

1994

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

CASINO CONTROL (AMENDMENT) BILL 1994

EXPLANATORY MEMORANDUM

Circulated by the authority of the Chief Minister and Treasurer

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Casino Control (Amendment) Bill 1994

Summary

The Casino Control Act 1988 (the Act) provides for the establishment and control of a casino in the Australian Capital Territory.

The Act provides for tax to be paid at a determined rate on the gross profits of a casino's gaming operations. The Act is to be amended to provide for separate taxation arrangements to apply to junket operations as defined in the Act. These are groups of high stakes overseas based players who are organised by a junket operator or agent to play at a casino.

The Bill provides for amendments to the Act to allow one rate of tax to be applied to junket profits and another rate of tax to be applied to non-junket profits. The Bill also proposes amendments to the Act to protect the Government's non-junket taxation revenues from losses occurring in any month from junket operations.

Financial Implications

In the financial year 1994/95 it is expected that increased tax receipts will be around \$900,000 and in forward years \$2 million.

Details of the Bill are attached.

Details of the Casino Control (Amendment) Bill 1994

Title

Clause 1 - provides for the short title for this Act to be the Casino Control (Amendment) Act 1994 (the Act).

Commencement

Clause 2 - provides that sections 1,2 and 3 of the Act commence on the date of gazettal. The remaining provisions commence on a day fixed by the Minister in the Gazette, to ensure that section 4 of the Act and the determination made under that section commence on the same day.

Principal Act

Clause 3 - refers to the principal Act being amended as the *Casino Control Act 1988*.

Interpretation

Clause 4 - amends section 3 by inserting in subsection (1) the definitions for 'general tax', 'junket gaming' and 'junket tax'.

General Tax

Clause 5 - amends section 16 of the Principal Act by providing for the application of a 'general tax' to gross profits arising from only the non-junket operations of a casino. The amendment of section 16 also defines 'non-junket gaming' as gaming other than junket gaming.

Insertion

Clause 6 inserts after section 16 a new section 16A - '**Junket tax**' - which provides for the taxation of a casino's junket operations. The new section will ensure two things, firstly, that profits arising from junket gaming are taxed at the differential rate from the rate set for non-junket gaming, and secondly,

that junket losses are quarantined from the calculation of non-junket profits for the purpose of the general tax.

This clause also provides that junket tax is payable each month calculated on the profits of junkets completed in that month, irrespective of whether that profit relates to junket gaming commenced in that month or previously.

Liability for fee and taxes - suspension of licence

Clause 7 amends section 17 of the Principal Act to make reference to "general tax and junket tax" as defined.

Surrender of casino licence

Clause 8 amends section 47 of the Principal Act to correct a drafting anomaly and to ensure that casino licences cannot be surrendered if there is any outstanding junket tax.