

[AS REPORTED FROM THE STATUTES REVISION COMMITTEE]
House of Representatives,

Words struck out by the Statutes Revision Committee are shown in italics within bold round brackets; words inserted are shown underlined with a double rule.

Hon. Mr Götz

GAMING AMENDMENT

ANALYSIS

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A BILL INTITULED

An Act to amend the Gaming Act 1908

BE IT ENACTED by the General Assembly of New Zealand in Parliament assembled, and by the authority of the same, as follows: 5

1. **Short Title**—This Act may be cited as the Gaming Amendment Act 1962, and shall be read together with and deemed part of the Gaming Act 1908* (hereinafter referred to as the principal Act).

PART I 10

NATIONAL LOTTERIES

2. **Interpretation**—In this Part of this Act, unless the context otherwise requires,—

“Board” means the Board of Control established under section 15 of this Act: 15

“Lottery” means a lottery promoted by the Minister under this Part of this Act:

“Minister” means the Minister of Internal Affairs:

“Organiser” means a person appointed by the Minister to conduct any lottery under this Part of this Act: 20

“Secretary” means the Secretary for Internal Affairs.

Promotion of Lotteries

3. **Minister may promote lotteries**—The Minister may from time to time promote lotteries, to be known by such names as he thinks fit. 25

4. **Conduct of lotteries**—(1) Every lottery shall be conducted in such manner as the Minister thinks fit.

(2) Without limiting the powers of the Minister under subsection (1) of this section, the Minister may from time to time determine with respect to any lottery or to lotteries generally— 30

(a) The number of tickets therein:

(b) The price to be charged for tickets:

(c) The number and amounts of the prizes to be distributed: 35

(d) The form of the tickets:

*1957 Reprint, Vol. 5, p 505

Amendments: 1959, No. 65; 1960, No. 63; 1961, No. 82

- (e) The rate of commission or other remuneration to be paid to the organiser or to district agents or to selling agents:
- 5 (f) The bonuses (if any) to be paid to agents selling winning tickets:
- (g) The expenses that may be recovered by the organiser from the proceeds of the sale of tickets:
- 10 (h) The security (if any) to be provided by the organiser to secure the payment of prizes and the payment, in accordance with this Part of this Act, of the profits of the lottery.

Organisers

15 **5. Appointment of organiser**—(1) The Minister shall appoint a person to be the organiser to conduct any lottery or to conduct lotteries generally, subject to such conditions as the Minister thinks fit.

(2) The Minister may at any time revoke the appointment of any organiser.

20 (3) No person shall be deemed to be employed in the service of Her Majesty for the purposes of the Public Service Act 1912 or of the Superannuation Act 1956 by reason of his having been appointed to be an organiser under this section.

25 **6. District agents and selling agents**—(1) Subject to the provisions of section 4 of this Act, district agents and selling agents may from time to time be appointed by the organiser upon such conditions as may be agreed upon.

(2) The commission or other remuneration to which district agents and selling agents are entitled shall be payable by the organiser from the proceeds of the sale of tickets.

30 **7. Organiser may enter into contracts**—The organiser may from time to time enter into contracts for the printing of tickets for any lottery and for advertising any lottery and the results thereof:

35 Provided that the Minister may from time to time fix the maximum amount that may be expended in respect of any such contract or of any class of such contracts.

Drawing of Lotteries

8. Method of drawing—Every lottery shall be drawn in such manner as the Minister directs from time to time.

9. Lottery not to be drawn until all tickets sold—(1) No lottery shall be drawn until all the tickets therein have been sold: 5

Provided that where the Minister is satisfied that any tickets have been lost in transit to a district agent or to a selling agent and have not been sold, he may authorise the drawing of the lottery subject to those tickets being excluded from the draw. 10

(2) When all the tickets in respect of any lottery have been sold (except any tickets to be excluded from the draw under the proviso to subsection (1) of this section), the organiser shall forward a certificate to that effect to the Secretary for Internal Affairs. 15

10. Lottery to be drawn under supervision of Department of Internal Affairs and Police—Every lottery shall be drawn under the supervision of an officer of the Department of Internal Affairs and a member of the Police. 20

11. Drawings to be open to public—The drawing of every lottery shall be open to the public, and the time and place thereof shall be advertised by the organiser in such manner as the Minister directs from time to time.

12. Official result—(1) The officer of the Department of Internal Affairs under whose supervision any lottery is drawn shall immediately after the drawing supply to the organiser a certified statement setting out the result of the drawing of the lottery. 25

(2) That statement shall be deemed to be the official result of the drawing, and prizes shall be paid by the organiser in accordance therewith. 30

(3) The official result of the drawing of every lottery shall be advertised by the organiser in such manner as the Minister directs from time to time. 35

13. Statements as to lotteries drawn and banking of profits—(1) The organiser shall—

(a) Whenever required to do so by the Secretary, furnish to the Secretary such statements, returns, and accounts with respect to any lottery drawn as the Secretary requires: 40

(b) As soon as possible after the drawing of any lottery pay into such account opened under section 32 of this Act as the Secretary directs the proceeds of the sale of the tickets in the lottery, after deducting the amount of all prizes payable in respect of that lottery, the amount of any commission or other remuneration payable to the organiser or to district agents or selling agents, all bonuses payable to the sellers of winning tickets, all lottery duty payable by the organiser in respect of the lottery, and all other expenses of conducting the lottery that the organiser is lawfully entitled to recover from those proceeds.

(2) All money paid into any account under paragraph (b) of subsection (1) of this section shall be deemed for the purposes of this Part of this Act to be profits of the lottery, and shall be dealt with accordingly.

14. Unclaimed prizes—If no person establishes his claim to any prize to the satisfaction of the organiser before the expiration of six months after the result of the drawing of the lottery is advertised, the organiser shall, at the expiration of that period, pay the amount of the prize into such account opened under section 32 of this Act as the Secretary directs, and that amount shall be dealt with as if it were part of the profits of the lottery:

Provided that the Minister, in his discretion, may at any time after the expiration of the said period of six months, authorise payment of the amount of that prize out of the undistributed profits of lotteries to any person who satisfies the Minister that he is entitled thereto.

Board of Control

15. Board of Control—(1) For the purposes of this Part of this Act there shall be a Board of Control consisting of:

- (a) The Minister, who shall be Chairman:
- (b) The Prime Minister:
- (c) The Member of the House of Representatives who is for the time being Leader of the Official Opposition:
- (d) Three persons appointed by the Governor-General in Council.

(2) In the absence of the Prime Minister from any meeting he may appoint any Minister of the Crown to attend that meeting in his stead.

(3) In the absence of the Leader of the Official Opposition from any meeting he may appoint any Member of Parliament to attend that meeting in his stead. 5

(4) Any person who attends any meeting of the Board pursuant to this section shall for the purposes of that meeting be deemed to be a member of the Board.

16. Terms of office of appointed members—(1) Except as otherwise provided by this Part of this Act, every member of the Board appointed under paragraph (d) of section 15 of this Act shall be appointed for a term of three years but may from time to time be reappointed. 10

(2) Notwithstanding anything to the contrary in this section every appointed member of the Board, unless he sooner vacates his office under section 17 of this Act, shall continue in office until his successor comes into office. 15

17. Extraordinary vacancies—(1) Any appointed member of the Board may at any time be removed from office by the Governor-General for disability, bankruptcy, neglect of duty, or misconduct proved to the satisfaction of the Governor-General or may at any time resign his office by written notice given to the Minister. 20

(2) If any appointed member of the Board dies, or resigns, or is removed from office, his office shall become vacant and the vacancy shall be deemed to be an extraordinary vacancy. 25

(3) An extraordinary vacancy shall be filled by the appointment of a person in the same manner as the appointment of the vacating member. 30

(4) Every person appointed to fill an extraordinary vacancy shall be appointed for the residue of the term for which the vacating member was appointed.

(5) The powers of the Board shall not be affected by any vacancy in the membership thereof. 35

18. Meetings of the Board—(1) The first meeting of the Board shall be held on a day to be appointed in that behalf by the Minister.

(2) Subsequent meetings of the Board shall be held at such times and places as the Board from time to time appoints. 40

(3) The Chairman of the Board, or any two members thereof, may at any time call a special meeting of the Board.

(4) At all meetings of the Board the quorum necessary for the transaction of business shall be four members.

5 (5) The Chairman shall preside at all meetings of the Board at which he is present.

(6) In the absence of the Chairman from any meeting, the members present shall elect one of their number to preside at that meeting.

10 (7) All questions arising at any meeting of the Board shall be decided by a majority of the valid votes recorded thereon.

(8) At any meeting of the Board the Chairman or other person presiding shall have a deliberative vote and, in the case of an equality of votes, shall also have a casting vote.

15 (9) A resolution in writing signed or assented to by letter or telegram by all members of the Board shall be as valid and effectual as if it had been passed at a meeting of the Board duly called and constituted.

20 (10) Subject to the provisions of this Part of this Act and of any regulations thereunder the Board may regulate its procedure in such manner as it thinks fit.

19. Functions of Board—(1) The general functions of the Board shall be to determine the proportions in which the profits of lotteries shall be allocated for distribution in accordance with this Part of this Act.

25 (2) The Board shall have such other functions and powers as are conferred on it by this Act.

20. Allocations by Board—(1) As soon as practicable after the commencement of this Act, and thereafter from time to time as required by the Board, the Secretary shall cause to be prepared and forwarded to the Board a statement showing—

(a) The amount of profits arising from lotteries and in hand at the date of the statement:

35 (b) An estimate of the amount of profits arising from lotteries expected to be derived during the period specified by the Board:

(c) An estimate of any costs of administration payable under this Part of this Act during that period.

40 (2) The Board, after considering any statement forwarded to it under subsection (1) of this section, shall notify each (*Grants Committee*) Distribution Committee in writing of the amount which will be available for distribution by that Committee during the period referred to in the notification.

(3) The Board shall also from time to time notify the Minister of any amount allocated for distribution under section 22 of this Act.

(4) A copy of any notification under this section shall be forwarded to the Secretary. 5

(5) Any determination of the Board under this section or under section 22 of this Act may from time to time, by a subsequent resolution, be varied or revoked, and the Board shall notify each (*Grants Committee*) Distribution Committee concerned or, as the case may be, the Minister, of the subsequent resolution. 10

Distribution of Profits of Lotteries

21. Distribution of profits—(1) The profits of lotteries shall be distributed for charitable, philanthropic, or cultural purposes or for other purposes beneficial to the community and, except as otherwise provided by this Act, for no other purpose. 15

(2) The profits of lotteries shall—

- (a) Be expended in accordance with the determinations of (*Grants Committees*) Distribution Committees; or
- (b) Be paid into a reserve account established for the purposes of this Part of this Act; or 20
- (c) Be otherwise expended in accordance with this Part of this Act.

22. Distributions by Minister—The Board from time to time may allocate from profits of lotteries a specified sum of money for distribution by the Minister for purposes referred to in subsection (1) of section 21 of this Act but not allocated for distribution under paragraph (a) or paragraph (b) of subsection (2) of that section, and the Minister may, in accordance with this Part, distribute any such sum accordingly. 30

23. Investment of undistributed profits—(1) Pending their distribution in accordance with the provisions of section 20 of this Act, profits of lotteries paid into any bank account opened under section 32 of this Act may—

- (a) Be paid into the National Provident Fund under an agreement that the National Provident Fund Board will repay that money as provided in the agreement, and that the Board will pay interest, at a rate to be specified in the agreement, on that money in respect of the period from the date of its payment to the Fund to the date of its repayment; or 35 40

(b) Be invested in New Zealand Government securities or on deposit in any bank within the meaning of the Banking Act 1908 or in the Post Office Savings Bank.

5 (2) All interest derived from the payment of any money to the National Provident Fund or from any investment made under subsection (1) of this section shall be deemed to be profits arising from lotteries, and shall be dealt with accordingly.

10 (Grants Committees) Distribution Committees

24. (Grants Committees) Distribution Committees—

(1) For the purposes of this Part of this Act, there shall be appointed such number of (Grants Committees) Distribution Committees as the Governor-General in Council thinks fit.

15 (2) Each (Grants Committee) Distribution Committee shall consist of such number of persons (being not less than three nor more than five) as the Governor-General in Council thinks fit.

20 (3) Without limiting the generality of subsection (1) of this section, a (Grants Committee) Distribution Committee may be appointed in respect of the distribution of profits of lotteries for any of the following purposes:

(a) The welfare of aged persons:

25 (b) The provision of social amenities and the promotion of social welfare:

(c) The provision of recreational facilities and the encouragement of beneficial activities by young people:

30 (d) The encouragement of all types of cultural and artistic activities:

(e) The promotion of medical research:

(f) The promotion of scientific research:

(g) Such other purposes as may from time to time be prescribed by regulations under this Act.

35 (4) The Governor-General may from time to time, by Order in Council, vary the purposes in respect of which any (Grants Committee) Distribution Committee has been appointed.

40 (5) The members of each (Grants Committee) Distribution Committee shall be appointed by the Governor-General in Council and a member of each Committee shall be appointed as chairman.

25. Terms of office of members of (Grants Committees) Distribution Committees—(1) Except as otherwise provided by this Act every member of a (Grants Committee) Distribution Committee shall be appointed for a term of three years but may from time to time be reappointed. 5

(2) Notwithstanding anything to the contrary in this section, every member of a (Grants Committee) Distribution Committee unless he sooner vacates his office under section 26 of this Act, shall continue in office until his successor comes into office. 10

26. Extraordinary vacancies—(1) Any member of a (Grants Committee) Distribution Committee may at any time be removed from office by the Governor-General for disability, bankruptcy, neglect of duty, or misconduct, proved to the satisfaction of the Governor-General or may at any time resign his office by written notice given to the Minister. 15

(2) If any member of a (Grants Committee) Distribution Committee dies or resigns or is removed from office his office shall become vacant and the vacancy shall be deemed to be an extraordinary vacancy. 20

(3) An extraordinary vacancy shall be filled by the appointment of a person in the same manner as the appointment of the vacating member.

(4) Every person appointed to fill an extraordinary vacancy shall be appointed for the residue of the term for which the vacating member was appointed. 25

(5) The powers of a (Grants Committee) Distribution Committee shall not be affected by any vacancy in the membership thereof.

27. Meetings of (Grants Committees) Distribution Committees—Meetings of a (Grants Committee) Distribution Committee shall be held at such times and places as the committee from time to time appoints. 30

(2) The Chairman of a (Grants Committee) Distribution Committee or any two members thereof may at any time call a special meeting of the committee. 35

(3) At all meetings of a **(Grants Committee) Distribution Committee** the quorum necessary for the transaction of business shall be a number of members not less than half of the membership thereof.

5 (4) The Chairman shall preside at all meetings of a **(Grants Committee) Distribution Committee** at which he is present.

(5) In the absence of the Chairman the members present shall elect one of their number to preside at that meeting.

10 (6) All questions arising at any meeting of a **(Grants Committee) Distribution Committee** shall be decided by a majority of the valid votes recorded thereon.

(7) At any meeting of a **(Grants Committee) Distribution Committee** the Chairman or other person presiding shall have a deliberative vote and, in the case of an equality of votes, 15 shall also have a casting vote.

(8) A resolution in writing signed or assented to by letter or telegram by all members of a **(Grants Committee) Distribution Committee** shall be as valid and effectual as if it had 20 been passed at a meeting of the committee duly called and constituted.

(9) Subject to the provisions of this Part of this Act and of any regulations thereunder, the committee may regulate its procedure in such manner as it thinks fit.

28. Functions of (Grants Committees) Distribution Committees—(1) The functions of each **(Grants Committee) Distribution Committee** shall be— 25

(a) To approve for distribution in accordance with this Part of this Act such of the undistributed profits of lotteries as are available to it for distribution:

30 (b) To exercise such other functions as may be conferred on it by this Part of this Act or as may be prescribed by regulations under this Act.

(2) In the exercise of its functions and powers, every **(Grants Committee) Distribution Committee** shall have 35 regard to the general policy of the Board with respect to the distribution of profits of lotteries and shall comply with any general directions of the Board in respect of that policy.

29. Applications for assistance—(1) All applications for assistance from profits of lotteries shall be forwarded to the secretary of the Board who shall refer each application to the appropriate (*Grants Committee*) Distribution Committee or, if there is no appropriate (*Grants Committee*) Distribution Committee, to the Minister. 5

(2) On receipt of any application forwarded as aforesaid, the (*Grants Committee*) Distribution Committee or, as the case may be, the Minister, having regard to the amount available for distribution and to all relevant matters, shall determine— 10

(a) Whether or not the application should be granted; and if so

(b) The amount which should be granted— and shall notify the Secretary of any such determination. 15

(3) Any grant by a (*Grants Committee*) Distribution Committee or the Minister may be subject to such terms and conditions not inconsistent with this Act as the Committee or, as the case may be, the Minister, thinks fit.

30. Payments of grants—On receipt of any determination of a (*Grants Committee*) Distribution Committee or of the Minister under section 29 of this Act approving a grant, the Secretary shall cause the amount of the grant to be paid in accordance with the terms of the approval and shall notify the person to whom the grant is made of any terms or conditions attached to the grant. 25

31. Subsidies and loans—(1) Subject to any general directions of the Board, any (*Grants Committee*) Distribution Committee may, in addition to approving a grant under section 29 of this Act, approve— 30

(a) The payment of subsidies; or

(b) The making of loans with or without security and at such rates of interest or free of interest as the Committee determines, to local authorities within the meaning of the Local Authorities Loans Act 1956 or to organisations of a kind approved from time to time by the Board, subject, in the case of loans to any such local authorities, to the provisions of that Act. 35

(2) The Secretary, on being notified of any approval under subsection (1) of this section, shall, in accordance with the terms of the approval—

(a) Pay any subsidy referred to in the approval:

5 (b) Make any loan referred to in the approval.

(3) Any payment made under subsection (2) of this section may be made subject to such terms and conditions as the (Grants Committee) Distribution Committee thinks fit.

10 (4) For the purposes of this section, any (Grants Committee) Distribution Committee may establish any endowment or create any trust upon such terms and conditions and having such objects as the Committee thinks fit, and may appoint trustees thereof.

15 (5) All interest paid in respect of loans made under this section and money received in repayment of any such loans shall be deemed to be profits arising from lotteries and shall be dealt with accordingly.

Miscellaneous Provisions

20 **32. Banking of money**—(1) For the purposes of this Act, the Secretary shall open in any bank within the meaning of the Banking Act 1908 one or more accounts under such names as he thinks fit.

25 (2) Each such account shall be operated on only by cheque signed by any two officers of the Department of Internal Affairs authorised from time to time by the Secretary for that purpose.

30 **33. Appointment of officers**—(1) There shall be appointed in accordance with the Public Service Act 1912 a secretary of the Board and such other officers as may be necessary for the administration of this Part of this Act.

(2) Any officer of the Public Service may be appointed under this section notwithstanding that he holds any other office in the Public Service, and any such officer may hold office under this section in conjunction with any other office
35 in the Public Service.

34. Fees and travelling allowances—(1) The Board and every (Grants Committee) Distribution Committee are hereby declared to be statutory Boards within the meaning of the Fees and Travelling Allowances Act 1951.

(2) There may be paid to the appointed members of the Board and to the members of any (*Grants Committee*) Distribution Committee remuneration by way of fees, salary, or allowances, and travelling allowances and expenses in accordance with the Fees and Travelling Allowances Act 1951, and the provisions of that Act shall apply accordingly. 5

(3) Any money payable under this section shall be paid from the profits of lotteries.

35. Miscellaneous expenditure—There may from time to time be paid out of the undistributed profits of lotteries such amounts as the Minister approves— 10

- (a) For the purpose of acquiring equipment for drawing lotteries and maintaining, testing, and checking any such equipment, whether the equipment was acquired before or after the passing of this Act: 15
- (b) For any other purpose in connection with the conduct of lotteries and the management, investment, and distribution of the profits thereof, and the administration of this Act.

36. Audit of organiser's accounts—(1) The accounts of every organiser in relation to lotteries conducted by him shall be subject to the audit of an auditor appointed by the Minister. 20

(2) No person shall be qualified for appointment as an auditor under this section unless he is a public accountant within the meaning of the New Zealand Society of Accountants Act 1958. 25

37. Accounts of profits to be kept and audited—The Secretary shall keep proper accounts with respect to the profits of lotteries, and those accounts shall be audited by the Audit Office, which for that purpose shall have all such powers as it has under the Public Revenues Act 1953 in respect of public money and public stores and the audit of local authorities' accounts. A copy of the accounts shall be supplied to the Board. 30 35

38. Application of this Part to profits of former lotteries—This Part of this Act shall apply with respect to—

- (a) All profits undistributed at the passing of this Act derived from any lottery known as a "Golden Kiwi" lottery drawn before the passing of this Act, and to all profits derived from any such lottery promoted before the passing of this Act and drawn after the passing of this Act; and 40

- (b) All money which at the passing of this Act is held by or on behalf of the Minister and was derived from any other lottery or art union drawn before the passing of this Act; and
- 5 (c) All unclaimed prizes in any such lotteries or art unions,—
as if those lotteries or art unions had been promoted under this Part of this Act.

39. Reports and accounts to be laid before Parliament—

- 10 (1) As soon as may be reasonably practicable after the end of each financial year the Board shall furnish to the Minister a report of its operations and the operations of each (*Grants Committee*) Distribution Committee for that year, together with a copy of the accounts of the Secretary supplied under
- 15 section 37 of this Act.

(2) A copy of the aforesaid reports and accounts shall be laid before Parliament after their receipt by the Minister if Parliament is then sitting, and otherwise within twenty-eight days after Parliament reassembles.

- 20 **40. Members not personally liable—**No member of the Board or of a (*Grants Committee*) Distribution Committee shall be personally liable for any act or default done or made by the Board or a (*Grants Committee*) Distribution Committee or by any member thereof in good faith in the course
- 25 of the operations of the Board or the (*Grants Committee*) Distribution Committee.

41. Offences—Every person commits an offence, and is liable on summary conviction to a fine not exceeding fifty pounds, who—

- 30 (a) Not being a duly appointed selling agent, sells or offers for sale any ticket in any lottery; or
- (b) Gives or disposes of or offers to give or dispose of any ticket in any lottery to any person in consideration of that person buying or having bought any goods or services or the right to attend any entertainment;
- 35 or
- (c) By any means advertises that he will receive money for a share in a ticket in any lottery; or
- (d) Prints or publishes any such advertisement.

42. Regulations—The Governor-General may from time to time, by Order in Council, make regulations for all or any of the following purposes:

- (a) Providing safeguards against fraudulent or improper practices in respect of lotteries or tickets therein or the drawing thereof or against the trafficking in lottery tickets: 5
- (b) Prescribing conditions governing the sale of tickets in lotteries:
- (c) Prescribing fines not exceeding fifty pounds for a breach of any such regulation: 10
- (d) Generally providing for such matters as are contemplated by or necessary for giving full effect to this Part of this Act and for the due administration thereof. 15

43. Lottery duty—Section 172 of the Stamp Duties Act 1954 is hereby amended by inserting, after subsection (1), the following subsection:

“(1A) This section applies to lotteries to which Part I of the Gaming Amendment Act 1962 applies as if a licence in respect of that lottery had been granted to the organiser under section 42 of the Gaming Act 1908.” 20

44. Provisions of principal Act not to apply—Nothing in the principal Act shall apply with respect to any lottery to which this Part of this Act applies. 25

PART II

INVESTMENTS ON TOTALISATOR

45. Refund of investments on totalisator—Section 4 of the Gaming Amendment Act 1924 is hereby amended by omitting the words “totalisator is closed for that race”, and substituting the words “start of that race”. 30