

## Classes of Gambling

### Now – the current regime

Under the Gaming and Lotteries Act, **private gambling** has the following main features:

- It must be conducted in a private residence
- The gambling must be a social event
- There can be no advertisements or inducements for people to participate
- There can be no charge for entry to the residence
- If the game involves playing or staking against a bank, then the bank must pass by chance or regular rotation among all the participants
- All the participants must have an equal chance of winning.

Gambling may be run without a licence only if the total prize value does not exceed \$500. Societies wanting to run small-scale fundraising activities face compliance costs that are out of proportion to the funds they raise.

**Office sweepstakes and very small-scale fundraising:** Individuals or societies may operate lotteries or prize competitions without a licence, where the total prize value does not exceed \$50 **and** several other criteria are met.

**Small-scale community fundraising:** Lotteries and prize competitions may be operated by societies without a licence, to raise funds for authorised purposes, where the total prize value does not exceed \$500 **and** several other criteria are met.

**Larger-scale community fundraising:** Lotteries and prize competitions offering prizes over \$500, and most games of chance (including housie and gaming machines) must be:

- Operated to raise funds for authorised purposes
- Licensed by the Department of Internal Affairs.

**Licensed promoters** can be employed to promote lotteries and prize competitions under strict probity, financial viability, and audit conditions. They are licensed by District Courts.

**Sales promotions** can also be run without a licence under the rules of prize competitions, lotteries or instant games.

**Casino gambling** is regulated separately under the Casino Control Act.

### The Responsible Gambling Bill

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 the type of gambling.

Financial thresholds for licensing have been raised to reduce compliance costs.

Classes of gambling range from Class 1, representing low-stake, low-risk gambling, to Class 4, which represents high-turnover gambling for community purposes.

Casino operations are treated as a separate category (effectively “Class 5”) within the same statute.

## Private gambling

There is no substantial change in the statutory requirements for private gambling.

## Unlicensed gambling (Class 1 and class 2)

There are two main changes:

- The type of game is no longer restricted to lotteries and prize competitions, although gaming machines still cannot be used
- The financial thresholds in each class have been increased to allow for inflation and reduce compliance costs for small-scale gambling.

No commission can be paid for running games. No remuneration can be paid except for authorised representatives of a society.

Games must comply with any relevant game rules gazetted by the Secretary for Internal Affairs.

The requirements for **Class 1 gambling** will be broadly equivalent to the current requirements for office sweepstakes and very small-scale fundraising.

- The total amount of prize money may not exceed \$500 and the total amount of stakes (money spent on the game) may also not exceed \$500
- If the game is conducted by individuals (e.g. office sweepstakes) the stakes are completely distributed to the winners or
- If the game is run by a society, the stakes are completely used as prize money and for authorised purposes.

The requirements for **Class 2 gambling** will be broadly equivalent to the current requirements for small-scale community fundraising.

- The total amount of prize money exceeds \$500 but may not exceed \$5,000 and the total amount of stakes (money spent on the game) may not exceed \$25,000
- Class 2 gambling may only be conducted by a society (either a corporate society or non-incorporated)
- The stakes must be used for prizes and for authorised purposes
- Specified consumer information must be clearly described at the point of sale (eg, name of the society, the authorised purposes for which the gambling is conducted, the number of tickets to be sold, the closing date for entries, the prizes, and when and how any draw will be made).

## Class 3 licensed gambling

Class 3 gambling includes larger-scale lotteries, and housie as it is currently run. The requirements will be broadly equivalent to the current requirements for larger-scale community fundraising.

- It must be run by a society to raise funds for authorised purposes
- If it is run regularly, the society must be a body corporate
- Prizes exceed \$5000. There are no statutory limits on the total amount of stakes raised
- Class 3 gambling cannot be conducted using a gaming machine
- The Secretary must be satisfied that the proposed gambling operation is viable, that costs will be minimised

and return to the community maximised, and that the applicant is a suitable person to run a gambling operation.

If the Secretary refuses to approve a class 3 gambling licence, or wishes to cancel or suspend a licence, the applicant or licence holder may appeal the decision to the Gambling Commission.

Housie played according to the Housie Regulations 1989 will continue to be an authorised game. The Housie Regulations 1989 will be carried over for the time being. Under the Responsible Gambling Act:

- Housie played under the current Housie Regulations will be classified as a class 3 gambling activity
- Generally, only corporate societies will be able to obtain a housie licence
- Licences to run housie under the Gaming and Lotteries Act will be carried over until the licence expires.

## Licensed promoters

The Bill develops the existing provisions in the Gaming and Lotteries Act and makes them more stringent. The main provisions are:

- A society can engage a licensed promoter to promote most forms of class 3 gambling
- The Secretary for Internal Affairs will now issue promoters' licences
- A bond must be provided to cover the promoter's commitments (eg prize payouts). The bond will be \$50,000, for the first three years after the Act receives its Royal assent, and \$200,000 thereafter. The Secretary for Internal Affairs may require the promoter to pay the bond if the promoter breaches the Act or any licence conditions.
- A person may appeal to the Gambling Commission against any decision by the Secretary to refuse to grant, refuse to renew, or to suspend or cancel a licensed promoter's licence.

## Class 4 licensed gambling (including non-casino gaming machines)

Any activity that involves the use of a gaming machine outside a casino is Class 4 gambling.

The Secretary for Internal Affairs will be able to declare that any gaming activity that has a high degree of risk is a class 4 gambling activity (whether or not it involves the use of a gaming machine) - for example, if gambling has a high turnover and/or a high risk of players developing gambling problems.

Class 4 gambling may be conducted only by a **corporate society** and only for authorised purposes.

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

## Casinos

Criteria for casinos are set out in detail in Information Sheet 5.

## Facts and figures

### Gambling licences which would fall into “class 3”, July 2000 – June 2001

Housie	725 licences
Other games of chance (e.g. casino evenings)	149*
Lotteries	725*
Prize competitions	149*

*\*But most of these would not now require a licence because they would be below the prize threshold*