BAY OF PLENTY
DISTRICT HEALTH BOARD
HAUORA A TOI

Bay of Plenty District Health Board is committed to improving and protecting the health of the communities in the Bay of Plenty district.

Position Statement – Gambling Machines

Gambling is a public health issue as stated in the Gambling Act 2003. Gambling machines (pokies) cause more harm than any other form of gambling.

Bay of Plenty District Health Board (Bay of Plenty DHB) supports strategies that minimise gambling-related harm and inequality across the spectrum of problem gambling behaviour and recommends that councils adopt a sinking lid policy to reduce the number of class 4 gambling machines in each community.

Problem gambling imposes personal costs on individuals and their families, as well as social and economic costs on the wider community. The *New Zealand National Gambling Study Wave 4 (2015)* estimated 0.2% of adults were problem gamblers, 1.8% were moderate risk/problem gamblers and 4.6% were low-risk gamblers.[i] A higher proportion of Māori and Pacific participants were moderate-risk/problem gamblers (8.6% Māori, 7.6% Pacific) and low risk gamblers (Māori 6.4%, Pacific 8.8%). Browne et al. (2017) found that whilst individual problem gamblers experience the most harm, low-risk gamblers collectively contribute much more to the total harm in the community, as there are many more of them.[ii]

Gambling–related harm can include emotional or psychological distress, financial harm, reduced performance at work or education, relationship disruption, conflict or breakdown and criminal activity.[2] Harms often extend beyond gamblers to encompass family members, whānau, friends, employers and colleagues. In 2016, one in five New Zealand adults (22%) reported being affected at some time in their lives by their own gambling or the gambling of others.[iii] Gaming machines at pubs or clubs were most commonly associated with household gambling-related harm. Problem gamblers experience about half the quality of life compared to ideal health and wellbeing, whilst moderate-risk gamblers experience a 37% reduction and low-risk gamblers an 18% reduction in quality of life.[ii] In 2015, typical monthly expenditure on electronic gaming machines was $117 for moderate-risk/problem gamblers, $57 for low-risk gamblers and $28 for non-problem gamblers.[i]

Gambling machines are concentrated in our most vulnerable communities. In 2011/12 the average number of gambling machines was 1.7 per 1000 people in least deprived area (deciles 1–3) and 7.2 per 1000 people in most deprived areas (deciles 8–10), more than four times as many per head of population.[iv] An analysis of problem gambling in New Zealand and Australia found that there is an increase in problem gambling of nearly one person for each new machine.[v] This study found that restricting the density of gambling machines leads to a decrease in gambling harm.

The negative outcome of gambling outweighs the benefits of community funding from gambling machine revenue. Gambling machine societies are required by law to allocate a minimum 40% of proceeds (the amount wagered, less the amount paid back as prizes) back to community groups and organisations, but not necessarily to the community where the money was lost. Determining which districts are benefitting is difficult. For example in 2017/18 only 23% of gambling machine

spending in Tauranga was redistributed to the Tauranga community by way of grants. Gambling derived funding comes at a very high cost to the community.[vi] The 2016 Health and Lifestyles Survey highlighted New Zealanders are concerned about the negative social impacts of gambling.[iii] In the survey 61% of respondents thought that pub/club pokies were the most harmful type of gambling and nearly half (47%) of respondents (60% Māori) thought that gambling machines in pubs or clubs were undesirable.

The two main reduction strategies for local government policy are *sinking lid* and *licence cap*:

1. A sinking lid policy is a district-wide ban on any new class 4 gambling venues or machines. If a venue closes, the machines cannot be transferred or replaced elsewhere. This results in a natural attrition in the number of venues and machines over time. It does not affect existing venues.

2. A licence cap limits the maximum number of machines in a district. A cap is usually expressed as the maximum number of machines per 1000 adult residents. A licence cap can result in venues shifting to vulnerable communities and lead to no reduction in the density or number of gambling machines.

Bay of Plenty DHB recommends that each council adopts a sinking lid policy in order to reduce the total number of venues and machines over time with the goal of reducing gambling harm.

If a council decides to adopt the licence cap option, Bay of Plenty DHB recommends that this includes a clause regarding proximity of class 4 venues to sensitive land use, such as residential areas, schools, marae, and community centres.

Bay of Plenty District Health Board advocates and supports the following:

- Working with local government to implement healthy policies to prevent and minimise gambling-related harm and inequalities
- Local government adopting a sinking lid policy for gambling machines, whereby no new licences or additional gambling machines are allowed and existing licences cannot be transferred to other locations
- Alternative, more sustainable and equitable community funding models, reducing reliance on gambling proceeds. Consequently, the Bay of Plenty DHB will not accept any funding derived from gambling machine proceeds.

References and further information

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Adopted by: the Bay of Plenty District Health Board at its 17 October 2018 meeting.
Review Date: October 2021