

Second Reading

The Hon. MICHAEL VEITCH (Parliamentary Secretary) [8.26 p.m.], on behalf of the Hon. Ian Macdonald: I move:

That this bill be now read a second time.

I seek leave to have the second reading speech incorporated in *Hansard*.

Leave granted.

The Casino Control Amendment bill 2010 contains a range of amendments to the Casino Control Act 1992.

This bill represents the second tranche of reforms to the regulation of the casino foreshadowed by the Government in 2009.

These amendments seek to:

Provide legislative consistency for civil or criminal liabilities regarding patron exclusions and patron exclusions more generally

Modernise the regulatory framework for the training and licensing of the casino's special employees

Remove legislative anomalies and barriers to future developments in gaming and

Remove red tape and barriers inhibiting the Casino, Liquor and Gaming Control Authority (the Authority) from implementing better and more efficient ways of achieving its objectives.

As with the amendments to the Act passed by the Parliament in the previous session this bill does not change the "single casino" arrangement approved by the Parliament.

Like the earlier reforms this bill serves to ensure that the casino remains free from criminal influence or exploitation that gaming in the casino is conducted honestly and that the potential of the casino to cause harm to the public interest and to individuals and families is contained.

Authority inspectors will continue to maintain an on-site presence at the casino on a 24 hour-a-day 7 days a week basis to assist the Authority to keep under constant review all matters connected with the casino.

This bill proposes amendments to strengthen the existing patron exclusion provisions within the Act to keep out undesirables from interstate.

The first of these amendments is an important one. It ensures that an exclusion order by a Police Commissioner acting under corresponding casino legislation in another Australian State or Territory applies in NSW. Under the proposal the NSW Commissioner of Police on being advised of a casino exclusion issued by a Police Commissioner in another jurisdiction is required to direct the Star City casino to exclude that individual as well.

For example, if the Victorian Commissioner of Police excludes an individual from Melbourne's Crown Casino that individual would be automatically excluded from Star City in Sydney at the direction of the New South Wales Commissioner of Police. The same would apply to the revocation of any such exclusion order issued interstate.

It is also proposed that the NSW Commissioner of Police be required to notify the Police Commissioner in another Australian State or Territory of a directive to the New South Wales casino operator to exclude a person and of a revocation of any such directive.

These changes bring the New South Wales legislation into line with other jurisdictions and provide legal certainty for all involved in the process in NSW.

The proposed amendment bolsters the existing exclusion arrangements for the casino under the Act. Current arrangements allow the NSW Commissioner of Police, the Authority and the casino operator to exclude individuals from the casino and for individuals to voluntarily have themselves excluded from the casino by the casino operator or the Authority.

Exclusion provisions in the form of patron self-exclusion schemes have also existed for hotels and clubs with gaming machines for some years under the Gaming Machines Act.

The difference is that responsible persons at hotels and clubs and clubs themselves are provided with a degree of protection from legal liability with respect to implementing their gaming machine self-exclusion schemes.

No such protection currently exists in relation to the casino.

The bill addresses this issue and confers a limited protection from legal liability in respect of the implementation of the casino's exclusion requirements.

I must stress that the protection from civil legal proceedings does not extend to anyone whose negligence causes personal injury or the death of a person.

To reduce red tape from the casino's regulatory system this bill amends the Act's provision relating to controlled contracts. That is, contracts that require an investigation of the contract by the Authority and the consequent approval or disapproval of the contractors involved.

In future controlled contracts will only be contracts for the supply or servicing of approved gaming equipment and contracts that the Authority declares by notice in writing to the casino operator as being materially significant to the integrity of the operation of the casino.

This more contemporary risk-based approach to the review of contracts by the Authority will result in far fewer controlled contracts as existing contracts end or are replaced by new contracts and each of those contracts being more intensely scrutinised.

I am advised that there are currently around 160 controlled contracts. This amendment should reduce that number to approximately 30 controlled contracts. This change will occur over time but is unlikely to occur in the short term.

The regulations governing the casino already prohibit the offering of certain inducements to gamble to people already inside the casino.

This bill makes it clear that agents of the casino or casino employees inside or in the vicinity of the casino are prohibited from inducing people outside the casino to enter or gamble in the casino.

A goal of this bill is to complete the modernising of the casino legislation with respect to the conduct of gaming.

The bill makes a number of changes to accommodate future developments and innovations in the conduct of gaming.

The first is to ensure that where a gaming equipment approval is in force no equipment other than the approved gaming equipment is to be used and it must only be used in accordance with the "approval".

It is proposed to remove the regulatory burden on the Authority and the casino operator of requiring the Authority to approve "any device or thing" used or capable of being used in connection with gaming. It will allow the Authority to determine what equipment is relevant to the integrity of gaming and therefore requiring its approval.

Poker in other jurisdictions worldwide is now dealt from the hand as well as by using "card shoes" and it is likely that other methods of dealing may evolve in the future. The amendments in this bill recognise this.

This bill introduces changes to accommodate developments in the means of moving money around the casino and the making of wagers that are far more secure and accountable but which might otherwise be precluded by the current wording of the Act. For example, making use of "virtual chips" in games like electronic roulette are seen as providing better security and accountability of wagers and minimising opportunities for cheating.

Another benefit of innovations such as virtual chips is that criminal elements would not be able to use counterfeit chips.

Lastly, with respect to the conduct of gaming, this bill amends the definition of "junket" to ensure that it reflects the current conduct of junket.

Special employees perform roles critical to the integrity of the casino's operation and are required to be licensed under the Act. The bill does not change this.

This bill provides a framework for making the skills of special employees more relevant and that improves the efficiency of the training and certification process.

The proposed amendments ensure that special employees' functions are compatible with the certificate of competency issued to them.

The onus will be on the casino operator to ensure that special employees do not perform multiple functions that are incompatible and for example may weaken the casino's control processes.

This bill provides the Authority with a reserve power whereby it can set standards that must be met before a competency certificate can be issued. It replaces the requirement for the Authority to approve each training course for special employees.

Experience has demonstrated that the casino operator is well placed to undertake the detailed design and arrange the delivery of training for its staff.

The reserve power proposed will ensure that the Authority can act before or if individuals are inappropriately issued with a certificate of competency.

Members will note that the casino operator is already required to provide the Authority with immediate and unrestricted access to up-to-date training records.

The Authority will therefore maintain a significant role in determining training standards for casino special employees.

Further red tape is eliminated by repealing the requirement for certificates of competency issued by the casino operator to accompany applications for special employee licences.

This bill also amends the Act so as to remove the requirement for the Authority to approve simulated gaming.

Simulated gaming is conducted for testing demonstration purposes or training purposes and is a normal activity of the casino operator. No money is used and no chips are used in place of money. This amendment removes red tape.

This bill also makes some straightforward machinery amendments to the Act.

The first of these is to clarify what matters are to be included in the Authority's annual reports.

The Authority's Annual Report will continue to report on significant matters such as the previous 'Clause 6 Reviews' conducted under the Surveillance Amending Deed, but would not have to include matters such as the ongoing audits that the Manager Casino Review conducts on casino operations, for example, training programs.

This bill removes an anomaly that prevents the casino operator from applying to the Authority for a change to the system of administrative controls and accounting procedures approved by the Authority.

Finally, this bill replaces the limitation on Penalty Notices of six penalty units, \$660 or 10% of maximum amount of penalty that could be issued by a court with a limit equivalent to the maximum penalty which could be imposed for the offence by a court. This change would make the Act consistent with section 150(9) of the Liquor Act 2007 which provides for similar offences and takes the proposed approach to the limits for penalty notices.

It should be noted that this amendment does not automatically increase the current fines attached to Penalty Notices. These can only be increased by amending the Casino Control Regulation.

In conclusion this bill completes the implementation of a range of reforms arising out of the review of the Act conducted by the Authority and the casino operator.

The Authority operates independently of the Government. It has a reputation for integrity and expertise in the regulation of casino operations.

The Authority would not support the changes contained in this bill if it were not completely satisfied that they improved the regulation of the casino and did not compromise the future integrity of the casino's operations.

I commend this bill to the House.