SYNERGIA

REVIEW OF MINISTRY OF HEALTH STRATEGY TO PREVENT AND MINIMISE GAMBLING HARM, SERVICE PLAN AND FORMULA FOR LEVY CALCULATION

Report for the Gambling Commission

Dr David Rees
Nishadie Edirisuriya
Jessica Adams
Adelaide Wilson

4 February 2022

Synergia Ltd
P.O. Box 147 168
Ponsonby
Auckland 1144synergia.consulting

Contents

1. EXECUTIVE SUMMARY AND RECOMMENDATIONS 6

1.1 Strategic context 6
1.2 Trends in gambling and related harm 6
1.3 Trends in gambling expenditure 6
1.4 Trends in gambling presentations 7
1.5 Key directions in Strategy, Service Plan and investment 8
1.6 Review of levy formula and recommendations 9

2. INTRODUCTION AND METHOD 11

2.1 Background 11
2.2 Focus of this report 11
2.3 Scope and context 12
2.4 Method 12

3. OVERVIEW OF KEY DIRECTIONS IN MINISTRY SERVICE PLAN 13

3.1 Strategic Plan 2022/23 to 2024/25 13
3.2 Services Expenditure: Overview 13
3.3 Public Health Expenditure 14
3.4 Intervention Services Expenditure 15
3.5 Research Contracts Expenditure 16
3.6 Expenditure Overview 18

4. TRENDS IN GAMBLING AND RELATED HARM 19

4.1 Gambling participation 19
4.2 Trends in gambling expenditure 19
4.3 Gambling and gambling-related harm prevalence 21
4.4 Gambling risks 23
4.5 Scale of effect 24
4.6 Gambling presentations over time 25
4.7 New client presentations over time 26
4.8 Patterns in problem gambling 29

5. REVIEWING PERFORMANCE AND FOCUS 30

5.1 Research, monitoring and evaluation 30
5.2 Online gambling 31

5.3 Shifting to a longer term approach for service research and planning 32

6. REVIEW OF OVERALL FUNDING REQUIREMENTS AND GAMBLING LEVY 34

6.1 Review of Overall Funding 34
6.2 Review of Weighting 37
6.3 Impact of weighting changes 37

7. CONCLUSIONS 38

8. REFERENCES 40

LIST OF FIGURES

Figure 1: Service expenditure 2015/16 to 2021/22 17
Figure 2: Public Health expenditure 2015/16 to 2021/22 18
Figure 3: Intervention services expenditure 2015/16 to 2021/22 19
Figure 4: Research contracts expenditure 2012/13 to 2015/16 20
Figure 5: New service and innovation pilots expenditure 21
Figure 6: Gambling expenditure 1996 to 2017 23
Figure 7: Share of gambling expenditure 2010 to 2017 24
Figure 8: Past year gambling 1985 to 2016 24
Figure 9: Gambling prevalence by level of risk of gambling problems, 2012 to 25
Figure 10: Risk of problem gambling by monthly participation in specific gambling activities 2016 26
Figure 11: Participation in specific gambling activities by risk of problem gambling 2016 27
Figure 12: Gambling modes related to household harm in the past 12 months 2016 28
Figure 13: Share of client presentations (excluding brief interventions) by gambling sector 2014/15 to 2016/17 30
Figure 14: Share of new presentations (excluding brief interventions) by gambling sector 2014/15 to 2016/17 31
Figure 15: Gambling helpline clients 1999 to 2015 32
Figure 16: Presentations to Gambling Services (including brief interventions) Māori and Pacific 2012/13 to 2016/17 36
Figure 17: Change in sector gambling levies resulting from shift to 20:80 and 30:70 weightings ($m) 40

LIST OF TABLES

TABLE 1: EXPERIENCE OF PROBLEMS BECAUSE OF SOMEONE ELSE'S GAMBLING .... **ERROR! BOOKMARK NOT DEFINED.**

TABLE 2: TOTAL CLIENT PRESENTATIONS (INCLUDING BRIEF INTERVENTIONS) BY GAMBLING SECTOR 2014/15 TO 2016/17 25

TABLE 3: CLIENT PRESENTATIONS (EXCLUDING BRIEF INTERVENTIONS) BY GAMBLING SECTOR 2014/15 TO 2016/17 26

TABLE 4: NEW TOTAL CLIENT PRESENTATIONS (INCLUDING BRIEF INTERVENTIONS) BY GAMBLING SECTOR 2014/15 TO 2016/17 27

TABLE 5: NEW CLIENT PRESENTATIONS (EXCLUDING BRIEF INTERVENTIONS) BY GAMBLING SECTOR 2014/15 TO 2016/17 27

TABLE 6: PREVALENCE OF PROBLEM AND MODERATE-RISK GAMBLING BY ETHNICITY 2015 29

TABLE 7: EXPECTED CONTRIBUTION BY SECTOR UNDER DIFFERENT WEIGHTING SCENARIOS 37

TABLE 8: SHARE OF CONTRIBUTION BY SECTOR UNDER DIFFERENT WEIGHTING SCENARIOS 37

ABBREVIATIONS

EGM	Electronic Gaming Machines
NCGMs	Non-Casino Gaming Machines
NZLC	New Zealand Lotteries Commission
NZRB	New Zealand Racing Board

1. Executive Summary and Recommendations

1.1 Strategic context

Over 2021, the Ministry of Health has consulted on its proposals for a Strategy to Prevent and Minimise Gambling Harm (2022/23 to 2024/25) which is a development of the Strategic plan/framework published in 2021. The plan reflects the shift of gambling services into the Mental Health and Addiction unit within the Ministry of Health and the Government's emphasis on equity and wellbeing. This report, from Synergia , provides advice to the Gambling Commission on the proposed Gambling Levy, based on a consideration of both the overall Strategy and the Service Plan for the period 2022/23 to 2024/25.

The Strategy sets the overall direction of activity to prevent and minimise gambling harm, and to reduce related health inequities, based on a public health approach. The Service Plan details the services that will be funded and the apportionment of funding to services via the Gambling Levy.

The Ministry is required to consult every three on its proposed plan, which consists of a rolling nine-year strategic plan and a three-year service plan.

1.2 Trends in gambling and related harm

Recent gambling expenditure data shows an increase in spend between 2015 and 2019, with a noticeable decrease in overall expenditure in 2020 – likely due to the impacts of the COVID-19 pandemic. Despite the general increase in gambling expenditure, the proportion of adults who meet the criteria to be experiencing problem gambling (as measured by the problem gambling severity index [PGSI]) remains stable since 2012 – between 1% and 2% of the adult population.

Over two-thirds (67.2%) of New Zealand adults reported participating in some form of gambling in the past year. New Zealand Lotteries Commission Products (Lotto) continue to be the most popular form of gambling, with over half (55.1%) of New Zealand adults reporting to have bought a Lotto product in the last year.

Total client presentations to gambling support services, excluding brief interventions, have decreased by almost 18.7 percent from 5,457 in 2017/18 to 4,439 in 2019/20. As noted in previous reports, a reduction in client presentations to support services does not necessarily equate to less gambling harm, especially if gambling participation and expenditure are increasing.

1.3 Trends in gambling expenditure

Gambling expenditure continues to increase, especially expenditure on lottery products which have increased just over 50%, from $420m in 2015 to $631m in 2020. Total gambling expenditure in 2019/20 was 6.2% greater than the amount spent in 2018/19 and 5.7% greater than that spent in 2017/18.

While expenditure on Non Casino Gaming Machines increased from $818m in 2015 to $924m in 2019, its share of total gambling expenditure has declined from 38% in 2018 to 36% in 2020.

Expenditure on Lotto products has increased from 24% to 28% over the same period, while expenditure in Casinos decreased from 24% to 22%. We acknowledge the reduced expenditure on gambling from around $2.4 billion in 2018/19 to $2.25 billion has occurred in the wider context of Covid-19 and shifting access to gambling online.[1]

Long term expenditure trends show Lotto continues to be the fastest growing area of expenditure. Expenditure on Lotto products from 2010 to 2020 has increased 10% compared to an 8% decrease in NCGM and a 2% decrease in Casinos. TAB NZ expenditure remains relatively the same.

The rising presence of online and offshore gambling will have a significant part to play in gambling expenditure over the next few years, and should be included in this context.

1.4 Trends in gambling presentations

Since 2017/18, presentations to support services by problem gamblers have decreased by 10% from 10,555 presentations to 9,502 presentations in 2019/20. Most presentations are attributed to NCGM (4,945 or 52% in 2019/20). However, presentations from this sector have declined by 484 presentations (8.9%) from three years ago. Over the same period gambling client presentations for Lotteries Commission have had the greatest decrease in presentations from 1249 in 2017/18 to 1003 in 2019/20 (19.7%). Casino EGMs presentations have also decreased from 1008 in 2017/18 to 735 in 2019/20 (27.1%). TAB NZ has decreased by 10.2% and other has increased by 19.1%.

Although NCGM remains the dominant attribution for gambling support presentations, they have dropped the most significantly over the past ten years, falling from 3,743 in 2014/15 to 3,060 in 2016/17[2]. This is a drop of 16.7%. Over the same period gambling support presentations where Casinos are the main attribution has dropped from 661 to 563, (14.8%). The numbers where NZRB products are the main attribution has dropped from 729 to 593 (18.7%) In contrast the long term numbers of people seeking gambling support services where Lotto products is the main attribution has increased from 624 to 820, an increase of 31.4% since 2014/15.

Malatest's Health Needs Assessment shows Māori, Pacific, Asian, and high deprivation populations continue to be at highest risk of gambling problems. Māori and Pacific people are also at higher risk of broader familial or community harm from gambling.[3] Given this situation, it is of concern that while the overall numbers of NCGMs clearly shows a decline, they are continuing to be concentrated in highly deprived areas with around 349 (32.6%) class 4 venues in decile 8 or above. This has remained largely unchanged since 2012. The continued inequitable distribution of class 4 venues remains a key issue, especially since higher deprivation areas are more likely to

[1] Covid-19 expenditure figures from the Department of Internal Affairs, 2021a. gambling statistics expenditure - dia.govt.nz

[2] These numbers exclude brief interventions.

[3] Malatest International, Gambling Harm Needs Assessment 2021.

have more Pacific and Māori residents who are at high risk of gambling harm. A reduction in venue presence should support the increased focus on health promotion messaging by the Ministry and its partners.

Covid-19 lockdowns have led to increased online gambling participation which has increased by about 43%. The majority of this is local, rather than offshore gambling, which makes up around two percent of online gambling expenditure. Over the last two years both the New Zealand Lotteries Commission and the New Zealand Racing Board have increased the range of online products and promoted them heavily.

1.5 Key directions in Strategy, Service Plan and investment

We support the overall directions of both the Strategic Plan and the Service Plan, which are consistent with the public health approach set out in the Gambling Act 2003. They align with the overall strategic direction of the Gambling Strategy, and the approaches are supported by an evidence base.

We especially support the Ministry's overarching focus to close the equity gaps of gambling related harm, especially for Māori and Pacific peoples. There needs to be a continued focus on providing relevant support to these communities to address the complexity of the relationship between cultural endurance, economic survival, emotional survival, accessibility, modes of gambling, inequity, disadvantage, and gambling harms needs to be considered (Levy, 2015).

We agree that an investment into pilots that support Māori, and Pacific communities facing the highest risk of gambling patterns is important and we support the Ministry continue working with Whānau Ora providers

The health needs assessment shows that Asian peoples seem to continue to be at high risk of gambling and there appears to be less focus on how to support this group in the proposed plan. Based on our experience and expertise we encourage the Ministry to recognise that the term Asian covers a diverse group of people and cultures, and that data on gambling harm needs to be specific to accurately recognise which communities are at most risk. There should also be an ongoing focus with partnering with local services catering to these diverse communities, including primary health care and migrant support services to capture the complexity of gambling harm. Gambling risk and harm is known to present itself differently in these communities so it is important to have the right expertise inform service design and interpretation of data.

While we support the focus on taking a public health approach and equity focus, we have concerns about the proposed plan that are outlined below:

The reduced investment into research and evaluation is concerning. This is because without knowledge on what works and what doesn't work, it is difficult to meaningfully invest into service interventions. There is a need for monitoring of service delivery and key measures to ensure equity is at the heart of service delivery. Establishing some measures to consistently measure impact over time is important. Other than the impact of policies that have resulted in a decrease in the number of class 4 gambling venues, and a drop in expenditure

on NGCMs, it is unclear what, over the last decade, has had an impact on the levels of expenditure and presentations. We recommend a strong focus on monitoring and evaluation to capture what has worked well, and, what has not worked well over the last ten years.

This requires going beyond the evaluation of pilots, and developing long-term research programmes that will help to reveal the underlying causes of both the decrease in presentations – [why are people using problem gambling services in lower and lower numbers] and the increase in expenditure [if expenditure can be seen as a proxy for harm, what is the harm behind the expenditure data and why is it continuing to increase].

A focus on evaluation and research will also equip the Ministry with needed evidence on what is needed to develop a skilled workforce, that are equipped with the right tools, and are culturally responsive to gambling harm.

To support the Ministry in delivering real change to gambling harm we suggest a significant review of the approach to gambling research, and for the Ministry to invest in a long-term research programme to answer the questions of: "how will we know what works, what doesn't, and how will we know if we have made a difference to the levels of gambling harm". These will not be a simple question to answer. However, given, i) the shift of gambling services into the Mental Health and Addictions unit, ii) the significant efforts recently made by the Government to change the response of government departments to addressing issues of inequity and in working with Māori and iii) the current health reforms, there is a major opportunity to 'reset' the research agenda and undertake a long-term research programme that looks beyond the three-year cycle.

There also appears to be a continuing rise in expenditure on online gambling. The 2018 Health and Lifestyles Survey indicate that 13% of New Zealand adults (aged 15 and over) gambled online in 2018. In 2010 the figure was 8%. Of these only 2% reported gambling on an overseas web site, a figure that has remained stable since 2010. The most popular form of online gambling are the Lotto, Powerball or Strike draws.

Our concern is that we know expenditure continues to increase but know very little about the harm that it is creating. For example, the use of credit cards for online gambling has, in the UK, been shown to be a significant contributor to gambling harm. We would argue that New Zealand should adopt the 'precautionary principle' and consider banning the use of credit cards for online gambling, until such time as the research is done. The results of that research should then inform whether such a ban is continued or removed.

1.6 Review of levy formula and recommendations

Our recommendations to the Gambling Commission on the Ministry's Service Plan are as follows:

1.6.1 Levy and weightings

We are recommending no changes to the levy proposed by the Ministry, or any changes to the current 30:70 weighting.

The reason for this is twofold. First, the Ministry still seems to base its strategy on 'fitting' expenditure within the approximately $60 million

dollar funding envelope that has undergone only minor changes over the last 10 years. Second, the major strategic review we recommended in our last report has still not taken place, and third, the there is no coherent research programme in place that can help the Ministry understand what is, and what is not making a difference. As a result it is difficult to assess whether the money is being spent well, and what impact it is having on gambling harm.

1.6.2 Recommendations on other issues in the 2022/23 to 2024/25 Service Plan

Based on the current trends and extending the comments we made in our 2019 report we suggest that, especially because gambling is now incorporated within the Mental Health and Addiction Unit, there is a strong Government push to address issues of equity across all areas of health, and that Government is pushing radical new ways of addressing poor health amongst Māori, the Ministry has the opportunity for a 'reset'.

Central to this reset is the initiation of a long-term [beyond the three-year cycle] research programme that is focused on answering three key questions, what works, what doesn't work and how will we know what makes a difference to the level of gambling harm.

The next 12 months should involve the design and planning for this programme, and all funded research should fit within, and contribute to, this single overall research programme. The reduction in the research budget in this cycle only emphasises our major concern that we simply do not know if the funding is 'too much' or 'too little', as we know very little about what has, or has not, worked in the past. As a result, it is difficult to make any specific recommendations on the level of funding when we are unclear what impact it is having.

2. Introduction and Method

2.1 Background

In 2021, the Ministry consulted on and presented its Strategy to Prevent and Minimise Gambling Harm (2022/23 to 2024/25).[4] The Strategic Plan sets out the overarching approach to preventing and minimising gambling harm, high-level objectives, and priorities for action; whilst the Service Plan sets out the service priorities to prevent and minimise gambling harm in the three-year period.

The Ministry is responsible for ensuring that the strategy is reviewed every three years, and for implementing the result of that review. To support the review the Ministry commissioned Malatest International (Malatest, 2021) to undertake a needs assessment.[5]

Within the service plan is an assessment of the investment required to fulfil the service plan, funded through a problem gambling levy on four key sectors within the gambling industry:

- Non Casino Gambling Machines (NCGM)
- Casinos
- New Zealand Racing Board (NZRB)
- New Zealand Lotteries Commission (NZLC)

The plan includes the total quantum required through the gambling levy, and recommendations for how the levy should be apportioned through its weighting formula.

The Gambling Commission is tasked with consulting on the Strategy and rates, and making recommendations on the total annual amount of the problem gambling levy, and the levy rate for each gambling sector. In doing so, the review offers an opportunity to explore the underlying assumptions of the service plan and the broad approach proposed.

2.2 Focus of this report

This report, by Synergia, provides an independent analysis of the 2022/23 to 2024/25 Strategic Plan and Service Plan, to inform the Gambling Commission's review and recommendations to Ministers. The report explores:

- The overall directions of the Strategy and Service Plan.
- Trends in gambling and gambling-related harm.
- A review of the focus of services and their performance to date.

[4] Ministry of Health. 2021. *Strategy to Prevent and Minimise Gambling Harm 202/23 to 2024/25: Proposals document*. Wellington: Ministry of Health.

[5] Malatest International, Gambling Harm Needs Assessment 2021.

- A review of the overall Gambling Levy, the allocation of the levy to service areas, and the weightings applied.
- Conclusions and recommendations to the Gambling Commission.

2.3 Scope and context

Under section 318 of the Gambling Act 2003 (the "Act"), the Ministry is responsible for developing and implementing a problem gambling strategy, including undertaking a needs assessment, developing costings and funding requirements, and estimating, using the formula in section 320 of the Act, the levy rates for each gambling sector liable to pay the levy.

The Gambling Commission, in turn, reviews the Service Plan and the levy rates set out in the plan. This report supports the Gambling Commission's review.

2.4 Method

The following approach was undertaken for the review:

- Analysis of gambling statistics from a variety of sources (including presentation data, expenditure data, NZ Health Survey, National Gambling Study and NZ Health and Lifestyles Survey).
- Review of the trends in expenditure across the Service Plan, dating back to 2010/11.
- Review of Ministry of Health documentation related to the Strategy and the 2022/23 to 2024/25 Service Plan.
- Review of submissions made to the Ministry of Health's Strategy and 2022/23 to 2024/25 Service Plan.
- Meeting with Ministry of Health staff to discuss the Service Plan.
- Meeting with the Gambling Commission on emerging findings and potential directions.

The review occurred over October 2021 to January 2022.

3. Overview of key directions in Ministry Service Plan

3.1 Strategic Plan 2022/23 to 2024/25

This draft strategy sets out a revised Strategic framework and Service Plan that reflect a commitment to equity and to the public health approach to gambling harm prevention and minimisation.

The overall goal of the strategic plan is:

> *'Government, the gambling sector, communities and families/whānau working together to prevent and minimise gambling harm, and to reduce related health inequities.'*

Underpinning the Strategy are four key objectives:

Objective 1: Create a full spectrum of services and supports.

Objective 2: Shift cultural and social norms.

Objective 3: Strengthen leadership and accountability to achieve equity.

Objective 4: Strengthen the health and health equity of Māori, Pacific peoples, Asian peoples, and young people / rangatahi.

The 11 strategic objectives from past strategies have been addressed under the four new draft objectives.

These four objectives are organised around a strategic framework, that focus on promoting equity and wellbeing by preventing and reducing gambling-related harm. The partners involved in achieving this goal are:

- The Ministry of Health,
- Te Hiringa Hauora, and
- Department of Internal Affairs.

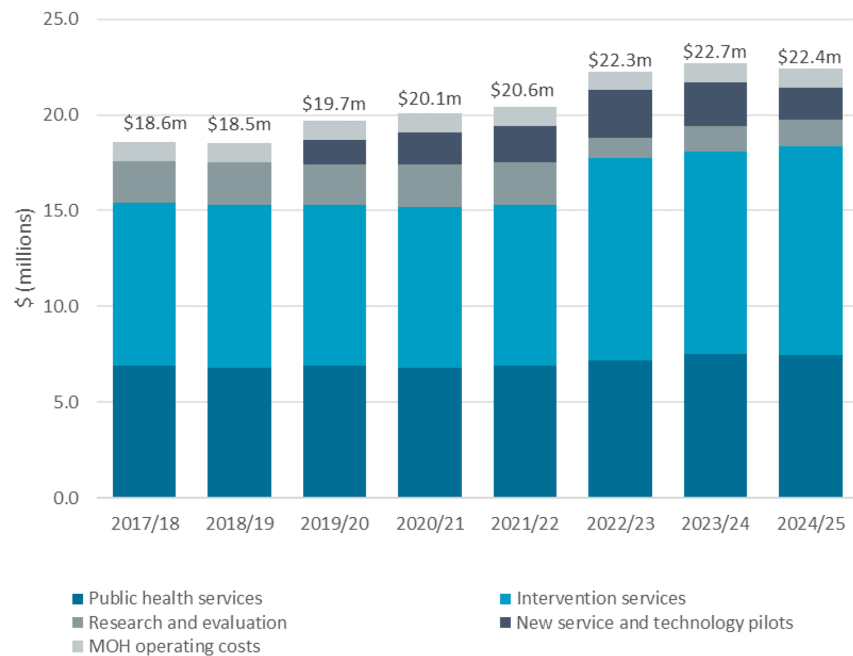
All four objectives are aligned with the Whakamaua: Māori Health Action Plan 2020–2025 and Kia Kaha, Kia Māia, Kia Ora Aotearoa: COVID-19 Psychosocial and Mental Wellbeing Plan.

3.2 Services Expenditure: Overview

Figure 1 shows the budgeted per annum expenditure in the Service Plan from 2022/23 to 2024/25. Expenditure for each year over this period ranges from $22.3m in 2022/23 to $22.7m in 2023/24.

Total proposed expenditure for the 2019/20 to 2021/22 Service Plan is $67.374 million, which is an increase of $7,035 million from the current levy period. This is driven by new initiatives to address inequities in gambling harm and stigma and to increase full-time equivalent (FTE) rates so they are aligned with other Ministry funded mental health and addiction clinical FTE rates.

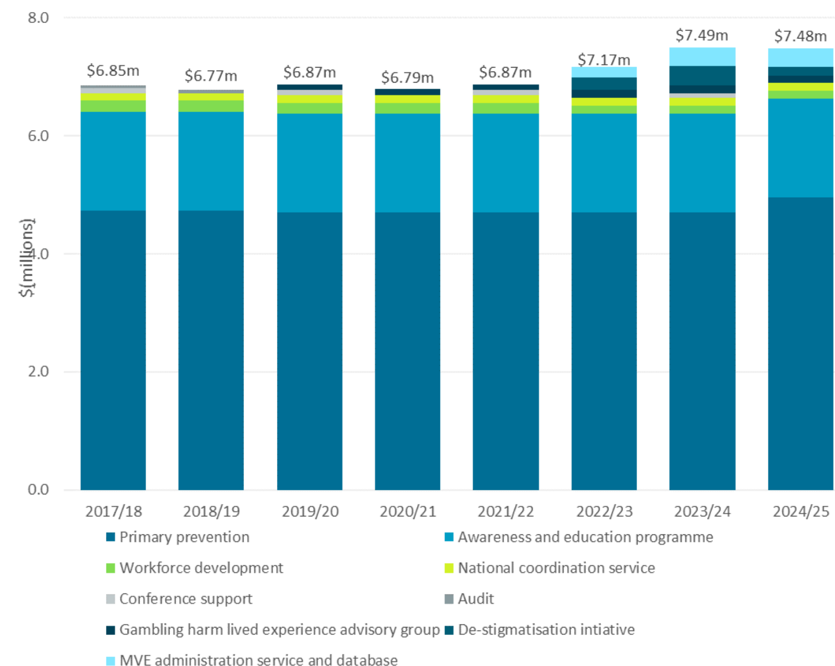
Figure 1: Service expenditure 2015/16 to 2024/25



(source: Ministry of Health)

3.3 Public Health Expenditure

Figure 2: Public Health expenditure 2015/16 to 2024/25



(source: Ministry of Health)

Overall public health expenditure has remained relatively the same since 2017/18. Within public health expenditure, primary prevention services remain the largest expenditure, at approximately 68% of the total public health expenditure in 2020/21. The focus of primary

prevention activities includes improved policy and implementation, development of safe gambling environments, supportive communities, aware communities, and effective screening environments. Given the inequities that continue to persist in the gambling harm statistics, the enhanced focus on a public health approach and primary prevention continues to be important.

The second key area of expenditure is awareness and education programmes, which remain unchanged at $5 million (25%). A major component of this expenditure is from Te Hiringa Hauora – Health Promotion Agency (Te Hiringa Hauora) and their health promotion programme. In recent years, we acknowledge Te Hiringa Hauora have been developing a messaging around gambling. The need to ensure messaging is clear and doesn't just focus on problem gamblers is still an important consideration. The Ministry should ensure the key message it's trying to get across to the NZ public in regard to gambling is very clear.

In the previous service plan (2016/17 - 2018/19) the Ministry acknowledged the need to develop greater clarity around competency-based requirements and expectations of the workforce. In the previous service plan (2019/20 to 2021/22), funding for workforce development increased and identified as a core focus. The service plan for 2022/22 to 2024/25 now positions creating a skilled and culturally responsive workforce as part of objective 1: create a full spectrum of services and supports.

As part of developing a skilled workforce for gambling harm, the service plan highlights the core competencies for the public health workforce as a way of enabling workforce to review their competency levels and equip themselves with needed training and upskilling. The core competencies include, cultural safety training, including scholarships to support access to the workforce for Māori, Pacific peoples, Asian peoples, and people with lived experience of gambling harm. The service plan also signals new investment to expand the peer workforce in clinical gambling services (further information is provided in the 'New services, innovation pilots and investments' section to follow). In the previous service plan (2019/20-2021/22 the investment into workforce development was increased by $60,000 to $540,000. The current service plan proposes a slight decrease from $540,000 to $390,000 to align with spend under the current levy period.

The national coordination service figure of $390,000 has been maintained from the previous plan for the period 2022/23 – 2024/25.

3.4 Intervention Services Expenditure

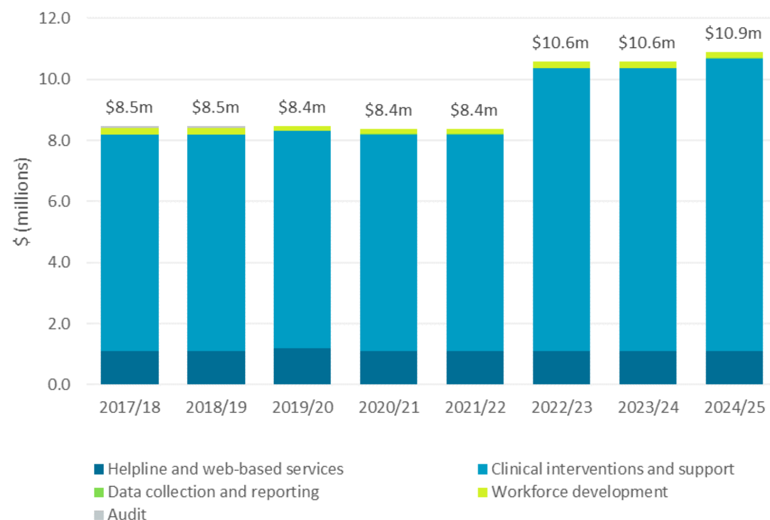
The $32.039 million budget for expenditure on intervention services over the next three years has increased by $6.799 million from $25.24 million in the previous service plan (2019/20-2021/22).

The 2019/20 – 2021/22 service plan states expenditure on psychological interventions and supports continue to be the highest area of spend for intervention services (85%).

Since the previous service plan gambling has now been integrated into the unit focusing on alcohol and drug addiction the Ministry, and has adopted comparable standards across the broader addiction workforce, providing greater career mobility and pathways and help to build a more resilient and sustainable workforce. This is a major contributor to the increased budget for clinical and support services in this review period.

Alongside the increased budget to bring the sector in-line with the broader addiction services the expenditure on workforce development remains largely unchanged. There is a slight shift in focus however, with a greater emphasis within workforce development on building a culturally competent workforce. As part of this shift, incentives will be introduced to encourage Māori, Pacific peoples, Asian peoples, and people with lived experience to enrol into education opportunities that provide them with qualifications to work in gambling harm. We support this key shift and recommend the Ministry consult with a range of providers in the sector to support the workforce programme.

Figure 3: Intervention services expenditure 2015/16 to 2024/25



(source: Ministry of Health)

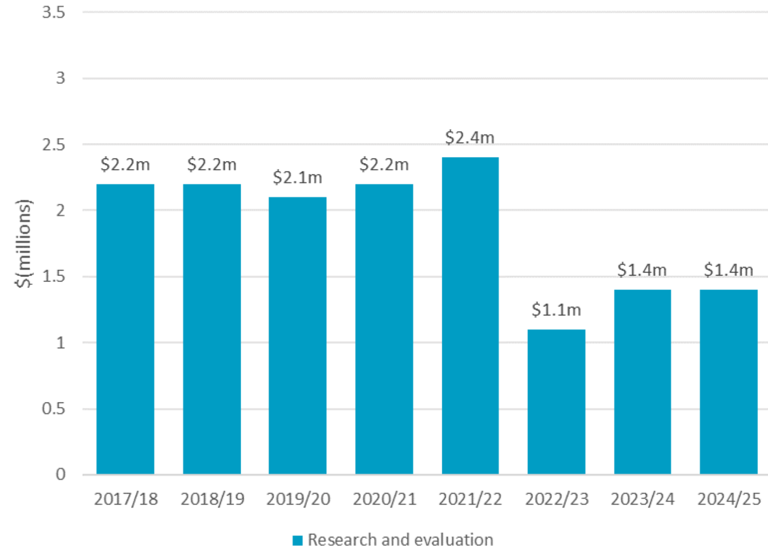
3.5 Research Contracts Expenditure

The planned expenditure on research contracts for the next three years has decreased by $0.972 million to $3.832 million (2022/23 – 2024/25) from $6.63 million (2019/20 – 2021/22) (Figure).

The decreased focus on research is a concerning shift as there is no long-term data besides the impact of policy on reducing class 4 machines that can speak to the effectiveness of services and interventions over the last ten years. The reduced budget on research and evaluation means there is a risk of unmeasurable progress made against the four key objectives outlined in the new service plan. We recommend a strong focus on research and evaluation is needed to support an effective public health approach for gambling harm. In our previous review, we touched on the three priority areas research should consider, these are:

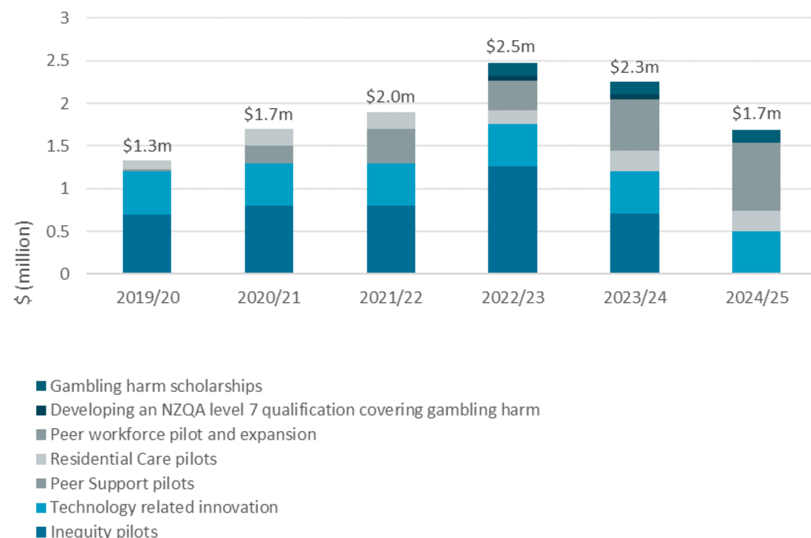
- exploring gambling related health inequities experienced by vulnerable at-risk populations,
- introducing programme evaluation more widely into all activities funded by the Ministry,
- researching the convergence of gaming and gambling, in particular, how this may impact in the next two to three years as opportunities to gamble online from traditional and overseas providers increase.

Figure 4: Research contracts expenditure 2015/16 to 2024/25



(source: Ministry of Health)

Figure 5: New service and innovation pilots expenditure



(source: Ministry of Health)

In addition, the Ministry plans to allocate the $6.5 million to continue developing new service models to support gambling harm services. The Ministry intends to fund a range of new pilot service models that focus on achieving equity. The Ministry plan to continue investment into pilot and assess:

i. new ways of providing public health and intervention services in geographical areas or communities that are currently under-serviced, to address inequities,
ii. innovative uses of technology to manage or mitigate gambling harm,
iii. peer-support services and a small amount of residential care for gambling harm.

In addition to the existing three focuses, the 2022/23 – 24/25 Service Plan includes a clinically robust model of care based on intensive treatment for people experiencing severe gambling harm. The Service Plan also introduces packages for investment to enable a skilled and culturally responsive workforce, including:

- pilot to address inequity (public health and intervention services)
- technology-related innovation
- intensive support pilot
- peer workforce pilot and expansion
- developing a NZQA level 7 qualification covering gambling harm
- gambling harm scholarships.

Expenditure Overview

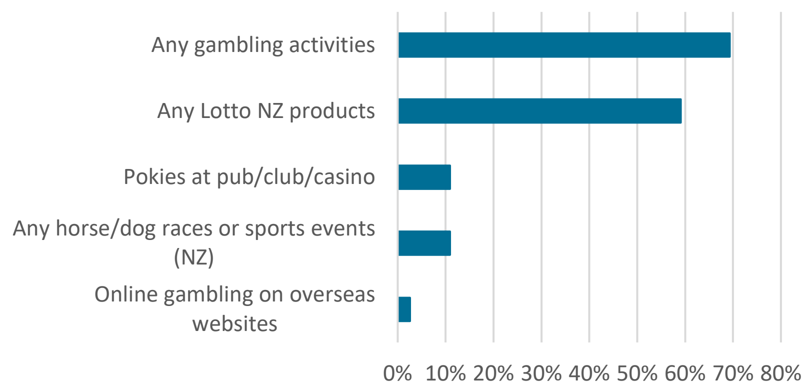
The expenditure proposed for the next three years of the Service Plan is a significant increase and slight shift in emphasis. The significant increase is driven largely by payment increases to providers to bring them in line with the broader mental and addictions sector. The slight shift in emphasis is a much stronger focus on issues of equity, acknowledging and addressing the greater harm experienced by Māori, Pacific and other minority ethnic groups. This shift in focus will guide the work on workforce development.

4. Trends in gambling and related harm

4.1 Gambling participation

Participation in gambling in New Zealand remains high. In 2020, over two-thirds (69%) of New Zealand adults aged 15 and over reported engaging in some form of gambling activity. Although data on all possible gambling types is not available Figure 6 shows the main gambling subgroups. Purchasing Lotto NZ products continues to be the most reported form of gambling in New Zealand, with over half (59%) of New Zealand adults having purchased a Lotto NZ product in the past year.

Figure 6: Gambling participation in 2020



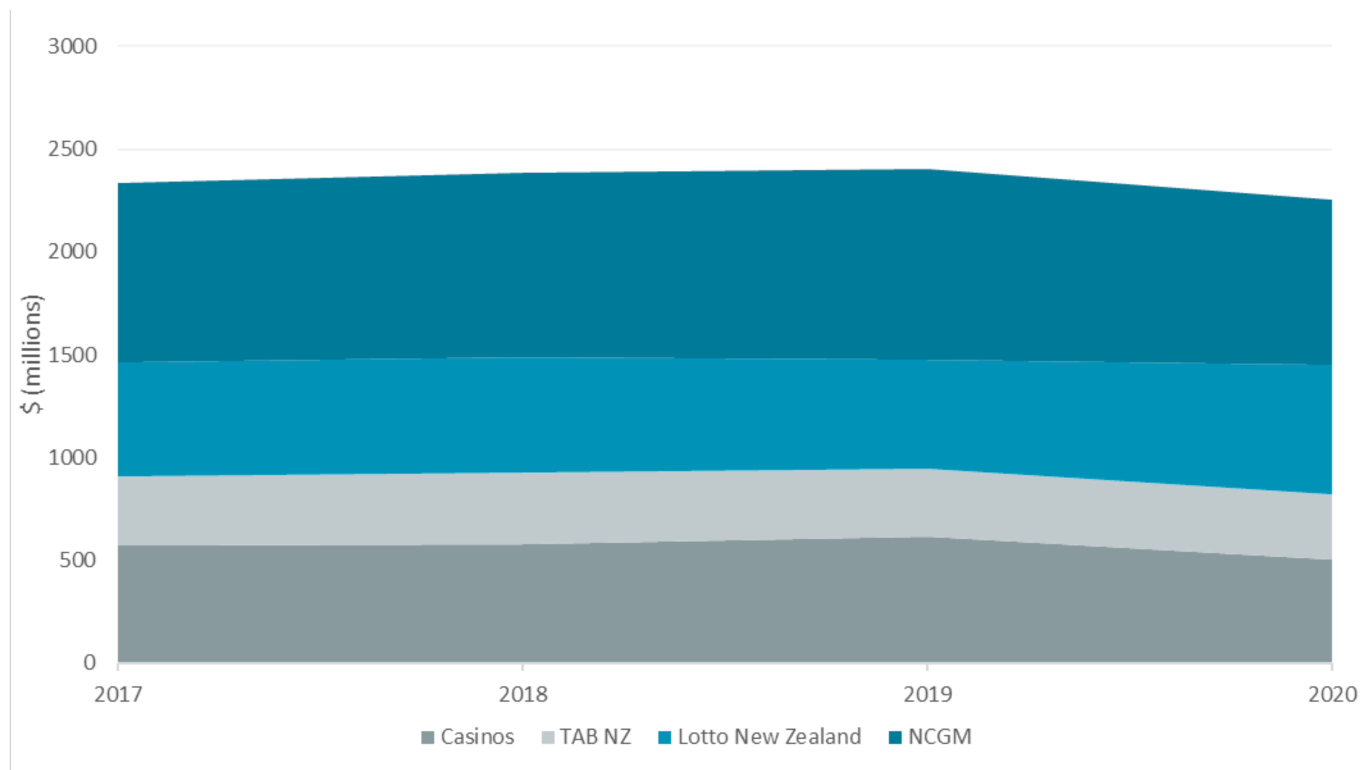
(source: Health and Lifestyles Survey, 2020)

Figure 7: Gambling expenditure 2011 to 2020

4.2 Trends in gambling expenditure

The Department of Internal Affairs (DIA) monitors expenditure in all four gambling sectors. 'Expenditure' is classified as the gross amount wagered minus the amount paid out or credited as prizes or dividends. Expenditure is therefore the amount lost by players. It is also the gross profit of the gaming operators.

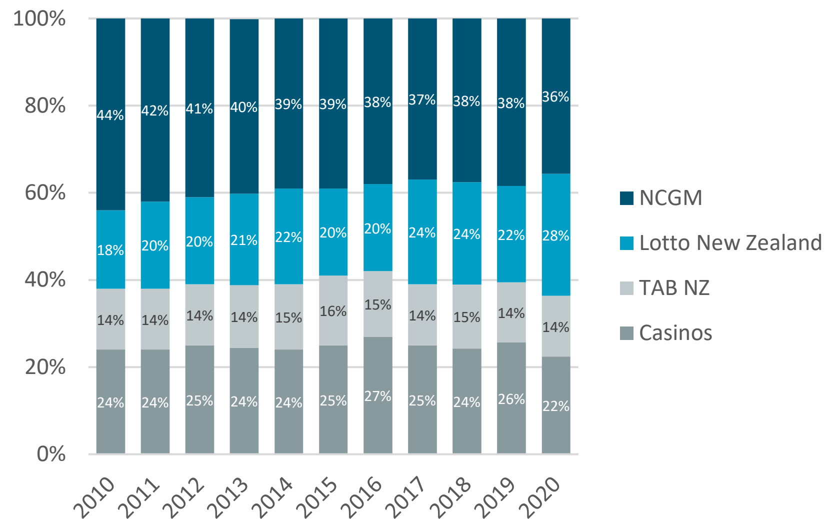
Figure 7 shows gambling expenditure since 2011. From 2011 to 2015 gambling expenditure been relatively stable around $2 billion. Since 2015 gambling expenditure has increased, reaching $2.4 billion in 2019. This increase (especially since 2017) is due to an increase in expenditure on Lotto gambling products. Expenditure in 2020 dropped to $2.25 billion and it has been noted that gambling expenditure is likely impacted by the COVID-19 pandemic and the effect this has had on access to gambling. Although every other form of gambling presented in Figure 6 dropped in expenditure in 2020, expenditure on Lotto increased by over $100 million.



(Source: Department of Internal Affairs)

Up until 2020, expenditure on NCGMs has continued to increase (from $818 million in 2015 to $924 million in 2019) however, its share of total gambling expenditure has declined from 39% in 2015 to 36% in 2020. Expenditure on Lotto products has increased from $420 million in 2015 to $631million in 2020. Its share of total gambling expenditure has also increased, from 20% in 2015 to 28% in 2020 (Figure 7).

Figure 8: Share of gambling expenditure 2010 to 2020



(source: Department of Internal Affairs)

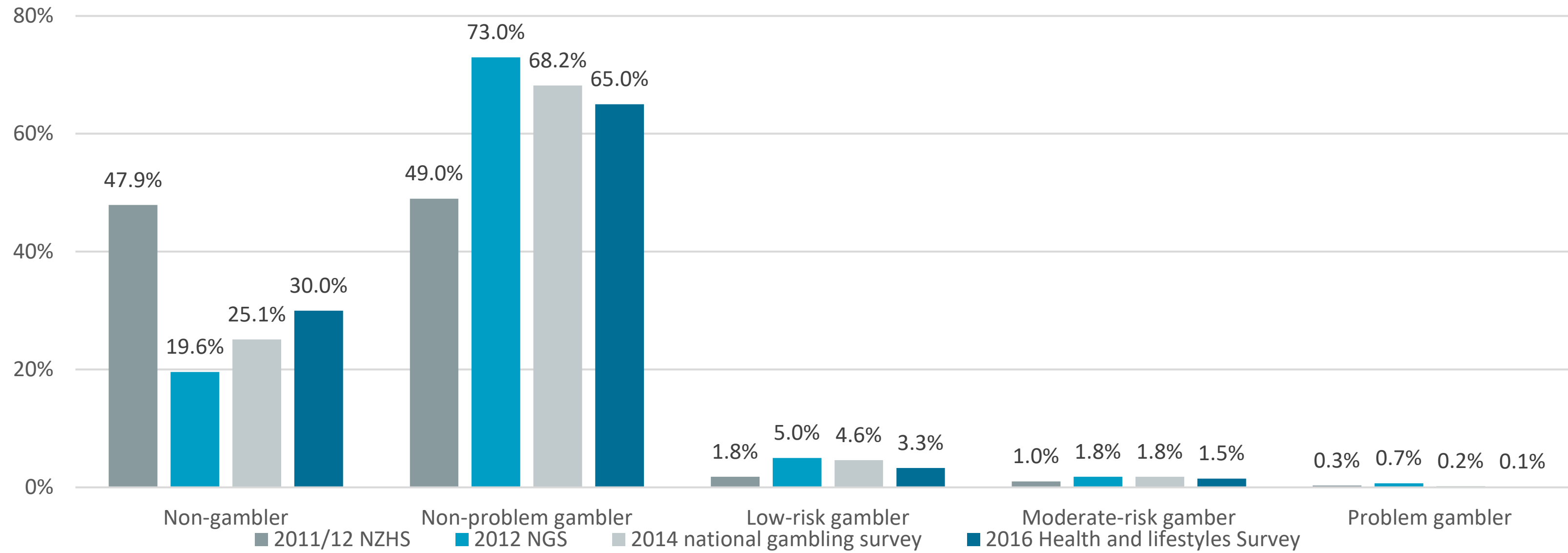
4.3 Gambling and gambling-related harm prevalence

Most New Zealand adults have gambled in the last 12 months. The latest available data from the 2020 Health and Lifestyles survey found that 69% of New Zealand adults had participated in a form of gambling in the last 12 months prior to the study in 2020 (Figure 9). Although the National Gambling Survey and Health and Lifestyles Survey have different methodologies, both show that participation has dropped from the levels of the 1980's and 1990's but has remained stable since 2021.

Figure 9: Past year gambling 1985 to 2020

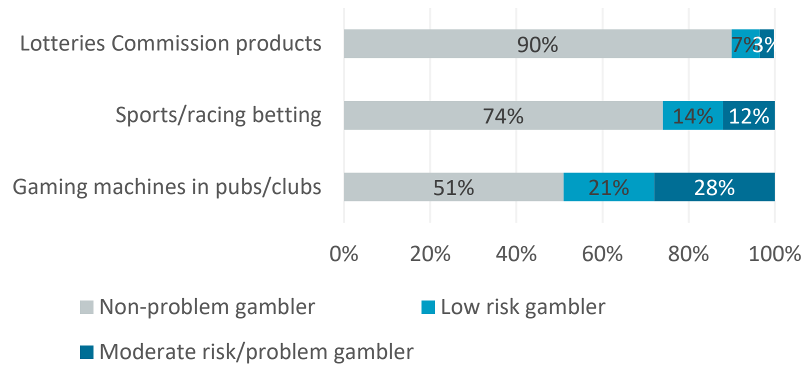
(source: Health and Lifestyles Survey, 2020; National Gambling Study, 2012)

Figure 10: Gambling prevalence by level of risk of gambling problems, 2012 to 2016 (source: New Zealand Health Survey, 2012; National Gambling Study, 2014; Health and Lifestyles Survey, 2016 (up to date data not available for figure 10)



4.4 Gambling risks

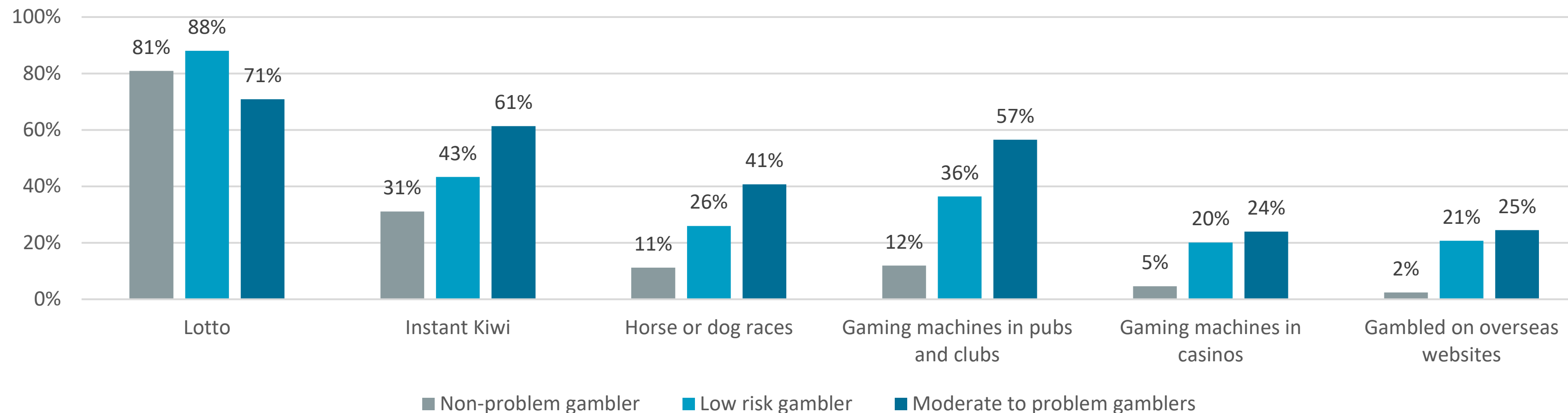
Figure 11: Risk of problem gambling by monthly participation in specific gambling activities 2016 (updated data not available)



(source: Health and Lifestyle Survey, 2016)

Figure 12 shows participation in specific gambling activities by risk of problem gambling. It indicates that higher levels of risk in Instant Kiwi, TAB NZ products than Lotto products.

Figure 12: Participation in specific gambling activities by risk of problem gambling 2020



(source: Health and Lifestyle Survey, 2020)

4.5 Scale of effect

Intervention client data from the Ministry of Health's website has data on the number of gamblers and households affected by problem gambling in 2019/20.[6] The 2019/20 client intervention data shows that just over half (52.0%) clients receiving support for their own or someone else's gambling is related to non-casino gaming machine gambling.

The 2020 Health and Lifestyles survey found that 4.5% of New Zealand adults (aged 15 years and over) had experienced an argument or going without due to themselves or someone in their wider family or household's gambling (in the last 12 months). This equates to 183,000 adults. A higher proportion of adults of Māori and Pacific ethnicities reported experiencing this harm compared to adults of European/Other or Asian ethnicities (Table 1).

[6] Ministry of Health. Client Service Data: https://www.health.govt.nz/our-work/mental-health-and-addiction/addiction/gambling/service-user-data/intervention-client-data

Table 1: Experience of household-level gambling harm

	Prevalence (%)
Total population	**4.5**
Male	3.9
Female	5.0
Māori	11.0
Pacific	8.7
Asian	2.6
European/Other	4.1

(source: Health and Lifestyles Survey 2020)

4.6 Gambling presentations over time

Since 2017/18, presentations for support by problem gamblers have decreased by 10%, from 10,555 presentations to 9,502 presentations in 2019/20 (Table 3). Excluding brief interventions, presentations decreased by almost 19% over the same period to reach 4,439.

Most total presentations are attributed to non-casino gaming machines (4,945 or 52% in 2019/20). However, presentations from this sector have declined by 484 presentations (8.9%) from three years ago. The largest growth in presentations has come from the 'Other' category, with a 19% increase between 2017/18 to 2019/20 (Table 1).

Table 2: Total client presentations (including brief interventions) by gambling sector 2017/18 to 2019/20

	2017/18	2018/19	2019/20	Change (%)
NCGM	5429	5840	4945	-8.9
Casino EGM	1008	782	735	-27.1
Casino table	1018	1011	909	-10.7
Lotteries Commission	1249	974	1003	-19.7
TAB New Zealand	1002	1079	900	-10.2
Other	849	915	1011	19.1
Total	**10555**	**10602**	**9502**	**-10**

(source: MoH intervention client data)

Most full and follow-up interventions are also attributed to non-casino gaming machines (2,098 or 47% in 2019/20). However, presentations from this sector have declined by 537 presentations (20.4%) since 2017/18. Casino Electronic Gambling Machines (EGMs)have had the greatest decrease in terms of relative change (28.9%). Since 2017/18 presentations for the 'Other' category have slightly increased (2.7%), while presentations from the Lotteries Commission and TAB New Zealand sectors have decreased by around 20% (Table).

Table 3: Client presentations (excluding brief interventions) by gambling sector 2017/18 to 2019/20

	2017/18	2018/19	2019/ 20	Change (%)
NCGM	2635	2403	2098	-20.4
Casino EGM	582	430	414	-28.9
Casino table	552	512	485	-12.1
Lotteries Commission	657	514	508	-22.7
TAB New Zealand	515	489	405	-21.4
Other	516	508	530	2.7
Total	**5457**	**4856**	**4439**	**-18.7**

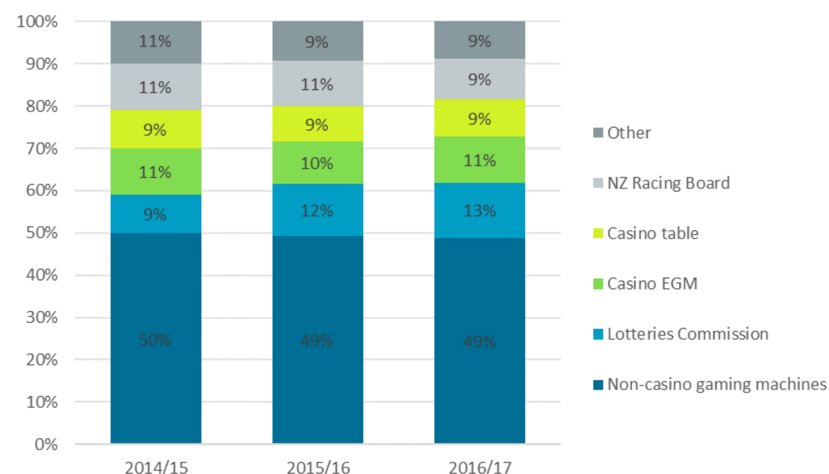
(source: MoH intervention client data)

4.6.1 Share of gambling presentations by industry sectors

The share of gambling presentations (excluding brief interventions) by sector has shifted slightly over the last three years. Figure 13 shows:

- In 2017/18, non-casino gaming machines were the largest contributor towards client presentations with almost half (48%) of clients indicating non-casino gaming machines as their primary gambling mode.
- Non-casino gaming machines' share of presentation decreased by 1% from 48% in 2017/18.
- Lotteries decreased from 12% in 2017/18 to 11% in 2019/20.
- Casinos' share of presentations has remained around 20%.
- TAB New Zealand stayed at 9% over the same period.
- Casino EGM-related share of presentations decreased from 11% 2017/18 to 9% in 2019/20.
- The share of 'Other' presentations increased by 3% over the same period.

Figure 14: Share of client presentations (excluding brief interventions) by gambling sector 2017/18 to 2019/20



(source: MoH intervention client data)

4.7 New client presentations over time

New clients point to the rate of growth of presentations; if there are fewer new clients, we can expect a declining number of overall clients over time. New total client presentations have decreased by almost 11% between 2017/18 and 2019/20 (Table).

The number of new presentations (6,627) is lower than previous years' number of presentations.

Non-casino gaming machines was the most common primary gambling mode by new clients, although this declined by 10.3% from 3,812 in 2017/18 to 3,419 in 2019/20.

Table 5: New total client presentations (including brief interventions) by gambling sector 2017/18 to 2019/20

	2017/18	2018/19	2019/20	Change (%)
NCGM	3812	4294	3419	-10.3
Casino EGM	660	535	513	-22.3
Casino table	716	730	632	-11.7
Lotteries Commission	919	712	692	-24.7
TAB New Zealand	710	820	645	-9.2
Other	622	712	726	16.7
Total	**7440**	**7804**	**6627**	**-10.9**

(source: MoH intervention client data)

New client presentations for full and follow-up interventions (Table 5) have decreased by 22.7% from 2017/18 to 2019/20. All gambling types saw decreases in presentations between 2017/18 and 2019/20. Most new full and follow-up interventions are still attributed to non-casino gaming machines (900 or 46% in 2019/20) (Table 6).

Table 6: New client presentations (excluding brief interventions) by gambling sector 2017/18 to 2019/20

	2017/18	2018/19	2019/20	Change (%)
NCGM	1154	1086	900	-22.0
Casino EGM	248	192	198	-20.2
Casino table	256	240	213	-16.8
Lotteries Commission	334	255	215	-35.6
TAB New Zealand	235	240	165	-29.8
Other	299	314	261	-12.7
Total	**2526**	**2327**	**1952**	**-22.7**

(source: MoH intervention client data)

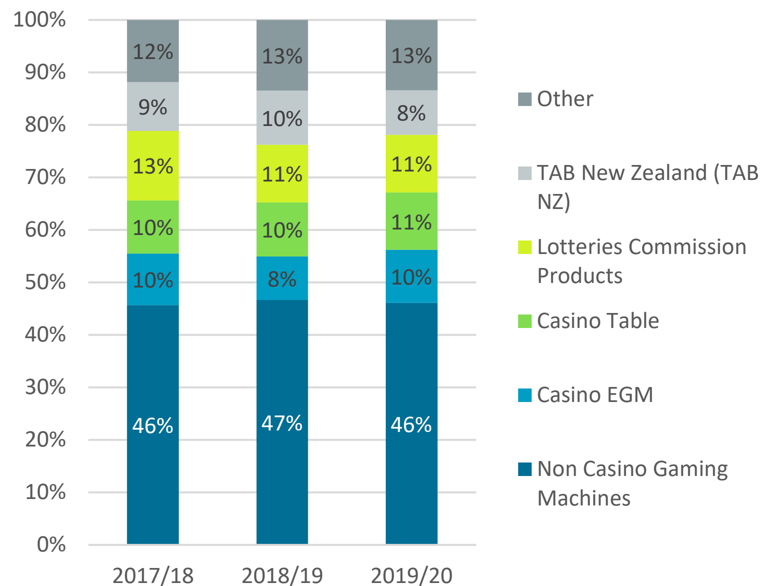
4.7.1 Share of new presentations by industry sectors

Over the three years from 2017/18 to 2019/20 the share of new presentations by industry sector shows similar trends to the share of all presentations:

- Non-casino gaming machines share was at 46% for both 2017/18 and 2019/20.
- Lotteries decreased from 13% to 11% in the same period.
- Casino's share remained varied between 18% and 21% during the period.
- TAB New Zealand decreased slightly from 13% to 11%.
- Other forms of gambling's share of new presentations increased from 12% in 2017/18 to 13% in 2019/20.

Figure 15: Share of new presentations (excluding brief interventions) by gambling sector 2017/18 to 2019/20

(source: MoH intervention client data)



4.8 Patterns in problem gambling

The 2020 Health and Lifestyles Survey examined the different socio-demographic risk factors for current problem gambling and moderate-risk gambling combined. The following patterns were found:

- Males had a greater risk of problem or moderate-risk gambling than females.
- Adults who identified as Māori were more likely to meet the criteria of being a moderate risk or problem gambler compared to non-Māori.

Table 7 shows the percentage of New Zealand adults who met criteria to be considered a low risk or moderate-risk/problem gambler in 2020.

Table 7: Prevalence of problem and moderate-risk gambling by ethnicity 2020

Ethnic group	Low risk gambler (% of adults)	Moderate-risk/Problem gambler (% of adults)
European/Other	2.4	1.4
Māori	5.7	3.7
Pacific	4.4	3.0
Asian	3.2	1.0

(source: Health and Lifestyles Survey, 2020)

5. Reviewing Performance and Focus

5.1 Research, monitoring and evaluation

1. We support the Ministry's focus on exploring the development of a set of service and system-level indicators for gambling harm. We also support the increased funding that will provide a stronger focus on research and evaluation into
   - Young people's gambling and online gambling
   - Co-existing conditions
   - Affected communities in general.
2. Given that the health needs assessment (Malatest, 2021) has reported expenditure continues to rise despite presentations decreasing and prevalence of gambling harm remaining the same, it is important data on why these trends are occurring inform decision making. This will require research beyond intervention pilots to increase understanding of why these patterns continue. This trend along with the reduced investment into research and evaluation and increased investment into service intervention is concerning. This is because without knowledge on what works and what doesn't work, it is difficult to meaningfully invest into service intervention.

3. Establishing some measures to consistently assess impact over time is important. Other than the impact of policies that have resulted in a decrease in the number of class 4 gambling venues, and a drop in expenditure on NGCM, the absence of any strategy to address the long-term trends of increasing gambling expenditure and decreasing presentations is missing.

4. The data also shows that while gambling client presentations for Lotto has decreased in presentations, its expenditure and support presentations has increased more than other modes of gambling. There may be a need to evaluate why this is occurring.

5. The focus on equity as an approach to achieving the proposed objectives is appropriate. Significant attention should be paid to ensuring gambling harm providers working with Māori, and Pacific communities affected by gambling harm and other addictions including alcohol, are equipped to deliver services that are accessed by an increasing number of Māori, and Pacific peoples. Again, the lack of research and evaluation on understanding implementation may influence the ability to accurately measure the extra money being given to providers is going to deliver significant improvements.

6. Asian peoples also seem to continue to be at high risk of gambling. We note and support the commitment to the Asian Helpline. Based on our experience and expertise we recommend setting up partnerships with services catering to these communities, including primary health care, as

gambling risk and harm is known to present itself differently in these communities. It could also be an opportunity for the Ministry to gather research on the wider wellbeing of Asian communities to help inform their public health approach.

5.2 Online gambling

As noted above there is a continuing rise in expenditure. The 2018 Health and Lifestyles Survey indicate that an increasing proportion of this is gambling online, with 13% of New Zealand adults (aged 15 and over) having gambled online in 2018. In 2010 the figure was 8%. Of these only 2% reported gambling on an overseas web site, a figure that has remained stable since 2010. The most popular form of online gambling are the Lotto, Powerball or Strike draws.

Of concern is that, as quoted by Te Hiringa Hauora:

"After controlling for demographics (such as gender and ethnicity), online gamblers were over twice as likely to be at-risk gamblers compared to gamblers who did not gamble online"

The concern here is not only the increasing amount being spent on online gambling but that online gambling itself is, potentially, a risk factor for gambling harm. As the Ministry of Health acknowledges, "Unregulated online gambling continues to be a significant issue."

We are concerned that gambling expenditure is increasing and as we know so little about the impact of expenditure it potentially hides a great deal of harm. In relation to online gambling, a major concern is the use of credit cards as they are the prime mean of 'making a bet' using online gambling products. The United Kingdom recently conducted a review of online gambling that led to the use of credit cards for online gambling being banned in April 2020.

While we do not have the data for New Zealand some of the comments in their review are worth reflecting on given the paucity of New Zealand's knowledge about the potential harm behind the ongoing increase in expenditure on gambling:

"This growth…[in online gambling]… is being driven by rapidly changing consumer behaviour and supported by technological advancements which are affecting society as a whole."[7]

---

[7] Gambling related harms evidence review: Summary.
Updated 30 September 2021
Public Health England. Retrieved from
https://www.gov.uk/government/publications/gambling-related-harms-evidence-review/gambling-related-harms-evidence-review-summary#discussion

"It is highly likely that the online gambling industry will continue to grow."[7]"There are no restrictions in online gambling on stakes and prizes or speed of play, and by definition, online gambling is not restricted to premises. This allows a great deal of commercial freedom not available in land-based gambling."[7]

is report resulted in the ban on the use of credit cards for online gambling. In explaining why they took this stance the Commission noted:

"Research shows that 22% of online gamblers using credit cards are problem gamblers, with even more suffering some form of gambling harm. We also know that there are examples of consumers who have accumulated tens of thousands of pounds of debt through gambling because of credit card availability. There is also evidence that the fees charged by credit cards can exacerbate the situation because the consumer can try to chase losses to a greater extent....Mr McArthur...[Gambling Commission CE]... said although he understood that some consumers used credit cards because they were convenient, the risk of harm to others was too high to allow the use of credit cards to continue.[8]

Our concern is that we know expenditure continues to increase but know very little about the harm that it is creating. The use of online gambling has, in the UK, been shown to be a significant contributor to gambling harm and we support the intent, through the DIA to identify improvements to the legislative and regulatory frameworks to reduce gambling related harm. We would also highlight the need to look at the use of credit cards, which have recently been banned in the UK, as research does indicate that they are potentially a significant contributor to gambling harm.

5.3 Shifting to a longer term approach for service research and planning

The continuing emphasis on a public health approach to preventing and managing gambling harm behaviours is appropriate

The Ministry's short three year cycle to produce a revised Strategy and framework has meant a focus on shorter term delivery of services and research. The short term focus doesn't allow us to effectively see the ongoing influences on gambling harm and plan for better services. Thereby, taking a longer term approach to research and funding of services can better reflect the long term nature of gambling harm for individuals, their whānau, and communities affected.

We suggest a significant review of the approach to gambling research, and for the Ministry to invest in a long-term study to answer the questions of: "how will we know if we have made a difference".

[8] Protecting consumer safety is at the heart of credit card gambling ban. Gambling Commission. URL: https://www.gamblingcommission.gov.uk/news/article/protecting-consumer-safety-is-at-the-heart-of-credit-card-gambling-ban

This will not be a simple question to answer. However, given, i) the shift of gambling services into the Mental Health and Addictions unit, ii) the significant efforts recently made by government to change the response of government departments to addressing issues of inequity and in working with Māori and iii) the current health reforms, there is a major opportunity to 'reset' the research agenda and undertake a long-term project that looks beyond the three-year review cycle.

6. Review of Overall Funding Requirements and Gambling Levy

6.1 Review of Overall Funding

The budget for this levy period is $76.123 million, which is an increase of $15.784million over the current levy period. This budget includes the estimated $6.452 million underspend created by delays in implementing activities due to COVID-19. The bulk of this increase is due to:

- an increase in the FTE rate for gambling harm clinical intervention and support services to align with other Ministry-funded mental health and addiction clinical FTE rates ($6.796 million increase on current strategy budget)
- investment in digital/online services and supports ($2.500 million)
- investment in strategies to address the stigma and discrimination experienced by people who experience gambling harm ($3.000 million)
- increase ministry operating costs to deliver an expanded work programme ($534,000 additional costs over last levy period).

We are supportive of the FTE increase that brings the rates in line with other mental health and addiction services. We are also very supportive of the strong emphasis in the strategy on workforce development, given the need to tackle the equity issues.

We are not supportive of the additional investment in digital/online services, not because digital services are not important, but because existing services are being used by less and less people. Until we are clear why such services are not being used, increasing investment does not seem justified. For example, the Gambling Helpline responded to over 8,000 calls in 2004. In 2016, which is the most up-to-date data we have, it responded to around 2,000 calls. Given that this service is considered to be 'critical to the Ministry's service delivery model' it is important to understand why less, and less people are using it. Despite this, the Ministry proposes significant new investment, but nowhere in the strategy is there any indication that they know why service use is declining. Understanding why there is a long-term continuing decline in presentations to gambling services, including the Gambling Helpline, needs to be understood before investing in new services. We would recommend that this funding is re-allocated to developing this understanding rather than simply investing more in services. There is nothing we can see in the reduced research and evaluation budget that is aiming to answer this question.

The investment in strategies to reduce stigma and discrimination are important, if for no other reason than stigma has been shown to be a barrier to accessing services, and the continuing decline in service usage is one of our major concerns.

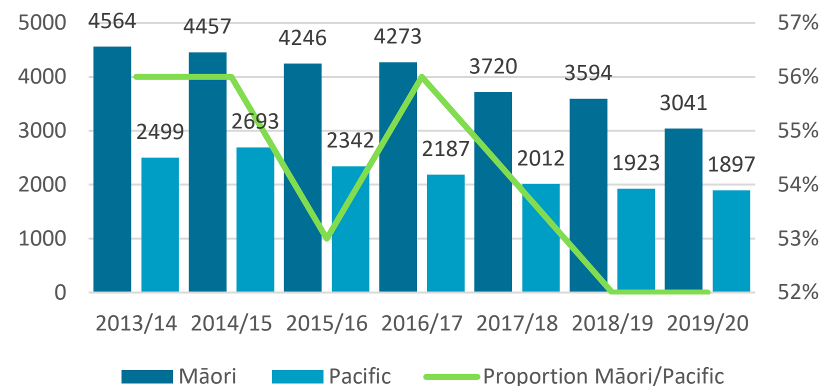
The increase in the Ministry's operating costs represent an increase of 18% above the last levy period. However, the Ministry's operating costs have remined static over the last decade and it is also true to say that this increase represents an 18% increase since the 2010/11 to 2012/13 levy period, which we think is justifiable.

While the overall levy is justified, our key issue is that funding needs to be based on need and the actions needed to address that need. It is clear that the current approach, while containing much that is of value, needs not just a refocus but a rethink. A rethink that is done in close collaboration with providers and the gambling industry.

Since our last report gambling expenditure continues to rise and presentations have decreased.

In terms of Māori and Pacific peoples' use of gambling services, Māori, presentations have decreased from 4273 in 2016/17 to 3041 in 2019/20 (28.8% decrease). For Pacific people, presentations have decreased by 13.2% over the last four years. The overall proportion of Māori and Pacific people presenting to intervention services has remained relatively consistent, measuring 52% in 2019/20(Figure 16).

Figure 16: Presentations to Gambling Services (including brief interventions) Māori and Pacific 2013/14 to 2019/20



(Source: MoH intervention client data)

Given that expenditure continues to rise, presentations are decreasing, and the prevalence of gambling harm remains static, there is no rationale to reduce the levy.

In our last report, we recommended the Ministry undertake a major strategic review of the gambling strategy and use that review to determine funding requirements. The two macro trends continue, namely decreasing presentations and increasing expenditure. Our concern is that the Ministry does not know why this is occurring, nor does it know what strategies, other than the policies to reduce the number and location of class 4 machines, have had any impact upon these trends.

Our concern, is less on the overall level of expenditure than on the fact that it would be very difficult for the Ministry to answer very legitimate questions from the gambling industry, namely:

- What impact is the over $20 million each year having on gambling harm?"
- Which of the strategies that have been implemented over the last 10 years has had the most positive impact?
- If the Ministry cannot answer that question, why not, and how can we be confident that the increased expenditure planned for the next three years is going to have any positive impact at all?"

Extending the comments, we made in our 2019 report we suggest that the Ministry has the opportunity for a 'reset. Factors supporting this are, the fact that gambling is now incorporated within the Mental Health and Addiction Unit, that there is a strong Government push to address issues of equity across all areas of health, and that Government is pushing radical new ways of addressing poor health amongst Māori and finally the health sector is undergoing a major process of reform which opens up significant opportunities to do things differently.

Central to this reset is the initiation of a long-term [beyond the three-year cycle] research programme that is focused on answering the questions noted above, what works, what doesn't and how will we know what makes a difference to the level of gambling harm. The next 12 months should involve the design and planning for this programme, and all funded research should fit within and contribute to this single, overall research programme. The reduction in the research budget in this cycle only emphasises our major concern.

The funding is justified, given the trends we are seeing, but with the additional funding comes the responsibility to answer the big questions, so that those who provide the funding can clearly see the impact it is having.

6.2 Review of Weighting

Our comments on the macro trends of decreasing presentations and increasing expenditure support a continuation of the 30:70 weighting. Expenditure is a proxy for harm and we need to ensure that this is acknowledged in the weighting.

We do not recommend any changes, because of the arguments we put forward earlier. Until we know what is driving the continuing increase in gambling expenditure and until we know more about the harm that is being created by this expenditure, we cannot justify further changes.

6.3 Impact of weighting changes

The most significant impact of a shift in the weighting of the levy would be on the NCGM sector (reduction in levy) and the New Zealand Lotteries Commission (increase in levy). There would be smaller impacts upon casinos and the TAB NZ (Table 7).

A shift to a 30:70 would reduce the levy paid by the NCGM by 7.8%, from $32.76 million to $30.19 million. The levy paid by the New Zealand Lotteries Commission would rise by 23.6%, from $8.08 million to $9.99 million. TAB NZ would have a rise in their levy of 9.3%, and the levy for casinos would not change (Table 7 and 8).

A shift to 20:80 would reduce the levy paid by NCGM by 3.9%, to $31.48 million, and the Lotteries levy would increase by 11.9 %to $9.04 million. TAB NZ would have a rise in their levy of 4.6%, and the levy for casinos would not change (Table 7 and 8).

Table 2: Expected contribution by sector under different weighting scenarios

	NCGM	Casinos	TAB NZ	Lotteries Commission
10:90	$32.76m	$15.32m	$7.13m	$8.08m
20:80	$31.48m	$15.32m	$7.46m	$9.04m
30:70	$30.19m	$15.32m	$7.79m	$9.99m

(source: MoH Strategy proposals document)

Table 3: Share of contribution by sector under different weighting scenarios

	NCGM	Casinos	NZ Racing Board	Lotteries Commission
10:90	51.8%	24.2%	11.3%	12.8%
20:80	49.7%	24.2%	11.8%	14.3%
30:70	47.7%	24.2%	12.3%	15.8%

(source: MoH Strategy proposals document)

7. CONCLUSIONS

The 2022/23 to 2024/25 Strategy continues well-established strategic and service funding directions that have been the focus of the last twelve years. While there are four new overarching objectives, they largely reflect the previous strategy's 11 objectives.

The general direction of the plan remains largely unchanged. In our 2012, 2015 and in our 2019 report we noted the fact that the work programme, and the Ministry's operating costs itself remains largely unchanged. This is of concern, given that it is hard to point to specific outcomes that the strategy, over the last 12 years, has achieved, and that the gambling industry and gambling harm providers have been calling for change for many years.

Even equity, which is the big focus of this plan, is not a new issue. In 2015 we supported their ongoing 'focus on high needs populations', which included Māori, Pacific and Asian peoples. In 2019 we wrote:

"…we are fully supportive of the proposed research project to increase understanding of why Māori and Pacific peoples experience enduring inequities related to gambling harm, and to provide evidence on effective ways to reduce these inequities. Our only concern is that this was in the last three year plan and was not implemented. We would want to ensure that this is not repeated during the next three year cycle."

Equity has been a part of the Ministry's strategy for many years.

We are once again in the position of saying that we support the intent and direction of the plan. However, this time we need to emphasise that this is the fourth review we have undertaken and we still cannot point to any indicators, with the exception of the work undertaken by DIA to reduce the number of NCGMs in vulnerable communities, that tell us what is working, and what is not working to reduce gambling harm, especially in vulnerable communities.

We support the Ministry exploring the development of a set of service – and system – level indicators for gambling harm to track progress in achieving the four stated objectives and overall goal to 'prevent and minimise gambling harm, and to reduce related health inequities. The effective use of these indicators will support the ongoing analysis and refinement of investment strategies into the future. However, in intent, this is no different than the outcome framework that was intended to guide previous plans. Despite the emphasis on outcomes in this and in previous plans, it is very difficult to point to clear outcomes that indicate a reduction in gambling harm over the last 12 years.

Over the six plans we have reviewed there has been a similar approach to gambling harm but there is little change to the trends in expenditure and presentation rates. Expenditure continues to go up, presentation rates continue to go down and the Ministry does not seem to have plans in place to understand the underlying drivers of these trends.

- What is driving these trends?
- Is it even possible to make significant changes to them?
- How do they compare with trends in other countries?

The research focus on pilots will not answer these questions.

Malatest International (2021), came to a similar finding, highlighting concerns expressed to them by major providers of gambling services that undertaking pilot projects is not enough.

As we have expressed before we believe that a major rethink of the strategy needs to be undertaken, and this should be given high priority during the next three year period of the plan. To emphasise this ongoing message we have tried to convey in our reviews, we quote from a number of our previous reports:

In 2015 we stated,

"Understanding the causal drivers underpinning gambling harm should be a top research priority. Much of the research, referred to in the Plan and in the Needs Analysis conducted by Allen & Clarke, highlights the complex mix of interdependent variables that underpin gambling harm…. The Ministry should commission studies that are able to shed greater light on key drivers of gambling harm if they are to give further momentum to reducing negative impacts of gambling, both in the general population level and in key at-risk groups."

In 2019 we stated,

"We suggest that the Ministry, in close collaboration with the industry and providers, incorporate into the next three-year cycle a thorough review of the sector, resulting in a much more detailed and fully costed strategy. That then is used to determine the levy during the next review period. Rather than accept a historically determined budget envelope, the Ministry should assess what the needs are and develop a comprehensive strategy based on those needs. The levy should be based on the level of gambling harm and a robust strategy designed to address it."

So, while we agree with the focus on equity, tackling stigma, and the development of system-level indicators, we can't see how these will deliver significant changes unless the issues we, and others, have raised, are addressed.

In terms of the levy the Ministry has justified it's increase by referring to the increased workload, related to public health work on stigma and equity, and increasing FTE rates to bring it in line with the rest of the mental health and addictions sector. Given that the rates have not increased by much over the last 12 years, we can see the justification for it. However, our support is qualified.

In the coming three years the Ministry must give top priority to working with the sector – the gambling industry and gambling providers - to undertake a collaborative and comprehensive review that focuses on developing a strategy, with clear outcomes, that sheds light on the three key macro-level indicators – level of gambling harm, expenditure and presentation. Only when this is done will we get to the position where people are aware of what the levy is being spent on, the value that expenditure is delivering in terms of key outcomes, and have a strategy that builds upon the expertise and knowledge of all involved.

Our recommendations regarding the weightings for the levy reflect a concern that it is becoming increasingly difficult to assess the effect of current and past expenditure on gambling harm. So, until there is evidence to suggest a change, we recommend that the 30:70 weighting remains unchanged.

8. References

He Korowai Oranga on the Ministry's website at: www.health.govt.nz/our-work/populations/maori-health/he-korowai-oranga

Malatest International, Gambling Harm Needs Assessment 2021. URL: https://www.health.govt.nz/system/files/documents/publications/gambling-harm-needs-assessment-2021.pdf

Ministry of Health. 2019. Strategy to Prevent and Minimise Gambling Harm 2019/20 to 2021/22. Wellington: Ministry of Health. URL: www.health.govt.nz/publication/strategy-prevent-andminimise-gambling-harm-2019-20-2021-22

Ministry of Health. 2021. *Strategy to Prevent and Minimise Gambling Harm 2022/23 to 2024/25: Consultation document*. Wellington: Ministry of Health. URL: https://www.health.govt.nz/system/files/documents/publications/strategy-to-prevent-and-minimise-gambling-harm-2022-23-to-2024-25-consultation.pdf

Ministry of Health. 2021. Health Intervention Client Data. URL https://www.health.govt.nz/our-work/mental-health-and-addiction/addiction/gambling/service-user-data/intervention-client-data

Te Hiringa Hauora. 2018. Kupe Data Explorer. URL : https://kupe.hpa.org.nz/#!/gambling/

Te Hiringa Hauora. 2018. New Zealanders' Participation in Gambling: Results from the 2016 Health and Lifestyles Survey. URL:https://www.hpa.org.nz/research-library/research-publications/new-zealanders-participation-in-gambling-results-from-the-2016-health-and-lifestyles-survey

Ministry of Health. Gambling and Problem Gambling: Results of the 2011/12 New Zealand Health Survey. URL: https://www.health.govt.nz/publication/gambling-and-problem-gambling-results-2011-12-new-zealand-health-survey

UK Gambling Commission 2018. Review of Online Gambling: https://assets.ctfassets.net/j16ev64qyf6l/mJ7A1C5buMifnkm2vTdEy/8fd73cbfb38ba4dd09c7e8134ef92566/Online-review-March-2018.pdf

UK Gambling Commission 2021. Prohibition of gambling on credit cards: https://www.gamblingcommission.gov.uk/report/prohibition-of-gambling-on-credit-cards

Gambling related harms evidence review: Summary. Updated 30 September 2021. Public Health England. URL: https://www.gov.uk/government/publications/gambling-related-harms-evidence-review/gambling-related-harms-evidence-review-summary#discussion

Protecting consumer safety is at the heart of credit card gambling ban. Gambling Commission. URL: https://www.gamblingcommission.gov.uk/news/article/protecting-consumer-safety-is-at-the-heart-of-credit-card-gambling-ban.