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



Contract signed for monitoring of gaming machines

The Department of Internal Affairs has signed a contract with INTRALOT New Zealand Limited, the local arm of the European gambling technology company, INTRALOT SA, for the provision and operation of the electronic monitoring system (EMS) for all gaming machines in pubs and clubs.



Intralot's General Commercial Director Dr John Katakis and the Secretary of Internal Affairs, Chris Blake, sign the EMS contract.

The contract is for \$35 million to be paid over six years through to 2012.

EMS will greatly increase the accountability of the gambling sector. Incorrect banking and inaccurate record keeping by gambling operators are the most common problems found during audits carried out by the Department.

Gaming machines are allowed in pubs and clubs as a form of community fundraising only. They are a cash-only operation that last year made a profit of \$1.035 billion in banknotes and coins from a turnover of more than \$8.6 billion.

Currently gambling operators' record keeping is manual. There are more than 20,000 machines at more than 1,800 venues throughout the country.

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ELECTRONIC MONITORING SYSTEM

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Electronic monitoring of gaming machines is standard practice throughout the world because of the huge cash turnovers. Monitoring systems are already in place in New Zealand's casinos and will be used in pubs and clubs.

EMS will help safeguard money intended for community groups.

What EMS will do

EMS will give the Department information allowing it to:

- monitor how much money is gambled on each machine
- monitor how much each machine pays out in prizes to gamblers

- monitor how much money should be banked
- ensure that all software being used on the machines is identical to the approved versions
- assist in detecting software failure
- assist in detecting tampering with a machine or software.

0800 257 887

If gaming machines societies have questions about venue preparation or readiness for EMS they can contact the EMS Change and Relationship Manager, Robbie Kearney, by emailing robbie.kearney@dia.govt.nz or using the toll-free number 0800 257 887.

Indicative timetable for roll-out

2005	<ul style="list-style-type: none"> • <i>Consultation with the gambling sector on minimum technical requirements for cabling and "site controllers".</i> The site controller is the piece of equipment that receives and stores data from the gaming machines at a venue and connects to EMS • <i>Consultation with the gambling sector on a minimum standard for QCOM</i> (the software protocol EMS will use); regulations setting fees to cover the costs of implementing and operating EMS; connection dates
2006	<ul style="list-style-type: none"> • <i>By early 2006</i>, some operators will connect their gaming machines as part of a pilot roll-out • <i>Subject to a successful pilot</i>, it is expected that the full roll-out will largely take place
2007	<ul style="list-style-type: none"> • <i>March 18, final deadline for all machines to be connected.</i> While this is the final date set in the Gambling Act, there will be other deadlines before then and most machines will be connected well before this date.

CORRECTION TO CIRCULAR

The Department wishes to correct part of the information sent out in a circular on 8 February 2005.

The circular incorrectly stated that gambling venues must have pamphlets available for players that include information about "the odds of winning on a gaming machine including ... clear and concise information about the odds of winning the jackpot on a gaming machine."

The correct wording is "... clear and concise information about the odds of winning on gaming machines".

There should have been no reference to jackpots in the circular.

The Department apologises for any inconvenience caused.



EMS Establishment Director, Ross McKenna

The Department of Internal Affairs has appointed Ross McKenna as the Establishment Director for the roll-out of the electronic monitoring system (EMS) for all gaming machines in pubs and clubs.

EMS Establishment Director Ross McKenna

In summary, his responsibilities are to oversee the project from the time the Department and vendor sign a contract until EMS is fully commissioned.

He has come to the Department after managing a number of projects to establish and develop the information and telecommunications technology and systems for St George Bank New Zealand (also known as Superbank).

Mr McKenna has over 25 years experience in the telecommunications and information technology industries in New Zealand and Australia. His experience covers a broad range including programme and project management and consultancy and management positions for Telecom, Fujitsu and Datacom.

Consultation on technical standards & regulations for EMS

The Department has started consultation on standards and regulations that will be part of the electronic monitoring system (EMS) for all gaming machines in pubs and clubs.

The consultation is not about "should there be an EMS?" Parliament made EMS mandatory. The law requires that all gaming machines in pubs and clubs must be connected to EMS or they will be turned off.

The consultation is about some of the details of how EMS will operate. Consultation has begun on:

- minimum technical requirements for EMS.

Consultation will soon begin on:

- a minimum standard for QCOM, which is the software protocol EMS will use
- regulations setting fees to cover the costs of implementing and operating EMS
- connection dates.

Minimum technical requirements

The Department has sent all gambling operators a letter and consultation document asking for submissions on minimum technical requirements within 20 working days, i.e by 10 June 2005.

These requirements are primarily about each venue's cabling and "site controller".

Fibre optic cabling will link the machines to each other and to the site controller.

The site controller is the piece of equipment that receives and stores data from the gaming machines at the venue and connects to EMS. There are requirements for security, power supply and how the site controller links to external telecommunications networks.

Other consultation

Consultation documents on other aspects of EMS will be distributed as soon as possible.

The Department is committed to giving gambling operators the opportunity to comment on EMS standards and regulations before they are finalised. Their responses must be timely because the Act sets a tight, mandatory deadline to complete the roll-out of EMS.

For further information please refer to the consultation documents and letter dated 10 May 2005 and Gambits December 2003 pages 16 and 17; June 2004 pages 7, 23 and 25; September 2004 pages 19 and 21; December 2004 page 17; and March 2005 pages 1, 2, 5 and 8.

ALL GAMBLING**Keith Manch moves to MSD****By Deputy Secretary, Andrew Secker**

As some in the gambling sector might already know, the Department's Director of Gaming and Censorship Regulation (GCR), Keith Manch, has accepted a promotion to a senior management position at the Ministry of Social Development (MSD). His last day with DIA was 22 April.



Departing Director of Gaming and Censorship Regulation, Keith Manch

I would like to congratulate Keith on his new appointment and to thank him for the tremendous work he did for the Department. His departure is a loss to us, a further step up forward in his career, and very much a gain for MSD.

Keith led major change within the organisation and in its relationship with the gambling sector. These changes were not all well received but were necessary and were well executed to place GCR on a more professional footing and increase its effectiveness.

A key step was developing an enforcement policy that strongly encourages voluntary compliance by the sector, concentrates effort and resources on areas of greatest risk, applies the principles of natural justice, and is backed up with the ability and willingness to apply sanctions and stand up to legal scrutiny. I strongly agree with this regulatory approach and will be making sure that its

implementation is continued in coming years.

While Keith was Director, Parliament made the biggest changes in gambling law for more than 20 years when it passed the Gambling Act, repealed the Gaming and Lotteries Act and the Casino Control Act, dis-established the Casino Control Authority, established the Gambling Commission, and significantly increased the role of the Department.

Without the changes that had been made in GCR under Keith, it would have been much more difficult to carry out Parliament's wishes and implement the new law.

I will make a new appointment to the Director's position in the next few months. Until that appointment is finalised I will take on responsibility for the Director's role and continue the work of developing GCR as a highly professional regulatory industry.



Deputy Secretary, Andrew Secker

While Keith was Director, Parliament made the biggest changes in gambling law for more than 20 years when it passed the Gambling Act, repealed the Gaming and Lotteries Act and the Casino Control Act, disestablished the Casino Control Authority, established the Gambling Commission, and significantly increased the role of the Department.

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Infringement offences start July 2005, fees up to \$5,000

One of the changes made by the Gambling Act is to give the Department of Internal Affairs the ability to issue infringement notices for offences. People receiving an infringement notice will have to pay infringement fees of up to \$5,000.

Infringement notices can be issued to operators of all forms of gambling, to advertisers of gambling and to gamblers.

The infringement offences provisions are defined in section 4 and set out in sections 356-360 and Schedule 6 of the Act.

Schedule 6 lists the 24 infringement offences and sets the fee for each offence. The fees range from \$100 to \$5,000 depending on the offence.

The Department is developing its policies on how it will issue infringement notices. It expects to start using infringement notices from July 2005. It will use a similar system to those used by other Government agencies that also issue infringement notices, e.g. Police, Ministry of Agriculture and Forestry and local authorities.

Fees will be paid to the Crown bank account. If a fee is not paid, then Courts will take over the matter as, in effect, an unpaid fine.

A person or organisation issued an infringement notice can dispute that notice through the courts.

It is important to note that infringement notices will be in addition to the enforcement actions the Department can already take. They will give more flexibility to help ensure appropriate action is taken against offences.

The Department does not have to issue an infringement notice when it believes an infringement offence has been committed and can instead choose to take different enforcement action. This could include issuing a warning, taking administrative action such as suspending or cancelling a licence, and prosecution.

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

Vince Cholewa

Ph: (04) 495 9350 or 027 272 4270

E-mail: vincent.cholewa@dia.govt.nz

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

0800 257 887

HARM PREVENTION

Parliamentary Committee rejects gambling sector complaints about providing information to gamblers

Parliament's Regulations Review Select Committee has dismissed complaints from some businesses in the gambling sector. The complaints were about regulations requiring gaming machines to provide mandatory information to gamblers.

The Australasian Gaming Machine Manufacturers' Association (AGMMA) and casino operator Skycity Entertainment had complained to the Committee about what has become known as the "pop-up" regulation in the gambling harm prevention regulations.

Pop-ups are automatic messages that would appear on gaming machine screens at intervals of no more than 30 minutes advising how long that session of gambling had been in progress, how much had been won or lost, and asking if the gambler wished to continue.

New gaming machines must have pop-ups from 1 October 2005 and other gaming machines must have them from 1 July 2009. The minimum technical standards for the regulations will be gazetted as soon as possible.

In dismissing the complaints the Select Committee confirmed that:

- the regulation was in accordance with the general objects and intentions of the Gambling Act
- the regulation did not trespass unduly on Skycity's and gamblers' personal rights and liberties

- the regulation is clear enough and does not need elucidation
- there was sufficient consultation before the regulation was made.

It is telling that concerns about preventing harm from gambling are leading to similar regulations in different countries including mandatory provision of information to gamblers.

Similar "pop-up" regulations are in place in Nova Scotia in Canada. Research there shows that, while pop-ups are not a complete answer, they have produced some clear, positive results, particularly in relation to harm prevention.

The New South Wales government has just announced that it has accepted a recommendation from an independent tribunal that mandatory information also be provided on machines in that state.

Full text of the Select Committee's report, *Complaints Regarding Regulation 8 of the Gambling (Harm Prevention and Minimisation) Regulations 2004*, are on the Parliamentary website, www.clerk.parliament.govt.nz

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.

More harm prevention regulations in force from 1 October 2005

Five harm prevention regulations come into force on 1 October 2005. They will apply to gaming machines in pubs and clubs and to casinos.

The Gambling (Harm Prevention and Minimisation) Regulations 2004 include different lead-in periods for different regulations. A copy of the regulations is on the Department's website, www.dia.govt.nz.

Those coming into force on October 1 are:

The parts of regulations 7 and 8 relating to new gaming machines.

Regulation 7 requires that, at a gambler's choice, a gaming machine must display information about the games on that machine and about that gambler's session of play. Regulation 8, which has become known as the "pop-up" regulation requires that, at intervals of no more than 30 minutes, machines must automatically interrupt play and provide information, including how long that session of gambling has been and how much has been won or lost. The machine must also ask if the gambler wishes to continue.

Regulations 9 and 10, which restrict the advertising of jackpots.

Regulation 9 bans the advertising of jackpots outside a gambling venue, and bans jackpot advertising inside a venue that can be seen or heard outside the venue. It allows jackpots to be advertised inside a venue as long as the advertisement cannot be seen or heard outside. Regulation 10 requires that the word "jackpot" (or any other word or branding) is not published in a way that explicitly or implicitly conveys the impression that there is a gaming machine jackpot at the venue.

Regulation 12 requires that there are always staff who have had **problem gambling awareness training** at the venue when gambling is available. The regulation sets out what minimum training the relevant staff must have received.

The regulations to come into force at a later date are:

The parts of regulations 7 and 8 relating to all other gaming machines.

These will come into force on 1 July 2009.

All other regulations that are part of Harm Prevention and Minimisation Regulations made on 30 August 2004 are already in force.



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

0800 257 887

HARM PREVENTION**Worldwide concern about harm caused by gambling, NZ's approach**

One of the themes that became apparent at the international gambling regulators' conference in Wellington in April was the worldwide concern about the harm gambling causes and the need for regulation and policies to prevent that harm.

Department of Internal Affairs Deputy Secretary, Andrew Secker, gave a presentation at the conference outlining the Gambling Act and explaining New Zealand's approach to harm prevention.

Where New Zealand differs from other countries is that, while it is accepted around the world that problem gambling is an issue, this country is probably the first to give its Ministry of Health responsibility for addressing these problems and for taking a public health approach.

The role of the Ministry is to develop and implement an integrated problem gambling strategy. It has already published its strategic plan to the year 2010.

The strategy aims to promote public health by preventing and minimising the harm from gambling. Harm is defined to include personal, social and economic harm suffered by the gambler, their family, work place and the wider community.

The strategy is funded by the problem gambling levy paid by gambling operators and includes research and treatment services.

The Gambling Act itself includes harm prevention measures as part of the regulation of gambling.

Importantly, the purposes of the Act do not include tax revenue or increasing money for the community. There is a very important distinction between maximising

returns to the community from the gambling that occurs and increasing gambling revenue.

Harm prevention measures in the Act include a precautionary approach to considering and licensing new gambling technology. The Department will make decisions based on research and evidence where it is available and relevant. Where evidence does not exist or is ambiguous, it will still make decisions using its judgement and experience, giving priority to protecting gamblers from harm or potential harm.

Other harm prevention measures include:

- gambling is prohibited unless approved
- licences must be declined unless applicants can prove their suitability
- age restrictions
- limits on banknote acceptors
- requirements for operators to have and apply harm prevention policies
- restrictions and prohibitions on different forms of advertising
- provision of information to gamblers.

Copies of Mr Secker's presentation are available by contacting Executive Assistant Louise Pierce, e-mail louise.pierce@dia.govt.nz, toll-free telephone 0800 257 887.

Where New Zealand differs from other countries is that, while it is accepted around the world that problem gambling is an issue, this country is probably the first to give its Ministry of Health responsibility for addressing these problems and for taking a public health approach.

Casino compliance statistics

The Department has Gambling Inspectors working in each of the country's six casinos.

Their roles include:

- Investigating complaints from gamblers and the public about the casino
- monitoring casino operations to ensure that they comply with the Gambling Act, regulations and other rules
- carrying out regular audits of casino operations.

The investigations carried out by Inspectors include those in relation to gamblers' complaints, Certificates of Approval for casino staff, alleged breaches by the casino operators, alleged cheating, and access to gambling areas by people aged under 20.

Since 1 July 2004 the Act has required casinos to have policies to identify and approach problem gamblers.

Casinos' staff are playing a significant role in encouraging problem gamblers to use self-exclusion programmes. This is a good option because it helps problem gamblers accept that they have a problem and do something about getting help to fix it.

The Act also gives casinos the power to impose exclusion orders on problem gamblers, and casinos are using that power.

The Department's role is to ensure that the casinos have, and are applying, their policies to identify and approach problem gamblers. The numbers of exclusion orders are reported to the Department by the casinos.

Inspectors regularly audit each casino, including checks on cash handling, operation of gaming machines, compliance with game rules and problem gambling policies.

The Gambling Act 2003, regulating casinos

The Gambling Act has brought the biggest changes to the casino market since casinos were first permitted in New Zealand in 1990.

The Gambling Act repealed the Casino Control Act and disestablished the Casino Control Authority (CCA). Most of the CCA's responsibilities were transferred to the Department and the newly created Gambling Commission.

While the Casino Control Act licensed casinos to promote tourism, employment and economic development, the Gambling Act prohibits any new casinos opening and prevents existing casinos increasing the opportunities for gambling.

Summary of casino compliance statistics, July 2004 – April 2005

	JULY	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	TOTALS
Investigations by Gambling Inspectors	16	13	13	16	9	23	11	12	9	10	132
Problem gamblers											781
Excluded by casinos	22	36	18	20	18	13	20	8	14	19	188
Self-excluded	68	69	77	63	64	40	50	47	66	49	593

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CASINOS

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Casinos' staff are playing a significant role in encouraging problem gamblers to use self-exclusion programmes. This is a good option because it helps problem gamblers accept that they have a problem and do something about getting help to fix it.

The previous Act made no reference to problem gambling or to providing information to the public. The stated purposes of the Gambling Act include to:

- control the growth of gambling
- prevent and minimise the harm caused by gambling, including problem gambling
- facilitate responsible gambling
- facilitate community involvement in decisions about the provision of gambling.

CASINO GAMBLING, MAXIMUM NUMBERS ALLOWED UNDER THE GAMBLING ACT

CASINO	GAMING MACHINES	TABLES
Skycity Auckland	1,647	110
Skycity Hamilton	339	23
Christchurch	500	35
Dunedin	180	12
Queenstown Wharf	74	6
Skycity Queenstown	84	11
TOTALS	2,824	197

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0800 257 887

Number of gambling operators continues to fall, machine numbers could drop more in future

The Department of Internal Affairs has released quarterly statistics showing that the number of gambling operators has continued its significant decline, while the number of pubs and clubs hosting gaming machines and the number of machines declined slightly.

The statistics are the expected results of the Gambling Act being passed in September 2003.

The Act has made it harder to get a gambling licence and easier to lose one. Most of the recent reductions are from operators deciding to not apply to renew their licences or having renewal applications declined. This has reinforced the historical trend towards fewer, but on average bigger, operators.

The Act also led to the first ever drop in the number of machines licensed to operate. Before the Act was passed machine numbers increased significantly every quarter. The numbers dropped significantly immediately after the Act was passed and then dropped slowly after that.

The number of venues fluctuated up and down over the years and then followed a similar pattern to machine numbers, dropping when the Act was passed and then declining slowly.

Future numbers

Some provisions of the Act are yet to have their full impact and over the next few years they could further reduce the numbers of venues and machines and sustain the trend to fewer, but on average larger, operators.

One of the licensing requirements in the Act is that the “venue is not used mainly for operating gaming machines” (section 67(k)). As licences come up for renewal, the Department is encountering venues where gaming machines seem to be the main operation. If these venues cannot meet this requirement of the law, then their licences cannot be renewed.

There has been comment from some in the gambling sector that the gambling harm prevention regulations now starting to come in to force could lead to some venues no longer wanting to operate machines.

LICENSED CLASS 4 GAMBLING OPERATIONS IN PUBS AND CLUBS¹

DATE	GAMBLING OPERATORS	VENUES	GAMING MACHINES
31 March 2005	568	1,838	22,159
31 December 2005	584	1,850	22,231
30 September 2004	626	1,897	22,294
30 June 2004	641	1,970	22,497
31 March 2004	661	2,007	22,646
30 June 2003 ²	699	2,122	25,221
31 December 1998 ³	1,011	2,193	13,273

¹ The Act categorises gaming machines in pubs and clubs as “class 4 gambling”.

² Machine numbers peaked in the quarter before the Gambling Act was passed. The Act was passed in September 2003.

³ These figures are included to help give a longer-term historical perspective.

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PUBS AND CLUBS

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There has also been comment that the electronic monitoring system (EMS) to be introduced could result in some venues with few machines turning off their machines.

Gambling profits

Gambling operators have commented that if machine numbers drop, then so do their profits and there is less money for grants to community purposes.

Historically, the opposite has happened. For example, from June 2003 to June 2004 machine numbers reduced by 11% while profits increased by 10%.

The Department believes that profits continued to increase while machine numbers dropped because gamblers simply went to other venues.

The new rules changed how operators behave but did not change gamblers' behaviour.

Likewise, getting rid of venues that are mainly used for operating gaming machines and introducing EMS are changes for gambling operators but not to gamblers' behaviour.

However, the harm prevention provisions are aimed at changing gamblers' behaviour.

Some businesses in the gambling sector unsuccessfully complained to Parliament's Regulations Review Select Committee about the harm prevention regulations (see page 6).



Gambling Amendment Act 2005; changes for licensing trust members and community trustees

The Gambling Amendment Act came into force on 20 April 2005. The following is the third reading speech given by the Minister of Internal Affairs, George Hawkins.

Minister of Internal Affairs George Hawkins

"I move that the Gambling Amendment Bill be now read a third time.

"This short Bill amends the Gambling Act 2003 to allow licensing trust members to be involved in decisions on the distribution of gaming machine proceeds to the community. The amendment also extends to community trustees where a licensing trust reconstitutes as a community trust under the Sale of Liquor Act 1989.

"The Gambling Act prohibits licensing trusts themselves from operating gaming machines. However, some gaming machine societies that are not licensing trusts operate machines on licensing trust premises. The Act also imposes a strict separation between the people who run commercial premises at which gaming machines are operated and the people who control the proceeds from the machines at those premises. This currently prevents licensing trust members from having any input to decisions on the distribution of gaming machine proceeds and the operation of gaming machines,

when the society concerned operates machines on licensing trust premises.

"The Bill exempts licensing trust members and community trustees from this separation of functions to reflect their unique position as elected members who are accountable to their local communities. It continues to prohibit licensing trusts themselves from operating gaming machines.

"Finally, I would like to thank the members on the Government Administration Committee for their consideration of the Bill.

"I commend this Bill to the House."

Class 4 Operator Appeals to the Gambling Commission

To date, the Gambling Commission has determined two appeals from gambling operators.

The first appeal was against the decision of the Department not to amend an operator's licence. The second appeal was against the decision of the Department to cancel a venue licence. The full details of these appeals are on the Gambling Commission website, www.gamblingcommission.govt.nz

Decision GC06/05

The Commission has found that a gambling operator that "mainly distributes" profits from its gaming machines to the community can seek to amend its licence so that it can also "apply" profits.

However, the Commission noted that the operator must still distribute at least 37.12% of its GST exclusive gross profits. If it applies any profits, that must be in addition to the 37.12% distributed.

In this case Prime Community Trust brought an appeal against the Department's decision to refuse to amend the Trust's gambling operator's licence. The Trust had sought to amend its authorised purpose statement to reflect an ability to "apply" net proceeds while remaining a society that "mainly distributes" net proceeds to the community.

The Department refused to amend the licence on the grounds that regulation 11 of the Gambling (Class 4 Net Proceeds) Regulations 2004 required a society that "mainly distributes" net proceeds to "distribute" all net

proceeds in a financial year, thus not allowing that society to "apply" any of the net proceeds.

The Commission rejected this interpretation and held that regulation 11 only applies to those net proceeds that are actually distributed. The Gambling Commission also noted that the Trust must still distribute 37.12% of its GST exclusive gross proceeds in accordance with regulation 10.

This decision has resulted in the Department re-examining its licensing processes.

Decision GC10/05

New Zealand Community Trust appealed against the Department's decision to cancel a gambling venue licence.

Following a complaint, the licence was cancelled on several grounds including that a territorial authority (TA) consent had not been supplied when the licence was issued.

All of these grounds, including the issue of whether the TA consent was necessary, turned on the question of whether the relocation of the venue to an area 75 metres distant, in an extension to a mall complex, across a road from the original mall, constituted the same "place".

The Commission determined that the relevant place was the mall rather than the specific location of the bar itself.

This was based on the fact that the venue licence carried, as the "approved site", the general address of the mall complex rather than the specific business address of the venue.

This decision is likely to result in the Department requiring the description of the approved site on venue licences to be

Club affiliation fees can be authorised purposes

A number of clubs are affiliated to more than one national organisation. Some of these clubs pay affiliation fees to each of these organisations.

Previously, the Department's view has been that only one of those fees could be allowed as an authorised purpose for gaming machine funds.

Recently, the Department has accepted that at times a club can receive a significant benefit from membership of more than one organisation. Consequently, it has changed its view and, depending on the circumstances, will permit gaming machine funds to be used to pay affiliation fees to more than one

organisation, provided the fees are reasonable and in proportion to the benefit the club receives from its affiliation.

A club may now apply to alter its authorised purposes statement to allow for more than one affiliation fee.

PUBS AND CLUBS

What is the “gambling area” in a pub or club?

The Gambling Act’s definition of “gambling area” has important consequences for gambling operators (section 4). It restricts where gaming machines can be placed and defines what areas excluded gamblers are barred from.

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 operated (section 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.

If a venue licence has been amended to specify the gambling area:

- The gaming machines cannot be moved outside the specified gambling area without applying for another amendment.
- Exclusion orders exclude people from the gambling area only. They cannot be excluded from other parts of the venue under this Act.

Before considering an amendment to specify the gambling area, the Department requires the gambling operator to submit a floor plan that:

- is clear and simple
- is drawn to scale
- clearly delineates the gambling area(s)
- is signed by a trustee or other officer of the corporate society.

The submission of floor plans as part of an application does not automatically entitle the applicant to a condition under section 70(2)(h). The society must specifically apply for an amendment to its licence before the Department will consider adding a condition. Factors such as venue staff’s ability to supervise the gambling area will be taken into account before a condition is granted.

Licence renewals being completed within weeks

Changes the Department has made to how it decides on renewing gambling licences have greatly speeded up the process.

Where gambling operators file complete and correct renewal applications, processing is now taking weeks, rather than months.

Where an application is first made for a new licence under the Gambling Act, either by gambling operators renewing licences issued under the now-repealed Gaming and Lotteries Act (very few of these older licences are left now) or by a

new operator, processing is likely to take longer.

The Gambling Act imposes much stricter rules on issuing new licences and applicants must provide considerably more detailed information than the previous law required.

Previously, 76% of licences expired on September 30 each year. This caused a bottleneck and delays in processing. The new Act allowed the expiry dates of licences to be changed.

The new dates link the licence

to each operator’s financial year.

Licences now usually expire within two to four months of the operator’s financial year-end. This has not only spread the workload over the year but has allowed the operator to publish its annual report, have the accounts audited and apply for renewal of its gambling licence in one streamlined process.

Eventually, where renewal applications are complete and correct, the Department hopes to issue most licences within one month of the application being received.

Casino branding compliance good but some pubs risk prosecution

While compliance with the “casino branding” provision of the Gambling Act is generally good, some pubs and clubs are not complying and risk prosecution.

Since 19 March 2005 the Act has prohibited anyone, including a gaming machine operator or venue, from using the word “casino” or any other word or get-up in a way that gives the impression that the venue is a casino and is open to the public (section 121).

The Department’s Gambling Inspectors have been checking on compliance with this requirement during regular audits and visits to venues. The Department has also received information from members of the public.

Where pubs and clubs are not complying they have been given a warning, explaining what the law requires and

advising that future breaches could result in prosecution.

Courts can impose fines of up to \$10,000. The Department can also take administrative action, which includes cancelling or suspending gambling licences and issuing an infringement notice with a fee of \$5,000 (see page 5 for more information about infringement offences).

For further information about casino branding see also: the letter sent by the Department to all gambling licence holders on 15 February 2005; the Department’s website, www.dia.govt.nz; and *Gambits* June 2004 page 10 and March 2005 page 17.

KEY CONTACTS GAMING AND CENSORSHIP REGULATION

0800 257 887 • www.dia.govt.nz

Director, Gaming and Censorship Regulation Group (GCR) To be appointed

GCR is the business group within the Department of Internal Affairs whose role is to bring about compliance with New Zealand’s gambling and censorship laws. There is no direct policy connection between gambling and censorship, but they are the only two enforcement functions that the Department carries out and are grouped under one director.

National Manager Gaming Compliance **Greg Crott**

A team in Wellington issues all licences for non-casino gaming activities, including prize competitions, housie, lotteries and other games of chance. Inspectors based in Auckland, Wellington and Christchurch conduct audits of gaming machine societies and other kinds of gaming, including instant games, housie, lotteries, prize competitions and licensed promoters. Staff investigate complaints from the public and in some cases instigate prosecutions.

- Manager Gaming Compliance Auckland, Geoff Lawry
- Manager Gaming Compliance Wellington, Adrian Straayer
- Manager Gaming Compliance Christchurch, Kevin Owen

National Manager Casino Compliance **Debbie Ferris**

Casino Compliance is responsible for inspecting and monitoring casinos. It conducts compliance audits, ensures on-going suitability of certificate of approval holders,

investigates incidents and patron complaints and ensures that casinos comply with the Gambling Act.

- Northern Regional Manager Casino Compliance, Maria Bradshaw
- Southern Regional Manager Casino Compliance, Dennis Petersen

Manager Gaming Operational Policy **Kate Reid**

Gaming Operational Policy has responsibility for contributing to policy development in the gaming sector generally, the development of licence conditions and providing operational policy support and advice to GCR’s operational units and the Director. The unit also includes technical advisors responsible for the setting of standards and testing requirements relating to the approval and operation of gaming machine equipment and expert advice on technical issues and investigations. The scrutiny requirements under the Gambling Act for Lotteries Commission products are also included.

National Manager Censorship Compliance **Steve O’Brien**

Censorship Compliance is responsible for taking action against people who collect or trade child sex abuse images and for enforcing the Chief Censor’s decisions. It operates under the Films, Videos and Publications Classification Act 1993. It carries out inspections, investigates complaints, issues official warnings and instigates prosecutions where necessary.

CONTACTS

All GCR staff can be contacted by phoning the Department's toll-free number

0800 257 887

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

Web: www.dia.govt.nz

Postal address and fax numbers:

CASINO COMPLIANCE

PO Box 805, Wellington, Fax: (04) 495 7224

GAMING LICENSING

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

GAMING 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 at the beginning of 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: Vince Cholewa

Telephone: (04) 495 9350, 027 272 4270

E-mail: vincent.cholewa@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 Vince Cholewa, telephone (04) 495 9350, fax (04) 495 7224, e-mail vincent.cholewa@dia.govt.nz

Organisation name: _____

Contact person: _____

Media releases: _____

e-mail: _____

Gambits postal address: _____

