

Frequently Asked Questions

The following questions and answers have been collated to help answer queries from gambling operators about recent legislative and regulatory changes.

Staff Training Requirements

Who pays for problem gambling awareness training?

The costs of staff training are deemed to be a venue expense associated with the gambling activities at the gambling venue. Costs are therefore to be borne by the venue licensees as part of the venue expenses regime (Limit C – operating costs).

Staff training costs cannot be designated as an authorised purpose.

It is envisaged that current venue expenses limits will adequately cover the costs of training requirements. Nevertheless, the Department will keep an eye on training costs in relation to the venue expenses regime. This will help us to identify whether change is required.

Which venue staff have to complete problem gambling awareness training?

The venue manager of a class 4 venue must complete the training. Class 4 venue licensees must also provide training to enough venue staff to ensure that there is always a trained person at the venue when gambling is available. For example, it might be appropriate to train all duty managers. The licensees themselves may provide the training or they may contract external training providers to do it for them.

What does someone who has been trained have to be able to do?

The minimum training requirements are relatively simple. The training should focus on giving staff the skills to safely carry out the following:

- **Approach a player** that the person has reasonable grounds to believe may be experiencing difficulties related to their gambling; and
- **Provide the player with information** about:
 - The characteristics or signs of problem gambling
 - The potential risks and consequences of problem gambling
 - How to access problem gambling services; and
- **Remind the player** that:
 - The venue manager may, if he or she believes on reasonable grounds that a person is a problem gambler, ban that person from the gambling area of the venue for up to two years; and
 - The player can identify themselves as a problem gambler and request that the venue manager or staff member exclude them from the gambling area of the venue for up to two years.

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Frequently Asked Questions, Continued

Exclusion Orders

What MUST a venue manager do in respect of self-exclusion orders?

A venue manager (or a person acting on his or her behalf) must promptly, after being requested, issue an exclusion order to a self-identified problem gambler.

If the person has not already received information relating to the exclusion procedure, the gambling provider should provide them with the following:

- The implications of the person applying for self-exclusion
- The benefits of self-exclusion
- The benefits of the person contacting support services
- Length of the exclusion period
- Area of the premises to be covered by the exclusion
- Any action that must be undertaken as a condition of re-entry to the venue, following expiry of the exclusion order.

It is important that informed consent is obtained by the self-identified problem gambler; i.e. that they fully understand the implications of an exclusion order.

What MUST a venue manager do in respect of an exclusion order?

Where a venue manager (or person acting on his or her behalf) has reasonable grounds to believe a person is an at risk gambler, or a likely problem gambler, the venue manager is required to approach the person and offer him/her information or advice about problem gambling.

The information must contain a description of the self-exclusion procedure and general advice on problem gambling. This may include the following:

- The implications of the person applying for self-exclusion
- The benefits of self-exclusion
- The benefits of the person contacting support services
- Length of the exclusion period
- Area of the premises to be covered by the exclusion
- Any action that must be undertaken as a condition of re-entry to the venue, following expiry of the exclusion order.

The gambling provider may become aware of the problem gambler through one of the following:

- Approach by a third party
- Observations by staff
- Approach by the individual concerned.

When the venue manager obtains such information (or someone acting on their behalf), it is their task to evaluate the indications of risk and to determine an appropriate course of action.

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Frequently Asked Questions, Continued

What should the venue manager do if the potential problem gambler refuses to self-exclude?

Venue managers MAY, after offering the above advice and information, issue an exclusion order to the person prohibiting that person from entering the **gambling area** of the class 4 venue or casino venue for up to two years (the period can be less). It is up to the venue manager to determine whether this is the appropriate course of action based on their observations of the person's gambling.

If observation reveals no grounds for an exclusion order to be issued, no further action is required of the venue manager.

What is the "gambling area" in a pub or club?

For pubs and clubs the Act defines the whole venue as the gambling area, unless the licence has been amended to specify a different gambling area.

The Department may add a condition to a venue licence specifying an area (or areas) within the venue as the gambling area(s). They would be the only area(s) in which gaming machines could be conducted (s. 70(2)(h)).

If a venue licence does not have this condition, the gambling area is the whole venue. This means that gamblers who have exclusion orders are excluded from the whole venue. If the venue is a hotel, a shopping mall, or has other facilities available, like a bar or sports facilities, an excluded gambler cannot enter or use the facilities in it.

Supervision of Gambling Areas

Why does the Department make an issue about supervision and access to gaming machine rooms?

The Gambling Act states that the Department cannot grant a licence (or an existing licence may be revoked) unless it is satisfied that the possibility of persons under the age of 18 gaining access to gambling is minimal.

The Act also requires the class 4 venue licensee to provide a statement with every venue licence application of how it proposes "to minimise the risks of problem gambling and underage gambling at the class 4 venue".

The Department will expect to see written procedures for the supervision of the gambling area, including for the identification and exclusion of minors. Such procedures should be venue-specific rather than common to all venues in the society, i.e. they need to take account of the primary business at the venue and the layout, staffing and security arrangements unique to each venue.

A check to ensure that these procedures are actively carried out in the venues will be included in routine venue inspections.

The Department will also need to consider what measures are in place to ensure that access to the gambling area is effectively supervised. Factors in this assessment will include, but are not limited to, whether:

- All doors/entrances into the gambling area are clearly visible from the bar or main work area of the site
- The gaming machines themselves are visible from the bar or main

work area

- There is a statutory means of restricting the access of minors to the venue, e.g. a liquor licence
- There is staff supervision inside the gambling area or at the doors/entrances
- There is good quality, functioning and continuously monitored closed circuit TV (CCTV) coverage of the gambling area.

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Frequently Asked Questions, Continued

Are CCTV cameras sufficient enough to fulfill supervision requirements?

None of the supervision factors listed above are determinative in themselves, but they will all give weight to the Department's assessment. The Department must not grant a class 4 venue licence unless it is satisfied that the possibility of persons under 18 gaining access to class 4 gambling at the venue is minimal. In the case of CCTV or staff supervision, the Department would also need to consider whether existing means of supervision are cost effective, or whether effective supervision could be achieved at less cost by other means, such as:

- Closing and locking a door (where this can be accomplished without breaching fire safety requirements)
- Installing an interior window in the gaming area
- Moving the machines so they are in view of staff
- Relocating the gambling area.

Unsuitable Venues

Why are some venues not considered suitable for gaming machines when they may have been in the past?

The Class 4 (Harm Prevention and Minimisation) Regulations 2004 now prohibit certain venues from operating as class 4 gambling venues.

Certain venues are declared automatically unsuitable because they are open to the general public and/or are not subject to certain harm minimisation controls. These include the following:

- Dairy or supermarket
- Fast-food outlet
- Office
- Private residence
- Sports stadium
- Circus, fair, amusement parlour, arcade or park, theme park or other similar venue
- Tent or marquee
- Vehicle, vessel, aircraft, trailer or other conveyance
- Footpath (whether or not undercover)
- Concourse area (whether or not enclosed)
- Internet-café, cyber café or any other venue at which the primary activity is electronic media (including games)
- Library, art gallery, museum, theatre, cinema, or other similar venue
- Place of worship.

For the remainder of venues, regulation 4 imposes a two-step test for determining the suitability of the venue. The first step of the test concerns the primary activity at the venue. A venue is judged unsuitable if its primary activity is something other than *onsite entertainment, recreation, or leisure*. The second requirement of the unsuitable venue test is that the primary activity at the venue is focused on persons aged 18 years and over.

Note: The Secretary must also be satisfied that the proposed venue is suitable in all other respects to be a class 4 venue (s. 67(1)(q)).

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Frequently Asked Questions, Continued

Website Requirements

What are the new website requirements for gambling operators?

Gambling operators are now required to maintain a website. This serves to make the grant application process more transparent and to ensure that prospective applicants are able to access application forms and contact societies responsible for distributing funds.

The website must contain the following information and features as a minimum:

- A grant application form that can be printed or downloaded as well as application details
- The licence holder's daytime contact telephone number
- The grants information that is required to be published under section 110(2) – (4) Gambling Act 2003 (see APPENDIX for publishing requirements).

Distribution of Net Proceeds

What is a net proceeds committee?

Gambling operators are required to establish at least one net proceeds committee to make decisions on the application or distribution of gambling net proceeds. Different committees may be established for specific reasons or districts, or for specific authorised purposes.

Can anyone be appointed to a net proceeds committee?

A committee must comprise at least 3 persons who are key persons in relation to the class 4 operator's licence. A key person is a trustee, an office holder (or other officer), chief executive, or other person who exercises significant influence in the management of a corporate society that is an applicant for, or holder of, a class 4 gambling operator's licence.

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Frequently Asked Questions, Continued

Authorised Purposes (continued)

What are authorised purposes?

The Gambling Act requires that gaming machine operators have explicitly stated “authorised purposes” for which they will make grants from their gaming machine profits.

Authorised purposes are defined under the Gambling Act 2003 as:

- Charitable purposes
- Non-commercial purposes that have community benefits
- Promoting, controlling and conducting race meetings.

Examples of the types of authorised purposes include:

- Education and training
- Religious grants
- Sports grants
- Community authorised purposes
- Cultural grants.

“No commercial gain”

It should be noted that nobody must make a direct commercial profit from any authorised purpose grant. Grants to individuals should therefore be avoided because they often constitute “personal gain” or a personal commercial profit.

Sometimes there is a legitimate “incidental” commercial benefit as an indirect result of an authorised purpose payment. For example, if producing an educational booklet were an authorised purpose, it would be legitimate to pay the printers as a necessary part of the production.

“Intended for charitable purposes”

Charity is helping people in need in the community. Typical recipients of charitable grants are the needy, i.e. poor, sick, disabled or elderly people. Grants to further public health, religion and education may also be considered charitable.

Wages and salaries

Wages and salaries may be eligible for authorised purpose grants where the employing body has an entirely non-commercial community or charitable purpose and provided that the payment of a wage is necessary to achieve the authorised purpose. For example, the payment of an amateur sports coach for specific short-term coaching courses may be an authorised purpose.

Wages and salaries of people involved in the gaming operation are not an authorised purpose. They must be claimed as an expense by the society.

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Frequently Asked Questions, Continued

Authorised Purposes (continued)

Travel outside New Zealand

Grants for New Zealand residents to travel outside New Zealand are allowable provided:

- The purpose of the travel is an authorised purpose (e.g. a genuine amateur sporting tournament);
- The travel expenses claimed are actual and reasonable.

Vehicles

Vehicles purchased with authorised purpose funds must be used for authorised purposes only and usually to assist in transporting needy people to hospital.

Social activities

Most events which are social in nature (parties, balls, sports supporters trips etc) are not authorised purposes. Provision and maintenance of facilities set up for provision of social activities are also not an authorised purpose.

Examples of social activities which are authorised purposes are:

- A Christmas party for children in hospital;
- A concert for the residents of an old people's home.

Promotion and advertising

Advertising is seldom an authorised purpose unless what is being promoted is entirely non-commercial and benefits the community.

The kinds of advertising or promotions which may be acceptable authorised purposes are:

- The promotion of public amenities such as parks or museums;
- Advertising for charitable appeals;
- Advertising for non-profit cultural events.

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Frequently Asked Questions, Continued

Problem Gambling Information

What kind of problem gambling information has to be provided at the gambling venue?

Class 4 venue licence holders are required to make pamphlets and signage available to players at the venue that include the following information:

Pamphlets:

- The odds of winning on gaming machines
- The characteristics of problem gambling (including the recognised signs of problem gambling)
- How to seek advice for problem gambling.

Signage:

- Statements encouraging players to gamble at levels they can afford
- Advice on how to seek assistance for problem gambling.

The pamphlets and signage should be made easily accessible to patrons, and pamphlets should also be available for gamblers to take away with them.

Jackpot Advertising and Branding

Why can't gambling venues advertise jackpots at gambling venues?

Jackpot advertising and branding restrictions have been introduced because of the risk that an increasing amount of people are influenced by the lure of gambling jackpots.

Some jackpots are more likely to strike once the accumulated amount nears the prize limit. These are known as "feeding frenzy" jackpots because people tend to bet more as the jackpot prize limit approaches. In some cases, groups of people "chase" jackpots from venue to venue.

All forms of jackpot advertising that are visible or audible to persons outside the gambling venue are prohibited. Making jackpot advertising invisible from the street is a feature that is designed to limit harm, given that many venues use visible advertising as a way to encourage passers-by to come in and play.

The jackpot branding restriction, introduced for similar reasons, ensures that that the word "jackpot" is not advertised in a way that explicitly or implicitly conveys the impression that there is a gaming machine jackpot at the venue. This includes, but is not limited to, the following:

- Radio
- Television
- Newspaper, Magazines and all other print media
- Internet
- Signage outside the venue

The jackpot advertising and branding provisions come into force on 1 October 2005.

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Frequently Asked Questions, Continued

Pop-up messages

Do all machines have to display the pop-up messages from 1 October 2005?

All **new** gaming machines purchased after 1 October 2005 must be pop-up enabled. A new gaming machine only refers to a gaming machine that is purchased for the first time. Therefore, second hand machines and machines that are being upgraded or retrofitted do not need to be PID (Pop-up Information Display) operable until 1 July 2009. If a new gaming machine is licensed after 1 October 2005 but bought before that date, the Department will need to be shown clear evidence that title passed before 1 October 2005.

How does the “end of session” mechanism work and how will the machine know if a player has stopped playing?

The interruptive feature must occur no later than 30 minutes of *continuous play*. The machine will judge whether there has been continuous play depending upon the actions of a player. The *session* will be seen to have ended if a player does not play a game for 60 seconds or if the player has not played a game for 30 seconds and the machine requires more money for play to continue. The *session* will also end if the player cashes out. If play is suspended on the machine, e.g.reserve mode or elective access to game/player information, the 60 or 30 second *countdown* will be suspended.

What about privacy concerns in relation to the player information contained in the pop-up message?

The Department does not consider that there are any privacy issues in terms of the Privacy Act 1993. It is also of note that all of the player information that will be displayed is able to be observed by someone watching the credit meter during a session of play. If you are concerned that someone will access your information after you leave the game, ensure that the *session of play* has ended and the record is gone.

Will any organisation benefit from developing the all the software for the pop-ups?

There is no single agency that is developing the software for the pop-ups. Each individual manufacturer is developing appropriate software for their product in accordance with the NZ minimum equipment standards.

How much is it going to cost societies to have the additional feature?

The Department does not know what the cost will be, **if any**. However, it should be noted that the manufacturers operate in a competitive market so it is expected that manufacturers will attempt to keep any cost to a minimum.

Are all gaming machines capable of being updated with the relevant software?

All machines will be capable of being upgraded with the relevant software. The only machines that are not capable of being upgraded as PIDs capable are machines that are also unable to be upgraded to QCom. These machines will have to be replaced by 2007 at the latest in order to be attached to the Electronic Monitoring System.

How often will the pop-ups appear?

Manufacturers are able to set the parameters under which the PID will "pop-up" but it must not occur later than 30 minutes of continuous play. The Department expects that most manufacturers will set the random function to

occur between 20 and 30 minutes.

What if a player becomes agitated if a jackpot is about to go off and a pop-up appears, eg. during the "feeding frenzy"?

When a player chooses to play the gaming machines, they should do so with an awareness of their chances of winning and also an awareness of the rules and environment in which they play. The chance of an interruptive display (which will freeze for seconds) occurring at the same time as a jackpot, while slight, is part of the conditions in which a player chooses to play. If a player does become very angry when their display interrupts play, it is a possible indicator that the person is overly agitated and may have a gambling problem.

What is the role of gaming machine manufacturers?

Gaming machine manufacturers have been consulted with in the setting of the minimum equipment standards for PID technology and have provided the Department with good feedback on the practicalities involved in this technology. It is the manufacturers responsibility to meet the regulatory requirements and ensure that new machines have the PID features. A number of manufacturers are based in Australia and have already experienced developing similar technology for parts of the Australian market.

**Electronic
Monitoring
System (EMS)**

All queries should be directed to:

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Appendix

Gambling Act 2003

110 Publication requirements for corporate societies

- (1) This section applies to a corporate society that conducts class 4 gambling mainly to distribute net proceeds to the community.
 - (2) A corporate society must publish, at intervals of not more than 3 months, the availability of net proceeds for authorised purposes.
 - (3) A corporate society must publish, at least 1 month before any net proceeds are distributed through grants to the community,—
 - (a) details of where to obtain an application form for a grant, who will consider applications, and the criteria against which they will be considered; and
 - (b) the names of the persons who hold office in the corporate society and a brief summary of their background; and
 - (c) the process that the corporate society follows for dealing with complaints regarding distribution of proceeds.
 - (4) A corporate society must publish at least annually, or more frequently if specified in regulations made under section 114,—
 - (a) details of all applications received from persons or groups in the community for grants of net proceeds from class 4 gambling during that year and whether the applications have been accepted or declined; and
 - (b) the amount of net proceeds from class 4 gambling granted, if any, in each case; and
 - (c) the results of the corporate society's annual review of the criteria, methods, systems, and policies it uses for considering the distribution of net proceeds from class 4 gambling.
 - (5) A corporate society that fails to comply with this section commits an offence and is liable on summary conviction to a fine not exceeding \$5,000.
 - (6) For the purposes of this section, **publish** means—
 - (a) publish in at least 1 newspaper; and
 - (b) as specified by regulations made under section 114.
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