MEMORANDUM TO THE BOARD
25 NOVEMBER 2015

AGENDA ITEM XX

WAIKATO DISTRICT HEALTH BOARD: POSITION STATEMENT ON GAMBLING

Population Health Waikato DHB has developed a set of position statements on identified public health issues. The purpose of these position statements is to provide high level documents representing the Waikato DHB's position as an organisation on these issues.

The position statements clarify for Waikato DHB staff the position that the organisation takes on certain public health issues. Position statements are reviewed every three years.

Population Health has prepared a position statement on Gambling. This is a new position statement. The Gambling Act 2003 (The Act) presents a major change in public policy related to gambling. Before The Act non-casino gaming machines (pokies) and venues proliferated in areas of deprivation and with it, a corresponding increase in gambling-related harm. The Act introduced a strongly regulated regime for gambling and shifted the focus of gambling to public health, harm prevention, and community involvement in decisions related to gambling.

Following is Waikato DHB's position statement on Gambling.

Recommendation

THAT

The Board:

1. **Receives the report.**
2. **Adopts the position statement on Gambling**

Waikato District Health Board

Position Statement on Gambling

Date: **October 2015**
Review Date: **October 2018**

The Waikato District Health Board's Position

1. The Waikato DHB

1.1 Recognises that The Gambling Act 2003 (The Act) is the primary legislation that regulates gambling in New Zealand[1].

1.2 Recognises that The Act identifies problem gambling as a public health issue and under (s4) interprets a problem gambler as a person whose gambling causes harm or may cause harm. Gambling harm can be personal, social and/or economic and affects not only the person who is gambling but also their family, workplace and wider community[2].

1.3 Recognises that gaming machines (pokies)[A] are the most harmful form of gambling. Problem gambling is most commonly associated with gaming machines[3]. Therefore, the Waikato DHB supports a sinking lid policy approach where neither machine nor venue is replaced as surrendered.

1.4 Acknowledges that inequalities exist in the harm caused by gambling with problem gambling rates highest amongst Māori and Pacific peoples.

1.5 Acknowledges its role in limiting harm and reducing health disparities and inequalities caused by gambling under s22 (1a), (1e), and (1f) of the New Zealand Public Health and Disability Act 2000[4].

1.6 Recognises that the Ministry of Health is one of three regulatory agencies responsible for minimising gambling-related harm[B]. The Ministry of Health is responsible for developing an

[A] Gaming machines, non-casino gaming machines, electronic gaming machines, and *pokies* are used interchangeably.

[B] The Department of Internal Affairs is responsible for compliance, investigations and audits. The NZ Gambling Commission hears casino licensing applications, and appeals on licensing and enforcement decisions made by the Secretary of Internal Affairs in relation to gaming machines and other non-casino gambling activities. The Gambling Commission has the powers of a Commission of Inquiry.

integrated problem gambling strategy focused on public health[5]. All Waikato DHB responses will align with and compliment the Ministry of Health's key gambling strategic documents.

1.7 Recognises that The Act devolves responsibilities to local authorities to develop a Class 4 Gambling Venue Policy and a TAB Venue Policy[C] which must be reviewed every three years and have regard for the social impact of class 4 gambling within their district. The Waikato DHB works alongside local authorities during the review process and continues to advocate for a sinking lid policy approach.

1. 8 Recognises that gambling behaviour is complex. The extent of gambling harm, its causes and solutions often evokes polarised views and debates that can impinge on robust decision making. The over-reliance on gambling industry proceeds, class 4 gambling in particular, also conflicts with meaningful progress in reducing harm caused by gambling.

- Consequently, the Waikato DHB does not support any Waikato DHB charitable trust or similar group operating under the Waikato DHB name to either apply for or receive funds derived from class 4 gambling (does not include those outside of the organisation that the DHB may fund).

- Those groups outside of the organisation that are funded by Waikato DHB should be encouraged to decrease their reliance on class 4 gambling proceeds where applicable.

1.9 Supports a broad range of initiatives to limit the harm caused by gambling over time. Appropriate strategies may include submissions to central government, regulatory agencies, and territorial authorities' gambling policies during public consultation; maintenance of and links with other organisations seeking to minimise gambling related harm, and the provision of gambling harm reduction information to key stakeholder groups and the wider public.

2. Key information

2.1 Gambling is big business. New Zealanders gamble about $2 billion each year. Of the gambling market turnover racing has around 13%, lotteries 17%, casinos 23% and nearly half (47%) is spent on non-casino gaming machines; *pokies*. Introduced in New Zealand in 1988, *pokies* reached a peak of 25,221 machines by 2003 and with it, a corresponding variety of gambling-related problems. Since the Gambling Act 2003 came into force there has been a decline in the number of non-casino gaming machines, venues and expenditure[6].

2.2 *Pokies* are the major cause of gambling harm in New Zealand and the main gambling mode of problem gambling clients seeking help. Approximately 16% of adults play *pokies* at a club or pub. The vast majority of people (84%) never play *pokies*[7]. *Pokies* have been described as the 'crack cocaine of gambling' largely because gambling can and does occur in a continuous and

[C] TAB Venue Policy must specify whether the New Zealand Racing Board may establish new stand-alone TABs in the district and, if so, where they may be located. The New Zealand Racing Board requires a consent from the relevant territorial authority before it establishes a new stand-alone TAB.

prolonged manner[7]. Every problem gambler affects between five and 17 people with their gambling such as family, friends, community and the workplace[8].

2.3 The prevalence of problem gambling is thought to increase with the increasing density of electronic gaming machines at a rate of 0.8 problem gamblers for each additional pokie machine. Restricting the per capita density of pokies has the potential to lead to reduced gambling opportunity and subsequent harm over time[6].

2.4 The prevalence of problem gambling is estimated at between 1% and 3% of the adult population. It is estimated a further 20% of people are negatively impacted by gambling either by having arguments related to gambling or going without something they needed because of gambling such as unpaid bills[9]. In Hamilton for example, this equates to around 30,000 people negatively impacted by gambling.

2.5 Problem gamblers often have issues with other addictions such as smoking and/or alcohol and the negative impacts of these behaviours. People gamble to 'escape problems' and because 'it's an addiction/compulsion'. The primary reason for not gambling is running out of money[10].

2.6 The adverse effects of problem gambling can be widespread. Those with gambling addictions are at risk of turning to crime or other undesirable means to find money to continue gambling. Gambling crime is predominantly monetary. A recent New Zealand study showed that 1.3% of gamblers (approximately 10,000) had committed illegal activities because of gambling. Of these, 25% would not have committed the crime had they not been gambling[11]. The first gambling-related crime is often committed in the same year as or just a few years after starting regular gambling[12].

2.7 Since 2006, KPMG[D] International's biennial Australasian Fraud Survey has shown a significant increase in gambling fraud in both Australia and New Zealand. The 2008 survey showed an average value of $1.1 million per incident. In 2010 the total average value of major fraud by gambling was $175,456 ($AUD) and in 2012 frauds associated with gambling were low in number but high in average individual loss; $2,012,500 ($AUD)[13].

2.8 Other adverse impacts include family breakdown, disruption to or loss of employment, social isolation[14], and domestic violence. One in 10 gamblers in counselling reported domestic or other violent incidents related to their gambling[8].

2.9 Children are affected in many ways by parents who gamble including being left in vehicles outside casinos and gambling venues. Children with parents who have a gambling problem are more likely to become gamblers themselves. Income otherwise used for food, clothing, schooling, healthcare and other essentials, is often diverted into gambling, creating poverty and hardship for the children of gamblers. The risk associated with this is truancy, dropping in and out of school and possible earlier entry into drinking, smoking and drug use[14].

[D] KPMG: operates globally, specialising in Audit, Tax and Advisory services.

2.10 Gambling venues are more likely to be located in socioeconomically deprived areas. More than five times as many *pokies* are located in the two most deprived deciles (decile 9 and 10) than in the two least deprived deciles (deciles 1 and 2). The distribution of *pokies* by deprivation has not changed significantly since 2003. If *pokies* were distributed evenly throughout New Zealand only 30% would be located in deciles 8-10[15]. Maori and Pacific Peoples who disproportionally reside in socioeconomically deprived areas are exposed to greater opportunities to gamble and experience greater gambling harm. Those living in neighbourhoods with the highest levels of deprivation were five times more likely to report moderate-risk problem gambling than those living in areas of lower deprivation[9].

2.11 Under the Gambling Act 2003, territorial authorities have the statutory ability to influence the outcome of gambling on their communities through the Class 4 Gambling Venue Policy and the TAB Venue Policy.

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