

Gaming Acts (Gaming Machine Levy) Bill

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EXPLANATORY MEMORANDUM

General

In the 2000–01 Budget, the Government announced that it would introduce a gaming machine levy of \$333.33 per gaming machine on the gaming machines of the three gaming operators, Tattersall's, Tabcorp and Crown. The purpose of this Bill is to give legislative effect to this revenue initiative.

Clause Notes

Clause 1 sets out the purpose of the Bill, which is to amend the **Casino Control Act 1991** and the **Gaming Machine Control Act 1991** to impose an annual levy on gaming machines operating in Victoria.

Clause 2 states the commencement date of the Bill, which is the day after the day on which the Bill receives Royal Assent.

Clause 3 inserts new sections 114A and 114B into the **Casino Control Act 1991**.

Section 114A(1) imposes on the casino operator a levy of \$333.33 in respect of each gaming machine operating in the casino on 30 September each year.

Section 114A(2) defines an operating machine as a gaming machine that is available for gaming in the casino at any time on 30 September in a financial year, or would be available for gaming in the casino if the gaming machine were connected to the electronic monitoring system.

Section 114A(3) requires the Treasurer, in consultation with the Victorian Casino and Gaming Authority, to determine the amount of the annual levy and to notify the casino operator of the amount of the levy that the Treasurer has determined as soon as practicable after 30 September each year.

Section 114A(4) provides for the levy to be paid in two equal instalments due on 15 December and 15 June in each financial year.

Section 114A(5) requires that the determination under section 114A(3) in respect of the 2000–01 financial year must be made and notified to the casino operator as soon as practicable after the commencement of this Bill. Section 114A(5) has been included because this Bill will commence after 30 September 2000, and the casino operator will not receive as much notice or have as much time to pay the first instalment of the first payment of the levy as in future years.

Section 114B provides for the hypothecation of the gaming machine levy.

Section 114B(1) provides for the payment in each financial year of an amount equal to the amount of the gaming machine levy from the Consolidated Fund to the Hospitals and Charities Fund.

Section 114B(2) provides that payments from the Consolidated Fund to the Hospital and Charities Fund are to be made at times determined by the Treasurer.

Section 114B(3) provides that the Consolidated Fund is appropriated to the extent necessary for the payment of the proceeds of the gaming machine levy from the Consolidated Fund to the Hospitals and Charities Fund.

Clause 4 provides for the payment of interest by the casino operator on late payment of the gaming machine levy.

This clause amends section 116(1) and (4) of the **Casino Control Act 1991**.

Section 116 of the **Casino Control Act 1991** is a penalty provision requiring the casino operator to pay interest on the late payment of a range of payments that the casino is required to make to the Government. Sub-sections (1) and (4) identify the types of payments which attract penalty interest in the event of late payment. Clause 4 amends sub-sections (1) and (4) by adding the gaming machine levy to the types of payments which attract interest in the event of late payment.

Clause 5 inserts new sections 135A and 135B into the **Gaming Machine Control Act 1991**.

Section 135A(1) to (5) mirrors section 114A(1) to (5) (inserted by clause 3 above) for gaming machines outside the casino.

Section 135A(6) clarifies that the gaming operators referred to in section 135A are Tattersall's and Tabcorp.

Section 135B mirrors section 114B (inserted by clause 3 above) in respect of gaming machines outside the casino.

Clause 6 has the equivalent effect to clause 4 in respect of gaming machines outside the casino.

The clause amends section 136B of the **Gaming Machine Control Act 1991**, which imposes interest on late payments to the Government by Tattersall's and Tabcorp. However, in contrast to the **Casino Control Act 1991**, where the types of late payment to which penalty interest apply are specified, section 136B of the **Gaming Machine Control Act 1991** simply refers to "amounts payable under this Part" (Part 9). The gaming machine levy will become another type of payment under Part 9 so that it is not necessary to explicitly identify the gaming machine levy as a payment to which penalty interest will apply. However, a minor amendment is required as the Bill provides for payment of the gaming machine levy to the Director (of the Victorian Casino and Gaming Authority). As section 136B presently only covers late payments to the Treasurer and the Authority, an amendment is required to also include late payments to the Director.

