

Media Release

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Penalty is only a slap on the hand

The Problem Gambling Foundation is not surprised that the Lion and Perry Foundations have now decided not to contest an Internal Affairs Department decision which will prevent them granting pokie funds to four Northern harness racing clubs in the future.

Graeme Ramsey, Problem Gambling Foundation CEO, says the penalty imposed by the Department is little more than a gentle slap on the hand.

"This is just saying 'don't do it again'. That is no penalty. Clearly there were some very dodgy arrangements in place. This is shown by the fact that grants to the four clubs totalled about \$400,000 up to 2005 but between 2006 and 2008 the clubs received over \$5.4 million. There will be many charitable groups currently struggling for funding who will say that is not fair," he says.

The DIA considered these grants "inconsistent with Sections 113 and 118 of the Gambling Act 2003". The Department's concern was not that funding was going to racing purposes but that arrangements had been entered into to capture the funding.

Graeme Ramsey says if grants were inconsistent with the Act then the powers of the Act should be used to penalise the trusts involved.

"The Act says that contravening these sections is an offence and a key person is liable on summary conviction of a fine of up to \$10,000," he says.

"This is public money and millions of dollars of it. Trusts need to be accountable and when they are not the people involved need to be prosecuted."

"For years we have seen dodgy practices and rort after rort involved with pokie funds. Enough is enough. There is an urgent need for real change to this fundamentally flawed system," Graeme Ramsey says.

Ends

Link to the Department of Internal Affairs press release:

<http://www.dia.govt.nz/press.nsf/d77da9b523f12931cc256ac5000d19b6/140cdace545b3c80cc25773100158905!OpenDocument>

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