



Speech by

**Mr M. HORAN**

**MEMBER FOR TOOWOOMBA SOUTH**

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Hansard 4 September 2002

**GAMBLING LEGISLATION AMENDMENT BILL**  
**Second Reading**

Resumed from 30 July (see p. 2292).

**Mr HORAN** (Toowoomba South—NPA) (Leader of the Opposition) (4.35 p.m.): The Gambling Legislation Amendment Bill 2002 sets out to achieve greater consistency in the administration of all gaming acts. It sets out to clarify and strengthen a number of existing provisions. There are a number of general amendments in this bill designed to bring consistency to the seven acts that make up Queensland's gambling legislation. The changes are also aimed at ensuring the continued integrity of casino operators in Queensland. We note—we have raised this issue in the parliament—that this government has endeavoured to reduce the number of inspectors operating in the casinos and, we believe, thereby compromised the security of those places. I will speak on that a little later.

The proposed changes have become necessary due to the considerable changes in regulation of the gaming industry since 1996. Substantial amendments were made to the Gaming Machine Act 1991 during 1997 and 1999 as a result of the white paper, *The review of Queensland gaming machine regulatory arrangements*. In 2000 there were further legislative changes to the operation of gaming in Queensland as a result of the government's policy direction for gambling in Queensland.

The history of the casino industry in Queensland really follows on from the proclamation of the Casino Control Act 1982. The first casino in Queensland opened in November 1985 at the Conrad Hotel and Jupiters Casino complex at Broadbeach on the Gold Coast. The priority of state governments was to ensure that only reputable and high-quality companies became involved in the administration and operation of casinos in Queensland. Over the years, governments have also attempted to ensure that there is a socially responsible attitude towards the regulation of gaming in Queensland.

The role of casinos in the Queensland economy has become quite significant, as has the role of gambling. The gambling and wagering industry in Australia now represents a significant source of taxation revenue for both state and territory governments. Gambling expenditure in Australia has grown at significant rates. The reported growth rate of the industry has been some 11.7 per cent over the past 10 years. In Queensland over the past 10 years the casino industry has had a compounded annual growth rate of 22.2 per cent.

Significant economic benefits can accrue to the tourism and recreation sectors through the provision of first-class facilities for leisure and entertainment, including ancillary facilities such as accommodation, sporting amenities, restaurants and convention centres. I think we are all well aware of the social problems that can be associated with gambling.

The regions in which casinos are located also benefit from increased employment opportunities. We can see that first-hand in Townsville. We are able to see the benefits the casino, associated restaurants, hotel accommodation, and conference and convention facilities can bring to Townsville, particularly in the employment of people, particularly young people involved in the hospitality industry.

Casinos are a source of significant revenue for the Queensland government. In casino licence fees alone the state can collect around \$600,000 per year per casino. On top of these licensing fees, casinos are also liable to pay a gaming and wagering tax ranging between eight per cent and 20 per cent of gross gambling revenue. The casinos are also required to pay a Community Benefit Fund levy, representing one per cent of the gross casino gambling revenue. All members know the importance of

that Community Benefit Fund levy. So many community, sporting and social organisations in our electorates make application for funding assistance made available as a result of that levy.

In 2002-03, the total government receipts from gambling taxes and levies is forecast to increase well in excess of inflation to a rate of 6.3 per cent. The big earners in the coming year will be gaming machine tax and levies, which are up by 9.2 per cent. Keno tax is up by 4.7 per cent and wagering tax is up by 5.1 per cent. The government received around \$565 million in revenue from gambling taxes and levies in 2001-02, and this revenue is forecast to rise to approximately \$600 million in the coming financial year.

The current bill will make a number of amendments to specific acts in order to achieve greater overall consistency. I mentioned that, in total, seven acts cover the gambling industry in Queensland. Here in north Queensland, the Breakwater Island Trust was established for the purpose of developing and operating an integrated tourism strategy based on the hotel/casino/leisure industry. The Breakwater Island Trust received north Queensland's first casino licence in 1986, which was issued in perpetuity. In 1994, Jupiters acquired a 32.2 per cent interest in the Breakwater Island Trust, the owner of Sheraton Townsville Hotel and Casino, which was renamed Jupiters Townsville in 1991. Concurrently, Jupiters acquired an 83.3 per cent interest in Breakwater Island Limited, the manager of Breakwater Island Trust. This resulted in Jupiters becoming the operator of the trust's hotel/casino complex.

Jupiters Townsville is now an integrated tourism and leisure facility that caters to local patrons and Australian and international tourists alike. I think all of us would like to compliment the staff and management for the way in which they have handled the accommodation needs and the associated activities that have occurred during the sitting of parliament this week. As well as the hotel, the facility includes a casino with a number of tables and 248 gaming machines. According to the Queensland Tourist and Travel Corporation, in 1999 Townsville attracted approximately 495,700 domestic visitors and 146,300 international visitors. I think that is a growing indication of how important Townsville is becoming as part of the overall tourism industry of Queensland.

Townsville has a great breadth and scope of industries. It has not only the tourism industry but also manufacturing industries, service industries, public servants involved in various departments and offices for both the state and federal governments; there are the rural industries surrounding Townsville, the mining industries and the port industries. I have observed the large number of ships that have come in and out in the time that the parliament has been sitting in this city. That gives one an indication that Townsville is a city at the head of a district and region that has a well-balanced economy which relies not just on one industry but which covers education, health, manufacturing, agriculture, mining, tourism and, of course, the military establishments based in the city.

Situated on the Breakwater Marina and overlooking Magnetic Island, Jupiters Townsville is a veritable playground for holiday makers, business travellers and locals alike. It can be said that Jupiters Townsville is the epitome of north Queensland's relaxed lifestyle. The success of Jupiters Townsville epitomises the success of the integrated tourism strategy that was established by Breakwater Island Trust some 16 years ago.

However, the gambling industry is not just about successes. Unfortunately, the industry records more than its fair share of social disasters. Socially responsible gambling is an area that the National Party has considered very carefully in its policy making. Whilst we know that gambling is part of the Australian way of life, the majority of people undertake gambling in a responsible and enjoyable manner. A large percentage of the adult population participates in one or more forms of gambling and does so on a regular basis. The fact that so many enjoy gambling in a responsible manner is an important part of this industry.

However, there is another very unfortunate side to gambling which needs to be acknowledged and dealt with carefully by governments. Research has confirmed that gambling has become a significant problem for growing numbers of families and individuals. Some of the more worrying and serious effects of gambling are loss of family homes, neglect of children, breakdown of relationships, loss of self-respect, and criminal behaviour including murder and suicide. The Queensland Nationals are committed to a positive program to ensure responsible gambling in Queensland and to support family life and strengthen personal relationships. In the light of this commitment, the Queensland Nationals are supportive of the proposed change which goes towards protecting those who are the unfortunate casualties of gambling.

This bill amends the Casino Control Act 1982 to refuse entry to and ban a patron if a dependant is endangered by the patron's presence at the casino—in other words, if children are endangered by that person being at a casino. Section 92 of the Casino Control Act is titled 'Entry to and exclusion from casino'. The section in its original format outlined the reasonable grounds upon which a casino operator could refuse entry to a person. These grounds included: the person has engaged in dishonest acts in relation to gaming; the person has acted in a way affecting, or potentially affecting the proper conduct or integrity of gaming, the safety or well-being of the person or other persons in the casino, and the

person has engaged in unlawful conduct and, because of the conduct, the person's presence in the casino would not be in the best interests of the casino operator.

Under the proposed amendments, the casino operator will now have a new ground on which to refuse entry to a person. The new ground reads—

The safety of a dependant or someone in the care of the person is at risk because of the person's presence in the casino.

In his second reading speech, the minister cited the example of a patron who left a child in a car in a casino's vicinity. The minister stated that the new ground will ensure that gambling is conducted in a responsible manner, and the Queensland Nationals fully support that move and that sentiment.

The amendments to the Gaming Machine Act 1991—and, as I said, this bill covers seven acts which are the umbrella over gambling and wagering in this state—have regard to decisions by the minister after an appeal has been made. Decisions by the Queensland Gaming Commission can be appealed, and under the amendment there will be three courses of action that will be open to the minister when an appeal has been made. Firstly, the minister may confirm the decision, thereby simply ending the appeal. Secondly, the minister may set aside the decision and substitute another decision. Thirdly, the minister can set the decision aside and return the matter to the commission. The commission is then required to consider the application again, and any further decision by the commission will be final and not open to appeal.

An important amendment is section 30(1)(c). The minister has identified this amendment as one of which he will make some use. This section deals with the minister's determination of appeals and states that the minister is to consider such information or material as the minister considers relevant. There is also a requirement that the minister must be satisfied that the integrity of gaming and the conduct of gaming will not be jeopardised and that the public interest will not be adversely affected by the decision of the minister. These provisions allow for full and informed decision making and also emphasise a responsible approach to decision making by governments when gambling is involved. This can only be a positive move.

The provisions relating to gaming machine manufacturers under the Gaming Machine Act will also be amended to address controls on gaming machine manufacturers and restricted component manufacturers. The idea behind the amendments is that manufacturers are required to have sufficient internal control mechanisms in place to ensure the integrity of gaming machine production. Within six months of the commencement of the current bill, documentation regarding internal control systems must be submitted to the Queensland Office of Gaming Regulation and must also be approved—that is, documentation produced by the people making the gaming machines and certain mechanisms.

Amendments to the Wagering Act cover the requirements relating to oncourse wagering permit holders. Where wagering receipts are less than \$2,000, there will no longer be a requirement for wagering tax to be paid. That seems to make some sense, particularly on small country racetracks.

This change recognises that there are a number of small operators, mainly regional clubs or country clubs, that are not of sufficient size to be commercially viable for the TAB to enter into any formal agency arrangements. Because of the small gains of some operators, the administration costs of collecting wagering tax far exceeds the proceeds from collection. The example has been provided where a club recently held a race meeting on which the total investment for the meeting was \$75, of which \$63 was returned to the winning punters. The remaining \$12 was taxed at 20 per cent, giving a total liability of \$2.40—hardly worth the paperwork. The minister believes that in a small way the changes will help to ensure the survival of these remote racing clubs.

Unfortunately, the elimination of the paperwork may be too little too late for many racing clubs in Queensland. Racing in Queensland is in dire and difficult straits. In addition to the issues that have been identified previously—with the board appointments that have caused serious ramifications throughout the industry—country race clubs in Queensland are facing closure and difficult financial circumstances. There is talk of up to 48 of the 150 race clubs in Queensland facing closure under this government. Only last month, the Gympie Turf Club held its last race and a century old tradition was forced into closure.

The Gympie Turf Club had raced almost continuously since James Nash found gold at Gympie back in 1868. At one stage in the mid-1970s during the cattle slump, my wife and I, to find an extra income, ran the Gympie Turf Club. We ran 56 race meetings a year in addition to running the dairy farm. It is very sad to see a club like that go down. At that time, the club was one of the fastest growing clubs in Queensland. It had great sponsorship. It raced every Saturday and every public holiday and had been very much a part of the history of Gympie. It is sad to see the closure of a club like that, which provided so much social infrastructure for Gympie, provided entertainment every Saturday afternoon—although in recent years it had declined in the number of race dates that it had—and provided a large number of permanent jobs and some temporary jobs to assist in the conduct of that club on the south side of Gympie. That is the sort of closure that we do not want to see. At the end of the day, it is that network of country trainers, country jockeys and other country people involved in

racing—people buying the tried racehorse, or people buying new yearlings—that makes the whole industry. If we take away the structure of the industry, we end up with just a few elite race meetings in major regional centres and the whole infrastructure of the industry falls away, the whole interest in the industry falls away. Before we know it, we simply do not have the product or the opportunity for country towns and regional cities such as Gympie to be able to have such an enjoyable event as racing on Saturday afternoons.

This bill contains a number of general amendments to the Gaming Act. The bill addresses the decision-making processes that are involved around the Gaming Act in relation to the licensing of individuals. At the moment, the licensing of individuals is carried out by the Queensland Gaming Commission and the licensing of casino related employees is made by the minister. The Casino Control Act and the Gaming Machine Act will be amended so that the chief executive will now make all individual licensing decisions.

Clause 36 inserts a new section 1A to provide that a person aggrieved by one of the listed decisions of the chief executive may appeal against the decision to the Queensland Gaming Commission rather than the minister, as is currently provided. The bill will also significantly increase the probity powers of the Queensland Office of Gaming, which is as relevant today as it was when the first casino licence was issued in this state. Under the bill, the business and executive associates of licence holders will be able to be investigated.

The Queensland Nationals are concerned that the government's move to cut staffing levels and the number of shifts for gaming inspectors in Queensland's casinos will expose casinos to organised crime, money laundering and loan sharks. We have brought up this matter in the parliament before. There is no point in having a high standard and wanting to ensure that these casinos can be places of absolute probity with no chance whatsoever for money laundering and all the major organised crime that can be associated with a casino if it is not under 24-hour total and absolute supervision. We do not want to see any of our casinos in Queensland have the standards of security and the standards of oversight lowered in any way. There is no point in saying that it has been relatively safe so far. We do not want to see happen here what has happened elsewhere. We only have to look at the money laundering that is alleged to have occurred on Christmas Island to realise what can occur in casinos where there are large amounts of money and the temptation for organised crime, money laundering and loan sharks.

The government's actions in seeking to amend the certified agreement for gaming inspectors will fundamentally undermine the security of Queensland's casinos and make them a target for organised crime. There is no way the government's proposed reduction—

**Mr Mackenroth** interjected.

**Mr HORAN:** The minister is the one who is reducing the staffing levels. He is the one who has the opportunity to maintain a high standard. The minister is trying to reduce the numbers. There will be times when there will not be inspectors in place, and the minister has admitted that himself. There is no way that the government's proposed reduction in staffing levels on night shifts from two inspectors to one inspector and a reduction of two staff in each of Queensland's four casinos will not create difficulties in maintaining their integrity.

This is one area where the government should not be making job cuts. We know about the 2,000 jobs that the government is cutting around the state—some 80,000 hours of work a week. Already the complaints are starting to come in from people who are waiting longer for permits, longer for service, longer for answers—at times people waiting two years for permits and licences through the Department of Natural Resources. This is all part of this Labor government and its serious financial problems following on from two massive budget deficits in a row and the fact that it is also forced to cut its capital works. As a result of that and the ad hoc and unplanned way in which the government runs the finances of this state, the government has delivered two massive budgets in a row.

**Mr Fouras** interjected.

**Mr HORAN:** I hear the member for Ashgrove interjecting, saying that it is all right. The government has delivered two massive budget deficits in a row. The only way the government can handle it, every time it has a problem, it says, 'Push another 1,000 people throughout Queensland out of work.' People in the city, people in the regions, people in the country towns—everywhere—are losing work. We know that when the first 1,000 jobs were pushed out, 90 jobs in Toowoomba and the south-west region were lost. So how many jobs have been lost in north Queensland and in far-north Queensland? How much longer will people have to wait for service? First of all, we saw the government come up with its little scheme for 200 teachers to be pushed out and to be rewarded with a \$50,000 bonus. In private enterprise, if people wanted to move on, they would retire.

**Madam DEPUTY SPEAKER** (Ms Male): Order! I remind the member to talk to the bill.

Debate, on motion of Mr Horan, adjourned.