



August 2013

**Clerk of the Committee  
Commerce Select Committee  
Parliament Buildings  
WELLINGTON**

## **Submission on NEW ZEALAND INTERNATIONAL CONVENTION CENTRE 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 OPPOSES the Bill.**

### **GAMBLING WITH FAMILIES**

3. Family First is opposing any law change which would allow the mass influx of more 'mechanical pickpocket' machines to SkyCity. This law change is completely contrary to the Gambling Act which seeks to reduce gambling harm. Casinos thrive on the false promise of getting rich quickly, but the reality is that those who can least afford to gamble are gambling themselves deeper into debt.

4. 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.

5. 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 were Maori, more than twice their 15% share of the population.

6. 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.

7. Problem gambling is strongly associated with risky drinking behaviour and smoking.

8. Other health problems for gamblers include stress-related health problems, major mental problems, and medical conditions.
9. 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.
10. 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."
11. 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.
12. 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<sup>1</sup>
13. 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.
14. 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.<sup>2 3</sup>
15. NZ research has also found links between problem or pathological gambling and committing crime.
16. 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<sup>4</sup>

## **PROBLEMS WITH THE PROCESS**

17. The process was not robust. There were four other interested parties in building the convention centre. The [Deputy Auditor-General](#)<sup>5</sup> was concerned with how unfairly they were treated in the tendering process. What has been shown is that the Convention Centre (if needed) *could* be built without a mass increase in pokie machines.
18. The predicted 800 jobs in the centre is not consistent with convention centres of similar size in Australia e.g. The Sydney Convention Centre which is the same size employs only 200 people.

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<sup>1</sup> National Gambling Impact Study Commission (NGISC) 1999 Final Report, p. 7-28.

<sup>2</sup> National Research Council, "Pathological Gambling: A Critical Review," April 1, 1999, p. 5-2.

<sup>3</sup> Journal of Emergency Medicine 23: 307-312

<sup>4</sup> <http://www.pc.gov.au/projects/inquiry/gambling-2009>

<sup>5</sup> <http://www.oag.govt.nz/2013/skycity>

19. We would question whether there is a proven need for this convention centre. Conferences in other venues in Auckland will be lost to SkyCity. Some of these venues are publicly owned
20. The concession which allows cashless facilities is problematic. "*Cashless systems are associated with the most harmful and widespread form of gambling, and they are likely to exacerbate problem gambling behaviours linked to continuous, extended, intensive, repetitive and detached play.*"<sup>6</sup>
21. The concession which allows \$100 bank note limits on 17% of the gambling machines is problematic. "*The increase in banknote acceptors to \$100... is likely to be more attractive to at risk and problem gamblers than to non-problem gamblers.*" - [MBIE Regulatory Impact Statement 2013](#)<sup>7</sup>
22. **According to the [Regulatory Impact Statement](#):**<sup>8</sup>
- in line with the Gambling Act's purpose of minimising and preventing harm, the [Department of Internal Affairs](#) has not to date progressed the introduction of TITO (Ticket-in Ticket-out) or other cashless technology into the sector because of harm prevention and minimisation concerns. This restriction should not be eased until there is evidence that it won't result in problem gambling.<sup>9</sup>
23. Gaming machine gambling is a continuous form of gambling that is particularly likely to be associated with harm and the risk of harm. In Australia, for example, the Productivity Commission concluded after two inquiries a decade apart that people playing casino or non-casino gaming machines face greater risks than people who participate in other gambling activities (such as lotteries), and that the likelihood of harm rises steeply with the frequency of gaming machine gambling and with gaming machine expenditure levels.<sup>10</sup>
24. New Zealand studies have found that gaming machines are associated with harm more often than any other form of gambling.<sup>11</sup>
25. The 2011/12 New Zealand Health Survey estimated that around 89,000 adults had experienced problems in the previous 12 months as a result of someone else's gambling. 33.2 per cent of those named casino gaming machines as at least one of the forms involved, and 10.3 per cent named casino table games. This figure does not include children, who are also impacted by gambling-related harm. We would expect these numbers to be higher if children were included.<sup>12</sup>

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<sup>6</sup> [http://www.dia.govt.nz/diawebsite.nsf/Files/CashlessGamblingPaper/\\$file/CashlessGamblingPaper.pdf](http://www.dia.govt.nz/diawebsite.nsf/Files/CashlessGamblingPaper/$file/CashlessGamblingPaper.pdf)

<sup>7</sup> <http://www.treasury.govt.nz/publications/informationreleases/ris/pdfs/ris-mbie-nzic-jul13.pdf>

<sup>8</sup> <http://www.treasury.govt.nz/publications/informationreleases/ris/pdfs/ris-mbie-nzic-jul13.pdf>

<sup>9</sup> [http://www.dia.govt.nz/diawebsite.nsf/Files/CashlessGamblingPaper/\\$file/CashlessGamblingPaper.pdf](http://www.dia.govt.nz/diawebsite.nsf/Files/CashlessGamblingPaper/$file/CashlessGamblingPaper.pdf)

<sup>10</sup> Ministry of Health and Department of Internal Affairs, Regulatory Impact Statement 'Problem Gambling Levy for 2013/14 to 2015/16', 2013. (ref. Productivity Commission 1999, 2010).

<sup>11</sup> 'Problem Gambling Levy for 2013/14 to 2015/16', 2013, p.7. (ref. Abbott and Volberg 2000; Gray 2011; Health Sponsorship Council 2012; Ministry of Health 2009, 2012a; SHORE 2008).

<sup>12</sup> <http://www.health.govt.nz/news-media/media-releases/2011-12-new-zealand-health-survey-released>

26. Based on the increased number of pokie machines and tables being allowed, it is possible to hypothesise that an additional 4,779 (8.1% of 59,000) people may be at least partly affected by casino machines and an additional 3,600 at least partly affected by casino tables (20% of 18,000).
27. Only a fraction of those affected by problem gambling seek help and the cost of intervention services is in any case only a fraction of the costs (harms) associated with problem gambling (such as suicide; family violence; children inadequately clothed and fed, and other examples of deprivation and poor parenting; costs to the justice system, to businesses, and to community groups of gambling-related crime; lost productivity etc.).
28. Players who opt for voluntary pre-commitment can continue to play beyond their agreed limit by removing their loyalty card (which identifies them) from the machine. The effectiveness of voluntary pre-commitment systems as a measure to address the risk of gambling harm is not known. The evidence from Australia suggests that the uptake of voluntary pre-commitment is typically low and that many players do not adhere to the limits they set.<sup>13</sup>
29. **We wish to appear before the Committee** – preferably in Auckland where we are based.

Yours sincerely



**Bob McCoskrie**  
**National Director**

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<sup>13</sup> Summarised in Delfabbro P.H. (2012). Australasian Gambling Review (5th Edition). Adelaide, Independent Gambling Authority. pp 219-225.