

STATES OF JERSEY



DRAFT GAMBLING (2010 FEES) (JERSEY) REGULATIONS 200- (P.141/2009): AMENDMENT

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

STATES GREFFE

DRAFT GAMBLING (2010 FEES) (JERSEY) REGULATIONS 200- (P.141/2009):
AMENDMENT

1 PAGE 11, ARTICLE 1 –

For the amount “£150” substitute the amount “£131.14”.

2 PAGE 11, ARTICLE 2 –

- (a) in paragraph (a), for the amount “£50” substitute the amount “£22.95”;
- (b) in paragraph (b), for the amount “£110” substitute the amount “£84.16”;
- (c) in paragraph (c), for the amount “£20” substitute the amount “£15.30”;
- (d) in paragraph (d), for the amount “£50” substitute the amount “£42.85”;
- (e) in paragraph (e), for the amount “£50” substitute the amount “£15.30”;
- (f) in paragraph (f), for the amount “£10” substitute the amount “£7.65”;
- (g) in paragraph (g), for the amount “£20” substitute the amount “£15.30”;
- (h) in paragraph (h), for the amount “£20” substitute the amount “£15.30”;
- (i) in paragraph (i), for the amount “£110” substitute the amount “£84.16”;
- (j) in paragraph (j), for the amount “£1,000” substitute the amount “£336.64”.

3 PAGE 13, SCHEDULE –

- (a) in the entry relating to an amusement premises licence, for the amount “£3,000” substitute the amount “£1,748.57”;
- (b) in the entry relating to a betting office licence, for the amount “£3,000” substitute the amount “£1,748.57”;
- (c) in the entry relating to a bookmaker’s licence, for the amount “£375” substitute the amount “£349.71”.

DEPUTY OF ST. MARTIN

REPORT

The Minister is proposing to increase all fees and charges in line with the States “user pays” policy in order to maintain the Island’s international reputation as a well regulated jurisdiction. However there appears to be no evidence to support the claim for such excessive increases.

Through no fault of the Gambling Industry, fees have not been increased for several years, some as far back as 1998. However there is a great disparity in fees charged for various licences and even greater disparity when the fees are compared with Liquor Licensing fees.

The gambling industry which is a leisure activity is comparatively small when compared with Island’s liquor licensing industry where there are several hundred licensed premises which pay around £275,000 annually in licence fees. The licence fee for Pubs, Restaurants and Night Clubs is approximately £450. The fee for 6th Category off-licence holders, which includes the large supermarkets, is only £114 per annum.

Despite the concerns about alcohol abuse and associated health and domestic problems, there is no Commission to regulate the industry and there is no social responsibility fund nor are there any plans to address the matter.

Compared with the hundreds of licensed premises there are only 29 licensed betting offices that pay an annual licence fee of £1,290 plus £2,000 per gaming machine. There are a small number of on course Bookmakers who attend the 9 summer horse race meetings; a couple of Crown and Anchor operators and a number of permits are sold to clubs and charities to run raffles and bingo events. The total revenue is around £136,500 (as confirmed in an answer given by the Minister during Oral Question Time on 21/09/2009). Given the disparity in fees it is apparent that States “user pays” policy is inconsistent and unfair.

The Gaming Industry has a remarkable history of self regulation with little evidence of anything untoward occurring by either the licence holders or the public. There is also little evidence of addiction. This is in stark contrast with the Liquor licence industry.

Apart from maintaining the Island’s reputation there is little information to support the Minister’s proposed excessive increase let alone an increase in line with RPI. It appears that a considerable proportion of the current expenditure is incurred by the Department for attendance at international regulators meetings, entertainment and the £72,000 plus fees and expenses paid to the Shadow Gaming Commission. There has also been no explanation at all of what constitutes the £250,000 that has been budgeted for and is made up of the “other expenses including staff salaries and administrative costs” (figures and quotes from Oral Question Time on 21/09/2009). It is assumed that costs amounting to £250,000 must include the salaries of personal other than the three Commissioners (£72,000) and any limited administrative support. This is unjust as it will be the role of the Commission to oversee the Gambling Industry and any other salaries cannot be justified unless it can be shown that they are significantly involved on a day to day basis with the regulation of the Industry. What is even more disturbing is the fact that the proposed increase is a stepped process with additional increases to follow.

It is apparent that the fee increase has more to do with raising revenue to support the establishment of an unnecessarily large Gambling Commission as per P.139/2009. In

my opinion it is totally unreasonable to expect those involved in the Industry to pay such a heavy price for a Gambling Commission to regulate such a small and well self regulated industry. This Industry is also to be subjected to a levy of up to 2% of turnover to finance a social responsibility fund for which no evidence has been supplied to justify the fund.

It is strongly suspected that one of the principle motives for the Gambling Commission is to develop on-line gambling however no legislation has been drafted let alone approved. I submit that it is unfair on the existing Industry to subsidise the suspected development which should fairly be funded from the Economic Development budget.

Two years ago I raised the issue of disparity in the Liquor Licensing Industry and the States supported my proposition, P.117/2007 which requested the Minister to review the current liquor fees charged annually for each category of Licence. Also there will be no increases until the review findings had been published.

Members may well be of the same view in respect of the gambling fees and there should be no increase until the Minister is able to produce the evidence to substantiate the proposed increases.

However, in case Members feel that some increase is justified, I have lodged amendments which will provide for a cumulative RPI increase across the board, providing in the region of £165,000, which is much fairer than what the Minister is proposing.

Any proportionately sized Gambling Commission should easily be able to regulate the existing industry from a budget of £165,000 and I would suggest that it seeks to plan its budget accordingly. Were these to happen then it will result in the proposed States Subsidy of £225,000 not being required?

Financial and manpower implications

The Minister has not shown whether there are any manpower implications therefore I presume there are none.

Clearly there will be financial implications. The Minister is seeking a fee increase well in excess of the RPI which would have accrued around £233,000. However if approved my amendment will realise an income in the region of £155,000.