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December 2003 - September 2005  
available on [www.dia.govt.nz](http://www.dia.govt.nz)



## Are gaming machine profits really falling?

By Deputy Secretary of Internal Affairs Andrew Secker

Speculation that profits from gaming machines in pubs and clubs might have decreased by 10% in 2005 needs to be put into perspective.



While the Department's estimates of gambling expenditure for 2004/2005 will not be available until near the end of the calendar year, anecdotal information suggests that the profits of some gaming machine operators might actually have increased.

However, even if overall gaming machine profits were 10% lower in 2004/2005 than in the 2004 year, this would be more a levelling off than a reduction.

Historically, gaming machine profits have recorded phenomenal increases, year after year.

In 2000 gamblers spent \$450 million on gaming machines in pubs and clubs. (The amount gamblers spend is gaming machine operators' gross profit.)

By 2004 that figure had increased by 130% to \$1.035 billion. Going back to 1995 profits were \$171 million, i.e. only one sixth of what they had become by 2004.

So if gaming machine profits were \$900 million in 2005 that would still be double what players spent in the year 2000.

It is hard to think of any other sector of the economy that has experienced such extraordinary growth.

### Return to the community

In the past only about 29% of profits from machines in pubs was actually returned to the community as grants. The new regulatory regime introduced by the Gambling Act 2003 should increase that figure significantly.

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So even if gaming machine profits have dropped a little, the amount actually returned to community purposes in 2005 might be larger than the amount returned in 2004 and it will certainly be double what was returned to the community in 2000. These facts are hard to reconcile with stories about community groups “missing out” on money they would have received in the past.

### Balancing benefits and harm

When Parliament passed the Gambling Act it included among the Act’s objectives controlling the growth of gambling, preventing and minimising the harm caused by gambling and ensuring that money from gambling benefits the community.

In effect, the Act requires a balance between the benefits of grants to the community and the harm caused by problem gambling, not just to gamblers but also to their families, employers and society at large.

The amount of money given as grants also needs to be kept in perspective. For every \$1 a community receives in grants, players spend \$3.

The Act requires that, when people gamble on gaming machines in pubs and clubs, the profits benefit the community. It does not require that those profits increase or even that they stay the same.

The Charity Gaming Association (CGA) raised the issue of a possible drop in profits when it made a complaint to Parliament’s Regulations Review Committee.

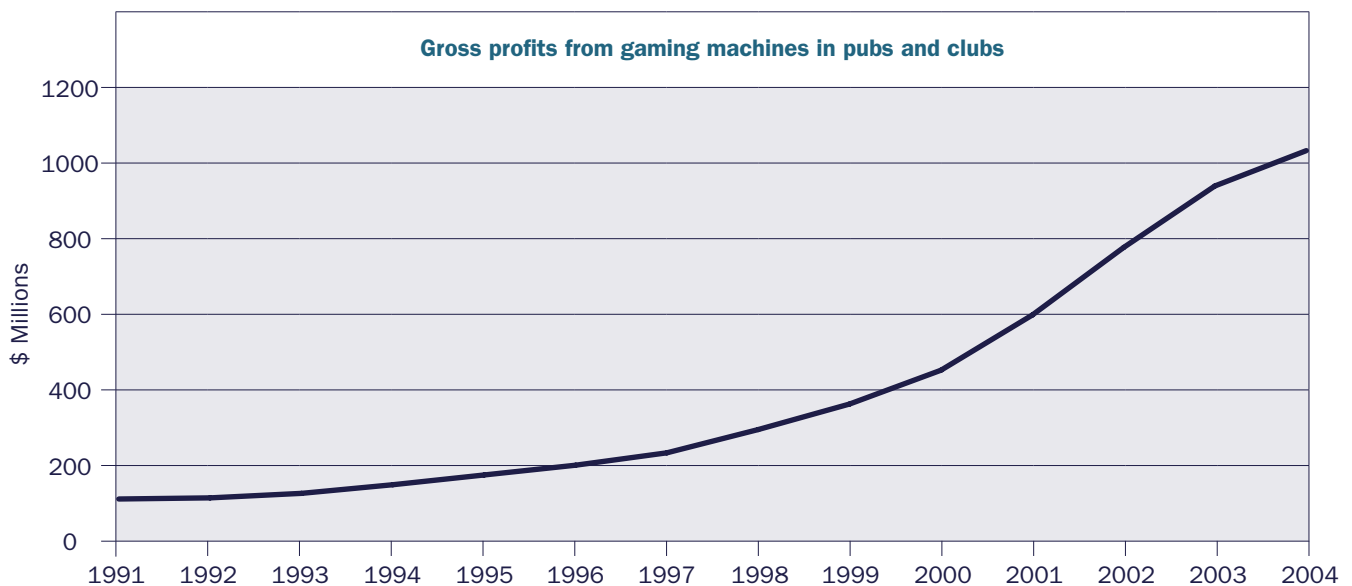
The Committee, which included representatives from Government and Opposition parties, made the following important comment in its report:

“If, as the complainant contends, less money goes to charity because there is less gambling, in our view this is consistent with the Act.”<sup>1</sup>

The Committee dismissed the CGA’s complaint on all grounds. (See also page 7 *Parliamentary Committee upholds DIA policy on payments to pubs.*)

1. The quote is from the conclusion of the Committee’s report of June 2005.

Complaint regarding the Limits and Exclusions on Class 4 Venue Costs Notice 2004.



## Gambling regulations and notices coming into force

The Gambling Act has created a framework for regulating all forms of licensed gambling in New Zealand. Parliament decided that much of the detail of how that is to be done should be in regulations, Gazette notices and other rules.

The Department always consults with the gambling sector and community before making regulations and other rules, and most changes have led in times.

This article summarises the regulations and other rules that have been made and are yet to come into force and those still being made. For more information visit the Department's website, [www.dia.govt.nz](http://www.dia.govt.nz)

### Prohibited prizes for all gambling

Currently regulations made under the now-repealed Gaming and Lotteries Act prohibit certain goods being offered as prizes for gambling (e.g. firearms, ammunition and alcohol are prohibited prizes). These regulations are being reviewed and will continue in force until eventually replaced by regulations made under the Gambling Act.

### Casinos, pubs and clubs

All regulations in the *Gambling (Harm Prevention and Minimisation) Regulations 2004* are now in force, except Regulations 7, 8, 9, 10 and 12.

#### From 1 October 2005

Regulations 7 and 8 relating to new gaming machines, and regulations 9, 10 and 12:

- all new machines must, at a gambler's choice, display information about the games on that machine and about the gambler's session of play.
- all new machines must, at intervals of no more than 30 minutes, automatically interrupt play and provide information including how long that session of gambling has been and how much money has been won or lost, and must ask if the gambler wishes to continue.

- jackpots must not be advertised outside a gambling venue and if they are advertised inside a venue the advertisements must not be seen or heard outside.
- the word "jackpot" (or any other similar word or branding) cannot be published in a way that explicitly or implicitly gives the impression that there is a gaming machine jackpot at the venue.
- there must always be staff who have had problem gambling awareness training at the venue when gambling is available.

#### From 1 July 2009

Regulations 7 and 8 relating to all other gaming machines:

- all machines must, at a gambler's choice, display information about the games on that machine and about the gambler's session of play.
- all machines must, at intervals of no more than 30 minutes, automatically interrupt play and provide information including how long that session of gambling has been and how much money has been won or lost, and must ask if the gambler wishes to continue.

### Pubs and clubs

All limits and exclusions in the *Limits and Exclusions on Class 4 Venue Costs Notice 2 September 2004* are now in force, except 2(d).

#### From 1 December 2005

- a gambling operator can pay no more than 16% of its gross profits to the pubs that host its machines.

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## ALL GAMBLING

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This is limit 2(d) of the venue costs notice (see also page 7 *Parliamentary Committee upholds DIA policy on payments to pubs*). This limit, more than any other, provides confidence that an increasing proportion of gambling profits are not being absorbed into venue expenses and the Department will be auditing to ensure compliance.

### Electronic Monitoring System

The regulations and game rules for the Electronic Monitoring System (EMS) for all gaming machines in pubs and clubs will, in effect, be a manual of what gambling operators must do to ensure their venues can connect to EMS on time.

The Department has started consultation on the regulations that will cover technical details (including cabling, venue controllers and the software protocol), connection dates and fees. (See also page 10, Next step toward electronic monitoring system for gaming machines, consultation on fees.)

### Lotteries and other community gambling

On 1 August 2005 the Gambling (Licensed Promoters) Regulations 2005 came into force.

These regulations replace the old licensed promoters regulations made under the Gaming and Lotteries Act 1977.

A licensed promoter is a person or a company that is granted a licence to promote class 3 gambling activities on behalf of societies that have been granted licences for those activities. A society may pay a licensed promoter to promote licensed class 3 gambling on its behalf.

In general, class 3 gambling includes lotteries, prize competitions and other gambling for community fundraising purposes where prizes exceed \$5000 in value, and a "society" is a non-commercial association.

The regulations were made following a consultation process. In December 2004 a discussion document was sent to current and previous licensed promoters and approximately 60 societies that had recently used the services of a licensed promoter. It was also published on the Department's website.

The submissions received largely favoured maintaining the status quo, as was proposed in the discussion document.

The new regulations mainly cover the audit requirements for licensed promoters. They also specify the maximum reward that may be paid to a licensed promoter for undertaking a promotion.

Currently, there are three licensed promoters.

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A licensed promoter is a person or a company that is granted a licence to promote class 3 gambling activities on behalf of societies that have been granted licences for those activities. A society may pay a licensed promoter to promote licensed class 3 gambling on its behalf.

All Gambling Compliance staff can be contacted by phoning the Department's tollfree number

0800 257 887

## Gamblers stealing chips and credits

Would you leave \$1,245 unattended, go off to have dinner and then come back, surprised that your money was gone?

That is how some gamblers behave with chips and gaming machine credits. They leave chips on casino tables and credits in machines, walk away from them, remember them later and then discover they have been stolen.

Such incidents illustrate two issues.

First, taking another gambler's chips or credits is theft. When people who do it are caught, casinos issue trespass notices banning the thieves and they refer some cases to the Police for prosecution.

One of the purposes of the Gambling Act is to "limit opportunities for crime or dishonesty associated with gambling" (section 3 (f)).

Secondly, the incidents suggest that at least some gamblers appear to see chips and credits differently to cash. Yet, they are equivalent to that amount of cash and can be paid out at any time a gambler chooses.

This raises questions about gamblers' behaviour. If gamblers do not see chips and credits as cash, how

does that affect their gambling? Does it change how much or how fast they gamble? Does it contribute to problem gambling? When do they realise that \$1,000 of chips or credits is the same as \$1,000 cash?

This is not the first time such questions have been raised and they are matters problem gambling service providers are aware of. One of the significant changes brought about by the Act is that, for the first time, New Zealand's law now includes a purpose to "prevent and minimise the harm caused by gambling, including problem gambling" (section 3(b)).

Casino operators are responsible for security in their casinos. This includes not only taking action against theft of chips and credits, but also taking steps to prevent theft in the first place. One of the Department's Gambling Inspectors' roles is to ensure that casinos are meeting their responsibilities under the Act, in terms of both taking measures to prevent theft and taking action if theft occurs.

**Theft of chips and credit reported by casinos to the Department, February to August 2005**

Casino	Gaming Tables			Gaming Machines		
	Thefts	\$ Stolen	\$ Recovered	Thefts	\$ Stolen	\$ Recovered
Auckland	9	805	315	14	2,168	1,285
Hamilton	2	200	100	0	0	0
Christchurch	2	1,005	1,005	4	333	136
Dunedin	0	0	0	1	8	0
Totals	13	2,010	1,420	19	2,509	1,421

## HARM PREVENTION

### Gambling harm prevention road show

The Department has invited all of the 550 gambling operators with gaming machines in pubs and clubs to presentations about gambling harm prevention.

Department staff will be giving presentations at 25 venues throughout the country in September.

The topics were decided after considering the replies to a Department survey of the gambling sector.

The overwhelming majority of responses requested presentations focusing on:

- problem gambling awareness training for venue staff
- harm prevention and minimisation policies
- other harm prevention and minimisation requirements in the Gambling Act.

There will be time after each presentation for questions and answers and a resource package will be distributed to participants.

All operators should have received information about the presentations by mid-August.

**Schedule of presentations**

Venue	Date	Time
Nelson Suburban Club	5 September 2005	10.00am
West Coast / Greymouth RSA	5 September 2005	4.00pm
Timaru Town & Country Club Sports Pavilion	6 September 2005	2.00pm
Mosgiel RSA	7 September 2005	2.00pm
Cromwell Town & Country Club	8 September 2005	11.00am
Invercargill Working Men's Club	9 September 2005	10.00am
Hornby Working Men's Club	12 September 2005	10.00am
Point Chevalier RSA (Aklid)	8 September 2005	3.00pm
Paihia Ex Servicemen's Club	12 September 2005	10.00am
Northland Club (Whangarei)	12 September 2005	3.00pm
East Coast Bays RSA (Aklid)	13 September 2005	10.00am
Hobsonville RSA (Aklid)	13 September 2005	3.00pm
Hamilton Commerce	14 September 2005	10.00am
Waitomo Club	14 September 2005	3.00pm
Rotorua RSA	15 September 2005	10.00am
Ohope Chartered Club	15 September 2005	3.00pm
Tauranga RSA	16 September 2005	10.00am
Thames Working Men's Club	16 September 2005	3.00pm
Weymouth Cosmopolitan Club	19 September 2005	10.00am
Gisbourne 2nd NZEF	6 September 2005	11.00am
Napier Cosmopolitan Club	7 September 2005	9.30am
New Plymouth Club Inc.	8 September 2005	2.00pm
Palmerston North RSA	9 September 2005	10.00am
Masterton Cosmopolitan Club	12 September 2005	12.00pm
Upper Hutt Cosmopolitan Club	12 September 2005	5.00pm

(See also Problem Gambling Awareness Training fact sheet, page 19.)



## Parliamentary Committee upholds DIA policy on payments to pubs

Parliament's Regulations Review Select Committee has dismissed all the complaints from the Charity Gaming Association (CGA) about rules limiting how much pubs can be paid to host gaming machines.

The Committee's decision means that from 1 December 2005 a gambling operator can pay no more than 16% of its gross profit to the pubs that host its machines.

In the 2004 financial year operators with machines in pubs made total gross profits of more than \$800 million. The rules would have limited pubs' share of those profits to about \$128 million.

The other limits, setting out per machine per hour, per machine per week and per venue per week payments for operating costs, have been in force since 1 December 2004.

The CGA had complained to the Committee about the *Limits and Exclusions on Class 4 Venue Costs Notice 2004*.

In dismissing the complaints the Select Committee confirmed that the Notice:

- was in accordance with the general objects and intentions of the Gambling Act

- did not contain matters more appropriate for parliamentary enactment
- was clear and does not need elucidation.

In its conclusion the Committee stated that:

"In effect the complainant was suggesting that venue costs should be met by using a commission-based system. Such a system is expressly prohibited by the Act and runs counter to the purposes of the Act."

Full text of the Select Committee's report, *Complaint Regarding the Limits and Exclusions on Class 4 Venue Costs Notice 2004*, is on the Parliamentary website, [www.clerk.parliament.govt.nz](http://www.clerk.parliament.govt.nz)

The Gazette Notice and guidelines are available on the Department's website. Go to [www.dia.govt.nz](http://www.dia.govt.nz), click on "gambling", click on "gambling in pubs and clubs (class 4 gambling)", then click on "venue expenses".

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Full text of the Select Committee's report, *Complaint Regarding the Limits and Exclusions on Class 4 Venue Costs Notice 2004*, is on the Parliamentary website, [www.clerk.parliament.govt.nz](http://www.clerk.parliament.govt.nz)

The Gazette Notice and guidelines are available on the Department's website. Go to [www.dia.govt.nz](http://www.dia.govt.nz), click on "gambling", click on "gambling in pubs and clubs (class 4 gambling)", then click on "venue expenses".

## PUBS AND CLUBS

# Large grants can be made despite ban on pre-committing future gaming machine profits

Regulations made under the Gambling Act prohibit pre-commitment of grants. That is, a grant must be made from the funds available and cannot be a promise to pay in the future.

However, gambling operators can make large grants despite the ban on pre-committing funds.

Some operators have interpreted regulations 11 and 16(h) of the Gambling (Class 4 Net Proceeds) Regulations 2004 (which prohibit entering into a commitment to make a grant out of future gaming machine profits) as implying that they cannot make large grants (for example, for an annual salary, for the annual running costs of a charitable organisation, or for a sports team to train for an event that is a year or two away).

In fact, there is no legal impediment to making large grants, as long as the gaming machine society has the money to make the grant in a given quarter and as long as it puts in place appropriate accountability arrangements to ensure the grant is spent as intended.

Pre-commitment has been prohibited to help ensure fair access to grants.

One of the possible disadvantages of pre-commitment is that a few groups could, in effect, capture large amounts

of funding into the future, preventing others having the opportunity to apply for a grant from that money.

For example, community organisations have previously complained that the distribution of gaming machine funds was not transparent and that appropriate recipients often missed out.

Pre-commitment could also make it more difficult to audit the flow of cash to recipients of grants.

In addition to prohibiting pre-commitment, the regulations require that all, or nearly all, of a gambling operator's net proceeds be distributed every quarter.

It is important to note that the recipient of the grant does not have to use all of that money in that quarter.

For example, a group might apply for a grant to pay for a project that could take a year to complete. If the application is within the gambling operator's authorised purposes, then it can make a grant for such a project but must make it from funds that it already has.

## Pubs cannot claim costs if machines not operating

It is common for pubs to decide to switch between different gambling operators. That is, they decide they will no longer host machines from one operator but will instead host the machines for another operator.

It is also common that there is a "down time" during the switch when there are no machines at the pub or when there might be machines there but they are not operating because the new operator does not yet have a licence to operate machines at that pub.

Operators must not pay expenses to pubs during these down times.

The Gambling Act requires that pubs are paid the actual,

reasonable and necessary costs for operating gaming machines only. The Limits and Exclusions on Class 4 Venue Costs Gazette Notice details what those costs can be.

If the machines are not being operated payments must not be made to the pub.

Gaming machines are licensed as a form of community fundraising only. Pubs are entitled to recoup the actual, reasonable and necessary costs they incur in hosting the machines.

If pubs are paid while not operating machines, then they are being subsidised by money intended for community groups and the community is missing out.

## Winding up a gambling operator: What happens to the money and the gaming machines?

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The Department reminds all gambling operators that the Gambling Act requires them to provide a final report to the Department when they cease operating gaming machines (section 111).

The Act places an obligation on a gambling operator to take the actions and provide the information set out below to the Department within 20 working days of ending its gaming machine operations. Where the operator has notified the Department of the situation and the Department has agreed that the operator may remain inactive for a further specified period, the obligations do not apply.

The operator must immediately apply or distribute remaining net proceeds from its gaming machines within 20 working days of the cessation. It must also report to the Department, on the relevant standard form, on the turnover of the gambling and proceeds from the sale of fittings, chattels and gambling equipment purchased from that turnover or investment return. In addition, it must report the final application or distribution of net proceeds from its gaming machines.

This means that the operator must complete the Gaming Machine Accounting Summary form so that it provides the above information and return the form to the Department.

An operator that fails to comply with section 111 of the Act is liable on conviction to a fine of up to \$10,000.

Organisations that cease to operate gaming machines will also have to comply with Section 83 of the Act. This section requires the holder of a gambling operator's licence to provide the following information to the Department within 20 working days of disposing of a gaming machine, whether it continues to operate gaming machines or not.

Operators must provide:

- the means of disposal
- the name of the acquirer of the gaming machine together with the details necessary to contact the acquirer with ease.

An operator that fails to comply with section 83 of the Act is liable on conviction to a fine of up to \$5,000.

Please note that the requirements in sections 83 and 111 are different to those in section 71(1)(8). The first two relate to operators' licences, while the latter relates to the surrender of venue licences. It is the responsibility of the licence holder, which is always the operator, to comply with all sections of the Act.

An operator that fails to comply with section 71 of the Act can face administrative action, which can include cancellation or suspension of licences.

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Please note that the requirements in sections 83 and 111 are different to those in section 71(1)(8). The first two relate to operators' licences, while the latter relates to the surrender of venue licences. It is the responsibility of the licence holder, which is always the operator, to comply with all sections of the Act.

## PUBS AND CLUBS

# Next step toward electronic monitoring system for gaming machines, consultation on fees

The Department of Internal Affairs is asking for public comment on the proposed fees to pay for the electronic monitoring system (EMS) for all gaming machines in pubs and clubs.

The proposed fees will be set by regulation and will cover the costs of implementing and operating EMS over its initial six-year period. The gambling operators who own the gaming machines would pay the fees.

The consultation document distributed by the Department in July identifies a preferred funding option of a fee of \$1.14 per gaming machine for each day it is operated. (At present there are just under 22,000 machines.) Gambling operators would pay the fees each month. The proposed fees are very close to the levels indicated to the sector three years ago during the development of the Gambling Act.

The consultation document also seeks views on the possible future use of EMS data to simplify tax and levy payment processes for gambling operators.

In 2003/04 gaming machines in pubs and clubs had a turnover in excess of \$8.6 billion and produced a gross profit of \$1.035 billion. EMS will enable the Department to track and monitor the operations of gaming machines, ensure the integrity of games, and limit opportunities for crime and dishonesty in connection to gaming machines. The analysis of machine-by-machine data will also contribute to our understanding of problem gambling.

EMS will:

- 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 failures
- assist in detecting tampering with a machine or software.

Each gambling operator will have access to the information collected by EMS about its own machines and the Department will publish statistical data on a website.

Copies of the consultation document were sent to all gambling operators with machines in pubs and clubs. They are also available on the Department's website, [www.dia.govt.nz](http://www.dia.govt.nz), click on "gambling", then click on "news, press releases & consultation".

Submissions should be made to the Department by 30 September 2005. This will enable the final Cabinet decisions to be made and the fees implemented by the end of March 2006 – in time for connection of the first gaming machines to the system.

By early 2006 some operators will connect their gaming machines to EMS as part of a pilot rollout. The full rollout will commence later that year. The Gambling Act requires that all gaming machines in pubs and clubs must be connected to an EMS by 19 March 2007.

All Gambling Compliance staff can be contacted by phoning the Department's tollfree number

0800 257 887

## Gambling trends continue: machine numbers down but operators and venues get bigger

The Department of Internal Affairs has released quarterly gambling licensing statistics that reinforce the comments the Department made in January: fewer pubs and clubs are choosing to have gaming machines but those that do, on average, have more machines.

The trend seems to be driven by gambling operators removing their machines from venues that had fewer machines.

Average number of gaming machines per venue (pubs and clubs)			
Date	Gambling sector total	Pubs	Clubs
30 June 2005	12.13	13.03	9.6
31 December 2004	12.02	13.01	9.31
31 December 2003	11.19	12.24	8.49
31 December 2002	11.39	12.72	7.99
31 December 2001	9.87	10.92	7.45
31 December 2000	8.6	9.7	6.7
30 June 1999 <sup>1</sup>	6.5	7.0	5.7
31 December 1998	6.05	6.52	5.36

1. Figures for 31 December 1999 are not available.

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**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](mailto:vincent.cholewa@dia.govt.nz)**

## PUBS AND CLUBS

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While the average number of machines per venue is increasing, the total numbers of gambling operators, venues and machines are all continuing to decline.

The trends are the expected results of the Gambling Act, which was passed in September 2003 with most of its provisions in force by 1 July 2004.

Licensed gambling operations in pubs and clubs			
Date	Gambling operators	Venues	Gaming machines
30 June 2005	533	1,801	21,846
31 December 2004	584	1,850	22,231
31 December 2003	672	2,031	22,734
30 June 2003 <sup>1</sup>	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 <sup>2</sup>	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.

### Summary of trends

One of the biggest changes made in the Gambling Act was a much stricter licensing regime. The Act has made it harder to get a gambling licence and easier to lose it. This has reinforced the historical trend towards fewer, but on average bigger, operators. The trend began many years ago and is probably due to economies of scale.

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. Operators seem to be moving machines out of

smaller, less profitable venues and focusing attention on venues where more money is gambled.

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 continued to decline slowly since then.

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

Further information, including numbers of venues and machines by territorial authority and the changes in these numbers, is available from the Department's website.

## Sunny days, rain, jackpots and a smile

From 1 October 2005 gambling harm prevention regulations will prohibit the advertising of jackpots outside a gambling venue and will prohibit jackpot advertising inside a venue that can be seen or heard outside the venue. (See also *Gambling regulations and notices coming into force*, page 3.)

One club recently visited by a Gambling Inspector had a novel approach to this regulation.

The Inspector spoke to the club manager, telling him that the jackpot sign could be seen outside the club and

advising him about the regulation.

The manager said that, rain or shine, the club would comply: on sunny days, it was hard to see through the windows and on rainy days the curtains are usually pulled.

The Inspector advised the manager how he could get further information and couldn't help but smile.

For the record, this club's method is unlikely to comply with the regulations.



## EMS Updates

The Department of Internal Affairs has started publishing a new occasional publication, *EMS Updates*.

*Updates* aims to provide gaming machine societies with information

that will help them prepare for implementing EMS at their venues.

The first issue was distributed in June 2005 to all societies and gambling venues.

It is also available from the Department's website,

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

It included articles about:

- societies' responsibilities in getting their venues ready for EMS
- sources of further information
- the EMS implementation process
- an indicative timetable for the roll out of EMS.

The Department expects to publish the next issue in September or October 2005.

## Problem Gambling Awareness Training fact sheet

The Department has produced a fact sheet to help gambling operators comply with regulations requiring that staff at casinos and pubs and clubs with gaming machines must have problem gambling awareness training.

The fact sheet suggests practical ways of implementing the regulations, including a list of characteristics and signs of problem gambling, how to contact problem gambling services and information about how to deal with exclusion orders.

Copies have been sent to all casinos and to all gambling operators with machines in pubs and clubs. Electronic copies are available on the Department's website, [www.dia.govt.nz](http://www.dia.govt.nz), and hard copies can be obtained from the Department's Gambling Compliance offices (see back page) and by calling the tollfree number 0800 257 887 and asking for Emma Drummond.

(See also Gambling harm prevention road show, page 6.)

## Prize Competitions and the Gambling Act 2003

Some competitions used by organisations to raise money are a form of gambling. In some cases a competition might need a licence and some could be prohibited.

The Gambling Act has made changes to all forms of gambling and the Department is providing information to help organisations ensure their competitions comply with the new law.

The information includes explanations of the Act's definitions of gambling and prize competitions and of the licensing requirements.

Copies are available from the Department's website, [www.dia.govt.nz](http://www.dia.govt.nz) and by calling the tollfree number 0800 257 887 and asking for Kate Egerton.

## New forms for gaming machines in pubs and clubs

The various application and reporting forms that gambling operators with gaming machines in pubs and clubs require have been updated as regulations made under the Gambling Act came into force.

They are available from the Department's website, [www.dia.govt.nz](http://www.dia.govt.nz), and operators can make as many copies as they need.

If operators are unsure if the forms they have are current, they can check against those on the website.

## RECENT APPOINTMENTS



### Northern clubs, who ya gonna call?

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The Department has appointed Senior Gambling Inspector, Bob Barrett, to be the clubs' liaison officer for the northern region.

This is a new role and Mr Barrett will be working with all clubs north of Taupo that have gaming machines. Currently, that is about 240 venues.

He will be the regional contact point for those clubs, the Department's expert on how the Gambling Act applies to clubs and will visit all clubs in the area over the next 10 months.

The focus of the role is education and persuasion to help clubs comply with the Act.

Mr Barrett has been with the Department for six years, following a 32-year career in the Police.

He can be contacted on the Department's tollfree line 0800 257 887, on his direct line 09 362 7949 or by e-mailing [bob.barrett@dia.govt.nz](mailto:bob.barrett@dia.govt.nz)

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

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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.**

## 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 in the structure diagram 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.

### Greg 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.

## CONTACTS

All GCR staff can be contacted by phoning the Department's tollfree number

**0800 257 887**

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

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

Postal address and fax numbers:

### CASINO COMPLIANCE

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

### GAMBLING LICENSING

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

### GAMBLING COMPLIANCE

#### Auckland

PO Box 2220, Auckland, Fax: (09) 362 7945

#### Wellington

PO Box 10-095, Wellington, Fax: (04) 495 7214

#### Christchurch

PO Box 1308, Christchurch, Fax: (03) 353 8309

## GAMBITS

The Department of Internal Affairs produces Gambits quarterly. Copies are distributed 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](mailto: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](mailto:vincent.cholewa@dia.govt.nz)

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

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

Media releases: \_\_\_\_\_

e-mail: \_\_\_\_\_

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