

Republic of Nauru – 20<sup>th</sup> Parliament

**Gaming Bill 2011**

**SECOND READING SPEECH**

Hon Dr Kieren Keke, MP

16 August 2011

Mr Speaker,

It gives me great pleasure to introduce to the House today a Bill for an Act to regulate gaming.

Gaming activities, such as bingo and sports betting, are popular pastimes in Nauru. However, until recently, only a very limited number of gaming activities, such as bingo, could be lawfully conducted under a licence. The rest could not be licensed and were illegal under the Criminal Code, even though many potential operators expressed their desire to operate commercial gaming on a legitimate basis. The *Gaming Bill 2011* creates, for the first time in Nauru, a comprehensive regime for regulating gaming through a transparent licensing system that allows gaming businesses to operate on a lawful basis while protecting consumers from unscrupulous operators.

Mr Speaker, the explanatory memorandum describes each provision of the Bill in detail, but I will briefly outline the major features. The Bill hinges upon a few key concepts, the most important of which is unlawful gaming. A game is unlawful if it is a game of chance, or of mixed chance and skill, in which money or any other valuable thing is offered as a prize or is staked. However, such a game is not unlawful if it is licensed under the new regime or authorised under another written law (for example, if legislation provides for the regulation of a particular game). Also, it is not unlawful if it is a private game that is conducted otherwise than for a commercial purpose (for example, a game played at home in which the only way to make a financial gain is to win a bet). Finally, a raffle or game of karti for which the total value of prizes offered is below an amount prescribed by regulation is also not an

unlawful game – Cabinet intends to prescribe a low amount, such as \$250, so that small games can continue unregulated.

These concepts provide the foundations for the Bill, but the licensing regime is the regulatory basis of the system. A person may apply to the Secretary for a licence to conduct bingo, betting on sports or other events, a lottery, table games or games conducted on gaming machines. Other games cannot be licensed and therefore remain unlawful. The applicant for a licence must satisfy a suitable person test and other specified criteria before a licence will be granted. For example, the Secretary must be satisfied that the rules of the game are fair before a licence will be granted.

Each licence is subject to a number of conditions specified in the Act, and may be subject to other conditions specified in the licence itself or prescribed by Cabinet by regulation. It is a condition of every licence that the licence be displayed at each place where the game is conducted under the licence. This allows participants to ensure that the game is licensed – an important consideration given that it will be an offence to participate in an unlawful game. Also, it is a condition of a licence that the licensee ensures that all participants in the game are over the age of 18. This is an extremely important measure to protect our children from exploitation by irresponsible operators.

The Bill specifies that complaints about licensees can be made to the Secretary. Participants in licensed games will play an important role in ensuring licensees operate fairly and meet their obligations under the Act. If a licensee breaches a licence condition or is no longer a suitable person to hold the licence, the Secretary can cancel the licence. A licensee whose licence is cancelled will be able to apply to the Minister for review of the decision.

The Bill includes a number of offences, including offences for arranging, conducting, advertising or participating in unlawful gaming or betting and for failing to comply with a licence condition, including those mentioned above. Compliance with the new regime will be ensured by the appointment of authorised officers with extensive investigative powers.

Mr Speaker, a comprehensive licensing scheme for gaming in Nauru is long overdue. Banning, rather than regulating, gaming operations drives such activities underground where they cannot be monitored to ensure they are being conducted in a fair and proper way. The Bill I have introduced today creates a limited category of games that can be conducted legally in a scheme that will benefit consumers and operators alike.

I commend the Bill to the House.

Thank you, Mr Speaker.