

Racing Industry Amendment Bill

Government Bill

As reported from the Governance and Administration Committee

Commentary

Recommendation

The Governance and Administration Committee has examined the Racing Industry Amendment Bill and recommends that it be passed. We recommend all amendments unanimously.

Introduction

This bill would amend the Racing Industry Act 2020. It would extend TAB New Zealand's existing land-based monopoly for racing and sports betting to include online-provided betting. This would make TAB NZ the only legal domestic operator of online racing betting and sports betting. This change is intended to improve the financial sustainability of the racing industry, which is primarily funded through TAB NZ.

The bill would also strengthen the governance and oversight of TAB NZ. It would expand regulation-making powers related to preventing and minimising harm from betting to also include TAB NZ's online operations. It would introduce new powers to require TAB NZ to provide relevant information to the Minister for Racing. The bill would also remove the consumption charges that are currently payable by offshore betting operators, as these operators would no longer be able to operate legally in New Zealand.

Historical and policy context

This bill intends to improve the financial sustainability of the racing industry. The racing industry contributes around \$1.9 billion annually to the economy and employs approximately 13,600 full-time-equivalent positions. The racing industry is currently made up of three racing codes that are responsible for their respective race clubs, racecourses, trainers, and more.¹ Racing New Zealand is the umbrella governing body.

TAB NZ contributes an average of 92.7 percent of the racing codes' annual income. It also provides funding to Sport and Recreation New Zealand and National Sporting Organisations (NSOs) through contractual payments. In a Regulatory Impact Assessment, the Department of Internal Affairs (the Department) noted that "TAB NZ's distributions to sporting organisations and the racing codes, are under threat from the loss of revenue to offshore operators".²

To support the long-term financial sustainability of the racing industry, this bill would grant TAB NZ a monopoly for online racing betting and sports betting. It would make it illegal for any person, other than TAB NZ, to offer betting on racing or sports events to customers in New Zealand. However, it would not make it illegal for people in New Zealand to place bets with offshore operators. The intent is for offshore operators to be liable if they breached this legislation, not customers attempting to place bets. This approach aligns with a public health strategy to address problem gambling, ensuring that individuals are able to seek help for gambling issues without facing legal consequences for betting with offshore operators. Should the bill pass, we expect offshore operators to comply with the legislation. We note that non-compliance with New Zealand law could jeopardise offshore operators' licences in other jurisdictions, as gambling regulators consider operators' conduct in international jurisdictions, such as when they are issuing licences.

In June 2023, in response to declining revenue, following a competitive process, TAB NZ entered into a 25-year partnership agreement with Entain Group Pty Ltd. Under this agreement, Entain took over the day-to-day operations of TAB NZ's betting and broadcasting statutory functions in return for a 50:50 revenue split between the two parties. Entain made a \$150 million upfront payment to TAB NZ when the partnership commenced. It committed to making payments of at least \$150 million each year to TAB NZ for the first 5 years of the partnership. Entain also agreed to pay \$100 million to TAB NZ if it were to become the only legal provider of online sports and racing betting in New Zealand.

Legislative scrutiny

As part of our consideration of the bill, we have examined its consistency with principles of legislative quality. We have no issues regarding the legislation's design to bring to the attention of the House.

¹ They are currently: New Zealand Thoroughbred Racing, Harness Racing New Zealand, and Greyhound Racing New Zealand. We note Parliament has signalled its intent to progress legislation that would prohibit greyhound racing, which would result in the disestablishment of Greyhound Racing New Zealand.

² Regulatory Impact Statement: Protecting TAB NZ from offshore online betting to ensure a sustainable racing industry | Department of Internal Affairs, p 13.

Proposed amendments

This commentary covers the main amendments we recommend to the bill as introduced. We do not discuss minor or technical amendments. Later in the commentary, we also cover other matters discussed during our consideration of the bill.

Consumption charges for offshore betting operators

Clause 2 of the bill sets out that sections 13, 14, and 17 would come into force two years after Royal assent. These sections relate to the repeal of the consumption charges that offshore betting operators must currently pay on any bets on racing and sports events taken from people resident in New Zealand. The rest of the bill would come into force on the day after Royal assent.

The reason that provisions related to the consumption charges have a different commencement date is to ensure that any outstanding charges could still be collected. We consider that the commencement date for these provisions should be made more flexible. This would enable the Department to stop collecting consumption charges sooner than two years after Royal assent if the costs of collection outweighed the outstanding money to be collected. We recommend amending clause 2 to specify that sections 13, 14, and 17 would come into force by Order in Council, or at the latest two years after Royal assent.

We also recommend that the Department's chief executive be empowered to require information from consumption charge payees. This would enable the chief executive to determine the viability of continuing to collect consumption charges. It could help them to assess whether an Order in Council should be used to bring sections 13, 14, and 17 into force early. We recommend inserting a new transitional provision in new Part 2 into Schedule 1 of the Act, by means of new clause 13A, to provide for this.

Power for the chief executive to request information to advise the Minister

Clause 5 would insert new section 58A. This would enable the Minister for Racing to require TAB NZ to provide the Minister with any information relevant for overseeing TAB NZ's performance. We consider it appropriate that the Department also be able to require information from TAB NZ. Under new section 92A, the Department would be responsible for regulating the online monopoly and monitoring TAB NZ's compliance with its obligations under the legislation. We recommend inserting section 58A(2A) to empower the chief executive of the Department to require TAB NZ to provide relevant information for the purpose of advising the Minister about TAB NZ's performance.

Clause 9 would insert new sections 92A and 92B. New section 92A would require TAB NZ to pay the reasonable costs that the Department incurs in monitoring TAB NZ's compliance. We consider that this cost recovery should also apply to costs the Department incurs in monitoring compliance with the new information requirement under section 58A(2A). We recommend amending proposed section 92A accordingly.

Restrictions on TAB NZ's grounds for refusing a bet

Section 92 of the Act provides that TAB NZ may refuse to accept bets for any reason and without giving any reason for doing so. Clause 8 would amend section 92 to stipulate that TAB NZ's power to refuse bets would be subject to any regulations made under new section 98A (*Regulations relating to consumer protection*).

We heard from several submitters who expressed concern that TAB NZ's ability to refuse bets without reason had unfairly restricted their betting activity. These submitters commented that, under a monopoly, consumers who were unfairly banned from placing bets through TAB NZ would have no alternative avenue to make sports or racing bets. This could effectively prohibit them from engaging in a legal activity.

We consider that TAB NZ's ability to refuse bets without reason should be removed. We recommend replacing new section 92 to instead provide specific grounds on which TAB NZ could refuse bets. We recommend that TAB NZ be able to refuse bets if the person seeking to make the bet has:

- been identified as a problem gambler by TAB NZ or a TAB operator
- previously been convicted of a relevant offence
- engaged in behaviour that threatens the safety of any TAB NZ staff or harassed, intimidated, or caused serious emotional distress to any TAB NZ staff.

We also recommend that TAB NZ be able to refuse bets based on any other grounds set out in regulations made under section 98A.

We recommend that, when TAB NZ refuses a bet, it must inform the person seeking to make the bet of the reason for the refusal. We recommend inserting new section 92(2) accordingly.

Amendments to regulation-making powers

Harm minimisation regulation-making powers

Clause 11 would replace section 98(1) of the Act. Section 98(1) provides for regulations to be made relating to prevention and minimisation of harm in respect of betting. Proposed new section 98(1) would update the existing provision and add two new regulation-making powers. Similar to an existing provision in the Act, new section 98(1)(h) would provide for regulations to be made to prescribe "any other requirements" relating to harm prevention or minimisation in respect of betting.

We note that the regulation-making power contained in new section 98(1)(h) is broad enough to provide for additional harm minimisation protections that are otherwise not explicitly covered. Nevertheless, we consider that it would be beneficial to explicitly provide for additional regulations related to harm prevention and minimisation. This would give more certainty around what can be regulated. We recommend amending new section 98(1) to provide for the making of regulations for the following purposes:

- regulating the frequency at which successive bets can be placed

- prescribing requirements for setting spending limits on bets made with TAB NZ
- prescribing time restrictions on the availability of online betting products generally or in relation to any specified class of persons
- prescribing processes or procedures in relation to any person who has identified themselves to TAB NZ or a TAB operator as being a problem gambler.

Section 100 of the Act provides that regulations can be made relating to the processes by which problem gamblers are identified for TAB venues and racecourses. However, there is no existing provision related to TAB NZ's online racing betting and sports betting. Given our recommendation above, we recommend inserting new clause 12A to amend section 100 to provide that regulations can also be made relating to the identification of problem gamblers in relation to TAB NZ's online activities.

Consumer protection regulation-making powers

Clause 12 would insert new section 98A to create a power to make regulations related to consumer protection in relation to betting. The regulations may:

- prescribe processes to ensure that people engaging in betting receive adequate consumer protection
- specify the circumstances in which TAB NZ may limit or exclude a person from betting.

We note that these regulation-making powers are broad enough to provide for a wide range of consumer-protection provisions. However, as with our previous recommendation, we consider that it would also be beneficial to more explicitly set out what consumer protections could be regulated for. In our view, this would provide clearer assurance to customers as to what matters can be regulated. We recommend amending proposed section 98A to provide for the making of regulations to:

- prescribe matters relating to the conduct and operation of betting by TAB NZ, including:
 - specifying minimum bet limits
 - specifying the maximum hold that TAB NZ may take from bets
 - prescribing requirements relating to the odds that TAB NZ may offer
 - prescribing requirements relating to the range of betting products or betting services that TAB NZ may offer
 - imposing duties on, or prescribing requirements relating to, TAB NZ honouring or cancelling bets
- prescribe information that TAB must make publicly available to consumers
- provide for a customer complaints and disputes resolution process.

Clarifying who is covered by offences in the Gambling Act

Clause 16 would amend the definition of “remote interactive gambling” in section 4(1) of the Gambling Act 2003. Remote interactive gambling is considered illegal gambling and is an offence under that Act. Section 4(1)(b)(iii) sets up an exclusion to the definition that any gambling by someone in New Zealand conducted by an operator located outside New Zealand is not considered remote interactive gambling. Clause 16 would amend section 4(1)(b)(iii) to make this exclusion subject to new section 74AAA of the Racing Industry Act (as inserted by clause 6 of the bill). New section 74AAA would provide that only TAB NZ may offer racing or sports betting to a person in New Zealand.

As introduced, the amendment to the definition of remote interactive gambling could unintentionally capture individuals under the offence provisions of the Gambling Act. The intent of the bill is not to criminalise individual behaviour or make it illegal for people in New Zealand to make racing or sports bets with offshore operators. Rather, the intent of the bill is to prohibit all other operators but TAB NZ from offering online racing betting and sports betting to people in New Zealand. We consider that clause 16 should better reflect this intent.

We recommend inserting new section 19(4) into the Gambling Act, by means of new clause 16A, to clarify that individuals cannot be convicted under section 19(1)(a) of the Act for placing racing or sports bets with a different operator than TAB NZ.

Other matters considered

The following issues were also raised during our consideration of the bill. Although we do not propose any resulting amendments, we suggest that the House note these matters.

Suggestions made by National Sporting Organisations

We received submissions on the bill from eight National Sporting Organisations (NSOs).³ These submissions made recommendations related to how NSOs are treated under the Act, including the distribution of revenue generated by TAB NZ conducting betting on sports events.

Revenue collected from sports betting is distributed to NSOs in a different way from how revenue generated from racing betting is distributed to racing codes. Under section 79(1) of the Act, TAB NZ can only conduct sports betting on sports events with the written agreement of the appropriate NSO. These agreements include arrangements for a proportion of the revenue generated on betting on these events to be distributed to NSOs. Section 82 also sets out requirements for the application or distribution of sports betting revenue. In contrast, racing codes receive a distribution of TAB

³ They are: Basketball New Zealand, Netball New Zealand, the New Zealand American Football Federation, New Zealand Cricket, New Zealand Football, New Zealand Rugby, New Zealand Rugby League, and Tennis New Zealand.

NZ's overall profits after all costs and TAB NZ-retained profits have been accounted for.

NSOs advocated the following changes:

- amend section 82 to set out an accounting formula to determine how profits generated from sports events should be distributed to NSOs
- introduce more comprehensive regulations to accompany the Act, including regulations that would:
 - set out a methodology for and accounting-based formula for payment to NSOs of their “fair share” of the \$100 million payment from Entain upon establishment of the monopoly
 - regulate TAB NZ's performance reporting
 - set out responsibilities and accountabilities for sports betting integrity
 - require the NSO working group to be consulted during the appointment process for the regulator
- include an entitlement for NSOs or Sport and Recreation New Zealand to be represented on the TAB NZ board.

We note that section 128 of the Act provides for regulations to be made to prescribe methods for determining the minimum amounts that TAB NZ distributes from its betting profits to racing codes and to Sport and Recreation New Zealand. If required, these regulations could be used to address some NSOs' concerns. We also note that section 56 provides that Sport and Recreation New Zealand must be given at least four weeks to make nominations to the selection panel that recommends appointments to the TAB NZ board.

Although we do not propose any amendments to the bill related to the concerns of the NSOs, we consider that the issue of ensuring sports receive a fair share of the profits from sports betting is worthy of further consideration. We encourage the Government to investigate these issues further.

New betting products

In their submissions, Entain and TAB NZ both advocated that the bill be amended to enable TAB NZ to offer three new products: virtual, in-race, and novelty betting. Virtual products are casino games where the odds are based partially on chance, rather than real world outcomes. In-race betting involves racing bets that are placed after a race has started. Novelty betting is betting on non-sporting cultural events, such as elections. Under the definitions in the Act, racing and sports events have to include horses, greyhounds, or human participants. The Act also prevents betting on racing any later than 20 seconds into a race.

During our consideration of the bill, we explored whether a potential amendment to allow TAB NZ to offer these products would be in scope of the bill. We consider that such amendments would be out of scope of the bill.

We also investigated whether TAB NZ would be able to offer betting on fantasy sports. In fantasy sports, people form a virtual “fantasy team” of professional sports players. The teams compete based on the statistical performance of players in actual games. This is an area for future consideration.

Cases where bets are placed on future events before the bill comes into effect

We looked into whether a bet placed through an offshore operator would be honoured if it was placed before the bill came into effect on a racing or sporting event that occurred after the bill came into effect. We understand that it would be up to the offshore operator whether to honour the bet, and bets would be honoured according to the terms and conditions that applied to them at the time the bets were made. We note that the bill would not prevent such a bet from being honoured. It is not the intention of the bill to prevent bets placed on future events prior to commencement from being honoured.

Labour Party and Green Party differing view

In 2023, the previous Government agreed in principle to extend TAB NZ’s existing land-based monopoly to include online-provided betting.⁴ This agreement was subject to further policy work being undertaken. When it announced the in-principle support, the previous Government also indicated its intention to remove TAB NZ’s licences for Class 4 gambling operations as a condition of the monopoly. Class 4 gambling refers to gambling machines outside of a casino, such as machines in pubs and clubs. We understand that TAB NZ has indicated that this was not agreed to by its board or management. We note that the current Minister is not seeking to remove TAB NZ’s Class 4 licence.

The introduction of the “legislative net” for online betting will create a dedicated revenue stream for TAB NZ. We believe that TAB NZ should be required to relinquish their Class 4 licence as a result of the revenue that would now head their way. TAB NZ indicate that they are a “gold standard” Class 4 operator; we believe this would be seen as a way of providing some balance around the provision of an online monopoly and seeking to minimise harm in the sector. It is disappointing that such a provision, or undertaking, has not been entertained within the bill.

⁴ Proactive release of Cabinet material about Cabinet’s agreement to an in-principle TAB NZ monopoly | Department of Internal Affairs.

Appendix

Committee process

The Racing Industry Amendment Bill was referred to the committee on 10 December 2024. The House instructed us to report the bill back no later than 30 April 2025. We invited the Minister for Racing to provide an oral submission on the bill. He did so on 12 February 2025.

We called for submissions on the bill with a closing date of 22 January 2025. We received and considered submissions from 91 interested groups and individuals. We heard oral evidence from 21 submitters.

Advice on the bill was provided by the Department of Internal Affairs. The Office of the Clerk provided advice on the bill's legislative quality. The Parliamentary Counsel Office assisted with legal drafting.

Committee membership

Camilla Belich (Chairperson and member from 12 March 2025)

Rachel Boyack (Chairperson and member until 12 March 2025)

Cameron Brewer (until 29 January 2025)

Tim Costley

Andy Foster

Melissa Lee (from 29 January 2025)

Tom Rutherford (until 29 January 2025)

Stuart Smith (from 29 January 2025)

Lemauga Lydia Sosene

Celia Wade-Brown

Tangi Utikere and Mike Butterick also participated in our consideration of this bill.

Related resources

The documents we received as advice and evidence are available on the Parliament website.

Racing Industry Amendment Bill

Key to symbols used in reprinted bill

As reported from a select committee

text inserted unanimously

~~text deleted unanimously~~

Rt Hon Winston Peters

Racing Industry Amendment Bill

Government Bill

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The Parliament of New Zealand enacts as follows:

1 Title

This Act is the Racing Industry Amendment Act **2024**.

2 Commencement

(1) ~~Sections 13, 14, and 17~~ come into force on the second anniversary of Royal assent. 5

(1) **Sections 13, 14, and 17** come into force on the earlier of the following:

- (a) a date appointed by the Governor-General by Order in Council; and
 (b) the date that is 2 years after the date on which this Act receives the Royal assent. 10

(2) The rest of this Act comes into force on the day after Royal assent.

- (3) An Order in Council made under **subsection (1)(a)** is secondary legislation (see Part 3 of the Legislation Act 2019 for publication requirements).

3 Principal Act

This Act amends the Racing Industry Act 2020.

Part 1

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Amendments to principal Act

Amendments relating to TAB NZ and betting

4 Section 55 amended (Governing body of TAB NZ)

After section 55(5)(g), insert:

- (h) monitoring of legal compliance, contractual obligations, and financial performance. 10

5 New section 58A inserted (Minister may require information from TAB NZ)

After section 58, insert:

58A Minister and chief executive may require information from TAB NZ 15

- (1) For the purpose of overseeing the performance of TAB NZ's functions, the Minister may, at any time, by written notice require TAB NZ to provide the Minister with any relevant information (or class of information) specified in the notice.

- (2) A notice under **subsection (1)** must specify— 20

- (a) the nature of the information to be provided; and
(b) a reasonable time within which the information must be provided.

- (2A) For the purposes of this section, the chief executive may, by written notice, require TAB NZ to provide the Department with any relevant information specified by the chief executive to enable the Department to advise the Minister about TAB NZ's performance of its functions. 25

- (3) TAB NZ must comply with a requirement under ~~**subsection (1)**~~ this section.

6 New section 74AAA inserted (Prohibition on offering betting to persons in New Zealand)

Before section 74, insert: 30

74AAA **Prohibition on offering betting to persons in New Zealand**

- (1) No person other than TAB NZ may offer racing betting, sports betting, or other racing or sports betting (or any combination of those forms of betting) to a person in New Zealand.

- (2) **Subsection (1)** applies to a person (other than TAB NZ) regardless of where the person is resident or incorporated.
- 7 Section 74 amended (TAB NZ may conduct betting)**
Replace the heading to section 74 with “**Conduct of betting by TAB NZ**”.
- 7A Section 76 amended (Racing betting rules)** 5
Section 76(5), insert:
- (5A) Rules made under this section apply subject to any regulations made under **section 98A**.
- 7B Section 78 amended (Sports betting rules)** 10
After section 78(4), insert:
- (4A) Rules made under this section apply subject to any regulations made under **section 98A**.
- 7C Section 83 amended (Rules relating to other racing or sports betting conducted by TAB NZ)** 15
In section 83(1), after “this Act”, insert “or regulations made under this Act”.
- 8 Section 92 amended (Bets may be refused)**
In section 92, insert as **subsection (2)**:
- (2) This section applies subject to any regulations made under **section 98A**.
- 8 Section 92 replaced (Bets may be refused)** 20
Replace section 92 with:
- 92 When bets may be refused**
- (1) TAB NZ or a TAB operator may refuse to accept all or any part of a bet from an individual if—
- (a) the individual seeking to make the bet has been identified by TAB NZ or a TAB operator as a problem gambler: 25
- (b) the individual seeking to make the bet has previously been convicted of a relevant offence:
- (c) the individual seeking to make the bet has engaged in, or is engaging in, behaviour that—
- (i) poses a threat to the safety of any member of TAB NZ staff; or 30
- (ii) is harassing, intimidating, or causes serious emotional distress to any member of TAB NZ staff:
- (d) any other grounds set out in regulations made under **section 98A** apply in respect of the individual seeking to make the bet.

- (2) If TAB NZ refuses a bet under this section, it must inform the individual seeking to make the bet of the reason for refusal as soon as practicable after making the decision to refuse the bet.
- (3) In **subsection (1)(b)**, **relevant offence** has the same meaning as in section 4(1) of the Gambling Act 2003.

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9 New sections 92A and 92B inserted

After section 92, insert:

92A Department to monitor compliance

- (1) The Department must monitor—
 - (a) compliance with the prohibition set out in **section 74AAA**; and
 - (b) compliance by TAB NZ with a requirement to provide information to the Minister or the Department under **section 58A**.
- (2) TAB NZ must pay the reasonable costs that the Department incurs in carrying out the monitoring functions referred to in **subsection (1)**.
- (3) The chief executive of the Department and TAB NZ must enter into an agreement relating to the recovery of the reasonable costs that the Department incurs in carrying out the monitoring functions.

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92B Delegation

- (1) The chief executive of the Department may, in writing, delegate the Department’s monitoring functions under **section 92A** to—
 - (a) another department; or
 - (b) a Crown entity (as defined in section 7 of the Crown Entities Act 2004).
- (2) In deciding whether to delegate the Department’s monitoring functions, the chief executive must take into account—
 - (a) whether the other department or Crown entity has the knowledge of, or existing relationships with, offshore betting operators that is necessary to perform the functions or exercise the powers that the Department proposes to delegate; and
 - (b) any conflict of interest or potential conflict of interest the proposed delegation would create.
- (3) A delegation must not include the power to delegate under this section.
- (4) A department or Crown entity to whom any functions or powers have been delegated may perform or exercise them in the same manner and with the same effect as if they had been conferred on the department or Crown entity directly by this Act and not by delegation.
- (5) A department or Crown entity purporting to act under a delegation is, in the absence of evidence to the contrary, presumed to be acting in accordance with the terms of the delegation.

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- (6) A delegation under this section—
- (a) may be subject to any conditions that the chief executive thinks fit:
 - (b) is revocable at any time, by notice in writing:
 - (c) does not prevent the Department from performing the function or exercising the power.
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- 10 Subpart 2 heading in Part 4 amended**
- In Part 4, in the subpart 2 heading, replace “venues” with “venues and operations”.
- 11 Section 98 amended (Regulations relating to harm prevention and minimisation)**
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- Replace section 98(1) with:
- (1) The Governor-General may, by Order in Council, make regulations for all or any of the following purposes:
- (a) restricting or prohibiting inducements to engage in betting:
 - (b) ~~regulating the intensity of betting by a person using an online betting system provided by TAB NZ, including how frequently successive bets may be placed:~~
 - (b) regulating the intensity of betting using any online betting system provided by TAB NZ, including (without limitation)—
 - (i) regulating the frequency at which successive bets may be placed:
 - (ii) prescribing requirements for setting spending limits on bets made with TAB NZ:
 - (iii) prescribing time restrictions on the availability of betting products generally or in relation to any specified class of persons:
 - (iv) prescribing processes or procedures in relation to any person who has identified themselves to TAB NZ or a TAB operator as being a problem gambler:
 - (c) prescribing the information or messages that TAB NZ must provide to people about betting:
 - (ca) prescribing the use of pre-commitment, player tracking, or other harm-minimisation devices, technology, or systems in or associated with betting:
 - (cb) prescribing requirements relating to customer verification by TAB NZ, including the information that is to be provided to or obtained by TAB NZ for the purposes of identifying and verifying persons seeking to place bets with TAB NZ:
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- (d) requiring TAB NZ to provide problem gambling awareness training for employees involved in supervising betting, including (without limitation) at TAB venues:
- (e) prescribing codes requiring the advertising of betting, racecourses, and TAB venues to be responsible: 5
- (f) prescribing requirements for the design, layout, and furnishing of TAB venues:
- (g) prescribing systems or processes ancillary to betting, including (without limitation) the availability of automatic teller machines at TAB venues:
- (ga) restricting any specified means of payment for a bet with TAB NZ (for example, payment by credit or debit card): 10
- (h) prescribing any other requirements relating to harm prevention or minimisation in respect of betting.

12 New section 98A inserted (Regulations relating to consumer protection)

After section 98, insert: 15

98A Regulations relating to consumer protection

- (1) The Governor-General may, by Order in Council, make regulations for ~~either or both~~ all or any of the following purposes:
 - (a) prescribing processes or procedures to ensure that persons participating in betting receive adequate consumer protection: 20
 - (b) specifying the circumstances in which TAB NZ may limit or exclude a person from participating in betting:;
 - (c) prescribing matters relating to the conduct and operation of betting by TAB NZ, including (without limitation)—
 - (i) specifying minimum bet limits: 25
 - (ii) specifying the maximum hold that TAB NZ may take from bets:
 - (iii) prescribing requirements relating to the odds that may be offered by TAB NZ:
 - (iv) prescribing requirements relating to the range of betting products or, services relating to betting, that may be offered by TAB NZ: 30
 - (v) imposing duties on, or prescribing requirements relating to, TAB NZ honouring or cancelling bets:
 - (d) prescribing information that TAB NZ must make publicly available to consumers:
 - (e) providing for, or setting out, a complaints and disputes resolution process in relation to bets made with TAB NZ. 35
- (2) Regulations made under this section are secondary legislation (*see* Part 3 of the Legislation Act 2019 for publication requirements).

12A Section 100 amended (Regulations relating to exclusion of problem gamblers from TAB venues and racecourses)

- (1) In the heading to section 100, replace “TAB venues and racecourses” with “betting”.
- (2) Replace section 100(1), with: 5
- (1) The Governor-General may, by Order in Council, make regulations for all or any of the following purposes:
- (a) prescribing procedures to enable TAB NZ, TAB operators, and racing clubs to identify problem gamblers:
- (b) prescribing procedures for prohibiting identified problem gamblers from— 10
- (i) entering TAB venues or racecourses:
- (ii) accessing any betting products or services provided by TAB NZ:
- (c) prescribing procedures for removing a person who a TAB operator or a racing club has reasonable grounds to believe is a problem gambler from a TAB venue or a racecourse: 15
- (d) ensuring that access to TAB venues and racecourses by identified problem gamblers is restricted:
- (e) prescribing procedures that must be completed by an identified problem gambler as a condition of— 20
- (i) re-entry to a TAB venue or a racecourse:
- (ii) resuming access to any betting products or services provided by TAB NZ.

Repeal of consumption charges

- 13 Sections 113 to 117 and cross-heading above section 113 repealed** 25
- Repeal sections 113 to 117 and the cross-heading above section 113.

*Other amendments***13A Schedule 1 amended**

In Schedule 1,—

- (a) insert the **Part 2** set out in **Schedule 1** of this Act as the last Part; and 30
- (b) make all necessary consequential amendments.

14 Consequential amendments to principal Act

Amend the principal Act as set out in the ~~Schedule~~ **Schedule 2**.

Part 2 Consequential amendment and revocation

Amendments to Gambling Act 2003

- 15 Principal Act**
Section 16 amends **Sections 16 and 16A** amend the Gambling Act 2003. 5
- 16 Section 4 amended (Interpretation)**
 In section 4(1), definition of **remote interactive gambling**, paragraph (b)(iii), replace “gambling by” with “subject to **section 74AAA** of the Racing Industry Act 2020, gambling by”.
- 16A Section 19 amended (Offences)** 10
 After section 19(3), insert:
- (4)** An individual may not be convicted of an offence under subsection (1)(a) for placing a bet with an offshore betting operator (as defined in section 105 of the Racing Industry Act 2020) in contravention of **section 74AAA** of the Racing Industry Act 2020. 15

Revocation

- 17 Revocation**
 The Racing Industry (Offshore Betting—Consumption Charges) Regulations 2021 (LI 2021/167) are revoked.

Schedule 1

New Part 2 inserted into Schedule 1 of Racing Industry Act 2020

s 13A

Part 2

Provision relating to Racing Industry Amendment Act 2025

- 29 **Chief executive may require offshore betting operator to provide relevant information for purpose of assessing financial viability of collecting consumption charges** 5
- (1) This clause applies to an offshore betting operator who is liable to pay consumption charges to the designated authority under section 113 (as in force before the repeal of that section by the Racing Industry Amendment Act 2025). 10
- (2) On and after commencement of this clause, the chief executive may, by written notice, require the offshore betting operator to provide the Department with any relevant information the chief executive specifies for the purpose of assessing the financial viability of continuing to collect consumption charges from all offshore betting operators. 15
- (3) The offshore betting operator must comply with a requirement under **sub-clause (2)**.

Schedule 2

Consequential amendments to principal Act

s 14

Section 103

Replace section 103(2) with:

- 5
- (2) To that end, this subpart—
- 10
- (a) establishes a scheme for betting information use charges that requires offshore betting operators to—
- 15
- (i) obtain permission from the relevant racing code, the relevant New Zealand national sporting organisation, or Sport and Recreation New Zealand (or a relevant nominee) before using New Zealand racing and sporting information for taking bets on racing events and sporting events taking place in New Zealand; and
- 20
- (ii) enter into an agreement that sets out the terms and conditions on which that permission is granted, including the offshore betting operator’s agreement to pay betting information use charges for using the information in the operator’s betting operations; and
- 25
- (b) provides for the designated authority (or its delegate) to—
- 30
- (i) enforce the scheme for betting information use charges; and
- (ii) apply the money received by the designated authority to purposes relating to racing and sports in New Zealand.

Section 105

Repeal the definitions of **consumption charges** and **scheme for consumption charges**.

In the definition of **offshore betting charges**, delete “or consumption charges”. 25

Section 107

In the heading to section 107, delete “**for each scheme**”.

In section 107, delete “and the scheme for consumption charges”.

Section 108

Repeal section 108(2). 30

Re-number section 108(3) as section 108(2).

Section 109

In section 109(1), replace “may delegate in writing” with “may, in writing, delegate”.

In section 109(3)(b), delete “or 116(4)(b)”.

Section 118

Replace section 118 with:

118 Application of money received from penalties

The designated authority must apply the money received from penalties under section 112 towards paying the costs of administering the scheme for betting information use charges. 5

Section 119

In section 119, replace “either of section 112 or section 116” with “section 112”.

Section 120

In section 120(1), replace “consumption charges and penalties payable by an offshore betting operator under section 112 or 116” with “penalties payable by an offshore betting operator under section 112”. 10

Section 121

In section 121(1)(a), delete “or 116(4)(b)”.

Section 122

In section 122(1), delete “or 116”. 15

Section 123

Repeal section 123(1)(b), (c), and (e) and the heading above section 123(1)(b).

In section 123(1)(f), delete “and 116(5)”.

Legislative history

9 December 2024
10 December 2024

Introduction (Bill 101–1)
First reading and referral to Governance and Administration
Committee