

02 February 2012

David Agnew
 Department of Families, Housing and Community Services
 Branch Manager
 Problem Gambling Taskforce
 By E-mail

Dear David

ADVICE ON THE PROCESS FOR FUNDING CLUBS PARTICIPATING IN THE TRIAL ON POKER MACHINE PRE-COMMITMENT TECHNOLOGY

Background

You are seeking advice on a number of measures that can be implemented to ensure the integrity and transparency of funds provided by the Commonwealth (through FaHCSIA) to ACT clubs participating in the trial of poker machine pre-commitment technology (the Trial).

The Commonwealth requires that funding provided under this Trial is not to be used to make donations to political parties. Currently, a number of clubs within the ACT make contributions to political parties. This is a key risk to FaHCSIA under the scheme.

The offer made to ACT Clubs who agree to participate in the Trial includes the following:

- *"A participation fee to venues set at 20% of each venue's 2010/11 gross gaming machine revenue (\$36.0m across the ACT) paid monthly.*
- *There will be two review points for the fee - at the 4 and 8 month marks- to assess whether there is any requirement for a revised structure.*
- *The reviews to be conducted by the Oversight Committee and the independent financial auditor and provide recommendations to the Commonwealth. The Commonwealth as funder to make any decisions on whether additional assistance is provided.*
- *At any time, individual venues can make a claim to the Oversight Committee for extra assistance in exceptional circumstances due to implementation of mandatory pre-commitment – with a final decision by the Commonwealth after advice from the independent financial auditor.*
- *A venue readiness and capacity package as follows:*
 - *venue staff training in pre-commitment (\$625 per staff member, \$100,000 for the development of the training program - \$0.7 million across ACT);*
 - *additional funding for specialist mandatory pre-commitment workers – \$0.2 million;*
 - *business planning to all venues after the trial period – \$0.2 million"*¹


¹ Press release by Jenny Macklin - Offer to Clubs ACT for trial of mandatory pre-commitment dated 22 January 2012. [http://www.jennymacklin.fahcsia.gov.au/mediareleases/2012/Pages/clubs_act_trial_mandatory_pre_commitment_220112.aspx] accessed on 31 January 2012.

We have made the assumption that each participant in the trial will be entering into an agreement that includes Terms and Conditions as per the FaHCSIA Standard Funding Agreement. The recommended measures in this advice would be in addition to the Standard Terms and Conditions.

s47C - deliberative processes

s47C - deliberative processes

Should you have any questions in relation to our advice, please do not hesitate to contact me on
s47F - personal privacy

Yours sincerely 
s47F - personal privacy