

TREASURY EXECUTIVE MINUTE

Minute No.

22 December 2010

Assistant Treasurer and Minister for Financial Services and Superannuation cc Deputy Prime Minister and Treasurer

MEETING WITH MR ANDREW WILKIE MP ON PROBLEM GAMBLING REFORMS

Timing: You and Minister Macklin are expected to meet with Mr Wilkie in early 2011.

Recommendation/Issue: That you note this briefing and the information, including suggested speaking points, at **Attachments A to C**.

Noted

Signature:/...../2010

KEY POINTS

section 34(3) and section 47C

section 47B and section 47C

section 34(3) and section 47C

section 47B and section 47C

section 47B and section 47C

section 47B and section 47C

section 22

- This briefing was jointly developed with the Department of Families, Housing, Community Services and Indigenous Affairs. Similar information has been provided to Minister Macklin for her consideration.
- Areas in Treasury that were consulted: Tax System Division, Corporations and Financial Services Division, Personal and Retirement Income Division and Budget Policy Division.

Contact Officer: Ext:

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pages 3-6 section 22

pages 7-10 section 22, section 47B and section 47C

pages 11-18 section 22

Additional Information – How Are Poker Machines Currently Regulated?

19. As noted by the Productivity Commission, there is significant variation in how the States regulate the operation of poker machines. On a broad level there is regulation of:
 - 19.1. Technical standards of the software and machines (including requirement to connect to a central monitoring system); and
 - 19.2. Technical aspects include bet limits (i.e. bet per spin), spin rates and overall rate of return to player. Technical standards are set out in the Australian/New Zealand National Standard for Gaming Machines (including individual appendices setting out each State's requirements).
 - (i) Prior to a new game or machine entering the market, a certificate of compliance must be obtained from an Accredited Testing Facility.
 - (ii) For example, in Victoria all gaming machines are currently connected to an approved central monitoring system. Every gaming machine is continuously monitored by that system to ensure it operates as approved. If the machine is operating outside of standards it can be switched off by the system. Post 2012, when Victoria's new venue-based licensing arrangements commence, a new central monitoring system will also be put in place. The monitoring licensee will be responsible for a number of functions, including collecting monitoring gaming machine transactions, providing data and information on gaming machines for regulatory, taxation and research purposes.
 - 19.3. Overall caps on the number of machines in the state, per region (taking into account the distribution of the population) and per venue (differentiation between casinos versus other types of venues).
 - (i) For example, Victoria's poker machine cap allows for a maximum of 30,000 poker machines in the State, comprising 27,500 machines in hotel and club venues, and a further 2,500 within the Melbourne casino.
20. In most States operating licenses are granted to individual venues to own or lease machines (and monitoring is undertaken by an independent regulator). Victoria currently has a dual licensing system but will move to a venue-based licensing system post 2012.
 - 20.1. In 2008 the Victorian Government announced that it would cease the provision of licenses to its two operators, Tabcorp and Tattersall's, and instead allow venues to competitively bid for licences to own and operate poker machines. Previously the two operators owned, operated and maintained all the poker machines in the State.