



15 March 2011

Review of agents' fees complete

The New Zealand Racing Board (NZRB), in consultation with the Department of Internal Affairs, has completed an historical review of the fees paid to TAB agents operating Class 4 gaming venues on the NZRB's behalf since 2003.

The review identified an error in the way NZRB has been claiming costs associated with the operation of Class 4 gaming venues from two Charitable Trusts, and the subsequent payments made to TAB agents.

The error came about because of the way the NZRB treated the venues run by agents on its behalf. An historical practice of paying a flat fee to agents was established to deal with its portfolio of venues, rather than individual venues. As a result of this situation, the NZRB has over claimed a total of \$482,091 for some costs at certain venues over the past seven years. These funds are now being refunded to the relevant Trusts. In other venues, some costs incurred in relation to gaming have not been claimed.

The NZRB has worked proactively in good faith with The Department of Internal Affairs to rectify their claiming formula so that it now complies fully with the Gambling Act 2003. The Department of Internal Affairs has acknowledged the professionalism shown in dealing with this issue since it was first raised.

The resulting repayment to the Trusts involved will see funds returned to the community grants pool.

A process has been implemented whereby from now on, the Board will claim from Trusts, the actual and reasonable amount of the flat fee paid to agents.

This solution has been welcomed by the Department of Internal Affairs and ensures that, going forward, the Board's venue payment arrangements are consistent with the Gambling Act 2003.

Ends

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