

GAMING MACHINE AMENDMENT BILL 1998

EXPLANATORY NOTES

Short Title

Gaming Machine Amendment Bill 1998

Objectives of the Legislation

The legislation provides for essential amendments required prior to 1 July 1998 to continue the Government's implementation of changes to the gaming machine industry following the Review of Gaming Machine Regulatory Arrangements by the Government in 1996.

The proposed legislation amends the responsibilities with regard to:

- (a) leasing and sub-leasing of gaming machines by licensed operators and approved financiers;
- (b) maintaining registers of gaming machines by licensed operators and approved financiers;
- (c) changing of the percentage return available to players; and
- (d) approval of linked jackpot arrangements.

The proposed Bill amends the *Gaming Machine Act 1991*.

Reasons for the Legislation

Following the Review of Gaming Machine Regulatory Arrangements the Government negotiated a package of changes with industry participants. Two of the most significant changes were the introduction of third party Licensed Monitoring Operators who would take over the electronic monitoring of gaming machines in licensed clubs and hotels, and for the Government to cease the ownership of gaming machines.

The *Gaming Machine Amendment Act 1997* provided for the changes required by 1 July 1997. The Government's commitment to the package of changes now depends on the passage of this legislation to facilitate the changes due to take place by 1 July 1998.

Estimated Cost for Government Implementation

There are no additional costs anticipated from the changes to the gaming machine industry resulting from this legislation. Within the Queensland Office of Gaming Regulation there will be some re-allocation of resources from direct monitoring of gaming machine venues to the monitoring of the licensed operators and approved financiers. However, this should be cost neutral to the Office.

The introduction of licensed operators and the approval of linked jackpot arrangements is expected to lead to an increase in revenue from machine gaming activities.

Assessment of Bill's Consistency with Fundamental Legislative Principles

The legislation has been prepared taking into consideration fundamental legislative principles.

Consultation

The Review of Queensland Gaming Machine Regulatory Arrangements was published as a Government White Paper following more than six months of consultation with industry participants.

Following the publication of the White Paper the Government entered into a period of intense negotiations with industry participants and consideration of submissions from the community.

The decision for the Government to remove itself from gaming machine ownership and monitoring is recognised as implementing National Competition Policy requirements by removing the Government from operational matters.

NOTES ON PROVISIONS

Clause 1 sets out the short title of the Act.

Clause 2 provides for the Act to commence on proclamation.

Clause 3 notes that this Act amends the *Gaming Machine Act 1991*.

Clause 4 lists amendments to the Definitions.

Clause 5 inserts new sections 6A to 6C which define the terms “jackpot payout”, “metered payouts” and “percentage return to player”.

Clause 6 removes section 39(3)(i) of the Gaming Machine Act.

Clause 7 removes section 44 of the Gaming Machine Act.

Clause 8 amends the title of section 45 of the Gaming Machine Act and omits the requirement to display the schedule of gaming machines.

Clause 9 amends section 55(2) of the Gaming Machine Act to clarify the provision.

Clause 10 amends section 58 of the Gaming Machine Act to provide for the relocation of gaming machine areas and remove any reference to the modification of such areas.

Clause 11 amends section 98A of the Gaming Machine Act to define the term “leased” to include a hire purchase agreement as defined by the *Hire-purchase Act 1959*. A similar amendment has been included in clauses 13 and 14.

Clause 12 amends section 130 of the Gaming Machine Act to provide that the chief executive may also list on a roll of recognised manufacturers and suppliers of gaming machines, the name of any person the chief executive considers an appropriate person and who has submitted a gaming machine type or game for approval pursuant to section 146 of the Act and the machine type or game was approved under the section.

Clause 13 amends section 135 of the Gaming Machine Act to provide that a licensed operator or an approved financier may lease a gaming machine to another licensed operator or approved financier licensee for subleasing to a licensee or a gaming trainer.

Clause 14 replaces section 141D of the Gaming Machine Act and provides that a licensed operator and an approved financier must maintain a register of gaming machines in the approved form.

Clause 15 inserts a new section 146A of the Gaming Machine Act which enables licensed operators or licensees to alter the percentage return to player approved pursuant to section 146 of that Act.

Clause 16 amends section 149 of the Gaming Machine Act which provides for the approval of linked jackpot arrangements.

Clause 17 amends and clarifies section 153(5) of the Gaming Machine Act and replaces section 153(6) with a new sub-section which provides that section 153(1)(a) to (j) does not apply to electronic monitoring equipment not located on licensed premises or gaming equipment not connected to an electronic monitoring system and not installed in a gaming machine area.

Clause 18 amends section 161 of the Gaming Machine Act to include a definition of a prescribed licensee as prescribed under a regulation. This provision also includes action which must be taken if a prescribed licensee ceases to be a licensee under the Gaming Machine Act.

Clause 19 amends section 206 of the Gaming Machine Act to include section 149(7) in the list of offences.