



Online Gambling in New Zealand

Submission by Transparency International NZ

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About you

A representative of a community Group

Opening Thoughts

If New Zealanders are gambling online what matters most to you (1-5)

1. Minimising online gambling related harm
2. Consistent regulation of all online gambling and consistency between online and traditional (land-based) gambling
3. Operators of online gambling pay for harm associated with their products
4. Access to a variety of gambling products
5. Operators of online gambling return benefits to communities

Reasons for response:

Harm minimisation is not sufficiently managed in online gambling, and as it is on the rise, with demand pressure in new areas and new technology, this makes it a priority.

Minimising harm from online gambling:

Chose Option 4

Prohibition or tight control of gambling

Chose Option 5

Government regulates industry conduct

Chose Option 6

Regulators get powers to enforce law and licence conditions

Reasons for response:

Unfortunately self regulation has limited impact, and there is insufficient research and understanding of pathological behaviour. Also insufficient transparency. More regulation is needed.

Online gambling operators and products, which do you prefer?

Chose Option 4

Licensing both domestic and overseas operators

Reasons for response:

Difficult to answer. White paper on each of these would be useful. Chose Option 4 but not sure how realistic it is.

Therefore support restriction of credit card application to online offshore organisations.

Do you think New Zealanders should be prohibited or restricted from accessing online gambling websites and applications that are not licensed under the NZ regime

Answer: YES

Reason: Transparency and fairness – NZ and overseas operators should be treated the same in terms of levies and requirements

Do you support any of the following tools

Yes to:

Gamblers can self exclude
Restricting credit card use on gambling sites

No to:

Restricting use of free public wifi to exclude online gambling websites
Prohibiting NZers (and visitors) whilst here from visiting unauthorised online gambling sites domestically or overseas
Geoblocking unauthorised websites

Reasons: Acknowledging potential loopholes where people visit a 'free to play' site, but balance needed between consumer choice and consumer protection

Should NZ based gambling operators have different rules/expectations than overseas operators

No. Reason: Fairness and transparency

Other issues and opportunities

How should gambling regulators respond to online gaming with gambling like elements?

Yes to: Influence online game makers

Yes to: Require warnings put on online games

Yes to: Ban games which demonstrate the characteristics of gambling.

Reasons: In terms of transparency and integrity of any system, we have a lot of censorship controls on what children can watch and at what age children can gamble. More research is needed into the impacts of exposure to gambling characteristics in games.

Class 3 operators: No comment

Closing thoughts and comments

Transparency and Accountability

- When New Zealanders engage in offshore gambling, this does not generate taxes, racing or sporting fees for New Zealand.
- There should be much more mandatory reporting of the actual proportion of annual profitable gamblers.
- There is little ability to have sharing of information regarding suspicious betting activity, to reduce money laundering and other criminal activity
- There is no reporting or monitoring of rates of problem gambling, and harm minimisation practices and outcomes, or regulation of these consumer protection measures.
- Inter country initiatives (eg a New Zealand provider partnering with an overseas gambling provider can result in a lack of transparency for the consumer about the robustness of consumer protection measures.
- To support decision-making consumers need easily understood information about underlying mathematical principals regarding the risks they take in betting; the relative risk and return of any specific betting, and any indicators in their betting behaviour that are likely to lead them towards pathological gambling.

Harm Minimisation

Any regulatory response should prioritise minimisation of harm from pathological or potential pathological gambling. These should include elements noted in various research as reports, such as:

- minimising deposit, bet size, or total betting limits.
- restricting New Zealanders using credit cards on gambling sites. (noting this is in place in Australia)
- regulation of responsible marketing behaviour
- requirement for identification of problem gambling behaviour
- enabling customers to set lose and spend limits and to self-exclude when those are reached.
- verification of age and real identities to reduce the likelihood of underage involvement.
- using prevention, education and persuasion strategies that focus on misapprehension about risk to support individuals to have a more realistic understanding of the mathematical principles that underlie the misperception of risk and the excessive demand for gambling products
- Mandatory 'cooling off periods' and restriction of aggressive re-engagement following cooling off periods.
- Making wins and losses more central and large on screen
- Strategies should seek to mitigate individual levels of excessive demand.
- Prohibition on advertising of risky gambling products
- Prohibitions on the offering of inducements to new or existing customers.
- Mandatory reporting of the actual proportion of annual profitable gamblers.
- Positive alerts to players, in reference to 'losses disguised as wins, where the return is less than the amount wagered.
- Supporting research that seeks to define personal financial thresholds at which harms are likely to emerge. This may include defining a new construct called a 'relative unit of gambling', similar in principle to a 'standard unit of alcohol', which may be used for the purpose of mass dissemination and harm minimisation.

Any laws regulating gambling should ensure transparency and fairness. Gambling operators should be incentivised not to step around New Zealand laws by aligning the NZ brand name with offshore organisations that are not regulated.

Evidence for our submission

- <file:///C:/Users/US/Downloads/protecting-australians-from-illegal-online-gambling-services.pdf>
- <https://www.health.govt.nz/system/files/documents/publications/strategy-prevent-minimise-gambling-harm-2019-20-to-2021-22-dec18.pdf>
- Paula Snowden, article in the Spinoff. <https://thespinoff.co.nz/society/21-05-2018/the-prime-time-tv-trick-thats-encouraging-gambling-addiction-in-nz/>
- <https://core.ac.uk/download/pdf/19537670.pdf>