



Speech by

**HARRY BLACK**

**MEMBER FOR WHITSUNDAY**

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Hansard 23 March 1999

**GAMING MACHINE AND OTHER LEGISLATION AMENDMENT BILL**

**Mr BLACK** (Whitsunday—ONP) (4.51 p.m.): I rise to support the Bill before the House. Gambling is a complex issue that promotes varying attitudes as to its benefit to society. Over the years, the picture of gambling as a vice has softened to the point where it has become a valid, established and successful industry that contributes millions of dollars to Government coffers in gambling taxes. According to Queensland Treasury's 1997-98 annual report, gaming machine tax collection alone totalled \$196.8m. Gambling has become the sneaky tax of State Governments. It is a tax that is almost invisible to the public and it provides a very good reason for Governments' support of the growth of gambling, specifically gaming, for many years. Gaming has increased substantially since the introduction of gaming machines in clubs and hotels, with the numbers of gaming machines increasing by almost 2,400 in Queensland during 1997-98.

Whilst there is little proof of the detrimental effect of gambling upon society, it is undeniable that it exists. Churches and welfare groups still give the most vocal opposition to increased gambling in Queensland. They argue that household incomes and savings are eroded due to the increased promotion of gambling, and especially due to gaming machines. Retailers also suffer as a result of increased gambling. One has only to speak with retailers to hear of the difficulties that they have been facing since the introduction of gaming machines in clubs and hotels. A study conducted in Victoria in March 1997 found that increased gambling expenditure came from a reduction in savings. This suggests that gambling will have a long-term effect on the retail industry, especially when times are tough.

It is questionable why Governments condoned gambling in the first place. It is undoubtedly appealing to short-term thinkers to encourage and expand the industry as much as possible, which would therefore increase the amount of State gambling taxes. A long-term thinker would be inclined to look at the balance between promoting gambling and the cost of repairing the damage it causes society after the fact.

Gambling is an established industry based on consumer demand. Gambling has been a part of our tradition and culture—not gaming and more modern forms of gambling, but gambling nonetheless. That probably explains why it is estimated that Australians spend more on gambling than do most other nationalities.

Since Governments are unable to stop gambling, it is essential that Governments regulate gambling and promote systems for society to deal with any problems that may result. This is already done to some degree. For instance, in 1997-98 the Gaming Machine Community Benefit Fund received 8.5% of gaming machine tax revenue. In 1997-98, other community funds also received allocated grants of \$69m. In conjunction with strict regulation, this can allow Governments to earn gambling revenue while still acting to protect society from unwanted problems.

There is not much that I can do to stop gambling and gaming machines in this State. They are here and nothing that I say will change that. However, I mention these things to try to balance complex issues such as the revenue benefits and the community costs. Members of the House need to consider the far-reaching moral considerations of their decisions. The Bill before us tightens the controls on the industry through stricter scrutiny, monitoring, licensing and financial reporting. Club management will gain more control over their club and will have a greater focus upon the membership of the club, which

is the purpose of the formation of a club initially. Any move to tighten up the industry and to further ensure that all business is conducted with integrity is a good move.

My major concern with the Bill relates to the LMOs who believe that they have the most to lose should this Bill be passed. This is most likely the case as the machine revenue sharing arrangements that they are currently involved in would no doubt be quite profitable. I received a letter from TABCorp, as I am sure all members did, explaining its thoughts on the Bill. Of course, TABCorp would like to see the gaming machine revenue arrangements remain valid. Under the Bill, the LMO still has an incentive to lend or provide services to clubs for a profit, but on a contract basis rather than on a percentage of gaming and revenue basis. This reduces the amount of control the LMOs have over a club and allows profits to remain with the club for the benefit of its members, which is where they belong. I see no problem with this. Clubs are set up to provide the money to pursue the aims and objectives of the club, not to make LMOs or any other organisations rich on their share of the profits.

I agree with TABCorp with regard to the retrospectivity of the Bill. I believe that the Bill should not affect agreements that are currently in force. The TABCorp letter that I received in December states—

"I believe it is a sad day when a corporation can acquire a licence and enter into commercial agreements only to later find that these are to be retrospectively invalidated. This policy will discourage both Australian and International companies from further investing in Queensland, a situation which in the current world economic climate can only be detrimental to Queensland and Australia."

I agree with those sentiments. It is not only damaging to Queensland to make these arrangements retrospective, it is also damaging to TABCorp and, most importantly, it is damaging to the clubs that are already working under such arrangements or have just made deals to do so. The Queensland TAB is also an LMO and has arrangements with more than a quarter of all gaming venues in Queensland. By making clause 113 retrospective, the Bill will also jeopardise those arrangements.

I would like to amend the retrospectivity of the Bill during the Committee stage. I see that the Government has circulated an amendment and I also will be circulating one shortly. I wonder why the Honourable Treasurer chose 20 November 1998 for clause 113 to become effective. I am sure that the Treasurer will answer that at the Committee stage. I agree with the basis behind the changes that the Bill brings into effect, but I do not believe that organisations that have spent considerable time and money in making these arrangements, as they were legally entitled to do, should now be forced to dismantle the arrangements because of retrospective legislation.

We support the Bill as it tightens up all regulations covering the industry and improves the position of the club owner and manager and, therefore, the membership. It effectively takes any control away from the LMOs, while still providing them with ample incentive to aid clubs financially and otherwise.

I mention again that law-makers should consider the wider consequences of their decisions and that Parliament should place more importance upon putting mechanisms in place to solve social problems at the core rather than merely legislating to mend problems after the fact. Gaming is an issue in respect of which such deeper and long-term consequences need to be considered.

Recently, on the Sunday news I noticed that the Government has announced a review into gambling and gaming machines in particular due to the increase in gambling problems and their effects upon our community. If that is the case, I congratulate the Government. That highlights the fact that gambling should not merely be looked upon as a way of raising Government revenue but as a far more serious activity.

I urge all members to think of the negative effects of the retrospectivity in relation to clause 113 and to consider those when voting on the amendments at the Committee stage. During the Committee stage, I will be moving an amendment to clause 2 to remove the retrospectivity provision in the Bill. In the interests of strengthening the positions of the clubs and their thousands of members throughout the State, I support the Bill.

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