



Speech By
Hon. Shannon Fentiman

MEMBER FOR WATERFORD

Record of Proceedings, 13 October 2022

CASINO CONTROL AND OTHER LEGISLATION AMENDMENT BILL

Second Reading

 **Hon. SM FENTIMAN** (Waterford—ALP) (Attorney-General and Minister for Justice, Minister for Women and Minister for the Prevention of Domestic and Family Violence) (3.20 pm): I move—

That the bill be now read a second time.

I thank the Legal Affairs and Safety Committee for its consideration of the Casino Control and Other Legislation Amendment Bill. I would also like to take this opportunity to thank the industry and community stakeholders who took the time to make written submissions and appeared at public hearings to assist the committee in its consideration of the bill. The committee tabled its report on 22 July, including with the recommendation that the bill be passed, and I formally table the government's response to the report.

Tabled paper: Legal Affairs and Safety Committee: Report No. 28, 57th Parliament—Casino Control and Other Legislation Amendment Bill 2022, government response [1661](#).

The Palaszczuk government is committed to ensuring that casinos in Queensland are safe and responsible and adhere to the high standard of conduct expected of them by the community. On 6 October, I announced that the government had accepted the findings and the recommendations of the independent review into the operations of the Star Entertainment Group which was conducted by the Hon. Robert Gotterson AO KC. Mr Gotterson made 12 recommendations to enhance the integrity, minimise the potential for harm, ensure probity and restore public confidence in the operations of Queensland casinos. I would like to thank Mr Gotterson, Dr Jonathan Horton KC and Ms Angela Hellewell for their work in conducting this important review. As a result of Mr Gotterson's report, the government will be progressing a number of urgent amendments to this bill which I will address shortly.

Many of the provisions contained in this bill have come from recommendations made following inquiries held in Victoria and Western Australia. The bill is also informed by investigations undertaken by the Office of Liquor and Gaming Regulation. Those opposite, including the member for Clayfield, have claimed that this legislation was rushed, saying that we should have waited for Mr Gotterson's recommendations before beginning the process of introducing a bill. Those opposite would have us delay strengthening casino regulation, despite the very concerning revelations that came out of a number of jurisdictions. I am proud that the Palaszczuk government moved to proactively strengthen our casino regulation. In fact, Mr Gotterson himself noted that this legislation was very clearly informed by the outcomes of the Bergin, Finkelstein and Owen inquiries and that this bill allowed him to 'start from a much more advanced position than would have been the case had it not been undertaken'. In addition, Mr Gotterson highlighted that this bill 'deals with some of the concerns about which this Inquiry heard', particularly when it comes to matters of integrity.

This bill seeks to enhance the oversight of Queensland casinos. Specifically, the bill introduces some key reforms to strengthen the accountability and transparency of casino operations, including new obligations for casino entities and associates to self-report breaches of the Casino Control Act.

There is also a new duty to cooperate, which will obligate a casino entity and its associates to comply with all reasonable requests made by the minister, the chief executive or an inspector and to do everything necessary to ensure that the management and casino operations of the relevant casino operator are conducted in a fair and honest manner.

In relation to some of the concerns raised with the Legal Affairs and Safety Committee, I can advise that the duty to ensure that the management and casino operations of the relevant casino operator are conducted fairly and honestly is purposefully broad and drafted in plain English to allow it to evolve to meet not only standards imposed by the law but also norms of conduct that are expected by the community. As long as casino entities and their associates are conducting themselves consistent with these principles, they can be considered to have met their duty to cooperate in regard to the fair and honest operation and management of a casino.

The bill also expands information gathering powers by providing the minister and the chief executive with a broad power to request any information from a casino entity and its associates that is reasonably required to administer the Casino Control Act. Importantly, the bill provides meaningful deterrent to noncompliance by, for example, introducing pecuniary penalties as a form of disciplinary action. Where warranted, the bill permits a pecuniary penalty to be imposed for past misconduct. This reflects the importance that the state and the community place on ensuring casinos are conducted with the utmost integrity and fairness and remain free from criminal influence and exploitation. The public, therefore, expects that casino entities should take full responsibility for any misconduct, regardless of when that misconduct may have occurred. I can advise that I will be moving an amendment during consideration in detail to increase the maximum pecuniary penalty that may be imposed by Governor in Council as a disciplinary action upon a casino entity to \$100 million.

The bill also enables reasonable departmental costs associated with disciplinary action to be recovered from the entity being disciplined. The bill recognises that the ability to conduct casino gaming is a lucrative benefit, bestowed only through licences issued by the Governor in Council to persons who are suitable. Running a casino is not a right; it is a privilege that can be revoked.

As I advised earlier, the bill is the Queensland government's first response to the need for enhanced regulation of casinos. A second tranche of amendments will be progressed next year to implement the remainder of the recommendations of Mr Gotterson. Those recommendations include a requirement for mandatory carded play in casinos and the introduction of mandatory pre-commitment facilitated by carded play. The government's in principle support of Mr Gotterson's recommendations will also require casino operators to pay a supervisory levy, observe interstate police exclusion directions and comply with a safe gambling code of conduct. Casino licensees will also be subject to periodic suitability reviews which will have inquiry powers.

The amendments I will move during consideration in detail of this bill are also intended to immediately implement one particular recommendation from Mr Gotterson's report. I will be proposing that the bill address Mr Gotterson's recommendation that the Casino Control Act be amended to provide for the appointment of a special manager in circumstances where it is necessary to discipline and potentially remediate a casino licensee back to suitability. The current casino legislation requires the appointment of an administrator when a licence is cancelled or suspended for more than three months. As Mr Gotterson points out, an administrator generally has a specific role under corporations law which may not always be compatible with the disciplinary measures desired by government.

A special manager would be appointed on terms determined by the Governor in Council on the recommendation of the Attorney-General and required to act in accordance with directions from Governor in Council. It would, however, be funded entirely by the casino licensee. The special manager would be required to report periodically to the government on the special manager's operations and be required to report on the remediation of a casino licensee or operator and that entity's progress towards suitability in accordance with a remediation plan.

The special manager will also consult on and assist in developing the plan, which must be approved by the minister. The plan will be considered part of the casino's internal control system, and penalties of up to 400 penalty units, and perhaps further disciplinary action, will apply should casino entities not comply with the plan. Provision for a special manager would provide the government with further flexibility in how it responds to the issues identified by Mr Gotterson. The Governor in Council would retain the ability to appoint an administrator where it was necessary to do so.

I will be moving an amendment to clause 9 of the bill to increase the proposed maximum penalty that the Governor in Council may apply to a casino entity as a disciplinary action from \$50 million to \$100 million, as previously discussed. I consider this amendment to be justified by Mr Gotterson's findings of egregious conduct by Star and the fact that both New South Wales and Victoria have provided for similar penalties in respect of misconduct by casino operators in those jurisdictions.

I will also move amendments to neutralise claims to compensation by casino entities that arise from regulatory action in accordance with triggers established in any agreement between a casino entity and the state. As Mr Gotterson points out, the proper regulation of casinos demands that the state be 'unfettered' and free to impose reasonable controls on the operations of casinos. The state must be able to adjust those controls as circumstances demand and in order to protect the public interest. New South Wales and Victoria have acted to extinguish compensation triggers that may impede the proper regulation of casinos in those jurisdictions, and I propose that the same action be undertaken here.

Over the last few weeks, we have heard from those opposite that the review's terms of reference were too narrow and that Mr Gotterson should have considered further dealings between government, industry and unions. I have to question whether those opposite have indeed read the terms of reference, which clearly provided that Mr Gotterson could inquire into whether any further improvements are warranted to enhance integrity, minimise the potential for harm, ensure probity and restore public confidence in casino operations.

In addition, Mr Gotterson noted in the media conference last week that 'nothing was thrown up which suggested that the current circumstances were in some way a product of those kinds of things. It just didn't generate anything.' Not only was it not raised here in Queensland in this inquiry; this is not an issue that has been brought out in any of the reviews or inquiries in any of the multiple jurisdictions that have inquired into casinos. Instead, what we are dealing with is corporate misconduct—corporations focused completely on profits and not acting in the public interest.

The bill amends the Casino Control Act to achieve two other purposes not related to casino integrity issues. The first purpose is to remove a provision which is incompatible with the Human Rights Act as it limits the right to freedom of movement and the right to liberty and security by permitting the detention of persons suspected of cheating or possessing unlawful equipment by the casino operator and its employees and casino inspectors. The limitation is not considered to be reasonable or justifiable, particularly when no similar power is required for more serious crimes such as assault.

The second purpose is to remove certain prescriptive requirements that apply under the act to applications for casino employee and key employee licences. In this regard, the bill removes redundant requirements for an applicant to furnish fingerprints and a photograph as part of their licence application and the requirement for the casino operator to provide a letter to the regulator advising of the operator's intent to employ the applicant. The removal of these requirements will assist in facilitating a largely electronic process for licence applications by prospective casino employees without materially reducing the scrutiny of applicants by the Office of Liquor and Gaming Regulation.

In addition to providing the first stage of the Palaszczuk government's legislative response to casino integrity issues, the bill also seeks to modernise Queensland's suite of gambling acts to provide regulatory agility around cashless payment methods. I want to make it clear that the amendments proposed will not automatically introduce widespread cashless gaming; rather, they remove impediments to cash alternatives and create frameworks for the regulation of cashless payment methods and technologies. What this means is that the bill seeks to facilitate the consideration and, where necessary, technical assessment of cashless technologies and payment methods. Only if the cashless technology or payment method is deemed appropriate for introduction will approval be granted.

I would also point out that cashless gaming presents a number of harm minimisation benefits. For example, it facilitates precommitment and limit setting, which cannot be implemented through anonymous cash gambling. The harm minimisation benefits of a cashless gaming proposal will be a matter for the commissioner or chief executive in the consideration of any proposed cashless gambling scheme, and the bill will ensure that the commissioner and the chief executive are afforded a guideline power under each of the gambling acts.

The bill also amends various gambling legislation to provide a regulation-making power which will enable a regulation to be made to regulate the different types of payment methods which may be used to enter a game or make a bet, deposit into or withdraw from a gambling account, and pay winnings, prizes and refunds. In light of the rapid developments associated with payment technologies, this approach of delegating such matters to regulation will assist to ensure that Queensland's gambling legislation remains responsive as payment systems advance.

The bill additionally introduces a specific regulation-making power for harm minimisation to all gambling acts. This amendment will provide the government with the flexible means to respond to emergent harm risks as a result of new gambling products or technologies. The power will enable the making of a regulation which prescribes measures that have the purpose of minimising the potential for harm as well as persons who are required to implement the measures. Different measures will be able to apply to different classes of licensees based on relevant factors such as the type of gambling licence

held by the licensee or the number of gaming machines at the premises. I wish to emphasise that consultation is intended with industry and community in accordance with the Queensland Government Guide to Better Regulation before any measure is proposed to be prescribed to ensure that considerations relating to impact, risk and proportionality are taken into account.

To confirm a longstanding administrative arrangement, the bill also amends the Gaming Machine Act to provide an automatic extension of gaming hours until 2 am on New Year's Day to align gaming machine trading hours with liquor trading hours for the New Year's Eve trading period. The bill also modernises aspects of the Wagering Act to provide a framework for Queensland's sole sports wagering licensee to conduct wagering on approved simulated events and simulated contingencies. Simulated events are limited to virtual racing or virtual sporting events where outcomes are solely determined by a random number generator. Finally, the bill inserts a deemed registration framework, fulfilling the Palaszczuk government's commitment to introduce a cross-border recognition scheme for charitable fundraising.

Consistent with the Legal Affairs and Safety Committee's first recommendation, I commend the bill to the House.