New Regulations to Reform the Class 4 Gambling Framework

Portfolio: Internal Affairs

On 16 April 2014, the Cabinet Economic Growth and Infrastructure Committee:

1 noted that on 16 September 2013, Cabinet agreed to public consultation on:
   1.1 increasing the minimum rate of return to authorised purposes;
   1.2 increasing the proportion of proceeds distributed back to the community that generated them;
   1.3 increasing the transparency of grant-making decisions;
   1.4 reducing compliance costs arising from compensation paid to Class 4 venues by Class 4 societies;

   [CAB Min (13) 32/8]

2 noted that public consultation ran from 24 September to 25 October 2013, and that 114 substantive submissions were received;

3 agreed that the regulated minimum rate of return contained in the Gambling (Class 4 Net Proceeds) Regulations 2004 be increased from 37.12 per cent to:
   3.1 40 per cent of GST-exclusive gross proceeds in the first financial year after the regulations come into force;
   3.2 41 per cent of GST-exclusive gross proceeds in the third financial year after the regulations come into force;
   3.3 42 per cent of GST-exclusive gross proceeds in the fifth financial year after the regulations come into force;

4 agreed that regulations be made to require a proportion of net proceeds to be distributed in the same local area that generated them, with:
   4.1 "local" area defined as the regional council area;
   4.2 the proportion distributed locally to be set at 80 per cent of net proceeds;
agreed in principle to the further development of new publication requirements for societies to increase the transparency of grant decision-making, subject to the passage of the Gambling Amendment Bill No 3;

agreed in principle to the development of a commission-based payment scheme, subject to the passage of the Gambling Amendment Bill No 3;

noted that the Gambling Amendment Bill No 3 has a category 2 priority (to be passed in 2014) on the 2014 Legislation Programme;

invited the Minister of Internal Affairs to issue drafting instructions for new regulations to give effect to paragraphs 3 and 4 above;

noted that the Minister of Internal Affairs intends to issue a media release to publicise the proposed regulatory reforms.

Present:
Hon Bill English (Chair)
Hon Gerry Brownlee
Hon Steven Joyce
Hon Tim Groser
Hon Craig Foss
Hon Michael Woodhouse
Hon Maurice Williamson
Hon Todd McClay
Hon Peseta Sam Lotu-Iiga
Hon Peter Dunne

Officials present from:
Office of the Prime Minister
Officials Committee for EGI

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