

Gaming Portfolio

Public Accounts and Estimates Committee

30 May 2007

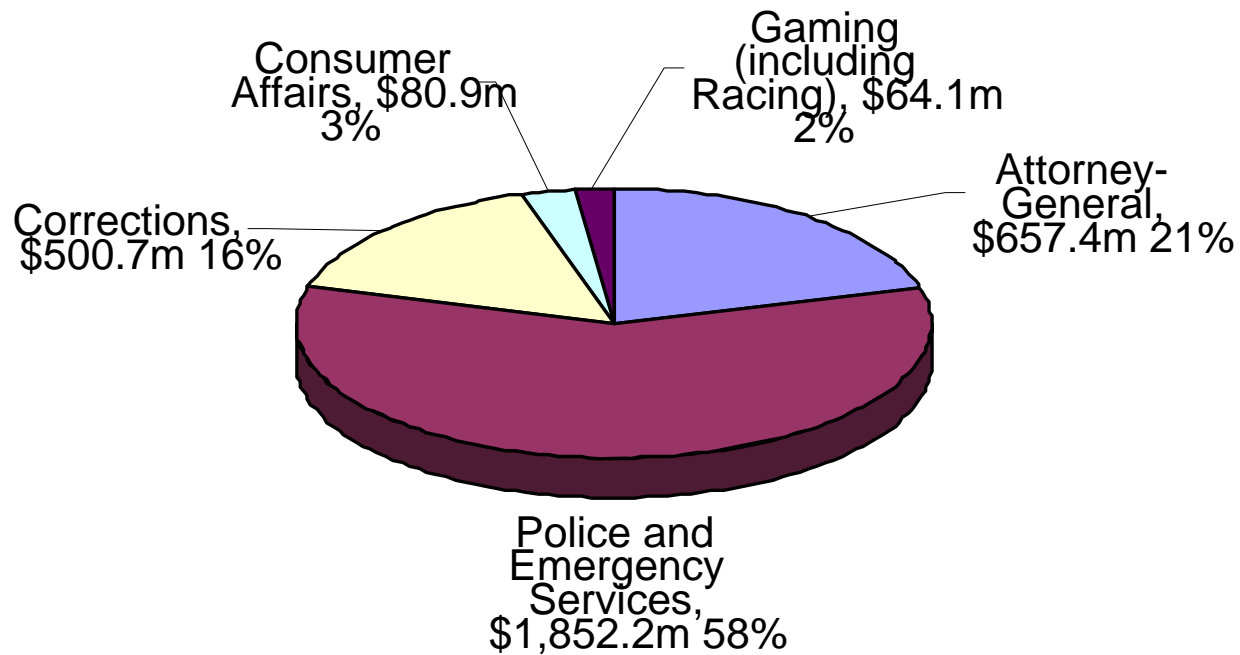
The Hon Daniel Andrews MP

Minister for Gaming



Share of \$3.1bn Justice Budget

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Gaming Portfolio Outputs

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OUTPUT	2006-07 Target (\$M)	2006-07 Expected Outcome (\$M)	2007-08 Target (\$M)
Gaming and Racing Management and Regulation	51.1	62.4	64.1
Victorian Commission for Gambling Regulation	28.7	39.6	39.6
Gambling Policy & Strategy			
Gambling Licences Review			
Office of Racing			
Taking Action on Problem Gambling	22.4	22.8	24.5

Breakdown of Taking Action on Problem Gambling Expenditure

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Taking Action on Problem Gambling	2007/08 Target (\$M)
Building better treatment services	15.3
Ensuring a more socially responsible gambling industry * Self exclusion pilot project and the Responsible Gambling Ministerial Advisory Council	0.8*
Promoting healthy communities	6.1
Enhancing the regulator	1.0
Fostering gambling research	1.3
TOTAL	24.5

Gaming and Racing Management and Regulation Output



- **Provides for:**
 - monitoring and regulation of gambling activities in Victoria
 - leadership and strategic policy advice on the responsible management and regulation of the gaming and racing industries
- **Victorian Commission for Gambling Regulation (VCGR) activities:**
 - Licensing of venues and employees (49,932) and equipment approvals
 - Investigations and compliance audits
 - Casino supervision
 - Fostering responsible gambling

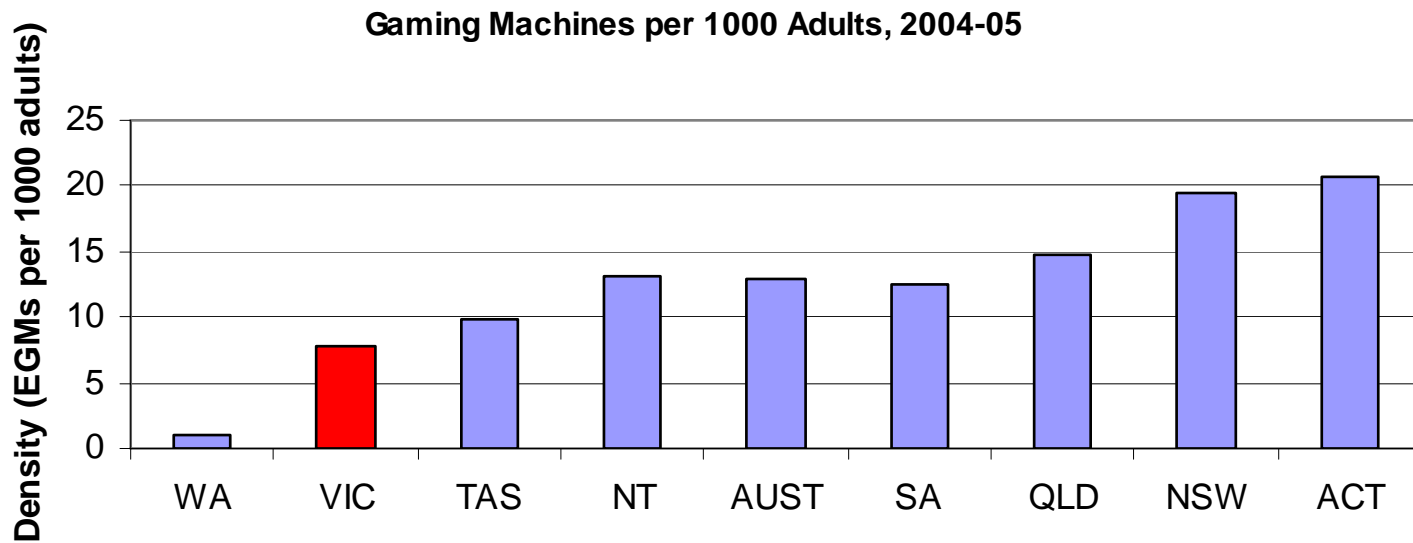
Gaming and Racing Management and Regulation Output



- **Office of Gaming and Racing:**
 - Gambling Policy & Strategy
 - *Problem Gambling Programs*
 - *Policy and legislative proposals*
 - *Gambling research*
 - *Stakeholder engagement*
 - Gambling Licences Review
 - *Lotteries Licence awarding process*
 - *EGM, Club Keno, and Wagering licences review*

Gambling trends – EGM density

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Source: Australian Gambling Statistics 2004-05 (latest official figures), Qld Treasury

Gambling trends – problem gambling



- Problem gambling prevalence halved, from 2.14% in 1999 to 1.12% in 2004
(Sources: Productivity Commission report, *Australia's Gambling Industries*, 1999; and the 2003 Victorian Longitudinal Community Attitudes Survey – Australian National University)
- Increase in the number of problem gamblers in counselling, from 4,735 in 1999 to 8,881 in 2005-06.
(Source: DOJ/IRIS database)

Gambling trends – problem gambling



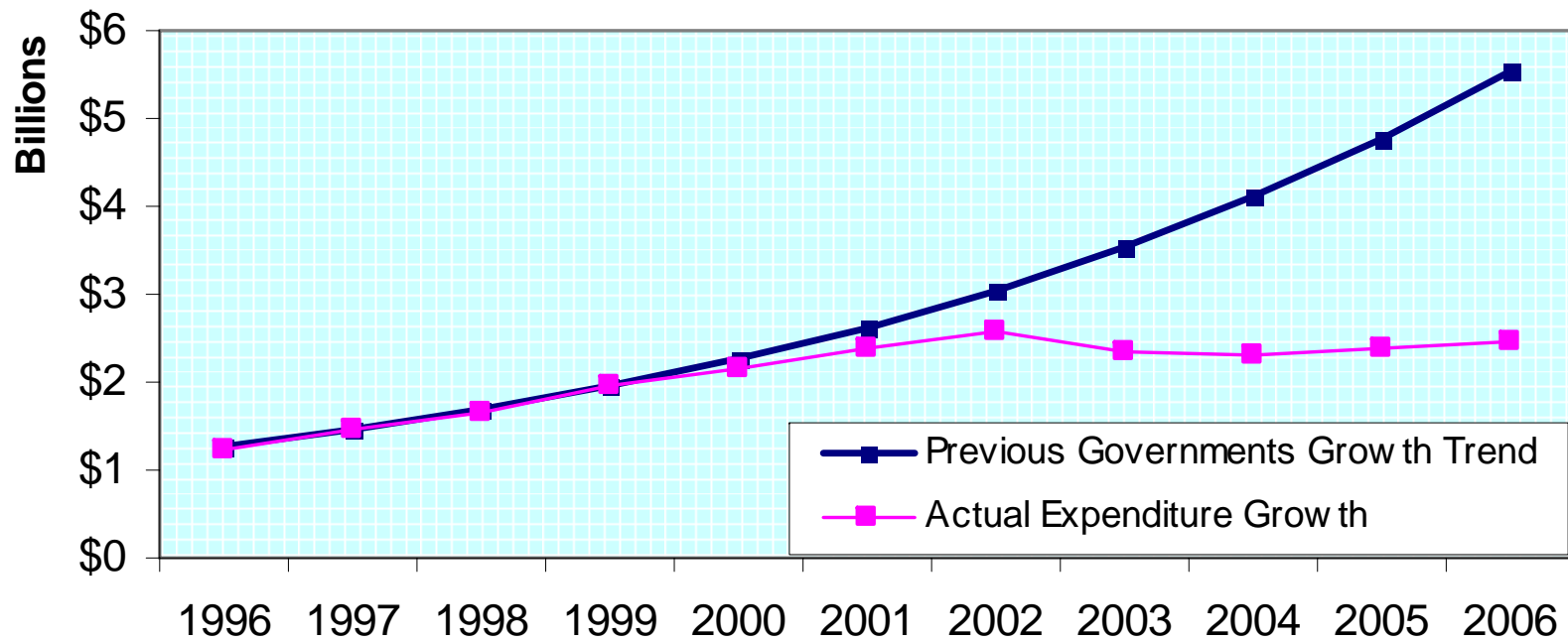
- Decline in the proportion of household consumption spent on gambling, from 3.8% between June 2000 to September 2002 to 3% in 2006-07. This is estimated to decline to 2.9% in 2007-08. (Sources: 2006/07 Budget paper 4 p 140 and 2007/08 Budget paper 4 page 141)
- Average annual growth in gaming machine spending down from 16% (1996-99) to 1.9% (2003-06) (Source: Taking Action on Problem Gambling)

Expenditure Growth

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Gaming Expenditure Growth from 1996 to 2006



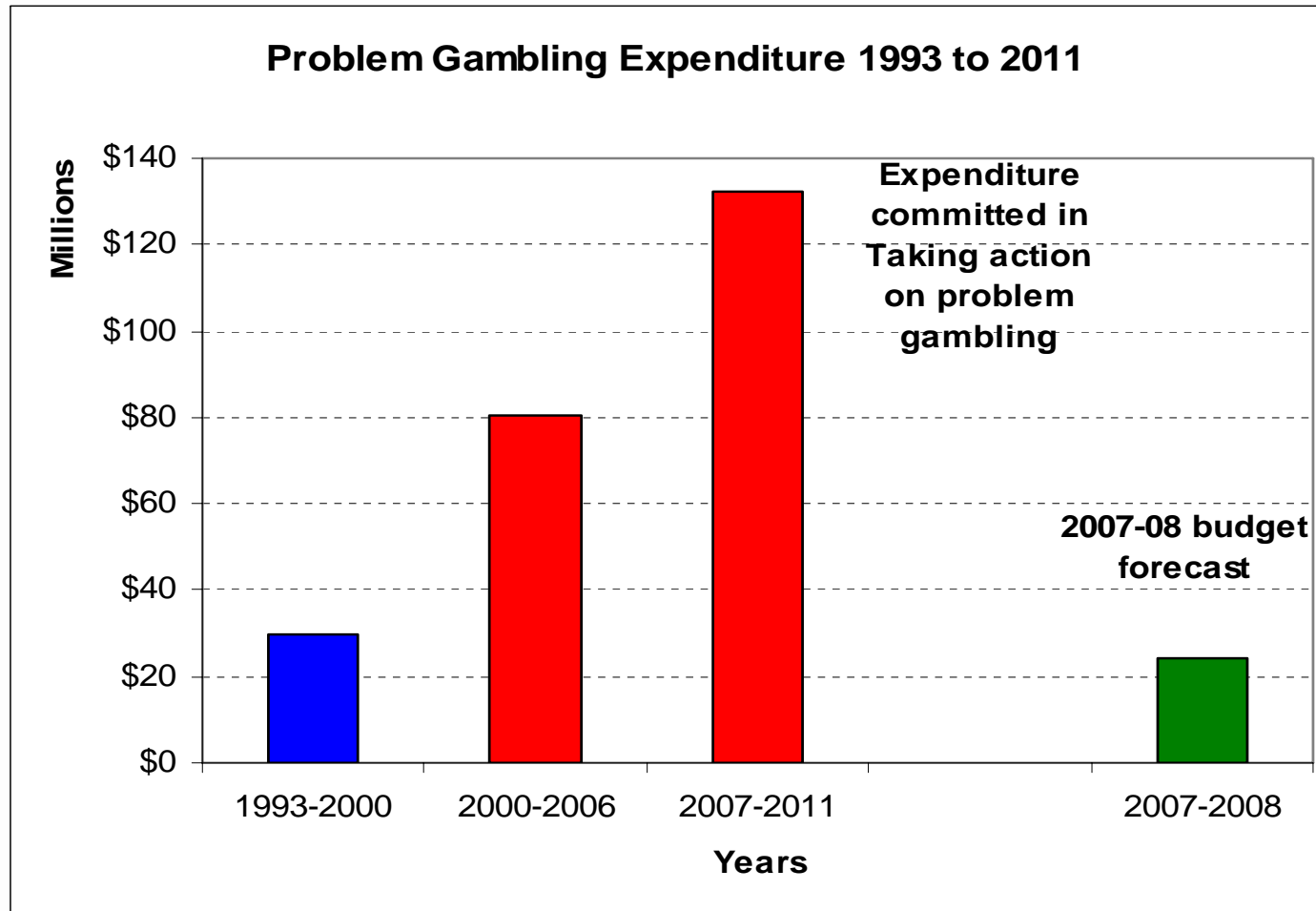
Taking Action on Problem Gambling



- **Most comprehensive problem gambling strategy in Australian history**
- **\$132.3m integrated approach to consumer protection and to the prevention, early intervention and treatment of gambling related harm**
- **37 initiatives across seven priority action areas**
- **\$24.5m to be spent in 2007/08**

Government Expenditure on Problem Gambling

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Gambling Licences Review



- **Principles – probity, integrity and best value**
- **Gambling Licence Review Panel**
- **Public Lotteries licensing process**
- **Review of Electronic Gaming Machine, Club Keno and Wagering Licences and arrangements and funding arrangements for the Racing Industry post 2012**

Priorities for 2007/08



- **Gambling Licences Review**
- **Implementation of Taking Action on Problem Gambling**
- **Synergies within portfolios – financial counselling**

Gaming Portfolio

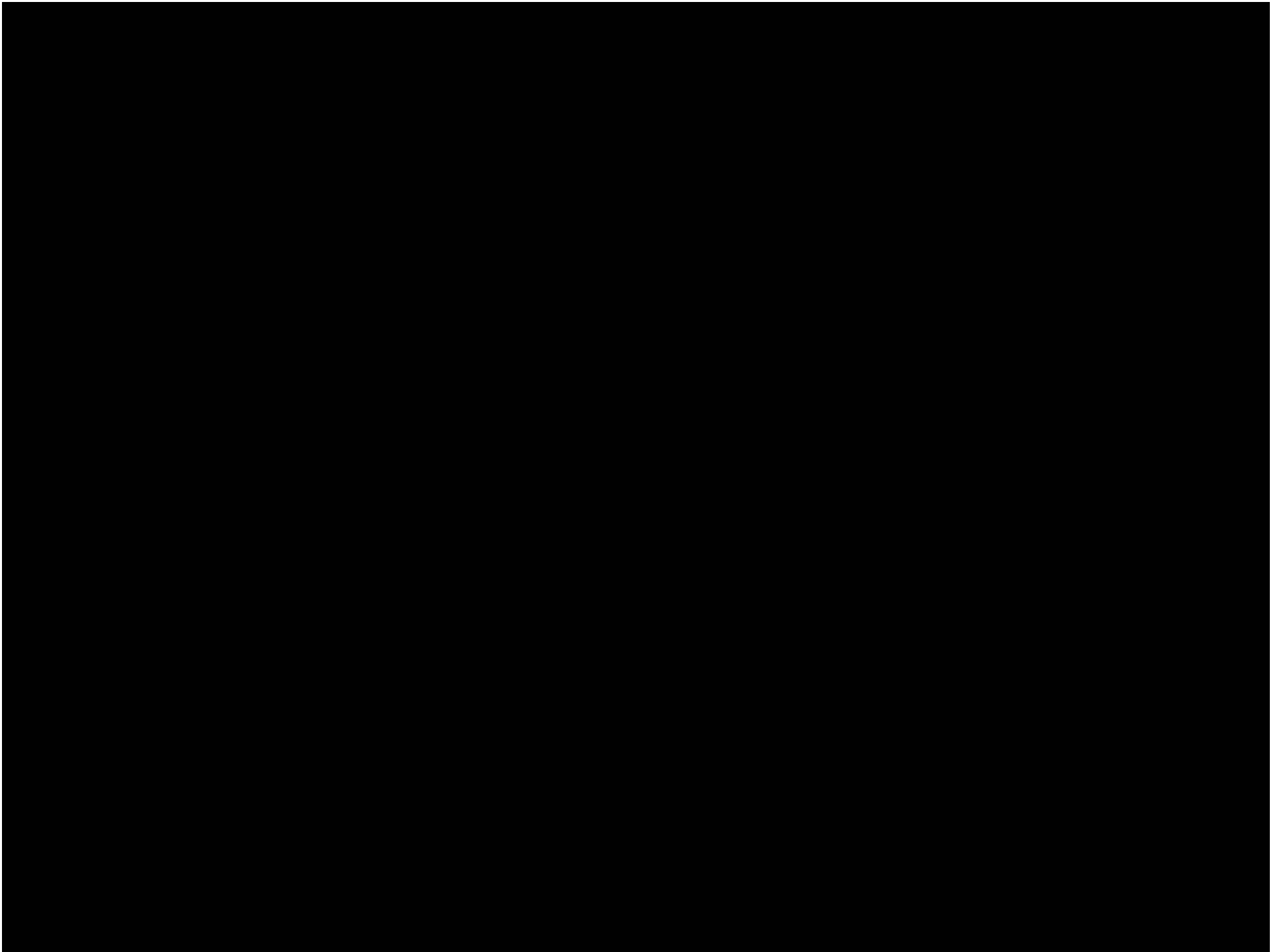
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Community Benefit Statements

8.33% Tax Exemption



- **remove the unnecessary administrative burden imposed on hotels**
- **Apply a tax penalty to clubs that fail to make a community benefit contribution of 8.33 per cent**
- **focus claimable activities and purposes on expenditures of direct community benefit**

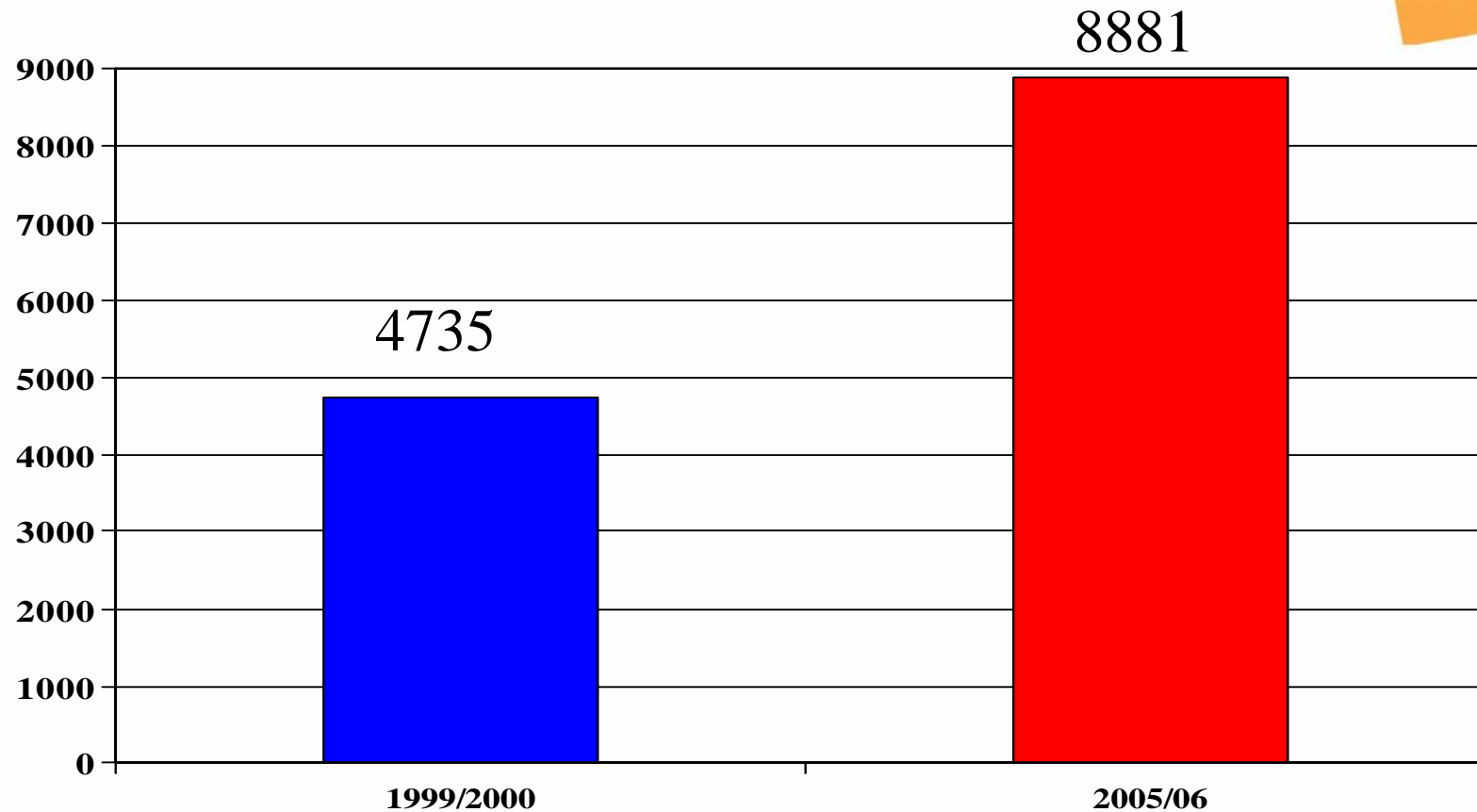
Taking Action on Problem Gambling



- **Seven priority Action Areas**
 - Building better treatment services
 - Ensuring a more socially responsible gambling industry
 - Promoting healthy communities
 - Protecting vulnerable communities
 - Improving consumer protection
 - Enhancing the regulator
 - Fostering gambling research

Gambler's Help Client Numbers

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(Source: DOJ/IRIS database)

Gambling Licences Review Expenditure

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2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	TOTAL
\$0.65M	\$1.21M	\$1.90M	\$2.20M	\$1.18M	\$0.26M	\$7.4M



- **Staffing for Gambling Licences Review = 15.8 FTE in 2007/08**
- **Conduct of consultation and production of Kirby Report**
- **Development of discussion papers**
- **Wagering, gaming and Keno contextual papers**
- **Review Panel members, members' expenses and Secretariat support**
- **Special advisers to the GLR Team & Steering Committee.**