



Public Health Association
of New Zealand
**Kāhui Hauora Tūmatanui
o Aotearoa**

Gambling Harm Reduction Policy Statement

Te Kāhui Hauora Tūmatanui - The Public Health Association of New Zealand's (PHA-NZ) vision is 'Good health for all – health equity in Aotearoa', or 'Hauora mō te katoa – oranga mō te Ao', and our purpose is to advocate for the health of all New Zealanders. One of our primary concerns is the adverse impact of gambling and its related harms on public health, particularly for Māori, Pacific and socioeconomically deprived neighbourhoods. The PHA-NZ calls for stronger action to prevent and minimise gambling harm in Aotearoa, New Zealand. We urge the government to prioritise actions that focus on the prevention of gambling harm, reducing gambling harm inequities, and prioritising the health and wellbeing of people and communities.

Overview

The Gambling Act 2003 defines gambling harm¹ as 'harm or distress of any kind arising from... a person's gambling' and includes harms to the individual, the individual's whānau and to the wider community and society (1). While most people can engage in gambling activities without experiencing negative consequences, a substantial subset experience significant negative effects, including addictive or dependent behaviours and social and health issues associated with harmful gambling (2). These negative consequences can be far-reaching, affecting not only individuals but also their whānau, and communities (2). Moreover, most gambling harm accrues into the wider community, affecting those who are not necessarily problem gamblers (3). While a proportion of revenue from gambling is shared among communities (e.g., Lotteries funds), the Gambling Health Needs Assessment 2021 report states that "... supporting one social problem (i.e., distributing gambling funds to community and sports groups) through the support / creation of another (harmful gambling and expenditure) is not real progress for our society" (4).

In addition, the burden of gambling harm in Aotearoa New Zealand is inequitably distributed. Māori, Pacific, Asian, and rangatahi / young peoples are at greatest risk, or continue to experience the

¹ We refer to gambling and any resulting gambling harm in relation to commercial activities including but not limited to online gambling, gaming that uses 'loot' type systems, lotteries, number games (such as Lotto, Bingo, and Keno), sports betting, horse betting, casino table games (such as roulette and craps), casino electronic gaming machines (EGMs) and non-casino electronic gaming machines (NCEGMs) 'pokies'.

greatest levels of gambling harm, compared with NZ European peoples (5). Research has shown that problematic gambling-related expenditure and associated harm are highest in the most deprived communities, yet populations benefiting from gambling-funded community grants are significantly skewed towards the least deprived (5-7). While gambling harms remain significant, the PHA-NZ acknowledges that Lottery Grants and Online Gambling reviews are currently underway and aim to mitigate gambling harm inequities. The PHA-NZ therefore urges the government to prioritise actions that focus on the prevention of gambling harm, reducing gambling harm inequities, and thereby prioritise the health and wellbeing of people and communities.

Evidence of harmful gambling as a significant public health issue

In 2017, the burden of gambling-related harm in New Zealand was estimated to be greater than that of common health conditions such as diabetes and arthritis, and comparable to harms related to anxiety and depressive disorders, with approximately 161,928 years of life in New Zealand being lost to disability because of gambling harms (3). Further, “Within this number, 67,928 years were attributed to gamblers themselves and 94,729 to people who were affected by someone else’s gambling. This represents a substantial level of harm compared with other issues” (3).

The 2020 NZ Health and Lifestyle Survey (the HLS) found that around 69% of New Zealanders aged 16 years or older engaged in gambling in the preceding 12 months (8). Of that group, using the Victorian Problem Gambling Severity Index (9), around 65,000 were at moderate or high risk of gambling-related harm², and 119,000 were at low risk but considered likely to experience harm during their lifetime (8). Moreover, after adjusting for deprivation, Māori were four times more likely to be at moderate risk of gambling harm compared with non-Māori (5). Similarly, Pacific adults were twice as likely to have a moderate to high risk of gambling harm than non-Māori, non-Pacific adults (5, 8). Asian adults were less likely to gamble overall, but those who did were much more likely to experience harm compared with European/Other peoples. Of concern, youth (aged 15–24 years) made up approximately 27% (21,000 people) of those at moderate-risk of gambling harm (5).

Harmful gambling can exacerbate stress and lead to depression, anxiety, suicide, family breakdown, domestic violence, job loss, debt, crime, and social isolation (2, 4, 5). At the population level, approximately 50% of all gambling harm is attributable to the cumulative effect of low risk harms, with a significant proportion of gambling-related harm not necessarily associated with those who are problem gamblers (3). There is no recognised level at which low risk gamblers become problem gamblers; instead, harms exist in a continuum (2). The summary statement of the 2020 HLS was that ‘aggregate harm of gambling problems is almost twice that of drug use disorders, bipolar affective disorder, eating disorders, and schizophrenia combined (8). Hence, gambling harm constitutes a significant public health issue.

Types of gambling harm

The most common form of gambling in New Zealand is via Lotto NZ, making up 58.1% of those gambling. While 4% of those who gamble do so through non-casino electronic gaming machines (NCEGMs) colloquially known as ‘pokies’ (5), 2021 figures show that individual gambling expenditure is highest on NCEGMs (\$987 million compared to Lotto NZ expenditure at \$694 million (10). Of note,

² We follow the NZ Department of Internal Affairs and use the Victorian Responsible Gambling Foundation definition of harm; low-risk harmful gambling being like living with mild anxiety disorder, moderate-risk gambling as like living with moderate alcohol use disorder. The Problem Gambling Severity Index (PGSI) is the standardised measure of at-risk behaviour in problem gambling.

NCEGMs are the primary gambling mode for 52% of gamblers seeking intervention services (5). This policy therefore concentrates on NCEGMs as the form of gambling that causes the most harm.

Online gambling is of growing concern, increased during the COVID-19 pandemic, and remains higher than pre-pandemic levels in 2023 (5). Increased online gambling in New Zealand includes offshore online gambling, which is currently unregulated, and promotion of online rather than traditionally 'shop-based' gambling options (e.g., online Lotto) (10). Evidence also suggests that those who had gambled through offshore online providers were 80% more likely to be at-risk gamblers compared with other gamblers after adjusting for gender, age, and ethnicity (5, 8). Patterns from overseas jurisdictions suggest that online gambling in New Zealand is likely to significantly increase (5).

In addition, gaming and its convergence with gambling is an area of growing concern (4). The 2020 Digital NZ summary report stated that in 2019, 66% of New Zealanders played video games, most homes had a device for playing video games, 78% of players were aged over 18 years, and 46% of players were female (11). There are no data available regarding the ethnicity of players. Game designers incorporate features that simulate gambling, such as loot boxes and skins. Children and young people who participate in these features within games are more likely to gamble online as adults and are more likely to experience higher levels of gambling-related harm compared with adults who did not use these products as children (4, 5). The Gambling Health Needs Assessment 2021 reported that there appears to be an increasing number of parents concerned with addiction to gaming among young people (4). Currently, gaming or elements within games such as loot boxes are not considered gambling under the Gambling Act 2003 (1).

The prevalence of gambling harm appears to be relatively stable in Aotearoa New Zealand, although gambling expenditure has increased (4, 5). In 2020/2021, the amount lost by gamblers (expenditure), measured as operators' profits, was the highest ever recorded at \$2.6 billion (5). This dropped slightly in 2021/2022 to \$2.2 billion (12). The regulator of the Gambling Act, the Department of Internal Affairs (DIA), expects gambling expenditure to increase as household finances come under pressure through the cost-of-living crisis. This year, non-casino electronic gaming machine profits for the quarter to June 2023 recorded the highest total sales since 2015, when data tracking began (13). However, the data does not show whether there are more gamblers playing NCEGMs, a similar number of gamblers betting more per game, or whether a similar number of gamblers are betting similar amounts per game, but playing for longer hours (13).

Gambling inequities

Gambling is considered differently to alcohol and tobacco harm by people who gamble. Gamblers consider themselves either to be gambling responsibly or to have a problem, with no gradation in between (14). Asian peoples experience considerable stigma attached to gambling, and the most common channel for seeking gambling support is from friends and family (15). A 2021 survey of gambling in Asian communities in NZ offers additional insight into inequities in gambling harm within Asian communities. For example, higher rates of gambling harm in Indian, 'middle-aged', and moderate income earners, and a lack of financial literacy, loneliness and job-related stress as contributing factors (15). Conversely, NZ Europeans are less stigmatised, more likely to admit to having a gambling problem and more comfortable seeking help.

Commercially, the uneven distribution of gaming machines in areas of high deprivation causes Asian, Māori and Pacific peoples to be disproportionately affected by gambling harm, even after adjusting for deprivation (5, 8). Historic data from Auckland Council shows that reducing the number of NCEGMs

or pokie machines per 1000 capita in each local board to 2.0/1000 capita would reduce the number of NCEGMs by around a third (16). Spatial prevalence of pokies impacts health equity. Although the number of venues and NCEGMs is decreasing, revenues per NCEGM have been trending up (13). NCEGMs are more likely to be located in areas of high Asian ethnicity (61%, compared to 48% high Māori and 47% high Pacific) (17). Standalone TABs are more likely to be in areas with a high proportion of Pacific peoples. Māori and Pacific ethnic groups are also more likely than non-Māori non-Pacific peoples to live in areas of socioeconomic deprivation (18), with deprivation being an independent risk factor for gambling harm (8). The most harmful form of gambling, NCEGMs (pokies), is concentrated in areas with the highest deprivation (4, 5).

While the proportion of those with Asian ethnicity who identified as gambling is lower than for other population groups, those who do are more likely to experience gambling-related harms (4, 5). Concerningly, there is evidence that gambling harm reduction services in NZ are not culturally appropriate for those of Asian ethnicity, creating access barriers in addition to gambling-related stigma (3-5). Gender inequities also exist for gambling harm, impacting females to a greater extent than males, especially via NCEGMs and in areas of higher deprivation (4, 5). Additional evidence suggests that gambling harm interventions are less successful for marginalised ethnic groups. The rates of relapse following interventions are also higher for Māori and Pacific peoples than non-Māori non-Pacific peoples.

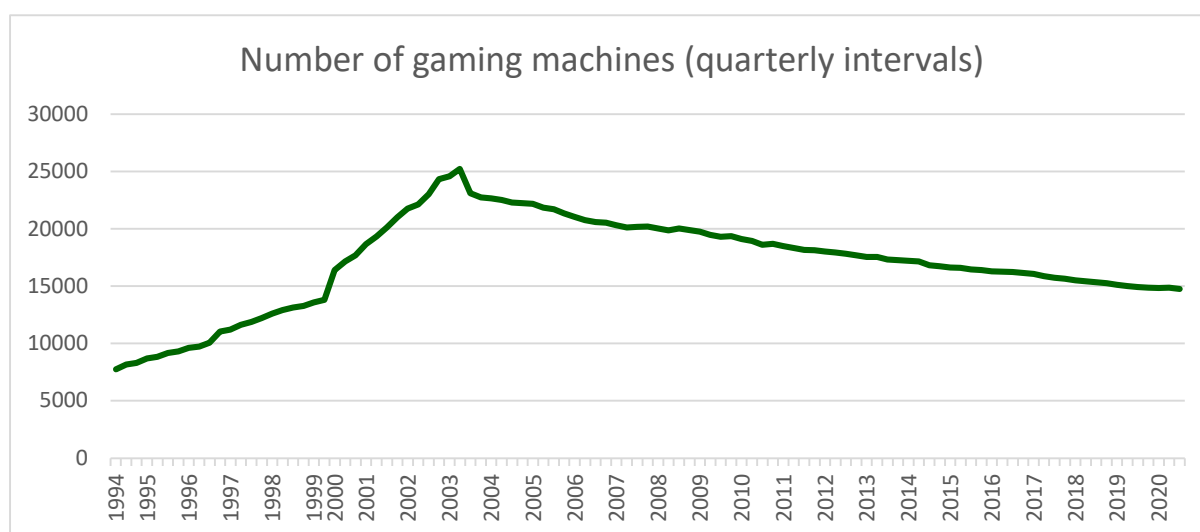
It is also important to note that potentially addictive behaviours such as gambling are influenced by similar systemic, social, environmental, and commercial determinants of health as other addictive substances such as alcohol and smoking. As such, the three PHA-NZ Alcohol, Smoking and Gambling policy statements are considered aligned, and this statement should therefore be read in conjunction with policy statements on alcohol and tobacco harm.

Progress to date

Since the introduction of the Gambling Act in September 2003, there has been a steady decline in the number of gaming machines (Figure 1) (19).

Figure 1

Number of Gaming Machines in New Zealand 1994 – 2020 (20)



Individual jurisdictions are also taking action to tackle harmful gambling. Palmerston North City Council announced a sinking lid ban on new pokie machines in September 2023. In August 2023, the Far North District Council reconfirmed its own sinking lid policy on pokies. Under these policies, as licences are surrendered, no new operators will be allowed to take them over.

Progress to reduce gambling harm has been made by both the gambling regulator (the Department of Internal Affairs (DIA), and the Ministry of Health (MOH). We note however that proposed new regulations to crack down on harmful gambling were put on hold during the 2023 election year. Under the proposed changes, host responsibility for reducing alcohol harm would be key. NCEGM venue staff would undergo mandatory training each year to identify harmful gambling, and venues would be made to conduct regular sweeps and record signs of gambling harm. Venue design would also enable staff to better monitor ATMs and gaming machines.

Increased awareness of and engagement with those at risk of gambling harm feature in the Manatū Hauora – Ministry of Health’s new Strategy to Prevent and Minimise Gambling Harm 2022/23 (5). Targeted public health initiatives have been developed in collaboration with priority populations, particularly Asian, Māori, Pacific, and rangatahi / young people (5). Additionally, the Problem Gambling Levy (PGL) funds activities that aim to prevent and minimise gambling harm such as the Problem Gambling Foundation (10). Under the new 2022/23 strategy, the PGL is expected to increase, a response to increases in gambling expenditure and increased demand for gambling harm support services. Strategies to combat rates of gambling, including strategies aiming to reduce gambling harm and address inequities thereof, are currently under development and review by the DIA in 2023. However, current data gaps around prevalence within specific communities and across Māori and Pacific populations may limit the review insights.

Traditionally, gambling harm intervention services have utilised Western contracting and service models, which have been identified as a barrier to significant and meaningful interventions for ethnic groups such as Māori and Pacific peoples (4). However, the Strategy to Prevent and Minimise Gambling Harm 2022/23 to 2024/25 now explicitly positions gambling harm prevention and minimisation as an equity issue and has set its approach within a Te Tiriti framework (5). The intention is to involve Māori, iwi, communities, and consumers in designing and developing prevention and minimisation approaches, including innovative intervention service models (5). This strategy has also identified the prevention and reduction of relapse as an area for research (5).

A shift away from valuing community grants derived from ‘lotteries’ funds over the impacts of gambling on the well-being of communities has also started to gain momentum. Data from various sources show that the costs of society of gambling-related harms outweigh any benefits. Up to two-thirds of community grants raised as levies on gambling expenditure come from problem gamblers using ‘pokies’ or NCEGMs (5, 7, 10). The fact that more people are affected by gambling harm than the number of individuals actively gambling exacerbates the inequities (3).

Priorities for action

In acknowledgement of the considerable harm caused by gambling, the inequities of spatial distribution of NCEGMs, and to support progress made to date, the Public Health Association of New Zealand recommends that the Government of Aotearoa New Zealand should:

- Endorse and enact proposed gambling harm reduction changes around host responsibility, especially regarding staff training and venue design.

- Affirm the position of gambling-related harm as an equity issue and endorse the Te Tiriti framework outlined in the Manatū Hauora – Ministry of Health Strategy to Prevent and Minimise Gambling Harm 2023/23 to 2024/25.
- Support Local Government New Zealand to further jurisdictions seeking a sinking lid policy on NCEGMs ‘pokies’.
- Increase focus on prevention and mitigation across a broader range of severity and outcomes for gambling-related harms.
 - Recognise stress as a precursor for addiction and so support collaboration across agencies of local and central government to address racism, inadequate housing, low biodiversity, inadequate greenspace and unemployment (21).
- Support the development of improved measures of gambling harm, to include harm to children and young people, all types of gambling, and regular equity reporting.
- Increase Māori, Pacific, Asian and youth leadership with regard gambling harm reduction decision-making, and resource these communities to develop and deliver culturally safe and appropriate harm reduction interventions.
- Support inclusion of harm minimisation within NCEGMs, such as cashless gambling and binding precommitment limits (22)
- Review the Gambling Act 2003 to expand the definition of gambling to include gaming.
- Review and decouple funding of community grants and gambling expenditure.
- Introduce robust regulation for offshore online gambling.
- Support the Manatū Hauora – Ministry of Health’s commitment to research into prevention and reduction of relapse for problem gamblers.
- Continue robust monitoring and evaluation of new and existing gambling-related strategies and services, including the reporting of data and evaluation findings and inequities.
- Support international evidence calling for cashless gambling on EGMs with binding limits (mandatory precommitment).

PHA-NZ actions to support this policy

The Public Health Association of New Zealand will:

- Provide support for public health actions relating to gambling harm.
- Support and enable the development of key submissions in the gambling sector.
- Advocate to local and central governments on the precursors to and impacts of harmful gambling and relevant priorities for action recommended in this Policy Statement.
- Foster the development of a knowledge base and sharing forum for PHA-NZ members who want to address harmful gambling.
- Promote access to credible and relevant information on gambling issues.
- Promote collaboration across related sectors.
- Encourage a public health approach of harm prevention and minimisation with a multi-layered, cross-sectoral platform of actions including:
 - Healthy public policy, a more whānau-centric approach, close partnership with affected communities, and targeting of approaches and services that are culturally and linguistically appropriate to the needs of diverse groups.
- Support a holistic focus that addresses the social and environmental determinants of health.
- Support calls to review community funding through gambling revenue (7).

Public Health Association of New Zealand

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Policy Sponsor(s)	
Peer reviewed by	PHA policy committee
Date ratified by AGM	
Date to be reviewed	

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