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Gary Humphries MLA

Australian Capital
Territory
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SECURE FUTURE FOR SMALL CLUBS

The ACT Treasurer, Gary Humphries, had announced an initiative to protect smaller licensed clubs from potentially adverse impacts of the GST.

In 1998-99 the ACT Government reduced gaming taxes for small clubs to help ensure their continuing financial viability.

“Unlike the ACT regime, the GST makes no allowance for small clubs and taxes all gaming revenue at the same rate,” said Mr Humphries.

“If we did nothing, the transition to the GST would seriously threaten the viability of some smaller ACT clubs and consequently threaten the employment and recreational opportunities they offer.

“The measures, designed to offset the liability for GST already paid, was a direct result of consultation with the club industry” Mr Humphries said.

“Without these changes clubs would pay around \$500,000 more in combined ACT tax and GST than they currently pay in ACT tax alone. In particular there are 20 small clubs, currently subject to nil or 1% ACT gaming tax, which would have been subject to the 10% GST with no credit to claim against their ACT tax liability.”

The ACT club industry agreed to the larger clubs accepting a discount of the GST credit equal to the refundable credit amount payable to the smaller clubs to support the ongoing viability of the smaller clubs. This will help maintain the viability for some smaller clubs and maintain the current ACT concessional tax treatment introduced last year.

“The Clubs agreement will be implemented by giving a reduced credit for GST paid to larger clubs, and paying the difference between the reduced credit and the full credit amount to refund GST paid by small clubs with no or minimal ACT tax liability.” This arrangement will be subject to review after June 2002.

“This is yet another example of the Government working with the community and getting the best result possible for business in the ACT,” said Mr Humphries.

Statement Ends

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