

2004

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

GAMING MACHINE AMENDMENT BILL 2004

EXPLANATORY STATEMENT

Circulated by the authority of the Minister for Sport, Racing and Gaming

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Gaming Machine Amendment Bill 2004

Policy background

The Gaming Machine Amendment Bill 2004 (the Bill) proposes three measures –

Firstly it reinstates the “Women in Sport” component of the Government’s ‘Plan for Women’ policy to provide greater support for the choices that women want to make in their lives.

In June 2002 the Legislative Assembly passed legislation to amend the *Gaming Machine Act 1987* (the Act) to enable licensed clubs to claim \$4.00 against their statutory community contributions requirement for every \$3.00 donated for the benefit and enhancement of women’s sport in the ACT.

The incentive scheme for contributions to women’s sport was amended during debate to provide a sunset of 30 June 2003.

As part of the response to the review of the Act, the Government agreed that, subject to the results of the scheme, the scheme should be made permanent under the Act.

The ACT Gambling and Racing Commission’s 2002-03 Community Contributions Report shows an increase of 39% in actual donations to women’s sport from \$157,981 in 2001-02 to \$219,692 in 2002-03. The adjusted amount was \$292,924 (i.e. licensed clubs claimed an additional \$1.00 for every \$3.00 contributed).

The positive results demonstrated in the Commission’s Report reinforces the Government’s position on this important initiative and this proposal brings forward an amendment to the Act to provide for early reintroduction of the incentive scheme for licensed clubs to contribute to women’s sport. This will enable clubs to access this important Government initiative for the financial year 2003-04 and beyond and allow the increased funding to once again flow back into women’s sport for its overall benefit.

Secondly, this Bill proposes to allow tavern owners in the ACT access to a more modern type of gaming machine.

Recommendation 27 of the Gambling and Racing Commission’s review of the Gaming Machine Act provided for the gaming machine class distinction and its associated restrictions to be removed and that gaming machines should only be accessed by “not for profit” clubs.

The Government does not support this recommendation, agreeing that Class C type gaming machines should only be available to “not for profit” clubs. It is, however, inequitable that taverns only rights to gaming machines are to operate two Class A gaming machines when these machines do not exist.

This proposal will enable the taverns to have access to two Class B type gaming machines in line with those types of machines allowed in hotels. This will be subject to the tavern owners meeting certain social impact assessment requirements.

The new social impact assessment requirements form part of an overall strategy for harm minimisation and will be relevant to all applications for gaming machines.

Finally, this Bill proposes that the cap on the number of gaming machines in the ACT will again be set at 5200 for a further 12 months to 30 June 2005. This will allow time for the drafting of the new Gaming Machine Act to be completed and for all provisions to have commenced.

Revenue/Cost Implications

The Gambling and Racing Commission will absorb the slight increase in the cost of regulation of the Class B gaming machines for taverns within existing resources.

There will be a small increase in gaming machine tax revenue due to the increased number of Class B gaming machines being available. The level of the tax revenue increase will depend on how many taverns take up the Class B machines and what level of turnover the machines achieve. While no firm revenue estimates are possible, it is not expected that the amount will be significant.

Details of the Bill follow.



Details of the Gaming Machine Amendment Bill 2004

Clause 1 Name of Act

This Act is the *Gaming Machine Amendment Act 2004*.

Clause 2 Commencement

The Act commences on the day after its notification day.

Clause 3 Legislation amended

This Act amends the *Gaming Machine Act 1987*.

Clause 4 Application for a licence

This clause omits section 14 (2) (b) (ii). This is now taken up under the new broader section 14(da), which refers to all entities (clubs, hotels and taverns) that are corporations in the ACT formed either under ACT or Commonwealth legislation.

Clause 5 New section 14 (2) (da) and (db)

New section 14 (2) (da) provides that all corporations, including corporations that are clubs, must provide information in relation to each relevant influential person.

The definition of ‘**relevant influential person**’ is found at section 4 of the *Gaming Machine Act 1987*, however, please note that clause 15 of this Bill amends the dictionary’s definition.

New section 14 (2) (db) requires that an application for a gaming machine licence must be accompanied by a social impact assessment.

Clause 6 New section 14 (3)

New section 14 (3) provides that the social impact assessment must comply with any Ministerial guidelines made under new section 14AB.

Clause 7 Section 14

This clause notes that the section’s paragraphs and subparagraphs will be renumbered when next republished under the Legislation Act.

Clause 8 New sections 14AA and 14AB

New section 14AA – Additional requirements for social impact assessments

This clause provides that the social impact assessments provided to the commission during the course of an application must be made available for public inspection for a period of 6 weeks.

It provides that an applicant for a gaming machine licence must advertise its intention to apply for a licence in a local ACT newspaper and that the advertisement must contain certain information as to the availability of the social impact assessment for viewing and comment. The applicant must provide a copy of the advertisement and evidence of the date of publication to the commission to enable the commission to verify the content of the advertisement and the commencement date of the 6-week consultation period.

This section also provides that the commission must not make a decision on the application until the 6-week public consultation period has elapsed. This provision relates to revised section 15 (3) (b) that requires the commission to take into account any submissions under the public consultation process.

New section 14AB - Guidelines about social impact assessments

This clause inserts new section 14AB to provide that the Minister may make guidelines that applicants for gaming machines must satisfy in relation to a social impact assessment. The guidelines include, but are not limited to, the requirements of what must be satisfied, matters to be assessed or addressed and information contained in a social impact assessment.

These guidelines are a disallowable instrument, and, as such must be notified and presented to the Legislative Assembly.

Clause 9 Section 15: Issue or refusal of licences – general and on licences

Section 15 has been changed to improve its drafting style and is now expressed in the positive rather than the negative.

Section 15 (2) has also been revised by the addition of paragraphs (f), (g) and (h) and form part of an overall strategy for closer social scrutiny of all applications for gaming machine licences. Paragraphs (f) and (g) in particular are consistent with the harm minimisation principles of the *Gambling and Racing Control (Code of Practice) Regulations 2002* for gambling operators and will significantly address the risks to minors and others in the community associated with the issue of a gaming machine licence.

Paragraph (h) provides for an overall impact assessment involving both economic and social issues of the community (i.e. members of the public that conduct business, reside or visit community facilities) within 5 kilometres of the premises.

Section 15 (3) provides that the commission must take into account the social impact assessment provided with the application as well as any submissions received as part of the public submission process.

Section 15 (4) provides for the commission to take into any other relevant matter in assessing the licence application in relation to paragraphs 15 (f), (g) and (h). This allows the commission to consider information other than provided as part of the applicant's social impact assessment, for example, additional or alternate information or a different interpretation of data provided.

Clause 10 Section 15A heading

This clause substitutes a new heading for 15A -

‘Issue or refusal of licences – relevant influential person’

Clause 11 Section 15A (1) (b) (ii)

This section now provides the commission with broader powers to investigate persons, in addition to company directors, who may have influence over the management of the entity or can substantially control or influence the entity's activities.

Clause 12 Conditions for issue of licences – gaming machines

Section 18 (3) (a)

This section now provides that taverns may have access to Class B gaming machines.

Clause 13 Application

Section 23A (2)

This clause omits the year 2004 and substitutes the year 2005. This provides that the restriction on the number of gaming machines at 5,200 continues until 30 June 2005.

Clause 14 New section 60G (4) and (5)

New section 60G (4) enables licensed clubs to claim \$4.00 against their statutory community contributions requirement for every \$3.00 donated to an organisation specified under the Ministerial Guidelines specifically for the benefit and enhancement of women's sport in the ACT.

New section 60G (5) defines **“Women's sport community contributions”** for the purposes of section 60G (4).

Clause 15 – Dictionary

This clause amends the definition of **‘relevant influential person’** as found at section 4 of the *Gaming Machine Act 1987*.