



Speech by

**DESLEY BOYLE**

**MEMBER FOR CAIRNS**

---

Hansard 23 March 1999

**GAMING MACHINE AND OTHER LEGISLATION AMENDMENT BILL**

**Ms BOYLE** (Cairns—ALP) (3.34 p.m.): I support the Gaming Machine and Other Legislation Amendment Bill 1998. This Bill is intended to amend the original Act, the Gaming Machine Act 1991. That Act was a primary legislative measure to regulate the operation of gaming machines in Queensland's licensed clubs and hotels. I recognise the considerable contribution made by the then Treasurer of Queensland, Keith De Lacy, formerly the member for Cairns. Mr De Lacy took that task very seriously and set in place the proper regulations to protect the clubs as well as the customers and to minimise the likelihood of corruption or improper dealings. However, we now need to consider further amendments to those that were made in 1997 and in March 1998.

The changes that have been made include such matters as the ownership of gaming machines and the licensing of third-party operators to monitor gaming machines, known as licensed monitoring operators or LMOs. The Bill also deals with the leasing and the subleasing of gaming machines by licensed monitoring operators and approved financiers, and it deals with related matters, including procedures for the approval of linked jackpot arrangements.

The Bill introduces a further round of changes to the Act in line with previous and continuing industry consultation. It is surely not a surprise to members of this House that that consultation has not yielded a consistent view. This is not easy legislation, because not all in the industry agree on how it should be written. Therefore, the consultation has been complex and extended.

Most of the amendments in the Bill are primarily administrative in nature, though nonetheless certain provisions have been included to ensure that licensed monitoring operators in clubs continue to act in the best interests of clubs and their members. That is really the key phrase that we must return to whenever we consider the details of the opposition to elements of the Bill.

The key amendments provide for the licensing of gaming nominees, changes in the licensing of machine managers and extending the term of most licences from two years to five years, as well as some other matters that I will attend to later. In his second-reading speech, the Honourable Treasurer stated—

"The legislation will also give effect to the Government's commitment to the club industry to implement a package of legislative changes which will prohibit entrepreneurial activities being conducted to the detriment of clubs and their members."

In this matter the Government is acting decisively and against the development of schemes that could be used to line the pockets of individuals or entrepreneurs at the expense of clubs and their members. It has never been the intention of the Government for clubs to be used as a device for individual gain and, of course, neither has it been the intention of the members of clubs themselves. On the contrary, the whole purpose of clubs is to provide an environment where like-minded people can share a common interest, socialise, share a meal, be entertained and entertain themselves for their own benefit and for the general benefit of society.

The Bill ensures that clubs maintain control over their own destinies. It ensures that clubs are not captured by entrepreneurial schemes that threaten the central responsibility of clubs, which is to provide benefits to their communities through funding sporting or cultural activities or social services. The Bill sends the strongest possible message to the industry that the Government will not allow the channelling of legitimate club revenues to parties other than the clubs themselves. However, the

sharing of gaming revenues can be seen as a way in which a party other than the club can share in the club's profits. It is those circumstances that we aim to address.

Some would claim that the move made in this Bill will in some way threaten jobs in the industry. This is a nonsense. The amendments do not prevent LMOs or, indeed, any other financiers from entering into contracts with clubs or hotels to provide services on a fee-for-service basis or to provide loans on a commercial basis. The Bill precludes the taking of a share of gaming revenue as consideration in such contracts.

These changes place LMOs in a similar position to other financiers in that, subject to the Act, they cannot provide finance where repayment is linked to gaming profits or turnover. My response to TABCorp's criticism of our amendments is: if TABCorp were truly committed to creating jobs in Queensland, it would continue to finance the expansion of clubs but through the many other financing options available that do not threaten the autonomy of the clubs.

The key changes proposed in this Bill have been noted by previous speakers: the licensing of gaming nominees; the changes in the licensing of machine managers, who will be known as "gaming employees"; the extension of the term of most licences from two years to five years; and some other administrative amendments. However, I wish to mention briefly some other elements of the Bill that have neither caused as much consternation in the general community nor received as much publicity but which are, nonetheless, important elements of the Bill in terms of probity and the protection of the gaming industry and its customers from corruption. These elements include a control system and other compliance requirements for licensed monitoring operators, the strengthening of audit requirements for licensed monitoring operators and the automatic suspension of a gaming machine licence prior to commencement of the show cause process where gaming taxes or fees are unpaid within seven days of the date prescribed.

The Bill also includes provisions for extending and clarifying the prohibition on credit betting to prohibit an employee of a site from extending credit to enable a person to play a gaming machine. The Bill also includes provisions for the deregulation of some employee reporting and gaming machine accounting reporting requirements for sites. It provides for the deregulation of the requirement for sites to seek the approval of the QOGR in respect of conversions of gaming machines. It includes provisions relating to the disposal of unclaimed prizes under the gaming machine, casino, lotteries and wagering legislation. It expands the credit betting prohibitions contained in the Keno Act 1996 and clarifies minor issues in the Interactive Gambling (Player Protection) Act 1998.

The reason I specifically mention those matters is that it is important for those involved in this debate to look beyond the controversial issues and recognise that our Government is serious about insisting that the industry is as far beyond reproach as regulation can ensure. In this regard, I must make mention of the member for Cleveland, who has spent a lot of his time working on the detail that is required to ensure that these high standards can be maintained.

Honourable members have heard that there was considerable consultation, and that was particularly so because some matters were at issue. That consultation, particularly over the past several months, has involved people on both sides of the argument. In addition, that consultation process has provided the opportunity for members of clubs and the general public to make their views known. I am pleased to inform the House that this morning I tabled a petition from 197 signatories from Cairns in support of the Bill. I will read their petition, because it alerts us to the thinking of those in regional areas such as Cairns. It states—

"As members and supporters of Licensed Clubs in Queensland, we wish to express our full support for the contents of this Bill. We believe this Bill will protect the integrity of community owned clubs and ensure that the Club industry remains focused on serving the needs and interests of our members and our local communities.

Your petitioners therefore request the members of the House to vote in favour of this Bill and protect the Club Industry from private entrepreneurial profiteering."

That is the thrust of the Bill.

It seems timely for me to take a couple of moments to remind members of the tremendous benefits that have accrued to the broader community in Queensland through the introduction of gaming machines. Those benefits include improved services and facilities in community clubs and additional employment opportunities resulting from an expanded clubs industry. In fact, Clubs Queensland estimates that over 22,000 people are employed in full-time or part-time positions in the State's club industry. However, moving even beyond the clubs, there have been tremendous benefits to the broader public. For example, the Casino Community Benefit Fund received \$4.7m, the Gaming Machine Community Benefit Fund has distributed \$17.3m, the Sport and Recreation Benefit Fund has received \$43.7m and the Charities and Rehabilitation Benefit Fund has received \$26.4m. These are all very tangible benefits. In my electorate of Cairns, many charitable and volunteer organisations have been able to undertake activities for the benefit of small numbers of people who may otherwise not

have been assisted. Therefore, it must be recognised that the introduction of gaming machines in a balanced and properly regulated manner has led to considerable benefits.

The changes before the House today will make very little difference to what licensed monitoring operators can actually do. They have a fundamental responsibility to monitor the operations of the State's 24,000 gaming machines, to act as purchasing agents on behalf of sites, to conduct site training, to provide management advice, to put in place linked jackpots and player tracking systems and, from 1 April this year, to oversee the maintenance of those gaming machines that they monitor. They can still provide finance to sites for redevelopment or for new gaming machines, but only on a commercial rather than a revenue sharing basis. That is the minor moot point in the broader scheme of things.

This Bill has been the subject of much consideration and consultation. It provides for proper standards and fair dealings in the best interests of clubs and their members throughout Queensland. I commend the Bill to the House.

---