

Yachting New Zealand Commodores Conference

9 June 2018





## Class 4 as part of total sport funding

## National and Local Government \$1.5B (58%)

- Territorial Authorities \$700m
- Tertiary \$300m
- Conservation \$167m
- Primary Ed \$136m
- Secondary Ed \$100m
- Sport NZ \$80m
- Health \$10m
- ACC \$10m
- MBIE \$5m

### **Statutory Organisations**

\$0.22B (8%)

- Gaming \$120m
- Lotteries Sport NZ \$50m
- Community Trusts \$20m
  - Energy Trusts \$10m
- Lotteries facilities \$10m
  - NZRB \$10m
  - Licensing Trusts \$1m
    - Casinos \$1m

\$2.6B

### **Participants**

#### \$0.67B (26%)

- Participation charges \$296m
- Subscriptions \$193m
- Tuition fees \$93m
- Admission and hire of equipment \$93m

#### **Business and Personal**

\$0.22B (8%)

- Commercial \$145m
- Donations/b equests \$75m

## Class 4 as part of liquid funding

## National and Local Government \$0.1B (8%)

- Sport NZ \$80m
- Health \$10m
- ACC \$10m
- MBIE \$5m

Liquid \$1.2B

### **Statutory organisations**

\$0.22B (18%)

- Gaming \$120m
- Lotteries Sport NZ \$50m
- Community Trusts \$20m
  - Energy Trusts \$10m
- Lotteries facilities \$10m
  - NZRB \$7m
  - Licensing Trusts \$1m
    - Casinos \$1m

### **Participants**

\$0.67B (56%)

- Participation charges \$296m
- Subscriptions \$193m
- Tuition fees \$93m
- Admission and hire of equipment \$93m

### **Business and Personal**

\$0.22B (18%)

- Commercial \$145m
- Donations/bequests \$75m

# Gambling expenditure Long history

- Over \$2b spent on gambling every year
- Lotto, raffles, instant kiwi most common forms
- Most spent on class 4 \$2.2m every day
- Was largely deregulated until Gambling Act 2003
- 2004-2016 gaming decrease in:

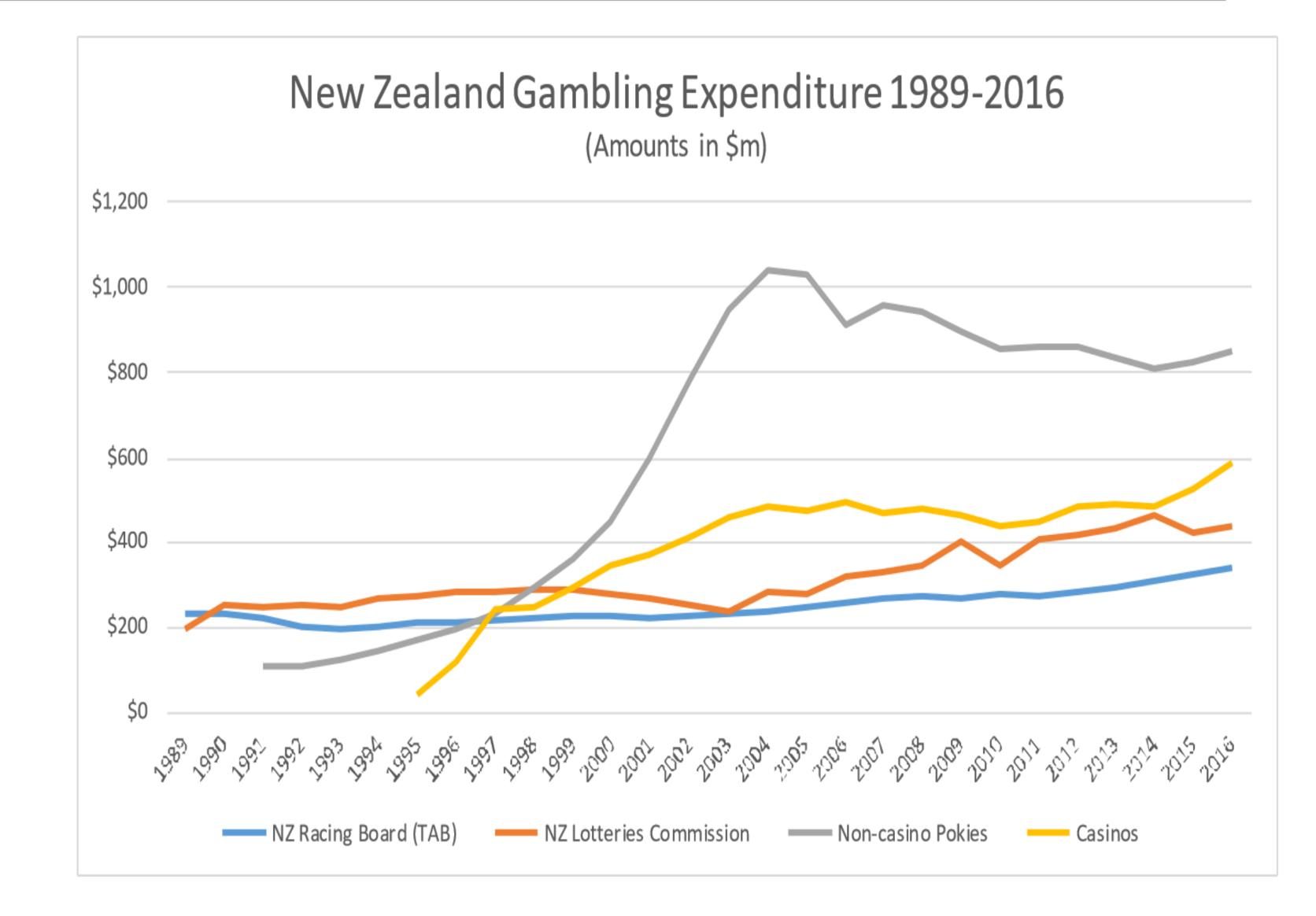
Venues 42% (2,100-1,200)

Machines 32% (23,800 - 16,300)

Revenue 40% (\$1.3b – \$818m)

Return to community 32% (\$384m - \$262)

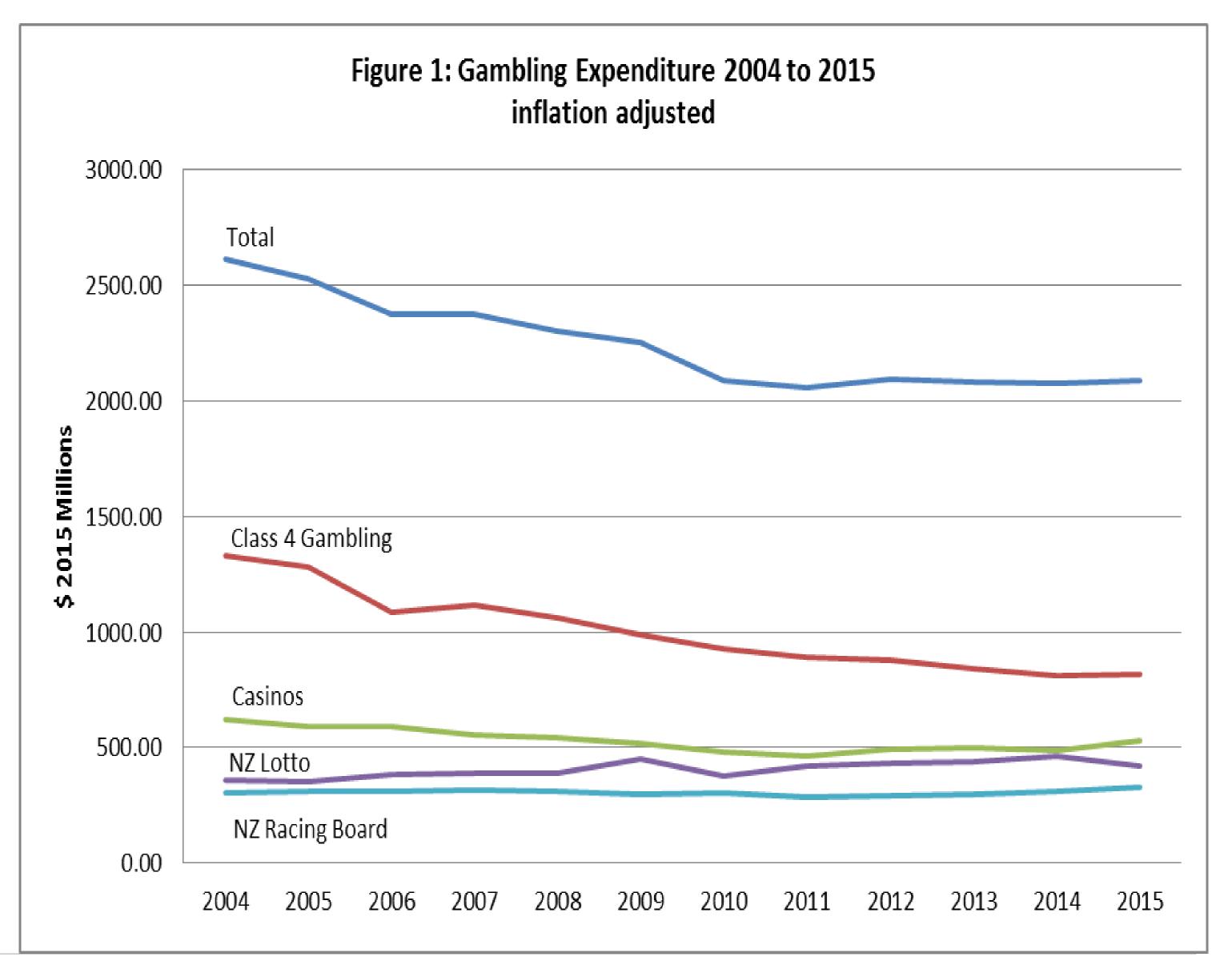
- Local Govt sinking lid hearing voice of harm, not voice of community good
- Variable distribution practices



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# Gaming expenditure Recent

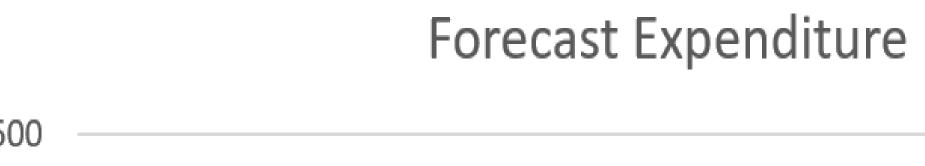
- Class 4 decline from 2004
- Concern about continuing decline
- Review to sustain class 4; while minimising harm
- Recognises growth in other forms of gambling
- Uncertainty about online impact

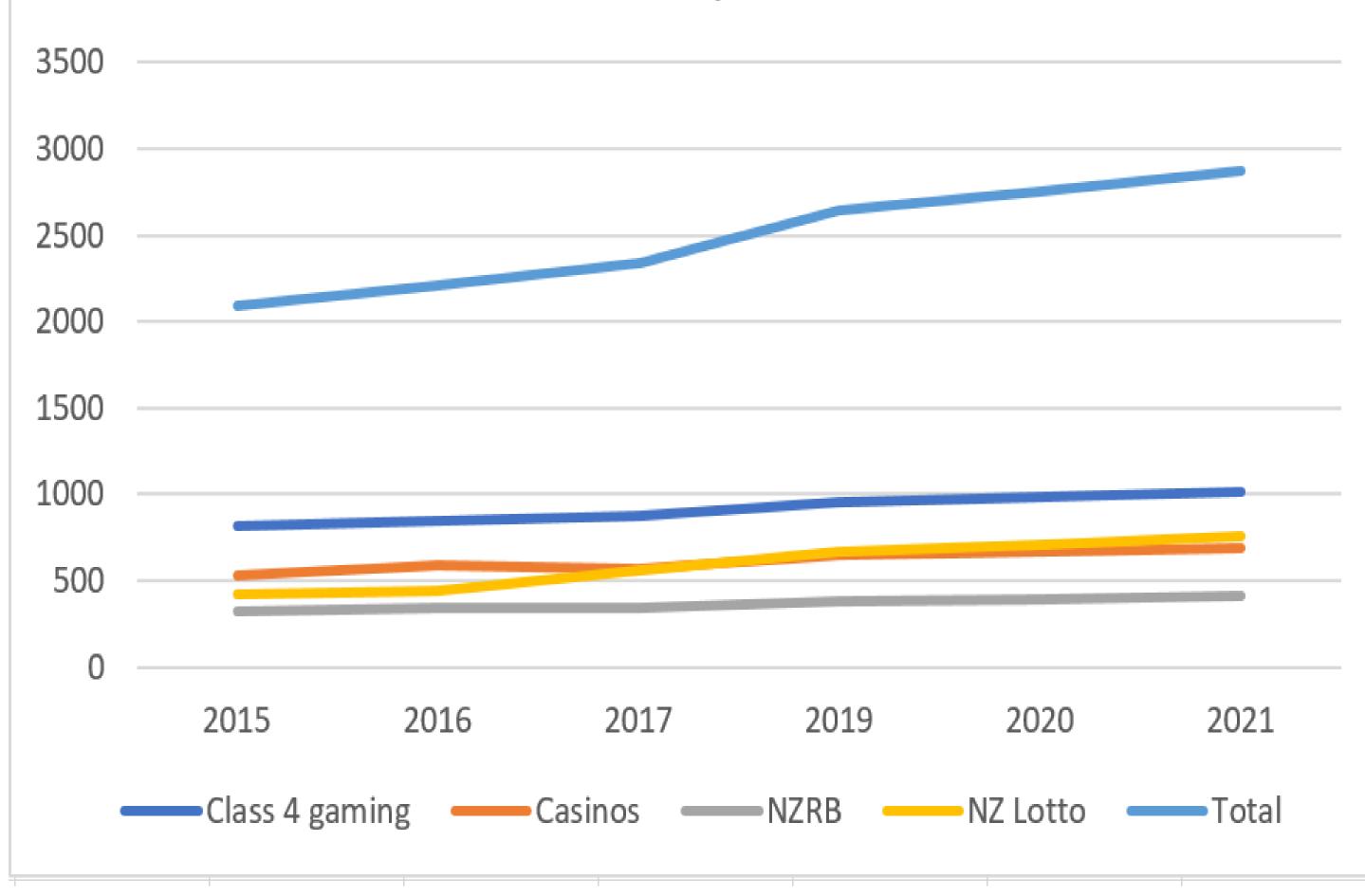


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### Gaming expenditure **Forecast**

- Class 4 stopped declining
- Urgency for review eased
- No recent amendments to Gambling Act
- No changes pending for period 2019-2022
- Question of sustainability remains





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## Class 4 - distribution

- \$262m distributed through grants last year
- Minimum of 40% must be returned to the community
- Major benefactors :

Sport = 48%

Community Groups = 18%

Education = 9%

Emergency Services = 6%

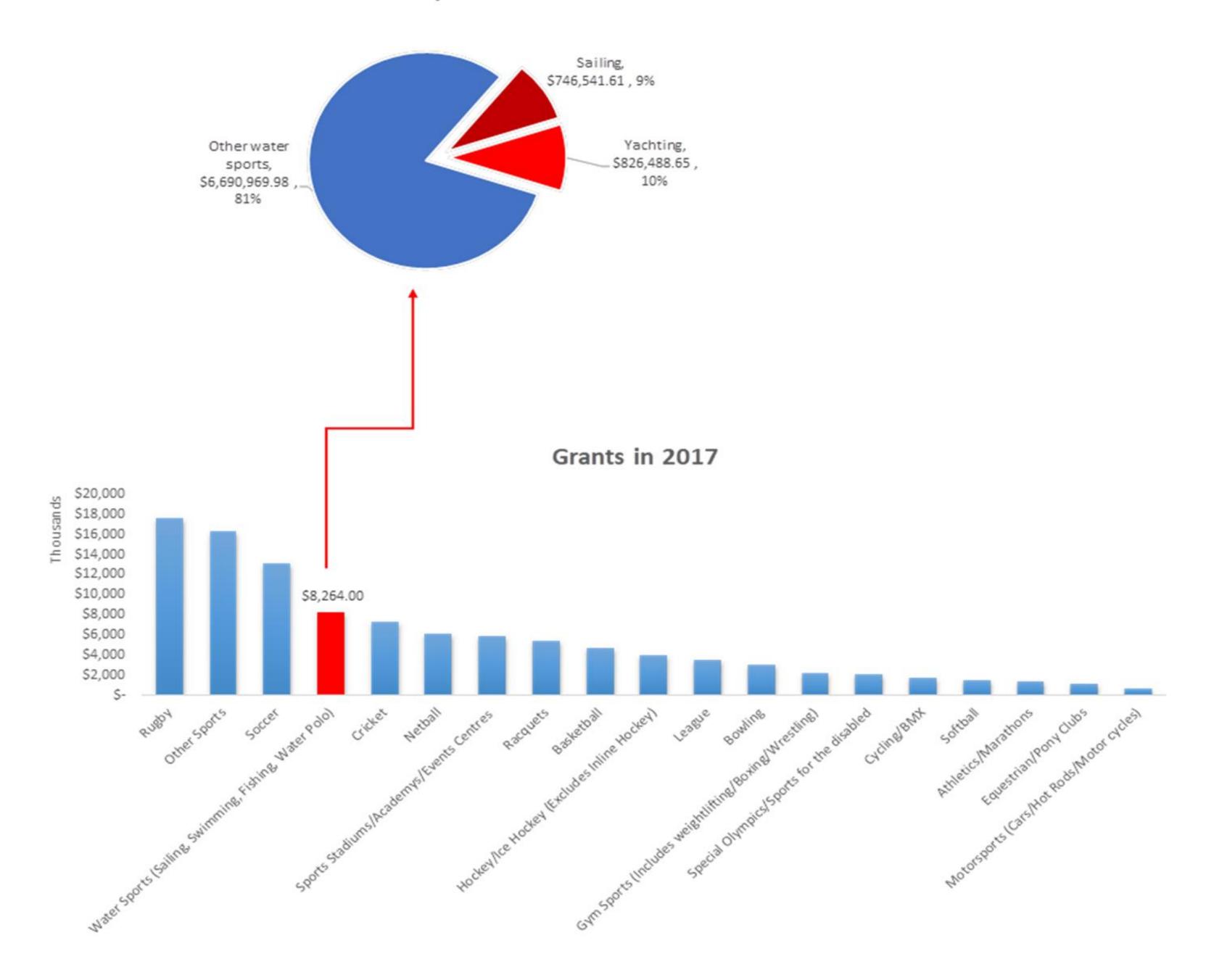
Arts & Culture = 5%



# Class 4 Distribution by sport

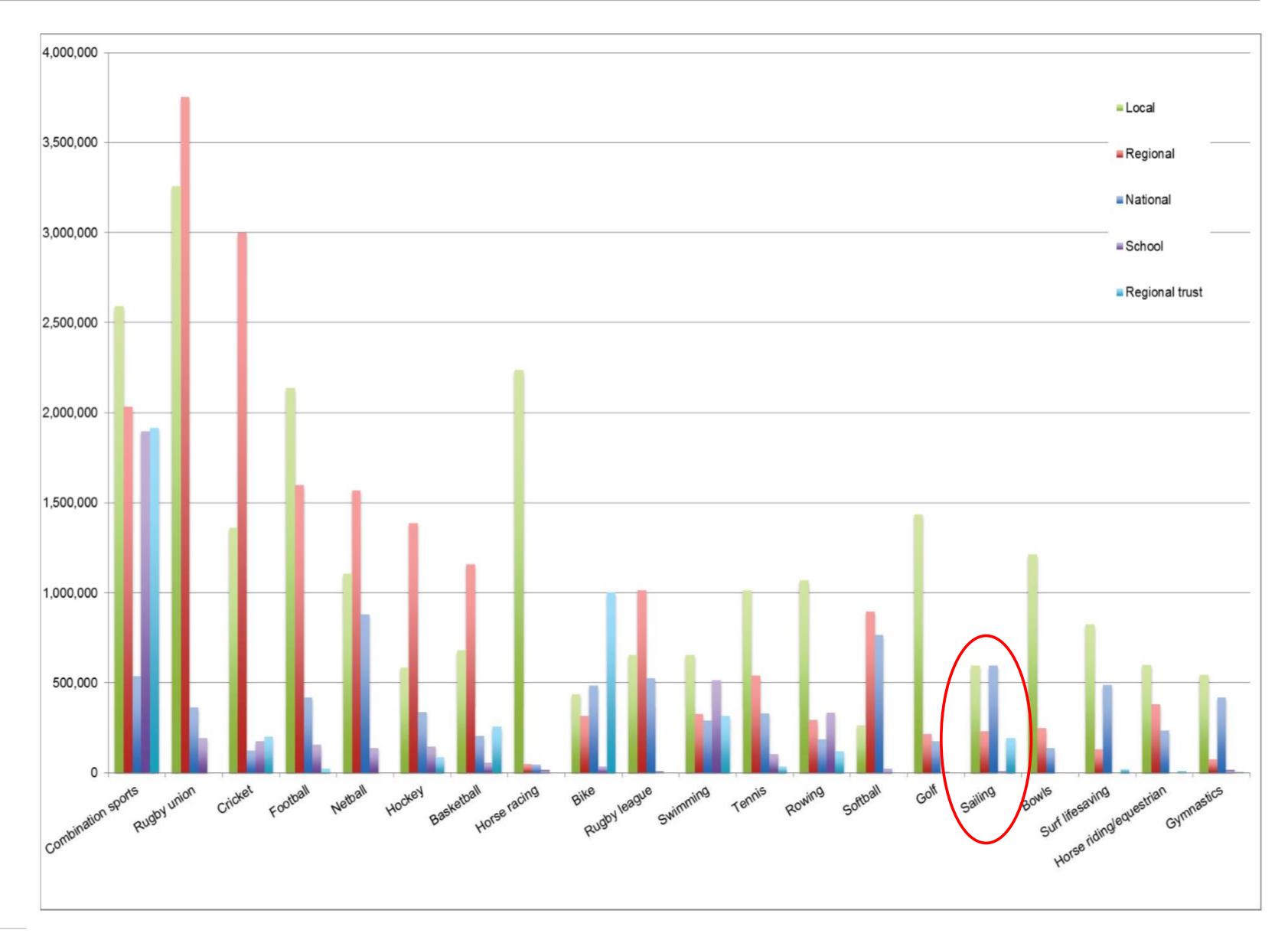
- Poor data collection
- Uneven distribution
- \$1.6m to yachting/sailing

#### Water sports



## Class 4 Distribution to Sailing

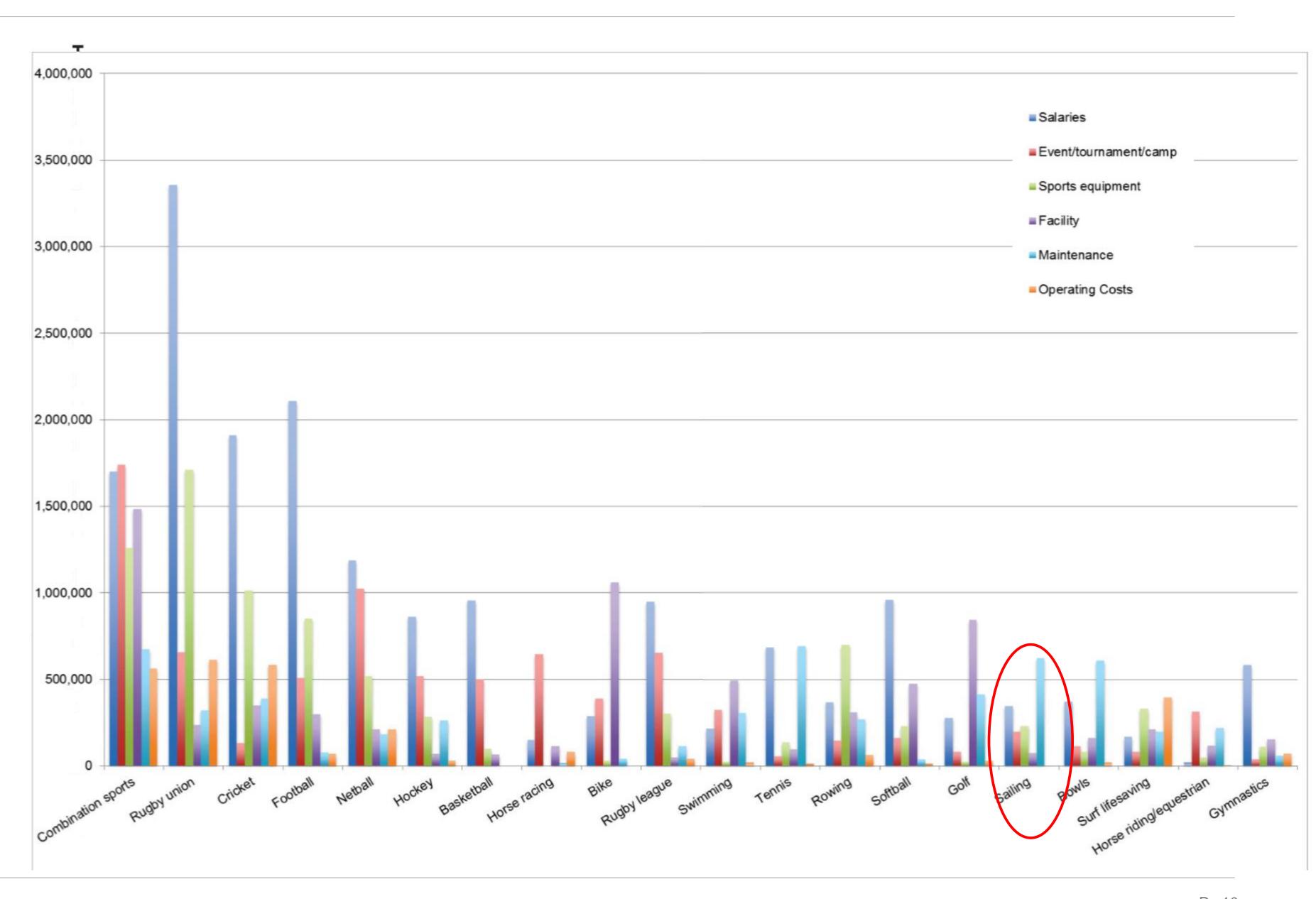
- Based on data collection from for biggest gaming trusts – NZCT, Pub, Lion, Southern
- Responsible for distributing
   \$80m of total \$120m to sport
- Sailing 15<sup>th</sup> highest funded
- Funds to sailing split evenly between local and national, with less distributed regionally
- Trend is for increasing \$ to local



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## Class 4 Distribution to Sailing

- Salaries highest overall category across sports
- Maintenance highest for sailing, followed by salaries, equipment, events



## Feedback from sport

- Critical source of funding
- Getting noticeably harder for national bodies to source
- Getting noticeably harder to apply for people costs
- Variable understanding that gaming trusts have different funding priorities and criteria
- Preference for annual application (as applied by some trusts) vs monthly applications (applied by others)



### **Broad advice**

- Understand the gaming trust you are applying to each have different purposes and criteria (currently 32 but many are single purpose)
- Relationships are key make time to connect
- Be able to tell a good story (strategic rather than opportunistic)
- Promote impact at local level
- Provide as much evidence as possible
- Track record and credibility counts
- Skin in the game
- Understand funding availability (and broad desire to return funds to where they were generated)
- Align to broader outcomes TLA plans, Government priorities (gaming societies need to tell their own stories of community relevance



