

2025

**THE LEGISLATIVE ASSEMBLY FOR THE
AUSTRALIAN CAPITAL TERRITORY**

JUSTICE AND COMMUNITY SAFETY LEGISLATION AMENDMENT BILL 2024 (NO 2)

SUPPLEMENTARY EXPLANATORY STATEMENT

**Presented by
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JUSTICE AND COMMUNITY SAFETY LEGISLATION AMENDMENT BILL 2024 (NO 2)

This explanatory statement relates to the Justice and Community Safety Legislation Amendment Bill 2024 (No 2) (the Bill) – Government amendments as presented to the Legislative Assembly.

BACKGROUND

The Attorney-General introduced the Bill into the Assembly on 4 December 2024. It makes a range of minor changes to legislation administered by the Justice and Community Safety Directorate.

The Government amendments to this Bill seek to add two further minor legislative changes to enable more cohesive community engagement on related matters.

OVERVIEW OF GOVERNMENT AMENDMENTS

In 2015 reforms to the *Gaming Machine Act 2004* established structural arrangements to set a sinking maximum number of gaming machines operating in the ACT and reduce this number over time.

The *Gaming Machine (Reform) Amendment Act 2015* achieved this policy goal by establishing gaming machine ‘authorisations’, an authorisation cap and an authorisation trading scheme. Authorisations dislocate gaming machines from legal authority to operate gaming machines, with the authority to operate each individual gaming machine requiring an associated authorisation.

The authorisation cap cannot be increased, and the ACT Gambling and Racing Commission must reduce the authorisation cap as soon as practicable after a change in authorisation numbers due to cancellations, forfeitures or surrenders.

The authorisation trading scheme allows gaming licensees to buy and sell authorisations among each other. It supports a reduction in authorisation numbers because a licensee that acquires authorisations must forfeit one out of every four authorisations acquired. It also allows the industry to self-fund investment in alternatives to EGM revenue by allowing clubs seeking to reduce their EGM revenue to receive a financial return from sold authorisations.

Arising from the 2015 amendments and the subsequent *Gaming Legislation Amendment Act 2018*, the Minister is required to review the authorisation cap and trading scheme and present reports of these reviews to the Legislative Assembly by 1 May 2025.

However, the government has since committed to establish an independent inquiry into the future of the ACT clubs industry. There is an interface between the matters relevant to the inquiry, the number of gaming machines operating in the ACT and

mechanisms to reduce this number, such as the authorisation cap and trading scheme. It is therefore preferable that the statutory reviews occur as part of or alongside the inquiry.

The government amendments propose to extend the deadline for reporting on the statutory reviews until 31 December 2026. This timeframe has been adopted to give adequate time for the establishment and conduct of the inquiry.

Amendment to the *Gambling and Racing Control Act 1999*

The government amendments amend the *Gambling and Racing Control Act 1999*, section 50A(1), to extend the reporting deadline for review of the authorisation cap until 31 December 2026. The government amendments also amend the expiry of this section, as provided by subsection (2), until 31 December 2027.

Amendment to the *Gaming Machine Act 2004*

The government amendments amend the *Gaming Machine Act 2004*, section 179(1), to extend the reporting deadline for review of the authorisation trading scheme until 31 December 2026. The government amendments also amend the expiry of this section, as provided by subsection (2), until 31 December 2027.

CONSULTATION ON THE PROPOSED APPROACH

The proposed approach will enable more cohesive engagement of interested stakeholders about reviews of the authorisation cap and trading scheme alongside related policy matters.

CLIMATE IMPACT

The government amendments do not have a climate impact.

CONSISTENCY WITH HUMAN RIGHTS

The government amendments do not engage the *Human Rights Act 2004*.

CLAUSE NOTES

Amendment 1 – proposed new parts 2A and 2B

This amendment inserts new part 2A to amend the *Gambling and Racing Control Act 1999*, section 50A, to require the Minister to report on the review of the authorisation cap by 31 December 2026. The amendments cause this section to expire on 31 December 2027.

This amendment also inserts new part 2B to amend the *Gaming Machine Act 2004*, section 179, to require the Minister to report on the review of the authorisation trading scheme by 31 December 2026. The amendments cause this section to expire on 31 December 2027.