Achieving voluntary compliance

By Mike Hill, Director, Gambling Compliance

The Department is on record that it wants to achieve maximum voluntary compliance under the Gambling Act by working with and assisting operators in the industry. This will allow us to concentrate enforcement measures on the few who do not comply with the aim of deterring that behaviour in the sector.

A recent “gap analysis” gave us a good snapshot of what the industry and other key stakeholders think of us. We have taken the analysis on board and planned how we go about addressing their expectations. I will be reporting to the sector over the coming weeks.

We recognise the need to work with gambling operators and problem gambling service providers to build relationships of trust, mutuality and respect.

Our staff will regulate in a professional, transparent manner that demonstrates procedural fairness.

We want to actively engage local stakeholders so that DIA is better informed on regulatory issues and local communities can get the information they need for facilitating decision making around gambling.

We also intend engaging more with trustees, particularly through the audit process, and will enhance licensing as the key foundation of effective regulation.

Success will come when there is a common understanding of the issues and how we work together to resolve them.

Maximising voluntary compliance means having an environment where gambling providers want to, know how to and can comply with the Act, and all stakeholders accept the legitimacy of the compliance environment.
Deputy Secretary departs

Andrew Secker, the Deputy Secretary, Regulation and Compliance since March 2004, resigned from the Department and returned to Australia in July following the appointment of his wife, Helen Fulcher to head Housing South Australia.

“Naturally I was very sorry to leave, but family comes first,” Andrew said. “My time at DIA was very happy, and I was very proud to lead the Regulation and Compliance Branch through all the change over the past couple of years.”

Parting thoughts

Before departing for Australia Andrew reflected on changes he had witnessed in the gambling sector during his two years with the Department.

“The Gambling Act 2003 really raised the bar for Class 4 licence holders in particular,” he said. “The last couple of years have meant a lot of work in terms of their own systems and governance arrangements. We recognise that this has been a significant workload and really appreciate the efforts the sector has made.”

Andrew said the sector was going through change as the number of gaming machines and venues declined.

“Smaller clubs in particular find it difficult to meet the new requirements in the Act and remain viable,” he said. “I’d encourage them to look at the sections of the Act that allow amalgamations.”

New Zealand is one of the few places in the world where the number of machines and venues is actually falling.

“That’s a result of the more rigid requirements of the Gambling Act,” Andrew said. “But I think, overall, we have a system that stands up very well in terms of allowing gambling operators to conduct business in a regulated way while at the same time addressing the undoubted harms that gambling can cause.”
Gambling Regulation Forum

The Government’s Regulatory Frameworks Review, communication between the Department of Internal Affairs and the gambling sector, and Internet gambling were among topics discussed at the third meeting of the Gambling Regulation Forum held in Wellington in June.

The forum consists of representatives of the Department of Internal Affairs and key gambling industry bodies, who meet three times a year to exchange information about gambling regulatory issues. The forum also informs and advises the Department on ways to develop regulatory measures that will be effective without unduly interfering with legitimate activities of licensees.

The Regulatory Frameworks Review is focusing on key sectors of the economy like transport, telecommunications and energy, but the Department is considering whether there is anything in the regulatory system for gambling that requires the Minister of Internal Affairs’ attention.

The forum was also told of the Department’s intention to be more proactive in communicating with the sector. A “gap analysis” project has been conducted as an initial step to understand the opportunities and barriers to working better with the sector.

The Department told the forum that research indicates that very few New Zealanders gamble on the Internet and those that do are usually betting with New Zealand’s own TAB. Nevertheless, Internet gambling is an issue worldwide and the Department will address it with the Government should it start to become a problem for New Zealand.

The forum meets again in October.

Expert Advisory Group

The Expert Advisory Group on Preventing and Minimising Gambling Harm (EAG) met for the third time on 15 June 2006. Discussion centred on two topics:

1. Department’s Internal Guidelines
   These guidelines were developed to guide the Department when considering gambling initiatives that may have implications for harm prevention and minimisation. Following publication on the DIA website, some stakeholders sought clarification of the circumstances in which the Department would apply the “precautionary approach”. The purpose and application of the guidelines were discussed at the meeting and DIA agreed to revise them in certain areas to make their intent clear. The revised guidelines will be available soon on the DIA website www.dia.govt.nz

2. Gambling Advertising, Marketing and Promotion
   A number of issues were raised, including whether or not the marketing of gambling contributed to gambling harm, the role of cultural symbols in gambling advertising and whether they attract vulnerable populations, the normalisation of gambling, the prominence of responsible gambling messages in gambling marketing and the impact of gambling advertising and marketing on Maori and Pacific peoples.
   Due to the complexity of the issues, the EAG agreed to establish a working party, drawing on membership of the group and other people with marketing expertise. It is anticipated that the working party will devise and recommend to DIA and the Ministry of Health, a series of principles for the marketing of gambling. Timelines for this project have yet to be set.

Next Meeting
The next meeting of the EAG will be in October. Agenda items will include an update from the Ministry of Health on its Social Marketing Programme, further discussion about the working party on gambling advertising, and discussion points for issues associated with host responsibility interventions.
Internet gambling and overseas gambling

Gambling through the Internet and other forms of Remote Interactive Gambling (RIG) were addressed for the first time in the Gambling Act 2003. The Act deals with RIG in two areas:

- Hosting and conducting RIG in New Zealand
- The advertising of overseas gambling venues including RIG ones.

Hosting and conducting RIG in New Zealand

Under Section 9(2)(b), remote interactive gambling is illegal and prohibited in New Zealand unless it is operated by the New Zealand Racing Board (“TAB”) or the New Zealand Lotteries Commission. On-line gambling that is hosted and managed from overseas does not come under the Act and it is not illegal for people in New Zealand to gamble on overseas RIG sites. But it is illegal to advertise such websites here.

Internet gambling sites have grown. Players can gamble directly with a site such as an on-line casino, or person-to-person through betting exchange sites, which facilitate the bet. Conducting internet gambling through such sites is prohibited in New Zealand. This includes:

- Hosting a website
- Managing a website, for example as a webmaster
- Website e-files located in New Zealand
- Core management operating in New Zealand.

Section 19 also makes it an offence to:

- Promote or assist illegal gambling
- Advertise illegal gambling.

Advertising overseas gambling venues

Section 16(1) makes it illegal to publish overseas gambling advertisements. This includes advertising of physical “brick and mortar” gambling venues and Internet-based sites. Section 4 of the Act defines “publish”, which includes publishing newspapers and periodicals and a range of other means of conveying information, such as broadcasting, computer disc, film or video.

Most advertising issues result from New Zealand-based website operators unknowingly breaching the Act. The Section 4 definition of “publish” includes information conveyed by electronic medium and stored electronically in a way that it is accessible to the public – two types of publishing that directly relate to New Zealand-based Internet sites.

Most breaches occur through having third party advertisers on the site, many of which use rolling banner type advertising and will bring up a wide variety of advertising, some of which are for overseas gambling venues. The principal site or Internet service provider may not realise the advertisement is there. It is advisable for website operators to check their sites regularly to ensure that no illegal gambling advertising appears. It is also illegal to place links to named overseas gambling sites on a New Zealand-based website, because this is also advertising the gambling.

Before hosting or advertising gambling related material please seek independent legal advice.

In the December issue of Gambits we will talk about other forms of RIG such as text messaging.
ALL GAMBLING

Cashless technologies - interim position paper

The Department is in the process of finalising a position paper on cashless gambling technologies, informed by extensive comment and information from a range of stakeholders. The paper will:

• Consider on what basis, if any, the Department would consider the introduction of cashless technologies under the Gambling Act
• Explore options for dealing with currently approved cashless technologies
• Consider how we should approach cashless technologies not yet available in New Zealand.

There is a lack of clear research about the potential benefits of cashless systems. Regulators have reasonable and significant concerns about the potential for harm of some cashless systems. Considerable research is underway in Australia. While the paper does not primarily address pre-commitment capable systems it outlines some of the issues associated with this technology and recommends that we invite stakeholders to comment on the desirability and practicality of undertaking New Zealand-based research to complement other studies.

In the absence of solid evidence about the benefits of cashless systems, the paper adopts a precautionary approach and recommends that the Secretary for Internal Affairs:

• Permits the continued existence of approved cashless gambling technologies in gambling venues
• Does not initiate minimum standards for any new cashless systems in the short term, unless satisfied that the technology will have a neutral or beneficial effect on gambling harm
• Reviews this position by the end of the 2007/08 financial year.

The paper will be available on our website www.dia.govt.nz shortly and we invite further comment from stakeholders, which we will take into account in subsequent revisions or further policy development.

Meeting the EMS challenge

The Department of Internal Affairs will help pubs and clubs meet compliance issues related to the introduction of the Electronic Monitoring System (EMS) while the system is bedding down.

DIA’s Director of Gambling Compliance, Mike Hill, says the Department understands fully the magnitude of the undertaking and that some are finding the challenge of meeting compliance requirements daunting.

“We believe that the best way of achieving compliance is to work co-operatively with gambling providers, offering advice and support,” Mike Hill said. “At the same time, operators need to familiarise themselves with the relevant Game Rules and information provided by the Department in the form of Fact Sheets and EMS updates. These have been widely circulated and are available on our website (www.dia.govt.nz.>>>Electronic Monitoring). They also need to refer to the EMS user manuals provided by the monitor.

“Of course, deliberate or intentional flouting of regulatory requirements will not be tolerated.”

Mike Hill said if pubs and clubs have a compliance problem they should contact DIA gambling compliance staff on tollfree number 0800 257 887 or by e-mail: gaming.licensing@dia.govt.nz

If there are any issues relating to EMS the Help Desk should be their first port of call, on 0800 468 725 68 from a landline or 04 463 0109 from a cellphone.
Lessons from EMS pilot

Rollout of EMS to the Class 4 gambling sector began on 17 July and will continue until March 2007. Valuable lessons were learned from the pilot, including the identification of several common issues when venues were connected:

- Gaming machines not connected or bypassed, even though they are QCOM compliant
- Gaming machine fibre optic interface cards (‘bricks’) not connected to the gaming machine port (that is, the cable from the brick to a connector on the gaming machine)
- Bricks not working for a number of reasons such as: fuses missing, jumper not configured correctly, not plugged into power, or inappropriately powered from an external power source
- No key available for the site controller cabinet
- Jackpot JIN numbers for gaming machines not correct (please ensure you have given the Department the correct JIN numbers on your venue diagram)
- Fibre cabling reversed i.e. the IN and OUT signals reversed
- No electrical power available at the site controller location.

Some of these issues may be able to be rectified on the day but others may take some time and lead to delays. If the issues are unable to be rectified at the time then either the gaming machine concerned will not be enabled and, therefore, unavailable for play, or all the machines at the venue may not be connected.

At two pilot venues we were unable to connect Ainsworth gaming machines because of a problem with transmitting the manufacturer ID. The issue was solved by a change to the EMS host system.

Jackpot parameters

The Department has also found that jackpot parameter sets are being incorrectly advised. If they have the parameter set number, societies should place the parameter set details in the Secretary’s Notice. The advice should include confirmation of the jackpot pool increment rate percentages accurate to the level needed for reconciliation. This detail was not always kept by the Department and had to be communicated to the venue by the installer at the time of jackpot installation or parameter change.

If the information is not confirmed before Secretary’s Date then the service technician should confirm it with the monitor at the time the venue is connected to EMS. Note, it will take a few days for the monitor to correct any configuration details.

The approval issued for the Mikohn, Cashcade, Fortune and Translux jackpot systems restricts installation and maintenance of jackpot equipment to the jackpot manufacturer employees and/or their authorised agent. Please ensure that only authorised agents are used when not dealing directly with the jackpot system manufacturer.

For more information please read the “EMS Venue Readiness Guide” on the Department of Internal Affairs’ website: www.dia.govt.nz.

Any questions can also be emailed to: ems@dia.govt.nz
EMS - corporate society and venue manager responsibilities

Monitoring by the Department indicates that a number of venues and societies appear not to be accessing EMS reports as required by the Game Rules. At least one venue is still using a pre-EMS management system to collect and report on meter and jackpot activity. The Department has not authorised or approved any venue management system to either replace or provide reports mandated for EMS.

The Gambling Act and Game Rules made under that Act, which have the legal force of regulations, clearly identify specific responsibilities for gaming operations by corporate societies and venue managers. Neither party can contract out of these responsibilities.

Failure to comply with Game Rules can lead to suspension or cancellation of society or venue licences and may constitute illegal gambling under Section 9 of the Act. Failure to observe specific Game Rules may cause discrepancies between EMS-recorded data and actual venue operation to go unnoticed and unreported.

Meter accounting and event data, GMP calculation and banking must be based on the daily, weekly and monthly reports as made available by EMS. There is no provision, other than for specific contingencies as detailed in the Game Rules, for other systems, such as venue management systems, to be used to collect and report data.

Venue management systems are not a substitute for an integrated, centralised system of electronic monitoring as provided by EMS. While such systems may assist in analysing some data, they cannot be used to provide information that is required by the Game Rules and provided by EMS reports.

The following points summarise some of the pertinent Game Rules:

- Game Rule 103 makes it a responsibility of the venue manager or person in charge of the gambling operation to access daily the venue’s daily, weekly and monthly reports provided on the EMS website. This rule also requires the EMS Help Desk to be notified if any report is not available. Societies have the same responsibility to use the EMS website for their own reports.
- Game Rules 106 to 110 detail responsibilities of venue managers for site controller and monitoring equipment security, access and action to be taken if security is breached.
- Game Rules 111 and 112 oblige societies to develop and maintain password security policies and to properly investigate security breaches.
- Game Rule 114 details the responsibility of the venue manager for actions to be taken when there is a change in gambling equipment operated on the venue. This includes contacting the EMS Help Desk before allowing any equipment change to proceed, confirming monitor collection of data and completing any required standard reports.
- Game Rules 115 to 116 detail responsibilities for venue managers to keep an up-to-date copy of the venue cabling diagram and to notify the EMS Help Desk of any change. This includes changes in jackpot configuration.
- Game Rule 117 specifies the order of precedence for obtaining metered data from gambling equipment.
- Game Rules 118 to 122 cover jackpot operation and daily and weekly reconciliation in respect of using EMS reports.
- Game Rules 123 to 125 detail the responsibility of a venue manager to bank weekly gaming machine profits as determined by EMS.
- Game Rule 126 sets out alternative methods that may be used to calculate GMP in the event that the relevant EMS report is not available.
- Game Rule 128 sets out the responsibilities of venue managers and societies for regular, full Gaming Machine Analysis cash reconciliation.

Class 4 Licence holders need to understand that use of the Electronic Monitoring System as the principal source of gambling equipment operational data is a Game Rule requirement – not an option.
The Department is assessing the extent and nature of syndicated play in Class 4 gambling. If societies or venue operators suspect persons in their venues are conducting syndicated play, they should contact a gambling inspector as soon as possible so that the Department can monitor the individuals involved.

Syndicated play is where two or more persons (a “syndicate”) act in a manner to affect the opportunity of other persons playing the gaming machines at a pub or a club to strike the jackpot that is linked to the turnover of the gaming machines. The maximum amount of a jackpot in pubs and clubs is $1000.

Rule 9 of the Gambling Act (Class 4) Game Rules 2006 prohibits syndicated play. The rule states:

*In relation to any linked jackpot system, no person shall engage in syndicated play with any other person or persons, or solicit or induce any player to take part in such an arrangement, or induce or intimidate any player to vacate a gaming machine. For the purposes of this rule, syndicated play is established when either venue personnel, the venue manager or a gambling inspector present at the venue consider, on reasonable grounds, that two or more persons are acting in concert to affect the opportunity of any person or persons to strike the jackpot.*

Game Rules help to ensure that gambling is conducted fairly and lawfully. They prohibit syndicated play because a group of persons controlling the gaming machines compromises the fairness of the game. Players in a syndicate often use tactics designed to threaten or intimidate other legitimate players on the machines. This has issues for player safety. Syndicated play is, in fact, a form of organised crime in itself, and the persons in the syndicate could be linked to known organised crime groups in New Zealand.

**Jackpot payouts**

Compliance inspectors often receive complaints about jackpot prize payments. Some of these involve:

- players not hearing or seeing audible and/or visual alarms
- players falsely identifying themselves as the winning player and claiming payment.

Jackpot prizes are usually for quite large amounts of money and extra care should be taken to ensure players are not disadvantaged.

Specifically, venue managers and staff should:

- ensure that suitable **Player Instruction Notices**, as required by Game Rules 28 and 29, are displayed in the gaming area so that all players can see them
- ensure that the **JIN** (Jackpot Identification Number) is displayed clearly and prominently on or affixed to every jackpot-connected gaming machine
- check that the required **audible alarm** is loud enough for both players and venue staff to hear
- ensure that players can sight **jackpot displays** from their playing positions
- not assume that, when a jackpot is struck, a person presenting him- or herself at the bar as the winning player is, in fact, the true winner. If the win was not witnessed by staff they need to visit the gaming area to verify that no other player is waiting to be paid “their” jackpot win, and to confirm the details of the machine on which the win was struck. Ideally the player should remain at the machine while the payment process is completed. **Game Rule 49 sets out the procedure for dealing with both cancelled credit and jackpot manual payments.**
And perhaps most importantly:

- Venue staff should provide prompt attention when a jackpot is struck to ensure that the correct player is identified at the time and paid in accordance with the Game Rules.

If there is doubt about the legitimacy of a claimed jackpot win, there are a number of avenues including withholding payment and player dispute procedures that may be appropriate in the circumstances. See Game Rules 9–12 and 82–85.

**Licensing notes**

**Use up-to-date forms for applications**

Existing forms are reviewed regularly, and updated versions are placed on the Department’s website as soon as that process is concluded. If the form being completed has just been downloaded from the website there is no problem. The difficulty arises where a copy has been downloaded previously and further copies made. In this situation it is easy to assume that the original copy is still current. To determine whether the form being completed is acceptable check the website to see when the most recent update occurred.

While the changes may at times be relatively small, their effect can be quite significant, which means that the most recent version of any form needs to be used. A particular example is the application for a New Class 4 Venue Licence, where the current form now contains a section for including the Base Approval Number (BAN). No licence can now be issued without that information being provided. It is essential for EMS purposes.

The use of the most up-to-date forms will also greatly improve the scope for applications to be both complete and correct, and result in a faster processing time.

**Discard unnecessary pages**

The application forms used to amend certain information or notify other changes contain a wide range of sections, some of which have no direct relevance to the application. There is no need to include “blank” pages as part of the application. They increase the time to peruse the document, an additional request later in the document might be missed, and surplus paper is added to the file.

**Term of venue agreements**

Section 69 (3) of the Gambling Act 2003 requires the term to be no more than three years. There have been a number of instances where the term is three years plus one day. To illustrate how this occurs – an agreement for three years from 15 August 2006 to 15 August 2009 is not acceptable, whereas an agreement for three years from 15 August 2006 to 14 August 2009 is acceptable. There is only one day difference but the legislation is quite specific so the beginning and expiry dates of the agreement must be stated correctly.
Gambling Commission appeals

The Gambling Commission has decided four Class 4 gambling appeals since the last Gambits edition. These appeals concerned licence conditions designed to reduce the possibility of minors gaining access to Class 4 gambling, licence conditions to help ensure the primary purpose of a venue remains something other than Class 4 gambling, and appeals about the suitability of two Class 4 venues.

Access appeal

The Lion Foundation brought an appeal on behalf of 11 venues against a decision of the Secretary for Internal Affairs to add a condition to the venue licences requiring venues to close direct external (or otherwise unsupervised) access to gaming machine areas. The Department was concerned primarily that, where these entrances remain open for direct access, the possibility of persons under 18 years old gaining access to Class 4 gambling was not minimal.

The Commission noted that Section 67(1)(b) of the Act does not require the Secretary to consider actual access by minors but rather the possibility of access. Therefore, the question for the Secretary to consider, on a case-by-case basis, was the extent to which minors could gain access.

The Commission determined that, for each of the venues under appeal, the possibility of underage access was not minimal and, logically, the addition of the licence condition would help reduce the possibility. The Commission agreed with the Department’s concerns about the effectiveness of closed circuit television (CCTV) monitoring and door alarms as a means of supervising access. The Commission, through observation, concurred that the effectiveness of the technology depended on the attentiveness of staff, which, in a busy bar environment, understandably cannot be guaranteed.

The Commission next looked at whether the licence condition was fair and reasonable in the circumstances. This included weighing the benefits gained from imposing the condition against the costs and the detrimental effects incurred, and assessing whether the condition was fair to both the individual faced with the condition and the community. In each case the Commission found that any foreseeable detriment suffered as a result of the condition would not be disproportionate to the benefit. The Commission confirmed the Secretary’s decisions.

The Department has since written to all societies operating on commercial premises, with a view to completing the access project and ensuring consistency across the sector.

Suitable venues

Scottwood Trust and the Perry Foundation each brought an appeal against the Secretary’s decision to cancel the Class 4 venue licences for two bowling alleys on the grounds of unsuitability. Regulation 4 of the Gambling (Harm Prevention and Minimisation) Regulations 2004 states that a venue is unsuitable to be a Class 4 venue if “its primary activity is anything other than onsite entertainment, recreation, or leisure focused on persons 18 years and over”.

The Secretary’s decision had been based on the notion that the venues were “family friendly” or “all ages” focused and thus the primary activity was not focused on those over the age of 18. The primary activity of the venues in question is tenpin bowling. The Commission considered “focused” to mean “concentration” or “centre of interest or activity” and, on the facts, found that the venues’ tenpin bowling was focused on those over the age of 18.

Main use

Section 67(1)(k) of the Act requires that Class 4 venues are not used mainly for operating gaming machines. The Southern Trust brought an appeal after the Secretary added three conditions to a Class 4 venue licence to promote and ensure compliance with the Act.

The venue in question had restructured its business activities to remove the operation of gaming machines as its main use.
The licence conditions to promote and ensure this restructuring concerned restrictions on the proportion of venue payments to other venue income, the requirement for annual financial reports to be provided to the Secretary, and a condition requiring non-gaming activities be made available in addition to the provision of food and beverages.

The Commission found for the appellant on the first and third condition. In considering whether a venue’s main use is something other than the operation of gaming machines, there are many factors the Secretary takes into account. The Commission considered the restriction on the proportion of venue payments through licence conditions “elevated” this consideration above all others to the point where it would be determinative and, thereby, restrict the Secretary’s ability to take the other matters into account.

The Department is taking on board all of the Gambling Commission’s decisions and, where appropriate, is amending its approach to promoting compliance with the Act.

The Gambling Commission decisions can be found on its website: www.gamblingcommission.govt.nz

Fortune jackpot prize receipts

In the June 06 issue of Gambits the Department said Fortune system-generated printed receipts could not be used as the principal record of manually paid jackpot prizes because they did not provide for the player’s name to be recorded. This advice was wrong because the printed receipt does have this facility but at times has been overlooked by venue staff.

The Department has reconsidered its position and has decided that, used correctly, the Fortune system provides sufficient accountability to comply with the intent of the relevant Game Rules.

But venue staff must still ensure that receipts are:

- Completed fully (including the player’s name and staff member’s signature)
- Retained, compared with and attached securely to a hard copy of the relevant Fortune system-generated “Daily Jackpot Cancelled Credit Report”.

Where, for any reason a printed receipt is unavailable, e.g. the printer has run out of paper or is not working, a manual Daily Jackpot Cancelled Credit Report must be completed in full at the time of the payout.

We apologise for this error and trust that this correction clarifies the position.
Women embracing a new kind of ‘friend’

By Hohepa Walker in Rotorua

Gambling: Thesis shows it’s pokies before partners

Pokie machines can become a woman’s best friend – even take the place of a spouse.

For some Maori women it’s a way to escape their abusive partners, according to a thesis by Te Arawa doctoral candidate Laurie Morrison. She hopes her thesis on Maori women and gambling may help to develop appropriate services to help them overcome their addiction.

Her research with the University of Waikato involved speaking with women in Rotorua and Auckland and members of their whanau. The women, all in different stages of recovery, were asked what drew them to gambling and what had helped them out of the cycle.

“They were a very complex group,” Ms Morrison said. “In their eyes there were often many positives to the gambling addiction.

“They’d say things like the machines never kicked them or treated them badly. Some went there just to get away from abusive partners.”

The welcoming nature of the casinos and gaming rooms and the whanaungatanga (relationships) made there also played a big part.

“These places have a big TV and free coffee where they can form relationships with complete strangers. Can you imagine sharing your last $100 with a complete stranger?”

The reality for many was lost relationships, lost homes and neglected parental responsibilities, she said.

As part of her thesis, Ms Morrison developed her own model of practice for future work with problem gamblers.

“I used the concept of the waka as a metaphor for the push-pull effects of problem gambling. I wanted to use something Maori women could understand.”

The waka hurihuri (capsizing canoe) is symbolic of the positives and negatives of gambling and the waka maia (canoe of courage) represents the courage needed to to keep your waka upright.

When her thesis returns from being marked, Ms Morrison, who is the professional practice consultant at Te Kahui Hauora, will be a Doctor of Philosophy. Te Kahui Hauora has a Ministry of Health contract to raise awareness of gambling problems in Rotorua. Ngati Pikiao has been subcontracted to provide whanau support and Te Utuhina Manaakitanga will provide clinical interventions.

Ms Morrison wants her research to help provide meaningful interventions for Maori women rather than just becoming another study.

After 12 years of academic study herself and much life experience, including Family Court counselling, Ms Morrison pulls no punches when discussing Maori health.

“I don’t want to pathologise them. They don’t need to be told they have a gambling problem, they already know it. Any health stat that comes out, we always go to the top of the pops.

“At the end of the day it’s about sharing information that I believe is effective,” she said.

Ms Morrison was to travel to Alberta, Canada, in August to present a paper on her model of practice at the Healing of Spirits conference.

Gambling Helpline chief executive Krista Ferguson said it was important Maori and Pacific Islanders felt comfortable coming forward to seek help.

To help ensure that, Maori and Pacific helplines, which were a free service, were run by people who understood the unique family and cultural pressures found in those communities. The Maori Gambling Helpline also observed protocols such as karakia and waiata if required.

“Callers don’t have to use their names when they access these services and that first contact can provide some real relief from the pressures resulting from gambling problems,” she said.

“There are now more culture-specific services available and we are able to connect a person with these if required.”
Maori gambling – the facts

Concerns about the stigma associated with problem gambling may be stopping Maori and Pacific Islanders from seeking help.

The Gambling Helpline suspects problem gambling among Maori and Pacific Islanders is much bigger than the number of contacts they get.

More culture-specific services are aimed at bridging that gap.

Pacific Island and Maori people traditionally find it difficult to share problems, which may be seen as bringing shame on a family community, a helpline spokeswoman says.

They often try to fix the problem on their own and continue to gamble which can lead to greater harm, for both themselves and their families.

She quoted these figures:
- Gambling Helpline received 2879 new contacts in 2005, 1752 from gamblers
- Six per cent of all new gambler contacts were of Pacific Islands origins
- Twenty per cent of all new gambler contacts were Maori
- Women made up 49 per cent of new Pacific gambler contacts and 69 per cent of new Maori gambler contacts.

Poorer people still hardest hit by problem gambling

The vast majority of problem gamblers have yet to seek help that is freely available to them, says the Ministry of Health.

Just 12 per cent of people classed as problem gamblers have accessed Ministry of Health funded services such as the Gambling Helpline and other specialist problem gambling services, Ministry of Health gambling project team leader Shayne Nahu said.

“This leaves a huge group in society who have a gambling problem but either have not yet acknowledged it or don’t know what to do about it. Many of these come from poorer communities. We have to work harder to reach and help these people.”

Mr Nahu said two reports show poorer communities, including Maori and Pacific people, are still hardest hit by problem gambling.

The 2002/03 New Zealand Health Survey shows almost two thirds of problem gamblers live in 40 per cent of New Zealand’s most socio-economically deprived areas.

The Problem Gambling Geography report shows around half of non-casino gaming machines (NCGM) and TABs are located in the 30 per cent most socio-economically deprived parts of New Zealand.

A recent positive was a drop in the number of people using problem gambling services, but the reason for this was not clear-cut, Mr Nahu said.

Service user statistics for 2005 show a 15.8 per cent drop in people using Ministry of Health funded specialist problem gambling services and a 20.9 per cent decrease in the number of new clients.

Smokefree venues, regulatory measures to prevent and minimise gambling harm, and increasing public awareness of gambling issues could be behind this drop, Mr Nahu said.

The Ministry of Health has responsibility under the Gambling Act 2003 for a public health programme to prevent and minimise gambling harm. The Ministry also funds a range of treatment services to support people and communities affected by gambling.
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Key findings:

**2002/03 New Zealand Health Survey**
- 1.2 per cent of the population estimated to be problem gamblers
- Maori and Pacific people disproportionately affected
- Almost two thirds of problem gamblers live in New Zealand’s 40 per cent most socio-economically deprived areas
- Significant risk factors include being between 25-34, Maori or Pacific ethnicity, having lower educational attainment, being employed and living alone
- Problem gambling is strongly associated with risky drinking behaviour and smoking
- Problem gamblers were more likely to see themselves as having poor health.

**Problem Gambling Geography report 2005**
- Gambling opportunities are widespread through New Zealand
- There has been a 13.4 per cent drop in the number of non-casino gaming machines – 25,221 (June 2003) to 21,846 (June 2005) but their distribution remains relatively unchanged from 2003.
- Around half of NCGMs and TABs are located in the 30 per cent most socio-economically deprived areas of New Zealand
- Problem gambling service coverage has increased from 2003.

These reports were prepared by Public Health Intelligence, the epidemiology group of the Ministry of Health.

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**“Watch and Win” an illegal lottery**

17 August 2006

The Department of Internal Affairs has welcomed a court judgement that a text messaging competition, which promised 27 Peugeot Cabriolet cars as prizes, was illegal.

Auckland District Court Judge, Nicola Mathers, in a reserved decision, said she was satisfied that DIA had proved beyond reasonable doubt that Richard Stuart Hayes and Troy Jonathon Elliott, directors of Watch and Win Ltd, organised an illegal lottery. She said she was convinced the scheme was not a sales promotion as defined by law. Sentencing will take place on October 6.

The TXTDrive competition ran during March 2004. Entrants could text a word spotted on TV2 to enter a daily draw for a Peugeot car and receive free products from Pizza Hut restaurant.

Judge Mathers said Watch and Win Ltd hoped to generate a profit of over $1.5 million but the competition failed for lack of entrants and there was insufficient money to honour prizes.

She considered Mr Hayes and Mr Elliott deliberately entered into the scheme and were careless about its legality.

The Department’s Director of Gambling Compliance, Mike Hill, said people considering such ventures are strongly advised to seek legal advice first.

“As Judge Mathers commented, ignorance of the law is not a defence,” he added.
Electronic monitoring of gaming machines under way

23 July 2006

Work began in earnest on Monday (July 17) to connect more than 20,000 gaming machines in some 1600 pubs and clubs to an electronic monitoring system (EMS). This followed a successful pilot operation testing the system at 32 venues around the country. All venues must be connected to EMS on a date prior to March 18 2007.

The system will enable the Department of Internal Affairs to track and monitor the operations of gaming machines, ensuring the integrity of games, and limiting opportunities for crime and dishonesty.

The Department’s Director of Gambling Compliance, Mike Hill says electronic monitoring of gaming machines is standard practice throughout the world because of the huge cash turnovers involved. Monitoring systems are already in place in New Zealand’s six casinos and EMS will now be used in pubs and clubs.

“EMS will help safeguard money intended for community groups,” Mr Hill said.

Currently pubs and clubs keep records manually. Inaccurate record keeping and incorrect banking are the most common problems found during audits carried out by the Department’s Gambling Inspectors.

EMS will monitor:

- how much money is gambled on each machine
- what each machine pays out in prizes to gamblers
- how much money should be banked.

The system will also ensure that all software being used on the machines is identical to the approved versions, and will assist in detecting software failures and tampering with a machine or software.

Gaming machines at every venue will be connected to a site controller by a fibre optic loop. The site controller will gather data from each gaming machine. Each day a snapshot of the accumulated data is transmitted to the EMS host system in Wellington enabling detailed reports to be produced.

A help desk will be available to operators 24 hours day, seven days a week and information relevant to the operational needs of societies and venues will be available on the EMS website at www.ems.govt.nz
Quarterly gambling licensing statistics

12 July 2006

The number of gaming machines in pubs and clubs declined by almost 18 per cent in the quarter ended June 30 2006, since peaking in June 2003. The number of licensed gambling operators and gaming machine venues are also continuing to drop.

Since June 2003 the number of venues has declined by 20 per cent and, in the year to June 2006, gaming machines and venues recorded a 5 per cent drop.

<table>
<thead>
<tr>
<th>DATE</th>
<th>LICENCE HOLDERS</th>
<th>VENUES</th>
<th>GAMING MACHINES</th>
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<td>496</td>
<td>1701</td>
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<tr>
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<tr>
<td>31 December 2005</td>
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<td>30 June 2003(^1)</td>
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<tr>
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<td>785</td>
<td>2129</td>
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<tr>
<td>31 December 2000</td>
<td>860</td>
<td>2065</td>
<td>17,679</td>
</tr>
</tbody>
</table>

\(^1\) Machine numbers peaked in the quarter before the Gambling Act was passed.

Internal Affairs Department Director of Gambling Compliance, Mike Hill, says the Gambling Act 2003 introduced a much stricter licensing regime and reduced limits on the numbers of machines allowed in venues. In general, venues licensed at 17 October 2001 can have up to 18 machines, while others can have up to nine. The Act also gave communities a say, through their local authorities, which can make policies preventing or limiting new venues and controlling the expansion of existing venues. Machine numbers peaked in June 2003 before the Gambling Act was passed.

The biggest reductions in the last quarter were in Auckland and Christchurch cities, with 93 and 92 fewer machines respectively. Auckland lost two venues and Christchurch eight.

Further information, including numbers of venues and machines by territorial authority and the changes in these numbers, is available from the Department’s website: www.dia.govt.nz
Success in illegal casino prosecutions

5 July 2006

Five convictions and a sixth defendant discharged was the final result of legal proceedings begun by the Department of Internal Affairs after shutting down an illegal Auckland casino 21 months ago. These were the first convictions of their kind under the tighter controls introduced by the Gambling Act 2003.

Gambling inspectors and police raided the Khyber Pass premises of the Asian Associates Auckland Club and the Sunrise Cafe in January 2005 after New Zealand Customs staff alerted DIA to the importation of gambling chips and other gambling equipment.

Since then, five defendants were convicted under the Gambling Act 2003 and a sixth had a charge of providing equipment for illegal gambling dismissed in the Auckland District Court.

Department of Internal Affairs National Casino Manager, Debbie Despard, paid tribute to the dedication, co-operation and work of DIA gambling inspectors, NZ Customs and Police in shutting down the illegal casino.

“Government agencies work closely together to curb this type of offending because illegal gambling can be associated with other criminal activity such as generating cash for drug trafficking,” Debbie Despard said. “While there was no such evidence in this case, New Zealand is not immune from criminals trying to get involved in gambling and we must remain vigilant.”

Background

The illegal casino case began in September 2004 when New Zealand Customs staff at Auckland Airport found gambling chips with a face value of $480,600 and other gambling equipment being imported.

Customs advised the Department, and gambling inspectors investigated. The chips and gambling equipment had been manufactured overseas specifically for this illegal casino, even having its logo printed on them. Inspectors tracked people involved with the illegal casino to two Newmarket addresses.

In January 2005 gambling inspectors and police executed search warrants at the two addresses. One of the premises consisted of a large lounge bar and four gambling rooms. It contained gambling tables, cards, chips, tiles and other gambling equipment for a wide range of Chinese and European casino table games.

Department of Internal Affairs National Casino Manager, Debbie Despard, paid tribute to the dedication, co-operation and work of DIA gambling inspectors, NZ Customs and Police in shutting down the illegal casino.
Territorial Authority gambling policy reviews

As we have said in previous Gambits articles, Territorial Authorities are required by law to review their Class 4 Gambling Venue policies, no later than March 2007. The Department strongly encourages Territorial Authorities to contact the Department if they have questions or issues. The law around these matters is complex and we are only too happy to give guidance. That said, if we are unable to provide a firm steer on an issue, Territorial Authorities might wish to seek independent legal advice.

Territorial Authorities may want to know the numbers of machines operating in their region in order to make decisions about the maximum numbers of venues and machine numbers in their district. Please note that the quarterly machine statistics on the Department’s website provide only a “snapshot” and may not take account of all the variables that can affect possible future machine numbers or entitlement. For example, machine numbers potentially could increase above a district-wide cap imposed by a TA policy. This is where:

(1) Venue A has been “de-licensed” for less than six months

(2) The Territorial Authority has, in the interim, consented to Venue B being established or increasing its numbers, and the Department has granted a venue licence

(3) A society subsequently applies to the Department to “re-license” Venue A with the same maximum number of machines – no TA consent being required as it has been without a licence for less than 6 months. Potentially this could take the number of machines in the district above the cap.

Territorial Authorities wanting accurate information on the names and addresses of Gaming Societies and Class 4 venues and numbers of machines in the region are urged to contact the Department directly to request information under Section 103. The Department’s response will include notification of all the venues in the district that have been without a licence for less than six months, the date on which the licence(s) were removed, and the machine maxima for these venues.

This will enable Territorial Authorities to make an informed decision when considering consent applications.

Funding for community groups, visit www.dia.govt.nz

The Department’s website provides extensive information about the gambling sector, including details of gaming machine societies that make grants to community groups.

Click on “gambling” for funding for community groups • gambling statistics • relevant law application forms for licences, including housie and raffles • and much more.

Click on “resources” for press releases.

Click on “what’s new” for new additions to the website.
The Department reorganised its internal structure in 2004 and created a Regulation and Compliance Branch that encompasses all the roles where the Department is, in effect, the regulator of a sector of the economy.

In addition to gambling, this includes censorship compliance, local government services, fire service policy, identity services policy and civil defence emergency management policy. For the sake of simplicity, the functions outside the gambling sector are not included on this page.

Important changes for gambling regulation include bringing management of Gambling, Censorship and Racing Policy into the same branch, and separating the management of gambling and censorship compliance. As part of these changes the Gaming and Censorship Regulation (GCR) group was separated into two units, Gambling Compliance and Censorship Compliance, in 2005.

This team is responsible for policy advice to the Government, especially in relation to Acts and Regulations. A significant change the Department has made is to disband what was a separate Policy Group, and to bring this Policy team into the same branch as the Gambling Inspectors and other Gambling Compliance staff. This means that policy and operational staff can benefit from each other’s knowledge and experience.

This position is responsible for the Inspectors and other staff working with the gambling sector to bring about compliance with the law. The Director works closely with the Manager Gambling, Racing and Censorship Policy so that there is a constant flow of information between the staff involved in applying the law and those who develop the law.

Operational policy provides support and advice to the Gambling Inspectors and other staff working in the sector. It develops standards, game rules and other “deemed regulations”. In broad terms, its role is to develop the Department’s policies about how the law will be turned into the work done in the field. This unit also does technical work, such as setting standards and testing requirements for gambling equipment.

This unit is responsible for licensing and compliance of all gambling outside casinos. This includes gaming machines in pubs and clubs, lotteries, housie and other games of chance. Staff make decisions on licence applications, carry out audits, conduct investigations and receive public complaints.

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

The Investigations Unit is responsible for undertaking significant (complex, cross group, lengthy and sensitive) investigation projects involving criminal, legal and financial issues related to the governance and operation of gaming sector people and organisations. It also provides expertise and support to investigations and audits across the group.

If you have any questions about articles in Gambits, would like further information or have comments about what information we could provide to make Gambits more useful to you, please contact:

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The Department of Internal Affairs produces Gambits quarterly. Copies are distributed in March, June, September and December.

Gambits provides information about the Department’s recent work and significant issues in the gambling sector.

It is intended for sector organisations and the community in general, to increase understanding of and compliance with the law.

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If you would like to have your organisation added to the Department’s distribution list for media releases about gambling issues, or want to receive Gambits but are not currently on the mailing list, please fill out this form and return it, or e-mail the information to:

Department of Internal Affairs, PO Box 805, Wellington. Communications Advisor Trevor Henry, telephone (04) 495 7211, fax (04) 495 7224, e-mail trevor.henry@dia.govt.nz

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