

GAMING AND LOTTERIES AMENDMENT BILL (NO. 3)

AS REPORTED FROM THE FINANCE AND EXPENDITURE
COMMITTEE

COMMENTARY

Recommendation

The Finance and Expenditure Committee has examined the Gaming and Lotteries Amendment Bill (No. 3) and recommends that it be passed with the amendments shown in the bill.

Conduct of the examination

The Gaming and Lotteries Amendment Bill (No. 3) was referred after second reading to the Finance and Expenditure Committee on 20 June 1996. The closing date for submissions was 18 July 1996. We received and considered eight submissions from various sectors of the gaming industry, providers of problem gambling services, the Legislation Advisory Committee and interested religious groups and individuals. Four submissions were heard orally. Two hours and 23 minutes were spent on the hearing of evidence and consideration took 21 minutes.

Advice was received from the Department of Internal Affairs. Parliamentary Counsel was Margaret Nixon.

This commentary sets out the details of our consideration of the bill and of the major issues we addressed.

Background

The bill provides for a mandatory levy on non-casino gaming machine operators to fund problem gambling services. The legislation also provides for the approval by the Minister of Internal Affairs (the Minister) of a problem gambling committee to which the funds collected by way of the levy are to be paid.

Government policy towards the provision of problem gambling services specifies that:

- The gaming industry should meet the costs of problem gambling services.
- The gaming industry and the major providers of problem gambling services should work together to address problem gambling issues.

- Purchase and auditing of problem gambling services should be based on information provided independently from the group that collects and determines the total contribution.
- So far as possible the arrangement should be on a voluntary basis.

An agreement to provide problem gambling services has been developed by the Committee on Problem Gambling Management (COPGM). This committee is representative of the major gaming industry sector groups and the main providers of problem gambling services.

The agreement provides for funds to be voluntarily contributed by each gaming industry sector towards a total amount which is determined by COPGM annually. Because of the impracticalities of ensuring the collection of the funds from hundreds of independent gaming machine operators, the Gaming Industry of New Zealand Incorporated (GINZ), which represents the gaming machine sector on COPGM, has requested that the Government impose a levy on all gaming machines outside casinos in order to secure an equitable contribution to the agreement.

The objectives of the bill are:

- To allow the Minister to approve a problem gambling committee consisting of representatives of the gaming industry and representatives of problem gambling service providers. The functions of this committee are to provide a forum for discussions between the gaming industry representatives, to advise the Minister in the determination of the levy and to purchase problem gambling services.
- To impose a levy in respect of each non-casino gaming machine licensed in New Zealand which will meet that machine's contribution to the gaming machine sector's total contribution. The total contribution will be set by the problem gambling committee and advised to the Minister each year.

Role of Minister in setting of levy

The Legislation Advisory Committee (LAC) submitted that the bill should be amended in order to provide the Minister with greater discretion to set levies. It suggested that the bill is an unsatisfactory mid-way point between direct government responsibility for problem gamblers and no government responsibility at all. In the LAC's opinion, the Government should consider whether the gaming industry should be solely self-regulating. If it is considered, however, that the State does have a role in ensuring the provision of problem gambling services, the LAC is of the view that any such role should be more substantial than one of simply collecting the monies as determined by the problem gambling committee.

We agree with the LAC that the bill would accord to a greater extent with general principle, and also be considerably simpler, if a greater degree of ministerial discretion were provided. We therefore recommend that the bill be amended in order to allow the Minister discretion in setting the levy. The Minister would only set the levy after taking into account the required contribution from the gaming machine sector, the Department of Internal Affairs' collection costs and the number of gaming machines currently licensed. We also recommend that the Minister be required to inform the problem gambling committee of the proposed amount of the levy, and to give the committee a chance to make written submissions regarding the amount.

The Compulsive Gambling Society (CGS) recommends that the Minister be given the authority to impose levies on other gaming providers from time to time, and that the Minister be authorised to receive top-up funding from the Government to

allow for contingencies. We note, however, that widening the scope of the bill in this manner would be contrary to the Government's policy that the gaming industry, not the Government, provide funding for problem gambling services and that the arrangement be, as far as possible, voluntary.

Accountability of problem gambling committee

We are concerned that the bill grants coercive powers to the problem gambling committee to collect the levy without also instituting a proper accountability framework. Therefore, we requested that the officials investigate methods of making the problem gambling committee more accountable in terms of reporting to the Minister and Parliament. The officials propose enhancing the accountability of the committee by making it directly accountable for maintaining a record of its activities and having audited financial accounts, and by requiring the committee to report annually to the Minister and for the reports to be tabled in Parliament. We are satisfied that such measures would enhance the accountability of the committee so that it meets a minimum standard. Therefore, we recommend that the bill be amended to require the problem gambling committee to prepare annual accounts, subject to independent audit, and an annual report. Furthermore, we recommend that the annual report be provided to the Minister and that the Minister table it in the House.

As an additional safeguard, we recommend that the bill be amended to specify that the problem gambling committee has a duty to use the funds raised by way of the levy primarily for the purchase of problem gambling services and secondly to meet the committee's reasonable costs. Furthermore, we recommend that an amendment be put in place to impose a duty on the committee to ensure that it receives independent advice on the purchase of problem gambling services.

Government funding for treatment services

Several of the submissioners suggested that problem gambling is a mental health issue which should thus be funded by the Government through Vote Health. By not providing such funding, they argue, the Government is abrogating its responsibility for alleviating the social problems resulting from gambling—an activity from which it derives considerable benefit.

The officials advised us that the Government considers that it is inappropriate for treatment services to be funded through Vote Health, as such treatment has not been identified as one of the core services and, therefore, would not have received a high priority. In any case, we were not convinced that problems created within the gaming industry should be paid by the taxpayers at large. It is also thought that such an approach might result in an artificial increase in the demands for treatment. We note that the Government's policy is that problem gambling services should be funded by the gaming industry.

Funding through gaming duties

The view of Sky City Limited, Harrah's Sky City and Harrah's New Zealand (Sky City) is that the gaming industry already pays for the social costs of problem gambling through gaming duties, which, in the case of casinos, are set at four percent of gross profits. According to Sky City, these duties have no parallel in other industries and were originally intended as a contribution to the costs of problem gambling services. The funding of specific problem gambling treatment programmes should not, therefore, be the responsibility of the gaming industry. We note that the Government's view on gaming duties, however, is that they are a contribution to general revenue, and are not collected in order to fund problem gambling services. While we understand the nature of Sky City's objection to the levy, we note that the levy does not directly affect the casinos. Furthermore, we

are of the view that the gaming industry ought to contribute additional funds towards the treatment of problem gamblers over and above the amount paid in gaming duty.

Levy collection costs

GINZ objects to the bill allowing the Department of Internal Affairs to deduct the costs it incurs in collecting the levy before passing the balance on to the problem gambling committee. GINZ recommends that such costs be met by the Government as its contribution to the funding of treatment services. We note, however, that gaming is largely a protected industry whose ability to generate revenue is assured. This being the case, it is not unreasonable to expect the industry to help meet the costs of regulation. Furthermore, the officials pointed out that the department would not be required to act as the collection agent if the gaming machine sector were able to collect the funds itself.

Establishment of problem gambling committee

The bill provides for the approval by the Minister of the problem gambling committee. The submission of Sky City claims that there is no justification for the legislative establishment of the committee. As it is intended that the problem gambling committee receive funds collected by way of a levy, however, we accept that it is necessary that the committee is recognised through legislation in order that accountability provisions can be applied, and so that the legislation can require it to use the funds collected for the specified purpose.

Nature of problem gambling committee

The bill provides for the problem gambling committee to be approved by the Minister after he or she is satisfied that the proposed committee fulfils certain criteria, such as being representative of the gaming industry. The LAC states that, in its opinion, this process is inappropriate. Instead, it suggests that the bill should allow for the appointment of committee members. In our view, however, this proposal would appear to be contrary to the Government's policy that the agreement between the gaming industry members and treatment providers be, as far as possible, voluntary. Such a process of appointment would make the basis of agreement mandatory.

Timing of bill

The submissions of Sky City, the Racing Industry Board and the Totalisator Agency Board (TAB) suggest that the bill be deferred until the Government's review of gaming, which is currently being undertaken, is completed so that the social and economic issues affecting all sectors of the gaming industry can be properly addressed. The COPGM and the CGS both stress, however, that if the bill is not passed at the current sitting of Parliament, there is a risk that funding for problem gambling services may cease. This is because the TAB and the casinos may be reluctant to make their contribution if the gaming machine operators are not obliged to. At a recent meeting of the COPGM it was noted that the agreement to fund \$2 million for the 1996/97 year was in large part reliant on the gaming machine sector's contribution being received for that year. We appreciate the need for urgent action on this matter and, as any legislative changes arising from the review are unlikely before the end of 1997, we consider it would be unacceptable to wait until its completion before addressing the issue of funding for problem gambling services.

KEY TO SYMBOLS USED IN REPRINTED BILL

AS REPORTED FROM A SELECT COMMITTEE

Struck Out (Unanimous)

Subject to this Act,

Text struck out unanimously

New (Unanimous)

Subject to this Act,

Text inserted unanimously

(Subject to this Act,)

Words struck out unanimously

Subject to this Act,

Words inserted unanimously

Hon. Peter Dunne

GAMING AND LOTTERIES AMENDMENT (NO. 3)

ANALYSIS

Title	
1. Short Title	116zh. Application for approval
2. Interpretation	116zi. Minister may require information
3. New heading and Part inserted	116zj. Committee's information subject to privilege
	116zk. Revocation of approval
	116zl. Appointment of commissioner on revocation of approval
	<i>Imposition and Payment of Levy</i>
	116zn. Process for determining levy
	116zo. Societies to pay levies
	116zp. Additional levies
	116zq. Refunds of levies
	116zr. Payment of levy requirement of licence
	116zs. Recovery of levy
	116zt. Status and administration of levy
	116zu. Transitional provision for 1996/97 financial year

A BILL INTITULED

A Bill to amend the Gaming and Lotteries Act 1977

BE IT ENACTED by the Parliament of New Zealand as follows:

- 5 **1. Short Title**—This Act may be cited as the Gaming and Lotteries Amendment Act (No. 3) 1996, and shall be read together with and deemed part of the Gaming and Lotteries Act 1977* (hereinafter referred to as the principal Act).

*R.S. Vol. 33, p. 17

Struck Out (Unanimous)

(2) This Act shall come into force on the 20th day of August 1996.

2. Interpretation—(1) Section 2 (1) of the principal Act is hereby amended by inserting, in their appropriate alphabetical order, the following definitions:

“ ‘Commissioner’ means a commissioner appointed under section 116ZL (1) of this Act: 5

“ ‘Financial year’, in Part VIIA of this Act, means a period of 12 months commencing on the 1st day of July and ending with the 30th day of June:

“ ‘Problem gambling committee’ means the committee for the time being approved by the Minister under section 116ZG of this Act: 10

“ ‘Problem gambling services’ includes services relating to—

“(a) Education about problem gambling:

“(b) The prevention of problem gambling: 15

“(c) Research into problem gambling:

“(d) The treatment of problem gambling:

“(e) The evaluation of providers of problem gambling services:”.

(2) Section 2 (1) of the principal Act is hereby further amended by repealing the definition of the term “society”, and substituting the following definition: 20

“ ‘Society’ means—

“(a) Any corporation sole, association of persons (whether incorporated or not), or local or affiliated branch of any such association, that is established and conducted entirely for any purpose other than a commercial one; and 25

“(b) In Part VIIA of this Act, a society as defined in paragraph (a) of this definition that is licensed under section 8 of this Act to conduct a game of chance involving the use of one or more gaming machines:”.

3. New heading and Part inserted—The principal Act is hereby amended by inserting, after section 116ZE, the following heading and Part: 35

“PART VIIA

“PROBLEM GAMBLING

Struck Out (Unanimous)

“*Functions of Problem Gambling Committee*”

New (Unanimous)

“Functions, Duties, and Status of Problem Gambling Committee

“116ZF. Functions of problem gambling committee—

5 The problem gambling committee shall have the following functions (without limiting any other function that the committee may have):

10 “(a) To provide a forum for discussions between representatives of the gaming industry and representatives of providers of problem gambling services; and

“(b) To give advice to the Minister under **section 116ZN (1)** of this Act; and

“(c) To purchase problem gambling services.

New (Unanimous)

15 **“116ZFA. Duties of problem gambling committee—**The problem gambling committee shall have the following duties:

“**(a)** To use the amount referred to in **section 116ZN (1) (a)** of this Act—

20 “**(i)** Primarily to purchase problem gambling services; and

“**(ii)** Secondly to meet the reasonable administrative costs of the committee; and

25 “**(b)** To ensure that it receives advice on the purchase of problem gambling services from a person who is not a member, an employee of a member, or an employee of the committee; and

“**(c)** To comply with **sections 116ZFB and 116ZI** of this Act.

30 **“116ZFB. Annual accounts and annual report—(1)** The problem gambling committee shall at all times ensure that full and correct records of all its financial transactions, assets, liabilities, and funds are kept.

“**(2)** At the end of each financial year, the problem gambling committee shall prepare the following accounts:

35 “**(a)** An income and expenditure account showing its financial transactions for that year and giving a true and fair view of the income and expenditure for that year; and

New (Unanimous)

- “(b) A balance sheet as at the last day of that year, giving a true and fair view of the state of affairs of the problem gambling committee as at the end of the financial year. 5
- “(3) The problem gambling committee—
- “(a) Shall cause the accounts to be audited; and
- “(b) Shall not appoint as auditor a member, an employee of a member, or an employee of the committee.
- “(4) The problem gambling committee shall, within 3 months after the expiration of each financial year or within such extended period as the Minister may allow,— 10
- “(a) Prepare a report on its proceedings and activities during that financial year; and
- “(b) Annex to the report a copy of the problem gambling committee’s accounts and a copy of the auditor’s report on them; and 15
- “(c) Provide the report and its annexes to the Minister.
- “(5) The Minister shall, as soon as practicable after receipt, lay before Parliament a copy of the report and annexes provided under subsection (4) of this section or section 116ZL (3) (a) of this Act. 20
- “(6) Nothing in this section shall limit the application of the Incorporated Societies Act 1908 to any problem gambling committee registered under that Act. 25
- “116ZFC. **Status of problem gambling committee**—The problem gambling committee—
- “(a) Is a separate legal entity from the Department; and
- “(b) Is neither owned nor controlled by the Crown.

“*Approval of Problem Gambling Committee* 30

- “116ZG. **Approval of problem gambling committee**—(1) Subject to this section, the Minister may from time to time, on application made to the Minister in accordance with section 116ZH of this Act, approve any committee to act as the problem gambling committee for the purposes of this Act. 35
- “(2) An approval under this section shall—
- “(a) Be granted by notice published in the *Gazette*, and shall take effect from the date of publication of such notice or such later date as may be specified in the notice; and 40

“(b) Continue in force until it is revoked under **section 116ZK** of this Act.

“(3) The Minister may grant an approval under this section subject to such conditions as the Minister thinks fit.

5 “(4) The Minister shall not approve a committee under this section unless the Minister is satisfied that—

“(a) The committee includes representatives of the following:

10 “(i) Societies; and

“(ii) Organisations conducting large-scale gaming operations; and

“(iii) Providers of problem gambling services; and

“(iv) Such other individuals or organisations as the Minister thinks fit; and

15 “(b) The committee will act as a forum for discussions between representatives of the gaming industry and representatives of providers of problem gambling services; and

20 “(c) The committee is capable of giving advice to the Minister under **section 116ZN (1)** of this Act; and

25 “(d) The committee is capable of ensuring that every sector of the gaming industry represented on the committee, other than societies, provides an appropriate amount towards the amount referred to in **section 116ZN (1) (a)** of this Act.

Struck Out (Unanimous)

30 “(e) The committee will use the amount referred to in **section 116ZN (1) (a)** of this Act—

“(i) Primarily to purchase problem gambling services; and

“(ii) Secondly to meet the reasonable administrative costs of the committee; and

35 “(f) The committee will ensure that it receives advice on the purchase of problem gambling services from a person who is not a member, an employee of a member, or an employee of the committee; and

“(g) The committee will ensure—

40 “(i) That full and correct records of all its financial transactions, assets, liabilities, and funds are kept at all times; and

Struck Out (Unanimous)

“(ii) That the committee’s accounts are audited by a person who is not a member, an employee of a member, or an employee of the committee.

“(5) The Minister shall not decline an application for approval under this section without first— 5

“(a) Giving the applicant a copy of any information on which the Minister relies in proposing to decline the application; and

“(b) Giving the applicant a reasonable opportunity to make written submissions to the Minister in relation to that information; and 10

“(c) Taking into account any submissions made under paragraph (b) of this subsection.

“116ZH. **Application for approval**—(1) An application for approval as the problem gambling committee under **section 116ZG** of this Act shall— 15

“(a) Include a list of the members of the committee seeking approval; and

“(b) Address each of the matters specified in **section 116ZFA** and **section 116ZG (4)** of this Act. 20

“(2) The Minister may, for the purposes of deciding whether or not to grant an approval under **section 116ZG** of this Act, require any committee that applies for an approval to furnish to the Minister such further information as the Minister requires relating to any of the matters specified in **section 116ZFA** and **section 116ZG (4)** of this Act. 25

“116ZI. **Minister may require information**—The Minister may, at any time, require the problem gambling committee— 30

“(a) To furnish to the Minister such information as the Minister requires concerning its financial transactions, assets, liabilities, and funds:

“(b) To furnish to the Minister, for the purposes of enabling the Minister to decide whether or not to revoke an approval granted under **section 116ZG** of this Act, such information as the Minister requires relating to any of the matters specified in **section 116ZK (1)** of this Act. 35

“116ZJ. **Committee’s information subject to privilege—**
Where—

“(a) A committee is required to furnish information to the
Minister under **section 116ZH (2)** of this Act; or

5 “(b) The problem gambling committee is required to furnish
information to the Minister under **section 116ZI** of this
Act,—

the committee or the problem gambling committee, as the
case may be, shall furnish the information but shall not be
10 obliged to furnish any information that would be subject to
privilege in a court of law.

“116ZK. **Revocation of approval—**(1) Subject to
subsection (2) of this section, the Minister may at any time, by
notice in writing published in the *Gazette*, revoke an approval
15 granted under **section 116ZG** of this Act if the Minister is satisfied
that the problem gambling committee—

“(a) No longer meets all of the requirements for approval
specified in **section 116ZG (4)** of this Act; or

20 “(b) Has failed to comply with any condition imposed by the
Minister on that committee’s approval under **section**
116ZG (3) of this Act; or

“(c) Has failed to comply with any (*obligation*) duty imposed
on that committee by or under this Act.

25 “(2) The Minister shall not revoke any approval pursuant to
subsection (1) of this section without first—

“(a) Giving the committee a copy of any information on
which the Minister relies in proposing to revoke the
approval; and

30 “(b) Giving the committee a reasonable opportunity to make
written submissions to the Minister in relation to
that information; and

“(c) Taking into account any submissions made under
paragraph (b) of this subsection.

35 “116ZL. **Appointment of commissioner on revocation**
of approval—(1) Where the Minister revokes an approval
under **section 116ZK** of this Act, the Minister may appoint a
commissioner.

“(2) A commissioner may purchase problem gambling
services in accordance with provisions specified by the Minister
40 in the commissioner’s instrument of appointment.

“(3) A commissioner shall—

Struck Out (Unanimous)

“(a) At all times keep full and correct records of all the commissioner’s financial transactions, assets, liabilities, and funds; and

“(b) Ensure that the commissioner’s accounts are properly audited; and

New (Unanimous)

“(a) Comply with **section 116ZFB** of this Act as if the commissioner were the problem gambling committee; and

“(c) Pay any refund required to be paid under **section 116ZQ (1) (b)** of this Act; and

“(d) Operate and maintain an account for the purposes of **section 116ZT (2)** of this Act, whether the account operated and maintained by the committee whose approval under **section 116ZG** of this Act has last been revoked or another account.

“(4) Where a commissioner operates and maintains, for the purposes of **section 116ZT (2)** of this Act, the account operated and maintained by the committee whose approval under **section 116ZG** of this Act has last been revoked, any thing that, if done by or on behalf of that problem gambling committee, had to be done by the observance of a particular formality may be done by the signature of the commissioner.

“(5) There shall be paid to a commissioner, from the funds of the committee whose approval under **section 116ZG** of this Act has last been revoked, such remuneration as the Minister from time to time determines.

“(6) The Minister may at any time, by notice in the *Gazette*, terminate the appointment of any commissioner, and appoint another.

“(7) If a commissioner—

“(a) Resigns by written notice to the Minister; or

“(b) Dies,—

the Minister may, by notice in the *Gazette*, appoint another.

“(8) A commissioner’s term of office, if not terminated earlier under **subsection (6)** or **subsection (7)** of this section,

terminates when an approval of a problem gambling committee takes effect under **section 116ZG (2) (a)** of this Act.

5 “(9) Where a commissioner’s term of office terminates under **subsection (8)** of this section, any funds held by the commissioner shall be transferred, by virtue of this subsection, to the problem gambling committee.

Struck Out (Unanimous)

“116ZM. **Status of problem gambling committee**—The problem gambling committee—

- 10 “(a) Is a separate legal entity from the Department; and
“ (b) Is neither owned nor controlled by the Crown.

“Imposition and Payment of Levy

15 “116ZN. **Process for determining levy**—(1) No later than the 1st day of June of each year, the problem gambling committee shall advise the Minister of—

- 20 “(a) The amount that the committee has determined shall be provided, in the next financial year, for the purchase of problem gambling services by the committee and for the reasonable administrative costs of the committee; and
“ (b) The amount that societies are required to provide towards the amount referred to in **paragraph (a)** of this subsection.

Struck Out (Unanimous)

25 “(2) On receiving advice under **subsection (1)** of this section, the Minister shall cause the amount of the proposed levy payable in respect of each gaming machine to be calculated as follows:

“ (3) Before making a recommendation under **subsection (4)** of this section, the Minister shall—

- 30 “(a) Inform societies’ representatives on the problem gambling committee of the amount of the proposed levy calculated under **subsection (2)** of this section; and
“ (b) Give those representatives a reasonable opportunity to make written submissions to the Minister in relation
35 to the amount of the levy; and

Struck Out (Unanimous)

“(c) Cause the amount of the levy to be calculated taking into account any submissions made under paragraph (b) of this subsection.

New (Unanimous)

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“(2) The Minister shall not make a recommendation under subsection (4) of this section concerning the amount of the levy to be imposed on every society in respect of each gaming machine subject to its licence without first taking into account—

10

“(a) The amount referred to in subsection (1) (b) of this section; and

“(b) Any costs reasonably likely to be incurred by the Department in collecting the levies; and

“(c) The total number of gaming machines subject to licences issued or renewed under section 8 of this Act at the time at which the recommendation is made.

15

“(3) Before making a recommendation under subsection (4) of this section, the Minister shall—

20

“(a) Inform the problem gambling committee of the proposed amount of the levy; and

“(b) Give the committee a reasonable opportunity to make written submissions to the Minister in relation to the amount of the levy.

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“(4) The Governor-General may from time to time, on the recommendation of the Minister, by Order in Council, make regulations for all or any of the following purposes:

“(a) Imposing on every society a levy in respect of each gaming machine subject to its licence:

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“(b) Specifying the time at which the levy is due and payable, which time may be different for different categories of societies.

“116ZO. **Societies to pay levies**—Every society shall pay the prescribed levy in respect of each gaming machine subject to its licence.

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“116ZP. **Additional levies**—(1) In any case where—

“(a) A licence for the conduct of games of chance involving the use of one or more gaming machines has been issued or renewed for a specified period of time; and

5 “(b) Within the specified period of time the licence is amended so as to increase the number of gaming machines subject to the licence,—

an additional levy, of an amount calculated in accordance with subsection (2) of this section, shall be payable, in respect of each
10 additional machine, by the holder of the licence.

“(2) Every additional levy payable under subsection (1) of this section shall be calculated as follows:

$$\frac{a}{b} \times c$$

where—

15 a is the number of whole months of the specified period of the licence that remains unexpired at the time of the increase in the number of gaming machines subject to the licence; and

20 b is the specified period of the licence expressed in whole months; and

c is the prescribed levy.

“116ZQ. **Refunds of levies**—(1) Every refund payable under this section shall be paid—

25 “(a) By the Department, from the Trust Bank Account referred to in section 116ZT (1) (b) of this Act; or

“(b) By the problem gambling committee, if there are insufficient funds in the Trust Bank Account to pay the refund.

30 “(2) Where any society has paid a levy in error, the levy so paid shall be refunded.

“(3) Where any society has paid a levy in excess of the amount properly payable, the excess amount so paid shall be refunded.

“(4) In any case where—

35 “(a) A licence for the conduct of games of chance involving the use of one or more gaming machines has been issued or renewed for a specified period of time; and

40 “(b) Within the specified period of time the licence is amended so as to reduce the number of gaming machines subject to the licence,—

an amount calculated in accordance with **subsection (5)** of this section shall be refunded, in respect of each gaming machine no longer subject to the licence.

“(5) Every refund under **subsection (4)** of this section shall be calculated as follows:

5

$$\frac{a}{b} \times c$$

where—

- a is the number of whole months of the specified period of the licence that remains unexpired at the time of the reduction in the number of gaming machines subject to the licence; and 10
- b is the specified period of the licence expressed in whole months; and
- c is the prescribed levy.

“(6) In any case where— 15

“(a) A licence for the conduct of games of chance involving the use of one or more gaming machines is renewed for a specified period of time; and

“(b) The licence is renewed so as to increase the number of gaming machines subject to the licence; and 20

“(c) The date on which the renewed licence is expressed to come into force is earlier than the date at which the renewed licence is dated,—

an amount calculated in accordance with **subsection (7)** of this section shall be refunded, in respect of each additional gaming machine. 25

“(7) Every refund under **subsection (6)** of this section shall be calculated as follows:

$$\frac{a}{b} \times c$$

where— 30

- a is the period between the date on which the renewed licence is expressed to come into force and the date at which the renewed licence is dated, expressed in whole months; and
- b is the specified period of the licence expressed in whole months; and 35
- c is the prescribed levy.

“116ZR. **Payment of levy requirement of licence**—(1) No licence shall be issued or renewed under section 8 of this Act unless the society pays the prescribed levy in respect of each gaming machine subject to the licence. 40

“(2) No licence issued or renewed under section 8 of this Act shall be amended so as to increase the number of gaming machines subject to the licence unless the society pays the additional levy payable under **section 116ZP** of this Act.

5 “116ZS. **Recovery of levy**—Every levy and additional levy payable under this Part of this Act shall be recoverable in any court of competent jurisdiction as a debt due to the Crown.

“116ZT. **Status and administration of levy**—(1) Every levy and additional levy paid under this Part of this Act—

10 “(a) Shall be deemed to be trust money for the purposes of the Public Finance Act 1989, and every provision of that Act that relates to trust money shall apply to the levy accordingly with any necessary modifications; and

15 “(b) Shall be lodged in a Trust Bank Account operated and maintained by the Department for the purpose; and

“ (c) Shall have deducted from it, in accordance with any terms and conditions contained in any directions given under section 67 (3) of the Public Finance Act 1989, the costs reasonably incurred by the Department in collecting it.

20 “(2) No less frequently than quarterly the Department shall transfer the contents of the Trust Bank Account referred to in **subsection (1) (b)** of this section to an account operated and maintained by the problem gambling committee.

25 “116ZU. **Transitional provision for 1996/97 financial year**—(1) Notwithstanding anything in this Part of this Act but subject to the provisions of this section, the Governor-General may from time to time, on the recommendation of the Minister, by Order in Council, make regulations for all or any of the following purposes:

“ (a) Imposing on every society a levy in respect of each gaming machine subject to its licence:

35 “(b) Specifying the time at which the levy is due and payable, which time may be different for different categories of societies.

“ (2) The Minister shall not make a recommendation under **subsection (1)** of this section without first consulting such individuals and organisations as the Minister thinks fit.

40 “(3) For the purposes of **subsection (2)** of this section, the Minister may, at the Minister’s discretion, consult representatives of the following:

“ (a) Societies; and

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“(b) Organisations conducting large-scale gaming operations;
and

“(c) Providers of problem gambling services.

“(4) No regulations may be made under this section after the
31st day of December 1996.”

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