

A fair chance for all – breaking the disadvantage cycle

PGF GROUP SUBMISSION

INTRODUCTION

PGF Group would like to thank the Productivity Commission for the opportunity to comment on this inquiry to scope the terms of reference for *'A fair chance for all – breaking the disadvantage cycle'*. At PGF, we support clients, their whānau, and communities who face persistent disadvantage due to problem gambling. We understand what it means to be trapped in a vicious cycle of persistent disadvantage. We also know that problem gambling not only affects the gambler, but those close to them and our wider society.

We support the Commission's proposed *He Ara Waiora* model and its focus on wellbeing. We particularly appreciate the inquiry's holistic approach to understand and address persistent disadvantage. In our submission, we outline how problem gambling affects the individual, their whānau, and communities, and highlight key factors that make certain groups more susceptible to problem gambling. Our recommendations for the inquiry's terms of reference are provided in relation to problem gambling as well as broader social determinants of health that perpetuate continued disadvantage across one's lifetime and across generations.

We believe that 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 Ministry of Health and funded from the gambling levy.

As well as providing clinical interventions and treatment, we provide a range of public health services. A key part of our public health work is advocating for the development of public policy that contributes to the prevention and minimisation of gambling-related harms.

Our vision is for families and communities to be healthy and resilient in a just society. Our mission is to enhance the mana of individuals, families, and communities so that they can be free from gambling harm.

GAMBLING AND PERSISTENT DISADVANTAGE

In this section, we would like to illustrate how problem gambling can lead to persistent disadvantage for the individual gambler, their whānau, and communities. We would also like to highlight that certain groups, especially those living in high deprivation areas, are more likely to be exposed to gambling harm. We also discuss how the current funding model maintain and contribute towards persistent disadvantage.

In Aotearoa New Zealand, there are four main types of gambling modes, including Class 4 electronic gaming machines (EGMs or ‘pokies’), Lotto, casinos, and TAB. During the 2019/20 financial year, the amount lost on gambling was more than \$2.25 billion, or more than \$6 million every day (Department of Internal Affairs (DIA), 2021a).

Form	Losses
Class 4 EGMs	\$802 million
Lotto	\$631 million
Casinos	\$504 million
TAB	\$315 million
Total	\$2.252 billion

Table 1: Annual gambling expenditure for 2019/2020

The Gambling Act (2003) defines problem gambling as gambling that causes or may cause harm to an individual, their family, or the wider community. It is estimated by the Ministry of Health that approximately 250,000 Kiwis are at mild, moderate, or severe risk of experiencing gambling harm. An even smaller portion – less than 16% of those most at risk – are likely to seek help from gambling intervention services (Ministry of Health, 2019a).

While client intervention data from the Ministry of Health is not an accurate measure of the prevalence of gambling harm in Aotearoa, it can help inform us of the rate of harm from different classes of gambling amongst those who have sought help. Data for 2019/20 shows that 4,439 individuals received support for their own or someone else’s gambling (Ministry of Health, 2021). Of those 4,439 individuals, 2,098 (47.3%) were for Class 4 EGMs (Ministry of Health, 2021).

Primary Mode	Full Interventions	Percentage
Non Casino Gaming Machines (EGMS or pokies)	2,098	47.26%
Lotteries Commission Products	508	11.44%
Casino Table Games (inc. Electronic)	485	10.92%
Casino Gaming Machines (EGMS or Pokies)	414	9.32%
TAB (NZ Racing Board)	405	9.12%
Housie	85	1.91%
Cards	55	1.24%
Other	390	8.79%
Total	4,439	100%

Table 2: 2019/20 client intervention data by primary gambling mode

It is important to consider that all gambling is not the same. Although EGMs are a legal form of entertainment in New Zealand, they are highly addictive and have been specifically designed to be very absorbing and encourage people to participate in continuous gambling (Schull, 2012). EGMs enable players to place hundreds of bets in a matter of minutes. You do not have to wait for the horses to finish a race, a roulette wheel to stop spinning, or for the weekly Lotto draw – just press a button and in mere seconds you have a result. This continuity, coupled with the spread and availability throughout communities in New Zealand, make Class 4 gambling (EGMs in pubs, clubs, and TABs) the most harmful form of gambling in New Zealand (Ministry of Health, 2019a).

Our submission is particularly focused around illustrating how Class 4 gambling contributes towards persistent disadvantage in New Zealand.

IMPACT ON THE GAMBLER

The social cost of gambling is diverse and can potentially affect multiple domains of health and wellbeing. Problem gamblers may experience poor physical health, emotional and psychological distress, reduced performance at work/study, and disruptions to their relationships with whānau and friends (Browne et al., 2017). Moreover, harmful gambling typically presents with other health issues and has been consistently associated with a range of co-existing health issues, such as higher levels of smoking, hazardous alcohol consumption and other drug use (Bellringer et al., 2020). Several studies have also shown a clear link between problem gambling and suicidality (Moghaddam et al., 2015), and PGF regularly sees people who have considered or attempted taking their own lives.

Problem gamblers are also at high risk of committing crimes to finance their gambling activities (Bellringer et al., 2009; Browne et al., 2017). Monetary crimes, such as theft, fraud, and embezzlement, are often associated with gambling (Bellringer et al., 2009). This is a reality we often see with our clients who are in prison or probation or have been in prison for their gambling-related crimes. The implications of being convicted of a crime leads to continued disadvantage for the problem gambler. Of those who engaged in illegal activities in New Zealand, 25% stated that they would not have committed such a crime if it had not been for their gambling (SHORE & Whariki Research Centre, 2008). Further, it is important to recognise that many crimes go unreported to save embarrassment of either the victim or the perpetrator, or even to protect the perpetrator (Bellringer et al., 2009).

IMPACT OF PROBLEM GAMBLING TO WHĀNAU

Typically, six people are affected by a problem gambler (Goodwin et al., 2017). Close whānau are often affected and the wider impacts to whānau members cannot be ignored. According to the 2018 Health and Lifestyles Survey (HLS), 7% of respondents (268,000 New Zealanders aged 15 years and older) had reported that they either: 1) had an argument about time or money spent on gambling, or 2) had to go without something they needed or bills not being paid because too much money was spent on gambling by another person (Health Promotion Agency (HPA), 2019).

In New Zealand, we also know that harmful gambling behaviour is strongly correlated with family/whānau or partner violence. Fifty percent of participants (people seeking help from problem gambling services) claimed to be victims of family violence, and 44% of participants claimed to be perpetrators of family violence in the past year (Bellringer et al., 2016).

There is also evidence that children and young adults are exposed to considerable gambling messaging, such as advertisements, which can normalise harmful gambling behaviours (Signal et al., 2017). Studies have also shown that children of problem gamblers regularly miss out on basic essentials, suffer emotionally with feelings of neglect, and are more likely to experience disorders, such as depression, anxiety, and alcohol and drug addictions, at some point in their life (Dowling, 2010; Shaw et al., 2007).

IMPACT OF PROBLEM GAMBLING TO THE COMMUNITY

Gambling harm is not evenly spread across our communities, especially for our Māori, Pacific, and Asian peoples. This burden of harm is unfair and unacceptable, which perpetuate persistent

disadvantage for such community groups. The 2018 HLS estimates indicated that Māori were four times more likely to be moderate-risk or problem gamblers than non-Māori, and that Pacific peoples were 1.5 times more likely to be moderate-risk or problem gamblers than non-Pacific peoples (HPA, 2021a). Similarly, Asian people’s risk factor of harmful gambling was 9.5 times higher when compared with European/Other New Zealanders (HPA, 2021a). For PGF Group, Class 4 gambling is cited as the main mode of gambling for our Māori and Pasifika clients. Class 4 gambling is the second-highest mode for our Asian clients, following gambling in casinos.

In the following sections, we highlight how our Māori, Pacific, and Asian populations are affected by problem gambling.

Māori population

Evidence indicates that Māori experience problem gambling differently, and that this disparity has not diminished over the years. According to the *Wai 2575 Māori Health Trends Report*, greater proportions of Māori adults experience negative impacts from someone else’s gambling than non-Māori adults (Ministry of Health, 2019b). Six percent of Māori adults reported experiencing problems because of someone else’s gambling compared with 2% of non-Māori adults (Ministry of Health, 2019b). The report also identifies that Māori females are disproportionately affected by someone else’s gambling, and this risk was 2.5 times as likely as non-Māori females (Ministry of Health, 2019b).

According to Levy (2015), Class 4 EGMs appear to be particularly problematic for Māori women, while men tend to favour strategic or skill-based, competitive forms of gambling, such as casino tables, track, and sports betting. Levy (2015) continues to link that Māori experience increased risk of developing intergenerational gambling harm through normalisation, cultural appropriation, displaying signs and symbols pertaining to Māori culture in and around gambling premises. Equally as important is the distortion of “normal gambling” within a Māori cultural context; where the combination of gambling undertaken communally, for a specific collective benefit, and within whānau controlled environments, produce positive benefits for whānau.

There are significant barriers that prevent Māori from seeking help despite experiencing higher risks from gambling harm. It is well-established that Māori experience racial discrimination, ethnically motivated attacks, and unfair treatment based on ethnicity compared with non-Māori in Aotearoa (Ministry of Health, 2019b). These factors discourage timely support and furthers persistent disadvantage for Māori.

Pacific population

National surveys have shown that Pacific people have lower gambling participation relative to the general population. However, those who do gamble tend to have a markedly higher risk of developing gambling problems (Abbott et al., 2018; Abbott et al., 2014; Kolandai-Matchett et al., 2017). In a nationally representative study conducted in 2015, 8% of Pacific people were classified as moderate-risk or problem gamblers (Abbott et al., 2018).

For our Pasifika clients, harmful gambling is often experienced with other co-existing problems, such as anxiety, depression, alcohol and/or drug use, family violence, and financial hardship. Lin et al.'s (2011) study supports what we have observed. Findings reveal significant associations between gambling participation and poorer self-ratings on quality-of-life indicators, including physical health, mental wellbeing, financial situation, and overall life satisfaction (Lin et al., 2011). Alongside Māori, the gambling harm experienced by Pacific people starkly differed from other ethnicities (Lin et al., 2011).

Moreover, anecdotal evidence suggests that our Pasifika clients often experience harm due to poverty-prompted gambling. In these circumstances, Pasifika have turned to gambling as a solution to pre-existing financial hardship, only to lose more money and creating further harm to themselves and their families. Several studies have identified that gambling harms experienced by Pacific families include negative effects on finances, employment and education, disruptions to household and extended family relationships, unfulfilled childcare, reduced community contributions, and unmet responsibilities being passed on to family members (Bellringer et al., 2013; Kolandai-Matchett et al., 2017; Lin et al., 2011).

For the Pasifika community, gambling-related disadvantage can spill outside of nuclear families to their wider community and has the potential to carry through to future generations. However, there is a dearth of research exploring the underlying reasons for the elevated gambling-related risk among Pacific people (Bellringer et al., 2013; Kolandai-Matchett et al., 2017). Further, there is a lack of research around how Pacific cultural beliefs and practices can be employed to support those experiencing gambling harm (Kolandai-Matchett et al., 2017).

Asian population

The Asian community in New Zealand comprises many ethnicities, with the four largest communities being Chinese, Indian, Filipino, and Korean. The Asian population represent many diverse cultures,

languages, religions, socio-economic status, education levels, and migration experiences (Mehta, 2012). 'Asian' groups include every category of immigrant: skilled migrants, refugees, those on temporary work visas, foreign fee-paying students on fixed term visas, and New Zealand-born Asians (second, third, and fourth generation New Zealanders). Moreover, a significant proportion of those identifying with an Asian ethnicity in the 2018 Census were born overseas (55%).

Asian peoples have one of the highest risks for problem gambling (Abbott et al., 2018; Abbott et al., 2014; HPA, 2021a). It is understood that Asian people experience an elevated risk for problem gambling because many migrants come from countries where EGMs and other continuous forms of gambling are prohibited or not widely available (Abbott et al., 2018). The 2018 HLS also indicate that awareness of what to do to help a friend or family member who gambles was much lower for Asian peoples (HPA, 2019).

From 2015 to 2020, we provided support to 5,666 clients who identified with an Asian ethnicity. Many of our clients presented with financial hardship, suicidal ideation, and severe depression and anxiety due to problem gambling. We found that many delayed seeking help due to low health literacy. Namely, there is a lack of understanding around addiction, which is often misunderstood as an illness caused by substance abuse alone. Unfortunately, this means we mostly see problem gamblers once they hit crisis point. By the time they seek support, clients have already experienced detrimental impacts to their finances, relationships, and their own wellbeing. We have also seen how problem gambling affects the wider family. We have supported families who have lost large sums of money, including their life savings, which have led to them being at risk of bankruptcy. Evidence also suggests that the stress of problem gambling leads to poor physical health, feelings of helplessness, anger, and loss of self-esteem for family members affected by gambling (Tse, Wong & Chan, 2007). Some problem gamblers may also borrow money from loan sharks, which causes further anxiety about their own and family member's safety (Tse, Wong & Chan, 2007).

At present, little is known about the impacts of gambling on Asian families and communities in New Zealand. This is particularly concerning given that Statistics New Zealand projects that by 2023, Asian peoples will become the second largest ethnic population group in New Zealand following Europeans (Statistics New Zealand, 2021a). There is a clear need for accurate knowledge of the issues and impacts of problem gambling to ensure equitable and appropriate support for our Asian families and communities.

DENSITY OF CLASS 4 GAMBLING VENUES IN HIGH DEPRIVATION AREAS

What makes Class 4 EGMs the most harmful form of gambling in New Zealand is their location within our communities. Class 4 gambling venues are not distributed randomly across our communities but are concentrated in lower socioeconomic status and high deprivation areas. Data published by the DIA shows that almost 63% (670 out of 1,068 as at 31 December 2020) of Class 4 gambling venues in New Zealand are located in medium-high or very high deprivation areas (DIA, 2021b).

Very Low Decile 1–2	Medium Low Decile 3–4	Medium Decile 5–6	Medium High Decile 7–8	Very High Decile 9–10
78	128	192	321	349

Table 3: Class 4 gambling venues as at 31 December 2020 by deprivation score

A report commissioned by the Ministry of Health notes that EGMs in the most deprived areas provide over half of the total Class 4 EGM expenditure (Allen & Clarke, 2015). Research from the University of Canterbury also indicates that those living in most deprived areas in New Zealand often have greater access to “bad” environmental influences, such as gambling venues, takeaway shops, and liquor stores, than “good” environmental influences, such as green and blue spaces (Marek et al., 2021).

It is unethical that the majority of Class 4 EGM expenditure is coming from our lowest income households who can least afford it. This is particularly concerning given that this disproportionately impacts Māori and Pacific peoples who generally live in the areas where the majority of these machines are situated. 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. This is a systemic issue that is inequitable and encourages persistent disadvantage.

THE CLASS 4 GAMBLING FUNDING SYSTEM

Following the removal of tobacco funding, EGMs were introduced with the primary purpose of funding communities. 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, it cannot be guaranteed that the GMP lost in one community is returned to groups in the same community. The *Gambling Harm Reduction Needs Assessment 2018*, prepared for the Ministry of Health, reported that

communities in areas of high deprivation experience the lowest returns from gambling proceeds (Rook et al., 2018).

We appreciate that many community and sports groups depend on funding from Trusts and Societies. We also believe that the unethical nature of the funding model cannot be ignored. Moreover, the *Gambling Harm Reduction Needs Assessment 2018* raises fundamental questions about the parity of this funding system (Rook et al., 2018). Last year, PGF Group, Hapai Te Hauora and The Salvation Army Oasis released a [white paper](#) exploring opportunities to reform the community sector's dependence on Class 4 funding. We believe that there is a need for a transparent and sustainable funding system to support groups in our communities.

There is limited data and analysis regarding the economic impact of gambling in New Zealand. However, New Zealand and international research has revealed that the losses to gambling offer a sharp contrast to the often-celebrated economic gains. Money for gambling is diverted from savings and/or other expenditure and can have a negative impact on local businesses and the economic health and welfare of whole communities (Harrison, 2007). Further evidence indicates that most, if not all, money spent on Class 4 gambling is likely to be spent elsewhere rather than saved, and it would be unlikely that this money would shift to other types of gambling (NZIER, 2020).

Employment, which is normally considered a standard business cost, is framed within the gambling industry as a special benefit to the community. Even if gambling does create employment opportunities, a comparison of gambling and retail in terms of jobs created for every million dollars spent shows that gambling creates about half as many jobs as retail (SACES, 2005). This issue has been addressed on several occasions. For instance, the Australian Productivity Commission states that EGMs are not a good way of providing impetus to local economies (Productivity Commission, 2010). For the context of New Zealand, analysis of the Household Expenditure Survey suggests that if money spent on Class 4 EGMs is diverted to the retail sector, there would be more businesses, more jobs created, and more GST revenue and income tax collected (NZIER, 2020).

RECOMMENDATIONS FOR THE INQUIRY

We strongly urge the Productivity Commission to consider the implications of how existing systems and models maintain persistent disadvantage for those affected by problem gambling in Aotearoa. Currently, the burden of gambling harm experienced by New Zealanders is inequitable and is a systemic problem. We appreciate that this is a complex issue, which requires consideration of broader social determinants of health and wellbeing. Therefore, we support the inquiry's holistic approach to understanding wellbeing using *He Ara Waiora*. We are hopeful that this inquiry will be a step towards addressing persistent disadvantage and exploring opportunities for systems change across sectors.

We provide our recommendations for the inquiry in the following sections.

What are the main aspects of disadvantage that should be investigated in this inquiry?

PGF Group would like to encourage the Commission to focus on:

1. Broader determinants of health and wellbeing that are known to lead to persistent disadvantage; and
2. Addressing existing inequities that cause persistent disadvantage for our Māori, Pacific, and Asian populations.

Broader determinants of health and wellbeing

To address both individual and intergenerational disadvantage, the government needs to focus on the broader structural drivers that create persistent disadvantage. One key area worth focusing on is poverty. We acknowledge that this inquiry's background paper notes that poverty and inequalities rose sharply in the late 80s and early 90s in New Zealand. Through our work, we also know that environments of high deprivation were not created randomly. It is not a 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 are unhealthy (Marek et al., 2021).

We know that disadvantage can be compounding like interest. For example, children of problem gamblers are more likely to normalise harmful gambling behaviours, are impacted by gambling while growing up, and may be further affected when they are an adult (Dowling, 2010; Signal et al., 2017; Shaw et al., 2007). If disadvantage, such as problem gambling, is not interrupted early enough, the

effects of disadvantage can be compounded and carry on to the next generation. Children living in poverty have a marked risk of being trapped in a cycle of persistent disadvantage. We believe it is important for this inquiry to focus on addressing broader determinants of health and wellbeing, such as poverty, to counteract structural factors that persists today.

Address existing inequities for our Māori, Pacific, and Asian populations

Inequities for Māori are well documented for problem gambling and beyond. Government has an obligation to uphold Te Tiriti and work together with tāngata whenua to address these inequities and break the cycle of persistent disadvantage for Māori. Applying *He Ara Waiora* to this inquiry is commendable and a step towards this direction. We support the use of a waiora framework that is built on te ao Māori knowledge and perspectives of wellbeing. Although the framework may not be compatible with every group and culture in Aotearoa, we acknowledge that the holistic presentation of wellbeing allows for the framework to be understood across different groups.

Pacific peoples, like Māori, also continue to have very high problem gambling prevalence rates (HPA, 2021a). This is just one of many inequities that Pacific peoples face. Asian peoples also experience higher risks for problem gambling (HPA, 2021a). Further inequities also exist for our Asian population despite the perception of Asian peoples as a relatively healthy group. However, we would like to highlight that underlying the seemingly positive perception, there is a more complicated picture. The healthy migrant effect is a well-recognised phenomenon, where the positive effect on health dissipates with increasing length of residence in New Zealand and through the process of adapting to a new environment (Rasanathan, Ameratunga & Tse, 2006). Moreover, important differences in health status between ethnic groups of 'Asian' people are masked when the data presented is aggregated to one group, which creates an averaging effect (Gordon et al., 2019; Horner & Ameratunga, 2012). We would like to emphasise that, along with our Māori and Pacific peoples, further examination of our Asian peoples is needed to truly understand the persistent disadvantage this group may be experiencing.

We believe that the government should focus on understanding why our Māori, Pacific, and Asian groups experience more inequities and explore what processes need to be put in place to change the current situation. Unless this is achieved, our Māori, Pacific, and Asian communities will continue to be disproportionately affected, which has the potential to increase even further in the future.

Where should the Commission focus its research effort?

PGF Group encourages the Commission to focus their research efforts on:

1. Analysing existing systems that create and/or maintain persistent disadvantage and areas to break chains of disadvantage; and
2. Identifying strengths-based initiatives that are led by and/or co-designed by Māori, Pacific, and Asian populations.

Analysing existing systems that create and/or maintain persistent disadvantage and areas to break chains of disadvantage

We strongly urge the Commission to focus on identifying and analysing how existing systems (such as housing, welfare, and healthcare) perpetuate persistent disadvantage in New Zealand. We have several useful longitudinal studies that can help identify areas of disadvantage. This includes the Growing Up in New Zealand study and the HLS, which have been recognised by the Commission in the background document. These studies can help identify factors that keep individuals and their whānau in persistent disadvantage. While identifying key factors, there is also a need to examine ways to interrupt systems of persistent disadvantage. We believe that this requires a whole-of-system approach where existing policies are evaluated and addressed to mitigate further disadvantage.

For the gambling context, we would like to particularly encourage the Commission to examine the fiscal benefits of disrupting persistent disadvantage caused by gambling harm. The amount lost on gambling during the 2019/20 financial year was more than \$2.25 billion (DIA, 2021a). However, it is unclear what the economic costs are for those experiencing harm and disadvantage from problem gambling. The HLS series and the New Zealand National Gambling Study have helped identify key inequities and have been discussed in this submission. However, there is limited data and analysis regarding the economic impact of gambling in New Zealand. Although existing evidence indicates that most, if not all, money spent on Class 4 gambling is likely to be spent elsewhere rather than saved collected (NZIER, 2020). Moreover, if Class 4 expenditure is diverted to the retail sector, there would be more business, more jobs created and more GST revenue and income tax collected (NZIER, 2020). Building further evidence will help provide an accurate picture of the size of the problem, and the fiscal benefits of reducing persistent disadvantage.

Identifying strengths-based initiatives that are led by and/or co-designed by Māori, Pacific, and Asian populations

Given that our Māori, Pacific, and Asian populations experience more inequities, we believe research funding should be prioritised for these groups. There is a need to identify strengths-based initiatives and research about our Māori, Pacific, and Asian communities in New Zealand. Research is growing, but further funding is needed to support ongoing research. Of importance, it is critical that these research efforts are led by, or at least have an active involvement, of our priority groups. This is because research undertaken by, for, and with Māori, Pasifika, and Asian peoples represent and provide greater understanding of issues from the worldviews of that group. This will also help identify effective and suitable recommendations that are most appropriate for the group.

Using gambling as an example, we know that cultural beliefs and values can have an impact on gambling-related perceptions, gambling behaviour, and the disadvantage experienced (Kolandai-Matchett et al., 2017). One of the biggest challenges our Māori, Pacific, and Asian peoples experience when reaching out for support is facing barriers, such as shame and stigma (Abbott et al., 2018). Therefore, an accurate understanding of gambling harm among different ethnic communities requires an understanding of the cultural contexts in which gambling behaviour occurs and manifests harm. Further qualitative research is needed to understand people's and collectives' lived experience of persistent disadvantage. This will provide helpful insight into the underlying drivers and determinants of disadvantage as well as opportunities on how to address them.

Where should the government focus its effort on finding solutions?

PGF Group encourages the Commission to focus on finding solutions around:

1. Sustainable and ethical funding.

Sustainable and ethical funding

Once key barriers are identified and successful initiatives and solutions are found, the government needs to focus on maintaining adequate support for those who are in persistent disadvantage. In the interim, initiatives that are currently successful should be evaluated and strengthened with a sustainable source of funding. Sustainable funding is important as short-term funding cannot address complex issues like persistent disadvantage.

We would like to go further and strongly urge the government to search for ethical funding sources as well as sustainable. As discussed earlier, PGF cannot ignore the unethical nature of the Class 4 gambling funding model. Under the Gambling Act (2003), at least 40% of Class 4 GMP must be redistributed to the community by way of grants or applied funding. This legislation has inextricably linked gambling harm and subsequent disadvantages experienced by those affected with the survival of community groups, sports, and services. This has led to a situation where we must consider whether the benefit of gambling outweighs the harm experienced by those in our communities. It is our position that irrespective of what proportion of losses is returned, it cannot justify nor undo the harms caused to individuals, whānau, and communities.

The parity of the Class 4 gambling funding model has been recognised by the Ministry of Health (Rook et al., 2018). There is also growing support from local councils (for example, Wellington City Council) who are advocating to government about the urgent need to replace Class 4 funding with transparent, sustainable, and ethical funding for community groups. Moving forward, we encourage the government to consider current legislation and policies that may be maintaining persistent disadvantage and providing solutions to such systems that will address inequities in New Zealand.

Is there anything else that you would like to see covered in this inquiry?

We would also like to recommend the Commission to focus on addressing persistent disadvantage for our young people/rangatahi. This is of particular importance given that our Māori and Pacific populations are relatively young – 17.3% and 19.1% of our Māori and Pacific peoples, respectively, are aged between 15-24 years (Statistics New Zealand, 2021b).

The 2018 HLS identified that young people made up approximately 27% (or 21,000 people) of the total proportion of moderate-risk and problem gamblers (HPA, 2021b). Growing research has identified that children and young people also experience gambling harm. Moreover, preliminary findings from recent research reveals that there are some parallels between problem gaming and problem gambling behaviour, such as the feature of loot boxes in games (PGF Group, 2020). There are growing concerns about the accessibility of online gambling and gaming convergence and the impacts of these on the wellbeing of our children and young people.

Problem gambling can also have an impact on our rangatahi's mental health (Dowling, 2010; Shaw et al., 2007). In the last decade, New Zealand has seen a rapid and concerning rise in youth psychological distress and suicide rates (Menziés, Gluckman & Poulton, 2020). Nationally, poor mental health for

youth is persistently inequitable and worsening (Menzies, Gluckman & Poulton, 2020). Māori and Pacific rangatahi, in particular, have experienced a concerning decline in emotional and mental health (Fleming et al., 2020). This has important implications for the young person and can lead to persistent disadvantage in their lifetime if timely support is unavailable. We strongly urge the Commission to use existing longitudinal studies, such as the Youth2000 Survey Series, to better understand our rangatahi and to also prioritise addressing disadvantage by improving advocacy, policy, and service provision for our young people.

CLOSING COMMENT

Thank you for the opportunity to make a submission on '*A fair chance for all – breaking the disadvantage cycle*'. Please contact Kristy Kang (09 553 6896 or kristy.kang@pgf.nz) if you have any questions regarding this submission.

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