

Joint Select Committee on Gambling Reform

ANSWERS TO QUESTIONS ON NOTICE

Treasury Portfolio

15 February 2011

Question: Has Treasury done any modelling on the potential impacts? Let us take the scenario that there is a reduction in gambling overall as a consequence of mandatory pre-commitment – and this is all built on an assumption, so let us be upfront about that now. There would be net job losses as a consequence of that – and I do not think I am pushing the bridge too far in saying that, based on some of the evidence we have heard. Has Treasury done any modelling on the impact that would have on Commonwealth revenues?

Topic: Problem Gambling

Hansard Page: GR 73

Answer:

The Treasury has not undertaken comprehensive modelling of the effects of the proposed reforms on the wider economy.

The Department has undertaken some initial calculations of a range of possible impacts that the proposed reforms could have on the revenue streams of State and Territory governments. The calculations are based on assumptions of different sized effects. The calculations do not include modelling the effects of these scenarios on the wider economy and do not take into account changes in individuals' spending behaviour as a result of the reforms.

In terms of net employment effects, we note that the Productivity Commission's view is that the gambling industries do not create net employment benefits, because they divert employment from one part of the economy to another. Conversely, this argument suggests that the proposed reforms should not result in net job losses in the economy over the long-run.

The Government has commissioned an independent study on the impacts of a reduction in problem gambling on other revenue flows and individual spending behaviour which is expected to provide more information on the economy-wide impacts of the proposed reforms.