



Speech by

Hon. D. HAMILL

MEMBER FOR IPSWICH

Hansard 25 May 1999

CHARITABLE AND NON-PROFIT GAMING BILL

Hon. D. J. HAMILL (Ipswich—ALP) (Treasurer) (12.47 p.m.): I move—

"That the Bill be now read a second time."

The Bill I present to the House today establishes a legislative framework that will enable charitable and non-profit associations throughout Queensland to continue to successfully raise funds through charitable gaming activities well into the next century. The Government has recognised that the existing regulatory framework requires modifications to ensure the continued viability of the industry. This is primarily due to growth in the participation and availability of commercial gaming activities, such as gaming machines, casino gaming, lotteries and, since 1997, Statewide linked jackpot keno.

The current Art Unions Act 1992 can no longer provide the flexibility to enable charitable and non-profit associations to compete with more commercial and technologically sophisticated forms of gaming. Consequently, a comprehensive review of the Art Unions Act was undertaken by the Queensland Office of Gaming Regulation which focused on developing a new regulatory regime within which charitable and non-profit gaming activities could be conducted, given the growing competitive environment. This review considered input from the charitable and non-profit gaming industry and culminated in the Art Unions Discussion Paper, which was released for public consultation and comment in April 1998.

The industry feedback, combined with many of the original recommendations from the discussion paper, has formed the basis of the Bill I present to the House today. The Charitable and Non-Profit Gaming Bill 1999 is designed to ensure that the wide spectrum of associations that conduct fundraising activities through gaming are able to continue to conduct those gaming activities traditionally known as art unions in order to raise funds to meet their community obligations under their charters.

The major objective of the Bill is to significantly simplify and streamline the licensing requirements for all forms of charitable and non-profit gaming activities in this State. The issuing of licences to conduct games will be based on the estimated gross proceeds for a single draw in a game or session. Licences to conduct a game will only be required for associations that estimate the gross proceeds will be greater than \$20,000 per draw or session. A licence will allow the licence holder to conduct several games and/or gaming activities in accordance with the legislation during the term of the licence. This replaces the current situation whereby associations are required to reapply for licences each time a different gaming scheme is to be commenced.

This Bill establishes a special licence for the purpose of raising funds to assist persons who have been affected by disaster or have been otherwise disadvantaged. The licence will allow entities not normally empowered by the Bill to legally conduct a game to raise funds for such purposes. However, the chief executive must be satisfied of the existence of exceptional circumstances before granting a special licence. In addition, the Bill will ensure the continuing integrity and probity of the charitable and non-profit gaming industry through—

clear reporting and accounting requirements;

strengthened requirements for the delivery of prizes;

detailed investigation and enforcement provisions; and
concise rules of games.

I now turn to the provisions of the Bill. Part 1 of the Bill establishes that the objectives are to ensure the integrity and probity of charitable and non-profit gaming activities and to ensure that the public obtains reasonable net benefits from the conduct of such gaming. Part 2 provides the definitions necessary to operate the Bill. In particular, the definition of a charitable and non-profit "game" is defined. This definition lists examples of the gaming activities currently undertaken by Queensland's charitable and non-profit gaming associations, namely—

art unions (which include raffles, non-profit sweeps and non-profit bingo);
bingo;
Calcutta sweeps;
lucky envelopes; and
promotional games.

Each of these games is also defined. This Part also provides for all games regulated by the Bill to be divided into four categories based on gross proceeds per draw or, in the case of bingo, gross proceeds per bingo session. Category 1 includes any game where gross proceeds for each draw, or each bingo session, are \$2,000 or less but excludes lucky envelopes. Category 2 includes any game where gross proceeds for each draw, or each bingo session, are generally more than \$2,000 and no more than \$20,000. The exception is lucky envelopes which fall within Category 2, but gross proceeds are limited to \$5,000 or less. Category 3 includes any game that has gross proceeds for each draw of more than \$20,000. Category 4 games, commonly known as trade promotions, are referred to in the Bill as promotional games.

Finally, this Part defines terms such as associations and eligible associations. An association is a group of at least four persons, whether or not incorporated, which is formed for a worthwhile common purpose. An eligible association is defined in relation to associations formed for charitable, religious, educational, patriotic, sporting and community purposes, parents and citizens associations and political parties.

It is useful to note that changes to the definition of eligible association will permit fundraising for purposes outside Queensland, such as war refugees. However, Part 3 requires that players must be informed if the proceeds are to be used outside Queensland. Part 3 outlines who may conduct charitable and non-profit gaming. An association can conduct Category 1 games. Individuals may also conduct Category 1 games providing all proceeds are returned as prizes.

All games conducted as either Category 2 or Category 3 games (except for Category 3 games conducted by a special Category 3 licensee) are restricted to eligible associations. Any entity may conduct a Category 4 game to promote goods or services. This will allow, amongst other things, for local authorities to offer incentives to ratepayers who pay their rates on time.

Part 3 also specifies the requirements for the operation of bingo centres, the printing of lucky envelopes and the approval of events for Calcutta sweeps. In addition, Part 3 restricts the use of net proceeds from a Category 1, 2 or 3 charitable and non-profit game to the purpose for which the association was formed.

Part 4 provides for the issuing of licences by the chief executive. By simplifying and streamlining the licensing requirements the Bill necessitates only four licences. These are—

a licence to conduct a Category 3 game;
a licence to conduct a special Category 3 game;
a bingo centre licence; and
a lucky envelope printer licence.

This Part specifically outlines the requirements for application and issue of a licence, as well as providing for circumstances where disciplinary action may be taken for breaches by a licensee. Such disciplinary action may include issuing a show cause notice, censuring the licensee, direction to rectify action taken by the licensee, suspension or cancellation of a licence. Finally, these provisions allow for the investigation, by the chief executive, of the suitability of a person or corporation seeking to hold or continue to hold a licence under the legislation.

Part 5 details compliance requirements for conducting gaming under the Act. It provides for rules to be made by the Minister that will ensure that all charitable and non-profit games are conducted to consistently high standards of probity and integrity. These rules will also serve to guarantee that all such gaming activities are carried out consistently, thereby ensuring public confidence is maintained.

This means, for example, that a person entering a Calcutta sweep in Mount Isa can be assured that the game meets standards of a similar Calcutta sweep that may be conducted in Brisbane.

Extensive record keeping, reporting and audit requirements are also specified in this Part. Again, the extent of such requirements are linked to the category of game being conducted. The higher the gross proceeds the more rigorous the reporting standards. This Part also includes specific requirements relating to prizes, tickets, advertisements and equipment used in the conduct of gaming under the proposed legislation.

The Bill provides an extensive list of offences in relation to the conduct of games. These include such actions as cheating, forgery and deception, credit betting and bribery. This Part also includes the harm minimisation initiative of restricting the sale of tickets in alcohol prizes to those over 18 years.

Parts 6 and 7 provide the mechanisms for enforcement of the provisions of the Bill. In particular, these Parts outline the powers of investigation and enforcement to be given to appropriate officers within the Queensland Office of Gaming Regulation, who will be appointed as inspectors under the legislation. It also outlines legal proceedings for offences against the legislation.

Part 8 of the Bill will enable appeals against certain decisions to be heard by the Queensland Gaming Commission. The procedures for having such an appeal heard by the commission are also outlined. Parts 9, 10 and 11 of the Bill outline the miscellaneous and transitional provisions which are considered essential for the smooth operation of this legislation. Further, the Bill contains an administrative amendment to the Wagering Act 1998 to provide a simpler method for the calculation and payment of wagering taxation. The TAB agrees that the amendment is necessary.

This Bill is considered to be absolutely essential for the continued viability of many of this State's charitable and non-profit associations. It has significantly reduced the amount of red tape traditionally associated with operating such fundraising activities. However, stringent probity and integrity requirements have been maintained which, in the public interest, are absolutely necessary. I commend the Bill to the House.
