

AUSTRALIAN CAPITAL TERRITORY

GAMING MACHINE ACT 1987

APPROVAL

INSTRUMENT NO. 168 OF 2001

Under sub-section 60B(3) of the *Gaming Machine Act 1987*, I HEREBY APPROVE the guidelines for approving community contributions as set out in the attached schedule.

Dated this 26 day of June 2001.

Gary Humphries MLA
Treasurer

SCHEDULE

This is the accompanying schedule to the Instrument of Approval under sub-section 60B(3) of the *Gaming Machine Act 1987* signed by Gary Humphries MLA, Treasurer, on the 26 day of June 2001.

GUIDELINES FOR APPROVING COMMUNITY CONTRIBUTIONS

Background

Sections 60A to 60J of the *Gaming Machine Act 1987* (the Act) outline the requirements for gaming machine licensees to make specified community contributions. The legislation outlines broad purposes that the community contributions must meet to be eligible and identifies some types of contributions that are not eligible. The legislation also specifies the amount of contributions that are required to be made by licensees that are clubs as well as the records to be kept and the reporting requirements.

Importantly, the legislation requires that guidelines be issued for approving the community contributions in order to assist organisations in meeting their legislative obligations. In this regard, the guidelines contained in this document fulfil the requirements of sub-section 60B(3) of the Act.

Community Contributions

The community contributions approved under the Act are to be for the benefit of the general public or community. The contributions should enhance the community's standard of living by providing or assisting with the physical and social infrastructure of the Territory or another community.

The contributions are not to be specifically restricted to particular organisations or their members. They should not be targeted to encourage gambling activity or the consumption of alcoholic beverages.

Expenditure on commercial activities or to organisations that are trading to make a profit are not considered as eligible contributions.

The purpose of the compulsory community contributions is to ensure that a reasonable level of expenditure is returned to the general community from gaming machine licensees.

Eligible Contributions

Form of Contribution

Contributions may be in the form of money or they may be in-kind by the provision of goods, services or facilities. In-kind or non-financial assistance to target groups may be in the form of discounts on a range of goods or services provided by licensees or the free or subsidised use of a licensee's facilities or equipment.

Full records must be kept on the method of calculating the in-kind value of any gift or donation. Estimates should be based on the actual cost of the goods or service provided. Where a hiring fee or charge is made for the use of the facility or entry into the facility, this charge or revenue must be clearly identified and subtracted from the expenditure or contribution to the provision of the facility or activity.

Criteria for Eligible Donations

Legislative Criteria

Section 60B of the Act specifies the type of gift or donation that is considered eligible to qualify as a community contribution. Specifically, in order to be considered as a community contribution the gift or donation will need to have the effect of:

- *contributing to, or developing or supporting the social fabric of the Territory or another community; or*
- *assisting sport or other recreational activities conducted in the Territory, or with participants predominantly based within the Territory.*

Meeting the Eligibility Criteria

Contributions to the following will be considered as eligible community contributions:

- (1) Charitable Organisations The recipient organisation may or may not be incorporated but its primary purpose must be for charitable, benevolent, philanthropic or religious purposes. Examples of acceptable organisations include the Salvation Army, St Vincent De Paul, Red Cross, World Vision and other Public Appeals.
- (2) Welfare, Safety and Social Services Contributions that assist activities aimed at improving the living standards of low income and disadvantaged people in the Territory or elsewhere or contribute to or assist organisations which contribute to the welfare of the Territory community. Examples include:
 - ~ family support;
 - ~ child protection;
 - ~ youth support programs;
 - ~ emergency or low cost accommodation;
 - ~ drug, alcohol and problem gambling education;
 - ~ counselling including problem gambling support;
 - ~ child care and aged care services;
 - ~ schools, school equipment or facilities for use by students;
 - ~ hospitals, hospital equipment or facilities for use by patients;

- ~ retirement villages, equipment for use in retirement villages or facilities for use by residents of such villages;
- ~ women's support services;
- ~ safety house projects; and
- ~ neighbourhood watch.

- (3) Sport and Recreation Contributions by a licensee for sporting purposes, including payments to associated organisations such as for players' wages, coaching, players' equipment and uniforms will be eligible. Support or assistance may be provided in the construction, development or maintenance of sport or other recreational facilities that are available to the public. Sporting facilities may be restricted in general public access but must be available for hire or arranged access by the public. Any hiring fee charged will be offset against claimed contributions for this category.

Contributions may be made directly by the licensee to the recipients, to "subclubs," associated organisations, independent or to external organisations. Also eligible are contributions for the support or development of sport such as for junior coaching or skills seminars. Support for recreational activities or events that are available to the public may be claimed, such as for bushwalking or orienteering activities.

- (4) Non-Profit Activities Includes schools, hospitals, retirement villages, community organisations and any other non-profit organisation established in the interest of the community. It includes community activities or functions that have general public appeal or assist in developing a community spirit. The events or activities must be available to the general public and be non-political. Examples include:

- ~ *direct donations to public* - includes direct donations to individuals or target groups such as scholarships and the purchase of food or supplies for the poor/needy, aged or under privileged;
- ~ *ethnic organisations and multicultural activities* - includes any foreign or domestic based organisations devoted to culturally based events or activities. Examples include music, dance, art or language groups organised by various ethnic communities;
- ~ *special events* – to develop a community spirit or participation, such as promotion of physical activity, clean up of the community, volunteer environmental or land care groups;
- ~ *special services or celebrations* – including significant public memorial services, celebrations or ceremonies that are non-political, for example, ANZAC Day, Australia Day;
- ~ *significant ACT events* - includes events organised in the ACT that are provided free of charge to participants. An example is Sky Fire; and
- ~ *volunteer organisations* - includes the Volunteer Bush Fire Brigade, Rotary, Lions and any other bodies that provide benevolent/community related services.

- (5) Community Infrastructure Contributions made for the development or maintenance of infrastructure owned by the licensee which are provided for or accessed by the general public. These contributions may include expenses to build, upgrade and maintain assets such as museums, art galleries, playgrounds, car parks that are not required to comply with leasing arrangements, park lands, or gymnasiums. Any entry fee or hiring fee will be taken into account in determining the net contribution to the provision of such facilities.

Contribution Reporting Requirements

For each community contribution that a gaming licensee claims or submits as being eligible, a pro-forma will need to accompany it that outlines:

- specifically identifying the target group or recipient of the contribution;
- the purpose for which the contribution was made or what the contribution was expended on;
- the outcome, result or benefit obtained from the expenditure.

This information will assist the determination of a contribution's eligibility and help the Government and the community recognise and evaluate the outcomes from the community contribution allocations.

NON-Eligible Contributions

Section 60A of the Act outlines some contributions that are NOT eligible. Section 60A provides:

A reference in this Division to a contribution made by a licensee includes the value of a contribution made in kind, but does not include –

- (a) expenditure on commercial activities, or, if the licensee is a club, on the social or entertainment activities of the club for its members; or*
- (b) expenditure intended to promote specific activities of the licensee; or*
- (c) a contribution made out of donations collected by the licensee, or out of proceeds of any special fundraising activity conducted by the licensee; or*
- (d) a contribution to a business association, registered party, associated entity or trade union; or*
- (e) if a contribution is made on a condition – the value to the licensee of that condition being fulfilled; or*
- (f) a contribution made to another club under a reciprocal arrangement or agreement.*

In interpreting section 60A of the Act, the following matters should be considered:

- professional entertainers and entertainment provided for patrons of a particular organisation or used for the purpose of directly promoting activities associated with the commercial operation of the organisation are not eligible;

- social or entertainment activities means gatherings, amusements, exhibitions or performances such as singing, music, dancing, plays, films or shows that are performed for the primary purpose of providing enjoyment for the audience. It does not include sport.
- expenditure by a licensee is not eligible if it is:
 - ~ on commercial activities; or
 - ~ directly related to fulfilling legal obligations such as under its lease agreement or the various Acts and *Regulations* that apply to its operations, for example, Occupational Health and Safety, smoke free areas;
- the provision of alcoholic beverages or funds or subsidies relating to gaming are not eligible;
- subsidised or free meals, snacks, other food or beverages provided to an organisation's patrons, members or guests are not eligible; and
- holiday units or other facilities that are available to members only are not eligible.