



Northern Ireland
Assembly

**COMMITTEE FOR
SOCIAL DEVELOPMENT**

**OFFICIAL REPORT
(Hansard)**

**Review of Gambling Law: Departmental
Briefing**

6 October 2011

NORTHERN IRELAND ASSEMBLY

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SOCIAL DEVELOPMENT**

Review of Gambling Law: Departmental Briefing

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Members present for all or part of the proceedings:

Mr Alex Maskey (Chairperson)
Mr Mickey Brady (Deputy Chairperson)
Mr Gregory Campbell
Mrs Judith Cochrane
Mr Michael Copeland
Mr Sammy Douglas
Mr Mark H Durkan
Mr Alex Easton
Ms Pam Lewis
Mr Fra McCann
Mr David McClarty

Witnesses:

Mr Gary McAlorum) Department for Social Development
Mr Liam Quinn) Department for Social Development

The Chairperson:

You are very welcome, Liam and Gary, and thank you for coming today. Liam, over to you.

Mr Liam Quinn (Department for Social Development):

The Northern Ireland gambling law has not kept pace with technological changes in industry practices and is becoming increasingly out of date. Earlier this year, the Department consulted on

a wide range of proposals for its reform. The Minister is giving detailed consideration to the issues raised, many of which are complex and potentially controversial. My briefing focuses on the views expressed in the consultation. I cannot tell you what direction the review of gambling will take, because the Minister has not yet made that decision.

Almost 240 responses to the consultation were received, including the views of 44 organisations. Members should have an analysis of the views expressed. The Committee will wish to note that there appears to have been an organised response from betting interests, which may have skewed the results in favour of Sunday opening for betting shops. *[Laughter.]*

Mr Copeland:

Was that even money or the favourite?

Mr Quinn:

I would not like to comment.

Many of those who responded had an interest only in certain parts of the consultation and did not express views on any other issues, so there are quite a lot of areas on which people did not express a view one way or the other. The consultation sought views on easing certain restrictions on gambling and possible changes to the regulatory regime.

The most significant restriction on gambling in Northern Ireland is, probably, the prohibition of casinos. It was recognised that large casinos, which are developed as part of a wider leisure complex, can bring benefits to a region. They can bring jobs, tourism, revenue and regeneration. There could also be significant tax revenues. The response to making casinos lawful was mixed. Casinos offer the hardest form of gambling, and a decision to permit their operation here could not be taken lightly. There have been issues in other jurisdictions, where organised crime is involved. This is a cash-based industry, and some unsavoury elements have been associated with it in other jurisdictions.

The consultation sought views on a change to the law to permit the Sunday opening of bookmakers' offices and commercial bingo clubs. Although the consultation found strong

support for that, it is recognised that Sunday trading, be it in shops or gambling premises, is an emotive issue in Northern Ireland. Faith-based organisations, for example, were strongly opposed to Sunday opening.

Views were also sought on increasing gaming machines' stakes and prizes. Currently, relatively low-level machine gaming is permitted in amusement arcades, bingo halls, bookmaking offices, pubs and private members' clubs. The monetary limits on gaming machines' stakes and prizes have not been reviewed for many years and have fallen well behind the limits for corresponding gaming machine categories in Great Britain. The consultation found strong support for restoring parity with GB — I am sorry for using that word, given the earlier briefing, as I know that parity is, sometimes, an emotive issue.

Many bookmaking offices have fixed odds betting terminals, which offer high-stake, high-prize, machine-type gaming. Those machines operate within a grey area of the law in Northern Ireland, mainly because our law has not kept pace with technological change. They are permitted in Great Britain, where they are properly classed as gaming machines. There was strong support from the consultation for legalising those machines. However, a decision to legalise their operation in bookmaking offices in Northern Ireland will lead to calls to allow high-stakes, high-prize gaming machines in other gambling premises.

We are aware that there have been significant relaxations in the law relating to bingo gaming in Great Britain. The consultation found strong support for a number of similar relaxations here, including the removal of money controls on bingo and increasing prize gaming stakes and prizes in bingo clubs.

The monetary limits for societies' lotteries have not been increased for many years, and local charities say that the rules are too restrictive. The consultation asked for views on a number of measures to assist fundraising by local charities, including the removal of the current £1 stake limit for a ticket in a lottery draw. There was support for easing a number of the current restrictions.

I will turn now to the issues associated with the regulatory framework. The gambling industry

in GB has committed to funding the research, education and treatment of problem gamblers. There was some support among those consulted for a similar commitment to be made by the local industry. That could be achieved by imposing a statutory levy.

The regulation of remote gambling via, for example, the internet, is not specifically provided for in the current Northern Ireland legislation. There was strong support for introducing a statutory licensing scheme to cater for any remote gambling providers who may wish to base their operations here. However, it should be noted that there is a significant trend towards online gambling providers moving offshore for tax reasons. The UK Government and the EU are looking at the current system of remote gambling. Officials are monitoring those policy developments and will consider the implications for Northern Ireland.

Members will wish to note that the courts and district councils license gambling operators, and enforcement lies with the police. The PSNI regard enforcement of the gambling law as primarily a social and revenue matter, not a core policing issue, and they would like that duty to be passed to some other agency. Views were sought on whether a single licensing body should be created to grant licences and oversee the activities of the industry. It was acknowledged that the extent to which any new licensing body would assume responsibility for enforcement requires careful consideration. There was only limited support among those consulted for the creation of a single licensing body.

As I said earlier, the Minister has given detailed consideration to the many complex issues identified in the consultation. He welcomes the views of the Committee on any of those issues and on the future direction of the review.

I am happy to take any questions, Chairman.

The Chairperson:

OK. Thank you. I have one question, although you have dealt with it to an extent. The responses come from people in a particular sector. You dealt with the licensing of online gambling on the basis that the issue has been raised. However, I am trying to glean whether you are suggesting that the Department's view is that there is no point in pursuing that because there

is a trend for so many people to move offshore for tax purposes.

Mr Quinn:

You are right, Chairman. We included that in the consultation in case some online gambling operator might decide to base his operation in Northern Ireland. However, considering the trends over the past couple of years, that looks increasingly unlikely.

The Chairperson:

I cannot remember the precise figures, but the industry has a substantial number of local offices and employs many people. The industry argument is that it does not have a level playing field, which could have an ongoing negative impact on the level of the workforce, and so on. I have no particular interest in the matter, but some of the points made are fair. What I am hearing from you is that, all that being equal, you are not really going to do anything about it.

Mr Quinn:

There are two issues, Chairman, the first of which is the potential for gambling operators to base their operations in Northern Ireland. They would sell their product throughout the world via the internet but have their main offices and perhaps a call centre in Northern Ireland. That is why we talk about the potential for licensing such operations.

The other issue is people in Northern Ireland using gambling websites based in Gibraltar, Malta or elsewhere in the world. The local trade and bookmakers would suffer in that competitive environment. The EU is examining that issue, as are the UK Government. We did not ask about that issue in this consultation, but we need to keep a close eye on it.

Mr Easton:

I am not against gambling. If people want to gamble, that is entirely up to them; it is their right to do whatever they want to do. However, the fact that our law is outdated in comparison with that in the rest of the UK does not necessarily mean that it is a bad law. Perhaps our current position is right for Northern Ireland. What concerns me about trying to relax the gambling laws in Northern Ireland would be doing so in the present economic climate. Money is tight, and if we were to relax the laws too much, or even at all, more people would get into debt. There is some

correlation between suicide and debt. For suicide to be the only way to escape debt is a sad scenario. I do not want the potential for that happening to increase, especially given the current economic climate. The statistics show that one in 50 adults has a gambling problem, which is three times higher than the rest of the UK. Why would we want to make that any worse? Given that 67% of people in Northern Ireland have an unfavourable attitude to gambling, we have to be very careful.

I do not support having casinos in Northern Ireland, and I will not support Sunday trading for bookies or anyone else. My marker is set down from the start, and I will leave that with you.

Mrs Cochrane:

PricewaterhouseCoopers researched the economic impact of legislating to ban fixed odds betting terminals. Is the Department's view that such a ban is the way to go?

Mr Quinn:

The Minister has not indicated which way he will go on that.

Mrs Cochrane:

Has the Department accepted the report's findings on potential job losses?

Mr Quinn:

I have not seen that PricewaterhouseCoopers report. All I can say is that the Minister has not yet decided whether fixed odds betting terminals should be banned.

Mr Douglas:

Liam, I have two questions, but I do not know whether you will have an answer to the first one. You said that there is no legislation for internet gambling. Are there any figures for the amount of online gambling that takes place on a Sunday, when bookmakers' shops are not open?

Mr Quinn:

I will ask my colleague Gary to respond to that.

Mr McAlorum (Department for Social Development):

Bookmaking offices should not be open on Sundays.

Mr Douglas:

They might not be open but they could be operating online.

Mr McAlorum:

We suspect that that is occurring outside Northern Ireland, but the law is very clear that bookmakers should not operate a business from premises on a Sunday.

Mr Douglas:

Secondly, we have all seen bingo halls in operation, and there seems to be a view that that type of gambling is much more low level and would not be a problem compared with betting shops. Does the Department see that distinction?

Mr Quinn:

No. There are different levels of gambling. At one level, there are casinos, and, at another level, there are lotteries that involve people buying tickets for their local charity, but it is all gambling, and it will all be covered by the legislation.

Mr McClarty:

Does the Department have any figures for the number of people in Northern Ireland who use internet gambling sites?

Mr Quinn:

We surveyed gambling prevalence towards the end of last year, and something like three quarters of the adult population in Northern Ireland gamble. Do we have a breakdown of the figures, Gary?

Mr McAlorum:

No. I think that the survey identified that a small number of people use online gambling. We are aware that the incidence of online gambling has been increasing dramatically in recent years. Therefore, it is an issue that needs to be revisited regularly.

Mr McClarty:

Do you know how much people from Northern Ireland spend on internet gambling sites?

Mr McAlorum:

No.

Mr McClarty:

There are gaming machines with limited prizes of between £25 and £500, but there is no limit to the amount of money that people can put into those machines. Has anybody ever thought of limiting the amount of money that one individual can put into a machine?

Mr Quinn:

It would be very difficult to regulate something like that. You would need to have some sort of limit or cut-off point once that limit had been reached, but someone could simply come back again later or go to another machine or premises.

Mr McAlorum:

Northern Ireland law requires that machines are operated by coins and not by paper money.

Mrs Cochrane:

When a decision has been made, how quickly will legislation come forward?

Mr Quinn:

It depends very much on how much of the legislation the Minister decides to change. He might decide to leave the legislation fairly much as it is now, as suggested by Mr Eastwood — sorry, Mr Easton — *[Laughter.]* — that was some slip of the tongue

However, if he decides on a complete rewrite of the legislation starting from scratch, it could take several years. If there is only minor tinkering, legislative changes could be brought forward within a year.

Mr McAlorum:

Any significant change would require primary legislation, and we know how long that can take.

Mr F McCann:

I want to pick up on one of the points that David made. We hear that 73% of people who drink alcohol do so in the house. A huge amount of people gamble online because they have access to a computer. That is the biggest danger of people getting into debt: they input their credit card number and gamble away until they reach their limit. I have a real difficulty with the law being extended. Illegal bookies operate in most areas, and there are no protections at all for people who gamble. That is a problem. Sometimes, illegal bookies are next door to legitimate ones. Some bookmakers rightfully say that they operate at a disadvantage because they offer some protections.

In the past, we raised issues about the protection of workers who could be asked to work on a Sunday. There were some concerns about people who, because of their job, may be forced to work on a Sunday. Is there anything in law to protect them from being penalised for not working on a Sunday? Bingo is a widespread activity in most major cities and towns.

Mr Quinn:

The previous Minister indicated that, should bookmakers be permitted to open on Sunday, there would be protection for staff, in the same way as there was when Sunday trading was introduced a number of years ago. If that change happened, there is a mechanism to ensure that workers' views are respected.

Mr McAlorum:

There are current protections in the law because betting on a racetrack is permitted on a Sunday. There are employee protections in gambling legislation at the moment, and those would be extended.

Mr Campbell:

I have a couple of points about the consultation process. The paper states that 239 returns were started but only 201 fully completed. In round terms, you could say 200 out of 240. Is that high

or about average? How does that compare with a normal consultation process?

Mr Quinn:

It is hard to know.

Mr Campbell:

It seems odd that so many people would start a consultation response but not finish it.

Mr Quinn:

The consultation was wide-ranging, so, as I said at the start, people had interests in certain elements of it. If somebody was interested, for example, in Sunday opening for bookmakers, they would have completed that part, but perhaps they were not terribly interested in other elements, such as fixed odd betting terminals or society lotteries. They may not have bothered to complete the whole survey.

Mr Campbell:

I will not go through all the tables — do not worry. It seems that an inordinate number of people ticked the “Neither Agree/Disagree” box for a lot of questions. That is why I asked my first question. It almost seems that a number of people were interested in the concept, but, when they started filling out the form, they decided that they were not really that interested in many of the issues. Some 65% neither agree nor disagree with permitting casinos, 71% neither agree nor disagree with reducing the age limit for access, and 68% neither agree nor disagree with enabling people to participate in pools competitions on the same basis as those in the rest of the UK. That is 60%, 70% and 80% of people who neither agree nor disagree. I presume that some of those people did not complete the form.

Mr Quinn:

Some of them did not.

Mr Campbell:

If I wanted to produce o a résumé, I would say that it appears that quite a lot of people thought that they were interested, but, when they looked at the form, they decided that there was an awful

lot that they could not care less about one way or the other.

Mr Quinn:

That is a fair comment. As I said at the outset, some people appeared to have an interest in a particular element of the consultation. For example, some faith-based organisations were very much opposed to bookmakers opening on Sunday, so they completed that element of the form to register their strong opposition. However, they were not terribly fussed on some of the other areas, and, therefore, recorded that they neither agreed nor disagreed.

Mr Campbell:

The Minister has to take this on, and I am sure that we will come back to it. A consultation process is normally about whether people would like to see a change to existing laws. My initial reaction is that the responses indicate significant apathy on the part of those who did not bother to reply at all and on the part of others who started to fill out the form and then saw that some elements were not applicable to them. Neither agree nor disagree was chosen in answer to many questions. That does not indicate a burning desire among large numbers of people for significant change. That was a comment rather than a question.

Mr McAlorum:

Some of the issues were complex and required a good understanding of the gambling law and the industry.

Mr Campbell:

Do you think that people were bamboozled by some questions?

Mr McAlorum:

That is probably a fair comment. It was a substantial consultation with a long series of questions, as well as complex and interrelated issues that had to be dealt with.

Ms Lewis:

I share many of the concerns expressed by my colleagues, and I take Gregory's point on board. Last year, someone raised an issue with me about a gambling machine. When I queried it with

the local council, I was told that free-standing gambling machines, such as the grab machines found in shopping centres, were not made here and that machines to fit our law could not be bought. Is that the sort of common sense change that you would have to bring in?

Mr Quinn:

To some extent, that involves the disparity in stakes and prizes between Northern Ireland and Great Britain. Most machines are made for the Great Britain market, and their stakes and prizes are significantly higher than ours. You can gamble a £1 stake in Great Britain and win up to £70. On a similar machine in Northern Ireland, you can bet only 30p and win up to £25. The industry here would argue that it has fallen significantly behind. It cannot acquire new machines to replace its current stock of machines as they cease to operate. That is where that point comes from.

Mr McAlorum:

Machines are becoming increasingly sophisticated. The industry is constantly updating its estate, and the law is not keeping pace. Therefore, you are right that the law, particularly on gaming machines, needs to be clarified to ensure that all such machines are properly regulated.

Ms Lewis:

I agree. When I asked the question of the council, the matter seemed to be simply ignored. It seemed as though the law was simply not playing its part. Nobody was taking action.

Mr Quinn:

Enforcement is a matter for the PSNI, so if machines are operating outside the law, that should be brought to their attention.

Mr McAlorum:

Another issue is that it is not always obvious whether a machine is a gaming machine. Some are skills-with-prizes machines, which would fall outside the gambling law. The gambling legislation regulates machines with games of chance.

Mr Copeland:

The gambling industry is noted for detecting match fixing, fight fixing and a wide range of other fixing besides. Reading paragraph 2.4 of the consultation document, I wonder what odds the industry would have offered on the result of this consultation process, because it appears that 83% of responses were identical, which was 41% of the total completed responses. The organised response to the questions could be said to be skewed by weight slightly in favour of the bookmakers' opinions. Far be it from me to use the term "fixing" but it springs to mind.

Essentially, the local industry provides, and has provided for a long time, a service. In judging that, however, it is not safe to base any proposed legislation solely on the interests of the industry. Drugs, drug abuse and the damage caused by drugs exercise those of us who occupy positions of responsibility in urban and rural constituencies, particularly urban constituencies. Drug issues always make headlines. Alcohol, which does infinitely more damage, is not mentioned in the same way. However, an unquantifiable but seriously large amount of damage is done to families and individuals by gambling, when people do not have the wherewithal to do so. We need to be careful that any legislation to which the Committee and Executive give their weight of approval does not exacerbate the problem. At the same time, we must be ever mindful of the necessity to protect jobs in the local industry. There is a trade for gambling, but it needs to be controlled very carefully.

Mr Campbell:

There were 83 identical responses; it was not that 83% of responses were identical, as Michael inadvertently said.

Mr Copeland:

Yes, 83 responses were identical, which equates to 41% of the total. However, that is still indicative of some degree of organised fixing.

Mr Campbell:

It is indeed. It is very high.

Mr Quinn:

I should clarify that this was a consultation rather than an exercise to try to gauge public opinion. Therefore, we do not take that sort of response into account.

Mr Copeland:

Is that unusual?

Mr Quinn:

No, it happens regularly.

The Chairperson:

It might have been 80-odd community organisations, businesses or whatever, so we need to be careful about how we interpret some of the figures.

Mr McClarty:

Will Liam give us odds on whether the legislation will be changed? *[Laughter.]*

Mr Douglas:

The report states that, in Northern Ireland, one person in every 50 has a gambling problem. I have a question for Gary, although he may not have the answer. On the basis of anecdotal evidence, I imagine that young people are more inclined to bet online than older people. Do you have any idea what percentage of betting is done online?

Mr McAlorum:

I am sorry; we do not have that information. However, there is a concern, particularly with the rise of mobile apps, that there could be a rapid increase in problems for young people.

Mr Brady:

As someone who worked in an advice centre for many years, I have seen the effect that gambling can have on individuals and families. It is sad. At one time, it reached the point at which social security was paying husbands and wives separately, which does not happen now because of direct debit payments into bank accounts, and so on. The results of gambling, in whatever form it takes,

are catastrophic for individuals and families. In my experience, a gambling problem is much worse than a drink or drug problem, because, in a sense, there is no limit to it. It does not necessarily affect people physically, although it might affect some psychologically. It is a huge problem.

The Chairperson:

Have you a time frame in mind for when the Minister will come back to you on this?

Mr Quinn:

We do not, Chairman. As we said at the start, some of the issues are highly complex and controversial. It may take some time for the Minister to come to a view on how he wishes to proceed.

The Chairperson:

OK. On that note, Liam and Gary, thanks for your presentation and for responding to members' question.