

STATES OF JERSEY



DRAFT GAMBLING (GAMING AND LOTTERIES) (AMENDMENT No. 15) (JERSEY) REGULATIONS 200- (P.140/2009): AMENDMENT

**Lodged au Greffe on 6th October 2009
by the Deputy of St. Martin**

STATES GREFFE

1 PAGE 12, ARTICLE 3 –

In the substituted Article 16 –

- (a) after paragraph (1)(a) insert the following sub-paragraph –
 - “(b) avoid imposing or maintaining unnecessary burdens on persons providing or operating gaming machines; and”,and renumber sub-paragraph (b) as (c);
- (b) in paragraph (4) after the word “may”, insert the words “, after consulting such persons as appear to the Minister to be likely to be affected,”;
- (c) after paragraph (7) insert the following paragraph –
 - “(8) The Minister must –
 - (a) in exercising his or her power under paragraph (4) to approve a code and performing his or her duty under paragraph (1)(b) in relation to that power, particularly take account of any burden that may be caused by any unnecessary inconsistency between a provision of an approved code and any similar provision in any other jurisdiction in which providers of gambling services also operate; and
 - (b) keep under review the provisions of any approved code or of any technical standards referred to in such a code.”,and renumber the remaining paragraphs, and alter internal cross-references, accordingly.

2 PAGE 17, ARTICLE 10 –

In paragraph (a)(ii) for the amount “£4,000” substitute the amount “£2,630”.

DEPUTY OF ST. MARTIN

REPORT

Amendment 1

It is proposed to establish a Gambling Commission Law (P.139/2009) which creates an independent Authority by transferring all responsibilities for licensing, registration and regulation prescribed in legislation as the duty of the Minister to the new Authority.

The role and responsibilities of the Gambling Licensing Authority will likewise be transferred to the Commission. If a Gambling Commission is established it is vital that it is accountable and also consults with the Gambling Industry.

The purpose of the first amendment is to ensure that before decisions are taken which will affect the Industry it must be consulted. It also places an obligation on the Minister to consider that there is consistency in the provision of an approved code and keeps under review the provisions of any approved code or of any technical standards referred to it in such a code.

Amendment 2

The Minister states that the proposed fee increases are in the line with the States "user pays" policy. The increase would apply to all Betting Offices with gaming machines and reflect the increased regulatory requirement occasioned by the publication of operational principles, technical standards and industry compliance with the same.

The Minister also claims that his proposal will not have any manpower implications. However the effect of the doubling the increase in the gaming machine fees will realise an income to the States of approximately £124,000.

I fail to understand how the Minister, on one hand, can seek to justify the increase on the grounds of "user pays" yet no increase in manpower is required but an additional £60,000 is accrued. It is also apparent that the only regulatory requirement will be the publication of advisory documents. At present such documentation is already a regulatory requirement therefore one can understand why the Minister claims that there are no manpower implications as there will be no additional work load.

It is apparent that the Minister is looking for additional funding to fund the proposed establishment of a formal Gambling Commission which is to seek to develop on-line gambling for which no legislation is drafted let alone approved. It seems to be unjustified to raise funds from one part of the Industry to develop another part which may well an impact on them. This development, forming part of a diverse economy, should fairly be funded from the Economic Development budget.

Gaming machines are already licensed and installed in betting offices. However the proposed Regulations will allow for a new Type 2 gaming machine which the betting offices and punters have been waiting to be licensed and reinstalled in Jersey. The Type 2 machines will create additional revenue for the States via the imposition of 3% GST. The Minister should be satisfied with a RPI increase because there is no justification for doubling the existing fee. It is an abuse of his position.

Had the Economic Department ensured that annual increases had been sought it would be seeking increases which are more in line with the cumulative RPI fees proposed in my amendment.

Financial and manpower implications

As stated in P.140/2009, there are no manpower implications.

The Minister is of the view that the new Type 2 gaming machine will realise an income of £124,000 which would equate to 31 machines being installed. This is just an estimate, there could be more, but it is unlikely for cost reasons, that some of the small independent Betting Offices will install the machines. However an RPI increase on the existing machines will realise a £630 increase per machine and £2630 new income stream for Type 2 gaming machines for which will not require any additional manpower.