



3 March 2004

S04.09

**Submission to the Department of Internal Affairs on the Gambling Act 2003:  
Consultation on Possible Regulations**

The National Council of Women of New Zealand (NCWNZ) is an umbrella organisation representing 42 nationally organised societies. It has 33 branches throughout the country attended by representatives of those societies. The Council's function is to serve women, the family and the community at local, national and international levels through research, study, discussion and action.

**General Comments**

NCWNZ members are very concerned that in a very short space of time gambling has been seen to become an essential part of the community, both as entertainment and for financial support for community groups who have become entirely dependent on this form of funding.

As a result of this dependency we have seen the numbers of gaming machines increase rapidly as more demand is put on the casinos, pubs and clubs for a share of the profits. With more machines available of course there are far greater opportunities for people to gamble, and balanced alongside this are the growing numbers becoming addicted and turning to Gambling Help Groups.

We have not commented on the resulting costs but our members would like all costings to measure the costs of gambling harm.

It is felt that the regulations that are proposed in this document will not be of any use unless they are very closely monitored and penalties imposed on any breaches enforced.

NCWNZ will continue to monitor the results once these regulations come into force.

**Specific Comments**

**PROHIBITED PRIZES**

- **Do you agree that it should be illegal to offer certain classes of property as prizes for gambling activities?**

NCWNZ membership strongly agrees that there needs to be strict regulations making certain classes of property illegal as prizes for gambling activities.

- **If so, what classes of property and why? If not, why not?**

We would agree with all suggested, but would like to see included "an entitlement to the services of a prostitute" even though it is not thought necessary at this stage.





- **How familiar do you think people are with the laws about prohibited prizes (particularly the law prohibiting even small quantities of alcohol as prizes)?**

Everyone who is conducting any form of gambling needs to make sure they are fully acquainted with the law. As for the average gamblers we do not think that they would be aware of the full regulations.

- **We think prohibited prize regulations are a simple measure with some benefits and almost no costs (just a slightly reduced prize choice). Do you agree? If so why? If not, why not?**

NCWNZ would agree that there is a need for these regulations to keep accountability on all people conducting these activities. Special education on the prohibited prizes needs to be given especially to those who are running non-continuous gambling as they are less likely to be in full understanding of the regulations

## HARM MINIMISATION

(Questions page 16)

- **Do you agree with the \$2.50 bet limit for non-casino gaming machines? If not, why do you want a change and what figure do you prefer?**

We would agree with the \$2.50 bet limit for non-casino gaming machines. The Australian research shows that states where there is no limit, have very high numbers of problem gamblers, and where there is a low restriction the harm rate is lower. NCWNZ is most interested in keeping the harm rate down.

- **Do you agree with the \$500 standalone and the \$1000 linked jackpot limits for non-casino gaming machines? If not. Why do you want a change and what to?**

NCWNZ members would see that as these limits have been in place since 1996 they are not likely to be reduced but we would not want to see them increased.

- **Do you agree that gaming machine jackpots in casinos and in pubs and clubs should strike randomly? If not, why not? If so, why, and should other jackpots be eliminated immediately, or after a transition period?**

Our members would like to see gambling machines strike randomly. We feel that if a player is aware that the jackpot is not far away then that is when they will over-spend. Random jackpots would also cut down on the stand-over tactics that are used by groups of people who intimidate players to make them leave so they can profit from the jackpot. We would like to see other jackpots eliminated as soon as it is possible to change the machines.

- **Do you think that features such as notices stating “jackpots do not strike at any particular level”, making jackpot totals invisible from the street, and prohibiting other forms of jackpot advertising would be useful harm prevention measures? If so, why? If not, why not?**

We think that it is imperative that the people playing the machines are aware that the “jackpots do not strike at any particular level” and so would like to see very clear notices stating this in every place where gaming takes place. We also agree that the jackpots should not be seen from the street, as we feel that this would encourage impulse gambling, which would not be budgeted for and therefore likely to place the person in debt.



Advertising other forms of jackpots should be prohibited, especially on a website where they can be accessed instantly, and again draw in people who don't have the money but are lured by the thought of a large payout. This would go a small way in preventing gambling harm.

- **Do you think that gaming machine jackpots should be eliminated completely? If not, why not? If so, just from pubs and clubs, or from casinos as well? Why?**

NCWNZ does not feel that this is likely to be introduced as a regulation, as the reason for most people playing would go. There is also the financial benefit to community groups who rely on this support that would need to be considered. Where would they go for funding to replace what they would lose from gambling profits?

- **What are the costs of any of the proposals canvassed?**

Any costs that are incurred through these measures need to be weighed against costs saved in preventing and minimising gambling harm.

(Questions Page 18)

- **Do you believe that the suggested approach is realistic, given the difficulties associated with identifying problem gamblers? (We would be interested to hear about any personal experiences in this area.)**

NCWNZ holds the view that all staff need to be taught the signs to look out for in problem gamblers as part of their on-the-job training. This would enable them to refer up to their Team Leader/Manager who should be the person to approach the person causing concern. Therefore we see that it is important that when someone accepts the responsibility of Team Leadership or Managership, training is given in the correct procedure to follow. We feel that when someone "self-identifies" they are a long way down the track to harmful gambling. Most people with addictions have to hit rock bottom before they are willing to seek help. We see the need for staff to be extremely vigilant in this duty.

- **Do you have any suggestions about possible minimum content of training programmes for venue staff? Are you aware of any programmes that are proposed or underway? Do you know the approximate cost of such training? Do you have any suggestions to ensure programmes are a consistent standard?**

Our members would see the minimum would be for all staff, Team Leaders/Floor Managers and upwards, to sit a paper through an Education Provider that would create a National standard similar to that sat by the Food Industry workers, "Food Handling and Hygiene". Included in the training would be the awareness of all the signs of gambling harm, and the ability to approach in a non-threatening manner, those they feel have a problem, to discuss their concern and encourage the person to seek help after giving them the advice on the steps they need to take.

(Questions Page 21 top)

- **Do you agree that introducing measures designed to inform players about game characteristics and to inform them about their play would help minimise harm? If so, what kind of information should be available, when, and in what form?**

NCWNZ believes that these measures would be helpful to all players as often when players are carried away by the excitement of playing they do not realize how much time or money they have spent. Confronting them with this information at least helps them to take note and to make fresh decisions as to whether to carry on playing.



Posters, pamphlets and notices warning of the odds of winning should be placed in all gaming machine venues and casinos, and at large housie meetings and Lotto outlets, for players to read before the commencement of playing and on all other Lottery and Raffle tickets. Also we would like to see the technology similar to that which other countries have introduced, to be available as a second screen. A permanent clock, betting activity, the cash amounts, and pop up time reminders should be included, and we would also favour a mandatory cash-out that activates when the time limit is reached.

We see advantages in the card based system that enables players to pre-commit, setting themselves a budget for each session of play. We strongly feel that the point of sale should be removed from the gaming machine to a point in time before the session begins and away from the gaming room floor.

(Questions Page 21 Lower)

- **Do you agree the measures designed to inform players about the hazards of gambling and where to go for help, assist in preventing harm?**

Yes.

- **If so, what kind of information should be available, and in what form? If not, why not?**

NCWNZ agrees with the need to include measures designed to inform players of the hazards of gambling such as chasing losses, where to go for help, and especially reminding the gambler that their gambling affects more than just themselves, but is a great cost to their families when it becomes out of control. Also we would see particular information targeted at different ethnic groups as essential. Up to date information on where to go for help for problem gambling would also need to be included. We also would see a need for information supplied on the hazards of handling the winning of large amounts of money, and the immediate steps that should be taken should anyone have such luck.

(Questions Page 24)

- **Do you think there should be national and/or area caps on gaming machine numbers? If so, why? If not, why not?**

Our members appreciate the difficulties that a national and/or area cap can create and we realise that the Act restricts new venues to no more than 9 machines, but our concern is that without a Cap some Territorial authorities could allow operators to open up a number of smaller venues, each with 9 gaming machines and still be within the law. We would not want to see a repeat of the situation as in Queenstown which had two casinos approved for a small population.

- **Do you agree that there should be a minimum gaming machine game duration of 3.5 seconds? If so, why? If not, why not?**

If this has been proven overseas as a measure to reduce gambling harm then we believe that it should be set by regulation.

- **Do you agree that some types of venues are inherently unsuitable for non-casino gaming machines? If so, which venues and why? If not, why not?**

We would agree with all those venues listed.

- **Do you think gambling venues should have design requirements such as natural light or clocks? Should the interior of venues be visible from the street?**

We would like to see both clocks and natural light introduced to take away the timelessness that is experienced in these venues. We would also like to have the floor screened off from the street.



- **Do you believe that ATMs should be barred from non-casino gaming machines, casino and New Zealand Racing Board venues? If so, why? If not why not?**

As many non-casino and Racing Board venues have other activities operating at the same time such as a bar we would see that a ban would not be the answer, but we would not want an ATM on the gaming floor.

(Questions Page 25)

- **Do you think that the ASA code for advertising of gambling is enough to ensure that advertising of gambling is responsible? If so why? If not, why not?**

The Code itself is good, but is only going to be of any use if the advertisers are going to be monitored. If it is only going to be used if a member or members of the public complain then it is not going to be a great threat to the advertiser.

(Questions Page 26)

- **Consider the types of harm minimisation regulations we propose. Do you think there should be infringement offences for breaches of these regulations (taking into account options like licence suspension/cancellation, or prosecution for offences in the Act)? If so for which types of regulations, and why? If not, why not?**

Section 84 (or Section 180 for casinos) 'operating a gaming machine with a banknote acceptor that takes notes larger than the \$20.

We feel that this should be an offence and not an infringement as the machine had to be set to accept the larger notes so this is very much premeditated.

We would agree with the other Sections.

- **If you think that there should be infringement offences for breaches of regulations, what do you think would be an appropriate level of infringement fee for each type of regulation?**

We have not researched this aspect.

## **PROFIT DISTRIBUTION AND ACCOUNTABILITY REGULATIONS**

(Questions Page 29)

- **Do you agree that the risks of net proceeds being misused are more significant when they are distributed by way of grants? If so, why? If not, why not?**

Our members have had concerns at the risk of misuse of proceeds, both in the way the grant process is undertaken, and the way it is distributed.

- **Do you agree that all gaming machine groups should be required to meet a set of minimum requirements? If so, why? If not, why not?**

Yes, as long as the minimum requirement is set at a rate that is not open to abuse and covers all the points raised in the build up to the questions eg 'every group that operates machines become a "Corporate Society", 'that every group satisfy the Internal Affairs Department before getting a licence that will minimise costs and maximise its contribution to the community', 'giving notice as to how and where to apply for a grant and where to complain if application is unsuccessful'. Other requirements are 'a dedicated account to bank for all gaming machine profits', 'for every group to apply or distribute gaming machines net proceeds to a community purpose specified in its licence and a breach will be met with the enforcement of the penalty', 'to provide an audited annual report to Internal Affairs on its gaming machine operations', 'all groups which distribute net proceeds to review the criteria, methods, systems and policies it uses to consider grant applications' and that 'all groups that run machines to distribute net profits at intervals of not more than 3



months publish the availability of the net proceeds for authorised purposes'. Another is 'a power for Internal Affairs to audit the generation and distribution of proceeds from non-casino gaming machines, which may include an audit of the licensees, recipients of grants and businesses operating at the venues.'

- **Do you agree that there should be additional requirements for any group or any venue if most of its net proceeds are distributed? If so, why? If not, why not?**  
Yes, for all the points raised in the build up to the questions.

(Questions Page 30)

- **Do you think that we should initially require every gaming machine group to return a minimum of 33% of its GST inclusive gaming machine-related revenue to authorised purposes in each financial year? If so, why? If not, why not?**  
NCWNZ members believe that the minimum return of proceeds should be set at 33%
- **Do you support different minimum percentage returns for different groups? If so, what percentage returns do you propose for which groups, and why?**  
As this regulation sets the minimum amount, it allows for a greater amount to be distributed by those groups that have a high profit rate.

(Questions Page 31)

- **Do you think that we should require money that groups raise for their own purposes, to be applied to those purposes within 12 months of it being earned? If so, why? If not, why not?**  
NCWNZ members would support that the money should be applied within twelve months.
- **If you think there should be regulations like that, how do you think we should deal with groups that want to save money over several years for major projects?**  
If a major project was to be carried out over several years, then the money should be set aside in an investment for that project, and regulations should be in place to account for this so that it cannot be used for anything else. This should have set dates for the commencement and the completion of the project, and any monies left after this completion date should go back to be re-applied. This special investment should have accurate accounting systems in place.

(Questions Page 32 top)

- **Do you think that we should require groups that distribute money, to distribute it within a fixed time of it being earned? If so, why? If not, why not?**  
Our members would agree with there being a fixed time, so that there is not a large build up of funds accumulated.
- **If you think there should be regulations like that, do you agree with the time periods and money thresholds we have suggested? If so, why? If not, why not?**  
We would also agree with the time periods and money thresholds.

(Questions Page 32 lower)

- **Do you think that the provisions in the Act are enough to ensure that people know how to apply for grants? If so, why? If not, why not?**  
No, most people wishing to apply for grants would not think of reading the Act and even if they did would still not know how or where to apply.



- **If you think the provisions already in the Act are not enough, what else do you think groups should have to do? Should these additional requirements apply to all groups or (for example) only to those groups that we have suggested should have to distribute net proceeds by the end of the month after the month in which they were earned?**

We would like to see that all groups are required to publish (in a least one local newspaper) and to have a website for all relevant information including day time telephone contacts and the availability of funds. Often grants are only made for specific projects and not for wages or building rental etc, so these details of what the funds can and cannot be used for also needs to be specified.

(Questions Page 34)

- **Do you think it is appropriate that regulations prescribing methods and processes to deal with applications for grants apply both to any group that runs machines mainly to make grants and to any venue of most of its proceeds are distributed to the community? If so, why? If not, why not?**

We would agree.

- **Do you think regulations should prescribe the minimum information groups must seek from applicants, specify the way in which it is recorded, and require groups that distribute gaming machine proceeds to consider any application that includes the relevant information. If so, why? If not, why not?**

Our members would agree that there needs to be a standard of minimum information that groups seek from applicants, and specifying the way it is recorded. We also believe that groups need to consider any application that includes the necessary information.

- **Do you think regulations should require groups to establish distribution committees to consider grant applications, and should govern how they operate? If so, why? If not, why not?**

Our members can see the wisdom of setting up distribution committees who are responsible for establishing grant criteria, notifying of and calling for applications for grants, notification to applicants of the success or failure of their application, and following up to make sure that the grants were used for that which they were requested, and for the return of the grant if it was not used for its intended purpose.

- **If you think there should be regulations like that, what level of detail should be in the regulations? Should regulations allow regional or subject committees to be established, and in what circumstances?**

NCWNZ would see that there would be a need to have different requirements for different sized groups, eg a group in a small town may require only the one committee that would cover all aspects, but a large casino could require more specific subject committees.

- **Do you think regulations should require groups to establish formal grant cycles? If so, why? If not, why not?**

We agree, because it would formalise the process for those distributing and those applying for grants.

- **If you think there should be regulations like that, do you support different grant cycles for larger and smaller groups? If so, Why? If not, why not?**

We would support different grant cycles for larger and smaller groups.



- **What do you think about monthly, quarterly, or six monthly grant cycles?**  
We would support these as the minimum, so that groups that wished to could distribute grants more frequently.
- **Do you agree that it is appropriate to synchronise grant cycles with the group's financial year? If so, why? If not, why not?**  
We agree, because of the reasons of improvement of efficiency, and auditing processes.

(Questions Page 35)

- **Do you think groups that run gaming machines mainly to distribute net proceeds to the community should have to publish information about grant distributions more frequently than annually? If so, why and how frequently (eg should it coincide with grant cycles)? If not, why not?**  
NCWNZ members would see six monthly publishing of information as desirable. Expecting those on the monthly grant cycle to answer each month would be onerous.
- **Should these groups be required to maintain a website displaying this information? If so, why? If not, why not?**  
We would favour a website as the best way for the display of this information.
- **Do you think any regulations should apply to all societies distributing funds or only those on a monthly or quarterly distribution cycle, and why?**  
All groups, as all would be of interest to grant applicants.
- **Do you think any regulations should also apply to any venue if most of its net proceeds are distributed to the community? If so, why? If not, why not?**  
We think that the regulations should apply to all groups.
- **What additional information, if any, should groups that apply net proceeds to their own purposes have to publish?**  
These groups would need to supply a detailed audit of how the funds were used.
- **Should it be directed to the wider public (like information about the distribution of grants) or should it be directed to the members of the groups?**  
Our members would like to see the same public notification on the distribution of grants, and would also see as important that members be informed.
- **Do you think there should be a requirement for clubs to post this information on their notice boards? If so, why? If not, why not?**  
The notice board is one way of keeping their members up to date with what is happening with the grants.

(Questions Page 36)

- **Do you think, for example, that it would be helpful to require groups raising funds for their own purposes to establish formal distribution committees and to keep formal records relating to decisions on the application of gaming machine net proceeds? If so, why? If not, why not?**  
NCWNZ members agree that accountability for all money has to be paramount, and so agree with the formal distribution committee, and the need to keep formal records relating to all decisions on the application of gaming machine net proceeds.



(Questions Page 37)

- **Do you think that regulations should require groups to maintain full records, and undertake all reasonable measures, to enable easy identification and verification of all transactions? If so, why? If not, why not?**

NCWNZ members would like to see prescribed systems for the management and operation of gambling and gambling machines. Also we would see as very important, having specified people retain documents and information relating to gambling and the gambling equipment at every venue. Apart from the harm done by gambling being our greatest concern, we see the importance of strict accountability by keeping accurate records for accounting, auditing, reporting on and monitoring persons who conduct or promote gambling, and on machine maintenance.

- **Do you think that groups should also be required to retain all records for seven years? If so, why? If not, why not?**

Yes, this would be normal business practice.

- **Do you think that the time frame for banking gaming machine profits should be reduced to 2 working days? If so, why? If not, why not?**

Yes, we feel that it is very important that all monies be banked promptly, and this is not only to secure the money safely but also concern for safety of the staff, with the increased danger of being confronted by armed robbers.

- **What reasons, if any, are there why there should be some flexibility?**

The only flexibility we would see would be if distance from a bank could make it difficult set at 2 working days. Maybe there could be a regulation distance from a bank set, and if the gaming establishment was outside this they could be allowed 3 working days. So banking could effectively take place twice a week. Alternatively those at a great distance from a bank could arrange a security firm to collect the money to bank.

- **Do you think that regulations should require groups to ensure that only suitably qualified and authorised people work on the machines, have internal access to gambling equipment, or have access to sensitive components? If so why? If not, why not?**

Yes we believe that this is an area where there needs to be very strict control.

- **Do you think regulations should require groups to keep detailed records of any work on machines? If so, why? If not why not?**

We do, as this is part of accountability.

(Questions Page 38)

- **Consider the types of profit distribution and operator accountability regulations we have canvassed. Do you think there should be infringement offences for breaches of these regulations (taking into account options like licence suspension or cancellation, or prosecution for offences in the Act)? If so, for which types of regulations, and why? If not, why not?**

We have in an earlier question stated that we feel that Section 84 (section 180 casinos) should be an offence not an infringement, as it is a premeditated act. To safe-guard against infringement we would see that it would be wise to have regulations for 'profit distribution', and as the regulations are set in place there would also need to be 'operator accountability' which would lead to an infringement if not complied with.



- **If you think that there should be infringement offences for breaches of regulations, what do you think would be an appropriate level of infringement fee for each type of regulation?**

Our members felt that the schedule of fines set out is adequate.

Thank you for the opportunity to participate in this consultation process.

Beryl Anderson  
**National President**

Christine Rattray  
**Convener, Social issues Standing Committee**