



A GUIDE TO AUSTRALASIA'S GAMBLING INDUSTRIES

Facts, Figures and Statistics

CHAPTER TWO

The New Zealand Gambling Environment

2018/19

A Guide to Australasia's Gambling Industries

Published and Prepared by the Australasian Gaming Council (AGC).



GPO Box 99,
Melbourne 3001
Victoria Australia
+61 3 9670 4175

info@austgamingcouncil.org.au

www.austgamingcouncil.org.au

DISCLAIMER

Whilst a great deal of care has been taken in the preparation of this publication, it is nevertheless necessary to caution users with regard to its accuracy.

The information contained in this publication has been obtained from external sources and has not been independently verified by the Australasian Gaming Council ("the Council").

The Council expressly disclaims all and any liability (including all liability from or attributable to any neglect or wrongful act or omission) to any persons in respect of anything done or omitted to be done by any person in reliance whether in whole or in part upon any material in this publication.

The Australasian Gaming Council welcomes comments and suggestions on this publication. Please contact info@austgamingcouncil.org.au

This publication is copyright. No part may be reproduced by any process except in accordance with the provisions of the Copyright Act 1986.

Chapter 2

The New Zealand Gambling Environment

GAMBLING IN NEW ZEALAND	1
GAMING IN NEW ZEALAND	2
CASINO GAMING	2
ELECTRONIC GAMING MACHINES	3
KENO	5
LOTTERIES	4
RACING AND WAGERING IN NEW ZEALAND	5
RACING	5
WAGERING	6
LICENCE AND EXCLUSIVITY ARRANGEMENTS	6
CASINOS	7
ELECTRONIC GAMING MACHINES	8
KENO	8
LOTTERIES	8
WAGERING	8

Version Control

Version	Date	Explanation
2016-17	June 2018	2016-17 Edition updated with current data from New Zealand Inland Revenue Department and Statistics New Zealand.
2017-18	February 2020	2017-18 Edition updated with current data from New Zealand Inland Revenue Department and Statistics New Zealand.
2018-19	August 2021	2018-19 Edition updated with current data from New Zealand Inland Revenue Department and Statistics New Zealand.

GAMBLING IN NEW ZEALAND

Table 2-1 Forms of gambling in New Zealand

Gambling Form	
Casino gaming	✓
Gaming machines	✓
Keno	✓
Lotteries	✓
Housie/Bingo	✓
Online/Interactive gaming ¹	x
Racing/Wagering	✓
Sports betting	✓

Source: New Zealand Department of Internal Affairs (2020)

GAMING IN NEW ZEALAND

Casino Gaming

Casinos in New Zealand operate both gaming machines and table games in six locations on both the North and South Islands. Additional casinos are currently prohibited under New Zealand legislation.²

Table 2-2 Casinos in New Zealand (2018-19)

Casino	Number of tables	Number of gaming machines	Fully automated gaming machines
Auckland	150	1,877	240
Christchurch	36	500	
Dunedin	12	180	
Hamilton	23	339	
Queenstown	12	86	
Queenstown Wharf	6	74	
Total	239	3,056	240

Source: New Zealand Gambling Commission (2019) Report of the Gambling Commission for the Period Ending 30 June 2019.

Table 2-3 Casinos in New Zealand (2019-20)

Casino	Number of tables	Number of gaming machines	Fully automated gaming machines
Auckland	150	1,877	240
Christchurch	36	500	
Dunedin	12	180	
Hamilton	23	339	
Queenstown	12	86	
Queenstown Wharf	6	74	
Total	239	3,056	240

Source: New Zealand Gambling Commission (2020) Report of the Gambling Commission for the Period Ending 30 June 2020.

¹ The New Zealand Gambling Act 2003 prohibits remote interactive gambling. The definition of remote interactive gambling includes "gambling by a person at a distance by interaction through a communication device." The Lotteries Commission and the Racing Board can conduct approved forms of remote interactive gambling.

² Gambling Act 2003.

Electronic Gaming Machines

New Zealand has a state-wide gaming machine network operating in licensed venues, outside of casinos. Gaming machines operating in venues, outside a casino, are designated a 'Class 4' gambling rating under *Gambling Act 2003* (NZ). Class 4 gambling may only be conducted by a corporate society and only to raise money for authorised purposes (e.g. community and non-commercial).

There were 15,007 Class 4 gaming machines available in 1,094 non-casino venues across New Zealand as at 30 June 2019 and 14,847 gaming machines in 1,074 non-casino venues as at 30 June, 2020.

Table 2-5 Electronic Gaming Machines in New Zealand non-casino venues at 30 June 2019

Categories of Sites	Venues	EGM Numbers	Percentage of Total EGMs	Average Gaming Machines per Venue
Multi-Venue Societies	882	12,240	81.6%	13.88
Single Venue Societies	3	44	0.3%	14.67
Subtotal	885	12,284	81.9%	13.88
Chartered Clubs	110	1,589	10.6%	14.45
Club - RSA	62	798	5.3%	12.87
Club - Sports	37	336	2.2%	9.08
Total Club	209	2,723	18.1%	13.03
Total All	1,094	15,007		13.72

Source: New Zealand Department of Internal Affairs (2019) Society, venue and gaming machine numbers: quarterly summary of gaming machines, 30/06/2019.

Table 2-6 Electronic Gaming Machines in New Zealand non-casino venues at 30 June 2020

Categories of Sites	Venues	EGM Numbers	Percentage of Total EGMs	Average Gaming Machines per Venue
Multi-Venue Societies	873	12,170	82.0%	13.94
Single Venue Societies	3	44	0.3%	14.67
Subtotal	876	12,214	82.3%	13.94
Chartered Clubs	106	1,554	10.54%	14.66
Club - RSA	59	768	5.2%	13.02
Club - Sports	33	311	2.1%	9.42
Total Club	198	2,633	17.7%	13.30
Total All	1,074	14,847		13.82

Source: New Zealand Department of Internal Affairs (2020) Society, venue and gaming machine numbers: quarterly summary of gaming machines, 30/06/2020.

Keno

Keno is a game where a player wagers that their chosen numbers (up to 10 numbers) match any of 20 numbers randomly selected, via a computer system or a ball draw device, from a group of 80 numbers.

Keno has a fixed pay scale. The pay-out for each wager is established by rules and is independent of the total wagers made on the game.

A computerised Keno system operates in New Zealand offering four draws per day. Tickets are available at both NZ Lotteries outlets and online.³

Lotteries

As in Australia there are three components to a lottery in New Zealand; the purchase of a ticket, the draw and the prize. A person whose ticket is selected in a lottery wins a prize based on the total amounts wagered after deduction of a set percentage by the operator to cover costs.

Lotteries are conducted in New Zealand by the government owned New Zealand Lotteries Commission (Lotto New Zealand).

Lotto New Zealand's profits are transferred to the New Zealand Lottery Grants Board, *Te Puna Tahua*. The NZ Lottery Grants Board subsequently funds a range of social, community, arts, heritage, sports, recreation, and health research services and projects.

A transfer of \$261.3 million was allocated to the New Zealand Lottery Grants Board for distribution to the community in the 2018-19 financial year. This increased to \$313 million in 2019-20.⁴

Lotteries in New Zealand are sold at various retail outlets, including newsagents and supermarkets. Lotteries are also available online. The digital channel MyLotto.co.nz was introduced in 2008, with a complementary mobile site launched in 2012. In 2018-19, online sales accounted for around 19% of Lotto NZ's total sales – up from 13% in 2017-18. This increased to 31% in 2019-20. The number of registered MyLotto users in 2018-19 was 845,000.⁵ In 2019-20 this figure was 1.2 million.

On average, over 1.59 million people played NZ lottery games every week during the 2018-19 year.⁶

Lotto New Zealand has a land-based retail network. This comprised of 1,472 outlets in 2017-18 which grew to 1,549 outlets in 2018-19. It is the largest single retail network in New Zealand.⁷

³ <https://mylotto.co.nz/keno/how-to-play/>

⁴ NZ Lotteries Commission (2020) *Lotto New Zealand Annual Report 2019-2020*.

⁵ NZ Lotteries Commission (2018) *Lotto New Zealand Annual Report 2018/2019*.

⁶ NZ Lotteries Commission (2018) *Lotto New Zealand Annual Report 2018/2019*.

⁷ NZ Lotteries Commission (2018) *Lotto New Zealand Annual Report 2018/2019*. Note: The number of retailer stores has been impacted by a slight delay on a pilot with a multi-chain retailer, which has now started.

RACING AND WAGERING IN NEW ZEALAND

Racing

Race clubs and tracks

Table 2-7 Number of active race clubs in New Zealand (2013-2020)

Year	Thoroughbred Clubs	Harness Clubs	Greyhound Clubs
2019-20	62	47	10
2018-19	66	40	10
2017-18	66	42	10
2016-17	62	44	11
2015-16	61	42	11
2014-15	61	46	11
2013-14	62	47	11

Source: New Zealand Thoroughbred Racing (2020) Annual Report 2019-2020; New Zealand Harness Racing (2020) Annual Report 2019-20; New Zealand Greyhound Racing (2020) Annual Report 2019-20; grnz.co.nz; hrmz.co.nz

Race meetings

Table 2-8 Number of race meetings in New Zealand (2013-2020)

Year	Thoroughbred	Harness	Greyhound
2019-20	228	265	414
2018-19	311	261	455
2017-18	312	257	452
2016-17	308	258	401
2015-16	329	270	450
2014-15	337	271	449
2013-14	345	275	447

Source: New Zealand Thoroughbred Racing (2020) Annual Report 2019-2020; New Zealand Harness Racing (2020) Annual Report 2019-20; New Zealand Greyhound Racing (2020) Annual Report 2019-20; NZRB (2018) Size and Scope of the New Zealand Racing Industry; grnz.co.nz

Prize money

Table 2-9 Prize money offered in racing in New Zealand (2013-2020)

Year	Prize Money (\$NZ million)		
	Thoroughbred	Harness	Greyhound
2019-20	46.6	n/a	12.6
2018-19	59.9	34.1	14.8
2017-18	59.5	33.9	14.6
2016-17	53.7	30.3	12.6
2015-16	53.9	29.2	11.0
2014-15	52.8	29.8	11.1
2013-14	50.7	29.8	11.5

Source: New Zealand Racing Board (2019) Annual Report 2019; New Zealand Thoroughbred Racing (2020) Annual Report 2019-2020; New Zealand Harness Racing (2020) Annual Report 2019-20; grnz.co.nz

Wagering

Bookmakers

Under the *Gambling Act 2003*, it is illegal to operate as a bookmaker in New Zealand. Bookmaking activities include taking bets, organising pool betting, matching gamblers, and laying or offering odds. However, there are three exceptions to the prohibition on bookmaking. These are:

- Private gambling
- Casino gambling
- Racing and sports betting offered by the New Zealand Racing Board under the *Racing Act 2003*.

Sports betting

Sports betting refers to wagering on all types of local, national or international sporting activities (other than the established forms of horse and greyhound racing), whether on or off-course, in person, by telephone or via the internet. Bets may be laid on a variety of sporting events domestically and overseas.

Totalisator Agency Board (TAB)

Totalisator wagering is where a player makes a “unit” wager (a unit being any multiple of 50 cents or one dollar, depending on the jurisdiction). Totalisator betting is sometimes called parimutuel betting. The operator deducts a percentage of the total units wagered (for costs, including tax), and the remainder is returned as dividends (winnings) to players, in multiples of the unit wagered.

In New Zealand, the New Zealand Racing Board conducts totalisator and fixed-odds racing and sports betting under the TAB brand via a network of retail outlets, online and telephone accounts.⁸

(NB: The New Zealand Racing Board was reconstituted as the Racing Industry Transition Agency on 1 July 2019.)

LICENCE AND EXCLUSIVITY ARRANGEMENTS

The New Zealand *Gambling Act 2003* classifies gambling based on the amount of money spent and the risk of problem gambling associated with an activity. Classes of gambling range from Class 1, representing low stake, low risk gambling where a licence is not required to Class 4 gambling involving the operation of gaming machines which is deemed high risk, high turnover gambling under the Act. Casino operations and lotteries run by the New Zealand Lotteries Commission are treated as separate classes within the *Gambling Act 2003* (NZ).⁹

⁸ New Zealand Department of Internal Affairs (2013) *Gambling Fact Sheet #14, Bookmaking and Racing & Sports Betting*.

⁹ New Zealand Department of Internal Affairs (2015) *Gambling Fact Sheet #3, Classes of Gambling*.

Casinos

Casino licencing in New Zealand is governed by the *Gambling Act 2003*, which is administered by the Gambling Commission and the Department of Internal Affairs.

The New Zealand Gambling Commission is responsible for all licensing decisions related to casinos. The Department of Internal Affairs is permitted to request that the Gambling Commission specify, vary or revoke the conditions attached to a casino licence.

Two licences are required to operate a casino in New Zealand: a site-specific casino venue licence; and a casino operator's licence. Under the *Gambling Act 2003* existing casinos will not be able to expand their gambling activities and no new casino venue licences will be issued.

Casino venue licences may be renewed (as permitted under the current Act) at the end of the current licence period. A casino venue licence *expires 25 years after the date the casino commenced operating*.¹⁰

In 2013, as consideration for SKYCITY's investment in the design, build and operation of a new International Convention Centre, the New Zealand parliament has passed legislation that extends SKYCITY's Auckland Casino licence from 2021 to 2048.

In March 2019, the Gambling Commission of New Zealand announced its decision to renew the operator licence for Christchurch Casinos Limited to run the casino at this location for another 15 years.¹¹

Table 2.10 Casino Licence Arrangements in New Zealand

Casino	Venue Licensee	Operator Licensee	Duration
Christchurch	Christchurch Casinos Ltd. Skyline Enterprises Ltd	Christchurch Casinos Ltd.	Licensed until 2034 ¹²
Dunedin	Dunedin Casino Ltd, Christchurch Casinos Ltd	Dunedin Casino Ltd.	Licensed until 2024
SKYCITY Auckland	SKYCITY Auckland Ltd, SKYCITY Entertainment Group Ltd.	SKYCITY Casino Management Ltd	Licensed until 2048
SKYCITY Hamilton	SKYCITY Hamilton Ltd, SKYCITY Entertainment Group Ltd	SKYCITY Casino Management Ltd.	Licensed until 2027
SKYCITY Queenstown	Queenstown Casinos Ltd, SKYCITY Entertainment Group Ltd	SKYCITY Casino Management Ltd.	Licensed until 2025
SKYCITY Wharf	Otago Casinos Ltd, SKYCITY Entertainment Group Ltd	SKYCITY Casino Management Ltd.	Licensed until 2024

Source: NZ Department of Internal Affairs (2017) *Regulatory impact statement: Casino venue licence renewal fee regulations – Agency disclosure statement*.

¹⁰ New Zealand Department of Internal Affairs (2015) *Gambling Fact Sheet #28: Casinos*.

¹¹ New Zealand Department of Internal Affairs (2019) *Decision on Application by Christchurch Casinos Ltd. to Renew Casino Venue Licence*.

¹² New Zealand Department of Internal Affairs (2019) *Decision on Application by Christchurch Casinos Ltd. to Renew Casino Venue Licence*.

Electronic Gaming Machines

Operating electronic gaming machines in venues outside casinos is categorised under the *Gambling Act 2003* as Class 4 gambling, therefore subject to a high level of control. Class 4 gambling may only be conducted by a corporate society and only to raise money for an authorised purpose (i.e. charitable and non-commercial objects).

A Class 4 operator and venue licence is required to run gaming machines in venues outside of casinos. Further to this, a society must apply for territorial authority consent before it can establish new gaming machine venues¹³ or increase the number of machines that may be operated at existing venues.

The New Zealand Department of Internal Affairs is responsible for granting and managing Class 4 gambling licences. The New Zealand Gambling Commission is responsible for licensing casinos and hearing appeals against decisions made by the Department of Internal Affairs in relation to both casino and Class 4 gambling.¹⁴

As at June 2019 there were 235 Class 4 gambling operators in New Zealand. The following year, as at June 2020, there were 223 Class 4 gambling operators in New Zealand.¹⁵

Keno

Keno is operated solely by the New Zealand Lotteries Commission (Lotto New Zealand). The New Zealand Lotteries Commission was established in 1987 and operates as a Crown entity under the *Gambling Act 2003*.¹⁶

Lotteries

The New Zealand Lotteries Commission (Lotto New Zealand) is the sole body authorised to promote, organise and conduct lotteries and other gambling activities (currently Lotto, Strike, Powerball, Keno, Bullseye and Instant Kiwi). Profits raised by Lotto New Zealand are distributed to the community by the Lottery Grants Board.

Wagering

The *Racing Act 2003* established the New Zealand Racing Board as the sole provider of racing and sports betting services in New Zealand. The New Zealand Racing Board is a statutory body that distributes its profits to the national organising bodies for thoroughbred, harness and greyhound racing for distribution to the many clubs operating in New Zealand.¹⁷

(NB: The New Zealand Racing Board was reconstituted as the Racing Industry Transition Agency on 1 July 2019.)

¹³ The requirement to seek territorial authority consent for new venues applies to venues that did not have a licence on 17 October 2001 and venues that after 17 October 2001 have been without a licence for six months or more.

¹⁴ www.gamblingcommission.govt.nz

¹⁵ New Zealand Gambling Commission (2020) *Report of the Gambling Commission: for the year ended 30 June 2020*.

¹⁶ <https://mylotto.co.nz/faqs>

¹⁷ New Zealand Department of Internal Affairs (2013) *Gambling Fact Sheet #14: Bookmaking and Racing & Sports Betting*.