

Limits and Exclusions on Class 4 Venue Costs Notice 17 July 2008

Pursuant to section 116 of the Gambling Act 2003, I, Michael Francis Hill, Director, Gambling Compliance Group, Department of Internal Affairs, acting under authority delegated to me by the Secretary for Internal Affairs, give notice that the following limits and exclusions on the costs that may be incurred by a corporate society that conducts class 4 gambling have been set.

1. This notice applies only to costs (excluding GST) associated with class 4 venues in respect of which a venue agreement is required under the Gambling Act 2003.
2. A corporate society, when incurring costs (excluding GST) associated with class 4 venues, must not incur costs (excluding GST) of:
 - (a) more than \$0.60 per gaming machine per hour of gaming machine operation in Hourly Operating Costs (Limit A);
 - (b) more than \$75.00 per gaming machine per week for Weekly Operating Costs (Limit B);
 - (c) more than \$800.00 per venue per week for Venue Operating Costs (Limit C); and
 - (d) more than 16% of gaming machine profits (as defined in section 104 of the Gambling Act 2003, but excluding GST), in any 12 month period (Limit D).
3. A corporate society, when incurring costs associated with a class 4 venue, must not:
 - (a) incur costs that are not Hourly Operating Costs, Weekly Operating Costs or Venue Operating Costs;
 - (b) incur costs that are Hourly Operating Costs, Weekly Operating Costs or Venue Operating Costs for services performed at class 4 venues in the operation of class 4 gambling except for those made within the limits set out in (2)(a)–(d);
 - (c) reimburse costs of a venue operator that the venue operator is not liable for under the venue agreement or that are not actually incurred by the venue operator; or
 - (d) incur the same cost simultaneously in more than one of the categories specified in (2)(a)–(c).
4. For the purposes of this notice:

“Hourly Operating Costs” are:

 - (i) labour costs for the performance of tasks required for the hourly operation of machines;
 - (ii) electricity costs of operating gaming machines; and
 - (iii) fees, for managing the provision of the services specified in (4)(i) and (4)(ii), not exceeding 25% of the sum of (4)(i) and (4)(ii).

“Weekly Operating Costs” are:

 - (iv) labour costs for the performance of tasks required for the weekly management of machines;
 - (v) rent or lease payments for hosting gaming machines;
 - (vi) insurance costs;
 - (vii) interest costs; and
 - (viii) fees, for managing the provision of the services specified in (4)(iv)–(vii), not exceeding 25% of the sum of (4)(iv), (4)(v), (4)(vi) and (4)(vii).

“Venue Operating Costs” are:

 - (ix) labour costs for the performance of tasks required for the weekly provision of a venue;

- (x) security costs;
 - (xi) developments and/or enhancements and/or maintenance of the venue; and
 - (xii) fees, for managing the provision of the services specified in (4)(ix)–(xi), not exceeding 25% of the sum of (4)(ix), (4)(x) and (4)(xi).
5. The limits and exclusions in this notice take effect on 18 July 2008.
 6. The Limits and Exclusions on Class 4 Venue Costs Notice 2 September 2004 (No. 5857)* is revoked.

Dated at Wellington this 15th day of July 2008.

MICHAEL FRANCIS HILL, Director, Gambling Compliance Group, Department of Internal Affairs.

**New Zealand Gazette*, 2 September 2004, No. 111, page 2702
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