



Internal Affairs briefing

Hon Tracey Martin
Minister of Internal Affairs

Title: Inclusion of the Gambling Act amendments in the COVID-19 Omnibus Bill

Date: 9 April 2020

Key issues

Changes to the Gambling Act 2003 allowing existing Class 3 operators to process lotteries by email, phone and online payments requires Cabinet policy approval for inclusion in the COVID-19 Omnibus Bill #2.

Timeframes for the Bill are tight. This means policy approval for the Gambling Act amendment needs to be obtained from the Cabinet COVID-19 Committee on Thursday, 16 April 2020, to enable the Parliamentary Counsel Office sufficient time to prepare the Bill for introduction immediately upon the House resuming (anticipated the week beginning 28 April 2020).

A draft Cabinet paper is attached for your consideration. The paper needs to be lodged with Cabinet Office on Wednesday, 15 April 2020 for consideration by the Cabinet COVID-19 Committee the next day. Officials will be available to discuss the paper with you on Tuesday, 14 April 2020.

Action sought

Timeframe

Note the change to the Gambling Act 2003 to enable existing Class 3 operators to process lotteries by email, phone and online payments requires Cabinet policy approval for inclusion in the COVID-19 Omnibus Bill #2.

Consider and provide any comments on the attached draft Cabinet paper seeking policy approvals for the proposed Gambling Act amendment.

Agree to:

- seek policy approval for the Gambling Act amendment from the Cabinet COVID-19 Committee prior to 17 April 2020; and
- undertake Ministerial consultation on the draft Cabinet paper and lodge it to enable consideration by the Cabinet COVID-19 Committee on Thursday, 16 April 2020.

Note officials are concurrently undertaking targeted department consultation on the Cabinet paper and will urgently make any changes you require, that arise from departmental or Ministerial consultation to enable the Cabinet paper to be lodged.

14 April 2020

Contact for telephone discussions (if required)

Name	Position	Direct phone line	After hours phone	Suggested 1 st contact
Rachel Groves	Policy Director	9(2)(a)		✓
Nicola Blackburn	Senior Policy Analyst			

Return to	Yvette Paul, Principal Policy Analyst, Level 9, 45 Pipitea St.
Cohesion reference	YXQARP2T7VWH-708242391-642
Ministerial database reference	IA202000387

Purpose

1. This briefing provides you with a draft Cabinet Paper seeking policy approval to grant existing Class 3 operators a limited exemption from the prohibition on remote interactive gambling under the Gambling Act 2003.

Cabinet policy approval is needed to amend the Gambling Act

2. On Wednesday, 15 April the Leader of the House will seek agreement from the Cabinet Business Committee to progress the COVID-19 Omnibus Bill #2 (the Bill) as soon as possible after the House resumes.
3. The Bill will make law changes needed under several Portfolios to support the response to COVID-19. It will also authorise relevant Ministers to approve changes to legislation they administer where these changes are of a minor and technical nature.
4. For matters that require legislative change that are not minor and technical, the normal requirement to have policy approval from Cabinet remains.
5. As you are aware, the existing fundraising issues facing Class 3 lotteries is, and will continue to be, exacerbated by social restrictions put in place to address COVID-19 [IA202000364 refers].
6. Addressing this issue requires a change to the Gambling Act 2003 which is intended to be included in the Bill. However, the necessary amendment to the Act does not fall into the nature of minor and technical. This means you have no delegated authority to approve this change. Cabinet approval is required by 17 April 2020 for it to be included in the Bill.
7. This timeframe applies to all matters requiring prior policy approval, to allow enough time for the Parliamentary Counsel Office to prepare the Bill for introduction immediately when the House resumes (anticipated to be the week beginning 27 April 2020).

We have prepared a draft Cabinet paper for your consideration

8. Attached is a draft Cabinet Paper for your consideration. The paper seeks policy approval to amend the Gambling Act to allow existing Class 3 operators to operate lotteries through remote means of communication, so they can:
 - 8.1 sell tickets by email or over the phone;
 - 8.2 take payments electronically; and
 - 8.3 deliver tickets electronically by email.
9. The exemption would apply only to licensed Class 3 operators that run lotteries at the time the amendment comes into force. This is considered the most appropriate way to address potential for inappropriate expansion of those undertaking Class 3 lotteries.
10. Imposing appropriate harm minimisation requirements is proposed to be addressed through existing operational means. Conditions can be placed on licences and Regulatory Services have advised that this would be an acceptable way of addressing this issue.

11. Under existing licence conditions, Class 3 operators can promote when their lotteries start, but further advertising is not permitted. The amendment to the Act does not change the rules for advertising and promotion of Class 3 lotteries.
12. We have stated that the proposal is an interim measure until such time as the online gambling review is completed. Making the amendment timebound (i.e. tied to certain Alert levels), would fail to give Class 3 operators, and in turn the people reliant on their services, a sense of certainty about maintaining funding levels.
13. Treasury has confirmed the policy proposal falls within the Regulatory Impact Assessment exemption around COVID-19 matters. In line with Treasury guidance in these circumstances, information on the risks and impacts of the proposal have been included in the paper.

The Cabinet COVID-19 Committee can consider the paper on Thursday, 16 April

14. To meet the deadline for including the changes to the Gambling Act in the Bill, we need to work to the following timeline:

Date	Milestone
Tuesday, 14 April	Officials are available to discuss the paper
Wednesday, 15 April	The paper must be lodged with the Cabinet Office by 4pm By 5pm DPMC will confirm whether the paper will appear on the Cabinet COVID-19 Committee meeting agenda the following day
Thursday, 16 April	Cabinet COVID-19 Committee meeting

15. Given timing constraints we have begun targeted Departmental consultation on the paper. We note your office will attend to Ministerial consultation requirements.

Recommendations

16. We recommend that you:

a) Note the change to the Gambling Act 2003 to enable existing Class 3 operators to process lotteries by electronic means requires Cabinet policy approval for inclusion in the COVID-19 Omnibus Bill #2.	
b) Consider and provide any comments to the Department on the attached draft Cabinet paper seeking policy approval for the proposed Gambling Act amendment.	Yes/No
c) Agree to seek policy approval for the Gambling Act amendment from the Cabinet COVID-19 Committee prior to 17 April 2020.	Yes/No
d) Agree to undertake Ministerial consultation on the draft Cabinet paper and lodge it to enable consideration by the Cabinet COVID-19 Committee.	Yes/No
e) Note officials are concurrently undertaking targeted department consultation on the Cabinet paper and will urgently make any changes you require, that arise from departmental or Ministerial consultation to enable the Cabinet paper to be lodged	



Rachel Groves
Policy Director

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Minister of Internal Affairs

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Appendix A: Draft Cabinet Paper

Policy proposal to mitigate the impact of COVID-19 on Class 3 operators by amending the Gambling Act 2003

Proactively Released