sources? Which of the following statements best captures your answer to the question -

- no other business gives us as much
- it is among the largest donors for us
- it is an average donor compared with others
- it is relatively low-level support compared with other businesses
- other ..

Describe

.....

.....

10 Describe the likely consequences/effects for your organisation if Christchurch Casino ceased to operate in 2019 (i.e. at the end of its current licence period)

Describe and explain

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11 Do you have any other comments/observations regarding the on-going operation of the Christchurch Casino, or the possible closure of the casino?

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Thankyou very much for your time and your participation in this research.

[#]

10 Can you estimate how many people benefitted from this (i.e. from the activities described above (Qu.9) ?

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11 I'm going to read you some short statements that might describe the level of support you receive from the Casino Charitable Trust. Which best describes the situation for your organisation -

- no other business gives us as much
- it is among the largest donors for us
- it is an average donor compared with others
- it is relatively low-level support compared with other businesses
- other ..

Describe

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12 Describe the likely consequences/effects for your organisation if Christchurch Casino ceased to operate in 2019 (i.e. at the end of its current licence period)

Describe and explain

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13 Do you have any other comments/observations regarding the on-going operation of the Christchurch Casino, or the possible closure of the casino?

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Thankyou very much for your time and your participation in this research.

[#]

4. For how many years have you been operating?

[#]

5. How many people do you employ currently?

Number

FTEs.....

.....
.....
.....
.....

[#]

6. Has this number changed significantly over the past 5 years? Yes/No

Describe and explain

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.....

Christchurch Casino and your business relationship

7. How many years (approximately) has your company been doing business with the Christchurch Casino?years.

8. Thinking about the nature of your business relationship with Christchurch Casino, does your company have a formal contract to supply, or are your business transactions on a more ad hoc basis?

- formal contract

- ad hoc

- other

If some other kind of arrangement, please describe:

.....
.....
.....
.....

[#]

9. Approximately what % of your business' revenue in the most recent financial years (say the last 1-3 years) has come from purchases by Christchurch Casino?

.....% (to the nearest % or band of %s - e.g. between 1% and 3% or between 5% and 10%)

16. Describe the likely consequences/effects for your business if Christchurch Casino ceased to operate in 2019 (i.e at the end of its current licence period)

Describe and explain

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17. Do you have any other comments/observations regarding the on-going operation of the Christchurch Casino, or the possible closure of the casino?

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Thankyou very much for your time and your participation in this research.

Questions for Victoria Street businesses/organisations

Interviewee: _____ Name of business: _____
Date: ___/___/___ Location in VS: _____

1. Type of business? _____

2. When established in Victoria Street? _____

3. Did the existence of the Casino influence your choice of location?
 Yes No Comments

4. What % of your business is attributable to the Casino being in the neighbourhood?
_____ %

5. Do your staff or customers make use of Casino carparking?
 Yes No d/k - not sure

6. Have you had any business dealings with the Casino?
 No Yes _____

7. Are you aware of the Victoria StreetSafe programme (night-time patrols between 10pm and 4am on Fridays and Saturdays) initiated by the Casino during 2013-2015?
 No Yes Any comments? _____

8. Have you been involved in the Victoria StreetScape Project initiated by several local businesses, including the Casino
 No Yes Any comments? - _____

9. If the Casino were to close, do you think it'd make a difference to your business / lead to closure ? or make a difference to the area?

10. Any other comments on the Casino and its impacts on this neighbourhood?

