**18/396 Reduction to 4,000 Gaming Machine Authorisations – Diversification Support, Incentives and Policy Approval**

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| **Summary of Impacts** |
| * There are no direct negative impacts on the ACT community as a result of reducing the number of gaming machine authorisations in the Territory to 4,000.
* The Submission seeks Cabinet’s agreement to the pathway to achieve 4,000 gaming machine authorisations by 1 May 2020, including financial and non-financial incentives for clubs that voluntarily surrender gaming machine authorisations by early 2019 and diversification support for the club industry. The pathway takes into account the findings and recommendations of the ACT Club Industry Diversification Support Analysis.
* The Submission seeks policy approval to amendments to remove the ratio of 15 gaming machine authorisations per 1,000 adults and provide for the new Territory maximum of 4,000 gaming machine authorisations, as well as provisions to support the voluntary and compulsory surrender of authorisations. Policy approval of separate amendments to improve the regulatory framework applying the operation of gaming machines and reduce gambling harm is also sought.
* There are positive impacts for the community through a potential reduction in gambling related harm, and access to wider range of services and alternative uses of club land.
* There may be a negative impact on the financial position of clubs through a reduction in gaming machine revenue.
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*Key to impacts: Red – negative, Blue - neutral and Green -Positive.*

**Social**

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| **Human Rights** | * Measures that support clubs to diversify their revenue streams away from gaming have the potential to positively impact on the protection of the family and children through reducing the harm caused by gambling.
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| **Access to Social Networks and Community Activities** | * Reducing the number of gaming machines operating in the Territory may lead to clubs providing a range of additional community activities in establishing alternative revenue streams.
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**Economic**

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| **ACT Government Budget** | * Club industry diversification support measures and financial incentives for voluntary surrender of authorisations will have a Budget impact.
* It is anticipated that the surrender of gaming machine authorisations will result in some level of revenue reduction for the Territory. The exact impact on the Budget is unknown, given a number of machines are underutilised in ACT clubs.
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| **Broader Economy** | * Depending on their level of dependence on gaming revenue, surrender of authorisations may financially impact some licensees. The financial incentives for voluntary surrender and diversification support measures are intended to address this potential impact.
* Measures that support clubs to diversify their revenue streams away from gaming have the potential to positively impact on the broader economy through the provision by clubs of a wider range of services and alternative uses of club land.
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| **Employment** | * There is a risk that employment levels may reduce in some clubs. Incentives for voluntary surrender and a staged compulsory surrender of authorisations will mitigate this risk, as will diversification support measures that assist with the establishment of alternative revenue sources and employment opportunities for clubs.
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| **Small Business Impact** | * Small clubs (those whose authorisation certificate authorises not more than 19 gaming machines at the premises) and hotels are proposed to be exempt from compulsory surrender of authorisations. These venues will also be eligible to access financial incentives for voluntary surrender of authorisations.
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**Environmental**

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| **Climate Change** | * No direct climate change impacts have been identified arising from this Submission.
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