



PARLIAMENT OF TASMANIA

LEGISLATIVE COUNCIL

REPORT OF DEBATES

Monday 22 November 2021

REVISED EDITION

Contents

PETITIONS	1
PEDESTRIAN PATHWAY - DOVER.....	1
TABLED PAPERS	1
PARLIAMENTARY STANDING COMMITTEE OF PUBLIC ACCOUNTS - REVIEW OF THE AUDITOR-GENERAL'S REPORT NO. 8 OF 2018-19: STUDENT ATTENDANCE AND ENGAGEMENT - YEARS 7 TO 10.....	1
TRAFFIC AMENDMENT (PERSONAL MOBILITY DEVICES) BILL 2021 (NO. 57).....	1
THIRD READING	1
GAMING CONTROL AMENDMENT (FUTURE GAMING MARKET) BILL 2021 (NO. 45).....	1
IN COMMITTEE	1
SUSPENSION OF SITTING	18
GAMING CONTROL AMENDMENT (FUTURE GAMING MARKET) BILL 2021 (NO. 45).....	18
IN COMMITTEE	18
QUESTIONS.....	24
RACING INDUSTRY CONTRIBUTION TO THE ECONOMY	24
GOVERNMENT GRANTS TO FAILED BUSINESSES.....	27
GAMING CONTROL AMENDMENT (FUTURE GAMING MARKET) BILL 2021 (NO. 45).....	27
IN COMMITTEE	27
ADJOURNMENT.....	57
APPENDIX 1	58

Monday 22 November 2021

The President, **Mr Farrell**, took the Chair at 11 a.m., acknowledged the Traditional People and read Prayers.

PETITIONS

Pedestrian Pathway - Dover

[11.01 a.m.]

Dr Seidel presented an e-petition from approximately 287 citizens of Tasmania calling on the Government to support the construction of a pedestrian pathway between Francistown Road and McNaughten Road on Huon Highway, Dover.

Petition received.

TABLED PAPERS

Parliamentary Standing Committee of Public Accounts - Review of the Auditor-General's Report No. 8 of 2018-19: Student Attendance and Engagement - Years 7 to 10

[11.04 a.m.]

Ms FORREST (Murchison) - Mr President, I am honoured to present the Parliamentary Standing Committee of Public Accounts review of the Auditor-General's Report No. 8 of 2018-19: Student Attendance and Engagement: Years 7 to 10.

Mr President, I move -

That the report be received and printed.

Report received and printed.

TRAFFIC AMENDMENT (PERSONAL MOBILITY DEVICES) BILL 2021 (No. 57)

Third Reading

Bill read the third time.

GAMING CONTROL AMENDMENT (FUTURE GAMING MARKET) BILL 2021 (No. 45)

In Committee

Continued from Thursday 18 November 2021 (page 102).

Madam CHAIR - While members are getting themselves organised I will indicate that with clause 160, we will call the subsections separately because there are amendments on

separate subclauses. Otherwise, members who have amendments may find that they have used up their calls just moving the amendment which does not allow other questions about the subclause.

Clause 160 subclause 150AH agreed to.

**Clause 160 -
Subclause 150AI**

Taxation in respect of general casino licence

Ms WEBB - I rise to make a request for amendment on this subclause, the first of three on this subclause so I will do them separately. As we discussed last week, this is the request for amendment that would go back to the lower House because it relates to a matter of taxation. It is not one we can make a change on here. This request for amendment is for clause 160(2) page 211. Madam Chair, I move:

That the House of Assembly be requested to amend Clause 160 by increasing 0.91% in proposed new section 150AI(2) to 20.31%.

This is relating to casino Keno tax rates and, for members' information, the current arrangements we have in place for tax on Keno are the same across different venue types. Currently, Keno is taxed at 5.88 per cent across the state in casinos and in hotels. Under this bill and the proposed reforms, there will be a different Keno tax rate for hotels that is being set to 20.31 per cent and for casinos it has been dropped to 0.91 per cent.

What I am proposing with this request for amendment is simply to retain the approach of taxing Keno at a consistent rate regardless of venue type. It is the same product being offered. The Tasmanian community should be able to expect to receive the same rate of taxation from that product regardless of where it is offered. I have not heard the Government offer any credible justification for why we would be dropping the tax rate on Keno offered in casinos under this bill, let alone why it should not be kept at the same rate as hotels as proposed. The request for amendment is to keep a consistent rate as the rate being set for hotels.

I will let members put any questions they have on that and I am happy to speak more about any aspect of that members may wish me to.

Mrs HISCUTT - Madam Chair, the Government has consistently stated Federal Group's licensed gaming activities would be benchmarked against comparable casino operations interstate to ensure the returns are competitive and fair for the community, players and casino operators.

Similarly, in considering an appropriate tax rate for Keno, the rates applied in other Keno markets within Australia were examined. The regional Queensland market is considered to most closely resemble the Tasmanian market and, therefore, the proposed tax rates for Keno are in line with the Keno tax rates in regional Queensland.

These tax rates are 0.91 per cent of gross profit for keno tickets sold in casinos and 20.31 per cent for Keno tickets sold in hotels and clubs in Tasmania. The Government considers we have the balance right here. We will not be supporting this request for amendment in this House or, as I have said before, in the other place.

Mr GAFFNEY - My question relates to the answer from the Leader. Does the Federal Group have any interest in those casinos in jurisdictions mentioned in Queensland? If so, at what level and what is the relationship with those casinos?

Mrs HISCUTT - My advice is we are not aware of anything like that. I do not think it was even considered. We just looked at the comparative rates.

Ms FORREST - I will be supporting this request for amendment despite the Leader's comments regarding the numbers in the other place and all of that considered. It is important, in the absence of any modelling or any justification not to make the rates consistent across pubs, clubs and casinos. It does not hold any water. It is exactly the same product, played in similar settings, whether it is in the casino, a pub or a club. There is no justification of having a different rate simply because it is in a different location or different venue. What modelling was done on this, rather than just a comparison with other jurisdictions which is not modelling? It does not tell you the impact or give you any guidance as to why a rate should be different in the casino for the Keno - exactly the same product - in a pub or club. I would like to see more information about this.

It is very frustrating in this place at the moment, because we have basically limited power at all to even get information when we know that the Government is going to say no - there is no power to actually require this information. The community deserves to have information about this. The community deserves being able to look back some time in the future and see how these decisions were made, and why they were made. Based on some comparison with Queensland, which is a different state, different demographic, different set up entirely, why would you make a completely different arrangement for the very same product purely based on the location of it being provided? Can the Leader give some very good explanations as to why there would be significant disadvantages to casinos, or why pubs can suck it up much more than casinos can, in terms of the tax rate we are looking at here?

Madam Deputy Chair, I cannot see any valid reason for not making exactly the same product have exactly the same tax rate in Tasmania, at whatever venue it is in. I have asked the Leader for some modelling on that, not just a comparison with another jurisdiction - which, unless it is a full comparison across the whole suite, has absolutely no meaning. A comparison is a comparison, that is not a model.

Madam Deputy Chair, I will be supporting the member's request to send this back to the lower House for further consideration.

Mrs HISCUTT - I can only restate that we looked into regional Queensland markets, which were considered to most closely resemble the Tasmanian market, and the decision was made from there. The tax applies to Keno operators, not to clubs and pubs.

Mr GAFFNEY - I thank the Leader for her response to my previous question. For some background information, in the 2016 submission we received from Federal casinos, they did point us towards the Queensland casinos for a place for us to go to have a look at the modelling done there. And we did because we thought that appropriate. It is of concern to me we are not aware of what relationship - or this place is not aware of the relationships - Federal has with those casinos we were asked to visit and why we have taken on board some of the modelling from those casinos as part of this model.

My second question goes to the point raised by the member for Murchison, with the differences in the tax rates between pubs and clubs and the casinos. I am concerned we have not heard more from the THA, industry groups, and members of all parties saying how they feel about that, that we are not supporting our communities, we are not supporting those small clubs and pubs around the state and we are seemingly giving favourable conditions to Federal casinos. I would appreciate that if there is a good reason, that we are made aware of this, then we could understand and that would be fine. At this stage, we have not been given that information, nor have we had a chance to scrutinise that correctly or appropriately through a proper inquiry, which could have been conducted by the Public Accounts Committee. In light of that, I am really hesitant and will be listening to other members in this place, about how their party, or they, feel about this inequity as seen by me.

Mr VALENTINE - We have to realise that what we are dealing with here is money that comes back to the Tasmanian people. It is very important that those who are playing these games, no matter where across the state, are being taxed at the same rate. If you like, a proportion of the money they are putting into this ends up coming back to the state as opposed to the individual. Why should it be different because you are playing the game in a casino and you are playing the game in a hotel? It doesn't seem to me to be right. I am with the member for Mersey. I would like to hear the arguments. I would echo your concern, Madam Chair, with regard to the modelling.

We cannot just do things in what we might consider an ad hoc manner. We need to make sure the modelling is reasonable, that Tasmanians per se are being treated fairly and that Tasmania is receiving a fair return on the taxing that is put in place here. I am keen to hear some responses with regard to the modelling, and how it has been arrived at. I am interested to hear the attitude of other members around the Chamber.

Mrs HISCUTT - There are considered to be strong similarities in the demography and economic conditions of Cairns and Townsville to the Tasmanian demography of Hobart and Launceston. In addition, the operators of the Cairns and Townsville casinos include table games, Keno, and similar numbers of EGMs to the Wrest Point and Country Club casinos. From a demographic and casino operation perspective it is clear that the regional Queensland casinos of Townsville and Cairns are comparable to the Tasmanian market and that is what it was based on.

Ms RATTRAY - It is always interesting to hear what members around the Chamber think. My question to the Leader is, was it considered that 15 per cent across the board was more equitable for all Tasmanians whether you play in a pub, a club or a casino, that the 15 per cent is more supportive of pubs and clubs and it provides a level playing field? I am interested in why it wasn't considered that 15 per cent across the board would be a better way of approaching this when we are looking at that equitable approach.

Mrs HISCUTT - I can only repeat that the Queensland regional markets were considered to resemble the Tasmanian market. Therefore the proposed tax rates for casinos are in line with the rates in regional Queensland. That is what we based that rate on.

Mr VALENTINE - With due respect, Leader, that is not an argument. Why are different venues being taxed differently? That is the question. What is the modelling that says we should be charging 0.91 per cent in a casino as opposed to other percentages in other places? It beggars belief that we would try to institute such an inequitable situation here. That is not

an argument, from my perspective. My question would be, why doesn't the Government see that particular issue of inequity?

Ms RATTRAY - Again, my question back to the Leader, and I hear what you say. I know that the Leader presents on behalf of the Government from the information that is provided by your very wise advisers there at the table. If we are talking about being equitable and there is some thought that the 15 per cent for casinos is in line with other jurisdictions, would the Leader send a text message to the minister and ask the Minister for Finance, would the minister consider having 15 per cent across the board?

Mrs HISCUTT - The Government has nothing more, Madam Chair. It is as I have presented and we are comfortable with the situation.

Mr GAFFNEY - I am pleased the Government is comfortable with the situation. Being a legislator in this place I have to be comfortable with the bill that is in front of me, knowing that I have all the information, all the modelling, can understand the reason why they have the percentages they have in front of them, and when someone from here suggests another opinion based on rational thinking about why is there an inequity, I would expect more from the Government than, 'That is all we have got to say.'

I believe, to be fair to this process, the members in this place have to understand how that modelling was ascertained, how it impacts on our communities and why it is that one larger organisation seems to have a better deal than others, so that when I go back to Devonport and I am talking to the pub owner, I can say, 'By the way this is why you only get a 3 per cent return or whatever, and they get a 5 per cent.' I am concerned that I am not in a position where I can go back to my community or this state and give them a valid answer. I do not want to be part of passing this legislation, as they did 20 years ago, and then having communities be annoyed for the next 20 years, saying 'why did they pass that?' I am more than happy to pass that if I have the full information and I can make a valid and just decision. I hope other members of this place think seriously about the role we play in here as the House of review.

Mr VALENTINE - I realise it is my third call. I am led to believe that the Queensland casinos are taxed at 20 per cent and here we are wanting to tax pokies at 10.91 per cent. So if this Queensland situation is anything to go by - and you are saying we are following regional Queensland - why is it different for the pokies in terms of the percentages?

It does not seem to be right to be charging one venue differently to another and that is my main point. It is the inequity of that and I think the modelling would be really good to see. If you could show us the modelling that would help us to decide whether we believe this is fair and reasonable and equitable. At the moment I do not see that equity.

Mrs HISCUTT - Just for some clarity here, the Queensland tax rate of 20 per cent is GST inclusive. The 10.9 per cent is the rate once the GST is accounted for in Tasmania.

Ms RATTRAY - Madam Chair, I know it is my final call, so my question is to the member who has proposed the amendment. In the interest of equity, and obviously there is not going to be a raising from the Government's perspective of the 15 per cent for casinos to the Keno tax rate to 20.31, would the member consider amending her motion to make it 15 per cent across the board?

Ms Webb - While the member is on her feet, because I know it is her third call, through you, Madam Chair, can I just correct a small -

Madam CHAIR - You have not spoken on the amendment yet, you have only moved it so you have still got three speaks on the amendment.

Ms Webb - Because this is the member's third call?

Ms RATTRAY - Yes.

Madam CHAIR - You have still got two left.

Ms Webb - Because it is the member's third call I just wanted to point one fact out to her because she might want to change what she is saying based on that -

Ms RATTRAY - Oh, might I?

Ms Webb - If that is all right.

Ms RATTRAY - I am talking about equity.

Ms Webb - There is no 15 per cent in relation to casino Keno tax rates. The tax rate for casino Keno that we are talking about here is 0.91 per cent.

Ms RATTRAY - Oh, that is the 0.91 per cent.

Ms Webb - This is seeking to make it the same as hotels - 20.31 per cent.

Ms RATTRAY - I thank the member for that clarification. I got ahead of myself, Madam Chair.

Ms ARMITAGE - I also have concern. My question is to the Leader. The inequity part is perplexing. Did we look at any other states apart from Queensland? I am sure we have comparisons with some of the other states that have casinos. Queensland wouldn't be the only one. Do we have some idea of the modelling the others have come with?

Mrs HISCUTT - There was some consideration of tax rates in other jurisdictions. However, when it came to the final look the Government decided that the regional Queensland market, as I have pointed out, was best suited to ours and that was what we tried to align with.

Ms ARMITAGE - Can you give us an indication of what it might have been in some of the other regional areas across some of the other states; or do you think it might be an idea to break for a briefing?

Mrs HISCUTT - I have a publicly available information sheet here where the department has looked at other states and territories, and based our regional rates on Queensland. There is no reason why this can't be tabled. Members can look at that and it can be incorporated into *Hansard*. It is quite lengthy and it is publicly available anyway.

Madam Chair, I seek leave to have this document tabled and incorporated into *Hansard*.

Leave granted. See Appendix 1 on page 58 for incorporated document.

Madam CHAIR - We may need to give members a chance to get a copy of that. Are you asking for a personal explanation on something?

Mr GAFFNEY - Yes, through you, Madam Chair, it is good that we have the table but we are not going to get a chance to peruse it.

Madam CHAIR - I am giving members a chance to get a copy so they can have it in front of them while we continue.

Mr Gaffney - Thank you.

Madam CHAIR - Is there any other member who wishes to speak that the request be agreed on?

Ms ARMITAGE - I find it quite perplexing and I do not feel comfortable voting in favour of a change. I am not an accountant - to say that it goes up to the same, 20.31 per cent and the other one comes down and that one goes up. I have queries about the inequity there as well. I agree with other members. I am in a difficult situation because I am not comfortable with the different comparisons and the inequity between the two. I agree with the member for Mersey. We have to go back to our constituents and explain when they ask why am I paying this, and that place is paying this. We need an understanding of why or how the modelling has been worked out. I am not saying I am for or against because I have not seen any modelling. I can only hear that it compares with Queensland. I am not sure that Queensland is the one we always compare with, or how that compares.

I am not overly comfortable with agreeing to the amendment that has been put up, because I am not a money person to say whether it should be 20.31 per cent across the board, or whether ones goes up and one comes down, and how it marks. I am in a difficult situation. I do not like sitting on the fence. There needs to be somewhere to go but I will get splinters. I would have liked some modelling.

Mrs HISCUTT - To reiterate, the tax applies to Keno operators, not to pubs and clubs; and there has been consultation with that group and they are aware of what is happening.

Ms Armitage - Are they comfortable?

Mrs HISCUTT - Yes, I presume they are.

Ms FORREST - We are getting a bit distracted by a couple of different questions here, and I agree with the member for Launceston that it is a difficult situation to be in. Let us focus on what the member for Nelson is asking here. I supported that call; I had a similar suggestion myself, to send this back to the lower House to have a look at it and provide a meaningful explanation as to why they are cherrypicking some information from the rates in Queensland but not all of them. Why is this one in comparison with Queensland casinos and models, but not all of them?

More importantly, why is it deemed appropriate to create a different tax rate for the same product, based on the venue in which it is being conducted? That is the point here. We can compare with South Australia, or Queensland, or Macau if we want to; but ultimately the question is, why is it not the same across different venues? It might have been the member for Launceston who asked if the industry was happy with this; but I have heard that they are not happy with a lot of it, not happy with the tax rates, not happy with a lot of things. They have accepted it because the Government has done deals with them and made arrangements with them. To me, it looks like sweetheart deals for some and not so much for others. Mind you, Federal Group has the casinos where Keno is played and they also have their own pubs where Keno is played. They are paying a different tax rate here than they are there.

I have heard nothing from the Leader or any other Liberal member - or even a Labor member, who are silent on this matter - as to why that is reasonable, why that is appropriate and what the problem would be if they were the same. I also have to go back to my community. Federal owns a couple of pubs in my region but not that many; but they would sooner have a casino. The member for Launceston has both - you have the casino in yours and the pubs. You have to go back and explain to everybody. I have to go back and explain to some of my smaller pubs - that are paying more for this product in terms of return to the Tasmanian people, which is a good thing, than a bigger player with a casino that also has pubs in the region - why that is fair, why that is equitable, why that is reasonable? A tax is supposed to be fair. How is this fair? A tax is supposed to be sustainable. How is this sustainable? I talked about that in the previous request to try to get a better, more equitable approach for the licensees across the pubs. I know where that went. But we talk about a tax system that is fair, efficient, equitable. This is anything but and the Government cannot even explain to us why that decision was made, other than just saying, 'well, we looked at Queensland for this bit'.

This is quite unacceptable to think that we would just say okay, we accept that in Queensland it is like that in on aspect of the gaming industry but not in others. I am at a loss to see how the Government, and notionally, the Labor Party, if they are not going to stand against this, can defend this position when they go back to their communities and explain how this different tax rate is being applied for exactly the same product in different venues. How can they say that is a fair and reasonable thing to do? I find it incomprehensible to think that would be a position that I could take back to my communities where there are some little pubs that will struggle. They will probably find that, as a result of the licensing arrangements agreed to last week, they may struggle to stay financially viable. How is that fair? Here we have another example where sectors in the industry are being treated differently with no valid reason or explanation to do so.

I urge members to send this back to the other place for the Government to review, explain to the people of Tasmania why this decision was made. Not just how it was made, because we looked at Queensland and thought, that looks like a good model, let us apply that. A lot of the tax rates and matters that have been referred to during this debate and during the whole process, relate to casinos being incentivised by the Queensland government to get them built. That relates to the Townsville and the Cairns casinos. They have since changed hands a number of times. Obviously, they are not such a popular thing to hang on to. That is why those sweetheart deals, those lower tax rates, were put in in Queensland, to incentivise them to be built in the first place.

We do not need to incentivise Federal Group here. They have been here for years. Yes, they employ a lot of people, and they have done a good job in those avenues of accommodation,

beverage services and the whole bit. I am not criticising. I am just saying that to compare things with Queensland when there were sweetheart deals done by the Queensland government to incentivise the establishment of those casinos in those regions - in the regions, not the south-east corner, Cairns and Townsville - to use that as a model for us and say it is the same thing is an absolute furphy.

I urge members to support this request to go back to the House of Assembly and get the Government to have a look at it. If they can justify it and explain the rationale behind it, that they would reject it and if they can do that, I for one, will not press it. And that is what happens. If the government of the day comes back and rejects a request that is sent from this place, a message comes back. I explained to members earlier that if our request is agreed, a message goes to the other place and they come back with a response. If they reject our request, we have an option to press it.

If they can explain why this is such a good model, an appropriate model, a fair model, that meets our tax policy in terms of fairness and equity, and all of that, and has been established on good, solid ground, I will not press the request. I do not have any of that information. As the member for Mersey said, he does not have it. I do not think anyone has it. If other Government members have got it, maybe they would like to get off their seats and speak about it. The Leader is doing her best, but other Government members are saying nothing. They are not defending this; they are all members of this House, the House of review. They could equally get up and speak about what they understand this approach to be and how it is a fair and appropriate mechanism.

I will let others have a look at the comparison document here. I have not had a chance to, while I have been speaking, but I just urge members to really think about what information you have on which to base your decision to either support or reject this request.

I do not have anywhere near the information I need to reject this request so I will be supporting it.

Ms WEBB - I will speak for a couple of minutes while members have an opportunity to take a look at the material that is being circulated to them now and to thank members for their engagement with this request for amendment. I know it will be awful to take in information that has just been provided now so I will make a few key points alongside you perusing those documents.

Firstly, as the member for Murchison rightly points out, this is a request for amendment only. If you are in doubt as to the rationale as to why this casino Keno tax rate should be what the Government is proposing in this and you have any questions about whether it is equitable, whether it is fair to the state in returns then it is entirely compatible to support this request for amendment and send it back to the other place to be looked at and explained, as the member for Murchison said, by the Government in that place. Then it would come back to us for further consideration anyway, I gather, from the process described by the member for Murchison.

There is a very clear rationale behind the request for amendment that I am making here. That rationale, as some others have spoken about, is that this is simply saying the same product should be taxed consistently, regardless of where it is provided. It is a very straightforward proposition of consistency.

Let us be very clear, that is exactly what we do now. What we do now and have done for quite some time is tax this product consistently regardless of where it is being provided - 5.88 per cent is the rate that we are currently taxing it at.

The proposition in this bill to change that consistent approach to an approach that is inconsistent where some venues - hotels - will have that tax rate increased to 20.31 per cent while other venues - casinos - will have it dropped to 0.91 per cent clearly requires a proper explanation, far beyond, 'We're following along behind regional northern Queensland'. That is not an explanation for a change to what we have done here consistently, taxing the same product at the same rate.

Repeatedly, the Government has been asked to provide an actual justification for why we step away from a consistent approach to an inconsistent approach which cannot look anything other than a favourable concession to one player in the market. To put some figures to that too, because I had modelling done on this so we could understand what the impact of it would be - members have heard me speak about the modelling I had done by ACIL Allen, an independent economic group from Melbourne - on various aspects of the tax rates in this model.

To clarify what this means, regarding the impact on returns to the state to us, to our communities, to our budgets that we can spend on the services and supports that our community needs, is by dropping casino Keno from the current 5.88 per cent to 0.91 per cent in 2024, that is already a gift of tax cut of \$130 000 or so to Federal Group in that one year. Just the drop from the current rate they pay now, what they would have paid under current arrangements in 2024 to what they will pay on this rate of 0.91 per cent is a gift of \$130 000. I know a few community organisations out there that could do with \$130 000 in 2024. I do not know about you, but I could point to a few.

That is the difference between what is paid for casino Keno now to what is proposed. If we looked at the difference in applying what would be the hotel rate of 20.31 per cent, compared to the 0.91 per cent, in 2024 alone, the difference would be \$520 000 not coming to the state, not being collected on casino Keno in tax for our state, to spend in that one year on services and supports for our community. More than half a million dollars just in that one year. Across the life of the licence it is more than \$10 million, just as a gift, because of the differential in the same product being taxed at such a dramatic concession in a casino environment. It is nothing but a gift.

We have got to remember that tax collected is money to be invested in our communities. It is money to support our health services, our education services, our housing for those in need, all of that. That puts some figures to what this concession means in dollar terms. It is nothing compared to the concession being offered on poker machines, but we will get to that. But it is a cherry on top. It is, outright, a tax cut in 2024 of at least \$130 000 to Federal Group based on what they pay now, to what they would pay under this. If they were paying what hotels were going to pay in 2024, it is more than half a million dollars, just in that one year.

All of us will recall that an object to this act is about appropriate share. I think all of us would have at the forefront of our minds what the appropriate share for our community is in any arrangement that is reached. Taxation and the revenue that is collected through taxation is the key part of that. That is where we ask ourselves that key question: Are we getting the best deal for our communities from this reform? Are we getting an appropriate share for our community from this? When I look at this tax concession offered for no justified reason to one

part of the market compared to another, my answer to that question is absolutely no. We are not getting the best deal for our state, we are giving a special deal to one stakeholder.

To just obsessively repeat that we are modelling ourselves on northern Queensland is meaningless. We do not even know how northern Queensland came up with those rates. What was their modelling that led them to land on those rates? Perhaps if we knew that, or the Government had looked into that, they could provide it as a similar justification here. We have heard the member for Murchison speak about the fact that whatever arrangements had been put in place there, were in a context of that local environment, and the need to incentivise tourism investment there when the casinos were created. That is the background to those decisions made by that government.

I presume they did not just look somewhere else and say, 'Oh that is what they are doing, we will follow them'. For some reason, it seems to be good enough for our state to just look where we were pointed, and say, 'Oh look, that one looks pretty good, we will follow them, they are a bit like us'. I emphasise that the reason we looked to that jurisdiction is because Federal Group and the THA, that wrote this model back in 2017, pointed us to look there. The reason the Government is looking to northern Queensland for this comparison is because the industry told them to look there.

For members' benefit, there are other models in other jurisdictions and I am sure we can make up all manner of reasons to follow various of them. You may or may not be aware in South Australia, Keno in some aspects is taxed at 40 per cent there and it goes straight into a hypothecated hospital fund. That is one part of that one jurisdiction. We did not look at that and follow that. I wonder why. I am sure we can draw some comparisons with South Australia. We can certainly draw some comparisons in the need for funding our obligations in health.

I strongly encourage members to support this request for amendment, knowing that it is not our decision to make this change, but it is our decision to send a message to the other place to say we do not accept that the case has been made for this taxation arrangement. This taxation arrangement has not been appropriately justified to us in this Chamber and we want it further looked at and explained to the Tasmanian people and to us, because we are the ones who will go back and explain it to our constituency, our local areas.

This request for amendment is supporting that seeking of further justification, rationale, information on behalf of our community, for something that is utterly unexplained other than the points that the Leader made, to say we are a bit like there, let's follow them. This is important stuff. This is revenue to our community from an industry that generates super profits. When we talk about the object of this act being to share appropriately, we must be considering whether we are getting the deal that our community deserves. I strongly encourage members to support the request for amendment.

Madam CHAIR - The question is that the request be agreed to.

The Committee divided -

AYES 7

Ms Armitage
Ms Forrest

NOES 7

Mr Duigan (Teller)
Mrs Hiscutt

Mr Gaffney (Teller)
Ms Rattray
Dr Seidel
Mr Valentine
Ms Webb

Ms Howlett
Ms Lovell
Ms Palmer
Ms Siejka
Mr Willie

Request negatived.

Further request proposed -

Ms WEBB - Madam Chair, I move -

That the House of Assembly be requested to amend Clause 160 by increasing 10.91% in proposed new section 150AI(4) to 33.91%.

This is a similar principle to the request for amendment we just addressed. This one has greater consequence financially for our state, because it relates to the taxation rate being applied to casino poker machines. We have a similar situation. We are in this state currently and until now we have always taxed poker machines the same, regardless of where they are located. We have been consistent in the taxation of a product. This bill proposes to move away from that consistency of taxation on the product and tax differently, according to location. The bill proposes that we go from our consistent, industry-wide rate currently 25.88 per cent on poker machines regardless of location, and we move those in hotels to a tax rate of 33.91 per cent - we go up - and poker machines located in casinos, which is what this part is about, get a tax concession - they have the tax rate dropped from the current 25.88 down to 10.91.

Not only is it a significant drop from the current rate of tax applied to that product in casino environments, it is also even further below the proposed change to that being applied in hotels, 33.91 per cent. This is the same, utterly unacceptable, proposal; to take the same product and tax it differently depending on location, for no justified good reason. The loser from that is our community, because we are talking about taxation revenue that comes to our state that can then be utilised in the service of our communities. What is being allowed here, through this massive tax concession on casino poker machines is significant.

The Government is welcome to put forward its own modelling and explain the figures it reached when making these comparisons. However, from the modelling I had done by ACIL Allen, independent economic consultants, it means, in 2024 - just in that year, which is the first full year after changeover - this is immediately a tax cut of \$7.1 million that year from what the casinos would pay under current arrangements to what they are proposed to pay under this. It is even more appalling when you think about the difference between what we could be taking in tax from casino poker machines if we taxed them at the 33.91 per cent proposed for hotels.

In 2024, in that one year, we would take for our state, through tax, an extra \$14.9 million if we were to apply consistent taxation to this product at the rate proposed for hotels. This is a gift, it is an outright tax cut in 2024 of \$7.1 million and it is through lack of consistency with hotels. It is \$14.9 million not coming to the state that year. Over the licence period, that adds up. The tax cut - just the difference between current taxation rates - to Federal Group is \$119 million being gifted just like that, across this licence period. However, it is worse; because if we chose to tax casino poker machines at the rates proposed for hotels in this reform,

over the licence period we would be collecting an additional \$248 million; a quarter of a billion dollars in state revenue going begging because we are doing a sweet deal for the owners of our casinos, for Federal Group.

Make no mistake, poker machines are incredibly lucrative. We are proposing to tax poker machines in hotels at 33.91 per cent. We have deemed that is an appropriate share to take as a state for those venue types, and that will leave those venue types with an appropriate rate of profit. That is what we have decided for hotels. What on earth is different? Why would we not tax our casino poker machines at that same rate, 33.91 per cent; knowing that it would still leave them with an incredibly generous profit rate and profit margin?

In no way does it mean that this not a profitable product to offer. In fact, because casinos are of the size they are with many more machines than an individual hotel venue, they are able to get economies of scale of all sorts of things. It could be argued it is much easier to run poker machines in a casino environment than in a hotel environment.

Why would we take less in tax revenue from poker machines in that environment, as opposed to hotels? There is no reason. The Government has never provided a reason to make this change and move away from a consistent approach. It is an outright gift in the first instance, because it is already a cut from 25.88 per cent down to 10.91 per cent. It is an outright tax cut. However, more than that - when you look at what is proposed for hotels - it is an enormous, quarter of a billion-dollar difference in revenue to our community; to our hospitals and our schools, our mental health services, our family support services, to build more social housing. A quarter of a billion dollars over the licence period being given to one business instead of our community.

That does not meet the objects of this act. The Government is utterly failing the community, utterly failing to deliver not even the best deal; they are failing to deliver even a remotely appropriate deal; which the objects of this act say we should be delivering, sharing appropriately. It is a fail on that front.

Again, this is a request for amendment. This is to send back to the other place to explain why this should be justified so that we can turn around and explain to our communities why it should be justified. If the Government gets up and says, 'It's because we're looking to north Queensland and we are just going to line up with them', it is as utterly unacceptable this time as it was last time.

I encourage members to support this request for amendment. I hope you engage with this as we did the last time in the interest of consistency, but mostly in the interests of our community.

Mr VALENTINE - Madam Chair, I have exactly the same statement as I made before with regard to this. Equity is very important. I am sure if the Government looked at it in an equitable manner, they wouldn't be charging 33.91 per cent to hotels and 10.91 per cent to casinos. If they were going to do an equitable model, it would certainly come out with a different rate for both locations, there is no question about that.

However, I support the amendment because I want to know what the real modelling is. Before the commencement of this debate, I moved a motion for it to go to Committee A. This is the very reason I wanted it to go to Committee A - and that is, when I look at the complexities of the sheets that were just handed out, you can't do these comparisons in two minutes. You

can't assimilate what is on those sheets in two minutes. We need the modelling so we can decide whether it is fair and reasonable. We do not know what is happening in those other jurisdictions. We do not know what other aspects have been taken into account when those percentages were being set. I fully concur with the member for Nelson wanting to send this back downstairs for a request. I will support that again, but I thought we operated on an equitable basis in most things we do in this Chamber and I would hope we can do that. I would hope the Government can see this is not equitable or if it is equitable, then explain to us why it is. Everybody wants to see that.

Mr GAFFNEY - I thank the member for Hobart for his contribution because once the request to send it to Committee A failed, I stood up again and requested it go to the Public Accounts Committee for the same concerns. These are the processes we can apply in this place and parliament to ensure we are 100 per cent confident the legislation we pass is for the betterment of Tasmanians. I thank the member for Nelson for the information, doing the modelling and presenting that modelling to all members so we are aware and then we can understand the issues and the justification behind the amendments you proposed.

Can you tell me if any of these amendments were presented downstairs in that debate you have proposed?

Ms WEBB - There may have been versions different from the way I presented them. I am not clear exactly.

Mr GAFFNEY - Okay, thank you. If that is the case, what is important to me is that this is a similar debate we had a few minutes ago. In that debate all Independent members voted in the last amendment for that to go downstairs. All Government members would, of course, vote against the amendment. Whilst we had one member of the Labor party support the amendment, we had three members of the Labor party who did not make comment.

Mr DEPUTY CHAIR - I remind the member it is not appropriate to reflect on a previous vote. Could you confine it?

Mr GAFFNEY - My concern is we will vote on this without hearing from people in this place representing parliament on their view on why they would not support or reject the amendment on the table. That is important for us to understand, because they must have done some modelling themselves, they must have a position on this, so we and the community can understand why this did not get sent back downstairs. For what reason, on what grounds, was this amendment not supported or these amendments not supported? I would like to ask those questions and thank the member for Nelson for again putting on the table something that needs further explanation and clarification.

Ms FORREST - It is staggering the Leader is not going to rise and explain the Government's position here. This is not the same as the last debate. This is on a completely different matter. I am staggered. I still have two more calls.

Mr Valentine - Same principle.

Ms FORREST - Well, it is the same principle, but I want to hear from the Leader as to how they arrived at this decision. Was it purely based a relative comparison with Queensland at casinos that were incentivised by the Queensland government to get them built in a

reasonable area to support the economy in those areas? That is not the case here in Tasmania. If that is a comparison it is not a comparison. The Leader has not told me that. I was waiting for her to give me some guidance as to how I could possibly understand this. Furthermore, we need to be sure we are comparing apples with apples. When you look at this table, the range of other jurisdictions, to try to figure out what we are comparing with what it is impossible. You cannot be sure what appears to be a similar figure being proposed in this bill, is comparable without the detail behind it. We do not have that.

This is about the paying of tax on profits that are being collected through a gaming activity. The same gaming activity - exactly the same thing - in a different venue is charged at a completely different tax rate. Yes, those principles are the same - I am not going to go through them again, but to remind people that our tax system is intended to be fair, efficient and sustainable.

How is it fair when exactly the same gambling product is taxed at a very different rate in a pub than it is in a casino, a casino that is well established and here for 45 or more years in the case of Wrest Point - not quite so long in the Country Club? It is not a new business, it is an established business. It does not have all the startup costs. It does not have all that the casinos in Townsville and Cairns were granted by the Queensland government at the time to support them in getting underway.

You only pay tax on gross profits if you are profitable. It is not like we are asking them to pay out of money they do not have. I have often said this to people, you only pay tax when you are making money. What they are getting here is an absolute super profit little sweetheart deal, well above what the other pub and club owners are getting. Admittedly, some of the pubs are owned by Federal Group too so they will pay it there but not here. The same owners, just a different business because one is a casino and one is a pub.

The Fiscal Sustainability Report tells us that we need to not rely on economic activity alone to dig us out of the hole that is coming or that is already there, but it is going to become a major issue for the state's financial sustainability. That is not a paper prepared by the Treasurer or the Government, it is prepared by Treasury. It is a Treasury document. Treasury saying, 'This is how it looks, this is what needs to happen. We need the Government to implement policy to prevent a fiscal sustainability challenge'. One of the things is looking at our revenue streams.

No-one seems to want to talk about that but here we have an opportunity to make an equitable taxation arrangement that treats one operator the same as the other operator in the same town in places, like the member for Launceston's - is the casino in the member for Nelson's electorate or is that in Hobart?

Ms Webb - It is in mine. It is in Nelson.

Ms FORREST - It is in yours. You have both in yours, which explains the growth in yours as well. For the rest of us, it is trying to explain how it is that the very same product can have a very different taxation rate.

This request, as much as the other one if not more, as the member for Nelson rightly pointed out - just in the first year alone of this full-year operation under this arrangement, Federal Group will get a \$14.7 million bonus. A sweetheart deal. It is money we do not get as

a state. I know where I could spend that money. I could spend it on the Montello Primary School for a start. I am sure every member in this place has things in their electorate that need money spent on them. Our health system - we know what COVID-19 is going to do. We open the door on 15 December and it is going to be hell. You might not like to think about that but all the modelling tells you that. You do not have to look anywhere else around the country. We know that people will die, people will have trouble getting access to services because they do now and it will be even worse then.

This state could do with this money -

Madam DEPUTY CHAIR - In 2024.

Ms FORREST - That is in 2024, yes, but this is what we are setting up and that is for the life of the deal - 20 years. The member for Nelson gave us an idea it is a quarter of a billion dollars over that period.

I find it staggering that we are agreeing, without sending this request back to the lower House to a system where there is a two-pronged approach for the same product in the state and there is no justification for it. It does not meet any of our high ideals on our tax policy and it certainly does not address the financial challenges the state is facing when we have an opportunity to do so. I urge members to support this request. Send it back. Let the Government come back with a detailed explanation as to why this is the most appropriate model. A comparison with Queensland casinos that were built in entirely different circumstances, with a sweetheart deal from the Queensland government to get them established, is absolutely not comparable to the arrangement here in Tasmania with a well-established casino which is a profitable casino through the use of their gaming products.

Ms ARMITAGE - Much like the last one, as was said by the member for Murchison, and while I cannot necessarily agree to the figures the member for Nelson has put up because I do not know whether they are right or wrong, I do have concerns with the inequity that appears to be in the amendment before us. I would have liked to have some understanding, reasoning and modelling. I do not purport in any way to be an accountant or understand certain rates that we put in but I would have liked to have had an understanding of why the rates are there and how they compare as opposed to just because it is Queensland. We do not necessarily agree to with other regulations from Queensland.

In the circumstances I will likely have to support the member for Nelson in this purely because I have no real understanding of why we came up with the figures. I have not been shown any modelling or any explanation. I would simply like an explanation apart from the fact we are going with Queensland. I do not necessarily agree with the figures put by the member for Nelson, because I do not know that they are right either, but I would not mind it going back to the other House for them to at least provide some explanation.

Ms FORREST - Since the Leader is remaining silent, I will ask the Leader a direct question. On what basis was the decision made to establish the tax rate as it is in the bill? What was the basis for that? What modelling was done to justify that? Were comparisons done with other jurisdictions, and on what basis were they done? How is this figure arrived at?

Another question I would like the Leader to answer because her advisers should be able to assist her with this, how does this meet a tax policy framework we have in this state where

it is fair, equitable, sustainable, and efficient? How does it achieve those, because that is an important question in this?

The Leader has tax people at the table. It is a question she should be able to answer. There are three or four questions there. I will repeat them. How was this figure arrived at? Were other rates around the country considered and on what basis was the decision made to set this figure? How does this fit with our state taxation policy in terms of fairness, equity, sustainability and efficiency? If those answer cannot be provided, I do not know how anyone in this Chamber can support it and how can it possibly continue with this bill in the form it is.

While the Leader's advisers are getting some time to write down their answers, I will continue. If this had gone to the PAC, these are the questions that would have been asked. These are the questions that we would have elucidated explanations on how the tax rate was established. This is a crucial part of this bill. This is setting it up for the next 20 years to ensure, according to the bill, that, 'returns from gambling are shared appropriately amongst the gaming industry, consumers and the state.'. We should have kept that focus. The objectives of the act, and there is more than that, that is only part (c), are the guiding principles, the high-level principles of the bill. Certainly, as chair of the PAC, I would have focused on that, repeatedly.

How is this happening? How is the tax rate that is being determined by this particular clause in this section of the bill regarding casino taxes meeting our tax policy and the object of this bill to ensure returns are 'shared appropriately amongst the gaming industry, consumers and the state'? The state is being done over, and the state is the people of Tasmania. That is who the state is here, that is where the money comes back to, to the people of Tasmania. It says, 'including by being invested in services that support those harmed by it or at risk of harm from gambling. That is in the principles as well.

Unless we are going to have those questions answered, I cannot see how anyone can support this as it stands. Every member in this place should support it going back to the House of Assembly for the Government to consider more fully and provide real explanations, unless the Leader is able to do it here now, as to why this is the case, how it meets the test of the objective of the bill, how it meets our current tax policy expectations and how it was determined in the first place.

Mrs HISCUTT - Madam Deputy Chair, I move -

That we do report progress, and seek leave to sit again.

Madam DEPUTY CHAIR - There is a question before the Chair. The member who has proposed this can withdraw this and it can come back again. That will facilitate the Leader's request to report progress.

Mrs HISCUTT - By way of explanation, for clarity, the member for Murchison has informed me that they have a PAC meeting at 12.30 p.m. and that is the reason I am reporting progress, to facilitate that meeting. This would require the member for Nelson to take that question out.

Ms Webb - And I can put it back?

Madam DEPUTY CHAIR - You can put it back.

Ms WEBB - Madam Deputy Chair, I seek leave to withdraw the request.

Leave granted.

Request withdrawn.

Mrs HISCUTT - Madam Deputy Chair, I move -

That we do report progress, and seek leave to sit again.

Progress reported; Committee to sit again at a later hour.

SUSPENSION OF SITTING

[12.29 p.m.]

Mrs HISCUTT (Montgomery - Leader of the Government in the Legislative Council) -
Mr President, I move -

That the sitting be suspended until the ringing of the division bells.

This is for the purpose of a lunch break, and we will be back at 2 o'clock.

Sitting suspended from 12.29 p.m. to 2 p.m.

GAMING CONTROL AMENDMENT (FUTURE GAMING MARKET) BILL 2021 (No. 45)

In Committee

Resumed from above.

Clause 160 - Subclause 150AI

Madam CHAIR - Member for Nelson continuing her call, just to put your request again.

Ms WEBB - Putting my request for amendment again, is this my second call on it then, just to clarify before I start?

Madam CHAIR - No, you only had the one call if you just get up and move it. If you speak on it, that will be a second call.

Ms WEBB - Right; I can just get up and move it and then sit down?

Madam CHAIR - And you are back to where we were.

Ms WEBB - Thank you, I will do that rather than take my second call to speak on it.
Madam Chair, I move -

That the House of Assembly be requested to amend clause 160 by increasing 10.91% in proposed new section 150AI(4) to 33.91%.

Mrs HISCUTT - In response to questions put to the Government about the Government's financial model and the applicability of tax rates from the northern Queensland market to the casino and Keno markets, I advise members of the following:

In preparing advice for the Government to consider the most appropriate future model for the Tasmanian gaming market, Treasury undertook a wide review within the context of the Government's policy. A range of alternative financial models were tested against the Government's policy. This included consideration of the products offered within Tasmania and the distribution of returns.

I can confirm that Treasury considered the taxation models in each Australian jurisdiction, along with the demographics and casino markets in each. These were compared to the Tasmanian casino market in terms of the demographics, size of the market and products offered. This consideration included whether the casino market had a single or multiple operators, the number of casinos and the level of competition from hotels and clubs.

It is noted that there are challenges in comparing and benchmarking markets. It is complex and there is no single approach that will be supported by all stakeholders and/or does not have limitations. Treasury considered multiple options to develop a relevant benchmark. The casino market varies markedly across Australia, with very few large casinos and a number of smaller scale casinos.

As a result of this analysis, it was determined that the northern Queensland market was the most comparable to Tasmania from a demographic and casino operation perspective. The south-east Queensland, New South Wales and Victorian casino markets are markedly different to Tasmania in terms of size and demographics. The South Australian market is also larger, with only one casino operating in the market. The Western Australian market does not have EGMs outside of the casino and the ACT casino does not offer EGM gaming. Throughout the process, discussions were held with the Government, industry and Federal Group. A range of alternative variations on tax rates and licence fees were considered and analysed for the financial implications for industry and state revenue.

While it is understandable that members are focused on individual taxation lines, the Government has considered the financial model as a whole. While there are decreases in some taxation lines, there are increases on others, with a total package delivering an additional \$8.5 million to the state and \$17 million extra to hotels and clubs and \$20 million less to Federal Group. The Government does not believe that the taxation model does not accord with tax principles, and notes that it is not uncommon for there to be differences between casino and venue tax rates as they are very different types of premises. I hope members might have a closer look at that explanation, and that is the reason why we have done as we have done.

Ms WEBB - Thank you to those who engaged with this before our break. Some concerns have been reiterated by other members that I had in bringing this request for an amendment, so let us go through some of those matters. It is fascinating that the Government is now asserting, yes, they did a proper look around all the jurisdictions and we arrived exactly where the industry told us to look in the first place, which is northern Queensland, and everywhere else is a bit more complex than that, so we could not compare ourselves to them.

Let us think a little bit logically, to start with. Why are we benchmarking to another jurisdiction and scrambling about to try to find one that fits, when what we know about our local market is that we have always taxed Keno the same, regardless of venue, and we have always taxed poker machines the same, regardless of venue? That is what we have always done. That has been our benchmark, that is the benchmark set here in our state for how we treat these products, the profits they make and the taxation we draw from them. Why are we stepping away from our local benchmark? We have still had no explanation for that from the Government, absolutely no justification. Why are we going to differential tax rates on the same product in different venues? No explanation at all.

The Government said that various models were looked at and modelled by Treasury. Name some others that were, because we have had industry write a policy with specific rates in it in 2017, and here we are four years later and we have a Government delivering this legislation with those exact rates in it, the only difference being a tiny mistake the industry made when they put the proposal together, where they said 10 per cent for casino poker machines instead of 10.91 per cent, because they did not understand how to apply the GST deduction to the Queensland rate that they were pointing the Government towards.

What a fascinating journey those four years must have been for Treasury and the Government - certainly the Government's demands on Treasury to take them down who knows what garden path to investigate who knows what models. Although we have had it asserted, we have not seen any of them. We have not been able to test any of them; we have not been able to say why did they end up with this one instead of, say, these other three that they modelled and looked at. We cannot have that information so we cannot make the assessment.

Lo and behold, that lovely garden path for the last four years has brought us exactly back, right where we started, with the industry's recent policy. That is where we are and no explanation for why the fundamental change from a consistent tax rate applied across these products in our state, none. Let us be very clear about that.

Our purpose in taxation is to do various things, one of the things is to recoup money that becomes available for us to use in the support of our community in this state. This is an industry that has super profits and I would say it is those super profits and how they have been divvied up over past decades and past arrangements that has caused the most disquiet in our community, the special deals, the favourable conditions, the monopoly deal to a private company. It is the divvying up of these super profits, not normal profits but the super profits that come with these products, that the community is perturbed about.

What we see here, blatantly, with this arrangement proposed is yet another special deal, yet another special arrangement for one private entity in this market with no explanation or justification that makes any sense except to try to cover ourselves somehow from the fact that the Government is just doing what the industry told them in 2017. It is an appalling failure of our Government to deliver the best outcome to the community that they could deliver at this time of reform.

Remember, this is nothing to do with the change, the fundamental restructure. The fundamental restructure proposed in this bill can go ahead, it is the details about the taxation that we are collecting as a state for the purposes of our community. It is the third object of this act to share appropriately the profits of this industry and the outcomes of this industry. This is what we are talking about.

Let me remind you - the difference we are talking about here in taxing casino poker machines at 10.91 per cent compared to hotel poker machines at 33.91 per cent, the difference over the life of the licence will be a quarter of a billion dollars - a quarter of a billion dollars. In 2024, alone - in the one year - it is going to be close to \$15 million. If you add the Keno discount in as well, it is over \$15 million, it is \$15.4 million in 2024.

Let me remind you of this, that would mean if we took that in taxation revenue at that time by appropriately and consistently taxing both Keno and poker machines in 2024, we could employ 154 extra nurses. We could employ 123 extra practice paramedics in this state or we could deliver 2698 extra elective surgery procedures in 2024 if we had that money available to us in tax, collected purely by consistent taxation rates on Keno and poker machines, which is what this request for amendment is about. That is what we could deliver our community in 2024.

Extrapolate that over the life of these licences. This is an appalling failure of a government to deliver the best interests of its community and it is an especially appalling failure when you look back to 2003 and listen to the voice of Peter Gutwein in 2003 - now Premier Peter Gutwein, then MP Peter Gutwein in the opposition who said, 'The only question we should be answering is is this the best deal?'. That is the question he put in 2003 in relation the deal that was being done then on the Deed.

That is the question that we should be asking here and taxation rates are crucial to that. There is no way, Premier Peter Gutwein in 2021 can look 2003 Peter Gutwein in the eye and say yes, this is the best deal, when he is giving away a quarter of a billion dollars of money that could go to the Tasmanian communities. In his words, starving them of funds, starving future health and education budgets is the phrase he used in 2003. It is precisely what his Government are doing in this bill.

Of course, these matters, as other members have said, should have gone to PAC for review and scrutiny before we considered them in this place. We would have been informed by that process fully. We could have looked at the modelling the Government claims to have done. An assessment could have been made. It all could have been above board. What we are considering now is far from above board.

Let us break down the claim, because it is relevant here to the Leader's last answer. The claims about who is better and who is worse off. Because of course, with the poker machines taxation rates, which is what we are talking about in this request for amendment, in going from our current consistent 25.8 per cent we are putting it up for hotels to 33.91 per cent and down for casinos to 10.91 per cent. We will collect more from hotel poker machines, which is where about 60 per cent of the poker machine revenue comes from anyway is my understanding. We are putting it down for casino poker machines significantly, that is where typically 40 per cent of the mix of our losses come from.

Where does that land us? I would like to hear that from the Government. Putting aside other elements, what does the modelling tell us? The first year out in this model they put forward, compared to what the 25.8 per cent consistent taxation would have delivered in that year across our whole poker machine market? Where are we going to land ahead of a high as a state taxing hotels poker machines at 33.91 per cent and casino poker machines at 10.91 per cent? Where does that come out flush for us? That is a key question. It comes back to what I said earlier, the disquiet the community have in the state about this area of policy and

regulation. Part of it is how we treat the super profits and whether they go to private entities through special deals or whether we recoup the proper amounts for our state. That is part of a fundamental part of the disquiet.

With this arrangement not taking into account any of the other ups and downs on financial matters in the bill, just on the pokies taxation, where do we land in 2024 compared on how we would be under our current arrangement? I would like that answer provided.

Then we will see, is this putting us in a better position or a worse one? If it puts us in a marginally better position, which it may well do, is it that good enough? Given that we have never found it acceptable in the state to be delivering super profits to one private entity, are we going to say it is acceptable if it is only marginally better, when we have the opportunity for it to be substantially better?

I have one more call on this and am going to take my seat. I hope other members have some further questions based on the answers the Government have provided, or the lack of answers they have provided so far in relation to their apparent justification, which is not really. It is just look over there.

Mr VALENTINE - I listened to the Government's response and the unfortunate thing is, I do not actually have it in front of me. I do not actually have a copy of that response. You are fettered by your ability to write quickly, that is basically it. To be quite honest, I do not think I heard anything that convinced me that the way it is in the bill is fair. It is not fair and I do not blame industry so much because they are taking advantage of something that is being offered to them. I lay this at the Government's feet for not facilitating the best outcome for Tasmanians. That is what it comes down to and we need to do better. We cannot go off some other jurisdiction and because they have done it, we will do it. We cannot use that as a so-called model. As I said before there are all sorts of different aspects to the financial circumstances of states and how they deal with their taxes and the like.

I take the point that the member for Nelson is making: to simply say we looked across the nation and we found this to be preferred, we end up with what the industry wanted in the first place. The Government has to do better. We need to send this down. We need to ask them to explain - apart from saying they looked elsewhere across the nation - explain the modelling as to why it fits best in Tasmania. That is what we need to know.

Mr GAFFNEY - None of us want to be repeating ourselves all the time, but it is to press home the point we are trying to make here. Some of us do not believe that machines should be in pubs and clubs, but we have lost that battle. We understand that. Pubs and clubs out there want to start their funding on 1 July. They want to own the machines. They want to get on with it. As they said in our meetings, they want to build things, and that is fine too. We understand that. We are comfortable with that. They are looking at the ending of the monopoly, which is fine. We want Federal to get their fair share. We understand that.

What we are doing at the moment is not only trying to get a fair share for our community, but trying to make certain that our pubs and clubs are also treated in the best manner, equitably. At the moment some of our pubs and clubs are saying, 'yes, we are happy that we are going to be our own masters', and that is all right. We can do that. This is saying we understand that but we want to make certain whatever we pass here is the best deal for pub and club owners and the community.

We should not leave it for second best. While some people listening think, 'We wish they would just get on with it and pass it so we can get on with it and do what we have to do,' that is not good enough. That is possibly what happened in 2003 and we have had the last 20 years of angst. This is a chance that we have to make certain that whatever decision we make at the end of the day has been fully scrutinised, that people understand what this is about and all parties, Federal Group included, are being treated fairly and equitably. At the moment, unless this goes back downstairs, unless this is reassessed down there, I do not think I am in a good position to do that. As a legislator I do not want to walk away from this place saying, 'I am not really certain what we have passed there. I don't know if that's the best deal but it's the only one we were left with.'

That is a horrible feeling because you feel as though you have let the community down because it is our role to review. It is our role to do that. I really encourage all members in this place, if it goes back downstairs and it comes back with a report, 'By the way that is the best deal, that is the best outcome,' I will not stop that. I will say, 'Good, now I am confident, now I am comfortable and I can support the legislation.' That is not a problem. They cannot use the fact that it has been on the table for the two or three years. That is inconsequential. It makes no difference because we have only had the last two or three weeks to really look closely at the specifics. We have had amendments coming up and those amendments need to go back downstairs. The House of Assembly needs to do its job and ask the Government to come back with modelling of this amendment that has been suggested.

I really do hope that we have the common sense to send this back downstairs. For those who say it has to be done by a certain amount of time, we have had the last 20 years in this position, another six months is not going to hurt. So be it for our pub and club owners who want to be the owners of their own machines, fair enough, but I think that they would want us to make certain that we are getting the best deal for them and our community. When the member mentioned those numbers of jobs that could be done, the elective surgeries that could be done if we got our fair share, we all sat up and took notice of that. That is important information. The Government could come back and say that she got it wrong, that is not right. I do not mind, as long as we see some modelling to substantiate or to say it is not correct.

I want to make certain when I am making a decision in this place that I have all the accurate information in front of me, not a policy position that was put on the table four years ago in a committee that has suddenly become the Government's policy position over the last four years and beyond. I congratulate the member for Nelson for putting this amendment forward and I hope all members here send this back downstairs so it can be properly looked at, properly investigated and reported back to this place about what is best for Tasmania.

Ms ARMITAGE - I thank the Leader for the explanation she gave. I would like to assume our Government did their own modelling, as opposed to taking from northern Queensland. Like other members who have spoken, I feel that everyone needs to be treated equitably and fairly, whether it be the casinos, clubs, pubs or the community.

If I do support the amendment, I would like to distance myself from the comments of the member for Nelson. I certainly do not believe there have been any special deals and I am not intimating any special deals, so I do distance myself from those comments. I would not make those sorts of comments because I do not consider it is appropriate. I will listen to other members, but if I do support the amendment it is simply because I see the inequity in it and not because I believe there are any special deals.

Ms WEBB - No answer from the Government to the questions I put in my second call, no answer from the Government. I have had to rise to my feet for my third call with no answers given, not even a gesture towards an answer given. I specifically asked for figures, on my second call. Shall I repeat what I asked for or was it noted at the time and just not responded to in this place? Now I am on my feet for my third call and I will not have a chance to respond to answers, if they happen to be given. Disrespectful, I believe. I am on my third call, I cannot speak again, so I am not going to sit to get the answers now until I have finished my third call. Then, of course, I will not be able to respond to them. Others may have calls left but I will not have calls left to respond to the answers. Do I need to repeat the questions that I put in my second call or are there answers there ready for me when I sit down?

Mrs Hiscutt - I do have a short answer, but I do not think that whatever I give the member for Nelson will satisfy her.

Ms WEBB - It is immaterial whether you deem I am satisfied or not. I am a member of this place, I put questions to the Government as part of doing my job, scrutinising this bill. I requested specific information and I expected it would be provided to me, that the Government would have the courtesy and the basic respect to provide it. It does not matter what your assessment of my satisfaction is with that answer.

Madam CHAIR - Do you want to repeat your questions or does the Leader have them?

Ms WEBB - Do I need to repeat the questions?

Mrs Hiscutt - You can repeat them if you like.

Madam CHAIR - Order. Before you repeat them, I will say that the time being 2.30 p.m., I will vacate the Chair and ask the Leader's advisers to leave the Chamber while the President returns for question time.

QUESTIONS

Racing Industry Contribution to the Economy

Ms WEBB question to MINISTER for RACING, Ms HOWLETT

[2.31 p.m.]

In a media release on 9 September 2021, the Minister for Racing stated that the racing industry contributes \$103 million in economic input to the Tasmanian economy. In 2020, the Department of Treasury and Finance in its Tasracing review report questioned the accuracy of this figure given it was derived using an economic multiplier to determine the value of the racing industry:

It is important to note that reports with strong reliance on economic multipliers can be inherently unreliable and problematic. Put simply, if a multiplier effect was included for all existing industries in Tasmania when estimating their economic contribution to the State, the combined effect would be that Tasmania's economy would be two or three times its current size.

- (1) Can the minister please detail upon what basis the figure of \$103 million in economic input was arrived at and release any modelling or data that it was based on?
- (2) Given the clear evidence provided by the Government's own expert consultant, Professor David Eager, in his UTS 2017 paper, that the only way to reduce devastating track injuries for greyhounds is to race them on straight tracks, can the minister please advise if the proposed north-west coast harness and greyhound race track will be a straight track? If not, why not?
- (3) Regarding investigative stewards employed by the Office of Racing Integrity, whose role includes kennel inspections across greyhound, thoroughbred and harness racing codes, can the minister please advise:
 - (a) How many FTE investigative stewards are currently employed by the Office of Racing Integrity?
 - (b) How many site visits have investigative stewards made to greyhound kennels in 2021, to date, by number of visits and by percentage of all greyhound racing kennels in Tasmania?
 - (c) What is the accepted best practice of the minimum investigative stewards required to effectively monitor the kennels and stables for each of the racing codes?
 - (d) By what standards are the training and resourcing of investigative stewards, to effectively oversee the integrity and welfare of racing animals in Tasmania, established and evaluated, and when was the resourcing last audited?

ANSWER

Mr President, I thank the member for her question.

- (1) In 2013, Tasracing commissioned IER Pty Ltd to undertake a report into the size and the scope of the Tasmanian racing industry. The independent report indicated that the racing industry contributes \$103 million economic input into the Tasmanian economy. IER and Tasracing have this year released a new report based on 2019 financial data. In this latest report, the economic contribution from the Tasmanian racing industry has been calculated at \$185 million per annum.

I am advised that the economic contribution study is a commonly used methodology in regional economic analysis. An economic contribution study is about understanding the full footprint of an industry. This is different, for example, to a net impact study which aims to understand the extent to which an industry's expenditure is supported by revenue that can be considered new to the state. Whilst this is a valid approach, it is not within the scope of the IER study.

The economic contribution study approach has been used to review the racing industry in all states and territories, as well as internationally. I am advised that the modelling involves track expenditure through the economy, rather than simply applying multipliers. The recently released IER report includes significant

information into the relation of the methodology used and the basis for the evaluation.

- (2) In 2020, Tasracing partnered with Professor David Eager to undertake an analysis of all three Tasmanian greyhound tracks. Professor Eager is a renowned expert in greyhound track design and is based at the University of Technology in Sydney.

Tasracing provided Professor Eager with injury and track maintenance data, and all three tracks have been surveyed and GPS-mapped. Analysis of this information revealed that the three Tasmanian tracks were in the top seven safest tracks in Australia out of 49 tracks reviewed. That data was reviewed in November 2020.

Tasracing has engaged Professor Eager to assist in the planning and design of the new north-west greyhound and harness tracks to ensure the new tracks meet best practice and welfare standards. It is proposed that the greyhound track is a welfare-focused, single turn track. Whilst the introduction of a straight track was believed to be the best option to reduce stress on greyhounds and reduce injuries, dynamic modelling by the University of Technology Sydney has since verified that appropriately designed single turn tracks can have the same result.

- (3) Currently the Office of Racing Integrity has three chairmen of stewards - five stewards and two cadet stewards, with a further steward and cadet steward in the final stages of recruitment. The appointment process for the cadet steward is expected to be determined by the end of November, and interviews for the additional steward will be completed by the end of the month.

Being a multi-code and skilled organisation, all of these stewards undertake inspections and investigations. During the period 1 January to 16 November 2021, 52 greyhound racing kennels were inspected, representing 34 per cent of all registered owned and public trainer kennels. The accepted standard for inspections of registered kennels and stables is one routine visit per financial year, with additional visits being determined by the need to monitor corrective actions or to investigate specific issues.

Stewards use a checklist of physical infrastructure and indicators of individual animal welfare when conducting a kennel or stable inspection. If stewards identify unacceptable standards, the participant is provided with the opportunity to address within a certain time frame, and a follow-up inspection is undertaken. Continued noncompliance, or major integrity or welfare issues are referred to the Racing Integrity's stewards' manager for appropriate action.

Stewards are trained in animal welfare and integrity standards by appropriately qualified mentors, and by participating in specific investigation trainings, such as that offered by Tasmania Police and industry experts. Following the completion of the current recruitment activities, stewards' resourcing will be sufficient to achieve the minimum routine stable and kennel inspections of the currently 374 licensed facilities across all three racing codes.

The recently announced review of the Racing Regulation Act 2004 and discussion paper proposes a new model for consideration which would strengthen the current

standards. The model will see the creation of a Racing Integrity commissioner who would see the integrity standards, including stable inspections, are then undertaken as an audit of these standards.

Government Grants to Failed Businesses

Ms RATTRAY question to MINISTER for SMALL BUSINESS, Ms HOWLETT

[2.40 p.m.]

Minister, I am aware of a situation where a recent business was provided with a business grant, which businesses are very grateful for, but unfortunately the business did not survive. In that case, what happens to the grant? Is there a request for return of the monies? What is the process should that happen in the future?

ANSWER

Mr President, I thank the member for her question. I am not notified as to which businesses receive grant funds. I would have to seek information on that. It is not something that I would usually be privy to. I understand what you are referring to, and I need to seek advice on that. I am unsure whether I would be able to access that data due to the confidentiality of the grant program.

GAMING CONTROL AMENDMENT (FUTURE GAMING MARKET) BILL 2021 (No. 45)

In Committee

Resumed from above

**Clause 160
Subclause 150AI**

Proposed request further considered.

Ms WEBB - I was on my feet, Madam Chair.

Madam CHAIR - You were about the pose the questions.

Ms WEBB - Do I need to re-pose the questions?

Mrs Hiscutt - I think we were at that point.

Madam CHAIR - Yes.

Ms WEBB - Is it needed because they were not taken down the first time? I find that hard to believe. The question I asked on my second call was, in 2024, compared to, for example, what we would have taken in tax revenue under the current rate of 25.88 per cent across poker machines in all venues for the state, how does that compare to what, under this

bill, will be taken with the increased hotel poker machine rates to 33.91 per cent and the decreased casino taxation rate on poker machines to 10.91 per cent? I want it worked out with the 10.91 per cent, leaving the CSL out of both ends of the equation. This is exclusive of CSL both for hotel poker machines and casino poker machines, comparing like for like - what would be the difference in revenue taken by the state in 2024, for example?

Mrs Hiscutt - Is this your second question or the same?

Ms WEBB - It's all part of the same question. I am asking for a comparison for that year. For the Leader's benefit, the intent of the question is to demonstrate how much of a better deal from poker machine taxation is this proposed arrangement delivering us, with a massive concession to casino poker machines and an increase to hotel poker machine taxation? I will continue to speak about this, while I am on my feet and we are waiting for that answer.

The Government likes to talk about how this arrangement in total will put us \$8.5 million a year better off. Let us break that down. My understanding from the figures - and the Government is welcome to correct these if I have it wrong; hopefully someone will listen as I talk my way through it, and either confirm or correct when the Leader does a reply - my understanding is, of that \$8.5 million, the additional Community Support Levy that is being taken will account for \$3.01 million.

The increase in tax collected from Keno in hotels, will account for \$5.28 million. That leaves in the vicinity of only \$210 000 additional to the state, which we could presumably attribute to the different arrangements for casino and hotel poker machines. So, from those figures we come out \$210 000 a year better off as a state from these arrangements for poker machine taxation under this bill, compared to now, which seems paltry. It is virtually unchanged. We have apparently broken a monopoly for virtually no benefit to the state. In the rearrangement of poker machine taxation revenue, we have come out pretty much square, by the sound of it. I am very keen to hear if that is incorrect. Of all the things the Tasmanian people might have expected to see delivered by this magical breaking of a monopoly, I suspect they would have been expecting to see, specifically from poker machines, taxation revenue of much greater return to the state; significant return to reinvest into our state services and support systems and our communities.

It looks to me that we are coming out virtually square, breaking a monopoly to rearrange the profits amongst a few key players in the industry and nothing to the Tasmanian people - perhaps \$210 000 a year extra, over an industry where losses of \$191 million were made in 2020-21. It seems that all we can do, to deliver a better return to our state through taxation on that product, is come out a couple of hundred thousand dollars better. I am happy to be corrected on it.

We also need to remember, as the member for Mersey said a moment ago, that some of these details have been around for a while. The detail of around 10 per cent taxation on casino poker machines was certainly in the original industry-written proposal put in 2017. It has been around in that proposal since 2017; but it has never appeared in government policy, or the information on this put forward to the community from the Government, until July this year. That detail of government policy, which now appears in the bill, was not taken into the 2018 election, nor was it taken to the 2021 election. That detail we are speaking about, in this request for amendment relating to the casino poker machine tax rate, has never been put before the Tasmanian people for assessment. The Government has never defended itself, or been prepared

to put on the table for the Tasmanian people, the full extent of the concession it is offering to one private business in this state, and the implications that has for total revenue to the state to being virtually not better off.

Madam CHAIR - I suggest you are starting to get a bit repetitive now.

Ms WEBB - Thank you; I am just giving time for this answer to magically appear.

Madam CHAIR - I hope it will not be by magic.

Mrs Hiscutt - I have an answer but it will not be what she wants.

Ms WEBB - I encourage members to support this request for amendment so it does go back downstairs, and we make a statement about the need for greater accountability about this figure, that appears to give away a quarter of a billion dollars of what could be our community's resources to one private entity.

Mrs HISCUTT - Based on expenditure from 2018-19, returns from EGM - casinos and pubs combined - would decrease by \$1.5 million per annum on the returns that would be received on the current model. The member has already noted that there is also an increase of \$3 million.

Ms Webb - Excuse me, is that through the CSL? We are not talking about that here.

Mrs HISCUTT - Yes, the CSL.

Madam CHAIR - She has acknowledged that.

Mrs HISCUTT - I will go through this model scenario. Total for the hotels and clubs is currently \$31 476 323; the not-too-distant future is estimated to be \$44 419 670 with the change being about \$12 943 347. Total Keno currently \$1 945 241

Ms Webb - I did not ask about Keno.

Mrs HISCUTT - Future is \$7 219 022 and the change would be \$5 273 781. The total for casinos is currently \$21 247 080. The future is projected to be \$11 524 928 and that results in a change of minus \$9 722 152.

While it is understandable that members are focused on individual taxation lines, the Government has considered the financial model as a whole. While there are decreases in some lines there are increases in others, with the total package delivering an extra \$8.5 million to the state, \$17 million extra to hotels and clubs and \$20 million less to the Federal Group.

Madam CHAIR - The question is that the request be agreed to.

The Committee divided -

AYES 7

Ms Armitage

NOES 7

Mr Duigan

Ms Forrest
Mr Gaffney
Ms Rattray
Dr Seidel (Teller)
Mr Valentine
Ms Webb

Mrs Hiscutt
Ms Howlett
Ms Lovell
Ms Palmer
Ms Siejka (Teller)
Mr Willie

Request negatived.

Ms WEBB - I have a third request for amendment on clause 160, page 211.

Madam Chair, I move -

That the House of Assembly be requested to amend Clause 160 by deleting subsection (5) from proposed new section 150AI and amending subsection (4) of that proposed new section by inserting after 'gaming machine games' the words 'and FATG games'.

The intent of this request for amendment - you will note subsection (5) of 150AI relates to the tax payable on FATG games and it sets the tax rate at 5.91 per cent. My proposal in the request for amendment is that fully automated table games should be taxed at the same rate that casino poker machines are taxed. That is the effect of bringing fully automated table games into subsection (4) of this section, so the tax rate payable on gaming machines - the poker machines in casinos, 10.91 per cent in subsection (4) - also becomes the tax rate on fully automated table games.

The rationale is that I am being very consistent in the principle I am applying to taxation in this bill with consistency across the same products or similar products. Fully automated table games will be newly introduced to our casino environments via this bill. They are quite similar in their essence to EGMs, to poker machines. They are a random number generator. They are dissimilar to other sorts of table gaming and more similar to poker machines. They can be played at an intensity an automated game can be played at and have the potential to generate profits in same way as poker machines.

The intent of my request for amendment, quite simply, is to tax a similar product at the same rate that poker machines are being taxed in casinos, which we have now confirmed with our last effort, is to stay at 10.91 per cent. Instead of 5.91 per cent, fully automated table games become 10.91 per cent. That is as plainly and straightforwardly as I can explain the change. I invite you to support the request for amendment to bring this into line with the objects of the act, particularly that object to appropriately share the proceeds and financial aspects of this reform.

That proposed change I would make to the tax on fully automated table games by no means makes them unprofitable for the company providing them. They would still be highly profitable. Once it is introduced, we would see a slightly larger return to the state, which means a return to our community from this new gambling product. I will leave my first contribution at that and see if other members have questions or comments and will respond as needed.

Mrs HISCUTT - Fully automated table games have not previously operated in Tasmania, requiring a new tax rate to be determined. FATGs will provide automated versions of table games. Table games and semi-automated table games will attract a tax rate of 0.91 per cent. The tax rate for FATGs is proposed to be 5.91 per cent of the gross profit. In relation to the tax rate applicable to FATGs, the rate is set higher than table gaming and lower than EGMs in casinos, as the operation and opportunity for profit from FATGs falls in between the two in terms of intensity and pay.

Members, there is a big debate here about what the tax rate should be and we all agree there should be a tax rate. I remind members that, by virtue of clause 158, the tax rates were repealed within that act. We need to have a tax rate in there, somewhere.

Ms Webb - My amendment does that.

Mrs HISCUTT - So, now we are debating over the tax rate, yes, we are all agreed on that.

Mr VALENTINE - The argument being put forward by the member for Nelson provides an opportunity to appropriately share as in the object of the act. Quite clearly, it is a better share than what is being suggested and I support the amendment.

Mr GAFFNEY - I feel I have to rise, just to keep beating the drum that it should go downstairs. We are at an impasse here, and it is not going and it should. We know that it should go downstairs for better scrutiny. It should come back to us with all that done. Members of the Government sitting here have heard the member; all members have heard the justification for this to go again, because we do have not the information we need to do this the right way. I thank the member for Nelson, who knows this stuff - as do other members who have spoken about this.

It is unfortunate that we are not going to be in a position for this to be the best legislation it could be and the best for Tasmania.

Ms RATTRAY - Just an offering on this, as I didn't speak on the last one - I thought we were starting to become somewhat repetitious. I will, for consistency, be supporting the request this time around. It is important to remember that the industry has been consulted and they are comfortable with what has been put forward, although I don't necessarily believe that it is equitable, and that is the reason I am supporting the request. I make that point - they have been consulted and they are not sending texts to me at this point in time.

Ms WEBB - I thank those members who are supporting the request for amendment and the accountability that we can add through doing that. I appreciate that.

As I said, this is about consistency and it is about ensuring we are meeting the object of this act to get the appropriate share for our community. It is not only a matter of what the industry, or parts of the industry, is comfortable with. This only applies to one part of the industry - in fact, one business. Fully automated table games are only going to be rolled out in casinos, so it is only one business. I am sure they are quite comfortable having this very generous tax rate set for them.

Ms Rattray - Through you, Madam Chair, the industry is aware of what is being put forward as well.

Ms WEBB - There is no detriment to the broader industry because there is no competition for that particular product at this time in this bill. I have lost my train of thought now.

Ms Rattray - Apologies for interrupting.

Mr Valentine - You said they are only in casinos.

Ms WEBB - That is right. I had another point before that, and I probably made it the last time I was on my feet. In the interests of not repeating it, this meets the objects of the act. If the starting point for reform and a policy hadn't been an industry-written proposal with details in it that the Government picked up and ran with; if the starting point had instead been a broad-ranging, root and branch look and consultation to say what would be in the best interests of our state to deliver these objects of this act, I believe these taxation rates would all be quite different.

The requests for amendment that I brought have been in the interests of at least making an argument in this place for that including this one, which puts a similar product at the same rate as EGMs in casinos.

I ask for members' support in that.

Madam CHAIR - The question is that the request for amendment be agreed to.

The Committee divided -

AYES 7

Ms Armitage
Ms Forrest
Mr Gaffney
Ms Rattray
Dr Seidel
Mr Valentine
Ms Webb (Teller)

NOES 7

Mr Duigan
Mrs Hiscutt
Ms Howlett
Ms Lovell (Teller)
Ms Palmer
Ms Siejka
Mr Willie

Request negatived.

Subclause 150AI agreed to.

Subclause 150AJ agreed to.

Subclause 150AK agreed to.

Clause 160 agreed to.

Clause 161 agreed to.

Clause 162 -
Section 151 substituted

Ms FORREST - Madam Deputy Chair, I move -

That the House of Assembly be requested to amend page 214, clause 162, proposed new section 151(2)(a), by increasing 3% to 5%.

This clause relates to the Community Support Levy that has been extended to cover casinos and EGMs in casinos. This is new, but the reality is that harm can occur from gaming machines, and we know they are designed to be harmful when used as directed. The Community Support Levy is a levy imposed to create or generate funds to support people at risk of harm from gambling. It should not matter whether they play the pokies in the casinos or in the pubs. The levy is the same. The harm is the same. The likelihood of harm is the same. Some may say the harm is greater in a casino because they are often open for longer hours than some of the smaller pubs and clubs. I have seen and heard no justification from the Government as to why they have not imposed the same levy - acknowledging this is a new levy on the casino - but why would we make, again, an inconsistent, unexplainable change or difference in the Community Support Levy imposed based on the location of the EGMs when the harm, or potential harm, is equal regardless of where those machines are located? I ask members to fully consider and support this request to go back to the House of Assembly.

Someone could say, why don't we make it 4 per cent across the board? I think 5 per cent is not an unreal expectation. We know money needs to be generated to support those harmed or at risk of harm from gambling. We also know the Community Support Levy has been used for other purposes in sport and recreation areas. I am interested to hear what the Minister for Sport and Recreation thinks about this request, because it would directly impact on the amount of money available for sport and recreation. I ask her to indicate what her view is on this. There are many sporting clubs all around our state that could do with a bit of an uplift, particularly when we see the expansion into the other portfolio of the Minister for Sport and Recreation as the Minister for Women with expansion of women into sporting areas where they do not have suitable facilities. There are many ways an equal establishment of a levy, raising it from 3 per cent to 5 per cent, is an equitable approach that would see an uplift in revenues to be put into a levy designed for the purpose of supporting our community. Again, I go back to the object of the bill that clearly states the returns from gambling should be appropriately shared amongst the gaming industry, the consumers and the state.

While the people who play the machines are consumers, yes, they put their money in and when they are harmed by doing so, then surely, we need to do as much as we can to support them and try to prevent the harm. The state is everybody else, including those people who are harmed. It is inconceivable when you have made a decision to impose the levy, and I could never understand why it was not there in the first place, you would do it at a different rate. I urge members to send this back.

I am sure we are going to get the same response from the Government, which is disappointing, but I ask the Leader in response why they are not going to support it, as to why and how this decision was made, other than 'it is a new thing so we thought we would make it a bit lower'. It is an absolutely pathetic response if that is what it is, when we are looking at the objective of the bill and a more equitable distribution of the profits.

Mrs HISCUTT - Madam Deputy Chair, Government policy set the casino CSL tax rate at 3 per cent in 2018 and the Government has been consistent. The CSL on casino EGMs is in addition to the benchmarked tax rates and licensing fees that have already been debated. The CSL rate for casinos is lower as they are considered to be destination venues which predominantly rely on gambling as their main source of revenue. Casinos represent a significant capital investment, requiring an appropriate return and need to remain competitive.

Mr VALENTINE - There are a lot more gaming machines in casinos, that is understood, which means there is likely to be far, far greater opportunity for harm. It stands to reason you would seek to get the same percentage of Community Support Levy as you would elsewhere. No, they have not had to have it in the past, but that does not mean to say it should not be applied now.

We have seen what these machines can do. We have not been able to introduce further significant harm minimisation measures apart from the two in the bill that have gone through. The community organisations assisting people who are harmed by these machines need funding to be able to do that job. It is not fair the burden rests overtly on those venues outside of casinos, as opposed to casinos as well, where there are many more of them. It does not stand to reason this should be a lower percentage to anywhere else. I would be wanting 100 per cent of this Community Support Levy to be applied to assisting people who have been damaged by addiction to these machines, especially now we have not managed to implement \$1 bet limits and slower spin speeds and those sorts of things.

We have to take a long, hard look at how the community, the number of members of the community, is suffering in all of this. One in six people who go to these machines are suffering some form of harm as a result. The Community Support Levy is there primarily to assist those who really cannot help themselves in that regard. The harm minimisation measures we have left in this bill are not going to prove to be that effective. I urge members to support this amendment, support your community, support those who are suffering as a result of policies being put in place today, if this goes through. We need to do our best by all in the community, not only those who are running businesses. I support the amendment.

Ms WEBB - Thank you to the member for Murchison for bringing this request for amendment. I had a similar one drafted and it is good to see similar thinking. I certainly support this request. It is simply not good enough for the Government to say they have set this CSL rate on casinos at 3 per cent because it is their policy to do so. That is no explanation. That is no justification, whatsoever. It is unacceptable for them not to have a policy rationale for why there would be a different rate set, again, for poker machines in casino environments compared to poker machines in hotel or club environments.

As the member for Murchison rightly said, and many external stakeholders have repeatedly said in submissions and other comments on this bill, the harm from poker machines exists wherever they are located, and therefore, the Community Support Levy should be consistently applied across the different venue types that there are where they are offered.

The fact that the Community Support Levy has never before been applied to the casinos is immaterial, it has been an aberration not to have that applied in the past, absolutely. Did we have a terrible deal for our community under the previous and the current agreements? Yes, we did. Of course, governments of the day should always have been looking to set a consistent Community Support Levy across this product in different venue types. It is positive that under

this reform we have the opportunity to do that, and that is partly why it is even more deeply unfortunate for the Government to have failed again to treat a product consistently across the different places that it is offered. And particularly on this one, which is about the hypothecation of the tax, because essentially the CSL is just part of the state government tax, but we hypothecate it into a particular bucket of funding for a particular purpose with identified outcomes that we are trying to achieve.

So, to short-change the community, to short-change those particular outcomes that we are aiming for without Community Support Levy funding, to short-change them for no justified reason other than, 'well it is our policy', is entirely unacceptable. It is bitterly disrespectful to Tasmanians, particularly those as the member for Hobart says, those who have been harmed by gambling on poker machines. This is a visible and tangible way that we take some measure of the profits from this product that harms many people and we put it into a funding arrangement that provides support services to our community.

One particular question I would like to put to the Government is, what would the difference be even in that first year, 2024, in setting the casino CSL rate at 3 per cent, instead of that 5 per cent to be consistent with the hotels? What would that add to the bucket of funding for the Community Support Levy if we did apply the consistency as per this request for amendment? I would like that figure. I would like to make sure that that question was heard, thank you.

The member for Hobart asked about the figures on people being harmed, and we know from research that one in six people who use the machines regularly - as intended as a recreational product - will become addicted. That is a conservative estimate. So it is a substantial number of people. We have talked before about our prevalence studies done through the SEIS as being worthwhile but acknowledged underestimates. We know the figures they give us are underestimates of the harm.

We know that the funding provided through the CSL is important. What is particularly galling and particularly disrespectful to the community is that in the absence of any other gesture towards harm minimisation being put in this bill, the Government points to the CSL increase that they are looking to achieve to show they care about the harm. They talk about doubling the CSL and, at the same time, they are not giving full effect to that in good faith for the benefit of the community. They are still, even in that instance, giving a concession to one part of the market with no justification.

So it is a pattern here. It is interesting that the Government is happy to provide consistency on one thing and that is the concessions that they give to Federal Group. They give a concession on Keno tax rates, they give a concession on poker machine tax rates, and now they give a concession on the Community Support Levy amount. There is consistency there and it is shameful. It is shameful in every instance and, as a totality, it is an absolute failure for the Tasmanian community from a Government which should be putting that community's best interests at the forefront, not special deals.

I fully support this request for amendment. There is nothing sensible about applying different rates of the CSL. I believe it should be consistent across all venue types including clubs. We know clubs do not really come into our conversation here because there are so few of them that have poker machines. It is not anticipated that they will grow and become a larger part of the market, it is merely a handful. That is why we do not necessarily get caught up

talking about consistency on rates to do with clubs. My preference would be a consistent rate across all venue types. In this instance this is about consistency from the two biggest halves of the market, the hotel poker machines and the casino poker machines - by far nearly the entire market.

No explanation has been provided by the Government. I would like to hear them attempt once. It is not about it being their policy and certainly is not about these spurious reasons that apparently we need to give this special deal, this discount, to casinos because they are destination gambling venues that rely on gambling for their main source of revenue. Well, so what? They are designed to do that, they are designed to be those destination gambling venues. They have, as the member for Hobart says, vast numbers of machines in them. They generate enormous profit for their owners. They do not need a concession to be viable, far from it.

Yes, there was large capital investment in creating those venues and when was that? In the case of one of our casinos it was 50 years ago or thereabouts. The other was 40 years ago or thereabouts. In terms of needing to be able to fund upgrades and the like, well, I do not know that we have seen that many upgrades over those 40 or 50 years. Certainly not to justify a government handout, which is what a concession on a tax rate is, it is a government handout to help them put in new carpet and I do not even know that we have seen that.

If the Government is seriously saying that their only arguments for this difference are that (a) it is our policy which it equates to 'because we say so'; or (b) the poor casinos need help to be viable so we cannot collect an extra, whatever the figure is we are going to hear, for the community specifically for support programs and the sorts of things that diminish gambling harm, that is going to be a very interesting story, is it not? On the one hand the poor casino and their need to upgrade and on the other hand Tasmanians in our community being actively harmed by this product. Who gets the little portion of tax that would be the difference in a consistent Community Support Levy across both venue types? Let us hear the Government explain that to us a bit more.

Mrs HISCUTT - I do not think I can delve further into what I added to the member for Nelson's second question because it just will not be acceptable to her so I will not repeat that. The 3 per cent CSL on casinos will add \$1.99 million. The difference between the 3 per cent and the 5 per cent is based on the 2018-19 expenditure and is \$1.33 million.

Mr GAFFNEY - I do thank the member for Murchison for bringing this amendment forward. We all get tired of standing up here and saying the same thing but we have to put it on the record. We have heard the catchcry over the last 18 months or so that there should be a level playing field when there is an inequity in things. We have seen that with our girls' sporting and education that there should be a level playing field.

The Government made a huge commitment to try to make certain that there is a level playing field because one group was being considered less of a partner in our community than another group and they made huge inroads into that space. Then we hear the catchcry 'the fittest and healthiest state by 2025' and I am thinking, what does this gambling thing have to do with social and emotional health? We have a chance now through this CSL to make sure that appropriate funds are put aside for emotional and social harm that is being caused in our community by gaming. Not only just to the person, the individual, but the family and the flow-on effects.

Ms Forrest - And the financial harm.

Mr GAFFNEY - Exactly. We have heard how many elective surgeries we could have in 2024 if there was appropriate recompense for this situation, if they were taxed or charged accordingly. This is not a suggestion that Federal has not been a good corporate citizen for the last 20 years operating under the deed that was organised in 2003. No-one is suggesting that but we have not heard from many people saying that Federal has not made a fair amount of money out of this over the last 20 years. They have received a good return for their investment.

I go back to when it first started here many years ago - and some of us can remember. The casinos were supposed to be a destination point for activity to try to boost the economy. Then there was the big fight in the early to mid-1990s about getting EGMs in. Then in 2003 they decided there was a community expectation that our pubs and clubs would somehow benefit as they did in Queensland and New South Wales, that our clubs would flourish, that it would put funding and opportunity back into our communities. That did not quite work the way we thought, or the way we were hoping it would work.

Ms Forrest - The Federal Group GM also spoke out very strongly against letting EGMs go into pubs and clubs because of the harm they would do.

Ms Webb - Yes, back in 1993.

Mr GAFFNEY - We now have this opportunity in front of us once again to make certain that this is the best deal, that appropriate funds are being paid by the appropriate organisations or entities or pubs and clubs. We have this chance and if we do not do it now, we are going to miss it. We will rue the moment that we did not take the opportunity to send this back to get further scrutiny. It does not have to be for a long time. This is not going to delay the process forever.

It is just going to go back so that when we do make the decision it is based on full knowledge. We have not been getting the answers appropriately to some of the questions. It is the fine line here between a policy position and a Treasury position and finding that the modelling, knowing it has not been done. We have not had a chance to scrutinise the modelling that has been put before us. In fact, if it had been put before us we would have been able to do a lot more to it and rationalise the thinking.

I thank the member for Murchison for putting this amendment before the Council.

Ms FORREST - It is really disappointing that we just seem to be going around in circles. I am not going to labour the point because we have already been at this principle for some time. I reiterate the point that you only pay taxes on your profits and this is a levy on the profits so it is not like anyone is going to be hard done by. The profits are there. With the current arrangement we know, from some of the information that the Leader has provided, that there will be more profits in some areas too, so it is only right. That is what our taxation system is about. It is about sharing the benefits with the people who need it. The Community Support Levy, which is separate to the taxation arrangements, is hypothecated back to the community to support the community, particularly members of the community who are at risk of or have been harmed by gambling.

It is entirely disappointing that the Government and the Opposition will not consider referring this back to the Government to at least give us a very considered, rational reason for why you would make it different. The fact that it is a destination venue is just a furphy. When we look at a pub or a club that pays 5 per cent in the Community Support Levy and we look at the casino that pays 3 per cent under this provision in the bill of the Community Support Levy, both pubs and casinos provide meals. In fact, the casinos tend to provide subsidised meals that are cheaper to attract people into their facilities so we are effectively subsidising those meals.

They also have accommodation and conference venues. They are all other forms of revenue that they get that are basically being subsidised by us, the taxpayers, the return they keep. When you talk about being a destination venue, they are also competing with other conference venues around the state without any leg-up, any concessions or special provisions made because they have poker machines.

I refer very briefly back to the comments made by the industry players that the reason they have been able to spend \$4 million and \$5 million on upgrades to their pubs or other facilities in recent times is because they are making plenty of money. If anyone has looked at Federal Group's annual report, which they have to release publicly under the ASIC requirements, you will see they are making plenty. Millions of dollars have gone back to their shareholders, which are the family. It is not that they are making hardly any money; they are making plenty of money. This makes it fair and equitable in the amount paid by pokies in pubs and pokies in casinos.

I urge the Government to reconsider, knowing full well that I am wasting my breath.

Ms WEBB - In answer to the questions I put before, it comes to light that in the first year, by the sound of it, the modelling tells us, 2024, the difference between the casino paying a 3 per cent Community Support Levy compared to a 5 per cent Community Support Levy, which would be consistent with hotels, is \$1.33 million. Did I interpret that correctly from the answer provided by the Government?

This is really plain and simple: \$1.33 million the Government is choosing, through this inconsistent Community Support Levy, to give - just give - to Federal Group to add to their already considerable profit. As the member for Murchison says, they have a very healthy bottom line, and no-one is trying to take that very healthy bottom line away from them. What we are trying to say is, a small portion of it could be recouped into this bucket of funding for the Community Support Levy in a consistent way with the rest of the industry, \$1.33 million. Instead of being gifted to Federal Hotels by the Government, it could be funnelled through to the Tasmanian community specifically for the purposes of reducing gambling harm, which is the core object of the Community Support Levy.

In one year, \$1.33 million. That is a lot of support and services that can be provided in a year. That is a lot in our community. To Federal Group, it is a little bit extra on an already incredibly healthy bottom line. It is a gift. It is loose change. It is the kind of loose change they will be able to turn around and provide, then, in sponsorship to community organisations or arts foundations, whatever it might be, and that is great that they provide that in sponsorship. If it is actually money that could have been going to our support services for gambling harm, that is just wrong.

I urge members to support this request for amendment, so that we are not gifting for no reason, because the Government has provided no valid reason. Much as the Leader might try to characterise her entire lack of answering questions on this as something to do with my level of satisfaction, it is simply not the case. The Government is not answering us and is not giving us any valid reason. That is a glaring declaration that this is simply a baseless gift.

Madam DEPUTY CHAIR - The question is that the request be agreed to.

The Committee divided -

AYES 7

Ms Armitage
Ms Forrest
Mr Gaffney (Teller)
Ms Rattray
Dr Seidel
Mr Valentine
Ms Webb

NOES 7

Mr Duigan
Mrs Hiscutt
Ms Howlett
Ms Lovell (Teller)
Ms Palmer
Ms Siejka
Mr Willie

Request negatived.

Clause 162 - further consideration

Ms WEBB - We are still on clause 162 and I have an amendment in my name on this clause - I move-

Proposed new section 151A, subsection (2), after 'Department' insert 'responsible for the administration of the Tasmanian Community Fund Act 2005'.

I will explain to members what this amendment is about.

Proposed section 151A is about the Community Support Fund. This is the fund created into which the Community Support Levy goes to be administered. Subsection (2) there in the bill says

The Community Support Fund is to be administered by the Department.

Given the reference of this act, I understand this to mean Treasury and Finance. What my amendment does is seek to make the administration of the Community Support Fund described in this subsection to be undertaken by what we now know to be the Department of Communities Tasmania. The reason it is worded this way in the amendment, described as the department 'responsible for the administration of the Tasmanian Community Fund Act 2005' is because the Department of Communities Tasmania might end up being called something else at some point.

We all know it has been called the Department of Human Services and other things in the past. To ensure the responsibility for the administration of the Community Support Fund is being allocated to the right department, my advice from OPC is that drafting it this way

always makes it align with the department responsible for the Tasmanian Community Fund Act and keeps it in that same area that is now the Department of Communities Tasmania. I hope that explanation makes sense.

This is a fund explicitly about reducing harm in the community from gambling and it is explicitly to be administered in a range of ways throughout the community. There are still determinations being made about the allocation of the fund. There are going to be changes on that front too under this policy, which are not dealt with in this bill. The appropriate department to be doing the allocation, consideration and being responsible for the administration of the Community Support Fund is the department primarily focused on our community and the services and supports delivered in this area.

We already know our gambling support program, currently funded through the Community Support Levy, sits in the Department of Communities Tasmania. That responsibility already sits there specifically for those funded gambling support program elements. This provides a broader responsibility to the same department that is appropriate in a way that the Department of Treasury and Finance is not appropriate for the administration of this fund. I will leave it at that but am happy to interact with questions or clarifications if members have them.

Mrs HISCUTT - The Department of Communities Tasmania will continue to be responsible for administering the grants programs and harm minimisation programs under the Community Support Fund. However, it remains appropriate that Treasury remains responsible for the CSL funding, including the additional funds, and the commission continue to advise the minister that the proposed expenditure is appropriate. Therefore, the Government will not be supporting this amendment.

Mr VALENTINE - I hear what the Leader is saying, but if the funds are primarily being collected for the purposes of remediating harm caused by poker or gaming machines, why would it not be appropriate that the responsible entity be Communities Tasmania, the department responsible for administering that? It is a good fit and I support the amendment.

Mrs HISCUTT - I will just seek some information. There are other things that are handled appropriately in this area. One of them is the exclusion scheme and SEIS reports that are administered in that way and it is just more appropriate that it stays within the minister and Treasury.

Ms WEBB - That seems quite interesting. The SEIS research report is currently done every three years, soon to be done every five under this bill, as part of the research component associated with the gambling support program and the funds provided through into that area. It is the staff within Communities Tasmania that are involved in the gambling support program area that set the terms of reference and the sorts of things that are going to be in the SEIS, they interact with stakeholders about that. Treasury probably commissions it, currently, but surely that does not have to be the case. The current Department of Communities Tasmania already interacts in this space. I do not know what the exclusion scheme has to do with the Community Support Fund or the Community Support Levy. I do not think there is a direct connection between who administers the exclusion scheme - which is a regulatory requirement overseen by the commission - and the Community Support Fund we are talking about in this amendment. Throwing it into the mix as a bit of a distraction is fine, but it would be even better if the Government would explain the connection.

Surely, the commission is able to advise on how the Community Support Fund may be distributed or invested, and to feed through to the Department of Communities Tasmania. That department would be administering it, under this proposal. I do not see why the expertise and advice of our independent commission needs solely to be provided to the department of Treasury, even though that is where it sits in terms of its administration. I would have thought that advice can readily be provided to other departments. Perhaps the Government can confirm, but I suggest there are regular interactions between Communities Tasmania staff who are involved in the gambling support program spaces and the work of the commission. I suspect there are some regular interactions, where advice, input or feedback is sought, back and forth between those two spaces with an interest in gambling harm and its reduction, amongst other things.

I do not see the Government providing any rationale for why this would not be an appropriate fit. I encourage members to think of it, particularly in light of the expanded bucket of funding through the Community Support Levy that will be collected under this new model, and a proposal for completely redesigning how that bucket of funding is allocated. We have not seen the end point of that proposal yet. The arrangements in legislation right now are being taken out; we are coming to that. The legislated proportions that money is allocated under will no longer be the case under this new model, if the Government has their way; but we do not know yet what will be the case. So far, there has been very limited and targeted consultation on that to get input from some stakeholders.

This is a bucket of money that, theoretically, has as its core purpose the reduction of harm in the community. It is sitting in Treasury and Finance, instead of sitting with the department - currently Communities Tasmania - that is most intimately involved in programs that directly interact with that space. I suggest that a more appropriate allocation for the administration of that fund, particularly an expanded fund, is with the department where the harm is most directly dealt with. I will leave it at that.

Ms FORREST - I have a couple of questions about this of the Government, to explain the process here, and to give me some guidance about whether I would support this amendment. The whole proposed section 151A talks about establishing a fund called the Community Support Fund. That will be in the Public Account; that is fine. 'The Community Support Fund is to be administered by the Department.' I am trying to clearly understand from the Leader, when we say 'administered by the Department', what actions is the department going to be responsible for? If it is simply money in, money out under another framework, I do not think that is the same problem. I seek clarification on subclause (2), which talks about administration of the fund.

There are various ways money can be put into the fund besides the levy. The Premier of the day might use it as a little depository for other money by the sound of it; or someone might. In subclause (4) -

The money in the Community Support Fund is to be distributed in the prescribed manner.

What the member for Nelson is talking about, and what would concern me more, is the process around distribution - decisions that are made about who gets what for what purpose. The way I read this, that was going to be prescribed. We do not have the regulations here; and a lot of regulations will need to be made under this bill. However, I would like some clear

indication from the Leader about who will make decisions about the distribution and how will those decisions be made, when the regulations are made on this matter. That, to me, is more important than the administration of the fund - if the administration of the fund is just money in and money out, according to the process in the bill, and the distribution is managed through the regulations, which I understand it is. I seek clear information from the Leader about those two separate processes and what they both involve.

Mrs HISCUTT - I will seek some advice, Madam Deputy Chair.

My advice is that the department collects the funds. Agencies such as Communities Tasmania will propose disbursement of the funds that are available, for programs that fall within their responsibilities. Treasury confirms whether the proposals meet the requirements of the act, and if so, the funds are provided. Treasury also oversees the expenditure to ensure it occurs in a timely fashion, and reports to the commission and the minister. Additionally, Community Support Levy funding to be received from July 2023 will be distributed in accordance with the new framework to be established in regulations. This provides flexibility for the distribution of funding, that prescribing in this bill would not allow. Prescribing the distribution model in regulation is a more contemporary approach. The approach is supported by the Tasmanian Liquor and Gaming Commission and the Department of Communities Tasmania, the two bodies with the greatest involvement in the oversight and distribution of the CSL. The CSL will broadly be directed to community capacity building, preventative programs, or initiatives, to direct support programs or initiatives and to research activities. The Government is still assessing stakeholder feedback and will consult further with the community as required in the development of the regulations.

Ms WEBB - To clarify for the member for Murchison, based on those comments, the decisions about how this money is allocated are with the minister of the department referred to in this act, that is Treasury and Finance, that too has control over where this money goes. Much as they say that advice is provided or suggestions are provided through Communities Tasmania, from the commission or from other stakeholders externally, that is where the decision-making rests for how this is disbursed. That is what I am trying to shift to Communities Tasmania or whatever that may become in the future, as the appropriate place to be deciding where this funding goes and administering of this funding. Not just the ins and outs, but also the decisions about how to allocate it.

There will be huge flexibility in how this becomes allocated under what looks to be proposed under the new model. While we have some set proportions at the moment where 50 per cent has to go to the harm reduction, to direct services, and we have some going to sporting clubs and some going to community groups, that is going to go and there is going to be a lot more flexibility. I have questions about that too, to come.

There are no guarantees provided that there won't be a reduction in funding to direct support programs or that there won't be an increase that we should see if we are doubling the funds altogether. There are a lot of questions around that which still goes to support what we are talking about now, which is this amendment, to allocate responsibility for this fund where it best fits which is with what we now know as the Department of Communities Tasmania.

Madam DEPUTY CHAIR - The question is that the amendment be agreed to.

The Committee divided -

AYES 4

Mr Gaffney
Dr Seidel
Mr Valentine
Ms Webb (Teller)

NOES 9

Ms Armitage
Mr Duigan (Teller)
Ms Forrest
Mrs Hiscutt
Ms Howlett
Ms Lovell
Ms Palmer
Ms Siejka
Mr Willie

Amendment negatived.

Ms WEBB - I have got questions to put to the Government on this clause 162.

Madam CHAIR - You have used your three calls.

Ms WEBB - No. That was on the amendment. I am now on the clause. I think this is my second call on this clause. This will be my first bring-in amendment.

Madam CHAIR - When I moved the amendment on clause 162 relating to the Community Support Levy, you spoke twice. That was on my amendment though, sorry.

Ms WEBB - I spoke on the amendment.

Madam CHAIR - Yes, so you have one more call.

Ms WEBB - I believe I have this call and one other, with respect. I think I have used one call to move my amendment.

Madam CHAIR - Yes, sorry, you have two more.

Ms WEBB - My questions to the Government relate to the Community Support Levy covered under clause 162. Particularly in light of the discussion we have been having about the allocation of the levy, I would like to understand these things. Does the Government expect that the doubled CSL, as delivered under the bill, will result in a material reduction in gambling harm to the Tasmanian community? How will success in reducing gambling harm through the funding under this doubled amount be measured? Can the Government guarantee that no less funding will be provided to direct gambling support programs, to gambling research and initiatives specifically related to reducing to gambling harm as opposed to other broader uses that will be allowed for?

I am interested - given the limited, targeted consultation that has happened to date with some stakeholders about a new model for distribution and the comments made in the Neighbourhood Houses Tasmania submission to that consultation where they identified that support services for those affected by gambling harm including families, and I quote, 'is not accessible in all areas of Tasmania and is not always timely and responsive'. Can the Government guarantee that under the doubling of the CSL provided for here that gambling

support programs support will be equitably available statewide for all Tasmanians who need it?

Mrs HISCUTT - It is not possible to guarantee the outcomes as the programs and resulting research and such are yet to occur. However, this increased funding certainly provides the opportunity for a much broader range of initiatives. The evaluation of outcomes will continue to be measured by the SEIS reports. The intention, subject consultation, is for the increased funding to be spent on community capacity building projects or initiatives, preventative programs or initiatives, direct support programs or initiatives and research activities. I think we have covered all those questions.

Mr VALENTINE - A question on page 216, clause 162 and it says:

- (b) such other money received under this Act that is prescribed as being payable into the Community Support Fund;
- (c) such other amounts as the Minister may from time to time advance for the purposes of the Community Support Fund.

Could the Leader outline the circumstances that might exist here? Clearly, there is a purpose for putting those two phrases in there. I am interested to know what the Government has in mind and where other funds might be drawn from to go into the community fund, or under what circumstances such money would be paid in?

Mrs HISCUTT - The Government has committed to doubling the CSL. If, in any year, that does not happen, the minister can provide additional funds through the budget process. Also, where funds from a jackpot cannot be returned through the jackpot going off, for example, if a venue closes, these funds may go into the CSL as well.

Ms WEBB - To clarify, I asked does the Government expect that the doubled Community Support Levy will result in a material reduction in gambling harm in the Tasmanian community, which I do not believe was answered. It is noted that, for example, in March 2020, when consultation was undertaken on the implementation framework for this policy in fact sheet number one about CSL put out by the Government it confirmed that, 'the objective of the CSL to improve harm minimisation and address issues of problem gambling in our community will not change'. I think it is a reasonable question to have the Government answer directly. Given that the Government is doubling the Community Support Levy, does the Government expect that this will result in a material reduction in gambling harm in the Tasmanian community?

In measuring that, if we do not measure a tangible material reduction, does that mean the funds have not been allocated adequately or effectively? What will that prompt the Government to do if we do not see a material change? It is my final call, so others may like to follow this up further. It would be a shame not to get an answer in my final call.

Mrs HISCUTT - What you are asking is an impossible task, because it is not possible to guarantee an outcome. As I have said, clearly, that it is a goal of the program. If there is no measured change, then the Government will consider changing the expenditure if the CSL can be better disbursed in other ways. That is the advantage of prescribing the disbursement as proposed. Members, it is obviously the intention, it is obviously the hope, but can it be

guaranteed? We cannot guarantee that, we can only do the best we can with the CSL and the money available to try to change habits.

Clause 162 agreed to.

Clauses 163 and 164 agreed to.

Clauses 165 and 166 agreed to.

Clauses 167 and 168 agreed to.

Clauses 169, 170 and 171 agreed to.

Clauses 172 and 173 agreed to

Clause 174 and 175 agreed to.

Madam CHAIR - Member for Nelson, have you an amendment to this one?

Ms Webb - I do not have my notes, but if it goes over the page. I had that amendment in front of me. No, that is not the one. Yes, it has been dealt with.

Clause 176 agreed to.

Clauses 177, 178 and 179 agreed to.

Clauses 180 and 181 agreed to.

Clauses 182, 183 and 184 agreed to.

Clauses 185, 186 and 187 agreed to.

Clause 188 agreed to.

Madam CHAIR - We are now going to deal with the new clauses. There is a new version of the new clauses that has been circulated. These are the member for Nelson's new clauses. There are a couple of others - one for me and one for the member for Mersey that slot in there - which the Deputy Clerk will call when we get to those.

New Clause A

To follow clause 19.

Section 90A inserted

After section 90 of the Principal Act, the following section is to be inserted in Division 1:

90A Conduct of simulated racing events in licensed premises

The holder of a Tasmanian gaming licence endorsed with a simulated racing event endorsement must not conduct, or permit the conduct of, a simulated racing event in licensed premises unless the simulated racing event -

- (a) is not readily visible to minors or from areas in the licensed premises where food may be served to minors; and
- (b) is conducted in an area of the licensed premises that minors are not permitted to enter.

Penalty: Fine not exceeding 1 000 penalty units.

Ms WEBB - Madam Chair, I move -

That new clause A be now read the second time.

I will speak to this new clause I have put forward. This is a new clause that relates to simulated racing in environments and addresses the concern raised by the Department of Communities Tasmania. They made submissions on this bill about the normalisation of gambling and the visibility of gambling to minors in community environments like hotels and the like.

It relates to ensuring there is an expectation this new form of gambling will be new in the sense it will expand out to other venues beyond casinos. When that happens, as is allowed under this bill, there is consideration of its visibility to minors and being conducted in a way that does not normalise a new form of gambling.

Simulated racing is a particularly enticing gambling product. If it is somewhere on a screen visible to minors, for example, if they are going to have a pub meal with the family on an evening and they are sitting there, often they can already see Keno. We have another one to consider about that. This means that under this bill there might also be another screen visible to them as they are having their meal which will have simulated horse racing, greyhound racing or whatever it might be. Very realistic-looking, enticing and frequent. This is why the Department of Communities Tasmania has raised concerns about that in their submission to be considered.

This is a fairly straightforward request that we simply insert an expectation that form of gambling is not delivered in a way readily accessible and visible to minors to protect them from that normalisation effect.

Mrs HISCUTT - Should UBET TAS apply for this new endorsement, the Tasmanian Liquor and Gaming Commission will take into consideration any potential for gambling-related harms, including normalising gambling for children. The commission is able to apply mitigation and protection controls such as restricting the location of viewing screens and it is more appropriate the commission manage these matters.

For these reasons, Madam Chair, the Government will not be supporting this new clause.

Dr SEIDEL - It is the same story we heard before. Why would you not support a sensible amendment designed to protect the most vulnerable in our society - children, minors - who can

be exposed to potentially a quite attractive new product, simulated racing? The faster the simulation is, the more addictive it is going to become. I hear the argument from the Government again, either to put it to regulations or to ask the commission to look for ways forward but it is our job to create legislative certainty. That is why we are here so I urge members, and I urge the Government, to support a sensible amendment that meets the objectives of this act to protect vulnerable Tasmanians from the dangers of gambling.

Mr VALENTINE - I support the member for Huon in his observations and the member for Nelson for bringing this amendment forward. When you go to a hotel to have a pub meal, you have Keno up there, kids get interested in it and when it comes to these sorts of simulated racing games, kids love computer games. When they are exposed to these sorts of things in a sense it almost becomes a grooming event for gambling. It is really important that where they are positioned is sending a message to parents that these things are for adults only and are not for exposing kids to.

If they are in the general area of a hotel where they are easily seen by kids, some parents might say, 'You go and put that on for dad or mum' or whatever. Kids get an exposure to it and then they might see a win and that makes them even more interested. It is sensible that if we are not allowing minors to be exposed to these things they are going to be less likely influenced going forward.

You could say, minors are not allowed to use them, that will take policing too, I suppose. It presents a bit of an issue in making sure that they cannot. You might say to me, they cannot because there are certain strictures in place. Why not make it easier to control by having them in places where minors are not allowed? It stands to reason that putting this in does provide the legislative certainty that the member for Huon was talking about. It is probably better for our society that we make sure that these things are out of sight of children. It is as simple as that really and I cannot imagine that the commissioner for gaming would be saying it is okay to have them in and around children, as the Leader, I think, is saying.

It is important that we put it in the legislation and that way we can be certain.

Mr GAFFNEY - This is a sensible amendment. It gives the owners of licensed premises some guidelines and some expectation of what it needs. It is of help to the people who have those licences as well, to say look, this clearly states in the legislation what the expectations are and if we are going down this path with a simulated racing event, we have to design our facility so that it does exactly that right from the word go. It sends a good message and we know how addictive different forms of gambling can be and we want to make sure that those who are most impressionable are not sucked in to an activity that they may regret in the future. This makes sense and I am supportive of it. I am not sure if there would be many people in this place who would not or should not be supportive of it. I agree with the amendment.

Ms WEBB - Thank you to the members who engaged with the new clause that I am proposing. It is very much in alignment with the objects of the act in relation to licensing supervision and control of gambling. Certainly, we know that in some of those hotel environments there is not a great deal of supervision necessarily around it. Where we place things and where we make them available to minors, in particular, is quite significant.

The legislative certainty delivered by this meets that object of the act very well and the protection element there in the objects of the act, particularly in relation to children, is

important. I encourage members to support this and thank those who have indicated that already.

The Committee divided -

AYES 6

Ms Forrest
Mr Gaffney
Ms Rattray (Teller)
Dr Seidel
Mr Valentine
Ms Webb

NOES 8

Ms Armitage
Mr Duigan
Mrs Hiscutt
Ms Howlett
Ms Lovell
Ms Palmer
Ms Siejka (Teller)
Mr Willie

Amendment negatived.

New Clause A

To follow clause 20.

A. Section 124 amended (Membership of Commission)

Section 124 of the Principal Act is amended as follows:

- (a) by omitting from subsection (1) "one" and substituting "none";
- (b) by inserting the following subsections after subsection (1A):
 - (1B) The Commission, in such manner and at such times as the Commission considers appropriate, may, with the assistance of the Department, call for expressions of interest by persons to be members of the Commission.
 - (1C) The Commission is to, for the purposes of subsection (1B), determine the skillset that a person requires to be a member of the Commission.
 - (1D) The Commission -
 - (a) is to consider any expressions of interest from a person to be a member of the Commission; and
 - (b) may, if satisfied that the person has the skillset referred to in subsection (1C), include the person on a list of persons who are suitable to be appointed to the Commission; and

- (c) is to provide the Minister with the list referred to in paragraph (b).
- (1E) If the Minister intends to recommend a person for appointment as a member of the Commission, the Minister is to notify that person.
- (1F) A person notified under subsection (1E) is to provide the Minister with a comprehensive statement as to whether the person has, or may be perceived to have, any conflicts of interest in relation to their membership of the Commission.
- (1G) If the Minister recommends for appointment as a member of the Commission a person that is not on the list provided to the Minister under subsection (1D)(c), the Minister is to cause the reasons for the appointment to be tabled in each House of Parliament within 20 sitting-days of that House after the recommendation.
- (c) by inserting in subsection (2) "and the person has provided a statement to the Minister under subsection (1F)" after "expertise to act as a member";
- (d) by omitting from subsection (3) "2 years" and substituting "5 years";
- (e) by omitting from subsection (4) "who is not a State Service officer or State Service employee is" and substituting "is to be";

Ms WEBB - Madam Chair, I move -

That new Clause A be read the second time.

On our sheets we are looking at here it is called new Clause B, that is the one we are talking about now as new Clause A.

Members, this is about the membership of the commission. As we know, the Tasmanian Liquor and Gaming Commission commissioners are key to ensuring we have confidence in a robust regulatory and compliance system. It is also the body that makes a lot of determinations under this act with a lot of consequence, both financially for people and entities involved and of consequence for our community. As the independent expert advisory body on this area of policy and regulation, it is of utmost importance that this commission is and is seen to be constituted appropriately and with people who are well placed to meet the skills and responsibilities required.

This new clause seeks to put in place a process that has a greater degree of robustness, visibility and transparency around the appointment of members to the commission. Essentially, it establishes a way for new members of the commission to be identified and then appointed. It draws on the commission itself to help determine the skill set that is required if there is further membership to be appointed. It has an expression of interest process that is open and

accountable, where people can then be identified as potential members for the commission. That then allows for a list of suitable people who have been determined to meet the requirements for a membership of the commission, that the minister has the opportunity to choose from. It does not constrain the minister to only choosing from that list, but it requires that if the minister seeks to appoint by recommendation to the Governor someone to the commission who is not on that list that has already been identified as suitable and appropriate, there needs to be visibility around that with the tabling in parliament of the minister's decision to do that.

We know that in this area of policy and regulation it is of the most importance for us to have every perception of probity and robustness. This allows for these decisions around appointment of membership to the commission to be undertaken in ways that are fit for purpose, contemporary in their transparency and robustness, and deliver confidence to the Tasmanian people.

There is no detriment to anyone in establishing this process. It does not constrain the powers of the minister in any sense. In some instances it does potentially require greater visibility around the decision that the minister may make, but other than that there is not a constraint. It invites the commission itself to identify the skills and expertise that are required for it to best undertake its role and to help seek and identify people who could meet that skillset.

I think it goes towards the objects of the act in a number of ways, both in ensuring that the licensing supervision and control of gambling is conducted and is undertaken in a way that is robust and appropriate including through the work of the commission.

I invite members to see this as a really positive opportunity to insert explicit robust processes around the appointment of members to this very important cog in the wheel of our regulatory system.

Mrs HISCUTT - There is already an appropriately established process with more than sufficient oversight for the appointment of members of the commission. The members are appointed by the Governor on the recommendation of the minister. Only one of the three members may be a State Service officer, or a State Service employee, and, if there is one, that person cannot be the chairperson of the commission. The Governor is to appoint a member who is not a State Service officer, or a State Service employee, as the chairperson. The minister must not recommend an appointment unless the minister is satisfied the person has appropriate knowledge, expertise and experience. A person will not be able to be appointed to the commission if he or she has been employed by, or significantly associated with, a venue operator, a Keno operator, a monitoring operator, a casino operator, or a gaming operator at any time within the previous two years. This is considered a sufficient time.

Members, the process is already in place. I urge you to vote against this new clause.

Mr VALENTINE - I like the way this amendment is set up. I have concerns when it seems to be the minister that is always making these decisions, not just in this bill, but in lots of other bills. It opens the minister up to being questioned and queried about who they put on a board, 'jobs for mates' or whatever. I think that in this style of selection the parties are keeping each other honest, if I can put it that way. It is more transparent and provides for an outcome that the community would find very hard to fault. I just think it is a good process that has been put forward. I know there are strictures about who the minister currently is able to appoint, but

this provides a transparent and important focus to appointing members of the commission. I am interested in other members' opinions and ideas. It seems to me to have a fair bit of merit.

Ms RATTRAY - Madam Chair, I have a couple of questions to the member proposing the amendment. I wonder why five years was chosen? It seems like a long time when you are talking about expertise in this area. Things change a lot in that time and I would appreciate a response on that.

I also have a question about proposed new subclause (1G):

(1G) If the Minister recommends for appointment as a member of the Commission a person that is not on the list provided to the Minister under subsection (1D)(c), the Minister is to cause the reasons for the appointment to be tabled in each House of Parliament within 20 sitting-days of that House after the recommendation.

Is that intended to be a disallowable instrument? A couple of questions there, to the member, and I will consider my position.

Mr GAFFNEY - Madam Chair, I appreciated the Government's response to this question because it was logical and the way they approached it made sense. I may not agree with it, but at least it was there. As some of us mentioned in our second reading contributions, it is difficult when the government is both the regulator and beneficiary of a lot of the finances, and it is quite a lot of money. In my view, the more independent the minister can be seen from the commission is not a bad thing. It is why I would support the amendment, but I am not that much against what the Government is suggesting, either.

There are benefits from what the member for Nelson has put forward, but I also appreciate the Government's position.

Ms WEBB - Madam Chair, thank you to the members for their contributions. The member for McIntyre had a couple of questions. The extension from two years away from industry to five was to provide for a greater degree of probity in the decision-making by the commission, and was suggested by Peter Hoult, former gaming commissioner. The impetus to have this new clause drafted and proposed for inclusion in the bill came from suggestions from Peter Hoult. He spoke about some elements of this in the briefings he provided to us, and I have based parts of the way this is drafted on his observations and suggestions. As a former chair of the commission, he is well placed to have insight into what would provide for that robust process that can be seen to be appropriate.

Removing the potential for one of the three members of the commission to be a State Service employee was another of his suggestions. There is no need for any member to be a State Service employee.

You raised a question about (1G), which was about the minister having to table reasons for an appointment that was not somebody from the identified list of people through the expression of interest process, and whether that was disallowable. It was my intention that it would be; however, I feel a bit stumped because I am not sure that as drafted, it is disallowable.

I apologise for that. Perhaps it was my lack of clarity with OPC to establish whether it was disallowable.

Ms Rattray - The member did have a lot of amendments.

Ms WEBB - There was a lot of back and forth with OPC, and I thank them with great gusto for the assistance in drafting. My take on that would be that if, as drafted, it is not disallowable, there is benefit in that it is visible, it is on the public record and the parliament can consider it. If, as drafted, it is disallowable, that would also meet my intent. Either way, I apologise for not being able to provide entire clarity on that, and that is my failure to properly establish that element of the drafting.

Perhaps we could have some confirmation from Government, if they are able to ascertain it. My sense is that if, as drafted, it is not disallowable, it is just visible and publicly accountable, people might feel more comfortable with that; in the sense that it is less of a constraint on the minister's choice and actions. Perhaps we could have that clarified by the Government in terms of their understanding of what has been put forward. It might be helpful for people to understand that it is delivering visibility and accountability but not, necessarily, constraint on what the minister is forwarding through. Those were the two questions from the member for McIntyre.

To pick up on that overarching point the member for Mersey spoke about was that, yes, there is a process already there. My sense is that there is not enough accountability around the minister's decision-making points in that process. This simply provides something more robust, visible and accountable so we could never have a perception that there was anything untoward in the appointment to this quite important, independent expert body.

Ms RATTRAY - I thank the member for her information. Yes, my understanding is that it is not disallowable but I take your point that it is visible and accountable; albeit the parliament could have a talkfest about it and do nothing.

Back to the two years and five years issue, I am interested in your view. I know that Peter Hoult is very credentialled in this area. I have absolutely no issue with his credentials. I know he was a former commissioner and he took his role very seriously and still has a genuine interest in this area. When you talk about expertise, my point is about how current that expertise is; or do you consider that it does not ever become less relevant in that longer time frame?

Mrs HISCUTT - I apologise for not responding; I did not think it was the Government's position to comment on the member for Nelson's amendment. Needless to say, we treated it as such that it was not a disallowable instrument in our interpretation.

Ms WEBB - To respond to the member for McIntyre, thank you for engaging with the proposed new clause. That period of time is in terms of the connection to the industry - being employed in or having an interest in the industry. The commissioners have to be develop and provide expertise across a wide range of matters relating to this area of regulation, not just from the industry side of it but from the research side, the harm minimisation side - all aspects and angles. They need to be up to date and abreast with all of that and they would need to be able to demonstrate that through the process that is provided for in the new clause. If you work your way through it, it suggests that the commission, itself, would determine the skill set that

is required for a member of the commission, have that expression of interest processed to identify potential members and have a list of potentially appropriate members for the minister to consider when an appointment needs to be made. That process would have established clearly that the people on the list that could be considered by the minister would have the necessary skills and expertise.

This explicitly provides, beyond what is in place now, that we know that they do whereas the current arrangement or the arrangement that the Government described as applying does not have to be as explicitly clear that that is the expertise and the skill set that members meet.

We entrust the minister to make that decision under the Government's model which may be all well and good but it is not necessarily robust and transparent.

The Committee divided -

AYES 5

Ms Armitage
Mr Gaffney (Teller)
Dr Seidel
Mr Valentine
Ms Webb

NOES 8

Mr Duigan
Mrs Hiscutt
Ms Howlett
Ms Lovell
Ms Palmer
Ms Rattray (Teller)
Ms Siejka
Mr Willie

Amendment negatived.

New Clause A to follow clause 20 -

A. Section 125 amended (Functions of Commission)

Section 125 of the Principal Act is amended as follows:

- (a) by inserting the following paragraphs after paragraph (a):
 - (ab) to impartially, independently and in the public interest, advocate, research, promote, investigate and make recommendations about the impacts of gambling in Tasmania;
 - (ac) to foster the responsible service of gambling and minimise the harm from gambling;
- (b) by omitting paragraph (ea).

Ms WEBB - Madam Chair, I move -

That new Clause A be read a second time.

This one on our papers is new Clause C, Functions of the Commission.

Members will be aware that in the principal act, section 125 lays out the functions of the commission. This makes some adjustments to that. One adjustment is to add in new clause (ab):

to impartially, independently in the public interest, advocate, research, promote, investigate and make recommendations about the impacts of gambling in Tasmania.

Nothing along those lines is in the existing functions of the commission that sit in the principal act so this is to insert some focus in that space.

New clause (ac) moves something that is already there in the functions of the commission in the principal act as part (ea) in clause 125 and moves it further up into the functions. To give it more prominence is the thinking behind that, and slightly adjust the wording. Let me read to you what is in the principal act at (ea) in section 125. That one says currently:

to foster responsible gambling and minimise the harm from problem gambling.

I am proposing that we adjust that to this wording:

to foster the responsible service of gambling and minimise the harm from gambling.

And move it up in the list to give it more prominence. To explain that a little more, and I might start with that one. This makes it more contemporary wording. In the principal act as it stands, section 125 part (ea) where it says, 'to foster responsible gambling and minimise the harm from problem gambling'. More contemporary understanding would be that gambling harm can occur on a spectrum and it does not just occur in association with what could be diagnosed as or categorised through a prevalence indicator as problem gambling. That is very much at one end of a spectrum of gambling harm. This contemporises the language that is used and talks about to minimise the harm from gambling.

The other part of it that is a small change instead of 'to foster responsible gambling' this also brings into contemporary language 'to foster the responsible service of gambling'. We no longer focus on the concept of responsible gambling in terms of individuals. We focus on the responsible service of gambling, the responsible offering of gambling. We talk about harm from gambling, not just harm from problem gambling.

I hope that explains the slight change of wording to something that is already there in the function, a small change of wording and bringing it further up in the list to give it more prominence.

In terms of part (ab) in the new clause, this really just fits into the functions of the commission, a role that is undertaken by the commission currently, but it makes it explicit, and that is 'to impartially, independently and in the public interest, advocate, research, promote, investigate and make recommendations about the impacts of gambling in Tasmania'. It is a key part of the role of the commission. It comes into many of the activities that it undertakes.

I believe it helps this list of functions of the commission in section 125 to better reflect the objects of this act and the role the commission takes in delivering the objects of this act.

I am more than happy to answer questions or elaborate further on either of those adjustments that I am proposing you make.

Ms LOVELL - Madam Chair, I have an amendment to the amendment.

Madam CHAIR - Order. The question before the Chair needs to be resolved in the affirmative before you can proceed with your amendment. Because it is a new clause we cannot amend it until the new clause has been read a second time. You can make some comments on the new clause but you cannot seek to amend it.

Ms LOVELL - In that case I will flag I will be moving an amendment to the new clause if it is agreed to. That would be to remove the word 'advocate' from that new paragraph (ab). I am very comfortable with this amendment aside from that one slight change simply because as a commission it is not the commission's role to advocate a position. They are not a peak body; they are a commission. I am comfortable with the rest of it. The removal of the word 'advocate', that would be something that could be, as the member for Nelson has outlined, most likely functions that the commission is already undertaking, but to formalise that in the legislation.

Mr VALENTINE - it says:

... impartially, independently and in the public interest, advocate, research, promote, investigate and make recommendations about the impacts of gambling ... and minimise the harm from gambling.

Quite clearly, the commission's role which is already in there -

To regulate and control gaming and wagering to ensure that it is conducted honestly and free from criminal influence and exploitation.

This is just an expansion of that role. It is important to understand what the commission is currently doing under the act and that is protecting the community. This really is no different. I will be interested in further comment on the amendment that has just been foreshadowed by the member for Rumney. There may be one other word there that might need changing if what is being stated is correct. I am certainly happy to see it expanded to even further protect the community as is already in subsection (1) of proposed section 125.

Ms WEBB - Madam Chair, I thank members for engaging with the new clause proposed and thank the member for Rumney for flagging that if this was to get through there would be an amendment made. I would be very open to that amendment and very happy to support it.

If this does get through, then there is the opportunity for that amendment to be put. I certainly would see it as being not a problem to support it. It will still retain the intent of what I have put there in the new clause. Thank you for the proposition before us. If there are no other questions from members, I invite you to support this new clause as not presenting any difficulties other than to clarify, bring up to date to contemporary language, one element of the functions already there in the principal act and add something in that part of the commission's role that is more explicitly recognised in proposed section 125.

Madam CHAIR - Is the Government speaking on it?

Mrs HISCUTT - No, I do not think so.

New clause A agreed to.

Ms LOVELL - This is where I can move an amendment to the new clause? It is now new clause A; is that correct?

Madam CHAIR - Yes.

Ms LOVELL - Madam Chair, I move the following amendment to new clause A -

Page 20 of the amendments, proposed new paragraph (a), paragraph (ab) as inserted by proposed new paragraph (a), leave out 'advocate,'.

Ms LOVELL - As I mentioned in my contribution on the new clause, this is a more appropriate reflection of the role of the commission. I have said everything I need to say on that. I urge members to support it.

Mr VALENTINE - I have a question for the member for Rumney. The word 'promote', does that fall into the same category as 'advocate'? Should the amendment be to take out 'promote' as well as 'advocate'? I am interested in member's opinion.

Mrs HISCUTT - For clarity, we had concerns about advocacy being in there because the commission is not an advocacy body and it is not and should not be part of its role. When this amendment from the member for Rumney came around, we were happy to see 'advocate' removed from that new amendment and support it in that fashion.

Ms RATTRAY - I thought the member for Hobart asked a very good question. I am interested in the view of the member who proposed the amendment, of 'advocate' and 'promote', but also the Leader and the Government's view and support for leaving 'promote' in as well. I think it is a very reasonable question.

Mr GAFFNEY - I support the member for Rumney removing the word 'advocate'. I am not so in favour - although there is no amendment in front of us from the member for Hobart, his questioning the word 'promote'. If you go to the assumptions of the commission there is the function of the commission to promote other aspects of what they are trying to do. I was not quite so fussed by it. It is not good value to be wordsmithing on the floor of the House when we have the amendment in front of us, when the OPC has already gone through this and has come up with some wording they feel is appropriate. Whilst I appreciate the member for Rumney and will be supporting that amendment, I would not support any other changes.

Mr VALENTINE - My question would be, was the OPC asked to comment on 'promote'? If you read it, 'to impartially, independently and in the public interest', leaving out 'advocate', 'research, promote, investigate and make recommendations', is it promoting recommendations about the impacts, promoting the impacts of gambling? I need the member for Nelson, maybe, to explain that aspect as to what is being promoted.

Ms LOVELL - Thank you to members for their questions. It is an interesting and very valid question. My expectation is that 'promote' could include things like promoting the posters we have around venues about responsible service of gaming and the potential harms of gaming. That is where the promotion comes in. Advocate is more the commission taking a position on a measure or an issue and advocating for that position to the minister, the government or whoever that might be. That is the difference between the two.

OPC was not asked for comment on that. That is my understanding of the operation of that clause. I am happy if the member for Nelson wants to comment or nod and agree, but that is the amendment we are proposing for that reason.

Amendment agreed to.

New Clause A, as amended, agreed to.

Mrs HISCUTT - Madam Chair, I move -

That we do report progress, and seek leave to sit again.

Leave granted.

Progress reported; Committee to sit again tomorrow.

ADJOURNMENT

[5.21 p.m.]

Mrs HISCUTT (Montgomery - Leader of the Government in the Legislative Council) -
Mr President, I move -

That the Council at its rising adjourns until 10 a.m. on Tuesday,
23 November 2021.

Motion agreed to.

The Council adjourned at 5.21 p.m.

Appendix 1

	TAS	NSW	VIC	QLD	WA	SA	NT	ACT
<p><i>Added and incorporated into Hansford L. M. Report 22 Nov 2021</i></p> <p>Licensed Premises Gaming Licence Fee/Term</p> <p>Application fee: \$900.60 Renewal: \$711.00 Annual licence fee: \$110.60 EGM in excess of 10 EGMs Term: 5 years, then apply for renewal</p>	<p>Annual liquor licence fee: Base fee for clubs and hotels (all) is \$543 Term: Perpetual (Initial licence fee on issue and annual liquor licence fee. Licences are valid until cancelled/renewed by Licence or cancelled by Registrar. Licence may be cancelled for non-payment of annual fee.)</p> <p>New licence fee: \$2,233.80 Renewal fee: \$1,234.50 Term: 10 years</p>	<p>Body corporate and individuals that are not licensed premises: \$4,740 (Effective from 1 July 2019 the fee will be \$6,890) Body corporate and individuals that are licensed premises: \$3,190 (Effective from 1 July 2019 the fee will be \$3,262) Additional licensed premises (club): \$3,190 (Effective from 1 July 2019 the fee will be \$3,262)</p> <p>Term: Indefinite</p>	<p>N/A</p>	<p>Annual net gaming revenue: \$0-\$75,000: 0.00% \$75,001-\$399,000: 27.50% \$399,001-\$945,000: \$89,100 + 37.00% of excess \$945,001-\$1,500,000: \$291,120 + 40.91% of excess \$1,500,001-\$5,000,000: \$518,170.50 + 47.50% of excess \$5,000,001-\$15,000,000: \$993,170.50 + 57.00% of excess Over \$15,000,000: \$1,563,170.50 + 65.00% of excess</p>	<p>Component of Gross Monthly Profit: Up to \$5,000: \$5,000 to \$50,000: \$50,000 to \$100,000: \$100,000 and above</p>	<p>17.91% 27.91% 32.91% 42.91%</p>	<p>Gross monthly gaming machine revenue: 25.90% Plus a Problem Gambling Assistance Fund levy of 0.75%</p>	
<p>Hotel EGM tax</p> <p>A single flat tax rate of 35.68% applies to all gross profit on EGMs. Plus a Community Support Levy of 4% of gaming revenues.</p>	<p>Quarterly player loss: Up to \$50,000: 0.00% \$50,000 - \$250,000: 3.3% (23.91%) \$250,000 - \$1,250,000: 3.6% (26.91%) \$1,250,000 - \$6,250,000: 4.9% (34.91%) Over \$6,250,000: 5.0% (35.00%)</p> <p>Monthly average player loss: Average revenue <\$2,666: 8.33% Average revenue >\$2,666 but <\$12,500: 55.03% Average revenue >\$12,500: 62.53% Average revenue >\$12,500: 62.53% Average revenue >\$12,500: 62.53% Average revenue >\$12,500: 62.53%</p> <p>Note: GST rebates apply, thus effective rates in brackets above.</p>	<p>Monthly average player loss: Monthly revenue <\$1,000: 17.91% Monthly revenue >\$1,000: 20.91% Monthly revenue >\$1,000: 23.91% Monthly revenue >\$1,000: 25.91% Monthly revenue >\$1,000: 25.91% Monthly revenue >\$1,000: 25.91%</p>	<p>Monthly revenue <\$1,000: 17.91% Monthly revenue >\$1,000: 20.91% Monthly revenue >\$1,000: 23.91% Monthly revenue >\$1,000: 25.91% Monthly revenue >\$1,000: 25.91% Monthly revenue >\$1,000: 25.91%</p>	<p>N/A</p>	<p>Annual net gaming revenue: \$0-\$75,000: N/A \$75,001-\$399,000: \$89,100 + 37.00% of excess \$399,001-\$945,000: \$291,120 + 40.91% of excess \$945,001-\$1,500,000: \$518,170.50 + 47.50% of excess \$1,500,001-\$5,000,000: \$993,170.50 + 57.00% of excess Over \$5,000,000: \$1,563,170.50 + 65.00% of excess</p>	<p>Component of Gross Monthly Profit: Up to \$5,000: \$5,000 to \$50,000: \$50,000 to \$100,000: \$100,000 and above</p>	<p>12.91% 22.91% 32.91% 42.91%</p>	<p>Gross monthly gaming revenue: \$25,000-\$50,000: 17% \$50,000-\$100,000: 21% \$100,000-\$250,000: 23% \$250,000-\$500,000: 25% \$500,000-\$1,000,000: 27% \$1,000,000-\$2,500,000: 29% \$2,500,000-\$5,000,000: 31% \$5,000,000-\$10,000,000: 33% \$10,000,000-\$25,000,000: 35% \$25,000,000-\$50,000,000: 37% \$50,000,000-\$100,000,000: 39% \$100,000,000-\$250,000,000: 41% \$250,000,000-\$500,000,000: 43% \$500,000,000-\$1,000,000,000: 45% \$1,000,000,000-\$2,500,000,000: 47% \$2,500,000,000-\$5,000,000,000: 49% \$5,000,000,000-\$10,000,000,000: 51% \$10,000,000,000-\$25,000,000,000: 53% \$25,000,000,000-\$50,000,000,000: 55% \$50,000,000,000-\$100,000,000,000: 57% \$100,000,000,000-\$250,000,000,000: 59% \$250,000,000,000-\$500,000,000,000: 61% \$500,000,000,000-\$1,000,000,000,000: 63% \$1,000,000,000,000-\$2,500,000,000,000: 65% \$2,500,000,000,000-\$5,000,000,000,000: 67% \$5,000,000,000,000-\$10,000,000,000,000: 69% \$10,000,000,000,000-\$25,000,000,000,000: 71% \$25,000,000,000,000-\$50,000,000,000,000: 73% \$50,000,000,000,000-\$100,000,000,000,000: 75% \$100,000,000,000,000-\$250,000,000,000,000: 77% \$250,000,000,000,000-\$500,000,000,000,000: 79% \$500,000,000,000,000-\$1,000,000,000,000,000: 81% \$1,000,000,000,000,000-\$2,500,000,000,000,000: 83% \$2,500,000,000,000,000-\$5,000,000,000,000,000: 85% \$5,000,000,000,000,000-\$10,000,000,000,000,000: 87% \$10,000,000,000,000,000-\$25,000,000,000,000,000: 89% \$25,000,000,000,000,000-\$50,000,000,000,000,000: 91% \$50,000,000,000,000,000-\$100,000,000,000,000,000: 93% \$100,000,000,000,000,000-\$250,000,000,000,000,000: 95% \$250,000,000,000,000,000-\$500,000,000,000,000,000: 97% \$500,000,000,000,000,000-\$1,000,000,000,000,000,000: 99% \$1,000,000,000,000,000,000-\$2,500,000,000,000,000,000: 100%</p>
<p>Club EGM Tax</p> <p>A single flat tax rate of 25.88% applies to all gross profit on EGMs. Plus a Community Support Levy of 4% of gaming revenues.</p>	<p>Quarterly player loss: Up to \$0.2m: 0.00% \$0.2m-\$1m: 0.00% (for clubs with revenue <\$1m) \$1m-\$5m: 19.90% (0.81%) \$5m-\$10m: 24.40% (1.51%) \$10m-\$25m: 26.4% (1.71%) \$25m-\$50m: 28.4% (1.91%) \$50m-\$100m: 30.4% (2.11%) \$100m-\$250m: 32.4% (2.31%) \$250m-\$500m: 34.4% (2.51%) \$500m-\$1,000m: 36.4% (2.71%) \$1,000m-\$2,500m: 38.4% (2.91%) \$2,500m-\$5,000m: 40.4% (3.11%) \$5,000m-\$10,000m: 42.4% (3.31%) \$10,000m-\$25,000m: 44.4% (3.51%) \$25,000m-\$50,000m: 46.4% (3.71%) \$50,000m-\$100,000m: 48.4% (3.91%) \$100,000m-\$250,000m: 50.4% (4.11%) \$250,000m-\$500,000m: 52.4% (4.31%) \$500,000m-\$1,000,000m: 54.4% (4.51%) \$1,000,000m-\$2,500,000m: 56.4% (4.71%) \$2,500,000m-\$5,000,000m: 58.4% (4.91%) \$5,000,000m-\$10,000,000m: 60.4% (5.11%) \$10,000,000m-\$25,000,000m: 62.4% (5.31%) \$25,000,000m-\$50,000,000m: 64.4% (5.51%) \$50,000,000m-\$100,000,000m: 66.4% (5.71%) \$100,000,000m-\$250,000,000m: 68.4% (5.91%) \$250,000,000m-\$500,000,000m: 70.4% (6.11%) \$500,000,000m-\$1,000,000,000m: 72.4% (6.31%) \$1,000,000,000m-\$2,500,000,000m: 74.4% (6.51%) \$2,500,000,000m-\$5,000,000,000m: 76.4% (6.71%) \$5,000,000,000m-\$10,000,000,000m: 78.4% (6.91%) \$10,000,000,000m-\$25,000,000,000m: 80.4% (7.11%) \$25,000,000,000m-\$50,000,000,000m: 82.4% (7.31%) \$50,000,000,000m-\$100,000,000,000m: 84.4% (7.51%) \$100,000,000,000m-\$250,000,000,000m: 86.4% (7.71%) \$250,000,000,000m-\$500,000,000,000m: 88.4% (7.91%) \$500,000,000,000m-\$1,000,000,000,000m: 90.4% (8.11%) \$1,000,000,000,000m-\$2,500,000,000,000m: 92.4% (8.31%) \$2,500,000,000,000m-\$5,000,000,000,000m: 94.4% (8.51%) \$5,000,000,000,000m-\$10,000,000,000,000m: 96.4% (8.71%) \$10,000,000,000,000m-\$25,000,000,000,000m: 98.4% (8.91%) \$25,000,000,000,000m-\$50,000,000,000,000m: 100.4% (9.11%) \$50,000,000,000,000m-\$100,000,000,000,000m: 102.4% (9.31%) \$100,000,000,000,000m-\$250,000,000,000,000m: 104.4% (9.51%) \$250,000,000,000,000m-\$500,000,000,000,000m: 106.4% (9.71%) \$500,000,000,000,000m-\$1,000,000,000,000,000m: 108.4% (9.91%) \$1,000,000,000,000,000m-\$2,500,000,000,000,000m: 110.4% (10.11%) \$2,500,000,000,000,000m-\$5,000,000,000,000,000m: 112.4% (10.31%) \$5,000,000,000,000,000m-\$10,000,000,000,000,000m: 114.4% (10.51%) \$10,000,000,000,000,000m-\$25,000,000,000,000,000m: 116.4% (10.71%) \$25,000,000,000,000,000m-\$50,000,000,000,000,000m: 118.4% (10.91%) \$50,000,000,000,000,000m-\$100,000,000,000,000,000m: 120.4% (11.11%) \$100,000,000,000,000,000m-\$250,000,000,000,000,000m: 122.4% (11.31%) \$250,000,000,000,000,000m-\$500,000,000,000,000,000m: 124.4% (11.51%) \$500,000,000,000,000,000m-\$1,000,000,000,000,000,000m: 126.4% (11.71%) \$1,000,000,000,000,000,000m-\$2,500,000,000,000,000,000m: 128.4% (11.91%) \$2,500,000,000,000,000,000m-\$5,000,000,000,000,000,000m: 130.4% (12.11%) 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Jurisdictional Casino Tax Rates and Licence Fees plus Keno Tax Rates as at June 2019								
	TAS	NSW	VIC	QLD	WA	SA	NT	ACT
	Wrest Point & Country Club	The Star	Crown Casino	Brisbane (Treasury), Gold Coast (The Star), Townsville (The Vinn), Cairns (The Reef)	Crown Casino	Adelaide Casino	Darwin (Roy Crox), Alice Springs (Starline) <i>Fee not imposed</i>	Casino Canberra
Casino Licence Fee/Term	\$155,800 per month for each casino (\$3,739 million total per annum); Licence term: exclusive (known until 2023)	\$100 million (2007-2019) Licence term: Fragmented (exclusive until 2019)	Lifetime licence fee of \$950 million Licence term: 2050 (no exclusivity)	\$154,700 per casino per quarter - indexed annually Licence term: Fragmented (no exclusivity) (Effective from 1 July 2019 the licence fee will be \$260,400)	\$2.81 million indexed annually Licence term: 2040 (with no exclusivity)	\$20 million one off payment for 22 year exclusive licence (2012-2035) Licence expiry: 2095 (exclusive until 2035)	Darwin licence term: 2036 (with 5 year extensions and second exclusivity) Alice Springs licence term: 2036 (with 5 year extensions and second exclusivity)	\$4.46 million up front plus \$891.877 million from Feb 2020 Licence expiry: Exclusive until 2091
Casino EGM tax	25.88%	For player loss between \$778.5m and \$885m, the tax rate increases progressively by one percentage point over 21 revenue bands: >\$885.2 million: 37.41% (28.32%) >\$875.4 million: 38.91% (29.82%) Plus 2% Responsible Gambling Levy Note: GST reduces apply, thus effective rates in brackets above.	31.57% (22.48%) Note: GST reduces apply, thus effective rate in brackets above.	Gold Coast: 30% (20.91%) Brisbane: 30% (20.91%) Townsville: 20% (10.91%) Cairns: 20% (10.91%) Note: GST reduces apply, thus effective rates in brackets above.	12.42%	41%	Darwin: 13% (5.91%) Alice Springs*: 13% (5.91%) Note: GST reduces apply, thus effective rates in brackets above.	N/A (Casino does not currently operate Gaming Machines)
Casino table gaming tax	0.88%	As per EGM tax rates above	21.25% (12.16%) Note: GST reduces apply, thus effective rate in brackets above.	Gold Coast: 20% (10.91%) Brisbane: 20% (10.91%) Townsville: 10% (0.91%) Cairns: 10% (0.91%) Note: GST reduces apply, thus effective rates in brackets above.	9.17% - table games 12.92% - FAT/Ga Note: GST reduces apply, thus effective rates in brackets above.	3.41% - table games 10.91% - FAT/Ga Note: GST reduces apply, thus effective rates in brackets above.	Rate of GST	10.90%
Keno tax	5.88%	Casino and Club 6.91% - < \$98.5 million >14.91% Hotel 8.91% < \$27.7 million >14.91%	24.24% subject to a minimum return to player of 75%	As per table gaming, ie: Gold Coast: 20% (10.91%) Brisbane: 20% (10.91%) Townsville: 10% (0.91%) Cairns: 10% (0.91%) Summerville Keno 29.42% of player loss (20.31%) Note: GST reduces apply, thus effective rates in brackets above.	9.37%	41% on net revenue attributable to Keno None: Sydney Adelaide does not operate Keno Note: at Casino (SA) business operates at casino as for roulette and crabs	10% (0.91%) Note: GST reduces apply, thus effective rates in brackets above.	2.53% of turnover
Casino High Roller / Premium Tax	N/A	10% (0.91%) with a minimum of \$4m paid in two non-refundable instalments of \$2m in Jan and Jul each year Note: GST reduces apply, thus effective rates in brackets above.	Commission based players - 3% + 1% Community Benefit Levy	Justices (Premium Players) 10% (0.91%) Note: GST reduces apply, thus effective rates in brackets above.	International Commission Subsidist (ICS) 1.75% + 1% Burwood Park Levy	Premium table games (including FAT/Ga) 0.91% of net gaming revenue Premium EGMs - 10.91% of net gaming revenue (plus approved costs for premium table game players)	Commission Based Gaming Rate of GST	0.5% of GGM on commission based revenues
Other levies/taxes	N/A	Responsible Gambling Levy of 2% of gross gaming revenue (including Netted Player revenue)	Casino Super Tax - 1% of player loss >\$20 million over the base amount (1% increments for each \$20 million bracket to a maximum of 20% on gross gaming revenue over \$380m over the base amount) (was \$8.7 million in July 2018)	N/A	Burwood Park Levy: 2% on EGMs, 1% on table games, FAT/Ga and ICS	N/A	10% Community Benefit Levy on EGMs in casinos	Agreed contribution of \$50,000 per annum indexed from Jan 2015 to the Problem Gambling Assistance Fund (GST inclusive)

Note: * Lonsdale's Casino (Alice Springs) EGM tax rate increases to 13% from 1 July 2019, and 20% from 1 July 2022
as NSW casino EGM tax rates increase by 1% for every \$4 million between \$179.5 million and \$849 million