

HOUSE OF REPRESENTATIVES

# Supplementary Order Paper

Tuesday, 3 December 1991

GAMING DUTIES AMENDMENT BILL

*Proposed Amendments*

Hon. MAURICE McTIGUE, in Committee, to move the following amendments:

*Clause 1:* To omit subclauses (2) and (3) (lines 8 to 13 on page 1), and substitute the following subclauses:

(2) This Act shall, with respect to gaming machine duty, apply to all dutiable games played on or after the 1st day of March 1992 by means of a gaming machine.

(3) This Act shall, with respect to casino duty, apply to all casino wins arising on or after the date on which this Act receives the Royal assent.

*Clause 80:* To omit this clause (all the words from line 1 on page 2 to line 8 on page 3), and substitute the following clause:

**80. Interpretation**—Section 3 of the principal Act is hereby amended by adding the following sentence:

“Terms defined in sections 12AA and 12L of this Act have the meanings so defined.”

*Clause 81:* To omit the word “Part”, at the end of line 10 on page 3, and substitute the word “Parts”.

To insert, after line 12 on page 3, the following new section:

“12AA. **Interpretation**—In this Part, unless the context otherwise requires,—

“ ‘Dutiable game’ means any game played by means of a gaming machine that is—

“(a) A game of chance; or

“(b) A lottery; or

“(c) A prize competition; or

“(d) An instant game,—

as those terms are defined in section 2 of the Gaming and Lotteries Act 1977; but does not include any authorised game within the meaning of the Casino Control Act 1990 that is conducted in any casino licensed under that Act:

“ ‘Gaming machine’ has the same meaning as in section 2 of the Gaming and Lotteries Act 1977:

“ ‘Gaming machine operator’ means—

“(a) Any society licensed pursuant to the Gaming and Lotteries Act 1977 to conduct any dutiable game; and

“(b) Any person who conducts, otherwise than pursuant to a licence issued under that Act, any dutiable game;—

and, in relation to any return period and to the obligations and liabilities under sections 12c to 12e and section 12j of this Act of any person who was at any time during that period a gaming machine operator, includes any such person notwithstanding that the person may have ceased during or after that return period to be a gaming machine operator within the meaning of paragraph (a) or paragraph (b) of this definition:

“‘Gaming machine profits’, in relation to any gaming machine operator and any return period, means an amount (not being less than zero) calculated in accordance with the following formula:

$$a - b$$

where—

“a is the total amount of all machine income of the gaming machine operator in respect of all dutiable games conducted by the gaming machine operator that are played during the return period; and

“b is the total amount of all prizes paid during the return period in respect of those dutiable games:

“‘Machine income’, in relation to a gaming machine operator, means the amount in money or money’s worth, whether in the form of cash or tokens or credits won and played, or by payment of money or money’s worth by any other means, paid or payable to play any dutiable game conducted by the gaming machine operator:

“‘Play’, in relation to any dutiable game, includes participate in or commence that game; and ‘played’ has a corresponding meaning:

“‘Prizes paid’ means any amount in money or money’s worth, whether in the form of cash or tokens or credits won, or by payment of money or money’s worth by any other means, paid or returned as winnings by any gaming machine to persons playing dutiable games:

“‘Return period’ means any period of one calendar month in respect of which a statement of gaming machine profits and gaming duty payable is required to be delivered under section 12c(1) of this Act; and includes any period in respect of which a statement is required to be delivered under section 12c(2) of this Act:

“‘Society’ has the same meaning as in section 2 of the Gaming and Lotteries Act 1977.

To omit all the words in lines 15 to 17 on page 3, and substitute the words “at the rate of 20 percent of the gaming machine profits in respect of dutiable games played on or after the 1st day of March 1992.”

To omit the words "gross turnover" where they occur in lines 22, 33, and 41 on page 3 and in lines 8 and 35 on page 4, and substitute in each case the words "gaming machine profits".

To omit the words "that gross turnover" where they occur in lines 25 and 39 on page 3, and substitute in each case the words "those gaming machine profits".

To add after line 17 on page 9 the following Part:

"PART II<sub>B</sub>

"CASINO DUTY

"12L. **Interpretation**—In this Part, unless the context otherwise requires,—

" 'Authorised game', in relation to a casino operator, has the same meaning as in section 2 of the Casino Control Act 1990:

" 'Casino' means a licensed casino within the meaning of the Casino Control Act 1990:

" 'Casino losses', in relation to a casino operator and to any return period, means the amount by which the casino win of the casino operator for that return period would, but for the exclusion from the definition of the term 'casino win' of amounts less than zero, be less than zero:

" 'Casino operator' means any person who operates a casino pursuant to a casino operator's licence granted under Part II of the Casino Control Act 1990, and includes—

"(a) Any holder of a temporary authority to carry on the operation of a casino granted under section 92 of the Casino Control Act 1990:

"(b) In relation to any return period and to the obligations and liabilities under **sections 12M to 12P** of any person who was at any time during that period a casino operator, that person, notwithstanding that the person may have ceased during or after that return period to operate a casino pursuant to a casino operator's licence or a temporary authority:

" 'Casino win', in relation to a casino operator and to any return period, means an amount (not being less than zero) ascertained by—

"(a) Deducting from the amount of the gaming income of the casino operator for the return period the aggregate of—

"(i) The amount of gaming wins paid out by the casino operator in the return period; and

"(ii) The amount of casino losses (if any) of the casino operator for the immediately preceding return period; and

"(b) Thereafter adjusting that amount by—

"(i) Where the value of unredeemed chips at the end of the return period is greater than the value of unredeemed chips at the beginning of the return period, adding the difference between those values:

"(ii) Where the value of unredeemed chips at the end of the return period is less than the value of unredeemed chips at the

beginning of the return period, subtracting the difference between those values:

“ ‘Chips’ has the same meaning as in section 2 of the Casino Control Act 1990:

“ ‘Gaming income’, in relation to a casino operator and to any return period, means the aggregate of—

“(a) All amounts in money or money’s worth paid to the casino operator during the return period to purchase chips; and

“(b) All amounts in money, or in money’s worth other than chips, paid or payable to the casino operator during the return period to play, or so paid or payable in the course of playing, any authorised game conducted or played in the casino:

“ ‘Gaming wins’, in relation to a casino operator and to any return period, means the aggregate of—

“(a) All amounts paid by the casino operator in the return period to redeem chips; and

“(b) All amounts in money, or in money’s worth other than chips, paid or returned by the casino operator during the return period as winnings in respect of authorised games conducted or played in the casino:

“ ‘Play’, in relation to any authorised game, includes participate in or commence that game; and ‘played’ has a corresponding meaning:

“ ‘Return period’, in relation to any casino operator, means any period of one calendar month in respect of which a statement of casino win and casino duty payable is required to be delivered under section 12N(1) of this Act, and includes any period in respect of which a statement is required to be delivered under section 12N(2) of this Act.

“12M. **Casino duty**—There shall be paid to the Crown a duty (in this Act referred to as casino duty) at the rate of 4 percent of the casino win of any casino operator.

“12N. **Monthly returns to be furnished to Commissioner**—(1) Every casino operator shall, on or before the 20th day of each month in each year, deliver to the Commissioner a statement in the prescribed form of—

“(a) The casino win of the casino operator for the previous month; and

“(b) The casino duty payable by the casino operator in respect of that casino win for that previous month.

“(2) Where, in any month, the licence of a casino operator licensed under the Casino Control Act 1990 is surrendered, cancelled, or suspended, the casino operator shall deliver to the Commissioner, within 7 days after the date of the surrender, cancellation, or suspension, a statement in the prescribed form of—

“(a) The casino win of the casino operator for the period commencing on the first day of the month in which the surrender, cancellation, or suspension occurred and ending with the close of the day preceding that on which the surrender, cancellation, or suspension takes effect; and

“(b) The casino duty payable by the casino operator in respect of that casino win for that period.

“(3) A statement of casino win and casino duty payable in respect of any return period that purports to be made by or on behalf of any casino operator shall for all purposes be deemed to have been made by that casino operator, or by that casino operator’s authority, unless the contrary is proved.

“12O. **Payment of casino duty**—Every casino operator shall, not later than the last day allowed under **section 12N** of this Act for the delivery of the statement of casino win and casino duty payable in respect of any return period, pay to the Commissioner the casino duty payable in respect of that return period.

“12P. **Interest on unpaid casino duty**—(1) Interest at the rate of 5 percent for every month or part of a month shall be payable on the amount of all casino duty unpaid (other than any amount of deferrable duty within the meaning of the provisions applying by virtue of **sections 12a and 12i (2)** of this Act) at the due date specified in **section 12o** of this Act, and shall be calculated from the expiration of that date.

“(2) For the purposes of recovery, all interest payable under this section shall be deemed to be casino duty.

“12Q. **Assessments and objections**—**Sections 12f to 12k** of this Act (except **section 12j (2)**), as far as they are applicable and with any necessary modifications, shall apply for the purposes of this Part of this Act, as if—

- “(a) Every reference in those provisions to gaming machine duty were a reference to casino duty; and
- “(b) Every reference in those provisions to a gaming machine operator were a reference to a casino operator; and
- “(c) Every reference in those provisions to **section 12c** were a reference to **section 12n**; and
- “(d) Every reference in those provisions to **section 12d** were a reference to **section 12o**; and
- “(e) Every reference in those provisions to **section 12e** were a reference to **section 12p**.”

*Clause 82:* To omit from line 30 on page 9 the words “or of **Part IIa** of this Act”, and substitute the words “or the Casino Control Act 1990, or of **Part IIa** or **Part IIb** of this Act,”.

To insert in line 32 on page 9, after the expression “**Part IIa**”, the words “or, as the case may be, **Part IIb**”.

*Clause 83:* To insert in line 2 on page 10, after the words “of this Act”, the words “, and any casino operator who fails to comply with **section 12N** of this Act, commits an offence and”.

## EXPLANATORY NOTE

The proposed amendments—

- (a) Change the basis on which gaming machine duty is payable from 5.5 percent of the gross monthly receipts from gaming machines to 20 percent of the amount of those receipts less all amounts paid out in prizes during the month, and alter the application date of the Bill in relation to gaming machine duty from 1 October 1991 to 1 March 1992:
- (b) Exclude from the ambit of gaming machine duty games conducted in casinos licensed under the Casino Control Act 1990:
- (c) Insert a new *Part IIb* into the Gaming Duties Act 1971 that imposes a casino duty at the rate of 4 percent of the monthly "casino win" of a casino operator licensed or authorised to operate a casino under the Casino Control Act 1990.

The change from the gross turnover to the monthly machine profits basis of calculating gaming machine duty is effected by the removal of the definitions of the terms "gross turnover" and "turnover" and the insertion of definitions of the terms "gaming machine profits", "machine income", and "prizes paid". These definitions now appear in the new *section 12Aa* at the beginning of *Part IIa*.

An amendment to *clause 81* amends new *section 12B* to set gaming machine duty at the rate of 20 percent of the gaming machine profits from dutiable games played on or after 1 March 1992.

Games conducted in casinos are removed from the ambit of gaming machine duty by their specific exclusion from the new definition of the term "dutiable game".

The new casino duty is imposed by *section 12M* in the new *Part IIb*. That Part essentially follows the format of *Part IIa* in relation to gaming machine duty.

The most important definitions in relation to casino duty are "casino win", "gaming income", and "gaming wins", which appear in new *section 12L* at the beginning of the new *Part IIb*.