

QUESTION ON NOTICE – PAEC 2011-12 – MINISTER FOR GAMING**Gaming Portfolio**

1. How much additional money will need to be gambled by Victorians to achieve the Government's estimate of an increase of \$76 million revenue from gambling taxes?
(Page 5 of the Gaming portfolio transcript)

Response:

The Victorian Budget for 2011-12 estimates that the state will raise \$1.74 billion in gambling taxes and levies, a growth of 4.6 per cent (or \$76.4 million) compared with the revised estimates for 2010-11. This represents 3.67 per cent of total state revenue.

Gambling taxation revenue is related to private household consumption. As household consumption increases, it is generally the case that the amount spent on gambling will also increase.

The estimated growth in gambling taxation revenue for 2011-12 is based on predicted household consumption expenditure growth and also takes into account the impact of changes to the casino's licence conditions and taxation arrangements agreed to by the previous government, which included a progressive increase in the tax rate on casino gaming machines and increases in the number of gaming tables.

The revenue forecast is not based on an anticipated revenue growth for any one gambling product,..

Most gambling tax revenue is transferred by standing appropriation to the Hospitals and Charities Fund, the Mental Health Fund or the Community Support Fund. In 2011-12, it is estimated that 82 per cent (\$1.4 billion) of total gambling taxation revenue will be transferred by standing appropriation to these funds.

The Government is committed to increasing the proportion of funding available from the Community Support Fund for direct grants for community projects and to reducing funds paid to government departments.

Significantly, in the 2011-12 Budget the Government announced funding of \$150 million over four years from the Community Support Fund, for the establishment of a new independent body, the Victorian Responsible Gambling Foundation. The Foundation will have a mandate to reduce the prevalence and severity of problem gambling in Victoria.

2. Please clarify the legislative basis for the ministerial direction to the Victorian Commission for Gambling Regulation regarding ATMs in gaming venues. (*Page 9 of the Gaming portfolio transcript*)

Response:

Division 5 of Part 4 of the Gambling Regulation Amendment (Licensing) Act 2009 (the Licensing Act) creates a prohibition on automatic teller machines (ATMs) in gaming venues.

The relevant provisions of the Licensing Act will, once commenced, insert a new subdivision into Division 3 of Part 5 of Chapter 3 of the Gambling Regulation Act 2003 which provides for the prohibition.

Section 2(6) of the Licensing Act specifies a default commencement date of 1 July 2012 for the relevant provisions.

Under those provisions, a venue operator will be prohibited from providing an ATM in an approved gaming venue unless the venue operator holds an approval granted by the Victorian Commission for Gambling Regulation (VCGR) given in accordance with section 3.5.33F of the Gambling Regulation Act 2003 that authorises the provision of the ATM.

In determining whether or not to approve an exemption to the prohibition on ATMs, the VCGR must have regard to any criteria or other matters that have been specified in a Ministerial direction to the VCGR issued in accordance with section 3.5.33G(1) of the Gambling Regulation Act.

I made a Ministerial direction on 7 March 2011 in accordance with that section specifying matters that the VCGR must take into account.

The issuing of a Ministerial direction prior to the commencement of section 3.5.33G(1) of the Gambling Regulation Act is permitted by section 13 of the Interpretation of Legislation Act 1984.

Section 13 of the Interpretation of Legislation Act provides for the exercise of powers between the passing and commencement of an Act.

Unless the contrary intention appears, that section authorises the making of subordinate instruments (and other things) once the Act has been passed and before it commences. This enables a range of preparatory action to be taken so that an Act can be fully operational on its commencement.

Making the Ministerial direction before the commencement of the relevant provisions ensures that the VCGR will be in a position to consider applications for approval of an exemption from the prohibition on ATMs prior to its commencement.

3. Could clubs claim contributions to a campaign against pre-commitment as an offset against their community benefit statement? (Page 12 of the Gaming portfolio transcript)

Response:

Approved community activities and purposes that can be claimed by a club on its community benefit statement are determined by Ministerial order.

Claimable items are divided into three classes:

- **Class A** purposes and activities provide direct community benefits. These include donations, gifts and sponsorships made to the community for a wide range of purposes and activities. It can include providing and maintaining sporting facilities, subsidised goods and services provided to club members and staff to the community. A club can claim 100 percent of its gaming revenue applied to a Class A activity.
- **Class B** purposes and activities provide indirect community benefits. They include: certain capital expenditure; provision of buildings; plant or equipment (other than gaming equipment or spending on the gaming machine area of the club); and operating costs which include staff wages and salaries, payments by sporting clubs to players, and rent and electricity costs. A club can only claim an amount equal to the proportion of its non-gaming revenue to its total revenue.
- **Class C** purposes and activities comprise three items: the provision of responsible gaming measures (other than those already required by law); reimbursement of expenses of volunteers; and the cost of preparation and audit of the community benefit statement. A club can claim 100 per cent of its gaming revenue applied to these items.

Ensuring clubs only claim expenditure that falls under one of these classes is the responsibility of the Victorian Commission for Gambling Regulation.

The Commission has advised that a claim for contributions to a campaign against pre-commitment is unlikely to be claimable as it does not fit under any of the classes of community benefit specified in the Ministerial order.