



Lotto and lotteries

The first New Zealand Lotto tickets went on sale on July 22 1987. Since then nine more lottery products have been developed.

- Lotto 1987
- Instant Kiwi / Scratchies 1989
- Lotto Strike 1993
- Keno 1994
- Telebingo 1996-2001
- Powerball 2001
- Big Wednesday 2006
- Online Lotto 2008

In the future the NZ Lotteries Commission wants to move more of its products online.

Winning Lotto

In Lotto itself you choose 6 numbers from 1-40 so this makes your chances of winning the New Zealand jackpot 1 in 3,838,380. If you drive 10 miles to purchase your lottery ticket, you are 3 to 20 times more likely to be killed in a car accident along the way than to win the jackpot. In other lottery products the odds are even higher.

Different forms of lottery products have different potentials for causing harm. Instant Kiwi scratchies are more problematic than weekly lottery draws.

Lotteries place a burden on the poor because they spend a higher percentage of their income on lottery tickets

- 67% of New Zealanders play Lotto products occasionally and 30% at least once a month.
- Only 11% receive any of the prize money.
- 71% of Lotto players live in poor areas.
- 70% of Māori play at least once a month and spend more than average.
- 86% of those who bought tickets had done so to win.
- 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.
- People felt they needed to buy the most expensive ticket to win, like a triple dip.

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 underage participants, as adolescents are more susceptible to the negative effects of online lotteries and online gambling.
- Internet gambling has potential for underage 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.

Misleading advertising?

In 2011 The NZ Lottery Commission published a Statement of Intent for the next two years. In this document the Commission was very clear in its aim to drive an increase in player frequency and also to increase the “perception of winnability”.

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 portrayed 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.

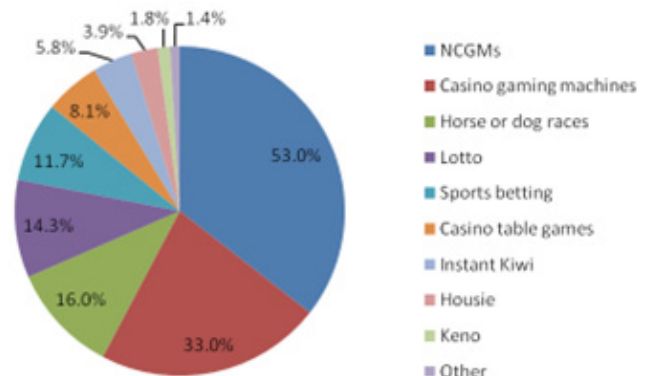
Advertisements promote instant gratification over hard work and spending over saving, misrepresenting the true odds of winning and the true value of annuitized jackpots.

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.

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

Problems caused by gambling



Gambling activity involved in causing problems, reported by people experiencing problems due to someone's gambling. Shore Report, 2009. Some may have multiple answers.

This graph shows almost 22% of people affected by another person's problem gambling, identified Lotto or other lottery products as the type of gambling causing them or their families harm. This ratio is very high compared to the figures for those seeking help.

Lotto 14.3% + Instant Kiwi 5.8% + Keno 1.8% = 21.9%

Although lottery products are considered a lower risk gambling product this graph indicates that problems related to lotteries products could be hidden in our communities and causing harm and distress. Moving more diverse NZ Lotteries products online could potentially cause a great deal of harm.

Revenue from sales

In 2008 the revenue from sales of Lotto was \$778 million. Of this:

- \$27.8 million was spent on advertising draws and promotions.
- \$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.
- Just \$174 million went to the community.

Produced by the Problem Gambling Library at the Problem Gambling Foundation of New Zealand

Freephone 0800 664 262

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