



The Place To Be

Media release

From the Minister for Gaming

Thursday, 11 December, 2008

CALL FOR COMMENT ON NEW GAMING MACHINE ARRANGEMENTS

The Brumby Government is seeking public comment on proposed legislation to underpin gaming machine entitlements and monitoring arrangements for 2012 and beyond, Gaming Minister Tony Robinson announced today.

Mr Robinson said feedback on the *Gambling Regulation Further Amendment (Licensing) Bill* Exposure Draft is important in providing further stakeholder and community input to the proposed post-2012 licensing arrangements.

"In April 2008, the Government announced that Victoria's gaming industry would transition from the current gaming operator duopoly to a venue-operator structure in 2012," he said.

"The Exposure Draft provides the information venues need to decide if they want to participate in the industry post 2012.

"We have announced a new industry framework that gives venues more control of their gaming operations, makes them more accountable to their local communities and gives them an opportunity to receive a much greater share of gaming revenue while keeping the Government aggregate tax broadly similar."

The Exposure Draft details a new progressive tax system applying to each venue's average monthly per gaming machine revenue. A tax-free threshold is proposed to help small not for profit club venues.

Average Monthly Per Machine Revenue	Hotel Tax rate	Club Tax rate
0 - \$2,666	8.33%	Tax free
\$2,667 - \$12,500	50.83%	42.5%
\$12,501 +	58.33%	50.0%

Current arrangements, including the 50/50 distribution of gaming machines between clubs and hotels; the commitment that no more than 80 per cent of gaming machines will be allocated within metropolitan Melbourne; the regional caps policy; and the maximum limit of 105 machines per venue; will remain in place post 2012.

All eligible venues will be able to participate in the new gaming industry through an open and competitive bidding process. Further details of this process, along with entitlements transfer arrangements and other 2012 transition issues, will be available in 2009.

Venues interested in participating will be offered assistance from early 2009, with a business education package including training and business planning.

Mr Robinson said the Exposure Draft was the result of a rigorous review of gaming machine arrangements that included consultation with stakeholders and the community.

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"The Exposure Draft complies with the Government's Principles for Gambling Policy: consumer choice, community benefit, harm reduction, high standards of transparency and accountability and a sustainable racing industry," he said.

"Proposed provisions in the Exposure Draft will discourage speculative bidding and prohibit profit sharing when the new industry commences.

"We will also closely watch trends in club ownership of gaming machines and take steps to address this issue if necessary."

Mr Robinson said that as part of the gambling industry reforms, the Brumby Government will introduce a single monitoring licence to oversee the integrity of gaming machine transactions from 2012.

There will be a competitive licence awarding process for the new 10-year monitoring licence.

A Discussion Paper has been released, detailing matters such as logistical and operational issues, technology and future industry developments and public comment is being sought.

The Exposure Draft Bill also contains the changes to the parimutuel and fixed odds tax rates and new betting exchange provisions announced by the Brumby Government in early November.

In developing these provisions, the Brumby Government consulted extensively with the racing industry. Consultation will continue to determine the terms of the 2012 review on tax rates. These terms will be included in legislation in 2009.

The Exposure Draft Bill Explanatory Statement and the Monitoring Licence Discussion Paper are available on the Department of Justice website at www.justice.vic.gov.au/gamblinglicencesreview

Submissions to the Exposure Draft Bill on gaming machine arrangements close on 13 January 2009. Submissions to the Monitoring Discussion Paper close on 16 January 2009.