

BATCHELOR, Ryan

From: BELL, Keely
Sent: Tuesday, 24 January 2012 4:45 PM
To: BATCHELOR, Ryan
Subject: to clear: ACT trial [SEC=UNCLASSIFIED]

Security Classification: UNCLASSIFIED

Hi Ryan,

Can you please clear?

Please attribute to a spokesperson for the Families and Community and Services Minister Jenny Macklin

"The offer makes it clear that no club can use trial funding for political donations.

Clubs will have to account for the money they receive and this will be subject to an independent financial audit."

Background

Many clubs in the ACT donate to ACT branches of political parties - to both the Labor and Liberal parties.

There is currently legislation before the ACT Legislative Assembly to limit political donations, including from clubs, to \$7,000 a year.

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From: Kelly, Joe [mailto:kellyjoe@theaustralian.com.au]
Sent: Tuesday, 24 January 2012 4:39 PM
To: BELL, Keely
Subject: ACT trial

Hi Kelly,

I am going to freshen this online story up for tomorrow.

Is it possible to receive any comment on whether there is a risk that money going to ACT Labor clubs could be recycled back to the Labor party in the form of donations?

The comments from Brian Hatch are quite strong.

This is the online story we ran earlier today:

James Massola

THE ALP-owned Canberra Labor Clubs group risks breaching the terms of Gillard government's mandatory pre-commitment trial, with immediate past-president Brian Hatch warning it will be impossible to avoid federal compensation money flowing to the ACT Labor Party.

Under the terms of a proposed \$36 million trial with Clubs ACT, "no commonwealth funding will be used to support political donations".

But Mr Hatch told The Australian Online he didn't see how the Canberra Labor Clubs group, which donated about \$600,000 to the ACT branch of the Labor Party in 2009-10, could isolate the compensation from other revenue sources.

"I just don't understand how they could quarantine money from the government for a trial, as opposed to money that comes from other activities from the club," he said.

"The ACT branch of the Labor party gets a reasonable proportion of its funding from the Labor club, that's not realistic.

"I think the club faces a problem and the government faces a problem."

Folio 017

Canberra Labor Clubs are one of the biggest poker machine operators in Canberra, grossing \$25 million in revenue last year and operating more than 480 of the ACT's 4954 poker machines.

Clubs that participate in the trial will share in at least \$36 million in compensation, or about 20 per cent of gross gaming revenue in 2010-11, to make up for lost revenue.

Independent senator Nick Xenophon yesterday called Canberra Labor Clubs to be excluded from the trial because of its funding links to the ACT Labor party.

But Mr Hatch said it was unrealistic for the trial to exclude the Canberra Labor Club group.

"I can't see an easy way around this and I don't see how you could have a trial in the ACT and exclude the Labor clubs," he said.

Current Canberra Labor Clubs president Tony Luchetti yesterday said his club, like others in the territory, deserved to be compensated if the trial went ahead.

"There will definitely be a reduction in our revenue, there's no two ways about that, but I would hope that we would be compensated for any loss of revenue that we will suffer," Mr Luchetti said.

"But because we are the Labor club, people will be upset even if we get our fair share of money."

Mr Hatch said the party should re-visit plans to sell the Canberra Labor Club group, which collapsed in 2009 amid a federal Labor Party factional brawl.

Thanks so much Keely,

Joe Kelly

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