



Speech by

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GAMING MACHINE AMENDMENT BILL

Mr SHINE (Toowoomba North—ALP) (4.15 p.m.): I am pleased to be able to take part in the debate on the Gaming Machine Amendment Bill 2001. I would like to discuss in some detail the pros and cons of the gaming machine industry generally as it applies both to clubs and hotels, to comment on the division between the interests of clubs and the interests of hotels, and to make some comments with respect to the Suncorp Metway Stadium, the financing of which forms part of the purpose of this bill.

Before doing that, I wish to outline the background to the legislation that we have before us today, which amends legislation that we have had in Queensland since 1992 that allowed for gaming machines to be introduced to Queensland by the then Goss government. At that stage gaming machines in Australia were not a novelty. For many, many years a lot of Queenslanders, particularly those residing in the south-east corner of the state and those who holidayed regularly on the Gold Coast, would go over the border to Tweed Heads to have a punt on the poker machines. Poker machines were introduced in New South Wales as early as 1956—nearly some 40 years before they were legalised for introduction in Queensland.

The Goss government brought gaming machines into Queensland after a considerable amount of public pressure to do so. That government introduced gaming machines to Queensland for a number of reasons. Firstly, the gaming machines were to provide direct funding for sport, recreation and welfare programs. Many members of this parliament have in the past, if not currently, taken a great deal of interest and have been involved actively in sporting clubs. I certainly have played a part in some clubs in my home town, particularly in the sport of cricket. We all know how difficult it has been to raise funds over the years through chook raffles.

Mr Mackenroth: Don't ask the Liberal Party.

Mr SHINE: I am no expert, but as has been said, the Liberal Party has some expertise in these matters currently. We all know how difficult it has been to raise money via raffles in hotels and so on, particularly nowadays as the hotel trade itself is not what it used to be half a generation ago.

The primary reason and justification for the Goss government bringing in poker machines to Queensland was to fund sporting, recreational and welfare programs. A part of the reasoning was also to provide an avenue through which participating clubs and hotels could increase their financial support in order to improve recreational facilities and services, both within their establishments and with respect to facilities under their control.

Another reason put forward at the time was to encourage the growth of tourism, particularly bearing in mind, as I mentioned before, the effect of poker machines as demonstrated in Tweed Heads and Coolangatta at the time. It was felt that the growth of tourism would be aided by the improvement of clubs and hotel facilities brought on by the injection of the funds derived from poker machines.

As well as this, it was argued that poker machines would provide additional employment opportunities to people in the state, no doubt over and above any loss of employment that might occur in other entertainment areas. It was also designed to create extra revenue for the state. There was no attempt to disguise that. The facts indicate how significant the income from poker machines has been in terms of the ability of the state to fund its very necessary programs.

The last reason for the introduction of poker machines into Queensland by the Goss government was to meet the legitimate wish of those who are attracted to playing gaming machines. In other words, a lot of people like playing them regularly and a lot of people, like myself, enjoy playing them from time to time. It is a natural and often innocent pastime.

The introduction of gaming machines into Queensland was not done lightly but followed quite a deal of investigation and consultation. In fact, in 1990 a criminal justice report was undertaken which preceded the 1992 introduction of the legislation for the operation of the machines in Queensland. That report was undertaken soon after the Fitzgerald inquiry hearings and the topic of corruption or possible corruption, particularly as it might relate to the police force and other official persons employed by the state, was very much at the forefront of thinking. It occurred in an atmosphere where a great deal of caution not only should have applied but did apply in terms of what was responsible action by the government of the day. The CJC report into the matter concentrated heavily on any connection between gaming machines and criminal activity. By and large, the report was favourable to the introduction of the machines into Queensland provided that certain restrictions applied, particularly as to the ownership, supply and control of those machines.

In the ensuing years, the machines were relatively successful. In November 1996 a government review into the regulation of the machines in Queensland was undertaken. That review stated that from February 1992 to June 1996 the Queensland clubs and hotels had benefited to the extent of \$780 million. That resulted in major capital works and increased employment, estimated at about 2,000 extra jobs directly generated by the industry and a further 2,000 generated indirectly between 1992 and 1994.

That 1996 review suggested three proposals for change. Firstly, it suggested the introduction of a progressive taxation system based on metered win rather than turnover, with a sliding scale that would tax smaller clubs and hotels at a lower tax level while taxing higher profit sites at a higher marginal rate. Secondly, it suggested increasing the number of gaming machines available to both clubs and hotels, with clubs still entitled to have a significantly higher number than hotels. Thirdly, it suggested changing from government ownership of gaming machines to ownership by either sites, licensed operators and/or financiers. To a large extent, my reading of the amending bill suggests that it takes on board at least the first two recommendations of the 1996 report.

The section of the bill dealing with gaming machines and the new regime of tax that is proposed contains nothing to greatly shock the House. What concerns a lot of people in the community are the problems associated with people who have an addiction associated with gambling.

I was interested to read the report of the Productivity Commission into Australia's gambling industries, which was published in November 1999. There were some key messages from that learned study into the problems that are associated with gambling. Firstly, the report established a link between the accessibility of gambling and problem gambling. It stated that that was a central concern for policy and that there was a need for caution in liberalising access to gambling. Simply, it stated that the greater the accessibility, the greater the gambling problems.

The study also found that accessibility is not just about proximity; it is also about mass appeal and ease of use of gambling. It found that gambling machines and lotteries are the most accessible, followed by the TAB and, lastly, casino gambling. Of those, greater accessibility to gaming machines has increased the risks of problem gaming the most. Problem gambling prevalence rates tend to be highest in areas where accessibility to non-lottery gambling is highest.

Help seeking by problem gamblers is also strongly associated with accessibility, although the direction of causality may vary. There have been some changing patterns in problem gambling, with an increase in women suffering from addiction. Again, there is a strong link between their accessibility to this form of gambling and the overall problem gambling rates. The report also indicates that overseas evidence echoes the findings in Australia. In other words, what we have is not unique. We are following a world trend, unfortunately.

Finally, I turn to the key messages delivered by the Productivity Commission inquiry report. It found that while causation is hard to prove beyond all doubt, there is sufficient evidence from many different sources to suggest a significant connection between greater accessibility, particularly to gaming machines, and the greater prevalence of problem gambling.

These issues were raised in Queensland. Mr Deputy Speaker, you will recall that a green paper on gambling in Queensland was presented by then Treasurer David Hamill. The green paper asked why a review of gaming was necessary. The answer was stated as—

This review was prompted by the Queensland Government's concern about the continuing rapid growth of the gaming industry and the effect this is having on individuals, families, the industry, the State's economy and the community generally.

Gaming has grown at an average compounding rate of 16% for the past seven years.

It stated further that there are signs that it could become markedly detrimental to Queensland and have a negative effect on the wellbeing of some Queenslanders. The green paper's mission was stated as—

The Queensland Government recognises that there needs to be better balance between the benefits and costs of gaming in our Queensland communities. The Queensland Parliament recently approved legislative amendments to provide the Gaming Commission with the ability to take into account social and community issues when considering applications for gaming machine licences. Nevertheless, there is more to be done.

The proposals contained in this Green Paper are being put forward to generate further community discussion. The proposals contain wide-ranging reforms to ensure that the original objectives of introducing gaming machines in Queensland to improve community-based facilities and return broader benefits to our communities are achieved. At this stage they do not represent government policy. The Government will be seeking public submissions in response to the Green Paper by 31 January 2000.

That was followed by a policy direction document in April 2000. The key points of that direction document covering this subject matter were, in relation to machine numbers, that clubs be limited to a maximum of 280 per site and hotels be limited to a maximum of 40 per site. With respect to licensing, it stated that the Queensland Gaming Commission would seek public comment on the location or proposed location of gaming machines, consider proximity to schools, shopping centres, ask for public comment when there is an application to increase gaming machine licences, insist on a community impact statement, and where there were 50 machines or more there was to be an annual community benefit statement, and certain considerations would apply concerning the location of ATMs. In addition, there was to be provision for responsible gambling strategies. That was set out in the policy direction document, which I commend to honourable members.

As recently as last week, the *Sydney Morning Herald* contained an article on changes to the New South Wales position. I commend the article in that publication of 27 July to honourable members, as it sets out significant changes restricting and controlling further the availability of poker machines in New South Wales.

Having said all of that, overall there is a general trend throughout Australia, followed by this bill, as I understand it, to be conscious of the adverse social effects of unregulated access to gaming machines. I therefore commend those aspects of the bill to the House.

In my remaining couple of minutes I wish to reflect on my experience with poker machines in clubs in Toowoomba. I had the pleasure of being the president of the cricket association in that city at a time when we desired to buy a clubhouse and land. This was in about 1991 or 1992. The only way we could finance it, in our minds, was through the acquisition of poker machines. We felt it prudent to go ahead; that poker machines would solve all of our problems, pay off our building and provide the sport of cricket free to all comers, particularly to the youth of Toowoomba. At the end of the day, five years later, we were able to sell that asset, pay back our debts and relieve our guarantors, including me, of all obligation, fortunately, because the property was on a valuable site. The moral of the story was that poker machines did not solve the problems that we had and they were not appropriate.

The member for Toowoomba South made reference in general terms to similar situations recently in our city concerning other types of clubs. It is very sad to see clubs that initially felt the same as we did, and with a reasonable belief, that is, that poker machines would be the be-all and end-all. Unfortunately, that has not been the case.
