

Second Reading Speech

Gaming (Miscellaneous Amendments) Bill 2013

Mr Speaker

The *Gaming (Miscellaneous Amendments) Bill 2013* introduces a number of amendments to the *Gaming Control Act 1993* and the *TT-Line Gaming Act 1993* to improve the efficiency and effectiveness of the regulation of gaming in the State.

Gaming legislation periodically requires amendment to address issues that evolve over time. The amendments arise from operational experience and are aimed at improving clarity of existing policy, enhancing administrative efficiency, ensuring consistency, removing redundant or unnecessary provisions, and strengthening probity provisions.

I will first address the amendments in the Bill that are of a clarifying nature.

Mr Speaker, in August 2010, the *Gaming Control Act* was amended to implement changes to Betfair's licence fee and taxation arrangements in accordance with its new five year Deed that commenced on 6 February 2011.

The amendments reduced taxation rates on betting exchange commission from 15 per cent on Australian events and 10 per cent on international events to a flat rate of 5 per cent.

The annual betting exchange endorsement fee was also reduced from 350 000 fee units to 300 000 fee units. In return, Betfair was required among other things to pay the first three years endorsement fees, totalling 900 000 fee units, upfront on renewal of its licence.

In August 2011, Betfair applied for, and was subsequently granted, race wagering and sports betting endorsements. In addition to its existing betting exchange and agent endorsements the sum of all of its endorsement fees totalled 505 000 fee units per annum.

Under the Act there is a provision where, if multiple endorsements fees are held the total fee is capped at 450 000 fee units in recognition that there are economies of scale in regulating an operator if it holds multiple endorsements.

The intention of the cap is that it applies to any Tasmanian gaming licence holder including Betfair. However, the requirement that Betfair pay 900 000 fee units in advance for its betting exchange endorsement inadvertently prevents the application of the fee unit cap.

The Bill therefore amends the *Gaming Control Act* to limit the amount of any additional endorsements to 150 000 fee units in addition to the 300 000 fee units payable for a betting exchange endorsement thereby ensuring that the 450 000 fee unit cap applies to Betfair.

Mr Speaker, the *Gaming Control Act* provides for amending the conditions of a licensed premise gaming licence to conduct gaming in a hotel or club. However, the Act does not specify that this can include amending the licence itself.

The Bill amends the Gaming Control Act to clarify that a licensed premise gaming licence, as well as its conditions, can be amended either by the Commission or at the request of the licensee. The current fee for amending conditions under the *Gaming Control Regulations 2004* will also apply to amendments to a licence where the amendment is at the request of the licensee.

Mr Speaker, the Gaming Control Act restricts the conduct of approved games to be operated from approved locations. This restriction needs to be broadened to include wagering at approved locations and approved outlets such as the TOTE's retail outlets. The Bill therefore amends the Gaming Control Act to clarify that the current restriction applies to wagering at approved locations and outlets.

Finally, a special employee is a person who is licensed to carry out prescribed duties as determined by the Tasmanian Gaming Commission. However, the current provision in the Act refers only to gaming in respect of prescribed duties. As prescribed duties can include all gaming and wagering activities under a Tasmanian gaming licence, the Bill amends the Gaming Control Act to clarify that the Commission is able to specify "prescribed duties" associated with special employees of a Tasmanian gaming licence holder.

As the first Tasmanian gaming licence was granted to Betfair on 6 February 2006, the amendment needs to be retrospective to this date.

Mr Speaker, I now turn to those amendments that improve administrative efficiency, ensure consistency, and remove redundant or unnecessary provisions.

Under the Gaming Control Act, a Tasmanian gaming licence can be endorsed with one or more endorsements to conduct gaming activities. The types of endorsements are set out in the Act and include a "prescribed endorsement" for activities that were not envisaged at the time it was first inserted in the Act.

However, past experience has shown that when a new type of endorsement is required, the Act was amended to include specific requirements of the activity and taxation and licence fees. Recent examples have been betting exchange and totalisator endorsements. These new types of endorsements need to be set out in the Act rather than in the Regulations.

The Bill therefore amends the Gaming Control Act to repeal all references to "prescribed endorsement" and "prescribed event" as this type of Tasmanian gaming licence endorsement is not used.

Mr Speaker, a number of amendments are required to ensure that all licences, permits and approvals can be varied by the Tasmanian Gaming Commission in a consistent manner and provide the Commission flexibility to amend or vary a licence, permit or approval rather than have to reissue it.

For example, there is no provision enabling the Commission to amend an existing approval of gaming equipment. If an amendment is required then a new approval must be issued each time.

An amendment is also required to enable the Commission, or at the request of the person listed on the Roll of Recognised Manufacturers, Suppliers and Testers of Gaming Equipment, to vary the listing.

The amendment enables a listing to be varied, and where the amendment is at the request of the person listed on the Roll, is accompanied by a prescribed fee of 100 fee units of which

part may be waived. The fee is consistent with existing provisions to vary to a Tasmanian gaming licence that is initiated by a licence holder as the administrative process is the same.

The current provision to amend a foreign games permit, that enables an operator licensed in another jurisdiction to sell tickets in Tasmania such as Tattersall's lotteries, is also amended to be consistent with provisions to vary other licences and approvals.

Mr Speaker, a number of amendments transfer minor fees, such as a licensed premises gaming licence fee for hotel or club gaming machines, and a foreign games permit application and renewal fees from the Gaming Control Act to the Regulations. This ensures consistency with all other minor fees which are contained in the Regulations.

Under the Act, a number of functions relating to the administration of the Community Support Levy are assigned the responsibility of the Treasurer, such as the distribution of proceeds of the levy and to cause an independent review of the social and economic impacts of gambling. These functions can be carried out by the Minister responsible for the Gaming Control Act rather than the Treasurer. The Bill replaces references to the Treasurer with the Minister.

Mr Speaker, under the Act an "authorised person" such as a gaming inspector must cease to be a state servant for two years before being significantly associated with or work in venues with gaming.

This is considered to be unduly restrictive given that a person may remain in the public sector for many years but not work in any capacity associated with gaming regulation. The Bill amends the Act so that the restriction is that the person ceases to be an "authorised person" for two years.

Finally, there are a number of minor amendments to the TT-Line Gaming Act to align definitions to be consistent with the Victorian regulator of gaming and ensure that relevant parts of the Gaming Control Act apply to TT-Line Gaming Act.

Mr Speaker, I now turn to the amendments that improve probity provisions under the Gaming Control Act.

Under the Act, the physical boundaries of a casino must be specified in the licence to define where gaming in a casino is being conducted and to ensure it is effectively regulated. This requirement should also include a gaming operator's premise. The current gaming operator is Network Gaming and its premises contain facilities and equipment for operating and controlling networked gaming in hotels and clubs.

The Bill therefore amends the Act to include a requirement that the boundaries of a gaming operator be defined.

Mr Speaker, currently the Act does not require the Commission to consider evidence of tenure in an application for a licensed premises gaming licence.

However, in practice this evidence is already requested from applicants by the Liquor and Gaming Branch. To strengthen this requirement, the Bill amends the Gaming Control Act to include evidence of tenure as part of the licence application process. Evidence of tenure would include proof of ownership or a simple agreement with the owner of the premises.

Mr Speaker, currently when a Tasmanian gaming licence has been granted the licence does not take effect until operations have commenced. It is therefore possible for the licence to

remain inactive in perpetuity because operations do not commence. A time limit of 12 months has been introduced to ensure that a Tasmanian gaming licence cannot remain ineffective indefinitely. In some cases, a period of more than 12 months may be required and the Tasmanian Gaming Commission will have the discretion to extend the expiry period.

Similarly, a listing on the Roll of Recognised Manufacturers, Suppliers and Testers of Gaming Equipment maintained by the Commission is currently not time limited.

It is reasonable to expect that individual listings have an expiry date and it is proposed that a listing be for a renewable period of five years, similar to a Tasmanian gaming licence. An application for renewal requires the payment of a prescribed fee of 500 fee units. This is the same as the original application fee as the level of checking and investigation required on renewal is similar to the initial application.

A number of amendments in the Bill enhance current restrictions to strengthen probity under the Gaming Control Act.

These include extending:

- the prohibition on gaming or wagering on duty that applies to special employees to also apply to technicians;
- the current controls on the storage of gaming equipment applying to licensed premises and gaming operators to all licensed providers. For example, the TOTE's wagering terminals; and
- the current restrictions on providing credit to a patron to include participating in wagering activities in an approved venue such as a hotel, club or a TOTE outlet.

Finally, there are a number of consequential amendments to the *Gaming Control Regulations 2004* arising from the amendments to the Act that prescribe fees.

Mr Speaker, the *Gaming (Miscellaneous Amendments) Bill 2013* will improve the efficiency and effectiveness of the regulation of gaming in the State. These amendments represent on-going efforts to ensure that the State remains at the forefront of gaming regulation.

I commend the Bill to the House.