

**A fair chance for all –
breaking the disadvantage cycle:**

Feedback on the interim report

PGF GROUP SUBMISSION

NOVEMBER 2022

EXECUTIVE SUMMARY

PGF Group thanks the Productivity Commission for the opportunity to comment on the interim findings and recommendations for *'A fair chance for all – breaking the disadvantage cycle'*. We commend the approach taken by the Commission and the opportunities afforded to better understand and provide feedback to this inquiry.

At PGF, we support clients, their whānau, and communities who face persistent disadvantage due to harmful gambling. We understand what it means to be trapped in a vicious cycle of persistent disadvantage. We also know that harmful gambling, including problem gambling, not only affects the gambler, but those close to them and our wider society.

PGF supports the findings and recommendations identified in the interim report. This includes: 1) the concepts used to guide the inquiry, 2) the domains used to measure disadvantage, 3) the four identified system barriers that perpetuate inequalities, and 4) the system shifts that will help achieve breaking the cycle of persistent disadvantage. Our submission is focussed on the latter and provides commentary around the proposed recommendations of systems change, particularly in the context of gambling. For further details on the impacts of harmful gambling, please refer to our [earlier submission](#).

This inquiry is an important step towards addressing systemic and persistent disadvantages. We hope that this inquiry will help identify effective ways to support those who experience greater disadvantage than others, and ultimately, help ensure that all New Zealanders get a fair chance in life.

ABOUT PGF GROUP

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

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

Our vision is a socially just Aotearoa where all people flourish

Our mission is to deliver public health and clinical services that support whānau and community wellbeing.

FEEDBACK ON INTERIM RECOMMENDATIONS

Despite significant reviews, reforms and budget cycles, little difference has been made to those experiencing persistent disadvantage. We support the inquiry's holistic approach to understanding wellbeing, and appreciate the move away from the rhetoric that emphasises the individual to take personal responsibility. Some life events and circumstances can lead to individuals and whānau becoming vulnerable to disadvantage. We appreciate the Commission recognising being affected by harmful gambling as one such life event that may cause persistent disadvantage.

PGF supports the Commission's four interim recommendations that highlight that system shifts are needed to address persistent disadvantage in Aotearoa New Zealand. These recommendations are a great first step for Government which can lead to meaningful change. In the following section, we provide suggestions on areas to consider while addressing system shifts and use the gambling context as an example.

RECOMMENDATION 1: RE-THINK OUR MACRO-LEVEL SYSTEM SETTINGS TO BETTER PRIORITISE EQUITY, WELLBEING AND SOCIAL INCLUSION

This recommendation is a great overarching first step in acknowledging that current system settings are not addressing persistent disadvantage and inequities. This will help drive Government to focus on areas such as the purpose, power dynamics, relationships and resource allocation that determines the physical, social, economic and political environment in which all New Zealanders live in.

Environments of high deprivation were not created randomly. It is no coincidence that residents living in high deprivation areas experience greater disadvantage and have easier access to options, such as gambling venues, fast foods, and liquor stores, that can be detrimental to individual, whānau and wider community health (1). Data published by the Department of Internal Affairs (DIA) shows that approximately 63% of Class 4 gambling venues (or pokies in pubs, clubs and TABs) in Aotearoa New Zealand are in areas of medium-high or very-high deprivation (2). Further reports reveal that

pokies in the most deprived areas provide over half of the total Class 4 gambling expenditure (3). Similarly, a recent investigation into Lotto showed that nearly 70% of Lotto shop sales are made in areas of high deprivation (4). Following this, Lotto acknowledged that there are too many stores in low-income areas.

Additionally, we know that our Māori and Pacific communities are more likely to reside in areas where the majority of gambling venues are located. In the case of gambling harm, this means that our Māori and Pacific peoples are shouldering a burden of harm that greatly outweighs that being experienced by other groups. The 2020 Health and Lifestyles Survey estimates indicated that Māori were 3.13 times more likely to be moderate-risk or problem gamblers than non-Māori and non-Pacific peoples, and Pacific peoples were 2.56 times more likely to be moderate-risk or problem gamblers than non-Māori and non-Pacific peoples (5). This is a systemic issue that is inequitable which perpetuates discriminatory structures, continuing to disadvantage certain groups over others.

We agree with the Commission that there is a need to address prevailing assumptions that underpin the current system. This involves acknowledging and addressing the ongoing impacts of colonisation and implementing a new public system that prioritises equity, wellbeing and social inclusion.

RECOMMENDATION 2: RE-FOCUS PUBLIC ACCOUNTABILITY SETTINGS TO ACTIVATE A WELLBEING APPROACH

PGF agrees with this recommendation. The current system lacks a dedicated agency that is tasked with the leadership and stewardship of public accountability settings. This has led to differing priorities across different government agencies that maintains a siloed and fragmented system. For example, under the Gambling Act 2003, the Ministry of Health is responsible for establishing an integrated gambling strategy focused on public health. As the regulator for gambling in Aotearoa New Zealand, the DIA must also uphold the purposes of the Act. Some of the purposes are inherently conflicting. For example, controlling the growth of gambling while also preventing and minimising harm from gambling. This has meant that the DIA must maintain a balance of ensuring that gambling operators remain viable in New Zealand while also ensuring that the harm from gambling is kept to a minimum. These two purposes can often be conflicting at times and does not prioritise wellbeing. This has led to tension between agencies and wider stakeholders, such as gambling harm service providers, who are left frustrated when the DIA cannot implement stronger regulations around gambling harm.

Having accountability settings that focus on wellbeing can also help mitigate against short-termism within and across government agencies. We agree that government planning and decision making is not sufficiently focused on long-term goals. Moreover, there is a tendency to be risk-averse and to favour the status quo and making only incremental changes. This hinders Government's ability to address the root causes of persistent disadvantage.

In April, the DIA initiated public consultation into strengthening regulations to minimise harm from Class 4 gambling. This review was the first of its kind and included recognition from the Department that Class 4 gambling is the most harmful form of gambling in New Zealand (6). While the outcome of this review is pending, we are hopeful that this will lead to positive change in preventing and minimising harm from pokies. However, with the upcoming election, we are concerned that a change in government may pause, delay or even reverse such considerations. Therefore, this recommendation to re-focus public accountability is necessary to ensure ongoing progress in achieving wellbeing for all.

RECOMMENDATION 3: BROADEN AND EMBED A WELLBEING APPROACH ACROSS POLICYMAKING AND FUNDING FRAMEWORKS

We support the recommendation for a joined-up response to policy design and delivery that embraces equity and takes an intergenerational lens. Currently, we lack a comprehensive policy commitment to wellbeing that is accompanied by funding that prioritises upholding such goals.

This is particularly relevant for the current gambling context. One of the purposes of the Gambling Act 2003 includes ensuring that money from gambling benefits the community. In regards to Class 4 gambling, pokies were introduced with the primary purpose of funding communities following the removal of tobacco funding. Class 4 Trusts and Societies are required to return 40% of the gaming machine profits (GMP) to the community by the way of grants or applied funding. This has inextricably linked gambling harm with the survival of community groups, sports and services. However, we know that this distribution of gambling funds is inequitable. Overall, less deprived communities (decile 1-5) provide 26% of the GMP but receive 88% of the grants. Conversely, more deprived communities (decile 6-10) provide 74% of the GMP but receive only 12% of the grants (7).

We appreciate that many community and sports groups depend on funding from gambling. However, this has led to a situation where we must consider whether the benefit of gambling outweighs the harm experienced by those in our communities. As a service provider that supports

gamblers and their affected others, we are acutely aware of where the grants money is coming from. It is our view that this funding model is unethical and irrespective of what proportion of losses is returned, it cannot justify nor undo the harms caused to individuals, whānau and communities by pokie machines.

Moving forward, we support the focus of policymaking and re-orienting spending towards wellbeing. Such efforts must also address existing – and avoid creating further – power imbalances. Previous legislative reforms, such as the Racing Reform Act 2019 and Racing Industry Act 2020, has reinforced the power of the racing industry. Since then, funding from Class 4 pokies that are operated by the TAB is being allocated to further racing interests. In 2021, TAB provided approximately \$17.9 million in grants (8), the majority of which went to fund the racing industry thus creating a system where one form of gambling subsidises another form of gambling. TAB is state-owned and a re-focus will require Government to examine legislation and policies that places economic gains over wellbeing, and address uncomfortable power dynamics within New Zealand society.

RECOMMENDATION 4: ENABLE SYSTEM LEARNING THROUGH MONITORING AND EVALUATION

We recognise that the suggested recommendations are tackling complex problems that are widely embedded throughout our system. We support taking on an adaptive “learning by doing” approach and having robust measures in place for monitoring and evaluation. Regular feedback from individuals, whānau and communities, particularly those who are or traditionally have been experiencing persistent disadvantage, are also necessary to help ensure that these groups are achieving mauri ora.

CLOSING COMMENT

Thank you again for the opportunity to make a submission on the interim report for ‘*A fair chance for all – breaking the disadvantage cycle*’. PGF continues to support the Productivity Commission’s efforts to address persistent disadvantage in Aotearoa New Zealand. The interim recommendations for a system shift are a step in the right direction in achieving this goal.

REFERENCES

1. Marek L, Hobbs M, Wiki J, Kingham S, Campbell M. The good, the bad, and the environment: developing an area-based measure of access to health-promoting and health-constraining environments in New Zealand. *International journal of health geographics*. 2021;20(1):1-20.
2. Department of Internal Affairs. Gaming machine profits (GMP dashboard). Wellington: Department of Internal Affairs; 2022 [Available from: <https://catalogue.data.govt.nz/dataset/gaming-machine-profits-gmp-dashboard>].
3. Allen & Clarke. Informing the 2015 gambling harm needs assessment: Final report for the Ministry of Health. Wellington: Ministry of Health; 2015.
4. Espiner G. Lotto stores in poorest half of NZ account for 70% of sales. *Radio New Zealand*. 2022 5 September.
5. Te Hiringa Hauora. Results from the Health and Lifestyles Survey 2020. Wellington: Te Hiringa Hauora; 2021.
6. Department of Internal Affairs. Reducing Pokies Harm: Public Discussion Document. In: Department of Internal Affairs, editor. Wellington, 2022.
7. Cox M, Hurren K, Nana G. Assessment of the effects of Class 4 gambling on Wellbeing in New Zealand: Final Report. Wellington: Business and Economic Research Limited; 2020.
8. Department of Internal Affairs. Granted Dashboard - Grants by Society. Wellington: Department of Internal Affairs; 2022 [Available from: <https://www.granted.govt.nz/dashboard.html>].