

# Gambling in New Zealand

## New Zealand's gambling outlook

The amount spent on the four main types of gambling in New Zealand in the 2017/18 financial year was \$2.383 billion. This is \$49 million more than 2016/17, continuing a trend of increases since 2009/10.<sup>1</sup>

The National Gambling Study (NGS) found 75% of the adult population take part in at least one form of gambling annually, with Lotto (56%), raffles or lotteries (45%), and Instant Kiwi or other scratch tickets (30%) being the most common forms.<sup>2</sup>

However, Electronic Gaming Machines (also known as EGMs or 'pokies') in pubs and clubs cause the most harm. Licenced to operate for charitable purposes only, non-casino pokies account for almost 50% of people who seek help about their gambling; adding casino pokies takes this figure to 60%.<sup>3</sup>

### Why are pokies so harmful?

**Continuity:** Pokies are a continuous form of gambling which means that any winnings can immediately be "reinvested." In contrast, Lotto is a non-continuous form of gambling.<sup>1</sup>

**Isolation:** Gambling on pokies is a very solitary activity unlike games played with other people. The environment also encourages uninterrupted and solitary play with pokie rooms in bars often having dimmed lighting, no tables to socialise around and an entranceway that minimises scrutiny.<sup>2</sup>

**Addictive features:**

**False wins:** This happens when the amount of money you get back as a win on a multi-line bet, is actually less than what you put in, yet the machine's bells and whistles go off making you think you've won!

**Nearly wins:** Pokie machines give you the impression that you've nearly won so that you will keep on playing on the machine, when in fact, you haven't.

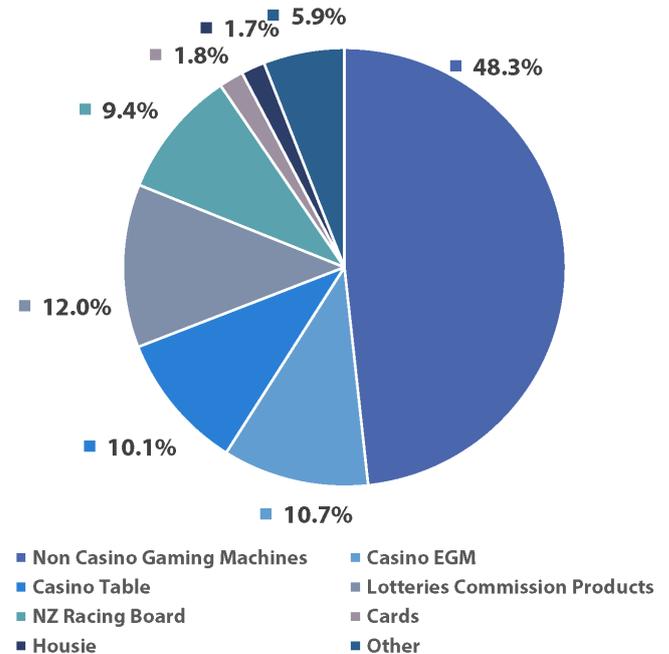
**Free spins:** These just make you feel you're doing better than you really are by making it look like you're getting close to a win.<sup>3</sup>

1. Thimasarn-Anwar, T., Squire, H., Trowland, H. & Martin, G. (2017). Gambling report: Results from the 2016 Health and Lifestyles Survey. Wellington: Health Promotion Agency Research and Evaluation Unit.

2. Adams, P., Wiles, J. (2016). Gambling machine annexes as enabling spaces for addictive engagement. Auckland: Centre for Addiction Research, University of Auckland, New Zealand.

3. Health Promotion Agency. (2019). How pokies work. Retrieved from <https://www.choicenotchance.org.nz/understand-gambling/how-pokies-work>

**CLIENTS OF SERVICE PROVIDERS**  
BY PRIMARY GAMBLING MODE 2017/18



## The outcomes of gambling

There are six main harms associated with gambling in NZ:

- Decreased health
- Emotional or psychological distress
- Financial harm
- Reduced performance at work or education
- Relationship disruption, conflict or breakdown
- Criminal activity<sup>4</sup>

Recent research shows that one in five New Zealand adults (22%) is affected at some time in their lives by their own gambling or the gambling of others. Estimates suggest that, in New Zealand in 2017, 37,000 people aged 15 years or older were at high risk of harm from gambling or are 'problem gamblers', about 47,000 were at moderate risk and a further 106,000 were at low risk but would experience gambling-related harm during their lifetime<sup>5</sup>

Gambling problems inflict harm on partners, children, parents, siblings and grandparents, and there is consistent evidence linking harmful gambling and family violence.<sup>6</sup>

A 2017 report prepared for the Ministry of Health found that:

*Gambling causes over twice the amount of harm than chronic conditions such as osteoarthritis (2.1x) and diabetes (2.5x), and three times the amount of harm from drug use disorders.<sup>7</sup>*

## Pokies: location, deprivation and funding

In 2018, \$346 million from non-casino pokies was distributed in funding, however the losses for the year were \$910 million, making the return on investment 38%, considerably less than half the money it cost.<sup>8</sup>

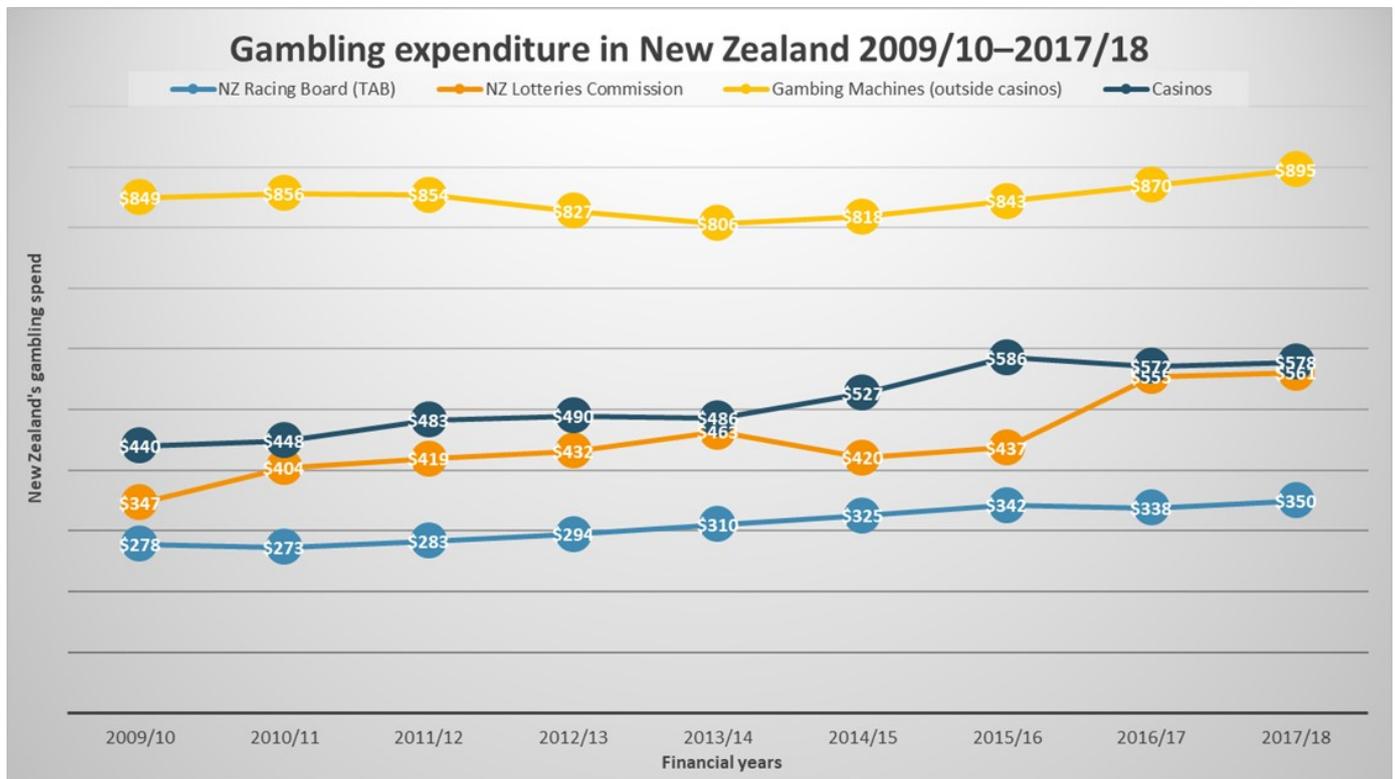
*Approximately 50% of all EGM venues ... are clustered in geographic areas representing the three most socioeconomically deprived populations (ie, poorest areas of the country). In economic terms, these are the groups who can least afford the financial losses from gambling, who experience the lowest returns from gambling proceeds to their communities, and who can least afford the health harm arising from risky gambling activity<sup>9</sup>*

## The cost of gambling in New Zealand

\$2.383 billion was lost on the four main forms gambling in 2017/18, that's \$6.5 million per day, with \$2.45 lost **a day** on non-casino pokies.

## The accessibility of gambling in New Zealand in 2019

**1,094** class 4 gambling venues  
**15,007** non-casino pokies  
**6** casinos  
**239** casino gambling tables  
**3,056** casino pokie machines



<sup>1</sup> Department of Internal Affairs. (2019). *Gambling expenditure statistics*. Retrieved from [www.dia.govt.nz/diawebsite.nsf/wpg\\_URL/Resource-material-Information-We-Provide-Gambling-Expenditure-Statistics](http://www.dia.govt.nz/diawebsite.nsf/wpg_URL/Resource-material-Information-We-Provide-Gambling-Expenditure-Statistics)

<sup>2</sup> Abbott, M., Bellringer, M., & Garrett, N. (2018). *New Zealand National Gambling Study: Wave 4 (2015). Report number 6*. Auckland: Auckland University of Technology, Gambling and Addictions Research Centre.

<sup>3</sup> Ministry of Health Manatū Hauora. (2019). *Intervention client data*. Retrieved from [www.health.govt.nz/our-work/mental-health-and-addictions/problem-gambling/service-user-data/intervention-client-data](http://www.health.govt.nz/our-work/mental-health-and-addictions/problem-gambling/service-user-data/intervention-client-data)

<sup>4</sup> Central Queensland University and Auckland University of Technology. (2017). *Measuring the Burden of Gambling Harm in New Zealand*. Wellington: Ministry of Health.

<sup>5</sup> Citation: Ministry of Health. (2018). *Strategy to Prevent and Minimise Gambling Harm 2019/20 to 2021/22: Proposals document*. Wellington: Ministry of Health.

<sup>6</sup> Dowling, N. (2014). *The impact of gambling problems on families* (AGRC Discussion Paper No. 1). Melbourne: Australian Gambling Research Centre.

<sup>7</sup> Central Queensland University and Auckland University of Technology. (2017). *Measuring the Burden of Gambling Harm in New Zealand*. Wellington: Ministry of Health.

<sup>8</sup> Figures calculated from: Te Tari Taiwhenua | Department of Internal Affairs. (2019). Class 4 Gambling Key Performance Indicators. Retrieved from [www.dia.govt.nz/diawebsite.nsf/wpg\\_URL/Resource-material-Information-We-Provide-Class-4-Gambling-Key-Performance-Indicators?OpenDocument](http://www.dia.govt.nz/diawebsite.nsf/wpg_URL/Resource-material-Information-We-Provide-Class-4-Gambling-Key-Performance-Indicators?OpenDocument).

<sup>9</sup> Rook, H., Rippon, R., Pauls, R., et al. (2018). *Gambling Harm Reduction Needs Assessment*. Wellington: Sapere Research Group, families (AGRC Discussion Paper No. 1). Melbourne: Australian Gambling Research Centre.

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