



PATHWAY TO 4,000 GAMING MACHINE AUTHORISATIONS BY 2020

August 2018

Government Response to ACT Club Industry Diversification Support Analysis Recommendations

No.	Recommendation	Government Response
1	The Government amend the provisions for the 50 per cent tax rebate for small to medium clubs and club groups that earn under the \$4 million Gross Gaming Machine Revenue (GGMR) threshold in a financial year to provide clubs with flexibility should they be close to exceeding the threshold. A phased approach should apply to reduce the rebate by 50 cents in every dollar of GGMR over \$4 million.	Agreed in-principle to maintain clubs' existing eligibility (based on 2017-18 GGMR) until the review of the operation of the tax rebate as required under the <i>Gaming Machine Act 2004</i> is completed. The review report must be tabled in the Legislative Assembly by 30 November 2019. If eligible club's GGMR exceeds \$4 million, tax rebate does not apply to GGMR amount above \$4 million.
2	The Government commit to no change to gaming taxation measures and no further compulsory reduction in the overall number of gaming machine authorisations in the ACT below 4,000, other than reduction occurring through trading forfeitures, cancellations or further voluntary surrender of authorisations by clubs for five years, from 1 July 2020.	Agreed in part –The trading scheme and overall number of authorisations in the ACT will be reviewed in five years from 1 May 2020. This Government will not undertake another compulsory surrender process once 4,000 authorisations is reached nor change the key elements of the trading scheme during this five-year period.
3	The gaming machine authorisation trading scheme continue and retain current forfeiture provisions.	Agreed
4	That a diversification support fund, financed by a contribution for each gaming machine authorisation held, be established. This contribution should be matched by Government. The fund should be ring-fenced, with governance arrangements that include terms of reference, an advisory board, and reporting obligations.	Agreed – Government will match funding for the first three years of the Fund's operation. Matching funding in 2022-23 and beyond will be subject to a review of the Fund and Budget consideration.
5	The Government mandate training for club directors within 12 months of their appointment. A training program for the	Agreed

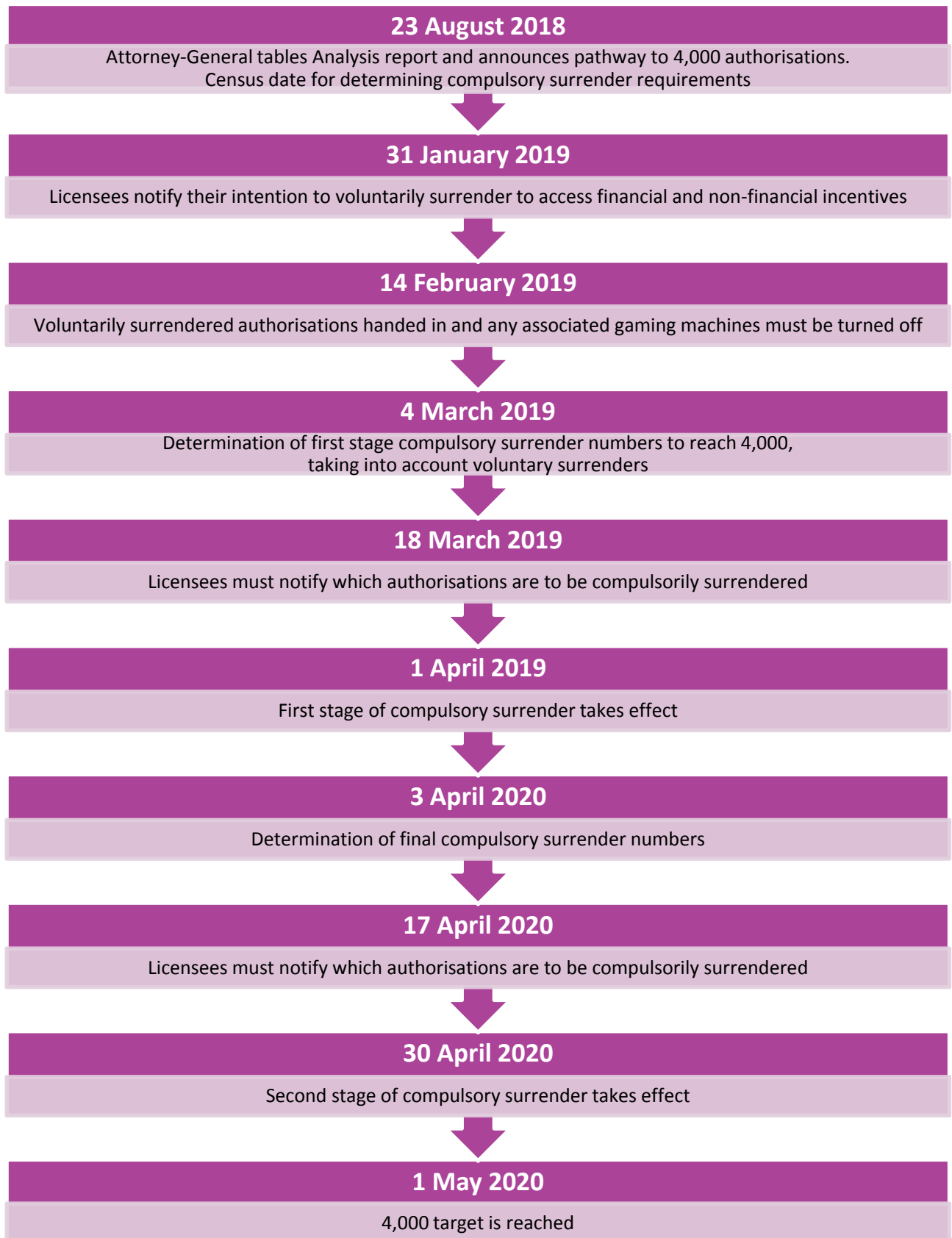
ACT, would build on the NSW model and cover board member responsibilities, management collaboration and finance for club boards, together with training on harm minimisation and the role of boards in overseeing the provision of responsible gambling services. It is recommended the cost of mandatory training be met from the diversification support fund.

6	The club industry unify its peak bodies with a view to improving its advocacy and information sharing across industry. The industry should explore opportunities to share skills and services to reduce costs and establish an ACT clubs forum to discuss common issues.	This recommendation is a matter for the club industry.
7	The Government establish a point of contact for clubs to obtain advice, including relating to alternate land use and eligibility of clubs to apply for a grant from the diversification support fund.	Agreed
8	The Government provide clubs with access to the Lease Variation Charge Deferred Payment Scheme where they can demonstrate a public benefit, with the interest rate set at the Bank Bill rate only.	Agreed
9	The Government waive the cost of advice to clubs about their lease status to enable exploration of alternative land usage.	Agreed
10	The Government review the approach to liquor licensing fees for licensed clubs, to take into account the level of risk posed by clubs with a liquor licence.	Agreed – the review will be undertaken in 2019-20.
11	That \$12,000 cash funding per gaming machine authorisation be made available to small and medium clubs and club groups for early voluntary surrender by 31 January 2019, and \$6,000 per gaming machine authorisation be available for early voluntary surrender by 31 January 2019 by hotel licensees.	Agreed
12	That offsets against future Government land, lease and planning and development charges be made available for small-medium clubs and club groups at a rate of \$25,000 per authorisation voluntarily surrendered by 31 January 2019, and for large clubs and club groups at a rate of \$15,000 per authorisation voluntarily surrendered by 31 January 2019. The offsets would be available to be used over a seven year period commencing on 1 April 2019.	Agreed
13	A 25 per cent bonus on the relevant incentive be offered to clubs and club groups who go 'pokie free' and surrender their authorisation certificate.	Agreed – the venue must be maintained as a community facility for at least five years

and the licensee will be unable to apply for a new authorisation certificate to operate gaming machines for a five year period.

14	Licensees that voluntarily surrender authorisations by 31 January 2019 be permitted to retain the number voluntarily surrendered as part of the maximum number of authorisations on their authorisation certificate.	Agreed
15	Club group licensees that voluntarily surrender authorisations by 31 January 2019 may choose which venue/s authorisations are voluntarily surrendered from.	Agreed
16	A flat compulsory surrender rate be applied to clubs with 20 or more authorisations. Clubs with 19 or fewer authorisations held should be exempt from compulsory surrender.	Agreed
17	That authorisations voluntarily surrendered reduce a licensee's compulsory surrender obligations by an equivalent amount.	Agreed
18	That Government announce a timetable for reducing the number of authorisations to provide industry with as much clarity and notice as possible. The timetable should incorporate early voluntary surrender and two tranches of compulsory surrender. Applications for incentives under voluntary surrender should close by 31 January 2019, with the first round of compulsory surrender (50 per cent of authorisations requiring surrender) occurring on 1 April 2019 and a second round covering the remainder of authorisations to be surrendered by 30 April 2020.	Agreed – see key milestones
19	Authorisations that are forfeited through trading should count toward a seller's number of authorisations to be compulsorily surrendered.	Agreed – noting that the measure counts only the number of authorisations forfeited through trading, not the total number of authorisations traded.

Key Milestones





ACT
Government