



Speech by

**Hon. D. HAMILL**

**MEMBER FOR IPSWICH**

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Hansard 19 July 2000

**GAMBLING LEGISLATION AMENDMENT BILL**

**Hon. D. J. HAMILL** (Ipswich—ALP) (Treasurer) (11.48 a.m.): I move—  
"That the Bill be now read a second time."

This Bill implements the high priority policy initiatives from the Government's policy direction for gambling in Queensland. The policy direction is a decisive and comprehensive initiative of the Government to address the social and economic issues which have arisen from the recent rapid growth in gambling in Queensland. The Government has deliberately taken time to develop its future direction with respect to gaming and gambling in general.

I announced a review of Queensland's gaming industry in March last year. This occurred in an environment of growing community concern about the continuing rapid growth of the gaming industry and its effect on individuals, families and the community at large. Concurrently, we needed to preserve the benefits that the gambling industry has provided to the State, such as employment, tourism investment, and recreation and leisure facilities. Today, I am pleased to be able to introduce into the House Stage 1 of strong and responsible legislation that will both address the community's concerns while providing for a long-term viable industry.

This outcome is in keeping with the objective that the Government set itself at the start of the review: to restore the balance between the social and economic impacts of gaming. In April 1999 I informed the House of the terms of reference for the gaming review. These were framed to provide for a better balance between the social and economic benefits and costs of gambling in Queensland communities. What followed was probably the most comprehensive review of gaming this State has undertaken, with extensive consultation involving community and industry input. Indeed, I would again like to thank my colleagues who assisted in that task.

Following the review, a green paper on gaming in Queensland was released for public discussion on 13 December 1999. The Government was encouraged by the general community and industry support for the majority of the green paper proposals. This included support for—

- controls on the expansion of gaming machines;
- coordinated strategic research;
- initiatives to address problem gambling; and
- greater opportunity for community and local authority input in the consideration of gaming machine applications.

In keeping with any green paper process, the Government actively considered the submissions we received and refined the policy proposals contained within the green paper. The two fundamental principles on which the policy direction is founded are balance and coordination. The Government recognises that most Australians at some time or other will participate in gambling as part of their general leisure and entertainment activities. Indeed, the Productivity Commission, in its review on gambling, estimated that over 80% of the Australian population gambled last year and most did so without harm to themselves or others.

It should also be noted that the gambling industry in Queensland has contributed to the current strength of the tourism industry and, importantly, this has meant jobs for a significant number of

Queenslanders. To that can be added gambling's contribution to Queensland communities, either directly through the impact on community based clubs, or indirectly through levies on casino profits for benefit funds or general revenue that supports all Government services.

The gambling industry, whether it is racing, lotteries, gaming or casinos, is part of Australian society and Queensland's social and economic landscape. However, the Government also recognises the need to balance these economic and social benefits against the social costs of gambling. Accordingly, this balance is to be instituted across all forms of gambling, including machine gaming, lotteries, casinos, Keno, wagering, charitable and non-profit as well as interactive gambling.

The Government's commitment to ensuring that the benefits of gambling outweigh the costs is not rhetoric. It is clearly stated in each of Queensland's seven gambling Acts as the overarching object of each Act and it is being taken further in the Gaming Machine Act. The Government has acknowledged the Productivity Commission's comment that the highest percentage of community problems associated with gambling arises from gaming machines. Consequently, under the Gambling Legislation Amendment Bill, the powers of the Queensland Gaming Commission will be expanded and provision is being made for greater coordinated community input into the decision-making processes for gaming machine applications. These changes are significant and require that I deal with them in some detail.

#### Powers of the Queensland Gaming Commission

The powers and the responsibilities of the Queensland Gaming Commission are to be significantly expanded. The Bill specifically requires that the commission must consider the likely effect of a proposed decision on the local community. This will form part of the commission's regard to the social implications of its decisions. This builds upon the amendment to the Gaming Machine Act that I brought to this Parliament last year. In that amendment the commission was given the ability to consider information or material about social and community issues in its decision-making processes.

The Bill also gives the Queensland Gaming Commission the power to issue guidelines. For example, the commission may choose to issue guidelines outlining its views on the location of gaming machines in a site or the proximity of gaming machines to ATMs. The commission may also issue guidelines about its position on the proximity of gaming machines to schools, shopping centres and other venues of community congregation. The commission will also be able to provide advice to me about gambling issues for which they have some responsibility and, similarly, I will be able to ask them to advise me on issues of concern.

As outlined in the Government's policy direction paper, the nexus between gaming machine licences and liquor licences will be weakened. The granting of a liquor licence has never meant instant approval for a gaming licence, and this Bill will strengthen that principle. The Bill provides the power for the commission to set the hours of gaming for which a licence is sought. The commission will be able to set the trading hours for a gaming machine site at a number less than the hours permitted by the site's liquor licence. It is also reflected in the commission's Information Notice for Applicants for Gaming Machine (Site) Licences and Increases, which comments to the effect that the possession of a liquor licence is not a guarantee of the grant of a gaming machine licence but is merely one of a number of prerequisites.

#### Community consultation

Public comment will be sought and considered on applications for new gaming machine sites as a matter of course. Such comment will also be sought on applications for significant increases in gaming machines at a site. A regulation will be made specifying "significant" to mean an increase of 20 or more machines at a club or 10 or more machines at a hotel. I must stress that the Queensland Gaming Commission will be able to seek public comment and require the preparation of a community impact statement for any proposed increases in gaming machines. There are some members of the industry who may seek to circumvent the Government's community impact statement requirements by applying for increases of 19 or 9 machines. I believe the commission is likely to see those applications for what they are.

Applications for new sites or significant increases in gaming machines will need to be advertised. However, the Government is not in the business of creating additional and unnecessary red tape for the industry. For instance, where an applicant is also making an application under the Liquor Act 1992, the Bill provides for a composite advertisement to be made in conjunction with the liquor licensing authority. This will assist such licence applicants to avoid doubling up on their advertising.

The Bill provides for consultation with relevant local governments and any other organisations or persons, including members of Parliament, who are deemed relevant in relation to an application for a new site or increases. This amendment also provides for the commission to gain access to any supporting documents, objections or any representations made in response to an application.

A community impact statement will be required to accompany all applications for new gaming machine sites and all significant increases in gaming machines. The Government has issued a draft

community impact statement for consultation with the community and industry. It is expected that a final community impact statement would include detailed venue information, including proximity to areas of community congregation and facilities frequented by minors, such as amusement arcades, cinemas and fast food outlets. An outline of the applicant's research methodology and consultation undertaken will also be required.

A community impact statement will need to address the economic and demographic characteristics of the local community. It will analyse social impacts, including anticipated patron numbers, disadvantage factors, social infrastructure and local views on the proposed venue. It will also provide a proposed method of dealing with any predicted adverse impacts as well as details of the venue's proposed responsible gambling program. All of these matters I have mentioned thus far are brought into effect by Part 4 of the Bill.

#### Machine lapsing

In regard to pre-existing approvals for new gaming machine sites or increased machine numbers, the Government does not wish to see these pre-existing approvals "banked" almost indefinitely for installation at some yet to be determined date. Rather, the Government believes it is desirable that, following an appropriate period of grace for licensees, all sites should be placed on an equal footing and the industry should commence operating under the new regulatory environment with the new rules applying to everyone.

Accordingly, provision is being made, also under Part 4 of the Bill, to require new gaming machine sites to be operational by 13 December 2000 where the commission previously either approved the site to be operational within 12 months of the date of actual issue of the licence or placed no time limits for the site to be operational. This date is 12 months from the date of release of the green paper on gaming in Queensland as well as 12 months since the commission began placing conditions on new gaming machine licences that machines must be installed in a site within 12 months of the approval.

Under the Bill, a provision also is being made to require existing sites to install their approved level of gaming machines by 1 September 2000 in cases where the commission previously had placed no time limit on the installation of the machines. This date is a little over a year since the commission began consistently applying a six-month installation requirement on the approval of gaming machine increases.

#### Interstate clubs

As honourable members may be aware, a few interstate clubs have recently sought to amalgamate with Queensland clubs that have gaming machines without complying with the requirements placed on Queensland clubs in similar situations. The Government is firmly committed to ensuring that the principles applying to Queensland clubs seeking approval for an additional gaming machine site are also applied to interstate clubs which seek an additional site in Queensland. This commitment is reflected in the Bill. This provision does not rule out interstate clubs providing management and financial services to Queensland clubs, provided parties can satisfy the commission that contracts do not involve profit sharing arrangements.

#### Community benefit statements

Gaming machines were originally introduced to help the then financially ailing club industry and improve the provision of facilities and services to its members. It is for this reason that clubs are taxed at lower rates than hotels with gaming machines. As honourable members may also be aware, concerns were raised suggesting that some clubs may have been using their revenue from gaming machines to build larger premises to house more gaming machines rather than to provide benefits to the community. Consequently, under Part 4 of this Bill, clubs with more than 50 machines—a number that will be fixed by regulation—are to provide an annual community benefit statement, detailing all financial contributions made and other support given during the financial year to charitable, sporting, recreational and other community associations and initiatives. As with community impact statements, a draft of the matters to be included in the community benefit statement will be released for community comment to ensure that the Government is aware of the community's expectations on this issue.

#### Revenue and Funds

Under Part 4 of the Bill, the community will also continue to directly benefit from taxes on gambling. Currently, taxes from most but not all forms of gambling contribute to community benefit funds. Under the Bill, a new fund is established, called the Community Investment Fund, that will receive revenue from all forms of gambling. The community investment fund will be established and a fixed amount of 8.5% of taxes from lotteries, Keno, wagering, interactive gaming and gaming machines will go to the fund. The fund will, in turn, allocate this money to three activities.

First, the fund will make allocations to the Gaming Machine Community Benefit Fund, which is to be renamed the Gambling Community Benefit Fund. This name change acknowledges that all forms

of gambling contribute to the operation of the fund, not just gaming. This is, in effect, a name change only, as the highly successful fund will otherwise continue with its current format and processes. Second, funds will go to gambling research and dealing with social issues arising from gambling such as responsible gambling initiatives. Third, funds will also assist programs of Statewide significance including job creation, community renewal and crime prevention.

#### Other Matters

Other matters dealt with in Part 4 of the Bill include providing that a site may only apply once every year for an increase in gaming machines unless there are exceptional circumstances. Also, the currently narrow definition of "public interest" is being removed from the Gaming Machine Act. The current definition is very narrow as it links the "public interest" to the maintenance of public confidence and trust in the credibility or integrity of gaming, or the conduct of gaming or the administration of licensed premises or dealings with gaming equipment. Removal of the definition will enable the term to be read in its usual meaning of dealing with the interest of the public at large, rather than linking it only to trust, integrity and credibility of gaming.

#### Other Amendments

This Bill also contains a number of important but relatively straightforward amendments to several pieces of Queensland gaming legislation, the detail of which I will now outline. Part 2 of the Bill amends the Casino Control Act 1982 to provide for the overarching object of ensuring, on balance, that the State and community benefit from gambling. It also provides the courts with a counselling option ahead of sentencing for problem gamblers who are excluded persons not to enter or remain in a casino. A court hearing a case where a person has breached the exclusion clause will be able to postpone any sentence and order the person to undergo the recommended counselling if the person exhibits harmful behaviour related to casino gambling.

Part 3 of the Bill amends the existing objective of the Charitable and Non-Profit Gaming Act 1999 to incorporate the overarching community benefit object whilst retaining the existing objects. Under Part 3, for the purposes of the Act, a constituent unit of an eligible association is to be considered an "eligible association" to conduct charitable games. Thus, sub-branches of State or national organisations will be able to conduct Category 1 and 2 games in their own right.

Part 5 amends the Interactive Gambling (Player Protection) Act 1998 to also provide for the overarching object whilst retaining the existing objects. Part 6 of the Bill amends the Keno Act 1996 to provide for the overarching object and payment of a proportion of taxes to the community investment fund. It also strengthens the prohibition on credit betting situations where Keno operators or their employees provide or misrepresent a cash advance to a person who is a Keno player. Part 7 of the Bill makes some minor technical amendments to the Liquor Act 1992, whilst Part 8 amends the Lotteries Act 1997 to provide for the overarching object, as well as a percentage of lottery taxes to go to a fund established under a gaming Act, which again will be the community investment fund. Finally, Part 9 amends the Wagering Act 1998 to provide for the overarching object. It also creates a prohibition on credit betting so that a general operator must not make a loan or extend or misrepresent credit in any form to a person to enable the person to take part in approved wagering.

I wish to point out to honourable members that these are not the only amendments required to give effect to the totality of the Government's Policy Direction for Gambling. Further amendments will be brought forward this year. In the meantime, however, this Bill represents a large part of the Government's commitment to implementing the Government's Policy Direction for Gambling, balancing, as it does, the social and economic benefits and costs of gambling in Queensland communities. I commend the Bill to the House.

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