

POSITION PAPER: ONLINE GAMBLING

***PARTNERING TO MAXIMISE
CONSUMER PROTECTION AND
MINIMISE GAMBLING HARM***

August 2024



***AHAKOA KAURIA KOE KI UTA, KAURIA KOE KI
TAI, HE NGARU HUKAHUKA TE KAI***

*Regardless of whether you are swimming out to sea or swimming
back to shore, you first must cross the point where the waves break*

Nā Tokoiti Muaulu

This whakataukī aims to capture our rōpū's resilience, determination, and perseverance. We are mindful of the challenges ahead of us - irrespective of our success or failure, we will stay the course, we will continue to strive, and we will not lose faith.

The destination is more important than the adversity we are sure to face.

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EXECUTIVE SUMMARY

The online gambling environment is fast evolving, and online operators are finding new and innovative ways to attract and retain customers. Online gambling is one of the riskier forms of gambling as it is continuous, accessible 24/7, and easy to hide.

However, in Aotearoa New Zealand, the Gambling Act 2003 is outdated, and we are yet to regulate offshore online gambling. It is not illegal for New Zealanders to be gambling offshore, but we remain largely unprotected from the harms that are associated with overseas online gambling.

Our rōpū is seriously concerned about the level of gambling harm in Aotearoa New Zealand due to online gambling, particularly unregulated offshore online gambling. We consist of the AUT Gambling and Addictions Research Centre and gambling harm service providers: PGF Services, Asian Family Services, Mapu Maia, Purapura Whetu Trust, Te Piki Oranga, and Whare Tiaki Hauora. Collectively, we provide specialist gambling harm support services to mainstream, Māori, Pasifika, and Asian communities across the motū, and conduct research to inform policy and professional practice.

Over the years, we have seen more clients, their whānau, friends, and wider communities who are being negatively affected by offshore online gambling harm. Offshore online gambling harm is a widespread public health issue, yet there is no system in Aotearoa that records offshore gambling activity. More importantly, services are not adequately funded to provide comprehensive support to those experiencing online gambling harm like the other main forms of gambling.

We agree in principle with the Government's intention to regulate offshore online casino gambling, but harm minimisation and consumer protection must be at the forefront of any regulation.

The purpose of this Position Paper is to provide the Government and other stakeholders with key evidence-based recommendations that will maximise consumer protection and reduce harm from online gambling in Aotearoa New Zealand. We hope that our recommendations will provide a framework for the Government to develop regulations that are fit-for-purpose and prioritise the prevention and minimisation of online gambling harm to keep all New Zealanders safe.

“We agree in principle with the Government's intention to regulate offshore online casino gambling, but **harm minimisation and consumer protection must be at the forefront of any regulation.**”

RECOMMENDATIONS

This Position Paper is evidence-based and founded on what is known about online gambling harm across Aotearoa New Zealand, and beyond.

Our recommendations have been developed through deliberation using our collective knowledge and expertise of gambling harm.

System Measures

1. Regulate and enforce the strict licencing of up to five online gambling operators with robust harm minimisation policies, a proven track record of compliance, and no associations with criminal activity.
2. Establish and enforce high infringement fees to encourage compliance.
3. Amend the gambling levy to include offshore online gambling as another key operator, increasing the overall budget of the gambling harm strategy to respond to harms created by online gambling.
4. Geo-block all unlicensed online gambling operators.
5. Uncouple online gambling profits from funding community groups, sports, and services.
6. Review the Gambling Act 2003.
7. Establish a mandatory customer verification process to check the customer's age, exclusion status, and debit card details before they start gambling.

Harm Minimisation Requirements

8. Allow the use of debit cards only for payment transactions and prohibit other forms of payment.
9. Establish a mandatory pre-commitment system to set a daily, weekly, and monthly deposit and time limit for all customers.
10. Limit hours of operation for licenced online gambling operators.
11. Establish a national self-exclusion register.
12. Mandate all licenced gambling operators to clearly display: 1) information about gambling harm services, and 2) the exclusion process, on the homepage.

Advertising and Marketing

13. Prohibit all advertising and sponsorships of licenced online gambling operators across all forms of media.
14. Prohibit all inducements from licenced online gambling operators, including rewards or VIP programmes.

Responsiveness to the Online Environment

15. Ensure flexibility within regulations to respond to emerging changes in the online gambling environment.

A STORY OF HOPE

RECOVERY FROM GAMBLING HARM

Picture a world where time loses its meaning, and the glow of a screen becomes your closest companion. That was my reality for more than five years as I plunged into the world of online casino gambling. Day and night blended into bets, spins, and hopes pinned on virtual cards. The high was intoxicating, and every win further fuelled my desire to win.

It was just me and the screen. The virtual casino became my haven, and it became the only place where I felt alive, albeit fleetingly. It was a rush of emotions as I gambled away not just my money, but my sense of self and the values I once held dear.

As my bank account dwindled, I fell into a dangerous place and began hiding my gambling from the very people who cared for me the most – my family. My descent took a dark turn when I crossed a moral boundary, I never thought I would breach. The lines between right and wrong blurred. In a desperate attempt to sustain my gambling, I stole from my workplace.

The crash was inevitable, and one day, I was exposed. Desperation and guilt drove me to the edge, and I attempted to end it all. When I woke up in an ICU bed, I realised that I had a second chance that I could not squander.

I mustered the courage to confess my sins to my family. The pain in their eyes cut deeper than any punishment I could have endured. The courtroom became the stage where I laid bare my transgressions, a stark reminder of the depths my addiction had taken me. I was sentenced to three years behind bars.

Jail forged me into a new person. Education, introspection, and raw determination became my companions. As the days turned into months and then years, I began to rebuild myself from the ground up.

Upon my release, I was armed with more than just hope; I had a story to tell. I embarked on a journey of reintegration, seeking employment, forgiveness, and the chance to make amends. With each step forward, I carried the weight of my past as a reminder – a beacon to light the path for others who might have stumbled as I had.

My story is not just one of despair – it's a testament to the resilience of the human spirit. I share it not to glorify my past, but to inspire others who might be ensnared by their own demons. The online casino realm that once held me captive now becomes a platform for hope and change. With every word I share, I strive to remind the world that redemption is possible, that even the darkest nights can give birth to the brightest days.

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BACKGROUND

ONLINE GAMBLING IN AOTEAROA NEW ZEALAND

In Aotearoa New Zealand, the only authorised providers of online gambling are the Lotteries Commission (Lotto) and TAB New Zealand (TAB), while offshore online gambling is unregulated. However, it is not illegal for New Zealanders to gamble on offshore online gambling websites.

This makes Aotearoa one of only a few developed countries that have not yet regulated offshore online gambling. In 2019, the Department of Internal Affairs (DIA) undertook public consultation into online gambling in New Zealand (1). While the DIA recognised that the Gambling Act 2003 does not adequately address the technological advancements of the online gambling environment, the outcome of this consultation is still pending, and offshore online gambling remains unregulated.

Consequently, Aotearoa has become a grey market for online gambling operators, with both offshore and domestic gambling operators circumnavigating New Zealand law, such as SkyCity and Christchurch Casino operating their online casinos out of Malta. Despite the advertising of overseas gambling being prohibited under the Act, our largely unregulated market makes Aotearoa an attractive target for offshore online gambling operators to grow their customer base.

We lack essential record-keeping and research on how many people are gambling on overseas websites and how much is lost to offshore online gambling. This means we do not fully understand the scope and reach of offshore online gambling in Aotearoa. The 2020 Health and Lifestyles Survey (HLS) estimates over one million New Zealanders gamble online, of which around 105,000 people gamble on overseas websites. This was an increase from 7,000 people who were estimated to be gambling offshore in the 2010 HLS.

Recent industry estimates suggest that \$415 million was lost by New Zealanders in 2022. By 2033, losses from offshore online gambling are expected to increase to between \$650 and \$900 million (2). Transactional data from banks also indicates the number of people gambling on overseas sites continues to grow and many banks are offering gambling account blocks to support customers.

TE TIRITI O WAITANGI

We acknowledge Te Tiriti O Waitangi as our founding document, which is fundamental to social and health policy in Aotearoa New Zealand. However, the Gambling Act 2003 does not mention Te Tiriti. This not only reflects a lack of commitment to best protect Māori from gambling harm, but it also contradicts and breaches the principles of Te Tiriti.

Our rōpū recognises the significance of Te Tiriti and is committed to meeting its responsibilities to improve Māori health outcomes. We understand that outcomes will improve for all New Zealanders through an equity approach. An equity approach involves acknowledging Māori and other population groups experience outcomes that are not only avoidable but unfair and unjust. This requires different levels of approaches and resources that achieve fairer health outcomes.

Our Position Paper has been informed in partnership through a Kaupapa Māori consultation process, and our recommendations are focused on ensuring all New Zealanders, including Māori, are reflected in regulations that prioritise achieving harm minimisation from offshore online gambling.

IMPACT OF ONLINE GAMBLING HARM

Online gambling is one of the riskier forms of gambling as it is continuous, easily accessible, and easy to hide. The Ministry of Health's *Strategy to Prevent and Minimise Gambling Harm 2022/23 to 2024/25* states that people using overseas gambling websites are much more likely to be at risk of experiencing harm (3).

Extensive research has repeatedly shown that online gambling increases harm as well as the risk of harm. Broadly, people who gamble online are significantly more likely to experience severe gambling harm, and this risk is higher than those who gamble only in land-based settings (4). The impact of harmful gambling is diverse including criminal behaviours as well as affecting multiple domains of health and wellbeing, including physical, social, emotional, and mental health, not only to gamblers but to those close to them and wider communities.

One of the primary purposes of the Gambling Act 2003 is to prevent and minimise harm from gambling. However, as the Act does not address offshore online gambling, Aotearoa lack systems and measures to minimise harm from online gambling on overseas-based sites.

It is unclear how many New Zealanders are being harmed by offshore online gambling. According to the Ministry of Health's 2022/23 client intervention data, one in ten people accessing support services for their own or someone else's gambling, are citing offshore online gambling as their primary gambling mode (5). It is important to note that this number is almost certainly an underestimate, with the Ministry of Health suggesting that "reports show that only 16% of potential clients for gambling support services actually access or present at these services" (6).

As service providers, we have seen an increasing number of people accessing our services for offshore online gambling support and more members of the public wanting to learn about the risks of online gambling and how to get support.

POPULATIONS MOST IMPACTED BY ONLINE GAMBLING HARM

Gambling harm disproportionately impacts Māori, Pacific peoples, Asian peoples, and rangatahi/young people. These populations have been identified in the Ministry of Health's *Strategy to Prevent and Minimise Gambling Harm 2022/23 to 2024/25* as bearing a burden of harm that greatly outweighs that being experienced by other groups.

Through our experience, we know that the impact of online gambling harm is also heightened for priority population groups.

MĀORI

Results from the 2020 HLS indicate that Māori are 3.13 times more likely to be moderate-risk or high-risk gamblers than non-Māori and non-Pacific peoples. It is estimated that of the 163,000 Māori who gamble online, around 10,000 gamble on an overseas website (7).

Anecdotal evidence from Kaupapa Māori providers of this rōpū confirm that Māori are gambling more frequently, especially as there are no impediments or restrictions in accessing offshore online gambling websites. Clients across the motū are reporting gambling in homes, schools, public libraries, the marae, and their workplaces. Gambling is a normalised activity, particularly amongst young Māori. However, gambling harm is associated with secretive behaviours and whakamā/shame across all age ranges. Whānau are reporting a legacy of gambling harm through the generations, including isolation and disconnection from whānau, loss of housing, loss of employment, and deterioration in mental, emotional, and physical health.

PACIFIC PEOPLES

According to the 2020 HLS, Pacific peoples are 2.56 times more likely to be moderate-risk or high-risk gamblers than non-Māori and non-Pacific peoples. The survey also estimates that 20.5% (or 58,000) of Pacific peoples gamble online. Of those who gamble online, around 10,000 Pacific peoples gamble on an overseas website (7).

Observations from Mapu Maia – Aotearoa's only Pacific provider of gambling harm services – reflect more Pasifika gambling online. This trend is most noticeable amongst young people with parents reporting that their children spend more time on their devices and less on their schoolwork. More broadly, offshore gambling is exacerbating financial hardship amongst Pasifika families, even leading to poverty, which is negatively impacting the mental health of all those who are being affected by online gambling harm.

ASIAN PEOPLES

Asian people's risk factor of experiencing harmful gambling is 9.5 times higher when compared with European/Other New Zealanders (8). The 2020 HLS estimates around 151,000 Asian peoples gamble online, of which 8,000 people gamble on an offshore website (7). This is concerning as Asian peoples are leading Aotearoa's population growth with the 2023 Census reflecting that Asian peoples make up 17.3% of New Zealand's population.

Asian Family Services (AFS) is a specialised provider of gambling harm services to Asian communities in Aotearoa. The *2022 New Zealand Asian Responsible Online Gambling Report* stated that of those who gambled online in the last 12 months, approximately a third of participants gambled on online casino websites (9). Some of the main drivers of online gambling included wanting to make a win, because it was exciting, and out of curiosity. Asian clients have repeatedly reported that they did not know where to seek help for gambling harm. Shame and stigma around gambling is another significant barrier in accessing timely support for those in Asian communities.

RANGATAHI/YOUNG PEOPLE

Research shows that rangatahi are likely to be experiencing gambling harm. According to 2020 HLS results, about 46% of youth aged 16–24 years had gambled in the past year. While this is expectedly lower than the total population average, young people make up approximately 14% (9,000 people) of moderate- and high-risk gamblers (7).

As service providers, we have seen an increasing number of young people gambling online. Of the 114,000 young people who gamble online, the 2020 HLS estimates that around 21,000 young people gamble offshore (7). Our young clients have reported seeing more online content that discusses and normalises gambling. A key example is the proliferation of offshore gambling advertisements online such as on social media platforms, including promotions through influencers. Evidence shows that children and young people are at greater risk of experiencing a 'dose-response' effect, whereby advertising exposure increases participation, leading to a greater risk of harm (10).

KEY ACTION AREAS REQUIRED

The existing regulations in Aotearoa New Zealand do not adequately address nor have any measures to prevent and minimise the harms from offshore online gambling. The harm experienced by the priority population groups is even more pronounced. The Government must enact legislative changes to address these challenges and better protect New Zealanders.

Our rōpū agrees in principle with the Government's intention to regulate offshore online casino gambling with robust harm minimisation and consumer protection measures at the forefront of this regulation.

Regulation is long overdue and provides the Government with a unique opportunity to create fit-for-purpose legislation that upholds the Act's purpose to prevent and minimise harm. While other jurisdictions have already introduced various approaches to the regulation of online gambling, there seems to be no country that has perfected harm minimisation for online gambling. This is because countries are constantly responding to new ways to mitigate harm given the fast-developing nature of the online environment.

Such learnings, along with both national and international research, have been used to discuss potential recommendations for the Government. Our recommendations are grouped under four main categories: 1) system measures, 2) harm minimisation measures, 3) advertising and marketing measures, and 4) measures to respond to the changing online environment.

These recommendations are centred around maximising consumer protection from online gambling and have been developed through deliberation using our collective knowledge and expertise of gambling harm across Aotearoa New Zealand.

SYSTEM MEASURES

Our recommendations call for systems change that best addresses the current online gambling environment.



1. Regulate and enforce the strict licencing of up to five online gambling operators

The current unregulated system leaves Aotearoa New Zealand vulnerable to being targeted by overseas online gambling operators, and more importantly, does not provide measures to prevent and minimise harm for those who gamble online. New Zealanders will always have the option to gamble and will continue to gamble whether it is regulated or unregulated.

In Aotearoa, there are five land-based casinos. Under the Gambling Act 2003, new casinos are prohibited and section 11 states that there must not be an increase in opportunities for casino gambling in New Zealand. In line with the Act, we do not wish to see more than five licences being issued to offshore online casino operators.

We strongly recommend the Government establishes a regulated system that only provides licences to up to five online gambling operators that meet strict requirements and precludes other operators from providing services, e.g. through geo-blocking. These include:

- Having robust harm minimisation policies in place (examples of such harm minimisation policies are described in the following section);
- A proven track record of compliance with regulations and licence conditions in the operator's current jurisdiction; and
- No associations and/or history linking the operator with criminal activity, such as money laundering.

The procurement process must also meet probity principles to ensure transparency, integrity and accountability.

This licencing system prioritises the safety of New Zealanders and ensures access to reputable online gambling websites where consumer protection is central to their operations.



2. Establish and enforce high infringement fees to encourage compliance

Historically, current regulations have lacked enforceability. This has meant that operators' attitudes towards host responsibility and harm minimisation have, 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.

This shortcoming has been recognised by the DIA, which led to the introduction of several infringement offences to reduce gambling harm through stronger compliance for Class 4 gambling in 2023 (1).

A similar approach is needed in the offshore online gambling space. We recommend that the Government:

- Establish tough infringement fees to ensure compliance;
- Implement a three-step process for serious and/or repeat breaches, whereby the DIA can: 1) issue a warning alongside infringement notices, 2) issue a stand-down period that suspends an online gambling licence temporarily, and 3) withdraw the operator's online gambling licence; and
- Ensure that the DIA is adequately staffed and resourced to be able to identify infringements, issue fines, and ensure fines are paid in a timely manner.

Swift and hefty infringement penalties will help deter non-compliant practices. This will encourage operators to prioritise and seriously consider the importance of minimising gambling harm.



3. Amend the gambling levy to include offshore online gambling as a key operator

Currently, offshore online gambling operators do not contribute towards the gambling levy. The levy provides critical funding to services that provide clinical support to all those affected by gambling harm in Aotearoa, public health measures that prevent and minimise gambling harm, commissions independent scientific research on gambling, and evaluation.

Our rōpū and other gambling harm service providers provide clinical and public health support irrespective of gambling mode. However, in recent years, as offshore online gambling participation has proliferated, we have noticed that more clients require help, and more communities are requesting information about offshore online gambling. This has not only stretched our capacity, but it also means offshore operators are not contributing to the provision of essential services despite overseas online gambling becoming one of the common modes of gambling harm.

We recommend the Government adjust the gambling levy formula. This includes:

- Adding offshore online gambling alongside the four other gambling operators (Class 4 gambling, casinos, Lotto, and TAB) into the levy paying sector; and
- Changing the weightings of the levy formula so that player expenditure accounts for more than client presentations

Amending the gambling levy will mean offshore online gambling operators will be contributing towards an integrated gambling strategy that is focused on public health. We also strongly advocate that all gambling behaviour data collected by licenced online gambling operators is accessible by the DIA and New Zealand based researchers.

Our rōpū also fully supports the Government's new offshore online gambling duty of 12%. Once offshore online gambling is regulated, the DIA will require further operational support to enforce new regulations and adjust to new gambling operators. Adequately funding our regulators is crucial in allowing New Zealanders to remain safe when gambling online.



4. Geo-block all unlicensed online gambling operators

Geo-blocking involves restricting access to unlicensed online gambling websites for users based in New Zealand. Jurisdictions around the world have either implemented geo-blocking or looking to geo-block unlicensed gambling websites.

We believe this will be a helpful tool to ensure that New Zealand consumers are channelled and redirected to licenced online gambling operators.

We recommend the Government:

- Geo-block all unlicensed online gambling operators;
- Establish and enforce high infringement fees for unlicensed online operators who target and offer services to New Zealanders; and
- Work with all New Zealand banks to prevent transactions being made by consumers to unlicensed online gambling operators.



5. Uncouple gambling profits from funding community groups, sports, and services

One of the other purposes of the Gambling Act 2003 is to ensure that money from gambling benefits the community. This is at odds with the Act's public health purpose to prevent and minimise harm from gambling. This is an impossible mandate as it inextricably links gambling harm with the survival of community groups, sports, and services.

A strong evidence-base shows that the Class 4 funding model “transfers wealth from more deprived communities to less deprived communities” (11). This is inequitable and breaches Te Tiriti o Waitangi. Relying on a model that disproportionately affects Māori, Pasifika, and most deprived communities is unethical.

We recommend the Government uncouple offshore online gambling profits from funding community groups, sports, and services. We would rather the Government increase the gambling duty and/or levy to avoid another unhealthy reliance on funding from a source that is known to cause harm to the community.



6. Review the Gambling Act 2003

We recognise significant amendments of the Gambling Act 2003 are undertaken to regulate offshore online gambling. The Act does not mention the term ‘online’ at all, reflecting the non-existent, or the very early stages of the online gambling world in 2003. The Act is now over 20 years old and does not reflect the changes in the online gambling environment.

Moreover, the Act recognises the main modes of gambling, including Class 4 gambling, casino gambling, Lotto, and TAB. Offshore online gambling is now another main mode of gambling in Aotearoa and, therefore, requires thorough integration into the Act.

Our rōpū recommends the Government use this opportunity to review the Act to ensure legislation is adequately addressing existing and emerging challenges in the gambling environment.

HARM MINIMISATION MEASURES

Gambling harm is a widespread public health issue and is recognised as such in the Gambling Act 2003. However, in practice, existing policies and regulations encourage *responsible gambling* (12), which places the burden of responsibility on the gambler and absolves gambling operators of much of the responsibility for the harm their products cause. This language and attitude are stigmatising and perpetuates a narrative that those who gamble are solely responsible for their own safety and wellbeing. From our experience, this is the primary reason why there is so much whakamā around people accessing support in a timely manner.

For effective consumer protection, we strongly advocate for regulations that centre around *social responsibility*. This acknowledges that gambling operators sell harmful products and are responsible for ensuring consumer protection.

This is particularly important for online gambling as we know the same gambling products provided online are most likely connected to higher levels of harm than those provided in land-based environments (13). Research has shown that no harm minimisation measure is likely to be sufficient on its own but instead requires a multi-modal and multi-level approach to reduce gambling harm (14).

Prevention of harm will always be better than treatment. The Government must employ a regulatory framework that maximises harm reduction by establishing the proper controls on the products offered and ensuring safeguards and safety nets for when harm occurs. This is paramount to preventing further inequitable outcomes in gambling harm, especially amongst our priority population groups.

Our recommendations around harm minimisation measures are not a comprehensive list but a collection of fundamental harm minimisation regulations we need to ensure consumer protection. As a minimum, licenced online gambling operators must have robust host responsibility programmes and teams available to support patrons experiencing gambling harm just like land-based gambling in Aotearoa.



7. Establish a mandatory customer verification process

Currently, land-based casinos in Aotearoa must check the identification of all those who enter the gambling area, with customers having to be 20 years and above to gamble. Similar requirements are expected of Class 4 gambling, TAB, and Lotto's Instant Kiwi products, although the age restriction is for those 18 years and above.

Customer verification is critical in preventing underage people from gambling. Verification also helps prevent those who have an exclusion order from continuing to gamble. This verification process is often lacking with overseas online gambling operators, which leads to unrestricted gambling that perpetuates gambling harm.

In 2019, the Gambling Commission in the United Kingdom (UK) strengthened the rules by requiring online operators to verify a customer's age and identity before allowing them to deposit funds, play free-to-play games, or gamble with their own or bonus funds (15). Australia is also considering adopting customer verification with the condition that operators must check customers' ages and not allow customers to gamble before their verification is complete. This is also expected to mitigate risks around money laundering (16).

Our rōpū recommends that the Government:

- Increase the age limit of online gambling to 20 years and above, to be in line with access to physical casinos in Aotearoa;
- Establish a mandatory customer verification process for all licenced online gambling operators;
- The operator must verify:
 1. The age of the customer,
 2. The exclusion status of the customer, and
 3. The debit card details of the customer. The name of the debit card must be identical to the name of the person registered, and joint debit cards must not be allowed even if the registered person's name is listed.
- Customers must not be able to gamble until the operator has completed the verification process.

Alongside this process, licenced operators must also ensure the privacy and strict protection of all customers' identity, personal details, and payment information.



8. Only allowing the use of debit cards for payment transactions

It is well-known that people can start gambling beyond their means and accrue debt. As service providers, we have supported countless New Zealanders who owe money to whānau, friends and banks, missed bill payments, have lost their homes, and some have even experienced bankruptcy due to their gambling. This has a long legacy of harm impacting multiple generations (17). Several banks in Aotearoa, including Westpac and Kiwibank, have also recognised this is a growing issue with their customers and have proactively implemented ways to block online gambling transactions for those who request it.

We strongly advocate that credit cards be banned for online gambling. Many overseas jurisdictions have already implemented this to prevent customers getting into significant debt.

Online gambling operators are creative and have worked around this issue by allowing for other payment methods, such as Buy Now Pay Later methods (e.g. Afterpay, Laybuy, Klarna, and Zip) and using internet-based digital wallets (e.g. PayPal, Google Wallet, Apple Pay, and Samsung Pay). In Australia, POLi payments have also been used by many online betting websites to facilitate fast cash transfers, which has led to customers draining their bank accounts (16).

We recommend the Government:

- Allow only debit card transactions;
- Ban the use of credit cards for all online gambling transactions;
- Ban payment methods that are linked with increasing gambling harm, such as Buy Now Pay Later methods, internet-based digital wallets, and POLi payments; and
- Develop a set of minimum gambling harm prevention standards to be implemented by all New Zealand banks to ban transactions from unlicensed online gambling operators.



9. Establish a mandatory pre-commitment system

Harm reduction tools like setting a deposit and time limit on online gambling can help people gamble within their means. However, research shows that most people who gamble online do not use any strategies to limit their gambling (18). These tools are underused and not widely optimised for harm prevention (15). This is particularly the case if these tools are offered on a voluntary basis.

The low uptake of such harm reduction features is thought to be due to a general lack of knowledge that these tools exist. Stigma may also be a reason, as customers may think these tools are only intended for people experiencing severe gambling harm (16).

We recommend that the Government:

- Establish a mandatory pre-commitment system whereby all customers accessing a licenced online gambling website or app must set a daily, weekly, and monthly deposit and time limit;
- Require pop-up messages to show when customers have reached 50% and 75% of their deposit and time limit; and
- Freeze transactions after a customer has reached their pre-commitment limits for the day, week, or month.



10. Limit hours of operation

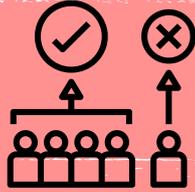
One of the reasons why online gambling is so harmful is because people can access it 24/7. Moreover, there are no host responsibility staff who are watching for signs of gambling harm.

We recommend that the Government establish limited hours of operation on licenced online gambling websites. We suggest that operators must close all online gambling offerings during the evening and early hours of the morning.

Evening and early morning closures are recommended to mirror other in-store opening hours. Some reports also suggest those who are experiencing severe gambling harm are more likely to be gambling between midnight and 4 am (19). Lotto has already established this system by limiting MyLotto's general hours of operation to between 6:30 am and 11 pm during the week (20).

“ When I was in the thick of my addiction - it was like a freefall. There were no safeguards to stop or even limit my gambling.

Telling an alcoholic to stop drinking, doesn't work. So, why should we expect a gambler to *simply* stop gambling? ”



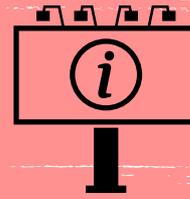
11. Establish a national self-exclusion register

Self-exclusion is an effective tool for reducing gambling harm as it can give the person the opportunity to stop gambling and help manage the urge to gamble. It is a legally binding agreement between the gambler and the gambling operator where the operator agrees to support the patron in not gambling if they enter the premises.

Currently, in Aotearoa, the exclusion process differs across Class 4, casino, Lotto, and TAB gambling. This has made it confusing for consumers and limited access to exclusion measures at a time when it is most needed.

We recommend that the Government establish a free national self-exclusion register for online gambling. Once registered, this will prevent consumers from using gambling websites and apps run by operators licenced in Aotearoa for a period of their choosing. To ensure ease of access, we recommend that the same exclusion process applies to every licenced online gambling operator.

National self-exclusion registers for online gambling websites are becoming commonplace in other jurisdictions. The UK launched GAMSTOP in 2018, and Australia recently established BetStop in 2023.



12. Mandate all licenced operators to clearly display information about how to seek support for gambling harm

Our clients have repeatedly informed us that they did not know where to get support for gambling harm and were not aware that gambling harm service providers existed. Similarly, the exclusion process, particularly self-exclusion, has been described as unclear and difficult to initiate. It is essential to remove barriers to accessing information about gambling harm support and the exclusion process to prevent further harm.

We recommend that the Government:

- Require all licenced online gambling operators display information about gambling harm support services, including a comprehensive list and contact details of all service providers available in Aotearoa;
- Require all licenced online gambling operators to display information on how to initiate the exclusion process, which is translated into the most common spoken languages in Aotearoa;
- Both service provider and exclusion information must be clearly and overtly displayed on the homepage of licenced operator's website or app.

ADVERTISING AND MARKETING MEASURES

The key purpose of marketing is to attract new customers, create interest in their products, and grow a consumer base. It is a central tool used by the gambling industry to ensure its success and longevity (21, 22).

Marketing leads to the normalisation of gambling and gambling products, promote consumer demand, build product loyalty, create the perception that gambling is a fun activity, and embed gambling within valued social activities such as sports (4, 16, 22, 23, 24, 25).

Public health experts around the world have stated that gambling marketing poses a significant risk to tamariki/children and rangatahi (22). Research has shown that young people have a very clear recall of gambling brands, and this starts from a very young age, with some studies showing as young as eight years old (15). The intended impact of such marketing tactics is to create a new generation of gamblers.

Children and young people are even more exposed in the online space to advertisements with very little to no restrictions for gambling operators. While there is a lack of research into the impact of social media and online advertising, it does not mean that there is no evidence of harm (26). Instead, there are growing concerns about its detrimental effects (15).

In Aotearoa, overseas gambling advertising is illegal under the Gambling Act 2003. However, offshore operators have been relentlessly targeting New Zealanders to grow their customer base. This has been made possible due to our unregulated grey market that cannot prosecute offshore operators for breaking the law.

Some examples include the aggressive marketing of 22Bet, in which they collaborated with New Zealand cricketer Brendon McCullum to appeal to other New Zealanders. The advertisements were misleading and were eventually flagged and removed by Google. There have also been multiple advertisements for Jackpot City, an offshore online casino website, on traditional media outlets, such as television, radio, and billboards. This was possible as Jackpot City exploited a loophole in our law by promoting a free-to-play site where someone can play casino games without paying.

These are only a few examples over the last year. Our rōpū have heard from clients and members of the public about being bombarded with advertisements from multiple offshore websites on various platforms, including social media, websites, and games. This excludes the advertisements that New Zealanders see daily from the authorised providers of online gambling, Lotto and TAB.

The advertising and marketing of gambling should be prohibited like tobacco products. More and more jurisdictions are exploring ways to tighten restrictions or ban gambling advertisements and sponsorships completely.



13. Prohibit all advertising and sponsorships from online gambling operators

The normalisation of gambling in New Zealand society is synonymous with normalising gambling harm. Evidence around the world has proved that the association between advertising and gambling harm is clear.

We recommend the Government:

- Ban all advertising and affiliate marketing of online gambling in both traditional media outlets and online platforms across Aotearoa; and
- Ban all sponsorships from gambling operators.

If the Government does not ban advertising and sponsorships, we encourage the Government to establish tough restrictions. This includes but is not limited to, prohibiting advertising and affiliate marketing to those younger than 25 years, restricting advertisements of higher-risk products, limiting the volume of advertisements especially during peak hours, and having an equal amount of gambling harm messages as gambling advertisements (as is the case in some states in Australia).

“ I decided I needed to stop gambling... as my [account] activity dropped, that’s when the emails and calls came through: “We’ve noticed you haven’t been playing as much, here is some credit.” And that’s how I started gambling again.”



14. Prohibit all inducements from online gambling operators

Inducements are a form of marketing used to attract new customers (e.g. sign-up bonuses) or encourage further gambling (e.g. credits, rewards, bonus bets, multi bets, and early cash outs). People are often targeted with inducements through direct messaging or through a rewards programme. The full impacts of inducements on gambling harm are not yet fully understood. However, they are found to increase engagement, increase gambling expenditure, and encourage riskier gambling (26).

Rewards or VIP programmes are a particular form of inducement and provide exclusivity to those who are regarded as high-value customers. These schemes are known to incentivise customers and are sometimes described as “incubators of consumer harm” (16). This is because such programmes are particularly harmful to a small group of people who account for a disproportionate share of losses. In the UK, the regulators have identified that the gambling industry has an unhealthy dependence on VIP customers (15).

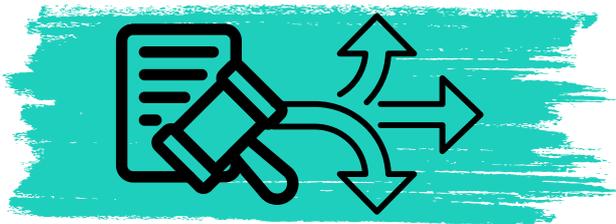
We are aware of many New Zealanders who have experienced significant losses and severe gambling harm due to inducements.

We recommend the Government:

- Ban all forms of inducements from online gambling operators; and
- Ban all rewards or VIP programmes for online gambling operators.

Measures to Respond to the Changing Online Environment

Globally, online gambling has evolved so swiftly that research, policy, regulation and governments have not been able to keep up to prevent the exponential growth in gambling harm. Even in jurisdictions where regulations are already in place, the gambling industry is well-connected and well-resourced and can explore new ways to skirt around regulations to make a profit.



15. Ensure flexibility in regulations to address changes in the online gambling environment

There are several emerging concerns in the online environment that overlap with online gambling. One example is the convergence of gaming and gambling, with gambling regulators around the world facing challenges around how to effectively regulate some of the elements within popular games that simulate gambling. The Ministry of Health has recognised that while games may look and feel like gambling, they do not meet the current definition under the Act because there is no opportunity to stake, win or lose real money (3).

Another example is the use of cryptocurrencies to pay for online gambling, which offers reduced protection from gambling harm. In Australia, this is an increasing concern as gambling with cryptocurrencies carries a higher risk of money laundering, and there are calls to prohibit this new form of payment (16).

Swift and urgent action is needed to safeguard New Zealanders from rapidly emerging technological developments online. This requires legislation that can respond to changes in the online gambling environment.

We recommend that the Government ensure flexibility within the new regulations to respond to emerging changes in the online environment.

“

Swift and urgent action is needed to safeguard New Zealanders from rapidly emerging technological developments online.”

CONCLUSION

While the Government has spent years debating whether to regulate offshore online gambling, the online gambling industry has heavily invested in growing a loyal customer base in Aotearoa New Zealand. The harm from online gambling has inevitably increased. As service providers that provide support for gambling harm, we have experienced firsthand the impact that online gambling has and will continue to have on our whānau and communities.

This is unacceptable. We are particularly concerned about the effect online gambling harm has had on our priority populations, including Māori, Pasifika, Asian peoples, and rangatahi. While we lack data and research specifically for offshore online gambling, we expect our priority populations will be experiencing inequitable harms.

The Government has a duty to protect all New Zealanders, and robust online gambling regulations that maximise consumer protection will achieve this. Our Position Paper outlines 15 recommendations that address systematic changes, harm minimisation measures, restrictions to advertising and marketing, and the ever-changing online environment. These recommendations will prevent and minimise harm from online gambling and positively change the trajectory of many whānau and communities across Aotearoa New Zealand for years to come.

“ The Government has a duty to protect all New Zealanders, and robust online gambling regulations that maximise consumer protection will achieve this.”

ABOUT THE AUTHORS



At PGF Services, our mission is to enhance the mana of all people by preventing and minimising gambling-related harm. We are a charitable trust operating nationally with services delivered under contract to Te Whatu Ora and funded from the gambling levy. PGF Services deliver treatment and public health services nationwide and have a skilled and diverse workforce with staff who are qualified in clinical work and in health promotion.



Asian Family Services (AFS) is a nationwide non-governmental organisation in New Zealand that provides a wide range of social and mental wellbeing services tailored to the Asian community. AFS specialises in minimising gambling harm through clinical interventions, public health, Multi Venue Exclusion (MVE), peer support, and cultural support. Our Asian helpline offers multiple languages, including Mandarin, Cantonese, Hindi, Korean, Japanese, Thai, Vietnamese, and English. Additionally, AFS offers other mental wellbeing services, such as psychological services, school-based mental wellbeing services for children and youth, and parenting programmes, available both in person and online through qualified bilingual clinicians. Our service is also at the forefront of research focused on gambling harm, mental health, and addiction issues within the Asian community.



The AUT Gambling and Addictions Research Centre conducts research to inform policy and professional practice in public education, population health and primary and secondary healthcare. With that emphasis in mind, the Centre aims to: 1) Disseminate research-based information through publications, seminars and mass media; 2) Advocate evidence-based gambling and addictions policy and service provision; 3) Develop and provide education programmes; 4) Promote and support postgraduate teaching and research; and 5) Work collaboratively with other research organisations and stakeholders. As part of this work, collaborative links have been, and are being, developed and strengthened with other academic institutions (within New Zealand and internationally), government, non-government organisations, and gambling treatment providers. All information and research findings are widely disseminated to inform policy development, health care providers, health professionals, students, policymakers and the wider community.



Mapu Maia is a national health provider for Pacific, by Pacific, which was established in 2009 to provide gambling harm prevention and intervention services. Since then, we have grown to provide support across the mental health and addiction sector. Mapu Maia has offices and services available in Auckland, Wellington, Hawkes Bay and Christchurch.

ABOUT THE AUTHORS



Established in 2002, Purapura Whetu Trust is a kaupapa Māori health, wellbeing and social service provider in Waitaha, Aotearoa (Canterbury, New Zealand). We support whānau to get well, stay well, live well, and reach for the stars and beyond. Combining clinical, cultural, and community support that embrace the Māori view of wellbeing, our services are provided to all ages at no cost and continue to expand to meet the needs of whānau. Last year, we were funded to provide a gambling harm minimisation service, which we've named Te Huinga Kōtuku. The service includes clinical service provision to Māori communities in Canterbury and the West Coast and public health and education services to the South Island. Purapura Whetu Trust is also a founding member of Te Kahui Mokoroa – a national collective of Māori public health providers focused on reducing the gambling harm experienced by all Kiwis, including Māori.



Te Piki Oranga is a kaupapa Māori primary health provider for Te Taihū o Te Waka-a-Māui (the Top of the South). We deliver a range of health and wellbeing services to over 4,300 whānau in our rohe on behalf of regional and national health partners. We have a new Gambling Harm Minimisation and MVE service, which aligns with our range of Mental Health & Addiction services that supports whānau to ensure easy access to AOD clinicians, counsellors, nurses and tikanga based services. Our qualified kaimahi (staff) create a supportive environment for whānau, providing high-quality services that are consistent with the concepts of whānau ora and tino rangatiratanga (self-reliance and independence). We operate from three regional hubs in Wairau (Blenheim), Whakatū (Nelson) and Motueka and also have mobile services.



Whare Tiaki Hauora began as a community marae in 1977 and has since evolved into a kaupapa Māori mental health provider in Tāmaki Makaurau. Serving both metro Auckland and rural areas of Counties Manukau and North Waikato, we offer a variety of community-based mental health and wellbeing services, including gambling harm prevention services, crisis respite care, mobile nursing, immunisation promotion, ED discharge follow-up, Kia Ora Ake programme to schools, and Iwi Support Services. Our guiding principles are drawn from the concept of 'Te Tapu o Te Tangata' or the sacredness of a person, ensuring that every person is endowed with dignity, given respect and valued. This shows through in our philosophy of Whakaponono – seeking truth, Whakatika – seeking what is right, Aroha – embracing with love and kindness, and Hohourongo – Reconciliation.

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