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Casino Legislation Amendment Bill 2009

This Research Brief includes the following sections:

Introduction.....	1
1. Second Reading Speech.....	2
2. Background.....	2
3. Main Provisions in the Bill.....	4
4. Position of the Parties.....	6
5. Stakeholders.....	7
6. Recent Developments	8
7. Other Jurisdictions	9
References	11

NB: Readers should note that this Research Brief was current at the time of its preparation prior to the conclusion of debate on the Bill by the Victorian Parliament. For further information please visit the Victorian Legislation and Parliamentary Documents website @ <http://www.legislation.vic.gov.au>.

Introduction

On 9 June 2009 the Victorian Government introduced legislation to bring into effect a new agreement between Crown Casino ('the casino') and the government. The Casino Legislation Amendment Bill 2009 ('the Bill') amends the *Casino Control Act 1991* and the *Casino (Management Agreement) Act 1993* by changing provisions in the taxation arrangement between the State of Victoria and Crown Melbourne Limited.

The main purpose of the Bill is to abolish the health benefit levy and to ratify the Ninth Deed of Variation to the management agreement for the Melbourne casino. The Bill also provides for an increase in the taxation rate of electronic gaming machines

(EGMs). There are other proposed changes which are signalled in the Minister for Gaming's second reading speech; however these will occur outside the legislative framework and are subject to the approval of the Victorian Commission for Gambling Regulation (VCGR). These changes include an increase in the maximum number of table games, from 350 to 400, and an allowance for up to a further 100 poker tables. The Minister also makes a policy commitment, in his speech, to make no further changes in casino taxes and levies until 2022.

1. Second Reading Speech

The Minister for Gaming Mr Tony Robinson gave the second reading speech for the Casino Legislation Amendment Bill 2009 on 11 June 2009. In his second reading speech the Minister stated that the changes to the taxation arrangement for the Melbourne casino have been designed to ensure the casino maintains 'its status as a world-class tourist attraction'.¹ The Minister said that increasing the casino's gaming machine tax rate from 22.25 per cent to 32.57 per cent will 'result in tax rates being more closely aligned for Crown Casino and other gaming venues'.² He stated that the casino had previously benefited from lower gaming machine tax rates than those applicable to clubs and hotels so that the casino could 'establish itself in the Victorian gaming market' and that this new agreement reflects that Crown has very successfully consolidated its position as a world class tourist destination.³

In his second reading speech, the Minister advised that changes to the taxation arrangement have been made as part of a negotiated outcome which includes an expansion of the number of table games, thereby increasing the gaming floor. The Minister also made a policy commitment that the Brumby Labor Government would make no further amendments to the rates of tax payable on the Melbourne casino nor will any existing levy on the Melbourne casino be amended or any new levy imposed before 30 June 2022. The Minister also stated that no action will be taken to initiate any such amendments by the Brumby Labor Government 'except as expressly agreed between the parties' and that this commitment is intended to provide investment certainty to the casino.⁴

2. Background

The casino Bill is one of several gaming related Bills that has been introduced into Parliament this year following the Government's announcement in April 2008 of plans to reform the gaming industry post-2012.⁵ In June 2009 the Gaming Regulation Amendment (Licensing) Bill 2009 passed both Houses and made changes to the licensing arrangement of electronic gaming machines (EGMs), more commonly known as 'pokie machines'.

¹ Victoria. Legislative Assembly (2009) *Debates*, 11 June, p. 1952.

² *ibid.*

³ *ibid.* See also Minister for Gaming (2009) *Tax rates closely aligned across Victorian gaming machine industry*, media release, 12 May.

⁴ Victoria. Legislative Assembly (2009) *op. cit.*

⁵ Office of the Premier (2008) *New structure for gaming in Victoria beyond 2012*, media release, 10 April. In particular, major changes will be made to the gaming industry post-2012 via the Gaming Regulation (Licensing) Amendment Bill 2009, which passed both Houses of Parliament in June 2009. However, it is beyond the scope of this research brief to discuss in detail these changes.

The Victorian Government permits 30,000 EGMs to be operating in the state with licences for 13,750 EGMs owned by Tatts Group Ltd ('Tatts') and 13,750 EGMs owned by Tabcorp Holdings Ltd ('Tabcorp') under two gaming operator licences. Recent changes to Victoria's gaming legislation will allow individual clubs and hotels to purchase 10-year gaming machine entitlements from 2012, ending the Tatts/Tabcorp duopoly.⁶ In addition to the 27,500 EGMs licensed to Tatts and Tabcorp, the casino is licensed to operate a further 2,500 EGMs inside the casino. EGMs are taxed differently across the various gaming sectors, with the casino being subject to a lower tax rate than that which is applied to clubs and hotels.

The recently passed Gaming Regulation Amendment (Licensing) Bill 2009 sets out, in addition to the new gaming machine arrangements, a progressive tax system which will apply to each venue's average monthly EGM revenue, giving a tax-free threshold to small not-for-profit club venues. Section 3.6.6A(3) of the *Gambling Regulation Act 2003* outlines the tax payable for EGMs for hotels and section 3.6.6B(3) outlines the tax payable for EGMs for clubs. The table below shows the tax rates applicable for hotels and clubs after 2012:

Figure 1: Average Monthly EGM tax rate for Hotels and Clubs

Average monthly per machine revenue	Hotel tax rate (s. 3.6.6A(3))	Club tax rate (s. 3.6.6B(3))
0 - \$2,666	8.33 per cent	Tax free
\$2,667 - \$12,500	50.83 per cent	42.5 per cent
\$12,501 +	58.33 per cent	50.0 per cent

The casino Bill also makes changes to the tax rate of Crown's 2,500 EGMs, which will be discussed further in section 3, detailing the main provisions of the Bill.

Victorian Commission for Gaming Regulation

The oversight of Victoria's gaming industry is the responsibility of the Victorian Commission for Gaming Regulation (VCGR), which is an independent statutory authority within the Gaming and Racing Business Group of the Department of Justice. Part 3 Section 25 of the Casino Control Act requires the VCGR to conduct regular investigations of the casino operator's suitability at least once every five years. The VCGR must 'investigate and form an opinion' as to the suitability of the casino operator to continue to hold the casino licence, whether or not the operator is complying with the relevant Acts and regulations, transaction documents and related agreements, and whether or not it is in the public interest that the casino licence should continue in force.⁷

In June 2008, the VCGR released the Fourth Review of the Casino Operator and Licence.⁸ In this most recent review, the VCGR commented on a variety of issues ranging from criticising the inexpensive rental arrangement of the five hectare

⁶ For more information on the changes refer to the Department of Justice Gambling Licences Review website including discussion papers and review submissions, accessed 7 July 2009, at <<http://www.gamblinglicences.vic.gov.au/>>. See also Department of Justice (2006) *Gaming Machine Licence Arrangements Post-2012 Issues Paper*, Gambling Licences Review, Office of Gaming and Racing, March.

⁷ The relevant Acts are listed in Section 25(1)(b) of the Casino Control Act as the Casino Control Act, the Casino (Management Agreement) Act and the Gambling Regulation Act as well as any regulations made under those Acts.

⁸ Victorian Commission for Gambling Regulation (2008) *Fourth Review of the Casino Operator and Licence*, 30 June, Melbourne, VCGR.

Southbank property which is leased by Crown, to detailing the initiatives that Crown was taking to promote responsible gambling.⁹ While the report was generally positive toward Crown's improvements since the last report in approaching problem gambling, the report did comment that a total of 207 breaches of table gaming rules and procedures were detected, which averaged 3.5 breaches per month.¹⁰ The report recommended that Crown review its programs to more proactively and effectively identify problem gamblers, particularly where gamblers could be gambling with other people's money.¹¹

The VCGR said in summary, 'Crown Melbourne continues to be at the forefront of Australian casinos, meets the requirement of an international world-class casino complex and has a satisfactory degree of operational compliance in all areas of its gaming activities, despite some minor issues of concern to the Commission'.¹² The VCGR's report recommended that Crown keep its licence. The VCGR will be responsible for approving the new licensing arrangement between Crown and the government as referred to in the Minister's second reading. The Minister notes that the VCGR will also need to consider consequential changes to the configuration of the casino's gaming area as a result of the agreement.¹³

3. Main Provisions in the Bill

The stated objectives of the Bill are:

- to amend the Casino Control Act to abolish the health benefit levy from 1 July 2012; and
- to amend the Casino (Management Agreement) Act to ratify a Ninth Deed of Variation to the management agreement for the Melbourne Casino.

Ratification of the new Deed requires a Minister of the State to introduce and sponsor a Bill. The Deed will come into operation once the Bill has come into operation as an Act. Since the casino tax rates and the casino's site come under a legislative agreement between the State Government and Crown the agreement must be approved by the Parliament. However certain aspects of the licensing arrangement, such as the number of tables permitted, are not contained within a legislative framework and are therefore subject to VCGR approval.

Increased taxation for Electronic Gaming Machines (EGMs)

Section 8 of the Bill which adds Schedule 10 (Ninth Deed of Variation to the Management Agreement) to the Casino (Management Agreement) Act specifies that

⁹ With regards to the rental agreement, Crown Melbourne holds a 99 year lease on the Crown Entertainment Complex site (to 2092) and is licensed to operate the casino to 2033. For the first 40 years of this lease the annual rate is \$1 per annum and for the following 59 years the lease rate is to be set at the current market rate. The report by the VCGR stated that while Crown Melbourne 'has recognised the \$40 expense for the first 40 years' no rental expense has been factored into Crown Melbourne's accounts for the years 41 to 99 of the lease. *ibid.*, p. 39.

¹⁰ This was a drop from 22 from the previous review. The VCGR also noted that more than 2,000 gamblers are excluded from the casino, most voluntarily and that on average 1.27 of those banned are turned away daily.

¹¹ VCGR (2008) *Fourth Review*, op. cit., p. 29. See also VCGR (2008) *Help problem gamblers more, Crown Casino told*, media release, VCGR, 11 September; K. Lahey (2009) 'Tickets to tennis 'lure for addict', *The Age*, 23 June; K. Lahey (2009) 'Crown admits credit to addict', *The Age*, 6 June.

¹² VCGR (2008) 'Help problem gamblers', op. cit.

¹³ Victoria. Legislative Assembly (2009) op. cit. Minister for Gaming (2009) 'Tax rates closely aligned', op. cit.

the casino tax payable for EGMs will be increased by 1.72 per cent on 1 July 2010 and on each anniversary of 1 July 2010, the final such increase to occur on and from 1 July 2014 (new clause 22.1(f)). This will increase the tax rate of EGMs by 10.32 per cent. The current tax rate on EGMs at the casino is 22.25 per cent.¹⁴

The tax rates for hotels and clubs post-2012, as detailed above in Figure 1, can be compared to the casino's tax increase to 32.57 per cent by 2014. While the casino will not benefit from a tax free threshold or a lower tax rate for monthly machine revenue below \$2,666 (as detailed above in Figure 1), it has been argued that in general the casino does have a considerably lower EGM tax rate.¹⁵

Additional Taxes

However, in addition to the tax on EGMs outlined above, Schedule 1 Clause 22 of the Casino (Management Agreement) Act 1993 currently requires the casino to pay the following taxes while the Casino Licence remains in force:

- 21.25 per cent of the Gross Gaming Revenue each month (22.1(b)(ii));
- a community benefit levy in an amount equal to 1 per cent of the Gross Gaming Revenue (22.1(d));¹⁶ and
- any other fees and payments payable under the Act (22.1(e)).

Under the current Casino (Management Agreement) Act, in addition to the casino tax payable under clause 22.1(b), the casino must also pay an additional tax in accordance with clause 22.3, in respect of each financial year in which Gross Gaming Revenue exceeds what is termed the 'Base Amount' (22.2). The formula for the Base Amount is set out in clause 22.3(b).¹⁷ The Bill inserts a new sub-clause 22.3(c), which also increases and adjusts the Base Amount "R" in the formula by the following amounts in the following years:

1 July 2009	\$5,000,000
1 July 2010	\$5,000,000
1 July 2011	\$30,000,000
1 July 2012	\$30,000,000
1 July 2013	\$5,000,000 ¹⁸

After 1 July 2014 and each anniversary thereafter the Base Amount will continue to be calculated in accordance with the formula in clause 22.3(b).

Abolition of Health Benefit Levy

As part of the restructure of the gaming industry, the health benefit levy applied to all operating EGMs will be repealed across all gaming venues, including hotels, clubs and the casino, under the proposed post-2012 tax arrangements.¹⁹ Consistent with the

¹⁴ Victoria. Legislative Assembly (2009) op. cit.

¹⁵ J. Dowling (2009) 'Government keeps lid on deal to expand casino', *The Age*, 30 May.

¹⁶ See also VCGR (2008) *Annual Report 2007-2008*, Melbourne, VCGR, Appendix 14.

¹⁷ Up to 30 June 1994 the Base Amount was \$500m, thereafter adjusted for CPI in accordance with the formula in 22.3(b). The formula for calculating the amount of additional tax actually payable under 22.2 is set out under clause 22.4.

¹⁸ See the Heads of Agreement, Department of Justice (2009) Crown Casino Agreement, viewed 27 July, <<http://www.justice.vic.gov.au/wps/wcm/connect/DOJ+Internet/Home/Gambling+and+Racing/Gaming/JUSTICE++Crown+Casino+Agreement+%28PDF%29>>, p. 2.

¹⁹ EGMs operating in clubs and hotels are currently required to pay the health benefit levy in Section 3.6.3 of the Gambling Regulation Act 2003. Clubs will still be required to demonstrate that they have contributed 8.33 per cent of their revenue to community purposes and this is to be reflected in an annual Community

recently assented Gaming Regulation Amendment (Licensing) Bill 2009, the casino Bill repeals Sections 114A and 114B of the Casino Control Act which address the health benefit levy. This repeal thereby abolishes the additional money that the casino operator was required to pay to the VCGR, which was then paid into the Consolidated Fund to be allocated to the Hospitals and Charities Fund under the *Health Services Act 1988*. The Bill provides for the abolition of the health benefit levy to come into effect from 1 July 2012.

The health benefit levy, is in addition to other taxes applicable to EGMs, as outlined in the section above and, like the community benefit levy, was introduced to help counterbalance some of the detrimental social impacts of EGMs. In July 2005 the health benefit levy was doubled (to \$3,033 per operating EGM) and was again increased by an additional \$1,300 in July 2007. The health benefit levy thus currently amounts to \$4,333 per operating EGM and applies to all functional EGMs.²⁰ The government states that additional tax revenue from the proposed changes will fund government services including health.²¹

4. Position of the Parties

The Shadow Minister for Gaming, Michael O'Brien MLA, stated in a May media release that 'there are serious questions as to who this deal will really benefit, and serious doubts about any benefits to Victorians from the deal'.²² He also stated that the Coalition will 'use the parliamentary processes to give this secret deal the scrutiny that Mr Brumby has sought to avoid, and to engage in the consultation that he has refused to undertake'.²³ Opposition Leader Ted Baillieu also stated that the government 'was more interested in the money than resolving the problems with problem gamblers'.²⁴ The Opposition have also criticised the timing of the Bill, which was announced on budget day, and have questioned the extent to which the new taxation arrangement 'equalises' tax rates, given that pubs and clubs operating EGMs from 2012 will face tax rates of between 42.5 per cent and 58.33 per cent on comparable revenue.²⁵

On 24 June 2009, Mr David Davis, Member for Southern Metropolitan, moved a motion in the Legislative Council that a copy of all documents and communications held by the government involving the government's recent decision to provide an extension of licence for the number of gaming tables at Crown be tabled in the Council by 4.00 p.m. on 29 July 2009. This included the advice from the VCGR, the concluded agreement, correspondence between the Treasurer and the VCGR, Treasury analysis and other economic and cost analyses undertaken as well as the terms of engagement of any negotiators employed by the government.

Benefit Statement. Hotels will be required to pay 8.33 per cent of revenue from EGMs to the Community Support Fund.

²⁰ Functional EGMs are defined as EGMs that were operating in the casino on the first Saturday in each month from and including December in the previous financial year to and including November in the current financial year: For the formula applied under the Casino Control Act to determine the amount of the levy in a given year, see section 114A(1). See also J. Ferguson (2009) 'Crown casino expansion will earn \$60m for Victorian State Government', *Herald Sun*, 13 May.

²¹ Victoria. Legislative Assembly (2009) *Debates*, 11 June, p. 1953.

²² Shadow Minister for Gaming (2009) *Brumby's evasion raises more questions on Crown deal*, media release, 14 May.

²³ *ibid.*

²⁴ (2009) 'Australian public outraged at Crown Casino expansion in Victoria', *AsiaPulse News*, 15 May.

²⁵ Shadow Minister for Gaming (2009) *Brumby's massive tax gift to Crown*, media release, 11 June.

Victorian Greens MP Greg Barber MLC supported Mr David Davis' motion and also requested in the Council that the documents concerning the negotiations with Crown Casino be made public, saying 'it is totally appropriate – in fact it is essential – to this model of Westminster democracy that legislators are fully informed as to what they are signing up for'.²⁶ Mr Barber has stated that the Bill has no 'guarantee of passage'.²⁷

On the subject of Crown's expansion, the Democratic Labor Party's Peter Kavanagh MLC was quoted in a *Herald Sun* survey of state Upper House MPs as saying that there was no need for any more gambling options in the state.²⁸

5. Stakeholders

The reforms to the gaming industry in the past few months have attracted an extensive amount of media attention and commentary from stakeholders. What follows is a brief overview of some of the views expressed by principal stakeholders concerning the casino Bill.

Crown Melbourne Limited

Crown Limited has welcomed the agreement with the Victorian Government. In a Crown Limited media release, the CEO of Crown Melbourne David Courtney said he was pleased about the new expansion program, saying it would result in approximately 300 additional jobs over the next few years in gaming and hospitality. He noted that Crown currently directly employs 6,100 staff across the Complex with an additional 2,000 people employed in Crown's tenancies and that 3,500 contractors service the Crown site. He also said that Crown has not had an increase in its gaming capacity for ten years.²⁹

Mr Courtney said the new agreement demonstrated that the government 'recognised' that Crown was currently spending over \$550 million on the construction of a major new hotel and convention centre, refurbishing the iconic Crown Towers hotel and upgrading the gaming floor. He stated that these facilities 'provide Melbourne with valuable tourist infrastructure and increase its attractiveness as an international tourist destination'.³⁰ Mr Courtney also said that Crown's gaming capacity and business development was being hampered by the present limits on its gaming capacity and that the proposed increase is necessary due to growing patronage and to ensure Melbourne's casino remains competitive.³¹ Crown has also spoken positively of the Minister's policy commitment that no further tax increases or levy amendments will be initiated before 30 June 2022. Mr Courtney stated that the current taxation arrangement between Crown and the state government, by which changes can only occur with the agreement of both Crown and the government, in contrast to the

²⁶ Victoria. Legislative Council (2009) *Debates*, 24 June, p. 3278.

²⁷ G. Mitchell (2009) 'Crown casino deal may be blocked by Opposition', *Herald Sun*, 14 May.

²⁸ Staff writers (2009) 'John Brumby is hooked on casino cash – Senator Nick Xenophon', *Herald Sun*, 15 May. See also D. Rood (2009) 'Crown's win at tables facing growing opposition', *The Age*, 14 May.

²⁹ Crown Limited (2009) *Crown Melbourne and the state government agree new casino arrangements*, media release, 12 May.

³⁰ *ibid.*

³¹ M. Dunckley (2009) 'Crown defends 'tax-for-tables' deal', *Australasian Business Intelligence*, 25 May. See also Crown Limited/ASX (2009) *Crown Melbourne Secures Increased Gaming Capacity and Agrees to an Increased Taxation Rate on Electronic Gaming Machines*, media release, 12 May.

respective state governments in New South Wales and Queensland, offered 'greater regulatory certainty'.³²

Clubs and Hotels

Some stakeholders have focused their attention on the changes affecting hotels and clubs in the recent amendments made to the Gambling Regulation Act. Regarding the casino Bill, industry stakeholders from the clubs and hotels sectors have expressed frustration at the proposed changes. Australian Hotels Association's Victorian Chief Executive Brian Kearney stated in *The Age*, 'We would be delighted if the Government gave us the benefit it has given Crown – we would love to lock in our tax rate for 13 years'.³³ Mr Kearney also stated, 'There are certainly a number of anomalies there between the tax payable by pubs, post-2012, in comparison to that payable by Crown'.³⁴ Similarly, Clubs Victoria executive director Margaret Kearney stated that Crown had received a special deal from the government.³⁵

Antigambling Groups

The introduction of gaming machines and the casino to Victoria was a controversial move that some groups have been opposed to from the start.³⁶ Gambling, the casino, 'the pokies' (EGMs) and related activities are viewed by some in society as inherently problematic.³⁷ Victoria has dedicated anti-gambling lobby groups and community groups, such as the Interchurch Taskforce on Gambling and Know the Odds. InterChurch Gambling Taskforce chairman Mark Zirnsak said that while table games were less addictive than pokies, the proposed changes to the casino with the additional 150 table games would still increase opportunities for problem gamblers.³⁸ Prominent anti-gaming campaigner and spokesperson for the Interchurch Gaming Taskforce Rev Tim Costello has criticised the Bill, claiming that Crown obtains preferential treatment from the government.³⁹

6. Recent Developments

On 23 July 2009 the Victorian Government released previously confidential documents relating to the new agreement between the government and Crown Casino.⁴⁰ These documents included the new agreement and correspondence between the VCGR, the Treasurer, the Minister for Gaming and the Premier. They also included two letters

³² *ibid.*

³³ M. Fyfe (2009) 'Crown hits jackpot with new tax deal', *The Age*, 7 June.

³⁴ Dowling (2009) 'Government keeps lid', *op. cit.*

³⁵ *ibid.*

³⁶ See T. Costello & R. Millar (2000) *Wanna Bet? Winners and Losers in Gambling's Luck Myth*, Sydney, Allen and Urwin, p. 165.

³⁷ There are also groups set up to deal specifically with counselling and supporting gambling addicts and their families, such as community and church groups, Gamblers Anonymous and Relationships Australia, in addition to Gambler's Help, the service provided by the government with revenue obtained through gambling expenditure. For information on some of the social issues associated with problem gambling see Productivity Commission (1999) *Australia's Gambling Industry*, Report No. 10, Canberra, AusInfo. The Productivity Commission is currently conducting an inquiry into developments since its 1999 report.

³⁸ R. Wallace (2009) 'Crown gets more gaming for more tax', *The Australian*, 13 May.

³⁹ (2009) 'Australian public outraged at Crown Casino expansion in Victoria', *AsiaPulse News*, 15 May.

⁴⁰ For government media releases on the release of the documents see Office of the Treasurer (2009) *\$132 million tax increase on Crown*, media release, 23 July and Minister for Gaming (2009) *\$132 million tax increase on Crown*, media release, 23 July. For news reports see S. McMahan (2009) 'James Packer tried to bully government into special Crown Casino tax deal', *Herald Sun*, 23 July and J. Dowling (2009) 'Crown gets approval to expand', *The Age*, 24 July.

from Crown Casino executive chairman James Packer addressed to the Premier and the Treasurer respectively.⁴¹ The Treasurer stated the released documents showed that an extra \$132 million in taxes will be paid by Crown casino, money which will be going towards essential government health services.⁴² The Treasurer also said that the negotiated increases in taxes paid by Crown helped to secure government revenues in the context of the impact of the Global Financial Crisis.

7. Other Jurisdictions

There are thirteen casinos in Australia. Casinos across the states and territories differ markedly in size, with Crown Casino and Star City (Sydney) being defined in a Gambling Australia Research report as 'mega-casinos'.⁴³ Likewise, the number of EGMs permitted in a casino range from 2,500 (Crown Casino) to none (Casino Canberra). Gambling taxation constitutes a significant amount of state governments' own-tax revenue. In 2009 gambling taxes as a percentage of state governments' own-tax revenue averaged around 8.7 per cent.⁴⁴ The following table, taken from data from the Queensland Office of Economic and Statistical Research (2008) and budget and financial statements, shows the percentage of tax revenue that states and territories are receiving as part of state governments' own-tax revenue.⁴⁵

Figure 2: Gambling tax as a proportion of total tax revenue in Australia (2005-06)

State/territory	Percentage of tax revenue
New South Wales	9.6
Victoria	13.4
Queensland	11.5
South Australia	13.4
Western Australia	2.8 ⁴⁶
Tasmania	11.2
Australian Capital Territory	6.0
Northern Territory	15.1 ⁴⁷

Source: Australasian Gaming Council (2008) op. cit.

⁴¹ The agreement and related documents can be viewed at Department of Justice (2009) Crown Casino Agreement, viewed 27 July, <<http://www.justice.vic.gov.au/wps/wcm/connect/DOJ+Internet/Home/Gambling+and+Racing/Gaming/JUSTICE++Crown+Casino+Agreement+%28PDF%29>>.

⁴² Office of the Treasurer (2009) op. cit.

⁴³ SkyCity (Adelaide), Burswood (Perth), Conrad Treasury (Brisbane) and Conrad Jupiters (Gold Coast) were defined as medium-sized casinos and Wrest Point (Hobart), Lasseters (Alice Springs), SkyCity (Darwin), Country Club (Launceston), Reef Casino (Cairns) and Casino Canberra (Canberra) as small regional casinos. Australian Gaming Council (2005) *A Database on Australia's Gambling Industries*, Melbourne, Australian Gaming Council, pp. 6-7. There is also a Jupiters Casino in Townsville.

⁴⁴ For further information refer to the reports published annually by the Commonwealth Government's State Finances Inquiries. These reports offer a brief summary of the changes that have taken place each year to state gambling legislature, revenue and taxes. See Australian Government (2009) *Report on State Revenue Sharing Relativities: 2009 Update*, Canberra, Commonwealth Grants Commission.

⁴⁵ Australasian Gaming Council (2008) 'Gambling Taxation', Fact Sheet, November, viewed 20 July 2009, at <http://www.austgamingcouncil.org.au/index.php?option=com_content§ionid=8&task=category&id=21&Itemid=99999999>.

⁴⁶ Western Australia receives a relatively small contribution to its total tax revenue as a result of gambling tax. This is largely because no EGM gambling is available outside the Burswood Casino in Perth.

⁴⁷ In the Northern Territory both Darwin and Alice Springs have their own casinos with the majority of the population living in proximity to either urban centre. The Northern Territory has the highest rate of casino participation (10 per cent). See P. Delfabbro (2008) *A Review of Australian Gambling Research*, Melbourne, Department of Justice, p. 43.

There is a wide variety of other legislative and regulatory frameworks in other jurisdictions. The jurisdiction that most closely resembles the Victorian casino taxation arrangement is the Burswood casino in Perth and its relationship with the Western Australian government. Both Crown Casino and Burswood Casino form part of the Crown Limited Group, which also owns or is in the process of acquiring full or part ownership of casinos and betting exchanges in the United States, Macau, Canada, New Zealand and the United Kingdom.

As mentioned above, changes to the tax arrangement of both Crown Melbourne and Burswood Casino require the agreement and consent of the respective casino. Discussing a recent amendment to the taxation of Burswood in the Casino (Burswood Island) Agreement Amendment Bill 2007 (WA), then Treasurer Hon. Eric Ripper MLA stated that Members should 'recognise that this is an agreement between Burswood and the government. It may not be 100 per cent to the liking of the Parliament, but we are one party to the agreement. The other party also has to agree if we are to get an agreement.'⁴⁸

In June 2009 the NSW Parliament passed the Casino Control Amendment Bill 2009, which was the first of two pieces of legislation the NSW Government intended on passing in 2009, in relation to the regulatory framework of the Star City Casino.⁴⁹ The changes to the NSW Act extended the casino licence review period from 3 years to 5 years and permitted more flexible banking arrangements to allow the NSW casino to 'remain competitive with Crown Casino in Victoria', as stated by the Minister for Gaming and Racing Mr Kevin Greene in his second reading speech.⁵⁰

The changes to the NSW Act also amended the regulatory framework of the casino so that the casino has the opportunity to make a submission before the Casino, Liquor and Gaming Control Authority before an adverse change is imposed by the Authority. Prior to the passage of this Bill, changes could only occur with the approval and direction of the Authority. Mr Greene noted that 'it is unfair and unreasonable to continue to allow a situation in which the authority may reduce or increase the size of the casino on its own accord, particularly given the capital investment required by the casino in extensions to the casino'.⁵¹ The Coalition did not oppose the NSW Bill, but both the Greens and Reverend Nile from the Christian Democratic Party voted against the Bill in the Legislative Council.⁵²

⁴⁸ Western Australia. Legislative Assembly (2008) *Debates*. 10 April.

⁴⁹ The second set of proposed amendments intended to be introduced into the NSW Parliament later in 2009 is expected to relate to civil and criminal liabilities regarding patron exclusions among other matters. New South Wales. Legislative Council (2009) *Debates*, 24 June.

⁵⁰ New South Wales. Legislative Assembly (2009) *Debates*, 17 June.

⁵¹ *ibid.*

⁵² New South Wales. Legislative Council (2009) *op. cit.* See also NSW Greens (2009) *Big Labor donor Star City Casino wins less regulation*, media release, 19 June.

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Casino Control Act 2006 (ACT)

Casino Control Act 1997 (SA)

Casino Control Act 1984 (WA)

Casino Control Amendment Bill 2009 (NSW)

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