




Speech By
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MEMBER FOR CLAYFIELD

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CASINO CONTROL AND OTHER LEGISLATION AMENDMENT BILL

 **Mr NICHOLLS** (Clayfield—LNP) (5.54 pm): Mr Deputy Speaker, \$56.5 billion in gambling turnover; \$6.1 billion in gambling losses, up 63 per cent since 2018-19; and \$1.9 billion in gambling taxes. That is the story of gaming and gambling in Queensland. Mr Deputy Speaker, \$113.6 million in earnings before interest, tax, depreciation and amortisation for Star for the 2023 half year ending 31 December; a \$9.1 million net profit for Star for the same half year; \$100 million in penalties paid to the state of Queensland; and \$100 million in penalties paid to the state of New South Wales.

Gaming, gambling and casinos are very big businesses in this state. They rely on a lot of Queenslanders coming in through the door and losing money—\$6.1 billion of it. The tax take in Queensland in 2022-23 is almost \$2 billion. You might well ask how much of that is being spent on gambling harm minimisation, because \$2 billion is a lot of money, especially when it is up by a very substantial amount.

I will turn to the Auditor-General's report on that. The Auditor-General's report reflects that gambling taxes and levies have increased by \$578 million between 2018-19 and 2022-23, a 43.4 per cent increase. Despite that massive increase, how much is being spent on gambling harm minimisation by the Labor government concerned about what gaming harm might occur? A miserly \$11.9 million—0.62 per cent. That is how much Labor is spending on harm minimisation. Those are not figures that are made up by me: they are the figures in the Auditor-General's report. They are there to be read. What else did the Auditor-General say? The report states—

Over the past 5 years, the funding for harm minimisation has not kept pace with the increase in problem gambling nor the significant increase in gambling revenue.

...

Queenslanders have lost over \$25 billion to gambling in five years.

These are enormous sums of money, and those sums of money being lost by Queenslanders can often have devastating consequences. I am not a prude. I do not personally like gambling or gaming, but if those people who enjoy it and can manage it and get pleasure out of it want to do it, I say go for it. But there are those who obviously pay a very heavy price. There are those for whom problem gaming is an issue.

You would think that the government could care more about it. I looked at the 2023-24 budget papers from last year to see if it was part of the focus of the Department of Justice and Attorney-General. At the beginning of those budget papers they highlight a number of issues, but in the departmental budget highlights that did not feature at all in what they were trying to achieve for 2023-24. As I have commented, the recent Auditor-General's report highlights just how much the government is failing in this important area. It states—

The department is unable to determine whether it has been effective in minimising gambling harm, as it has not established robust and comprehensive measures to evaluate the impact of work undertaken to date.

What does that mean? It means the government, through the department and the Attorney-General, does not know if what it is doing is effective. The already minuscule amount of money that it is spending—in comparison to the taxes it raised—is unable to be quantified in terms of an effect and whether it works. We have all the programs, glossy brochures, announcements, gambling harm minimisation weeks and turning up at the events but no-one knows if it works. They cannot tell. The Auditor-General has belled the cat. The department is unable to determine whether it has been effective in doing that. What else did it say? It said—

At the time of the audit—

and this is only over the last 12 months—

implementation of programs and initiatives was significantly behind schedule and had been subject to limited oversight.

It was significantly behind schedule and subject to limited oversight. This was another condemnation by the independent Auditor-General in respect of this matter.

What does it say in relation to a comparison with other jurisdictions? We always need to consider what is going on in New South Wales and Victoria, the other eastern seaboard states where gaming occurs. From 2018-19 to 2021, the department allocated approximately \$300,000 annually for gambling related prevention, research and evaluation programs. There was a one-off injection in 2022-23 prior to this Attorney-General under the previous attorney-general. However, this is still significantly less than jurisdictions like Victoria, which invested over \$15 million on gambling prevention programs in 2020-21 alone. Even compared to Victoria—or, as I like to call it, the democratic socialist workers republic of Victoria—we are spending less here on gaming harm minimisation than they are in Victoria. These are the stark facts as revealed by the Auditor-General's report.

Proper and effective regulation of casinos and gaming is essential to ensure Queenslanders can have confidence that crime is not being committed, that money is not being washed through casinos and that gaming harm is minimised. Without that certainty and assurance, the community is right to ask: does this government care, are they being open and transparent, or are they simply hoarding the money they are receiving from the people who are losing at gaming throughout Queensland, in particular those who are losing at the plethora of machines that are operating in casinos legally here in Queensland? It would seem that the answer is no; this government does not care.

I said in earlier debates about similar legislation in 2022 that the LNP supports legislation that is modern, that is informed by best practice and evidence, that ensures Queensland's casino industry is above reproach, that thwarts criminal activity and money laundering, and that meets community expectations. One of the clear matters that came out of both the Bell inquiry in New South Wales—that is Bell 1—and the Gotterson inquiry in Queensland was that Queensland's casino industry was not above reproach and was failing when it comes to criminal activity and money laundering and meeting community expectations.

The other issue that is quite clear is that the government did not care. They had to be dragged kicking and screaming to the Gotterson inquiry and they substantially limited the remit of the Gotterson inquiry. They hobbled it before the race had begun. The Labor government was caught napping when it comes to the supervision of casinos in Queensland, and it is still the case that this Attorney and this government has no sense of urgency. This bill has been languishing on the *Notice Paper* for months and months. Indeed, it was introduced way back in October 2023.

Despite its objective to facilitate the implementations of the Gotterson review, it is very slow in doing so. Much of the bill's proposals will take months to come into effect, given they require regulation to be enacted. Again, DJAG stated in the committee hearing that they hope to have the regulation for the precommitment technology in place by December 2025 at the latest; not December 2024 this year, but December 2025 the following year—another 18 months down the track from when we are debating the legislation. This is something that has been spoken about since September 2022 when Gotterson delivered his report. This is not something new. By the time the department hopes to have the regulation in place, we will be over three years down the track.

We are still waiting for the government to get its act together and prepare for regulations. Quite frankly, the department under this government is notorious for its delays in getting regulations formulated and promulgated. Indeed, the strata industry is still waiting for regulations for the second tranche of BCC reforms. That bill passed on 14 November and was assented to on 22 November, but the industry and unit owners are still waiting on the majority of the sections to be proclaimed. Of 56 sections, 48 of them are still waiting to be proclaimed five months after the bill was passed. As it was described to me by people in the industry, this is another 'tour de farce' for this Attorney and this government.

Here is what the previous attorney-general, who had some interest in getting things going, said way back in October 2022. This is again farcical. Here is the quote from the media release—

Making sure Queensland casinos operate lawfully is a priority for the Government.

That was in October 2022 and here we are in March 2024. What a laugh. It was such a priority that it has taken another 17 months to get to the stage of implementing 11 recommendations from the Gotterson report, and we still do not have regulations. We will be waiting another 18 months for those. The whole sorry saga has been characterised by delay and incompetence by this government.

Why did the government resist a public inquiry for so long and only act after a series of articles in the *Australian* newspaper highlighting the links between Star and the Labor government? In Queensland, the desirability of a broad-ranging inquiry was demonstrated by the myriad media reports about links between the now banned Labor lobbyist, founder of Anacta Strategies, Labor predecessor to the then attorney-general, the member for Waterford, a member of the left faction and a Labor Party donor—

Mrs D'ATH: Mr Deputy Speaker, I rise to a point of order on relevance. I ask the member be brought back to the bill.

Mr DEPUTY SPEAKER (Mr Martin): I will just get some advice. Member for Clayfield, I ask you to come back to the long title of the bill.

Mr NICHOLLS: Absolutely. I am happy to do that. Referring to the Gotterson report, the delay in the Gotterson report, the circumstances leading up to the Gotterson report, which the Attorney herself mentioned in her speech just a moment ago, and the contents through that, what we do know is that there was a long delay in the commissioning of the report that led to the 11 recommendations that are the subject matter of this bill. One of those reasons quite obviously is the involvement of Evan Moorhead from Anacta Strategies in the arrangements as a representative of Star.

Mr de BRENNI: Mr Deputy Speaker, I rise to a point of order. Standing order 236 is quite clear that contributions in a debate can only be matters relevant to the subject matter of the bill—not matters extraneous. I seek your ruling in respect of the areas the member for Clayfield is straying into. You already asked him to come back to those matters a moment ago.

Mr DEPUTY SPEAKER: I will get some advice on that. Member for Clayfield, can you explain how that is relevant to the bill?

Mr NICHOLLS: Absolutely. I am happy to continue with my discussion in relation to it because we are discussing the matters that led to the commissioning of the Gotterson report. The results of that report are matters directly the subject of this legislation, as are the terms of reference for that and the breadth of the terms of reference and why the terms of reference were constrained in relation to the Gotterson report.

We are discussing the implementation of recommendations of the Gotterson report. In my view, the terms of reference and the leading up to the Gotterson report are sensibly part of any discussion in relation to this legislation. We cannot have a discussion about legislation without talking about what led to it and what the consequences of it will be.

As I say, the desirability of a full and broad-ranging inquiry, which is the Gotterson inquiry I was talking about, was demonstrated by the media reports calling for an inquiry. There were also links with Gary Bullock, and it is a clear matter that Gary Bullock was opposed to the development of Queen's Wharf until a deal was done by the then Labor government with his union—

Mr DEPUTY SPEAKER (Mr Martin): Pause the clock. Member for Clayfield, I have given you some latitude. I think you are starting to veer well away from the long title of the bill. I will ask you to come back to the long title of the bill.

Mr NICHOLLS: Thank you, Mr Deputy Speaker. These are matters that have been amply ventilated and, in fact, I raised these matters in a bill of exactly the same name—the Casino Control and Other Legislation Amendment Bill—in 2022.

Mr DEPUTY SPEAKER: Member, I ask you to come back to—

Mr NICHOLLS: They are the same matters that were absolutely ventilated in similar speeches, but I am happy to continue.

Mr DEPUTY SPEAKER: Thank you, member for Clayfield. I remind you to come back to the long title of this bill.

Mr NICHOLLS: Indeed. It is the same title.

Mr de BRENNI: Mr Deputy Speaker, I rise to a point of order. You sought clarification from the member for Clayfield, who has continued to just deliver a continuation of his speech. The nature of his speech seriously offends standing orders 234 and 236, and I would ask for your guidance to the member for Clayfield with respect to his adherence to these standing orders.

Mr DEPUTY SPEAKER: Thank you, member. I have given some guidance to the member for Clayfield. I ask you to carry on with your contribution but again remind you to come back to the long title of the bill.

Mr NICHOLLS: Indeed, thank you, Mr Deputy Speaker. In terms of dealing with the issues regarding the long title of the bill and the contents of the bill itself—the Casino Control Act—it is important to look at how casinos are operated and regulated and matters pertaining to the inquiry that led to the recommendations we are dealing with today. Any other discussion that does not allow for some degree of contemplation of context would be nonsensical and it would serve to hamper, in fact, debate in this House, which I am sure no-one in this House would seek to achieve. A full and free-flowing debate around issues regarding the appointment of Mr Gotterson, the circumstances regarding the influences on Mr Gotterson, the influences on the casino and how the casino is operated are sensible parts of any debate that is wideranging with respect to the long title of the bill. Along those lines, I believe it is appropriate to understand how that came about.

There are important relationships that have been formed that influence and determine the recommendations. There is Star's government relations executive, former Palaszczuk staffer and failed Labor candidate for Petrie Corinne Mulholland, who still holds a position at Star. There are widespread reports of fundraisers hosted by Star for Labor ministers, and these have been widely reported by the *Australian's* Michael McKenna and Sarah Elks. They reported on access to decision-making in relation to Star's operations in this state.

That is why the LNP has consistently said there ought to have been a full and broad-ranging inquiry by Mr Gotterson. In fact, Mr Gotterson, as he freely says in his report, had limited powers in relation to parts B and C of his terms of reference. He had no ability to make recommendations about Star's suitability to hold a licence—that is contained in the Gotterson report. Nor did he have powers of compulsion—that is, powers of a commission of inquiry—to call witnesses outside the specific terms of part A of his inquiry. These are all factors that go to the relevance and to the outcomes of the Gotterson report. He could not look at allegations in relation to junket operations at other casinos—an important aspect of, for example, the Bell inquiry in New South Wales. Nor could he more broadly look at the exercise of influence by the gaming industry on government. Equally and importantly, he could not look at the relationship between the regulator—that is, the Office of Liquor and Gaming Regulation—and the casino operators. Here we are not just talking about Star; we are talking about the other casinos in the state—The Reef up in Cairns and the casino up in Townsville. These are matters that Mr Gotterson did not have remit over, as I have explained. In this regard, it was a missed opportunity.

Mr Gotterson had no power to compel documents or witnesses to hold public hearings into the relationship of the regulator and those being regulated—a substantial difference between Queensland and the Bell inquiry in New South Wales. There was no power to provide for sworn testimony or to protect witnesses who might have provided vital information about this most important of functions.

Evidence to the committee from the former acting CEO, Mr Hogg, for example, revealed Star had not been prosecuted or fined in the five years prior to the introduction of the bill in 2023—the urgent bill that had to be pushed through to give the then government, the then attorney-general, the power to issue fines. That evidence was not controverted in any shape or form. Mr Hogg also gave evidence that if any action had been taken it was in the main the result of self-reporting by Star and not as a result of actions by OLGR. That was an incredibly concerning piece of testimony and remains an incredibly concerning piece of testimony. In five years of operations, OLGR issued zero penalty infringements. Who could reasonably believe that Star, with the best will in the world and with the best compliance regime in the world, never committed a breach?

I also note that the ABC's state reporter Rachel Riga sought information about prosecutions of other casinos for breaches of liquor or gaming regulations or laws and was told that such information could not be provided due to confidentiality provisions of the Casino Control Act and the Liquor Act. Again, we run into the same lack of transparency because the government refuses to release these days Star's remediation plan. A remediation plan critical to Star avoiding a suspension of its licence has not been released. I asked a question on notice about it. This is the answer from the Attorney—

The remediation plan is The Star's document and may contain commercially sensitive information. It is therefore up to The Star to determine what is released.

In reality, why should that be? Why is 'may' good enough? The department does not even know if there is commercially sensitive information. It says there may be. If you go to the department's website and look at their report on their implementation—the five parts of their program—one of the issues they highlight is openness and transparency of reporting, yet there is none. The ABC cannot get figures on prosecutions from the department because it is confidential, and we cannot get a copy of the remediation plan for a business that has \$113.6 million in earnings before interest, tax, depreciation and amortisation, that made \$9.1 million in profit and that operates the single largest gaming machine operation in the state—and an organisation that has been found by Gotterson KC to have failed to comply with its obligations and that the previous attorney-general found was a breach so serious that she was going to suspend their licence, defer it for a year and impose a \$100 million fee. The department does not know if the remediation plan is commercially sensitive.

Why has the deferral of a licence suspension been granted until 31 May 2024? No real reason was given in the release of late last year. Is this another instance of the Attorney not being across the brief and not being willing to make the hard decisions? In my view, it is clearly another case of a lack of integrity and transparency by this government. The Attorney has again demonstrated an unwillingness to step up and be open and transparent.

Let us compare what is happening in New South Wales, because it is instructive to know what we are talking about here and what is happening in New South Wales, where the independent regulator is actually taking action. The New South Wales Independent Casino Commission has announced a second inquiry into Star to investigate the Sydney casino's suitability. The regulator in New South Wales said—

When the manager was extended for the second time last year, the NICC was not satisfied The Star was progressing its remediation in a timely fashion.

So in New South Wales, the independent regulator says 'we are not happy with what Star are doing', and they are being open and transparent about it. Further—

The NICC has had concerns about the extent that remediation is attributable to the manager's oversight and direction versus what is being driven by The Star's reform agenda.

In New South Wales, they are not sure it is because the manager who is in there is doing it or whether it is actually because Star are doing the right thing. The second Bell inquiry will run for 15 weeks and the final report will be due on 31 May 2024. Notice the similarity in dates, Mr Speaker? Queensland, extension of deferral, 31 May, 2024. Bell inquiry, 31 May, 2024. Once again, this Attorney-General appears to be letting New South Wales and its independent regulator and the inquiry do the heavy lifting on whether Star is doing the job on gambling harm, on avoiding criminal activity and on making sure that there is not money laundering going on. They are leaving it up to New South Wales to do the hard work. What is happening here in Queensland is shrouded in secrecy. This Attorney-General has checked out—not interested in doing the job any more—and the OLGR seems unable or unwilling to report. As a result, Queenslanders are being kept in the dark.

We know from the committee report that there was one confidential submission. Of the three that were made, one of them was confidential. It does not take too many guesses to realise who made that confidential submission—and its name is Star. I challenge anyone to say that that is not the case. Why would Star make a confidential submission? If their plan is they tell the Stock Exchange, as they put in their public notices, to be 'open and transparent' and to 'work their way through all the challenges that they face', why make a confidential submission to the committee? Why does the government accept it? Why not say, 'No, this is too important for Queensland. This is too important to restore trust in gaming and integrity in Queensland, not to publish a submission. We do not accept it that way.' They would not do it in New South Wales.

The whole process has been surrounded by incompetence, an unwillingness to be open, an unwillingness to be transparent, a failure to uphold the interests of Queenslanders and a failure by this government to separate its political interest from the real interests of Queenslanders—particularly those Queenslanders who will experience gaming harm. Whether it is a delay in the regulations, whether it is a delay in bringing the legislation on for debate, whether it is shrouding the remediation plan in secrecy, whether it is not compelling Star to release its plan and make sure the public is aware of it, or whether it is in the reasons for extending the deferral of the licence suspension—other than the words of a media report—this government is failing Queenslanders when it comes to one of the biggest businesses in this state. The recommendations in relation to the—

Mr HART: Mr Deputy Speaker, I rise to a point of order.

Mr DEPUTY SPEAKER: Pause the clock.

Mr HART: The member for Stafford is making continual interjections. I think if you refer to your warning list, you may find that he is on there.

Mr DEPUTY SPEAKER: No, he is not on there. I remind all members that the member for Clayfield is not taking interjections.

Mr NICHOLLS: In terms of the 11 recommendations that are still to be implemented—remembering that one was implemented urgently by the government; I did say at the time we would be back doing this, and we are—the recommendations state—

Recommendation 1—Carded Play

Carded play (that is, play requiring the use of an identity linked gambling card) be mandatory in Queensland casinos.

Recommendation 2—Cashless Gambling

Cashless gambling be implemented, save for gambling transactions of \$1,000 or less.

Recommendation 3—Limits on Gambling

There should be a full, mandatory and binding pre-commitment system for all patrons

Gambling on EGMs in casinos, to operate in the following manner:

That has been set out in the explanatory notes and in the legislation itself.

There should be limits on gambling including a 'binding play and break limit system for all patrons gambling in casinos'. There are limits in respect of EGMs that should mirror those in the precommitment system—that makes sense. The collection of carded play data is obviously necessary, given the Auditor-General's report in relation to the inability of the department to determine whether its programs are working or not—that makes sense. The availability of carded play data, the terminology used, safer gambling and persons who suffer, or might suffer, gambling harm and gambling related harm instead of, as it has been in the past, problem gamblers—makes sense as well.

The code of conduct recommendation, the supervision levy and the periodic review, which is a power that is used in New South Wales, akin to section 143 of the Casino Control Act, allows for five-year reviews or otherwise. There is a recommendation, as the Attorney has mentioned, that gives effect to the directions given in New South Wales. With that, I will conclude my contribution to this debate. Hopefully we will see proper and better regulated gaming taking place in this state, but it has taken a long time to reach this point.