CLASS 4 GAMBLING

Current issues/perceptions
* Societies and DIA are frustrated with the current system
* Framework has high compliance costs that detract from community benefit objective
* Heightened awareness of gambling-related harm, particularly with reference to pokies
* Difficult to prosecute breaches, compliance is complex, and delayed consequences for societies that breach the law e.g. by not returning 37.12% of proceeds to authorised purposes

Statistics
* $2,068 m in gambling expenditure in 2012 (TAB, Lotteries, casinos and Class 4 gambling)
* $648 m distributed to community purposes
* 14,108 gaming machines run by 49 non-club societies (out of a total of 17,827 machines run by all 361 societies)
* 5,005 substantive submissions on the Flavell Bill - 41.8% supportive, 42.6% opposed
* 76.7% of all 33,372 submissions opposed the Flavell Bill

Previous Commitments
1. Election policy 2011: review the operation of the Gambling Act 2003, particularly with respect to Class 4 gambling. If strong evidence emerges, we will consider changes.
2. Support Flavell Bill to Select Committee.

Goals
* Increase proportion community receives
* Simplify compliance for societies, venues and DIA
* Develop a way for gambling proceeds to be generally distributed in the area raised
* Enhance protections for problem gamblers

Gambling (Gambling Harm Reduction) Amendment Bill

Key proposals
1. Require territorial authorities to take over distribution of proceeds
2. Require territorial authorities to take public sentiment and harm into account, and enable territorial authorities to remove venues
3. Distribute 80% of proceeds to territorial authority district/council ward where raised
4. Allow harm minimisation devices to be required in gaming machines
5. Remove racing as an authorised purpose

What can we support?
* Disagree - but possible future changes to improve transparency
* Disagree - but could review territorial authority role in gambling regulation
* Partially agree - Bill could be amended to create regulation-making power to introduce changes in future if desirable
* Partially agree - keep racing as an authorised purpose, but not stake money

Other issues

Possible amendments to regulations and/or new Gambling Amendment Bill
* Rate of return - the percentage societies are required to give through grants could be raised from 37.12% minimum (current return rates range from 30.59% to 62.90%)
* Compliance costs - venue payment scheme based on complex model. Commission-based system would reduce compliance for DIA, venues, and gaming societies, enabling greater % to be returned to communities
* Transparency - funding grants are not always transparent and there are potential and real conflicts of interest

Class 1, 2 and 3 gambling - spot prizes can be defined as gambling. Prize limits of $500 apply for a commercial operator, and societies require a Class 3 licence if prizes exceed $5,000. Regulatory requirements may be too restrictive for community events.

Options
1. Support Bill if necessary amendments made
2. Do not support Bill in any form
3. Do not support Bill but work with Minor Party on new Gambling Amendment Bill