



Responsible Gambling Bill Information – Summary of the Bill

part one **1**

Summary of the Bill

Now – the current regime

Gambling is regulated by three different statutes:

- The Racing Act 1971
- The Gaming and Lotteries Act 1977
- The Casino Control Act 1990.

This legislation:

- Has very different objectives
- Treats gambling providers in different ways; and
- Requires different levels of regulation that do not correspond to the risks posed to players and the community.

All three gambling statutes are administered and enforced by the Department of Internal Affairs. The Department is also responsible for licensing non-casino gambling and providing policy advice on gambling to the Minister of Internal Affairs.

The Casino Control Authority considers and determines applications for casino operators' and premises licences, approves agreements and changes to agreements between casino operators and casino premises licence holders, approves casino game rules, sets the casino supervision policy and advises the Minister of Internal Affairs on matters relating to casinos. There is some overlap between the roles of the Casino Control Authority and the Department of Internal Affairs.

There is no statutory provision for appeal against decisions of the Secretary for Internal Affairs in relation to non-casino gambling.

No Government agency has responsibility for the prevention and treatment of problem gambling.

The Gaming and Lotteries Act assumes that gambling will conform to a limited range of game types, based on gambling technologies that were current in the 1970s. It provides very little flexibility to allow for new technologies or different types of game.

There is widespread public concern about the growth of casinos and non-casino gaming machines, and the increased risk of problem gambling that this presents.

There is also concern that some money from gaming machines is not being distributed effectively to the community.

The Responsible Gambling Bill

Integration of existing statutes

The Bill will repeal the Casino Control Act and the Gaming and Lotteries Act and integrate them into a single Act.

The racing sub-sector will continue to be administered under the Racing Act (with some exceptions, such as gaming machine operations in TABs and racing clubs).

Objectives of the new gambling legislation

The objectives of the Responsible Gambling Bill are to ensure that:

- Gambling is used primarily to raise funds for community purposes
- The harm caused by gambling is prevented or minimised
- There is local involvement in decisions about the availability of more risky forms of gambling
- The growth of gambling is controlled.

Regulatory Agencies

The **Department of Internal Affairs** will:

- Administer the legislation
- License gambling activities
- Enforce the legislation.

The **Ministry of Health** will:

- Develop and manage an integrated problem gambling strategy.

A new **Gambling Commission** will meet periodically to:

- Consider and determine applications for casino operators' licences and the renewal of casino premises licences (to be called **casino venue licences** under the new Act)
- Approve agreements and changes to agreements between casino operators and casino venue licence holders
- Consider and determine appeals against regulatory and licensing decisions made by the Secretary for Internal Affairs, including appeals related to non-commercial gambling licences, licensed promoters' licences, and certificates of approval for casino employees.

The **Police** will, on the request of the Secretary for Internal Affairs, report on the suitability of people who intend to run gambling activities, including casino and non-casino personnel. Police officers will have the powers of gambling inspectors, a continuation of the present arrangements under the Gaming and Lotteries and Casino Control Acts.

The **Casino Control Authority** will no longer have a role.

- The Authority has served its initial purpose under the Casino Control Act. It played an important role in the establishment of casinos, and the development of regulatory procedures and operating standards.
- No new casino venue licences will be issued in future
- The Authority will be disestablished three months after the commencement of the relevant part of the Act to give it time to wrap-up its administrative and reporting functions, and to smooth the transition to the new Gambling Commission
- The Authority's residual functions will be integrated into the functions of the Department of Internal Affairs and the Gambling Commission.

Keeping pace with change

The Bill provides broad powers to make regulations that will allow gambling regulators to keep up with technological changes and new forms of gambling as they emerge.

It classifies gambling based on the amount of money and the risk of problem gambling associated with an activity, rather than based on types of gambling.

Thresholds for different classes of licence have been raised to reduce compliance costs.

Classes of gambling

Classes of gambling range from Class 1, representing low-stake, low-risk gambling that does not require a licence, to Class 4, which represents high turnover licensed gambling for community purposes.

For-profit casino operations are treated as a separate category.

Non-casino gaming machines

There are strict criteria for gaming machines, set out in Information Sheet 4.

Casinos

Arrangements for casinos are set out in Information Sheet 5.

Problem gambling management

The Ministry of Health will be responsible for developing and implementing an integrated problem gambling management strategy.

The costs of the problem gambling management strategy will be recovered from the gambling sector by a problem gambling levy on player expenditure, to be collected by the Inland Revenue Department

The levy will be imposed initially on gambling in the following sub-sectors: casinos, non-casino gaming machine societies, the TAB and racing clubs, and the Lotteries Commission.

The Bill also contains other measures to limit problem gambling, which are set out in Information Sheet 2.

Operator and venue licensing

Operator licences are required if a person or society wishes to operate any of the three classes of licensed gambling (i.e. class 3 gambling, class 4 gambling, and casino gambling).

Venue licences are required for:

- Venue-based Class 4 gambling (gaming machines)
- Casino gambling.

Remote interactive gambling

The Bill specifically prohibits the provision of remote interactive gambling (e.g. over the Internet) in New Zealand, except limited forms of remote interactive gambling on racing and sports events provided by the TAB.

Advertising of overseas gambling

The advertising of overseas gambling products in New Zealand will be prohibited.

What will *not* change

Gambling will continue to be prohibited and illegal unless it is:

- *Private gambling* at home **and** meets strict criteria; or
- Authorised under the *Racing Act* or its successor; or
- Authorised under the *Responsible Gambling Act*.

Gambling can still be provided if it is:

- Private gambling at home
- Class 1 or 2 gambling that does not require a licence
- Sales promotions that meet defined criteria
- Licensed gambling
- Lotteries Commission products
- TAB products (race and sports betting).

Operators providing credit for gambling will continue to be prohibited.

Facts and figures

Expenditure on gambling (turnover minus prizes) for year ended 30 June 2001:

TAB	\$224 M
NZ Lotteries Commission	\$268 M
Non-casino gaming machines	\$597 M
Casinos	\$369 M
TOTAL	\$1,459 M

New Zealanders' participation in gambling activities (2000)

Lotto	75% of respondents had participated at least once in the past year
Raffles	67%
Instant Kiwi	48%
TeleBingo	20%
Non-casino gaming machines	18%
Race betting	17%
Casino	16%
Sports betting	8%