

1995

**THE LEGISLATIVE ASSEMBLY FOR THE  
AUSTRALIAN CAPITAL TERRITORY**

**GAMING MACHINE (AMENDMENT) BILL 1995**

**EXPLANATORY MEMORANDUM**

**Circulated by the authority of the Treasurer**

**Kate Carnell, MLA**

## GAMING MACHINE (AMENDMENT) BILL 1995

### **Summary**

#### Linked jackpots - Selection of winners

The Gaming Machine Act 1987 (the Act) provides for, among other things, the approval of linked jackpot arrangements for gaming machines. Under current provisions of the Act, a linked jackpot can only occur in conjunction with a jackpot obtained on a gaming machine

The Bill provides that this restriction be removed. It is proposed that other methods of selecting the winners of linked jackpots be permissible subject to approval by the Commissioner for ACT Revenue.

#### Inter-club linked jackpot permits - duration

The Act provides for permits for inter-club linked jackpots. The Bill proposes that the issue and renewal period for these permits is increased from one year to five years.

#### Gaming machine tax rates for clubs

The Act sets the rate at which tax is payable on club revenue from gaming machines. Current rates are 1% of gross monthly revenue not exceeding \$8,000 and 22.5% of gross monthly revenue exceeding \$8,000. These two tax rates have been retained but the Bill proposes an additional tax rate of 23.5% for gross monthly revenue exceeding \$25,000.

### **Financial Implications**

At this time there are no inter-club linked jackpot systems operating in the Australian Capital Territory. It is expected that these amendments will facilitate the implementation of an inter-club linked arrangement. This is expected to increase poker machine patronage and in consequence, gaming machine tax revenue. It is not however, possible to quantify that increase.

It is estimated that the tax rate increase will raise an additional \$600,000 revenue in the 1995/96 fiscal year and \$1 million per year thereafter.

## **DETAILS OF THE GAMING MACHINE (AMENDMENT) BILL 1995**

### **Titles**

Clauses 1, and 3 deal with the title of the Act and the principle Act.

### **Commencement**

Clause 2 provides for the substantial provisions of the Act to commence on 1 November 1995.

### **Interpretation**

Clause 4(a) amends the definition of linked jackpot by omitting the requirement that a linked jackpot be paid as additional winnings in conjunction with a jackpot obtained on a gaming machine;

Clause 4(b) amends the definition of linked jackpot arrangement by omitting the requirement that a linked jackpot be paid as additional winnings in conjunction with a jackpot obtained on a gaming machine and substituting a requirement that it be payable as winnings in connection with the arrangement;

Clauses 4(c) and 4(d) introduce a new tax rate of 23 5% on club gross gaming machine revenue in excess of \$25,000 per month. Tax rates of 8% and 22.5% continue to apply to the first \$8,000 of gross gaming machine revenue and for gross gaming machine revenue exceeding \$8,000 but not exceeding \$25,000 respectively.

### **Linked Jackpot arrangements - single club license**

Clause 5(a) amends section 45A of the Act. It inserts subsection 45A (1A) which requires that an application to operate a linked jackpot arrangement be in accordance with a form approved by the Commissioner and include details of the manner in which linked jackpots are to be payable under each proposed arrangement.

The Commissioner is to be responsible for approving methods proposed by applicants, for selecting winners of linked jackpot arrangements.

Clause 5(b) amends subsection 45A (2) of the Act by omitting the words "subsection (1)" and substituting the words "this section". Applications for linked jackpot arrangements must also now be made in accordance with the new subsection 45A (1A).

Clause 5(c) inserts a new subsection 45A (4) which imposes as a condition of the approval of linked jackpot arrangements that payment of linked jackpots must be made in accordance to the methods stated in the application for approval

#### **Inter-club permits -- issue**

Clause 6(a) amends section 45B of the Act by requiring that an application for a permit be in accordance with subsection (1A)

Clause 6(b) inserts subsection (1A) This new subsection provides that an application for an inter-club linked jackpot permit must be in a form approved by the Commissioner, must include the details of the manner in which linked jackpots are to be payable under each proposed arrangement and must be accompanied by the determined fee

#### **Inter-club permits -- conditions**

Clause 7 inserts a new paragraph, 45C (aa) which imposes as a condition of the issue of inter-club linked jackpot permits that payment of linked jackpots must be made in accordance to the methods stated in the application for the permit

#### **Inter-club permits -- duration**

Clause 8 amends section 45D of the Act to provide for the issue of inter-club permits for 5 years instead of 1 year as previously provided

#### **Inter-club permits -- renewal**

Clause 9 amends section 45E of the Act to provide for the renewal of inter-club permits for 5 years instead of 1 year as previously provided