

27 April 2022

Gambling Policy Team  
Department of Internal Affairs  
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Wellington 6140  
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**Re: Submission on Reducing Pokies Harm**

Tēnā koe,

Thank you for the opportunity to provide feedback on **Reducing Pokies Harm**.

Regional Public Health (RPH) is the public health unit for the greater Wellington region (Wairarapa, Hutt Valley and Capital & Coast District Health Boards). Our purpose is to improve and protect the health of the population in the greater Wellington region with a focus on achieving equity.

We are happy to provide further advice or clarification on any of the points raised in our written submission. The contact point for this submission is:

Sophie Hughes, Public Health Advisor  
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Nāku noa, nā

Dr Stephen Palmer  
**Medical Officer of Health**

Peter Gush  
**General Manager**

## **Regional Public Health's reasons for submitting:**

We provide public health services in the greater Wellington region. We aim to keep all our population well, improve health and wellbeing, and prevent illness. With an equity focus, our services prioritise those with poorer health outcomes, particularly looking to improve the health and wellbeing of Māori, Pasifika and whānau on low incomes. Gambling is an issue of concern in many of the communities we work with.

Inequalities occur when the negative impacts of gambling fall disproportionately on low socio-economic groups. This not only affects the individual involved but also can impact between 5-10 people among whānau, friends and the wider community of the gambler<sup>1</sup>. Problem gambling particularly affects the less well-off, Maori and Pacific peoples, ethnic minorities, youth, and the aged. This has direct implications for their whānau in meeting their basic needs. It hits those with the least the hardest.

## **Comments on Consultation Questions**

RPH's submission focuses primarily on responding to PART 1 of the discussion document.

### **Response to Part 1**

#### **Based on what you've read in this part, has the Government correctly understood the problems of reducing pokies harm in pubs and clubs?**

RPH **does not agree** with the problem definition. This definition portrays gambling as a problem with individuals and is simply shifting the responsibility of managing that harm to venue operators rather than recognising that problem gambling is a health and social issue. The inequities in the system are well known with Māori, Pacific and high deprivation neighbourhoods disproportionately affected.

*"...New Zealand studies found that Māori and Pacific adults have particularly high prevalence rates of risky and problem gambling...findings suggest...unless effective measures are taken to reduce the incidence of problem and risky gambling among Māori and Pacific people, current prevalence differences between these groups and European/Other people will persist or increase"<sup>2</sup>.*

Nationally, 50% of all pokies machines are located in our most deprived communities<sup>3</sup>.

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<sup>1</sup> Problem Gambling Foundation of New Zealand. (2012). *Gambling in New Zealand Fact Sheet 01*.

<http://pgfnz.org.nz/Uploads/Library/00Collection.pdf>

<sup>2</sup> Abbott, M., Bellringer, M. & Garrett, N. (2018). *New Zealand National Gambling Study: Wave 4 (2015). Report number 6*.

<https://www.health.govt.nz/system/files/documents/publications/national-gambling-study-report-6-aug18.pdf>

<sup>3</sup> NZIER. (2021). *Harmless fun for all? Social and Economic Impacts of Class 4 gambling in Lower Hutt*.

<https://haveyoursay.huttcity.govt.nz/72737/widgets/353151/documents/216309>

## Lower Hutt example

Evidence of these disparities are evident in Lower Hutt. Gross machine profit per capita has been higher in Lower Hutt than the national average for many years and that difference has been increasing. This is despite a gradual decline in the number of pokie machines over the years<sup>4</sup>.

As of December 2020, there were 425 pokie machines in Lower Hutt across 28 venues. 276 machines (65%) were in areas of deprivation 6-10 (being the most deprived) and 149 (35%) in areas of deprivation 2 to 5. 93 pokie machines were in areas of the highest deprivation level 10 and none in areas of deprivation 1<sup>5</sup>.

41% of the Lower Hutt's Pacific or Māori population live in high deprivation areas of 8-10, 21% in areas of medium deprivation 4-7 and just 12% in areas of deprivation 1-3<sup>6</sup>. There is a significant vulnerable population in a high exposure, high-risk environment.

### **Are any of the above proposals particularly important to you and why?**

All of these specific proposals have limited merit. None of these actions acts on the core inequities and the resulting imbalance in health and social outcomes. The core driver of those inequities is the over-supply of venues and higher machine numbers in deprived areas. This has a significant negative impact on those living in these communities.

### **Would you add something to the list that is not included?**

To make the biggest impact in reducing pokies harm to individuals and their whānau, a reduction in pokie numbers with their targeted removal from areas of high deprivation is necessary. This is supported by the Problem Gambling Foundation of New Zealand:

*"...Sinking lid policies...may reduce access to machines over time but will not significantly impact harm unless they are also reduced in communities with high deprivation. To date the only attempts to restrict access to EGMs in deprived areas is through policies that limit relocation of machines"*<sup>7</sup>.

From our experiences working with taverns and clubs, we are increasingly concerned with the level of money being spent on pokies from less well-off communities. Whilst there have been efforts to reduce the number of pokies in deprived areas, the policy approaches used have not been effective in achieving a reduction in pokies harm. The number of pokies and the number of venues in deprived communities needs to be reduced.

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<sup>4</sup> NZIER. (2021). *Harmless fun for all? Social and Economic Impacts of Class 4 gambling in Lower Hutt.* <https://haveyoursay.huttcity.govt.nz/72737/widgets/353151/documents/216309>

<sup>5</sup> NZIER. (2021). *Harmless fun for all? Social and Economic Impacts of Class 4 gambling in Lower Hutt.* <https://haveyoursay.huttcity.govt.nz/72737/widgets/353151/documents/216309>

<sup>6</sup> NZIER. (2021). *Harmless fun for all? Social and Economic Impacts of Class 4 gambling in Lower Hutt.* <https://haveyoursay.huttcity.govt.nz/72737/widgets/353151/documents/216309>

<sup>7</sup> Problem Gambling Foundation of New Zealand. (2020). *Briefing to the Incoming Minister of Internal Affairs.* <https://www.pgf.nz/downloads/assets/13416/1/bim%20internal%20affairs%202020.pdf>

Whilst out of the scope of this consultation, **legislation change** is urgently required and timeframes need to be expedited. The needs assessment completed by the Ministry of Health in 2018 clearly demonstrates the inequity that exists in the current system and the importance of addressing this. Planning a review of the Strategy to Prevent and Minimise Gambling Harm at the end of its lifespan in June 2022, when we already have sufficient information on the problem and remedies, causes an unnecessary and untenable time delay<sup>8</sup>.

## **No comment on Part 2 – out of our scope of practice**

### **Response to Part 3 Penalties and enforcement**

Our stance is that increasing monitoring and increasing the cost of penalties for operators will have only a minimal effect on reducing harm. It may result in gamblers moving between venues, which is easier in high deprivation areas as they have more venues. Punishment of the venue operator does not actively support change or reduction in community inequalities as it does not create a change in the local environment.

### **Other comments or feedback**

There is substantial evidence that the losses from problem gambling are significant, \$939 million in 2019 and of that, only \$300 million was distributed to a range of national, regional and local beneficiaries<sup>9</sup>.

A common justification given for maintaining the status quo is that significant benefits derived from gambling proceeds go back to the community supporting activities and events. However, this has been at a significant cost to lower-income and disadvantaged communities.

*“Using pokies to raise funds for community purposes is both inequitable and damaging to the communities that the funds are taken from. ... Class 4 gambling tends to magnify community disadvantage. The evidence strongly suggests that it transfers wealth from more deprived communities to less deprived communities”<sup>10</sup>.*

This further supports the urgent need for a reduction of machine numbers and venues from higher deprivation areas.

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<sup>8</sup> Ministry of Health. (2019). *Strategy to Prevent and Minimise Gambling Harm 2019/20 to 2021/22*.

<https://www.health.govt.nz/system/files/documents/publications/hp7137-strategy-minimise-gambling-harm-jun19.pdf>

<sup>9</sup> Problem Gambling Foundation of New Zealand. (2020). *Briefing to the Incoming Minister of Internal Affairs*.

<https://www.pgfnz.org.nz/downloads/assets/13416/1/bim%20internal%20affairs%202020.pdf>

<sup>10</sup> Problem Gambling Foundation of New Zealand. (2020). *Briefing to the Incoming Minister of Internal Affairs*.

<https://www.pgfnz.org.nz/downloads/assets/13416/1/bim%20internal%20affairs%202020.pdf>