



Speech by

Dr DAVID WATSON

MEMBER FOR MOGGILL

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GAMBLING STRATEGY

Dr WATSON (Moggill—Lib) (7.06 p.m.): The evidence is slowly but surely mounting that the government's decision to abandon its commitment to its responsible gambling strategy, outlined in April 2000 by the then Treasurer, David Hamill, coincided with a negative impact on gaming machine taxes from the elimination of the \$100 note acceptors. I first raised this issue in December 2001 in questions to the Treasurer. While his explanation at the time had, *prima facie*, an element of truth, it is now obvious—as I was told and as I asserted at the time—that the real reason for the backflip on the number of \$20 notes that could be accepted by gaming machines was the fall in gaming machine taxes following the elimination of the \$100 note acceptors. That was the real reason for the backflip.

Richard Cooper from KPMG has undertaken a regression analysis of the impact of the \$20 note acceptor limit on gaming machine revenues for both hotels and clubs. This showed an estimated five to seven per cent fall for clubs in December 2001 and an approximately 11 per cent fall for hotels. The results of this analysis are reinforced by the answers to two questions I put on notice to the Treasurer in February and March this year concerning the recent monthly gaming machine tax collections and the monthly major facilities levy returns since July 2001 respectively. These showed tax collections falling by about five per cent for clubs and 9.5 per cent for hotels since 1 December 2001. In addition, the major facilities levy collections have fallen by about 21 per cent. That was the kind of information the Treasurer got informally which had a major influence on the decisions that he made.

These points were the subject of an article in the *Courier-Mail* on Thursday, 2 May. For accuracy in the historical record, it was perhaps unfortunate that the reporter concerned did not acknowledge the real antecedents for his article. He also perhaps should have taken up my offer to talk to him again after our initial discussions on Tuesday evening, 30 April. If he had done so, perhaps he would not have made the factual errors later in his contribution with respect to the marginal rates for the major facilities levy nor the error of attributing future growth in aggregate levy collections to more clubs becoming eligible for the levy. In the latter case, maybe he is just anticipating changes to be introduced in the forthcoming state budget. For that, we will have to wait and see.