



June 2012

Clerk of the Committee  
Commerce Select Committee  
Parliament Buildings  
WELLINGTON

## **Submission on GAMBLING (GAMBLING HARM REDUCTON) AMENDMENT BILL**

1. **Family First NZ** is a research and advocacy group for issues affecting families in New Zealand. It is registered as a charitable entity under the Charities Act 2005.
2. Family First SUPPORTS THE BILL.
3. Family First supports a number of proposals, namely:
  - a. **Enabling local authorities in consultation with their communities to reduce the number of pokie machines in their districts**
  - b. **Determine where pokie machines may be sited**
  - c. **How the proceeds can be distributed**
  - d. **Giving gamblers more ability to limit and control their own gambling behaviour** through player tracking devices and pre-commit cards
  - e. **Requiring the distribution of proceeds to be carried out primarily for the benefit of community organisations operating within the geographic community** in which the venue is located

### **SUMMARY**

4. While we acknowledge that the community benefits from the grants made by Gambling Trusts, the social costs and net losses of participants well exceeds the community gains. Community groups and organisations have been compromised by having to apply for funding from gaming societies to sustain their work.

5. Community groups are relying on the funding of Gambling Trusts because of the lack of support from central government and the promotion of philanthropy. Government funding must be made available to compensate for the potential reduction in Gambling Trust funding.
6. Vulnerable families should not be sacrificed simply because charitable organisations need funding.
7. The targeting of gambling venues in lower socio-economic areas proves that they are being targeted at vulnerable people. This is known as “Social Banditry”.
8. A 2002/03 New Zealand Health Survey showed almost two thirds of problem gamblers lived in 40 per cent of New Zealand's most socio-economically deprived areas.
9. A report titled *Problem Gambling Geography* showed around half of non casino gaming machines (NCGM) and TABs are located in the 30 per cent most socio-economically deprived parts of New Zealand.
10. Significant risk factors include being between 25-34, Maori or Pacific ethnicity, lower educational attainment, being employed and living alone. Health Ministry figures show 36% of clients of problem gambling services last year were Maori, more than twice their 15% share of the population.
11. In 2005, a study which examined whether the ‘pokies’ were more easily accessible in low socio-economic communities in New Zealand found that the greatest number were found in decile 9 areas (1=least disadvantaged; 10=being most disadvantaged). Per head of population, decile 9 areas had nearly thirteen times the machines as decile 1 areas. Over 53% of machines are in decile 8,9,10 areas where the population consists of 56% Maori and 72% Pacific peoples.
12. There are far too many pokie machines in our communities. Recent figures showed 1 machine for every 180 kiwis, yet 1 for every 4000 in US.  
Source: *Problem Gambling Committee report June 2007*
13. The Problem Gambling Foundation quote research which shows that the ratio of pokies to people in high income areas is **1 in 465**. In low income areas, it is **1 in 75**.  
*Wheeler, B., Rigby J., & Huriwai T. 2006*
14. Problem gambling is strongly associated with risky drinking behaviour and smoking.

15. Other health problems for gamblers include stress-related health problems, major mental problems, and medical conditions.
16. Of most concern is the impact on families including domestic violence, unsupervised children, children going without food clothes and other necessities, and US research suggesting a link between gambling and physical and emotional abuse.
17. A survey of 144 spouses of compulsive gamblers indicated that 50% were physically and verbally abused by their spouses and 12% had attempted suicide. In face-to-face interviews, 23% of pathologic gamblers admitted to “hitting or throwing things more than once at spouse or partner.”
18. Another survey of 215 spouses of pathologic gamblers indicated that they often suffer from headaches, stomach problems, dizziness, and breathing difficulties, in addition to emotional problems of anger, depression, and isolation. These were usually due to psychological abuse.
19. Children of problem gamblers were reported to be two to three times more likely to be abused by both the gambler and his or her spouse than their peers.
20. In a 2005 study on assault the most frequently cited reason for assault on women, (with the exception not known which was 41.5%), was alcohol and gambling on 37% of interviewees.
21. A woman whose partner was a problem gambler is 10.5 times more likely to be a victim of violence from her partner than partners of a non-problem gambler.  
*Journal of Emergency Medicine 23: 307-312*
22. NZ research has also found links between problem or pathological gambling and committing crime.
23. The Australian Productivity commission found that 5 to 10 other people can be directly affected to varying degrees by the behaviour of a problem gambler. In addition, there are demands on the resources of community and public services

## **SPECIFIC MEASURES**

24. We support **consumer protection provisions** in terms of
  - Pre-commit technology
  - Player tracking
  - Maximum \$1 spins

25. We support

- **Giving greater powers over gambling to communities.** Councils should be able to review pokie numbers and venue licenses annually. They should reflect public opinion on the number of machines in the community
- **Decisions on grants should be made by local committees** (*reasons - see para 26*)
- **Money should go back to the communities that lost it**
- Not allowing the use of pokie funds to support stakes for races

26. NZ Herald Editorial: **Time to tackle social cost of the pokies**

*A spokesman for the Internal Affairs Department suggested this year that 30 of the country's 50 gambling trusts had "issues of non-compliance" similar to those of the Trusts Charitable Foundation, which paid more than \$500,000 to one of its trustees to sign up new pokie venues. A slightly less severe penalty was imposed on the Southern Trust for unjustified expenses aimed at enticing pub operators to join the trust. Further, the department has had to crack down on huge sums being pumped from pokie machines to trotting clubs in a way that raised conflict of interest questions.*

[http://www.nzherald.co.nz/politics/news/article.cfm?c\\_id=280&objectid=10687623](http://www.nzherald.co.nz/politics/news/article.cfm?c_id=280&objectid=10687623)

*Three trusts were banned from giving any more money to four trotting clubs last year after their grants to the four clubs jumped from less than \$500,000 a year to \$5.4 million over two years.*

[http://www.nzherald.co.nz/nz/news/article.cfm?c\\_id=1&objectid=10686512](http://www.nzherald.co.nz/nz/news/article.cfm?c_id=1&objectid=10686512)

We would like to make an oral submission.



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