

Clerk of the Committee
Government Administration Select Committee
Select Committee Office
Parliament Buildings
Wellington

Submission on the Gambling Amendment Bill (No 2)

Introduction

This submission is from Andrea Goble, Chief Executive, The Social Service Waikato Trust.
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We wish to appear before the committee in Hamilton to speak to our submission.

Summary

The Bill contains several small policy amendments and many technical amendments to allow the Act to operate as originally intended.

We do not support the intent of this Bill because we believe that more significant legislative reforms are needed to allow the Act to achieve its purposes of:

- Controlling the growth of gambling
- Preventing and minimising the harm caused by gambling especially problem gambling
- Authorising some gambling and prohibiting the rest
- Facilitating responsible gambling
- Ensuring the integrity and fairness of games
- Limiting opportunities for crime and dishonesty associated with gambling
- Ensuring that money from gambling benefits the community
- Facilitating community involvement in decisions about the provision of gambling and the distribution of profits
- Ensuring casinos no longer have licences to make enormous profits for their private owners

Community participation in decisions regarding supply/licensing arrangements and distribution of profits

There are a number of changes required to the process of granting consent to operate class 4 gambling.

Recommendations

- The loophole in the requirement for Councils to consult the community when reviewing policies needs to be closed.
- Introduction of a time period on class 4 consents.
- All pokie venues should be required to renew their consents regularly.
- Councils should be given the power to place conditions on consents e.g. conditions regarding advertising.

Grant making

The distribution processes for gambling machine funding lack transparency and equity. This is caused partly by the belief that the operation of gaming machines is a business and therefore a vehicle for profit making rather than a concession reliant on providing funding to the community.

The Charities Gaming Association and others seem to feel they are over regulated, over monitored and penalised by these and they believe that operating gaming machines is simply another business concern. The Department of Internal Affairs needs to work with them to help them come to terms with the fact that operating gaming machines is a concession not a right and is entirely dependent on the profits being made available to the community.

The profits from gambling machines are the largest sources of grant making to the community in New Zealand after government contracts and Community Trusts such as ASB Trusts. This makes it vital that the management of the profits and the distribution to the community need to be honest, equitable and transparent.

Historically gambling funding was given mainly to sports and sports clubs. For most gambling trusts that has changed in recent times to a more equitable distribution with social service organisations and education including schools getting up to 30% of the total funding each grant round. Grant making is a difficult task requiring experience, knowledge, skills and community commitment. It does not fit within the ethos of profit making.

Recommendations

1. That schools be adequately funded by government and not have to rely on gambling funds.
2. That gambling trusts place their funds with other funding distribution agencies who have more knowledge and understanding of the community and engage in effective grantmaking practices or, if that is not acceptable, that they take the necessary steps to become more effective grantmakers themselves.
3. That how people get onto gambling trust distribution committees be a public and transparent process and consist of national, local and regional elected members from all sections of the community i.e. community education, community health, welfare and social services, information and advocacy services, environmental organisations, sports, arts and culture. These elected members to be replaced on rotation every three years.
4. That official recognition be given to the fact that social service, community health and welfare agencies are constantly dealing with the effects of problem gambling without the resources required to do so effectively and that more funding be made available to them.
5. That greater support is given to community education organisations that work with the families of problem gamblers, the gamblers themselves and to discouraging people from becoming sucked in to gambling.
6. That the Department acts on the knowledge that gambling machine owners and operators target low socio-economic areas and moves to legislate to reduce the numbers of machines and to ensure the profit that is made in those areas returns to those areas.

Thank you for the opportunity to make this submission.

12 October 2007