

Gaming Machine (Required Community Contributions) Determination 2002 (No 1)

Disallowable Instrument DI 2002-164

Explanatory Statement

Gaming Machine Act 1987, section 60G (the required community contributions)

The *Gaming Machine Act 1987* (the Act) requires licensees that are clubs to commit a prescribed minimum percentage of their net gaming machine revenue to community contributions each financial year.

In respect of the 2000-2001 financial year, sub-section 60G(1) of the Act provides that the required community contribution is the proportion of the club's net revenue assessed at 6% **or** the other proportion determined, in writing by the Minister.

Pursuant to sub-section 60G(2) of the Act, the Minister may set a lower required community contribution for a club if the Minister is satisfied, on application by the club, that:

- the gross revenue of the club in a financial year is less than \$200,000; and
- the application of the 6% to the club would so seriously affect its viability that it would not be just and equitable in the circumstances.

The Serbian Cultural Club "St Sava" (the Club), through its appointed Receiver, has made application requesting that the required community contribution rate for the 2001-2002 financial year be zero.

In terms of the first criterion under section 60G of the Act, the Club's gross gaming machine revenue for the 2001-2002 financial year was only \$35,759. With regard to the second criterion under section 60G, I believe that the application of the 6% community contribution liability to the club would seriously affect its viability and would not be just and equitable in the circumstances. I am therefore satisfied that the Club's application has met the criteria for a lower community contribution.

Given that the Club is in receivership and taking into account the substantial moneys owing to unsecured creditors, I am of the view that to incur any further debts would only compound the Club's already serious financial situation.

This Determination under section 60G of the Act therefore sets the Club's required community contribution for the 2001-2002 financial year at zero.

Revenue/Cost Implications

The community contribution that would be required to be made by the Club in the absence of this Delegation would be \$1,823. There are no revenue or cost implications for the ACT Government.

Authorised by the Minister for Sport, Racing and Gaming