

## Section 1: Introduction

The Department of Internal Affairs (the Department) conducted a survey of people's participation in, and attitudes to, gambling in April and May, 2005. The survey was based on similar surveys conducted by the Department in 1985, 1990, 1995 and 2000.

The market research company National Research Bureau (NRB) was commissioned to undertake the fieldwork and data processing. The questionnaire was developed by Internal Affairs, Research and Evaluation Services, in liaison with staff in Gaming, Racing and Censorship Policy, the Gambling Compliance Group and other relevant branches of the Department, as well as in association with other interested government agencies.

The questionnaire was based closely on questionnaires from previous surveys carried out by the Department in 1985 (Wither, 1987), 1990 (Christoffel, 1992), 1995 (Reid and Searle, 1996) and 2000 (Amey, 2001).

The 2005 survey was conducted to continue the quinquennial monitoring of public attitudes towards gambling, begun by the Department in 1985. The specific aims of the 2005 survey were to obtain information on:

- Current participation in gambling activities
- Aspects that promote and/or inhibit/deter participation in new and existing gambling activities
- Changes in gambling behaviour and attitudes to gambling over time
- Public awareness of council policies around gambling activities
- Public attitudes towards gambling, profit distribution, number of venues and advertising
- Public beliefs about problem gambling and gamblers' means of self regulation.

This report briefly describes the broad level trends and main results, relying on the reader to observe results of interest from the tables and figures provided. Only sizeable differences are mentioned in the cross-tabulated results (e.g. sizeable differences by sex, age, ethnicity). Sub-sections of cross-tabulations may not appear if there are no significant trends or discernible differences.

### ***The Gambling Act 2003 and other changes in gambling in the last five years***

The period between 2000 and 2005 saw the passing and coming into force of the *Gambling Act 2003 (the Act)*, which is, among other things, intended to control the growth of gambling and prevent and minimise the harm caused by gambling. *The Act* repealed the *Casino Control Act 1990* and the *Gaming and Lotteries Act 1977* and integrated them into a single Act. Race betting and sports-betting are largely administered under the *Racing Act 2003*, although aspects of the *Racing Act* are also aligned with *the Act*.

Under *the Act*, there are limits on the number of non-casino gaming machines permitted at any venue and there are strict criteria for licensing non-casino gaming machines, with territorial authorities having more control over how many gaming machines there are and where they are located. Every non-casino gaming machine was connected to a centralised electronic monitoring system (EMS) by 19 March 2007 to provide: information on the funds used to gamble; the number and location of gaming machines; faults with the machines; tampering

with gaming machines and suspected contraventions of *the Act*. Since *the Act* came into force, there has been a significant decline in the number of gaming machines licensed to operate in New Zealand.

Under *the Act*, no new casino venue licences will be issued in the future, and existing casinos cannot expand their casino gambling opportunities. However, an additional casino was established in the period between the last survey and *the Act* coming into force (Hamilton in 2002).

*The Act* specifically prohibits the provision of remote interactive gambling in New Zealand (including, for example, gambling via the internet, phone and text messaging). However, this does not apply to Lotteries Commission products, to gambling run by the New Zealand Racing Board under the Racing Act 2003 (betting on horse and dog races and sports events), and to one type of sales promotion. It is not illegal for New Zealanders to access overseas gambling through the internet.

2003 saw the introduction of SKYbet Racing through SKY and the TAB, which allows *participants* to place bets on the races while watching television. *Participants* with a TAB account that has a positive balance can bet using their remote control.

An amendment to the *Smoke-free Environments Act 1990* that came into force on 10 December 2004 required, among other things, that licensed premises (bars, restaurants, cafes, sports clubs, casinos) be smoke-free indoors. A significant association was found between problem gambling and daily cigarette smokers in *Problem Gambling in New Zealand: Analysis of the 2002/03 New Zealand Health Survey* (Ministry of Health, 2006). As might be expected, therefore, the amendment appears to have reduced the amount of money spent on gambling by smokers.

## 1.1 Methodology

The questionnaire used in this survey was based largely on the questionnaire used in previous surveys. New questions were developed in consultation with relevant interested parties within and outside the Department. The survey was carried out as face-to-face interviews with a randomly selected sample of 1,672 *respondents* aged 15 years and over in private households. This survey has a similar sample size to the previous survey and the first survey conducted (1,500 in 2000 and 1985) and more than in the remaining two surveys (1,200 in 1990 and 1995).

The fieldwork was carried out in April to May, 2005. Showcards were used for most of the questions in case the topic was considered sensitive by interviewees (e.g. personal income) and to better enable *respondents* to answer complex questions. The questionnaire and showcards are included in Appendix A.

The term *gaming* rather than *gambling* was used throughout most of the questionnaire, as some people may not consider some of the surveyed activities, such as buying Lotto tickets, to be gambling. This practice was continued from previous surveys in which the terminology worked in the desired way. In this report, however, the term gaming is used only to refer to gaming machines.

Results from the survey were re-weighted by age, sex and household size to be representative of the New Zealand population. The weighted results were cross-tabulated by respondent and household characteristics. These characteristics were sex, age, ethnicity, geographical location, personal and household income, occupation and highest educational attainment level. The way demographic information was analysed and reported on is described in the terminology and definitions section at the front of the report. In addition, results were cross-tabulated by the number of gambling activities *respondents* had participated in and the amount spent on gambling activities.

The Department of Internal Affairs has conducted a survey of Public Attitudes and Participation in Gaming/Gambling quinquennially since 1985. Much of the current survey questionnaire contains questions comparable to the previous questionnaires. Wherever possible past survey data are presented, although this is mainly for broad-level results.

### **Reported gambling expenditure**

The gambling expenditure data are based on the average annual reported spending for each gambling activity. This is calculated by cross-tabulating *respondents'* estimates of how often they participated in a gambling activity with their estimated average expenditure in an average day or typical session of that particular activity. These estimates have been used to provide a basis for comparison between the sub-populations (e.g. ethnic groups, age, sex) and also to show trends over time.

In some cases, expenditure has been adjusted using the Consumer Price Index to account for inflation and allow for a direct comparison with earlier surveys. While reported average session expenditure and reported average annual expenditure have been inflation adjusted, readers should be aware that *respondents'* average personal and household income brackets and reported session or daily activity expenditure (e.g. over \$10 a week on Lotto) have not been adjusted due to the need for comparison with earlier data sets that did not exist in a form that could be adjusted.

A few *respondents* reported spending that was significantly higher than average. This created distortions in the calculated averages. To avoid this distortion, the most extreme spenders have been excluded from the data reported on. In the previous surveys, they were *respondents* with a reported annual average expenditure of:

- \$87,360 in 1995 (or \$105,617 in 2005 adjusted terms)
- \$130,748 in 2000 (or \$147,119 in 2005 adjusted terms) of which \$104,000 (or \$117,000 in 2005 adjusted terms) was spent on horse or dog race betting.

In the 2005 survey, there were three *respondents* who were excluded from the data for their high spending:

- one respondent spent \$2,340,000 on horse or dog race betting, \$52,000 on sports-betting, \$26,000 on casino tables and \$20,800 on internet gambling
- another respondent spent \$106,600 on horse or dog race betting
- and a further respondent spent \$41,600 on sports-betting (only 69 *respondents* participated in sports-betting).

## 1.2 Limitations

Results from the survey were re-weighted by age, sex and household size to be representative of the New Zealand population. Percentages and/or weighted numbers described in this report may not add up due to rounding. Percentages for questions relating to income often do not total 100% because of the number of respondents that declined to answer questions relating to personal or household income.

The sampling error for a sample of 1,672 is 2.4% at the 95% confidence level. In theory, with a sample of 1,672, one can say with 95% certainty that the results have a statistical precision of plus or minus 2.4% percentage points of what they would be if the entire adult population had been surveyed with complete accuracy. Care should be taken when interpreting percentages that are not based on the total sample. Table 1.1 shows the margin of error for the main gambling activities discussed in this report.

**Table 1.1: Overview of margin of error for gambling activities**

Main gambling activities	Number of participants	Margin of error for 95% confidence
Lotto	1148	2.9%
Instant Kiwi	698	3.7%
Non-casino gaming machines	315	5.5%
Horse or dog race betting	250	6.2%
Casino	187	7.2%
Sports-betting	61	12.5%
Keno	52	13.6%
Housie	49	14.0%
All respondents	1,672	2.4%

The average gambling expenditure data are based on *respondents'* estimates of how often they participated in a gambling activity, along with their estimated average expenditure in an average day or typical session of that particular activity. While these data do provide a basis for comparison between the sub-populations and also show trends over time they are *estimates* and should be treated extremely cautiously.

The more regularly *participants* participated in a gambling activity and the higher the participation rate, the more accurate the reported average annual expenditure is likely to be (e.g. reported Lotto expenditure figures will tend to be a better predictor of actual expenditure than reported non-casino gaming machine expenditure).

There are several other possible sources of error common to all surveys. They include refusal to be interviewed (non-response), question wording and question order, interviewer bias, weighting by demographic control data and data entry errors.