



## **Territorial Local Authority Community Funding and Policy Development Project**

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The Gambling Act 2003 authorises class 4 gambling (which includes all machine gambling) exclusively for authorised purposes under Sec 52 (b) which are defined as (i) a charitable purpose, (ii) a non commercial purpose that is beneficial to the community or (iii) promoting, controlling and conducting a race meeting under the Racing Act 2003. On this basis, charitable (not-for-profit) gambling trusts in New Zealand collect approximately NZ\$1 billion through gambling machines and distribute approximately 37.1% of this money to the community. This system has been questioned with respect to the transparency with which decisions regarding the distribution of this money to the community are made. At present these decisions are made by trust-appointed trustees without community accountability.

### **Purpose of the Project**

In this study the planning departments of the 83 Territorial Local Authorities (TLAs) in New Zealand were contacted by e-mail with two questions about gambling with relevance to the community. TLA's were contacted as they are bodies accountable to their communities through the electoral process and have responsibility for setting gambling policies in their area through a process of community consultation. The respondents were asked to respond from the perspective of the planning department as it was recognised that most TLA gambling policies would not specifically address the questions posed in this survey. Thirty-eight of the TLA's (46%) replied to the survey. Where returned surveys were incomplete the data provided in the completed areas have been used.

The two questions put to the TLA planners were:

**1. What information do you like when developing gambling policies? Twelve possibilities were attached which included an “other” section.**

and

**2. As a first step to establishing the perceived need for community funding we would appreciate you rating the following as high, medium or low for your area. Fourteen possibilities were attached which included an “other” section.**

## **Results**

### **Information that could assist in the development of gambling policy**

The responses to question one indicated that most TLAs wanted most of the information suggested with an emphasis on information from their specific locality.

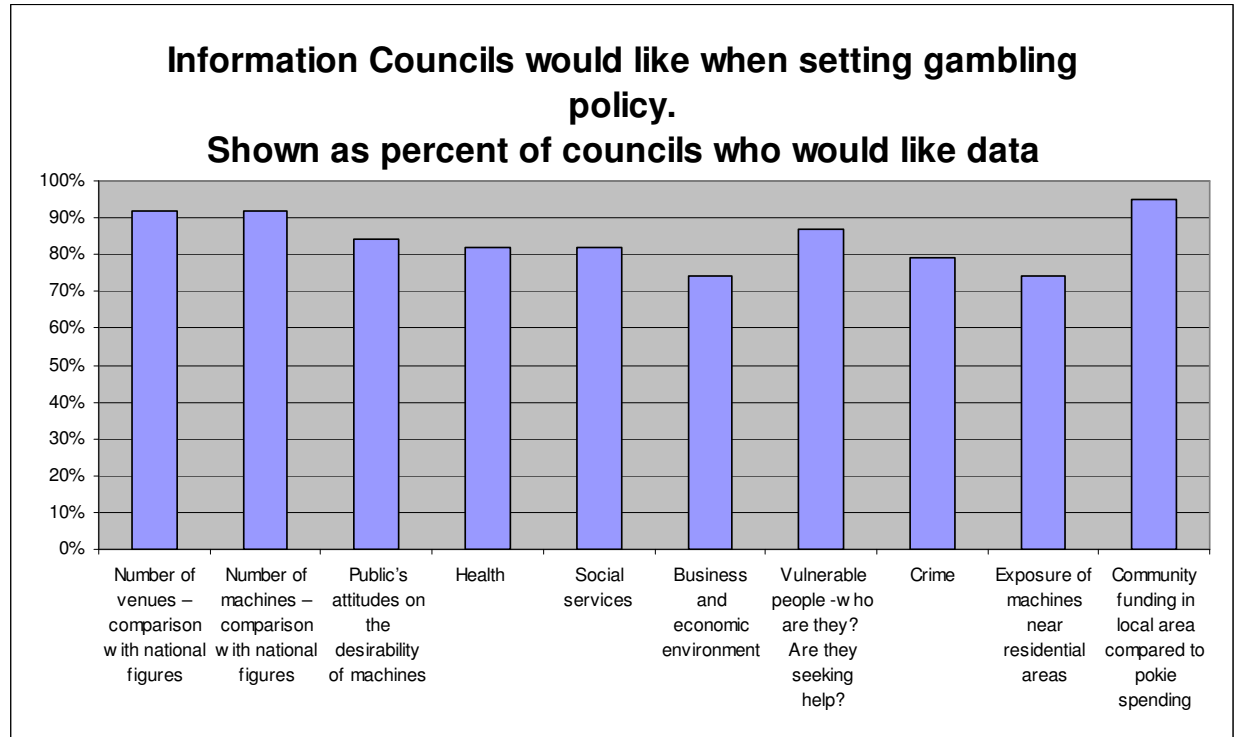
The responses in the “Other” category indicated other information that may be helpful for TLAs. These are copied verbatim and without interpretation below.

### **Responses to the “Other” category: Question 1**

1. Attitudes need to be gauged at the local level not nationally
2. Cultural
3. Pokie spending should be advised as actual dollars invested not turnover
4. Would want the "national figures" data to be by TA so that I can compare both with neighbours and similar sized authorities
- 5 Total local input to machines vs. total funding to local charities
6. Break downs of above stats would be much more useful if divided up into the various communities within the district. Nice to have u ask
7. Available help with government agencies and NGOs
8. How much of the gambling dollar is spent using pokies versus other forms of gambling?  
Be able to compare not just with national figures but as much as possible with other local authorities.
9. How many people gamble in our district and of those how many are problem gamblers
10. Impact reducing access to pokies has on gambling e.g. how much does it reduce problem gambling?
11. Density of machines/venues per population
12. Number of people self excluded or banned from premises
13. Comparisons of monies spent of pokies vs. Lotto and TAB etc

The following graph shows the proportion of respondents asking for each of the categories of information attached to this question.

**Graph One**

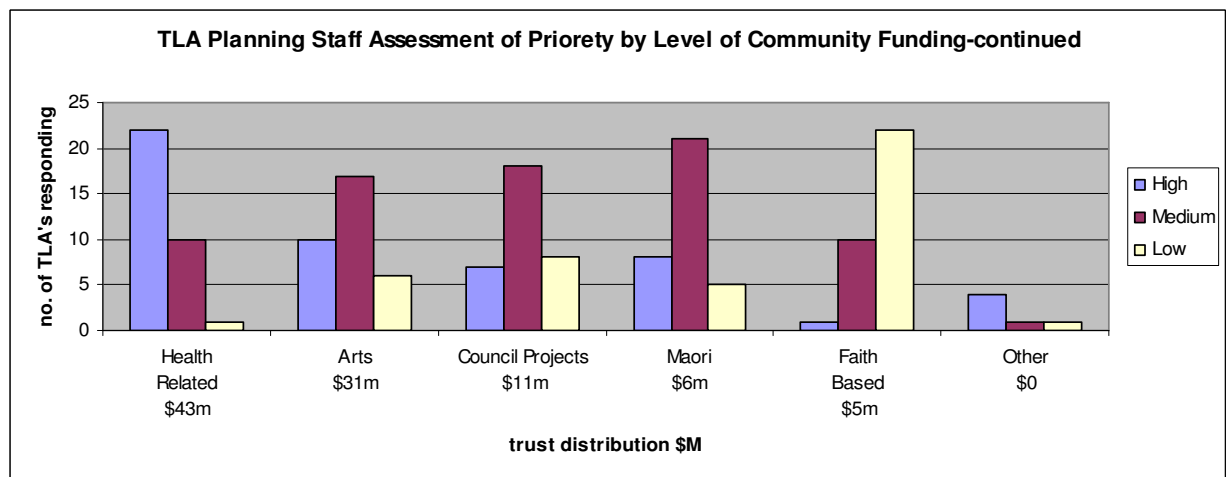
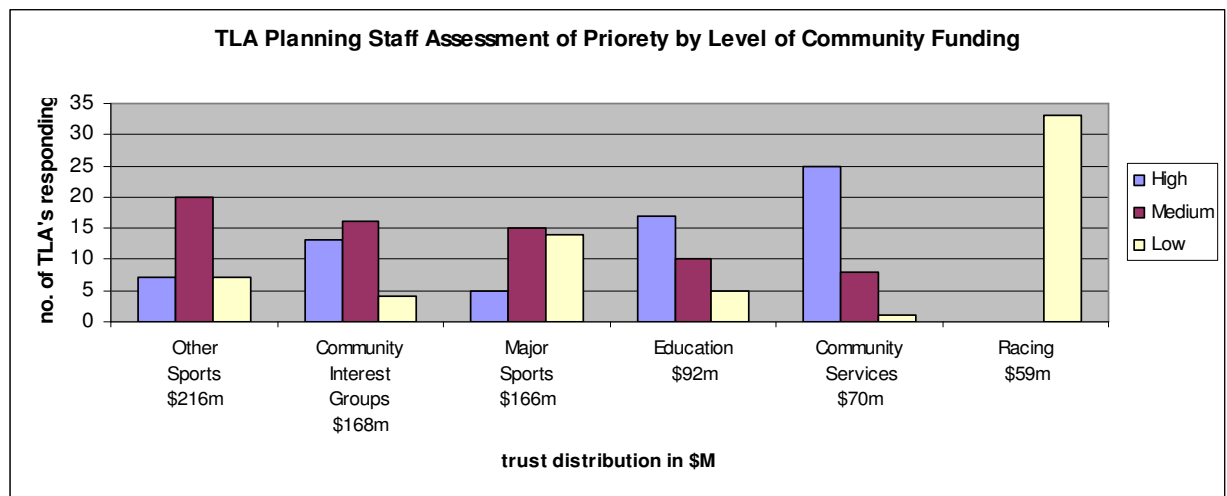


**TLA Staff Perceptions of Priority Areas for Community Funding**

In question two, respondents made a personal rating of their perception of the priority of each of the attached community areas for funding in terms of high, medium or low. As noted above, these are the personal ratings of the TLA staff in planning departments, so this represents the opinions of those who develop policy not the official positions of the TLA. These perceptions are compared to the actual PGF data on the amount of charitable trust community funding (in NZ\$m) applied to each funding area. The comparisons between priority and level of funding are displayed in the graph below which has been split to fit the page.

This graph shows the number of TLA responses rating each community area currently receiving funding as either high medium or low priority from the TLA perspective. The funding areas are arranged from those receiving the highest value of grants to those receiving the lowest when read from left to right.

**Graph Two**



Graph two indicates that there is a substantial mismatch between the priorities for community funding as perceived by TLA planning staff responding to this survey and the priorities of the Charitable Trusts making these funding decisions as indicated by the actual distribution of funds.

The areas rated highest priority by over half the TLA staff who replied are health related, community services and education. While these areas are respectively seventh, fifth, and fourth in terms of distribution of funds and all three of these areas combined receive the same amount as the highest priority area for the Trust, which is the “other sports” category. The “other sports” category currently receives the highest level of community funding from gambling, but the respondents to this survey rated it as the eighth priority for community funding.

Another area of community funding, horse racing, is the sixth largest recipient of funding and is rated as the lowest funding area by all TLA respondents.

## **Conclusions**

These data suggest that TLA planning staff would see benefits from both changes in the information they are given by stakeholders in the gambling area when TLAs are developing policy and in the areas which receive gambling generated community funding.

At present during the policy setting process TLAs carry out a range of community consultations and are given extensive information by both the gambling industry and organisations concerned with problem gambling, such as the Problem Gambling Foundation and Gambling Watch. The TLA planning staff, however, have identified very specific areas of information that these groups could include in their submissions to assist in the development of policy. This information might also be augmented by an independent telephone survey of a sample of residents in their region. Any such survey would have to be independently run and presumably funded as part of the Ministry of Health's plan for minimising gambling harms.

TLA staff have also identified the priority areas for community funding in their regions. At present the Charitable Trusts that operate gambling gather this money and disburse a portion of it to various community groups. This distribution is carried out on the basis of the Trusts individual trust deed which in turn reflects the interests of the original trustees who set up the trust. This funding process has been criticised as lacking accountability to the communities from which the money is raised. These results suggest that this criticism may be well-founded as the TLA staff responsible for developing policy have rather different views on the community areas needing funds than the trustees of charitable trusts who at present disburse these funds.