



## Office of Hon Nathan Guy

Minister of Internal Affairs  
Associate Minister of Justice

Associate Minister of Transport  
Minister Responsible for Archives New Zealand  
Minister Responsible for the National Library

- 1 JUL 2009

Tim Falkiner  
100 Wattle Valley Road  
Camberwell  
AUSTRALIA 3124

Dear Mr Falkiner

Your letter of 19 January 2009, to the Hon Tariana Turia, Member of Parliament for Te Tai Hauauro, regarding gaming machines, has been referred to me for reply. This is because gambling related matters are administered under the Internal Affairs portfolio.

Please accept my apologies for the delayed nature of this response. Your letter came to my office via a somewhat circuitous route, and then necessitated some very careful consideration to ensure that an accurate reply would be given.

If I have understood you correctly, you believe that gaming machines incorporate two specific design features intended to deceive or cheat players. The first involves the use of an unequal or asymmetrical distribution of symbols on the machine's reels. The second is the disproportionate display of combinations of symbols intended to mislead the player into believing that he or she has come closer to a win than is actually the case.

I am advised that all gaming machines licensed to operate in New Zealand are required to incorporate fixed odds. These odds must comply with the probability standards set under the Gambling Act 2003. In all instances, gaming machine odds must be assessed and certified as being correct by an authorised independent testing authority. The game design and probability odds determine the number and distribution of the symbols that appear on the reels. Neither the game design nor the probability odds can be lawfully altered once approved. Any game design submitted for certification and found not to comply with the required probability standard, can not be used.

Similarly, in respect to your second concern, the New Zealand standard precludes the use of gaming machines that incorporate symbol displays calculated to mislead. As previously noted, the digital reels found in gaming machines licensed to operate in New Zealand are mapped with specific combinations of symbols as part of the overall game probability design. If you were to view a set of these reels, spinning in slow motion, it should be possible, over time, to correctly determine the odds of winning, based on the number and placement of the symbols. This state of affairs may not be the case in a number of jurisdictions but it is certainly the case in New Zealand and, I believe, in Australia as well. In essence, the location and frequency of the symbols seen by the player, as the reels spin, are exactly as they have been mapped on the reels.

If you know of a particular gaming machine, currently in use in New Zealand, that you believe breaches these standards, then it would be appropriate to bring that information, and any supporting evidence, to the attention of the Department of Internal Affairs. Should you wish to communicate with the Department about this matter, I would suggest you contact the National Manager of Gaming Technology, Mr Michael Cassidy. Mr Cassidy can be contacted by email at: [michael.cassidy@dia.govt.nz](mailto:michael.cassidy@dia.govt.nz)

I trust you will find this letter helpful.

A handwritten signature in blue ink that reads "Nathan Guy". The signature is written in a cursive style with a long, sweeping underline.

Hon Nathan Guy  
**Minister of Internal Affairs**