

# House of Representatives

# Supplementary Order Paper

**Tuesday, 30 June 2015**

## **Gambling Amendment Bill (No 3)**

### *Proposed amendments*

Clayton Mitchell, in Committee, to move the following amendments:

#### *Clause 6*

Replace *clause 6* (page 6, lines 6 to 14) with:

**6 Section 30 amended (Meaning of class 4 gambling)**

Delete section 30(b).

#### *New clause 6AA*

After *clause 6* (page 6, after line 14), insert:

**6AA New section 30A inserted (Commission payable to class 4 gambling venue operator)**

After section 30, insert:

**30A Commission payable to class 4 gambling venue operator**

Notwithstanding any other provisions in this Act, any class 4 gambling venue operator (holding an appropriate operator's licence) will be entitled to a commission at a rate of 1.5% of gross turnover (as defined by the electronic monitoring system) from all gambling equipment hosted on their premises.

#### *Clause 13*

Replace *clause 13* (page 12, lines 4 to 8) with:

**13 Section 115 deleted (Payment of commission prohibited)**

Delete section 115.

*Clause 18*

In *clause 18*, in *section 371(1)*, delete *new paragraph (dd)* (page 15, line 32 to page 16, line 5).

**Explanatory note**

This Supplementary Order Paper amends *clauses 6, 13, and 18*, and inserts *new clause 6AA*, to allow commissions to be payable to class 4 gambling venue operators.

The Act has a number of requirements that relate to venue costs. The requirements state that the cost of operating gambling machines (including venue payments) must be “actual, reasonable and necessary costs”, in conducting gambling and ensuring legal compliance. The costs must be in proportion to the size of the operation, and should take into account normal market values or prices for the goods and services provided.

The current calculation for site rental payments is cumbersome and confusing. This Supplementary Order Paper is a clean, fair and simple way for calculating site rental payments to operators from societies and for the ease of monitoring by the Department of Internal Affairs.

This Supplementary Order Paper recognises the higher staff and maintenance costs of high turnover venues compared with low turnover venues. It does so by linking rental payments to a commission payment as a percentage of gross turnover.

To allow for commission payments this Supplementary Order Paper deletes *section 30(b)* and *section 115*. It also adds a new *section 30A*, enabling any class 4 operator (holding an appropriate licence) to be entitled to a commission rate of 1.5% of gross turnover from all class 4 gambling equipment hosted on their premises.

This style of operator payments is in line with the TAB and Lotto’s commission-based payments for their venue operators, and therefore this Supplementary Order Paper provides alignment with other gambling site rental payments in New Zealand.