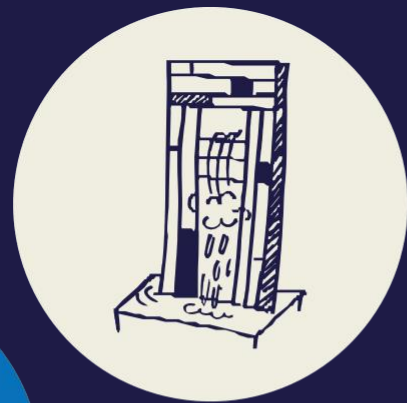


HAMILTON CITY COUNCIL – STAFF SUBMISSION

Reducing Pokies Harm – Public Discussion Document (March 2022)

Department of Internal Affairs



22 April 2022



**Hamilton
City Council**
Te kaunihera o Kirikiriroa

Improving the Wellbeing of Hamiltonians

Hamilton City Council is focused on improving the wellbeing of Hamiltonians through delivering to our five priorities of shaping:

- A city that's easy to live in
- A city where our people thrive
- A central city where our people love to be
- A fun city with lots to do
- A green city

The topic of this submission is aligned to the priority 'A city where our people thrive'.

As a city we'll work alongside our iwi partners and work closely with local agencies, government, and private partners to make sure our city and wider region thrive.

Council Approval and Reference

This submission was approved by Hamilton City Council's Chief Executive on 22 April 2022.

Hamilton City Council Reference D-4140818 - Submission # 684.

It should be noted that the following submission is from staff at Hamilton City Council and does not necessarily represent the views of the Council itself.

Key Messages and Recommendations

1. Hamilton City Council **staff** support the proposals outlined in the Department of Internal Affairs' discussion document and agree they will work towards reducing harm associated with Class 4 gambling.
2. Hamilton City Council staff also recommend:
 - Requiring records to be kept of pokie player monitoring and interventions at each venue.
 - Developing a policy template for venues to use with prescribed criteria for intervention and template venue and society harm minimisation plans.
 - Requiring accountability be placed on venue managers, venue operators and societies similar to the accountability framework under the Health and Safety at Work Act i.e., responsibility rests with the person conducting a business or undertaking at the highest levels of management and governance.
 - Increasing promotion of self-exclusion to ensure it is more widely understood with a range of services and messages available in appropriate and relevant languages.
 - Changing play sequences to make them less addictive, including requiring clearer information on odds of a win, prohibiting multi-line machines, prescribing the lights and sounds played at a win to reduce conditioned responses, and prescribing minimum wins.
 - Requiring natural light and wall clocks in gaming rooms.
 - Ensuring adequate resourcing of enforcement and establishing transparent systems to ensure the proposed new penalties and offences work effectively to minimise gambling harm.

Previous Submissions made by Hamilton City Council in the Gambling Space

3. Hamilton City Council takes a very strong interest around the issue of gambling and has made a number of submissions in this space in recent years, including the following:
 - Hamilton City Council's 11 June 2021 submission to the **Review of the Charitable Trust Licence Conditions for the Auckland, Hamilton, Christchurch, Dunedin, Queenstown and Wharf Casinos (New Zealand Gambling Commission)** - [Download Now](#)
 - Hamilton City Council's 2 October 2019 staff submission to the **Discussion Document on Online Gambling in New Zealand (Department of Internal Affairs)** - [Download Now](#)
 - Hamilton City Council's 17 May 2019 submission to the **Application to Amend Licence Conditions and Related Applications to Approve Design Changes and New Game Mix at SkyCity Hamilton Casino (New Zealand Gambling Commission)** - [Download Now](#)
 - Hamilton City Council's 25 October 2013 staff submission to the **Public Consultation on Four Class 4 Gambling Proposals (Department of Internal Affairs)** - [Download Now](#)
4. All submissions made by Hamilton City Council can be accessed [here](#)

Overarching Themes and Messages

5. Hamilton City Council staff would like to thank the Department of Internal Affairs (DIA) for the opportunity to make a submission to the **Reducing Pokies Harm: Public Discussion Document**.

6. We recognise and acknowledge gambling-related harm adversely impacts our communities. Pokies in pubs, clubs and TAB New Zealand outlets are regarded as the most harmful form of gambling in New Zealand and most of the people who contact gambling help service providers say pokies are their source of harm. Māori and Pacific communities, who may already be experiencing financial or social challenges, experience disproportionate harm from a concentration of pokies in their neighbourhoods. Hamilton City Council staff welcome a discussion document focused on addressing this harm.
7. We recognise that the proposals in the discussion document relate to regulations rather than legislative change and appreciate the DIA seeking a response to the issue of gambling related harm.
8. We also acknowledge the discussion document pertains only to Class 4 gambling at TABs, societies and clubs and does not relate to gambling at casinos.
9. Hamilton City Council staff support the three principles of the New Zealand gambling framework i.e.:
 - Harm from gambling is minimised and the cost of mitigating harm is borne by the industry.
 - Gambling is authorised and conducted by trusted and reputable operators.
 - Communities should benefit from the profits of gambling.
10. However, we continue to highlight that the unintended consequences of allowing communities to benefit from the profits of gambling has created an unhealthy dependency on gambling funding for some community groups.
11. As with other councils, Hamilton City Council has faced challenges to managing gambling related harm via its Class 4 Gambling Venue Policy, in part due to concern from community groups that stricter measures to minimise gambling harm will reduce funding to community groups. Greater regulation and transparency of funding practices is required to enable more democratic discussions about the benefits and risks of Class 4 gambling.
12. Hamilton City Council staff support the proposals outlined in the discussion document and agree that they will work towards reducing harm associated with Class 4 gambling.

Response to Part 1: Reducing Harm in Venues (Identifying and Responding to Signs of Harmful Gambling, and Better Staff Training)

What changes are necessary to identify and stop harmful gambling in pubs and clubs?

13. Hamilton City Council staff support the options listed in the discussion document and suggests one additional measure:
14. **Require records to be kept of monitoring and interventions**
We recommend venues be required to consistently record detailed information on observed signs of harmful gambling and how these were used to identify when an intervention was required.
15. The system of record keeping should be nationally consistent and could be electronic to minimise administrative burden for venues. Records should be provided to DIA, councils and gambling inspectors upon request, or (if electronic) accessible through a national system.
16. Hamilton City Council staff support gambling host responsibility more closely resembling the alcohol host responsibility framework as these processes and systems are already in effect at venues.
17. Building upon existing systems and knowledge may avoid an additional cost burden for venues as they can utilise existing systems and technology e.g., facial recognition technology, loyalty cards etc.

What further tools do staff need to help them identify harmful gambling? How could staff training be improved?

Staff Role and Template Policies and Plans

18. Hamilton City Council staff consider use of venue staff for the role of identifying harmful gambling may conflict with their primary role as a staff member in a hospitality venue.
19. Venue staff may be uncomfortable speaking to a customer about a staff perception of harmful gambling behaviour. This may be more difficult for staff members who are inexperienced, or from vulnerable groups and may expose staff to risk of abuse or harm.
20. Hamilton City Council staff recommend the role should be carried out only by senior staff members with certified training, and that staff be adequately resourced to be able to initiate and enforce responsibly and appropriately as an important part of their overall duties.
21. The DIA should consider new regulations requiring venues to have a minimum number of staff on each shift certified as having completed an approved training module such as is currently provided by Te Hiringa Hauora/Health Promotion Agency or PMGH service provider or Hospitality New Zealand.
22. The costs of training should continue to be counted under the costs of venue operation and therefore be funded by pokie machine profits.
23. Hamilton City Council staff recommend that the DIA develop a policy template for venues to use with prescribed criteria for intervention and template harm minimisation plans (venue and society), removing the element of staff discretion.
24. There should be an expectation that venue policies and plans will closely align with DIA templates and venues should be required to provide justification for any deviation.
25. Our experience in regulatory enforcement suggests having a government prescribed policy document that sets out 'rules' that can support staff performing an intervention.
26. Templates would also improve consistency across venues and avoid unnecessary costs for venues that may lack the internal skill sets for policy and plan development.

How could self-exclusion be used more effectively as a tool to prevent harmful gambling?

27. Hamilton City Council staff support increased promotion of self-exclusion to ensure it is more widely understood. We suggest promotional material is provided in appropriate and relevant languages and takes into account different reading abilities.
28. Self-exclusion tools should make it as easy as possible for staff to identify a self-excluded person, and preferably utilise existing tools and technology to avoid additional costs for venues. This could include requiring Class 4 venues to provide facial recognition technology on pokie machines to automatically identify self-excluded gamblers and cease operating.
29. We also suggest the DIA consider the merits of expanding exclusion tools for family members to use in support of a person with harmful gambling behaviour, potentially including mechanisms for venues to exclude people at the request of family members, even if the person does not elect to self-exclude. Checks and balances would need to be carefully included in such a scheme to avoid potential abuse.

Response to Part 2: Reducing Harm from Pokie Machines (Changes to Machine Features that Could make them Safer)

Could changes to the features of a pokie machine help reduce harmful gambling? If so, what changes would be most effective? What changes could be made to prevent harm from jackpots?

30. Hamilton City Council staff note measures such as policy and plan development, staff training, ensuring trained staff are rostered on and monitoring/intervention activities are all burdensome for venues, and create additional costs. Changes to the features of pokie machines will more consistently ensure harm minimisation and reduce the burden on venues as they will operate automatically.
31. We support all the options for machine features and jackpots proposed in the discussion document and suggest the following additional changes:

Player Information

32. Player information should be available in appropriate and relevant languages, and account for different reading abilities.

Changes to Gaming Machines

33. Play sequences should be made less addictive by:
 - a) Requiring information to be clearly provided to players setting out the odds of a win on each machine.
 - b) Requiring symbols other than the 'winning line' to be obscured (so high value symbols above and below or to either side of the line cannot be seen, reducing the sense of a 'near miss').
 - c) Prohibiting multi-line machines or requiring a message to appear on a winning screen clearly stating the size of the bet and the size of the win for comparison. This will enable player to see that a win may be less than the amount bet for the play.
 - d) Reduce conditioned response to the sounds and lights of a win (losses disguised as wins¹) by prohibiting or restricting the lights and sounds machines emit; or requiring sound and light 'rewards' for wins to be selected from a prescribed set of light and sound combinations that reduce rather than enhance addictive behavior (based on research into effectiveness).
 - e) Prescribe minimum win amounts at a level to avoid the 'near miss' effect² and reduce maximum bet stakes.
 - f) Prohibit linked jackpots and advertising of jackpots.

Require Natural Light and Wall Clocks

34. Research suggests the pokie environment is often designed to disorient the player and obscure the passage of time³.
35. Hamilton City Council staff recommend changing the pokie environment to reduce this disorientation by requiring pokie rooms to have natural light and requiring a physical wall clock to be visible from all pokie machines.

¹ Mariya V. Cherkasova et al. Win-concurrent sensory cues can promote riskier choice, *The Journal of Neuroscience* (2018). DOI: 10.1523/JNEUROSCI.1171-18.2018.

² Sharpe, Louise & Blazczynski, Alex & Walker, Michael & Martijn, Claudine & Wheatley, Anna & Chauhan, Deepa. (2022). The identification of near misses in electronic gaming machines and its effect on gambling behaviour.

³ Brevers, Damien et al. "Effect of casino-related sound, red light and pairs on decision-making during the Iowa gambling task." *Journal of gambling studies* vol. 31,2 (2015): 409-21. doi:10.1007/s10899-013-9441-2.

36. Natural light and wall clocks provide an indicator to gamblers of the passage of time and may reduce behaviour that causes gambling harm.

Response to Part 3: Reducing Harm Through Stronger Compliance (Penalties and Enforcement)

What infringement offences and penalties could support new and existing regulations?

37. Hamilton City Council staff support all the proposed changes in the discussion document to create additional offences and penalties, including infringements.
38. However, we are concerned to discover that existing criminal offences and infringements in the Act do not relate to the requirements of the current harm minimisation regulations and that “the current regulations lack enforceability” (from the discussion document).
39. Further discussions with the DIA have raised additional concern that only 60 gambling inspectors are available to provide physical inspection and observation across 14,743 machines in 1,050 venues across New Zealand; and that no records are available to councils on the frequency of venue inspections or number of venues found to be in breach of regulations annually.
40. As a regulatory organisation, we are acutely aware that the effectiveness of regulatory offences and penalties is closely linked to the resourcing of enforcement of those regulations.
41. Hamilton City Council staff, like the DIA, police and many other councils, support and use a Graduated Response Model for enforcement activities.
42. However, for gambling, this model appears to be applied without adequate record keeping or transparency, and without targets e.g., for how many times a venue is visited. As a result, it is not possible to identify the effectiveness of existing offences and penalties to ensure compliance.
43. It is difficult to support additional penalties and offences without having greater confidence in the enforcement measures intended to be applied in support.
44. In short, additional offences and penalties will be ineffective unless enforcement is resourced, internal systems are established to apply Key Performance Indicators, and transparent reporting systems are established.
45. Systems should include targets for the frequency with which venues are visited (e.g., minimum of every six months), provision for ‘spot checks’ as well as planned visits, particularly to venues of high risk (i.e., venues with high gaming machine profits (GMP) and located in medium-high to very high deprivation areas). This should be supported by comprehensive record keeping of all visits and any regulatory breaches and the enforcement measures taken. This information should be available to councils and organisations involved in reducing gambling related harm.
46. Venues should have a clear understanding of how enforcement activity will be carried out, and confidence that competitors who do not comply will be identified and face penalty – ensuring a level playing field for all venues.
47. Hamilton City Council staff recommend sufficient resourcing is provided to ensure any new offences are enforced to a level that ensures they are effective; and to ensure internal systems are in place to monitor and report on the enforcement of regulations.

What should venue managers/venue operators/societies be accountable for?

48. Hamilton City Council staff support accountability for ensuring that harm minimisation regulations are met is placed on venue managers, venue operators and societies in a manner similar to the framework for responsibilities under the Health and Safety at Work Act i.e., responsibility rests with the person conducting a business or undertaking.
49. This model is clearly understood and 'piggy backing' off the established model may be less of a burden for venues than creating new systems.

Further Information and Opportunity to Discuss Our Submission

50. Should the Department of Internal Affairs require clarification of the submission from Hamilton City Council staff, or additional information, please contact **Sandra Murray** (Policy Consultant – City Growth) on 021 890 629 or email sandra.murray@hcc.govt.nz in the first instance.
51. **Hamilton City Council staff would welcome the opportunity to discuss the content of this submission in more detail with the Department of Internal Affairs.**

Yours faithfully



Lance Vervoort
CHIEF EXECUTIVE

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