# University of Sydney Policy Reform Project

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## Research Paper for NSW Council of Social Service: Improving the transparency of electronic gaming machine revenue taxation in NSW

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# 1. Introduction

Electronic gaming machines ('EGM') are a common feature in licensed clubs and hotels across Australia. As a key source of revenue for such venues and of tax revenue for states, the popularity of EGMs has not only increased, but has also drawn greater public scrutiny to the obscurity of the EGM tax revenue framework which often conceals the negative repercussions of EGM use. This study will discuss the regulatory structure for EGM revenue taxation in NSW, including decision-making processes which determine whether EGM revenue is exempt from taxation or eligible for tax rebates, and propose possible reforms for greater transparency in NSW, compared to the frameworks of other Australian jurisdictions.

# 2. The regulation of EGM revenue taxation in NSW

The taxation of EGM revenue in NSW is primarily based on the *Gaming Machine Tax Act 2001* ('*GMTA*') and regulated, subject to Ministerial control and direction in certain matters, by the Independent Liquor and Gaming Authority ('Authority') created by the *Gaming and Liquor Administration Act 2007* ('*GLAA*'). Exemptions to EGM revenue tax are systematically granted to clubs and hotels which earn less than $1 million in profits annually. For profits over $1 million per annum, tax rebates up to 1.85% are granted concessionally, at the discretion of the Authority who must be satisfied that the venue has contributed to the community through the ClubGRANTS scheme an amount equivalent to the potential tax rebate. Established in 2011, the ClubGRANTS scheme aims to facilitate clubs' contributions towards community development and support (*GMTA*, s. 16). With the introduction of this scheme, which automatically forwards a further 0.4% of the prescribed profits of each registered club into the ClubGRANTS Fund (*GMTA*, s. 17A(5)), the effective tax rebate rate is 2.25% (*GMTA*, s. 17(2)). These systems of EGM revenue taxation, exemptions, and rebates were endorsed in the 2018 Memorandum of Understanding ('MOU'), signed by the NSW Liberals, NSW Nationals, and Clubs NSW, to maintain the existing regulatory regime for gaming taxation (ClubsNSW 2018).

## 2.1 EGM Revenue Tax

In NSW, the mandatory tax payable on the profits of gaming machines kept in the premises of hotels or registered clubs is borne by the hotelier or registered club concerned (*GMTA*, s. 6(1), (2)). The rates of these taxes are proportionate to the metered profits of gaming machines in

clubs and hotels. Charged upon quarterly profit, the tax rate is calculated pursuant to a bracket, ranging from 18.05% to 28.0% for clubs (*GMTA*, s. 15A) and 33% to 50% for hotels (*GMTA*, s. 13A). However, venues may be eligible for tax adjustment based on annual profit from gaming machines (Liquor & Gaming NSW 2020a).

The calculation of a venue's gaming machine tax and the monitoring and maintenance of the integrity of EGMs in NSW employs a centralized monitoring system ('CMS') as a regulatory tool that connects all gaming machines in NSW registered clubs and hotels (Liquor & Gaming NSW 2020a). The technology enables Revenue NSW to issue gaming machine tax reassessment invoices, approve tax payment arrangements and collect the EGM tax as required.

In NSW, the 'independent regulator' for gambling taxation is the Independent Liquor and Gaming Authority ('Authority'), established in 2008 by section 6 of the *Gaming and Liquor Administration Act 2007* (NSW). The main objectives of the *GLAA* are to ensure the probity of public officials in the gambling industry, to promote fair, transparent and expeditious procedures and to promote public confidence in the decisions of an accessible and responsive Authority (*GLAA,* s. 2). Subject to the control and direction of the Minister, except in relation to advice given to the Minister or in certain decisions relating to gaming or liquor licenses (*GLAA,* s. 6(3)), the Authority otherwise holds discretion in the exercise of its functions conferred or imposed upon it under the *GLAA* or any other legislation (*GLAA,* s. 9).

## 2.2 Tax exemptions

Registered clubs seeking exemption or deferral of tax liability must satisfy, by way of application (*GMTA*, s. 21), the Committee constituted under the *GMTA* of financial hardship. In certain circumstances, the Committee may grant exemptions for the whole or part of an instalment of tax. However, exemption from tax liability by application is a difficult process, with the circumstances in which tax exemption may be granted exhaustively outlined in section 20 of the *GMTA*. Furthermore, if the Hardship Review Board, constituted under section 67 of the *State Debt Recovery Act 2018* (NSW), has previously refused an application seeking exemption from tax liability, the Committee is precluded from granting an exemption for the registered club filing the application (*GMTA*, s. 22). As such, these rigid statutory guidelines render arduous the process by which a registered club is exempt from tax liability.

Alternatively, registered clubs earning less than $1 million in profits a year are automatically exempt from EGM revenue taxation, and not required to seek exemption by application. The

2018 Memorandum of Understanding ('MOU'), signed on 13 October 2018, maintained this exemption, as well as all the existing regulatory regimes for gaming taxation, with proposed changes subject to rigorous assessment, evaluation and stakeholder consultation (ClubsNSW 2018). The signatories of MOU, being the NSW Liberals, NSW Nationals and Clubs NSW, sought to recognise the interdependence of the club industry and the community by ascertaining that clubs would be investing more than $348 million into community projects over the next four years through ClubGRANTS. The MOU confirmed that the NSW Liberals and Nationals Government would: make it more convenient for community groups to apply for ClubGRANTS; improve transparency and reporting through mandated use of ClubGRANTS online; and review the guidelines to ensure decisions are driven by local priorities. The Memorandum articulated a pursuit to achieve a consistent approach to gaming machine approvals based on national standards, whilst noting adherence to the NSW regulatory regime.

## 2.3 Tax rebates

The *Gaming Machine Tax Act 2001* (NSW) is the key legislative enactment which substantiates the tax policy and rebate scheme of EGMs in NSW. Pursuant to section 17 of the *GMTA*, a tax rebate of up to 1.85% on clubs' EGM revenue in excess of $1 million per annum is granted, if the Independent Liquor and Gaming Authority is satisfied that an equivalent amount has been spent on community projects via the ClubGRANTS program. Since its introduction in 1998, the ClubGRANTS program has aimed to facilitate community and infrastructural contributions by larger registered clubs, and to ensure that those disadvantaged in the community are better positioned to benefit from such contributions. To qualify for the ClubGRANTS scheme, it must be shown that clubs have allocated no less than 0.75% of their prescribed profits to Category 1 projects and services and the balance to Category 2 expenditure, with prescribed profits being the EGM profit retained by registered clubs during a tax year as exceeds $1 million (*GMTA*, s. 17(4)). Category 1 expenditure focuses on specific community welfare and social services and includes, non-exhaustively, community welfare and social services, community development, community health services and employment assistance activities. Category 2 services, which fund general community development and support activities, pertain to a club's core activities such as sport, veteran welfare and club ground maintenance. The effect of section 17(2) is that a registered club may not claim a tax rebate for amounts applied to Category 2 projects and services that exceed 1.1% of the prescribed profits of the club.

For the construction of larger-scale community projects, the ClubGRANTS Fund ('Fund') established pursuant to section 17A of the *GMTA* is supported by mandatory club contributions to Category 3 expenditure which forms a *state-wide* funding pool. This Fund exists within a Special Deposits Account administered by the Secretary Department of Industry (*GMTA*, s. 17A). Expenditure from the Fund must be approved by the Minister administering the *Registered Clubs Act 1976* (NSW) to support and develop ClubGRANTS Category 3 projects, administrative expenses incurred in relation to the Fund, and money directed to be paid from the Fund (s. 17A(4)). Besides registered clubs' voluntary payments to the Fund (s. 17A(6)), section 17A(5) automatically allocates an amount equal to 0.4% of the prescribed profits of each registered club during the tax year to the Fund. In conjunction with the ClubGRANTS scheme, section 17A(5) therefore operates to allow registered clubs to receive up to 2.25% rebate on their EGM tax revenue, rather than the 1.85% otherwise claimable directly on prescribed profits (*GMTA*, s. 17(2)). As such, the Fund benefits not only community projects, but also the registered clubs themselves, which may be eligible for a greater amount of EGM tax rebate.

# 3. Improving transparency of EGM revenue taxation in NSW

As examined above, the NSW regulatory framework for the taxation of EGM revenue not only influences EGM's income, but also the community more broadly. Hence, the fact that such regulatory framework is complex and discreet has led to a growing interest in implementing reforms that would improve the transparency of EGM's taxation regulatory framework.

In the context of regulation, transparency can be defined as 'the process of making regulatory activities accessible and assessable' (Lodge 2014, p. 127). Transparency in general promotes open government in the regulatory process and helps inform those who are affected by such regulation (Freiberg 2017, p. 166). Moreover, greater transparency can be beneficial to the broader community as it could: educate local communities on both the financial losses and community contributions produced by the gaming industry; improve access to gambling counselling and treatment services through the release of disaggregated data; and increase the credibility of government decisions.

This paper has identified four reforms that may improve the transparency of the NSW regulatory framework for EGM revenue taxation:

1. Strengthen the independence of the NSW Independent Liquor and Gaming Authority

2. Expand the role of Regulatory Impact Statements and public consultations in the making of EGM regulations

3. Legislate a statutory requirement for routine disclosure of EGM data and information, and

4. Phase out gambling tax concessions and rebates for clubs and certain gambling businesses.

## 3.1 Strengthen the independence of the NSW Independent Liquor and Gaming Authority

As outlined in Part A, the Independent Liquor and Gaming Authority is the main regulatory body for EGMs in NSW. The extent to which the Authority promotes transparency can be illustrated by examining some sections in the *Gaming and Liquor Administration Act 2007* (NSW). These sections include:

- the objectives of the *GLAA* (s. 2A), which explicitly stipulate that the act aims to promote fair and transparent decision-making and the public confidence in the Authority's decision-making

- section 13A, which allows the NSW Civil and Administrative Tribunal ('NCAT') to review certain decisions made by the Authority

- section 36C, which requires certain decisions to be published on the Authority's website, and

- section 39, which stipulates that an annual report may be conducted.

While such sections in the *GLAA* have contributed to promoting transparency in the Authority's regulatory process, there are concerns that the Authority's lack of independence from the government has seriously undermined the Authority's transparency. Presently, the Authority is a 'New South Wales Government agency' and is subject to the direction and control of the minister in some clearly defined circumstances (*GLAA,* ss. 6(2), (3)). It is argued that such an arrangement causes 'conflict of interests' within the Authority's role as a gambling regulator and increases the risk of political influence over regulatory decisions (McMillen & Wright 2008, pp. 296-7; Smith & Rubenstein 2011, p. 59; Parker & Kirkpatrick 2012, p. 32). This prevents the

Authority from being more open and transparent about the performance of certain regulatory frameworks.

Accordingly, it has been recommended that the Authority's responsibility should be confined to regulation, leaving policymaking to the responsibility of the relevant minister and policy department (Henry et al. 2010, p. 94; Productivity Commission [PC] 2010a, p. 17.6). This distinction is recommended because it would reduce the risk of regulators being 'captured' by any related industry and/or other stakeholder groups (PC 2010a, p. 17.6). Further, as gambling taxes constitute an irreplaceable funding source for the NSW Government, the allocation of policy development to legislators, and industry regulation to the Authority, will remove the problematic choices in balancing revenue-raising with regulations (Henry et al. 2010, p. 463). This level of independence for the Authority will effectively improve the overall transparency within the taxation of EGM revenue and regulation of the gambling industry.

It is also worthwhile to consider that while the majority of Australian jurisdictions have brought the taxation of EGM venues under the oversight of regulating bodies, they differ considerably in terms of statutory independence and the breadth of regulatory reviews undertaken (PC 2010a, p. 17.7). While certain Australian jurisdictions merge gaming regulation with taxation and treasury roles, others position gaming regulation within service delivery-oriented departments (Fogarty & Young 2008, p. 6). Australian jurisdictions also diverge in the number of commissions or advisory authorities responsible for the oversight of gambling regulation (Fogarty & Young 2008, p. 7).

In terms of statutory independence, South Australia's Independent Gaming Authority ('IGA') is the closest to an independent statutory regulator as suggested by the Productivity Commission in 1999 (McMillen 2009, p. 22). The responsibilities and powers of the IGA are far-reaching, enabling it to hold public inquiries and issue gaming machine licensing guidelines. The Office of the Liquor and Gambling Commission performs the role of an operational regulator in South Australia, in that it is responsible for both the administration and enforcement of all gaming legislation and licences (PC 2010a, p. 17.6). In comparison, the Queensland Gaming Commission ('QGC') is a part-time independent regulatory body which possesses much narrower regulatory responsibilities, and powers that only apply to clubs and hotels (McMillen 2009, p. 22). Moreover, it normally meets for only a half-day per month and relies on secretariat support and advice from within the government under the *Gambling Machine Act 1999* (Qld). Given that the QGC lacks independence and resources, it relies significantly on the

recommendations provided by the Queensland Office of Liquor Gaming and Racing. Similarly, the Tasmanian Gaming Commission is an independent statutory authority. However, it possesses extensive resourcing capabilities due to its reliance on operational support from the Gaming Operations branch of the Tasmanian Department of Treasury and Finance (Jackson 2001). The ACT Gambling and Racing Commission also has wide discretionary powers which includes the regulation of gaming machines. While Victorian gaming policy and regulation has undergone a significant reform process, this has not resulted in a complete separation of regulatory structures and operations from the government (McMillen 2009, p. 18). In fact, the Victorian Commission for Gambling and Liquor Regulation ('VCGLR') shares similar responsibilities to departmental officers, as Victorian clubs must submit an annual, independently-audited Community Benefit Statement to the VCGLR, which holds authority in determining tax concessions (McMillen 2009, p. 18).

However, given the complexity of each jurisdiction's treatment of independent regulatory authorities, the Productivity Commission (2010a) has advised that having *one* regulatory authority for all the various forms of gambling is desirable as it can standardise responsible gambling practices. Therefore, to improve and ensure the transparency of EGM taxation frameworks in NSW, the NSW Independent Liquor and Gaming Authority is recommended to become fully independent from the government and any stakeholder groups, similar to South Australia's IGA.

## 3.2 Expand the role of Regulatory Impact Statements and public consultations in the making of EGM regulations

In NSW, the current policy-making practice is to prepare a Regulatory Impact Statement ('RIS') and to hold a public consultation on the proposed statutory rule, as regulated by the *Subordinate Legislation Act 1989* ('*SLA*').

The link between RISs, public consultation and transparency is very strong. In NSW, an RIS must state the objectives sought by the proposed rule, identify any alternative options to achieve the objectives, provide cost-benefit analyses on both the proposed rule and any alternatives and provide a statement of the consultation program to be undertaken (*SLA,* sch. 2). Accordingly, the RIS procedure significantly helps in making the policy-making process more transparent. As for public consultations, the fact that consultations must 'take place with any appropriate representatives of consumers, the public, relevant interest groups, and any sector of industry or

commerce' that are 'likely to be affected by the proposed statutory rule' means that such stakeholders will be given the chance to participate and to clarify any uncertainties (*SLA,* s. 5).

Recognising the strength of community involvement, parliamentary authorities have developed guidelines for the preparation of RISs and the public consultation process (PC 2010a, pp. 17.12-17.13, 17.18; Department of the Prime Minister and Cabinet 2014, pp. 44-5). However, some regulations, such as those for EGM tax revenue, have been criticised for failing to comply with these suggested best practice principles (PC 2010a, pp.17.13-17.14, 17.19-17.21).

As such, the primary recommendation is to ensure that RISs and public consultations are required for all major regulatory proposals concerning EGMs (PC 2010a, p. 17.24). Presently, the Minister has the discretion to waive the requirement for an RIS and public consultation and has done so on numerous occasions, raising concerns in the community (*SLA*, s. 6; PC 2010a, pp. 17-21.17.22). It is argued that since major gambling regulations have a significant impact on the community, RISs and public consultations should not be dispensed with (Smith & Rubenstein 2011, p. 59). Furthermore, as stated by Independent NSW MP Justin Field, 'information is power and when the community understands the real impacts, they are given agency to be part of designing and implementing solutions' (New South Wales 2017, p. 24).

Another recommendation is to further improve the ministerial commitment to the RIS and public consultation process. An analysis conducted in 2012 indicated that fewer than 10% of proposals were significantly modified as a result of the RIS process and only 40% of agencies thought the process had improved the quality of regulation (Productivity Commission [PC] 2012, p. 7). Such low percentages of impact and satisfaction regarding the process have been attributed to a lack of ministerial commitment to such procedures (PC 2012, p. 2). Since then, however, there have been improvements. For example, a media release in 2015 noted that 'a new Community Access Team...dedicated to providing information and education to the general public' would be established (Grant 2015). Currently, the Community Access Team is mentioned on the official Liquor & Gaming NSW (2020b) website and is noted to have worked 'with community groups and individuals to help raise awareness of the ability to participate in liquor and gaming regulation'. However, apart from being mentioned on the website, 'it is not clear what the function of the Community Access Team is, how big it is or whether they are appropriately trained and educated in licensing processes' (NSW ACT Alcohol Policy Alliance 2017, p. 7). Another recent initiative that illustrates potential improvement in ministerial commitment is the establishment of the first NSW Productivity Commission in 2018 (Perrottet 2018). Overall, while

the establishment of the Community Access Team and the Productivity Commission are seen as positive improvements, the extent to which these groups would help improve RISs, public consultations and the transparency of EGM regulation more broadly, is yet to be seen.

## 3.3 Legislate a statutory requirement for routine disclosure of EGM data and information

The most direct form of transparency is the disclosure of any relevant data and information to the public. In NSW, there are two statutes that deal with the publishing of EGM information, namely the *Gaming and Liquor Administration Act 2007* (NSW) and the *Gaming Machines Act 2011* (NSW) ('*GMA*'). In the former statute, section 36C requires that certain decisions of the Authority and NCAT are required to be published online and section 39 stipulates that an annual report may be conducted. As for the latter statute, section 206AA states that the Secretary may publish EGM information limited to matters of a regulatory, statistical or industry wide nature 'if, in the opinion of the Minister, it is in the public interest to do so'. The introduction of the Centralised Monitoring System ('CMS') in 2015 is also a step towards increasing the transparency of EGM regulation (*Gaming Machines Amendment (Centralised Monitoring System) Act 2015* (NSW)). CMS is a computer system that connects all EGMs in registered clubs and hotels in NSW to a single system that records data. It predominantly functions to monitor the integrity of gaming machine operations and ensure compliance with taxation obligations by calculating each venue's EGM tax. Currently, CMS data may be released to authorised persons and bodies as listed under section 111 of the *Gaming Machines Regulation 2019* (NSW) ('*GMR*').

An examination of statutory requirements for data disclosure indicates that in practice, very limited information is released to the public, if any. To begin, it is clear that the disclosure of EGM information is largely discretionary. Apart from section 36C *GLAA* which provides an explicit definition of what information must be published, section 39 *GLAA* and section 206AA *GMA* make the publication of any annual report subject to the Authority's discretion, and make the publication of any regulatory information subject to the Minister's discretion. What prompts the Authority to release an annual report and what 'public interest' means in section 206AA *GMA* is unclear. Regarding CMS, while the bill that led to the creation of section 111 *GMR* clearly had the intention of making CMS data on EGMs widely accessible to the general public on a regular basis (New South Wales 2017, p. 25; Gaming Machines Amendment (Transparency) Bill 2017 (NSW), s. 140B), section 111 *GMR* clearly limits any release of CMS

data to specific authorised persons and bodies only. As such, the potential for EGM taxation and regulation transparency has not been fully realised.

Moreover, even when an annual report is released and regulatory information is obtained, such reports and information are described as 'limited', 'providing just the barest of details' and 'extremely limited in their usefulness' (New South Wales 2017, p. 24; Con Walker 2014, p. 2; Cummings 2017). To be more specific, only the number of machines and turnover in each local government area are released; there is no information on how much money is lost, the amount of profits taken by the hotels and clubs, or any statistics on individual hotels and clubs (New South Wales 2017, p. 24).

It should also be noted that the requirements for the collection and reporting of EGM data varies considerably from state to state. Pursuant to section 10.1.33(2) of the *Gambling Regulation Act 2003* (Vic), the Victorian Minister possesses the power to publish disaggregated statistical EGM data if it is considered in the 'public interest' to do so. In fact, the Victorian Minister has deemed that access to gaming expenditure data from clubs and hotels is in the public interest, and has accordingly provided full transparency online on gaming machine revenues for individual community gaming businesses (PC 2010a, p. 18.9). By publishing EGM statistics, this offers more accountability with relation to community benefit contributions. Although section 206(5A) of the *Gaming Machines Act 2001* (NSW) provides a similar exception to the limit on publishing EGM data if it is in the public interest, New South Wales Ministers have refused to exercise such power (New South Wales 2017, p. 25). Thus, to combat the discrepancy between proposed transparency in theory compared to a lack of transparency in reality, routine data disclosure is required to keep EGM revenue accountable to its taxation obligations.

## 3.4 Phase out gambling tax concessions and rebates, for clubs and certain gambling businesses

This paper recommends that the NSW Government phase out gambling tax concessions for particular types of gambling business including clubs. The removal of tax offsets will simplify the EGM taxation system, improve transparency, and increase the efficacy of financial expenditure. A Productivity Commission (2010b, p. E.9) report on the 'Contribution of the Not-for-Profit Sector' reveals that the estimated value of tax expenditures on NSW tax concessions in the 2008-09 financial year was approximately $782 million. This comprised the following tax concessions: payroll tax ($194mil), land taxes ($20mil), gambling tax ($518mil), and other taxes

($50mil) (PC 2010b, p. E.9). Recent estimates suggest that approximately $900 million in tax revenue was redistributed back towards NSW Clubs through tax rebates and concessions in 2018 (Galdstone, 2018). In stark contrast, the broader community receives $147 million in direct cash donations and in-kind donations focused on sports, health and aged care, schools and education programs, and disability services from NSW Clubs (ClubsNSW 2016, p. 26). Furthermore, the Productivity Commission (2010b, p. 224) notes that although clubs provide donations and valuable local community benefits through their support of community activities, 'substantial tax concessions in relation to gaming income… [are] considerably greater than the size of the donations'.

The main justification for tax concessions for clubs and other gambling businesses is that they are necessary to subsidise business activities and promote the reinvestment of profits back into local communities. However, there is no doubt that directly funding clubs would be more transparent and cost-effective at both subsidising clubs and encouraging expenditure on local communities (Henry et al. 2010, p. 466). Direct expenditure fosters greater transparency within the taxation of EGM revenue in comparison to the provision of tax concessions or rebates. Furthermore, direct funding would relieve clubs of the incentives established through these tax rebates by severing the current link between concessional gambling tax rates and the delivery of local community services.

This proposal is supported by the 2010 'Australia's Future Tax System Review', highlighted in Recommendation 77: 'Governments should eliminate gambling tax concessions for particular types of gambling business, such as clubs' (Henry et al. 2010, p. 463). If governments wish to subsidise particular types of businesses… [for] reasons of social policy… they should do so through direct expenditures' (Henry et al. 2010, p. 94). For example, NSW Clubs receive an automatic EGM tax rebate up to 1.85% (or up to 2.25% in conjunction with s. 17A(5) of the *GMTA*) if their profits are over $1 million each year by supporting community development or donating through the ClubGRANTS scheme (ClubsNSW 2012, p. 4). Category 1 ClubGRANTS redirects gambling profits back into the community, partially reimbursing the grants given to community groups by clubs for projects and services that contribute to the welfare of the local community. ClubsNSW argue that the presence of poker machines in clubs is beneficial to the local community, claiming that the non-profit community gaming model provides a safe and reputable market for gambling, while redirecting the profits of gambling back into local communities to maximise social benefit (PC 2010a, p. 6.1). However, in line with the recommendations made in the 2010 'Australia's Future Tax System Review', this paper

recommends that this tax rebate, along with other tax concessions for gambling businesses, be incrementally phased out, with the resultant increased government revenue used to directly invest in local communities or fund major government infrastructure projects. Overall, the gradual removal of tax concessions and rebates will simplify the complex taxation of EGM revenue, increase government revenue, and improve the transparency of the NSW regulatory framework.

# 4. Conclusion

As the dominant form of gambling in NSW, the common presence of EGMS in NSW clubs and hotels is highly controversial. Some argue that the financial benefits for clubs and state revenue garnered by EGMs has come at the expense of socio-economically disadvantaged groups in the community. Considering issues of public policy raised by such debates, this paper has examined the framework by which registered clubs may be eligible for EGM tax exemption, deferral or rebate through the ClubGRANTS scheme, as well as the processes by which EGM tax revenue is regulated by authorities and monitoring systems. In analysing the complexity of the EGM tax revenue system in NSW, as maintained in the 2018 MOU, this paper concludes that greater transparency is required to better understand how EGMs are involved in the relationship between clubs and the community. With comparisons to other Australian jurisdictions, this paper analysed how the transparency of the NSW tax revenue framework may be improved by:

1. Strengthening the independence of regulatory authorities;
2. Improving public consultation in the making of EGM regulations;
3. Introducing mandatory EGM data disclosure; and
4. Phasing out gambling tax concessions and rebates.

By implementing these recommendations, the interdependence of clubs and the community may be recognised from an impartial, well-informed perspective, and this relationship can continue to develop with stronger measures of accountability and confidence in the decision-making of politicians and the public.

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