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December 2003 - December 2005
available on www.dia.govt.nz

Department applies to suspend Dunedin Casino licence

The Department applied to the Gambling Commission on 9 November 2005 for an order to suspend the Dunedin Casino Operator's licence.

The application followed an investigation into the Casino's actions in respect of a local woman who, in December 2004, was sentenced to three years imprisonment after admitting stealing approximately \$470,000. She is alleged to have used the fraudulently obtained funds to finance a gambling problem.

The application is brought under Section 144 of the Gambling Act 2003, which states:

The Secretary [for Internal Affairs] may apply to the Gambling Commission for an order that a casino licence be suspended or cancelled if the Secretary is satisfied that —

(a) the licence holder is breaching or has breached this Act or a condition of the licence or minimum operating standards.

Under Section 146 (2) of the Act the Commission can grant an order for a suspension for up to six months.

Harm prevention and minimisation requirements

Casino operators have a variety of harm minimisation responsibilities under the casino licence conditions, the Gambling Act and Harm Prevention and Minimisation regulations. These include the requirement for the casino to have a policy about identifying problem gamblers and to take all reasonable steps to use that policy.

Casino policies contain clear guidelines for staff to assist them to identify problem gamblers and clear processes for excluding problem gamblers.

Casino operators' policies are clearly set out. In order to comply it is essential for operators to follow their own procedures in dealing with issues related to problem gamblers.



HARM PREVENTION

Exclusion Orders – some guidelines

The Gambling Act 2003 introduced a range of measures to prevent and minimise harm caused by gambling, including exclusion orders.

Exclusion orders have a dual purpose - to inform gamblers and gambling providers about the risks of problem gambling and to provide practical means for managing problem gambling behaviour.

Exclusion orders – what they are

The Gambling Act (“the Act”) provides for two types of exclusion order.

Self-exclusion orders, under Section 310 of the Act, provide **gamblers** who believe they may be experiencing gambling-related difficulties with the option to exclude themselves from the gambling area of a particular venue or a number of particular venues.

Exclusion orders, under Section 309 of the Act, allow **gambling providers** to exclude from the venue’s gambling area a person who they believe, on reasonable grounds, is a problem gambler.

Exclusion orders are one part of a broader set of initiatives under the Act, designed to ensure that gambling environments are safe, harm arising from gambling is prevented or minimised and that gambling providers *facilitate responsible gambling environments for patrons*.

Exclusion orders – what they are not

Exclusion orders are not a disciplinary tool to be used punitively. Nor are they the same as trespass orders issued under the Trespass Act. The practical effect of a trespass order is similar to an exclusion order in that it removes the person from the venue. But it is undesirable to issue a trespass order in lieu of an exclusion order because:

- A trespass order removes a person without addressing the person’s gambling behaviour
- It does not provide the person with information about the risks or consequences of gambling including problem gambling

- It may be seen as a punitive, disciplinary measure that discourages other players from requesting they be excluded from the gambling area of the venue
- It does not reflect the Act, which requires problem gambling to be dealt with, in the first instance, through information and exclusions, not trespass orders
- It normally removes the person from the venue altogether while an exclusion order, depending on the defined “gambling area” for a given venue, may allow the person to remain at the venue for purposes other than gambling.

Who can issue exclusion orders?

Exclusion orders can be issued by:

- A class 4 venue manager
- The holder of a casino operator’s licence
- A person acting on behalf of either of the above.

A person acting on behalf of either a venue manager or casino licence holder is most likely to be an employee at the venue, for example a Duty Manager, or Host Responsibility Advocate.

However, any person who can demonstrate authority to act on behalf of the venue manager or casino licence holder is entitled to issue an exclusion order. The Department is aware of at least one venue that appointed a treatment provider to act on its behalf and issue exclusion orders. For the exclusion order to be enforceable, however, there should be clear evidence of the person’s right to act on behalf of the particular venue.

This might be a letter from the venue to the nominated person, or an exclusion order that clearly notes the person's authority to act on behalf of the venue manager or casino licensee.

It is important to remember that exclusion orders must relate to a particular person and a particular venue or series of particular venues.

Examples:

- A venue manager (or person acting on their behalf) for a particular class 4 venue can issue an exclusion order for his/her venue.
- A venue manager (or person acting on their behalf) cannot issue an exclusion order for a venue with which they are not formally associated or authorised to act for.
- A society or trust cannot issue an exclusion order that covers all its venues to a person unless it has been authorised by each particular venue manager.
- A casino licence holder (or person acting on their behalf) can issue an exclusion order for his/her venue. If a casino licence holder holds a licence for more than one casino, then they may issue an exclusion order for each of the casinos for which they hold a licence.
- A person who is not an employee of a venue, but can prove that they are acting on behalf of a venue manager, can issue an exclusion order for each of the venues they have been authorised to act for.

Do people have to visit a venue in order to be excluded from it?

A person can request to be excluded from a particular venue:

- By visiting a venue, identifying themselves as a problem gambler, and asking that they be excluded from that particular venue.

- By writing to or telephoning a particular venue or series of venues, requesting that each venue issue the person with an exclusion order.

The venue manager, casino licensee or any person acting on their behalf must, upon request, issue the exclusion order to the person making the request. It is always useful to obtain a photo of the person so that he or she can be identified if they attempt to enter the venue in breach of an exclusion order. Where a person makes the request in writing or over the telephone, it is reasonable to request two forms of identification to confirm their identity and address.

Third party notification

Third party notification is when a party other than the patron concerned notifies a gambling provider that a particular patron may be experiencing difficulties with gambling at the venue.

If a person other than a problem gambler requests an exclusion order for a patron known to them, you cannot issue an exclusion order simply on the basis of that request. First you have to satisfy yourself that the person may be a problem gambler. It is reasonable to:

- Thank the requester for the information
- Assure them that the information they provide will be treated in confidence
- Ask for the name and any available identification of the patron
- Advise the requester that the venue has a policy for identifying actual or potential problem gamblers
- Inform the requester that the venue will assess the behaviour of the patron against its policy and approach the patron if their behaviour indicates actual or potential harm arising from gambling.

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HARM PREVENTION

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One of the most common indicators of problem gambling is notification from a relation, friend or family member of the patron.

Alternatively, if staff know the patron, you may wish to advise that the patron will be approached and provided with problem gambling information.

- Provide the requester with problem gambling information and details of how to obtain support for problem gambling
- Provide the requester with a copy of your policy.

It is unacceptable to:

- Say there is nothing you can do
- Ignore the advice
- Discuss the personal details of the patron concerned unless the patron has given permission to do so.

If you tell the requester you will keep an eye on the patron, you have an obligation in good faith to do so. The Act requires you to do this anyway and a notification should make you more vigilant.

One of the most common indicators of problem gambling is notification from a relation, friend or family member of the patron.

Exclusion orders and information

Section 309 of the Gambling Act requires that once a person has been identified on reasonable grounds to be an actual or potential problem gambler, the venue manager, casino licence holder or person acting on their behalf must first approach the person, then offer them information or advice about problem gambling.

Regulation 12 of the Gambling (Harm Prevention and Minimisation) Regulations 2004 requires trained staff to be able to provide:

- Information on the characteristics and potential risks of problem gambling
- Contacts for problem gambling treatment providers
- A reminder that a person can self-exclude, or be excluded from the venue on the initiative of the venue manager, casino licensee or person acting on their behalf.

When a person arrives at a venue and requests that they be excluded, the above information should be provided to the person.

When a person requests exclusion by some other means, it is good practice to send the above information to them, perhaps as a pamphlet.

In all instances where a person requests that they be excluded, it is important to communicate respect and support for the person.

Exclusion orders and promotional material

The Department strongly recommends that, when a person is excluded from a particular venue, their details are removed from any mailing lists or databases used for the purpose of gambling promotions, advertising or events.

How long should an exclusion order be issued for?

Exclusion orders can be issued for up to two years. The Act provides no other guidance on the length of an exclusion order.

The Department has suggested that exclusion orders lasting only hours, days or weeks may be impractical to monitor and of little real benefit to problem gamblers.

However, the gambling provider is in the best position to determine the length of the exclusion order and should do so as he or she deems appropriate.

Some policies reviewed by the Department provide for exclusion orders to be issued for the maximum two years, whilst others set minimum periods of three, six or 12 months. It is important to be aware that, for some people, very long, non-negotiable exclusion periods, while potentially very beneficial for the person, may deter the person from requesting self-exclusion because the length of the period feels unmanageable. Trained staff should consult with a self-identified problem gambler to determine the period of exclusion.

Revocation or renewal of exclusion orders

Once issued, the duration of an exclusion order cannot be shortened by the meeting of certain conditions, or by an assertion or other evidence from the patron that they no longer have a problem with gambling.

When an exclusion order expires, the patron can request that another be issued to them. It is always open to the venue manager, casino licensee or person acting on their behalf to initiate an exclusion order where they hold concerns for a person's behaviour and the person refuses to self-exclude.

Conditions of re-entry

Under Section 316(1)(e) of the Act, regulations can be made prescribing procedures that must be completed by a problem gambler as a condition of re-entry to the

gambling area of a class 4 venue or casino venue.

To date no such regulations have been made.

The Department is aware of some re-entry conditions being imposed on patrons subject to exclusion orders. For example, a condition of re-entry may be that the patron receives counselling or treatment from an approved problem gambling service provider. These conditions of re-entry are between the issuer of the exclusion order and the person who is being excluded. While they are not enforceable under the Act, carefully considered conditions of re-entry agreed to by the patron may be of real benefit to the patron.

What should an exclusion order look like?

The Act does not prescribe a particular form of exclusion order and the Department has neither approved nor endorsed a particular exclusion form. The sample form on page 7 is only an example and you do not have to follow it exactly. In general, exclusion orders should be clear and simple and contain at a minimum the following information:

- Date
- Venue name and address
- Name and position of the person issuing the exclusion order
- Name and address of the person being excluded
- The authorising provision under the Act, i.e. a self-exclusion order under Section 310 of the Act, or a venue-initiated exclusion order under Section 309 of the Act
- The expiry date or duration of the exclusion order

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All Gaming and Censorship Regulation staff can be contacted by phoning the Department's tollfree number

0800 257 887

HARM PREVENTION

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- A reminder that –
 - Entering the gambling area of the venue in breach of an exclusion order is an offence for which a person can be fined \$500
 - The NZ Police can be called to remove from the gambling area any person who has entered in breach of an exclusion order.

It is good practice for exclusion orders to note that Privacy Act requirements will be adhered to.

Ideally the person being excluded will provide the venue with a photo by which they can be identified. It is reasonable for venues to ask for a photo or to take a photo with the person's consent. Where a person requests an exclusion order in writing or over the telephone, it is particularly important to confirm their identity and obtain some form of identification so that the person can reasonably be identified in the event they enter the gambling area in breach of an exclusion order.

Any information, including photos provided by patrons, must be treated in accordance with the Privacy Act (e.g. not displayed in public view). If you are unsure of the requirements, please seek legal advice.

Records, paperwork and staff communication

When issuing an exclusion order it is important to give the patron a copy. Whilst this is not mandatory, it is clearly useful and common sense.

Both class 4 venues and casino operators are required to keep records of persons they issue with exclusion orders.

Rule 104 of the Gambling Act (Class 4) Game Rules 2004 states –

“Every corporate society must keep and ensure that every venue manager at each of its class 4 venues keeps at that particular venue, a record of every person issued with an exclusion order for that venue issued under Section 309 or 310 of the Act, including any conditions of re-entry as may be imposed by regulations under Section 316(1)(e) of the Act.”

Section 6 of the Gambling Act 2003 Minimum Operating Standards: Records and Notifications (2004) places the same requirement on casino operators.

Maintaining records of when and to whom exclusion orders are issued is a minimum requirement.

In addition we recommend that venues consider implementing a host responsibility or responsible gambling incident report.

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.

The aim is to maintain a record of interactions and/or observations of patrons related to gambling, including problem gambling.

Such a register might include:

- Patron details
- Staff member details
- Nature of the observation or approach
- Outline of assistance provided (pamphlets, information)
- Discussion about exclusion orders and outcome, including any breaches of exclusion orders
- Further actions.

Finally, it is very good practice for venues to have some formal means of keeping staff informed about who exclusion orders have been issued to, when certain exclusion orders are due to expire, and any further actions or observations that need to be carried out in relation to specific patrons. There are a variety of ways to achieve this. For example, before commencing duties staff may routinely review any incident or exclusion registers maintained by the venue. At regular venue staff meetings, registers can be reviewed and staff reminded about who is currently excluded or who is currently being observed. Such review or updating processes can be incorporated into current work meetings. They need not be onerous.

These meetings may also be used to review exclusion orders that are due to expire, with a view to observing the behaviour of the patron in the event they return to the venue. Venues may do this simply to be aware of patrons who may be at risk if they return to the venue, or they may write to the person advising them of the imminent expiry and offer to issue another exclusion order.

Example of an acceptable exclusion order

Exclusion Order

(Sections 309 and 310, Gambling Act 2003)

Venue: _____

Physical Address: _____

TO:

Full Name: _____

Address: _____

1. In accordance with the Gambling Act 2003 ("the Act") this exclusion order is issued by the undersigned (at your request) *[Delete if not applicable]* and shall remain in force for a period of _____ *[Insert period of exclusion, which may be up to two years]* from _____ to _____. *[Insert start and expiry dates of the exclusion order]*.
2. This order prohibits you from entering the gambling area of the above venue for the duration of the exclusion period.
3. As a condition of re-entry, you may be required to participate, during the period of exclusion, in a procedure prescribed by regulations made under Section 316(1) (e) of the Act.
4. You are advised that in accordance with Section 312(1) of the Act it is an offence to enter the gambling area of the above venue in breach of this exclusion order or in breach of any condition of re-entry prescribed by regulations made under Section 316(1)(e) of the Act. Such an offence is punishable on summary conviction to a fine not exceeding \$500.
5. If you are found in the gambling area of the above venue in breach of this exclusion order, you will be required to leave the gambling area. The NZ Police may be called upon to assist in your removal if necessary.
6. We will take all reasonable steps to identify and remove you from the gambling area if you enter in breach of this exclusion order.
7. Any information provided by you, including photographs to assist in your identification, will be kept by the above venue in accordance with the Privacy Act 1993 (e.g. not displayed in public view).

Issued By

Name: _____

Position: _____

Signature: _____

Date: _____

HARM PREVENTION

Experts meet on harm prevention

The Expert Advisory Group is jointly convened and chaired by the Department of Internal Affairs and the Ministry of Health.

It is intended to help prevent and minimise harm by facilitating discussion between experts from different sectors. These discussions complement, rather than replace, other established consultation procedures. The first meeting of this group was held on 20 October

2005 in Wellington. The meeting discussed the terms of reference and brainstormed upcoming research priorities. A discussion was held as to what the term 'responsible gambling' means both in legislation and with regard to people's general understanding.

The next meeting is scheduled for Auckland in early 2006. Among other issues, it will provide an opportunity to discuss the work programmes of the Ministry of Health and the Department.

PUBS AND CLUBS

Protocol for electronic monitoring

New Zealand has adopted QCOM as the protocol to be used for connecting gaming machines to electronic monitoring.

This requires gaming machines approved for use in New Zealand to either have a software upgrade installed, be retrofitted with new hardware and software, or be replaced with QCOM compatible machines.

We have not been asked to consider or approve other technical

solutions such as use of 'protocol converters' or importation of cheap second-hand machines from other jurisdictions. While we cannot prejudge other technical solutions, we are not aware of any that would meet our requirements and be approved. Machines from other jurisdictions, even if they did

use QCOM, are not approved for operation in New Zealand.

It is unlikely that compliant "cheap" solutions will be available in the short term. We strongly advise you not to wait for such solutions. In order to be ready for EMS you should be planning to convert or replace non-compliant equipment now.

MORE INFORMATION

about the upcoming **Electronic Monitoring System (EMS)** can be found in the **"EMS Update"** newsletter now regularly produced by the Department and sent to affected licence holders.

Notifications that must be given by licence holders

Under Section 71 of the Gambling Act a class 4 venue licence holder must notify the Department should certain events occur – for example, a key person being convicted of a relevant offence, breaching a rule of racing, or going into receivership, liquidation or bankruptcy.

The Department must also be notified:

- if the venue manager changes or is incapacitated
- if the venue operator changes
- if the nature of the venue changes.

The final event that must be notified is if the licence holder has not conducted class 4 gambling at the venue for more than four weeks. In this case the class 4 venue licence must be surrendered in the absence of approval for an extended period of inactivity.

The notification of events in Section 71 must occur “before or as soon as practicable” after the event. The Department’s view is that notification should generally be made before the event. But, if it is not practicable to do so before the event, then the society must notify the Secretary as soon as practicable after the event.

Notification before the event may not always be possible, for example, a venue manager suddenly leaving his or her position or a key person being adjudged bankrupt. It may even be the case that a licence holder had expected a venue to be conducting class 4 gambling again before the specified four week period had elapsed but events conspired to push the inactivity past the four week period. In such circumstances it would be reasonable for the notification to be made after the event, but “as soon as practicable”.

“As soon as practicable” means ‘as soon as can be done’ or ‘as soon as is feasible’. It does not mean at the licence holder’s convenience. For example, if the particular society employee who would normally undertake the notification is absent, someone else in the society should notify the Department unless for some good reason it is not feasible to do so.

A good rule of thumb for societies would be to notify the Secretary as soon as possible after becoming aware that one of these events has occurred or is going to occur.

Guidelines for extension

The September 2004 Gambits provided some guidelines about when an extension may be granted in terms of Section 71(1)(g). It stated that the Department could consider granting an extension if, for example:

- it had taken enforcement action and suspended a licence for more than four weeks
- it could be demonstrated that the venue was closed for more than four weeks because of circumstances beyond the society’s control, e.g. fire or natural disaster
- major renovations at the venue would take more than four weeks
- a small venue’s only machine broke down and it was unable to replace the machine within four weeks.

In addition to this, in some circumstances the Department may also consider giving an extension where there is inactivity due to proceeds not having been banked. The Department expects societies to use all reasonable endeavours to recover missing funds in these instances. If such measures are not taken, it is unlikely that an extension would be granted.

Failure to surrender the licence in circumstances described in 71(1)(g) is a breach under 79(1)(a).

All Section 71 notifications can be made on the class 4 venue (amend) form on our website. Go to:

[www.dia.govt.nz/Pubforms.NSF/URL/Class4VenAmend.pdf/\\$file/Class4VenAmend.pdf](http://www.dia.govt.nz/Pubforms.NSF/URL/Class4VenAmend.pdf/$file/Class4VenAmend.pdf)

PUBS AND CLUBS

Are gaming machines a venue's main use?

In our September 2002 and April 2003 edition of Gambits we issued guidelines that the Department uses to help decide whether gaming machines are the “main use” at a venue. Those guidelines were issued under the Gaming and Lotteries Act. However, they still apply under the Gambling Act. A gambling venue cannot be licensed if it “is used mainly for operating gaming machines”.

The guidelines are reprinted here as a reminder. The only change is that the Gambling Act allows the Department to require venue financial information to assist with its licensing assessment. We are now likely to ask for financial information (to enable us to assess the relative turnover from gaming machines and other activities) in every instance where we think that a venue may be a “gaming shop”.

In determining whether a venue is used mainly for operating gaming machines, the Department will consider:

- The relative turnover from the gaming machines and other activities at the venue.
- The location of the venue – is it a shop in a retail or shopping centre?
- Does the venue have a track record of operating without gaming machines or is it a new venue?
- What proportion of the floor space (not including toilets, kitchens, and other staff-only or utility areas not open to the public) is given over to the operation of gaming machines?
- Is it evident from the floor plan that a range of other activities - a bar or bars, a restaurant, or entertainment other than gaming machines - is available at the venue?

- Are the other activities well stocked and well promoted?
- Is more prominence given to the gaming machines or to another activity? Where are the machines situated - at the entrance to the venue or behind other activities on the premises?
- What activity is promoted most heavily at the venue or on signs outside the venue - the gaming machines or some other activity?
- Can the machines be seen through windows?
- Are most of the patrons on the premises playing gaming machines or taking part in some other activity?
- Are there any other factors that show that the venue was set up and is being run for another purpose or purposes and that gaming machines are only an ancillary entertainment?

None of these factors are determinative. Each one contributes to an overall view on the role of gaming machines at a venue. Each venue is different and there may be particular factors at some venues that are not described in these guidelines but which lead to the conclusion that gaming machines are or are not the main use of the venue.

We are now likely to ask for financial information (to enable us to assess the relative turnover from gaming machines and other activities) in every instance where we think that a venue may be a “gaming shop”.

Venue payments

The Department has developed guidelines for corporate societies and venue operators on the new rules for paying venue expenses related to class 4 gambling (gaming machines outside casinos).

The new venue payment framework came into being on 1 December 2004. At that time three of the four limits came into force, with Limit D (the maximum amount of a society's income that it can pay to venue costs) taking effect on 1 December 2005. This will apply to all venue payments made in the year starting from 1 December 2005 to 30 November 2006, and in any 12-month period after that (e.g. 1 January 2006 to 31 December 2007, 1 February 2006 to 31 January 2007, and so on).

Societies should have been monitoring their operations over the past 12 months so that adjustments

to venue payments can be made to ensure compliance with the 16 per cent limit.

The Department is concerned with the general lack of understanding and compliance with respect to the new venue payments regime. Compliance issues that are coming to our attention regularly are:

- incorrect hours of the gaming operation being recorded
- duplication of payments to venue operators and outside contractors for the same tasks
- a lack of, or questionable, supporting documentation / data to justify costs.

Note: the onus is on the society to retain all verification documentation / data to justify the payment of costs as outlined in Regulation 5 of the Gambling (Class 4 Net Proceeds) Regulations 2004.

The Department reminds societies that venue payment compliance will continue to be a focus point for future audits and investigations by the Gambling Compliance Unit.

For further information please refer to the venue payments reference paper titled "Guidelines on Venue Costs under the Gambling Act 2003" on the Department's website. Look under Gambling in Pubs and Clubs (Class 4) / Venue Expenses

Why we ask for liquor licences

We have been asked why we request a liquor licence to be submitted with venue licence applications.

There is no statutory requirement for a class 4 venue to have a liquor licence and there are some venues that do not have them. However, if a venue does hold a liquor licence we do ask for it to be provided.

Here are some of the reasons.

It provides independent verification of:

- the name of the venue operator company

- the address of the venue
- the trading name of the venue
- the hours of venue operation
- the expiry date of the liquor licence.

It goes some way towards assuring us that there is likely to be appropriate supervision of problem gambling and (in particular) underage gambling, by:

- giving some assurance that staff already have some experience of "host responsibility" requirements in the context of liquor service
- allowing us to check whether the gaming machines are placed in a "designated" area with restricted or supervised access to minors.

Without a liquor licence a venue will have to go a little further to satisfy us on the above points.

MEDIA RELEASES

Act controlling the growth of gambling, stats suggest

Quarterly gambling licensing statistics suggest the Gambling Act is succeeding in controlling the growth of gambling when the number of non-casino gambling operators, venues and gaming machines is considered. (The Act has eight limbs to its overall purpose. The first listed is to “control the growth of gambling” (Section 3(a)).

LICENSED GAMBLING OPERATIONS IN PUBS AND CLUBS

DATE	GAMBLING OPERATORS	VENUES	GAMING MACHINES
30 September 2005 (30 June 2005)	535 (553)	1,770 (1,801)	21,684 (21,846)
31 December 2004	584	1,850	22,231
31 December 2003	672	2,031	22,734
30 June 2003 ¹	699	2,122	25,221
31 December 2002	729	2,137	24,330
31 December 2001	785	2,129	21,012
31 December 2000	860	2,065	17,679
30 June 1999 ²	947	2,137	13,812
31 December 1998	1,011	2,193	13,273

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

² Figures for 31 December 1999 are not available.

Department Deputy Secretary Andrew Secker said that, while gambling growth control does not necessarily imply reductions, the trends that started or accelerated after the Act was passed in September 2003 are continuing: the total numbers of gaming machines and gambling venues are declining slowly, while the number of gambling operators is declining more rapidly.

One of the Act’s biggest changes was a much stricter licensing regime. The Act was intended to make it harder to get a gambling licence and easier to lose it.

The Act has also reduced limits on the numbers of machines allowed in venues. Venues licensed at 17 October 2001 can have up to 18 machines, while others can have up to nine. In addition, local authorities can use the Act to set gambling policies to prevent or limit new venues and control the expansion of existing venues, and many have done this.

Summary of trends

There has been a historical trend towards fewer gambling operators but each operator having more venues. The trend began many years ago and was probably due to economies of scale. The Act appears to have accelerated the change.

The number of venues fluctuated between about 2,000 and 2,200 from the early 1990s until the Act was passed. The number then dropped and has continued a slow decline. In general, operators are deciding to stop gambling operations at venues with fewer machines.

The number of machines increased markedly every quarter from when they were first licensed in 1988 until the Act was passed. The number dropped significantly when the Act was passed and has declined more slowly since then.

Gambling profits and operators' grants to community groups

Another aspect of controlling the growth of gambling is to consider the amount of money spent by gamblers - that is, the gross profits made by operators. The statistics given above do not deal with gaming machine profits.

While some in the gambling sector state that profits have decreased, there is also anecdotal information suggesting that some operators have increased their profits.

Even if there were an overall 10 per cent reduction in gross profits, this would be no more than a levelling off at the previous year's level. It would still be more than double the gross profits made in 2000 and almost six times those made in 1995.

Profit figures for 2004-05 will be posted on the DIA website once they are finalised. In the previous financial year, to 30 June 2004, gross profits from gaming machines in pubs and clubs were \$1.035 billion.

In addition, new regulations require that gambling operators return a higher proportion of their gross profits to the community.

This means that even if gross profits reduced a little, the amount returned to the community could increase, and would certainly be more than double what was available for distribution to the community in 2000.

"The fact is that, despite some stories about community groups 'missing out' on money they would have received in the past, the true overall position will not be known until figures on gross profits are available later this year," Mr Secker said.

"Yes, some groups have had applications for grants from gambling operators declined but that has happened every year in the past, when some applications were unsuccessful."

Mr Secker said that it is important to keep in mind that, earlier this year Parliament's Regulations Review Committee heard complaints that regulations made under the Act would lead to reduced gambling profits and less money available for grants to the community.

The Regulations Review Committee dismissed all the complaints and stated that, even if less money did go to community groups because there was less gambling, this would still be consistent with the purposes of the Act.

New Prohibited Gambling Prize Regulations Gazetted

The Government has approved new regulations under the Gambling Act 2003 revising, updating and revoking Gazette Notices made under the old Gaming and Lotteries Act.

The Gambling (Prohibited Property) Regulations 2005 will make it unlawful to offer the following property as a gambling prize:

- A firearm, explosive (including ammunition), restricted weapon, or airgun
- Liquor

- Tobacco products
- Artifacts
- Vouchers or entitlements to commercial sexual services
- Vouchers or entitlements to any of the other property listed above.

The new regulations differ from the existing rules in two ways. Firstly, they introduce prohibitions on a number of new types of property (explosives, restricted weapons, airguns, tobacco products, artifacts and commercial sexual services). Secondly, they revoke the existing

prohibitions on second-hand goods and land not zoned residential.

Licensed operators who may be interested in offering either second-hand goods or non-residential land as gambling prizes (all class 4 and housie prizes must be in cash) should be aware that game rules made under the Gambling Act require that the nature of gambling prizes must be fully disclosed.

The new regulations come into force on 1 January 2006.

MEDIA RELEASES

More seek help for problem gambling

Statistics released by the Ministry of Health show New Zealanders continued to seek help for their own or someone else's problem gambling in 2004.

The Problem Gambling Intervention Services in New Zealand: 2004 National Statistics provides an overview of the information collected by problem gambling services and the Gambling Helpline in the 2004 calendar year.

The Deputy Director-General Mental Health, Dr Janice Wilson, said the statistics show a continued increase in the number of people using face-to-face counselling services for problem gambling, consistent with previous years.

"Each year the total pool of people who access problem gambling services has continued to increase," Dr Wilson said. "Last year, four out of every five new gambler clients to problem gambling service providers sought help as a consequence of their gambling on non-casino gaming machines ('pokies')."

Dr Wilson says the 2004 data shows that 80 per cent of clients benefited from accessing face-to-face services according to the progress measures collected.

"This is reassuring, but we also know a large number of people are not seeking help. We need more information about possible barriers that may be preventing people from seeking help for their problem gambling and the Ministry will further extend the availability of services."

The 2004 national statistics also show that:

- For the first time, the total number of females seeking help for their gambling problems exceeded the number of males.
- There has been a drop in the percentage of Pākehā /NZ European people seeking help and a rise in the percentage of Māori clients.
- Māori clients were over-represented. In particular, the growth in new Māori women clients using counselling services was substantial – and 92 per cent of new Māori women clients cited non-casino gaming machines as the primary mode of gambling – a 100 per cent increase since 2002.
- Most Pākehā /NZ European (60 per cent) and Asian (79 per cent) clients were male, while most Māori (70 per cent) and Pacific (62 per cent) clients were female.

The Problem Gambling Intervention Services in New Zealand: 2004 National Statistics is available on the Ministry of Health's problem gambling webpage: www.moh.govt.nz/problemgambling.

Gambits has a new Editor, Trevor Henry, who joined the Department recently after six years as Press Secretary to the former Environment Minister, Marian Hobbs. He succeeds Vince Cholewa who has moved to the Ministry of Education as a communications advisor.

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

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GAMBLING COMPLIANCE KEY CONTACTS

0800 257 887

Andrew Secker

Deputy Secretary, Regulation and Compliance Branch

The Department has reorganised its internal structure and created a Regulation and Compliance Branch that 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 and identity services policy. For the sake of simplicity, the functions outside the gambling sector are not included on this page.

Important changes for gambling regulation include bringing management of Gambling, Censorship and Racing Policy into the same branch, and separating the management of gambling and censorship compliance. As part of these changes the Gaming and Censorship Regulation (GCR) group has been separated into two units, Gambling Compliance and Censorship 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. A significant change the Department has made is to disband what was a separate Policy Group, and to bring this Policy team into 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.

(To be appointed)

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.

Kate Reid

Manager Gambling Operational Policy

Operational policy provides support and advice to the Gambling Inspectors and other staff working in the sector. 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.

This unit also does technical work, such as setting standards and testing requirements for gambling equipment.

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. Staff make decisions on licence applications, carry out audits, conduct investigations and receive public complaints.

- Northern Regional Manager (based in Auckland), Geoff Lawry
- Central Regional Manager (based in Wellington), Adrian Straayer
- Southern Regional Manager (based in Christchurch), Kevin Owen
- Licensing is carried out by a team in Wellington

Debbie Ferris

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.
- Northern Regional Manager (based in Auckland), Maria Bradshaw
- Southern Regional Manager (based in Christchurch), Dennis Petersen

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. The Unit deals with both administrative law (such as actions to cancel and suspend licences, responding to appeals and judicial reviews of related decisions) and criminal law issues. It also provides expertise and support to investigations and audits across the group.

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.

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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: _____

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