



te kaunihera ā-rohe o
matamata-piako
district council



Social Impact Assessment of Gambling in Matamata-Piako District 2024

Contents

Summary	3
Introduction	4
Legislative requirements	5
Gambling Venue Policy	5
TAB Venue Policy	5
Who monitors gambling in New Zealand?	6
How EGMs work	7
Gambling in Aotearoa/New Zealand.....	8
Gaming Machine Profits in Aotearoa/New Zealand	9
Gambling in Matamata-Piako	9
Gaming Machine Profits (GMP) in Matamata-Piako	9
Class 4 Venues in the Matamata-Piako District.....	10
Gaming Machines in Matamata-Piako.....	11
Gambling across Waikato Territorial Authorities.....	11
Impact of Gambling	13
Community Funding	13
Entertainment	15
Employment.....	15
Harm.....	16
Online Gambling	17
Interventions.....	19
TAB NZ.....	21
How the TAB NZ System Works	21
Board Venues	21
TAB Grants	21
Policy Options	22
Absolute cap	22
Per capita cap	22
Sinking lid	22
Relocation and club mergers	22
TAB venue policy options.....	22
Conclusion	23
References	24
Feedback from groups 2024	26

Summary

In New Zealand, the main forms of gambling are Lotto NZ, TAB betting, casinos, electronic gaming machines outside of casinos (EGMs) and online gambling. While Lotto products are the most popular form of gambling, EGMs (also known as 'pokies') are the most harmful legal form of gambling.

In 2020, it was estimated that 65,000 New Zealanders are either moderate or high-risk (problem) gamblers.

While this is a low proportion of the population, 1 in 5 (22%) New Zealanders reported harm from their own or someone else's gambling.¹

Of those who accessed gambling interventions in 2022/23, EGMs were the most common gambling mode cited by clients (45.6%), followed by Lotto NZ (11.8%).²

In 2022/23 EGMs made up the majority (38.8%) of the gambling expenditure across the four main gambling formats, followed by Lotto NZ at 25.7%.³

In the Matamata-Piako District, there are 10 Class 4 gambling venues with 140 EGMs. This is a decrease from the number of gambling venues and EGMs in 2022. All of the venues in the district with EGMs are located in areas with a social deprivation score of 5 or higher.

There are currently no standalone TAB venues in the district.

In 2023 \$7.3 million of gaming machine profits (GMP) was generated in the Matamata-Piako district, an increase of around \$300,000 from 2022.

Of the \$7.3 million generated, around \$1.6 million (around 22%) was returned to the Matamata-Piako community through grants.

¹ Thimasarn-Anwar T, Squire H, Trowland H, et al., *Gambling Report: Results from the 2016 Health and Lifestyles Survey*. (2017) www.hpa.org.nz/research-library/research-publications/new-zealanders-participation-in-gambling-results-from-the-2016-health-and-lifestyles-survey

² Malatest International and Sapere, *Gambling Harm Needs Assessment 2024: Literature review, funding review and gap analysis informed by the sector* (April 2024) p56 [Strategy to Prevent and Minimise Gambling Harm 2025-26 2027-28 - Needs assessment \(accessible\) 20240820_1.pdf \(health.govt.nz\)](https://www.health.govt.nz/system/uploads/attachment_data/file/124482/Strategy-to-Prevent-and-Minimise-Gambling-Harm-2025-26-2027-28-Needs-assessment-accessible-20240820-1.pdf)

³ Ministry of Health, *Appendices: Strategy to Prevent and Minimise Gambling Harm 2025/26 to 2027/28*: Consultation document (2024) p44

Introduction

Matamata-Piako District Council (Council) must have a Class 4 Gambling Venue Policy and a TAB Venue Policy, which must be reviewed every three years under the Gambling Act 2003 and the Racing Industry Act 2020 (the Acts).

As part of the review, the Acts require Council to consider the social impact of gambling on areas of high deprivation in the district. To meet this requirement, this Assessment has been prepared to understand the impact of gambling in Matamata-Piako.

EGMs are considered Class 4 gambling by the Department of Internal Affairs (DIA) as they are a form of continuous gambling. Continuous gambling means the player obtains winnings immediately and can reinvest those winnings right away. Class 4 gambling is considered the most harmful form of gambling.

Council is responsible for setting out whether venues like pubs and clubs (not casinos) can host electronic gaming machines (EGMs) in the district, and if so, where they may be located. If Council grants a license for a venue to have EGMs, Council has no jurisdiction over the ongoing operation of the venue or EGMs and cannot revoke existing licenses. Ongoing regulation and monitoring is the responsibility of the Department of Internal Affairs (DIA).

Although every effort is made to ensure accuracy using the most up-to-date information available at the time of writing this report, no guarantee can be made due to the information being sourced from numerous third parties. It is recommended that this document is used to provide general guidance as to the benefits and risks of the provision of Class 4 gambling in our community.

Legislative requirements

Gambling Venue Policy

Council's Gambling Venue Policy must cover the following (under the Gambling Act 2003):

- Whether Class 4 venues can be established in the district and if so, where.

Council's Gambling Venue Policy may include the following:

- Restrictions on the maximum number of gaming machines that may operate in the district at one time;
- Restrictions on the number of machines that may be established at a new Class 4 venue; and
- A relocation policy, which relates to setting out if and when consent will be granted where a venue is intended to relocate from an existing venue.

Restrictions on venues will only apply when societies apply for a territorial consent to establish a new venue.

Venues that obtained a license on or before 17 October 2001, and have continued to hold that license or were unlicensed for a period of less than six months, can apply to operate a maximum of 18 gaming machines in one venue as per the Gambling Act 2003. Venues established after 17 October 2001 can apply to operate a maximum of 9 gaming machines.

TAB Venue Policy

The Racing Industry Act 2020 requires councils to have a TAB Venue Policy. This Policy must cover:

- If new TAB Venues can be located within the district; and
- Where new TAB Venues can be located within the district.

The Policy applies to standalone TAB Venues, not TAB Venues in pubs or clubs. Any Class 4 gaming operations in standalone TAB venues must comply with Council's Class 4 Gambling Venue Policy. TAB outlets or agencies that are ancillary to the main activities of a bar or hotel and are not owned or leased by TAB NZ, do not require Council consent.

Who monitors gambling in New Zealand?

Department of Internal Affairs (DIA):

- Regulates and enforces gambling under the Act
- Manages licensing for non-club societies and monitors fund distribution
- Conducts inspections to ensure venues comply with the Act
- Focuses on harm minimisation, fraud reduction, and maximising community returns
- Works with the gambling sector to encourage best practice
- Publishes statistical and other information concerning gambling
- Limits opportunity for crime and dishonesty associated with gambling
- Ensures gambling proceeds benefit the community.

Ministry of Health:

- Develops and implements an integrated problem gambling strategy focused on public health
- Includes measures for preventing and minimising gambling harm
- Provides services to treat problem gambling
- Receives a percentage of the gaming machine levy to develop strategies, treatment and other gambling-related programmes
- Conducts independent research on the social and economic impacts of gambling.

Gambling Commission:

- Reviews casino licensing applications and appeals on licensing and enforcement decisions
- Reports to Ministers and makes recommendations on the proposed gambling levy.

Council:

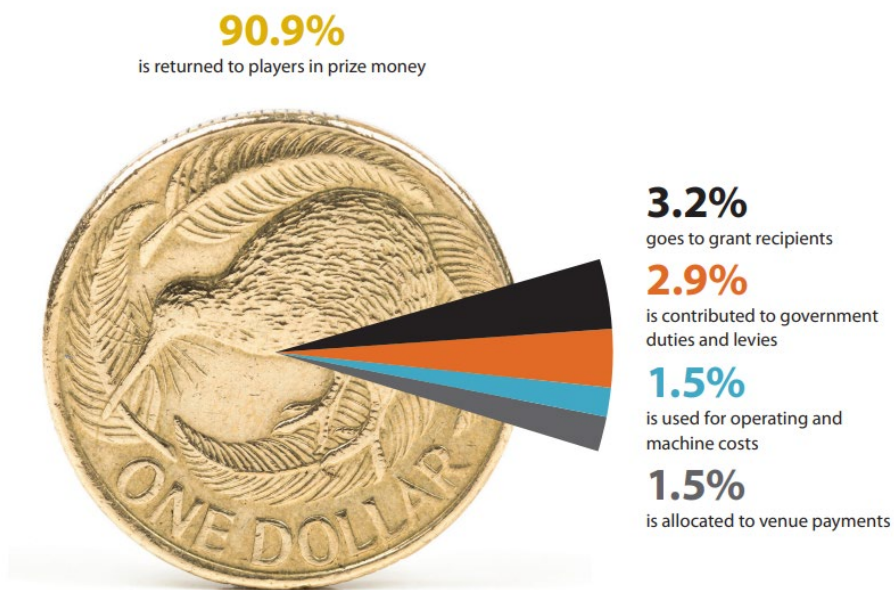
- Must have TAB and Class 4 Gambling Venue Policies
- Must have regard to the social impact of gambling and betting within the district
- Allow or disallow new Class 4 gambling venues and set where new venues can be established.

How EGMs work

Each EGM is programmed with a return-to-player rate by the society who own the machines. The New Zealand Gaming Machine National Standard requires the return-to-player rate for EGMs to be between 78% and 92%.⁴ Figure 1 shows the return-to-player rate set by the New Zealand Community Trust and shows how much the player gets in return and how much goes to things like levies and operating costs.

Figure 1⁵

For every dollar put in a gaming machine:



⁴ Safer Gambling Aotearoa [How do pokies work | Understand gambling | Safer Gambling NZ](#)

⁵ New Zealand Community Trust, Annual Report 2022/23, (2023), p3 [NZCT Annual Report 2023 v14_100124.pdf](#)

Gambling in Aotearoa/New Zealand

Of the legal gaming formats available in Aotearoa, the most popular are Lotto NZ products (59.1%) followed by EGMs at the pub/club (10.9%). Despite Lotto NZ being the most popular, most of the gambling profits across all gambling formats are generated from around 11% of New Zealand adults who play EGMs.⁶

The 2020 Health and Lifestyle Survey (2020 HLS) shows that of the adults that participated in at least one form of gambling in the previous 12 months, 64.8% were non-problem gamblers while 1.6% or 65,000 were moderate or high risk (problem) gamblers.⁷

In 2022/23, \$2.8 billion was spent on gambling overall, an increase of around \$500 million from 2021/22. Expenditure for Class 4 gambling in 2022/23 was the highest on record with \$1,070 million spent. Figures 2 and 3 shows the expenditure on gambling across all formats and the proportion of the profits generated across all formats.⁸

Figure 2

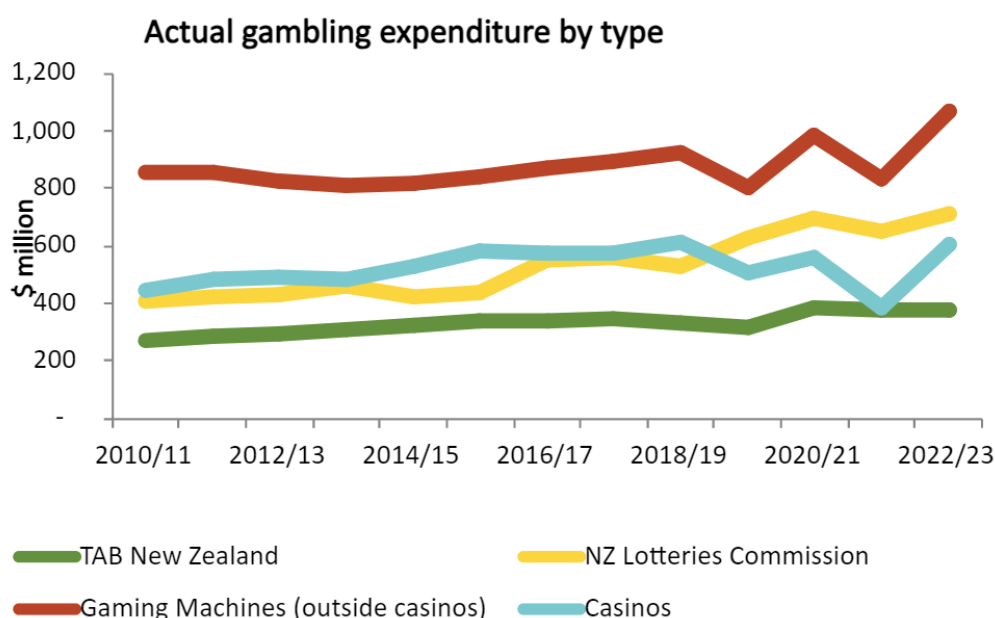


Figure 3: Gambling expenditure and proportions from the four main gambling sectors

Year	Class 4		Lotto NZ		TAB NZ		Casinos	
	\$m	%	\$m	%	\$m	%	\$m	%
2020/21	\$987	37.6%	\$694	26.4%	\$385	14.7%	\$559	21.3%
2021/22	\$833	37.0%	\$654	29.0%	\$380	16.9%	\$387	17.2%
2022/23	\$1,070	38.8%	\$710	25.7%	\$376	13.6%	\$604	21.9%

⁶ Ministry of Health, *Strategy to Prevent and Minimise Gambling Harm 2022/23 to 2024/25*. Wellington: Ministry of Health. (June 2022) p18

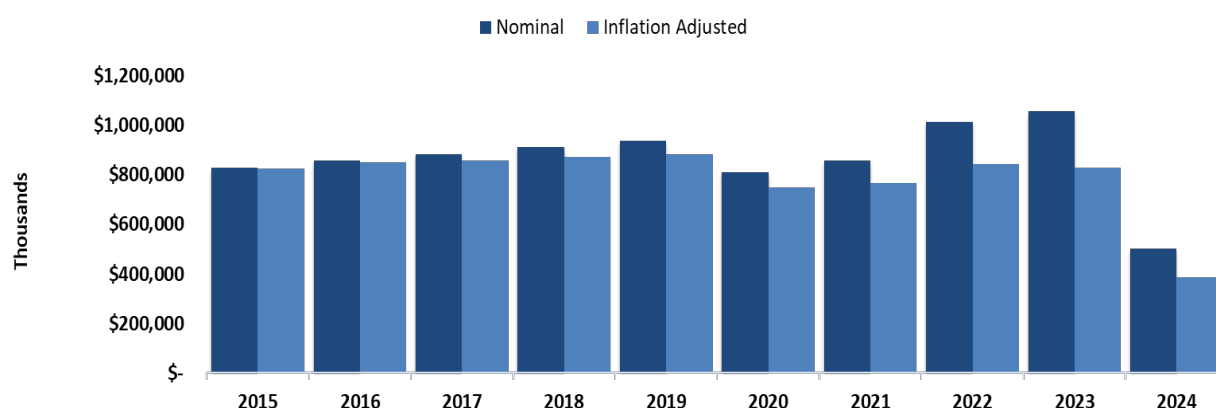
⁷ Ministry of Health, Appendices: *Strategy to Prevent and Minimise Gambling Harm 2025/26 to 2027/28: Consultation document*. Wellington: Ministry of Health, (Aug 2024) p6

⁸ Department of Internal Affairs, *Annual Gambling Expenditure Statistics* (May 2024) [Annual Gambling Expenditure Statistics - Dataset - data.govt.nz - discover and use data](https://data.govt.nz/discover-and-use-data)

Gaming Machine Profits in Aotearoa/New Zealand

Gaming Machine Profits (GMP) are profits generated from EGMs minus any prizes/jackpots or turnover and any adjustments made. Nationally, the number of EGMs and gambling venues have decreased, however GMP has continued to increase annually, except for 2020 and 2021 due to Covid-19 restrictions. Data for the 2024 year is not available at the time of writing, however figure 4 shows GMP from January to June 2024.

Figure 4: GMP per year in New Zealand (2024 reflects Jan-June 2024, not full year)



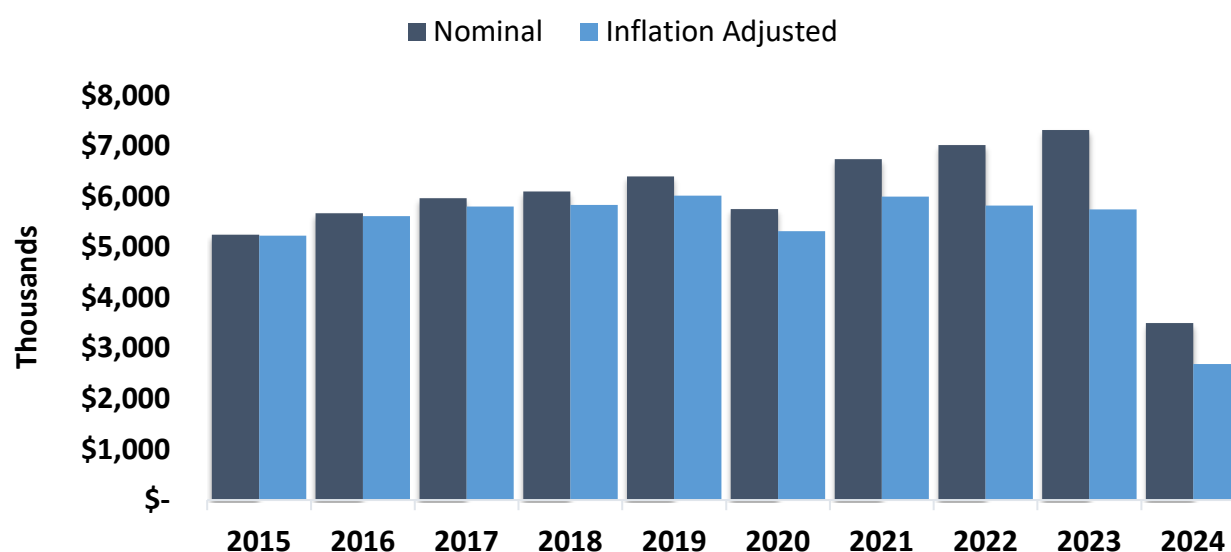
Gambling in Matamata-Piako

Gaming Machine Profits (GMP) in Matamata-Piako

Figure 5 shows the GMP generated in Matamata-Piako which has increased by 49.2% between March 2015 and June 2024 (not adjusted for inflation). This is higher than the national average increase of 35.7%.⁹

In Matamata-Piako the number of EGMs and venues has decreased, however GMP continues to increase. This is reflective of the national trend.

Figure 5: GMP per year in Matamata-Piako District (2024 reflects Jan-June 2024, not full year)



⁹ DIA, GMP Quarterly Dashboard (June 2024) retrieved Sept 2024 [gmp-quarterly-dashboard-march-2024.xlsx \(live.com\)](#)

Figure 6: Gaming machine profits in Matamata-Piako 2015 – 2023

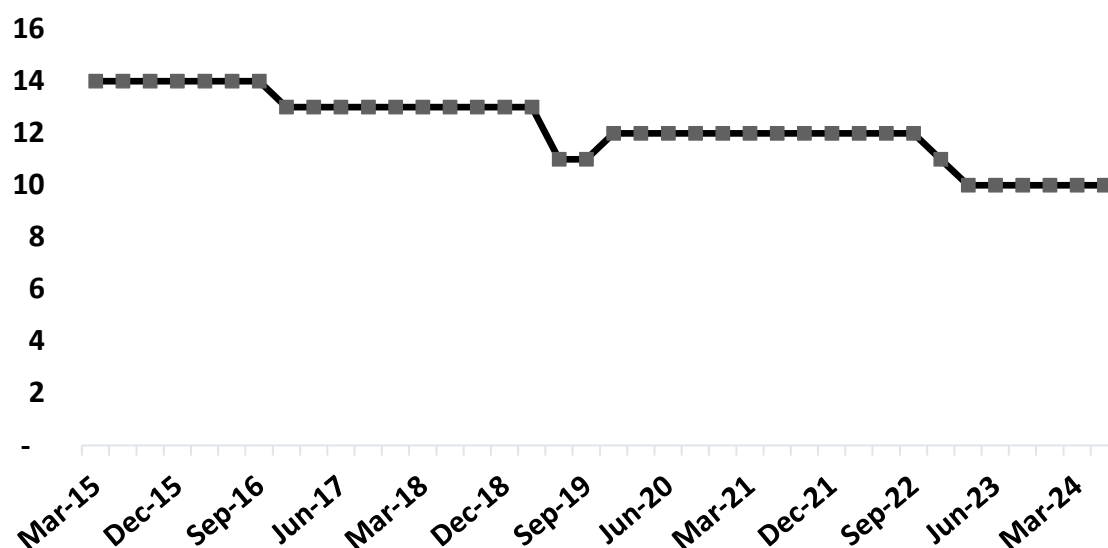
Year	GMP
2015	\$5,245,847.86
2016	\$5,672,270.54
2017	\$5,971,136.14
2018	\$6,100,986.11
2019	\$6,398,341.72
2020	\$5,752,078.03
2021	\$6,740,163.62
2022	\$7,017,258.23
2023	\$7,318,927.07

Class 4 Venues in the Matamata-Piako District

As at June 2024, there were 10 Class 4 gambling venues in the Matamata-Piako district. Figure 7 shows a decrease from of 2 venues since 2021 and a decrease of 4 venues since 2015.¹⁰ All venues operate the maximum number of venues they are consented to, except for Tahuna Tavern, which is allowed to operate up to 6 EGMs, but currently operates 3. Venues that were granted consent to operate EGMs on or before 17 October 2001 can operate a maximum of 18 machines in one venue. Venues that received consent after 17 October 2001 can operate a maximum of 9 machines in one venue.

Figure 7: Number of Class 4 venues (Matamata-Piako District)

Number of venues



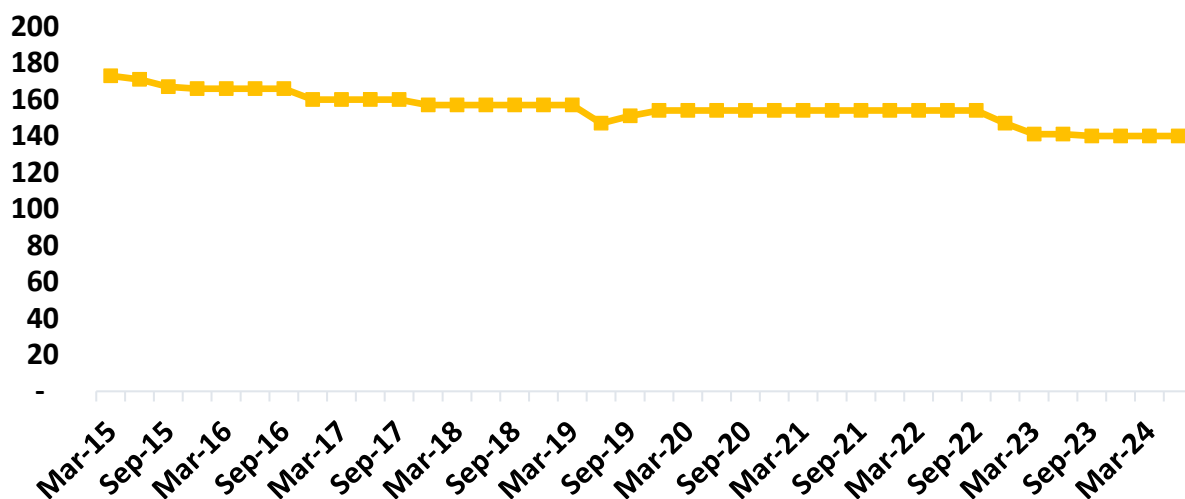
¹⁰ DIA, GMP Quarterly Dashboard (June 2024) retrieved Sept 2024 [gmp-quarterly-dashboard-march-2024.xlsx](https://www.dia.govt.nz/gmp-quarterly-dashboard-march-2024.xlsx) (live.com)

Gaming Machines in Matamata-Piako

As at June 2024, there are 140 EGMs in the district. This is a decrease of 14 machines since 2021 (154 EGMs) and a decrease of 27 since 2015 (167 EGMs).¹¹

Figure 8

Number of gaming machines



Gambling across Waikato Territorial Authorities¹²

As at June 2024, Matamata-Piako ranks eighth for the most EGMs and GMP out of the eleven Territorial Authorities in the Waikato. The percentage of GMP is not based on population.

Territorial Authority	GMP June 2024	% of GMP	# of venues	# of EGMs	2023 Census population	Policy
Hamilton City	\$7,096,538.75	23.08%	25	377	174,741	Sinking lid
Rotorua District	\$6,482,569.95	21.09%	24	354	74,058	Cap
Taupō District	\$2,924,287.26	9.51%	11	151	40,296	Cap
Thames-Coromandel District	\$2,874,909.82	9.35%	19	228	31,995	Sinking lid
Waikato District	\$2,632,763.48	8.56%	17	228	85,968	Sinking lid
Waipā District	\$2,484,532.96	8.08%	15	208	58,686	EGM cap
South Waikato District	\$2,020,887.52	6.57%	9	142	25,044	Sinking lid
Matamata-Piako District	\$1,878,113.28	6.11%	10	140	37,098	Per capita
Hauraki District	\$1,530,396.72	4.98%	9	119	21,318	Machine cap
Waitomo District	\$598,171.73	1.95%	4	50	9,585	Cap
Ōtorohanga District	\$219,830.27	0.72%	2	23	10,410	Sinking lid

¹¹ DIA, GMP Quarterly Dashboard (June 2024) retrieved Sept 2024 [gmp-quarterly-dashboard-march-2024.xlsx \(live.com\)](#)

¹² ibid

Figure 9: Current Venues and EGMs (Matamata-Piako District)

Venue	Society Name	Location	Deprivation score ¹³	No. Gaming Machines	Maximum Licensed Gaming Machines
Horse & Jockey Inn	The Lion Foundation 2008	Matamata	8	18	18
TRAC Sports Bar	Aotearoa Gaming Trust	Matamata	8	18	18
Matamata Club Incorporated	Matamata Club Incorporated	Matamata	8	18	18
The Top Pub & Eatery	Grassroots Trust Limited	Morrinsville	8	18	18
Nottingham Castle Hotel	The Lion Foundation 2008	Morrinsville	8	18	18
Town and Country Club Incorporated	The Town and Country Club Incorporated	Morrinsville	5	6	6
The Grand Tavern	Pub Charity Limited	Te Aroha	9	14	14
Palace Hotel	Grassroots Trust Limited	Te Aroha	9	18	18
Tahuna Tavern	The Lion Foundation 2008	Tahuna	7	3	6
Waihou Tavern	The Lion Foundation 2008	Waihou	6	9	9
Total:		10		140	143

¹³ June Atkinson, Peter Crampton, and Clare Salmond, *New Zealand Deprivation Index 2018, TA15* (University of Otago, March 31, 2021).

Impact of Gambling

Community Funding

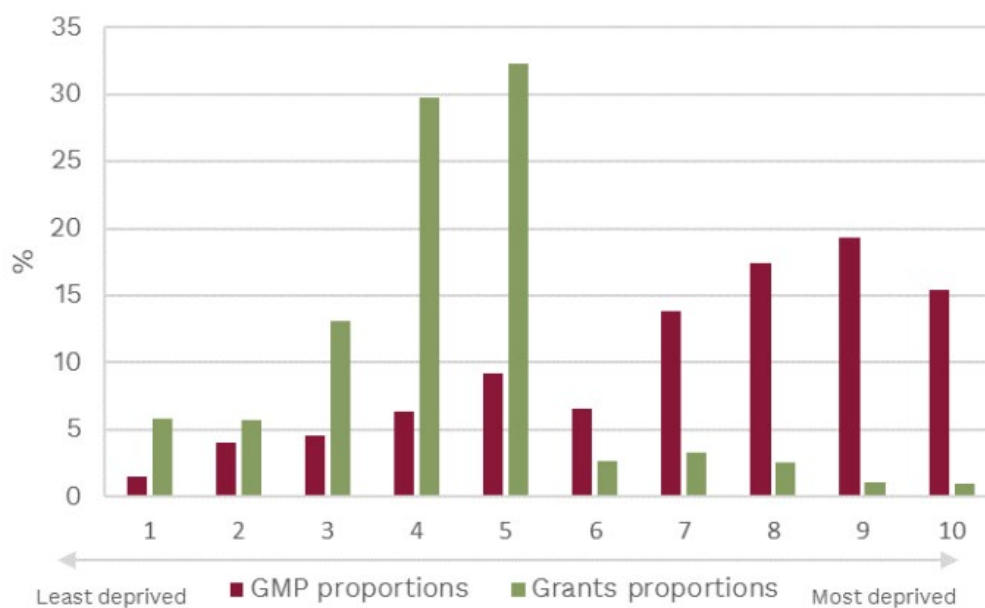
For many local community groups, GMP grants are essential sources of income. In 2023, \$345 million of GMP was distributed across 9,783 different organisations in Aotearoa New Zealand.¹⁴ It is important to note that GMP generated in a territorial authority is not required to go back to local groups in that territorial authority. The GMP grants are provided to organisations which cover multiple districts or national bodies, of which the benefit to Matamata-Piako is not able to be quantified.

In 2023, of the \$7.3 million of GMP generated in Matamata-Piako around \$1.6 million was returned to the community through grants. This means about 20% of the GMP generated in the district was put back into local groups and organisations.

The grants given to community groups are not fairly redistributed back into the communities they were generated from. 74% of the GMP in Aotearoa New Zealand is generated in areas of high deprivation, but 12% of the grants go back to those same communities.¹⁵

Figure 10: Where GMP is generated and where the GMP profits are distributed by deprivation score

Figure 3-1 The origin of GMP and the destination of grants, by socio-economic decile



¹⁴ [Granted - Digital tool](#). Retrieved August 2024

¹⁵ Cox, Hurren and Nana, *Assessment of the effects of Class 4 gambling on Wellbeing in New Zealand* (May 2020) p11 [Combined-BERL-2020-report-and-review-documents.pdf \(dia.govt.nz\)](#)

Corporate Societies

Corporate societies own the EGMs in the pubs and clubs. The owner of the pub, club or venue hosts the EGMs and gets a portion of each dollar put into an EGM.

The societies that own the EGMs are required under the Gambling Act 2003 to return at least 40% of the net proceeds to the community through grants. There is no legal obligation for grants to be directed back into communities that generated the profits.

Clubs

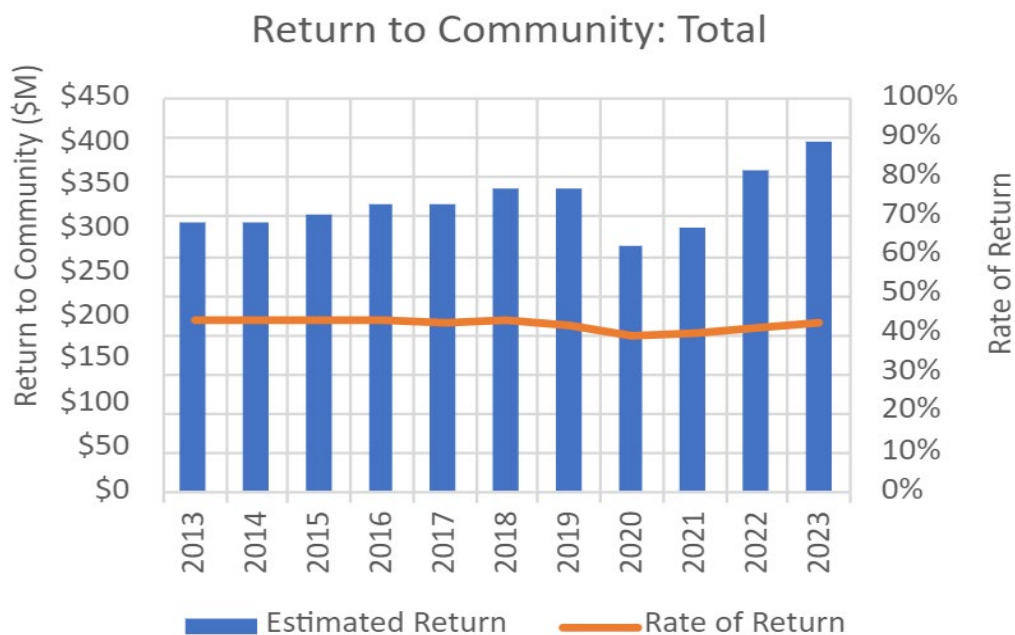
Clubs own the gaming machines and operate them at their own expense, and can use the GMP for their own purposes. There are two Clubs in Matamata-Piako; Matamata Club Inc and The Town and Country Club Inc.

TAB

The Racing Industry Act 2020 requires TAB to ensure profits benefit New Zealand racing long term and return funds to national sporting organisations.

The graph below shows the rate of return over time of societies (excluding TAB and clubs).¹⁶

Figure 11



¹⁶ DIA (2024), *Class 4 Gambling Key Performance Indicators*. [Class 4 Gambling Key Performance Indicators - Dataset - data.govt.nz - discover and use data](https://data.govt.nz/discover-and-use-data)

Entertainment

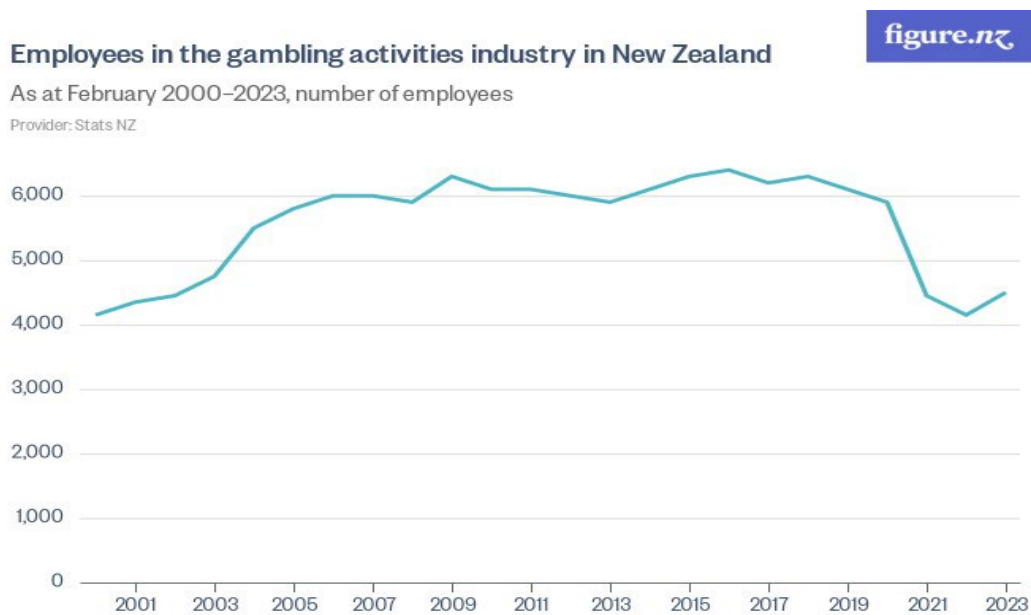
EGMs are designed to create a feeling of 'flow' that stimulates dopamine in the brain through fast-paced game play, audio-visual effects, and rewards (such as losses disguised as wins, bonuses, near misses, free spins, and bonus games). These effects and brain stimulation encourage players to spend more time and money.¹⁷

For most people, the 'flow' created by EGMs does not cause harm and can be a source of entertainment at the local pub or club. The entertainment provided by EGMs can draw people to the venue and encourage local spending on food and beverages as all the venues in Matamata-Piako also have licenses to sell alcohol and food.

Employment

The venues that have EGMs hire staff who live locally or nearby who also contribute to the local economy. There is no data to show how many people are employed in Matamata-Piako as a result of Class 4 and TAB activities only. Figure 12 shows the number of employees across Aotearoa New Zealand who work in the gambling industry, which includes all gambling forms (Lotto, TAB, casinos, Class 4 gambling).¹⁸

Figure 12



¹⁷ Rimal et al., Perspectives from gambling expert stakeholders in relation to electronic gaming machines in New Zealand (Oct 2023) p1 [Perspectives from gambling expert stakeholders in relation to electronic gaming machines in New Zealand - ScienceDirect](#)

¹⁸ Figure NZ, Employees in the gambling activities industry in NZ (Oct 2023) [Employees in the gambling activities industry in New Zealand - Figure.NZ](#)

Harm

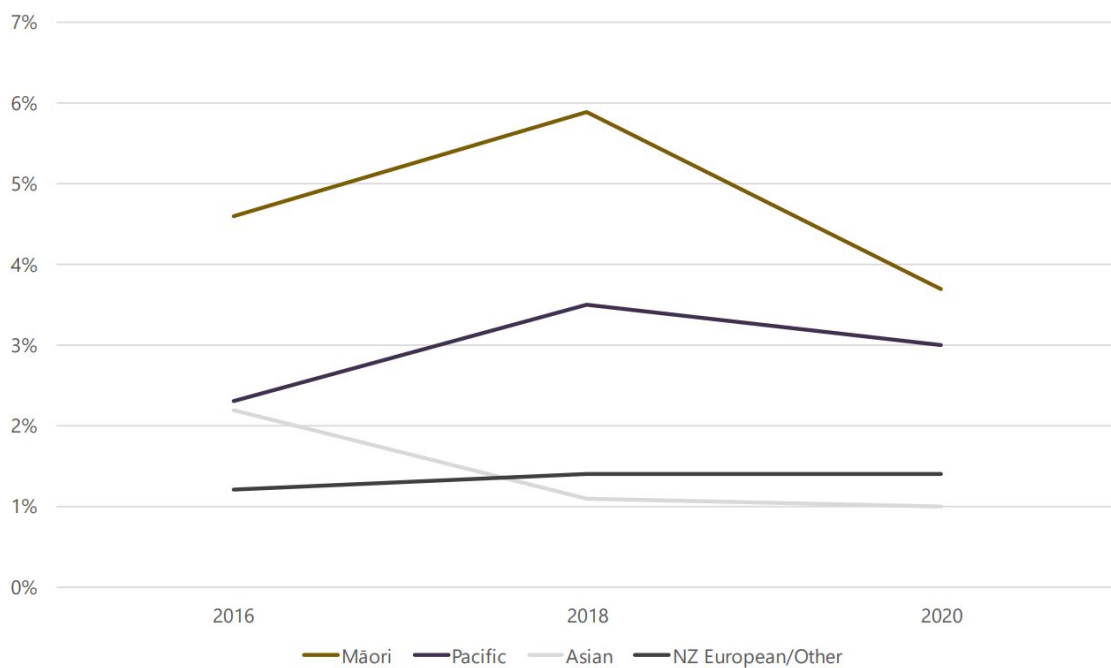
Despite gambling being a form of entertainment for the overwhelming majority of people, gambling and EGMs still cause harm. The 2020 HLS shows that 1.6% (or 65,000 adults) are moderate or problem gamblers.

While this is relatively low, the impacts of gambling harm are wide reaching. The 2020 HLS also shows that 50.3% of those who played EGMs in pubs or clubs at least once a month experienced some level of gambling harm.

Problem gambling does not just impact the individual. 1 in 5 adults in Aotearoa New Zealand (22%) are impacted by their own or someone else's gambling in their lifetime. Harm may include damage to relationships, emotional and psychological distress (including stress and anxiety), disruptions to work or study, and loss of income, which can negatively impact family, whānau and community. Gambling may also contribute to child neglect and family violence.¹⁹

Research also shows Māori are 3.13 times more likely to experience gambling harm and Pacific Peoples are 2.56 times more likely. According to the 2023 Census, 18.6% and 2.6% of Matamata-Piako District's population are Māori and Pasifika respectively.²⁰

Figure 13: Prevalence of moderate-risk or problem gambling harm by ethnicity



¹⁹ Rockloff, M., Bellringer, M. E., et al., (2022), *Life Course and Legacy Gambling Harms in New Zealand*. P29

²⁰ Malatest International and Sapere, *Gambling Harm Needs Assessment 2024* (April 2024) p38.

The 2018 and 2020 HLS show the rates of youth (aged 16-24) participation in gambling remained relatively unchanged at around 45.7%. Another study in 2019 of youth (year 9 to 13) gambling in New Zealand found that of the 7,891 young people surveyed, 1 in 3 secondary school students in New Zealand had been involved in gambling at some stage.²¹ The most common forms of gambling cited by young people was betting with friends or family (25%) and Instant Kiwi (11%). The least common form being gambling on a mobile phone (2.6%).

The gambling rates between men and women are largely the same. Women had the same participation rates in Lotto as men however, women had lower participation rates across all other forms of gambling compared to men.²²

Figure 14

Format	Men	Women
Lotto	58.9%	59.4%
Pokies	12.5%	9.4%
Betting	14.5%	7.3%
Online	29.7%	23.8%
Total gambling participation	69.2%	69.5%

Online Gambling

Remote interactive gambling, or offshore online gambling, and offshore gambling advertising is illegal in Aotearoa New Zealand under Section 9 of the Gambling Act 2003. However, it is not illegal for New Zealanders to engage with offshore online gambling websites and apps. It is estimated that spending increased from \$139.3 million in 2014 to \$332.6 million in 2022.²³ Council has no jurisdiction over online gambling however, it is important to acknowledge the impact online gambling may have on its communities.

The 2020 HLS shows what forms of gambling different ethnicities engage in. It found that NZ European are more likely to purchase Lotto products (64.1%) and participate in online gambling (29.2%), while Māori are more likely to use pokies (18.4%), participate in race betting (13.6%), and online gambling.²⁴

There are two authorised providers of online gambling products in New Zealand; Lotto NZ and TAB NZ. These providers allow people to purchase Lotto tickets through the MyLotto app or Lotto website and place bets on TAB NZ products. During the 2020 lockdown, 26.7% of New Zealanders took part in online gambling, with 23.5% purchasing MyLotto tickets.²⁵ It is important to note that Lotto NZ had a historically high Powerball jackpot must win prize of \$50 million in 2020.

TAB has a betting monopoly under the Racing Industry Act 2020. Despite the monopoly, TAB has seen a decrease in expenditure in both 2022 and 2023. TAB estimates that \$150

²¹ [Youth19 \(squarespace.com\)](https://youth19.squarespace.com)

²² Malatest International and Sapere, Gambling Harm Needs Assessment 2024 (April 2024) p39.

²³ Bevin, A. (2022, October 10). Online gambling products 'aggressively' targeting NZ. Newsroom. <http://newsroom.co.nz/2022/10/10/online-gambling-aggressively-targeting-new-zealand/>

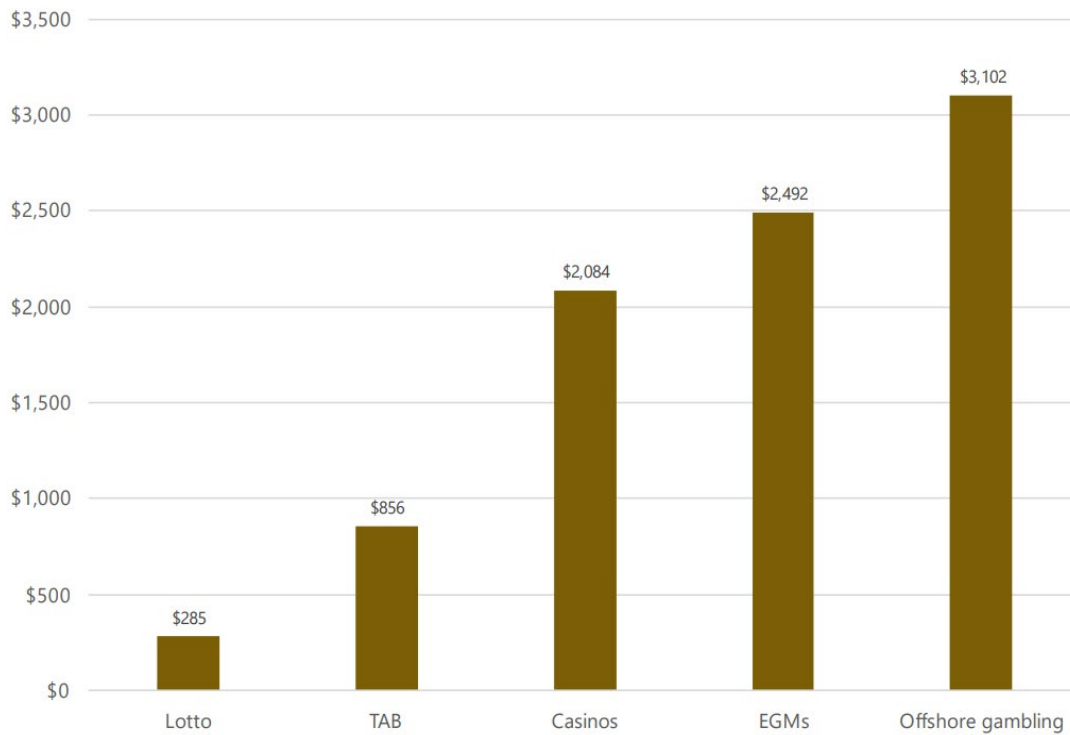
²⁴ Malatest International and Sapere, Gambling Harm Needs Assessment 2024 (April 2024) p20

²⁵ 2020 HLS

million was lost to offshore-based operators in 2022. As offshore operators are unregulated and are not required to return money to local communities.²⁶

Figure 15 shows how much was spent per player in 2020 on each gambling mode. It is important to note the impact of the Covid-19 pandemic, which limited the ability for people to go to pubs and clubs with EGMs.²⁷

Figure 15



²⁶ TAB Annual Report 2022 (2022), p3

²⁷ Malatest International and Sapere, Gambling Harm Needs Assessment 2024 (April 2024) p57

Interventions

A budget of \$42.6 million is proposed for intervention services from 2025/26 to 2027/28 in the Ministry of Health’s draft gambling harm prevention strategy.²⁸ In the 2022/23 to 2024/25 strategy, \$34.2 million was budgeted for just clinical intervention and support services, with a total of 76.1 million budgeted for gambling prevention and minimisation.²⁹

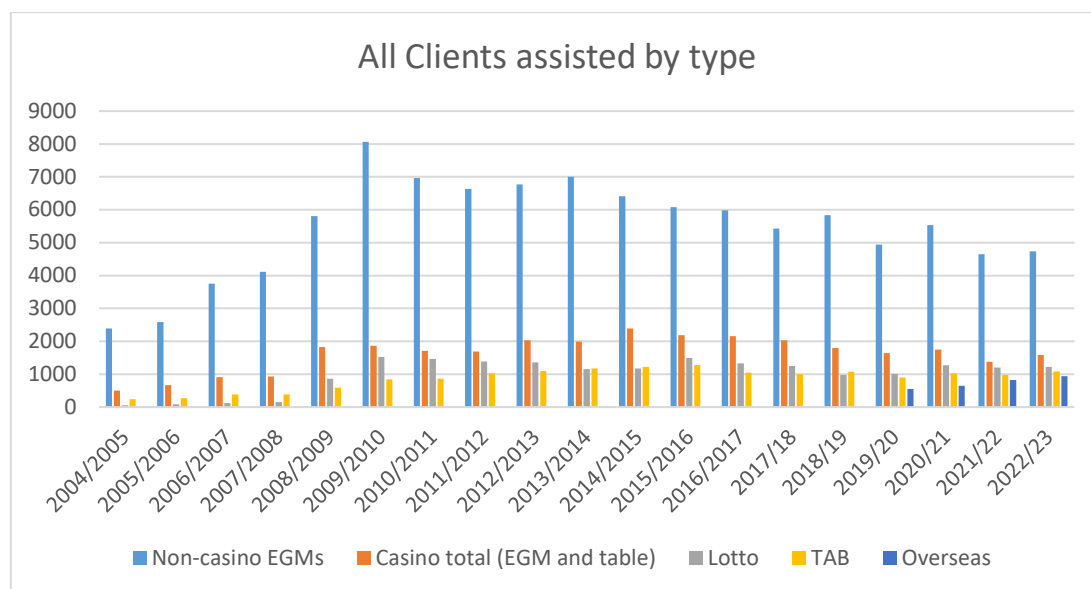
In Matamata-Piako two (2) people in the district sought ongoing gambling intervention in 2023, but there were zero (0) new clients. The low number of interventions can be helpful to understand how prevalent problem gambling is in the district. However, interventions do not show the full levels of harm caused by gambling as the Ministry of Health notes that only 16% of potential clients who are moderate or problem gamblers actually access these services.³⁰

There is no in-person gambling specific support service in Matamata-Piako, with the closest being in Hamilton. There are alternatives available such as 24/7 phone helplines, online support, services through local GPs, and counselling providers. Barriers such as travel, internet connection, money, and shame means the number of clients assisted may not reflect the true prevalence of gambling related harm in Matamata-Piako.

In 2022/23, the most common gambling mode reported by almost half of all clients receiving intervention services was Class 4 EGMs (45.6%), followed by Lotto NZ products (11.8%) as shown in figure 16.³¹

The highest proportion of clients receiving support excluding brief interventions identified as Other (37.2%), Māori (30%), Pacific (16.7%) and Asian (16.1%).³²

Figure 16: includes returning clients, new clients, and family members affected by gambling and combines casino table and EGM clients.



²⁸ *Appendices Strategy to Prevent and Minimise Gambling Harm 2025-26 2027-28 Consultation 1.pdf (health.govt.nz) p38 Table A5.3

²⁹ Strategy to Prevent and Minimise Gambling Harm 2022/23 to 2024/25 (health.govt.nz) p62

³⁰ Ministry of Health (2019) Strategy to Prevent and Minimise Gambling Harm 2019/20 to 2021/22, p46

³¹ Ministry of Health, Gambling harm intervention services data | Ministry of Health NZ

³² Ministry of Health, (2024) Gambling Harm Intervention Services Data

Figure 17: Clients assisted by client type (excluding brief interventions) New Zealand wide³³

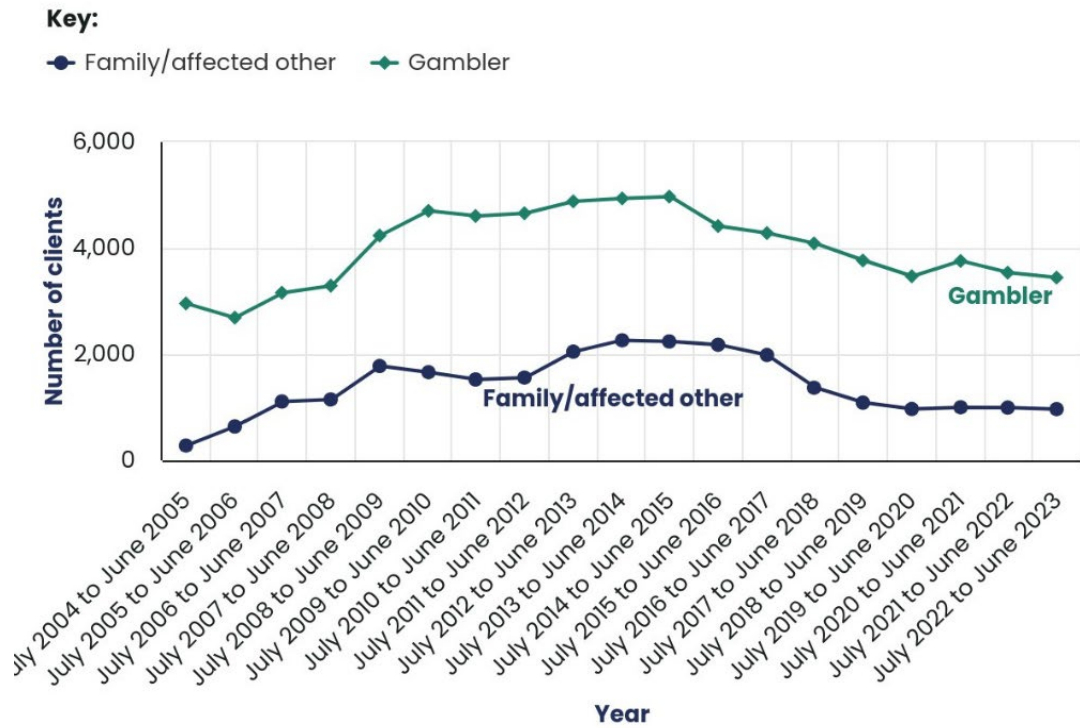
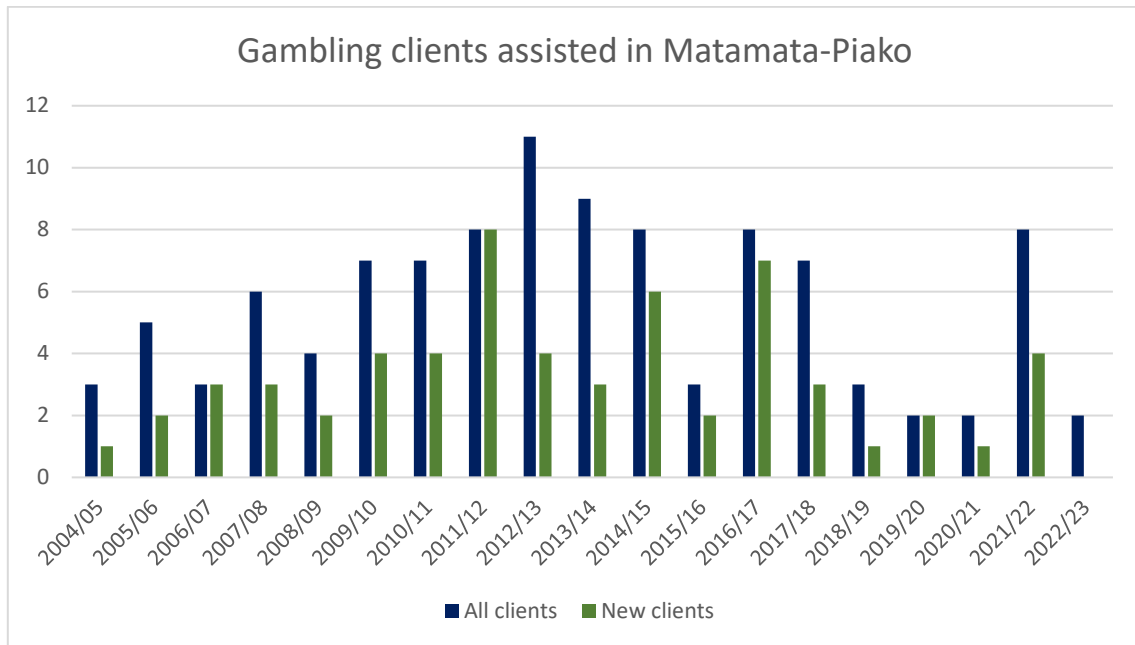


Figure 18



³³ Ministry of Health, (2024) *Gambling Harm Intervention Services Data*

TAB NZ

TAB NZ has two authorised purposes:

- a) to facilitate and promote betting; and,
- b) subject to ensuring that risks of problem gambling and underage gambling are minimised, to maximise:
 - i. its profits for the long term benefit of New Zealand racing; and,
 - ii. its returns to New Zealand sports in accordance with agreements entered into under sections 79 and 80 of the Racing Industry Act 2020.

How the TAB NZ System Works

TAB NZ is a statutory body established through the Racing Industry Act 2020 and is the sole betting provider for racing and sports in New Zealand. TAB outlets can be stand-alone (dedicated TAB store), or operate within pubs or clubs. There are around 50 TAB stores (outside pubs and clubs) across Aotearoa New Zealand.

Board Venues

TAB Venues are properties owned or leased by TAB NZ where the main business carried out is racing and sports betting that is often sport and animal racing focused. TAB Venues can also operate Class 4 gaming machines.

TAB Grants

TAB has determined that at least 80% of its net proceeds shall go to its own purposes and 20% shall go to communities in Aotearoa New Zealand in accordance with its Sports Authorised Purpose.

The TAB NZ 2022/23 annual report notes that there was a total turnover of \$2.7 billion and returned \$17.5 million to communities through 'Racing' and 'Sports' Authorised Purposes.³⁴

Figure 19: TAB betting turnover and betting and gaming machine turnover for 2023

TAB turnover	2021 \$000	2022 \$000	2023 \$000
Betting turnover	\$2,562,611	\$2,537,621	\$2,194,826
Betting and Gaming turnover	\$3,076,168	\$2,928,106	\$2,669,907

The grants distributed from TAB to community groups within the Matamata-Piako are shown in figure 20.

Figure 20: TAB Grants to Matamata-Piako District 2023.³⁵

Year	Total TAB granted nationally	Amount MPDC received	Percentage of overall TAB grants given to groups in Matamata-Piako District
2023	\$15,308,892	\$19,291	0.13%
2022	\$16,216,737	\$41,678	0.26%
2021	\$17,906,610	\$28,320	0.16%

³⁴ TAB 2022/23 Annual Report

³⁵ [Granted - Digital tool](#)

Policy Options

Class 4 Gambling Venue Policies set by Councils must consider the balance between harm minimisation and community benefit (such as community funding and employment) when setting its Policy.

Many Councils have a cap of some form on the number of gambling venues and/or EGMs. The three most common caps used by Councils are:

Absolute cap

An absolute cap sets the maximum number of venues and/or EGMs that may operate in the district at one time. Once the cap is reached, Council would not allow any more venues or machines to operate until another venue closed down.

Per capita cap

The per capita cap sets a machine and/or venue cap in ratio with the population per town in the district. As each town's population changes, so does the number of gambling venues and pokie machines that are allowed to operate.

Sinking lid

This aims to reduce the number of venues and EGMs over time by not issuing any new consents or licenses to new operators or venues. If one venue closed, a new venue could not take its place.

The effectiveness of the three Policy options available to Councils was assessed by Auckland University of Technology in 2018. This review found that sinking lids and per capita were equally the most effective at reducing GMP. However, there was inconclusive evidence regarding whether Policies had any impact on social harm caused by gambling based on the use of gambling intervention services.³⁶ Sinking lids have been implemented by 55% of Territorial Authorities across the country, however the implementation of these Policies has not resulted in a reduction in GMP. This does not necessarily mean a sinking lid is ineffective in reducing gambling harm, but it is one tool that can contribute to a range of measures that seek to reduce gambling harm.

Relocation and club mergers

The Gambling Act 2003 enables Council to consider the inclusion of a relocation policy within its Gambling Venue Policy. Council implemented a relocation policy in 2016 and could keep this in place or remove the clause, meaning venues would not be able to relocate to a new venues under any circumstances.

TAB Venue Policy options

Council can set how many standalone TAB venues may operate in the district, or not allow any standalone venues to operate. Council may also set restrictions as to where venues may be located.

The 2022 Policy allows for up to one venue to be established per township in the district (one in Matamata, one in Morrinsville, and one in Te Aroha).

³⁶ Erwin et al., (2020), *Capping gambling in NZ: The effectiveness of local government policy intervention*, p30

Conclusion

This assessment shows that around 65,000 people in Aotearoa New Zealand are moderate or problem gamblers and one in five New Zealanders are impacted by their own or someone else's gambling. Most of the gambling profits are generated from 11% of New Zealanders who use EGMs, with a majority of EGMs being in areas of high social deprivation across the country.

In Matamata-Piako, seven of the ten venues in the district with EGMs are in areas with a social deprivation score of 7 or higher and GMP has continued to increase each year (with 2020/21 and 2021/22 due to Covid-19 restrictions). Despite the increase year on year, Matamata-Piako has the eighth highest GMP out of the eleven Territorial Authorities in the Waikato region, and has a consistently low number of clients seeking gambling interventions. The number of EGMs in the district has declined since 2021, meaning the availability of gambling has reduced, but this has not resulted in a decrease in GMP. This shows that the reduction in EGM availability does not directly impact GMP in Matamata-Piako, which reflects the national trend of EGM reduction and GMP increase.

While EGMs cause harm, they also have some social and economic benefits. EGMs are a source of entertainment and the venues that have EGMs provide employment opportunities. The GMP generated from EGMs provides essential grant funding to local groups like schools, health services, and sports clubs that support social, economic and physical wellbeing.

The impact of gambling in the Matamata-Piako district based on the data available is relatively low and there is not significant change in gambling harm since the last review in 2022.

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Feedback from groups 2024

Council notified a range of groups, organisations, and individuals about the upcoming review of its Gambling and TAB Venue Policies, and invited these groups to provide any feedback they would like Council to consider during the review. The feedback received is below.

Problem Gambling Foundation (PGF)

PGF provides mainstream gambling harm treatment and public health services, which includes nationwide free counselling, advice and support to gamblers and their families.

PGF notes:

- That Matamata-Piako had the eighth highest GMP loss per adult in the Waikato (\$280.58 in 2023).
- That despite the low number of gambling interventions in the district, this does not reflect the true levels of gambling harm.
- Gaming machine profits have increased despite the decline of gambling venues and machines in the district.

PGF recommends:

- Adopting a sinking lid which includes the following three provisions:
 - A ban on any new venues – no permit to be given to operate any new Class 4 gambling venues in the Council area if that venue proposes having pokies, including TAB venues;
 - No relocations – if a venue with EGMs closes for any reason, the Council will not permit the pokies to be relocated to any venue within the Council area; and
 - No mergers – the Council will not permit any merging of Class 4 pokies to one venue under any circumstance.

Gaming Machine Association New Zealand (GMANZ)

GMANZ is an incorporated society that represents the gaming machine sector in New Zealand. This includes the societies, venues, operators, tech experts and employees in the gambling industry.

GMANZ notes:

- The reasons for an increase or decrease in problem gambling are complex and multi-faceted, and are not the direct by-product of an increase or decrease in machine numbers.
- The decline in gambling venues and machines in the district, and highlights the extremely low number of gambling interventions in Matamata-Piako for all gambling types.
- The New Zealand problem gambling prevalence rate over time bears no correlation to the number of gaming machines operating in New Zealand.

The Association recommends:

- The Policies should be rolled over without formal consultation.

If Council does consult, the Association recommends:

- Remove the requirement to consult affected parties.
- Remove the timeframe for Council to respond with its decision to approve or reject an application within 30 working days in the Policy as it does not allow a further consultation process.

New Zealand Community Trust (NZCT)

NZCT is the largest gaming trust in the country with 13% of the market share and operates EGMs and venues throughout the country. There are currently no venues or EGMs in the district operated by NZCT, however in 2022 the Trust granted \$19,255 to local groups in the district.

NZCT notes:

- Class 4 funding indirectly support Council via the millions of dollars of grants awarded to community groups.
- There is no evidence that sinking lids have made a positive contribution to harm minimisation.
- The exposure to gambling machines has reduced by 50% between 2003 and 2023, however there has been no discernible change in problem gambling prevalence in New Zealand according to the Ministry of Health.

NZCT recommends:

- Keep the current cap and relocation policy

The Lion Foundation

The Lion Foundation is a charitable trust that has gambling venues and machines across the country. Four of the venues in the district operate gaming machines owned by the Lion Foundation. The money that people spend playing pokies goes to societies like the Lion Foundation who are required to return at least 40% of the profits to local communities.

The Foundation recommends:

- No changes to the current Policy.
- No changes to the relocation clause.

Grant recipients

Several organisations in the district that receive grants have expressed the importance of the grants as they help pay for things like rent, equipment, staff wages and events.

These groups recognise the harm gambling can have, but emphasise the important role gambling grants play in community wellbeing. They advocate for a balanced approach that allows gambling to continue in the district, as it is a source of entertainment and is an important funding source, while also having some control over gambling availability and promoting safe gambling practices.

The grant recipients who provided feedback are as listed below:

Piako Gym

Morrinsville Sports

Morrinsville Golf Club

Matamata Musical Theatre

Matamata Community Patrol

Tui Park Bowling Club

Te Aroha Croquet Club

Morrinsville Intermediate School

Feedback from early engagement in-person events

Council organised pop-in sessions with the local community at each of the three main towns in October 2024 where people stopped by the pop-in events to talk to staff in person to talk about gambling and provide feedback on the Gambling Venue Policy.

Some people requested Council ensures grant funding is not impacted by a cap as they are important for schools and community groups that contribute to wellbeing in the district. Others advocated for not allowing any more gaming machines into the district, as they have seen members of the community use the machines for hours at a time and spend their income on the machines.