

GAMING MACHINE AMENDMENT BILL 1993

EXPLANATORY NOTE

GENERAL OUTLINE

Objectives of the Legislation

The proposed legislation will enhance the discretionary powers of the Queensland Machine Gaming Commission, create the Gaming Machine Community Benefit Fund, provide for a sliding scale Gaming Machine Community Benefit Levy for the larger clubs and re-apportion the revenue raised therefrom and also make minor administrative amendments to the *Gaming Machine Act 1991*.

Reasons for the Bill

1. Currently the Queensland Machine Gaming Commission lacks the legislative power to refuse to grant an application for a gaming machine licence in circumstances where all licensing criteria contained in the Gaming Machine Act are met but where an approach which is in breach of the genuine bona fide non-proprietary club ethos is evident.

2. The advent of gaming machines has coincided with a reported reduction in the amount of funds donated to community welfare organisations. However, Budget imperatives have meant that the Charities and Rehabilitation Levy paid by hotels with gaming machines have largely been used to fund Family Services portfolio programs and initiatives. Clubs have to date not been required to pay this levy. However, it is considered that an increasing tax scale is appropriate for the larger clubs earning excess profits.

Estimated Cost for Government Implementation

There will be no cost for Government.

Consultation

Industry groups and relevant Government Departments have been consulted and raised no major objections.

NOTES ON PROVISIONS

Clause 1 Short title provides for the legislation to be cited as the *Gaming Machine Amendment Act 1993*.

Clause 2 The Gaming Machine Act is to be amended.

Clause 3 The Act will commence when proclaimed. It is intended that the Act will commence on 1 December 1993.

Clause 4 Amends interpretation section 1.3.

- . Amends the definition of club liquor licence, liquor licence and prescribed liquor licence to extend the eligibility qualifications for applicants for gaming machine licences. The definition of club liquor licence has been expanded to make provision for a club making application for a gaming machine licence, where it's licensed premises are situated on Commonwealth land and where the club holds an authority to sell liquor under a Commonwealth Act (e.g. Federal Airports Corporation Act 1986). Furthermore, the definition of a liquor licence has been widened to include persons who may hold an authority to sell liquor under an Act other than the Liquor Act 1992 (e.g. Wine Industry Act 1974) and for non-club liquor outlets on Commonwealth land, but prescription by the Governor-in-Council in each instance is a pre-requisite.
- . Includes a definition of arrangement to clarify the meaning of the term as it relates to disclosures by licensees and applicants for gaming machine licences.
- . Includes a definition of betting unit to allow for the tokenisation of gaming machines whereby it will be possible to use \$1.00 coins to play either 5¢, 10¢ or 20¢ gaming machines.

- . Includes a definition of conviction to clarify the meaning of the term referred to in the new sections 3.3B(3) and 4.6(3) relating to changes in circumstances of applicants for and holders of all licences under the Act and the show cause provisions of the legislation.

Clause 5 Amends section 2.25 which deals with assistance to the Director, Machine Gaming Division by the Police Service. The amendment rectifies a wording inconsistency and has no effect on the meaning of the section.

Clause 6 Amends section 3.3 which deals with Commission consideration of applications by clubs for gaming machine licences. The amendment provides the Queensland Machine Gaming Commission with the discretion to refuse to grant applications by clubs for gaming machine licences in certain circumstances e.g. “entrepreneurial” or externally controlled clubs. No specific guidelines can be defined as the Commission must assess for each application, in accordance with the provisions set out in the clause, the level of bona fide club ethos as opposed to the degree of private gain or external involvement. Where the latter condition is assessed as dominant, the Commission is obliged to deny the granting of a gaming machine licence.

Clause 7 Provides new sections 3.3A and 3.3B and ensures (a) that clubs do not operate at more than one site without good reason and (b) that applicants for and holders of gaming machine licences notify any changes in their circumstances which impact upon information already held by the Machine Gaming Division.

Clause 8 Amends section 3.24 which deals with the cancellation or suspension of gaming machine licences. The amendment strengthens the cancellation or suspension provision for show cause action against “entrepreneurial” or externally controlled clubs.

Clause 9 Amends section 3.32 which deals with the continuance of a gaming machine licence in the event of the death of the licensee or, when the licensee is a corporation, receivership. The amendment ensures that the person appointed to administer the affairs of the licensee takes responsibility for any outstanding debts of gaming machine rentals, taxes, levies and penalties due and payable by the licensee.

Clause 10 Amends section 4.6 which deals with the requirement by applicants for or holders of machine managers, service contractors or repairers licences to notify changes in information already held by the Machine Gaming Division. The amendment clarifies the type of changes which need to be notified.

Clause 11 Amends section 8.1 which deals with the assessment of taxes and levies payable by a licensee based on gross monthly turnover. The amendment clarifies the period covered by the assessment for the purpose of determining the new gaming machine community benefit levy payable by the licensee.

Clause 12 Provides new sections 8.5A and 8.5B which create the gaming machine community benefit levy and establish the Gaming Machine Community Benefit Fund and the Gaming Machine Community Benefit Committee.

Clause 13 Amends section 8.10 which deals with the manner in which all fees, taxes, levies and penalties received under the Act are disposed. The amendment provides for the Minister responsible for the administration of the Gaming Machine Community Benefit Fund to cause monies to be paid out of the fund for the benefit of the community.

THE SCHEDULE

Minor and Consequential Amendments

In accordance with current practice the opportunity has been taken to make provision in the Act for written reasons to be supplied in circumstances which result in the

- (a) refusal of an application; or
- (b) suspension of a licence; or
- (c) imposition or variation of conditions on a licence; or
- (d) removal of a name from the Rolls of manufacturers and suppliers; or
- (e) withdrawal of an approval of a gaming machine type or game.

Certain amendments in the schedule make minor changes subordinate to the amendments in clauses 4 to 13 of the Bill. Other minor amendments in the schedule will -

- . remove the requirement that a licensee must authorise a machine manager in writing;
- . enhance safety requirements;
- . allow tokenisation of gaming machines;
- . streamline the procedure for renewal of licences;
- . streamline certain licensing procedures which link the Machine Gaming Division and the Liquor Licensing Division;
- . remove the requirement to maintain a gaming machine entry log;
- . strengthen the requirement qualification of accountants performing audits of gaming machine accounts;
- . specify audit requirements for former licensees;
- . impose restrictions upon former officers of the Machine Gaming Division.