



Speech by

**Hon. D. HAMILL**

**MEMBER FOR IPSWICH**

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Hansard 23 November 1999

**GAMING MACHINE AND OTHER LEGISLATION AMENDMENT BILL (No. 2)**

**Hon. D. J. HAMILL** (Ipswich—ALP) (Treasurer) (12.37 p.m.): I move—

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

This Bill does three things. The first of these, and one reason for the Government's desire to see this legislation passed as soon as possible, is to enhance the powers of the Queensland Gaming Commission to take account of community and social issues when assessing applications for gaming machine sites.

This is a small amendment—a single clause—but is a very important one in reflecting this Government's determination to ensure that gaming machine sites are not allowed to proliferate in inappropriate locations. I shall return to this matter in more detail later.

The second matter addressed by this Bill also relates to the Gaming Machine Act 1991. The Bill, in effect, represents the final instalment in the package of changes collectively known as the "White Paper amendments". This Bill—and I should note that these amendments comprise the vast bulk of the Bill—follows on from the work done in previous legislation, including the Gaming Machine Amendment Act 1997, the Gaming Machine Amendment Act 1998 and the Gaming Machine and Other Legislation Amendment Act 1999. Again, I shall return to the detail of these changes.

The third reason for the Bill is to provide for a number of administrative and other amendments to a number of pieces of gaming legislation to ensure consistency in the regulation of lawful forms of gambling. Legislation affected by these changes include the Casino Control Act 1982, the Charitable and Non-Profit Gaming Act 1999, the Interactive Gambling (Player Protection) Act 1998, the Keno Act 1996, the Lotteries Act 1997 and the Wagering Act 1998.

I now turn to the reason why this Government sees the speedy passage of this legislation as of great importance. In doing this, I have every confidence that this legislation will be wholeheartedly supported by those opposite as it is entirely consistent with many of the concerns raised in the public arena by the Opposition. Under the provisions of the Gaming Machine Act 1991, responsibility for approval of gaming machine sites rests with an independent commission—the Queensland Gaming Commission. This has been the case since the commencement of machine gaming in Queensland and, by and large, it has been a system which has worked well.

The legislation sets out the framework within which the commission makes its decisions. Most importantly, the commission makes its decisions on specific applications without fear or favour and without interference from the Government. This is as it should be and this is how it has been throughout. The Gaming Machine Act 1991 was also predicated on a synergy between "general" (hotel) and club liquor licences and gaming machines sites. That is, where a site was deemed suitable for a general or club liquor licence it was *prima facie* also suitable as a gaming venue. As the range of sites eligible for general licences, particularly, has increased over time, this synergy is no longer as applicable.

We now, as a consequence, have a range of sites being granted general licences—quite appropriately given the terms of the Liquor Act—where there must be serious doubts as to their suitability as gaming venues. I would include shopping centre sites as a prime example of this.

The Gaming Commission has attempted to come to grips with this issue through the issue earlier this year of guidelines designed to indicate its concern with the proliferation of gaming machine sites in shopping centres. It also raised this matter quite specifically in its submission to the review of gaming in Queensland, which is about to report to me, and sought an extension of its powers to take account of social and community matters in framing its decisions.

As all honourable members would be aware, this approach fits well with the concerns about the expansion of gaming into inappropriate sites, which both the Premier and I—and I note several honourable members opposite—have recently raised. It is then of the utmost importance that the commission is well able to meet the challenge posed by these applications. This amendment strengthens the commission's ability to meet this challenge. Let me place a couple of comments in regard to this matter on record. As I have previously stated on a number of occasions, the development of clubs and hotels which has flowed from the introduction of gaming machines in 1992 has brought with it many benefits. It has brought jobs, entertainment and physical infrastructure. It has provided pleasant surroundings for folk—young and old—to meet, socialise and enjoy low-priced, quality meals.

However, for a small number of people, gambling can be hugely destructive both personally and to their families. It is not, therefore, something which can be allowed to develop in an unconstrained and irresponsible way. This is the reason why I sought the advice of my colleagues and the opinions of the broader community through the gaming review and it is the reason why this legislation is before you today. It is entirely appropriate, in my view, that clubs and hotels continue to provide gaming machines to their members and patrons. It is not appropriate to allow the expansion of gaming facilities into shopping centres and other public areas. They ought be available to meet demand, not flaunted to create it.

I fully appreciate the complexity of making decisions with regard to specific sites. The commission is bound to carefully consider each application before it and apply its wisdom to it. I do not envy their task and neither do I wish to usurp it. What this legislation does is to give the commission another tool in its armoury, another benchmark to check sites against in considering their net worth to the community in determining whether or not to grant a licence. I look forward confidently to the support of all honourable members in this endeavour.

I turn now to those amendments which effect the finalisation of the white paper changes. Following the release of the white paper, a package of changes to the industry was negotiated with industry participants. Two of the most significant changes were—

- the introduction of third party licensed operators to take over the electronic monitoring of gaming machines in licensed clubs and hotels; and

- for the Government to cease the ownership of gaming machines.

These matters have been substantially dealt with in earlier legislation. This Bill will provide for—

- the licensing of manufacturers and suppliers of gaming machines and restricted components;

- the strengthening of financial reporting requirements for clubs, including tightening their audit requirements;

- strict controls relating to the employment of minors at venues where gaming machines are operated; and

- the powers for the Queensland Gaming Commission to take into account community and social issues when assessing gaming machine licence applications.

This Bill will ensure that all key participants in the gaming machine industry, namely, clubs, hotels, machine managers, repairers and service contractors, hold licences to carry out their activities.

Under the current regulatory regime, approved manufacturers are recognised and listed on a roll of recognised manufacturers and suppliers. The new licensing requirements will ensure that manufacturers are subject to the same stringent probity requirements as other participants in the industry. This will guarantee that the operation of gaming machines in this State is free from the control or influence of criminal or other undesirable persons. The manufacturer's licence will be valid for a period of five years and, as with all other licences under the Act, an appropriate licence fee will be payable by applicants.

The Bill also contains provisions that deal with the reporting and audit requirements for clubs. In the past, there has been some concern that the financial situations of some licensed clubs were not being managed in the most effective manner. The amendments contained in this Bill will enable the Queensland Office of Gaming Regulation, which is responsible for the regulation of all lawful forms of gambling in this State, to better review and assess the integrity of gaming machine operations and the financial stability of clubs, thus protecting the interests of all club members and the community as a whole.

The Bill also removes some anomalies relating to the employment of minors at gaming machine venues. This amendment will close the inconsistency with respect to the employment of minors under the Gaming Machine Act 1991 compared with the Liquor Act 1992 and the Keno Act 1996.

In addition to these changes this Bill will—

clarify the requirements for gaming licensees and licensed monitoring operators in connection with payout refusals arising from gaming system malfunction;

provide for the deregulation of reporting and auditing requirements for hotels and gaming machine manufacturers; and

enable the chief executive to issue stop directions and changes to the manner of dealing with gaming equipment or other things that have been seized by inspectors exercising the general powers of inspection.

As I indicated at the outset, this Bill also contains a number of important but relatively straightforward amendments to other pieces of gambling legislation. These amendments are considered essential in order to achieve greater consistency between different pieces of Queensland gaming legislation. For example, these include amending the manner of evaluation of gaming equipment under other Queensland Gaming Acts. Currently, evaluations of gaming equipment are solely carried out by the QOGR. The amendments permit evaluation of gaming equipment to be carried out by other evaluators approved by QOGR. The Bill also includes provision for a number of existing appeals under the Keno Act 1996 and Lotteries Act 1997 to go to the Queensland Gaming Commission instead of the Magistrates Court. This will bring these two Acts in line with the provisions under the Interactive Gambling (Player Protection) Act 1998 and the Wagering Act 1998. The Bill will also contain several amendments to the Interactive Gambling (Player Protection) Act 1998. These changes are primarily mechanical in nature and will include—

a provision to allow licensed providers to register a player in a two-stage process;

a restriction on the access to a player's account and deposits into the account by the player if the player is not fully registered;

a provision to permit a licensed provider to have recourse to a player's account to retrieve only those expenses, for example, foreign exchange fees and the cost of additional statements "agreed" by the player and included in the approved control system associated with a player's account but not the fees for maintenance of the account;

an extension of the current provision regarding applications seeking an order to prohibit a person who is a registered player from being able to wager. Currently eligibility to make an application refers only to Queensland residents. It is proposed to include any registered player regardless of the jurisdiction in which they are located; and, finally

a provision which will allow a player to finish an unfinished game with the provider rather than automatically being entitled to a refund. In this situation, the licensed provider is to notify the player of an unfinished game, for example, by email, and advise the player that the game will be completed when next the player participates with the licensee. If a game remains unfinished for a period prescribed in regulation, for example, six months, then the wager will be forfeited to the State.

And finally, the Bill contains an amendment to the Wagering Act 1998 to enable a sports tipping product, approved under an agreement between the TAB Queensland and the Golden Casket Lottery Corporation, to commence operation.

Today, the introduction of this Bill will finalise the legislative amendments required to the Gaming Machine Act 1991 to ensure the industry can continue to operate in an environment which is free from inappropriate activity, while recognising the need for regulatory reform. Additionally, the introduction will provide a mechanism under the Act for decisions about gaming machine venues to more accurately reflect the views and standards of the community and the Government regarding the siting of gaming machines in the community. These amendments will also ensure that the regulation of gaming in this State continues to be comprehensive and thorough, while acknowledging the existence and continued development of new technology. I commend the Bill to the House.

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