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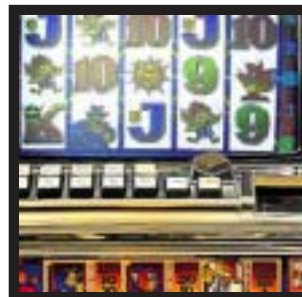
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# **SOCIAL IMPACTS OF GAMBLING IN MANUKAU CITY**



**A report for Manukau City Council July 2003**

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Words and Pictures**

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Copies of this report are available from [www.manukau.govt.nz](http://www.manukau.govt.nz)

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## **EXECUTIVE SUMMARY**

- This report provides evidence of gambling impacts in Manukau City so that the Manukau City Council can develop a Gambling Venue Policy, required six months after the passing of the Gambling Bill currently before Parliament.
- The authors conservatively estimate that Manukau City people lose more than \$91 million each year gambling on Lotteries products, TAB, Sky City Casino and gaming machines, after grants and returns to venues have been deducted.
- Economists measure the perceived benefit to individuals of intangible experiences like gambling by calculating the difference between what people pay and what they would be willing to pay for them. One Australian national study estimated this gambling consumer surplus at between \$2.7 and \$4.5 billion (Productivity Commission, 1999).
- The same Australian study found the net gain in jobs and economic activity from gambling was small when the diversion of consumer spending from other areas was taken into account.
- The study indicated that lotteries yield net benefits, while gaming machines and sports betting include the possibility of net losses.
- The number of Manukau City people affected by problem gambling ranges from a conservative estimate of 10,632 (Abbott and Volberg, 1999) to a more liberal estimate of 43,595 people (Gambling Studies Institute, 2001), or 15% of the total population. This includes problem gamblers and an estimated five people directly affected.
- Those at greater risk of problem gambling include young people, Maori, Pacific and possibly Asian people. The demographic profile of Manukau City includes high proportions of these groups.
- All informants contacted for this report considered that gambling problems are largely hidden.

### **About the authors**

Jenny Rankine is a journalist and researcher, with experience in women's issues, health, employment and discrimination.

David Haigh is a policy analyst and social researcher with a particular interest in local government and community organisations.

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- There is no agreed way of measuring the social or economic impacts of gambling. No detailed research about social impacts has been done in Manukau City or elsewhere in New Zealand. Overseas research is the only guide to likely local costs. One extrapolation from overseas figures concluded that national costs of gambling harm are greater than the taxes raised by Government from gambling activities.
- Some New Zealand research and interviews for this report indicate significant social impacts in Manukau City, particularly in neglect of children, relationship break-up, debt, eviction or housing mortgage sales, crime and health system costs.
- These social impacts are likely to be greatest in lower socio-economic areas located closest to gambling venues.
- Community concern about the social impacts of gambling is high in Manukau City.
- The Treaty of Waitangi has not been referred to in gambling legislation. Maori had no tradition of gambling before colonisation and have not been involved in drafting gambling policy.
- This report draws on a public health approach to gambling, which promotes responsible gambling behaviour for everyone and does not aim to single out just those categorised with a problem. It locates the problem in the gambling environment, and takes into account levels of consumption, regulation and the context of gambling.
- Health promotion about gambling has only just begun in Manukau City, and Council has a role. It is important to educate consumers about gambling as emerging electronic gambling technologies cannot be effectively regulated.
- This report concludes that when community concern is great and the cost of inaction is high, the precautionary principle requires preventive action even if there is no conclusive evidence of harm.
- Reducing the density of gaming machines is likely to reduce the total amount lost, which is an indicator of community impact (Livingstone, 2001).
- The concerns raised by informants for this report indicate a need for an integrated Council approach to gambling through bylaws, the District Plan, Community Plans, liquor licence inspections, funding and health promotion, to deal with issues such as advertising, monitoring, health promotion and community alternatives to gambling.
- This report presents three options for the Council's gambling venue policy –
  - 1 Maximum control - No new gaming machines from 17 October, 2001.
  - 2 Intermediate control - either a cap of six machines per venue or a ratio of machines to population
  - 3 Minimal control - the legislated maximum of nine new machines at each venue.

# **CONTENTS**

<b>1 Introduction</b>	<b>5</b>	<b>7 Impact on population groups</b>	<b>18</b>
<b>2 Gambling losses in Manukau City</b>	<b>5</b>	7.1 Tangata whenua	18
2.1 Gaming machines	6	CASE STUDY 1	19
2.2 TAB	6	7.2 Women	20
2.3 Lotteries	6	7.3 Young people	20
2.4 Sky City Casino	7	7.4 Older people	21
2.5 National losses	7	7.5 Pacific people	21
<b>3 Economic benefits of gambling</b>	<b>7</b>	7.6 Asian people	22
3.1 Gambling industry employment	8	CASE STUDY 2	22
3.2 Impact on other sectors of the economy	8	<b>8 Total social impact of gambling</b>	<b>23</b>
<b>4 Problem gambling</b>	<b>9</b>	8.1 Unequal distribution of gambling costs	23
4.1 Terms used in gambling research	9	<b>9 Health promotion and gambling</b>	<b>24</b>
4.2 Estimates of problem gambling	9	9.1 Alcohol, smoking and gambling behaviour	25
4.3 Likely future of problem gambling	10	<b>10 Conclusions</b>	<b>25</b>
4.4 Types of gambling creating the most problems	11	<b>11 Recommendations</b>	<b>26</b>
4.5 Problem gambling as a proportion of total losses	11	<b>12 Gambling Venue Policy options</b>	<b>27</b>
<b>5 Demographic issues related to gambling</b>	<b>11</b>	12.1 Option 1 - Maximum control: No new machines from 17 October 2001	27
5.1 Ethnicity	11	12.2 Option 2 - Intermediate control	27
5.2 Income	12	12.3 Option 3 - Minimal control: The legislated maximum of nine machines per venue	27
5.3 Age	13	12.4 Location of gaming machine venues	28
5.4 Gambling machine sites and numbers	13	<b>Appendix 1 – Stakeholders contacted</b>	<b>29</b>
5.5 TAB outlets	14	<b>Appendix 2 – References</b>	<b>31</b>
5.6 Manukau area gambling help service contacts	14	<b>Appendix 3 – South Oaks Gambling Screen</b>	<b>34</b>
<b>6 Social impacts of gambling</b>	<b>14</b>	<b>Appendix 4 – History of gambling and problem gambling services in Manukau</b>	<b>35</b>
6.1 Debt	15	<b>Appendix 5 – Maps [Attached]</b>	
6.2 Other impacts on individuals	16		
6.3 Impacts on families	16		
6.4 Housing	17		
6.5 Employment	17		
6.6 Social welfare	17		
6.7 Crime	17		
6.8 Treatment	18		

# 1 INTRODUCTION

1.1 This report builds on earlier work undertaken by Manukau City Council in its submissions to Government on the Discussion Document on Gaming Reform in New Zealand (2001) and on the Responsible Gambling Bill. It also draws on a 2002 Counties Manukau Health Council paper. This report analyses Manukau City's demographic profile in relation to regular users of gambling machines and vulnerability to problem gambling. It analyses and maps the numbers and growth of gambling outlets to show the areas with the highest density of machines. It includes qualitative evidence from interviews with more than 100 community informants and stakeholders, as well as relevant Council staff.

1.2 The Department of Internal Affairs currently regulates gambling. Gambling operators such as Sky City Casino, the Lotteries Commission, the TAB and non-casino gambling venues pay levies towards gambling treatment services, funded through the Problem Gambling Committee. Once the Gambling Bill is passed, the Ministry of Health is expected to fund gambling services and research.

1.3 This report has been prepared in anticipation of a new role for Council under the new legislation. The Gambling Bill aims to –

- (a) control the growth of gambling; and
- (b) prevent and minimise the harm caused by gambling, including problem gambling; and
- (c) authorise some gambling and prohibit the rest; and
- (d) facilitate responsible gambling; and
- (e) ensure the integrity and fairness of games; and
- (f) limit opportunities for crime or dishonesty associated with gambling; and
- (g) ensure that money from gambling benefits the community; and
- (h) facilitate community involvement in decisions about the provision of gambling.

1.4 When the Gambling Bill is enacted, those commercial premises licensed on or after 18 October 2001 for machine numbers above nine will have to reduce the number of machines to nine. The new legislation will require councils to prepare a Gambling Venue Policy (GVP), which must be put through the Special Consultative Procedures under the Local Government Act 2002, and finalised within six months from the date the law is passed. The new legislation will require the policy to be reviewed every three years.

1.5 The GVP will apply retrospectively to gaming machines introduced on or after 18 October 2001. It will apply to commercial premises with liquor licences that restrict entry to those over age 18, and private membership licensed clubs. Our interviews indicate that Manukau City commercial venue operators are aware of the Bill's provisions. The Council's GVP will form the basis of Council decisions on any consent applications for additional stand-alone TABs or gaming machines in these venues.

1.6 The GVP will *not* apply to Lotto or other forms of gambling. Under the current law, hotels, bars and clubs are not allowed to make commercial gain from gambling machine revenues. Owners, who must be charitable trusts and must donate a third of all revenue to the community, pay an administration fee to venues for hosting machines.

1.7 The Council must consider the social impact of gambling in its district when it prepares its Gambling Venue Policy. This report provides information and options to enable the Council to do this.

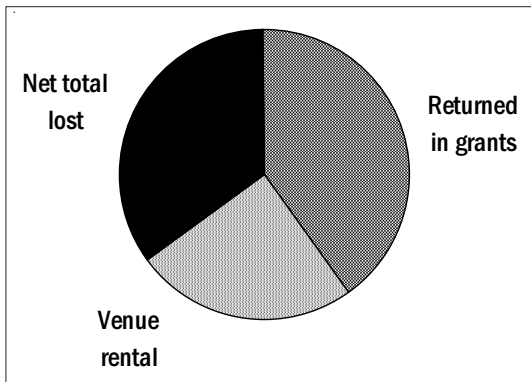
1.8 There has been no systematic research measuring the social benefits or costs of gambling in Manukau City or any other regional area of New Zealand. There is as yet no agreed measurement tool for estimating the social impacts of gambling. The Health Research Council is currently requesting proposals to trial ways of measuring gambling's socio-economic impact. This report therefore relies on more general New Zealand and overseas research.

1.9 This report begins by estimating gambling losses in Manukau City and the economic benefits of the industry. Then it estimates the prevalence of problem gambling in the population and relates Manukau City demographics to problem gambling risk factors. The report then describes available evidence of the social impacts of gambling. It concludes with health promotion issues and recommendations.

## 2 GAMBLING LOSSES IN MANUKAU CITY

2.0.1 The authors of this report conservatively estimate that **net gambling losses from Manukau City people** (ie. once winnings and community grants are

**Chart 1**  
**Proportions**  
**of Manukau**  
**City gaming**  
**machine**  
**spending**  
**lost and**  
**returned**



deducted) **total at least \$91 million a year**. Calculations for this estimate follow.

## 2.1 Gaming machines

2.1.1 A conservative estimate of net losses from gaming machines in Manukau is over \$11,400,000 a year. This is calculated by removing net gains from the city's proportion of losses.

2.1.2 Gamblers spent \$620 million on commercial machines in New Zealand in the year 2001/2002 (DIA, 2002); this does not count spending on machines in clubs. Manukau City has 5.2% of the total number of machines, so a rough estimate is that \$32,240,000 is

spent annually on machines at commercial venues in the city.

2.1.3 Once venue costs have been deducted from revenue, machine owners are required by law to return one-third of the remainder to the community in grants. In 2002, this totalled \$206 million. One-quarter of all grants made by the six major gaming machine trusts to community groups - \$51.1 million - is returned to the Auckland region (Simonsen, 2003). Manukau City has a quarter of this population. Assuming an equal division, we estimate that approximately \$12,875,000 is returned to Manukau City community groups.

2.1.4 Rentals on 1,017 commercial Manukau City gaming machines are paid at \$150 per week and total \$7,932,600 a year. This is counted as a benefit to Manukau, assuming that all venue owners live in Manukau City.

## 2.2 TAB

2.2.1 Of every dollar spent at the TAB, customers receive 80.39 cents back in winnings. Another 5.96 cents goes in taxes and levies, and 13.65 cents is TAB

revenue. Eight cents of this is returned to the Racing Industry Board, which distributes it to harness, greyhound and racing clubs around the country.

2.2.2 We were able to obtain figures for average weekly spending on horse racing from 21 of the 28 TAB outlets in Manukau City. Average racing turnover in 2002/3 was more than \$48 million a year. This does not include other sports betting.

2.2.3 If punters lost 19.61c in every dollar, then in 2002/3 they lost \$9,442,784 in the year. In the years from 1997/98 to 2003, they lost a total of \$54,864,841 on racing. As there are seven TAB outlets in Manukau City which were not included in these calculations, this is likely to be a significant underestimate.

2.2.4 The TAB contributes more than \$3.8 million a year from its Manukau revenue to the Racing Industry Board. Only a small proportion of this would be returned to Manukau City horse businesses and racing clubs.

2.2.5 This report estimates that Manukau City betters lost a net total of more than \$9 million on TAB products last financial year.

## 2.3 Lotteries

2.3.1 In the 2002/2003 year, Manukau City total Lotteries net losses (sales less prizes paid) was \$21,396,897 million. For the last five years, losses from Manukau City Lotto agencies totalled \$186,358,097 million.

2.3.2 In 2001/02, the most recent figures available, the Lotteries Commission contributed \$119 million to the Lotteries Grants Board to fund arts, sporting and community projects. \$3,472,665 or almost 3% of the total was distributed to Manukau City groups.

2.3.3 Assuming similar figures in the two financial years, Manukau City residents lost an estimated net total of \$17.9 million on Lotteries products in the last financial year.

**"Every year New Zealanders who gamble lose four times more than the total spent on early childhood education and more than we spend on all our universities and polytechnics put together."**  
**Researcher**

## 2.4 Auckland Sky City Casino

2.4.1 Sky City informants say current Counties Manukau attendance at the Casino is consistent with the 22% estimated in 1998 (Australian Institute for Gambling Research, 1998).

2.4.2 In 2001/2002, casino revenue less premium player figures (almost all from overseas) totalled \$254 million. Assuming Manukau City people spent a similar amount to other casino visitors, they may have lost approximately \$56 million.

2.4.3 Sky City donations to the Burns and Plastics Unit at Kidz First Children's Hospital have totalled more than \$1 million. Sky City's published list of its community trust donations, viewed on its website in June 2003, includes minimal identifying detail. Fifteen of the 130 listed groups were identified from Manukau City, or 9%. No monetary totals and no time periods are given.

2.4.3 This report estimates that Manukau City people's net losses to the Casino were approximately \$53 million in 2001/2002.

## 2.5 National losses

2.5.1 In 1998, the average spending of New Zealand households on all forms of gambling was \$6.50 a week or a total of \$338 per year. Statistics New Zealand considers these figures from its Household Economic Survey to be conservative.

2.5.2 The Department of Internal Affairs reported that in 1998 the national total net loss to gambling was over \$1 billion. This amounts to \$5.39 per person per week or \$280 per year. However, averaging gambling spending by person or by household is misleading as spending is concentrated in only a small proportion of households.

## **3 ECONOMIC BENEFITS**

3.0.1 There is no detailed New Zealand research on the economic benefits of gambling, so this report relies on Australian examples. However, there is no consensus on the measurement of economic benefits in overseas research.

3.0.2 The 1999 New Zealand gambling prevalence survey found that 94% of the adult New Zealand population gamble, and 48% do so regularly. Of these, 83% have never experienced any gambling problems (Abbott and Volberg, 2000). It is clear that gambling is an enjoyable part of the recreational life of many Manukau City residents.

3.0.3 Raffles are a standard way of raising money for community groups. Housie and church-organised bingo games provide a social focus, especially for Maori and Pacific communities in Manukau City. However, small community organisations are finding it increasingly difficult to use gambling for self-help fundraising due to competition with other gambling modes (Markland, 2002).

3.0.4 One Manukau City RSA and one sports club contacted were planning major renovations or venue purchases with income from gaming machines. Without this income, one RSA said it would be unable to pay the 50% subsidy it contributes to members' medical, dentistry and optometry bills. Research in Victoria, Australia also found that community groups benefited from owning or receiving income from gaming venues, while other groups were worse off (VCGA, 1999).

3.0.5 The same study found that hotels and clubs with machines were more likely to have increased patronage and revenues, particularly from food and drink sales. They were also more likely to have made substantial improvements in their buildings and facilities than non-gaming venues (VCGA, 1999). The majority of gaming venues had increased their trading hours compared with non-gaming venues. However, entertainers believed their opportunities for work, especially in hotels, had declined since the introduction of gaming machines.

3.0.6 Like other entertainment industries, such as theatres and cinemas, the consumer benefits of gambling are intangible experiences rather than tangible goods or services.

3.0.7 The authors were unable to find a New Zealand estimate for the consumer benefit of gambling. The Australian Productivity Commission estimated this benefit at between \$4.4 billion and \$6.1 billion each year, although these figures "can only be indicative". This comprised -  
➤ Between \$2.7 billion and \$4.5 billion consumer surplus (the difference between what people pay and



what they would be willing to pay) for recreational gamblers;

► \$4.3 billion of tax revenue for government, licence fees and community contributions; and

► A loss of \$2.7 billion for the 2.1% of the adult population classified as problem gamblers, because they receive no benefit from some of their gambling (P 5.24).

3.0.8 Manukau City community groups benefited from more than \$15,300,000 in grants returned from the Lotteries Grants Board and gaming machine trusts in the 2001/2002 financial year. This does not include money returned to the area from the Sky City Community Trust or the Racing Industry Board.

### 3.1 Gambling industry employment

3.1.1 Tu van Nguyen, a planner in the Manukau City Council Economic Development Team, estimates that every new job in the gambling industry indirectly and inducedly generates 0.73 jobs. This co-efficient is controversial. One Victorian study (Pinge, 2001) found that the employment co-efficient for gambling was lower than for 17 other sectors in the regional economy.

3.1.2 Managers at eight Manukau City bars or pubs with gaming machines said no extra jobs were created to operate their machines. If machines are introduced in an existing business the manager usually absorbed the extra work. One manager said 20% of his job involved servicing the machines.

3.1.3 The TAB and Lotteries Commission estimate they employ 80 FTE positions each in Manukau City. The number of jobs directly and indirectly related to these forms of gambling in the city is therefore at least 138.

3.1.4 However, listing jobs in an industry alone does not give an accurate picture of the impact of a sector. Resources used by the gambling industry are unavailable for use elsewhere. Another sector may create more jobs for the same consumer spending and with fewer social impacts.

### 3.2 Impact on other sectors of the economy

3.2.1 Growth in gambling has an impact on jobs and investment in other industries. It is often assumed that gambling impacts negatively on the retail sector (Productivity Commission, 1999).

3.2.2 However, one study of the impact on the retail sector of the first four years of gaming machines in Victoria found that every dollar spent on gambling led to an additional 91c of retail sales (Pinge, 2000). Other household goods (pharmaceuticals, cosmetics and toiletries) benefited most, followed by food retailing, domestic appliances and recorded music. Gambling affected a few sectors negatively, particularly clothing, department stores, and fresh food retailing. The research concluded that retail sectors that were static or already in decline have been most vulnerable to the introduction of gaming machines.

3.2.3 Another Victorian study found that spending on gambling stimulates spending on eating out, alcohol and tobacco (National Institute of Economic and Industry Research, 2002). It concluded that gambling has been financed largely from household savings, and that heavy gambling reduces household assets over time.

3.2.4 Poorer communities are more vulnerable to any adverse economic effects on local businesses of money diverted to gambling. A low-income suburb with a significant population of heavy gamblers might experience a drain on other consumer spending to finance gambling operations that could produce significant effects on local business if there is a doubly concentrated effect (Dempsey et al, 2002). Informants at Southmall and Papatoetoe shopping areas believed gambling had adversely impacted on local retail spending, but were unable to quantify this.

3.2.5 Council planner Tu Van Nguyen estimates that the gambling industry increased demand by small amounts in other sectors of the Manukau economy – 7% in wholesale, 3.3% in retail, 3% in property and less than 3% in computer, printing, publication and personal services. He uses an output multiplier of 1.39.

3.2.6 A Victorian study also found that the gambling industry impacted only slightly on other sectors of the regional economy (Pinge, 2001). The sector ac-

**“Gambling seems to take away language barriers and social isolation; in a casino one does not need a command of any spoken language.”**  
Researcher

counted for 1.1% of regional output, yet it attracted 0.5% of exports, generated 0.3% of wages and salaries, 0.5% of value added and a disproportionate 5.1% of regional imports. The researcher concluded that for every dollar of increased output in gambling, only \$0.10 would be generated in direct and indirect industry support effects.

3.2.7 The same research method applied to the Victorian regional town of Bendigo found that the gaming machine industry had a net negative effect because it redirects economic activity out of the region (Pinge, 2000a). The researcher concluded that if money spent on gaming machines were spent in any other sector of the region, then output, income and employment would be better off.

3.2.8 The Australian Productivity Commission found that the net gain in jobs and economic activity from gambling was small when the diversion of consumer spending from other areas was taken into account.

## **4 PROBLEM GAMBLING**

### **4.1 Terms used in gambling research**

4.1.1 Problem gambling research categorises people on the basis of their gambling behaviour. The most severe category is **pathological gamblers**, who in New Zealand are people who meet at least five out of 20 criteria on the South Oaks Gambling Screen (SOGS; see Appendix 3), an internationally-recognised questionnaire (Abbott and Volberg, 2000). Typically, pathological gamblers have a craving to gamble more and more, are unable to stop despite massive losses and feel out of control of their gambling.

4.1.2 **Problem gambling** has multiple meanings. It is a less severe category, used to refer to those who meet at least three of the SOGS criteria. It also refers more generally to patterns of gambling behaviour that have an adverse effect on general health, personal, family, work or wider social activities. In this meaning, pathological gambling is a subset of problem gambling.

4.1.3 Gambling is a chronic condition, which can be more or less severe at different times. This means

that **lifetime** rates of pathological or problem gambling are higher than **current** rates.

### **4.2 Estimates of problem gambling**

4.2.1 Abbott and Volberg's 1999 national survey of people 18 and older estimated that up to 1.1% of New Zealand adults were current problem gamblers. They found higher rates in Auckland than in the rest of the country.

4.2.2 If this rate is applied to the proportion of the Manukau City population 18 and over in the 2001 census, it equates to 2,126 problem gamblers. As each problem gambler is likely to directly affect at least five other people (Sullivan, 2000; Productivity Commission, 1999), **this suggests that 10,632 Manukau people may be adversely affected by problem gambling.**

4.2.3 Abbott and Volberg stated that these estimates are possibly very conservative. They also found that over one in four adults knew someone among their family or friends who they thought had a gambling problem.

4.2.4 These prevalence figures are controversial because they indicate that problem gambling was almost 60% lower in 1999 than at the time of the previous national survey in 1991, when current pathological gamblers were estimated at 1.2% of the population and current problem gamblers at 2.1%.

4.2.5 Over the last eight years, gambling opportunities for New Zealanders have increased sharply. In most other countries, increased opportunities have led to increased levels of problem gambling, so this decrease in the national problem gambling rate is unusual. Overseas populations with comparable levels of gaming machines have three to four times the proportion of problem gamblers found in the 1999 survey (Gambling Studies Institute of New Zealand, 2001).

4.2.6 Abbott and Volberg conducted a telephone survey, using interviewers from Statistics New Zealand. A non-government organisation conducted the 1991 phone interviews, and it is argued that the change to "a government department, and complex selection process, would have enhanced participation of law-

**"The profitability of gambling is crucially linked to the activity of the problem gambler."**  
Researcher

abiding and non-addicted people at the expense of deterring problem gamblers” (ibid).

4.2.7 Abbott and Volberg also did not include prisoners or those aged under 18, two groups identified with higher rates of gambling problems (Abbott, McKenna and Brian, 2000; Sullivan, 2002).

4.2.8 A small survey carried out in Manukau City and elsewhere indicates that even occasional gambling may cause problems for people. Eight of 91 GP patients who gambled said they had sometimes felt unhappy or worried after a gambling session (Goodyear-Smith, 2002). Of these worried people, five said they gambled once a month or less.

4.2.9 The Gambling Studies Institute (2001) extrapolated the prevalence of problem gambling in New Zealand from Australian results and suggests that 3.1% of the adult population may be problem gamblers. They also cite overseas conclusions that around 4% of problem gamblers seek help. A minimum of 3,500 New Zealanders sought help about their gambling in 1999. This suggests that there may be 87,500 current problem gamblers or 3.1% of the population.

4.2.10 If this figure is applied to the Manukau City 2001 census figures, it suggests that there may be 5,993 problem gamblers aged 18 and over in the Manukau City area. Multiplying this by five other affected people suggests that problem gambling impacted on 29,965 people aged 18 and over or 10% of the total population.

4.2.11 However, Auckland researcher Sean Sullivan (2002) found in a preliminary study that rates of problem gambling in 13 to 18-year-old high school students, in Manukau City and other areas, of between 12 and 23%. If the proportion of problem gamblers between 13 and 17 is calculated at 12%, this adds another 2,738 problem gamblers who affect another 13,690 people.

4.2.12 **According to this estimate, the total number of people 13 and over affected by problem gambling in Manukau is 43,595, or 15% of the total city population.**

4.2.13 Although some population groups seem more vulnerable to problem gambling, it is not possible to

identify ahead of time which individuals are likely to develop difficulties. Manukau City informants and some researchers said that problem gamblers are often otherwise responsible, honest people whose compulsion leads them to do uncharacteristic things (eg, Weetman, 1999). Australian Gamblers Anonymous (GA) members have been surveyed and nothing was found about their personalities to set them apart from anyone else (Walker, 1998).

### 4.3 Likely future for problem gambling rates

4.3.1 Young people in Manukau will come to the legal age for gambling in an environment much richer in gambling opportunities than did their parents, and many will have experience of one or more family members who gamble frequently.

4.3.2 Problem gambling rates increase as the availability of gambling increases (Volberg, 1994, p.239). According to a 1998 Statistics New Zealand report, the gambling industry in New Zealand is still in its growth stage.

4.3.3 Research in Iowa, New York and Quebec has measured significant increases in the lifetime prevalence of both pathological and problem gambling over six to ten years. Other studies over a shorter time in Manitoba and New Brunswick in Canada found that while the prevalence rate of problem gambling did not rise, its severity increased (Abbott and Volberg, 1999).

4.3.4 Rachel Volberg (1994) found that in US states where legal gambling has been available for less than 10 years, under 0.5 per cent of the adult population were classified as pathological gamblers.

However, in states where legal gambling has been available for more than 20 years, approximately 1.5 per cent of the adult population were classified as pathological gamblers.

4.3.5 The internet is already able to bring a casino into every home with a computer. Another new gambling technology likely to be introduced to New Zealand soon is interactive television, which could bring a casino into most people’s living rooms 24 hours a day (McMillen and Grabosky, 1998). This is a medium which young people find attractive.

“For many poor people, gambling seems their only chance ever to be financially secure”  
Researcher

“No way we’ve reached a peak in gambling problems. It’s just begun.”  
Gambler

4.3.6 These new technologies, combined with indications of high rates of problem gambling in young people and recent increases in the number of video gaming machines, make it likely that rates of problem gambling in Manukau City will increase.

#### 4.4 Types of gambling contributing the most problems

4.4.1 The most popular forms of gambling, gaming machines and track betting (Abbott and Volberg, 2000), have higher social impacts. Thirty-eight percent of problem gamblers participated frequently in horse and dog betting in the 1999 national survey and gaming machines, whether inside or outside casinos, were the most popular form for 44% of problem gamblers.

4.4.2 Abbott adds: "Gaming machines play a particularly important role in the development of problem gambling, especially among women, and in diverse 'mature' gambling markets, they emerge as the dominant form in this regard" (2001, P 147). During 2002, more than 90% of new gambling helpline clients were regular gaming machine players.

4.4.3 The survey found that people who preferred a continuous form of gambling, where winnings can be bet again immediately, were eight times more likely to be lifetime problem gamblers than those who preferred non-continuous forms. Continuous forms include gaming machines, most casino table games, scratch lottery games, track betting and cards. Lotto is a non-continuous game.

4.4.4 Games with a high event frequency, where a new game may start every 10 seconds, are also more likely to be associated with gambling problems (Productivity Commission, 1999).

#### 4.5 Problem gambling as a proportion of total losses

4.5.1 According to the 1999 prevalence survey, around 1% of New Zealand gamblers accounted for 20% of reported gambling expenditure, so each spent about 25 times as much as the average for the rest of the public.

4.5.2 Two Australian studies found problem gamblers accounted for 30% of gross income and 35% of total gambling expenditure (Productivity Commission 1999; Dickerson, 1993). The gambling industry stated at commission hearings that 80% of its revenue (ie. gamblers' net losses) came from 20% of gaming machine gamblers (P 152).

**"The machines use the principles of psychological conditioning. The jackpot going up and up means the win is getting closer and closer. The chink chink sound says others are already winning. It's easy to forget the time."**  
Researcher

### 5 DEMOGRAPHIC ISSUES RELATED TO GAMBLING

5.0.1 Manukau City has a population of 283,197 (2001) with a population growth rate of 25% (57,198) for the ten years between 1991 and 2001. It is a city of ethnic diversity (165 different ethnic groups), regional growth and development (growth at a rate of around 7,000 people per year since the 1970s). The influx of gaming machines in licensed premises is a new challenge for the city.

#### 5.1 Ethnicity and gambling

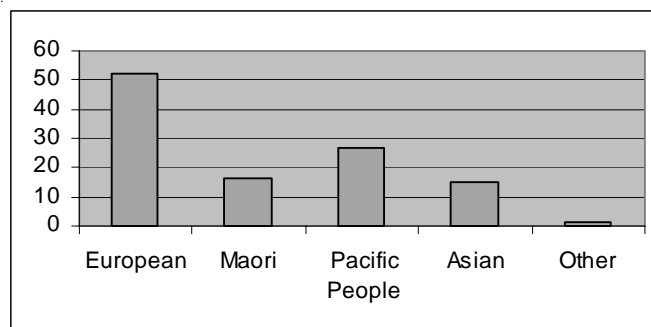
	Number	Percentage
European	138,807	52
Pacific	72,381	27
Maori	44,274	16
Asian	40,692	15
Other	3,171	1
<b>Total</b>	<b>283,197</b>	<b>111*</b>

**Table 1 Numbers and proportions of ethnic groups in Manukau City**

\*Totals add up to more than 100% due to multiple ethnicities.

**Chart 2 - Proportions of different ethnic groups in Manukau City**

5.1.1 Over the past ten years, there has been a significant increase in those identifying themselves as



Asian and Pacific in Manukau City. Some wards show distinct differences in their ethnic make-up.

#### 5.1.2 Compared to Manukau City -

- Manurewa has a higher proportion of Maori (28%)
- Clevedon is predominantly European (94%)
- Papatoetoe has a higher proportion of Asian people (20%)
- Mangere is predominantly Pacific people (59%)
- Otara is also predominantly Pacific people (63%)
- Howick has a higher proportion of Asian people (23%)
- Pakuranga has a higher proportion of Asian people (24%).

5.1.3 Research shows that Maori and Pacific people are more likely than other ethnic groups to be vulnerable to problem gambling using gaming machines.

5.1.4 The 1999 national gambling survey (Abbott and Volberg, 2000) found rates of problem gambling among Maori and Pacific people to be more than three times those for Pakeha. Maori made up 26% of people contacting the national gambling telephone helpline in 2002 (Paton-Simpson, Gruys and Hannifin, 2003). Pacific people were over-represented among helpline clients (7.3%) compared to their share of the adult population (4.7%).

5.1.5 The prevalence of problem gambling among Asian people in Auckland is a controversial issue. Abbott and Volberg's 1991 survey found Asian New Zealanders had similar rates of current pathological gambling to Pakeha (1.2%). However, the 1999 survey under-sampled the Asian population, and identified no Asian people with a current gambling problem. The proportion of Asian people using gambling problem telephone services in 2002 (6.5%) was in line with their share of the adult population (6.1%). An unpublished survey of 88 young Asians found that 12% rated themselves as having a moderate to serious gambling problem, and 25% believed at least one of their peers had a gambling problem (Chu & Wong, 2002).

5.1.6 Sky City Casino enables people to bar themselves from the casino for a minimum of two years if they are having problems with gambling. Security and gambling staff enforce this bar by removing people who breach it. From 1996 to 1 August 2001, Asian "self-bar" cases at the casino reached 1,493 or 46% of the total. Personnel from Casino Supervision and Inspection at the Department of Internal Affairs

have expressed concern at the number of under-age Asian people trying repeatedly to enter Sky City (Chen et al, 2003).

5.1.7 The social impacts of gambling on different ethnic groups is further explored in section 7.

## 5.2 Incomes in Manukau City

5.2.1 The wards of Manurewa, Papatoetoe, Mangere and Otara have lower incomes than the Manukau City average. This is significant because the household income may often support larger households in these wards.

5.2.2 A recent Ministry of Health analysis (2003) found that more than 50% of Manukau City gaming machines were located in poorer areas (Deciles 8 to 10).

**Table 2 – Mean and average household incomes by ward**

	<b>Mean Household Income</b>	<b>Average Personal Income</b>
Otara	\$49,529	\$18,662
Mangere	\$48,446	\$18,715
Papatoetoe	\$46,301	\$21,317
Manurewa	\$52,964	\$23,483
Pakuranga	\$60,953	\$27,873
Howick	\$66,351	\$29,245
Clevedon	\$67,100	\$33,512
<b>Manukau City average</b>	<b>\$55,968</b>	<b>\$24,307</b>

5.2.3 The 1999 national survey found that while household spending on gambling increased with income, low-income households spent proportionately more of their incomes on gambling. In Australia, one study found gambling losses have become a greater burden on lower income groups since 1984. Overall, gambling spending has nearly doubled its share of income in the poorest 40% of households, while falling from already low levels in the incomes of the most affluent 40% (Smith, 2002). Seventy percent of the total lost to gambling in Australia came from those with incomes under \$30,000 a year (Bunkle, 2001).

## 5.3 Age

**Table 3 – Proportions of people aged 20 to 39 and average age by ward**

	% in 20-39 age group	Average age in years
Manurewa	33	30
Otara	31	28
Mangere	31	29
Papatoetoe	31	37
Pakuranga	28	37
Clevedon	27	36
Howick	26	36
<b>Manukau City average</b>	<b>30</b>	<b>30</b>

From the 2001 Census, which uses five-year age groups.

5.3.1 Table 3 shows that Manurewa, Otara, Mangere and Papatoetoe have higher proportions of people aged 20 to 39 than other wards.

5.3.2 Gambling is legal only for those aged 18 and above. Young people have about three times the risk of developing a gambling problem as older people (Sullivan, 2002). Almost half the people who rang the gambling helpline in 2002 were under 35.

5.3.3 **Two small, preliminary surveys of New Zealand young people have found high rates of problem gambling.** Sullivan's problem gambling rates of between 12 and 23.8% (depending on the screen used) in students at six high schools have already been mentioned. Students who were from ethnic minorities and/or low-income families were disproportionately more likely to meet the problem gambling criteria. Another survey of Auckland first-year psychology students, more than two-thirds of whom were women, found that 17.8% were problem gamblers (Rossen, 2001).

## 5.4 Gambling machine sites and numbers in Manukau City

5.4.1 The number of gaming machines in Manukau City has jumped 33% since 2001, and the number of sites has jumped 25%. There were 1,245 gaming machines in Manukau City in 90 sites as at March 2003, an average of 14 machines per site (DIA, personal communication). This represents 227 residents for every machine.

<b>Auckland City</b>	One machine for every 152 people
<b>Porirua City</b>	One machine for every 185 people
<b>Manukau City</b>	One machine for every 227 people
<b>North Shore City</b>	One machine for every 361 people
<b>Waitakere City</b>	One machine for every 491 people

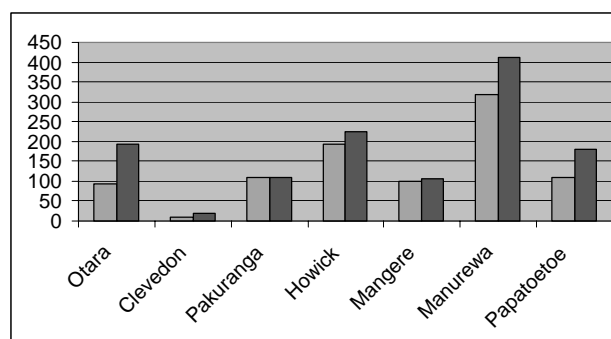
5.4.2 The lower level of gambling machines in Waitakere is probably due to the fact that all age-restricted on-licensed premises are owned by licensing trusts in that city, which is likely to have limited the proliferation of gambling venues. The higher number of machines in Auckland is probably due the larger size of the hospitality sector in the Auckland CBD.

**Table 5 - Number of gambling sites and machines by Manukau City ward: 2001 and 2003**

Ward	Oct 2001 Sites	2001 Machines	Mar 2003 Sites	2003 Machines
Manurewa	22	317	29	412
Howick	13	193	14	226
Otara	7	93	12	192
Papatoetoe	8	108	12	181
Pakuranga	11	109	11	108
Mangere	10	100	9	106
Clevedon	1	11	3	20
<b>Manukau City total</b>	<b>72</b>	<b>931</b>	<b>90</b>	<b>1245</b>

These have been mapped in Appendix 4.

**Chart 3 - Number of gaming machines by ward: 2001 and 2003**



5.4.3 Comparisons between the numbers of sites and machines in 2001 and 2003 show the following changes -

- A large increase in the number of machines in the Otara and Papatoetoe wards.
- A large increase in the number of machines and

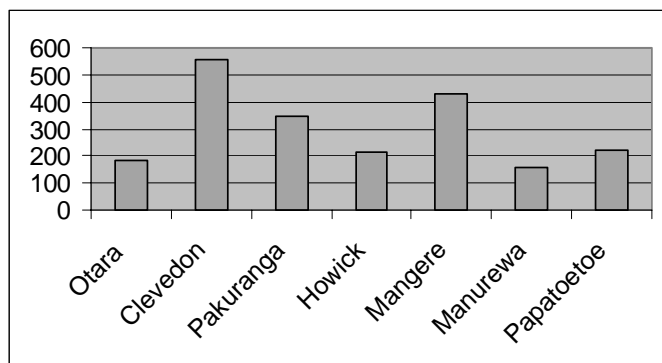
**Table 4 - Residents per gaming machine in five cities, listed from the highest number of poker machines to the lowest**  
Source: DIA

sites in the Manurewa ward.

The Manurewa ward has the largest number of machines, 33% of the total for the city. This is boosted by the 139 machines in the Manukau City Centre, which acts as an entertainment centre for the whole of Counties Manukau.

Otherwise the number of sites is fairly evenly spread throughout the city.

**Chart 4 - Population numbers per machine by ward**



**Table 6 – Number of residents per gaming machine by ward, listed from the highest number of gaming machines to the lowest.**

Ward	Number of residents per gaming machine
Manurewa	159
Otara	182
Howick	216
Papatoetoe	218
Pakuranga	347
Mangere	428
Clevedon	556
<b>Manukau City average</b>	<b>227</b>

5.4.4 The wards of Manurewa and Otara have a higher density of machines, with fewer residents per machine. Clevedon, Mangere and Pakuranga have the lowest density of machines.

5.4.5 This report concludes that the combination of high proportions of Maori, Pacific and young people, combined with low average incomes in some wards, means that Manukau City has a higher vulnerability to gambling problems and social impact than many other local bodies around the country. The wards of Manurewa, Otara and Papatoetoe, which have a higher density of poker machines than elsewhere in Manukau City, are at particular risk.

## 5.5 TAB Outlets

Manukau City has 28 TAB outlets, most social agencies or small self-service facilities in bars or hotels. Only 11 are stand-alone agencies that offer a full range of TAB services. By ward, Manurewa has eight, Papatoetoe and Mangere five, Howick and Otara three, and Clevedon and Pakuranga two each.

## 5.6 Manukau problem gambling service contacts

5.6.1 The graphs on page 15 show that the people of Manurewa and Papatoetoe use gambling helpline and face-to-face counselling services more than other people in Manukau areas. This may be related to the high level of poker machines in the Manurewa ward.

## 6 SOCIAL IMPACTS OF GAMBLING

6.0.1 Estimates of the social impacts of gambling continue to be controversial. For the purposes of this report, **social impacts** include harm to individual gamblers and cost transfers from gamblers to other individuals who are not involved in gambling or to social support systems. This definition is different from that of most economists, who regard gambling-related theft, bad debts or forced property sales as wealth transfers within a community rather than costs (Walker, 1998; Thompson, Gazel & Rickman, 2000).

6.0.2 All the people consulted for this report agreed that gambling problems are hidden; they are often only revealed when the gambler's resources have been exhausted and their family is in financial crisis. Measurement of the social impact of a hidden problem is difficult.

6.0.3 The only detailed research on the social impacts of gambling has been done overseas, usually by studying gamblers' support or treatment groups, and estimating the costs of their gambling to other individuals and society (eg. Thompson, Gazel and Rickman, 2000).

6.0.4 The social and economic costs and benefits of gambling need to be estimated in the same way as public health issues like tobacco and alcohol, so that

policy makers can allocate funding and assess priorities. This requires major population-based health data and financial databases to be combined, enabling the current situation to be compared with a hypothetical one where no gambling existed.

6.05 The following sections list available Manukau City or New Zealand evidence first, followed by relevant overseas research.

## 6.1 Debt

6.1.1 Excessive gambling and the associated loss of money is the primary social impact of gambling. Gamblers on benefits contacted for this report had debts of between \$7,000 and \$75,000. “Many people come for help when they’re about to lose their house,” said one Gamblers Anonymous informant. According to one Australian researcher, the average debt of gamblers in treatment was comparable to a typical house mortgage (Walker, 1998).

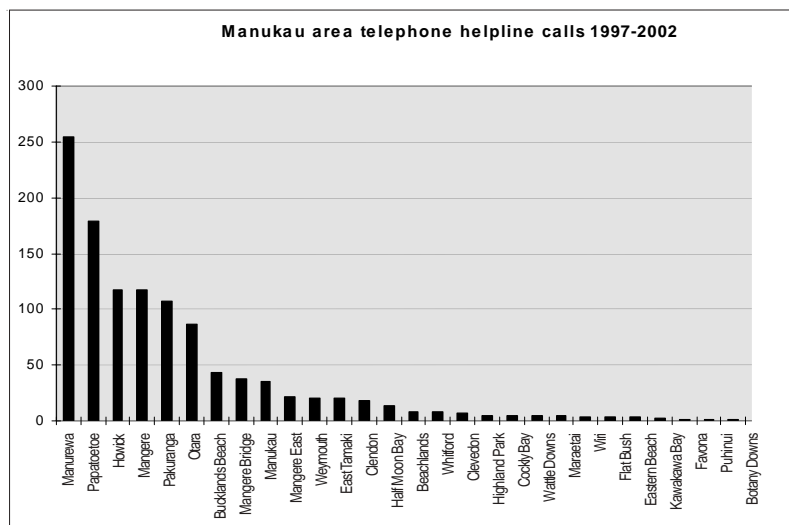
6.1.2 At its 2003 AGM, the Coalition of Auckland Region Food Banks discussed the adverse effects of the proliferation of gaming machine venues, particularly in Manurewa, on households and on demand for food banks. All South Auckland budgeting and foodbank service informants were aware of some clients whose gambling had caused their money problems but none knew what proportion of their clients have gambling problems, because few people acknowledge them.

6.1.3 The Manukau Salvation Army budgeting service has just over 600 clients, and recorded a “spectacular” rise in total debt from \$3 m to over \$14 million between July 2001 and 30 June 2002. They were unable to quantify the contribution of gambling to the increase.

6.1.4 Sister Margaret Martin, Manager of the Sisters of Mercy social service programme in Wiri, estimates that 10% of the families they work with are short of money and unable to provide basic food as a result of gambling.

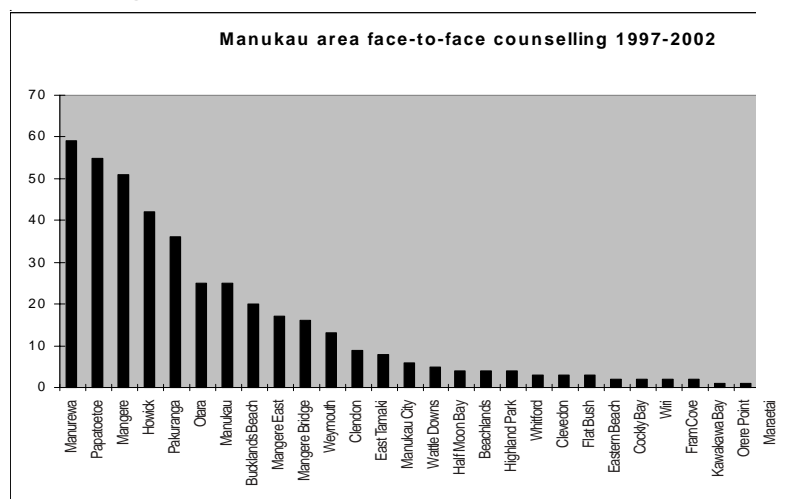
6.1.5 Gamblers, budgeting services and gambling services agree that gamblers’ debts are mostly on credit and store cards or in loans from family, friends or money lending businesses. One wage earner seen by Otara Budgeting Service was repaying between \$100 and \$162 a week to four money lenders and wanted

**Chart 5 - Manukau City gambling problem helpline calls**



Source -  
Gambling  
Problem Helpline

**Chart 6 - Manukau City face-to-face counselling sessions**



the service to arrange another loan to finance more gambling. Money lenders’ interest rates are up to 30%, with penalties for late payments and other charges, such as \$5 for a letter saying the payment is late. One Australian study found that one in two problem gamblers borrowed money to finance their gambling, and one in five did not pay it back (Productivity Commission, 1999, P7.1).

6.1.6 Manukau City budgeting services said that when gamblers can get no more credit, they pawn or sell family property. Often the first thing lost is the car, followed by house mortgage sales. Some gamblers build up large debts to IRD and WINZ because they spend much of their income on gambling, then lose their jobs and do the same with their unemployment benefit.



6.1.7 Budgeting services and loan firms use highly restrictive strategies to prevent gamblers getting into further debt. Budgeters negotiate with pawnbrokers to get all the furniture back. With the permission of the gambler, they set up bank accounts so that income goes straight to the rent or mortgage, and the gambler's EFTPOS card has access only to a discretionary account with no overdraft. "If you take away the card but don't split the accounts, gamblers will just get another card," said one budgeter.

6.1.8 The Money Shop has a policy of not loaning money to a person if their bank account shows patterns of several small withdrawals from a bar in one day, as this points to a gambling problem.

**"There's nothing like the joy, joy feeling of winning on the machines"**  
Pacific gambler

## 6.2 Other impacts on individuals

6.2.1 Gamblers in three Manukau City support groups reported losing weight, developing stress-related health problems, losing self-esteem, depression, despair and going without basic things as a result of gambling.

6.2.2 Problem gamblers often have major mental health problems, especially depression and personality disorders. Medical conditions such as hypertension, insomnia, anxiety attacks, heart problems, migraine and peptic ulcers are also common (Sullivan and Penfold, 1999; Productivity Commission, 1999; Lorenz and Yaffee, 1986).

6.2.3 One Manukau City gamblers' support group member had committed suicide and many have considered it. The national gambling problem helpline found in 2002 that 8.6% of clients had thought about suicide and 0.6% had attempted it. In overseas studies of gamblers in treatment, 12 to 24% have attempted suicide (Thompson et al, 2000; Lesieur, 2000). This leads to further health system, funeral and insurance costs.

6.2.4 Problem gambling is also more common among people who have a mental illness or intellectual disability and can increase marginalisation (Lesieur, 2000; Dempsey, 2002).

## 6.3 Impacts on families

6.3.1 Each person with a gambling problem usually directly affects their family first.

6.3.2 Possibly the most visible impact in Manukau City is on gamblers' children. Ten informants, including alcohol and social service agencies, a venue operator, a mall manager and five gamblers, mentioned multiple cases of children left unattended while adults gambled, and going without food, clothes and other necessities. Some Manukau City gamblers have had children taken out of their custody as a result of their gambling.

6.3.3 Preliminary research on the children of USA Gamblers Anonymous members found they were more likely to be physically and emotionally abused than those in the general population (Lesieur & Rothschild, 1989).

6.3.4 Almost as many Manukau City sources reported gambling-related marriage and relationship break-ups. Arguments and lies about their losses usually destroy any basis for trust in gamblers' relationship with their immediate family (Walker, 1998). The Productivity Commission estimated that there are approximately 1,600 gambling-related divorces in Australia each year.

6.3.5 Gamblers in three Manukau City support groups, as well as four social services, said domestic violence was common when one partner gambles.

6.3.6 Overseas research indicates that partners of pathological gamblers may develop high rates of stress-related health problems themselves (Lorenz and Shuttleworth, 1983) and attempt suicide three times more often than the general population (Lorenz and Yaffee, 1988).

6.3.7 Gambling erodes savings and the contribution families can make to future generations. One Manukau City man who contacted the gambling helpline said his wife had gambled away \$20,000 of their savings intended for their grandchildren. Another man had gambled all the money from his and his wife's savings scheme at work.

6.3.8 Family costs therefore include use of domestic violence services, health treatment, CYFS interventions and family court costs. Family break-ups carry lifetime consequences for children, both financial and psychological. One NSW study assigned a public cost of \$A2,000 to each gambling-generated divorce (Casino Community Benefit Fund, 1995).

## 6.4 Housing

6.4.1 Members of two South Auckland gambling support groups had lost rented or mortgaged housing due to gambling debts. One Manukau City gambler who contacted the helpline was living in her car after being evicted.

6.4.2 Council assistant property manager Tim Knight has recently negotiated an agreement enabling WINZ to pay the rent directly for elderly council tenants in financial difficulty. Half these tenants have gambling problems. Before the agreement, some tenants were evicted due to gambling-related rent arrears, but none have been evicted since.

6.4.3 Michelle Brown, one of ten mediators in the Manukau office of Tenancy Services, says gambling is mentioned as a cause of rent arrears once a week out of about 20 weekly cases, but it is not recorded. "It does seem to be quite an issue in South Auckland."

6.4.4 Housing-related gambling costs can include the cost of arranging a WINZ direct payment, mediation, the eviction process and finding a new tenant, and emergency housing.

## 6.5 Employment

6.5.1 Manukau City gamblers in support groups said they had taken time off during working hours to gamble. The Productivity Commission's surveys suggested that this was not a major problem – only 19% of problem gamblers had lost time from work or study to gambling. One group of USA gamblers reported taking more than nine hours a month off from their jobs to gamble (Thompson et al, 2000).

6.5.2 Some Manukau City gamblers reported losing jobs due to gambling. USA studies found that between one in five and one in three Gamblers Anonymous members had lost jobs due to gambling.

6.5.3 Employment-related costs of gambling include lost productivity due to absenteeism; unemployment benefit paid to fired gamblers, finding a new employee, and lost labour.

## 6.6 Social welfare

6.6.1 Members of three gamblers' support groups had had to go on benefits after losing jobs or savings. WINZ keeps no record of why people need emergency benefits or income support.

## 6.7 Crime

6.7.1 The large amounts of cash turnover generated by gambling is a temptation for some venue operators and staff. This is indicated by significant numbers of gaming licence breaches around the country involving –

- Operators making commercial gains from their machines
- Incorrect recording of gaming machine profits
- Shortfalls in funds banked
- Overpayment of trustees and venue expenses
- The opening of illegal "gaming shops" whose main activity is gambling
- Operating gaming venues outside licensed hours
- Publicans setting up false clubs to receive gaming revenues which are then spent in the pub
- Publicans taking kickbacks from commercial sports venues
- Maintenance technicians stealing money from the machines
- Publicans using gaming machine money to solve cashflow problems
- Publicans using trust money to pay for hotel equipment
- Venue operators controlling who can and cannot get money from gaming trusts (DIA, 2003; Policy Research Unit, 1995).

6.7.2 This kind of fraud and misappropriation has led to several widely-publicised criminal convictions. Four informants raised concerns about the level of licence breaches. The Gambling Bill requires a system of electronic monitoring of gaming machines to be introduced within three and a half years from the passing of the bill, which is likely to reduce these licence breaches.

6.7.3 The existence of bidding wars for gambling venues indicates that hosting gaming machines is a profitable activity that has generated a market (DIA, 2003a). Four informants raised concerns about venue

**"I went to the casino, left my 11-year-old son in the car in the carpark, went in for a gamble and forgot all about him. My name got called over the speaker because he was asking for me. That was one of the major things that started me asking 'Oh my god, what am I doing?'"**  
**Former gambler**

fees reducing the money available for community grants.

6.7.4 New Zealand surveys have found that the more serious the gambling problem, the more gambling-related crime is carried out (Abbott, 2001). Manukau gamblers contacted acknowledge stealing from partners and family, and some had committed fraud. As the victims usually know the gambler, these crimes are rarely reported to the police.

6.7.5 The New Zealand Police and court systems do not keep any record of information related to gambling or the causes of offences.

6.7.6 Three New Zealand surveys of convicted offenders have found high levels of problem gambling. A survey of offenders serving community sentences in Auckland found a lifetime pathological gambling rate of 25% (Brown, 1998).

6.7.7 Two surveys of recently convicted male and female prisoners found that 23% of the men and 34% of the women were current problem or pathological gamblers. It concluded that between 20 and 25% of prisoners or people serving community sentences - at least 6,000 people - are likely to be lifetime pathological gamblers (Abbott et al, 2000; Abbott and McKenna).

6.7.8 Fifteen percent of the men and 26% of the women had committed a crime to get money for gambling. Burglary was most common for men and fraud for women. Other crimes included theft, shoplifting and selling illicit drugs. Less than one in ten said their early offending was gambling-related, which indicates that most of these inmates may be criminals first and gamblers second. Overseas studies also found high rates of crime among problem gamblers (Lesieur, 2000; Productivity Commission, 1999, P 7.67; Lesieur & Puig, 1987).

6.7.9 Only 9% of the New Zealand male prisoners and 19% of the women had been convicted for a gambling-related offence. Some of these gamblers incurred extremely high social impacts: 11 of the men had stolen more than \$50,000 each. Two of the women had been convicted for a total of 390 gambling-related crimes. One Australian study found that only around 40% of gambling offenders are charged and convicted (Productivity Commission, 1999).

6.7.10 The Department of Corrections is the only arm of the New Zealand justice system to collect information about gambling. Preliminary results from its analysis of a routine assessment tool used with prisoners raise questions about this issue. The Criminogenic Needs Inventory is a standard questionnaire used soon after conviction. It assesses what factors contributed to an offender's crimes and what programmes are needed to deal with them. Of 5,668 people studied, only 113 had disclosed gambling as a factor contributing to offending, and it always co-existed with another factor such as use of drugs.

6.7.11 Gamblers may also be involved in civil court cases, including bankruptcy, debt collection, forced property sales and other gambling-related issues. In one USA study, 23% of Gamblers Anonymous members had filed for bankruptcy because of gambling-related debts (Thompson et al, 2000).

## 6.8 Treatment

6.8.1 Sullivan and Penfold (1999) found that gamblers presenting for treatment in New Zealand had a smoking rate of 64%, when the national average is about 25%. Former gamblers reported health impacts from prolonged sitting at the machines, and high rates of active or passive smoking.

6.8.2 Gamblers in Manukau City support groups reported high rates of health service use, including residential treatment and weekly GP visits. However, most gamblers do not report their gambling to their GP, presenting instead for anxiety, depression and other stress problems (Sullivan, Arroll, Coster & Abbott, 1998).

6.8.3 Manukau City community agencies report that gambling cases are complex and use a significant proportion of agency time and resources.

**"Gamblers are usually parents and they're continually stressed, worrying about how to pay their debts. The kids miss out on kai, the wife gets the bash, the family gets kicked out on the road."  
Former gambler**

## 7 IMPACT ON POPULATION GROUPS

### 7.1 Tangata whenua

7.1.1 Researcher Lorna Dyall extrapolates from

Abbott and Volberg's prevalence surveys and estimates that, if each problem gambler affects at least five others, just over 50,000 Maori people would currently be affected by gambling, with a total of 287,000 affected at some time in their lives (Dyall and Hand, 2003).

7.1.2 The New Zealand prison research above indicates that at least 1,000 Maori prisoners have experienced problems with gambling at some time in their life.

7.1.3 Maori reported spending \$593 per year on gambling, more than is spent by Europeans even though Maori median incomes are half those of non-Maori (Abbot and Volberg, 2000).

7.1.4 Participants in a qualitative survey who worked with Maori whanau said that gambling eroded social capital, Maori cultural and family values and took time and money from families (Dyall and Hand, 2003). The survey interviewed Maori problem gamblers, Maori and non-Maori workers in health and gambling services, and policy makers. All the stakeholder groups showed strong support for recognition of the Treaty of Waitangi in gambling policy and law.

7.1.5 Dyall and Hand recommended –

- Funding for regional and community awareness and action programmes to reduce gambling risk
- Include Treaty of Waitangi in gambling legislation
- A public health strategy delivered by Maori health providers
- Services for Maori at risk of problem gambling.

7.1.6 They concluded that a harm minimisation approach to gambling would achieve little for Maori if Treaty of Waitangi obligations were ignored. To do so would ignore the reflection of previous and current government policies in the health status of Maori communities.

7.1.7 Dyall (2002) said that the role of Maori wardens needed to be reconsidered, to include a statutory responsibility for gambling harm.

7.1.8 Representatives of mana whenua groups consulted for this report were concerned about the impact of gambling on Maori. Mavis Roberts of Makaurau Marae said gambling had a great impact on whanau. "People sit on the machines for ages,

not just young ones, all ages." She wanted to see gaming machines banned from Manukau. Wanda Kiel-Rapana, Huakina Development Trust Operations Manager, considered gambling to be a very serious issue and wanted to be consulted about the Council's Gambling Venue Policy.

7.1.9 Three informants were aware of Maori organisations that had been affected by theft or misappropriation as a result of gambling. Items such as video cameras were stolen and pawned, as the gamblers intended to return them when they won back the money. When that didn't happen they lied and covered up the loss.

7.1.10 Kataraina Tuhaka, South Auckland health promotion worker for the Problem Gambling Foundation, describes gambling as "a huge issue in Manukau for Maori people. In whanau if there is one addicted gambler there are usually three or four others who play regularly," she says. "Kids are going without as a result, not clothed properly. Christmas is a really bad time - people try to double the \$10 they have for toys for the kids and lose lots more."

7.1.11 One recovering gambler said: "Maori women gamblers feel a loss of mana, wairua – their whole spiritual well-being is lost in the moment".

7.1.12 The Treaty of Waitangi has not been included in gambling legislation, and Maori have not been consulted about the impact of gambling on their communities. The Council's Gambling Venue Policy should implement sections 81 (Contributions to decision-making by Maori), 82 (Consultation) as well as section four of the Local Government Act 2002.

7.1.13 Four Maori informants commented that Maori are very visible in gambling advertising, and that there was no counter to this happy gambling image (Dyall, 2003).

**"The draw of the machines is so strong it pulls formerly responsible, trustworthy people into doing totally out-of-character things."  
Former gambler**

## **CASE STUDY - MAORI WOMAN**

*She first gambled aged 12 at Housie. She lived on a benefit and worked a few hours a week for a whanau business. She realised she had a problem in 1988, not long after the gaming machines first came.*

*About 1997 she went to a budgeting service owing \$30,000 on credit cards, Farmers and*

Warehouse cards, pawnshop and three money lenders. She had put up her home as collateral for the loans. The family paid off the money and she worked it off unpaid in the family business.

She celebrated when she'd finished paying it off by gambling again and "got right back into it". After going to three more money lenders, she got behind. She stole the family business' computer and pawned it. She gambled \$1,800 from her mum's credit card and stole a cheque from her mum's chequebook. None of this was reported to the police. Her family eventually took out a \$75,000 loan for all her debts. This included \$15,000 for her home, which had had no maintenance for many years.

Part of the cost was her daughter, who committed suicide in 2000; the woman's gambling wasn't the whole reason but her absence was part of it. That gave her more reason to isolate herself. She didn't have to deal with people, it was just her and the machine. All the sitting at the machine aggravated her back injury and caused severe pain but the adrenaline of playing overpowered that.

In 2001 she went on an eight-week alcohol detox programme. She went for her gambling, but they weren't funded for that so she was in the dual addiction programme. She has not gambled since and has yet to pay off the family loan.

*Gambling career so far – 13 years*

## 7.2 Women

7.2.1 One of the trends about which New Zealand gambling researchers agree is that more women have become regular gamblers over the last eight years. In 1991, 1.86 men to every woman gambled regularly, but in 1999 it was 1.05 men to every woman (Bunkle, 2002).

7.2.2 The proportion of female face-to-face clients approaching problem gambling services has increased steadily, from 28.6% in 1997 to 43% in 2002. In 2002, almost equal numbers of men and women gamblers contacted the national telephone gambling helpline, compared with double the number of men to women in 1998 (Paton-Simpson et al, 2003). Yet this may be an underestimation. Researchers have

suggested that standard screening methods for detecting problem gamblers are less likely to identify women because they do not include social problems more commonly faced by women, such as whether they have left children in a risky situation while gambling (Bunkle, 2002).

7.2.3 Women made up almost 53% of the 91 Manukau GP patients who said they gambled in one unpublished 2002 survey (Goodyear-Smith et al, 2003).

**"We used to go out for a meal at the pub and it was a social occasion. Now it isn't social, people don't talk, they go play on the machines each by themselves."  
Maori woman**

7.2.4 In the 1999 prevalence survey, women reported spending an average of \$30 a month compared to \$52 for men. Almost 20% of women spent \$40 or more a month compared to 27% of men. As women's incomes are lower than men's, high spending on gambling is likely to have more serious effects.

7.2.5 Much of women's work is unpaid, including the maintenance of relationships and networks, caring for the young, the ill and the old. The opportunity cost of women's gambling may be the loss of this unpaid work and activities in the voluntary sector that sustain social networks. Because these are invisible to the money economy they are not generally considered in economic analyses (Bunkle, 2002).

**"What gambling there was in Maori communities was communal and funds flowed back to the community. Not the awful isolation and despair hunched over a machine."  
Researcher**

## 7.3 Young people

7.3.1 Young people perceive gambling problems as more likely to affect older people, but young people are three times more likely to develop them (Sullivan, 2002). The proportion of New Zealand gamblers in the 15 to 24-age group playing gaming machines in 1995 was more than 200% higher than all those over 34 years (Sullivan, 1997).

7.3.2 One New Zealand study found that school students who regularly play video games were more likely to believe that they could beat a video gaming machine (Sullivan, 2002).

7.3.3 Young people are more likely to try gambling with new technologies. One percent of adults and four percent of teenagers have tried internet gambling, and there are estimated to be more than 800 gambling websites (Bunkle, 2002). Local and national

governments will be largely unable to regulate Internet and interactive television gambling.

7.3.4 This means that education about gambling risks, aimed at reducing demand, will need to go hand-in-hand with policies to restrict supply. Four out of five high school students in one survey carried out in Manukau City and other parts of Auckland wanted more information about problem gambling in their life skills training (Sullivan, 2002).

## 7.4 Older people

7.4.1 The 1999 national prevalence study found the lowest rate of problem gambling among older people compared to other age groups, and no pathological gambling. Only 3.6% of gambling helpline clients were over 60.

7.4.2 There is some qualitative evidence of gambling problems among older people in Manukau. Most of the patrons at two gambling venues visited during the day in Howick and Pakuranga, where all the pokies were in use, were older people. Another Manukau club reports that 60% of players are older people. One Council housing manager reported that elderly tenants who gamble on gaming machines and private card games were often short of food, and some had no electricity. One Manukau widower who called the gambling helpline spends all his money at the casino when he finishes night work. This helps numb the grief he feels over his wife's death and delays the return to an empty house.

7.4.3 One Victorian study found people aged over 50 spent a significantly higher proportion of their income on gambling than the general community (Moreland City Council, 2003). An earlier study had found that older people spent less on gambling than the rest of the population, but this represented a larger proportion of their income.

7.4.4 Older people are vulnerable to gambling problems as they are less able to recover financially and less likely to seek formal help. Older Pakeha people are likely to feel more uncomfortable about accepting money from their children for gambling debt or any other need than older people from other cultures (Fleming, 1997).

## 7.5 Pacific people

7.5.1 Samoan people interviewed for an Auckland study perceived Samoan participation in gambling as very high and often problematic (Perese and Faleafa, 2000). Gambling became a problem for participants when it led to the loss of discretionary money as well as money allocated for bills and family obligations, and time spent away from family and community. These participants defined gambling in community and church fundraisers as 'giving' or fulfilling social obligations.

7.5.2 They reported domestic violence, major partner conflict and lying about debts as a result of gambling. Most gamblers who had problems had to borrow money from extended family members to pay their debts. All participants reported wages or benefits as the main source of money for gambling, rather than savings. Many who were employed took time off work to gamble, and one lost a business due to gambling debts.

7.5.3 Their greatest concern was not being able to provide basic necessities for their children, and this was a motivation for some to stop gambling. Participants said people with gambling problems hid them from extended families and community.

7.5.4 Pacific informants spoken to for this report knew of several relationships that had broken up over gambling, of children left alone for hours while their parents gambled, of people who had had their power cut off and lost their homes over gambling debts. Three informants said many Pacific people who gamble heavily, and regularly try to win back losses, fail to see their behaviour as problematic.

7.5.5 Poker, housie or tote ticket gambling is often used as fundraising for fa'alavelave. Fa'alavelave refers to the community-related obligations and commitments of Pacific families, as well as lifestage celebrations such as haircuttings, weddings and funerals. Households may often be told by senior extended family members what their contributions will be to these commitments.

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**A gambling game which started with Pokemon toys is common among boys in Manukau intermediate and early high schools, especially among Pacific and Maori children. Groups of up to eight throw trading cards, money or other articles of value at a target on the ground. The person whose token is closest keeps everything thrown. Students are pressured to play, and some stay after school to play. Some boys have lost up to \$100 a week, and losing lunch money is common. The game is easily moved and persistent, despite attempts to stop it.**  
Manukau teacher

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**"Licensing of additional gambling venues continues as if problem gambling affects only a small, static proportion of the population."  
Researcher**

7.5.6 Informants reported using TAB or pokie gambling as a way of raising money for these commitments when the household couldn't pay them. They gave fa'alavelave a higher priority than other basic bills. Said one Pacific gambling counsellor: "They put \$10 in the pokie, offer a prayer that this money will be doubled, and press the button." He is aware of five Pacific people who have attempted suicide over their gambling problems. "Their whole life revolves around it - they forget to eat and ignore the basics of daily living."

7.5.7 One informant said that Sky City Casino has become an acceptable place for Pacific women to gamble and socialise. "When family come to visit, it's a good place to take them. You get soft drinks brought to you where you're gambling." That follows Pacific protocols, where you are given a drink when you arrive and to be asked if you want one implies unwilling hospitality. This makes the casino seem a very hospitable place for Pacific people. Pacificare, a Manukau City gambling health promotion and health service, reported that the growth of local gaming machine venues has meant more people now gamble closer to home.

7.5.8 Gambling by church leaders has caused dissention in at least one congregation, according to a community leader. "People are feeling cheated, seeing Ministers get their alofas and feed it into the poker machines at the casino."

7.5.9 Pacific sources welcomed education from organisations like Pacificare. One said it needs to involve the whole family so that they can help the person stay away from gambling venues.

**"The appeal of pokie machines may be that they include the otherwise socially excluded." Researcher**

## 7.6 Asian people

7.6.1 Chinese children and teenagers are introduced to gambling activities during social gatherings such as wedding banquets and festival celebrations like Chinese New Year, when Chinese play games like Mah-jong, cards and cricket competitions. This gambling usually takes place within the extended family (Wong and Tse, unpublished).

7.6.2 Up to 95% of the clients for specialised Asian gambling services in Auckland said they did not have gambling problems in their home country before migrating to New Zealand. They seldom played gam-

bling games with strangers and had never been to a casino (Wong and Tse).

7.6.3 Asian counselling clients reported a different gambling pattern to other ethnic groups – more than six out of ten cited casino tables as their main problem gambling area, and only 31% reported problems with gaming machines. They also tended to report higher losses. Asians lost a mean of \$10,570, compared with almost \$2,000 for all clients. The 38 clients who attended counselling had lost a total of more than \$401,670 in the four weeks before their first assessment.

7.6.4 An Asian community consultation in Howick in 2002 indicated widespread concern at Asian gambling rates.

7.6.5 Australian surveys have found high rates of problem gambling in immigrant Chinese communities. One Sydney survey using questionnaires in Chinese or English distributed through a Chinese language school to 508 parents found that 2.9% of the sample could be classified as current pathological gamblers during the previous six months and 7.8% as problem gamblers (Blaszczynski et al, 1998).

7.6.6 Another study for the Victorian Casino and Gaming Authority used Asian languages in phone interviews and found that 10.7% of Chinese and 10.5% of Vietnamese scored 5 or more on the SOGS, compared to 1.5% of the general community (Cultural Partners Australia Consortium, 2000). These Chinese gamblers said they spent \$A55 a week on gambling, more than five times what the general community spent.

## CASE STUDY – ASIAN MAN

*He first started gambling in 1997, and his favourite form was casino table games. He stopped gambling twice and relapsed again.*

*In this time he lost \$2 million of his wife's money and \$140,000 of his own. He has now left the country but is still gambling and still borrowing money from relatives and friends in New Zealand. Debtors are now chasing his wife for remaining debts of \$150,000.*

*She does not gamble and has survived in New Zealand on a benefit for more than two years. This has cost the welfare system approximately \$74,000.*

*She has had major health problems as a result of her husband's gambling, involving regular visits to three different health professionals and in-patient treatment.*

*Nine police officers have been involved with her husband's debt issues.*

**"Some mothers put the kids to bed at night, take off and don't turn up till next morning or even 24 hours later. A lot of this neglect isn't reported to CYFS."**  
Pacific woman

## **8 TOTAL SOCIAL IMPACT OF GAMBLING**

8.0.1 This report has been unable to estimate the net impacts of gambling on Manukau City due to the lack of New Zealand research and data. However, some extrapolations from overseas estimates are possible.

8.0.2 The Australian Productivity Commission estimated that the economic impact of gambling in Australia ranged from a net cost of \$1.2 billion to a net benefit of \$4.3 million. Different types of gambling had different impacts. Lotteries yielded net benefits, while gaming machines and wagering include the possibility of net losses (PC, 1999).

8.0.3 Auckland researcher John Raeburn estimated New Zealand gambling social and financial costs at between \$NZ438 million to \$NZ1.36 billion. He did this by taking the commission's cost estimate of between \$A1.1 billion to \$A5.6 billion (1999, P 9.1), dividing the totals by five for the population difference and converting into New Zealand dollars.

8.0.4 "This can then be contrasted with the New Zealand government's tax and duty income from gambling of about \$400 million in 1998 (Sullivan, 2001)," he says, "and it can be seen that the net benefit to the New Zealand taxpayer is at best zero, and at worst, there could be a net cost to the taxpayer of almost a billion dollars" (Brown and Raeburn, 2001, P 9).

8.0.5 However, such figures are unlikely to be accurate if directly translated from a different environment. Some Australian states have had high gaming machine numbers for longer than New Zealand, for example.

8.0.6 One detailed study in two USA states in 1996 and 97 illustrates the different costs of gambling in different environments. The researchers estimated the value of employment costs, productivity losses,

bad debts, theft, arrests, civil and criminal court cases, prison or probation sentences and health treatment for two groups of Gamblers Anonymous members.

They concluded that the social cost of a serious problem gambler in Connecticut is \$15,994 a year, while in Wisconsin it is \$8,681 a year (Thompson et al, 2000). The difference was attributed to the gamblers' higher average incomes in Connecticut, and the greater number of different forms of gambling located close to large residential populations in that state.

8.0.7 Pinge (2000a) concluded that the introduction of gaming machines in the regional Victorian city of Bendigo had had a significant negative economic cost. Net gambling losses in the area at the time of the study were \$32.35 million. Without including the social cost of gambling, he calculated that the cost to the area was \$5.8 million in output, \$7.4 million in income to households and 237 jobs. While some positive economies were detected, "these proved no match for the high level of estimated social costs of problem gambling". However, because of different ownership patterns in Victoria this study assumed all revenue to venue operators went out of the area.

### **8.1 Unequal distribution of gambling costs**

8.1.1 Gambling is economically regressive, because it increases the inequality of wealth by transferring it from the whole population to a few winners (Easton, 2002).

8.1.2 Many gamblers contacted for this report said they walked to their usual gambling venue. Managers at the gaming venues visited said customers tended to be local people, some of them regulars. One Victorian study found that people travel 2.5kms on average to gaming venues (KPMG, 2000).

8.1.3 Gambling spending is also heavily concentrated among relatively few households and individuals so that average figures on gambling expenditures give a misleading picture of its incidence.

8.1.4 More than 50% of Manukau City gaming machines are located in poorer areas (deciles 8 to 10). In the Counties Manukau District Health Board area, more Maori people live within one or five kilometres of a gaming machine than in any other DHB in the country (Ministry of Health, 2003).



8.1.5 One Victorian study found that the amount per person lost in a local government area increased with the density of gaming machines in the area (Livingstone, 2001). When a higher density of machines coincides with lower income areas, social impacts are likely to be higher than in more affluent areas.

8.1.6 The stresses of gambling losses may compound into significant community-wide impacts in areas already suffering from significant socio-economic disadvantage (Productivity Commission, 1999, 10.48).

8.1.7 Not only gambling losses, but gambling taxation is also becoming increasingly regressive. A tax is **regressive** if it rises as a percentage of income as income drops. Gambling is sometimes described as a voluntary tax. This view is undermined if the product is intensively marketed to people with few other opportunities for making money, and the consumer choices are those of problem gamblers who have tried to stop and cannot (Smith, 2002).

Doughney (2002) says of Melbourne: "Income is effectively, very effectively, being redistributed away from low income areas, and its flow back effects are at best marginal."

8.1.8 As problem gambling is more common among young, Maori and Pacific people, the government will draw a higher proportion of gambling tax revenues from areas such as Manukau City where they form a significant proportion of the population.

## 9 HEALTH PROMOTION AND GAMBLING

9.1.1 Health promotion is the process of enabling people to increase control over and to improve their health.

9.1.2 Health promotion is in its infancy in the gambling field; one researcher says widely available, low-cost harm minimisation programmes are needed, similar to those focused on tobacco and alcohol (Bunkle, 2002). One recovering Manukau gambler said: "Help needs to be as available as the machines".

9.1.3 Livingstone (2001a) describes harm minimisation as a combination of -

➤ Supply reduction – Regional cap on numbers of machines, local control, ban on continuous operation, winding back the numbers of machines.

➤ Demand reduction – Consumer education, school and workplace education, recreational alternatives, community development.

➤ Harm reduction – Warnings, clocks, daylight, bet limits, ATM/EFTPOS bans, credit bans, note acceptor bans, player information and an enforceable code.

➤ Treatment – Counselling information, easy service access, follow-up.

The Gambling Bill currently before Parliament implements some of these strategies; eg. requiring venue problem gambling policies which enable and enforce gambler self-exclusion, and a prohibition on bank note acceptors in machines in new venues.

"Most of them start with five dollars and it can take only a couple of visits for them to start going through their wages or benefit."  
Pacific gambling counsellor

9.1.4 Reducing the density of gaming machines in local areas is likely to reduce total losses, which is the best available measure of the harm that gambling has on a region (Livingstone, 2001).

9.1.5 Demand reduction will become more important as digital gambling technologies increase their share of the market, since they will be largely beyond government regulation.

9.1.6 Four community leaders spoken to for this report talked about the necessity for local economic development opportunities as alternatives to gambling as an investment for Manukau City people.

9.1.7 Maori informants and researchers commented on the need for restrictions on advertising and promotion of gambling (Smith, 2002; Dyal, 2003; Sullivan, 1997). At the moment, the small amount of funding for health promotion means that gambling advertising is unaccompanied by any images of gambling harm. The Gambling Bill prohibits the use of the word casino for new gaming machine premises and existing venues must remove this word by 18 months after the bill is passed.

9.1.8 Managers of Manukau commercial gaming machine venues spoken to for this report had a varying understanding of their role in promoting responsible gambling. All said there were few gambling problems; when they arose they were dealt with in an ad hoc way. Some managers have prevented intoxicated customers from using machines, and refused access to customers with young children waiting outside their

premises. One said that sometimes he had stopped providing EFTPOS cash to people who had been losing heavily, and asked these customers to take a break.

9.1.9 Sky City Casino, the TAB, the Lotteries Commission, Clubs New Zealand and the Charity Gaming Association have all developed or are reviewing responsible gaming policies or codes of practice.

9.1.10 Sky City's Host Responsibility Policy and resources, also used by the Hamilton casino, are the most comprehensive. The organisation has distributed three Problem Gambling Community Education Modules on diagnostic tools, treatment, and support for family and friends, aimed at community groups and GPs. A fourth, summarising the research, was due for release in August. Host responsibility staff meet with Auckland and national treatment providers regularly and confidentially discuss particular problem gambling cases. Sky City is attempting to establish a South Auckland treatment provider forum.

9.1.11 Sky City, the ClubSafe programme and the Charity Gaming Association Code of Practice support self-exclusion by gamblers with a problem. The TAB's draft Response to Problem Gambling includes the possibility of closing accounts and banning problem gamblers from premises. Lotto suggests that managers refuse to sell tickets to someone with a gambling problem. The Clubsafe programme also mentions a complaints resolution process.

9.1.12 There is no independent consumer complaints mechanism for gamblers. One Australian researcher (Smith, 2002, P 137) considered that self-regulation by gambling operators will be ineffective, "as problem gambling underpins the profitability of the industry".

9.1.13 In a study of NSW clubs, Hing (2001) found that key stakeholders advocated an industry-wide responsible gaming policy, funded principally by industry, involving an independent co-ordinator, monitoring and enforcement, legislative requirements, an independent consumer complaints mechanism, and extensive community consultation. Club managers preferred a self-regulated policy with no additional legislative requirements and limited community consultation.

## 9.2 Alcohol, smoking and gambling behaviour

9.2.1 Requiring gaming machines to be sited in venues with a liquor licence has strengthened the link between alcohol and gambling. To reduce gambling-related harm, the council needs to act to weaken this link.

9.2.2 Gambling problems are often associated with alcohol and other drug problems. One prospective unpublished study in New Zealand found that almost one in five who presented to a day treatment facility for problem alcohol use met the screen criteria for problem or pathological gambling (MacKinnon, 1996). Abbot and Volberg (1992) found 62% of pathological gamblers were alcohol dependent.

9.2.3 Sullivan (1997a) states: "...there is a very real concern that gambling that starts while alcohol-affected is likely to be far more hazardous, in the failure to control amount and time spent, and in that the perception of the likelihood of winning may be distorted." Four informants raised concerns about gamblers playing drunk.

9.2.4 Government health promotion about smoking has included smoking bans in restaurants. Extending this ban to gambling venues would reduce the harm done by tobacco to the health of heavy gamblers (Walsh and Tzelepis, 2003).

## 10 CONCLUSIONS

10.0.1 Gaming machine numbers and venues have increased significantly in Manukau City without any consultation with its residents and ratepayers. The number of sites and machines in Manukau City has risen since 18 October 2001 and is continuing to grow.

10.0.2 It is likely that the level of gambling and gambling problems in Manukau City and across the Auckland region will grow. Gaming machines now result in the highest total of player losses of all forms of gambling in New Zealand. Without controls on the growth of gaming machine outlets, the level of losses is likely to increase.

10.0.3 A policy on gambling venues should be devel-

**"When you've gambled all your money you haven't got fares to go to counselling or support meetings."  
Recovering gambler**

oped in line with the best interests of Manukau City children. As there is significant qualitative evidence of child neglect due to adult gambling, Council policies should ensure venues do not contribute to this. Increased normalisation of gambling is likely to be reflected in increased problem gambling as the current generation of teenagers become adults.

10.0.4 Manukau City has high proportions of those populations more vulnerable to gambling difficulties. The wards of Manurewa, Papatoetoe, Otara and Mangere are at particular risk due to higher gaming machine numbers combined with young average age. Socio-economic status could be factored into the Council's Gambling Venue Policy to reflect the greater vulnerability of poorer communities.

10.0.5 Community meetings held to discuss health issues in Manukau City have identified gambling as a major health and social concern and recommended strict controls on the growth of gambling outlets (MCC, 2002). The Counties Manukau Food Banks Association wrote to the Minister of Internal Affairs in June 2003 about gambling problems in Manukau, welcoming the introduction of a cap on the number of pokie machines in new venues provided by the Gambling Bill.

10.0.6 None of the people outside the gambling industry who were consulted for this report suggested there should be more gaming venues or machines. Ten community groups or individuals wanted the number of venues to be reduced; 20 wanted the number of gaming machines to be reduced; two suggested that hours should be restricted; four wanted limits on proximity to other venues and residential areas, and two advocated a total ban on gaming machines.

10.0.7 The authors of this report consider that the precautionary principle applies in this situation - when community concern is great and the possibility of harmful effects on health has been identified, this principle requires preventive action, even if conclusive evidence of harm is not available or the risk is uncertain (Dempsey et al, 2002; Coleman, 2002).

**"It's difficult to give up gambling when you have to go past the pokies with money in your pocket every time you do your shopping."**  
**Recovering gambler**

## 11 RECOMMENDATIONS

11.0.1 The range of community concerns raised by informants about social impacts, advertising and health promotion indicate a need for an integrated Council approach to gambling through bylaws, the District Plan, Community Plans, liquor licence inspections, funding, health promotion and community development. The Local Government Act 2002 (s. 12) also allows the Council to exercise its power of general competence in relation to gambling issues.

11.0.2 When the Gambling Act is passed, breaches could be reported to and by the District Licensing Agency, as these indicate poor management of venues and may contribute to unsuitability for holding a liquor licence under the Sale of Liquor Act. Breaches could include -

- Gambling as the primary activity of a hotel or bar
- The presence of minors in these venues.

11.0.3 Council could contribute to mitigating gambling problems among Manukau City residents through advocating for -

- Increased Government funding for problem gambling services
- Public education and health promotion on the potential dangers of gambling.
- Detailed local and national research on the social and economic impacts of gambling.

11.0.4 Council could advocate for legislative change to permit -

- Public input on individual gaming licence applications, not just on Council gambling venue policies
- The ability to cap the number of licensed venues and gambling venues under the District Plan
- The ability to oppose liquor licences when they appear to be merely for gambling purposes and contrary to the Gambling Venue Policy
- The ability to recommend to the Liquor Licensing Authority that a liquor licence be declined because of the Gambling Venue Policy, Council's planning policies or licensing policies.
- Restrictions on gambling advertising.

11.0.5 Council could investigate bylaws and District Plan changes for improved regulation of gambling machine venues, for example, over issues such as advertising jackpot values on the footpath.

## **12 GAMBLING VENUE POLICY OPTIONS**

12.0.1 As part of the Gambling Venue Policy, Council may specify any restrictions on the number and location of gambling machines.

12.0.2 We have not included the impact of these options on machine numbers in clubs, as the Act may give them the right to appeal against any reductions in machine numbers to the Minister of Internal Affairs.

### **12.1 OPTION 1 – Maximum control: No new machines from those existing on 17 October, 2001**

12.1.1 This option is premised on the precautionary principle. It assumes higher prevalence of problem gambling and expects this to increase in the coming years. It assumes that harm from the availability of more gambling venues outweighs the benefit in community grants from additional machines.

12.1.2 This option would affect 15 commercial gambling venues and reduce machine numbers by 111 for Manukau City. This would impact on -  
Otara: Four sites and 12 machines  
Mangere: One site and nine machines  
Papatoetoe: One site and nine machines  
Howick: One site and nine machines  
Manurewa: Six sites and 56 machines  
Pakuranga: One site and nine machines  
Clevedon: One site and seven machines.

12.1.3 In 2002, losses averaged \$32,000 per machine nationally (David Macpherson, 2003). This option would therefore reduce losses in Manukau by approximately \$2,894,000, but would also reduce the city's contribution to the national pool for community grants by approximately \$1,425,000.

### **12.2 OPTION 2 – Intermediate control**

12.2.1 This option takes less of a precautionary approach, and assumes a middle ground between estimates of problem gambling. It can be achieved using two methods – a cap of six machines at all venues, or a ratio of machines to population. The policy could use the current Manukau average of 227 people per machine and factor in socio-economic disad-

vantage for areas with the most severe deprivation levels of 8 to 10.

#### **12.2.2 OPTION 2A - A cap of six machines at all venues.**

This option would affect 15 commercial gambling venues and reduce machine numbers by 43 -

Otara: Four sites and 12 machines

Mangere: One site and three machines

Papatoetoe: One site and three machines

Howick: One site and three machines

Manurewa: Six sites and 18 machines

Pakuranga: One site and three machines

Clevedon: One site and one machine.

This option would therefore reduce losses in Manukau City by an estimated \$921,900, but would also reduce the city's contribution to the national pool for community grants by approximately \$454,000.

#### **12.2.3 OPTION 2B - A ratio of machines to population.**

This method acknowledges that the socio-economic characteristics of the population are a factor in problem gambling and social impact. People on low incomes are more vulnerable than other groups to gambling losses and the effects on them are more severe.

12.2.4 This would prohibit new machines in the Mangere, Otara, Manurewa, Howick and Papatoetoe wards. However, Clevedon and Pakuranga wards, which have a lower machine density, would be able to obtain consents providing they met Council's policies in relation to the particular location. The Clevedon ward would be able to accommodate another 28 machines and Pakuranga an additional 57 machines.

12.2.5 This option would be modified by location (see next page).

### **12.3 OPTION 3 – Minimal control: The legislated maximum of nine machines per venue**

12.3.1 This option assumes lower problem gambling prevalence, and does not address an overall increase in numbers of licensed venues. It assumes that the benefits of additional money for community grants outweigh the possible harm from extra gambling venues.

12.3.2 This number of machines is the maximum permitted by the Gambling Bill for venues licensed on or after October 18, 2001. As this change is mandated by the Bill, this policy option would have no additional impact on machine numbers or venues.

12.3.3 This option would be modified by location.

## 12.4 Location of gaming machine venues

12.4.1 The Gambling Bill provides Council with powers to exercise control over the location of gaming machine venues. It may take into account -

- (a) the characteristics of the district and parts of the district:
- (b) the location of kindergartens, early childhood centres, schools, places of worship, and other community facilities:
- (c) the number of gaming machines that should be permitted to operate at any venue or class of venue:
- (d) the cumulative effects of additional opportunities for gambling in the district:
- (e) how close any venue should be permitted to be to any other venue:
- (f) what the primary purpose of any venue should be.

12.4.2 Council could -

- Set distances (eg. 200-500 metres) for gaming machine venues from residential zone boundaries.
- Set distances (eg. 200-500 metres) for gaming machines venues from existing sensitive locations such as schools, churches and Marae.
- Set distances between existing and proposed gaming machine venues.
- Restrict gaming machine premises to appropriate business zones providing they meet the distance requirements above.
- Prohibit gaming machine premises on sites where bars are associated with restaurants that promote family dining.

**“Many of us  
wake up to the  
music of the  
machines  
in our ears, that  
winning spin  
noise.”  
Former  
gambler**

## APPENDIX 1 - STAKEHOLDERS CONTACTED

(Some interviewees have asked to remain anonymous because they talked of family experiences.)

### Manukau City Council staff

**Jeanine Gribbin**, Funding Co-ordinator, Creative Communities

**Tim Knight**, Assistant Property Manager, Property Management and Land Development

**Tu van Nguyen**, Planner Social and Economic Monitoring, Economic Development Team

**Brigitte de Ronde**, Senior Policy Analyst, Environmental Management

**Judith Telford**, Administrator, Housing for the Elderly, Facilities and Parks

**Arthur Wilkinson**, Team Leader, Liquor and hazardous substances

**Sue Zimmerman**, Health planner, Community Development.

### Community stakeholders

**Carolyn Adams**, Senior Strategic Advisor, in Policy Group, Corrections

**Peter Adams**, Director, Centre for Gambling Studies, University of Auckland

**Aronia Ahomaro**, NZ Maori Wardens

**Mary Angus**, Bar Manager/Administrator, Howick Dart Club

**Auckland Pacific Island Budgeting Service**, Onehunga

**BabyJs Bar**, Hunters Corner

**James Beus-Hair**, Manager, Government Relations, Sky City

**Amanda Binns**, Public Relations, Manukau Office, Housing New Zealand

**Alison Blaiklock**, Action for Children and Youth Aotearoa

**Belinda Borrell**, Maori youth worker and researcher

**Michelle Brown**, mediator, Manukau office, Tenancy Services

**Community Alcohol and Drug Services South**

**Cash Converters**, Manukau

**Phyllis Cassin**, Administration Manager, Manukau Urban Maori Authority

**Ronnie Chang**, Audit Department, TAB, Wellington

**Alison Chetwynd**, Acting Director, Research and

Evaluation Unit, Ministry of Justice

**Child Protection**, CYFS, South Auckland

**Gary Clifford**, Gambling Problem Helpline

**Cock and Bull**, Pakuranga

**Matt Coleman**, General Manager, Atronic Gaming Machines

**Angela Cook**, Criminal Policy section head, Ministry of Justice

**Andrea Curtis**, business analyst, Tenancy Services, Ministry of Housing, Wellington

**Mike Davis**, gamblers support group facilitator, People's Centre, Manurewa,

**Drug and alcohol workers**

**Adele Dunleavy**, Information Analyst, Statistics New Zealand

**Lorna Dyll**, University of Auckland

**Amanda Eves**, public relations advisor, WINZ

**Laumanuvae Kuresa Falesega**, CEO, Pacificare

**Jo Fitzpatrick**, Director, Women's Health Action

**Friendship House**, Manukau City

**Senior Sergeant Mike Fulcher**, Community Services Manager, Counties Manukau Police

**Gamblers Anonymous**, Papatoetoe

**Linda Gibson**, acting team leader, Te Atea Marino regional Maori alcohol and drug service

**Dave Godfrey**, Northern Regional Manager, TAB, Auckland

**Felicity Goodyear-Smith**, Department of General Practice and Primary Health Care, University of Auckland

**Grace's Bar**, Manurewa

**John Hannifin**, Problem Gambling Purchasing Agency, Palmerston North

**Happy Punter**, Manurewa

**Ruth Herd**, co-ordinator, Manukau Community Action Project, Hapai Te Hauora Tapui Ltd

**Carolyn Hobson**, Host Responsibility Manager, Sky City Entertainment Group

**Sandi Howlett**, Regional Co-ordinator, Refugee and Migrant Service, Mangere

**Jean Ingham**, Co-ordinator Salvation Army budgeting service, Manukau

**Les Ingham**, Chairman, Counties Manukau Foodbank Association

**Intermediate** school teacher

**Annette Jordan**, former manager, South Auckland branch, Crockers, Papatoetoe

**Phil Keber**, General Manager, Sky Riverside Casino, Hamilton

**Wanda Kiel-Rapana**, Operations Manager, Huakina Development Trust

**Elaine Lolesio**, manager, Monte Cecilia House, Mangere

**Eliza Lu**, Administration Manager, Language School, Skills Update

**Louise Lu**, International Student Advisor, Manukau Institute of Technology

**David Macpherson**, Gambling Watch (New Zealand Coalition for Gambling Reform), Hamilton

**Maori community worker**

**Sister Margaret Martin**, Manager, Sisters of Mercy, Wiri

**Mavericks**, Otara

**Angus McLeod**, Corporate Communications Manager, New Zealand Lotteries Commission

**Mental health nurse**

**Mental health worker**

**Robyn Munro**, Information analyst, Courts Business Unit, Ministry of Justice

**Dave McPherson**, Gambling Watch

**Money Shop**, Takanini

**Peter O'Brien**, Information Analyst, Statistics New Zealand, Christchurch

**Gill O'Callaghan**, Deputy Principal, Manukau View Primary School

**Annette Olford**, communications, Department of Corrections

**Otara Budgeting Service**

**Otara Gambling Action Group**

**Pacific Gambling Helpline** counsellor

**Pakuranga and Howick Budgeting Service**

**Chief Inspector John Palmer**, Eastern Area Commander, Auckland City Police District

**Papatoetoe Citizen's Advice Bureau**

**Grant Paton-Simpson**, Regional Alcohol and Drugs Service, Waitemata Health

**Losa Patterson**, Pasifika Team Leader, Gambling Problem Helpline

**Lana Perese**, Centre for Gambling Studies

**Kere Pomare** Ministry of Health

**Susan Purkiss**, property manager, Harcourts, Conifer Grove

**John Raeburn**, Associate Professor of Behavioural Science, University of Auckland, Director of Public Health, Problem Gambling Foundation

**Mavis Roberts**, Makaurau Marae, Ihumatao

Samoan support group

**Roger Shew**, Campus Manager, Botany Downs, New Zealand Institute of Education,

**Julie Shirley**, Associate Principal, Flatbush Primary Silos, Manukau City

**Hope Simonsen**, Community Advisor, Social Services Waikato

**Russell Sinclair**, Auckland Regional Manager, New Zealand Retailers Association

**Dick Slater**, Old Papatoetoe Mainstreet Society

**Brian Sleath**, Centre Manager, Southmall, Manurewa  
**Heather Smith**, Food in Schools, Resources for Schools Charitable Trust

**Sean Sullivan**, Abacus Counselling and Training Services, Auckland

**Senior nurse**

**Nicola Summerville**, Information Centre, Statistics New Zealand

**Lorraine Symes**, Area Support Manager, Counties Manukau, Housing NZ

**Lorraine Taylor**, Manager, Community Relations and Sponsorship, Sky City Entertainment Group

**Tertiary institution lecturer**

**Fa'ailoa Timu**, service manager, Probation Service Manukau

**Samson Tse**, Director of Asian Research, Centre for Gambling Studies, University of Auckland

**Kataraina Tuhaka**, Problem Gambling Foundation

**Wahine Tupono**, a support group for recovering Maori women gamblers in the Manukau City area

**Stephen Walker**, Secretary Manager, Papatoetoe and District RSA

**Ingrid Ward**, Ministry of Health

**Lewis Williams**, SHORE Centre

**Rebecca Williams**, Alcohol Healthwatch

**Woodies**, Manurewa

**John Wong**, Manager, Asian Services, Problem Gambling Foundation

**Youthline**

**Youth workers**

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## **APPENDIX 3 - THE SOUTH OAKS GAMBLING SCREEN QUESTIONNAIRE**

The following 20 questions are those for lifetime rates. The current measures use the same questions, reworded to apply to the previous 12 months.

1. When you participate in the gambling activities as we have discussed, how often do you go back another day to win back money you lost?
2. Have you ever claimed to be winning money from these activities when in fact you lost?
3. Do you ever spend more time or money gambling than you intended?
4. Have people ever criticized your gambling?
5. Have you ever felt guilty about the way you gamble or about what happens when you gamble?
6. Have you ever felt that you would like to stop gambling, but didn't think that you could?
7. Have you ever hidden betting slips, lottery tickets, gambling money or other signs of gambling from your spouse or partner, children, or other important people in your life?
8. Have you ever argued with people you live with over how you handle money? Have these arguments ever centred on your gambling?
9. Have you ever missed time from work or school due to gambling?
10. Have you ever borrowed from someone and not paid them back as a result of your gambling?
11. Have you ever borrowed from household money to finance gambling?
12. Have you ever borrowed money from your spouse or partner to finance gambling?
13. Have you ever borrowed from other relatives or in-laws to finance gambling?
14. Have you received loans from banks, loan companies, or credit unions for gambling or to pay gambling debts?
15. Have you ever made cash withdrawals on credit cards such as Visa or MasterCard to get money to gamble or to pay gambling debts (does not include ATM or instant cash cards)?
16. Have you ever received loans from loan sharks to gamble or to pay gambling debts?
17. Have you cashed in stocks, bonds, or other securities to finance gambling?
18. Have you sold personal or family property to gamble or to pay gambling debts?
19. Have you ever borrowed money from your chequing account by writing cheques that bounced to get money for gambling or pay gambling debts?
20. Do you feel that you have ever had a problem with betting money or gambling?

# APPENDIX 4 – HISTORY OF GAMBLING AND PROBLEM GAMBLING SERVICES IN MANUKAU

## Gambling products

2003 Gaming machine numbers in Manukau City rise by 33% from 2001  
2002 Hamilton Riverside Casino opens  
2001 Powerball and Risk introduced

1998 Internet betting

1996 Sky City Casino opens  
Sports betting and TeleBingo introduced

1994 Daily Keno  
1993 Lotto Strike

1989 Instant Kiwi  
1988 Non-casino gaming machines legalised  
1987 First Lotteries outlet opens in Manukau City

1960s Gaming machines imported; occasional police raids

1959 Housie

1952 First Manukau TAB opens in Manurewa

1949 Raffles and prize competitions for voluntary organisations

1930s “Fruit” machines in dairies  
1933 Card playing legalised to raise money for charity

1929 Art Union lotteries

## Problem gambling services

2003 Otago Gambling Action Group starts; Maori Problem Gambling helpline starts; National Pacific Gambling Project starts education work  
2003 Wahine Tupono group starts in Manukau  
2002 InYaFace youth gambling helpline starts; Hapai Te Hauora and Pacificare Trust start health promotion about gambling in Manukau; Whakawhanaungatanga Trust Problem Gambling Service starts in Manukau; Problem Gambling Foundation employs two South Auckland gambling health promotion workers  
Otago Gamblers Anonymous group starts; Papatoetoe Gamblers Anonymous group starts; Manurewa People’s Centre gambling support groups start  
2001 Te Atea Marino Alcohol and Drug counselling service begins gambling counselling  
2000 Mangere Gamblers Anonymous group starts  
1998 Oasis begins South Auckland satellite clinics ; Gambling Problem Helpline starts as a separate organisation from the CGS

1992 Compulsive Gambling Society established

## **APPENDIX 5 - MAPS**

[Attached]