




Speech By
Hon. Grace Grace

MEMBER FOR MCCONNEL

Record of Proceedings, 26 May 2022

CASINO CONTROL AND OTHER LEGISLATION AMENDMENT BILL

Introduction

 **Hon. G GRACE** (McConnel—ALP) (Minister for Education, Minister for Industrial Relations and Minister for Racing) (11.52 am): I welcome the students in the gallery.

I present a bill for an act to amend the Casino Control Act 1982, the Casino Control Regulation 1999, the Charitable and Non-Profit Gaming Act 1999, the Collections Act 1966, the Gaming Machine Act 1991, the Interactive Gambling (Player Protection) Act 1998, the Keno Act 1996, the Lotteries Act 1997, the Wagering Act 1998 and the Wagering Regulation 1999 for particular purposes. I table the bill, the explanatory notes and a statement of compatibility with human rights. I nominate the Legal Affairs and Safety Committee to consider the bill.

Tabled paper: Casino Control and Other Legislation Amendment Bill 2022 [722](#).

Tabled paper: Casino Control and Other Legislation Amendment Bill 2022, explanatory notes [723](#).

Tabled paper: Casino Control and Other Legislation Amendment Bill 2022, statement of compatibility with human rights [724](#).

The bill's primary intention is to strengthen casino regulation following unprecedented national scrutiny into casino integrity. To this end, the bill includes important amendments to Queensland's casino legislation to pre-emptively address public concerns about integrity within casino operations and ensure Queenslanders have confidence in our robust laws. The bill also seeks broader amendments to Queensland's suite of gambling legislation. For example, it seeks to modernise the gambling acts to provide regulatory agility and scrutiny, particularly around innovations such as cashless payment methods.

The bill improves the government's ability to consider and evaluate gaming technology and to ensure that innovations can be balanced with appropriate player protections. The bill also improves the government's ability to keep up with best harm minimisation practice in gambling environments. Finally, the bill amends the Collections Act 1966 to implement national cross-border recognition for the authorisation of charitable fundraising.

Recently, we have seen a series of independent inquiries across Western Australia, New South Wales and Victoria exposing widespread and serious integrity, compliance, governance and risk management issues at casinos operated by Crown Resorts Ltd. While Crown does not have a presence in Queensland casinos, allegations of a similar nature have been levelled against the Star Entertainment Group, which is, through its subsidiaries, the licensee and operator of the Brisbane and Gold Coast casinos and will also operate the new Queen's Wharf Brisbane casino. These allegations have resulted in the New South Wales government conducting an investigation into the operation of Star's Sydney casino property. A public inquiry established by the New South Wales Independent Liquor and Gaming Authority and chaired by Mr Adam Bell SC is ongoing and expected to deliver a final report by 31 August 2022.

The Queensland Office of Liquor and Gaming Regulation and the Australian Transaction Reports and Analysis Centre, Austrac, are independently but collaboratively also investigating allegations against Star. The various regulator investigations into Star have not yet concluded, and the bill does not pre-empt or rely on outcomes of these investigations. The inquiries and allegations across multiple casinos and jurisdictions have already raised public concerns about the efficacy of state laws to effectively ensure casinos operate with the highest standards of integrity and accountability at all times.

The measures being introduced in this bill are proactive and have regard to the nature of the risks identified in the national casino environment. These measures include a number of crucial changes to the Casino Control Act that have been identified to immediately enhance oversight of casinos in Queensland. This sends a strong message about the standard of conduct both the government and the community expect of casino operators in this state. The proposed changes have been informed by an examination of the findings and key recommendations from other jurisdictions' completed inquiries.

The bill reflects that the ability to conduct casino gaming is a lucrative privilege bestowed only through licences issued by the state. It therefore applies appropriately stringent requirements on casino entities to enhance accountability and transparency in their dealings. It does this through a number of reforms.

Firstly, the bill imposes a new duty on casino entities and associates to comply with all reasonable requests made by the minister or regulator to do everything necessary to ensure that the management and operation of a casino is conducted fairly and honestly. The bill also proposes a new requirement for casino entities to self-report breaches of the Casino Control Act to the regulator as well as breaches of approved casino procedures and certain other obligations the casino entity may be a party to. A broad prohibition on providing false or misleading information is also proposed.

The bill addresses the currently limited options available to government in disciplining casino entities. The only meaningful disciplinary action currently available is action against the licence, casino lease or casino management agreement. However, suspension or cancellation of a casino licence or the termination of a casino lease or casino management agreement would have major impacts on innocent parties such as casino employees, local suppliers and the state. Accordingly, the threshold at which disciplinary action can be taken against a casino entity is fairly high.

To ensure there are other meaningful consequences for misconduct and breaches of the law by casino entities, the bill provides that the minister and Governor in Council can impose a financial penalty on a casino entity as a form of disciplinary action. The minister may impose a penalty of up to \$5 million, and the Governor in Council may impose a penalty of up to \$50 million. The matters which must be considered by the minister and the Governor in Council in arriving at the amount of a penalty and clarifications and enhancements to the grounds for disciplinary action are addressed in the bill.

Despite the bill providing for a financial penalty to be imposed on a casino entity as a form of disciplinary action, the bill does not change the power of the Governor in Council to cancel or terminate licences or agreements in circumstances where it is imperative in the public interest to do so. The bill also provides that the costs incurred by the chief executive in association with disciplinary action may be recovered from relevant casino entities. It is intended to encourage casino entities to more readily and accurately respond to disciplinary procedures and to discourage some of the behaviours attributed to some Crown subsidiaries in other states.

The bill also increases the maximum penalty for casino entities failing to observe the control system approved by the chief executive which provides the agreed procedures for the casino. The maximum penalty for a breach of the control system will increase from 200 penalty units to 400 penalty units. The maximum penalty for interfering with an inspector's duties will be increased from 40 penalty units to 160 penalty units. These reforms reflect the importance of control systems and inspector duties to the overall integrity of Queensland casinos.

The bill also expands the circumstances in which the minister or Governor in Council may issue a letter of censure to a Queensland casino entity and allows the government to publish the letter to enhance the public accountability of casinos to the people of Queensland. To reflect the complexity of modern casino operations, the bill expands the information-gathering powers of the regulator and responsible minister. It creates a broad power for the chief executive and the minister to seek information relevant to the administration of the act from a casino entity, or a person associated with a casino entity, and for that information to be provided on oath or affirmation if appropriate.

The bill also introduces the ability for the minister to direct a casino entity to engage and pay for an external adviser on terms decided by the minister. The external adviser will enquire into and report to the minister on any matter related to the operation of a casino or the conduct of a casino entity as well as other things. This is necessary because the complex breadth of casino operations may expand into territory that is beyond the specific expertise of a casino regulator.

The bill clarifies that the minister may, when considering the suitability of an entity associated with a casino in Queensland, take into account the findings of other state and Commonwealth investigations into the entity or a related entity, such as another subsidiary of the same parent company. This will include relevant findings by interstate inquiries.

The bill also removes a provision of the Casino Control Act deemed to be inconsistent with human rights and removes redundant requirements from casino employee licensing requirements.

In relation to the second intention of the bill, which is to modernise the gambling acts to improve regulatory agility, the bill delivers on the Palaszczuk government's election commitment to examine a transition to safe, cashless gambling. The commitment recognises that the decline of cash has been accelerated by COVID-19 and that consumers increasingly expect the availability of non-cash options.

A transition towards more traceable electronic transactions may also have benefits in addressing some of the money laundering concerns identified in some gambling operations interstate. It was in fact a recommendation of the Finkelstein inquiry that Crown Melbourne be directed to phase out the use of cash for gaming transactions over \$1,000. Both Crown and Star have indicated a willingness to transition to cashless solutions. It is important to note that the bill does not facilitate instant, widespread cashless gambling in all gaming venues across Queensland. Rather, it ensures that cash alternatives can be considered for use in gambling and approved, if appropriate, by the chief executive under all gambling acts.

The bill also amends the gambling acts to provide where necessary a regulation-making power dealing with the methods of payment that may be used in connection with the gambling activity authorised by the relevant gambling act.

The bill establishes frameworks under which cashless systems and technology must be approved and made to undergo technical evaluation if considered necessary before their use in the gaming market. The bill clarifies that all gambling technology approvals issued by the chief executive may be subject to conditions. The bill provides the chief executive with a consistent, guideline-making power across the gambling acts which may be used; for example, to advise gambling providers of the chief executive's attitude towards the operation of cashless gaming and of what will be required in technical submissions.

In terms of cashless gaming technologies and procedures, the conditioning, guideline-making and harm minimisation measures in the bill will provide the government with the flexibility to ensure that existing measures reducing harm from cash gambling such as cash input limits and the requirement that larger wins cannot be accessed until the next trading period can be replicated or enhanced for non-cash gambling as required, even if the form of future payment methods cannot be anticipated.

To ensure that the harm minimisation objectives of each gambling act can continue to be applied to broader emergent technology and practices in regulated gambling industries, the bill also allows the Governor in Council to prescribe harm minimisation measures in a regulation. This will allow for a more responsive regulatory approach to future gambling innovations. To further modernise the gambling acts, the bill removes a requirement for gaming rules to be notified via gazette in favour of the department's website.

The bill's amendment of New Year's Eve gaming machine hours formalises an existing administrative arrangement that has been in place since 2000 by automatically providing that gaming on New Year's Eve may be conducted until 2 am on New Year's Day, regardless of the licensee's regular gaming trading hours. This practice aligns gaming trading hours with New Year's Eve liquor trading hours which are statutorily extended until 2 am on New Year's Day.

The bill seeks amendments to the Wagering Act to allow the state's exclusive wagering provider, Tabcorp subsidiary UBET Queensland Ltd, to conduct wagering on simulated race or sporting events approved by the minister. The amendment will allow Tabcorp to retire an existing virtual wagering product, Keno Racing, and seek approval of alternatives that are not reliant on the Keno draw.

Betting on virtual events will only be possible within bricks and mortar TAB agencies and outlets and the bill will prohibit the wagering licensee and its agents from taking bets on virtual products via telecommunications or online.

Finally, the bill addresses a national commitment to recognise registration with the Australian Charities and Not-for-profits Commission as an authority to conduct fundraising in Queensland. Charities registered with the ACNC will no longer be required to apply for a fundraising authorisation in Queensland and need only notify the Office of Fair Trading of their intention to fundraise here. The proposal reduces red tape for charities wishing to operate in Queensland, including in a solely online capacity.

To ensure appropriate oversight, entities which obtain a deemed registration under the new model will still be subject to the conduct requirements under the Collections Act 1966. For charities which seek local registration, the bill also removes a little-used public objection process which will potentially speed up charity registration. The ability for the public to seek the removal of a local entity's registration post approval will remain. I commend the bill to the House.

First Reading

Hon. G GRACE (McConnel—ALP) (Minister for Education, Minister for Industrial Relations and Minister for Racing) (12.11 pm): I move—

That the bill be now read a first time.

Question put—That the bill be now read a first time.

Motion agreed to.

Bill read a first time.

Referral to Legal Affairs and Safety Committee

Mr DEPUTY SPEAKER (Mr Hart): Order! In accordance with standing order 131, the bill is now referred to the Legal Affairs and Safety Committee.