



Queensland

# Casino Control Amendment Regulation (No. 1) 2011

## Explanatory Notes for SL 2011 No. 185

made under the

*Casino Control Act 1982*

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## General outline

### Short title

*Casino Control Amendment Regulation (No. 1) 2011.*

### Authorising law

Section 85D(1)(b) of the *Casino Control Act 1982*.

### Policy objectives and the reasons for them

The intended policy objective of this amendment is to allow Queensland casinos to be more competitive as a destination venue for interstate and overseas clients.

Under section 85D of the *Casino Control Act 1982*, sole participants from interstate and overseas may enter into a special junket agreement with the casino operator and are required to commit an amount prescribed in the *Casino Control Regulation 1999* for the purpose of gaming at the casino.

Currently, the minimum amount of \$50,000 that a player must commit to enter into a special junket agreement with a Queensland casino is restrictive, when compared to minimum amounts required in other

Australian States. Consequently, the proposed amendment will reduce the minimum amount prescribed for casino special junket agreements to \$10,000 to make Queensland more competitive in attracting interstate and overseas clients.

It is intended that the amendment, by making junket play in Queensland casinos more competitive with other states, will provide greater incentive for industry investment into casino and hotel assets, providing a boost to tourism and employment in the State. Additionally, by attracting additional tourists to Queensland casinos, more money will be invested in other aspects of the Queensland economy through the discretionary spending of these tourists.

### **Achievement of policy objectives**

The Amendment Regulation will achieve the policy objective of making Queensland casinos more competitive as a destination venue for interstate and overseas clients by facilitating a reduction in the minimum amount required for special junket agreements. The Amendment Regulation amends section 30(1) of the Casino Control Regulation, reducing the amount prescribed for casino special junket agreements from \$50,000 to \$10,000.

### **Consistency with policy objectives of authorising law**

The Amendment Regulation is consistent with the object of the Casino Control Act, which is to ensure that, on balance, the State and the community as a whole benefit from casino gambling.

By making casinos more competitive as destination venues of overseas and interstate tourists, it will increase the ability of casino operators to invest in the Queensland economy and also potentially increase the number of tourists coming to Queensland. This will benefit the State and the community, injecting increased amounts of money into the broader Queensland economy, helping local industries and creating greater employment opportunities in the community.

Additionally, the amendments only affect interstate and overseas 'premium player' casino players and will have no effect on limitations imposed on Queensland residents. Therefore, this amendment will not increase problem gamblers domiciled in Queensland, but may attract more interstate

and overseas individuals who are able to put up more than \$10,000 for a special junket agreement.

### **Benefits and costs of implementation**

There are no major costs in the implementation process. Once implemented, the amendments are likely to increase the number of interstate and overseas clients entering into special junket agreements with Queensland casinos.

The State levies a tax rate of 11% against casino revenue derived from junket play, in contrast to 21% against casino revenue derived from normal play. Therefore, an increase in players entering into special junket agreements will increase the proportion of casino revenue derived from junket play that is taxed at the lower rate.

However as numbers of players in the casinos, as a result of this amendment, are likely to increase with the influx of interstate and overseas players, the total revenue from tax on casino revenue derived from junket play is unlikely to decrease significantly. Additionally, the benefits to the broader economy that would result from increased interstate and overseas tourism is likely to be substantial.

### **Consistency with fundamental legislative principles**

The Amendment Regulation is consistent with fundamental legislative principles as it does not affect the rights and liberties of individuals and does not erode the institution of Parliament.

The Amendment Regulation amends an existing provision in the Casino Control Regulation, and there is clear authorisation provided for it in the Casino Control Act. It is therefore appropriate to be placed in subordinate legislation.

### **Consultation**

Significant consultation was undertaken with relevant industry representatives regarding the proposed amendment in the Amendment Regulation. Industry representatives are supportive of the amendment.

ENDNOTES

- 1 Laid before the Legislative Assembly on . . .
- 2 The administering agency is the Department of Justice and Attorney-General.

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