



Speech by

# STUART COPELAND

MEMBER FOR CUNNINGHAM

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## GAMING MACHINE AMENDMENT BILL

**Mr COPELAND** (Cunningham—NPA) (5.34 p.m.): It gives me great pleasure to rise to speak to the Gaming Machine Amendment Bill 2001. I am sure that if we had the time over again, we would probably have to think very seriously about how the introduction of poker machines was conducted in Queensland. Certainly there have been some benefits for the industry from the introduction of gaming machines. The hospitality industry in particular has experienced increased employment and activity. However, some adverse effects on the community have also resulted.

Many people enjoy gambling on poker machines, and they do it quite safely and enjoyably. They can spend a nice afternoon or evening engaged in that activity. However, many people are addicted to gambling. Often, they are people who can least afford it. Certainly, if they can afford it at the start of their problem, it is not long before they cannot afford to maintain their addiction. Also, money is spent on gambling that would normally have been spent in other areas of our community. That is another problem that is encountered.

Certainly some benefits have come from the gaming industry through the community benefit fund. Many members have talked about that today. We all have organisations within our communities that have been able to develop their own particular activities, whether they be sporting groups, cultural groups or charity organisations. Whatever the organisation, the ability to access such sums of money has certainly been worth while and has been a great help to them.

We must also remember that that sum was only \$29 million in the 1999-2000 year. That might seem a fair amount of money, but when one considers that in 2001-02 the government is expecting to get \$322.3 million in revenue from taxes and levies on gaming, \$30 million seems a fairly small amount. A sum of \$322 million is being taken out of the communities and only \$30 million is being put back in. Even though we recognise the benefits that that \$30 million has generated, we must not forget that \$322 million has been taken out of communities across the state. That is \$322 million that would ordinarily have been spent in other ways. Ordinarily, it would have been spent in the communities. Ordinarily, it would not have been spent on gambling but would have been spent on other pursuits.

The total amount of gambling taxes and levies received by the government is \$581.9 million. That is a huge amount of money. That is a lot of money going into consolidated revenue. It certainly makes it difficult for any government to look impartially at gaming and its effects. If one is so reliant on getting so much money into one's coffers, it makes it very difficult to look clearly at where the problems may be, the social problems that may exist and the overall benefit—if it in fact exists—of the gaming industry. We must be careful that the huge amounts of money involved do not inhibit the ability of our governments to actively address the problems that are caused by the industry itself.

Some organisations, clubs and hotels have been able to upgrade their facilities as a result of the cash flows generated by gaming machines and they provide an enjoyable experience in largely pleasant surroundings. However, many have struggled and even closed down as a result of the introduction of poker machines. The member for Toowoomba North spoke of the cricket club in Toowoomba, which is not an isolated case. I am sure that we are all aware of such cases. As the member said, poker machines are not the be-all and end-all to cash flow problems. That is certainly true of hotels as well as clubs. It is one of the issues that we have to keep in mind when we look at the pub tax that is also introduced in this legislation. The revenue that is involved certainly is not the be-all and end-all. The impost of a new tax on those operators will certainly make it a lot more difficult for them to conduct their businesses when they have made business decisions based on previous legislation.

The introduction of poker machines has had side effects that I am sure a lot of us would not have considered when they were first introduced in the early 1990s. The promotion of live music in clubs and pubs is one such issue. The focus of many people operating those outlets is now very clearly

on the promotion of gambling, as opposed to other ways of enticing people into their facilities. In days gone by, quite often that would have been done by live music and other live acts. By and large, we have lost an outlet for the development of those particular skills. I think that is a great shame.

There are certainly other side effects. The very good briefing paper that the Parliamentary Library put together for us highlighted the Peterborough case study in South Australia, which I wish to quote from because I think it is particularly relevant given the comments of a lot of honourable members this afternoon. The study at Peterborough found that the introduction of gaming machines—

Worsened the plight of local businesses that were already suffering from declining economic fortunes;

Created a strong competitor for charitable organisations and sporting clubs for the disposable income that was present in the town;

Resulted in the four hotels recording increased profitability levels that allowed renovations to their premises;

Threatened the viability of other entertainment and meal venues;

Resulted in a decline at sporting and charitable fundraising events;

Did not contribute to increased employment at the licensed venues to any significant extent;

Contributed to a decline in employment opportunities in other town businesses;

Did not lead to a trickle down effect to the other sectors of the town's economy;

Was responsible for a shift in the expenditure patterns of the declining disposable income in the town's community; and

Had created new problems and exacerbated old ones but brought little in the way of benefits to the town.

The study suggested that there is a threshold and when it is reached the ability of new gambling facilities to attract economic benefits diminish and in so doing escalates the costs associated with the proliferation of gambling opportunities within the community. I think that is a very telling list. It is something that we would all have seen anecdotally in our electorates and it is something that we always have to consider when talking about gaming machines and gambling.

Given some of the very real threats to our communities and their social fabric, as I said earlier, the government should be careful about becoming overly reliant on gaming revenue and allowing its treatment of the issues to be clouded by the income stream available. That is certainly highlighted by the major facilities levy in this bill. It is a tax on the profits of machine gaming in category 1 licensed premises. It is a pub tax. That is all it is. It is another way of getting some more revenue to build a facility that the government deems necessary.

**Mr Fouras:** How else do you build things? How else do you get the money—out of thin air?

**Mr COPELAND:** It is not the project that I am questioning now. The Labor government obviously wants to build it and so be it. But we are questioning how it is funded. In the lead-up to the election it was stated clearly over and over again that there would not be one cent of public money spent on the construction of Lang Park. A new pub tax, the major facilities levy—whatever you want to call it—is a new tax. Public money is being spent on Lang Park. It was hidden during the election campaign. There is a very real question about the best use of public money.

I have spoken about it in this House before. What I said then—and it is still true—is that it is unfairly ripping money out of the regions to spend in Brisbane. The effect of that is twofold. It is money being taken from regions all over the state, whether it is in my home town of Toowoomba, whether it is in Cairns, Mount Isa or wherever it is, and being put in to building a facility in Brisbane. The other effect it has is that of taking away the ability of those hotels to give support to their local community. It is dramatically reduced. The member for Bulimba gave a classic example of it earlier. He said that if a kid has been chosen for a sporting group and needs to travel away, he goes to Bunnings, buys a wheelbarrow and takes it down to one of Maguires hotels and asks people for support. That happens in hotels right across the state. It certainly happens in my electorate. However, this levy is going to reduce the ability of hotels to provide that support in their own communities. That is a very real problem.

**Mr Fouras:** Only 20 per cent of hotels will be paying the levy. I wonder how many of your pubs will be paying the levy?

**Mr COPELAND:** There are about five hotels in Toowoomba that are going to pay the levy and it is going to affect them to the tune of \$60,000 to \$70,000 a year. I will detail what one pub in my electorate gives every year. In providing \$70,000 to the community every year it gives \$28,000 to local cricket, \$20,000 to the support and development of Rugby League, and \$17,000 for local touch football, as well as giving money to bull riding, car racing, the local school and its fete day and the swimming clubs. It does that now. Once this levy is introduced, that will reduce its ability to put that money into Toowoomba.

**Mr Mackenroth:** Which pub is that?

**Mr COPELAND:** The pub does not want to be named in *Hansard*. I will tell the Treasurer after.

**Mr Mackenroth:** You said that last time I said that. You told me, 'I'll tell you later,' and you never did.

**Mr COPELAND:** The Treasurer never asked me to do that other than through the media.

Communities are the poorer for the introduction of this levy—schools, sporting groups, swimming clubs and school fetes. The Major Facilities Fund—and that is where the money will go—will go towards paying off Lang Park. But Lang Park is a \$284 million project. It will take a very long time for that debt to be paid off and it will certainly be a very long time before anyone else in the rest of the state will be able to access any money raised through this levy.

The Scrutiny of Legislation Committee has reiterated some of the concerns that I have concerning the retrospectivity of the legislation. I will quote from points 17 and 18 in the notes, which state—

The committee notes that cls. 2, 3, 4, 6 and 8 of the bill give retrospective effect to the prohibition upon licensees of category 1 licensed premises applying for additional gaming machines, and that this amendment is self-evidently adverse to such licensees.

The second point states—

The committee also notes that departmental officers have presumably been required to administer the gaming machine legislation in a manner inconsistent with its current terms, a practice of which the committee generally disapproves.

That highlights a couple of the problems in terms of the retrospectivity of the legislation.

The hoteliers must be treated fairly. This is certainly targeting the large hotels. This is true of the cap as well. But it should be targeting and treating all people involved in the gaming industry fairly. The member for Algester implied earlier that the member for Keppel was trying to open the floodgates on gaming machines. That is absolutely not what the member for Keppel was trying to do. There should be a cap on all gaming machines, not just on the hotels but also the clubs, and the whole industry must be treated in total without isolating one particular segment of that industry.

As I said, the fairness of the bill must be examined. Like so many actions of this government, there appear to be real concerns with some aspects. Once those applications have been made, no recourse is available to those licensed premises. The government has a track record of bulldozing over the rights of anyone affected by its legislation, whether it be this legislation or the Water Bill or whether it is, as the member for Moggill quite rightly put before, in terms of payroll tax. Whatever it is, people make a decision based on the circumstances at the time. When legislation is introduced that adversely affects their ability to do business, there must be some recourse for those people affected.

The explanatory notes state that all applications on hand at 8 May 2001 and those subsequently received by 5 p.m. on 29 June 2001 from applicants for general liquor licences will continue to be dealt with by the Queensland Gaming Commission until 31 December 2001. However, it appears to me—and I would appreciate it if the Treasurer could perhaps correct me on this later on—that there is absolutely no onus on the commission to deal with any of those applications and in fact it is required by the bill to have those applications lapse if it has not dealt with them by 31 December 2001. It appears that if a relevant application has been made there is no requirement on the commission to consider it and it will lapse if it is not considered. I see the Treasurer shaking his head; I would appreciate his clarifying that later on.

I would have thought that if that application had been made properly and in good faith, notwithstanding the retrospectivity of the legislation, the commission should examine it and, if it does not, it should not lapse until it has had the ability to examine it.

There are some very real concerns in terms of the gaming industry, as I have outlined. It is an admirable aim to try to cap it. I certainly support any moves to take into consideration the concerns that the wider community has with the gaming industry. But as I said, it is very unfair to simply apply it to one segment of the industry and not others. I think the government should be moving towards the point at which the whole of the industry is examined, not just the large hotels.

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