

# TRANSCRIPT

## PUBLIC ACCOUNTS AND ESTIMATES COMMITTEE

### Inquiry into budget estimates 2018–19

Melbourne — 18 May 2018

#### Members

Mr Danny Pearson — Chair

Ms Sue Pennicuik

Mr David Morris — Deputy Chair

Ms Harriet Shing

Mr Steve Dimopoulos

Mr Tim Smith

Mr Danny O'Brien

Ms Vicki Ward

Ms Fiona Patten

#### Witnesses

Ms Marlene Kairouz, Minister for Consumer Affairs, Gaming and Liquor Regulation,

Mr Greg Wilson, Secretary,

Mr Simon Cohen, Deputy Secretary, Regulation, and Director, Consumer Affairs Victoria, and

Ms Cate Carr, Executive Director, Liquor, Gaming and Racing, Department of Justice and Regulation.

**The CHAIR** — I declare open the public hearings for the Public Accounts and Estimates Committee inquiry into the 2018–19 budget estimates.

All mobile telephones should now be turned to silent.

I would like to welcome the Minister for Consumer Affairs, Gaming and Liquor Regulation, the Honourable Marlene Kairouz, MP; Mr Greg Wilson, Secretary of the Department of Justice and Regulation; Mr Simon Cohen, Deputy Secretary, Regulation, and Director of Consumer Affairs Victoria; and Ms Cate Carr, Executive Director, Liquor, Gaming and Racing.

All evidence is taken by this committee under the provisions of the Parliament Committees Act, attracts parliamentary privilege and is protected from judicial review. Any comments made outside the hearing, including on social media, are not afforded such privilege.

The committee does not require witnesses to be sworn, but questions must be answered fully, accurately and truthfully. Witnesses found to be giving false or misleading evidence may be in contempt of Parliament and subject to penalty.

All evidence given today is being recorded by Hansard. You will be provided with proof versions of the transcript for verification as soon as available. Verified transcripts, any PowerPoint presentations and handouts will be placed on the committee's website as soon as possible.

Witness advisers may approach the table during the hearing to provide information to the witnesses if requested, by leave of myself. However, written communication to witnesses can only be provided by officers of the PAEC secretariat. Members of the public gallery cannot participate in the committee's proceedings in any way.

Members of the media must remain focused on the persons speaking. Any filming or recording must cease immediately at the completion of the hearing.

I invite the witness to make a very brief opening statement of 10 minutes. This will be followed by questions from the committee. At the outset I would also like to declare that my wife is the chair of the Business Licensing Authority.

### **Visual presentation.**

**Ms KAIROUZ** — Thank you, Chair, for giving me the opportunity to present to the committee on the 2018 budget initiatives and ongoing work in my portfolio. As you can see, my portfolio has output costs totalling \$93.4 million for gaming and liquor regulation and \$149.8 million for consumer affairs, and I will start with consumer affairs.

The 2018–19 budget provides funding for CAV to continue its work in supporting Victoria's consumers and ensuring businesses are aware of their obligations. The government will spend \$39 million on projects for Victorians needing assistance, including \$8.8 million to provide financial counselling for 32 000 people experiencing financial hardship, an additional \$1.5 million to fund family violence financial counselling positions, \$4.4 million for community agencies to deliver advocacy services to around 8800 vulnerable consumer tenants across Victoria and \$25 million to provide affordable housing to people who are on low incomes or living in difficult circumstances through grants from the Victorian Property Fund.

Over the past year we have made significant progress towards several of our election commitments. We implemented important new laws requiring the licensing of rooming house operators with the Rooming House Operators Act commencing in April last year. So far over 830 licences have been approved, and we have seen a small increase in the number of registered rooming houses. The Tenancy and Consumer Program launched in July 2017, targeting financially disadvantaged Victorians and those experiencing family violence. We increased place-based tenancy services across Victoria by 30 per cent by selecting the best agencies to deliver these services, supported by strong and expert central services.

Family violence survivors will be assisted to achieve financial recovery by continued funding for 11 specialist family violence financial counsellors across Victoria. In the coming year we anticipate 2250 women will be assisted with financial counselling. Domestic Building Dispute Resolution Victoria has resonated with Victorian home owners and builders. The no-cost, informal and solutions-focused dispute resolution has

resulted in exceptional demand for service, which has clearly demonstrated how great the need was for this organisation. Scams continue to pose a risk to our community, and awareness is the best protection. Earlier this month CAV launched its annual scams awareness campaign in partnership with Crime Stoppers, which followed other warnings this year, including romance scams in the lead-up to Valentine's Day and social media scams.

It was a year we held businesses to account — for example, through CAV's high-profile Taskforce Vesta, zeroing in on underquoting estate agents. A number of successful court actions were a strong endorsement of CAV's approach. CAV had many other important court decisions last year, from product safety cases to the misappropriation of real estate trust moneys. These results demonstrate CAV's increasing capability to identify, investigate and prosecute the conduct of businesses that harm consumers.

Safe, affordable and secure housing is a priority of this government. In the coming year we are continuing to implement our reform agenda. Our legislative review program of critical laws for residential tenancies, owners corporations and the sale of land has entered its final stages. Since mid-2015 Consumer Affairs Victoria has led a comprehensive and evidence-based review of the Residential Tenancies Act. This review fulfils a commitment in the government's plan for fairer, safer housing and is a response to substantial changes in market conditions since the act was passed almost 20 years ago.

The reform package will promote a modern and dynamic rental market that meets the needs of the Victorian community, both renters and rental providers, now and into the future. The proposed new laws will address recommendations from the Royal Commission into Family Violence to better protect family violence survivors in rental accommodation, and reforms already announced will increase the security and rights of Victorians who rent. A draft standard long-term tenancy agreement to enable leases for five years or more is being developed after consultation with key stakeholders, and it is anticipated that it will be available to landlords and tenants from mid-2018 subject to the passage of the Residential Tenancies Amendment (Long-term Tenancy Agreements) Bill.

New laws will also commence operation to implement the government's election commitment to protect residents of high-rise apartments from unruly parties in short-stay accommodation, subject to the passage of the Owners Corporations Amendment (Short-stay Accommodation) Bill through this Parliament.

We have also completed our extensive review of a number of consumer property law acts and will shortly announce proposed reforms to make more effective their arrangements for managing owners corporations and to better protect persons entering into contracts to buy and sell land. In addition to this, work is underway to establish a registration system for engineers, with legislation before Parliament that will ensure the industry is properly regulated for safety, compliance and competency.

I will now move on to discuss the government's work in gaming and liquor regulation. The 2018 budget provides funding of \$2.5 million to the Victorian Commission for Gambling and Liquor Regulation for 2018–19, which will enhance its capacity to address the risk of gambling and alcohol-related harm. This is additional to the \$11.3 million funding injection provided in last year's budget, a welcome boost after the commission was gutted under the previous government. During this financial year my department has completed a review of gaming machine arrangements. The review provides the community with greater certainty about future gaming machine arrangements. The process for allocating new gaming machine arrangements has now commenced. I expect the allocation process to be complete by mid-2018. In addition, the Victorian Commission for Gambling and Liquor Regulation has now established regional hubs to enhance its compliance activities in regional areas.

The Andrews Labor government shares the community's concerns regarding the insidious nature of gambling-related harm and has introduced a suite of measures to address these concerns. We have legislated a \$500 daily limit on EFTPOS withdrawals. This will now come into effect on 19 September this year. Victoria is now the only mainland state with no ATMs in gaming venues and a daily limit on EFTPOS withdrawals. We have capped the number of gaming machines in the state to 27 372 until 2042. Victoria already has a record low density for gaming machines in hotels and clubs, with figures for 2016–17 showing that there were 5.47 gaming machines per 1000 adults in Victoria. The most recent comparative data for gaming machine density in all Australian jurisdictions shows that Victoria has the lowest gaming machine density for clubs and hotels in Australia. We have capped the maximum number of gaming machine entitlements in 17 municipal areas at their current level. We have also capped areas that are vulnerable to harm in eight additional municipalities. This will

prevent any more gaming machines being allocated in these 25 vulnerable communities. We have introduced strict measures that apply to cashless gaming.

The Andrews government has taken decisive action to ban static betting advertising within 150 metres of a school, on public transport infrastructure and on public roads and road infrastructure. This was achieved through the Gambling Legislation Amendment Bill that passed the Legislative Council on 6 March 2018 and received royal assent on 14 March 2018. This is an important step to address the normalisation of gambling and the exposure to betting advertising of vulnerable people, including children. We have successfully advocated to the commonwealth government to crack down on the alarming levels of broadcast betting advertising, and we have also introduced amendments to provide the responsible minister with the power to implement the national consumer protection framework for online wagering in Victoria.

In our work in liquor regulation we are committed to striking an appropriate balance between the benefits of a responsible and diverse liquor industry and the need to minimise alcohol-related harm. We recognise the value of the liquor industry to Victoria, particularly its contribution to employment, entertainment and tourism opportunities. By engaging with various family violence and alcohol-related harm experts as part of our current review of the Liquor Control Reform Act, I am pleased to advise that we have implemented recommendation 93 of the Royal Commission into Family Violence.

Coming out of this review I recently introduced the Liquor and Gambling Legislation Amendment Bill into the Parliament. The bill will amend the Liquor Control Reform Act to strengthen its harm minimisation measures, and these amendments include prohibiting alcohol advertising within 150 metres of a school to limit exposure of minors to potentially harmful messages about alcohol, creating a new offence regarding the delivery of alcohol to a minor, removing outdated exceptions to the prohibition on the supply of alcohol to minors on licensed premises, requiring the supply of alcohol to a minor in a private residence to be made in a responsible manner and encouraging the responsible consumption of alcohol at restaurants and cafes by allowing patrons to take away unconsumed alcohol supplied for consumption with a meal. This bill precedes the second stage of the review that will require a more detailed long-term policy evaluation of the remainder of the act. This will allow consideration of more complex issues, such as family violence, as well as further consultation with industry and community stakeholders. Thank you.

**The CHAIR** — Thank you, Minister. I will lead off, if I may. Minister, in your presentation you talked about harm minimisation measures in relation to gaming machines. I was wondering if you could outline to the committee how these measures impact Victoria relative to other jurisdictions. So in terms of the regulatory regime, how does Victoria compare to other jurisdictions nationally?

**Ms KAIROUZ** — Thank you, Chair, for the question. Thanks to a suite of harm minimisation measures that our government has introduced, Victoria is now one of the leading jurisdictions in addressing pokies-related harm. Not only is Victoria now the only mainland state without ATMs at gaming venues; we also became the only mainland state with a daily limit on EFTPOS withdrawals; and once the legislated 500 daily limit on EFTPOS comes into effect on 19 September this year. Our government's cap on the number of gaming machines in the state until 2042 will ensure that the density of gaming machines will continue to decline as our population increases.

The most recent comparative data for gaming machine density in all Australian jurisdictions shows that Victoria has the lowest gaming machine density for clubs and hotels, of course with the exception of Western Australia, which does not permit gaming machines outside their casino.

Victoria currently has a record low density for gaming machines in hotels and clubs. The 2016–17 figures show that there were 5.47 gaming machines per 1000 adults in Victoria. This is a significant drop from 1999–2000, when gaming machine density was 7.76 per 1000 adults. This is also a great contrast to the density of gaming machines in most other jurisdictions. For example, in New South Wales the density is 15.6 machines per 1000 adults, with 15.1 machines per 1000 adults in the ACT, 11.6 machines in Queensland and 9.2 in South Australia.

I should further mention that Victoria is one of only two Australian jurisdictions with caps on the number of gaming machines within local government areas. Further to this, we have recently capped the number of gaming machine entitlements in 17 municipal areas at their current levels. We have also capped areas that are vulnerable to harm in eight additional municipalities, and this will prevent any more gaming machines being

allocated in these 25 vulnerable communities. Following our government's introduction of YourPlay in December 2015, Victoria remains the only jurisdiction with a statewide networked precommitment scheme.

**The CHAIR** — Thank you, Minister. In relation to responsible gambling codes of conduct for gaming venues, can you outline to the committee how work is progressing in terms of strengthening and modernising or updating these codes of conduct?

**Ms KAIROUZ** — Sure. The provisions of the Gambling Regulation Act provide me with the power to prescribe the content, the standards and the requirements for responsible gambling codes of conduct. This will also come into effect on 19 September this year.

I have asked the Responsible Gambling Ministerial Advisory Council to advise me on what changes, if any, should be made to requirements for responsible gambling codes of conduct for gaming venues. I am advised that in recent deliberations on this matter council members mentioned that the codes should set out minimum standards and not replicate requirements that are prescribed in the legislation or regulations, and members said that removing this duplication would make the codes more streamlined and reduce red tape for venue operators. Members also said setting minimum standards would make the codes easier to comply with and enforce and that minimum standards may provide an opportunity to explicitly oblige a venue operator to provide a gaming environment in which prolonged and intensive gaming machine play is discouraged and action is taken when a customer may be having a problem with their gambling.

I understand that at their next meeting in June the council will consider the specific minimum standards that should be prescribed in the new code. I will consider the council's views before making any new direction or regulation and after the legislative amendments come into operation in September this year.

**Ms WARD** — Good morning, Minister; good morning, everyone. I hope we are all well and ready for a good weekend.

Minister, in your presentation you referred to static betting advertising and the recent legislation that has been put through, and this is around prohibiting advertising within 150 metres of schools on road and public transport infrastructure. Can you talk us through why this has occurred, the effects of gambling advertising and how effective this prohibition is actually going to be?

**Ms KAIROUZ** — Thank you very much, Ms Ward. According to the standard media index, the gambling industry spent \$234.5 million on advertising in Australia in 2016, up from \$89.7 million in 2011, and this includes sponsorships and in-program content. The excessive promotion normalises gambling, it shapes attitudes and it encourages more frequent betting without highlighting the risks associated with it. The normalisation of sports betting through advertising is of particular concern to me.

Levels of access to gambling and levels of exposure to promotion of gambling have both been linked to normalisation of gambling and harmful gambling. In particular, advertising as a prompt to gamble has been associated with undermining the control that people with gambling issues are trying to maintain.

Research shows that gambling advertising and its relationship with sport is a means by which gambling is being normalised for children. Victorian Responsible Gaming Foundation-funded research released in 2016 found more than three-quarters of children aged eight to 16 who attended local community sports events, especially AFL, NRL and soccer, could recall the name of at least one sports betting brand. Around a quarter could identify four or more sports betting brands and more than three-quarters could identify at least one team-sponsor relationship. Further research reported that 75 per cent of children in the same age group and who are involved in sport think that gambling is a normal part of sport. It is therefore highly likely that gambling will be reduced as a result of our government's ban on static betting advertising. This ban will reduce the current saturation of gambling advertising. It will increase the physical locations in which people with gambling issues will not be reminded of gambling or be encouraged to do so. And the removal of advertising from public transport and around schools will reduce children's exposure to gambling.

**Ms WARD** — Thank you. I will come back to that, Minister.

**Mr D. O'BRIEN** — Thank you, Chair. Good morning, Minister. You referred in your presentation to the Rent Fair reforms and also a review of the Residential Tenancies Act. The Rent Fair reforms were announced

ahead of a Northcote by-election last year. When will we actually see the legislation for that, and when will the review of the Residential Tenancies Act be actually completed?

**Ms KAIROUZ** — Thank you for your question, Mr O'Brien. Consumer Affairs Victoria led a comprehensive evidence-based review of the Residential Tenancies Act, which commenced in mid-2015. The review fulfils our government's commitment to plan for fairer, safer housing and responds to substantial changes in market conditions since the act was passed almost 20 years ago. One key change is that more and more Victorians are renting and are renting for longer periods. The changes in the rental market highlighted the need to examine issues such as security of tenure, tenants' rights and responsibilities, and dispute resolution.

**Mr D. O'BRIEN** — Minister, I am aware of the background. I am just seeking a clarification of when the reforms will be introduced to Parliament.

**Ms KAIROUZ** — We are expecting to also announce a broader range of reforms, and we anticipate introducing this reform package into the Parliament sometime this year.

**Mr D. O'BRIEN** — So it will be before the election? Will you guarantee before the election?

**Ms KAIROUZ** — It will be introduced sometime this year.

**Mr D. O'BRIEN** — Okay. Likewise, the final review of the Residential Tenancies Act: is that complete or when will it be complete?

**Ms KAIROUZ** — Work is still ongoing, and we are working very, very hard to put the package of reforms together, which will be introduced sometime this year.

**Mr D. O'BRIEN** — Okay. Last year you told this inquiry that safe, affordable and secure housing is a priority for the government, yet the review has been going since 2015, as you just said. Why is it taking so long?

**Ms KAIROUZ** — Well, because the review has been conducted over four stages. Stage 1 and stage 2 of the review were completed in 2015 and 2016. Stage 1 involved public consultation on a paper exploring the characteristics and trends in the sector. Stage 2 saw the public release of six issues papers. Stage 3 of the review was completed in February 2017, and involved the release of the options paper called *Heading for Home*, which included a suite of possible reform options for public consultation. We are currently in stage 4, which is a development of the reforms, although I note that some have already been developed and announced in October last year. Areas for possible reform included minimum house and safety standards for rental properties, streamlined dispute resolution, strengthened repair and maintenance obligations, and effective termination rights for landlords. During the course of the review 4800 public comments were received in response to all of the discussion papers released for comment. These included 508 written submissions, 700 contributions to online forums, 3070 comments on social media and I personally received thousands of emails from Victorians —

**Mr D. O'BRIEN** — As many of us have.

**Ms KAIROUZ** — and no doubt the members of the committee would have received the same emails.

**Mr D. O'BRIEN** — Minister, I am conscious of our time. Could I just move onto another issue? Thank you for that answer. Can you advise us, please, if a commissioner for residential tenancies has been appointed, and if so who it is?

**Ms KAIROUZ** — Thank you very much for your question. We are actually in the process of formalising our position on that issue. I cannot give you a time at the moment.

**Mr D. O'BRIEN** — So no-one has been appointed as yet?

**Ms KAIROUZ** — Not yet.

**Mr D. O'BRIEN** — Can you tell us how much the department has budgeted for this appointment?

**Ms KAIROUZ** — Yes, sure, of course I can. Bear with me one second. In budget paper 3, page 297, you will see the output costs and the expenditure obviously have no impact on our state appropriations funding. This commissioner is funded out of the consumer affairs fund trust, which obviously has sufficient reserves to meet

the department's demand and the appointment of the commissioner. And I can certainly ask Mr Cohen to expand on this.

**Mr D. O'BRIEN** — Yes, I am just after a figure, if I could, Mr Cohen. That is a global figure that you have given me there, but if there is a —

**Mr COHEN** — In the 2017–18 budget there was an increase of \$446 000 funding to appoint a commissioner for residential tenancies. And in the 2018–19 budget there is an additional \$1.2 million of funding for a number of the reforms announced by the government in relation to residential tenancies, including to support the operation of the commissioner for residential tenancies to create the landlord and estate agent blacklist, and to undertake systems upgrades to support automated refunds of bonds by the Residential Tenancies Bond Authority.

**Mr D. O'BRIEN** — Okay. Can I just ask all the witnesses to perhaps just move the microphone a bit closer when you are speaking so we can all hear?

**Mr COHEN** — Of course.

**Mr D. O'BRIEN** — Sorry, just to confirm: that 2018–19 funding is just for 2018–19, or is that over the forward estimates — the \$1.2 million?

**Mr COHEN** — That 2018–19 funding is just for that.

**Mr D. O'BRIEN** — Okay. Thank you. Minister, Mr Cohen just mentioned the blacklist issue for our landlords. Could you advise, if a landlord is to be listed on the blacklist, what will it be based on? Will it be based on facts presented to a court, for example, or just hearsay from a tenant or complaints? How would that be actually proven?

**Ms KAIROUZ** — Thank you, Mr O'Brien. You may or may not be aware that there is a tenant blacklist that is currently in place at the moment. We have introduced or will be creating a landlord and estate agent blacklist that is available to tenants. This is so tenants can know about dodgy landlords and agents prior to signing a lease and to hold them to account. A listing will be made where there has been a judgement from a dispute resolution body — for example, VCAT — determining whether there has been a breach of the tenancy agreement, an RTA duty or a prior compliance order, and the landlord is liable to the tenant for compensation or has received another penalty under the Residential Tenancies Act.

**Mr D. O'BRIEN** — So it will not just be that a couple of tenants have complained about this landlord. That will not be sufficient.

**Ms KAIROUZ** — No, there will be a proper process.

**Mr D. O'BRIEN** — Okay, thank you. You mentioned the listing of tenants: is that publicly available?

**Ms KAIROUZ** — Yes, it would be publicly available.

**Mr D. O'BRIEN** — It is?

**Ms KAIROUZ** — I will just double-check that.

**Mr D. O'BRIEN** — And the landlords, will that also be publicly available? I assume so.

**Ms KAIROUZ** — I will ask Mr Cohen.

**Mr COHEN** — Mr O'Brien, the tenant blacklist, as it is called, is not publicly available. It is available to estate agents. In terms of the precise arrangements for the blacklist, they have not as yet been settled.

**Mr D. O'BRIEN** — They have not been set?

**Mr COHEN** — They have not.

**Mr D. O'BRIEN** — Okay, thank you. Minister, can I just move on to another issue. I refer to budget paper 3, page 296. Can you provide us with the outcome of the review taken in relation to recommendation 15 into the inquiry into the retirement living sector?

**Ms KAIROUZ** — The Andrews government is committed to ensuring retirement villages residents have robust protections. We are in the process of completing a review of aspects of the Retirement Villages Act. The current review involved firstly a review of the aged care rule. Stage 1 of the review, the aged care rule, was completed in September 2016, resulting in amendments of the retirement villages contractual arrangements regulations that were made in July 2017. A review of the participation of voting rights of residents is about the voting rights of leasehold residents in relation to owners corporations in retirement villages, which was undertaken by my department as part of its consumer property law review. The government is currently considering the outcomes of that review. Stage 3 examined internal and external complaint handling and dispute resolution processes under the Retirement Villages Act. The role of VCAT in external retirement village disputes was examined as part of Justice and Regulation's access to justice review, which was reported in 2016.

**Mr D. O'BRIEN** — Minister, when will we actually see an outcome from the parliamentary inquiry recommendation with respect to whether there is going to be an Ombudsman or an advocate? When is that going to be?

**Ms WARD** — I think the minister was trying to answer the question.

**Ms KAIROUZ** — As you may be aware, the standing committee on legal and social issues reported on its inquiry in March 2017. They made 15 recommendations, 10 of which relate specifically to retirement villages and 12 of which relate to the consumer affairs portfolio. We tabled our response to the inquiry in September 2017. We support —

**Mr D. O'BRIEN** — Minister, I am conscious of the time. Your response says the recommendation is under review. I am just trying to get an idea of the time line as to when we will have a response on that.

**Ms KAIROUZ** — We support key recommendations that clarify and improve the rights of residents of retirement villages, and we also support a review of the Retirement Villages Act undertaken in order to improve consumer protections while allowing for growth and innovation in the sector. This review will pick up many of the discrete recommendations for reform made by the inquiry, which are supported by the government. This requires substantial investigation and analysis.

**Ms PENNICUIK** — Thank you, Minister. Welcome secretary, deputy secretaries and other staff of the department. Thanks for coming. If I could go to the issue of liquor and gambling regulation and refer you to budget paper 3, page 294, which gives a target for 2018–19 of 10 000 liquor and gambling inspections in metropolitan areas. How many of these are expected to be gambling venues? Also the footnote says that the target is lower as the VCGLR is placing a greater emphasis on high-risk premises. What are high-risk premises?

**Ms KAIROUZ** — What page did you say it was on?

**Ms PENNICUIK** — Page 294, budget paper 3.

**Ms KAIROUZ** — Is this about regional inspections?

**Ms PENNICUIK** — It just says 'greater emphasis on high risk premises', so how are high-risk premises defined?

**Ms KAIROUZ** — Thanks to an \$11.3 million investment by the Andrews Labor government the VCGLR recently established two regional hubs, one in Ararat and one in Sale. These hubs will allow the commission to enhance its compliance and education activities in regional Victoria, and we are also targeting metropolitan liquor and gambling venues as well. In terms of the decrease in the number of metropolitan liquor and gambling inspections completed, this is a response to the recent audit of the commission by VAGO. The audit found that the commission's compliance activities are not sufficiently risk-based because the VCGLR had focused on meeting the target on the number of inspections rather than directing inspections to where non-compliance has a high risk or high potential for harm. So reducing the number of inspections will allow a greater focus on higher risk inspections, as well as an increase in the number of inspections in regional Victoria.



**Ms PENNICUIK** — What is the definition of high risk? How are you defining that?

**Ms KAIROUZ** — I will ask Ms Carr to respond to that.

**Ms CARR** — Over recent times, as the minister said, the commission is trying to move away from just counting numbers of inspections and actually focus on areas of greatest harm. So it has developed an intelligence-led compliance framework, which essentially means looking at those venues that, for instance, are open late at night; licensed premises who trade into the early hours of morning; those that have large patron numbers, so nightclubs are a good example; and also those venues that have risk in terms of the data that shows that they may have been subject to a compliance failure or where the police data shows that there are alcohol-related incidents that occur in or around the premises.

**Ms PENNICUIK** — It sounds like a bit of a concentration on alcohol venues rather than gambling venues, so I ask whether Crown Casino fits into the category of a high-risk venue, given that it was fined \$300 000 for tampering with machines. I think everyone here would understand that \$300 000 is probably recoverable by Crown Casino's 2600 gaming machines in a very short time. Are there going to be more inspections of Crown Casino given its tampering incidents?

**Ms KAIROUZ** — Thank you very much for your question. As I have previously stated, the allegations tabled by Mr Wilkie in the federal Parliament are matters that we treated and continue —

**Ms PENNICUIK** — It was fined.

**Ms KAIROUZ** — Yes, and we continue to treat them very seriously. That is why I asked the VCGLR to undertake a comprehensive and proper investigation into the allegations that were made by Mr Wilkie, and I also encouraged anyone that has any information regarding these allegations to come forward and refer their allegations to the commission to assist in the process. The commission has the expertise to conduct this investigation, and I am confident that they have done this thoroughly. I am also confident —

**Ms PENNICUIK** — When are you expecting that to be complete?

**Ms KAIROUZ** — they will properly examine new evidence that was provided by Mr Wilkie on 24 April 2018 — just a few weeks ago. Mr Wilkie himself has confirmed that he received a good response from the commission after meeting with their most senior members and expressed confidence in the commission that they took these allegations very seriously and did their very best to find if these allegations were accurate or not.

**Ms PENNICUIK** — Thank you, Minister; time is short. If I could just go a bit further with this line of questioning. The Casino Control Act exempts Crown Casino from certain rules such as machines not having autoplay facilities and machines not being able to accept notes larger than \$50 so about 1000 machines, if you look at the gazetted area of the Crown Casino, are exempt from these actual rules that apply. Is it appropriate, given the ongoing allegations against Crown Casino for its tampering, that these exemptions are allowed to continue?

**Ms KAIROUZ** — Just in relation to the allegations about tampering —

**Ms PENNICUIK** — Why would these exemptions be allowed to continue for Crown Casino, and why should they not be subject to the same rules as every other electronic gaming machine venue?

**Ms KAIROUZ** — Well, firstly, this is a matter for the VCGLR. The VCGLR determines —

**Ms PENNICUIK** — No, it is a matter for the government because this is about the Casino Control Act.

**Ms KAIROUZ** — and the commission has the power to go in at any time and undertake inspections. I think it is important to put on record, as you have said, that Crown were fined \$300 000 in relation to their —

**Ms PENNICUIK** — Which is a pittance, and I think the community understands that is nothing for them — absolutely nothing.

**Ms KAIROUZ** — And the VCGLR is an independent body, and the level of the fine they issued is clearly up to them.

**Ms PENNICUIK** — Yes, but there are at least a thousand machines in Crown Casino that are exempt from the rules. I do not know if the VCGLR knows how widespread this practice is, even beyond Crown Casino.

**Ms KAIROUZ** — I might ask Ms Carr to answer this question.

**Ms CARR** — Just on your question in relation to what we call unrestricted gaming machines in the casino, as you indicate, they are not subject to some of the harm minimisation requirements that apply to other machines; for example, maximum bet, the speed at which they spin —

**Ms PENNICUIK** — I know what they are exempt from. I am asking: is it appropriate, given what has been occurring, that this continues? And that is not really a question for you; it is a question for the minister.

**Ms WARD** — Minister, I would like to go back to gambling advertising if I could, along the lines of my first question to you where I asked you about the 150-metre limit for schools and other facilities. I do appreciate, Minister, that I think you and I have a very similar mindset when it comes to gambling advertising and its effects on children, and I suspect that you also share with me disappointment that the federal government has banned TV advertising for gambling only until 8.30 when we both know that football games and other sporting activities go well beyond that time, most finishing around 9.30 p.m. So I think from the federal government's view it is a bit of a half-hearted effort really. But I am interested to know your views and what the government is doing regarding the prohibition on static betting advertising, and can you please let us know what this government, the state Labor government, is doing in working towards reducing betting-related harm?

**Ms KAIROUZ** — Thank you, Ms Ward. Firstly, we have successfully advocated to the Australian government to crack down on the alarming levels of broadcast betting advertising and on the introduction of restrictions on betting advertising during live sport broadcasts, and this is a welcome first step. However, I will continue to advocate that the 8.30 p.m. limit be extended to cover the entire match, particularly given that the broadcast of many of the highest rating televised sports events lasts well beyond 8.30 p.m. and children stay up and watch the entire game. So Victoria —

**Ms WARD** — Unless they are barracking for Essendon, which is unfortunately the state of my household.

**Ms KAIROUZ** — Poor kids! Victoria has also played a leading role in the development of the national consumer protection framework for online wagering, and some of the measures to be included in this framework include new limits on inducements to gamble, a prohibition on lines of credit being offered by online wagering provider and the prohibition of links between online wagering service providers and payday lenders. As most of the elements in the national framework will be implemented by individual jurisdictions, Victoria will implement the framework through the Liquor and Gambling Legislation Amendment Bill which is currently before the Parliament. Very importantly, the bill provides the minister with new powers to specify further harm minimisation requirements which must be met by wagering service providers located either here in Victoria or interstate.

In addition we have also amended the Gambling Regulation Act to provide ministerial power to prohibit a wagering service provider from offering a betting contingency if it is contrary to the public interest, and the minister can also impose conditions on betting on such contingencies. The power provides the government with the ability to ensure that wagering products that do not meet appropriate responsible gambling and consumer protection standards are not made available in Victoria.

Finally, Ms Ward, I have written to the Advertising Standards Bureau and requested that it investigate whether certain advertisements breach the wagering advertising and marketing communication code of the Australian Association of National Advertisers. I can advise that the bureau has determined that two Neds advertisements were in breach of the code, and I am happy —

**Ms WARD** — These were the ads where the men were at the dinner table —

**Ms KAIROUZ** — Walking away, taking a phone call —

**Ms WARD** — pretending that they had a work phone call and leaving their families or their friends to go and gamble? Is that the ad you are referring to?

**Ms KAIROUZ** — That is right. That is exactly it.

**Mr D. O'BRIEN** — A bloke in a shopping line.

**Ms WARD** — They are just awful. They are shocking ads.

**Mr D. O'BRIEN** — They are.

**Ms KAIROUZ** — Yes, they were. So I wrote and complained about those, and I am pleased that they have determined that at least two of their ads were in breach of the code.

**Ms WARD** — Thank you for doing that.

**Ms KAIROUZ** — I am also happy to report that the bureau has since directed Neds to remove infringement advertisements from both platforms.

**Ms WARD** — That is terrific. Thank you, Minister.

**Mr DIMOPOULOS** — Good morning, Minister. I just wanted to ask you a bit about the engineers registration scheme. I remember the bill going through the house and through the Parliament. Budget paper 3, page 96, refers to the government's commitment to the mandatory licensing scheme for engineers, which is an appropriate move. I just wanted to see if you could unpack it a bit for us and tell us what exactly that money will go towards.

**Ms KAIROUZ** — Sure. Thank you, Mr Dimopoulos. Thank you for the question. I would be happy to. The Andrews Labor government is delivering on our election commitment to work with relevant stakeholders on the introduction of a mandatory statutory registration scheme for engineers. We are also delivering on our commitment to work with other jurisdictions to develop a nationally consistent registration scheme for engineers. Poor engineering work poses a significant risk to the Victorian community and Victoria's reputation for high-quality engineering services and service export, and the consequences of engineering failure are quite costly to rectify and have resulted in injury or death and may have ramifications for many, many years.

A government registration scheme for engineers will mitigate the risk of engineering work by unqualified engineers and ensure confidence of national and international markets in the qualifications and experience of Victorian engineers. Registration will depend on eligibility requirements, which include prescribed accredited engineering qualifications, prescribed practical work experience and an ongoing requirement to complete 150 hours of professional development over three years. It is estimated that in the first three years the scheme will register over 23 000 engineers. This scheme is designed to be consistent with Queensland's Professional Engineers Act where possible, given one objective of our election commitment was to develop a nationally consistent registration scheme for engineers.

The 2018–19 budget includes \$2.8 million to establish the engineers registration scheme, with an assurance of \$3.1 million in 2019–20 as well. Broadly, the establishment of the registration scheme for engineers will deliver the following benefits. It will better inform procurers of engineering services, maintain public confidence in the standard of services provided by registered engineers, maintain engineering standards and quality in Victoria, institute accountability mechanisms for professional engineers, improve opportunities for the export of engineering services from Victoria and progress towards a nationally consistent scheme.

**Mr DIMOPOULOS** — Thank you, Minister. Either through you or the department, I just want to understand this: the main audience for the registration scheme, the main customer, would be from overseas or Victorians, even those who graduated a year ago from a civil engineering degree? Those 25 000 — I think you said your expectation is that you will get 25 000 in the first year — roughly what groups would they be? Would they be students, would they be existing engineers who have 20 years experience? Can you give me a bit of a sense of that through the department or through you?

**Mr COHEN** — The scheme envisages that the identification of persons who have appropriate professional expertise in engineering will be undertaken by the professional bodies, such as Engineers Australia, and will consider matters such as the academic qualifications but also the work experience that has been undertaken by the engineers. It will not be necessary, for example, for someone to be a resident in Victoria to be registered in Victoria, and there will be opportunities to have a look at —

**Mr DIMOPOULOS** — Okay, so 457 visa holders and others can —

**Mr COHEN** — The other element of it though is that there will be a fit-and-proper-person aspect to it, which will be administered by the Business Licensing Authority, which is separate to ensuring somebody has got the appropriate professional and work experience qualifications.

**Mr DIMOPOULOS** — When we say ‘mandatory by a certain time’, all engineers will have to —

**Mr COHEN** — Initially the scheme sees particular types of engineers being brought into the scheme and over time those categories would be increased so it happens in a gradual manner.

**Mr DIMOPOULOS** — How will they define ‘fit and proper’?

**Mr COHEN** — They look at things like whether people have criminal histories in relation to their matters. There might be things that relate to professional disciplinary issues that arise in relation to persons as well. So they look at the things that really go to their fitness, as against the qualifications that they have per se. And the scheme does —

**The CHAIR** — Order! Mr O’Brien until 10.32 a.m.

**Mr D. O’BRIEN** — Minister, on Monday you and the Treasurer announced a new point of consumption tax for gambling. Why was this not listed in the budget papers?

**Ms KAIROUZ** — That is a matter for the Treasurer.

**Mr D. O’BRIEN** — Minister, you are in the press release that announced this on Monday. It was two weeks after the budget. I am wondering why it was not actually listed in the budget papers. It is obviously fundamentally a budget question.

**Ms KAIROUZ** — It is the Treasurer that sets out the budget papers, and it is completely up to the Treasurer to work out what goes in and what goes out of the budget papers.

**Mr D. O’BRIEN** — Okay. I am sure the departments are interested to know that. Did you have a say on the rate and the application of the tax then, or was that entirely the Treasurer’s role as well?

**Ms KAIROUZ** — Yes, I did.

**Mr D. O’BRIEN** — In the media release —

**Mr MORRIS** — Sorry to interrupt, Mr O’Brien. Can I just on that point —

**Ms KAIROUZ** — Welcome, Mr Morris.

**Mr MORRIS** — Thank you, Minister. It is good to be here in the eighth year. I think it was with the Treasurer earlier in the week that the secretary of the Treasury indicated that while the Treasury and the Treasurer put the budget papers together, in fact it was on the basis of information provided by departments, so it is not just the Treasurer’s document, it is the departments’ document. So I think that goes to the heart of Mr O’Brien’s query.

**Ms KAIROUZ** — That is correct, but the layout of the budget is completely up to the Treasurer.

**Mr MORRIS** — But what is in it and what is not in it is as a result of the advice from the departments.

**Ms KAIROUZ** — Yes, absolutely. I agree with that.

**Mr D. O’BRIEN** — In your media release, that you are actually in, announcing this new tax you state, and I quote:

It’s time they —

online betting agencies —

started making a fair and proper contribution.

Given the 8 per cent rate that has been set is nearly half of what South Australia is doing and what is proposed in other states, is that a fair and proper contribution? And on what basis was 8 per cent chosen as the rate?

**Ms KAIROUZ** — Thank you for your question. The Andrews government is committed to a fair and effective tax and regulatory system that serves the interests of all wagering industry participants. Any wagering tax reforms need to fully consider the impact on all stakeholders, including wagering service providers, racing and sporting codes, consumers and the wider community. Given that such an impact will vary by jurisdiction, the rate adopted by Victoria has considered our specific state environment and not the rate that has been announced or adopted by other jurisdictions.

I am aware that some believe that we have gone too far and others believe that we have not gone far enough. However, I believe that this strikes the right balance between collecting our fair share from online bookmakers and protecting Victorian jobs and ensuring that our racing industry continues to thrive.

**Mr D. O'BRIEN** — Minister, last year you told these hearings that you had not met former Labor senator Stephen Conroy, who is now a lobbyist for the online wagering sector. Have you met with him since?

**Ms KAIROUZ** — No. He has not sought a meeting with me.

**Mr D. O'BRIEN** — Have you had other contact with him via correspondence or other measures?

**Ms KAIROUZ** — No.

**Mr D. O'BRIEN** — Have you met with Responsible Wagering Australia at all?

**Ms KAIROUZ** — No.

**Mr D. O'BRIEN** — Okay. Has your department or the Victorian Responsible Gambling Foundation undertaken any modelling on the impact of the level of online gambling activity of the new tax and of the impact on problem gamblers, and did it consider different rates in that application?

**Ms KAIROUZ** — The new tax was just announced on Monday, so the Victorian Responsible Gambling Foundation has not had the opportunity to do any work in that area just yet. However, if they decide to do so, I certainly welcome any work that the Victorian Responsible Gambling Foundation does because the role of the foundation is to prevent problem gambling and help people that are affected by it. The foundation has funded Gambler's Help treatment services, prevention programs, research, communication campaigns and education and training for counsellors and health professionals, and the government has committed \$148 million over four years to the foundation to do the work that it is doing.

**Mr D. O'BRIEN** — Has the foundation actually done any research that you are aware of on online wagering in particular?

**Ms KAIROUZ** — The foundation constantly does a lot of research. As I said, we have committed \$148 million over four years for problem gambling, and this constitutes the largest funding commitment to address problem gambling in Australia. They run a series of advertising campaigns —

**Mr D. O'BRIEN** — I am asking you specifically, Minister, if they have done research on online wagering. We had the previous minister a few years ago make the point that this is in people's homes, in the privacy of their bedrooms and we do not know how much gambling is going on online. I am wondering if there has been any research undertaken on online gambling in particular?

**Ms KAIROUZ** — As I said, Mr O'Brien, the foundation runs a series of campaigns, and they evaluate all their campaigns and they do a series of research as well. From time to time they publish their research, which is fully supported by our government.

**Mr D. O'BRIEN** — Did you consider whether a dramatically lower tax rate than other states would make Victoria an attractive destination for the online betting companies and whether therefore there would be a deluge of TV advertising and other marketing in Victoria from industry?

**Ms KAIROUZ** — I think it would be fair to say, Mr O'Brien, that I have certainly led the charge in terms of online and broadcast gaming and gambling advertising. I am very proud of those efforts. We will continue to advocate very strongly to reduce the ads that we see online and on television.

**Mr D. O'BRIEN** — But the question stands, Minister. Making it a dramatically lower rate than other states will make it far more attractive for those agencies to advertise and to market into this area. Was that considered as part of setting the rate?

**Ms KAIROUZ** — I think it is also fair to say, Mr O'Brien, that our state is very different to other jurisdictions, and this 8 per cent figure is about striking the right balance between collecting our fair share of tax from online bookmakers but also protecting jobs and ensuring that our racing industry will continue to thrive.

**Mr D. O'BRIEN** — Okay. Minister, can I move on. The reference is budget paper 3, page 294, with respect to liquor and gambling monitoring. As you know, Intralot Gaming Services provides monitoring of gaming machines for the government, including ensuring the integrity of machines and taxation revenue for the government. Minister, are you aware of a significant number of outage issues that occurred with the Intralot monitoring system, especially in March of this year? There were a number of different days in March this year that actually closed down gaming machines in pubs and clubs right across the state.

**Ms KAIROUZ** — Thank you for your question, Mr O'Brien. I can report that on 16 March this year at 6.30 p.m. Intralot identified that some gaming machines across the network were unavailable for gameplay. Up to 318 venues were affected by this incident and five of the affected venues were unable to conduct gaming for more than 24 hours. An investigation into the cause of the incident is still being conducted by Intralot, and the department and the VCGLR are working together to ensure the root cause of the outage is identified and that it does not re-occur.

This includes ensuring that Intralot improves its system management and communications are with venue operators. While all IT systems experience difficulties from time to time, the government is aware monitoring system outages have an adverse impact on clubs and hotels and of course on their customers, and we are working with Intralot to ensure that outages are minimised.

**Mr D. O'BRIEN** — Will any action be taken against Intralot as a result of these outages? Also, as you said, this has an impact on clubs, particularly community clubs. Will they be compensated in any way for these outages by Intralot or by the government?

**Ms KAIROUZ** — The monitoring licence requires Intralot to pay compensation to venue operators in certain circumstances, including where gaming machines cannot operate because of a monitoring outage. This process is set out in the licensing arrangements, and it is the VCGLR that issues a certificate identifying an outage and its duration. An affected venue operator can make a claim to Intralot for compensation.

**Mr D. O'BRIEN** — Do you know if any compensation has been paid, Ms Carr?

**Ms KAIROUZ** — I am not aware of any. I do not know if Ms Carr is.

**Ms CARR** — Not to date, no.

**Mr D. O'BRIEN** — Minister, are you aware of what the losses from those outages might have been, including to state tax revenue?

**Ms KAIROUZ** — I am unaware. If I can provide further information, I will take that on notice.

**Mr D. O'BRIEN** — Could I have that on notice, because the budget papers indicate \$1.099 billion of revenue from gaming machines this year. It literally could be hundreds of thousands of dollars an hour, and so that is a concern. Have you got full confidence in Intralot going forward?

**The CHAIR** — Order! We have got questions from the crossbench until 10.40 a.m. Ms Shing, have you got any questions from Ms Patten?

**Ms SHING** — I have not been given any questions from Ms Patten, unless Ms Pennicuik has.

**The CHAIR** — I think Ms Patten may have emailed you some questions.

**Ms SHING** — I will come back to that then, if I may.

**The CHAIR** — What I will do is just flick it to Ms Pennicuik to begin with, and then —

**Ms SHING** — I beg your pardon. Sorry, I have just refreshed the screen now. I will ask on behalf of Ms Patten, if I may.

Minister, the latest data on the VCGLR website shows that the March quarter gambler losses on Victorian poker machines, excluding Crown, are up 6 per cent, or 36.4 million, to 652 million, compared with 606 million in the 2017 March quarter. This is the fastest quarterly growth in losses, and therefore the EGM tax revenue, we have seen in more than two years. Why is that?

I might also then just go through the other questions, and perhaps they can all be taken on notice.

**The CHAIR** — Yes, they can be taken on notice.

**Ms SHING** — The second question: gambler losses were steady in the September quarter and rose by 2 per cent, or \$13 million, in the September quarter. They have now just jumped 6 per cent, or \$34 million, in the March quarter. Can any of this be explained by the legislation that was passed by the government last year?

The third question of behalf of Ms Patten: when is cashless gaming through the so-called 'ticket-in ticket-out' system going to be approved by the VCGLR, and is that likely to increase gambling losses and government revenues?

Fourth question: is it now true that Victorians could be headed for all-time record losses on EGMs in 2017–18, even exceeding the previous record of 2707 million set out in 2008–09 and certainly above the 2609 million in losses recorded in 16–17?

Final question from Ms Patten: in light of this actual rise in losses, why was the government's forecast EGM tax revenue in 17–18 actually downgraded by 28 million to 1099 million in the last budget as opposed to what was predicted for 2017–18 12 months ago?

If those questions could be all taken on notice and answers provided to Ms Patten, she will be grateful.

**Ms KAIROUZ** — Thanks, Ms Shing. I am happy to do that.

**Ms PENNICUIK** — Minister, if I could just continue on the issue we were interrogating before. Just to remind the committee, under the exemptions of the Casino Control Act 1991 and as gazetted in the *Government Gazette* last year there is a very large area of Crown Casino which is exempt from the usual controls on electronic gaming machines such that the total number of gaming machines that are exempt is 1000. If you look at the map, it is a very large area. If you look at the number, it is 40 per cent of the machines in Crown Casino that are exempt from the usual rules.

Going back to your inspection target of 10 000, and given the 2600-odd machines in Crown Casino, does that mean that 10 per cent of the 10 000 inspections will be of Crown Casino?

**Ms KAIROUZ** — Gaming machines at Crown Casino are governed under a different act from pubs and clubs, as you are aware. So the work of the VCGLR, in determining what they do and how they conduct their inspections, is very different to that in pubs and clubs. You are aware that there is an ongoing investigation currently at Crown Casino in relation to the further allegations that Mr Wilkie has made —

**Ms PENNICUIK** — We covered that in my last question. You mentioned that, so I understand that. What I am asking is: will the number of inspections equal the number of gambling machines that are actually held in Crown Casino, which is 10 per cent of the state's total?

**Ms KAIROUZ** — I am advised by the Victorian Commission for Gaming and Liquor Regulation and by my department that inspections at Crown happen on a 24-hour basis, so the commission would be constantly out there inspecting Crown Casino.

**Ms PENNICUIK** — So in terms of the allegations and the fine that Crown received for its tampering with machines, has the commission stepped up its inspections, in particular with regard to machine tampering at Crown Casino?

**Ms KAIROUZ** — As I said earlier, Ms Pennicuk, we take the allegations that were made by Mr Wilkie and others quite seriously, so I have confidence —

**Ms PENNICUIK** — So have the inspections on that particular issue been stepped up?

**Ms KAIROUZ** — I do not think it is appropriate for me to comment on that particular issue because the investigation is still ongoing, but what I can say is that I am —

**Ms PENNICUIK** — So if an allegation has been made and an organisation has been fined for tampering, would not the commission be stepping up its inspections with regard to that particular activity?

**Ms KAIROUZ** — The VCGLR is taking these concerns quite seriously, and I am confident that they are doing their job properly. Also, just in relation to that, there is the sixth casino review that I should bring to your attention. The VCGLR is required to conduct a review of Crown Casino every five years. This is currently underway, and it is expected to report back midyear. The sixth casino review will consider all of the current issues relating to the casino, focusing on the casino's suitability to hold a casino licence. I certainly look forward to the report from the commission once this review is complete, in mid-June.

**Ms PENNICUIK** — Thank you, Minister. You mentioned in your presentation that there is a gaming machine arrangements review and a gaming machine allocation process review. Does that include the gaming machine arrangements for Crown Casino and the gaming machine allocations for Crown Casino?

**Ms KAIROUZ** — Thank you very much for your question. Look, the Crown Casino has a completely separate act —

**Ms PENNICUIK** — Of course I know that, Minister. I know it has a separate act, which I have been quoting from.

**Ms KAIROUZ** — Okay, so look, we are allocating the gaming machines. Part of that process is we are doing that now for pubs and hotels. In relation to casinos, the answer is no.

**Ms PENNICUIK** — Why is the gaming machine allocation process not including Crown Casino?

**Ms KAIROUZ** — Because it is a completely separate act.

**Ms PENNICUIK** — But just because it is a separate act does not necessarily mean that there should not be a review of the allocation of electronic gaming machines to Crown Casino. That is not a very good answer, that it is a separate act.

**Ms KAIROUZ** — Well, the number of machines at Crown Casino is actually in the legislation, and that figure —

**Ms PENNICUIK** — Yes, but the legislation can be changed and the number of machines can be changed.

**Ms KAIROUZ** — We have got no plans to change that legislation.

**Ms PENNICUIK** — What about the gaming machine arrangements review? Does that include the arrangements for Crown Casino with regard to its exemptions under the Casino Control Act.

**Ms KAIROUZ** — No, it does not, but I will get that confirmed by Ms Carr.

**Ms CARR** — No, it does not; it is just for clubs and hotels.

**Ms PENNICUIK** — Thank you for that.

**Mr DIMOPOULOS** — Minister, in your presentation you talked about what I found to be an extraordinary number of submissions to the rental reforms review. I do not monitor government submission processes, but



they seem like extraordinary numbers. You are right — you also said MPs had received them, so that does not even include, I imagine, what the MPs received. I just wanted to see whether there is any data available from the department about what cohorts made up those submissions. Were they people of ethnic backgrounds or certain age groups? I am interested in if you have any more data on it, because it is a large number of people involved in a public policy submission process, which is really important. It would be great if there was an age breakdown or some other breakdown — say, gender.

**Ms KAIROUZ** — Yes, sure. I would be happy to do that. But can I take you through our very important reforms first?

**Mr DIMOPOULOS** — Yes, that is right. I was going to ask you that 2 minutes ago, because you were interrupted previously when you were trying to explain those reforms.

**Ms KAIROUZ** — Yes, and as you are aware and as the committee is aware, consumer affairs led an evidence-based review of the Residential Tenancies Act, which commenced in 2015, and this certainly fulfils our government's election commitment to plan for fairer, safer housing, and it responds to substantial changes in market conditions since the act was passed almost 20 years ago. One key change, as we all know, is that more and more people are renting and they are renting for much longer. The changes in the rental market highlighted the need to examine issues such as security of tenure, tenants rights and responsibilities, and dispute resolution. Relevant recommendations of the Royal Commission into Family Violence are also being implemented as part of this review.

The overall aim of the review is to promote safe, secure housing for tenants by striking a fair balance between the rights and the responsibilities of landlords and tenants. On 8 October 2017 we announced a small selection of agreed reforms focused particularly on advancing the rights of tenants. Key reforms included annualised rental increases, clearer rights about keeping pets, restrictions on rental bidding, a landlord and agent blacklist and the removal of a landlord's ability to terminate a tenancy for no reason. These reforms are part of a broader package that aims to promote a modern and dynamic rental market that meets the needs of the Victorian community now and into the future. As I said earlier, we expect to introduce and announce a package later this year.

In relation to the cohorts of people, as you can see from the number of emails that we have received, it is quite diverse. People have specified their reasons as to why they are supporting these rental reforms in their emails, but in relation to the formal submissions, I might ask Mr Cohen to supplement my answer.

**Mr COHEN** — So, many of the submissions we received we can identify whether they are from renters, from people who provide rental properties or from peak agencies. Those submissions have been complemented by research that we conducted to look at particular preferences and desires of the various participants in the rental market, and we have got some quite good demographic data in relation to those matters. But if I might, Mr Dimopoulos, I will take it on notice and see what additional information we can provide to the committee.

**Mr DIMOPOULOS** — And while you are doing that — that would be great — if there is a sense of geography, like postcodes or that kind of data, that would be great. I know that my community, for example, has a high number of renters, and I am one of them.

**Mr COHEN** — I know we have got some breakdown on our survey data between regional and metro, but we will certainly try to go down to postcode as well.

**Ms SHING** — I might take over if I can. Ms Carr, I have got some questions for you in relation to the VCGLR's work in its regional hubs and also in particular the high incidence of problem gambling that exists across regional centres. In this regard I speak from local experience, with the Latrobe Valley's high incidence of problem gambling that features regularly in public discussion and debate about the problems that this gives rise to. Page 96 of BP3 refers to a regulation mechanism across regional Victoria and optimising compliance activities in regional Victoria. Given the frequent and public discussion of work that has been done within establishments to encourage people to continue gambling for perhaps much longer than they could afford to do and for perhaps much longer than was healthy for them, how will these measures assist people — in particular people like those living in the Latrobe Valley or throughout regional Victoria — to understand the nature of their problem gambling and to do something about it?

**Ms CARR** — Thank you for the question.

**Ms SHING** — There is a lot in that, so if you can just work your way through.

**Ms CARR** — There is. I think there are kind of two parts to that question. The first one, which is the second part of your question, is about how we go about providing information to people who use gaming machines about the risks associated with gambling activity. That is done in a number of ways. The foundation has a campaign function, and you have probably seen some of their TV advertisements around, ‘The harm from gambling starts earlier than you think’. So it is around those kinds of public health messages. It is also about the information that we provide to people in venues. So there is a range of mandatory information available to consumers in venues.

**Ms SHING** — Again, just to interrupt you there, we have capped pokies numbers across the state, we are limiting daily cash withdrawals, we are restricting betting advertising in public spaces and we are also trying to reach, as you have just indicated in your evidence, into venues to provide assistance. How is that proposed to be realised as a benefit in the context of having fewer problem gambling instances across the state? How do we propose to realise that investment in the context of that suite of reforms that have been announced to actually make sure that people who are spending all of their money and then some to break that cycle?

It is a really complex issue. Gambling and the dependence on gambling to the point at which it becomes a problem is something that goes across all ages and demographics and something which is nebulous in the context of the groups that it affects. I would like to get a sense of how that initiative and how the work around government hubs and that in situ advertising and outreach in venues is actually going to change behaviour at the source of the problem gambling itself.

**Ms CARR** — If I understand your question, it is about both prevention, so it is the classic public health prevention at the front end and then assisting people who have already got a problem at the back end. I guess the range of measures and the VCGLR’s new regional hubs and the compliance activities of the commission in regional areas are about that package of things. For instance, to take the compliance efforts in the regions as an example, having VCGLR inspections in regions in gaming venues will enable the commission to look at matters that are, for instance, contained in a venue operator’s code of conduct about steps that the venue operator can take to discourage intensive play, encouraging people to take a break, as well as enforcing all of the more legislatively based obligations around EFTPOS withdrawals and having the required information in venues.

**Ms SHING** — Just one question to Mr Cohen, if I may: in relation to the questions that were asked by Mr O’Brien on retirement villages, I would like to get a sense of the operational work that Consumer Affairs Victoria is continuing to do in this space in relation to understanding the nature of contracts, the interface with consumers and also managing the way in which retirement villages are continuing to grow as part of the ageing population across the state. It is an issue which has received a lot of public attention, and it is one which obviously is going to continue to be at the forefront of public discussion on contractual understanding and regulation, so if you could just give me some broad contextual information on that.

**Mr COHEN** — I might point out firstly that there have been some reforms that have not been in for very long that are looking at greater transparency around deferred management fees and about simpler contracts and consistent contracts.

**Ms SHING** — And voting rights I think the minister alluded to in an earlier answer.

**Mr COHEN** — Those go to matters into the future and directly respond to issues raised in the inquiry. We have also increased our inspection approach to retirement villages to make sure they are meeting the requirements that are set out in the legislation. We have undertaken a review of internal complaints handling processes within retirement villages to have a look at how they can be improved to make it easier for people to resolve matters without having to leave the retirement village; and we have undertaken a review of the age bond rule, which directly responded to one of the recommendations arising out of the inquiry. There is currently a national investigation —

**The CHAIR** — Order! Mr O’Brien until 11.00 a.m.

**Ms SHING** — Further information on notice would be great. Thanks.

**Mr D. O'BRIEN** — Minister, on 1 June last year you announced the awarding of the new lotteries licence to Tatts, and it included a \$120 million premium payment to the government when the licence commences on 1 July this year. Can you show me where that premium is accounted for in the budget?

**The CHAIR** — Just for clarification, 1 July 2018, Mr O'Brien?

**Mr D. O'BRIEN** — Yes.

**Ms KAIROUZ** — Do you want the specific page, Mr O'Brien?

**Mr D. O'BRIEN** — If you have got one. I could not find it.

**Ms KAIROUZ** — I think it best that I take that one on notice, Mr O'Brien.

**Mr D. O'BRIEN** — Okay. The follow-up question is: will specifically the \$120 million go into the Community Support Fund, the Hospitals and Charities Fund or just into consolidated revenue?

**Ms KAIROUZ** — All gaming revenue goes into the Hospitals and Charities Fund, the mental health fund and the Community Support Fund.

**Mr D. O'BRIEN** — So it will as well? Yes, and then you will come back to me on where it is?

**Ms KAIROUZ** — On the other one, yes.

**Mr D. O'BRIEN** — Sure. You mentioned the amendments to the Liquor Control Reform Act, of which as you have indicated the first tranche is in Parliament at the moment. You have indicated — or there is an expectation that there will be a second tranche of legislation. Will that occur before the election this year?

**Ms KAIROUZ** — Thank you very much for your question. As you are aware, we have introduced legislation into the Parliament to address the first tranche of the Liquor Control Reform Act Review. Some jurisdictions around Australia have taken one whole term of government to do that work and in some cases a bit longer. So we do not want to rush this legislation. We want to review it properly and we want to put in a lot of hard work, just as is required. But it is clear that reform needs to be done, particularly around addressing family violence. This is why the Liquor Control Reform Act has been progressing in two stages. The first stage is what we have introduced into the Parliament just recently, including cutting red tape, and harm minimisation measures to protect minors. The second stage will require a more detailed long-term policy review of the remainder of the act, and this will allow consideration of more complex issues, such as family violence, as well as further consultation with industry and with community stakeholders. I have asked the Liquor Control Advisory Council to advise me on key aspects of this work, and I will certainly have more to say about the time frames and reporting of the second stage in due course.

**Mr D. O'BRIEN** — Can I take it from what you said, though, that we should not expect that legislation this year?

**Ms KAIROUZ** — Well, it requires a lot of work. Work has commenced, and we will be making further announcements in due course.

**Mr D. O'BRIEN** — Will the further reforms, or indeed the advice you are seeking from the advisory council, include looking at caps or reforms to the permitting system for packaged liquor outlets?

**Ms KAIROUZ** — Thank you very much for your question. In 2016 in a ministerial statement of expectations to the Victorian Commission for Gambling and Liquor Regulation I requested the commission to review standard conditions for liquor licences to determine if they are effective and appropriate to minimise harm. This is funded through the \$11.3 million that was committed over four years to the commission in the 2017–18 budget. A lot has come along with the establishment of the regional hubs and development of the risk-based approach to licensing. Last year the commission commenced its review of the conditions that apply to licences and that authorise the supply of alcohol after 1.00 a.m., and this is the first component of the broader review of the liquor licence conditions. The purpose of these new conditions is to ensure that all late licences are

subject to modern and clear conditions that are relevant to business operations. I will ask Ms Carr to supplement my answer at this point.

**Mr D. O'BRIEN** — The question was specifically: will you be looking at caps or reforms to the permitting system for packaged liquor retail outlets — and also, if we are going to Ms Carr, whether it will also look at restrictions on purchases by individuals?

**Ms CARR** — Thank you for that question. As the minister has indicated, the review is detailed and wholesale, so we are looking at all the matters covered under the Liquor Control Reform Act, including things like licence categories and issuing of licences. We have not done any explicit work on those two matters as yet, but certainly looking at the circumstances in which a packaged liquor licence is issued is one of the things in the holistic review of the various different categories of licence that exist and the conditions that apply to those licences.

**Mr D. O'BRIEN** — I appreciate it is a review of the Liquor Control Reform Act, but will it also look at the planning aspects with respect to the issuing of licences for liquor premises?

**Ms CARR** — Yes and no. As you are aware, between the planning regime in the liquor licensing regime there is a clear intersection; for instance, to obtain a packaged liquor licence you have to have both a liquor licence and a planning approval from the relevant council. Those processes work alongside each other and intersect, because the council also has a right of objection to the issue of a liquor licence. So there is some duplication. The kind of feedback we have had in our first stage of the review in relation to the public consultation is that those processes might work a little bit better together because sometimes they try to look at the same issues. The minister referred to the bill introduced into the Parliament recently.

**Mr D. O'BRIEN** — Which does make some of those changes.

**Ms CARR** — It makes some minor tweaks to those processes to try and make it clear that issues around car parking, for instance, are not really matters for the commission. The commission should really focus on questions around alcohol-related harm, whereas the car parking, traffic, issues —

**Mr D. O'BRIEN** — Councils can look at.

**Ms CARR** — are really councils' domain. We have done some initial work trying to streamline how those two processes work together, but I think that is something that we will turn our minds to a little bit further down the track.

**Mr D. O'BRIEN** — Thanks, Ms Carr. Minister, you have mentioned additional funding for VCGLR. There is 7 million in the budget but 4.5 million is added to this year, 17–18. What is that money for, particularly when you had allocated \$11.3 million for it last year?

**Ms KAIROUZ** — Thank you very much for your question. The commission has total funding of \$37.3 million for 2017–18. This is an increase from \$34.8 million in 2013–14 under the previous government. We have also provided the commission with an extra \$11.3 million over four years in the 2017–18 state budget. The additional funding of \$11.3 million is being used to establish regional hubs for the commission to expand compliance and engagement activities in regional areas, to further develop and implement a risk-based approach to licensing and undertake a review of liquor licence conditions. The total funding, including asset funding, in 2017–18 for these projects was \$3.3 million, and significant achievements have been made in relation to these projects. In March 2018 I established the regional hubs for the commission in Ararat and Sale, and these locations were determined by the commission.

**Mr D. O'BRIEN** — Minister, I am conscious of time. I am just wanting an answer on why the additional 4.5 million has gone into this year's budget.

**Ms KAIROUZ** — What we will find in the 2017–18 budget is that VCGLR operational funding is \$2.5 million; the VCGLR sixth casino review is \$1 million; and the office of liquor and gaming regulation — and it is a gambling licensing program — is \$1 million. That takes it to \$4.5 million. The VCGLR operational funding is \$2.5 million, so the overall funding is \$7 million.

**The CHAIR** — Order! I would like to thank the witnesses for their attendance: the Minister for Consumer Affairs, Gaming and Liquor Regulation, the Honourable Marlene Kairouz; Mr Wilson; Mr Cohen; and Ms Carr. The committee will follow up on any questions taken on notice in writing. A written response should be provided within 10 business days of that request.

**Witnesses withdrew.**