

## Pokie operators must heed the community

Internal Affairs Minister, Rick Barker warned gaming machine operators they must listen to community concerns about the way funds are distributed.

Opening the New Zealand Gaming Expo in Auckland, Mr Barker said gaming machine societies were expected to be very transparent about their activities and must justify their priorities and grant decisions to the community.

Recalling a recent case of a gaming society allocating funds to racing, Mr Barker said the society had not acted illegally but appeared reluctant to assume public responsibility for the decisions it has made.

"The press reports I have seen manage to convey the impression that the Department 'approved' the distribution of these funds," Mr Barker said.

"The Department of Internal Affairs did not. Its role is simply to ensure that gaming machine proceeds are distributed to authorised purposes. It is up to gaming machine societies to decide where funds go and then to be accountable for those decisions.

"The purpose of the Gambling Act is to ensure that the community benefits from the proceeds of gambling, that gambling harm is prevented and minimised and that responsible gambling is facilitated.

"The community is our primary stakeholder group and communities receive far more money from these machines now than they did only a few years ago. However, the future of Class 4 gambling depends on maintaining a balance between the provision of gambling for community fundraising purposes and

ensuring that any harm resulting from that gambling is prevented and minimised."

Mr Barker said he expected the Department to be a strong and effective regulator of the gambling industry and all those involved in the sector to work to achieve positive community outcomes.

"We all need to work together to effectively reduce gambling related harm. Coordinated action of this kind benefits both the wider community and the long term viability of the sector.

"Gambling operators, for example, should be responsible corporate citizens who operate on the principle 'first do no harm', are aware of the social impact of gambling and take steps to enhance the safety of their operations.

"I have been disappointed to see instances where a legalistic approach is taken to meeting responsibilities, with societies acting in ways that can only be described as self serving.

"While it is imperative that the legal requirements outlined in the Act are met, societies are expected to recognise the Act's objectives in their decision making, both in terms of their day-to-day operations and in their planning for the future. Harm prevention and minimisation, and maximising community benefits should be the ultimate goal," Mr Barker said.

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available on [www.dia.govt.nz](http://www.dia.govt.nz)

**ALL GAMBLING**

## Achieving compliance with the Act

The Department's approach to achieving the purposes of the Gambling Act 2003 was discussed by Gambling Compliance Director, Mike Hill, at the recent international gambling conference in Auckland.

"We are moving beyond a focus on overall compliance with the prescriptive requirements of the Act to, and including, an overall commitment to achieve the Act's purposes," Mike Hill said.

"Gambling operators must take more ownership and accountability for making gambling safer and there will need to be greater community engagement by key stakeholders."

He reminded the conference of the purposes of the Act:

- Prevent and minimise harm caused by gambling
- Ensure the integrity and fairness of games
- Limit opportunities for crime and dishonesty
- Ensure money benefits the community
- Facilitate responsible gambling
- Facilitate community involvement in decisions about the provision of gambling
- Control the growth of gambling.

The Department works for safer communities by ensuring that gambling is operated with integrity, gambling related harm is prevented and minimised, and gambling related crime is prevented.

"Overall we want to ensure that the benefits of gambling outweigh the costs and communities are engaged, empowered and informed about gambling," he said.

"The new structure (see pg 3) being implemented in the gambling compliance group will better achieve these community safety and integrity outcomes.

"We are already working with wider community groups to achieve these goals and we will be doing more of this in the future. We will be more strategic about intervening in gambling operations nationally and at a community level and make compliance decisions that reflect the best safety outcomes for that community.

"We will involve both gambling operators and service providers in our field work to build understanding around harm prevention expectations and we will apply a balanced compliance model that addresses both national and local community gambling risks.

"This year we will start to profile communities to better understand factors that underpin gambling crime, harm and integrity issues. We will identify key gambling stakeholders in that community such as Maori, health providers, local authorities, gambling operators and service providers.

"Building an understanding around gambling issues at the community level will help us assess the degree of compliance with the Act and gauge an overall assessment of gambling safety in that community.

"Gambling operators will need to better understand the community and safety risks associated with their gambling operation, which they must ensure is free from harm, crime and operated with integrity.

"By understanding the community issues around gambling safety and integrity we can work together to achieve the outcomes sought in the Act and help to ensure that the benefits of gambling do outweigh the costs."

### GAMBLING COMPLIANCE KEY CONTACTS

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## Gambling Compliance Group services review

The restructuring of the Gambling Compliance Group (GCG) will better position the Department to achieve the safety and integrity requirements of the Gambling Act. Engaging with key stakeholders will be vital to this and, by using the breadth of skills available in the group across the entire gambling sector, the Department will be able to take a more holistic view of gambling.

The profile of national licensing, seen as the compliance 'gatekeeper', has been raised to a stand-alone unit and the Department is looking to technology to improve the licensing system.

Debbie Despard, formerly National Casino Manager, has been appointed National Manager Compliance. Kevin Owen, formerly Southern Regional Manager Gambling Compliance, has been appointed National Operations Manager Compliance and Dennis Petersen, formerly Casinos Southern Regional Manager, will now be Regional Manager Compliance Southern. They assumed their new roles on 3 March. Michael Cassidy has been confirmed as National Manager Gaming Technology. Other appointments will be made in coming weeks and the Department aims to have the new structure fully in place by 1 July.

Compliance activity will be informed by a broader view of what is driving different behaviours in the sector and decisions will support a clearer focus on making local communities free from gambling related harm and crime. The Department will also maintain integrity around gambling operations by focusing compliance efforts on managing technical gaming standards and ensuring gambling operators comply with the Act.

Underlying the review is a determination to provide strong and collaborative leadership and management, ensure national consistency but local solutions and best practice in regulating gambling, achieve efficiencies and demonstrate value-for-money in our approach.

### Summary of management roles:

**The National Manager Compliance** will develop and implement an integrated compliance strategy as well as deliver the compliance and audit services for GCG.

**The National Manager Licensing** will champion a new electronic licensing regime and be responsible for Class 4 Licensing including decisions around the issuing, suspension or cancellation of licences.

**The National Manager Gaming Technology** will position the Department's technical gaming capability at the forefront of emerging gaming technologies as well as manage the technical gaming resources nationally. This position will oversee technical integrity of gaming issues across casino and all other classes of gambling.

**The National Manager Operational Policy** will exercise a strategic focus across GCG both around operational policy requirements and new business improvement initiatives.

**The National Manager Investigations** will have an overview of the more serious investigations within the GCG and particularly those that are likely to end up with a defended District or High Court trial or likely to attract high media interest.

**The National Advisor Performance Assurance** will ensure that GCG is achieving both its strategic objectives (short and long-term) and its business goals.

**The Operations Manager's** primary focus will be to work with the National Manager Compliance and the Regional Managers to develop and establish an integrated gaming compliance team nationally.

**The Regional Managers** report to the National Compliance Manager and will work closely with the Operations Manager. They will be responsible and accountable for the overall performance of their region including stakeholder management.

## ALL GAMBLING

# Host responsibility programme sets new standard

SkyCity Auckland Casino's amended Responsible Gambling Programme (RGP) sets a new standard. The programme was amended by the Gambling Commission and notified last December. It sets the agenda for the pending reviews of the remaining five New Zealand casinos' programmes. The RGP is based on the key requirements of the Gambling Act 2003 and best available evidence.

Licence conditions require casinos to have responsible gambling programmes. SkyCity's RGP was the first to be examined by the Commission after it specified new requirements in a review of all casino licence conditions.

The Commission consulted widely including SkyCity, the Department of Internal Affairs, the Ministry of Health, the Problem Gambling Foundation, Gambling Helpline, Te Herenga Waka O Te Ora Whanau, the Salvation Army and the Auckland University Centre for Gambling Studies. In addition the Commission retained Dr Paul Delfabbro, Associate Professor at the School of Psychology, University of Adelaide, to provide the Commission with expert advice on the RGP with particular emphasis on problem gambler identification.

The RGP is a robust, comprehensive programme containing clear, actual, observable and measurable requirements, whilst still allowing the casino flexibility in implementation.

Key drivers for the Commission's review of the RGP were two events that demonstrated deficiencies in current programmes - the failures of Dunedin Casino and SkyCity Auckland to identify Christine Keenan and Patrick Jackson respectively as problem gamblers (*see Gambits December 06 and June 07*). Consequently the Commission required the RGP to contain clear indicators of problem gambling, including an emphasis on frequency of play and expenditure.

SkyCity's RGP includes:

- **Internal culture and competencies** – ensuring casino employees are screened for and assisted with any personal problem gambling issues
- **External stakeholder engagement** – ensuring SkyCity continues to facilitate and convene stakeholder forums, in particular the Auckland Host Responsibility Community Liaison Group
- **Preventing gambling-related harm** – addressing environmental design, safe gambling environments, responsible marketing and provision of information for customers

- **Minimising harm** – addressing learning and professional development for casino employees, identification of problem gamblers (in a separate policy document appended to the RGP), exclusions, gambling limitation programmes, responsible alcohol service, unattended children, minors and standards of dress and behaviour
- **Monitoring and reporting** – requiring both quantitative and qualitative information gathering, analysis and reporting. For example, SkyCity will need to seek feedback from customers and casino employees on how effective they consider relevant parts of the RGP have been.

Appended to the RGP is a separate Problem Gambler Identification Policy. This includes:

- Indicators to be considered in identifying whether a customer is at risk and the magnitude of that risk. These include strong and general indicators related to intensity and frequency of play, emotional disturbance, social dysfunction and excessive access to money
- Primary sources of information to be used to identify problem gamblers, including customer disclosure (forthright and veiled), behavioural observations, customer play information, third party disclosures (e.g. from family or whanau) and interviews with customers and staff
- How information is used to assess whether someone is an actual or potential problem gambler and what action is to be taken
- Record keeping.

As a whole, SkyCity's RGP is a comprehensive programme that breaks new ground particularly in the area of identifying problem gamblers and monitoring the outcomes and effects of the programme.

The RGP took effect on 17 December 2007 and SkyCity is due to deliver its first six monthly report by June 2008.

The complete Commission decision and RGP is on the Commission website at: [www.gamblingcom.govt.nz/GCwebsite.nsf/Files/Decision103/\\$file/DecisionGC2407.pdf](http://www.gamblingcom.govt.nz/GCwebsite.nsf/Files/Decision103/$file/DecisionGC2407.pdf)

## New fees under the Gambling Act 2003

The Government approved regulations to amend fees under the Gambling Act 2003. The new fees took effect on 1 February 2008. Application forms on the Department's website, [www.dia.govt.nz](http://www.dia.govt.nz), have been updated. It is important that societies and clubs use the latest version when submitting an application. Each time a form is used it is best that it is downloaded from our website rather than rely on old copies that could contain outdated information.

The old fees were set in 2004 before much of the Gambling Act came into force. The new fees are based on actual experience and more fully reflect the time and resources the

Internal Affairs Department employs to meet responsibilities under the Act. They also take into account cost increases in the support and service areas.

The new fees provide greater certainty for the sector. Following submissions during consultation on the fees review, the position will be reviewed in 2010 to ensure the process is on track.

All fees associated with the regulation of gambling have been consolidated into this single set of regulations.

The new fees are as set out in the attached table:

PRODUCT/SERVICE	NEW FEE \$ (GST INCL.)	PRODUCT/SERVICE	NEW FEE \$ (GST INCL.)
<b>CLASS 3 OPERATOR LICENCE</b>		<b>CERTIFICATE OF APPROVAL</b>	328
New or renewal (prizes not exceeding \$50,000)	100	<b>CASINO OPERATOR'S LICENCE</b>	
New or renewal (prizes exceed \$50,000 and all housie)	707	New	340,000
Amendment	344	Amendment	1,000
		Temporary authority	23,000
<b>CLASS 4 OPERATOR LICENCE</b>		<b>CASINO VENUE AGREEMENT</b>	
New (Clubs, NZ Racing Board, racing clubs)	4,068	New (including change of licensed operator)	23,000
(Other societies)	4,068	Amendment	1,000
Amendment (Key Person)	636		
Notification (Key Person)	636	<b>ASSOCIATED PERSON</b>	330
Amendment (Other)	254	<b>Appeal Fees – Filing</b>	250
Notification (Other)	254	1 day hearing fee	450
Renewal (Clubs, NZ Racing Board, racing clubs)	1,271	Half day and part half day hearing (after first day)	450
(Other societies)	2,543		
<b>CLASS 4 OPERATOR'S ANNUAL COMPLIANCE FEE</b>		<b>CASINO OPERATOR'S ANNUAL FEE – FIRST 12 MONTH PERIOD</b>	
(Other societies)	4,063	Sky City Auckland Casino	3,006,474
		Sky City Hamilton Casino	764,062
<b>CLASS 4 VENUE LICENCE</b>		Christchurch Casino	1,307,047
New (Clubs, NZ Racing Board, racing clubs)	763	Dunedin Casino	570,000
(Other societies)	1,017	Sky City Queenstown Casino	237,877
Amendment	254	Wharf Casino (Queenstown)	222,287
Notification (Key Person)	636		
Notification (Other)	254	<b>CASINO OPERATOR'S ANNUAL FEE – SUBSEQUENT 12 MONTH PERIODS</b>	
Renewal (Clubs, NZ Racing Board, racing clubs)	127	Sky City Auckland Casino	2,894,927
(Other societies)	191	Sky City Hamilton Casino	733,513
<b>CLASS 4 VENUE ANNUAL COMPLIANCE FEE (PER MACHINE)</b>	425	Christchurch Casino	1,253,045
<b>EMS Fee</b> (per machine per day)	1.35	Dunedin Casino	556,895
		Sky City Queenstown Casino	237,824
<b>LICENSED PROMOTER LICENCE</b>		Wharf Casino (Queenstown)	221,434
New or renewal	1,375	<b>MONTHLY PENALTY FOR NON-PAYMENT OF CASINO OPERATOR'S ANNUAL FEE</b>	5%
Temporary authority	100		

## ALL GAMBLING

### Department opens Queenstown office

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The Department has opened a new office for its Queenstown gambling inspectors. They previously had offices in the SkyCity and Wharf casinos but can now be found at Level 3 of the Hamilton Building, 53-57 Shotover Street.

National Compliance Manager, Debbie Despard, says the move makes the inspectors more accessible to the public and emphasises their independence from the casinos.

“The move is part of our strategy to ensure there’s a clear separation between gambling operators and

the regulator. It also contributes to our work with communities, other agencies and the gambling sector to promote safer environments where gambling is operated with integrity, gambling related harm is prevented and minimised and gambling related crime is prevented,” Debbie Despard said.

### Popups reminder

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The Gambling (Harm Prevention and Minimisation) Regulations 2004 require machines to have a design feature that interrupts play at irregular intervals, not exceeding 30 minutes of continuous play and informs the player of the duration of their session of play, the amount of money the player has spent as well as their net wins and net losses. Gaming machines must also display the current time while they are in use.

All Electronic Gaming Machines (EGMs) in casinos and Class 4 venues must be running Player Information Displays (PIDs) from **1 July 2009**. Analysis of EGMs in the Class 4 area shows that in January 2008 only 23 per cent of the 20,000-plus machines in use were running PIDs.

The Department reminds gambling operators to ensure that PID planning is in place as soon as possible and encourages them to work closely with EGM manufacturers to ensure that the 1 July 2009 deadline is achieved.

### AGMMA Gaming Expo

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The Department’s Gambling Compliance Group (GCG) had strong representation at the 2008 AGMMA New Zealand Gaming Expo held in the SkyCity Convention Centre, Auckland. It took an exhibitor stand, enabling delegates and other exhibitors to discuss industry issues face-to-face.

The Department and Intralot ran a joint presentation on the EMS system – one year old this month – including a Q&A/feedback session, attended by about 40 delegates. Main areas of interest included new EMS report requests and methods of downloading EMS data from the website, the possible impact of introducing the

QCOM 1.6 protocol, harm minimisation issues and revision of the Game Rules. Delegate feedback was overwhelmingly positive.

The Department’s Gambling Compliance Director, Mike Hill, took part in the “Hot Topics” gaming industry debate.

## Download EMS reports before they're archived

Intralot will be archiving old reports from the EMS website from 1 June 2008 under its contract with the Department. From this date daily reports will be archived after a month and weekly and monthly reports after three months.

Once a report has been archived from the website it will be available only by direct request and on payment of

a fee to Intralot. Details of how to request reports and payment terms will be available in the help area of the EMS website or by calling the EMS Help Desk directly.

In order to avoid incurring retrieval fees it is recommended that after accessing their reports societies and clubs store them either as hardcopy or in their own systems.

Access to current reports will not be affected by the move – only daily reports more than a month old and weekly/monthly reports more than three months old.

### Class 4 Information Project update

The Department has been considering how better to collect and publish information useful for policy development from Class 4 gambling operators. The Department is in the final stages of preparing a report with recommendations for a long-term approach to consistent information gathering.

In the interim, the Department proposes to repeat the 'Where do Gaming Machine Profits Go?' survey, last conducted in 2005. As with that survey, information will be requested from operators under section 365 of the Gambling Act. The new survey will be for the year 1 July 2008 to 30 June 2009. We will be in touch shortly regarding the information required and the format for providing it.

### Jackpot systems standard rethink

The Department has considered its position on the proposed minimum equipment standards for jackpot systems following its own investigations and information from submissions.

The short timeframe for complying with the standards by 1 July 2009 raised a number of concerns, including issues of harm minimisation, timing and costs. As there is no ready solution available to the issues raised, the Department considers it would be unreasonable and impractical to proceed with the proposed standard.

The Department will now develop and discuss ways of mitigating the identified issues that are sustainable in the long term. In the meantime the Department will not mandate the use of downloadable jackpots as proposed in the consultation document for Class 4 jackpot systems.

## PUBS AND CLUBS

### Need for caution

Gambling venues should take care when contemplating introducing new activities that could constitute gambling (see *Gambits June 2007*).

The Department is aware of unapproved machines being introduced to venues that have turned out to be 'gaming machines'.

This means that the venue is operating illegal gambling, the penalty for which is up to a year's prison or a \$20,000 fine for an individual or \$50,000 for a body corporate.

We urge caution and would not want to see venues prosecuted for operating illegal gambling under these circumstances.

### Banking failures lead to closures

A Christchurch bar has had to close its gaming machine operation after the Gambling Commission upheld an Internal Affairs Department decision to cancel the venue licence for repeatedly failing to bank machine proceeds on time.

The Sand Bar and Restaurant of Ferrymead and venue manager, Robyn Legge-Hunt, suggested their licence could be suspended rather than cancelled but the Commission said there was no reason to think anything would change.

Gambling law requires gaming machine proceeds to be banked within five working days. The Department told the Commission there were 77 incidents since January 2004 of the Sand Bar failing to comply, including dishonoured cheques, banking of insufficient gaming machine proceeds (GMP) and late banking.

The Department said Sand Bar's financial position was the underlying cause of many of the late bankings.

"Given the habitual failure to bank gaming machine proceeds on time and the numerous dishonoured cheques, Sand Bar must have relied upon the GMP to conduct its business," the Department submitted.

The Department and the Lion Foundation, for whom the bar operated 16 machines, had warned the management repeatedly about late banking.

The Commission supported the Department's view that the bar and key people associated with the operation were unsuitable.

"On all the evidence before the Commission there is no reason to think that anything will change," the Commission said. "There is no proposal to change the unsuitable key persons. The appellants have been afforded every opportunity to comply with their banking requirements, but have failed consistently to do so. The fact that there were further breaches during the appeal process illustrates how unlikely any change is."

The Bellevue Gardens Hotel, Lower Hutt, was ordered to switch off its 14 gaming machines for five days because it repeatedly failed to bank pokie profits within the legally required five working days.

The bar operates the machines for the Lion Foundation and the venue licence was suspended from February 10 to February 14 inclusive.

Gambling Compliance Director, Mike Hill, said the venue manager failed on 52 occasions between October 2004 and July 2007 to bank gaming machine proceeds within the time specified under gambling law.

"It seems the venue's cash flow difficulties were behind the recurring breaches," Mike Hill said. "Since August 2007 there have been no further breaches and the Foundation accepts that if there are, then cancellation of the licence will follow."

## Bay Foundation loses licence

The Bay Foundation of Paihia has lost its licence to operate gaming machines under the Gambling Act 2003.

The Department of Internal Affairs declined to renew the licence after identifying several failings in a recent audit. The Gambling Commission dismissed the Foundation's appeal against that decision.

The Foundation is the third society to lose its licence since the Gambling Act took full effect in July 2004. It operated gaming machines at three venues in Rotorua, Mount Maunganui and Waipapakauri. Reasons for not renewing the licence included:

- Returning less than 23 per cent of gaming machine proceeds to authorised purposes – substantially

below the statutory minimum of 37.12 per cent

- Paying too much in venue costs
- Paying excessive amounts in management company fees and failing to supply supporting documentation
- The precarious nature of the Foundation's finances.

Gambling Compliance Director, Mike Hill, said the loss of licence is a reminder to all societies about their responsibilities under the Gambling Act.

"The societies exist to raise money for the community, benefiting a range of activities identified as authorised purposes under their licence conditions," Mike Hill said. "The law states what minimums they must meet in terms of returns to the community and how much can be claimed as expenses for their operations. These must be actual, reasonable and necessary and we scrutinise them carefully during audits."

## COURT CASES

### Nelson barman convicted

**5 February 2008**

A 39-year-old Nelson barman was sentenced to six months home detention, and ordered to pay \$77,000 in reparation for theft and failing to bank gaming machine profits.

Damian Richards pleaded guilty to a representative charge of theft by a person in a special relationship, and another of failing to bank gaming profits.

Richards was the venue manager of a bar operating gaming machines on behalf of the Trillian Trust, when he failed to bank a total of \$77,684.83 between 7 October 2004 and 30 June 2005.

During the investigation into the missing gaming machine profits Richards told the Department he had no idea where the missing money had gone.

Section 104 of the Gambling Act 2003 and the Gambling (Class 4 Banking) Regulations 2006 require all gaming machine profits from Class 4 gambling to be banked into a dedicated account at a registered bank within five working days of the profits being calculated.

### Guilty plea on S113 charges

**5 December 2007**

A former Lion Foundation general manager, Mark Forshaw, was discharged without conviction on the payment of \$200 costs after pleading guilty in the North Shore District Court to two charges under Section 113 of the Gambling Act.

The charges related to February-May 2005 when Forshaw was a key person of the Class 4 gaming machine society, Youthtown, and also the operator of a venue at which Youthtown operated gaming machines.

## MEDIA RELEASES

# Few people say they gamble regularly

29 February 2008

Most New Zealanders gamble at least occasionally, with Lotto and Instant Kiwi/scratchies the most popular large-scale activity, according to a new survey released today by the Department of Internal Affairs. Few people reported participating in the types of gambling considered most potentially harmful such as gaming machines and racing.

The Department has been surveying people's participation in, and attitudes to, gambling every five years since 1985. Figures from the latest survey, conducted in 2005, are almost invariably lower than in previous surveys.

The 2005 survey found that 66 per cent of respondents played Lotto at least once a year (75 per cent in 2000) and 37 per cent at least once a month (50 per cent in 2000). The corresponding figures for Instant Kiwi/scratchies were 41 per cent (48 per cent in 2000) and 18 per cent (23 per cent in 2000).

Very few people reported participating even once in the year before the survey in those forms of gambling considered most potentially harmful – 19 per cent for non-casino gaming machines, 14 per cent for betting on horse and dog races, 10 per cent for casino gaming machines, and 4 per cent for TAB sports betting and casino table games. Even fewer people reported participating in such gambling regularly. For example, only eight per cent of respondents said they played non-casino gaming machines once a month or more.

However, there were significant differences within the population, suggesting that some groups are far more likely to be harmed by gambling than others. For example:

- Maori played non-casino gaming machines more often than other ethnic groups, had longer sessions, spent more and were more likely to believe they had won or broken even overall (a belief that is almost certainly mistaken, given the way the machines are programmed)
- Men reported playing non-casino gaming machines more often, but women played for longer, spent more and were more likely to believe that they had won or broken even overall
- Players' average annual casino spending decreased by nine per cent in real terms between 2000 and 2005

but almost doubled for Pacific players, increased by 63 per cent for Maori and by 7 per cent for the Asian group.

Other results include:

- The length of a typical gambling session was generally short, with 92 per cent saying they played non-casino gaming machines for less than two hours on any day
- Fewer than one per cent reported gambling on the Internet, usually to place a bet with the TAB, a similar result to 2000
- More people believe heavy gambling is a problem – 90 per cent considered it a growing problem compared with 87 per cent who thought it was a problem in 2000 and 66 per cent in 1985
- More than half considered as socially undesirable internet-based gambling (68 per cent), non-casino gaming machines (64 per cent) and casinos (59 per cent), compared with 53 per cent, 45 per cent and 54 per cent respectively in 2000
- Most respondents (84 per cent) favoured gambling being run to raise money for worthy causes but this figure was down from between 92 per cent and 94 per cent previously
- When asked which of five types of organisations should distribute gambling profits, 49 per cent selected the Lottery Grants Board or similar, 48 per cent selected community representatives, 31 per cent selected the local council option, 16 per cent selected government departments, and only 13 per cent selected the people who operate gambling activities.

The report, *People's Participation in, and Attitudes to, Gambling, 1985 – 2005: Results of the 2005 Survey*, is available under Resources – Research and Reports at: [www.dia.govt.nz](http://www.dia.govt.nz)

## Gambling spend increased in 2006/07 year

18 December 2007

Statistics released today show New Zealanders' gambling spend is rising.

Releasing the annual gambling expenditure figures, the Department of Internal Affairs Gambling Policy Manager, John Markland, said that spending on the main forms of gambling increased by 2.2 per cent to \$2.020 billion in 2006/07, following a decrease to \$1.977 billion in 2005/06.

"The reversal is due largely to players spending five per cent more on pub and club pokies, the non-casino gaming machines," said Mr Markland. "This partly reverses the trend from the previous two years, when players spent less on these machines."

Overall spending in 2006/07 on gambling was made up of:

GAMBLING PRODUCT	2006/07 SPENDING (PLAYER LOSSES)	INCREASE/DECREASE FROM 2005/06
RACING AND SPORTS BETTING	\$269M	+ 4.2%
LOTTERIES COMMISSION PRODUCTS	\$331M	+ 3.0%
CASINOS	\$469M	- 4.7%
NON-CASINO GAMING MACHINES	\$950M	+ 5.0%
<b>TOTAL SPENDING</b>	<b>\$2.020 BILLION*</b>	<b>+ 2.2%</b>

\* Total is not the sum of the column due to rounding.

Mr Markland said that the non-casino gaming machine trend is consistent with overseas experience following the introduction of smoke-free legislation.

"Spending drops initially then creeps back up over a period of up to five years. Rates of growth, though, tend to remain below what they were before the ban."

### Funding for community groups, visit [www.dia.govt.nz](http://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.**

**MEDIA RELEASES**

## Kiwis have their say on gambling in New Zealand

**10 Dec 2007**

A benchmark report on New Zealanders' knowledge, views and experiences of gambling and gambling-related harm was released by Associate Health Minister, Damien O'Connor.

The 2006/07 Gaming and Betting Activities Survey, undertaken for the Health Sponsorship Council (HSC), is part of the Ministry of Health's response to problem gambling.

The survey of almost 2000 people provided a comprehensive snapshot of New Zealanders' views on gambling and showed that the current climate of opinion supports New Zealand's public health approach to addressing problem gambling and its wider impacts.

"New Zealanders believe that gambling harm is an issue to be addressed from an individual through to a community level. They can see a role for individuals, families and whanau, health and social services, government, gambling operators and the whole community," Mr O'Connor said.

"This kind of research is an important investment that will help inform future strategies and directions for public awareness campaigns, health services and community programmes around problem gambling."

The Minister said the results of the survey came at a time when the Ministry of Health has significantly revised the problem gambling services delivery framework.

The Ministry has introduced a new model for problem gambling services based on experience during the 2004-07 problem gambling levy period. The new model provides a more equitable basis on which to apply problem gambling levy funding, as well as providing improved service coverage.

An important feature of the new approach is an innovative monitoring and evaluation framework that focuses on the outcomes that problem gambling services achieve. The framework provides assurance of the quality and effectiveness of problem gambling services.

"The government is committed to providing quality services for problem gamblers and communities in general, to minimise the harms from problem gambling," Mr O'Connor said.

For a copy of the report:

<http://www.ourproblem.org.nz/research.html>

### Key findings

In the last 12 months:

- Around four out of five New Zealanders engaged in some form of gambling
- Thirty-five per cent of people said someone close to them had gambled at a harmful level
- Sixteen per cent of people said someone in their family or household had had to go without something they needed or bills were not paid because too much was spent on gambling
- Sixteen per cent of people had experienced family arguments about time or money spent on gambling
- Nine per cent of adults had spent more time or money gambling than they meant to.

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The majority of people share a view that some activities are more harmful than others, particularly gaming machines:

- Eighty-six per cent of people thought that some types of gambling were more likely to attract people into playing more often or for more money than they should; of these, around three-quarters said playing gaming machines was the activity that was more harmful than others.

Overall, people think that raising money through gambling does more harm than good:

- Fifty-one per cent of people said that raising money for the community from gambling does more harm than good; 28 per cent said it does more good than harm and 19 per cent said it does equal harm and good.

Knowledge about the harms of gambling is quite high, but understanding of the full range of harms is limited:

- Sixty-seven per cent of people thought they knew what the signs of harmful gambling (“when people gamble too much”) were for individuals; 90 per cent said they knew how it affects households, and 61 per cent said they knew how harmful gambling affects the community
- Of those people who knew the signs, most mentioned financial problems and debt, not paying household bills and expenses, crime and being obsessed with or addicted to gambling.

Knowledge about strategies to avoid problem gambling is reasonably good, but knowledge about things gambling operators can do is lower:

- Seventy-three per cent of adults could think of things people could do to avoid spending more time or money on gambling than they should
- Twenty-three per cent of adults could think of something gambling operators do to help players avoid gambling too much.

Awareness of services to help people with gambling problems is relatively high, but confidence in services could be higher:

- Sixty-four per cent of people said they could name an organisation they could direct someone to; the two most commonly mentioned services were an 0800 telephone line and Gamblers Anonymous
- Fifty-two per cent of people would be comfortable referring friends/family to help services.

People think advertising encourages more gambling, rather than just raising awareness of specific activities or venues:

- One-half (50 per cent) of people who had seen advertising for gambling activities or venues (56 per cent of those interviewed) thought it encourages more people to gamble or to gamble more often; 42 per cent thought it encourages gambling in general; and 39 per cent thought it just raises awareness of a specific activity or venue
- Almost nine out of ten (89 per cent) people think that, as with other products and services that can harm people, the timing and type of advertising of gambling activities should be limited.

The research was carried out by National Research Bureau Ltd for the HSC.

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The survey of almost 2000 people provided a comprehensive snapshot of New Zealanders’ views on gambling and showed that the current climate of opinion supports New Zealand’s public health approach to addressing problem gambling and its wider impacts.

## MEDIA RELEASES

# Spending on pokies up slightly

31 January 2008

Gaming machine expenditure in almost 1600 pubs and clubs around the country rose by just under one per cent to \$245.3 million in the three months to December 31, 2007 according to figures from the Department of Internal Affairs. This compares with \$243.5 million in the previous quarter.

The electronic monitoring of 20,000 non-casino gaming machines became fully operational last March, enabling the Department to track and monitor operations, ensuring the integrity of games and the accurate accounting of money.

The biggest spending areas in the December quarter were Auckland City with \$25.2 million (10.3 per cent of the total) from 1625 machines, Christchurch City \$23.6 million (9.6 per cent) from 1891 machines and Manukau City \$20.2 million (8.2 per cent) from 1014 machines.

Non-club venues accounted for 87 per cent of the expenditure at \$213.5 million, with chartered clubs registering 7.7 per cent (\$18.9 million), RSAs four per cent (\$9.9 million) and sports clubs (\$3 million) the remainder.

The December quarter gaming machine statistics fluctuated marginally on the previous quarter indicating that numbers have stabilised with the introduction of EMS. Licence holders dropped on the September 07 quarter, from 435 to 428, venues from 1593 to 1585, while gaming machines increased from 20,163 to 20,182.

### LICENSED GAMBLING OPERATIONS IN PUBS AND CLUBS

DATE	LICENCE HOLDERS	VENUES	GAMING MACHINES
31 DECEMBER 2007	428	1585	20,182
30 SEPTEMBER 2007	435	1593	20,163
30 JUNE 2007	439	1598	20,120
31 MARCH 2007	444	1607	20,302
31 DECEMBER 2006	476	1666	20,518
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 <sup>1</sup>	699	2122	25,221

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

The biggest spending area in the December quarter was Auckland City with \$25.2 million.

**GM SPENDING BY SOCIETY TYPE – OCTOBER TO SEPTEMBER 2007**

SOCIETY TYPE	TOTAL GMP QUARTER	% OF TOTAL
<b>NON-CLUB</b>	<b>\$ 213,470,510.65</b>	<b>87.0%</b>
SPORTS CLUBS	\$ 3,066,651.57	1.3%
CHARTERED CLUBS	\$ 18,893,043.74	7.7%
RSAs	\$ 9,861,119.97	4.0%
<b>TOTAL CLUB</b>	<b>\$ 31,820,815.28</b>	<b>13.0%</b>
<b>TOTAL ALL</b>	<b>\$ 245,291,325.93</b>	<b>100.0%</b>

Further information, including numbers of venues, machines and expenditure by territorial authority and changes in the quarter, is available from the Department's Gaming Statistics web page at: [www.dia.govt.nz](http://www.dia.govt.nz)

**GAMBLING ISSUES KEY CONTACTS****0800 257 887****Keith Manch**

Deputy Secretary, Regulation and Compliance Branch  
The Regulation and Compliance 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 and anti-spam compliance, local government services, fire service policy, identity services policy, civil defence and emergency management policy and crown entity monitoring functions. For the sake of simplicity, the functions outside the gambling sector are not included on this page.

For gambling regulation this includes the management of Gambling, Censorship and Racing Policy and Gambling Compliance.

**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. This policy team is in the same branch as the Gambling Inspectors and other Gambling Compliance staff. This means that policy and operational staff can benefit from each other's knowledge and experience.

**Mike Hil**

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. The Director works closely with the Manager Gambling, Racing and Censorship Policy so that there is a constant flow of information between the staff involved in applying the law and those who develop the law.

**Debbie Despard**

National Manager Compliance  
This position is primarily responsible for delivering compliance and audit services as well as developing and implementing an integrated compliance strategy.

**Geoff Owen (Acting)**

National Manager Licensing  
This position has prime responsibility for Class 4 Licensing, championing a new electronic licensing regime and management oversight of the Electronic Monitoring System contract with Intralot.

**Michael Cassidy**

National Manager Gaming Technology  
This position oversees the technical integrity of gaming issues across casino and all other classes of gambling.

**Appointment pending**

National Manager Operational Policy  
Operational policy provides support and advice to the Gambling Inspectors and other staff working in the sector. It develops standards, game rules and other "deemed regulations". In broad terms, its role is to develop the Department's policies about how the law will be turned into the work done in the field.

**Geoff Owen**

National Manager Investigations  
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 toll free number

**0800 257 887**

E-mail: [gaming.compliance@dia.govt.nz](mailto:gaming.compliance@dia.govt.nz)

Web: [www.dia.govt.nz](http://www.dia.govt.nz)

Postal address and fax numbers:

### CASINO COMPLIANCE

PO Box 805, Wellington, Fax: (04) 494 0624

### 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](mailto: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](mailto:trevor.henry@dia.govt.nz)

Organisation name: \_\_\_\_\_

Contact person: \_\_\_\_\_

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