

## Responses to Questions on Notice from 2018-19 Budget Estimates Hearing for Minister for Consumer Affairs, Gaming and Liquor Regulation

### ATTACHMENT: QUESTIONS TAKEN ON NOTICE AND FURTHER INFORMATION AGREED TO BE SUPPLIED AT THE HEARINGS

#### CONSUMER AFFAIRS, GAMING AND LIQUOR REGULATION PORTFOLIO

- 1. In relation to liquor and gambling monitoring and the outage issues that occurred with the Intralot monitoring system, what losses were incurred as a result of those outages including to state tax revenue?**

On 16 and 17 March 2018, there were a number of gaming machines across the state that were unavailable for game play. It is important to note that it did not affect all venue operators or all gaming machines. It is not possible to determine the amount of gaming machine tax revenue that would have been payable if the failure did not occur.

- 2. 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?**

Gaming machine expenditure fluctuates from quarter to quarter. It can be influenced by a range of factors including seasonal variations, general consumer confidence and the prevailing economic conditions.

In most cases, it is difficult to isolate a single driver behind changes in player loss from one quarter to the next. Comparisons between consecutive quarters can be misleading and it is necessary to look at a longer period to identify significant long-term change.

In relation to the increase in player loss in the March 2018 quarter, a similar percentage increase also occurred in Queensland. The trends in player loss seen in Victoria and Queensland for the current and previous financial years were also seen in New South Wales (up to the most recent available data January 2018). This may suggest the increase is related to national economic factors rather than anything specific to Victoria.

- 3. Gambler losses were steady in the September quarter and rose by 2 per cent, or \$13 million, in the September quarter. They have now 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 *Gambling Regulation Amendment (Gaming Machine Arrangements) Act 2017* made a number of amendments to the Gambling Regulation Act 2003 to specify the arrangements that will apply to gaming machine entitlements from 2022 and to impose new gaming machine harm minimisation measures, the majority of which commenced on 19 September 2018.

The amending Act is not thought to have had an effect on gaming machine player loss in the March 2018 quarter.

As noted above, a similar percentage increase also occurred in Queensland, while New South Wales followed similar player loss trends up to the most recent data available (January 2018).

- 4. 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?**

During the passage of the Gambling Regulation Amendment (Gaming Machine Arrangements) Act 2017, the government made it clear that it would not permit ticket-in, ticket-out (TITO) systems or other cashless gaming systems to operate in Victorian hotel and clubs without harm minimisation measures in place.

The Government is currently considering the appropriate harm minimisation measures that should apply.

Following a decision on the harm minimisation measures that should apply to these systems, the Victorian Commission for Gambling and Liquor Regulation will make technical standards for TITO and cashless gaming systems. I expect these standards will be made in the second half of 2018.

The introduction of TITO and other cashless gaming systems is not expected to have a significant effect on gaming machine player loss or taxation.

**5. 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 \$2,707 million set out in 2008–09 and certainly above the \$2,609 million in losses recorded in 16–17?**

Real overall expenditure on gaming machines in Victoria has been steadily declining since 2008-09.

A year-to-date comparison to May 2018 shows that nominal expenditure was 0.9 per cent lower, and real expenditure 18 per cent lower, in 2017-18 than in 2008-09.

The proportion of household expenditure that Victorians spend on gaming machines has also steadily declined during this period. In 2008-09, expenditure on gaming machines made up 1.6 per cent of household expenditure. By 2016-17, this had declined to 1.0 per cent.

**6. 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 \$1,099 million in the last budget as opposed to what was predicted for 2017–18 12 months ago?**

EGM player loss as a share of total consumption expenditure has been consistently declining over recent years. Over the last two Budget cycles, Department of Treasury and Finance has gradually downgraded forecasts to account for this, and revised its forecasting methodology to better reflect the current market.

EGM revenue collections to date are broadly in line with 2017-18 Budget Update and 2018-19 Budget forecasts, suggesting that the current methodology is accurately reflecting the state of the market.

**7. In relation to the submissions to the rental reforms review, provide further details on:**

**a. What cohorts are represented in those submissions (for example, were they people of ethnic backgrounds or from certain age groups?).**

As part of the stakeholder engagement approach to the Residential Tenancies Act Review, a dedicated consultation website called Fairer Safer Housing was established, enabling Victorians to register and share their views.

Data collected by the website indicated particular characteristics of those who engaged with the Review through this platform, whether this involved participating in polls or discussions, downloading documents, or visiting a page on the site.

CAV notes that this data is indicative only and does not include engagement through email or social media (which does not collect any personal or other demographic data) or other channels where CAV did not have the ability to analyse user characteristics.

The data recorded by the Fairer Safer Housing website indicated that the gender of those who engaged with the Review via the site included:

- Female participants: 820
- Male participants: 436

- Participants who would rather not say: 102
- Total: 1358

The age breakdown of those who engaged via the website indicated the following demographics:

- <18: 1
- 18-25: 64
- 26-35: 343
- 36-45: 317
- 46-55: 277
- 56-65: 205
- 66-75: 77
- 76+: 6
- Total: 1290

The review did not collect data about people's ethnic background. However, there was considerable engagement with organisations representing or advocating for the interests of vulnerable or disadvantaged tenants, Koori tenants, or tenants from a culturally or linguistically diverse community. This included Tenants Victoria, the Victorian Aboriginal Legal Service, the Victorian Multicultural Commission, Carers Victoria, Aboriginal Housing Victoria, the Brotherhood of St Laurence, Environment Victoria, Justice Connect, Housing for the Aged Action Group, community legal centres and animal welfare groups including the RSPCA.

A full list of those who made a submission is indicated at the submissions library for the Fairer Safer Housing website.

**b. 'Geography' (that is, the postcodes) where submissions came from.**

The Review did not collect the postcodes of people making a submission. However, the Fairer Safer Housing website recorded postcodes of those who registered to participate in the Review through that platform. The submissions came from 328 unique post codes and demonstrates that the Review had a national reach. The full list of post codes is at **Attachment A**.

**8. With reference to retirement villages, please provide further details of the operational work that Consumer Affairs Victoria is undertaking to understand the nature of contracts, the interface with consumers and also manage the way in which retirement villages are continuing to grow as part of the ageing population across the state.**

The Victorian Government is committed to ensuring that the regulatory framework for retirement villages established by the Retirement Villages Act 1986 strikes a fair balance between facilitating growth and innovation in the sector, and protecting the rights and interests of Victorian retirement village residents. To that end, the Victorian Government is working towards implementing many of the recommendations of the recent Parliamentary Inquiry into the retirement housing sector, a number of which will be considered as part of the Government's review of the *Retirement Villages Act 1986*.

CAV's regulatory approach is intelligence-led, risk-based and outcome-focussed. CAV targets the conduct which poses the highest risk and uses the intelligence it gathers to inform its decision making. Retirement Living is one of CAV's regulatory priorities for 2018-19 and it is working to increase compliance with key resident protection laws.

CAV has a range of options to address non-compliance in the Retirement Living industry and these tools can be used to respond in a way that is targeted and proportionate to the seriousness of the problem. Some of these tools include educational letters, business improvement engagement, warning letters, enforceable undertakings and civil and criminal proceedings.

In 2017/18 CAV undertook 164 inspections under the Retirement Villages State Inspection Program. The objectives of the program are to check requirements relating to information for potential

purchasers of retirement villages, annual general meetings, complaints handling and dispute resolution.

CAV has a telephone based information service which provides retirement village residents with information and advice on their rights, including the steps they can take if there is a dispute. Similarly, retirement village operators are advised of their obligations and provided with support to meet their obligations. Retirement village residents may also be referred to information tools and publications on our website to assist them with their problems.

The CAV website has comprehensive information that retirement village operators and residents can access about issues that affect them. A dedicated section of the website provides information about retirement living for Victorians looking to move in, already living in, or leaving a retirement village. Issues covered include things to consider before moving into a retirement village, contracts, and fees and charges which apply at each stage of the process.

The website also provides information for retirement village operators, covering their responsibilities and obligations, including registration, good practice protocols, and resolving disputes.

CAV is also creating a single, modern information technology system to support all of its regulatory functions. This system, called myCAV, was further expanded this year to include retirement village operators, helping them to maintain their compliance obligations.

This year CAV implemented a new dispute resolution services approach, in line with a whole of Department of Justice and Regulation Dispute Resolution Strategy.

Under the new model, disputes that require a more intensive process beyond CAV's frontline compliance resolution function, particularly retirement village management disputes, are now referred to the Dispute Settlement Centre of Victoria. DSCV's services are free and confidential, and participation is voluntary for all parties. CAV will continue to educate retirement village residents and operators about their rights and legal obligations, and address any identified breaches of the law.

The CAV funded statewide Retirement Housing Assistance and Advocacy Program (RHAAP) commenced operation on 1 July 2017. The RHAAP forms part of CAV's integrated Tenancy and Consumer Program and provides support to tenants in retirement housing, advice to sector workers, as well as media, policy and advocacy activities.

The RHAAP is delivered by the Housing for the Aged Action Group, which provide expert support both to clients and workers. Between 1 July 2017 and 31 March 2018, 335 clients were supported under the RHAAP.

Tenants in retirement villages are also able to access support through the place-based Tenancy Assistance and Advocacy Program (TAAP), the largest component of the Tenancy and Consumer Program. Under the TAAP there are 22 full time equivalent workers across the state providing assistance to vulnerable and disadvantaged Victorians, including those experiencing family violence.

**9. The Government 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. Please indicate where that premium is accounted for in the budget?**

Lottery licence revenue is accounted for in the 'Lotteries' line of gambling tax revenue in the Budget (BP5, Table 4.2, p. 142) amortised over the 10 year licence period. As such, \$12 million of licence revenue is captured in this revenue line each year from 2018-19 onwards.

## Responses to Questions on Notice from 2018-19 Budget Estimates Hearing for Minister for Consumer Affairs, Gaming and Liquor Regulation

Attachment A: Fairer Safer Housing submissions – by post code

Post Code	Count
1710	2
1805	2
1860	1
2042	1
2046	4
2067	1
2090	3
2106	7
2119	2
2121	2
2127	1
2132	4
2134	2
2137	1
2218	8
2219	2
2233	1
2264	3
2280	2
2303	1
2330	9
2337	6
2422	1
2439	4
2456	1
2460	2
2479	1
2480	3
2502	1
2519	1
2536	1
2550	1
2567	1
2611	1
2640	4
2646	4
2650	4
2651	1
2666	1
2753	11
2756	4
2765	1
2774	1
2775	1
2795	1
2800	1
2849	2
2850	7
2871	1
2878	5
3000	76
3002	4
3003	3

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## Attachment A: Fairer Safer Housing submissions – by post code

3006	8
3008	2
3011	23
3012	12
3013	3
3015	3
3016	3
3018	9
3019	2
3020	6
3022	2
3023	2
3024	5
3025	1
3028	4
3029	12
3030	15
3031	7
3032	8
3038	3
3039	10
3040	11
3041	3
3042	3
3043	3
3044	7
3046	2
3047	1
3049	2
3051	12
3052	1
3054	8
3055	10
3056	16
3057	12
3058	18
3060	3
3064	5
3065	10
3067	4
3068	26
3070	22
3071	12
3072	21
3073	14
3074	1
3075	2
3076	1
3078	3
3081	6
3082	5
3083	6
3084	9
3085	3

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3088	9
3089	2
3091	1
3094	4
3095	2
3099	1
3102	3
3103	2
3104	2
3105	1
3106	2
3107	1
3108	1
3109	2
3111	2
3113	1
3116	2
3121	1
3122	10
3123	1
3126	4
3127	4
3128	2
3129	3
3130	14
3131	2
3132	4
3133	3
3135	4
3136	11
3139	2
3141	6
3142	3
3143	1
3144	4
3145	5
3146	7
3147	2
3148	4
3149	7
3150	9
3151	1
3152	5
3153	5
3155	4
3156	2
3158	1
3160	2
3161	5
3162	3
3163	13
3165	4
3166	2
3167	2

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## Attachment A: Fairer Safer Housing submissions – by post code

3168	2
3169	2
3172	1
3173	3
3174	7
3175	7
3177	1
3178	5
3179	1
3180	1
3181	12
3182	18
3183	12
3184	10
3185	5
3186	3
3188	2
3189	1
3190	3
3191	1
3192	3
3193	5
3194	2
3195	3
3196	6
3198	7
3199	17
3200	2
3201	3
3202	1
3204	12
3205	9
3206	6
3207	5
3212	1
3214	3
3215	4
3216	7
3218	5
3219	5
3220	6
3224	6
3226	5
3227	1
3228	1
3241	1
3264	1
3276	1
3280	9
3282	1
3305	1
3311	1
3331	1
3337	4

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## Attachment A: Fairer Safer Housing submissions – by post code

3338	2
3340	2
3342	1
3350	28
3354	1
3355	3
3400	3
3429	5
3431	1
3434	1
3435	1
3437	2
3440	1
3442	2
3444	3
3450	1
3465	1
3500	9
3501	1
3505	1
3517	1
3523	1
3550	10
3551	4
3556	3
3564	3
3608	1
3616	1
3619	2
3630	5
3631	1
3633	1
3639	1
3643	1
3660	2
3666	2
3671	2
3676	5
3678	1
3689	5
3690	1
3699	1
3700	1
3714	2
3717	1
3722	2
3735	1
3736	1
3747	1
3752	3
3754	6
3756	2
3764	2
3765	1

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### Attachment A: Fairer Safer Housing submissions – by post code

3767	1		
3777	3		
3778	1	4000	2
3781	1	4006	1
3782	2	4031	1
3783	1	4066	1
3796	1	4069	1
3797	1	4101	1
3799	1	4114	1
3802	3	4211	1
3803	1	4877	1
3805	7	4888	1
3806	3	5000	2
3807	1	6574	1
3809	1		
3810	10		
3818	2		
3820	6		
3821	1		
3825	2		
3840	5		
3844	10		
3850	6		
3858	1		
3860	1		
3870	1		
3875	4		
3880	1		
3909	2		
3910	6		
3912	3		
3915	6		
3918	1		
3922	3		
3930	4		
3931	6		
3934	1		
3939	5		
3940	1		
3971	1		
3975	1		
3976	3		
3977	3		
3980	1		
3984	1		
3995	4		
3996	3		