

CONTENTS

- 2** ALL GAMBLING
- 4** HARM PREVENTION
- 8** PUBS AND CLUBS
- 12** MEDIA RELEASES

Index

December 2003 – December 2006
available on www.dia.govt.nz



Strong message to gambling operators

The Gambling Commission's decision to suspend Dunedin Casino's licence for failing to take adequate action over a problem gambler sends a strong message to gambling operators.

The Commission said its decision would make plain to casino operators the importance of complying with their host responsibility obligations.

The Commission imposed a two-day suspension of Dunedin Casino's licence after finding that the casino breached section 309 (1) of the Gambling Act by failing to offer prescribed information or advice about problem gambling to Dunedin woman, Christine Keenan. The Commission heard that Keenan had turned over \$6.6 million in gambling between 2001 and 2004. She was jailed for stealing almost \$500,000 from her employer. The Department sought a seven-day suspension of the casino's licence.

The casino did not appeal the decision and suspended business on November 13 and 14. The Department of Internal Affairs Director of Gambling Compliance, Mike Hill said the Department had a duty to take action when it considered the Dunedin Casino had failed to deal adequately with a problem gambler.

"The Commission pointed out that casinos must now operate in the context of a new Act, which places much sharper emphasis on host responsibility and harm minimisation," Mike Hill said. "The same applies to all gambling operators."

"The Act brought the biggest changes to the gambling sector in 30 years, with harm prevention as a driving principle. Operators of casinos and gaming machine venues must provide information and assistance to people whom they believe may be problem or potential problem gamblers."

"Gambling (Harm Prevention and Minimisation) Regulations 2004 require casino operator staff who are in direct contact with players to be trained in how to recognise and deal with problem gamblers. This would include providing the player with information about the potential risks and consequences of problem gambling and how to get help."

This issue of *Gambits* provides information about exclusion orders and self-exclusion orders, including details about the Queenstown model covering multi-venues. The implications of the Dunedin Casino decision are discussed on page 4.

ALL GAMBLING

New Deputy Secretary



The Department welcomes back Keith Manch, who has been appointed Deputy Secretary, Regulation and Compliance, replacing Andrew Secker. Andrew returned to Australia in July.

Keith has 10 years experience as a senior manager in central government, first as General Manager, Ministry of Consumer Affairs, then as General Manager/Director of Gaming and Censorship Regulation at Internal Affairs, and most recently as the General Manager of Integrity Services at the Ministry of Social Development.

Before moving to senior management, Keith worked for the Commerce Commission, rising to Chief Investigator before being appointed manager of the Fair Trading Division. His early career was in the New Zealand Police.

Gambling Regulation Forum

The October meeting of the Gambling Regulation Forum, which consists of representatives of the Department of Internal Affairs and key gambling industry bodies, included discussion on:

GCG gap analysis

The Department's Director, Gambling Compliance, Mike Hill, briefed the forum on the results of a "gap analysis" of the Gambling Compliance Group and indicated the group's future direction.

Harm prevention and minimisation

The National Casino Manager, Debbie Despard, reported on the Queenstown model for multi-venue self exclusions, which is reported on elsewhere in this issue of *Gambits*.

Fees review

The Department has begun reviewing fees under the Gambling Act 2003 and, depending on the results, will consult the sector early next year.

Research

A sub group of the Forum will be established to discuss research issues.

Cashless technology

The Department will be seeking comments from the gambling sector, problem gambling service providers and researchers on the feasibility and desirability of carrying out NZ-based research into precommitment-capable technologies (cashless or otherwise). As reported in the September issue of *Gambits*, the paper on cashless technology is available on the Department's website, www.dia.govt.nz

The forum's first meeting next year will be in March.

Expert Advisory Group

Highlights from the October meeting of the Expert Advisory Group on Preventing and Minimising Gambling Harm included:

Hon Damien O'Connor

The Associate Minister of Health, Damien O'Connor, whose responsibilities include problem gambling, emphasised the importance of government, service providers and industry working cooperatively and effectively together to prevent and minimise gambling harm.

Host responsibility

John Stansfield and Philip Townshend from the Problem Gambling Foundation presented a framework for host responsibility intervention. They suggested that it is better to intervene mistakenly when there is no gambling problem than to refrain from intervening when there is a gambling problem. They also presented findings from research undertaken in collaboration with Clubs NZ, involving viewing video footage of people using gaming machines. The results suggested that duration of gambling (e.g. more than one hour) and time spent waiting for a machine could be indicators of the need to intervene for host responsibility reasons. Discussion followed about the potential for using research to develop robust indicators of problematic gambling behaviours.

Social marketing campaign

Teresa Pomeroy and Sue Walker from the Health Sponsorship Council gave a presentation on the development of the social marketing campaign on problem gambling. The campaign is being based on significant background research including development of a public health framework and a behaviour change indicators benchmark survey. Phase one of the campaign is intended to raise community awareness about gambling harm and support for preventative measures. Phase two is intended to enable behavioural and environmental changes. Phase three will involve consolidation of the earlier phases. The mass media advertising component of the campaign is expected to start in the first quarter of 2007. Key stakeholders will have an opportunity to see and comment on the key messages and concepts before they are finalised.

Marketing Working Group

The Marketing Working Group presented a draft project plan after being tasked to advise the EAG on options for gambling operators to ensure that the promotion and marketing of gambling products and brands is responsible and does not cause harm.

Spotting a problem gambler

Ways of recognising problem gamblers include:

- Repeated visits to money machines
- Attempts to borrow money or cash cheques on site
- Disorderly or agitated behaviour
- Increased gambling sessions
- Notification from family and friends.

Gambling operators are obliged to monitor patrons for potential gambling problems.

When a patron is identified as an actual or potential problem gambler, the gambling operator must describe to them the self-exclusion order procedure and may then issue an exclusion order prohibiting the patron from entering the gambling area for up to two years.

The Department checks casinos and other gambling venues to ensure they are complying with their harm minimisation policies.

HARM PREVENTION

Gambling Commission's Dunedin Casino decision

The Gambling Commission decided on 17 October 2006 to suspend Dunedin Casino's operator's licence for two days, because it failed to provide problem gambling information to a customer whom it had identified as a potential problem gambler.

The decision reinforced some key issues related to the identification and exclusion of problem gamblers.

Common sense approach

The decision reinforced the Department's recommended 'common sense' approach when assessing whether someone is a problem gambler. While indicators listed in policies may provide good guidelines, they should not be considered definitive, particularly where other important factors have or should have been considered. Other factors considered important by the Commission included time spent gambling and the amount of money gambled, even though these were not explicitly stated as indicators in Dunedin Casino's policy.

A careful reading of casinos' policies indicates that operators also take this approach, citing indicators listed as being simply that – indicators to be considered as part of a broader consideration.

The decision also highlighted the need for problem gambling indicators to cover the type of behaviour that is readily observed in a venue. Indicators that are usually observed at home or in the workplace, or clinical indicators (such as criteria used by health professionals to diagnose pathological gambling) are likely to be of little help to venue staff.

Gambling Act requirements

The Commission's decision further reinforced operator requirements under the Gambling Act, including that operators must:

- Take reasonable steps to use their harm minimisation policies to identify problem gamblers (taking a common sense approach)
- Offer those who are identified as a problem gambler information about self-exclusion
- Exclude those who request to be self-excluded under section 310 of the Gambling Act.

Section 309 (venue initiated) exclusion orders

The Commission noted that there is no legal obligation for operators to exclude someone whom they have identified as a problem gambler unless that person self-excludes under section 310 of the Act. It is encouraging that, despite this, casino operators have issued 314 section 309 exclusions from July 2004 until June 2006.

This is a great example of voluntary compliance. While it is not mandatory, excluding people with a gambling problem is an essential element of being a responsible host. We fully expect that operators will continue to exclude people they have identified as problem gamblers regardless of whether there is a specific requirement to do so in the Act.

All Gambling Compliance staff can be contacted by phoning the Department's tollfree number

0800 257 887

Dunedin Casino – next steps

Management and key staff from both the Department’s Casino Compliance Unit and the Dunedin Casino are discussing and planning the way forward following the Gambling Commission’s decision in the Keenan case. Both organisations are keen to learn from the case and to develop areas of agreement, understanding and action on harm prevention and minimisation.

The Department is committed to ensuring that Dunedin Casino achieves optimal levels of compliance through the establishment of a robust voluntary compliance environment.

Key factors towards a voluntary compliance regime are: building trust through open communication, ensuring where possible that risks are recognised and considered, and supporting the casino through education and persuasion and effective stakeholder management within the regulatory framework.

The Department is encouraged by Dunedin Casino’s recent approach to working with the Casino Compliance Unit in a collaborative manner. Dunedin Casino, particularly under its new management, staff and structure, appears motivated to pro-actively manage those key risks present within the gambling environment.

Funding for community groups, visit www.dia.govt.nz

The Department’s website provides extensive information about the gambling sector, including details of gaming machine societies that make grants to community groups.

Click on “gambling” for funding for community groups • gambling statistics • relevant law application forms for licences, including housie and raffles • and much more

Click on “resources” for press releases.

Click on “what’s new” for new additions to the website.

HARM PREVENTION

Exclusion Orders

Self-exclusion orders

It is becoming increasingly common for gamblers to request self-exclusion in writing rather than in person. Venue managers are reminded that they must issue a self-exclusion order when a gambler requests one in writing.

Patrons sometimes seek help from a problem gambling service provider or counsellor who writes the letter requesting an exclusion order. The letter is then sent to a number of venues nominated by the patron, along with the patron's photo and signature and a contact address to which to send the exclusion order. It is also possible for letters to be sent directly by the patron, rather than by a problem gambling service.

Some venues have not been issuing exclusion orders upon receipt of these letters. Instead, the manager has made staff aware of the letter and then filed it in an exclusion orders folder. This does not go far enough to satisfy section 310 of the Gambling Act, which states that a self-exclusion order **must** be issued upon request to anyone who has identified himself or herself as a problem gambler. This is the case whether the request is in person or in writing.

Section 312 makes it an offence to knowingly fail to issue an exclusion order if requested. This offence carries a maximum fine of \$10,000.

It is perfectly reasonable for a venue to request a photo of the person so that the venue is able to identify the person should they re-enter the venue in breach of an exclusion order. If the person fails to provide a photo, it may be reasonable to refuse to issue the exclusion order.

Third party notifications

A gambler's request for self-exclusion is not to be confused with a request from a third party (for example a concerned family member) for an exclusion order to be issued to their father/mother/spouse. If a venue were to issue an exclusion order on third party advice, this would be a venue-initiated exclusion and not a self-exclusion.

Treat requests for exclusion from persons other than the problem gambler as a third party notification:

- Where appropriate, directly contact the person concerned to confirm whether or not they wish to self-exclude themselves from the venue or
- Advise the third party that you have a problem gambler identification policy and you will assess the person's behaviour against the policy and determine whether or not to issue an exclusion order and
- Provide the third party with information on problem gambling.

Don't place unnecessary obstacles before people who are genuinely concerned or trying to obtain exclusion orders.

Third party notification is a strong indicator that a person may be an actual or potential problem gambler. It is good practice to treat third party notifications as a trigger to assess a person's gambling behaviour against a venue's problem gambling identification policy.

A number of gambling providers together with the Problem Gambling Foundation are currently working on some guidelines for venues and problem gambling service providers in relation to exclusion orders. The next edition of *Gambits* will provide further information on those guidelines.

Successful multi-venue process – a case study

Queenstown has produced a ‘model’ for multi-venue exclusion orders, which gambling operators around the country could adapt.

The town has two casinos and four Class 4 venues relatively close to one another. Gambling inspectors would become aware of a person, who had self-excluded from one venue, gambling at another.

To self-exclude from all local venues the gambler would have to contact them all individually.

The solution has been a ‘one stop shop’ for multi-venue self-exclusion:

The first venue visited by the person wanting to ‘self exclude’ becomes the **initiating venue**. It goes through the normal self-exclusion process before offering the person the option of filling out a letter to the other venues.

In this letter the patron selects any other venues in the area from which they want to be excluded. They specify the period of exclusion, sign the letter and have their photo taken.

The initiating venue sets the multi-exclusion process in motion by sending the letter to all the venues specified by the patron. On receipt, other nominated venues issue their own exclusion orders to the patron.

The Department’s National Casino Manager, Debbie Despard, says there has been full buy-in from Queenstown gambling operators.

“The gambling inspectors in Queenstown facilitated the introduction of the process,” Debbie said. “They organised a meeting, drafted the letter to be used and provided leadership for the initiative.

“The local problem gambling agency was invited and had an opportunity to meet with the gambling providers and gave a brief overview of their role.

“It has helped build a cooperative approach to reducing harm and problem gambling throughout the community.”

Hamilton groups work together

The Department’s Hamilton-based gambling inspectors have been involved in community discussions about problem gambling for the past three years.

Sky City Casino Hamilton established the bi-monthly meetings early in 2003 to provide a vehicle for local problem gambling service providers and other social service agencies to work together to prevent and minimise the harm caused by gambling. This is one of the purposes of the Gambling Act 2003. Participants include the Problem Gambling Foundation, Oasis, Hauora Waikato and Pacific Peoples Addiction Services, Te Runanga O Kirikiriroa and Hamilton City Council.

The meetings allow participants to discuss issues and concerns relating to the law, systems and processes, such as exclusion orders. They also provide opportunities to network, share perspectives and understand challenges being faced.

The Department welcomed the opportunity to contribute to the initiative, which helps promote understanding of the inspectorate’s role and functions, and gambling law.

Improved communication has resulted in a greater understanding of problem gambling, the law and the roles, functions and obligations of all participants.

PUBS AND CLUBS

Guidelines for venue transfers under EMS

Here is the procedure for transferring a venue from one society to another after a venue has been connected to EMS. This is an important procedure as, if machines are not decommissioned correctly, they will not be able to reconnect to EMS.

The new society, to which the venue is transferring, should:

- 1) Obtain a letter from the venue's current society stating its intention to surrender its Class 4 Venue Licence. To ensure a 'seamless' transition, incoming and outgoing societies may negotiate a future surrender date.

Note: The date on the letter from the society surrendering the Class 4 Venue Licence is the date that the society must ensure its Class 4 gambling ceases at the venue.

Class 4 Venue Licences cannot be surrendered on a Saturday, Sunday or a public holiday and, if a Friday is chosen, machines will not be able to be operated until the following Tuesday.

- 2) Complete a 'New Class 4 venue' application form, and ensure that two trustees or officers of the applicant society sign it. **Note:** Include the following information when returning the form:

- Application fees
- Completed Personal Information forms for all key persons
- Approved venue agreement between all named parties
- Venue specific harm minimisation policy
- Evidence of ownership of the gaming machines detailed in the application
- Financial agreements if finance is being sought to purchase the gaming machines

- A floor plan certified by the venue operator
 - Liquor licence (if applicable)
 - Territorial Authority consent (if applicable).
- 3) Send the application form and information listed above to the Department of Internal Affairs. **Note:** The Department will process the application as soon as possible and is committed to processing it within 20 working days.
 - 4) On the surrender date the venue manager must read meters, clear cash from the gaming machines and contact the Intralot Help Desk to decommission the machines before midnight. **Note:** Machines must not be operated until they are re-commissioned on the second working day after the surrender date. EMS will generate reports if the machines are operated during this time.
 - 5) Arrange for a service technician to arrive on the second working day after the surrender date. The service technician will contact the Intralot Help Desk to commission the machines. **Note:** EMS reports will be available from 9am on the day after the machines are commissioned.

Following this process ensures Intralot is able to electronically disable machines while they are still connected to a working Site Controller.

All Gambling Compliance staff can be contacted by phoning the Department's tollfree number

0800 257 887

Venue transfer timetable

If venue manager calls Intralot to surrender machines on:	Gambling may resume once service technician calls Intralot on:
Monday	Wednesday
Tuesday	Thursday
Wednesday	Friday
Thursday	Monday
Friday	Tuesday
Saturday	No surrender
Sunday	No surrender

For more information see the EMS website www.ems.govt.nz or call the EMS Support Team on 04 460 2236.

Retrospective grants forbidden

The Department is aware that some societies are communicating (for example on their websites) that they are prepared to make retrospective grants in some circumstances.

Regulation 16(e) of the Gambling (Class 4 Net Proceeds) Regulations 2004 strictly prohibits the making of a grant to reimburse money already spent by a grant applicant, in other words, retrospective grants.

The regulation is designed to protect the integrity of the grants process and prevent undue financial pressure that could be placed on both parties deriving from debts.

Some examples of prohibited retrospective grants could include:

- Approving a grant for air fares, travel or accommodation already booked and paid for
- Approving grants on the basis of receipts instead of competitive quotes
- Any instance where the society knows, or reasonably should have known, the money asked for had already been spent.

The Department urges societies not to create the impression they can make retrospective grants and reserves the right to investigate any instances of retrospective granting it becomes aware of.

Gambits' Editor is Trevor Henry.

If you have any questions about articles in Gambits, would like further information or have comments about what information we could provide to make Gambits more useful to you, please contact: Trevor Henry

Ph: (04) 495 7211 or 0275 843 679 E-mail: trevor.henry@dia.govt.nz

PUBS AND CLUBS

Inducements and incentives prohibited

The Department has written previously in *Gambits* about the impact of sections 113 and 118 and the prohibition of 'kickbacks'. These sections have an extremely serious function. They ensure the integrity of the grants process, protect the relationships and reputations of all stakeholders and prevent corruption.

Recently, we have become aware of anecdotal examples of key persons offering or asking for inducements or incentives. These have included:

- Trusts expecting something back from recipients for substantial grants, such as naming rights
- Trusts offering benefits/incentives to venue operators e.g. increased venue expenses
- Trusts mandating the way grant recipients must thank them or expecting acknowledgment of a grant as a right
- Potential grant recipients offering naming rights or other advertising when making their grant application to sweeten the deal
- Venues threatening to go to other trusts if they do not receive increased venue expenses.

Sections 113 and 118 oblige grant recipients, key persons of venues and of societies to conduct their interconnected relationships with the utmost integrity. Class 4 key persons must not gain or offer any benefits, with

conditions attached, to or from other key persons or grant recipients. Key persons of venues must not offer certain goods and services to societies or society key persons, and they must have no role in the grants process. The operation of Class 4 gambling in New Zealand is intended to benefit only grant recipients through charitable grants and the consumers through entertainment. No other tangible benefits are meant to accrue to any party aside from the return of actual, reasonable and necessary expenses of operation.

No conditions of any type should be attached to the provision of authorised purposes funds or justified expenses. This could include, for example, directing a grant recipient on how a trust is to be thanked, acknowledged or advertised.

The Department will take any breaches of these sections very seriously and has the ability to prosecute. If any person has concerns about possible breaches, they should contact the Department as soon as possible.

All Gambling Compliance staff can be contacted by phoning the Department's tollfree number

0800 257 887

Venue expense limits - further guidance

The Department is concerned that some societies, in setting their venue payments methodologies, may not be correctly applying the requirements with due regard to the spirit or intent of the law. Here are some general comments in response to recent issues/queries:

Minimum return to AP and turnover

The requirement to return 37.12 per cent to authorised purposes is a requirement for societies and is not automatically a requirement for individual venues. While a busy venue may incur higher costs, the venue payment must be based only on actual reasonable and necessary costs. **It cannot** be based on turnover or profit from the machines. Any venue payment methodology suggesting the level of payment of venue expenses depends on a rate of turnover is an unlawful commission-based payment (section 115 of the Act).

Duty to minimise expenses

The Department is aware some societies are encouraging venues to 'sign up' with them with the incentive of 'maximum' venue payments from the operation of Class 4 gambling. The operation of gambling machines is not intended to benefit commercial venues in any material way. Expenses paid must be the minimum amount necessary to operate the machines for a given period and nothing more. Any factors used to determine the level of venue expenses other than what is actual, reasonable and necessary will invite scrutiny.

Back payment

Back payment of venue expenses implies the payment was not necessary in order for the venue to manage its

expenses in the period. The Department recommends against any back payment in all but exceptional circumstances, such as a genuine error in payment.

Limit D 16 per cent

This 16 per cent limit on expenses constitutes a maximum and is not a benchmark or starting point. Expenses must be actual, reasonable and necessary. Any society that appears to be paying venues blanket expenses up to this limit will be scrutinised carefully. The Department wrote to societies recently stating that they will be expected to recover any overpayments. In the New Year the Department will be asking societies for the percentage payment of expenses between 1 December 2005 and 30 November 2006.

Venue expenses and harm prevention and minimisation costs/training

Harm prevention and minimisation costs generally fall into the category of labour costs. Societies can reimburse costs incurred as a result of fulfilling harm prevention and minimisation statutory requirements of the Gambling Act as part of this category. The labour cost component of the limits was based on an analysis of actual current costs. A margin of 50 per cent above the benchmarked cost was added to allow flexibility for items such as additional harm prevention and minimisation costs.

'Casino' branding prohibited

Societies and venue operators are reminded that under section 121 of the Gambling Act 2003 they are not to use the word 'casino' or any other word or 'get up' that conveys the impression the venue is a casino and open to the public. Regardless of what activities are offered internally by a venue, what matters is the impression a reasonable bystander takes from the venue's appearance and the words and branding used to describe the venue.

MEDIA RELEASES

Gambling spending drops in 2005/06 year

8 December 2006

Statistics for 2005/06 show that New Zealanders' gambling spending has fallen below \$2 billion.

The Department of Internal Affairs' Gaming Policy Manager, John Markland, said that spending on the main forms of gambling fell by 2.5 per cent, from \$2.027 billion in 2004/05 to \$1.977 billion in 2005/06.

"The overall reduction is entirely the result of reduced player spending on non-casino gaming machines," Mr Markland said. "This is significant because we know that gaming machines are the most harmful form of gambling."

Overall spending in 2005/06 on gambling was made up of:

Gambling product	2005/06 Spending (Player Losses)	Increase / Decrease from 2004/05
Racing and sports betting	\$258m	+ 4.6%
Lotteries Commission products	\$321m	+ 14.7%
Casinos	\$493m	+ 4.4%
Non-casino gaming machines	\$906m	- 11.8%
Total spending	\$1.977 billion	- 2.5%

Mr Markland said that the 2005/06 non-casino gaming machine results are consistent with trends established in the previous year as a result of the smoke-free legislation that came into force on 10 December 2004.

"Spending on non-casino gaming machines increased until December 2004, before settling at a level below the equivalent 2003/04 figures. What we're seeing in 2005/06 is a full year of player expenditure at this reduced level, rather than a continued decline.

"Even so, 2005/06's non-casino gaming machine expenditure (\$906 million) is still double the amount players spent on pub and club machines in the year 1999/2000 (\$450 million)," Mr Markland noted.

Mr Markland said that the detail, accuracy and timeliness of the non-casino gaming machine expenditure statistics would be greatly enhanced from the end of March 2007, when all machines will be connected to a new electronic monitoring system.

The largest increase in spending was on Lotteries Commission products.

"This was in part a result of Big Wednesday's introduction," Mr Markland said. "Past experience has shown that expenditure on Lotteries Commission products increases when new products are offered, and generally settles over the following years."

Measures taken by casinos to mitigate the effects of the smoke-free legislation and rising interest in casino table games, particularly poker, were reasons identified by Mr Markland for the increase in player expenditure at casinos.

"In the meantime, though, trends in many gambling statistics, including the expenditure statistics and gaming machine numbers, look positive in terms of the objectives of the Gambling Act 2003, which include preventing and minimising gambling-related harm," Mr Markland said.

'Pokies' continue to decrease

20 October 2006

The number of gaming machines in New Zealand pubs and clubs continues to decline, according to the latest gambling licensing statistics released by the Department of Internal Affairs.

In the three months to September 30, 2006 licence holders declined 3 per cent on the June 06 quarter and by 10 per cent on the year ended September 30, 2006. There were 5 per cent fewer gaming machines over the same 12-month period.

Licensed gambling operations in pubs and clubs			
Date	Licence holders	Venues	Gaming machines
30 September 2006	481	1676	20,571
30 June 2006	496	1701	20,739
31 March 2006	513	1721	21,026
31 December 2005	526	1747	21,343
30 September 2005	535	1770	21,684
30 June 2005	553	1801	21,846
31 March 2005	568	1838	22,159
31 December 2004	584	1850	22,231
31 December 2003	672	2031	22,734
30 June 2003 ¹	699	2122	25,221

¹ Machine numbers peaked in the quarter before the Gambling Act was passed.

Further information, including numbers of venues and machines by territorial authority and the changes in these numbers, is available from the Department's website: www.dia.govt.nz

Male problem gamblers lose more money

21 September 2006

Men lose the most money when it comes to problem gambling, a Ministry of Health report shows.

The report, *Problem Gambling Intervention Services in New Zealand: 2005 Service-user statistics*, found men lost nearly \$200 more in the four weeks before assessment for help services than their female counterparts. The median amount lost by males was \$1000 compared to \$814 for females.

The figures also showed marked ethnic differences. The median amount lost by Asian people was \$4050 compared to an overall median of \$900.

The median amount that people lost jumped to \$900 in contrast to \$800 for the previous three years.

"We know most problem gamblers come from poorer communities and the loss of income for their families is significant. Often they struggle to pay their rent and have to use food banks. Some families have lost businesses and houses because of gambling debts," Ministry of Health spokeswoman, Arawhetu Peretini, said.

continued over...

MEDIA RELEASES

continued...

The Ministry of Health has a responsibility under the Gambling Act 2003 for a public health programme to prevent and minimise gambling harm. It funds a range of treatment services to support people and communities affected by gambling.

The *Problem Gambling Intervention Services in New Zealand: 2005 Service-user statistics report*, which is published annually, provides an overview of clients seeking help via the Gambling Helpline Ltd and face-to-face intervention services during 2005. It gives an insight into gambling-related harm, the type of gambling associated with it, and the help-seeking behaviour of problem gamblers and their significant others.

While New Zealanders continued to seek help for their own or someone else's problem gambling, the number of people using Ministry-funded specialist face-to-face intervention services dropped 15.8 per cent in 2005. There was also a 20.9 per cent decrease in the number of new clients using these services.

Arawhetu Peretini said the drop in numbers was possibly due to the impact of smokefree venues, regulatory measures to prevent and minimise gambling harm and increasing public awareness of gambling issues.

Two Ministry-funded screening projects are underway to train GPs and social service workers (eg budget advisors and Work and Income New Zealand staff) to identify people who may have a gambling-related problem or who may be at risk of gambling-related harm. The number of people being referred to problem gambling services is expected to increase as a result.

It is also anticipated that there will be a short to medium term increase in people seeking help when the media component of the social marketing campaign commences in 2007. In the longer-term, as public health and education initiatives take effect, there should be a decline in the numbers of people experiencing harm and people seeking help.

The 2005 national statistics also show that:

- Non-casino gaming machines were the primary form of problem gambling for the majority of gamblers using services, with 78.6 per cent of Helpline gamblers and 72.4 per cent of face-to-face gambler clients using

them. A majority of Māori females (95.4 per cent) cited electronic gaming machines (casino and non-casino) as their primary mode of problem gambling.

- The proportion of new clients citing casino based gambling as their primary mode increased from 2004 to 2005. From 2004 to 2005, the increase for Helpline and face-to-face clients was 10.8 to 13.5 per cent and 13.5 to 16.2 per cent respectively.
- Asian clients of face-to-face services were more likely than other ethnic groups to cite casino tables as their primary mode of problem gambling. About 64 per cent of Asian clients gambled at casino tables compared to New Zealand European/ Pakeha (3.3 per cent), Maori (1.3 per cent), and Pacific clients (3.1 per cent).
- The median amount lost by males in the four weeks before assessment was \$1000 compared to \$814 for females. Males accounted for 70 per cent of the money lost, despite making up just 55.4 per cent of face-to-face clients.
- The median amount lost by Pacific clients was \$600 and by Maori clients, \$700.
- The number of people seeking help from face-to-face intervention services dropped 15.8 per cent on the previous year from 4761 to 4010.
- The number of new clients of face-to-face services decreased 20.9 per cent compared to the previous year, from 3431 to 2714.
- About 12 per cent of problem gamblers sought help for their problem gambling and the Ministry is undertaking research to look at the barriers to seeking help and how problem gambling can be picked up earlier.
- The majority of follow-up clients (87.3 per cent) reported losing less money in the four weeks prior to follow-up than in the four weeks prior to initial assessment and 70.5 per cent of follow-up clients reported an improvement in their sense of control.

If you are concerned about someone who may have gambling problems, you can approach the following services for advice:

- Face-to-face problem gambling services, such as Problem Gambling Foundation or Oasis
- Helplines such as Gambling Helpline (0800 654 654).

Former venue operator jailed

17 November 2006

A former gaming machine venue operator has been jailed after the Department of Internal Affairs prosecuted him for theft and other offences involving over \$138,000.

Judge Josephine Bouchier, in the Auckland District Court, sentenced Donald Russell Jones, aged 63, company director, of Northcote, to 20 months imprisonment on six charges involving theft by a person in a special relationship and dishonestly using a document. On a seventh charge of failing to bank gaming machine profits Jones was convicted and discharged. He was granted leave to apply for home detention.

Jones owned "Sophie's" in Commerce Street, Auckland, where Scottwood Trust operated nine gaming machines, raising funds for community purposes. Jones failed to bank the gaming machine profits as required by the Gambling Act. He told an Internal Affairs gambling inspector that he had used the money to support his business and pay his employees. Jones has failed to repay any of the money involved.

The Director of Gambling Compliance at the Department of Internal Affairs, Mike Hill, said the Trust and ultimately the community were the victims in this case, losing out on money destined to benefit a range of causes.

"The banking charge and the convictions for theft by a person in a special relationship reinforces the legal obligations between venue operators and societies licensed to operate gaming machines," Mike Hill said.

"Gaming machine proceeds must be banked within five working days of calculation. The venue agreement stated that the venue operator would not do anything that is inconsistent with the ownership rights of Scottwood Trust."

Keith Manch

Deputy Secretary, Regulation and Compliance Branch
The Branch encompasses all the roles where the Department is, in effect, the regulator of a sector of the economy. In addition to gambling, this includes censorship compliance, local government services, fire service policy, identity services policy and civil defence and emergency management policy.

John Markland

Manager Gambling, Racing and Censorship Policy
This team is responsible for policy advice to the Government, especially in relation to Acts and Regulations.

Mike Hill

Director Gambling Compliance
This position is responsible for the Inspectors and other staff working with the gambling sector to bring about compliance with the law.

Kate Reid

Manager Operational Policy
Operational policy provides support and advice to the Gambling Inspectors and other staff working in the sector developing the Department's policies about how the law will be turned into the work done in the field, setting standards and testing requirements for gambling equipment.

GAMBLING COMPLIANCE KEY CONTACTS

0800 257 887

Gregory Crott

National Manager Licensing and Compliance
This unit is responsible for licensing and compliance of all gambling outside casinos. This includes gaming machines in pubs and clubs, lotteries, housie and other games of chance.

Debbie Despard

National Manager Casino Compliance
The Department has Gambling Inspectors working in each of the country's six casinos. They carry out audits, ensure ongoing suitability of casino staff, investigate incidents and gamblers' complaints and ensure that the casinos comply with the Gambling Act.

Geoff Owen

Manager Investigations Unit
The Investigations Unit is responsible for undertaking significant (complex, cross group, lengthy and sensitive) investigation projects involving criminal, legal and financial issues related to the governance and operation of gaming sector people and organisations. It also provides expertise and support to investigations and audits across the group.

CONTACTS

All gambling compliance staff can be contacted by phoning the Department's tollfree number

0800 257 887

E-mail: gaming.licensing@dia.govt.nz

Web: www.dia.govt.nz

Postal address and fax numbers:

CASINO COMPLIANCE

PO Box 805, Wellington, Fax: (04) 494 0562

GAMBLING LICENSING

PO Box 10-095, Wellington, Fax: (04) 494 0656

GAMBLING COMPLIANCE

Auckland

PO Box 2220, Auckland, Fax: (09) 362 7945

Wellington

PO Box 10-095, Wellington, Fax: (04) 495 7214

Christchurch

PO Box 1308, Christchurch, Fax: (03) 353 8309

GAMBITS

The Department of Internal Affairs produces Gambits quarterly. Copies are distributed in March, June, September and December.

Gambits provides information about the Department's recent work and significant issues in the gambling sector.

It is intended for sector organisations and the community in general, to increase understanding of and compliance with the law.

Editor: Trevor Henry

Telephone: (04) 495 7211, 0275 843 679

E-mail: trevor.henry@dia.govt.nz

Do you want to receive Departmental media releases and Gambits?

If you would like to have your organisation added to the Department's distribution list for media releases about gambling issues, or want to receive Gambits but are not currently on the mailing list, please fill out this form and return it, or e-mail the information to:

Department of Internal Affairs, PO Box 805, Wellington. Communications Advisor Trevor Henry, telephone (04) 495 7211, fax (04) 495 7224, e-mail trevor.henry@dia.govt.nz

Organisation name: _____

Contact person: _____

Media releases: _____

e-mail: _____

Gambits postal address: _____

