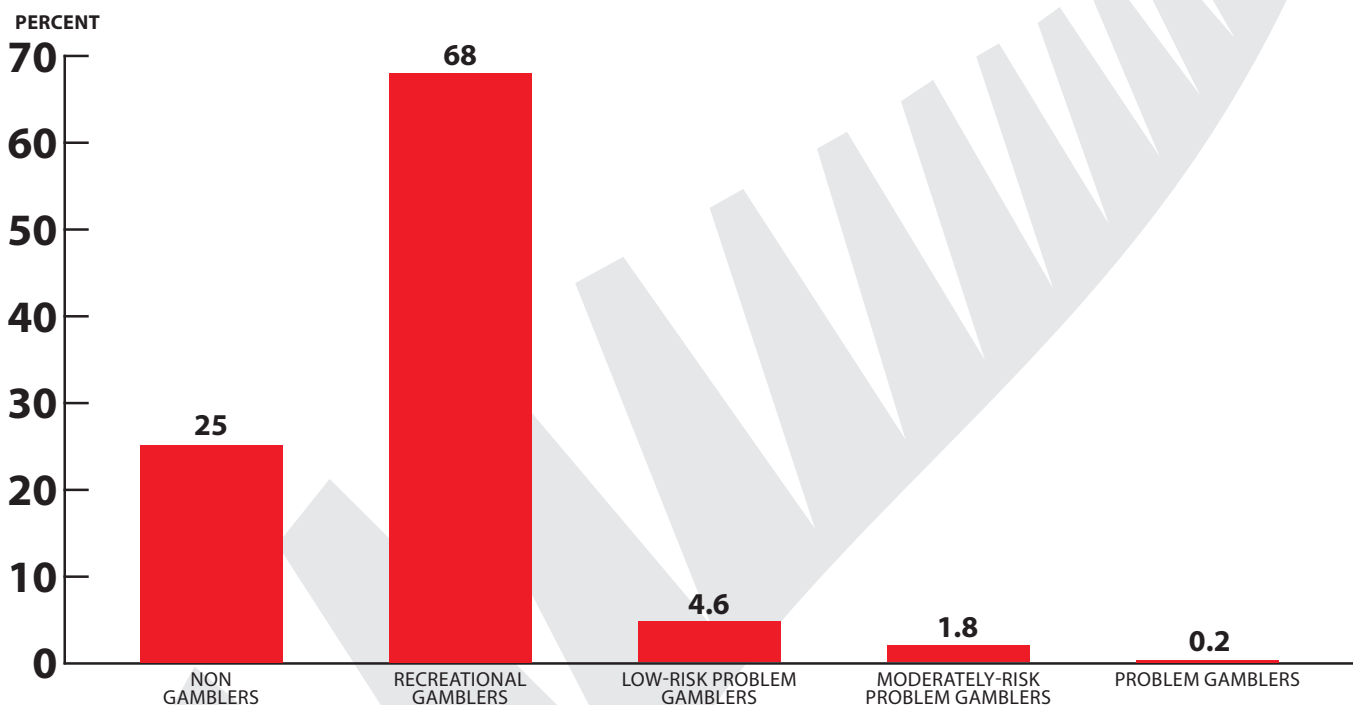


PROBLEM GAMBLING IN NEW ZEALAND

Not all people who play ‘the pokies’ are problem gamblers. In fact, current research¹ shows that only two percent of adults in New Zealand are susceptible to becoming problem gamblers. This graph shows the percentages of gambling risk types (across all modes).

NEW ZEALAND GAMBLING BEHAVIOUR 2015 (% OF GAMBLERS)



According to research by Business and Economic Research Ltd (BERL), New Zealand has one of the lowest rates of problem gambling in the world² (see table below).

The evidence is clear; relatively few New Zealanders are gambling at levels that lead to negative consequences. While there is no doubt that the damage for those who are problem gamblers is high, the reality is that the majority of recreational gamblers know when to stop.

Country	Problem Gambling Prevalence (% population*)
New Zealand	0.1-0.2
Australia	2.3
UK	0.7
Norway	0.7
USA	2.6
Canada	3

*Mixture of CPGI, PGSI and SOGS scores [Source: BERL 2013]

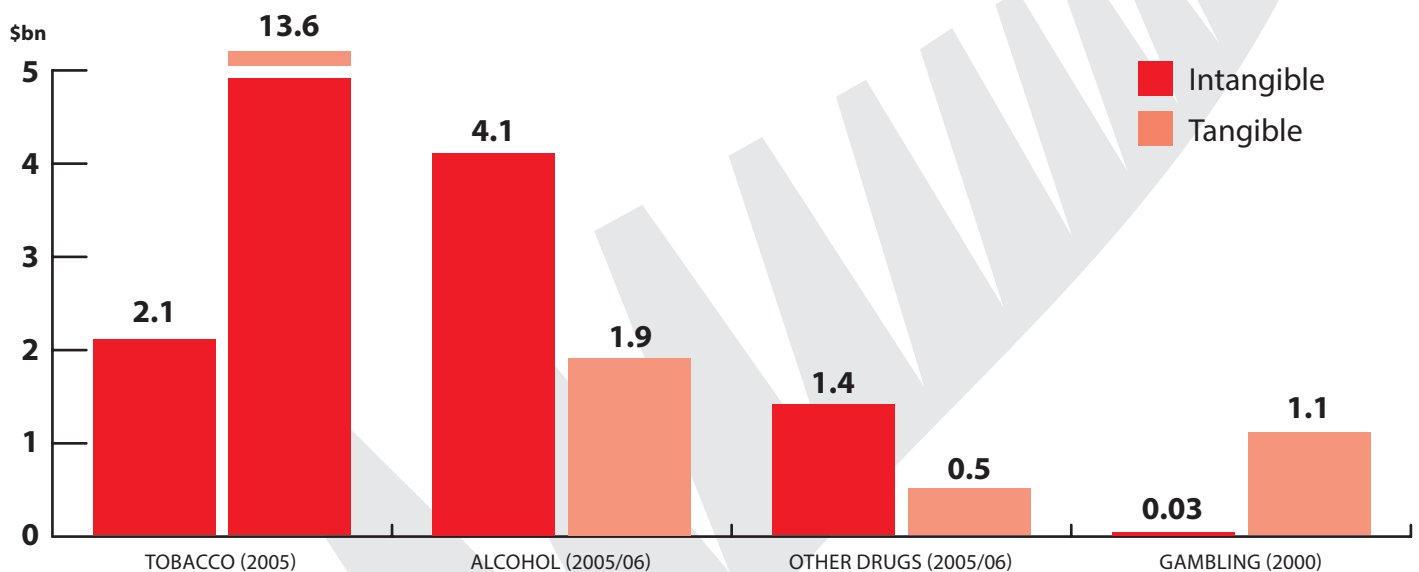
¹ New Zealand National Gambling Study; Wave 4 (2015)

² Maximising the benefits to communities from New Zealand's community gaming model, BERL, February 2013

The estimated social cost of problem gambling in New Zealand, while significant to the families involved, is just 1-2% of the social cost of alcohol, tobacco and other drugs. The figure below shows the estimated social costs of harmful use of tobacco, alcohol, other drugs and gambling.

SOCIAL COSTS OF HARMFUL USE: TOBACCO, ALCOHOL, OTHER DRUGS AND GAMBLING³

SOCIAL COSTS OF HARMFUL USE (2011\$BN)



(Note: as the estimated intangible cost of tobacco was \$13.6 billion, which dwarfs the other categories, the scale is truncated at \$5.0 billion for ease of viewing).

Contrary to statements made by the Problem Gambling Foundation (PGF), there is no evidence available that suggests that problem gamblers in New Zealand account for 40% of all gambling expenditure.

The 40% figure used by PGF came from a 2010 Australian Productivity Commission report. The Australian gambling environment is very different from New Zealand, with the density of gaming machines more than double, and the gambling spend per capita nearly double. Consequently, the New Zealand percentage of gambling expenditure by problem gamblers is likely to be far lower than in Australia.

A 2011 research paper *Gambling away perspective? A review of the evidence justifying electronic gaming regulations* was critical of the Productivity Commission report and suggested the spending by problem gamblers was in fact between 10% and 20%⁴.

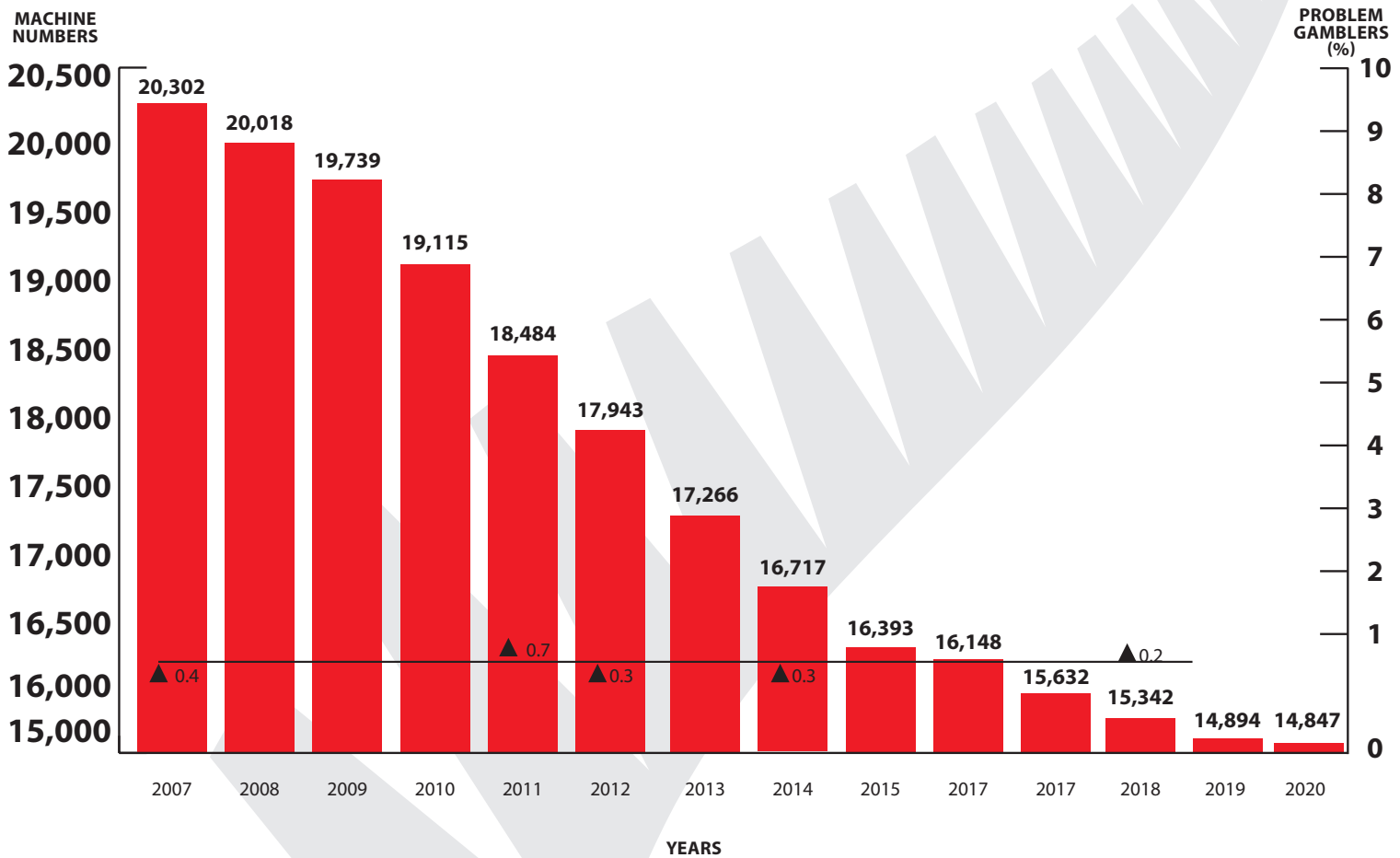
³ Maximising the benefits to communities from New Zealand's community gaming model, BERL, February 2013

⁴ Point 14. Class 4 Gambling Statistics and Research Paper, July 2015

GAMING MACHINE NUMBERS

A reduction of around 5,500 machines across the country since 2007 has had almost no impact on the small percentage of problem gamblers nationally.

GAMING MACHINE NUMBERS VERSUS PREVALENCE OF PROBLEM GAMBLING IN NEW ZEALAND^{5 6}



ONLINE GAMBLING

Imposing restrictions on gaming machines and venues may actually drive gamblers away from the controlled environment of gaming lounges, to the uncontrolled environment of online gambling. Not only is there no help available for online gamblers, but the money gambled does not return any money to the community, the government or gaming operators.

Online gambling is growing at a rapid rate. In the United Kingdom about the same proportion of gamblers play slot machines online as those who play in person. The New Zealand data does not adequately cover online gambling, but we can probably assume the numbers are not too different from the UK. We do know that around \$300 million is lost to offshore gambling websites every year.

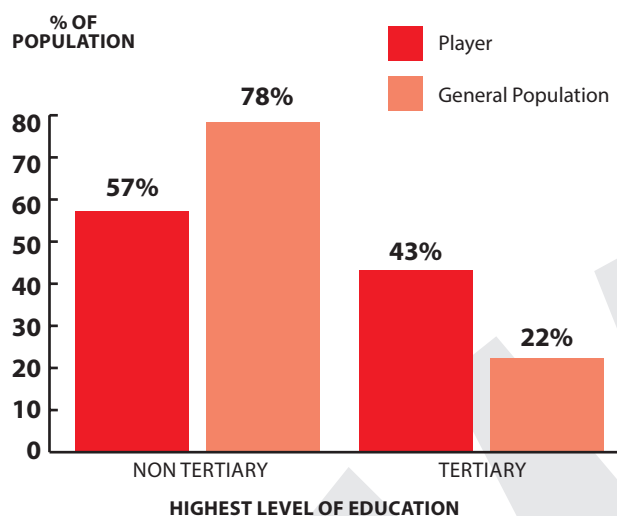
⁵ In the 2006/07 Ministry of Health NZ Health Survey 0.4 percent of the population were categorised as problem gamblers using the Problem Gambling Severity Index (PGSI), in 2009/10 it was 0.7 percent, and in the 2011/12 survey it was 0.3 percent of the population. The latest survey data is from the 2015 wave of the National Gambling Study, published in 2018, which found the problem gambling rate was 0.2%.

⁶ Gaming machines statistics, Department of Internal Affairs website

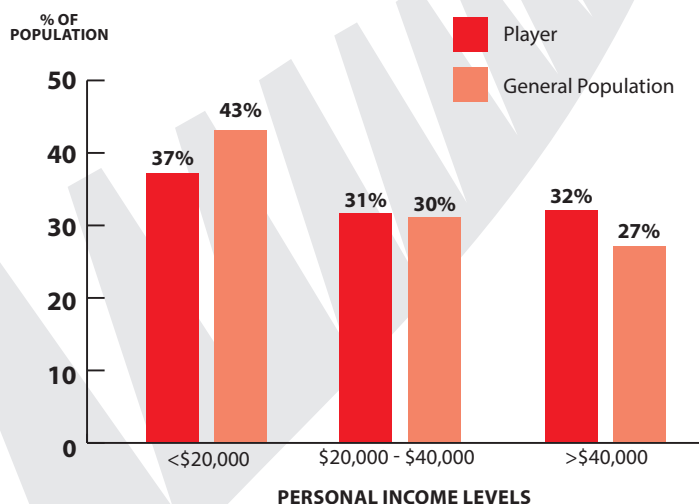
WHO PLAYS THE POKIES?

The results of a 2005 Department of Internal Affairs survey⁷ showed that 16% or 658,000 New Zealanders play the pokies and that they are typical New Zealanders. They are not necessarily low income earners or poorly educated people, as is sometimes perceived.

**POKIE PLAYER VS NON-PLAYER
EDUCATION LEVELS**



**POKIE PLAYERS VS NON-PLAYER
INCOME LEVELS**



PROBLEM GAMBLING RATES HAVE PLATEAUED

The New Zealand 2012 National Gambling Study found that the number of people who regularly participate in continuous forms of gambling (like gaming machines) decreased from 18% in 1991 to 6% in 2012⁸. The study concluded that "Problem gambling and related harms probably reduced significantly during the 1990s but have remained at about the same level despite reductions in non-casino EGM [electronic gaming machine] numbers and the expansion of regulatory, public health and treatment measures."⁹

PROBLEM GAMBLING LEVEL	2011/12	2015
No gambling	20%	25%
Recreational gambling	73%	68%
Low-risk gambling	4.9%	4.6%
Moderate-risk gambling	1.7%	1.8%
Problem gambling	0.6%	0.2%

⁷ People's participation in, and attitudes to gambling 1985-2005, Department of Internal Affairs, 2005

⁸ Pg 8, NZ 2012 National Gambling Study: Overview and gambling participation

⁹ 2006/07 New Zealand Health Survey, 2011/12 New Zealand Health Survey preliminary findings **4**

GAMBLING HARM MINIMISATION

As a corporate society licensed to conduct class 4 gambling, NZCT is fully aware of its obligations under the Gambling Act 2003 to prevent and minimise the harm caused by gambling, including problem gambling. NZCT takes these obligations very seriously.

STRICT HARM MINIMISATION REQUIREMENTS

To prevent and minimise harm which can be caused by excessive use of pokie machines, the government has set in place a substantial number of harm minimisation measures that gaming societies, their venue managers and venue staff are required to meet. These include:

- Stake and prize money is limited
- Odds of winning must be displayed
- Gaming rooms are restricted to people over the age of 18 years
- Gaming rooms can only be operated in adult environments (eg: pubs, nightclubs, clubs)
- Play is interrupted every 30 minutes with an update on how long the player has been at the machine, how much money they've spent and their net wins/losses
- \$50 and \$100 notes are not accepted
- No ATMs are allowed in licensed gambling areas
- Pokie advertising is restricted
- The DIA monitors every gaming machine's takings
- Syndicated play is prohibited
- All venues must have staff trained in gambling harm minimisation on duty
- All venues must have a gambling harm minimisation policy in place
- All venues must display pamphlets and signs directing gamblers to help services
- Venue staff must be able to issue and enforce Exclusion Orders and give ongoing support to players about whom they have concerns.

OUR HARM MINIMISATION TRAINING

NZCT provides qualified problem gambling training to staff at each of its venues (we host over 500 harm minimisation training sessions each year). Trainers deliver a presentation on problem gambling and take staff members through each part of the Harm Minimisation Pack in detail. Refresher training is provided at regular intervals and online training is also available to all NZCT venue staff. Venues are continually supported to ensure a person trained in harm minimisation is on duty at all times. The penalty for publicans failing to assist a known problem gambler can be as high as \$10,000.

PROBLEM GAMBLING LEVY

Each year the gambling industry pays around \$20m to the government in the form of a problem gambling levy so the Ministry of Health can implement its Preventing and Minimising Gambling Harm Strategic Plan. These funds pay for the implementation of public health services, intervention services, research, evaluation and workforce development.

REASSURING RESULTS

MINISTRY OF HEALTH OUTCOMES

In 2013 the Ministry of Health published its Outcomes Framework for Preventing and Minimising Gambling Harm. This research, undertaken by KPMG, found that New Zealand problem gambling services are “moderately accessible, highly responsive and moderate to highly effective”.

GAMBLING HELPLINE WORKS

The world's largest clinical trial for problem gambling treatment by Auckland University of Technology found that has found that, one year after calling the Gambling Helpline, three-quarters of callers had quit or significantly reduced their gambling.

PROBLEM GAMBLING SERVICE PROVIDERS

Here are some of the organisations who provide help for people affected by problem gambling. For a complete list of problem gambling services visit the Ministry of Health's website www.moh.govt.nz.

Gambling Helpline	0800 65 46 55	www.gamblinghelpline.co.nz	
Problem Gambling Foundation	0800 66 42 62	www.pgfnz.org.nz	
	0800 86 23 42 (Asian hotline)		
Salvation Army Oasis Centre	Auckland	09 638 0801	www.salvationarmy.org.nz/oasis
	Hamilton	07 839 6871	
	Tauranga	07 578 9329	
	Wellington	04 389 6566	
	Christchurch	03 365 9659	
	Dunedin	03 477 9852	