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U 1/3 cc. Liam Quinn

26th February 2010

Dear Ms McAlister

Re: Strategic review of Northern Ireland Gambling policy, practice and law

The Northern Ireland Bingo and Gaming Association is an association of 30 bingo and gaming clubs¹ currently in operation in the 6 counties of Northern Ireland. The Association serves to represent its members at local, national and EU level and all members adhere to a self-regulatory code of conduct. We wholeheartedly support the Minister's intention to review gambling policy, practice and law in Northern Ireland and are committed to assisting your department in any way possible so as to ensure that the objectives set down by the Minister in her review are achieved. We agree with the DSDNI assessment of the legal existing framework as a framework that is outdated, difficult to understand or implement and in need of review and will not therefore use this submission to reiterate that which the DSDNI appears to recognise and on which this exercise is based. We recognise and support the need to ensure robust consumer protection and social responsibility in the gambling sector in Northern Ireland and would welcome legislative changes to ensure that gambling services are provided in a responsible manner across Northern Ireland.

The Northern Irish bingo and gaming sector operates on the basis of the Betting, Gaming, Lotteries and Amusement (Northern Ireland) Order 1895 and associated subordinate legislation. This allows bingo and gaming clubs to offer bingo, a set number of gaming machines, roulette, dice, baccarat and blackjack. The sector has seen no growth since 2007, two bingo and gaming clubs have ceased operating since 2007 and consumer spend has dropped by circa 30% over the past two years. We estimate that bingo gaming accounts for 5% of the overall gambling market and directly employs 1000 people in Northern Ireland. The Northern Ireland Bingo and Gaming Association, through its membership or EUBINGO² has self-imposed corporate social responsibility requirements on its members which we believe should be formalised in any updated regime.

¹ Chairman – A Humphries Vice Chairman – J Burns Secretary - L Dobbie

² The Northern Ireland Bingo and Gaming Association is a member of EUBINGO since 2008; the organisation represents various national bingo sectors at EU level; www.eubingo.org

1 Overall considerations

As you are aware, the bingo and gaming sector in Northern Ireland operates on the basis of the UK bingo and gaming taxation regime and a Northern Irish regulatory regime. The 'disconnect' between these regimes essentially means that the Northern Irish bingo and gaming sector is at a distinct competitive disadvantage whereby the level of taxation is based on the more modern UK regulatory regime which allows for significantly higher functionality, stakes and payouts which are not enjoyed by Northern Irish bingo and gaming operators. Coupled with this is the 'out-of-date' nature of the rules applicable to bingo operators, who now compete directly with 24/7 remote gambling operators, subject to little or no legislative or tax requirements in Northern Ireland. That said, there are elements in the current regime, such as the needs test, games permitted and the licence fee which we believe are appropriate for our sector and should be maintained in any new legislation.

As such, our overall objective would be to ensure that the Northern Irish licensing regime for bingo and gaming is modernised which would allow for the tax regime currently in place to remain. One of the easiest ways of achieving this would be to request amendment by Westminster of the UK Gambling Act 2005 such that it would apply in Northern Ireland, although we recognise that this is just one option available to the Minister and may not address some of the issues raised by the DSDNI or allow for maintenance of some of the positive elements in the existing legislation which are not provided for in the UK Gambling Act (such as needs test, games permitted and licence fee). In any event, a review should lead to a tightly controlled, commercially viable sector which, through the conditions set down in a licensing regime, is obligated to provide robust consumer protection in its day-to-day operation. Finally, we support a review of the entire gambling sector in Northern Ireland, not least to regulate remote gambling which is not provided for in current legislation. That said, we concentrate below on the regulation of bingo and gaming clubs in Northern Ireland and how that regulation could be amended to simultaneously ensure greater consumer protection and commercial viability.

I. Bingo licensing regime - principles

On the basis that we support a move to update existing gambling practice and law and are eager to assist in the achievement of this, we provide below a statement of principles which indicate where our sector positions itself as regards the questions set down in your letter and beyond. We will be happy to provide greater details on any of these principles upon request.

- 1) Existing Northern Irish gaming and betting legislation is outdated and should be replaced by a 21st Century Gambling Code, and this within 18 months. This exercise should include proper impact assessment, respecting the principles of proportionality and evidence-based regulation.³
- 2) Consumer protection, protection of the vulnerable, keeping gambling crime free and Corporate Social Responsibility in the provision of gambling services must form the corner stone of the new Gambling Code in Northern Ireland.
- 3) Parity of treatment between all forms of gambling in terms of operating conditions, including, but not exclusively, licence fees, taxation, advertising rules, anti-money laundering obligations, must form part of the new Gambling Code.

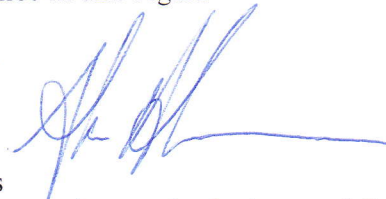
³ On the subject of evidence-based regulation we note that the UK Gambling Commission has already undertaken a significant amount of research in the gambling area and would respectfully suggest that some of this evidence should be used in DSDNI considerations.

- 4) The regulation of gaming and betting should ensure that these services remain commercially viable; taxation, for example, must be appropriate to the scale of operation or sustainable in the market and must reflect the level of permitted functionality of gaming machines and devices.
- 5) The Gambling Code should be generic enough so as to allow for adaptation to trends in the sector; any regime should be appropriate to the Northern Irish market, taking into account consumer demand, social, cultural, and political sensitivities.
- 6) The application of the Gambling Code should be overseen by an independent Regulator established specifically to regulate and control the gambling sector as a whole with the grant of licences remaining the remit of the courts; this system would not require involvement by local councils or the PSNI who are respectfully ill-equipped to adjudicate on the applicability of gambling legislation in practice.
- 7) A GAMCARE-type organisation should be established in Northern Ireland, with capped funding from the industry as a whole, co-financed by the Government.
- 8) The Betting, Gaming, Lotteries and Amusements (Northern Ireland) Order 1985 requires updating along the following lines:
 - a. A licence to operate a bingo club in Northern Ireland should be granted by Northern Irish Courts, on the basis of conditions set down by the Regulator who will have complete control over enforcement of licence conditions; there should be no involvement by local councils in the grant of licences to operate bingo and gaming clubs and no involvement by the PSNI in the oversight of licensed bingo and gaming clubs.
 - b. Licences to operate bingo and gaming clubs should not be limited in number, but the existing needs test should be maintained as should the existing licence fee.
 - c. Licences should be flexible to allow for technical innovation and should be issued for an initial 12 month period, followed by 36 month periods once the initial 12 month has passed.
 - d. As is currently the case, the licence to operate a bingo and gaming club should permit the operator to offer bingo, poker, a set number of gaming machines (ranging from Category A to category D machines), roulette, dice, baccarat and blackjack either through live gaming or through machines.
 - e. The fee/stake/payout of these machines should be set along the lines of those set down in the UK Gambling Act.
 - f. Bingo and gaming clubs should be strictly over 18; with proof of ID, the existing 24 hour rule should be abolished.
 - g. Bingo operations should be permitted 24/7 operating hours (with closure on Good Friday, Easter Sunday and Christmas Day).
 - h. Social responsibility requirements should form part of a licence with a network of all bingo and gaming clubs in place so as to ensure robust consumer protection and industry-wide application of self-exclusion policy.

- i. A licence must require the operator to provide information to its customers on responsible gambling, problem gambling, self-exclusion possibilities and rules of the game.
 - j. No credit should be permitted.
 - k. So as to ensure non-proliferation of bingo and gaming clubs, the needs test should be maintained.
 - l. A bingo operator, operating an over-18s bingo hall, should have the ability to apply for a liquor licence, to be assessed on the merits of the application; no alcohol should be permitted on the gaming floor
- 9) The EC Treaties and the freedom to provide services must be respected when regulating remote gambling; the regulation of remote gambling should not be approached from the narrow angle of tax revenue from some operators active in Northern Ireland.

We are hopeful that the 9 point principles list presented here goes a considerable way to answering the questions set down in your letter. We look forward to the publication by the DSDNI of a full discussion document informed by the submissions received as part of the consultation exercise and are of course ready to elaborate on any of these principles as you see fit. With that in mind, we would welcome a meeting with you in the coming weeks and will contact your office in this regard

Sincerely yours,



Alan Humphries
On behalf of the Northern Ireland Bingo and Gaming Association