



**National Council of
Women of New Zealand**
Te Kaunihera
Wahine O Aotearoa

National Office
Level 4 Central House
26 Brandon Street
PO Box 25-498
Wellington 6146
(04)473 76 23
office@ncwnz.org.nz
www.ncwnz.org.nz

24 April 2015

S15.14

Submission to the Department of Internal Affairs for the Consultation: Proposed Changes to Gambling Fees

The National Council of Women of New Zealand (NCWNZ) is an umbrella organisation representing 288 organisations affiliated either at national level or to one of our 21 branches. In addition to our organisational membership, about 260 women are individual members of branches.

NCWNZ's function is to represent and promote the interests of New Zealand women and their families through research, discussion and action. This submission has been prepared by the NCWNZ Social Issues Standing Committee supported by established NCWNZ policy and previous submissions.

The harm of gambling

Throughout more than a century of service, NCWNZ has expressed opposition to gambling. It is too often associated with crime, addiction and the misery inflicted on families when their means of support have been gamed away.

It is deeply concerning that not-for-profit societies have come to depend on the proceeds of gambling for their funding, and especially on the scourge that is the pokie machine. These Class 4 gambling devices proliferate in poorer neighbourhoods (a ratio of machines to people of 1:76, compared to 1:465 in wealthier areas),¹ suggesting that a large proportion of the money they extract from our communities comes from those who can least afford it. The terrible irony is that so many of the societies funded by gambling proceeds were established for the benefit of those same communities.

There is also evidence to suggest that gambling addiction is often accompanied by problem drinking and excessive tobacco smoking, and is more prevalent among men, ethnic and lower socioeconomic groups.² It drives up suicide rates disproportionately, and although women can

¹ How pokies work. Available [22 Apr 2015] from: <http://choicenotchance.org.nz/understand-gambling/how-pokies-work>

² Gambling addiction - a patient's guide. Available [22 Apr 2015] from:
<http://www.familydoctor.co.nz/index.asp?U=conditions&A=6597>

certainly become addicted, it is too often that gambling addiction leaves women and families suffering.

Not just about money

While NCWNZ supports increasing fees across the board so that the necessary monitoring of gambling outlets can be effective, it is disappointing that this step is being taken only after so many Department employees have been made redundant. Much concern has been expressed in this proposal about not burdening the taxpayer, yet when the cost recovery issue was first recognised, the first to be sacrificed to reduce the shortfall were taxpayers.

NCWNZ considers that fees should be increased for every gambling operator, no matter how small. That way, effective monitoring can be carried out, with up-to-date technology and enough staff to prevent fraud and other crimes, rather than costly prosecutions. It may very well be that pared-to-the-bone staff numbers, leaving crucial monitoring gaps, have actually contributed to these costs rather than saving money.

Reduce the opportunity to gamble

Frequently mentioned in this proposal is the reduction of the number of pokie machines as being a major cause of reduced fee income. NCWNZ applauds this reduction, and maintains that this should be the core aim of the Department of Internal Affairs in the long term. Budget forecasts should allow for further reduction in numbers of machines and venues, and the issuing of licences (and attendant fees) should drive that reduction. Legislation to support the policy and reduce litigation may be in order.

Further, NCWNZ considers that a different way of funding our societies should be found, to replace the dangerous and corrupting proceeds of gambling. It should not be normal to receive money from gaming levies. The rise in fraud prosecutions is a good indication that this kind of normal is unhealthy – for organisations large and small, and for society as a whole. It is hardly surprising that some societies receiving large grant monies become corrupted – gambling is, in and of itself, a corruption of the human spirit.

The real cost to taxpayers

Most disappointing to NCWNZ is that this proposal makes no mention of the cost of problem gambling, and its attendants – alcohol abuse and tobacco addiction. Concern for the taxpayer's burden should include this side of gambling, which costs us dearly through a range of associated problems including mental health, domestic violence, crime and suicide.

NCWNZ considers that any person or operation that profits from gambling in any form should be financially responsible for its effects. It is then a positive effect if the fee or tax burden is so high that an operation must close its doors. Meanwhile, a sinking lid policy on issuing licences, and a

regulation on the number of outlets in any given community might go some way to reducing the harm of gambling.

When all the costs of gambling are factored in, including the costs of gambling harm, it may be found more efficient and economical for the government to fund society and community organisation activities directly. Remove gambling opportunities and a whole raft of expensive problems will be significantly reduced or eliminated altogether.

Conclusion

NCWNZ supports the increase of gambling fees including all casinos, and urges the Department of Internal Affairs to go further by adopting a sinking lid policy on licensing gambling machines and venues.

Rae Duff
National President

Katherine Ransom
Convener, Social Issues Standing Committee