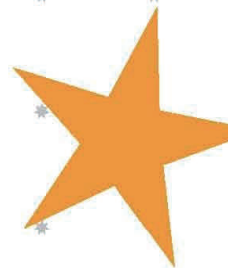
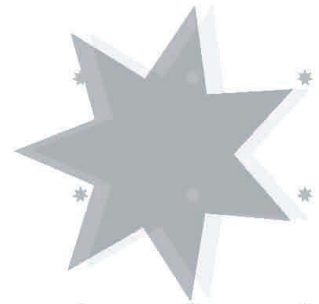
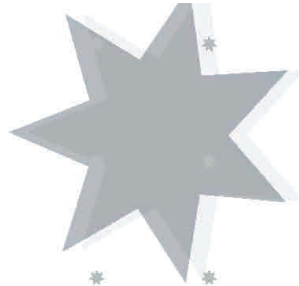


AUSTRALASIAN
Gaming Council

ABN 64 092 720 753



A Database
on Australia's Gambling Industry

Chapter 5

2009/10

A Database

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

Address: Level 40/140 William Street
Melbourne 3000
Victoria Australia

Phone +61 3 9229 3801

Fax +61 3 9607 8282

Email info@austgamingcouncil.org.au

Web www.austgamingcouncil.org.au

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The Australasian Gaming Council welcomes comments and suggestions on this publication.

Please contact info@austgamingcouncil.org.au

Chapter 5

New Zealand Gambling Expenditure

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OVERVIEW

Aggregate and per capita¹ expenditure - summary

Table 5-1 Summary: Aggregate and per capita gambling expenditure in New Zealand (2009)

		Racing	Lotteries	Gaming machines ²	Casino	Total
Aggregate	\$NZ million	269	404	889	465	2,028
Per capita	\$NZ	83.81	125.87	276.97	144.87	631.82

Source: Extrapolated from New Zealand Department of Internal Affairs (2010) and Statistics New Zealand, Estimated Resident Population by Age and Sex 1999-2009.

Gambling expenditure in New Zealand in 2009 amounted to just over \$NZ 2 billion. Expenditure on gaming machines totalled nearly \$NZ 890 million and accounted for 43.8% of all expenditure on gambling forms. Racing accounted for 13.3% of gambling expenditure (\$NZ 269 million), while expenditure on lotteries (\$NZ 404 million) accounted for 19.9% of spending. With expenditure of \$NZ 465 million, casinos accounted for 22.9% of all gambling spending in New Zealand.

In 2009 average gambling expenditure in New Zealand per adult was \$NZ 632 – comprising racing (\$NZ 84 per adult), lotteries (\$NZ 126), gaming machines (\$NZ 277) and casinos (\$NZ 145).

¹ Per capita figures relate to the population aged over 18 years.

² Excludes gaming machines at casinos

EXPENDITURE ON GAMBLING

Aggregate

Table 5-2 Aggregate gambling expenditure in New Zealand (2009) (\$ NZ million)

Gambling Type	Expenditure \$NZ million
Racing and sports betting	269
Lotteries Commission products	404
Non-casino gaming machines	889
Casinos	465
ALL GAMBLING	2,028

New Zealand Department of internal Affairs (2010).

Expenditure Change

Table 5-3 Gambling spending (player loss) in New Zealand (2009)

Gambling type	\$NZ million	Increase/Decrease from 2008
Racing and sports betting	269	- 1.2%
Lotteries Commission products	404	+ 16.7%
Non-casino gaming machines	889	- 5.3%
Casinos	465	- 2.4%
Total	\$2.028 billion³	- 0.3%

New Zealand Department of internal Affairs (2010).

Table 5-3 above shows total gambling spending in New Zealand for 2009, and a comparison with the previous year's figures. Despite a 16.7% increase in spending on Lotteries Commission products, an overall decrease of 0.3% was reported as a result of decreased spending on racing and sports betting, non-casino gaming machines and casinos.

Per capita

Table 5-4 Per capita gambling expenditure in New Zealand (2009) (\$NZ)

Gambling Type	Per Capita \$NZ
Racing and sports betting	83.81
Lotteries Commission products	125.87
Non-casino gaming machines	276.97
Casinos	144.87
Total	631.82

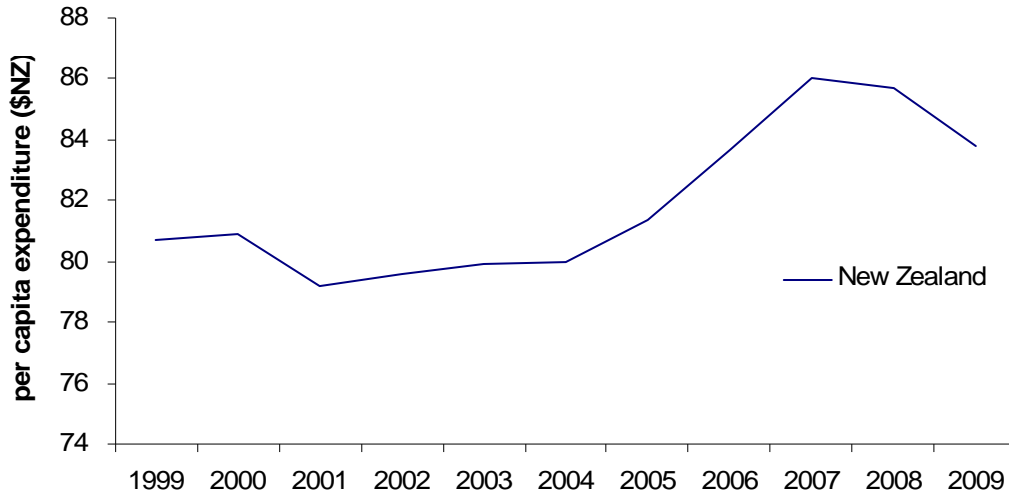
Source: Extrapolated from New Zealand Department of internal Affairs (2010) and Statistics New Zealand, Estimated Resident Population by Age and Sex 1999-2009.

³ Total is not the sum of the column due to rounding

TEN YEAR EXPENDITURE TREND

Racing

Figure 5-1 Per capita racing expenditure – New Zealand (1999 to 2009)



Source: Extrapolated from New Zealand Department of internal Affairs (2010) and Statistics New Zealand, Estimated Resident Population by Age and Sex 1999-2009.

Per capita racing expenditure has trended slightly upwards in New Zealand over the last ten years from \$NZ 80.72 in 1999 to \$NZ 83.81 in 2009. This contrasts with Australia in which real per capita racing expenditure has largely trended downwards. It should be noted, however, that a downward trend is beginning to emerge since 2007.

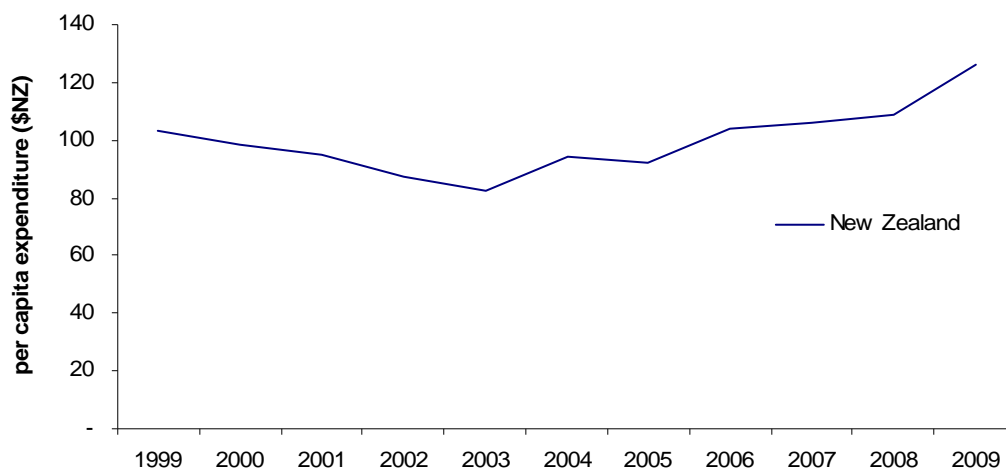
Table 5-5 Per capita racing expenditure in New Zealand (2009) (\$NZ)

Year	Per Capita \$NZ
1999	80.72
2000	80.87
2001	79.21
2002	79.57
2003	79.92
2004	79.96
2005	81.35
2006	83.65
2007	86.03
2008	85.71
2009	83.81

Source: Extrapolated from New Zealand Department of internal Affairs (2010) and Statistics New Zealand, Estimated Resident Population by Age and Sex 1999-2009.

Lotteries

Figure 5-2 Per capita lottery expenditure – New Zealand (1999 to 2009)



Source: Extrapolated from New Zealand Department of internal Affairs (2009) and Statistics New Zealand, Estimated Resident Population by Age and Sex 1998-2008.

Per capita lottery expenditure in New Zealand over the last ten years has experienced a general decrease until 2003 and then an almost steady increase back to well over 1999 levels from 2004 to 2009

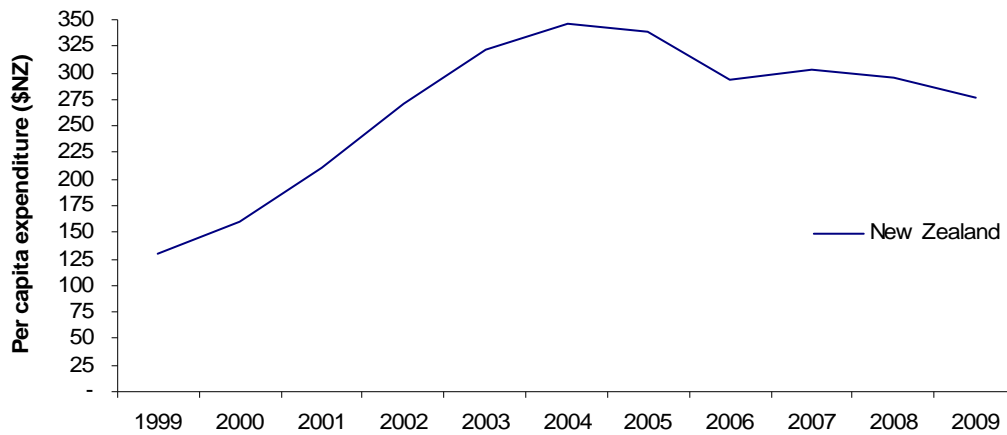
Table 5-6 Per capita lottery expenditure in New Zealand (2009 (\$NZ))

Year	Per Capita \$NZ
1999	103.32
2000	98.68
2001	94.77
2002	87.60
2003	81.63
2004	94.34
2005	92.21
2006	104.08
2007	105.86
2008	108.63
2009	125.87

Source: Extrapolated from New Zealand Department of internal Affairs (2010) and Statistics New Zealand, Estimated Resident Population by Age and Sex 1999-2009.

Gaming machines

Figure 5-3 Per capita gaming machine expenditure – New Zealand (1999 to 2009)



Source: Extrapolated from New Zealand Department of internal Affairs (2010) and Statistics New Zealand, Estimated Resident Population by Age and Sex 1999-2009.

Growth in per capita gaming machine expenditure has slowed over the last ten years, and began to decline in 2005. While EGM expenditure appeared to be slowing prior to the introduction of smoking bans, it appears that, like in Australian jurisdictions smoking bans (introduced in 2004) provoked a reduction in per capita EGM expenditure.

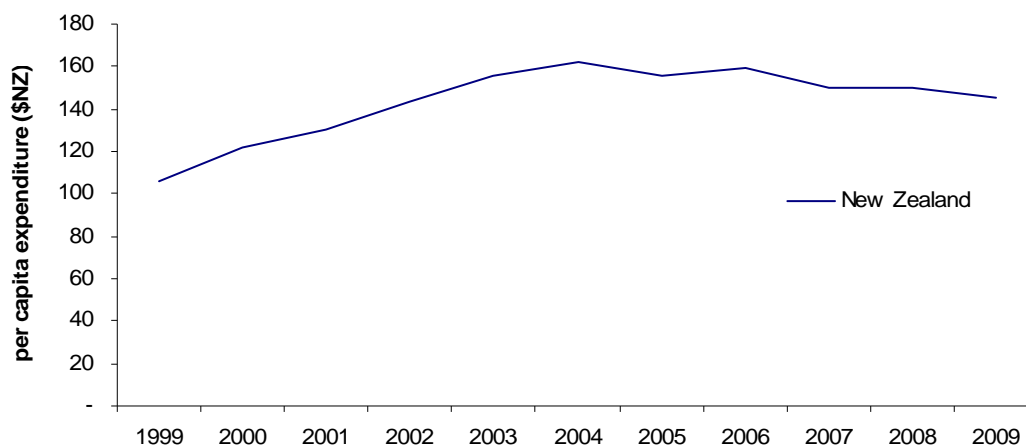
Table 5-7 Per capita gaming machine expenditure in New Zealand (2009) (\$NZ)

Year	Per Capita \$NZ
1999	129.15
2000	160.31
2001	211.10
2002	271.16
2003	321.39
2004	346.26
2005	338.23
2006	293.75
2007	303.81
2008	294.49
2009	276.97

Source: Extrapolated from New Zealand Department of internal Affairs (2009) and Statistics New Zealand, Estimated Resident Population by Age and Sex 1998-2008.

Casino

Figure 5-4 Per capita casino expenditure – New Zealand (1999 to 2009)



Source: Extrapolated from New Zealand Department of Internal Affairs (2010) and Statistics New Zealand, Estimated Resident Population by Age and Sex 1999-2009.

Per capita expenditure on casino gaming has slowly increased in New Zealand from 1999 – 2004 which corresponds with the general experience of Australian jurisdictions. Growth in per capita casino expenditure appears to stall in New Zealand around the time of smoking ban introduction in 2004.

Table 5-8 Per capita casino expenditure in New Zealand (2009) (\$NZ)

Year	Per Capita \$NZ
1999	105.48
2000	122.19
2001	130.48
2002	143.08
2003	156.08
2004	161.92
2005	155.45
2006	159.84
2007	149.99
2008	149.76
2009	144.87

Source: Extrapolated from New Zealand Department of Internal Affairs (2010) and Statistics New Zealand, Estimated Resident Population by Age and Sex 1999-2009.

PRICE OF GAMBLING

For some gambling forms, legislation dictates the minimum payout ratios to players – gaming machine play, for instance, must adhere to the following returns (although in practice, payout ratios are commonly higher than that which is required by law).

Table 5-9 Payout ratio for gaming machines in New Zealand (2008)

	Casino	Hotels and clubs (Class 4)
New Zealand	87.00%	78.00%

Source: Australian/New Zealand Gaming Machine National Standard Revision 10.0, December 2008

HOUSEHOLD SPENDING COMPARISON

The Statistics New Zealand *Household Economic Survey* in 2003-2004 recorded the expenditure of a sample of New Zealand households. Comparisons with the Household Economic Survey conducted for 2000-2001 are possible and outlined below. Both surveys were based on self-report and gambling expenditure may be under-reported.

Table 5-10 Estimated household expenditure on gambling in New Zealand (2003-04 & 2000-01)

	Average Weekly Expenditure per Household	Percentage of Households reporting Gambling Expenditure	Gambling as a percentage Total Expenditure
	\$NZ	%	%
2003-04	5.90	45.4	0.67
2000-01	6.30	48.3	0.82

Source: Statistics New Zealand (2002, 2004), 2001 & 2004 Household Economic Survey, New Zealand, Statistics New Zealand

Table 5-9 shows that the average weekly expenditure per household on gambling has declined since 2000-01, that gambling expenditure has declined as a percentage of total household expenditure and that household participation in gambling has also declined.

This trend appears to correspond with a general levelling off or decline in expenditure on most gambling forms in New Zealand since approximately 2002-03.

Table 5-11 Estimated household weekly expenditure on selected goods and services in New Zealand by expenditure (\$) and proportion of total expenditure (%) (2007)

	Average Weekly Household Expenditure	Expenditure as Percentage of Total Expenditure
	\$NZ	%
Grocery food	68.30	7.1
Rentals for housing	65.40	6.8
Petrol	38.10	4.0
Restaurant meals and ready-to-eat food	37.80	3.9
Telecommunication services	28.90	3.0
Clothing	27.80	2.9
Alcoholic beverages	19.00	2.0
Audio-visual and computing equipment	15.20	1.6
Education	12.60	1.3
Non-alcoholic beverages	8.10	0.8
Cigarettes and tobacco	7.50	0.8
Accommodation	6.90	0.7
Cleaning products and other household supplies	6.00	0.6
Pets and pet-related products	5.60	0.6
Footware	5.00	0.5
Plants, flowers and gardening supplies	4.70	0.5
Games of chance⁴	4.50	0.5
Equipment for sport, camping and outdoor recreation	4.40	0.5
Books	3.30	0.3
Newspapers and Magazines	3.20	0.3
Miscellaneous domestic holiday costs	3.20	0.3
Glassware, tableware and household utensils	2.90	0.3

Source: Statistics New Zealand (2008), Household Economic Survey, Year End 30 June 2007.

⁴ Please note that this is a gross figure (i.e. amount spent before winnings are taken into account) and can not be directly compared with the expenditure data in the previous table for 2000-01 and 2003-04.