

Department of Internal Affairs: Reducing Pokies Harm Consultation

PGF GROUP SUBMISSION

MAY 2022

EXECUTIVE SUMMARY

PGF welcomes the Department of Internal Affairs' (DIA) review on reducing the harm caused by Class 4 pokies in Aotearoa New Zealand. We are grateful for the opportunity to provide a submission.

We appreciate the DIA's and Minister Tinetti's acknowledgement that Class 4 gambling is the most harmful form of gambling in Aotearoa. As a gambling harm service provider, we have first-hand experience supporting gamblers and affected others in navigating the impact that harmful gambling has had on their lives. We also understand the effort that is required to raise awareness about the harm caused by pokies in our communities.

As part of our submission, we have included the responses from the community who have answered our feedback form about this review (see attached Appendix A).

Our submission is evidence-based and structured to address the three key focus areas detailed in the public discussion document. Our recommendations are summarised below:

1. **Reducing harm in venues** – we support the proposals to establish stronger regulations around standardised harm minimisation and host responsibility training, increasing awareness around exclusion and self-exclusion, and a mandatory, universal pre-commitment system. While the focus of this section is on venues and venue staff, we highlight that societies – as owners of pokie machines and providers of host responsibility training – have an equally important role in upholding regulations to reduce harm for patrons.
2. **Reducing harm from pokie machines** – pokie machines are specifically designed to be addictive and encourage sustained periods of heavy gambling. Therefore, we support proposals that address breaking “the zone” and changing machine features that reinforce continuous playing. Harm minimisation efforts that target jackpots are also appropriate and should be included into regulations to reduce gambling harm.
3. **Reducing harm through stronger compliance** – we support all the proposed infringement offences listed in the discussion document. However, the \$1,000 infringement fee is inadequate and should be increased to deter non-compliance from venues and societies. There is also a need to consider how compliance will be monitored and enforced to ensure that all proposed changes discussed in this review will effectively achieve harm minimisation and improve host responsibility.

While this review is an encouraging step forward in addressing the harm from pokies, we note that the review will not address the required changes to the Gambling Act 2003, but rather strengthen the Class 4 Gambling (Harm Prevention and Minimisation) Regulations 2004. We submit that a full review of the Act is overdue and is needed to better capture the current gambling environment and effective harm minimisation across all forms of gambling.

We are also concerned that this review does not fully address the inequities of the Class 4 gambling system. Māori, Pasifika, and Asian peoples experience gambling harm acutely and have consequently

been identified in the Ministry of Health's draft *Strategy to Prevent and Minimise Gambling Harm 2022/23 to 2024/25* as priority population groups (1). We support the submissions made by Asian Family Services and Mapu Maia and urge the Department to carefully consider their recommendations. Moreover, almost 63% (658 out of 1,050 as at 31 December 2021) of Class 4 venues in Aotearoa are located in medium-high or very-high deprivation areas (2). Measures to address inequities for our vulnerable communities are inadequately explored and as such, outcomes from this review need to be strong enough to provide maximum protection to these community groups while this issue can be further evaluated.

PGF thanks and supports the DIA's efforts to reduce Class 4 gambling harm. We hope that our submission will help the Department best determine how to prevent and minimise gambling harm from pokies for all New Zealanders in Aotearoa.

ABOUT PGF GROUP

The Problem Gambling Foundation of New Zealand trades as PGF Group and is the overarching brand for PGF Services, Mapu Maia Pasifika Services, and Asian Family Services. PGF Group is a Charitable Trust that operates nationally to provide gambling harm minimisation and prevention services. Our services are delivered under contract to the Ministry of Health and funded from the gambling levy.

We deliver clinical interventions and treatment as well as a range of public health services. We have a skilled and diverse workforce with staff who are qualified in clinical work and health promotion. A key part of our public health work is advocating for the development of public policy that contributes to the prevention and minimisation of gambling-related harms.

Our vision is for families and communities to be healthy and resilient in a just society.

Our mission is to enhance the mana of individuals, families, and communities so that they can be free from gambling harm.

ADDRESSING THE INEQUITIES OF CLASS 4 GAMBLING

The inequities of the Class 4 gambling system are well-established and is disproportionately experienced by priority populations, including Māori, Pasifika, and Asian peoples. The 2018 Health and Lifestyles Survey estimates indicated that Māori were four times more likely to be moderate-risk or problem gamblers than non-Māori, and that Pacific peoples were 1.5 times more likely to be moderate-risk or problem gamblers than non-Pacific peoples (3). Similarly, Asian people's risk factor of harmful gambling was 9.5 times higher when compared with European/Other New Zealander (3). For PGF, Class 4 gambling is cited as the main mode of gambling for our Māori and Pasifika clients. Class 4 gambling is the second-highest mode for our Asian clients, following gambling in casinos.

Class 4 gambling is particularly harmful because of where the venues are located in our communities. As at 31 December 2021, almost 63% (658 out of 1,050) of Class 4 gambling venues in

Aotearoa are in medium-high or very-high deprivation areas (2). The 2015 *Gambling Harm Needs Assessment* stated that pokie machines in the most deprived areas provided over half of the total Class 4 gambling expenditure (4). It is unethical that the majority of pokies expenditure is coming from our lowest income households who can least afford it. This is especially concerning for our Māori and Pasifika communities who generally live in areas where many pokie machines are situated. We are pleased to see that the Department acknowledges that “this means that there is more exposure and access to pokie gambling, normalising gambling in communities who can least afford it and leading to gambling harm.”

The unethical and inequitable nature of the Class 4 community funding system also cannot be ignored. The existing funding system has inextricably linked gambling harm with the survival of community groups, sports, and services. A report prepared for the Ministry of Health raises fundamental questions about the parity of the Class 4 funding system (5). Further research commissioned by the DIA revealed that there is a very strong redistributive effect from more deprived communities to less deprived communities when examining the origin of gaming machine profits (GMP) and the destination of Class 4 grants (6). Overall, less deprived communities (decile 1-5) provided 26% of the GMP but receive 88% of the grants. Conversely, more deprived communities (decile 6-10) provide 74% of the GMP but receive only 12% of the grants (6).

While the public discussion document briefly details the impacts of harmful gambling for these groups, the proposed changes do not directly address such inequities. This is an area of concern, and we strongly urge the Department to explore in future reviews, the systemic issues that perpetuate disparate outcomes. Importantly, this review does not clearly address how the principles of Te Tiriti O Waitangi will be upheld to “take active steps towards equalising Māori outcomes for pokies gambling”. We encourage the DIA to explore how Te Tiriti and broader inequities will be addressed in ways that will enhance the mana and tino rangatiratanga of each priority population. In the meantime, any harm minimisation measures that are implemented following this review must be strong enough to provide maximum protection to those who are most affected by Class 4 gambling harm.

PART 1: REDUCING HARM IN VENUES

We agree that current gambling regulations around host responsibility are unclear, ambiguous, and broad. This has resulted in haphazard methods of addressing harm minimisation across pubs and clubs in Aotearoa. Evidence also suggests that people who experience harmful gambling are usually not identified in pubs and clubs or approached by venue staff to discuss their gambling (7). Greater consistency around harm minimisation regulations and training is required across all Class 4 venues. This responsibility not only lies with venues (including venue operators, venue managers, and venue staff), but also equally applies to societies who own the pokie machines. PGF strongly supports the Department to make use of the regulation-making powers embedded in the Gambling Act 2003 to establish mandatory and best practice gambling host responsibility requirements. Proposed changes must also extend to societies as well as venues to ensure stronger compliance around harm minimisation.

There is a need for a public health approach to gambling regulation (8). We also recognise that creating effective harm minimisation practices that can protect gamblers is a public health and public policy challenge (9). This review has the potential to establish stronger regulations that employ a range of public health measures to ensure the effectiveness of harm minimisation in pubs and clubs. We support the proposed suggestions around improved and detailed harm minimisation training, increasing awareness around exclusion and self-exclusion, and mandatory pre-commitment. The following sections further explain our views for each of the proposed options.

1A. Venues could be required to monitor the gambling area at set intervals (regular sweeps) to ensure patrons are not displaying signs of gambling harm

There is a critical need for effective and robust host responsibility training to reduce harm in Class 4 venues. Current regulations do not stipulate the details of what should be included in societies and venues' harm minimisation plans or policies for identifying harmful gambling. PGF strongly advocates that such details be standardised, mandatory, and outlined in the regulations for both venues and societies. Detailed policy specifications will allow for effective compliance as it will enable the DIA to prosecute a venue and society for any breaches to the policy.

We support proposal 1A to be included as one of the specifications for societies and venues' harm minimisation plans. The 2018 Health and Lifestyles Survey highlighted that 90% of pokie players did not think that the pokie room was monitored (7). The survey also identified that 16% of pokie players were experiencing at least some level of gambling harm and may have benefited from an intervention (7). Moreover, the second phase of the New Zealand Gambling Study identified that moderate risk and problem gamblers are more likely to gamble on pokie machines for longer than 60 minutes in one session than lower risk gamblers (10). Therefore, regular sweeps may help venue staff to identify signs of harmful gambling. This would not only help identify people who are already experiencing problem gambling but has the potential to prevent lower risk patrons from developing problem gambling. We also submit that regular sweeps should be logged for auditing purposes and be used in conjunction with proposal 1C.

1B. Venue staff could be required to talk to a person who has been gambling for a specified period of time (e.g. two hours)

We agree with this proposal and suggest that this be included in the harm minimisation plans as discussed in 1A.

These interventions should occur when venue staff are conducting their regular sweep. However, evidence suggests that venue staff lack practical skills that are necessary for the proactive management of patrons who are exhibiting signs of gambling harm (9, 11). Further host responsibility training is needed to provide staff with the adequate skills to gauge patrons and to delicately discuss their gambling in a way that does not stigmatise or shame the gambler. This also involves training on how to talk to patrons, especially those who are Māori, Pacific, and Asian, in a culturally competent manner. Anecdotal evidence from our Māori, Pacific, and Asian clients suggest that they were not approached by venue staff even when they were showing clear signs of gambling

harm. Reasons that may have attributed to this include perceived language barriers and the fear of offending the gambler. To our knowledge, there is no host responsibility training that also focuses on cultural competency in Aotearoa. We encourage and are willing to support the development of cultural competency training for venue staff.

1C. Class 4 venues could be required to record a specified range of harm-related events and signs

We agree with this proposal and suggest that this be included in the harm minimisation plans as discussed in 1A.

Ideally, all harm-related events and signs should be recorded in order to protect all gamblers and prevent gamblers from experiencing harm. However, we acknowledge that signs of gambling, particularly early signs, can be difficult to identify. Signs can also vary from person to person. At a bare minimum, venue staff should be trained to recognise the common signs and events of gambling harm (e.g. long period of time spent on gambling, frequent trips to obtain more cash, borrowing money to gamble).

1D. Societies could be required to keep records of their use of Management Service Providers (MSPs) to deliver services on behalf of the society

We agree with this proposal and suggest that this be included in the harm minimisation plans as discussed in 1A.

One of the key inadequacies of the current system is that host responsibility and harm minimisation training is provided by Class 4 societies to venue staff. Concerningly, the specifics of the training content are left for each society to determine. Societies do not have the expertise to provide such training, which affects the quality and suitability of the training being provided to venues.

We strongly recommend that host responsibility and harm minimisation training should be provided to venue staff by external providers, such as Te Hiringa Hauora/Health Promotion Agency or gambling service providers, and not societies. Training can be delivered either in-person or online. Additionally, a record should be kept by the venue and society of the training received, including details of when and who by, with all new staff being trained within four weeks of starting their employment. We also recommend annual refresher courses for all venue staff to ensure that their training is current.

1E. There could be no access to ATMs from inside a venue, only from outside

We support this proposal and further suggest that removing ATMs from venues with pokies has been an effective harm minimisation tool in the state of Victoria, Australia (12).

One of the reasons why Class 4 gambling is so harmful is because it encourages continuous playing, which transports gamblers into “the zone” (13). The zone is a dissociated state of awareness that is

highly desirable as it often provides relief to gamblers from negative emotions (13). Any opportunity that will allow gamblers to break out of the zone will be helpful in reducing gambling harm. It will also help indicate signs of harmful gambling to venue staff as they can monitor how often a gambler goes to an ATM to withdraw cash for gambling. The same principle can be applied to any note-to-cash dispensers and EFTPOS withdrawals.

The Victorian Gambling and Casino Control Commission have implemented restrictions on how cash can be accessed at venues, including the removal of ATMs (14). Such measures are aimed to minimise harm and provide patrons with the opportunity to take a break from gambling. A report that evaluated the effectiveness of removing ATMs as a harm minimisation tool revealed that: 1) higher risk gamblers spent less time and money on pokies, 2) higher risk gamblers reported an increase in self-control over spending, and 3) higher risk gamblers reported reductions in overspending and severity of problem gambling symptoms (12). PGF strongly recommends removing ATMs from venues but is also supportive of moving ATMs outside venues.

1F. Opportunities to increase people's awareness of self-exclusion from venues

We support this proposal. Unfortunately, PGF often hear that our clients were not told or made aware of self-exclusions from venues. Clear signage should be present around the venue, and not just in the gambling area, with up-to-date information. Brochures on how to access self-exclusion, as well as where to seek help with the contact details of gambling treatment providers in the local area, should be clearly displayed. Venue staff should also actively take the opportunity in their regular sweeps and talks with patrons to mention self-exclusion. We would also like to highlight that our affected other clients' report that third-party exclusion requests are often not investigated by venue staff and there is no action taken. To ensure accountability and compliance, we recommend that all self-exclusion and third-party exclusion requests are recorded as a harm-related event (proposal 1C).

1G. Excluded gamblers could be required to complete treatment before they can return to a venue

PGF does not support this proposal as it places the responsibility on the individual gambler and individualises the problem. We understand that compulsory treatment may not be useful for all clients that may be excluded or self-excluded from gambling. This is because if clients are not ready to accept help or admit that they have a problem with their gambling, counselling sessions are not meaningful. Rather, it becomes a tick-box activity for clients to regain entrance to a venue. We also know that gamblers prefer to try and resolve gambling-related problems on their own before accessing professional services. However, we are supportive of venue staff being required to offer support and details of service providers if patrons are to be excluded. This would be a great opportunity to raise awareness around where to get support for gambling and ask for consent to refer the patron's contact details to a local service provider.

Another effective harm minimisation tool would be monitoring venues and societies to ensure exclusion orders are being enforced. In a New Zealand based study, it was identified that 30% of excluded gamblers breached their contracts and this was most prevalent in pubs (15). A systematic

review further suggests that rates of breaching an exclusion order can be as high as 59% (16). For effective compliance, we recommend that infringement offences and penalties are issued to venues that fail to keep track of excluded gamblers.

1H. Venue design could be considered in how gambling harm could be prevented or minimised

We support this proposal and acknowledge the importance of reviewing and evaluating the environment in which pokies gambling takes place. Pokie machines are often located in a gambling area that is separate to the rest of the pub or club. These areas often annex pokie machines and are positioned in ways that discourage social interaction (17). Gambling areas also exhibit features that encourage uninterrupted and solitary gambling, such as dim-lighting, comfortable seats, and the absence of tables and clocks. Such features promote a style of gambling more oriented towards heavy and problematic gambling (17). Therefore, moving pokie machines out of gambling areas can help increase the sociality and visibility of gambling and could prevent harm. Increased visibility will also help venue staff to easily check and look for signs of harmful gambling in patrons without having to go into the gambling area, especially when they may be busy with other pub or club duties.

1I. All gamblers could be required to pre-commit to the amount of money or time they intend to spend prior to gambling

We support a mandatory and universal pre-commitment system for all players. Pre-commitment systems can be used as an effective harm minimisation tool, particularly when it is well-designed and utilised consistently across all venues and players (18). Pokie players often underestimate how much money they spend on pokie machines. Pre-commitment systems can provide a way for patrons to set and track monetary and time limits to prevent unintended and excessive gambling.

Forms of pre-commitment have been introduced internationally. However, a partial or incomplete system that does not require all gamblers to use the system (i.e. voluntary pre-commitment) may be ineffective in supporting gamblers to stick to pre-determined limits (18). Further research reveals that the uptake of limit setting in partial pre-commitment systems is low (9, 18). The most effective pre-commitment system is a universal system that is mandatory with limits that are binding (9, 18). Norway has one of the most advanced regulatory systems that has demonstrated reductions in pokie machine expenditure and harmful gambling (19). Such regulations include universal weekly and monthly maximum loss limits and a mandatory pre-commitment system (19). However, we acknowledge that mandatory pre-commitment systems are uncommon and such systems should be independently evaluated and trialled before employing across Aotearoa. This is to ensure that a mandatory pre-commitment system would meet its purpose in minimising gambling harm.

1J. Standardised content for harmful gambling awareness training could be established

As discussed in previous sections, we strongly advocate that societies and venues' harm minimisation plans for identifying harmful gambling should be standardised, mandatory, and outlined in the regulations. Currently, we lack a consistent approach to training, which has led to

varying and ineffective host responsibility. We agree with the discussion document that best practice harm minimisation training should be standardised. Training should also be centrally regulated instead of being set by each society, with training material being developed in conjunction with organisations such as Te Hiringa Hauora/Health Promotion Agency or gambling service providers. Please refer to section 1D for further details on how training should be delivered.

There are many host responsibility and harm minimisation programmes that already exist and are widely used around the world. However, studies highlight that despite training, venues often lack the practical skills to respond to signs of harmful gambling, which can encourage continued gambling that contradicts their host responsibility obligations (9, 11). Therefore, we submit that any standardised training developed for use in the context of Aotearoa must be evaluated to ensure effectiveness. This also needs to be coupled with regular monitoring of venues and societies to ensure that training standards are being met.

1K. All staff who supervise gambling could be required to be trained

We support this proposal and agree that this is necessary to ensure safer gambling and reducing harm in venues. The Act requires societies to provide harm minimisation training to *enough* venue staff for one trained person to always be present while gambling takes place. This is inadequate and can make identifying signs of harmful gambling and opportunities to approach patrons challenging. Venue staff have multiple responsibilities, not just gambling host responsibilities, and their time may be split with other duties. Having all staff or a majority of staff members to be trained in harm minimisation will help share gambling host responsibility and prevent harmful gambling.

Additional comments regarding reducing harm in venues

While several proposals have been made, we note that some practices are already claimed to be implemented by societies and venues. To ensure that host responsibility and harm minimisation standards are consistently met across all societies and venues, regular auditing and monitoring (e.g. minimum of every six months) is needed. This may include ‘mystery shopper’ visits and inspections to venues, particularly to venues of high-risk. High-risk venues may include venues located in areas of high deprivation and/or have high venue-level GMP. Prioritisation of these venues is needed to ensure that inspections are taking place in areas of highest gambling harm risk and are not missed. We discuss the importance of regular monitoring in further detail in the ‘Reducing harm through stronger compliance’ section.

PGF also recommends that societies are required to provide, and fund, facial recognition technology on all pokie machines as part of their host responsibility obligations under the Act. Facial recognition technology is a useful tool that can help identify excluded gamblers and can be used to strengthen compliance around upholding exclusion orders.

PART 2: REDUCING HARM FROM POKIE MACHINES

Pokie machines are specifically designed to be addictive and encourage continuous gambling (20). These machines are the purest form of random outcome gambling whereby no action by a player, a venue operator, or regulator can influence the outcome of any individual play (21). However, a short turnaround time between placing a bet and finding out whether you have won or lost, coupled with the ability to play multiple games in quick succession makes continuous gambling one of the most addictive forms of gambling available. There is also evidence that some game features of pokie machines encourage sustained periods of gambling and can influence one's experience of gambling harm.

Adopting a harm minimisation approach to address such game features is needed to make pokie machines safer and reduce gambling harm. Multiple changes to game features should be applied, rather than single, standalone changes, to ensure effective harm minimisation. We discuss our feedback on the outlined proposed in the following sections.

2A. Pokie machines could be required to display more information, such as the return to player ratio of games, volatility of games, harm minimisation messaging

We support this and other proposals that regularly attempts to interrupt continuous playing. Gamblers often describe experiencing having impaired attention, awareness, and cognitive functions when playing on pokie machines (13). Therefore, regular displays of information may help gamblers to break out of "the zone" (22). However, the current Player Information Display (PID) feature appears ineffective and results from a New Zealand study identified that many gamblers were unaware of the PID feature (23). Evidence also suggests that if information about gambling products is available, it may be misleading and difficult to understand (24). The return of player ratio is a good example of how information can be presented in ways that confuse the gambler. Studies suggest that most gamblers struggle to understand return to player information (25, 26). However, if the same information is reframed to present the proportion of money being lost per game, significantly more gamblers have a better understanding of the return to player ratio (27).

Moreover, it is also unclear whether pop-up messaging is effective in engaging gamblers. Some marginal benefits have been identified (22, 24, 28). However, there is growing evidence that for pop-up messages to lead to any meaningful change in behaviour, they must be linked to a pre-commitment system (22, 24). This will allow for interactive messaging through personalisation, rather than a generic message, based on the individual player's time and money expenditure in relation to their pre-commitment limits (22, 24).

2B. Gaming machines should provide information on true losses (as opposed to presenting losses as wins)

We support this proposal as it provides gamblers with accurate information around true losses rather than losses disguised as wins. Presenting information as true losses is understood differently by gamblers when compared to presenting losses as wins (29). Losses disguised as wins reinforces continuous gambling and leads to gamblers to overestimate how much they are actually winning (29). This effect is further reinforced by lights and sounds being played by the pokie machines, which

is most often associated with a true win (29). This has prompted the suggestion to remove the association between winning and the sounds and lights of pokie machines as a harm minimisation measure (30). While further research is needed to better understand true losses and losses disguised as wins, presenting true losses has the potential to minimise harm for gamblers.

2C. Prevent or limit the ability to make multi-row bets

We support this proposal. There is some evidence that multi-line betting encourages gamblers to reach “the zone” while gambling on pokie machines (31). Further research also reveals that problem gamblers are more likely to be absorbed in multi-line gambling than other gamblers (32). This suggests that limiting or preventing gamblers’ ability to make multi-row bets could reduce immersion that promotes continuous gambling. This can potentially be used as an effective harm minimisation measure (22). We also know that multi-row bets and other game features, such as free spins, work together to disguise losses as wins and further encourage continuous playing (23). Therefore, we submit that proposal 2C be implemented alongside changes to other game features to effectively reduce harm from pokie machines.

2D. The maximum stake of \$2.50 could be reduced

We support this proposal. There is some evidence that lowering maximum stakes can reduce gambling harm (22). However, there may be the unintended consequence that, due to the high speed of play, high losses may occur over a short period of time (22). In a New Zealand based study, it was also identified that people found it easier to gamble more than intended on machines with a lower betting limit (33). This was due to the perceived safety that a smaller bet per game is safer than a larger bet per game and resulted in more money being spent per gambling period (33). To further strengthen the efficacy of this proposal, ways to minimise the proportion of gamblers from experiencing large losses over a short gambling period will be helpful in preventing gambling harm.

2E. Prevent or limit the number of “free spins”

We support this proposal. A study conducted in New Zealand revealed that free spins are highly attractive, which keeps people from gambling continuously (23). Pokie machines encourage gamblers to bet multiple lines to maximise the chances of getting free spins. Therefore, preventing or limiting free spins may reduce gambling harm, especially if it is implemented alongside other changes to game features (e.g. proposals 2B and 2C).

2F. Pokie machines could be required to have a maximum number of games that could be played in an hour

It is unclear whether this proposal would be effective in reducing harm from pokie machines. However, we believe that, if implemented alongside a mandatory and universal pre-commitment system as discussed in proposal 1I, this measure may strengthen efforts around harm minimisation. We recommend that this approach is evaluated and trialled before employing across all pokie machines.

2G. Potential measures to minimise the harm from jackpots

We support measures to minimise the harm from jackpots. Evidence is growing to demonstrate the motivating influence of jackpots on gambling behaviour (34). Harm minimisation efforts that target jackpots are appropriate and should be included into regulations to reduce gambling harm.

Restrictions on jackpots can be modestly effective in reducing the amount of time and money people spend on pokie machines (22). High-value jackpots intensify and entice betting behaviour and are differentially attractive to at-risk players (22, 34). Such players ‘chase’ a major win to resolve a streak of gambling losses. However, findings suggest more gambling wins most often translate into more money being lost within a single session (22). Therefore, we recommend harm minimisation training (as discussed in the ‘Reducing harm in venues’ section) to include venue staff being required to speak to patrons who win a jackpot, encouraging them to take a break and/or stop playing for the day.

Restrictions on advertising or marketing of harmful products, such as pokie machines, is also an effective harm minimisation tool that can reduce uptake (22). Advertising and signage have the potential to raise awareness about jackpots and increase desirability from players (22). It is reasonable to assume that if jackpot levels are hidden, this may prevent players from chasing jackpots and engaging in risky gambling behaviour.

New findings also highlight that there seems to be a positive relationship between expenditure and new-generation Stand Alone Progressive Prize (SAPP) machines (35). Of concern, these SAPP machines appear to have lifted expenditure per machine in the majority of regions in New Zealand (35). We recommend that further investigation into SAPP machines is warranted to determine if these are a more harmful type of pokie machine that requires regulation.

PART 3: REDUCING HARM THROUGH STRONGER COMPLIANCE

PGF agrees with the Department’s discussion document that the current regulations lack enforceability and do not ensure compliance from venues and societies. This has meant that venues and societies’ attitudes towards host responsibility and harm minimisation has, for the most part, been inadequate. We know that compliance has been poor, and many people have slipped through the gaps and experienced gambling harm. Without strong compliance and enforcement, we are concerned that those who have been severely harmed by pokies ([like the Barrett family](#)) will not find that responsible venues and societies are penalised and more importantly, that other families, whānau, and communities continue to be harmed.

Therefore, we agree with all the specified proposals listed in this section of the discussion document. However, the suggested infringement fee of \$1,000 for each of the existing and potential new requirement options are insufficient. Stronger infringement fees are required to ensure harm minimisation regulations are observed. We submit that infringement fees should be increased to those of breaches to the Sale and Supply of Alcohol Act 2012 as these have been effective in enforcing regulations around alcohol. Societies and venues will also be familiar with the Sale and

Supply of Alcohol Act 2012 and will encourage them to prioritise and seriously consider the importance of gambling harm minimisation.

However, we understand that increasing existing penalties to such levels cannot be done by amending the regulations and is out of scope for this review. While we hope that penalties and offences can be strengthened in future reviews, for the interim, we recommend that the infringement fees for each of the proposed changes are increased to the highest amount that the regulations allow. This would mean a \$5,000 infringement fee for a licence holder and \$2,500 for an individual. Additionally, most penalties apply either to the society or to the venue manager at present. We further submit that the Department creates infringement offences for all parties involved, including the venue manager, societies, and venue operators, for failing to meet harm minimisation regulations. Meeting regulations requires a concerted effort and requires all parties to do their part to minimise gambling harm in pubs and clubs. Infringement offences should therefore be issued to all parties for breaches.

For the proposed changes to be effective, the issuing of penalties and infringements require improved enforcement from the DIA. This involves regular monitoring and auditing of the 1,050 venues and 14,743 pokie machines across the motu (2) to ensure that harm minimisation regulations are practiced consistently. The resource that is required to do this is tremendous and without it, this would only weaken enforcement and compliance. It is unclear in the discussion document how regular monitoring will be achieved. We recommend that high-risk venues (or venues located in areas of high deprivation and/or have high venue-level GMP) should be prioritised and monitored regularly.

The proposals discussed in this section allows the Department to add to its regulator's toolkit by providing penalties to offences of small to moderate breaches. We support the strengthening of the DIA's regulatory capabilities and agree that swift and hefty infringement penalties will help deter non-compliant practices. However, it is unclear what penalties venues and societies that seriously breach and/or repeatedly breach regulations will incur. Stronger enforcement is needed for such offences. We recommend a three-step process whereby the Department can: 1) issue a warning alongside infringement notices, 2) issue a stand-down period that suspends Class 4 gambling temporarily, and 3) withdraw a venues' and/or societies' Class 4 gambling licence.

Lastly, we are concerned that there is a grey area of responsibility in Class 4 regulations between the Department and the Gambling Commission. There have been instances where enforcement decisions from the DIA have been appealed and taken to the Commission, which has set a precedent and changed existing policies (e.g. relocations and the Waikiwi decision (36)). We recognise that there is a need to clearly outline which organisation – whether the DIA or Gambling Commission – holds the responsibility for monitoring, ensuring compliance, and enforcement of penalties. Moreover, we strongly urge the DIA and Gambling Commission to discuss the new changes so that this is clearly understood between both organisations. It is important that enforcement criteria are agreed upon to ensure effective and stronger compliance.

CLOSING COMMENT

Our submission identifies pokie machine features that could be modified and then included as a condition in the approval of licenses as machines are replaced. We have also stressed that the broad range of harm minimisation options open to the regulator need to be implemented in unison for the greatest impact. Finally, we note that the venues and societies relying on these machines for their own business needs will decry any options that may reduce pokie losses. This will be based on the argument that it will reduce community funding and those groups who benefit will want support from the government to replace the funds they may no longer have access to.

Thank you for the opportunity to make a submission on the Department's review on reducing the harm from pokies in Aotearoa. If you have any further questions, please do not hesitate to contact us.

REFERENCES

1. Ministry of Health. Strategy to Prevent and Minimise Gambling Harm 2022/23 to 2024/25: Consultation document. Wellington: Ministry of Health; 2021.
2. Department of Internal Affairs. Gaming machine profits (GMP dashboard). Wellington: Department of Internal Affairs; 2022 [Available from: <https://catalogue.data.govt.nz/dataset/gaming-machine-profits-gmp-dashboard>].
3. Health Promotion Agency. Gambling harm Wellington: Kupe Data Explorer; 2021 [Available from: <https://kupe.hpa.org.nz/#!/gambling/gambling-harm>].
4. Allen & Clarke. Informing the 2015 gambling harm needs assessment: Final report for the Ministry of Health. Wellington: Ministry of Health.; 2015.
5. Sapere Research Group. Gambling harm reduction needs assessment. Wellington: Ministry of Health; 2018.
6. Cox M, Hurren K, Nana G. Assessment of the effects of Class 4 gambling on Wellbeing in New Zealand: Final Report. Wellington: Business and Economic Research Limited; 2020.
7. Health Promotion Agency. Host responsibility for pokies in pubs and clubs: Results from the 2018 Health and Lifestyles Survey. Wellington: Health Promotion Agency; 2019.
8. van Schalkwyk MC, Petticrew M, Cassidy R, Adams P, McKee M, Reynolds J, et al. A public health approach to gambling regulation: Countering powerful influences. *The Lancet Public Health*. 2021;6(8):e614-e9.
9. Rintoul A, Deblaquiere J, Thomas A. Responsible gambling codes of conduct: lack of harm minimisation intervention in the context of venue self-regulation. *Addiction Research & Theory*. 2017;25(6):451-61.
10. Abbott M, Bellringer, M., Garrett, N., Mundy-McPherson, S. New Zealand National Gambling Study: Wave 2 (2013). Report number 4. Final Report. Auckland: Auckland University of Technology, Gambling and Addictions Research Centre.; 2015.
11. Beckett M, Keen B, Angus DJ, Pickering D, Blaszczyński A. Responsible gambling staff training in land-based venues: A systematic review. *International Gambling Studies*. 2020;20(2):331-67.
12. Moore S, Pfeifer, J., & Thomas, A. Evaluation of the removal of ATMs from gaming venues in Victoria, Australia. Victoria: Swinburne University of Technology, Brain and Psychological Sciences Research Centre.; 2013.
13. Oakes J, Pols R, Lawn S, Battersby M. The “zone”: A qualitative exploratory study of an altered state of awareness in electronic gaming machine problem gambling. *International Journal of Mental Health and Addiction*. 2020;18(1):177-94.
14. Victorian Gambling and Casino Control Commission. Access to cash in gaming venues. Victoria: Victorian Gambling and Casino Control Commission.; 2018 [Available from: <https://www.vcglr.vic.gov.au/gambling/gaming-venue-operator/understand-your-gaming-licence/cash-machine-gaming-venues>].
15. Bellringer M, Coombes, R., Pulford, J., & Abbott, M. Formative investigation into the effectiveness of gambling venue exclusion processes in New Zealand. Auckland: Auckland University of Technology, Gambling and Addictions Research Centre.; 2010.
16. Kotter R, Kräplin A, Pittig A, Bühringer G. A systematic review of land-based self-exclusion programs: Demographics, gambling behavior, gambling problems, mental symptoms, and mental health. *Journal of gambling studies*. 2019;35(2):367-94.
17. Adams PJ, Wiles J. Gambling machine annexes as enabling spaces for addictive engagement. *Health & place*. 2017;43:1-7.
18. Rintoul A, & Thomas, A. Pre-commitment systems for electronic gambling machines: preventing harm and improving consumer protection.: Australian Gambling Research Centre; 2017.
19. Rossow I, Hansen MB. Gambling and gambling policy in Norway—an exceptional case. *Addiction*. 2016;111(4):593-8.

20. Schüll ND. *Addiction by design*: Princeton University Press; 2012.
21. Perth Casino Royal Commission. *Perth Casino Royal Commission - Final Report*. Western Australia: Perth Casino Royal Commission; 2022.
22. Rockloff M, Hing, N., Browne, M., Russell, A., Thorne, H., Philip, N., & Visintin, T. *Gambling harm and harm minimisation in Western Australia - Expert opinion prepared for the Perth Casino Royal Commission*. Rockhampton: CQUniversity, Experimental Gambling Research Laboratory.; 2021.
23. Palmer du Preez K, Landon, J., Garrett, N., Bellringer, M., Page, A., Coomarasamy, C., & Abbott, M. *Investigation into the effects of gambling game characteristics, PIDs, and pop-up technology on gambling and problem gambling behaviour in New Zealand - Final Report*. Auckland: Auckland University of Technology, Gambling and Addictions Research Centre; 2014.
24. Livingstone C, Rintoul, A., de Lacy-Vawdon, C., Borland, R., Dietze, P., Jenkinson, R., Livingston, M., Room, R., Smith, B., Stoove, M., Winter, R., & Hill, P. *Identifying effective policy interventions to prevent gambling-related harm*. Melbourne: Victorian Responsible Gambling Foundation; 2019.
25. Beresford K, Blaszczynski A. Return-to-player percentage in gaming machines: Impact of informative materials on player understanding. *Journal of gambling studies*. 2020;36(1):51-67.
26. Collins D, Green, S., d'Ardenne, J., Wardle, H., & Williams, S. *Understanding of return to player messages: Findings from user testing*. Report prepared for the Responsible Gambling Trust. London: Responsible Gambling Trust; 2014.
27. Newall PW, Byrne CA, Russell AM, Rockloff MJ. House-edge information and a volatility warning lead to reduced gambling expenditure: Potential improvements to return-to-player percentages. *Addictive Behaviors*. 2022;130:107308.
28. Bjørseth B, Simensen JO, Bjørnethun A, Griffiths MD, Erevik EK, Leino T, et al. The effects of responsible gambling pop-up messages on gambling behaviors and cognitions: A systematic review and meta-analysis. *Frontiers in Psychiatry*. 2021:1670.
29. Barton K, Yazdani Y, Ayer N, Kalvapalle S, Brown S, Stapleton J, et al. The effect of losses disguised as wins and near misses in electronic gaming machines: A systematic review. *Journal of Gambling Studies*. 2017;33(4):1241-60.
30. Thomas J, Mora, K., & Rive, G. *An investigation of the influence of gambling venue characteristics on gamblers' behaviour*. Lower Hutt: Opus International Consultants Limited; 2012.
31. Murch WS, Clark L. Effects of bet size and multi-line play on immersion and respiratory sinus arrhythmia during electronic gaming machine use. *Addictive Behaviors*. 2019;88:67-72.
32. Templeton JA, Dixon MJ, Harrigan KA, Fugelsang JA. Upping the reinforcement rate by playing the maximum lines in multi-line slot machine play. *Journal of Gambling Studies*. 2015;31(3):949-64.
33. Landon J, Palmer du Preez K, Page A, Bellringer M, Roberts A, Abbott M. Electronic gaming machine characteristics: It's the little things that count. *International Journal of Mental Health and Addiction*. 2018;16(2):251-65.
34. Rockloff M, Hing, N., Donaldson, P., Li, E., Browne, M., & Langham, E. *The impact of electronic gaming machine jackpots on gambling behaviour*. Melbourne: Gambling Research Australia; 2014.
35. Cox M, & Hurren, K. *Research into influences on Class 4 gaming machine proceeds - Report to the Department of Internal Affairs*. Wellington: BERL; 2017.
36. Department of Internal Affairs. *Relocations and the Waikiwi decision* Wellington: Department of Internal Affairs; 2021 [Available from: <https://www.dia.govt.nz/Gambling-territorial-authorities-applying-policies-relocations-Waikiwi-decision#:~:text=A%20High%20Court%20decision%20in,place%20and%20'address'>].