



Speech by

Mrs E. CUNNINGHAM

MEMBER FOR GLADSTONE

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GAMING MACHINE AND OTHER LEGISLATION AMENDMENT BILL

Mrs LIZ CUNNINGHAM (Gladstone—IND) (5.38 p.m.): In joining this debate, I want to make the comment on the public record that gambling has had a devastating impact on our community. Whereas I acknowledge a press release from the member for Cleveland outlining the error of interpretation that some have made about the amount of funds and the percentage that is taken out of families' incomes—and he was talking about the multiplier effect of the 15% revenue and that 85% of money gambled is returned to players—the fact is that it has had a significant impact on societal values and society in general. I want to commend the recent announcement about an investigation into that impact. It will be interesting to read the terms of reference of that investigation. It has been acknowledged, certainly by the southern States, that we are only just beginning to feel the social effects of gambling, and that will continue. And it will not continue in a beneficial spiral, but a downward spiral. So I look forward to that inquiry.

I have received correspondence from interested parties including Clubs Queensland, which supports the legislation, including the retrospectivity aspect. That organisation made a comment which I found interesting. There are two other operators from interstate that have not attempted to engage in the same business behaviour which has generated the Minister's amendments. It is evident that it is possible for interstate operators to be involved in the gaming machine business without contradicting what will become the law in Queensland.

I thank the Minister for the opportunity of receiving a briefing from the departmental officers. In that briefing the officers indicated quite clearly that it did not stop TABCorp from being involved in gaming in Queensland; it was simply a matter of altering the manner in which it became involved.

The Queensland Hotels Association said this—

"It has clearly been the policy of all Queensland Governments since the introduction of gaming machines that private sector interests were not to be permitted to participate in the revenue generated from clubs. Traditionally, clubs have enjoyed taxation advantages and other concessions from governments at all levels in Australia, in recognition that legitimate clubs represent the mutual interests of members, and support community initiatives."

It has been stated on a number of occasions that clubs that have these advantageous arrangements return their financial benefits back to the community.

Surf Life Saving Australia wrote to me citing a number of concerns. That organisation said that the proposed legislation imposes a substantial present cost on lifesaving interests and on TABCorp and denies a worthy charity genuine revenue opportunities for the foreseeable future. It said that this is done by imposing a blanket prohibition on bona fide arrangements effected prior to the introduction of the Bill rather than assessing those arrangements against the perceived mischief of external control and offers no compensation for present or future losses. The last two points in particular are addressed by the Treasurer's amendments.

I would like to ask some questions on a number of issues. This comment appeared in the Courier Mail of 24 November 1998—

"Of great interest will be how the local business community reacts to the use of backdated laws to stop investment. A fight to watch."

TABCorp made the following comment—

"It is unconscionable that agreements acceptable to both parties and allowable under current legislation can suddenly be deemed illegal and made void, particularly after the agreements had been approved by the relevant Regulatory Authority, the Queensland Office of Gaming Regulation and discussed with Ministers of the previous Government. By making the proposed amendment retrospective to June 1997 is damaging to the confidence of investors in Queensland. It also brings into question the continuity of decisions between Governments."

It is my understanding that TABCorp also spoke with the current Government. Since June 1997 there have been discussions and negotiations between all parties. I am interested to hear how the Government will ameliorate these perceptions. Retrospective legislation was introduced. A legally binding agreement may, in the future, be deemed to be illegal.

Under the Bill, gaming machine licences are to be extended from two-year renewal periods to five-year renewal periods. It has been stated that the reason for that is to simplify the process. It has also been stated that the majority of people who receive these licences are volunteers and students. Currently, the two-year licence costs \$100. At the time when I received a briefing the cost of the five-year licence had not been determined but was perhaps going to be \$200. That is a significant amount of money for a student to find. I can see students being able to scrape together \$100, but it may be more difficult for them to find \$200. If this has been an area where students have been able to gain casual employment it may disadvantage them and perhaps place them outside the probability of being able to gain a licence.

I also ask whether extending it to five years is opportunistic on the part of the Government because the average licence has been renewed twice—some less and some more. The Government is introducing the spectre of a five-year licence which may not be necessary for many people. Therefore, the increased cost incurred by the applicant is additional revenue for the Government. It is not a benefit to the students or the club.

A jail term has not been attached to many of the new clauses in the Bill. Significant penalty points have been attached—up to \$15,000 and more. If there was a fairly serious breach, I wonder why there is not a jail term either as an alternative, as an option, or as a disincentive. One explanation I received was that it was felt that penalty points for infringements were much more of a motivator for operators to comply with the law. The question that was put to me was whether it is just a revenue generation proposal or whether it was genuinely going to be used as a deterrent.

I notice that unclaimed money is to be deposited not with the Public Trustee but directly into consolidated revenue. I understand this comes about as a result of changes made to the law by the previous Government. Could the Minister confirm that the money that goes straight to consolidated revenue must remain available in perpetuity to claimants if they become aware that they were eligible for those winnings?

The legislation proposes to extend a five-year amnesty, or whatever, to clubs which have, in good faith and in accordance with the current law, made an agreement with TABCorp.

Mr Hamill: Not necessarily TABCorp.

Mrs LIZ CUNNINGHAM: After this legislation is proclaimed it would be contrary to the new law in Queensland. My question is this: has the five-year period been chosen for a reason? Is it seen that five years gives sufficient return on moneys invested so that the club can work its way out? What other options are available to the clubs to extricate them from that?

Mr Hamill: That was the length of most of the agreements that the clubs had entered into.

Mrs LIZ CUNNINGHAM: So the length of the agreement is five years and at the end of that time TABCorp ceases to have a call on that club?

Mr Hamill: Some of those clubs might have options to continue.

Mrs LIZ CUNNINGHAM: I would like an answer on the record to this question: if at the end of five years those clubs find themselves in a situation where the only viable option is to continue with TABCorp, where does that place them? It obviously places them outside Queensland law. I wonder where that places them, given that the clubs that have made these arrangements would not be in a position to make a huge commercial investment or a commercial decision.

The only other issues I wanted to raise with the Minister concern the legislation. Clause 20 says—

"If a licensee complies with this section the Chief Executive must renew the licence for five years starting on"——

and then it has some other provisions. There does not appear to be any discretion given to the approving authority to take past performances into account. The clause says that if people comply with this objective test they must be given a new licence. But none of the tests include past performance—whether the people have been very difficult in terms of compliance or whether they

caused the commissioner or the Minister a lot of work. There does not appear to be any discretion in the legislation.

Clause 46 refers to the terms of appointment and role of the administrator. Subclause 3B states—

"Subject to any directions of the Minister."

It may be there, but I could not find whether the Minister was required, on the basis of transparency, to table those directions. I seek a comment from the Treasurer in that regard.

I have two more issues that I want to raise. I have raised already with the Treasurer the issue of the use of an infringement notice—is it for revenue generation and are there any indications that infringement notices and fines are more of a motivation than a jail term? In relation to the amendment to section 163, at present if a club has more than one premises, it must run separate finance books for the two separate premises. However, in relation to the monthly taxable metered wins, the clubs are allowed to combine those incomes. It is my impression that that would allow for some bracket creep in terms of their tax liability. I wondered why those two elements are kept separate: they had to run separate books yet they were required to combine their taxable metered wins for their tax payable. I just wondered why the separation had been made, other than to allow for bracket creep.

As I said, some clubs will be affected adversely by this legislation. I am sure that many members would have heard both positive and negative stories from people in their electorates about the legislation. I again thank the Minister for the opportunity to be briefed by him and his departmental officers, and I look forward to hearing his answers to my queries.
