



Te Ope Whakaora

## SOCIAL POLICY AND PARLIAMENTARY UNIT

Working for the eradication of poverty in NZ

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### **Gambling Amendment Bill (No 3)** **Government Administration Committee**

#### **The Salvation Army New Zealand Fiji and Tonga Territory Submission**

#### **BACKGROUND**

1. The Salvation Army is an international Christian and social services organisation that has worked in New Zealand for over one hundred and thirty years. The Army provides a wide-range of practical social, community and faith-based services, particularly for those who are suffering, facing injustice or those who have been forgotten and marginalised by mainstream society.
2. We have over 90 Community Ministry centres and Churches (Corps) across the nation, serving local families and communities. We are passionately committed to our communities as we aim to fulfil our mission of caring for people, transforming lives and reforming society through God in Christ by the Holy Spirit's power.<sup>1</sup>
3. This submission has been prepared by the Social Policy and Parliamentary Unit of The Salvation Army. This Unit works towards the eradication of poverty by encouraging policies and practices that strengthen the social framework of New Zealand.
4. This submission has been approved by Commissioner Robert Donaldson, Territorial Commander of The Salvation Army's New Zealand, Fiji and Tonga Territory.

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<sup>1</sup> <http://www.salvationarmy.org.nz/our-community/mission/>

## THE SALVATION ARMY PERSPECTIVE

5. The Salvation Army Addictions Services - Gambling, part of our Salvation Army Addiction and Accommodation Services, is also making a submission to this Bill. Furthermore, our Salvation Army Addictions Service in Tauranga has also made a submission to the Bill. The Social Policy and Parliamentary Unit fully endorse these submissions, particularly as they offer on-the-ground expert advice and information from our addictions staff working front line with people suffering from problem gambling addictions. Additionally, our Addictions Service-Gambling, has been recently and consistently engaged with the Department of Internal Affairs around Class 4 gambling and we further support their advice to the Department about this gambling harm.
6. The Salvation Army has persistently been engaged with the Government around gambling related harm. We continue to contend that one of the key focuses of the Gambling Act 2003 should be, as per section 3(b) of the Act which states, to *prevent and minimise the harm caused by gambling*. Some recent developments, particularly the significant and detrimental changes to the Gambling (Gambling Harm Reduction) Amendment Act 2013, and the passing of the New Zealand International Convention Centre Act 2013, have in the opinion of The Salvation Army greatly reduced this focus on preventing and minimising gambling harm in our nation. We submit that the Government should return to this focus with any and all gambling legislative and policy reforms it undertakes.
7. Overall, The Salvation Army **supports** the majority of this Bill. However, there are some specific clauses that we are opposing or seeking further clarification on. These are outlined in the following section.

## SPECIFIC RESPONSES TO AMENDMENTS

### 8. Stated policy objectives.

- The Salvation Army supports the stated policy objectives of this Bill, particularly the amendments around greater transparency in grant-making. We note that under previous arrangements, proceeds from Class 4 gambling in some high deprivation areas tended to flow out of those communities into other communities with low deprivation and/or low Class 4 gambling prevalence<sup>2</sup>. We submit that greater access to, and transparency of, grant-making data gathered by the Department of Internal Affairs will help non-governmental organisations working with gambling-related harm to more accurately assess the proceeds of gambling flows into and out of specific communities.
- We also note that other groups like the Auckland Council have advocated for a 90 per cent return of grant money to areas where the gambling loss occurred. An Auckland Council Gambling Working Party proposed this idea in 2014 as a response to the Minister of Internal Affairs' proposal of 80 per cent grant money return to that specific community<sup>3</sup>. The Salvation Army is not completely supportive of this system or framework where community and sports groups are partly funded by gambling losses. However, if such a system continues to exist, then we fully support proposals that propose more grants returning to those specific communities and recommend the recent Auckland Council proposal as a good starting point.

### 9. Clause 4 – Extension of definition of key person.

- We support the extension of the definition of key person in this clause. We agree with the inclusion of key staff of any management services providers working with societies.

### 10. Clause 5 – Definition of net proceeds

- We agree with this new definition but we do not support the new section 5A (3) (c) as this section relates to commission payments.

### 11. Clause 6 – Definition of Class 4 gambling

- The Salvation Army supports this definition because it is straightforward and clearly defines this form of gambling. However, we do not support the new section 30(a) (ii) as it relates to commission payments.

### 12. Clause 7 – Class 4 Operators Licence

- We have deliberated over this clause at some length. The Salvation Army has opted to support this extension of the content and conditions of a Class 4 Operator's Licence to a term not more than 3 years with one proviso. That is, we support this extension as long as there is provision in the Act for the Department of Internal Affairs to reduce or limit a licence term to no more than 12 months/1 year for those operators who are non-compliant to statutory or policy guidelines, or who have a long recorded history of non-

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<sup>2</sup> *Gambling Act 2003: Public consultation on four Class 4 gambling proposals*, Department of Internal Affairs, September 2013, p 23.

<sup>3</sup> *New regulations for the distribution of class 4 (pokie) gambling grants to communities*, Gambling Working Party, Regional Strategic and Policy Committee, 07 August 2014.

compliance. Therefore this privilege of a licence term up to three years should only be extended to operators with exemplary compliance records.

**13. Clause 13 – Commission Payments**

- This is another very contentious area in this Bill. The Salvation Army has chosen to oppose this clause. We submit there is a potential for Class 4 gambling to be incentivised in those venues working off a commissions-based system as they could push for higher gambling spend to increase their commissions and overall revenue. We note that this clause would overturn a prohibition on commissions-based payments from 2003. That means that there is no commissions-based payment structure enshrined in the Act but would have to be found in new regulations. We acknowledge that one option is that the Department of Internal Affairs could impose some sort of cap on the amount or level of commissions-based payments a venue operator can receive. But at this stage, we have opted to oppose the passing of this clause into law.

**14.** The Salvation Army supports all other aspects or clauses in the Bill not mentioned specifically above.

**CONCLUSION**

For further information or discussion, please contact:

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