



TREASURY EXECUTIVE MINUTE

Minute No.

18 October 2010

Assistant Treasurer and Minister for Financial Services and Superannuation.

MEETING WITH SENATOR XENOPHON AND MR WILKIE ON PROBLEM GAMBLING REFORMS

Timing: You are scheduled to meet on 19 October.

Recommendation/Issue:

- That you note the briefing and background information at **Attachments A to E**.

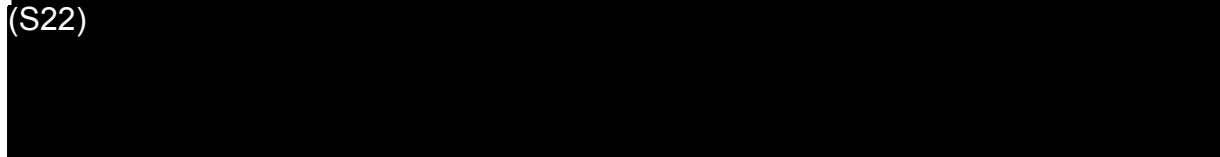
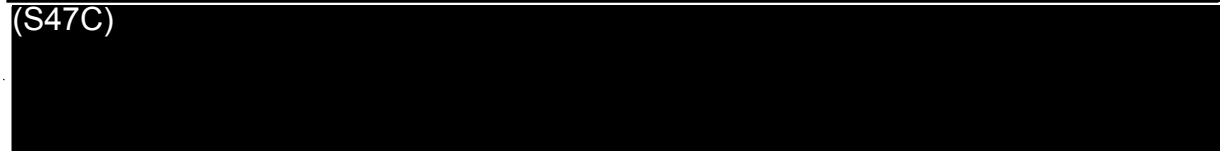
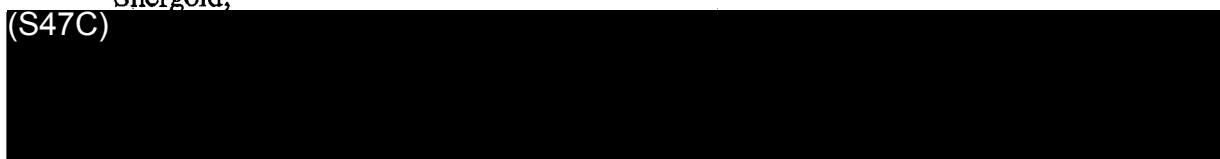
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KEY POINTS

- The Government has committed to a range of reforms to address problem gambling as outlined in its initial response to the Productivity Commission's Report on Gambling and in the agreement between the Prime Minister and Mr Wilkie (see **Additional Information**).
- Your meeting with Minister Macklin, Senator Xenophon and Mr Wilkie will include discussion of:
 - arrangements for the Parliamentary Joint Select Committee on Gambling;
 - : Treasury understands the full membership of the Committee will be announced this week and Mr Wilkie will be announced as the Chair.
 - finalisation of the Expert Advisory Group, including arrangements for Mr Wilkie and Senator Xenophon to attend as observers and to receive briefings from Professor Shergold;



- the upcoming COAG Select Council on Gambling Reform ('Select Council') meeting on 22 October.
 - : Minister Macklin may provide Mr Wilkie and Senator Xenophon with the meeting agenda for information (See **Attachment D** for a copy of the meeting agenda, Select Council membership and summary of the agenda papers).

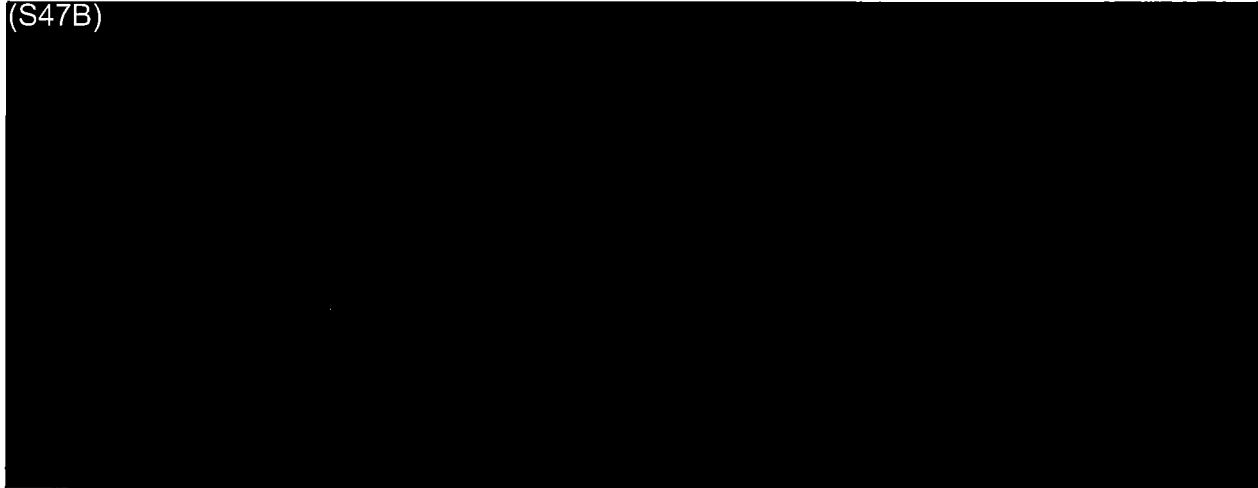


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- Other recent developments include:

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- Further background information on governance and consultation bodies set up to support the proposed reforms is at **Additional Information**.


Damien White
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Social Policy Division

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ADDITIONAL INFORMATION

BACKGROUND

- On 23 June 2010 the Productivity Commission (PC) publicly released its Report into Problem Gambling. Its key recommendations included the introduction of a nationally consistent pre-commitment scheme, \$1 betting limits and the liberalisation of online poker.
- Concurrent with the release of the report on June 23, the Government released its preliminary response to the report, which included:
 - Support for the use of pre-commitment technology; support for examining broader harm minimisation measures for electronic gaming machines; and rejection of the PC recommendation to liberalise online gaming.
 - The proposed establishment of a Commonwealth-State Select Council on Gambling ('Select Council') to progress a national response to minimise the harm caused by problem gambling.
 - The Select Council's chief objective will be to reach agreement on the proposed reforms and a timetable for implementation by 31 May 2011.
- The post-election agreement with the Member for Denison signed by the Prime Minister on 2 September included important commitments on gambling reform.
 - The Government is committed to begin implementation of a pre-commitment system by 2012 and to commence the scheme by 2014.
- The Assistant Treasurer jointly announced with Minister Macklin, the Member for Denison and Senator Xenophon, the establishment of a Ministerial Expert Advisory Group, to be chaired by Professor Peter Shergold on 21 September 2010 (see below).

MINISTERIAL EXPERT ADVISORY GROUP ON GAMBLING

- The Ministerial Expert Advisory Group will provide advice to the Government and the Parliamentary Joint Select Committee on Gambling Reform on the implementation of the reforms. The Chair of this group will be Professor Peter Shergold AC. It is anticipated the first meeting of the Advisory Group will be on 8 November 2010.
- The Ministerial Expert Advisory Group will include representatives from:
 - organisations who provide problem gambling counselling and support services.
 - technical experts.
 - clubs, hotels, casinos and gaming machine manufacturers; and
 - researchers and academics who specialise in understanding problem gambling behaviour and harm minimisation.

PARLIAMENTARY JOINT SELECT COMMITTEE ON GAMBLING

- A resolution to establish the Parliamentary Joint Select Committee on Gambling Reform was put to the Parliament and agreed in the House of Representatives on 29 September 2010 and in the Senate on 1 October 2010.
- The Parliamentary Committee has been established to inquire into and report on a national response to the full set of PC recommendations, legal advice commissioned and received by the Commonwealth, any gambling related legislation that has been tabled in either House, and such other matters relating to gambling referred by either House.
- The Committee will also be able to make recommendations to inform any position the Commonwealth takes to the COAG Select Council on Gambling Reform. The Committee may report from time to time but its final report must be presented by 30 June 2013. The Department notes a motion on membership of the committee is expected to be moved this week in the House of Representatives.

COMMONWEALTH STEERING COMMITTEE

- The Commonwealth Steering Committee (CSC) will negotiate cross-departmental agreement and assist to provide implementation advice to the Commonwealth. The CSC will be chaired by Dr Jeff Harmer and will include a Treasury representative. The Committee's first meeting is expected to occur shortly.

INDEPENDENT STUDY ON REVENUE FLOWS AND INDIVIDUAL SPENDING BEHAVIOUR

- The Productivity Commission has not expressed a view on the revenue impact of the gambling reforms. However, it has estimated that problem gamblers account for around 40 per cent of electronic gaming machine expenditure.
- As per the agreement with Mr Wilke, the Government has committed to commission an independent study of the impacts of a reduction in problem gambling on other revenue flows and individual spending behaviour. The report is due by the end of 2011.
 - The Treasury is expected to manage any modelling that will be undertaken of government revenue impacts.
- Clubs Australia estimate that the impact of the gambling reforms could reduce club revenue by around 30 per cent.

ATTACHMENT A

Ministerial Expert Advisory Group on Gambling: Proposed Membership

The purpose of the Ministerial Expert Advisory Group on Gambling (the Advisory Group) is to provide high-level advice and technical expertise on issues related to problem gambling and harm minimisation to help inform the Commonwealth position. This group could also support stakeholder consultations and provide advice, through Minister Macklin and the Assistant Treasurer, to the Parliamentary Joint Select Committee on Gambling Reform. The Department has sought internal probity advice on the membership of the group, with a particular focus on technical experts as they may benefit commercially from the adaptation of specific technologies.

There are four main groups of stakeholders with whom the Government could engage to ensure the success of the reforms:

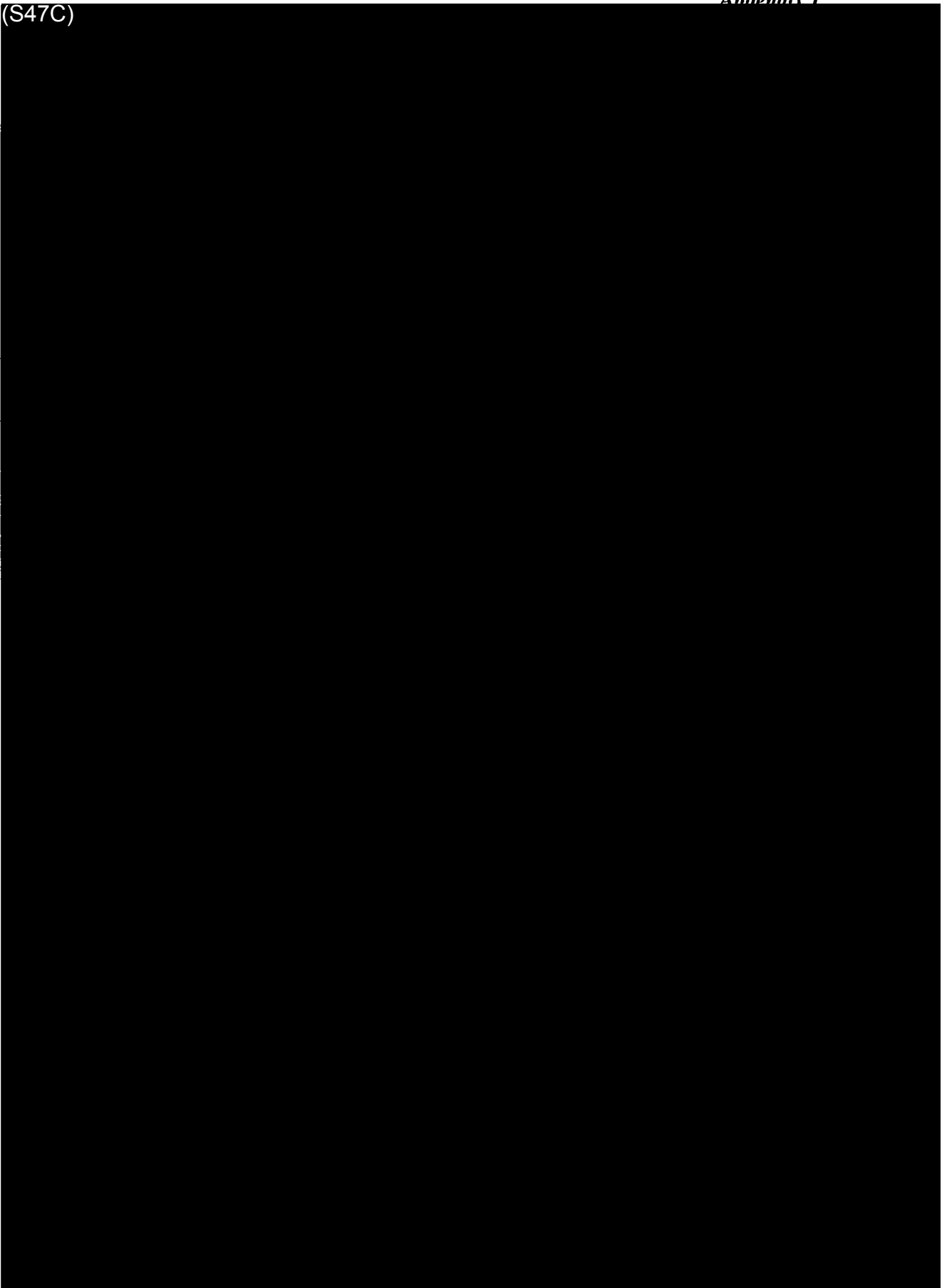
1. researchers and academics who specialise in understanding problem gambling behaviour and harm minimisation measures;
2. experts who can provide advice on the technological challenges and solutions which are required for implementation (for example, gaming machine software specialists);
3. those who will implement the reforms (for example, clubs, hotels, casinos and gaming machine manufacturers); and
4. organisations that provide problem gambling counselling and employee and other support services.

It is proposed that the Advisory Group include 25 members (including the Chair), with an equal balance of six representatives from each of the four groups of stakeholders. One member from each of the four groups has been proposed for possible removal from the group if it is too large.

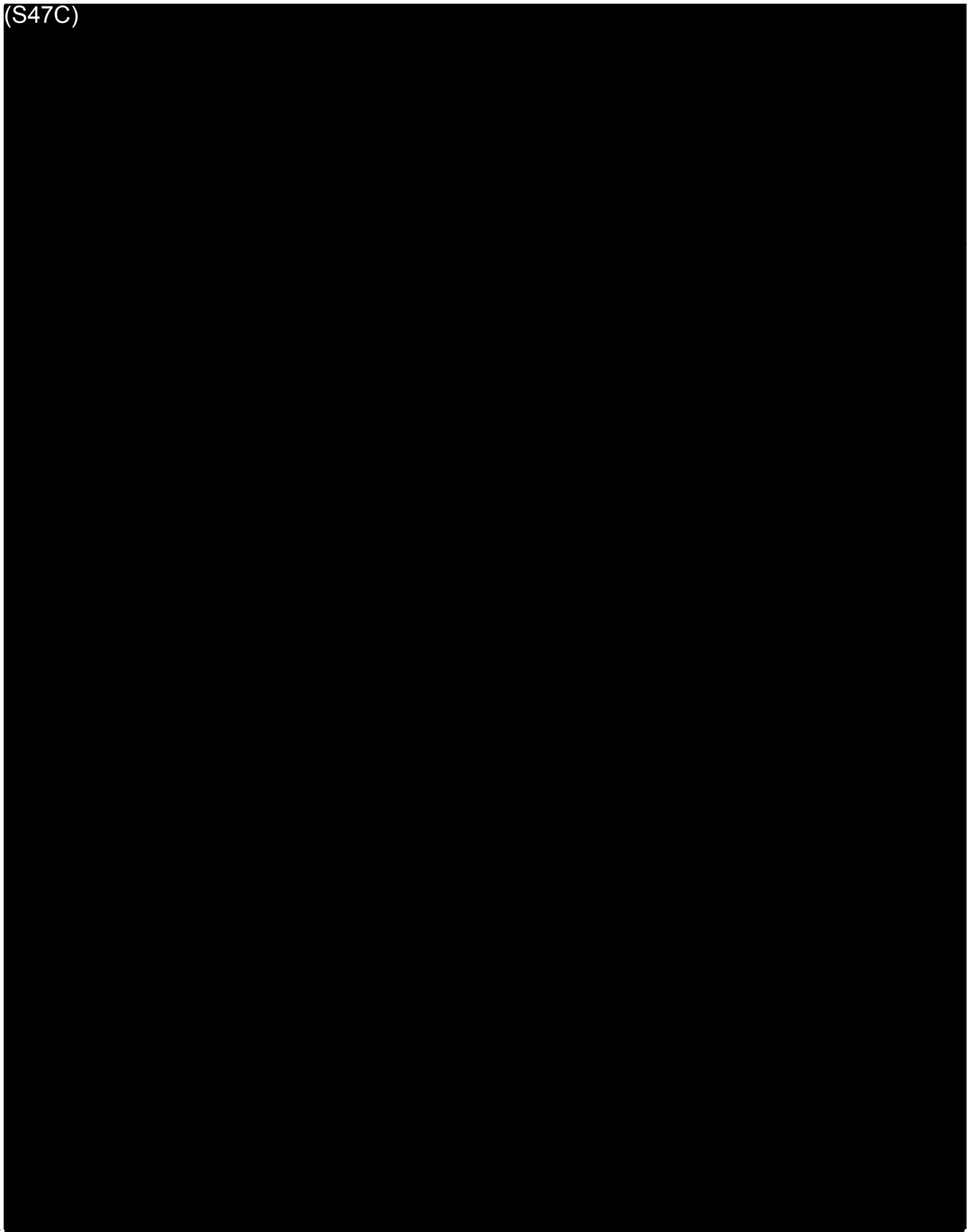
The Advisory Group may also invite other stakeholders to present at meetings or seek advice from other parties where necessary.

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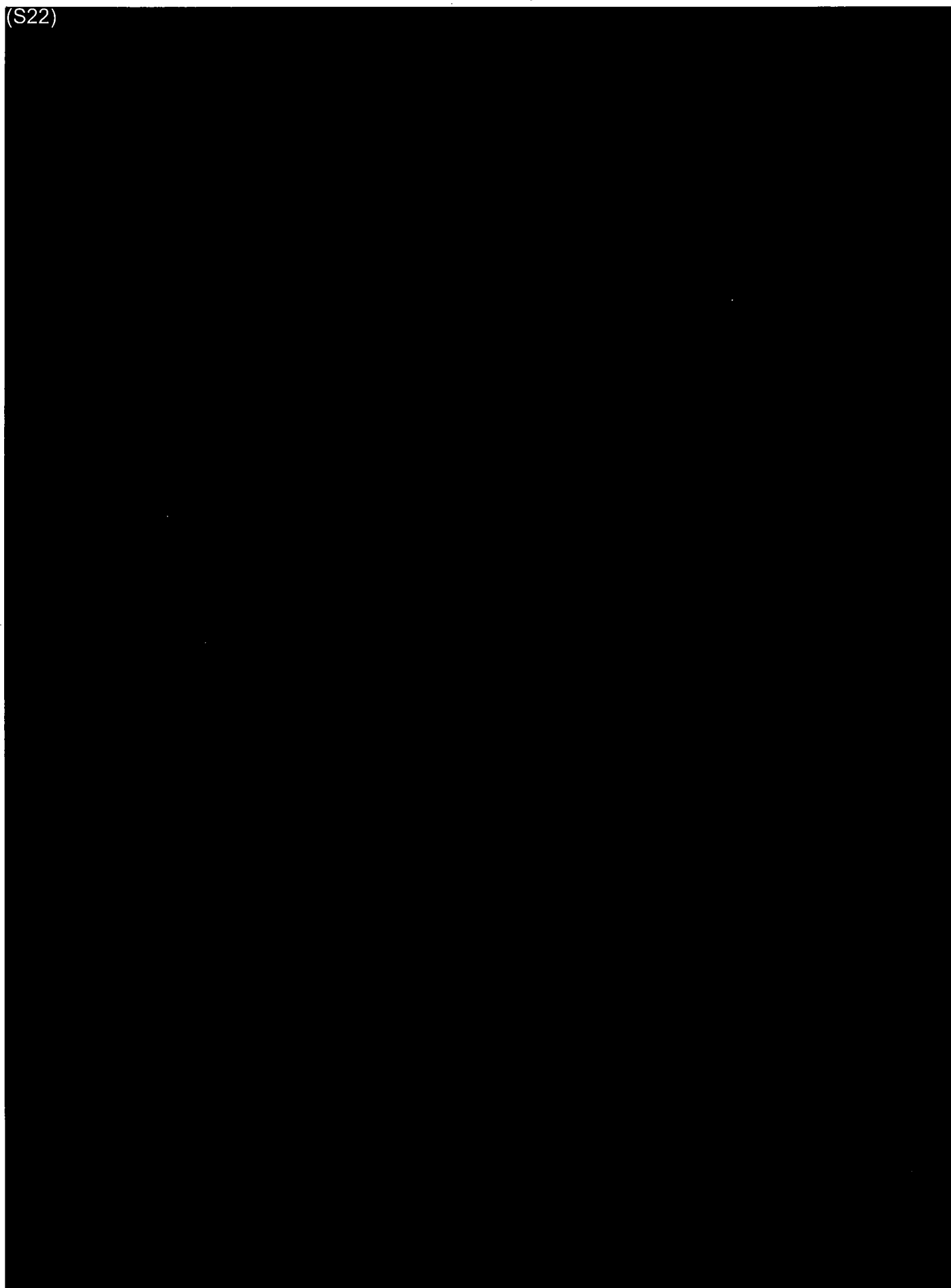


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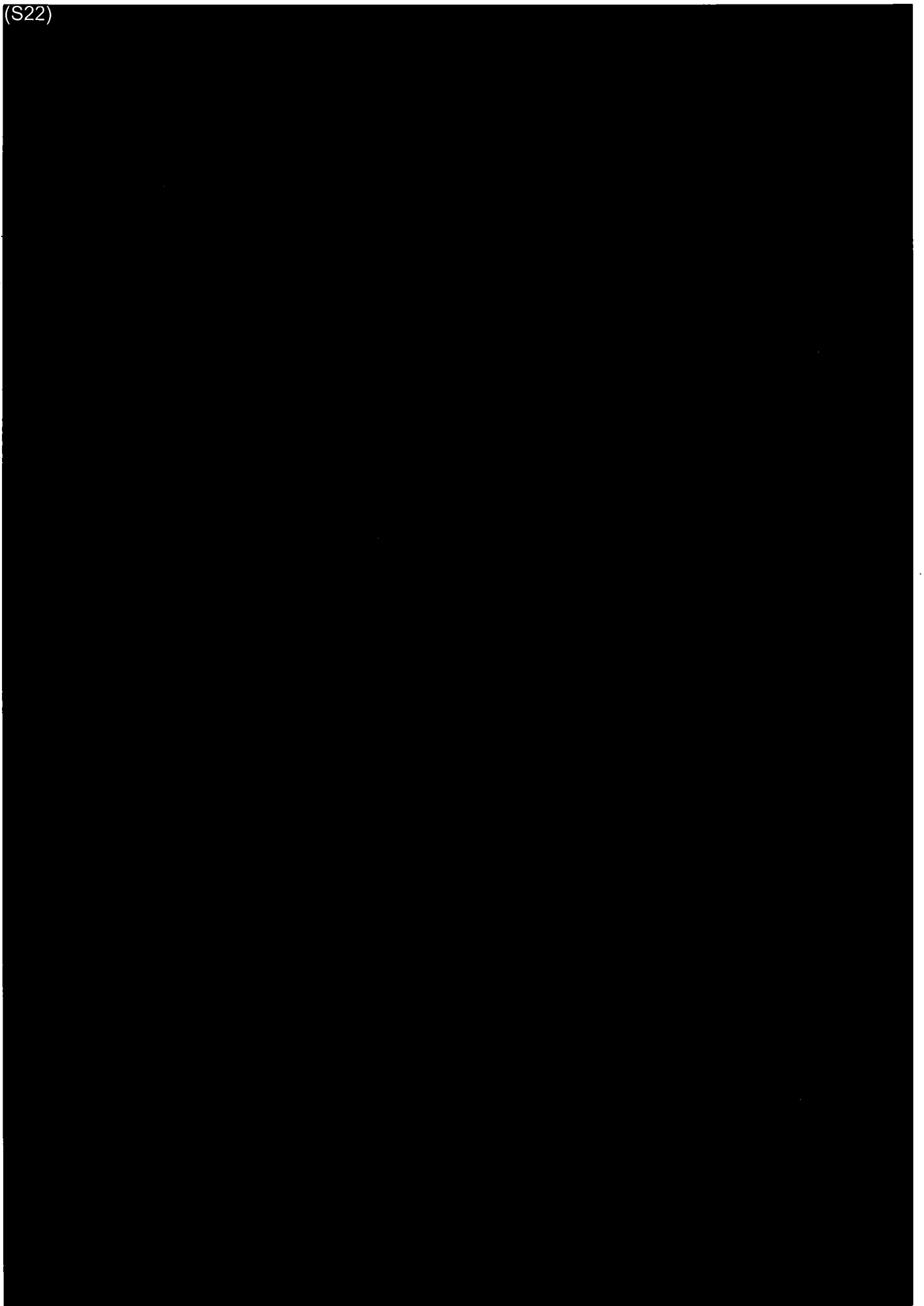


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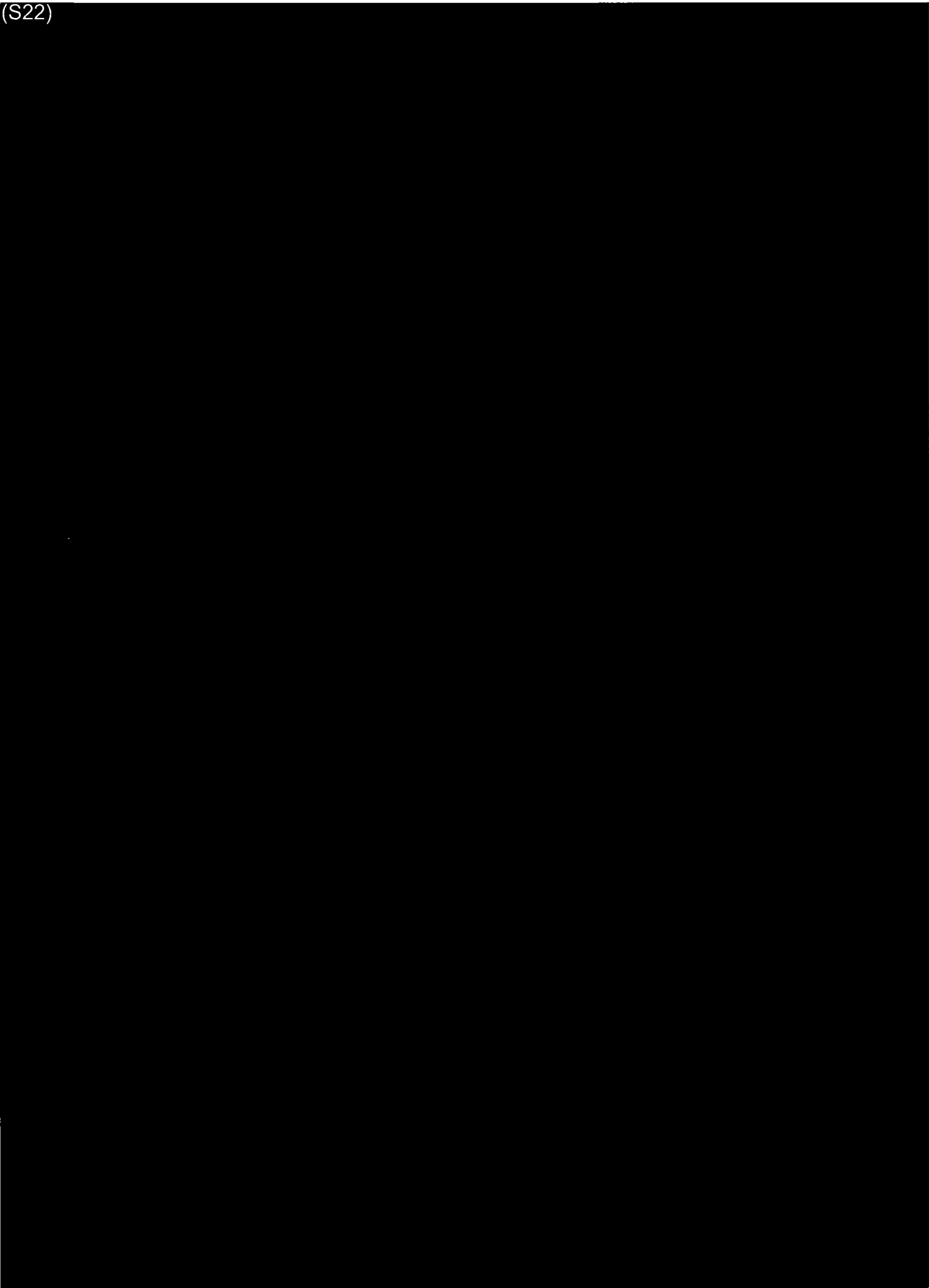
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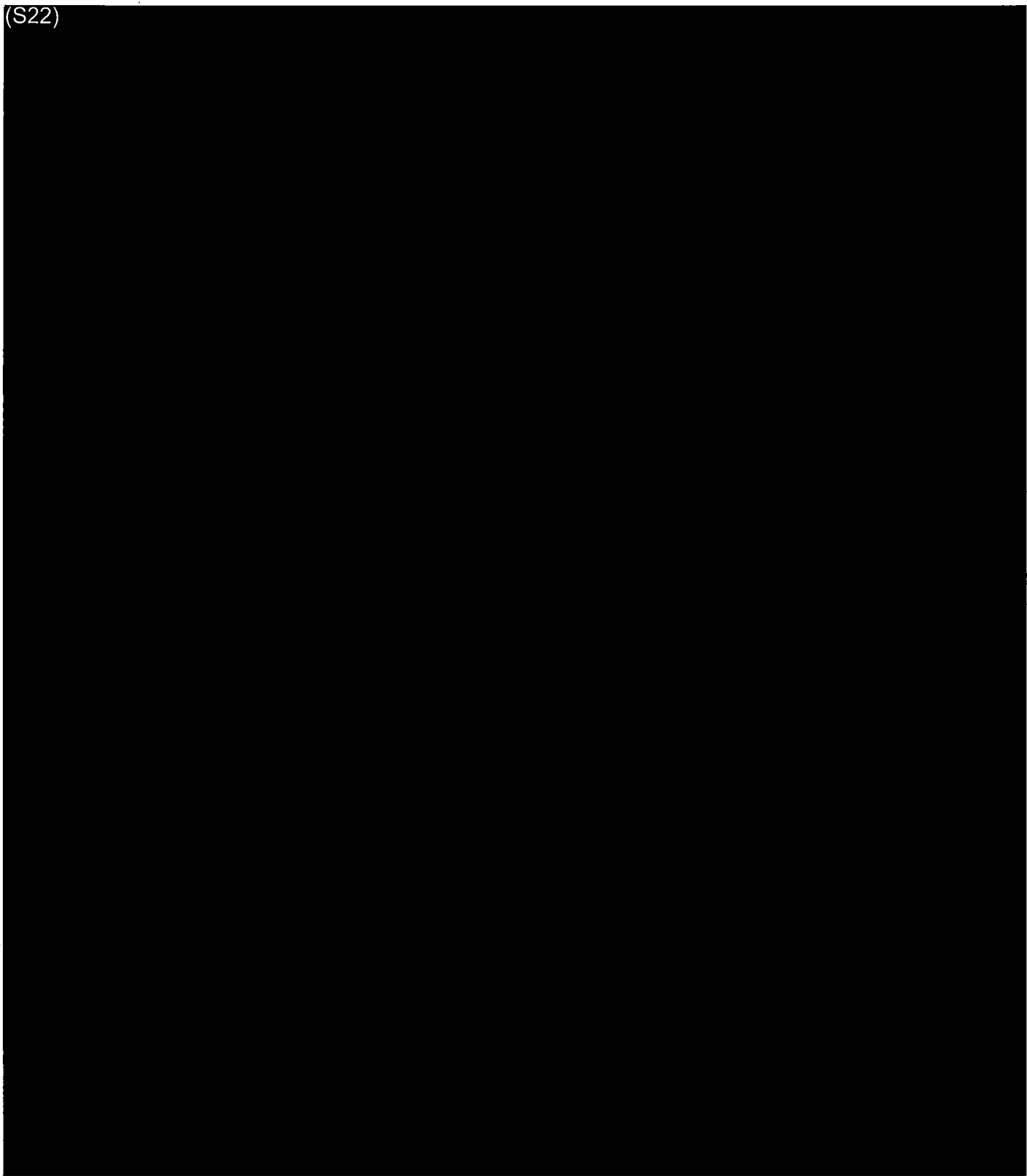
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ATTACHMENT D

**COAG SELECT COUNCIL ON GAMBLING REFORM
22 October 2010
2:00pm – 5.00pm (AEDST)
AGENDA**

MEETING VENUE:	Thornbury Boardroom, Stamford Plaza Hotel 111 Little Collins Street MELBOURNE VIC
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1.00 – 2.00pm –Lunch will be available

SESSION 1: GENERAL BUSINESS		
2.00pm	1.1 Welcome and introductions 1.2 Apologies	Chair/Co-Chair
SESSION 2: OBJECTIVES OF THE GROUP		
	2.1 Terms of Reference, frequency of meetings and timelines 2.2 Transition of work undertaken by the Ministerial Council on Gambling (MCG)	Chair/Co-Chair
SESSION 3: PROBLEM GAMBLING REFORM		
	3.1 Background and Governance arrangements	Chair/Co-Chair
SESSION 4: KEY POLICY and IMPLEMENTATION ISSUES		
	4.1 Pre-commitment 4.2 Dynamic warning and cost of play displays 4.3 ATM withdrawal limits	Chair/Co-Chair
3.45PM TO 4.00PM: AFTERNOON TEA		
SESSION 5: RESEARCH AGENDA		
	5.1 Research agenda	Chair/Co-Chair
SESSION 6: OTHER BUSINESS		
	6.1 Other business - Issues arising from Chapter 16 of the Productivity Commission Report on Gambling, 'Developments in the Racing and Wagering Industries'. - Meeting Communiqué 6.2 Next meeting date and location	Chair/Co-Chair
5.00pm	MEETING CLOSE	

IN CONFIDENCE

COAG SELECT COUNCIL ON GAMBLING REFORM: MEMBERSHIP

COMMONWEALTH (Co-Chairs)	The Hon Jenny Macklin, MP, Minister for Families, Housing, Community Services and Indigenous Affairs The Hon Bill Shorten, MP, Assistant Treasurer
NSW	The Hon Eric Roozendaal MLC, Treasurer, Special Minister for State The Hon Kevin Greene MP, Minister for Gaming and Racing
VIC	The Hon John Lenders, MP, Treasurer, Minister for Financial Services The Hon Tony Robinson, MP, Minister for Gaming
QLD	The Hon Peter Lawlor MP, Minister for Tourism and Fair Trading The Hon Karen Struthers MP, Minister for Community Services, Housing and Women
SA	The Hon Tom Koutsantonis, MP, Minister for Gambling The Hon Jennifer Rankine, MP, Minister for Families and Communities
TAS	The Hon Michael Aird, MLC, Treasurer, Minister for Racing The Hon Cassy O'Connor, MP, Secretary to Cabinet, Minister for Arts, Animal Welfare, Environment, Parks and Heritage
NT	The Hon Delia Lawrie MLA, Minister for Justice The Hon Konstantine Vatskalis MLA, Minister for Children and Families
ACT	The Hon Andrew Barr MLA, Minister for Gaming and Racing The Hon Joy Burch MLA, Minister for Disability, Housing and Community Services

IN CONFIDENCE

Summary of Agenda Items for COAG Select Council Meeting 22 October 2010

Agenda item 2.1 – Terms of Reference

This agenda item seeks agreement by Ministers on the Terms of Reference and governance arrangements for the Select Council on Gambling Reform.

Agenda item 2.2 – Transition of Ministerial Council on Gambling (MCG)

This agenda item informs the discussion of the Select Council on the status of the Ministerial Council on Gambling (MCG) and provides advice on work already undertaken by the MCG.

The MCG will cease to exist by March 2011. The work previously done by this the MCG will move to the new Select Council if agreed.

Agenda item 3.1 – Background and Governance Arrangements

This agenda item provides an outline of the governance arrangements to address problem gambling reform, including the Joint Parliamentary Select Committee and the Ministerial Expert Advisory Group.

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Agenda item 4.3 – ATM withdrawal limits

This agenda item provides background information on daily withdrawal limits for Automatic Teller Machines in venues with poker machines.

Agenda item 5 – Research Agenda

This agenda item provides information on research being conducted by the Commonwealth including the proposed independent study of revenue flows.

