

CASINO (BURSWOOD ISLAND) AGREEMENT AMENDMENT BILL 2023

Receipt and First Reading

Bill received from the Assembly; and, on motion by **Hon Stephen Dawson (Minister for Emergency Services)**, read a first time.

Second Reading

HON STEPHEN DAWSON (Mining and Pastoral — Minister for Emergency Services) [5.43 pm]: I move —

That the bill be now read a second time.

The *Perth Casino Royal Commission: Final report* was tabled in Parliament on 24 March 2022. It is a priority of the state government to give effect to the recommendations of the commissioners, as supported by the state government response tabled on 16 March 2023. With regard to the funding of the activities of the regulator, the Gaming and Wagering Commission of Western Australia, the report identified several key matters, which I will summarise.

The Casino Control Act commenced on 1 July 1984 and provided the legislative foundation for the state to enter into a casino complex agreement, a “state agreement”, to develop a casino, and operate a casino under a licence, in accordance with the terms of the state agreement. The parties to the agreement are the minister of the Crown for the time being charged with the administration of the Casino Control Act acting for and on behalf of the state of Western Australia, Burswood Nominees Ltd and Burswood Resort (Management) Ltd. The Gaming and Wagering Commission is not a party to the state agreement and so it is not able to directly influence the casino gaming licence fee. The Perth Casino Royal Commission concluded that this is an appropriate arrangement because the regulator should not be able to unilaterally determine the casino licence fee that funds the regulator, and nor should the regulator be involved in negotiating with Perth casino about that fee. The Casino Control Act makes provision for the funding available to the Gaming and Wagering Commission to administer the act that consists of “moneys from time to time appropriated by Parliament”, “casino gaming licence fees” and “all other moneys lawfully received by, made available to, or payable to, the commission”. It also provides that a public company entering into a state agreement with the minister must undertake to pay tax to the state and that the state agreement may provide for the review by the minister of both the rate of tax and the amount of the licence fee.

The act provides that the casino gaming licence fee is to be paid directly to the commission to be used for its costs in administering the Casino Control Act and regulating the casino. The Casino Control Act does not specify the manner in which casino gaming licence fees and tax rates should be calculated or the factors that should be taken into consideration when they are reviewed. The state agreement sets a base fee and provides for an annual increase of the fee in line with CPI. The Perth Casino Royal Commission found that this has resulted in an imbalance over time—that is, increases to the casino’s gaming revenues and tax revenue have occurred; however, commensurate increases to the casino gaming licence fee to support regulation of the increased and evolving gaming activity and the associated risks have not occurred. The annual licence fee was last adjusted by the second supplementary agreement to the state agreement in 1990. At that time, the “base rate” of the annual licence fee, referred to as the “annual specified amount”, was increased from \$400 000 to \$1.4 million. In line with that fee and the CPI increase calculation, the annual fee payable for the 2023–24 period is \$3 494 834.

The bill before Parliament today ratifies the seventeenth supplementary agreement to the state agreement contained at schedule 1 of the Casino (Burswood Island) Agreement Act 1985. The seventeenth supplementary agreement was executed by the parties to the agreement on 9 November 2023 and amends the state agreement to achieve two important outcomes. First, it increases the “base rate” of the annual specified amount of the casino gaming licence fee to \$12 million, with retrospective effect from the 24 December 2023 anniversary date. It is the government’s view that it is no longer appropriate for the significant shortfall in the costs for the Gaming and Wagering Commission to regulate the casino to be supplemented by consolidated revenue, and that the casino gaming licence fee should be adjusted to achieve full cost recovery. This increase will allow the regulator to fund an uplifted program of regulatory activity for casino operations resulting from the findings and recommendations of the Perth Casino Royal Commission.

While the annual CPI calculation for routine increases to the casino gaming licence fee continues to apply, the second significant outcome of the seventeenth supplementary agreement is that it provides for the minister, having regard to the reasonable cost of the commission, to adjust the casino gaming licence fee. This amendment reflects the findings of the Perth Casino Royal Commission that the funding of the regulator in a set amount adjusted by CPI may not ensure adequate funding for the regulator, where the nature of the operations at Perth casino is changing and increasing in complexity over time.

The Perth Casino Royal Commission concluded that there is a need for the periodic review of the casino gaming licence fee in order to ensure that it is sufficient for the purpose of casino regulation, and that the regulator should advise the minister about its conclusion on the sufficiency of the casino gaming licence fee. This amendment is

specifically provided for under the Casino Control Act and will allow the minister to make appropriate changes to the casino gaming licence fee without the requirement for further negotiation with the casino operator.

Finally, the opportunity has been taken to make minor administrative amendments relating to outdated terminology and contact information for service of notices. These funds can be applied only to the costs of administering the Casino Control Act and regulating the casino and provide a substantial mechanism for ensuring appropriate oversight of Perth's only casino. The government is very proud to have achieved this important step in securing adequate funds for the Gaming and Wagering Commission to make significant improvements to its regulatory resources.

Pursuant to standing order 126(1), I advise that this bill is not a uniform legislation bill. It does not ratify or give effect to an intergovernmental or multilateral agreement to which the government of the state is a party; nor does this bill, by reason of its subject matter, introduce a uniform scheme or uniform laws throughout the commonwealth.

I commend the bill to the house and table the explanatory memorandum.

[See paper [2981](#).]

Debate adjourned, pursuant to standing orders.