Consultation:

Proposed changes to gaming machine standards

Department of Internal Affairs

Te Tari Taiwhenua

January 2016

Contents

[What is this document about? 5](#_Toc442356783)

[Consultation requirements 5](#_Toc442356784)

[Sending us your submission 5](#_Toc442356785)

[Executive summary 6](#_Toc442356786)

[Part A: Background information 12](#_Toc442356787)

[1. Scope 12](#_Toc442356788)

[2. Relevant legislation 12](#_Toc442356789)

[3. Effect on manufacture of new equipment 13](#_Toc442356790)

[Part B: Adopting the Australian/NZ Gaming Machine National Standard 2015 14](#_Toc442356791)

[1. Background information 14](#_Toc442356792)

[2. The revised standard 14](#_Toc442356793)

[Part C: Clarifying the Secretary’s discretion 15](#_Toc442356794)

[1. Purpose 15](#_Toc442356795)

[2. The proposal to clarify the Secretary’s discretion 15](#_Toc442356796)

[Part D: Strengthened harm minimisation and prevention requirements 16](#_Toc442356797)

[1. Background: A stronger focus on harm for the NZ Appendix 16](#_Toc442356798)

[2. Purpose 16](#_Toc442356799)

[3. Criteria for evaluation 17](#_Toc442356800)

[i) Upholding the purposes of the Act 17](#_Toc442356801)

[2. Cost implications 17](#_Toc442356802)

[4. Artwork, names, themes and symbolism 19](#_Toc442356803)

[i) The proposed requirements 19](#_Toc442356804)

[5. Number of lines / ways 20](#_Toc442356805)

[i) Background information 20](#_Toc442356806)

[ii) The general research 21](#_Toc442356807)

[iii) The proposed standard 22](#_Toc442356808)

[iv) Scatters 23](#_Toc442356809)

[6. Presenting losses as wins 25](#_Toc442356810)

[i) Background information 25](#_Toc442356811)

[ii) The proposed standard: Remove celebration stimuli 26](#_Toc442356812)

[7. Skill, bettor involvement and illusion of control 27](#_Toc442356813)

[i) Background information 27](#_Toc442356814)

[ii) Physical skill 29](#_Toc442356815)

[iii) Stopping devices 29](#_Toc442356816)

[iv) Nudge 30](#_Toc442356817)

[v) Hold 30](#_Toc442356818)

[vi) Secret functions 31](#_Toc442356819)

[vii) Metamorphic games 31](#_Toc442356820)

[8. Encouraging increasing bets 32](#_Toc442356821)

[i) Disproportionate prizes 32](#_Toc442356822)

[ii) Further credits required to access additional features 32](#_Toc442356823)

[iii) Multiple games on screen 32](#_Toc442356824)

[iv) Time limits and urgency 33](#_Toc442356825)

[v) Mixed denomination games 34](#_Toc442356826)

[vi) Clarity of cash out and reserve buttons 35](#_Toc442356827)

[vii) Maximum bet buttons 35](#_Toc442356828)

[viii) Auto-gamble buttons 36](#_Toc442356829)

[9. Information displays: PIDs and Pop-up messages 38](#_Toc442356830)

[i) Background 38](#_Toc442356831)

[ii) Scope 39](#_Toc442356832)

[iii) The research 39](#_Toc442356833)

[iv) New proposed best-practice example screens 41](#_Toc442356834)

[10. Jackpots 43](#_Toc442356835)

[i) Background information 43](#_Toc442356836)

[ii) Discretion to decline 43](#_Toc442356837)

[iii) Wide-area jackpots 44](#_Toc442356838)

[iv) Downloadable jackpots 44](#_Toc442356839)

[11. Free games and features 46](#_Toc442356840)

[i) Background information 46](#_Toc442356841)

[ii) Specific questions for submitters 47](#_Toc442356842)

[12. Other 48](#_Toc442356843)

[i) Artificial sounds of coins 48](#_Toc442356844)

[ii) Use of peripheral devices 49](#_Toc442356845)

[iii) Intense features 49](#_Toc442356846)

[iv) Gaming machine tokens 49](#_Toc442356847)

[Part E: Tidying up the standards 50](#_Toc442356848)

[1. Deleting redundant requirements 50](#_Toc442356849)

[2. Other changes to tidy up existing requirements 50](#_Toc442356850)

[i) Introductory information 50](#_Toc442356851)

[ii) New sections 51](#_Toc442356852)

[iii) Other amendments 51](#_Toc442356853)

[iv) Amendments to requirements for linked jackpot systems 52](#_Toc442356854)

[Part F: Application for new equipment: USB cell phone charger 53](#_Toc442356855)

[1. Background information 53](#_Toc442356856)

[2. Framework for analysis 53](#_Toc442356857)

[3. Description of device 54](#_Toc442356858)

[4. Questions for submitters 54](#_Toc442356859)

[Part G: References 55](#_Toc442356860)

[Part H: Appendices 59](#_Toc442356861)

[Appendix A – Relevant Legislation 59](#_Toc442356862)

[Appendix B - Glossary 62](#_Toc442356863)

# What is this document about?

This document invites comments on proposed changes to the Gambling Act (Class 4 Gambling Equipment) Minimum Standard and the Gambling Act (Casino Gambling Equipment) Minimum Standard (the Standards).

## Consultation requirements

Section 372 of the Gambling Act 2003 (the Act) requires that, before standards are made, persons and organisations that are likely to be substantially affected by the standards must be consulted and given a reasonable opportunity to respond. Submissions will be given adequate and appropriate consideration.

## Sending us your submission

The proposed amendments will be assessed in accordance with the purposes of the Act. The Department of Internal Affairs (the Department) seeks your comment on all of the changes described within this document. Comment in relation to the purposes of the Act is particularly valued, with particular reference to whether any of the proposed amendments will impact on the purposes to:

* Prevent and minimise the harm from gambling, including problem gambling
* Facilitate responsible gambling
* Ensure the integrity and fairness of games

We ask you to make your submission with these particular purposes in mind.

Please send your submission to the Department by 11 April 2016.

Your submission can be sent by email to: gamingmachineequipmentstandards@dia.govt.nz

Alternatively, if you have any questions about this consultation document please contact Hilary Montgomery at: hilary.montgomery@dia.govt.nz

# Executive summary

**Background information**

This document seeks your views on proposed new and amended gambling equipment standards for casino and Class 4 gaming machines.

Potential areas of change mainly involve; adopting the proposed 2015 revision of the Australian/New Zealand Gaming Machine National Standard (the proposed National Standard); and adding new harm minimisation requirements to the New Zealand Appendix to the National Standard (“the NZ Appendix”).

This is not a proposal for any amendments to the Gambling Act 2003 (“the Act”) itself, nor any of the regulations made under the Act.

It is proposed that all *previously* approved gambling equipment and games will remain unaffected by any changes to the National Standard or the NZ Appendix.

**Adopting the Australian/NZ Gaming Machine National Standard**

The current Australian/New Zealand Gaming Machine National Standard (the current National Standard) has been developed by a working party that includes participants from New Zealand and all Australian state regulators. In 2014 the working party conducted a review of the Standard. Your views are sought on the reviewed standard, which is attached at Appendix D.

**Clarifying the Secretary’s discretion**

Gambling stakeholders previously expressed some uncertainty about the Secretary’s discretion to decline applications for new games or equipment that are not specifically prohibited in the standard. The current proposal is to add a standard to clarify that Secretary **does have** the discretion to decline any application that is inconsistent with the Act’s purpose and provisions to minimise harm, and also has the discretion to decline, if appropriate, any application for equipment where the current standards are absent or insufficient.

It is particularly important that gambling equipment manufacturers understand this discretion, given the inherent unpredictability of new technical developments that will be applied for in the future, some of which may be harmful.

**Strengthened harm minimisation and prevention requirements**

The current equipment standards do not have a particular focus on gambling harm; rather the focus has traditionally been on the integrity and fairness of gambling. Much research has arisen, and many technical developments have occurred, since the Act first came into effect over ten years ago. As such, it is considered timely to review the NZ Appendix to ensure the National Standard stays in line with the overall NZ regime’s focus on minimising gambling harm.

**Purpose and criteria for evaluation**

The idea behind the proposed requirements set out below is not to unnecessarily focus on (or reduce) gambling behaviour *generally*, rather, the focus is on characteristics of gaming machines “which have a differential impact on problem gamblers and/or exacerbate problem gambling.”[[1]](#footnote-1) That is, the aim is not to unduly affect recreational players nor generally reduce the entertainment value of gaming machines associated with non-problematic play.

**Artwork, names, themes and symbolism**

The current proposal is to clarify some requirements around gaming machine artwork. Examples of the proposed requirements include that game themes, names, symbolism, messaging and artwork must not discourage players from taking breaks, encourage gamblers to play excessively, or target groups at increased risk of experiencing gambling harm. Please refer to Part D(4)(ii) of this document for a full list of the proposed requirements.

**Number of lines**

The proposed requirement is to restrict each game (i.e. each bet or spin) to a maximum of 30 lines as follows: “a maximum of 30 lines, ways, patterns or equivalent outcomes per bet is permitted and must not be exceeded.”

The proposed requirement has been adapted from an existing requirement in Tasmania.

The reasoning behind this proposed requirement includes that:

\* Problem gamblers are more likely to place higher bets on maximum lines,[[2]](#footnote-2) find games with more lines (such as 50 or 243 lines) more exciting, and think that they must play all lines to avoid missing wins.[[3]](#footnote-3) In contrast, non-problem gamblers prefer games with fewer lines, and games with 20 lines may be the most popular overall.[[4]](#footnote-4)

\* A recent study which investigated various measures in Tasmania, showed that “the highest decrease in expenditure for moderate/problem gamblers was in the reduction in maximum lines.[[5]](#footnote-5)

\* Setting a maximum number of lines is also a recommendation of a recent New Zealand study conducted by the Auckland University of Technology.[[6]](#footnote-6)

***Scatter symbols***

For similar reasons, a requirement is also proposed that would prohibit scatter symbols from falling on lines that were not bet on, should this arrangement preclude the player from winning the scatter prize. Please refer to section D(5)(iv) of this document for a description of scatter symbols.

**Losses disguised as wins**

Losses disguised as wins (LDWs) occur in modern multi-line gaming machines when a player ‘wins’ less than their initial bet (i.e. loses overall), but the gaming machine indicates that the player has won by presenting reinforcing/exciting lights, colours and sounds,[[7]](#footnote-7) similar to the ‘congratulatory’ stimuli that are associated with actual wins.

Players tend to perceive LDWs as if they were actual wins, and this in turn leads players to significantly overestimate how much they have won.[[8]](#footnote-8) Further, by adding to the overall reinforcing effects of the game, LDWs are thought to exacerbate the game’s potential for addiction.[[9]](#footnote-9)

The effect of the proposed requirement would be to remove the “celebration” stimuli associated with LDWs. Specifically, the proposed requirement would require that any return to the player that is less or equal to the amount bet during a game must not be displayed as a win, and must be displayed as a loss (i.e. without fanfare or celebratory stimuli).

**Skill, bettor involvement and illusion of control**

It is well established that problem gamblers have more irrational cognitions (thoughts and beliefs) about gambling than recreational players.[[10]](#footnote-10) Problem gamblers are also more likely to think that skill is involved in gaming machine gambling, or that they are playing skilfully (this effect is referred to as “the illusion of control”) compared to non-problem gamblers.[[11]](#footnote-11)

Some gaming machine features may enhance the gambler’s perception that they are ‘interacting’ with a chance-based game. Research shows that such features can lead players to believe that they have more control over the game, or that the game is skilful, when it is not.[[12]](#footnote-12)

The proposal is to restrict the features, set out below, which have been shown to encourage bettor involvement and the illusion of control in gamblers. While the majority of these features do not currently exist in New Zealand, the Secretary proposes to place restrictions in the Standard to prevent these harmful features from being introduced in the future.

***Physical skill:*** The proposal is to prohibit games involving physical skill.

***Manipulation of game features:***The proposal is that games must not provide players with any ability to manipulate features in such a way as to potentially convey to the player an illusion of involvement in determining the game outcome.

***Stopping devices:*** The proposal is to prohibit stopping devices. Stopping devices “allow gamblers to voluntarily stop the virtual reels and see the end of the round more quickly.”[[13]](#footnote-13)

***Nudge:*** The proposal is to prohibit nudge features. ‘Nudge’ is a feature of British fruit machines which allow players to manually move any fruit machine reel into a winning position after automatic play is over.[[14]](#footnote-14)

***Hold:*** The proposal is to prohibit hold features. ‘Hold’ is where a player is given the opportunity to “keep stationary winning symbols before the next play has started.”[[15]](#footnote-15)

***Secret functions:*** The proposal is that there must be no hidden or undocumented features or functions anywhere on the screen.

***Metamorphic games:*** The proposal is that games must not be metamorphic, or have any component which is not independent of previous game play.

A “metamorphic game” is “a game where free games, feature games or prizes (other than jackpots) are triggered by the cumulative result of a series of plays.” An example of this is if ‘tokens’ or ‘points’ awarded during plays were accumulated by players over time.[[16]](#footnote-16)

**Encouraging increasing bets**

Problem gamblers gamble more intensively than other players.[[17]](#footnote-17) As such, the Secretary is concerned about any feature that has potential to induce gamblers to gamble more intensively. The proposal is to restrict certain types of game features (as set out below) that may encourage excessive gambling.

***Disproportionate prizes****:* The proposal is that games must not award outcomes such as bonuses, additional features, free spins, or disproportionate prizes on the basis that the player gambles more than the minimum wager.

***Further credits required to access additional features****:* The proposal is that games must not require a player to bet further credits to access additional features.

***Multiple games on screen:***The proposal is that gaming machines must not offer players more than one game for simultaneous play.

***Time limits and urgency:***The proposal is that gaming machines must not use changes in play tempo, sound volume, lighting brightness, colour or other features that have the effect of conveying an increasing sense of urgency to the player.

***Mixed denomination games:*** The proposal is that where multiple games are offered for play and a player selects a new game, the game screen must clearly display any new credit denomination and minimum bet.

***Clarity of cash out and reserve buttons***: The proposal is that the cash-out buttons, and to some extent the reserve button, on gaming machines is clear to players and easy to find.

***Maximum bet buttons:*** The proposal is to prohibit maximum bet buttons. Research suggests that problem gamblers use maximum bet buttons more often, and find them more exciting, than non-problem gamblers.[[18]](#footnote-18)

***Auto gamble buttons****:* The proposal is to prohibit auto gamble buttons as they are thought to exacerbate harm from problem gambling.

**Information displays: PIDs and pop-up messages**

The proposal is to insert new best practice example screens into the NZ Appendix. The new screens are intended to be examples of best practice only: Gaming machine manufacturers would be encouraged, but not required, to incorporate these screens into their gaming machine designs.

The new screens are based on findings from the latest research, and, in particular, the comprehensive study into PIDs, pop-ups and gaming machine characteristics conducted by the Auckland University of Technology in 2014.[[19]](#footnote-19)

The proposed new screens are intended to make spending information more clear to players, and to include more effective and meaningful harm minimisation messaging.

**Jackpots**

There are three proposed changes to the minimum technical requirements for linked jackpots systems,[[20]](#footnote-20) as described below.

***Discretion to decline****:* For the same reasons as described above (at “clarifying the Secretary’s discretion”), the proposal is to add a new statement to clarify that the Secretary has the discretion to decline applications for new jackpot equipment.

***Wide area jackpots:*** The proposal is to add a statement that reflects the status quo; that wide area multi-venue gaming machine jackpots are not permitted.

***Downloadable jackpots:*** The proposal is to require that Class 4 gaming machines lock up after a certain value has been won. The gaming machine would require external intervention from a gaming machine attendant before the player could continue gambling. This would re-introduce a natural break in play and give the player some time to think about their gambling.

**Free games and features**

Research shows that free games and features can be a harmful characteristic of gaming machines and may play “an important role in gambler’s transitioning from non-problem or low risk to moderate risk and high risk sectors of the gambling population.”[[21]](#footnote-21) The Secretary seeks your comments on the potential to introduce new requirements around free spins. It is suggested that, to affect problem gamblers in particular, restrictions could be introduced on the number of free spins or feature multipliers a player receives within a single free spin.

**Other**

Restrictions on other gaming machine features that may present harm to players are also being proposed, as set out below.

***Artificial sounds of coins:***The proposal is that games must not use any programmed sounds of coins falling (for example a pre-recorded sound of coins falling into a metal cup or metal tray). Artificial sounds of coins falling may lead the player to believe that winning is more common that it is, or encourage more intense gambling.

***Use of peripheral devices:*** The proposal is that gaming machines must not permit any external peripheral devices such as headphones or visual display glasses to be used. The use of such devices could encourage gamblers to become more dissociated and isolated from their external environment.

***Intense features:*** The proposal is that gaming machines must not use excessively loud sounds, excessively bright displays, or include any other excessively intense feature that may have the effect of isolating a player from perceiving their external environment.

***Class 4 gaming machine tokens.*** The proposal is to further clarify the state of affairs with respect to Class 4 gambling, that the use of tokens for cash input is prohibited. Research suggests that the use of gaming machine tokens instead of money can lead players to undervalue the amount they spend.

**Tidying up the standards**

The proposal is to remove some redundant or outdated requirements from the current NZ Appendix. Other changes are proposed to clarify the wording of the document and to better inform the reader about how the document is to be applied.

**Application for new equipment**

The Department received an application from a gambling equipment manufacturer to add a USB charging port to the front of gaming machines to allow players to charge their phones. Your comment is sought on this application.

# Part A: Background information

## 1. Scope

**In scope:** This document seeks your views on proposed new and amended minimum standards for casino and Class 4 gaming machines.

The proposal involves five main areas of potential change:

1. Adopting (where appropriate) the 2015 revision of the Australian/New Zealand Gaming Machine National Standard.
2. Clarifying the Secretary’s discretion to approve and/or decline applications from equipment manufacturers for new games, features, and/or equipment.
3. Strengthening existing and adding new harm minimisation/ prevention requirements.
4. Removing outdated or redundant requirements; and minor wording changes for purposes of clarity.
5. Consultation on a stakeholder application for a USB cell phone charger on gaming machines.

**Out of scope:** **This is not a proposal for any amendments to the Gambling Act (2003) itself, nor any of the regulations made under the Act.**

As such, all changes made must be consistent with the existing requirements of the legislation, and will not entail any changes to the Act or associated regulations.

## 2. Relevant legislation

**Section 9(1)(a)** of the Gambling Act 2003 (the Act) states that gambling is prohibited and illegal unless it is authorised under the Act and complies with the Act and any relevant licence, game rules and minimum standards.

**Section 327** gives the Secretary for Internal Affairs (the Secretary) the power to prescribe minimum standards for design, manufacture, and performance of gambling equipment, by notification in the *Gazette.* The Secretary is permitted to amend or revoke minimum standards at any time, provided that any changes are notified in the *Gazette.*

**Section 327(2)** of the Act states that minimum standards may include requirements for gambling equipment to have features designed to reduce the likelihood of problem gambling or other harm arising from its use.

**Section 328(2)** of the Actstates that, if no minimum standard exists in respect of a particular item of gambling equipment, a person may apply to the Secretary for a minimum standard to be prescribed.

Please refer to Appendix A for further requirements that are relevant to the current proposals.

## 3. Effect on manufacture of new equipment

It is proposed that all *previously* approved equipment and games will remain unaffected by any changes to the standard. Any new and/or amended standards will come into effect 6 months after they are prescribed – i.e. the new/amended standards will **only** apply to equipment submitted for approval after a date six months from the date when the new and amended standards are prescribed. The new/amended standards will not have retrospective effect to gambling equipment approved before the new/amended standards take effect. This position is set out in the revised working party’s proposed National Standard (see Appendix D), which states:

***“1.12*** *Any changes to the Standard will be communicated to manufacturers. When new requirements are adopted:*

*(a) a grace period of 6 months will be granted before new requirements come into force. However, where practical a manufacturer may adopt the new requirements before they come into effect;*

*(b) previously approved equipment remains unaffected and revisions to that equipment will be conducted under the requirements in force when the item was originally tested;*

*(c) equipment under test at the time the new requirements come into force will be tested against the requirements in force when the item was submitted for testing.”*

# Part B: Adopting the Australian/NZ Gaming Machine National Standard 2015

## 1. Background information

The Australian / New Zealand Gaming Machine National Standard (“the National Standard”) has been developed by a working party that includes participants from New Zealand and all Australian state regulators. To become applicable to New Zealand, the National Standard was then prescribed and gazetted pursuant to sections 327 and 328 of the Gambling Act 2003 (the Act), to become the “Gambling Act Minimum Equipment Standard.”

**The purpose of the Working Party’s Australia/New Zealand National Standard is to set out the core requirements, common to all jurisdictions, for the design of gaming machines and games for operation throughout Australia and New Zealand, and to guide testers in their testing for compliance with the National Standard**.

However, we note that gambling legislation can vary considerably across the different Australasian jurisdictions. To reflect jurisdictional differences, each jurisdiction provides its own appendix to the above National Standard, setting out any additional or differing requirements for that jurisdiction.

In 2014 the Chief Executives of the different Australasian regulators agreed to initiate a review of the National Standard, to be led by the New South Wales regulator. This project is now complete; however, before the new amendments can be applied in New Zealand, they need to be prescribed pursuant to section 328 of the Act by a notice in the *Gazette*.

The Working Party’s current revision of the National Standard (the proposed National Standard) is being looked over carefully prior to being gazetted in New Zealand. Some provisions will not apply to the New Zealand context, and those that do not, need to be dealt with via additional amendments to the NZ Appendix.

## 2. The revised standard

Please find the reviewed proposed National Standard at Appendix D. Certain industry bodies have already been consulted during the development of this Standard. For example, Gaming Technologies Association (GTA) were involved as part of the National Standard Working Group, and the Accredited Testing Facilities (ATFs) have been also briefed.

For comparative purposes, the current National Standard is also included at Appendix C. A [summary table of differences](https://www.dia.govt.nz/diawebsite.nsf/Files/Gambling-Consulatation_Proposed-changes-to-gaming-machine-standards_Feb-2016/%24file/Reference-table-old-requirement-to-the-new_Feb-2016.xls) is published on DIA’s website.

Proposed changes to be dealt with via additional amendments to the NZ Appendix are discussed throughout the remainder of this document.

# Part C: Clarifying the Secretary’s discretion

## 1. Purpose

Gambling stakeholders have previously expressed some uncertainty about the Secretary’s discretion to decline applications for new games or equipment that are not specifically prohibited in the Standard. The current proposal is to clarify the Department’s current position, that the Secretary **does have** the discretion to decline any application that is inconsistent the Gambling Act’s purpose and provisions to minimise harm, and also has the discretion to decline, if appropriate, any application for equipment where the current requirements are absent or insufficient.

It is particularly important that gambling equipment manufacturers understand this discretion, given the inherent unpredictability of new technical developments that will be applied for in the future.

## 2. The proposal to clarify the Secretary’s discretion

The proposed new requirements are set out below:

***“DIA-1.6 Testing***

Refer NS 1.17 to NS 1.19

1. *Where, in the opinion of the gaming machine tester, there is non-compliance with the requirements of the Minimum Standard, the gaming machine tester must seek direction from the Secretary.*
2. *Non-compliance with the Minimum Standard must be reported to the Secretary.*

***DIA-1.7 Applications for new and innovative technology***

Refer NS 1.18 and see also NS 3.2

1. *Any matters of design, manufacture, and performance of class 4 gambling equipment that are not specifically addressed in the Minimum Standard will be considered by the Secretary as part of the approval process. For the avoidance of doubt, this applies to (but is not limited to) situations involving new technology or features, or in situations where innovative use is being made of existing features, or where the existing Minimum Standard is silent on whether a particular feature is permitted.*
2. *In considering an application under subclause (1), the Secretary may take into account matters of harm minimisation and prevention, and may decline an application due to matters of harm minimisation and prevention.*
3. *The Secretary may amend the Minimum Standard as a result of an application involving features not addressed in the Minimum Standard.*

*Note: Manufacturers and vendors of gambling equipment are encouraged to contact the Department of Internal Affairs in the course of developing new or innovative technology and features, in order to ensure compliance with the Minimum Standard and in order that any necessary amendments to the Minimum Standard may be made in advance of the equipment being submitted."*

# Part D: Strengthened harm minimisation and prevention requirements

## 1. Background: A stronger focus on harm for the NZ Appendix

The legislative framework in New Zealand has a strong focus on the prevention and minimisation of harm caused by gambling. This is reflected by lengthy and prescriptive requirements set out in the Gambling Act 2003 (the Act) and its associated regulations.

By comparison, the Australia/New Zealand National Standard (the National Standard) did not historically have a particular focus on gambling harm; rather the focus has traditionally been on the integrity and fairness of gambling. This decision regarding the focus of the National Standard reflects the fact that harm minimisation requirements in particular differ substantially from jurisdiction to jurisdiction.

There are a few ‘harm’ related requirements set out in the New Zealand Appendix (the current NZ Appendix). A supplementary section (DIA9) covers elective information displays, interruptive information displays, jackpot information, and explanatory screen information displays. However, the current NZ Appendix is silent in all other areas - for instance; there is nothing in this part that sets rules relating to artwork; game themes; basic structural characteristics or gaming machine design.

Much research has arisen, and many technical developments have occurred, since the Act first came into effect over ten years ago. Research has widely demonstrated that structural characteristics and game features, via gaming machine design, are a primary cause of the development, and maintenance, of problem gambling. As such, it is considered timely to review the NZ Appendix to ensure the National Standard stays in line with the overall New Zealand regime’s focus on minimising gambling harm.

## 2. Purpose

The idea behind the proposed requirements in this section is not to unnecessarily focus on (or reduce) gambling behaviour *generally,* rather, the focus is on characteristics of gaming machines **“which have a differential impact on problem gamblers and/or exacerbate problem gambling.”**[[22]](#footnote-22) Theaim is not to unduly affect recreational players nor generally reduce the entertainment value of gaming machines associated with non-problematic play.

## 3. Criteria for evaluation

### i) Upholding the purposes of the Act

After receiving submissions, the proposals set out in Part D will be assessed to ensure they do not derogate from, and uphold, the purposes of the Act.

The purposes of the Act that are of particular relevance to these proposals are to:

* Prevent and minimise harm from gambling, including problem gambling; and
* facilitate responsible gambling; and
* authorise some gambling and prohibit the rest; and
* ensure the integrity and fairness of games; and
* ensure that money from gambling benefits the community.

After receiving your submissions, an evidence based approach will be used in the further assessment of the proposals.

## 2. Cost implications

#### Direct Costs

The assumption is that the implementation of most of the proposals should entail little direct cost to gambling equipment manufacturers.

Many of the proposals simply better specify the status quo. Other proposals place more explicit prohibitions on game features that do not currently exist in New Zealand; the idea behind these proposals is to prevent certain harmful features from being introduced or applied for in the future.

Proposals to prohibit features that currently exist in New Zealand should also entail little *direct* cost to the gaming machine manufacturer. There will be no cost of updating any existing software or hardware; new restrictions and prohibitions would only apply to newly developed gaming equipment. Further it is envisioned that gaming machine manufacturers should have enough notice of the new requirements prior to developing new equipment; any new and/or amended standards will come into effect 6 months after they are prescribed.

#### Reduced proceeds from gambling and increased community benefit

The aim of this project is to minimise and prevent the harm from gambling. It follows from this that we may see some reduction in the proceeds from gambling; at least proceeds spent by problem gamblers or players who gamble in a harmful manner.

Recreational players gain entertainment value though gambling with their discretionary funds, and community groups benefit from a proportion of the proceeds derived from such play. The proceeds from this recreational play must not be targeted.

In contrast, it is harder to argue that money from *problem* gambling, overall, benefits the community. While a proportion of problem spending can ultimately benefit authorised purposes, this benefit has to be weighed up against the considerable cost and detriment caused by problem gambling.

The aim is to ensure that any proposals once implemented, on balance, result in an overall community benefit. The evidence will be applied carefully to ensure this is the case.

## 4. Artwork, names, themes and symbolism

The current National Standard and the NZ Appendix contain little guidance regarding the Department’s position on the appropriate use of gaming machine artwork, naming, themes and symbolism.

The proposed changes below aim to clarify or set out some requirements around artwork. These requirements were largely derived from or inspired by either: the current 'New Zealand Advertising Standards Authority Code for Advertising Gaming and Gambling,[[23]](#footnote-23) standards within the Victorian Appendix to the Australia/New Zealand Gaming Machine National Standard,[[24]](#footnote-24) and SkyCity Auckland Casino’s Host Responsibility Programme.[[25]](#footnote-25)

### The proposed requirements

The proposed requirements read:

***“DIA-5.3 Harm minimisation requirements for artwork***

*Game themes, names, symbolism, messaging and artwork must not:*

* 1. *suggest that playing a gaming machine is likely to result in a person’s financial betterment;*
	2. *encourage players to participate excessively or beyond their means;*
	3. *discourage players from taking breaks;*
	4. *present gambling in an unrealistic, misleading or deceptive way;*
	5. *state or imply a promise of winning;*
	6. *state or imply that a player’s skill can influence the outcome of a game;*
	7. *suggest that playing a gaming machine is likely to improve a person’s social status;*
	8. *target groups at increased risk of experiencing gambling harm;*
	9. *exploit superstitions or the concept of luck; or*
	10. *exploit cultural notions or symbolism with the effect of compelling excessive play.”*

## 5. Number of lines / ways

### Background information

In the past, gaming machines featured far fewer betting lines or betting combinations compared with gaming machines today. For example, in 1968 Bally (a gambling equipment manufacturer) introduced a gaming machine featuring three mechanical reels and three lines, and later introduced a version with five lines. In 1987 Aristocrat (another manufacturer) introduced a gaming machine called a ‘video slot’ which replaced mechanical reels with a video screen featuring five rather than three reels. Since these earlier times, the number of lines featured by gaming machines has increased substantially, so that now gaming machines are available with hundreds of lines to bet on[[26]](#footnote-26) [however gaming machines with less than 30 lines may be most common].[[27]](#footnote-27)

Schottler’s (2014) recent observational study that was conducted in Australia (for the purpose of informing the National Standard review) indicated the average number of lines available for players to wager on, and also the average number (and percentage) of lines that players actually wager on gaming machines. Schottler’s results table, which has been copied directly from the study, is set out below. These results suggest that, on average, players tend to wager on less than 30 lines per game.



### The general research

Single line gaming machines did not feature Losses Disguised as Wins (LDWs),[[28]](#footnote-28) and when more lines are wagered on, more LDWs will occur.[[29]](#footnote-29) Moreover, modern gaming machines with more lines are likely to produce more near-misses,[[30]](#footnote-30) award substantially more free spins and features,[[31]](#footnote-31) are known to encourage higher spending and prolong time spent gambling, encourage the illusion of control [by allowing players to by choose the number of lines to bet on], and are associated with a higher potential for addiction.[[32]](#footnote-32)

#### The mini-max strategy

Research demonstrates that the most popular betting style is to wager the minimum credit on the maximum number of lines [often referred to as the ‘mini-max’ strategy].[[33]](#footnote-33)

Players usually bet on the game’s maximum number of lines because they think it increases their chances of winning. But it does not.[[34]](#footnote-34) In fact, by betting larger amounts overall, they are likely to lose more money in the long run. Harrigan et al. (2011) demonstrated that “when using the mini-max strategy, the payback percentage remains unchanged, yet the reinforcement rate is significantly increased” [largely through the increased presence of LDWs]. Using the mini-max strategy and betting on more lines, players have a heighted perception that they are winning, even though the payback percentage remains the same.

Another reason why players may bet on maximum lines is that “they cannot bear the thought of missing out on any outcomes occurring on other lines not chosen.”[[35]](#footnote-35) Similarly, the presence (or anticipation) of upcoming free spins and features further encourages players to bet on maximum lines. For example, a recent New Zealand study found that“the gambler participants in all groups were very clear that winning free spins after betting on only one line was not a desirable outcome.”[[36]](#footnote-36)

#### Problem gamblers

It is well known that problem gamblers gamble more intensely than non-problem gamblers. For example, compared with lower risk gamblers, problem gamblers may:

* Be more likely to place higher bets on maximum lines.[[37]](#footnote-37)
* Find games with higher number of lines, such as 50 or 243 line games more exciting than non-problem gamblers [whereas games with comparatively fewer lines, such as 20 line games, may be most popular overall].[[38]](#footnote-38)
* Find betting on all lines significantly more exciting than non-problem gamblers.[[39]](#footnote-39)
* Be more likely to think they must play all lines to avoid missing wins (compared to non-problem gamblers).[[40]](#footnote-40)
* Play more lines in general, and play more lines when they believe they are more likely to win.[[41]](#footnote-41)

Setting a maximum number of lines is also a recommendation of a recent New Zealand study into the effects of gaming machine characteristics, in which the authors recommended that:

*“Certainly, consideration could be given to setting a maximum number of playable lines on EGMs and ensuring the net result of each gamble is explicit to the gambler, rather than highlighting a small win on one line at the expense of the overall loss on that gamble.”[[42]](#footnote-42)*

### iii) The proposed requirement

The proposed requirement, which has been adapted from an existing requirement in the Tasmanian Appendix, states:

***“DIA-3.3 Maximum lines, ways, or patterns***

*A maximum of 30 lines, ways, patterns or equivalent outcomes per bet is permitted and must not be exceeded.”*

The most recent evidence to support the above proposed requirement comes from a study[[43]](#footnote-43) that investigated player perspectives on a number of gambling harm minimisation measures that are being implemented in Tasmania, Australia. Results showed that “the highest decrease in expenditure for moderate/problem gamblers was in the reduction in maximum lines.”

Some additional examples of supporting research are set out in Box 1 below:

| Box 1: Number of lines - examples of the research |
| --- |
| *“The maximum number of lines is a significant predictor of average bet size” [[44]](#footnote-44)*  |
| *“insuring against supposed near misses”* plays *“an important role in gambler’s transitioning from non-problem or low risk to moderate risk and high risk sectors of the gambling population”[[45]](#footnote-45)*  |
| *“There was a clear preference across participants in all gambler groups to make minimum bets on multiple or maximum lines”[[46]](#footnote-46)* |
| *“Higher frequency gambler and current or former problem gambler participants discussed … generally playing more lines, and playing more lines when they believed they were more likely to win”[[47]](#footnote-47)* |
| *“Programming slot machines to allow large number of lines to be played can lead to large numbers of LDWs and artificially high perceived reinforcement rates.”[[48]](#footnote-48)* |
| *“…problem gamblers appear to become more absorbed in these multi-line games than others”[[49]](#footnote-49)* |
| *“With the array of lines to wager on, patrons may think that wagering on multiple lines gives them a better chance at winning. This is simply not true…”[[50]](#footnote-50)*  |
| Dunning, (2012) describes that Harrington et al., (2011) *“… suggest that the higher reinforcement rate that is gained when playing multiple lines can account for why players utilise this strategy, and why slot machines can become so addicting.”* |
| *“Millhouse and Delfabbro (2008) found that problem gamblers showed a slightly stronger preference for EGMs with a greater number of lines than non-problem gamblers. This was also one of the very few observable differences in preferences between risk segments.”[[51]](#footnote-51)* |
| *“Problem gamblers bet on more lines and more credits per line”[[52]](#footnote-52)* |
| *“Presence of jackpots also encourages betting on all lines to avoid missing out”[[53]](#footnote-53)* |

### iv) Scatters

The proposed National Standard will define **“scatter”** as “a symbol which pays when occurring ‘scattered’”. **“Scattered”** will be defined as “a pattern of symbols which are located in reel positions but may or may not be on a selected lit line.” A scatter win would occur, for instance, when the required number of a certain symbol falls anywhere on the game screen.

#### The research

Scatters are a further feature that has the potential to encourage participants to bet on maximum lines. For example, researchers have found that:

* *“Some game features entice players to maximise their total spin wagers. Features like the scatter wins…genuinely give players a reason to increase the number of lines played…”[[54]](#footnote-54)*
* *“It was observed during the study that availability of scatter symbols frequently reinforced player behaviour to bet on all lines (as symbols could fall anywhere to produce a win without having to be left to right, for example)”[[55]](#footnote-55)*

#### The proposed requirement

The proposed requirement would be to prohibit scatter symbols from falling on lines that were not bet on, should this arrangement preclude the player from winning the scatter prize.

The proposed requirement would state:

***“DIA-5.4 No display of symbols etc. on lines that are not bet on***

1. *Games must not display symbols (including scatter symbols, feature wins etc.) that would be part of an otherwise winning outcome on any lines, ways, patterns, or equivalent game outcomes that are not bet on.*
2. *For example, scatter symbols must not fall on lines that were not bet on, should the arrangement have resulted in a scatter prize if the lines had been bet on.”*

## 6. Presenting losses as wins

### i) Background information

***‘Losses Disguised as Wins’*** (LDWs) or ‘fake wins’ occur in modern multi-line gaming machines when a player 'wins’ less than their initial bet (i.e. loses overall), but the gaming machine indicates that the player has won. An example of this is where a player bets 50 cents but ‘wins’ back only 10 cents. Even though this equates to a total loss of 40 cents, the gaming machine would display to the player as if the player had actually ‘won’ 10 cents, by presenting reinforcing/exciting lights, colours and sounds,[[56]](#footnote-56) similar to the ‘congratulatory’ stimuli that are associated with actual wins. In contrast, when a player loses completely, the gaming machine becomes silent. This arrangement can be considered as being “illusory” or “misleading” to players.[[57]](#footnote-57)

Research shows that LDWs may be more common in gaming machine gambling than actual wins:[[58]](#footnote-58) “the majority of wins are actually less than the spin wager.”[[59]](#footnote-59) Further, players tend to perceive LDWs as if they were actual wins [i.e. because players “either miscategorise these outcomes as wins, or conflate LDWs and wins in memory”],[[60]](#footnote-60) which in turn leads players to significantly overestimate how much they have won.[[61]](#footnote-61) Finally, by adding to the overall reinforcing effects of the game, LDWs are thought to exacerbate the game’s potential for addiction.[[62]](#footnote-62)

Research shows that this harmful effect can be removed when LDWs are paired with ‘negative’ sounds, and can be reduced significantly when LDWs are paired with silence.[[63]](#footnote-63) Please refer to Box 2 below for examples of excerpts from the available research.

| Box 2: Losses Disguised as Wins (LDWs) - Examples of the research |
| --- |
| *“LDWs and real wins were similarly processed as positive outcomes”[[64]](#footnote-64)* |
| *“this celebration of LDWs by the slot machine may be rewarding for the player, and therefore may provide significantly greater reinforcement than would otherwise occur if only real wins were celebrated”[[65]](#footnote-65)* |
| *“a likely contributor to the development of slot machine addiction is the presence of LDWs”[[66]](#footnote-66)* |
| Programming EGMs with features that produce such artificially high reinforcement rates is *“analogous to producing cigarettes with extra nicotine and elevated potential for addiction of consumers”[[67]](#footnote-67)* |
| *“we believe that this increase in reinforcement rate, which is mainly due to LDWs, may underlie the addictiveness of multi-line slot machines”[[68]](#footnote-68)* |
| In Dixon et al.’s (2014) study, participants who were allocated into the standard condition (LDWs associated with winning stimuli), miscategorised LDWs as wins and overestimated the number of times they won. This effect was reduced for participants in the silent condition (where LDWs were silent). |
| *“…sounds contribute to this overestimation effect… Crucially, this propensity to overestimate these wins is exacerbated when sounds accompany the losses disguised as wins”[[69]](#footnote-69)* |
| Schottler (2014) described that:* *“overall, gamblers were only somewhat likely to believe that LDWs implied that a big win must be getting close – However, this cognition was significantly higher in problem gamblers”*
* *“EGM players who experience more LDWs may believe that they are winning more often than EGM players who experience fewer LDWs”*
* *“Music and visual effects played during LDWs may hide monetary loss and lead EGM players to believe they are winning when they are not.”*
* *“Many EGM players also thought EGM manufacturers should regulate the type of music played during Losses Disguised as Wins (LDWs) to avoid confusing players or providing a perception that players have won when they really haven’t won.”*
* *“LDWs uniquely contribute to play excitement and urge to continue to play.”*
 |

### ii) The proposed requirement: Remove celebration stimuli

To help address the harmful effect of LDWs, the Secretary proposes the following requirement for the NZ Appendix:

***“DIA-4.3 Losses disguised as wins***

Refer NS 4.12

*Regardless of NS 4.12, any return to the player less than or equal to the total amount bet during a game must not be displayed as a win, and must be displayed as loss (i.e. without fanfare or celebratory stimuli).”*

Note: The proposed requirement is similar to a current requirement within the Tasmanian Appendix, which states that:

*“If the net win of a play is less than the total credit bet any audible affirmation associated with the win will be subject to close regulatory scrutiny, and any display of “congratulatory” messages is prohibited.”*

## 7. Skill, bettor involvement and illusion of control

### Background information

#### The research

It is well established that problem gamblers have more irrational cognitions (thoughts and beliefs) about gambling than recreational players[[70]](#footnote-70) and that “cognitive distortions are an integral component of the development, maintenance, and treatment of pathological gambling.”[[71]](#footnote-71)

Some gaming machine features may enhance the gambler’s perception that they are ‘interacting’ with a chance-based game. Examples include a feature that allows for physical interaction with the game (e.g. a game symbol on a touch screen that a player can move around) or psychological/mental interaction with the game (e.g. a feature that requires a player to make a choice between two options). Research shows that such features can lead players to believe they have more control of the game, or that the game is skilful, when it is not.[[72]](#footnote-72)

Research also shows that problem gamblers are more likely to think that skill is involved in gaming machine gambling, or that they are playing skilfully compared to non-problem gamblers.[[73]](#footnote-73)

Researchers refer to this observation as ‘**the illusion of control’,** which occurs when“gamblers believe they can influence the outcome of chance-related events through skilful play.”[[74]](#footnote-74)

There are a numerous ways a game can be designed to enhance the illusion of control. For example, Griffiths (1993) “described how many physical features of slot machines have been designed to reinforce beliefs that winning at slot machines also necessitates some skill (e.g., near misses, nudge and hold buttons, bettor involvement, and pay out intervals).”[[75]](#footnote-75)

Please refer to Box 3 below for some additional evidence on this issue.

| Box 3: The illusion of control |
| --- |
| *“Langer (1983) …observed that the more a chance situation resembles a skill situation, the more the individual will have a perception of personal control over the situation”* |
| *“Research has suggested that the more actively involved a person is with a gambling activity the more likely they are to believe that their actions can affect gambling outcomes, most probably through the illusion of control”[[76]](#footnote-76)*  |
| *“Problem gamblers are less aware of the difference between games of chance and games of skill, while asserting themselves as a factor into the outcome of the game despite having no influence over it.”[[77]](#footnote-77)* |
| *“Fruit machine gambling combines active participation and personal skills (whether real or imagined) encouraging continuous gambling”[[78]](#footnote-78)* |
|  *“A larger number of cognitive distortions was associated with playing games in which skill was potentially a component (e.g., cards, sports) than non-skill games (e.g., lotteries)…”[[79]](#footnote-79)* |
| *“Whilst contributing to the entertainment value of EGMs, features that engendered higher player involvement are also reported as leading to greater play persistence”[[80]](#footnote-80)* |
| *“A common characteristic of feature games in Australian gaming machines involves gamblers having to press buttons to ‘stop’ the EGM at a point during feature play. For instance, one Australian EGM has a ‘clown feature’ that requires gamblers to stop the game to release a ball from the clown into a slot. While a random event, such features could be theorised as increasing the illusion of control.”[[81]](#footnote-81)* |
| *“…introduction of game features that create an illusion of control could be harmful to gamblers and particularly problem gamblers (who illustrate a higher tendency to possess the illusion of control).”[[82]](#footnote-82)* |
| *“Both Griffith (1990) and Parke and Griffiths (2006) asserted that the gradual introduction of more complex features over time (as compared to basic features like nudges, hold and gamble buttons in early fruit machines) may have contributed to the creation of ‘perceived skill’ during play.”[[83]](#footnote-83)* |
| *“at-risk gamblers were also more excited by features that mimicked the feeling of skill or control … than non-problem gamblers”[[84]](#footnote-84)* |
| *“Erroneous perception of control over the game outcomes may explain why a person continues to gamble when he/she is in fact losing money.”[[85]](#footnote-85)**“One observed additional feature has the potential to provide some level of perceived control over the outcome of the games where, in the case of a feature won, the type of animation played to the gambler and in some cases the reward associated with the feature could be chosen by the gambler.”[[86]](#footnote-86)* |
| *“….any interactive element associated with features or ‘games within the game’ could be of some concern from a harm minimisation perspective.”[[87]](#footnote-87)* |
| *“Some players suggested during qualitative research that they would spend more time on EGMs where they could become more involved in a feature, as this made game play more interesting and satisfying. Having to touch the screen to make decisions was also seen as a fun method of involving players. Other players felt that interaction with features sometimes gave players a feeling that they could control the game outcome.”[[88]](#footnote-88)* |

A number of proposed requirements to restrict certain game features are explained and proposed below. While the majority of these features do not currently exist in New Zealand, the Secretary proposes to place restrictions in the NZ Appendix to prevent these harmful features from being introduced in the future.

### Physical skill

The Secretary proposes to prohibit games with components of physical skill. The rationale behind the proposed requirement is similar to that as explained above. That is, research suggests that games involving physical skill may promote the illusion of control, which leads to harmful gambling.[[89]](#footnote-89)

The second proposed requirement is derived from an existing requirement in the Tasmanian Appendix. Queensland’s Gaming Guideline also contains a similar requirement.

The proposed requirements state:

***“DIA-4.5 Physical skill***

Refer NS 4.21

*NS 4.21 does not apply.*

***Note:*** *games involving physical skill are prohibited - see DIA-9.2.”*

[…]

***“DIA-9.2 Physical components of skill prohibited***

*Games must not have any components of physical skill.”*

[…]

***“DIA-9.13 Manipulation of game features prohibited***

*Games must not provide players with any ability to manipulate game features in such a way as to potentially convey to the player an illusion of involvement in determining the game outcome.”*

### Stopping devices

The Secretary proposes to prohibit games with stopping devices. Stopping devices “allow gamblers to voluntarily stop the virtual reels and see the end result of the round more quickly.”[[90]](#footnote-90)

The rationale behind the proposed requirement is similar to that as explained in the above. A more specific example of a study that illustrates how stopping devices may encourage the illusion of control is described in Box 4 below:

Please refer to DIA-9.8 at Appendices F and H for the proposed requirement.

|  |
| --- |
| Box 4: Stopping Devices |
| *“Ladouceur and Sévigny (2005) studied the effects of stopping devices (which allow gamblers to voluntarily stop the virtual reels and see the end result of the round more quickly) in video lottery terminals… The first experiment showed that those who used the stopping device reported greater illusions of control and believed the outcome of the game would be affected by the time they chose to stop the reels. The second experiment showed that those participants who used the stopping device played for longer periods of time and, on average, spent more money than those who played without using the stopping device. Ladouceur and Sévigny suggested that illusion of control, which was reported in the first experiment, is likely to be a factor in the extended play time and increase the amount of money spent by the participants who had access to the stopping device in the second experiment. “[[91]](#footnote-91)* |
| *“Ladouceur and Sévigny’s (2005) study on the relationship between gamblers ability to “stop” reels and their illusion of control showed that the ability to stop a reel: 1) Resulted in a skewed understanding of the gambler’s impact upon the machine and in this way became a factor in the development of cognitive distortions, and/or 2) Could function to increase the speed of the game (both aspects linked to the development of gambling problems).”[[92]](#footnote-92)* |
|  Shottler’s (2014) study concluded that: *“Features with stopping devices and those which promote higher player involvement may have potential to affect problem gamblers, given the potential to create and illusion of control or focus player attention away from losses.”* |

### Nudge

The Secretary proposes to prohibit nudge features. The rationale for this proposed requirement is the same as that described above.

Nudge is a feature of British fruit machines, which allows players to manually move any fruit machine reel into a winning position after automatic play is over.[[93]](#footnote-93)

The proposed prohibition on nudge features is inspired by an existing requirement of the Ontario Minimum Technical Standards for EGM Equipment.

Please refer to DIA-9.8 at Appendices F and H for the proposed requirement.

### Hold

The Secretary proposes to prohibit hold features on spinning reel games. The rationale for this proposed requirement is the same as that described above.

‘Hold’ is when a player is given the opportunity to “keep stationary winning symbols before the next play has started”[[94]](#footnote-94)

Please refer to DIA-5.7 and DIA-9.8 at Appendices F and H for the proposed requirements.

### Secret functions

The intention behind the proposed requirement is to further clarify that the prohibition on hidden touch points, as already described in the proposed National Standard, extends to hidden *features* and *functions.* The proposed National Standard states:

***“****Hidden Touch Points: There must be no hidden or undocumented buttons/touch points, anywhere on the screen except as provided for by the game rules (e.g. spot the ball).”*

The proposed requirement for the NZ Appendix states:

***“DIA-6.6 Hidden touch points***

Refer NS 6.47

*In addition to NS 6.47, there must be no hidden or undocumented features or functions anywhere on the screen except as provided for by the game rules (e.g. spot the ball).”*

We note that Griffiths & Park’s (2006) review of structural characteristics explains how secret functions work to encourage the illusion of control in gamblers.

### Metamorphic games

The proposed National Standard defines a **“metamorphic game”** as “a game where free games, feature games or prizes (other than jackpots) are triggered by the cumulative result of a series of plays.” An example of this is if ‘tokens’ or ‘points’ awarded during plays were accumulated by players over time.

The Secretary proposes to prohibit metamorphic games in New Zealand, on the basis that they encourage people to gamble for longer and tend to promote the illusion of control through enhancing perceptions of skill.[[95]](#footnote-95) For example, Griffiths & Park (2006) describe how game components or features that are dependent on or relate to previous play may allow game play to become more elaborate by encouraging bettor involvement and psychologically immersing the gambler. The proposed requirements for the NZ Appendix state:

***“DIA-4.7 Metamorphic games***

Refer NS 4.25 – 4.27

*NS 4.25, NS 4.26, and NS 4.27 do not apply.*

***Note:*** *metamorphic games are prohibited – see DIA-9.3.”*

[…]

***“DIA-9.3 Metamorphic games prohibited***

*Games must not be metamorphic, or have any component which is not independent of previous game play.*

The proposed prohibition stems from an existing requirement in the Tasmanian Appendix, and a similar requirement in Queensland’s Gaming Guideline.

## 8. Encouraging increasing bets

As discussed previously, problem gamblers gamble more intensively than other players.[[96]](#footnote-96) As such, the Secretary is concerned about any feature that has the potential to induce gamblers to gamble more intensively. This section proposes to restrict certain types of game features (set out below) that may encourage excessive gambling.

### Disproportionate prizes

The Secretary proposes to restrict games which could award particular prizes or features only to players who bet amounts larger than the advertised minimum wager. An example of this would be a 5 cent denomination gaming machine that accepted a minimum bet of 5 cents but only awarded a jackpot prize or certain feature to players who placed bets of over 50 cents per game.

The Secretary considers the arrangement described above to be potentially misleading to players and could compel players to place higher bets than they would have otherwise.

The proposed requirement for the NZ Appendix states:

***“DIA-9.4 Disproportionate prizes prohibited***

*Games must not award outcomes such as bonuses, additional features, free spins, or disproportionate prizes on the basis that the player gambles more than the minimum wager.”*

### Further credits required to access additional features

For similar reasons as described above, the following new requirement is proposed:

***“DIA-9.5 Additional features must not require further credits to access***

*Games must not require a player to bet further credits to access additional features.”*

The proposed requirement was inspired by an existing requirement in the Tasmanian Appendix.

### Multiple games on screen

The proposed requirement below aims to clarify the Secretary’s position with regard to gaming machines that might offer players more than one game for simultaneous play. The Secretary considers such features could facilitate more intense gambling and are contrary to the intent of the current New Zealand game rule that prohibits players from playing on more than one gaming machine at a time. It is also noted that playing more than one gaming machine at a time is an established indicator of problem gambling.[[97]](#footnote-97)

The proposed requirement states:

***“DIA-9.9 Multiple play of simultaneous games prohibited***

1. *Once a game is selected for play on a gaming machine, only that one game may be displayed and be able to be played.*
2. *It must not be possible to play more than one game at a time.”*

Note: The Department has rejected applications for multiple on-screen games in the past, and this feature has also been listed on the New South Wales prohibited features register.

### Time limits and urgency

Research shows that players tend to gamble more intensively in certain circumstances.[[98]](#footnote-98) For example:

*“People gamble more under red lighting”*

 *“Loba et al (2001) found that slowed sound and no sound settings decreased enjoyment, excitement and tension for pathological gamblers, but had no effect on non-pathological gamblers”*

*“Fast music tempos may influence the speed of betting during EGM play”[[99]](#footnote-99)*

Griffiths and Park (2006) further described how some gaming machine features seem to encourage a sense of “perceived urgency” in players:

*“Some structural characteristics will turn red when playing on the ‘feature’ indicating that the jackpot or ‘top’ feature will be won”*

*Pulsating sound where the pitch of sound becomes faster when a gambling decision needs to be made leading to ‘perceived urgency’”*

Schottler (2014) also described this issue in her paper as follows:

*“Gaming machine sounds have similarly been found to affect EGM play…. For instance, Parke and Griffiths (2006) identified that UK fruit machines have a sound that increases in pitch and speed to encourage players to make quick decisions. Edworthy, Loxely & Dennis (1991) were also noted to call this the ‘perceived urgency’ effect. Background music was also described by Griffiths and Parke (2005) as a key area for future research given the possibility that music may increase player confidence, increase arousal, relax players or even lead players to disregard previous EGM losses.”[[100]](#footnote-100)*

While lighting, colour and tempo may be difficult to regulate in any general sense, the current proposal is to create a requirement that restricts features designed to portray an increasing sense of urgency. Such features might include, for instance, the use of pulsating sounds, flashing lights and increasing the tempo and frequency of sound.

The proposed requirement reads (at DIA-9.11(2):

*“Gaming machines must not use changes in play tempo, sound volume, lighting brightness, colour or other features that have the effect of conveying an increasing sense of urgency to the player.”*

### Mixed denomination games

Research suggests that there is some potential for players to become confused about the denomination (minimum bet) of the game they are playing on when changing to different games or to machines of a different denomination.

For example, in Shottler’s (2014) study, some participants suggested that clearer labelling of machine denominations was needed. Other participants suggested that when a gaming machine offers a player the choice of a number of different games [multi game machines], denominations should not change between games. Please refer to Box 5 below for excerpts taken directly from Schottler’s research.

|  |
| --- |
| Box 5: Machine denomination |
| *“During focus groups players mentioned becoming confused over EGM denominations due to the difficulty visualizing the branding between a $1 machine and a 1 cent EGM (as the display of the denomination was often very inconspicuous and located in small font in the right hand corner of the EGM screen). This was thought to be quite problematic for EGM players with poor eye sight, such as older players.”[[101]](#footnote-101)* |
| *“Qualitative feedback from EGM players suggested that clearer labelling of machine denominations would be useful including labelling on EGM banks.”[[102]](#footnote-102)* |
| *“Players also reported getting confused about machine denominations where certain machine brands offered multiple denomination variations. Like one single machine could be perhaps a 1c, 2c or 10c machine. Due to poor labelling, some players would accidentally play the wrong denomination variation of their preferred machine on occasions”[[103]](#footnote-103)* |
| *“Some EGM players also believed that denominations should not be changed on such games [multi game machines], as this could confuse players who otherwise expected to see a machine of a certain denomination.”[[104]](#footnote-104)* |

Following this research, the proposal is to prescribe a requirement that requires a multi-game gaming machine to clearly notify the player of new denomination / minimum bet when they select a new game.

The proposed requirement reads:

***“DIA-4.6 Multiple games***

Refer NS 4.24

*Where multiple games are offered for play and a player selects a new game, the game screen must clearly display any new credit denomination and minimum bet.*

***Note:*** *the ability to play more than one game at a time is prohibited – see DIA-9.9.”*

### Clarity of cash out and reserve buttons

The proposal is to ensure that the “collect button”, and to some extent, the “reserve button”
on gaming machines is clear to players and easy to find.

Schottler (2014) found that:

*“Several EGM players reported difficulty locating the ‘Collect’ button on EGMs. This is the button players need to press to cash-out their money from an EGM. Collect buttons were often reported to be difficult for players to find as they were on the EGM screen and many players were not aware of this. In addition, some Collect buttons were part of other buttons and were thus more difficult to find. Standardisation of such buttons across machines was described as a useful strategy to avoid confusion in players.”[[105]](#footnote-105)*

Similarly, Schottler’s research found that dual function buttons can be confusing to players. Of note is the finding that sometimes the reserve and gamble functions are on the same button. Players could get confused or be reluctant to reserve the machine out of fear they will activate the gamble function.

To address these concerns, the proposed requirement s read:

***‘DIA-5.1 Requirements for Collect and Reserve Buttons***

Ref NS 5.9

1. *The Collect button must:*
	1. *be clearly and unambiguously labelled; and*
	2. *not be a multi-function button unless it is always easily and clearly identifiable; and*
	3. *not function as a gamble button or any button used to place wagers.*
2. *The same button on a gaming machine must always function as a Collect button even when different games are selected and played.*
3. *The Reserve button must:*
	1. *not be a multi-function button unless it is always easily and clearly identifiable; and*
	2. *not function as a gamble button or any button used to place wagers.”*

### Maximum bet buttons

The proposal is to prohibit ‘Max Bet’ buttons. ‘Maximum Credit Buttons’ or ‘Max Bet buttons’ “are typically buttons that permit players to choose the maximum number of both lines and credits for EGM play.”[[106]](#footnote-106)

Research suggests that problem gamblers use Max Bet buttons more often, and find them more exciting, than non-problem gamblers. This suggests that “Max Bet buttons may be harmful for problem gamblers”. Further, Max Bet buttons may be harmful for intoxicated players “as they did not encourage a high level of informed decision-making about expenditure (as players could not readily calculate in their mind how much it was costing every time they used such buttons).” [[107]](#footnote-107)

The proposed requirement states:

***“DIA-9.6 Maximum bet buttons prohibited***

*Gaming machines must not have maximum bet buttons that allow a player to choose maximum lines or credits for play.”*

### Auto-gamble buttons

The proposal is to prohibit auto-gamble buttons.

**Gamble** buttons or double up buttons are a common feature of gaming machines that allow players to wager their winnings in return for a chance to double or quadruple their prizes.[[108]](#footnote-108)

**Auto-gamble** buttons are a feature where a win will automatically trigger entry to a gamble feature.[[109]](#footnote-109)

Most gamblers are not interested in using gamble buttons. However, Schottler’s (2014) research suggest that problem gamblers may use gamble buttons or ‘double-up’ buttons more often that non-problem gamblers, and that “double-up could present some harm to higher risk segments of gamblers.”[[110]](#footnote-110)

Some recent findings described in Schottler’s (2014) study are set out in Box 6 below

|  |
| --- |
| Box 6: Gamble or double-up buttons |
| *“In spite of the limited use of double-up, Schottler Consulting Pty Ltd (2010) found in an observational study of EGM players that problem gamblers (and higher-risk segments more generally) tended to use double-up more frequently on average than non-problem gamblers. This was also seen to indicate that higher-risk segments of gamblers may show a predisposition towards risking winnings for the prospect of a large return. Accordingly, this may provide some evidence that double-up could present some harm to higher risk segments of gamblers.”* |
| *“Some players also believed that using gamble buttons was akin to being a risk-taker and that the button may be used recklessly by some people in vulnerable situations. Key examples were when players were consuming alcohol during play or when players were feeling down or depressed.”* |
| *“Gambling winnings to recoup losses was reported as a further theme in qualitative research. Using the gamble button in this situation was considered a form of reckless behaviour that resulted out of some level of desperation. Where gamble buttons were used, players would also often report feeling reckless. This was especially the case when gamble buttons were used multiple times sequentially. This behaviour was similarly described to occur out of frustration when players were continually losing and desired a bigger win.”* |

The requirements below are being proposed on the basis that auto-gamble could even further exacerbate the existing risk presented by the gamble button. ***“DIA-3.1 Ability to exit gamble feature must be available at all times***

Refer NS 3.4(b)

*Gamble features must give the player the option to exit the feature at any time without making additional gambles.*

***DIA-3.2 Auto-gamble features***

Refer NS 3.9

*NS 3.9 does not apply.*

***Note:*** *Auto-gamble is prohibited – see DIA-9.1.”*

*[…]*

***“DIA-9.1 Auto-gamble prohibited***

*Gaming machines must not have an auto-gamble function or feature.”*

## 9. Information displays: PIDs and Pop-up messages

### i) Background

Regulations 7 and 8 of the Gambling (Harm Prevention and Minimisation) Regulations 2004 (the regulations) prescribe the types of messages that gaming machines must display, and require that gaming machines include a feature that interrupts play.

***PIDs:*** Regulation 7 describes that gaming machines must display ‘game information’ and ‘player information.’ The game information display relates to the odds of winning, return to player, and maximum and minimum spend. The player information display relates to the duration of the player’s session of play, the amount the player has spent, and the player’s net wins or losses. These messages must be displayed at the election of the player.

***Pop-ups:*** Regulation 8 requires gaming machines to have a ‘pop-up’ feature that interrupts play at irregular intervals (not exceeding 30 minutes). The pop-up feature informs the player of the duration of their gambling session, the amount the player has spent, and the player’s net wins or losses.

|  |
| --- |
| Box 7: PIDs Definitions |
| ***PIDs*** (Player Information Displays) are a voluntary feature whereby players can access information about their spending while they are gambling on gaming machines. ***Pop-up***messages are a feature of all New Zealand gaming machines that create a brief compulsory break in play. |

#### Current requirements in equipment standard

Please find the current requirements for PID and Pop-ups set out at the end of Appendices E and G. For your information, example pictures of the PIDs / Pop-up screens from the current NZ Appendices for both casino and Class 4 gambling are also set out below:

*“Please note that these pictures are examples only – they are provided for information purposes only and are not meant to represent actual screen displays required.*

1. *Game information*

****

1. *Player information*

******

### ii) Scope

This document relates only to the minimum equipment standards, and does not propose changes to the regulations, nor the Act. The Standards must be consistent with all provisions within the overarching legislation.

### iii) The research

The Ministry of Health recently commissioned the Auckland University of Technology to conduct an in-depth study on the effectiveness of the PIDs and Pop-up features that are required on all New Zealand gaming machines. The study consisted of a literature review, focus groups, and an observational study. Some of the study’s main findings are described below.

#### PIDs / Pop-up study: The literature review

* Problem gamblers are more likely to be exposed to pop-ups than non-problem gamblers.
* Pop-up messages may have some effect in reducing spending by high-risk players.[[111]](#footnote-111)
* To prevent players from becoming habituated,[[112]](#footnote-112) pop-ups need to capture gamblers attention.[[113]](#footnote-113)
* Moving/dynamic messages may be most effective – static warnings have less effect.[[114]](#footnote-114)
* To be effective, pop-ups must engage player’s attention in a meaningful way.[[115]](#footnote-115)
* It may not be enough to simply provide ‘raw’ information on odds and probabilities – players interpret this information in various ways. Messages should portray meaning.[[116]](#footnote-116)
* Pop-up messages that encourage self-appraisal (e.g. “do you think you need to take a break?”) are more effective.
* “At-risk or problem gamblers were more likely to find these messages impacted negatively on their enjoyment of play than recreational gamblers.”[[117]](#footnote-117)

#### PIDs findings: Observational study and focus groups

**For PIDs**, the observational studies and focus groups indicated that:

* PIDs were reported to be useful for a small proportion of gamblers.
* An unintended consequence of PIDs was that some players would use the information as part of their (irrational) analytic play strategies.
* Gamblers were much less aware of PIDs compared to pop-ups, but those who were aware of PIDs were often high frequency or problem gamblers.

#### Pop-ups findings: Observational study and focus groups

**For pop-ups,** the observational studies and focus groups indicated that:

* “Pop-up messages seem to be working as intended.”
* It is uncommon for low-frequency players to experience pop-ups.
* Focus group participants “suggested that pop-up message information could be made more accessible and engaging (in terms of the information and format) which may assist more gamblers to notice and read the information.”[[118]](#footnote-118)

### iv) New proposed best-practice example screens

The research described above suggests a number of ways that the PID and pop-up screens could be made more effective. New example screens that are proposed to be included in the Appendix are set out below. While these changes are largely informed by the research, the screens were also designed to remain compliant with regulations 7 and 8.

The new screens below are intended to be examples of best practice only: Gaming machine manufacturers would be encouraged, but not required, to incorporate these screens into their gaming machine designs.

***“DIA-10.9 Best practice examples of elective and interruptive player displays***

*The following are best practice examples of elective and interruptive player displays:*

*i) Game Information:*

|  |
| --- |
| This machine will pay out less than it takes inThe odds are you will lose*The theoretical return to player of this game is XXX%***Bottom winning combinations**2 fruit 1 in 502 fish 1 In 752 flowers 1 in 2102 women 1 in 30 3 fruit 1 in 401**Top winning combinations**5 women 1 in 62,277,9005 flowers 1 In 544,150 4 Women 1 in 1,840,5365 fish 1 in 109,402 5 Fruit 1 in 72,755Minimum Bet = 5c Maximum bet = $2.50 |

*ii) Player information:*



***Note:*** *If feasible, it is recommended that the optional message “is your gambling affecting others?” is changed each time it appears with the messages set out below. For example, it is suggested that messages that may be rotated include:*

1. *“Is your gambling affecting others?”;*
2. *“Is your gambling hurting others?”;*
3. *“Are you hiding your gambling from others?”;*
4. *“Are you feeling worried about your gambling?”;*
5. *“Is your gambling causing you some worries?”; or*
6. *“Are you feeling guilty about your gambling?”*

## 10. Jackpots

### Background information

#### Scope

The relevant standards are the “Minimum Technical Requirements for Linked Jackpot Systems Version 1.0 of the Gambling Act (Casino Gambling Equipment) Minimum Standard 2004,”[[119]](#footnote-119) and the “Minimum Technical Requirements for Linked Jackpot Systems Version 1.0 of the Gambling Act (Class 4 Gambling Equipment) Minimum Standard 2004.”[[120]](#footnote-120)

For the purposes of this consultation there is **no scope to change the maximum prize or jackpot amounts** for gaming machines in New Zealand. Maximum prize amounts are set out in the regulations, not the gambling equipment standards.

#### The general research

Jackpots can add to the harm caused by gaming machines. Jackpots, and even the mere presence of jackpots, can encourage intense gambling.[[121]](#footnote-121) Some features of jackpots are particularly harmful, by disproportionately affecting problem gamblers.[[122]](#footnote-122)

### Discretion to decline

As described previously, and for the same reasons as set out in Part C of this document, the Secretary proposes to add a statement to clarify that Secretary hasthe discretion to decline any application that is inconsistent with any of Gambling Act’s purposes or provisions, and also has the discretion to decline, if appropriate, any application for equipment where there current standards are absent or insufficient.

The proposal reads as follows:

***“Testing***

Refer NS 1.17 to NS 1.19

*(1) Where, in the opinion of the gaming machine tester, there is non-compliance with the requirements of the Minimum Standard, the gaming machine tester must seek direction from the Secretary.*

1. *Non-compliance with the Minimum Standard must be reported to the Secretary.*

***Applications for new and innovative technology***

Refer NS 1.18 and see also NS 3.2 and DIA-3.1

*(1) Any matters of design, manufacture, and performance of class 4 gambling equipment that are not specifically addressed in the Minimum Standard will be considered by the Secretary as part of the approval process. For the avoidance of doubt, this applies to (but is not limited to) situations involving new technology or features, or in situations where innovative use is being made of existing features, or where the existing Minimum Standard is silent on whether a particular feature is permitted.*

*(2) In considering an application under subclause (1), the Secretary may take into account matters of harm minimisation and prevention, and may decline an application due to matters of harm minimisation and prevention.*

*(3) The Secretary may amend the Minimum Standard as a result of an application involving features not addressed in the Minimum Standard.*

*Note: Manufacturers and vendors of gambling equipment are encouraged to contact the Department of Internal Affairs in the course of developing new or innovative technology and features, in order to ensure compliance with the Minimum Standard and in order that any necessary amendments to the Minimum Standard may be made in advance of the equipment being submitted."*

It is particularly important that the Secretary has this strengthened discretion in respect of jackpots, given the inherent harm associated with jackpots and unpredictability of new technical developments that will be applied for in the future.

### Wide-area jackpots

Wide-area jackpots, or jackpots that are linked across different venues, do not currently exist in New Zealand. This reflects the Act’s prohibition on remote interactive gambling and the modest value of jackpots in New Zealand. However, to avoid any doubt, the Secretary proposes to explicitly prohibit wide-area jackpots in the NZ Appendix.

The proposed requirement reads:

*“Wide area multi-venue gaming machine jackpots are not permitted.”*

The proposed requirement is derived from the Northern Territory Appendix.

### Downloadable jackpots

A **“Downloadable Jackpot”** means a jackpot that, when struck, is downloaded directly back to the gaming machine (in the form of credits) and is immediately available for play.

A **Non-downloadable Jackpot** required staff intervention through a cancel credit procedure whereby payment of jackpots was made manually.

Downloadable jackpots are a relatively new mandated requirement. The main reason behind this requirement was to enhance the accuracy of Player Information Displays (PIDs). That is, downloadable jackpots ensure that the spending information in the PIDS is updated to include the jackpot amount.

However an unintended consequence of downloadable jackpots is that they remove the natural break in play and staff intervention associated with the cancelled credit procedure, Arguably, by immediately making jackpot funds available for play, downloadable jackpots might facilitate continued spending.

The proposal is to address such concerns through utilising a proposed requirement of the National Standard that requires gaming machines to lock up after a certain value is reached:

The proposed National Standard requirement states:

*“Substantial Wins*

*Substantial Wins must cause the gaming machine to enter a lock-up mode until external intervention, e.g. attendant key. The gaming machine will require a gaming attendant to clear the Substantial Win event prior to or immediately following the transfer of the Substantial Win amount to the credit meter.*

*Note: The Substantial Win parameter may be a $ amount or infinity.”*

#### Proposed requirement for Class 4

The Secretary proposes to include a definition of “substantial win” in the NZ Appendix, and seeks your thoughts on this proposal and what value that win should be. The following three options are proposed:

1. The substantial win parameter is $200; or
2. The substantial win parameter is $500; or
3. The substantial win parameter is $750.

Your submissions are sought on the proposal and on which value that should be considered as a ‘substantial’ win that will trigger the machine to lock up and require external intervention before play can continue.

## 11. Free games and features

### Background information

#### The research

Research shows that free games and features can be a harmful characteristic of gaming machines, and may play “an important role in gamblers transitioning from non-problem or low risk to moderate risk and high risk sectors of the gambling population.”[[123]](#footnote-123) Some examples of research to illustrate this point is set out in Box 8 below

|  |
| --- |
| Box 8: Free spins |
| Free spins were found by the Independent Gambling Authority to be “the most important secondary reinforcement technique” andto encourage gamblers to place higher bets.[[124]](#footnote-124) |
| “in a study by Blaszcynski et al (2001), they found that “free spins were consistently reported as the predominant element of the current machines that was identified as addictive” |
| “The gambler participants in all groups were very clear that winning free spins after betting on only one line was not a desirable outcome [….] Participants in all gambler groups also suggested that the free spin feature encouraged people to gamble more lines or more credits, as gamblers reported that the games occurring during free spins replicated the bets being made immediately prior. So free spins won with fewer lines or lower credits bet were less valued.”[[125]](#footnote-125) |
| Schottler (2014) found that while “*free spins were generally rated as the most exciting EGM structural characteristic by all gamblers”* free spins disproportionately effects the behaviour of problem gamblers: |
| * ***“Win multipliers during free spins lead to higher levels of excitement for problem gamblers (compared to non-problem gamblers)”***
 |
| * *“Problem gamblers were more likely to the think that ‘free spins are coming’ during play (compared to non-problem gamblers)”*
 |
| * *“Problem gamblers were prepared to spend more money to obtain a free spin”*
* *“Problem gamblers rated a feature/free spin AFTER a large win as more exciting (than non-problem gamblers)”*
 |
| * *“Problem gamblers reported increasing betting upon getting a feature/free spin near a large win more frequently”*
 |
| * *“Free spins are the most converted and exciting aspect of play”*
 |
| * ***Participants thought that getting free spins within free spins encourages further gambling***
* *“Players were found to be more likely to exceed their EGM expenditure limits if they experienced an increasing number of free spins”*
 |
| * *“There was also much evidence presented in the qualitative component of the research to suggest a strong role for features in play persistence and possibly leading to harmful EGM play”*
 |

As described in Box 7 above, Schottler (2014) found that while “*free spins were generally rated as the most exciting EGM structural characteristic by all gamblers”* problem gamblers were disproportionately affected. Further, ***“****players were found to be more likely to exceed their EGM expenditure limits if they experienced an increasing number of free spins.*” And “*participants thought that getting free spins within free spins encourages further gambling.*”

However, Schottler’s research also warns that careful consideration would be needed in regards to setting a reduced overall limit on the *total* number of free spins players receive over a period of time:

*“Not experiencing any free spins (or features) during a gaming session was described as leading to play persistence, as this is found to be frustrating for gaming machine players”*

*“Problem gamblers were prepared to spend significantly more money on EGM play to get a free spin – This itself suggests that EGM designs that have a low odds of providing free spins (relative to money spent) could potentially be more harmful for problem gamblers”*

The Department has held informal discussion with Schottler to discuss the implications of her research. From these discussions, and for the reasons set out above, any *blanket* proposal to set an overall limit on the *total* number of free spins has been decided against, at this stage.

However, based on Schottler’s research, there are still some areas that seem worthy of further consideration. Possible restrictions that the Secretary invites your comments on are:

1. A player must not receive more than two free spin or feature multipliers per half hour of play.
2. A player must not receive more than three free spins within any free spin.

### ii) Specific questions for submitters

1. *Do you think the limits described above would be effective? Why / Why not?*
2. *Do you think the limits described above are reasonable? Why / Why not?*
3. *To you think the limits should be more or less than as described above (please specify)?*

## 12. Other

### Artificial sounds of coins

The sound effects of gaming machines, particularly sounds associated with winning, act as reinforcers and may give the impression that winning is more common than losing.[[126]](#footnote-126) Because the sounds of wins are broadcasted, they can influence behaviour of any gambler in the vicinity of the winning machine,[[127]](#footnote-127) and compel gamblers to gamble more intensively. [[128]](#footnote-128)

While the previous section “losses disguised as wins”, at least in part, helps to address this issue, the Secretary further proposes to prohibit artificial sounds of coins falling from being programmed into game design.

Please refer to Box 9 for some research that relates to this issue.

|  |
| --- |
| Box 9: Gaming machine sounds |
| *“Constant noise and sound gives the impression (a) of a noisy, fun and exciting environment, and (b) that winning is more common than losing (as you cannot hear the sound of losing!)” (Griffiths & Parke, 2003).**“White (1989, cited in Griffiths, 1993a) suggested that flashing lights and sound effects create an atmosphere of fun and activity with the sounds providing the impression of more wins than actually occurs; e.g. the sound of falling coins into the metal tray is suggestive of a big win, and the musical effects after a win inform the entire room.”[[129]](#footnote-129)**“Sound effects have also been used to give the impression that winning is more common than losing. This has been achieved in two ways. The first of these is that all fruit machines have metal trays into which winnings fall. The sound of coins falling into a metal tray means that everyone in the vicinity knows there is a winner. It also gives the impression of a bigger win than it actually is, because the fruit machine's winnings are usually paid out in small denomination coins (Caldwell, 1974; Greenlees, 1988)”[[130]](#footnote-130)**“Furthermore, the availability of others’ wins, such as by seeing and hearing the effects of winning pulls of nearby slot machines, can influence gamblers to increase the subjective likelihood of winning (Griffiths, 1994).”[[131]](#footnote-131)* |

The proposed requirement states:

***“DIA-9.12 Artificial coin sounds prohibited***

*Games must not use any programmed sounds of coins falling (for example a pre-recorded sound of coins falling into a cup or metal tray).”*

### Use of peripheral devices

The Secretary proposes to prohibit the use of peripheral devices on gaming machines. For instance, a concern with the use of headphones connected to gaming machines came to the attention of a number of Australasian jurisdictions in the past, and was subsequently rejected in New Zealand and banned in New South Wales.

The concern is that the use of devices such as head phones, visual display glasses or other multi-media features could encourage gamblers to become more dissociated and isolated from the external environment.

The proposed requirements read:

***‘DIA-9.10 Use of peripheral devices prohibited***

*Gaming machines must not permit any external peripheral devices such as headphones or visual display glasses to be used.*

### Intense features

For similar reasons the Secretary also proposes to restrict excessively intense features as set out below:

***DIA-9.11 Excessively intense features prohibited***

1. *Gaming machines must not use excessively loud sounds, excessively bright displays or include any other excessively intense feature that may have the effect of isolating a player from perceiving the local environment*

*[…]*

### iv) Gaming machine tokens

The use of gaming machine tokens is currently permitted in casino gambling, however, not for Class 4 gambling.

The proposal is to further clarify the current state of affairs with respect to Class 4 gambling, that the use of tokens for cash input is prohibited.

Note: Research suggests that the use of gaming machine tokens instead of money can encourage cognitive distortions in gamblers such as the “suspension of judgement”:

*“****Suspension of judgement*** *refers to structural characteristics which temporarily disrupt the gambler’s financial value system e.g. betting with chips instead of money at the roulette table where the money’s true value can be disguised or seen as “fun money”.”[[132]](#footnote-132)*

The proposed requirement states:

***“DIA-9.7 Use of tokens for cash input prohibited***

*Gaming machines must not use tokens for cash input.”*

# Part E: Tidying up the standards

## 1. Deleting redundant requirements

The Secretary proposes to remove some outdated requirements currently listed in the NZ Appendix. The proposal is to delete the following existing redundant requirements:

1. The section titled “DIA2.4 Hard Meters”. The Secretary proposes to delete this section because there is no longer a hard meter requirement in the proposed National Standard. Soft meters are considered adequate in today’s monitored environment.
2. The section titled “DIA3.1 Signature Algorithm” to be deleted. These requirements are covered by the proposed National Standards.
3. The section titled “DIA3.2 Metering” to be deleted. This section is no longer needed because these requirements are covered elsewhere, for instance in the minimum technical requirements for EMS QCOM protocol.
4. The section titled “DIA3.3 Display of Date and Time” to be deleted because it effectively replicates another requirement covered by the proposed the National Standard.
5. The section titled “DIA3.8 Standard Deviation” to be deleted. This section is no longer required because it has been incorporated into the proposed National Standard (8.21)
6. The section titled “DIA8 Supplementary standards document” be deleted. This section is no longer required because it is covered by the proposed National Standards.
7. The Secretary seeks your comments on whether current section DIA7.2 (which originated prior to EMS) is still needed, or should be deleted.

### **2. Other changes to tidy up existing requirements**

### i) Introductory information

The information set out in DIA1 of the current NZ Appendix (see DIA1.1-1.4 at Appendices E and G) has been rewritten in the proposed NZ Appendix (see explanatory note and DIA1.1 – 1.5 at Appendices F and H). The intent behind these changes is to clarify and improve the wording of these sections, and to better inform the reader on how the document is to be applied.

### ii) New sections

***New Section: DIA-2 Definitions***

To ensure the meanings of the document’s key terms are clear, a definitions section has been added.

***New Section: DIA-4.1 Multi-line games***

The proposed new section below aims to clarify that the term “ways” in the proposed NS4.4 extends also to other patterns and equivalent game outcomes that can be bet on.

This change also ensures the wording is consistent with the proposed DIA-3.4 (“maximum lines, ways, or patterns”).

The proposed requirement reads:

***“DIA-4.1 Multi-line games***

Refer NS 4.4

*In addition to NS 4.4, for multi-line games, the gaming machine must clearly indicate which ways, patterns and/or equivalent game outcomes are being bet on. “*

### iii) Other amendments

The following proposed amendments aim to clarify and improve the wording of these sections:

* *Feature exit:* See current “DIA3.6 Feature exit” Appendices E and G and proposed “DIA-4.2 Automatic feature exit” at Appendices F and H.
* *Win truncation:* See current “DIA3.5 Win truncation” at Appendices E and G and proposed “DIA-4.4 Prize truncation” at Appendices F and H
* *General artwork requirements (Maximum accumulated win message):* See current “DIA4.1 General artwork requirements” Appendices E and G and proposed “DIA-5.2 Maximum accumulated win message must be displayed” at Appendices F and H
* *Cash Boxes:* See current “DIA2.5 Cash boxes” at Appendices E and G and proposed “DIA-6.2 Cashbox requirements” at Appendices F and H
* *Keying requirements:* See current “DIA2.2 Keying requirements” at Appendices E and G and proposed “DIA-6.3 Locks and keys” at Appendices F and H
* *Logic seals (Logic area):* See current “DIA2.3 Logic seals (Logic area)” Appendices E and G and proposed “DIA-6.4 Logic seals (Logic area)” at Appendices F and H
* *Banknote acceptance specifications:* See current “DIA5 Banknote acceptance” Appendices E and G and proposed “DIA-6.5 Banknote acceptance specifications” at Appendices F and H
* *Cabinet identification:* See current “DIA2.1 Cabinet identification” at Appendices E and G and proposed “DIA-7.1 Identification of gaming machines” at Appendices F and H
* *Configuration of multi-game gaming machines:* See current “DIA3.7 configuration of multi-game gaming machines” at Appendices E and G and proposed “DIA-7.2 configuration of multi-game gaming machines and permitted reconfiguration” at Appendices F and H
* *Bet and win limits:* See current sections “DIA3.4 Bet and win limits”, “DIA3.5 Win truncation” and “DIA3.6 Feature exit” and proposed section “DIA-8 Limits and Parameters”.
* *Harm prevention and minimisation/ player information displays:* see current sections DIA9.1 – DIA9.6 and proposed sections DIA-10.1 –DIA 10.8.

### Amendments to requirements for linked jackpot systems

Minor changes have been made to the Minimum Technical Requirements for Linked Jackpot Systems (see Appendixes I and J) to clarify wording and to minimise inconsistencies between the casino version and the Class 4 version. These changes are not intended to change the meaning or interpretation of these standards.

# Part F: Application for new equipment: USB cell phone charger

## 1. Background information

The Department received an application from a gambling equipment manufacturer to add a USB charging port to the front gaming machines to allow to players to charge their phones.

## 2. Framework for analysis

The Department seeks your comment on this application. Comment in relation to the purposes of the Act is valued, with particular reference to whether the proposal will impact on the purposes to:

* Prevent and minimise the harm from gambling, including problem gambling;
* Facilitate responsible gambling; and
* Ensure the integrity and fairness of games.

After receiving your submissions on the application, the proposal will be assessed to ensure it does not derogate from any purposes of the Gambling Act 2003. To guide the assessment reference is made to the Department’s internal guidelines on Harm Prevention, Harm Minimisation and Responsible Gambling. The guidelines are derived from the Act and associated regulations, the principles and processes of administrative law, and best practice in regard to good regulation. These guidelines require the Department to take an evidence based approach in the first instance. However, in the absence of evidence, a precautionary approach will be taken in decision making where there is reasonable concern that significant and/or widespread harm may occur. In the absence of evidence, the Department assesses this proposal against known harm determinants. It is considered that the proper base for making this assessment is to measure those considerations against the potential for harm that already exists under approved games.

A copy of these guidelines can be found on the Department’s website at:

[http://www.dia.govt.nz/pubforms.nsf/URL/GamingOperationalPolicy.pdf/$file/GamingOperationalPolicy.pdf](http://www.dia.govt.nz/pubforms.nsf/URL/GamingOperationalPolicy.pdf/%24file/GamingOperationalPolicy.pdf)

## 3. Description of device

The Department received a request from a gaming machine manufacturer “to add a 5 volt USB [cell-phone] charging port to the front of our new hardware platform as a service to players to charge their phones.” The manufacturer emphasised that there would be no data connection between gaming machines and cell phones.

There were some preliminary concerns with this application as to whether the presence and use of this device had potential to encourage continued play. However, possible benefits of the application are that ensuring that players cell-phones are charged up allows patrons to receive host responsibility messages, at least from casino staff.

The application is for both Class 4 and casino gaming machines.

## 4. Questions for submitters

Do you think the gaming machine standards should be amended to allow for this technology, or alternatively, prohibit?

# Part G: References

Advertising Standards Authority. *Code for Advertising Gaming and Gambling.* Downloaded from: <http://www.asa.co.nz/codes/codes/code-for-advertising-gaming-and-gambling/>

Australian Government Productivity Commission (2010). *Gambling Productivity Commission Inquiry Report.* Downloaded from: <http://www.pc.gov.au/projects/inquiry/gambling-2009/report>

Australian/New Zealand Gaming Machine National Standard. Revision 10.0. Downloaded from: [http://www.dia.govt.nz/pubforms.nsf/URL/GMNS10.pdf/$file/GMNS10.pdf](http://www.dia.govt.nz/pubforms.nsf/URL/GMNS10.pdf/%24file/GMNS10.pdf)

Dixon, M., Collins, K., Harrigan, K., Graydon, C., & Fuselang, J. (2015). Using sound to unmask losses disguised as wins in multiline slot machines. *Journal of Gambling Studies, 31.*

Dixon, M., Harrigan, K., Santesso, D., Grayfon, C., Fuselsang, J., & Collins, K. (2014). The impact of sound in modern multiline video slot machine play. *Journal of Gambling Studies, 30.*

Department of Internal Affairs (2006). *Cashless Gambling – Interim Position Paper.* Downloaded from: <http://www.dia.govt.nz/diawebsite.nsf/Files/CashlessGambling> Paper/$file/CashlessGamblingPaper.pdf

Department of Internal Affairs (2006). *Operational Policy – Internal Guidelines Harm Prevention, Harm Minimisation and Responsible Gambling.* Downloaded from: [http://www.dia.govt.nz/pubforms.nsf/URL/GamingOperationalPolicy.pdf/$file/GamingOperationalPolicy.pdf](http://www.dia.govt.nz/pubforms.nsf/URL/GamingOperationalPolicy.pdf/%24file/GamingOperationalPolicy.pdf)

Donaldson, P., Langham, E., Rockloff, M., & Browne, M. (2015). Veiled EGM jackpots: The effect of hidden and mystery jackpots on gambling intensity. *Journal of Gambling Studies, 10.*

Dumont, M., & Ladouceur, R. (1990). Evaluation of motivation among video-poker players. *Psychological Reports, 66.*

Dunning, J. (2012). Examining slot machine play with varying percentages of losses disguised as wins. *Research papers, paper 321.* <http://openiuc.lib.edu/gs_rp/321>

Ejova, A., Delfabbro, P., & Navarro, D. (2014). Erroneous gambling-related beliefs as illusions of primary and secondary control: A confirmatory factor analysis. *Journal of Gambling Studies, 31.*

Foxall, G., & Sigurdsson, V. (2012). When loss rewards: The near miss effect in slot machine gambling. *Analysis of Gambling Behavior, 6.*

Gambling Act (2003). Downloaded from: <http://www.legislation.govt.nz/act/public/2003/> 0051/latest/whole.html# DLM207497

Gambling (Harm Prevention and Minimisation) Regulations (2004). Downloaded from: http://www.dia.govt.nz/diawebsite.nsf/Files/Reg2004276/$file/Reg2004276.pdf

Gambling Commission (2013). SkyCity Auckland Host Responsibility Programme. Decision on the amendment by the Gambling Commission of the responsible gambling programme for the Auckland Casino. Downloaded from: <http://www.gamblingcommission.govt.nz> /GCwebsite.nsf/Files/Decision302/$file/Decision%20GC21-13.pdf

Griffiths, M. (1993). Fruit machine gambling: The importance of structural characteristics. *Journal of Gambling Studies, 9(2).*

Goodie, A., & Fortune, E. (2012). Measuring cognitive distortions in pathological gambling: Review and meta-analyses. *Psychology of Addictive Behaviours, 27(3).*

Griffiths, M. (1990). The cognitive psychology of gambling. *Journal of Gambling Studies 6(1).*

Griffiths, M. (1993). The importance of structural characteristics. *Journal of Gambling Studies, 9(2).*

Griffiths, M. (1994). The role of cognitive bias and skill in fruit machine gambling. *British Journal of Psychology 85.*

Griffiths & Parke (2006). The Psychology of the Fruit Machine: The Role of Structural Characteristics (Revisited). *International Journal of Mental Health and Addiction, 4,* 151-179.

Jackson, A., Christensen, D., Francis, K., & Dowling, N. (2015). Consumer perspectives on gambling harm minimisation measures in an Australian jurisdiction. *Journal of Gambling Studies, 10.*

Jarick, M., Dixon, M., Harrigan, K., & Jensen, C. (2012). Unmasking losses disguised as wins during slot machine play enhances the feedback-related negativity typically associated with losses. *Report to the Ontario Problem Gambling Research Centre.*

Harrington, K., Dixon, M., & Brown, D. (2015). Modern multi-line slot machine games: the effect of lines wagered on winners, losers, bonuses, and losses disguised as wins. *Journal of Gambling Studies, 31.*

Harrigan, K., Dixon, M., MacLaren, V., Collins, K, & Fuselang, j. (2011). The maximum rewards at the minimum price: Reinforcement rates and payback percentages in multi-line slot machines. *Journal of gambling issues (26)*

Harrigan, K., MacLaren, D., Dixon, M., & Livingstone, C. (2014). Games of chance or masters of illusion: multiline slots design may promote cognitive distortions. *International Gambling Studies, 10.*

McCormick (2009). Individual Vulnerability and Dissociative-Like Experiences in Regular and Problem Gamblers. Submitted for the award of Combined Master of Psychology (Clinical) and Doctor of Philosophy, University of Adelaide.

Minimum Technical Requirements for Linked Jackpot Systems Version 1.0 of the Gambling Act (Casino Gambling Equipment) Minimum Standard 2004. Downloaded from: http://www.dia.govt.nz/Pubforms.nsf/URL/CasinoJackpotStandardsFinal\_24June2011.pdf/$file/CasinoJackpotStandardsFinal\_24June2011.pdf

Minimum Technical Requirements for Linked Jackpot Systems Version 2.0 of the Gambling Act (Class 4 Gambling Equipment) Minimum Standard 2004. Downloaded from: [http://www.dia.govt.nz/pubforms.nsf/URL/MinimumTechnicalRequirementsForLinkedJackpotSystemsVersion2.0.pdf/$file/MinimumTechnicalRequirementsForLinkedJackpotSystemsVersion2.0.pdf](http://www.dia.govt.nz/pubforms.nsf/URL/MinimumTechnicalRequirementsForLinkedJackpotSystemsVersion2.0.pdf/%24file/MinimumTechnicalRequirementsForLinkedJackpotSystemsVersion2.0.pdf)

Moore, S., & Ohtsuka, K. (1999). Beliefs about control over gambling among young people, and their relation to problem gambling. *Psychology of Addictive Behaviours, 13(4).*

New South Wales Government; Justice; Office of Liquor, Gaming and Racing (2011). NSW gaming machine prohibited features register. Downloaded from: <http://www.olgr>. nsw.gov.au/pdfs/Gaming/GM%20Prohibited%20Features%20Reg%20F.pdf

Ladouceur, R., Mayrand, M., Dussault, A., & Tremblay, J. (1984). Illusion of control: effects of participation and involvement. *The Journal of Psychology (117).*

Langer, E. (1975). The Illusion of control. *Journal of Personality and Social Psychology (32)*

McCormick, J. (2009). *Individual Vulnerability and Dissociative-Like Experiences in Regular and Problem Gamblers.* Submitted for the award of Combined Master of Psychology (Clinical) and Doctor of Philosophy, University of Adelaide

Myrseth, H., Brunborg, G., & Eidem, M. (2010). Differences in cognitive distortions between pathological and non-pathological gamblers with preferences for chance or skill games. *Journal of Gambling Studies (26).*

New Zealand Class 4 Gaming Machine Appendix to the Australian/New Zealand Gaming Machine National Standard - Revision 10.0. Downloaded from: [http://www.dia.govt.nz/ pubforms.nsf/URL/GMNS10\_Class4\_Appendix.pdf/$file/GMNS10\_Class4\_Appendix.pdf](http://www.dia.govt.nz/%20pubforms.nsf/URL/GMNS10_Class4_Appendix.pdf/%24file/GMNS10_Class4_Appendix.pdf)

New Zealand Casino Gaming Machine Appendix to the Australian/New Zealand Gaming Machine National Standard - Revision 10.0. Downloaded from: <http://www.dia.govt.nz/> pubforms.nsf/URL/GMNS10\_Casino\_Appendix.pdf/$file/GMNS10\_Casino\_Appendix.pdf

Nisbet, Sharen (2005). Alternative Gaming Machine Payment Methods in Australia: Current Knowledge and Future Implications, *International Gambling Studies, 5:2,* 229-252.

Palmer du Preez, K., Landon, J., Garret, N., Bellringer, M., Page, A., Coomarasamy, C., & Abbott, M. (2014). *Investigation into the effects of gambling game characteristics, PIDs and pop-up technology on gambling and problem gambling in New Zealand.* Downloaded from: <http://www.health.govt.nz/our-work/mental-health-and-addictions/problem-gambling/research-and-evaluation/implementation-2007-2010/investigation-effect-gambling-game-characteristics-pids-and-pop-technology-gambling-and-problem-0>

Parke, J., Rigbye, J & Parke, A. (2008). *Cashless and card-based technologies in gambling: A review of the literature.* Downloaded from: http://www.gamblingcommission.gov.uk /pdf/Cashless%20and%20card%20based%20technologies%20literature%20review%20-%20Dec%202008.pdf

Rockloff, M., & Hing, N. (2013). The impact of jackpots on EGM gambling: A review. *Journal of gambling studies, 29(4)*

Rockloff & Dyer (2007). An Experiment on the Social Facilitation of Gambling Behaviour. *Journal of Gambling Studies, 23.*

Schottler Consulting (2014). *Impact of Structural Characteristics of Electronic Gaming Machines (EGMs).* Downloaded from: [http://www.gamblingresearch.org.au/home/ research/gra+research+reports/impact+of+structural+characteristics+of+electronic+gaming+machines+%282014%29](http://www.gamblingresearch.org.au/home/%20research/gra%2Bresearch%2Breports/impact%2Bof%2Bstructural%2Bcharacteristics%2Bof%2Belectronic%2Bgaming%2Bmachines%2B%282014%29)

Tasmania Appendix to the Australia/New Zealand National Standard – Tasmanian appendix version 10.05 (2014). Downloaded from: <http://www.treasury.tas.gov.au/domino/> dtf/dtf.nsf/LookupFiles/Tasmanian\_Appendix\_Version\_10.05.pdf/$file/Tasmanian\_Appendix\_Version\_10.05.pdf

Templeton, J., Dixon, M., Harrigan, J., & Fuselsang, J. (2014). Upping the reinforcement rate by playing the maximum lines in multi-line slot machine play. *Journal of gambling studies, 31.*

Thomas, A., Delfabbro, P., & Armstrong, (2014). Validation study of in-venue problem gambler indicators. *Report Prepared for Gambling Research Australia February 2014.* Downloaded from: [http://www.academia.edu/1751978/Identifying\_problem\_gamblers\_ in\_gambling\_venues](http://www.academia.edu/1751978/Identifying_problem_gamblers_%20in_gambling_venues)

Toneatto, T., Blitz-Miller, T., Claderwood, k., Dragonetti, R., & Tsanos, A. (1997). Brief report cognitive distortions in heavy gambling. *Journal of Gambling Studies 13(3).*

Victorian Appendix to the Australia/New Zealand Gaming Machine National Standard Version 10.0. Downloaded from: <https://assets.justice.vic.gov.au/vcglr/resources/> 79510c0b-7231-4acc-81a9-f2a2ac77b96e/victorian\_appendix.pdf

# Part H: Appendices

## Appendix A – Relevant Legislation

Gambling in New Zealand is regulated by the Gambling Act 2003 (the Act). This includes the regulation of both casino gambling and Class 4 gambling. The Act’s relevant objectives include to:

* Prevent and minimise harm from gambling, including problem gambling; and
* facilitate responsible gambling; and
* authorise some gambling and prohibit the rest; and
* limit opportunities for crime and dishonesty associated with gambling and the conduct of gambling; and
* ensure the integrity and fairness of games.

**Section 9(1)(a)** states that gambling is prohibited and illegal unless it is authorised under the Act and complies with the Act and any relevant licence, game rules and minimum standards.

**Section 9(2)(b)** states that remote interactive gambling is prohibited and illegal.

**Section 326(1)** of the Act states that the Secretary may, by notice in the *Gazette*, declare that any particular gambling equipment or class of gambling equipment must be approved by the Secretary as complying with minimum standards relevant to the equipment before it may be used under a licence granted under this Act.

**Section 327** gives the Secretary the power to prescribe minimum standards for design, manufacture, and performance of gambling equipment, by notification in the *Gazette.* The Secretary is permitted to amend or revoke minimum standards at any time, provided that any changes are notified in the *Gazette.*

**Section 327(2)(a)** states that minimum standards may include requirements for gambling equipment to have features designed to reduce the likelihood of problem gambling or other harm arising from its use.

**Section 327(3)** states that minimum standards may incorporate, by reference, all or part of a principle, statement, standard, specification, or requirement that is published by, or on behalf of, any body or person in any country.

**Section 328(2) s**tates that if no minimum standard exists in respect of a particular item of gambling equipment, a person may apply to the Secretary for a minimum standard to be prescribed

**Section 372** of the Gambling Act 2003 requires that, before standards are made, persons and organisations that are likely to be substantially affected by the regulations must be consulted and given a reasonable opportunity to respond. Submissions will be given adequate and appropriate consideration

**Gambling (Harm Prevention and Minimisation) Regulations 2004**

**Regulation 6** sets out maximum stake and prize levels as follows:

The holder of a class 4 operator’s licence must ensure, in relation to a gaming machine used to conduct class 4 gambling, that—

(a)  the maximum amount that may be staked for a single play of the gaming machine (whether or not it is linked to other gaming machines) does not exceed $2.50; and

(b)  the maximum prize for a single play of the gaming machine does not exceed $500; and

(c)  the maximum jackpot prize for a single play of the gaming machine that is linked to other gaming machines does not exceed $1,000.

**Regulation 7** requires that gaming machines must display certain messages:

(1)  The holder of a class 4 operator’s licence or casino operator’s licence must, at a venue at which it conducts gambling, ensure that a gaming machine includes a feature that provides the messages specified in subclause (2).

(2)  The messages are—

(a)  game information, relating to—

(i)  the odds of winning the game (including the 5 top and bottom winning combinations):

(ii)  the average winnings paid out to players of the game over a particular period of time or a particular number of plays:

(iii)  the maximum and minimum player spend rate for the game:

(b)  player information, relating to—

(i)  the duration of the player’s session of play; and

(ii)  the amount, expressed in dollars and cents, that the player has spent during the player’s session of play; and

(iii)  the player’s net wins or net losses during the player’s session of play.

(3)  The messages referred to in subclause (2) must be displayed at the election of the player.

(4)  The holder of a class 4 operator’s licence or casino operator’s licence must, at a venue at which it conducts gambling, ensure that a gaming machine displays the correct time while it is being used by a player

**Regulation 8** requires that Gaming machines must include a feature that interrupts play:

(1)  The holder of a class 4 operator’s licence or casino operator’s licence must, at a venue at which it conducts gambling, ensure that a gaming machine includes a feature that—

(a)  interrupts play at irregular intervals (not exceeding 30 minutes of continuous play); and

(b)  informs the player of—

(i)  the duration of the player’s session of play; and

(ii)  the amount, expressed in dollars and cents, that the player has spent during the player’s session of play; and

(iii)  the player’s net wins or net losses during the player’s session of play; and

(c)  asks the player whether or not he or she wishes to continue with his or her session of play.

(2)  For the purposes of subclause (1)(c), if the player does not wish to continue with his or her session of play, the gaming machine must include a feature that automatically pays out any winnings and credits to the player.

## Appendix B - Glossary

| Term | Definition |
| --- | --- |
| **Collect button** | A button that when pressed allows players to take their money out of the gaming machine.[[133]](#footnote-133) |
| **Cognitive distortion/bias** | Irrational thought patterns. |
| **Auto gamble** | A feature where a win will automatically trigger entry to a gamble feature.[[134]](#footnote-134) |
| **Denomination** | The value of the gaming machine such as a 1c, 2c or 5c machine.[[135]](#footnote-135) |
| **Double up** | See **gamble button**. “This is the most common gamble game and requires players to typically pick one of two cards for the chance to double their win.”[[136]](#footnote-136) |
| **Downloadable Jackpot** | A jackpot that, when struck, is downloaded directly back to the gaming machine and is immediately available for play. |
| **Feature** | Defined in this paper as a gaming machine event “involving special sound, music or lighting effects typically associated with the player receiving and opportunity to win bonus credits or other special bonuses.”[[137]](#footnote-137) |
| **Free spin**  | A type of feature: “a free game or spin obtained during [gaming] machine play.”[[138]](#footnote-138) |
| **Gamble button** | “A very common feature of most poker machines. Such buttons effectively allow EGM players to bet their win for the chance to typically double or quadruple their prize.”[[139]](#footnote-139) |
| **Hold** | When a player is given the opportunity to “keep stationary winning symbols before the next play has started.”[[140]](#footnote-140) |
| **Illusion of control** | Is “whereby gamblers believe they can influence the outcome of chance-related events through skilful play.”[[141]](#footnote-141) |
| **Jackpot** |  “An accumulated amount that is contributed to, and available within, the prize pool.”[[142]](#footnote-142) |
| **Linked jackpots** |  “Jackpots that can be won on several machines and the trigger of a jackpot on one machine necessarily precludes a win on another.”[[143]](#footnote-143) |
| **Losses disguised as wins (LDW) or ‘fake wins’** | LDWs occur in modern multi-line gaming machines when a player 'wins’ less than their initial bet (i.e. loses overall), but the gaming machine indicates that the player has won. |
| **‘Max Bet’ button** | “this is a single button that players can used to typically bet with maximum credits on all lines. It saves players pressing individual credit and line buttons.[[144]](#footnote-144) |
| **Metamorphic game** | A game where free games, feature games or prizes (other than jackpots) are triggered by the cumulative result of a series of plays.[[145]](#footnote-145) An example of this is if ‘tokens’ or ‘points’ awarded during plays were accumulated by players over time. |
| **Mini max strategy** | Placing the minimum bet on the maximum number of lines |
| **Multi-game gaming machines** | “players can typically choose the game they wish to play on a multi game [gaming machine] (e.g. four games may be presented)”[[146]](#footnote-146) |
| **Near Miss** | A losing outcome on a gaming machine that closely resembles a winning outcome[[147]](#footnote-147) |
| **Nudge** | A feature of British fruit machines. Nudge features allow players to manually move any fruit machine reel into a winning position after automatic play is over.[[148]](#footnote-148) |
| **PIDs** | ‘Player Information Displays’ are a voluntary feature on all New Zealand gaming machines whereby gamblers can access information about their spending while they are gambling.  |
| **Pop-ups** | *Pop-up* messages are a feature of all New Zealand gaming machines that create a brief compulsory break in play at irregular intervals (note exceeding 30 minutes). The pop up feature must inform the player of the duration of the gambling session, the amount the player has spent, and the player’s net wins or losses. |
| **Reserve button** | “this button allows a player to take a break from play….and permits that player to return to their machine to resume play after the break ends”[[149]](#footnote-149) |
| **Scatter** | A symbol which pays when occurring ‘scattered’. **Scattered** is a pattern of symbols which are located in reel positions but may or may not be on a selected lit line.[[150]](#footnote-150) A scatter win would occur, for instance, when the required number of a certain symbol falls anywhere on the game screen |
| **Spin** | A single button press or single game on a gaming machine[[151]](#footnote-151) |
| **Stopping device** | “allow gamblers to voluntarily stop the virtual reels and see the end result of the round more quickly”[[152]](#footnote-152) |
| **Suspension of judgement** | e.g. gaming machine features “*which temporarily disrupt the gambler’s financial value system e.g. betting with chips instead of money at the roulette table where the money’s true value can be disguised or seen as “fun money”.”[[153]](#footnote-153)* |
| **Wide area jackpots** | Linked jackpots across multiple venues |

1. Schottler (2014) [↑](#footnote-ref-1)
2. Palmer du Preez et al. (2014) [↑](#footnote-ref-2)
3. E.g. Harrington et al. (2014); Palmer du Preez et al. (2014) [↑](#footnote-ref-3)
4. Schottler (2014) [↑](#footnote-ref-4)
5. Jackson et al (2014) [↑](#footnote-ref-5)
6. Palmer du Preez et al. (2014) [↑](#footnote-ref-6)
7. Dunning (2012); Jarick, Dixon, Harrigan & Jensen (2012) [↑](#footnote-ref-7)
8. Dixon, Harrigan, Santesso, Grayfon, Fuseland & Collins (2014); Dixon, Collins, Harrigan, Graydon & Fuseland (2015); Templeton, Dixon, Harrigan & Fuselang (2014). [↑](#footnote-ref-8)
9. E,g Harrington, Dixon, MacLaren, Collins & Fuselang (2011); Jarick, Dixon, Harrigan & Jensen (2012). [↑](#footnote-ref-9)
10. Goodie & Fortune (2013). [↑](#footnote-ref-10)
11. E.g. Dumont & Ladouceur (1990); Griffiths (1990) Griffiths (1994); Moore & Ohtsuka (1999); Myrseth et al. (2010). [↑](#footnote-ref-11)
12. E.g. Palmer du Preez et al. (2014). [↑](#footnote-ref-12)
13. Cited in Palmer du Preez et al. (2014) [↑](#footnote-ref-13)
14. Parke & Griffiths (2006) [↑](#footnote-ref-14)
15. Griffiths (1993) [↑](#footnote-ref-15)
16. Proposed National Standard; see Appendix D [↑](#footnote-ref-16)
17. APC (2010) [↑](#footnote-ref-17)
18. Schottler (2014) [↑](#footnote-ref-18)
19. Palmer du Preez et al. (2014) [↑](#footnote-ref-19)
20. See [http://www.dia.govt.nz/Pubforms.nsf/URL/CasinoJackpotStandardsFinal\_24June2011.pdf/$file/CasinoJackpotStandards Final\_24June2011.pdf](http://www.dia.govt.nz/Pubforms.nsf/URL/CasinoJackpotStandardsFinal_24June2011.pdf/%24file/CasinoJackpotStandards%20Final_24June2011.pdf); and

http://www.dia.govt.nz/pubforms.nsf/URL/MinimumTechnicalRequirementsForLinkedJackpotSystemsVersion2.0.pdf/$file/MinimumTechnicalRequirementsForLinkedJackpotSystemsVersion2.0.pdf [↑](#footnote-ref-20)
21. Palmer du Preez, et al (2014) [↑](#footnote-ref-21)
22. Schottler (2014) [↑](#footnote-ref-22)
23. Advertising Standards Authority. *Code for Advertising Gaming and Gambling.*  [↑](#footnote-ref-23)
24. Victorian Appendix to the Australia/New Zealand Gaming Machine National Standard Version 10.0. [↑](#footnote-ref-24)
25. Gambling Commission (2013). SkyCity Auckland Host Responsibility Programme. Decision on the amendment by the Gambling Commission of the responsible gambling programme for the Auckland Casino. [↑](#footnote-ref-25)
26. Cited in Harrington et al. (2015) [↑](#footnote-ref-26)
27. Schottler (2014) [↑](#footnote-ref-27)
28. LDWs occur in modern multi-line gaming machines when a player 'wins’ less than their initial bet (i.e. loses overall), but the gaming machine indicates that the player has won. Please refer to section 6 below for a further explanations of LDWs. [↑](#footnote-ref-28)
29. E.g. Harrington et al. (2015) [↑](#footnote-ref-29)
30. Near miss means a losing outcome on a gaming machine that closely resembles a winning outcome. [↑](#footnote-ref-30)
31. Harrington et al. (2014) [↑](#footnote-ref-31)
32. Ibid; Palmer du Preez et al. (2014) [↑](#footnote-ref-32)
33. E.g. Harrington et al. (2014); Du Preez et al. (2014) [↑](#footnote-ref-33)
34. Dunning (2012) [↑](#footnote-ref-34)
35. Delfabbro cited in APC (2010) [↑](#footnote-ref-35)
36. Palmer du Preez et al. (2014) [↑](#footnote-ref-36)
37. Palmer du Preez et al. (2014) [↑](#footnote-ref-37)
38. Schottler (2014) [↑](#footnote-ref-38)
39. Schottler (2014) [↑](#footnote-ref-39)
40. Schottler (2014) [↑](#footnote-ref-40)
41. Palmer du Preez et al. (2014) [↑](#footnote-ref-41)
42. Palmer du Preez et al. (2014) [↑](#footnote-ref-42)
43. Jackson et al (2014) [↑](#footnote-ref-43)
44. E.g. Dixon et al. (2015); see Palmer du Preez et al. (2014) [↑](#footnote-ref-44)
45. Palmer du Preez et al. (2014) [↑](#footnote-ref-45)
46. Palmer du Preez et al. (2014) [↑](#footnote-ref-46)
47. Palmer du Preez et al. (2014) [↑](#footnote-ref-47)
48. Templeton et al (2015) [↑](#footnote-ref-48)
49. Templeton et al (2015) [↑](#footnote-ref-49)
50. Dunning (2012) [↑](#footnote-ref-50)
51. Schottler (2014) [↑](#footnote-ref-51)
52. APC (2010) [↑](#footnote-ref-52)
53. Schottler (2014) [↑](#footnote-ref-53)
54. Templeton et al. (2015) [↑](#footnote-ref-54)
55. Schottler (2014) [↑](#footnote-ref-55)
56. Dunning (2012); Jarick, Dixon, Harrigan & Jensen (2012) [↑](#footnote-ref-56)
57. E.g. Harrington, MacLaren, Dixon & Livingstone (2014) [↑](#footnote-ref-57)
58. E.g. Palmer du Preez, Landon, Garret, Bellringer, Page, Coomarasamy & Abbott (2014); Schottler (2014) [↑](#footnote-ref-58)
59. Dunning (2012) [↑](#footnote-ref-59)
60. Harrington et al. (2014) [↑](#footnote-ref-60)
61. Dixon, Harrigan, Santesso, Grayfon, Fuseland & Collins (2014); Dixon, Collins, Harrigan, Graydon & Fuseland (2015); Templeton, Dixon, Harrigan & Fuselang (2014); [↑](#footnote-ref-61)
62. E,g Harrington, Dixon, MacLaren, Collins & Fuselang (2011); Jarick, Dixon, Harrigan & Jensen (2012) [↑](#footnote-ref-62)
63. E.g. Dixon et al. (2014) [↑](#footnote-ref-63)
64. Jarrick et al. (2012) [↑](#footnote-ref-64)
65. Jarrick et al. (2012) [↑](#footnote-ref-65)
66. Jarrick et al. (2012) [↑](#footnote-ref-66)
67. Harrington, Dixon & Brown (2015) [↑](#footnote-ref-67)
68. Harrington et al. (2015) [↑](#footnote-ref-68)
69. Dixon et al. (2014) [↑](#footnote-ref-69)
70. E.g. Dumont & Ladouceur (1990); Griffiths (1990) Griffiths (1994); Moore & Ohtsuka (1999); Myrseth, Brunborg & Eidem (2010) [↑](#footnote-ref-70)
71. Goodie & Fortune (2013). [↑](#footnote-ref-71)
72. E.g. Palmer du Preez, et al (2014) [↑](#footnote-ref-72)
73. E.g. Dumont & Ladouceur (1990); Griffiths (1990) Griffiths (1994); Moore & Ohtsuka (1999); Myrseth et al. (2010) [↑](#footnote-ref-73)
74. McCormick (2009). [↑](#footnote-ref-74)
75. Tonetto et al. (1997) [↑](#footnote-ref-75)
76. Griffiths (1993) [↑](#footnote-ref-76)
77. Palmer du Preez, et al (2014) [↑](#footnote-ref-77)
78. Griffiths & Park (2006) [↑](#footnote-ref-78)
79. Toneatto, Blitz-Miller, Calderwood, Dragonetti & Tsanos (1997) [↑](#footnote-ref-79)
80. Schottler (2014) [↑](#footnote-ref-80)
81. Schottler (2014) [↑](#footnote-ref-81)
82. Schottler (2014) [↑](#footnote-ref-82)
83. 61 Schottler (2014) [↑](#footnote-ref-83)
84. Schottler (2014) [↑](#footnote-ref-84)
85. Myrseth et al. (2010) [↑](#footnote-ref-85)
86. Palmer du Preez, et al (2014) [↑](#footnote-ref-86)
87. Palmer du Preez, et al (2014) [↑](#footnote-ref-87)
88. Schottler (2014) [↑](#footnote-ref-88)
89. E.g. Griffiths (1993); Griffiths & Park (2006) [↑](#footnote-ref-89)
90. Cited in Palmer du Preez et al. (2014) [↑](#footnote-ref-90)
91. Ladouceur and Sévigny (2005); Palmer du Preez et al. (2014) [↑](#footnote-ref-91)
92. Palmer du Preez et al. (2014) [↑](#footnote-ref-92)
93. Parke & Griffiths (2006) [↑](#footnote-ref-93)
94. Griffiths (1993) [↑](#footnote-ref-94)
95. Griffiths & Park (2006) [↑](#footnote-ref-95)
96. APC (2010) [↑](#footnote-ref-96)
97. E.g Thomas, Delfabbro & Armstrong (2014) [↑](#footnote-ref-97)
98. Griffiths & Parke (2006) [↑](#footnote-ref-98)
99. Schottler (2014) [↑](#footnote-ref-99)
100. Schottler (2014) [↑](#footnote-ref-100)
101. Schottler (2014). [↑](#footnote-ref-101)
102. Schottler (2014). [↑](#footnote-ref-102)
103. Schottler (2014). [↑](#footnote-ref-103)
104. Schottler (2014) [↑](#footnote-ref-104)
105. Schottler (2014) [↑](#footnote-ref-105)
106. Schottler (2014). [↑](#footnote-ref-106)
107. Schottler (2014) [↑](#footnote-ref-107)
108. Schottler (2014). [↑](#footnote-ref-108)
109. Proposed National Standard; see Appendix D [↑](#footnote-ref-109)
110. Schottler (2014) [↑](#footnote-ref-110)
111. Schellink and Schrans (2002) cited in Palmer du Preez et al. (2014). [↑](#footnote-ref-111)
112. Schellink and Schrans (2002) cited in Palmer du Preez et al. (2014). [↑](#footnote-ref-112)
113. Monaghan and Blaszczynski (2010) cited in Palmer du Preez et al. (2014). [↑](#footnote-ref-113)
114. Monaghan and Blaszczynski (2010) cited in Palmer du Preez et al. (2014). [↑](#footnote-ref-114)
115. Monaghan and Blaszczynski (2010) cited in Palmer du Preez et al. (2014). [↑](#footnote-ref-115)
116. Rockloff & Hing (2013) cited in Palmer du Preez et al. (2014). [↑](#footnote-ref-116)
117. (Blaszczynski, Gainsbury, & Karlov, 2013) cited in Palmer du Preez et al. (2014). [↑](#footnote-ref-117)
118. Palmer du Preez et al. (2014) [↑](#footnote-ref-118)
119. [http://www.dia.govt.nz/Pubforms.nsf/URL/CasinoJackpotStandardsFinal\_24June2011.pdf/$file/CasinoJackpotStandards](http://www.dia.govt.nz/Pubforms.nsf/URL/CasinoJackpotStandardsFinal_24June2011.pdf/%24file/CasinoJackpotStandards) Final\_24June2011.pdf [↑](#footnote-ref-119)
120. <http://www.dia.govt.nz/pubforms.nsf/URL/MinimumTechnicalRequirementsForLinkedJackpotSystemsVersion2.0.pdf/> $file/MinimumTechnicalRequirementsForLinkedJackpotSystemsVersion2.0.pdf [↑](#footnote-ref-120)
121. E.g. APC (2010); Rockloff & Hing (2013); Palmer du Preez et al. (2014) [↑](#footnote-ref-121)
122. APC (2010); Delfabbro cited in APC (1999) [↑](#footnote-ref-122)
123. Palmer du Preez, et al (2014) [↑](#footnote-ref-123)
124. Cited in Palmer du Preez, et al (2014) [↑](#footnote-ref-124)
125. Palmer du Preez, et al (2014) [↑](#footnote-ref-125)
126. Griffiths (1993); Griffiths & Parke (2003) [↑](#footnote-ref-126)
127. Griffiths 1993 [↑](#footnote-ref-127)
128. Rockloff & Dyer (2007) [↑](#footnote-ref-128)
129. McCormick (2009). [↑](#footnote-ref-129)
130. Griffiths (1993) [↑](#footnote-ref-130)
131. Goodie & Fortune (2013) [↑](#footnote-ref-131)
132. Griffiths (1993). [↑](#footnote-ref-132)
133. Schottler (2014) [↑](#footnote-ref-133)
134. Proposed National Standard; see Appendix D. [↑](#footnote-ref-134)
135. Schottler (2014) [↑](#footnote-ref-135)
136. Schottler (2014) [↑](#footnote-ref-136)
137. Schottler (2014) [↑](#footnote-ref-137)
138. Schottler (2014) [↑](#footnote-ref-138)
139. Schottler (2014) [↑](#footnote-ref-139)
140. Griffiths (1993) [↑](#footnote-ref-140)
141. McCormick (2009). [↑](#footnote-ref-141)
142. McPherson (2007) Cited in Donaldson, Langham, Rockloff & Brown (2015) [↑](#footnote-ref-142)
143. Rockloff & Hing (2013) [↑](#footnote-ref-143)
144. Schottler (2014) [↑](#footnote-ref-144)
145. Proposed National Standard; see Appendix D. [↑](#footnote-ref-145)
146. Schottler (2014) [↑](#footnote-ref-146)
147. E.g. Foxall & Sigurdsson (2012) [↑](#footnote-ref-147)
148. Parke & Griffiths (2006) [↑](#footnote-ref-148)
149. Schottler (2014) [↑](#footnote-ref-149)
150. Proposed National Standard; see Appendix D [↑](#footnote-ref-150)
151. Schottler (2014) [↑](#footnote-ref-151)
152. Palmer du Preez et al. (2014) [↑](#footnote-ref-152)
153. Griffiths (1993). [↑](#footnote-ref-153)