

# Just the Facts, not Fiction about Gaming Machines

## FICTION



Gambling isn't a popular form of entertainment for New Zealanders.



The social cost of problem gambling far outweighs any benefit derived from community funding.



Hardly any of the money from gaming machines goes back to the community.



Gaming machine players won't migrate to the online gambling environment.



Removing gaming machines will reduce problem gambling.

## FACTS



Ministry of Health figures show **75% of adult New Zealanders regularly participate in gambling for entertainment**, including Lotto, gaming machines, horse and dog racing, sports betting and casinos. **About 33% of those enjoy playing licensed gaming machines.**



The **problem gambling rate in New Zealand is currently 0.2%** of the adult population across all forms of gambling.

Gaming machines provide around **\$300 million of funding to over 11,000 community organisations every year.**



By law a **minimum of 40% of gaming machine revenue and 100% of profits** are returned to the community.

Around **90% of funds returned are to the communities** in which they are raised.

The **Government receives 35% (around \$300 million)** of gaming machine proceeds in taxes and duties.



New Zealanders gambled **\$300 million online in 2017** and the market is growing between 12-20% annually (*Online gambling Cabinet Paper Sept 2018*).

Canadian research shows problem gambling levels are up to **10x higher for those who play online.**

Online gambling has:

- **no enforceable age restrictions**
- **no harm minimisation measures or checks**
- **actively targets gamblers with financial incentives to continue gambling**
- **is accessible 24/7**



There is no evidence for this. Despite a **reduction nationally of 10,000 gaming machines** over the past 15 years, the **problem gambling level has not changed appreciably.**



Players are duped into losing money. The gaming machines never pay out.



On average, **91 cents from every dollar** played is paid out in prizes.

This is the **highest rate of return of any form of legal gambling in New Zealand.**

It is a legal requirement that the odds of winning are displayed on every gaming machine.



Gaming machines are targeted at communities who can least afford it.



**A venue operator applies to have gaming machines on their premises** as part of their hospitality offering. **The local council gives permission based on their policies.** By law, gaming machines must be located in licensed premises, mostly pubs and clubs.

Most gaming machines are in the central business districts which have high deprivation ratings due to a high density of rental accommodation and lower household wages.



Hospitality staff do not help people with gambling problems.



Gaming trusts and hospitality staff must adhere to the Gambling Act's regulations including having **active harm prevention and minimisation measures in place.**

The industry pays an annual **problem gambling levy of \$20 million** to the Government and gaming trusts directly spend **\$3-4 million each year on other harm prevention and minimisation initiatives.**



Community organisations should get their funds from other sources.



**There is no easy substitute for these funds.** The reality is that without grants from gaming machine proceeds, most community organisations would have to reduce their activities, and many would struggle to survive.



40%–60% of the money from gaming machines comes from those with gambling problems.



**This is an unqualified and disputed Australian statistic.** (2010 Australian Productivity Commission report)

Australia has **2x the density of gaming machines and spending levels** compared to New Zealand.

An independent 2011 research paper was critical of inaccuracies in the Australian report. **The vast majority of expenditure comes from people not suffering adverse consequences from their gambling.**



People who work in the gaming machine industry are dishonest at best, criminal at worst.



**Gaming trusts are heavily regulated by the Department of Internal Affairs.**

Gaming trusts are well governed, socially responsible and committed to harm prevention and minimisation for those who need it.