

Before Hearing Commissioners

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*under:* the s134 of the Gambling Act 2003

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

*between:* **Dunedin Casinos Limited**  
*Applicant*

*and:* **Gambling Commission**  
*Respondent*

Statement of Evidence of Carl Phillip Davidson

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Dated: 5 September 2024

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## STATEMENT OF EVIDENCE OF CARL PHILLIP DAVIDSON

### INTRODUCTION AND PROFESSIONAL EXPERIENCE

- 1 My full name is Carl Phillip Davidson.
- 2 I have worked in the field of research since 1991 (33 years). I hold a Bachelor of Arts in sociology, psychology, and political science with a First Class Honours.
- 3 I am a Director and Shareholder of Research First, a Christchurch based research and insights company which has been operating since 2006.
- 4 In addition to my role with Research First, I am a Senior Adjunct Fellow at the University of Canterbury where I teach research methods and supervise research projects for the Master of Business Administration (*MBA*) programme.
- 5 I have previously taught research methods to the graduate level at Massey University.
- 6 I have authored (or co-authored) ten textbooks on research methods in New Zealand. Two of these texts (*Social Science Research in New Zealand, Auckland University Press, 2018* and *Getting Started: An Introduction to Research Methods, Pearson Education New Zealand, 2012*) have become standard texts for teaching research methods in New Zealand universities and polytechnics.
- 7 Between 2009 and 2011, I was the Chief Families Commissioner. As part of this role, I led the Families Commission's transformation into the Social Policy Evaluation Research Unit (SUPERU).
- 8 I have also served as the Chair of the Canterbury Employment Skills Board (CESB); as a board member of the Christchurch Employers' Chamber of Commerce; as a Committee Member on the Ministry of Social Development's Social Policy Evaluation and Research (SPEAR) initiative; and as an expert on the Crown's Advisory Experts Group for Information Security (AEGIS) for the Children's Action Plan (CAP).
- 9 In 2023, I was made a Fellow of the Research Association of New Zealand (RANZ).
- 10 In 2023, I was also named an Insight250 Winner by ESOMAR (ESOMAR is a global membership association for market research and insights that was founded in 1947). The Insight250 is an annual award celebrating the worldwide pioneers, leaders and innovators in market research, data-driven marketing and insights.

- 11 I have extensive experience as a social expert witness in New Zealand, appearing before Select Committee hearings, council planning hearings, and the Environment Court.
- 12 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 Gambling 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.
- 13 I prepared the social impact assessment component of the Casino Impact Report (*CIR*) for Dunedin Casino Limited's application to renew its Casino Venue Licence for the Grand Casino (*Casino*).
- 14 In acknowledging my independence to conduct this social impact assessment, the Gambling Commission took into account my previous experience of assessments in the social sector.
- 15 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 Gambling Commission in its deliberations.

#### **SCOPE OF EVIDENCE**

- 16 Given that the full CIR is already before the Commissioners, I do not intend to repeat that material in this statement in such detail.
- 17 With this in mind, my evidence includes:
- 17.1 a summary of the process of preparing the social impact assessment in the CIR;
  - 17.2 an overview of key findings on social impacts in the CIR;
  - 17.3 my responses to issues raised in submissions; and
  - 17.4 some concluding comments about the CIR.

#### **PREPARING THE SOCIAL IMPACT ASSESSMENT COMPONENT OF THE CASINO IMPACT REPORT**

- 18 Section 134(3) of the Gambling Act 2003 (*Act*) states that a CIR must assess the social and economic effects on the affected local and regional areas, and on New Zealand generally, of:

- 18.1 the continued operation of the Casino; and
- 18.2 the closure of the Casino.
- 19 Preparing the assessment of social effects (the social impact assessment component) for the CIR occurred over a period of seven months, from February 2022 to September 2022.
- 20 The assessment design used for this social impact assessment built on the methods used (and the lessons learned) in the creation of the CIR for the Christchurch Casino in 2017.
- 21 This revised design was peer reviewed by Professor Paul Delfabbro from the University of Adelaide's School of Psychology before the social impact assessment was conducted. A final draft of the CIR was also peer reviewed by Professor Delfabbro and he provided feedback that the CIR was "*clear and professional*" and "*has addressed the requirements under the Act*".<sup>1</sup>
- 22 The social impact assessment of the CIR also involved a Research Oversight Group to provide oversight of the research process. This comprised James Baines and Gerard Fitzgerald, two of New Zealand's most eminent social impact assessment practitioners.
- 23 Completion of the CIR involved a significant process of engagement with relevant stakeholders and the local community, comprising:
- 23.1 A review of the literature about gambling and problem gambling in Dunedin and Otago.
- 23.2 An analysis of the media and social media relating to gambling in Dunedin and Otago and the operations of the Casino.
- 23.3 Interviews with 30 stakeholders and community representatives across Dunedin and Otago.
- 23.4 An in-situ survey of Casino patrons (N=121).
- 23.5 An online survey of Casino members (N=238).
- 23.6 A survey of residential neighbours of the Casino.
- 23.7 A survey of residential businesses of the Casino.
- 23.8 A community survey of Dunedin residents (N=363).

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<sup>1</sup> Email from Professor Paul Delfabbro to myself on 28 November 2022.

- 24 I have undertaken no further data gathering nor assessment since that time.

## **OVERVIEW OF KEY FINDINGS IN THE CIR ON SOCIAL EFFECTS**

### **Beneficial Social Impacts**

- 25 The most obvious benefit of the Casino is that visiting it—to gamble or to enjoy the hospitality on offer—provides entertainment to many residents across Dunedin and Otago. In this regard, it is part of the suite of entertainment options that make Dunedin a vibrant and fun city.
- 26 This is reflected in the Dunedin City Council’s Quality of Life Survey 2020, which found Dunedin residents perceive their city as thriving and a fun city. Dunedin scores well in this Quality of Life Survey compared to other New Zealand cities, with 90 percent of residents rating their overall quality of life positively (compared to a nationwide average of 87 percent).
- 27 In the Dunedin community survey completed for the CIR, 73 percent of residents said they had been to the Casino. In that same community survey, 61 percent of the respondents said visiting the Casino had given them ‘pleasure and fun’.
- 28 Dunedin residents were also likely to agree that, for most people, a visit to the Casino is a fun night out with family and friends (72 percent) and “*Dunedin’s Casino is an important part of the city’s entertainment offering*” (54 percent).
- 29 The Casino offers a unique product mix including on-site entertainment in the form of gambling, a restaurant, and a bar. The patron survey results indicate that most (84 percent of the database respondents and 72 percent of the intercept respondents) were satisfied or very satisfied with the Casino’s facilities.
- 30 In the stakeholder interviews completed for the CIR the theme of the entertainment benefits conferred on Dunedin by the Casino came up often. These stakeholders described the Casino as “*an asset*” for Dunedin.
- 31 Simon Harris will cover the economic benefits of the Casino’s operation for Dunedin, but in the social impact assessment the value of Dunedin Casino’s Charitable Trust grants and the Casino’s sponsorships was mentioned often.
- 32 Similarly, some stakeholders noted that the Casino was playing an important role in the regeneration of Dunedin City’s Heritage Precinct.

### **Adverse Social Impacts**

- 33 The most common adverse social impacts associated with casino operations are gambling harm and crime. These perceptions are then related to a lowered quality of life for residents. In the case of the Casino, there seems to be little of either impact (gambling harm or crime) that can be directly attributed to the operation of the Casino.

### **Gambling Harm**

- 34 True and Cheer (2020) show that while Dunedin accounts for approximately 2.5 percent of New Zealand's population, it only accounts for 1 percent of new problem gambling cases and 2 percent of all cases where people seek help for problem gambling. In this regard, Dunedin, despite having a casino, seems to be less likely to have problem gamblers seeking help than other centres in New Zealand.
- 35 How much of the problem gambling in Dunedin can be attributed to the Casino is uncertain, but it may be an estimated 20 presentations per year to problem gambling counselling services. This minor share of presentations could be attributed to the Casino having stricter qualifying criteria than other gambling venues and a much more intensive host responsibility policy.
- 36 In terms of qualifying criteria, to enter the Casino a person must be 20 years of age or older. The Casino is clear that it provides a 'premier experience' to its guests and requires 'a neat and tidy standard of dress at all times'. The Casino has a stated commitment to host responsibility, and for the year April 2021 to June 2022 over 1,500 people were denied entry.
- 37 The Casino spent \$613,000 in 2022 and \$643,000 (projected) in 2023 on harm reduction including software, staff and consultant costs.
- 38 The Casino's Host Responsibility Programme is highly regarded by stakeholders. For instance, the Department of Internal Affairs (DIA) has a mystery shopper campaign that sends undercover gamblers to test whether patrons showing signs of potential gambling addiction were adequately dealt with by venue staff. The latest mystery shopping report shows the Casino "*displayed a good standard of host responsibility and culture in response to the mystery shopper exercise*". In 2022, Research First repeated this mystery shopping exercise and found the same high standards of compliance.
- 39 This is reiterated in the minutes of a 2022 Community Liaison Meeting where a participant from DIA noted "*Grand Casino have a very high level of Host responsibility understanding and compliance ... there had been glowing reports from visits, good feedback, and not too many concerns*".

- 40 The social impact assessment paid particular attention to whether the Casino was causing gambling harm among vulnerable populations, particularly (a) older residents, (b) Māori (c) Pasifika, and (d) international students.
- 41 While customers of the Casino skew older (64 percent of the patrons were over 60 compared to 30 percent of the Dunedin population), older patrons are much less likely to be excluded from the Casino than other patrons.
- 42 In the stakeholder interviews, a representative from Grey Power Otago was not aware of any systemic issue with problem gambling among the older residents in Dunedin / Otago. This representative said, *"to be honest with you, we have not actually found amongst our population that it seems to be a real issue."*
- 43 The representative from Age Concern Otago corroborated this view, noting that problem gambling among the elderly in Dunedin *"certainly hasn't [been] flagged as an issue. We've had no complaints."*
- 44 For Māori, there is no doubt that this population are more likely to experience gambling harm than other population groups. But it is unlikely that the Casino is a major contributor to this. Dunedin has three marae for Ngāi Tahu, each with its own whareniui. Māori comprise 9 percent of Dunedin's population but only 4 percent of those who participated in the patron survey completed for this social impact assessment.
- 45 Staff at the Casino report low levels of at-risk gambling activity by Māori, having excluded just eight Māori patrons between November 2018 and May 2022.
- 46 A stakeholder from Te Rūnanga o Ōtākou interviewed for the CIR described the Casino as *"a well-run ship"* and was clear that for Māori *"If you're thinking about problem gambling in Dunedin, there are better places to look [than the Grand Casino]."*
- 47 It is a similar story for Pasifika in Dunedin. While Pacific peoples made up 3 percent of Dunedin's population at the time of this study, they comprised just 1 percent of the Casino patrons. Casino staff report low levels of at-risk gambling activity by Pacific peoples.
- 48 In terms of the Asian community, in 2018, 8 percent of the population in Dunedin City identified as Asian, but Asian patrons accounted for 16 percent of exclusions from the Grand Casino between November 2018 and May 2022, leading many of the stakeholders in this research to express a concern that the Asian community was particularly affected by the Casino's operation.

- 49 A representative from the Otago and Southland Chinese Association noted that problem gambling has never been raised as an issue at Association meetings. This representative was also clear that there was a good relationship between the Asian community in Otago and the Casino (with Asian residents seeing the Casino as a safe place to socialise, particularly late at night).
- 50 Stakeholders consulted for the CIR wondered if international students were a subset of Asian residents who were particularly prone to gambling harm through the Casino. Interviews with the international student representative from Otago University's International Students Association did not think this was a serious problem in Dunedin noting that most students were too young to visit the Casino.
- 51 A representative from Asian Family Services wanted to be clear that the Casino conferred considerable benefit to the international student community, noting that "*[The Grand Casino provides] entertainment to large members of the Chinese community, It [has] some benefits for the Chinese community as well as the potential for harm.*"
- Antisocial Behaviours**
- 52 As noted above the second most common adverse effect associated with casino operations is crime. As with gambling harm there seems very little crime or anti-social behaviour that can be directly attributed to the operation of the Casino.
- 53 There are few crimes recorded in the Casino neighbourhood and few of these are likely attributable to the Casino's activity.
- 54 This is also seen in how few Casino patrons have been asked to leave the site due to behavioural issues—just three between April 2021 and June 2022.
- 55 A representative from the Dunedin Police interviewed for the CIR was clear the Casino was not a location of concern for local Police. This representative attributed this to the Casino being a low-risk venue, which does a good job of managing its risks.
- 56 Similarly, the local representative from the Problem Gambling Foundation acknowledged the Casino did a good job of managing antisocial behaviour and the risk of antisocial behaviour.
- 57 In contrast to the Casino being a cause of anti-social behaviour in Dunedin, the stakeholders consulted for the CIR were much more likely to talk about the Casino as being a 'safe venue' for older residents, Asian residents, and other vulnerable groups in the city.

## MY RESPONSES TO ISSUES RAISED IN SUBMISSIONS

### Re: the submission from National Gambling Harm Māori Public Health Collective

- 58 This submission makes no reference to the CIR.
- 59 The issue of harm to Māori is addressed in paragraphs [44], [45], and [46] above. While it is true that Māori experience gambling harms at a disproportionate rate, it is the argument of the CIR that the Casino does not contribute directly to these harms.

### Re: the submission from the Problem Gambling Foundation

- 60 This submission states that the CIR *"has applied a reductive approach to estimate those experiencing gambling harm. Importantly, it reflects a lack of understanding around how harm and problem gamblers are defined according to the Act."*
- 61 This is not true. The definition of harm used in this CIR is the same as in section 4 of the Gambling Act 2003 (*Act*), where gambling harm is taken to mean *"harm or distress of any kind arising from, or caused or exacerbated by, a person's gambling"*. The Act is clear that this includes *"personal, social, or economic harm suffered by the person, or by the person's spouse, civil union partner, de facto partner, family, whānau, or wider community, or in the workplace, or by society at large."*
- 62 This is the definition used to inform the stakeholder interviews in the CIR, and the surveys used when engaging with patrons and the wider community.
- 63 Following guidance from the Manatū Hauora (Ministry of Health), the CIR also made use of the Problem Gambling Severity Index (*PGSI*) to assess aspects of gambling harm. The *PGSI* identifies levels of gambling risk as reported by individuals and is commonly used to screen and categorise levels of risk.
- 64 The submission also notes that the Gambling Commission has a responsibility to pay special attention to the *"gambling harm experienced by priority groups"*. Looking for casino-related harm among these groups comprised an important part of the CIR. As noted above, there is little evidence that such harms are extant.

## CONCLUSION

- 65 My conclusion is that there is little support from a social impact perspective for not renewing the Casino's license.
- 66 Non-renewal would deprive the community of local amenity and likely undermine Dunedin's sense of itself as a thriving and fun place to live.

- 67 At the same time, non-renewal would deprive the community of funding for a range of organisations that are also contributing to the wellbeing of Dunedin and the Otago region.
- 68 Rather than reducing gambling harm, closing the Casino might increase the potential for harm should those Dunedin and Otago residents who wish to keep gambling shift to more dangerous forms of gambling. This is a particular risk if the Casino gamblers migrate to online gambling.
- 69 I draw this conclusion while noting that the CIR does not in any way try to minimise the importance and extent of social harm caused by gambling at the Casino. Instead, 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.

Dated: 4 September 2024

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Carl Phillip Davidson