



## Lotto and New Zealand's new online lottery supports problem gambling

The first New Zealand Lotto tickets went on sale on July 22 in 1987. Since then at least five more games have been added to the Lotteries Commission pool of revenue gathering:

### Designing new ways to take your money

<b>Lotto</b>	1987	<b>Powerball</b>	2001
<b>Instant Kiwi / scratchies</b>	1989	<b>Big Wednesday</b>	2006,
<b>Lotto Strike</b>	1993		Bigger 2008
<b>Keno</b>	1994	<b>Online Lotto</b>	2008
<b>Telebingo</b>	1996-2001		

### Revenue from sales

In 2008 the revenue from sales of lotto reached \$778 million (including GST). This was \$33 million more than in 2007 (DIA 200).

Of this \$27.8 million was spent on advertising, draws and promotions and \$432 million was on prizes. \$135.5 million went to the problem gambling levy, GST and the retailers commission and \$35.5 million went on administration and operating costs.

The New Zealand Lottery Grants Board received \$156.8 million from the Lottery Commission in 2007/8.

Of this \$94 million went to Lottery distribution committees and \$79 to Creative New Zealand, Sport and Recreation (SPARC) and the New Zealand Film Commission, who receive a minimum of 43% of the profits of the Commission every year. Over \$9.5 million was spent on administration expenses.

From the original pool of \$778 million **\$174 million went back to the community.** That's 22.3% of sales. Prize money made up 52% of the amount originally received from sales.

### Misleading Advertising?

The gambling industry use advertising techniques which are often excessive, aggressive and misleading. The NZ Lottery Commission spent over \$27million in 2008 to advertise a gambling product, thereby supporting and indeed encouraging the concept of a gambling culture in New Zealand.

Lottery advertising which entices people with the prospects of huge jackpots, attractive consumer goods and easy wins that depicts winning as imminent and life-changing is narrow and misleading. The lottery is depicted as a normal consumer product where an ethos of winning predominates.

Advertisements target audiences that will spend (and lose) more, target the poor and play on the fears of the habitual players. They dupe players into believing that profits all go to good causes, foster a get-rich-mentality and belittle the work ethic. Advertisements promote instant gratification over hard work and spending over saving, misrepresenting the true odds of winning and the true value of annuitized jackpots.

### WINNING LOTTO

**In the New Zealand lottery you choose 6 numbers from 1-40 so the total number of combinations is: 3, 838,380.**

**This makes your chances of winning the New Zealand jackpot 1 in 3,838,380.**

It is ineffective to merely advertise buying a lottery ticket as a product, so the industry create advertisements which highlight the fun of playing the game and thereby take away the onus from gambling. By feeding the consumer's need for fun and excitement it propels the fantasy which motivates them to buy the next ticket.

Advertising which is full of positive images and happy endings but the odds are that the results will be 'NOT A WINNING TICKET'.



**These statistics are from two surveys on gambling by the Department of Internal Affairs (2008) and Health Sponsorship Council (2007).**

- 67% (2/3) of New Zealanders play lottery (keno, lotto, big Wednesday, keno) occasionally and 30% at least once a month.
- When playing lotto 4% won, 7% broke even and 88% lost. Therefore, only 11% receive any of the prize money.
- 71% of lotto players were in the 8-10 Deprivation Index area.
- Maori (70%) had the higher rate of playing lotto and they spent \$159 annually, compared to the averaged rate of \$149 per annum.
- 86% of those who bought tickets had done so to win and 25% had bought the ticket as a gift.
- 78% of players were over 25 years of age.
- 13% stated they spent more money on lotto than they meant to.
- 52% felt that buying a lotto ticket was real gambling.
- 75% felt that lotto offered people a chance of a better lifestyle.
- It was felt that lotto was designed to take more money off you, because you needed to buy the most expensive ticket to win, like a triple dip.

**Lotteries place a greater burden on the poor because poorer individuals spend a higher percentage of their income on lottery tickets**

**The 2008 AUT Gambling and Addictions Research Centre review on lottery gambling in New Zealand found:**

- The possible unlimited access to gambling via the Internet has the potential to lead to excessive gambling behaviour and could lead to greater exposure to under age participants, as adolescents are more susceptible to the negative effects of online lotteries/internet gambling.
- Internet gambling has potential for under-age participants to hide their age.
- There is a diminished perception of money when playing with electronic money.
- Different forms of lottery products have different potentials for causing harm - continuous forms like Scratchies are more problematic than weekly lottery draws.

**The success of the lottery is that it offers gamblers a low cost chance of winning a very large jackpot. Without the jackpot fewer people would play. The larger the jackpot the higher the numbers who play and the more tickets they purchase as gamblers concentrate on what could be won rather than the probability of it ever happening.**

**Problem Gambling Foundation Helpline  
0800 664 262**