



Social impacts of problem gambling

The burden on society

Harmful gambling can cause stress-related physical and psychological ill health. Other adverse effects include family breakdown, domestic violence, criminal activity such as fraud, disruption to or loss of employment and social isolation.

Harmful gambling can profoundly impact on the physical, emotional, and financial health

of family, friends, workmates and others in the wider community.

There is also the wider social cost of crime and dysfunctional communities and includes the police, the justice system, social welfare and charitable organisations working to alleviate poverty. Here and overleaf we will track how the personal costs become societal costs.



Adapted from The Australian Productivity Commission Gambling Report 1999

Personal costs

Over 74,000 New Zealanders suffer from inferior mental health as a result of problem gambling.¹

60% of those with at least moderate gambling problems indicated they suffered depression as a result of gambling.¹

In Australia it is estimated that there are between 35 and 60 suicides linked to gambling each

year.³ An Australian study found that 20.3% of problem gambling clients reported physical symptoms associated with their problem gambling.³

Financial costs

A disproportionate amount of gambling harm and gambling losses are carried by people on welfare benefits and in low income areas. A study in 2005 found that almost 37% of food-bank



There are 6 times as many pokie machines in poorer communities

clients were either problem gamblers themselves or were affected by the gambling of others.⁴

The ratio of pokies to people in well-off areas is 1 to 465, but the ratio of pokies to people in poorer areas is 1 to 75.5. In communities where there are fewer choices to get ahead financially, there is greater belief or hope that “a big win” can take you out of poverty.

Legal costs

Gambling crime can be divided into four categories:

- Illegal gambling
- Crimes committed to support a gambling habit
- Crimes that occur around gambling locations
- Family abuse

A 2008 New Zealand study on the impacts of gambling found that 1.3% of the people who said they had committed illegal activities did so because of gambling.¹

A KPMG survey in 2008 showed gambling had become the second largest motivator of fraud in New Zealand, and the average value of money taken by a gambling fraudster in New Zealand was \$81,702.⁶

One in ten gamblers in counselling reported domestic or other violent incidents related to their gambling.³

Work and study

Poor work performance put in by psychologically

stressed people can impact productivity as measured by a country's GDP. People who prematurely leave education to deal with addiction issues also affect the country's bottom-line. This doesn't have to happen if people are adequately supported.

Impact on others

Housekeeping money for food can often be directed into gambling creating poverty and hardship for children of gamblers. This in turn can cause absences, truancy and dropping out from school and the greater likelihood of undertaking risky behaviour such as drinking, smoking and drug use. One in six New Zealanders say a family member has gone without something they needed or a bill has gone unpaid because of gambling.¹

It has been reported that 40% of problem gamblers' partners developed significant stress-related illnesses.³

Children with parents who have a gambling problem are more likely to become problem gamblers themselves.

Community effects

An economic impact study by La Trobe University in Victoria, Australia in 2001 confirmed that there are large 'leakages' of regional economic output, income and employment from the gambling industry. This is because there is a low level of labour intensity (ie fewer employees) and it tends to be low-wage.

1. Centre for Social and Health Outcomes Research and Evaluation (2008) Assessment of the social impacts of gambling in New Zealand. Auckland: SHORE.
2. P. Adams (2004) Gambling impact assessment... Introduction and overview. Auckland: Uniservices.
3. Productivity Commission. (1999) Australia's Gambling Industries Inquiry Report. Chapter 7 The impacts of problem gambling. URL: <http://www.pc.gov.au/inquiry/gambling/finalreport/index.html>
4. Wynd D. 2005. Hard to Swallow: Foodbank use in New Zealand. Child Poverty Action Group.
5. Wheeler, B., Rigby J., & Huriwai T. 2006. Pokies and poverty: problem gambling risk factor geography in NZ. Health & Place. 12(1).
6. KPMG. 2009. 2008 Fraud Survey: Forensic Advisory. KPMG. The University of Melbourne. The University of Queensland. <http://www.kpmg.com/NZ/en/IssuesAndInsights/ArticlesPublications/Documents/Fraud-Survey-2008.pdf>

Produced by the Problem Gambling Library at the Problem Gambling Foundation of New Zealand

Freephone 0800 664 262

For more information and fact sheets visit www.pgfnz.org.nz/library