

Casino Control (Supervision Levy) Amendment Regulation 2024

Explanatory notes for SL 2024 No. 96

Made under the

Casino Control Act 1982

General Outline

Short Title

Casino Control (Supervision Levy) Amendment Regulation 2024

Authorising law

Section 50B and 127 of the *Casino Control Act 1982*.

Policy objectives and the reasons for them

The *Casino Control Act 1982* (Casino Control Act) provides for an annual supervision levy (levy) to be imposed on casino licensees to fund the regulation and oversight of casinos, and the conduct of programs aimed at reducing harm from gambling in Queensland. The total amount of the levy that is payable for a financial year for all casino licensees is set by the Minister, and apportioned to licensees in accordance with a regulation.

The objective of the *Casino Control (Supervision Levy) Amendment Regulation 2024* (Amendment Regulation) is to prescribe the proportionate liability of each casino licensee for the levy.

Apportioning liability between the casino licensees is necessary to support the imposition of the levy.

Achievement of policy objectives

The Amendment Regulation amends the *Casino Control Regulation 1999* to prescribe the proportion of the total levy amount for which each casino licensee is liable, based on the aggregate casino gross revenue (CGR) generated by each licensee's casino as a proportion of the combined CGR of all Queensland casinos over the past three financial years. CGR is considered an indicator of gambling activity and associated regulatory effort.

Based on aggregated CGR from 1 July 2020 to 30 June 2023, the following proportion of the total Queensland CGR can generally be attributed to each casino:

- 42.74% to the Brisbane Casino (otherwise known as Treasury Brisbane);
- 42.05% to the Gold Coast casino (otherwise known as The Star Gold Coast);
- 7.66% to the Cairns Casino (otherwise known as The Reef Hotel Casino); and
- 7.55% to the Townsville casino (otherwise known as The Ville Resort-Casino).

Three-year aggregated CGR was determined to be the appropriate benchmark as aggregation was considered to reduce the effect of year-on-year variances. Limiting aggregation to these years also avoided the major distortions of the COVID-19 pandemic-related business interruptions experienced during the first half of the 2020 calendar year.

The Star Brisbane is anticipated to commence operation in August 2024, at which time Treasury Brisbane will cease to operate. In the absence of historical CGR for The Star Brisbane, section 156 of the Casino Control Act allows the levy to be apportioned to the licensee of The Star Brisbane based on the past CGR of Treasury Brisbane. Given Treasury Brisbane is anticipated to only operate for 2/12th of the 2024-25 financial year, it is proposed to assign 10/12th of the Treasury Brisbane licensee's liability for the levy to the licensee of The Star Brisbane.

Accordingly, for the 2024/25 financial year, the Amendment Regulation prescribes the proportion of the total levy amount payable by each licensee as follows:

- 42.05% payable by the licensee of the Gold Coast casino;
- 7.12% payable by the licensee of the Brisbane Casino;
- 35.62% payable by the licensee of the Queen's Wharf casino;
- 7.66% payable by the licensee of the Cairns Casino; and
- 7.55% payable by the licensee of the Townsville casino.

For subsequent financial years following 2024-25 when there will only be four casino licences, the Amendment Regulation apportions the total levy between the casino licensees on the following basis:

- 42.74% payable by the licensee of the Queen's Wharf casino;
- 42.05% payable by the licensee of the Gold Coast casino;
- 7.66% payable by the licensee of the Cairns Casino; and
- 7.55% payable by the licensee of the Townsville casino.

Consistency with policy objectives of authorising law

The Amendment Regulation is consistent with the policy objective of the Casino Control Act, which is to ensure that, on balance, the State and the community as a whole benefit from casino regulation through a system of regulation and control designed to protect players and the community. The Amendment Regulation achieves this object by ensuring that each casino licensee contributes to an annual levy to fund casino regulation and oversight, and harm minimisation programs.

Inconsistency with policy objectives of other legislation

The Amendment Regulation is not inconsistent with the policy objectives of other legislation.

Alternative ways of achieving policy objectives

There is no alternative way to achieve the policy objectives without amending the Casino Control Regulation to prescribe each casino licensee's proportionate liability for the levy.

The Casino Control Act requires the Minister to review the levy legislation within three years from commencement and subsequently at intervals of no more than five years. The suitability of apportionment by CGR, and a re-examination of CGR proportionality to determine apportionment (if appropriate), will be considerations for the review.

Benefits and costs of implementation

A robust system of casino monitoring and supervision ensures appropriate accountability and in turn, promotes public confidence. It is appropriate that costs associated with achieving these outcomes should be borne by the industry that gives rise to the need for regulation. Without regulation, it is more likely that problem gambling, integrity issues, criminal influence, and player fairness issues would arise.

For industry, the Amendment Regulation will result in casinos with a higher past CGR (indicating greater gambling activity and thus greater regulatory effort) being liable for a greater portion of the levy. Casino patrons and the general public are, however, unlikely to be impacted by how the levy is apportioned.

Costs of implementation to Government will be met from the levy.

Consistency with fundamental legislative principles

The Amendment Regulation is consistent with fundamental legislative principles.

Consultation

The Department of Justice and Attorney-General consulted with licensees about the proposed supervision levy apportionment. Casino licensees did not oppose the overall proportions proposed. Two licensees suggested adjustments, which were not adopted as they are not feasible under the Casino Control Act. However, the Casino Control Act provides for a statutory review within three years from commencement of the levy provisions, at which time the proposals made by the licensees may be considered further.

A Summary Impact Analysis Statement has been prepared for the Amendment Regulation. Most of the amendments were identified as not requiring regulatory impact assessment under the *Queensland Government Better Regulation Policy*, as the amendments have some (but not significant) impacts.