

PROBLEM GAMBLING

What is this?

The Gambling Act 2003 defines a problem gambler as a person whose gambling causes harm or may cause harm.¹

Why is it important?

Gambling-related harm is an emerging public health issue in New Zealand, with significant health, social and economic implications. For people at the severe end of the continuum, the consequences of their problems are devastating for themselves and often for others in their lives. Gambling-related harm frequently leads to serious psychological disturbance, relationship breakups, financial ruin, criminal offending, imprisonment and suicide.²

For example a 2008 New Zealand study³ on the impacts of gambling found that some problem gamblers are susceptible to committing crime to support their gambling. Australian research also identifies that domestic violence may be more prevalent amongst problem gamblers than in the general population.⁴

Data

New Zealanders lose around \$2 billion on gambling each year and almost half of this is lost on non-casino pokie machines.⁵

In terms of participation, surveys (Health Sponsorship Council 2010⁶; Ministry of Health 2012⁷) show that:

- a majority of adults in New Zealand gamble
- most of those who do gamble play Lotto
- a minority of adults play non-casino gaming machines, gamble in casinos, bet on horse or dog races, and bet on sports events
- a considerable proportion of those who do gamble on Lottery products, non-casino gaming machines, and housie or bingo, participate at least once a month.



¹ Christchurch City Council. 2009. *Social Impact Assessment for the 2009 Review of the Gambling Venue Policy*. Christchurch: Christchurch City Council.

² Abbott M. 2001. *What Do We Know About Gambling and Problem Gambling In New Zealand: Report Number Seven of the New Zealand Gaming Survey*. Wellington: Department of Internal Affairs.

³ SHORE and Whariki. 2008. *Assessment of the Social Impacts of Gambling in New Zealand: Report to the Ministry of Health*. Centre for Social and Health Outcomes research and Evaluation (SHORE) & Te Ropu Whariki. Auckland: Massey University.

⁴ Community West. 2007. *Exploring the links between family violence & problem gambling*. Melbourne: State Government of Victoria.

⁵ Department of Internal Affairs. Gaming Statistics. http://www.dia.govt.nz/diawebsite.nsf/wpg_URL/Resource-material-Information-We-Provide-Gaming-Statistics?OpenDocument#two

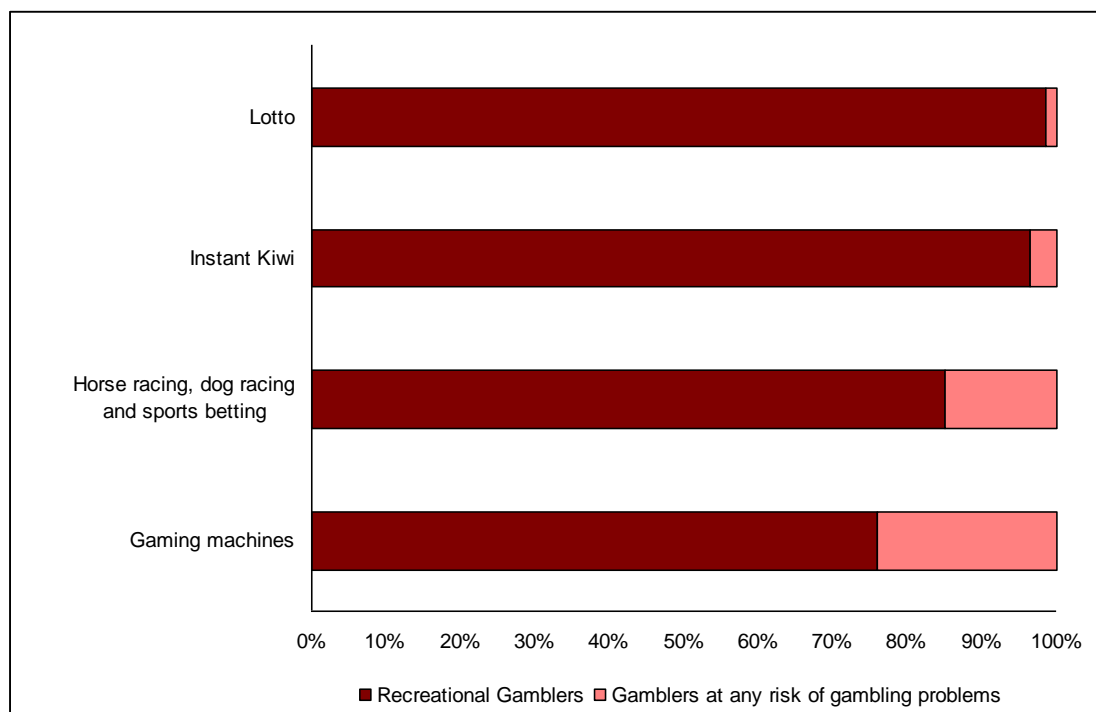
⁶ Health Promotion Agency. *New Zealanders' Participation in Gambling*.

http://archive.hsc.org.nz/sites/default/files/publications/Gambling_Participation_final-web.pdf Accessed 19.09.12.

⁷ Ministry of Health. 2012. *Problem Gambling in New Zealand: Preliminary Results from the New Zealand Health Survey*. Wellington: Ministry of Health. <http://www.health.govt.nz/system/files/documents/publications/problem-gambling-preliminary-findings.pdf> Accessed 19.09.12.

The 2011/12 New Zealand Health Survey⁸ indicated that around 46% of adults had played Lotto at least once in the year before the survey. The figure for betting on races or sports was about 8%, for non-casino gaming machines was about 6%, and for casino gaming machines was about 4%. Not all people who gamble will experience gambling problems.

Figure 1 Risk of gambling problems by preferred method of gambling⁹



A serious concern is that while only a small percentage of people gamble on non-casino pokie machines, 2 in 5 regular players¹⁰ is likely to experience a problem at some point, and 1 in 5 regular players is likely to have a problem right now.¹¹

There was a proliferation of different forms of gambling in New Zealand after 1978 when gaming machines were introduced into clubs, hotels and bowling alleys. To control the growth of gambling, the Gambling Act was introduced in 2003, subsequently the numbers of venues and gaming machines nationally have consistently dropped, and expenditure on pokie machines has also declined.

⁸ Ibid

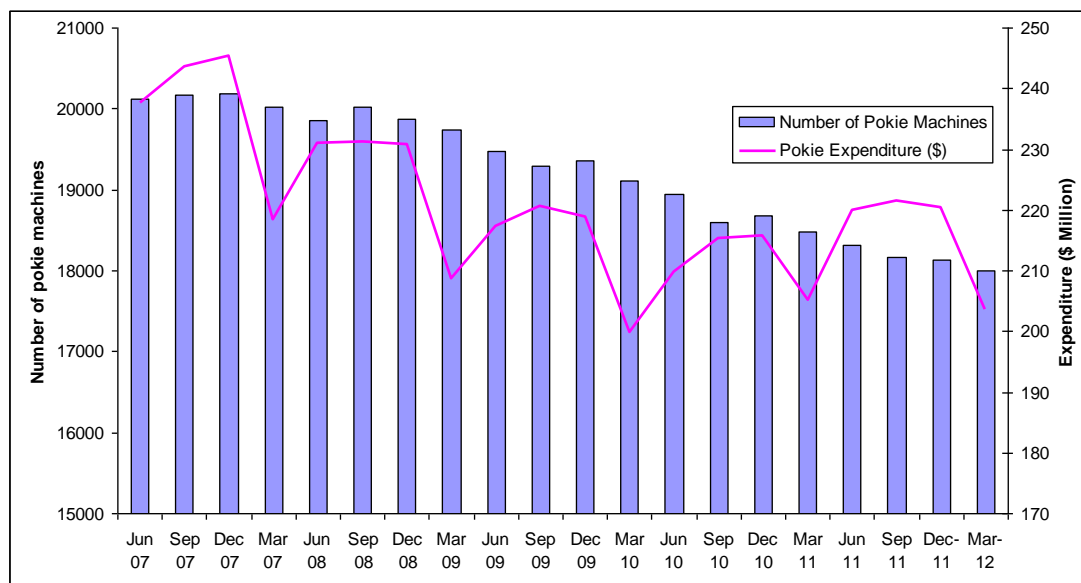
⁹ Ibid

¹⁰ Devlin, M. and Walton, D. 2012. The prevalence of problem gambling in New Zealand as measured by the PGSI: adjusting prevalence estimates using meta-analysis. *International Gambling Studies*, 10.1080/14459795.2011.653384

¹¹ Department of Internal Affairs. 2009. *Problem gambling in New Zealand – a brief summary*.

[http://www.dia.govt.nz/pubforms.nsf/URL/ProblemGamblingFactsFinal.pdf/\\$file/ProblemGamblingFactsFinal.pdf](http://www.dia.govt.nz/pubforms.nsf/URL/ProblemGamblingFactsFinal.pdf/$file/ProblemGamblingFactsFinal.pdf) Accessed 28.11.12.

Figure 2 Pokie machine numbers (bars and clubs) and pokie expenditure in New Zealand June 2007 – March 2012



Still, at 30 June 2012, Christchurch had the greatest number of venues and of machines of any of the major centres.¹² This translates into Christchurch having the highest rate of venues and of machines per thousand population aged 15 and over of the major centres (Auckland, Hamilton, Wellington and Christchurch) except Dunedin.¹³

Impact on inequalities

Problem gambling is more prevalent in areas of higher socio-economic deprivation.¹⁴ Although there has been a reduction in the number of non-casino gaming machines since 2003, they continue to be concentrated in more deprived areas. Census area units with a deprivation index rating of 8 or above account for 56% of all non-casino gaming machine expenditure.

Māori and Pacific peoples are over-represented in these socio-economic areas which may contribute make them more vulnerable; Māori and Pacific adults are approximately four times more likely to be problem gamblers compared to the general population.¹⁵ Not only are Māori and Pacific peoples more likely than other groups to be problem gamblers, they are more likely to suffer gambling-related harm.

The 2006/07 Gaming and Betting Activities Survey¹⁶ found that Māori and Pacific people were more likely to report problematic gambling behaviour, and were more likely to report harm in the wider family or household than European/Other people.

¹² Department of Internal Affairs. Gaming Statistics. http://www.dia.govt.nz/diawebsite.NSF/wpg_URL/Resource-material-Information-We-Provide-Gaming-Statistics?OpenDocument#one5c Accessed 19.09.12.

¹³ Storey, S. 2012. *Review of the 2009 Gambling Venue Policy*. Christchurch: Christchurch City Council.

¹⁴ Ministry of Health. 2009. *Preventing and minimising gambling harm: Consultation document; six-year strategic plan; three-year service plan; problem gambling needs assessment; and problem gambling levy calculations*. Wellington: Ministry of Health.

¹⁵ Ibid.

¹⁶ National Research Bureau Ltd. 2007. *2006/07 Gaming and Betting Activities Survey: New Zealanders' knowledge, views and experiences of gambling and gambling-related harm*. Wellington: Health Sponsorship Council.

In particular, 38% of Māori and 28% of Pacific people reported someone in their wider family household going without something they needed or bills being unpaid because someone spent too much money on gambling, compared with 13% of the Asian group and 12% of European/Other groups.

Solutions

The Department of Internal Affairs, Ministry of Health, and territorial authorities (TAs) all have roles to play in regulating gambling and minimising gambling harm as a part of the Gambling Act (2003) and the Racing Act (2003). The Department of Internal Affairs is responsible for regulating the Class 4 (non-casino pokie machines) gambling sector and for ensuring regulatory compliance. The Ministry of Health is responsible for developing an integrated problem gambling strategy, focused on public health and communities' ability to address gambling harm.

Territorial Authorities are required to adopt policies on the location of Class 4 and Totalisator Agency Board (TAB) venues. These policies are expected to be reviewed at least every three years. New gaming machine venues and existing venues wanting to increase the number of machines must apply for resource consent.

With respect to the gaming venue policies, there are a number of things territorial authorities must do, and a number of things they may choose to do if they wish:

- TAs may place restrictions on gaming machine numbers
- TAs may restrict locations and take into account the characteristics of the district (including proximity of kindergartens, early childhood centres, schools, places of worship, and other community facilities) and the cumulative effects of additional opportunities for gambling in the district.

Councils can encourage the relocation of gaming venues within their district by including policies that encourage the transfer of venues from one location to another (e.g. from suburbs to business or entertainment precincts). Councils can also include a clause that allows for the transfer of venues to another site when they are forced to close as a result of extraordinary circumstances (e.g., fire).

The Christchurch City Council Gambling Venue and Totalisator Agency Board (TAB) Venue Policy¹⁷ is a "sinking lid" policy which is a ban on new pokie machines, venues, or transfers of existing machines or venues. The Council's policy was renewed early in 2012; this policy review included a debate over whether or not earthquake-damaged pokie machines and venues should be allowed to relocate, with the Council deciding to maintain the policy in the interest of the city's future health and well-being. The policy will next be reviewed in 2015.

Connections with other issues

Alcohol, Smoking, Mental Health.

¹⁷ Christchurch City Council. 2011. *Christchurch City Council Gambling Venue and Totalisator Agency Board (TAB) Venue Policy*. <http://www.ccc.govt.nz/thecouncil/policiesreportsstrategies/policies/groups/business/christchurchcitycouncilgambling.aspx>

Impact of the earthquakes

As time passes and these papers are updated the initial sections on the impact of the earthquake are going to be kept as an archive of what we thought the situation was at the time. Updates where possible are provided.

As at December 2012

As at September 2012, the Department of Internal Affairs gave the number of venues as 101 with 1,377 machines are currently operating. Due to some licensed venues (particularly those damaged by the earthquakes) not operating machines, it is possible that the number of operating machines will increase when some of the existing venues are repaired.

In the year from 30 September 2011 to 30 September 2012, Christchurch expenditure on non-casino pokie machines was \$80.4 million (about \$220,000 per day).¹⁸

As at November 2011

Prior to the earthquakes, Christchurch had 114 venues operating 1,767 machines. In April 2011, the Department of Internal Affairs gave the number of venues as 108 (including the 30 venues that have damaged or destroyed but have been granted extensions under section 71(1)(g) of the Gambling Act 2003). 1,594 machines are currently operating from these venues.

Although the numbers of venues and machines have fallen since the earthquakes, gambling expenditure rose. In June 2010, quarterly expenditure was \$18.9 million, in September 2010 it rose to \$19.3 million and \$20.2 million in December 2010. In March 2011, expenditure has dropped to \$19.0 million.

Prepared by Community and Public Health, with comments from the Problem Gambling Association.

¹⁸ Department of Internal Affairs. Gambling Statistics. <http://www.dia.govt.nz/Resource-material-Information-We-ProvideGaming-Statistics?OpenDocument>