

[Act 1997 No 44]



New South Wales

Liquor and Registered Clubs Legislation Amendment (Monitoring and Links) Bill 1997

Explanatory note

This explanatory note relates to this Bill as introduced into Parliament.*

This Bill is cognate with the *Totalizator Agency Board Privatisation Bill 1997*.

Overview of Bill

The object of this Bill is to amend the *Liquor Act 1982* and the *Registered Clubs Act 1976* for the following purposes:

- to provide for a centralised monitoring system (**CMS**) for hotel and club gaming machines to be operated under the authority of a licence,
- to provide for the Totalizator Agency Board (**TAB**) to be entitled to an exclusive 15-year licence to operate an authorised CMS,

* Amended in committee—see table at end of volume.

- to require hoteliers and registered clubs to connect their gaming machines to an authorised CMS, and to pay a periodic monitoring fee to the CMS licensee in respect of connected gaming machines,
- to authorise the collection of hotel and registered club gaming machine duty by the CMS licensee,
- to impose certain regulatory controls in relation to the operation of an authorised CMS by the CMS licensee,
- to provide for TAB to be entitled to an exclusive 15-year licence to operate an inter-hotel linked gaming system,
- to provide for TAB to be entitled to an exclusive 15-year licence to operate an inter-club linked gaming system,
- to make other miscellaneous and consequential amendments.

Outline of provisions

Clause 1 sets out the name (also called the short title) of the proposed Act.

Clause 2 provides for the commencement of the proposed Act on a day or days to be appointed by proclamation.

Clause 3 is a formal provision giving effect to the amendments to the *Liquor Act 1982* set out in Schedules 1 and 2.

Clause 4 is a formal provision giving effect to the amendments to the *Registered Clubs Act 1976* set out in Schedules 3 and 4.

Schedule 1 Amendments to Liquor Act 1982 relating to monitoring of gaming devices

The Bill establishes a licensing scheme for the operation of a centralised monitoring system which will monitor the operation and performance of machines kept in hotels and registered clubs, and facilitate the calculation of duty payable on those gaming machines. The licensing scheme is based on the scheme for the operation of inter-venue linked gaming systems under Part 12 of the Act.

A CMS licensee will be authorised to collect duty payable on hotel gaming machines and pass it on to the Liquor Administration Board (see **Schedule 1 [3]**), and the licensee will be authorised to charge a monitoring fee for each gaming machine that is connected to the CMS (see proposed section 200G as inserted by **Schedule 1 [9]**). Hoteliers will be required to connect their gaming machines to a CMS that is operated under a licence.

The Bill provides for TAB to be entitled to an exclusive 15-year licence to operate a CMS (see proposed section 200E as inserted by **Schedule 1 [9]**). No other person may be granted a licence to operate a CMS during this period unless the exclusive TAB licence is cancelled or surrendered.

The Bill provides that a licensee who is operating an authorised CMS must not record or divulge information acquired by the licensee except in the exercise of the CMS licensee's functions under the licence (see **Schedule 1 [4]**). The Bill also provides that the regulations may provide that certain functions of the Board under the *Liquor Act 1982* relating to hotel gaming machines may be exercised by persons other than the Board if the regulations make provision for such a transfer of functions (see **Schedule 1 [6]**).

Schedule 2 Amendments to Liquor Act 1982 relating to inter-hotel linked gaming systems

The Bill provides for TAB to be entitled to an exclusive 15-year licence to operate an inter-hotel linked gaming system under Part 12 of the Act (see **Schedule 2 [4]**). A linked gaming system, as presently defined in the Act, involves a number of gaming devices at different venues being linked electronically to contribute a percentage of money wagered on the devices to a separate jackpot pool.

The Bill provides for the appointment of a temporary licensee if a licence is suspended, cancelled or surrendered (see **Schedule 2 [6]**). The current licensing scheme for the inter-hotel linked gaming system is also amended to provide for powers of entry and inspection by authorised persons in connection with the operation of such a system (see **Schedule 2 [7]**). These powers are consistent with other gaming legislation and will enable the proper monitoring and investigation of the activities of the links licensee.

Schedule 3 Amendments to Registered Clubs Act 1976 relating to monitoring of gaming devices

The Bill provides that the proposed CMS licensing scheme under the *Liquor Act 1982* will also apply to gaming machines kept in registered clubs, and

accordingly registered clubs will be required to connect their gaming machines to an authorised CMS and pay a monitoring fee to the CMS licensee (see **Schedule 3 [10]**). The CMS licensee will also be authorised to collect duty payable on club gaming machines and pass it on to the Liquor Administration Board (see **Schedule 3 [9]**). Certain functions of the Board relating to club gaming machines may be exercised by persons other than the Board if the regulations make provision for such a transfer of functions (see **Schedule 3 [11]**).

Certain definitions in the Act relating to the gaming machine duty provisions are also amended in order to facilitate the connection of club gaming machines to an authorised CMS and the calculation of duty payable in respect of those machines. These amendments merely enable the duty on club gaming machines to be calculated on a “metered” profit basis (as is the case for hotel gaming machines) rather than on an “actual” profit basis, and do not change the rates of duty required to be paid (see **Schedule 2 [5]–[8]**).

Schedule 4 Amendments to Registered Clubs Act 1976 relating to inter-club linked gaming systems

The Bill provides for TAB to be entitled to an exclusive 15-year licence to operate an inter-club linked gaming system under Part 12 of the Act (see **Schedule 4 [4]**). The other amendments are similar to those made by **Schedule 2** in relation to the licensing scheme for inter-hotel linked gaming systems.