



Speech by

**Mr D. BRISKEY**

**MEMBER FOR CLEVELAND**

---

Hansard 27 April 1999

### **GAMING INDUSTRY REVIEW**

**Mr BRISKEY** (Cleveland—ALP) (11.59 a.m.): I rise today to inform the House of the terms of reference of the gaming review and the process by which this review will proceed. As the House would be aware, the Queensland Treasurer, David Hamill, has asked me to undertake a review of the Queensland gaming industry.

**Mr McGrady:** A good choice, too.

**Mr BRISKEY:** Thank you. I will be joined on this review by two of my parliamentary colleagues, the member for Archerfield, Ms Karen Struthers, and the member for Cairns, Ms Desley Boyle.

Gambling, including lotteries, casinos and gambling service, is a rapidly growing industry. In the decade between 1987 and 1997, total gambling expenditure in Queensland more than quadrupled from \$354m to \$1.5 billion. That is equivalent to an annual rate of growth of 16%. This rapid growth, particularly in gaming machines, and the significant changes to the industry that have occurred over the past seven years, require the Government to take a fresh look at the industry. In particular the Government must ask the question whether the regulatory regime currently in place will ensure that further expansion of the industry occurs in a balanced and socially responsible manner.

The introduction of gaming machines in Queensland occurred with minimal backlash because the Labor Government at the time achieved the balance between accessibility of poker machines, regulation of the industry and social returns to the community. The changes introduced under the previous Government through the white paper process have significantly altered the gaming regulatory environment in Queensland. The full consequences of these changes are only now becoming evident. It is important that the Government acts now to ensure that the previous Government's changes do not lead to an entrepreneurial market with a profit at any cost ethos developing in the Queensland industry.

Last month the Treasurer, David Hamill, acted decisively against the development of profit sharing in clubs by passing legislation which effectively prohibits, with one minor exception, contracts between licensed monitoring operators and clubs which are based on revenue sharing arrangements. The emergence of revenue sharing deals between licensed monitoring operators and clubs focused the attention of the Beattie Government on the gaming industry and highlighted the enormous capacity for the rapid expansion of the industry and the inadequacy of the current regulatory regime to analyse the industry's development and ensure that it is in the best interests of the Queensland community.

It astounds me that, had revenue sharing been permitted, almost overnight an additional 1,500 gaming machines would have become operational in the south-east. This very real possibility further confirmed in the Treasurer's mind the need for the Government to take stock of the industry and to put in place reforms that will ensure gaming develops in a balanced and socially responsible manner.

The review's primary focus will be on the areas of the industry responsible for the rapid growth: gaming machines, casinos and lottery products. Racing has been excluded from the review's terms of reference because its share of total gambling expenditure has declined from

30% in 1991-92 to 16% in 1997-98 and is, therefore, not a major contributor to the industry's rapid growth. This growth in gaming has significant social implications that call for a responsible gaming regulatory framework that strikes a balance between the social and economic benefits and costs of gaming in our communities. The main purpose of the review is, therefore, to investigate and report on the social impact of the rapid growth.

The Treasurer has asked the review team to examine and report on—

- (a) the benefits to Queensland communities of gaming and how these benefits can be safeguarded and enhanced. This examination should include the appropriateness of the policy for distribution of funds to charitable, sporting and community organisations;
- (b) the extent to which responsible gambling policies and practices are presently implemented by the gambling industry in Queensland. This should include the examination and identification of gaming policies, procedures and programs that would enhance the social returns from the gambling industry in Queensland;
- (c) the adequacy of consumer protection mechanisms, including the adequacy of regulatory constraints on advertising in the industry;
- (d) the existence of and barriers to competition amongst gaming venues other than with respect to taxation arrangements; and
- (e) the capacity of the gaming regulatory regime to measure and consider the social impact of an expanding gaming market. Particular attention should be given to the approval process for additional gaming machines, new or varied site licences and the physical location and site requirements of gaming venues.

As noted above, industry taxation arrangements will not be within the scope of the review as this remains a matter for broader Government policy determination. The Treasurer has given the review team a very tight time frame and expects a report by the end of June. Details of the gaming review were advertised in the Courier-Mail last Saturday, and additional advertisements will appear in the major regional papers throughout Queensland this week. I draw the attention of honourable members to these advertisements and the review process and encourage all members to promote the review in their local communities. I invite individuals and groups to have their say on gambling by making a submission to the gaming review.

There are social and economic costs as well as benefits from gaming in our communities. This review is all about finding the balance and ensuring that gaming across the State is socially and economically responsible. Through the review process, the Government aims to establish a regulatory regime that minimises the costs and maximises the benefits of gaming in our communities. The Government wants to identify the areas where the balance is not right and establish a more responsible policy framework for gaming in this State.

I know that a lot of people throughout Queensland have an opinion on whether the rapid expansion of gambling is good or bad for our communities. The gaming review is a great opportunity for these people to have their voices heard. I encourage all who have an interest in the gaming industry to share their views, both positive and negative, with the review team by providing written submissions by the end of May.

The introduction of gaming machines in Queensland has brought significant benefits to the State. While the media particularly likes to focus on the negative side of the equation, I am determined that the review's report acknowledges the significant social and economic benefits of gaming. These benefits include improved services and facilities in community clubs; additional employment opportunities resulting from an expanded clubs industry; the growth in tourism from improvements in club facilities, services and entertainment; and the establishment of community benefit funds, which channel a proportion of the revenue from casinos, gaming machines in licensed clubs and hotels, and Keno to community groups across the State for recreational and welfare programs.

In the 1997-98 financial year, the Casino Community Benefit Fund received \$4.7m, the Gaming Machine Community Benefit Fund received \$17.3m, the Sport and Recreation Benefit Fund received \$43.7m and the Charities and Rehabilitation Benefit Fund received \$24.6m. Further benefits include better funded Government services because of the extra revenue available to the State Government through gaming taxes and the enjoyment and social interaction many Queenslanders have gained from playing poker machines in their local club or hotel, many of whom once had to resort to making the trip across the Tweed River into New South Wales to quench their thirst for the pokies. Each trip cost Queensland significantly in terms of lost revenue.

These are all tangible benefits that resulted from the introduction of gaming machines into Queensland in a balanced and properly regulated manner. Achieving the balance is not

easy. We have only to look south to Victoria to see the significant community opposition to gaming that arises when the Government allows a profit at any cost approach to dominate gaming policies. That approach has allowed the establishment of gaming venues in shopping centres. The public's access to gaming machines in Queensland is sufficient without allowing operators to go to that extreme.

In line with the Government's balanced approach to gaming, the Treasurer and I are of the firm view that gaming machine licences should be restricted to specifically recognise gaming venues. Gaming machines should not be permitted in well frequented community places, such as shopping centres, where the primary purpose for visiting the place is to buy groceries or pay a bill. The multipurpose nature of these centres makes them unsuitable for gaming venues. I feel confident in stating that, as a community, we do not want to see gaming popping up in every major community meeting place.

The emergence of gaming venues in shopping centres is just one example of the rapid growth of gaming and its capacity to enter into all spheres of our community. The gaming review represents an opportunity for the community, in partnership with the Government, to restore the balance and ensure that the expansion of gaming occurs in a socially responsible manner. I encourage all members to promote the review in their local communities and be a part of the process that restores balance and moderation to an industry whose growth, if not properly regulated, could rip apart the social fabric of our community.

---