

MINISTER FOR GAMING AND RACING

OVERVIEW

<i>Agency</i>	<i>Budget 2003-04 \$m</i>	<i>Budget 2004-05 \$m</i>	<i>Variation %</i>
Department of Gaming and Racing			
Total Expenses	35.3	40.4	14.4
Asset Acquisitions	0.4	2.4	508.2
Casino Control Authority			
Total Expenses	7.0	7.0	...
Asset Acquisitions	0.1	0.1	...
Total, Minister for Gaming and Racing			
Total Expenses	42.3	47.4	12.0
Asset Acquisitions	0.5	2.5	432.8

DEPARTMENT OF GAMING AND RACING

The responsibilities of the Department of Gaming and Racing are to ensure the proper conduct and balanced development of the liquor, gaming, racing and charity industries.

EXPENDITURE TRENDS AND RECENT DEVELOPMENTS

During 2003-04, the Department:

- ◆ provided support to the Government during the NSW Summit on Alcohol Abuse held in August 2003 and worked with other government agencies to develop a response to the 318 recommendations contained in the Alcohol Summit communiqué;
- ◆ completed the review of the liquor and registered clubs legislation in line with National Competition Policy (NCP) requirements, and supported the Cabinet Office in developing legislation to implement key outcomes from the review;
- ◆ developed and implemented mandatory responsible service of alcohol training for the liquor industry, and proposed suitable Responsible Service of Alcohol (RSA) training for security officers;

- ◆ developed and implemented regulatory measures aimed at better accountability and transparency in registered club management;
- ◆ monitored industry compliance with harm minimisation measures in the gaming machine laws;
- ◆ facilitated the IPART review into gambling harm minimisation measures and counselling services;
- ◆ continued implementation of the five-year policy framework that is guiding the provision and co-ordination of gambling counselling services and increasing awareness about problem-gambling related harm;
- ◆ funded the ‘Thrills, Spills and Social Ills’ exhibition at the Powerhouse Museum;
- ◆ participated in the Ministerial Council on Gambling and other inter-governmental processes;
- ◆ implemented a compliance testing tool for the Centralised Monitoring System (CMS) for gaming machine operations;
- ◆ implemented amendments to the *Lotteries and Art Unions Act 1997* following an NCP review;
- ◆ investigated the feasibility of establishing a charitable fundraising prospectus, an internet-based reporting mechanism for charitable fundraising appeals and continued seeking options for the licensing of professional charitable fundraisers;
- ◆ reported on the policy objectives of the *Totalizator Act 1997* and initiated a review of the policy objectives of the *Unlawful Gambling Act 1998*, the *Racing Administration Act 1998* and the *Gambling (Two-Up) Act 1998*;
- ◆ proposed legislation to provide for the amalgamation of the governance arrangements for the control and management of the harness and greyhound racing regulatory authorities;
- ◆ completed a review of administrative arrangements for the bookmaker telephone betting system and implemented recommendations from the Cross-border Betting Task Force;
- ◆ introduced legislation to provide for the recommendations made in the five-year review of the *Thoroughbred Racing Board Act 1996*;

- ◆ introduced legislation to facilitate arrangements for the possible merger of TAB Limited with other entities; and
- ◆ reviewed processes to enhance efficiencies with the Department's partners in shared services and continued to participate in the development of the Government's Licensing Project.

STRATEGIC DIRECTIONS

Specific initiatives that will be undertaken by the Department, in the short to medium term, include:

- ◆ ongoing implementation of agreed recommendations from the Summit on Alcohol Abuse, including initiatives that will further promote liquor harm minimisation and responsible service of alcohol;
- ◆ preparing a major discussion paper on the control of alcohol in Aboriginal communities;
- ◆ examining recommendations in the IPART review of gambling harm minimisation measures and counselling services;
- ◆ implementing the next phase of the policy framework for funding gambling counselling services and increasing awareness about problem gambling related harm;
- ◆ delivering further efficiencies from the centralised monitoring system for gaming machine operations;
- ◆ introducing legislation which provides for an amalgamated greyhound and harness racing regulatory board;
- ◆ continuing liaison with the racing industry on the identification and implementation of measures in response to threats posed by wagering operators not licensed in Australia;
- ◆ developing pro-active compliance strategies to increase compliance levels regarding the responsible service of alcohol and responsible conduct of gambling obligations;
- ◆ implementing audit investigation practices to monitor club accountability requirements;

- ◆ develop proposals to introduce a charitable fundraising prospectus and an internet-based reporting mechanism for charitable fundraising appeals and develop proposals to license professional charitable fundraisers; and
- ◆ continue to participate in the development of the Government's Licensing Project, and implement initiatives for licences under the *Lotteries and Art Unions Act 1997* and the *Charitable Fundraising Act 1993*.

2004-05 BUDGET

Total Expenses

Total expenses for the Department of Gaming and Racing in 2004-05 are estimated at \$40.4 million, an increase of 5 percent on the projected expenditure in 2003-04.

Major features of the Department's budget include:

- ◆ the provision of a central monitoring fee assistance package for small clubs of \$1.5 million;
- ◆ \$1 million for inquiries into allegations relating to corrupt conduct and other improper practices at registered clubs;
- ◆ ongoing funding of \$0.6 million for the CMS Business Unit operations; and
- ◆ \$1.7 million for the formation of an operational unit concerned with the regulation of registered clubs.

Asset Acquisition

The Department's asset acquisition program of \$2.4 million in 2004-05 includes:

- ◆ \$2.2 million for the next stage of the Client Oriented Regulatory Information System project;
- ◆ \$0.1 million for the replacement, upgrade or purchase of necessary office equipment; and
- ◆ \$0.1 million for the continuation of the computer replacement program.

CASINO CONTROL AUTHORITY

The main objectives of the New South Wales Casino Control Authority are to maintain and administer systems for the licensing, supervision and control of Star City Casino in New South Wales.

EXPENDITURE TRENDS AND RECENT DEVELOPMENTS

The Authority's expenses in the last five years were related to the supervision and control of Star City Casino and a number of investigations/inquiries (including the second and third statutory investigations into the casino operator).

On 1 July 2001, 29 positions were transferred from the Department of Gaming and Racing to the Casino Control Authority and additional Government inspectors/surveillance staff were recruited during 2001-02. This resulted in total expenses in 2001-02 and thereafter being significantly higher than in preceding years. Under an agreement between the Treasurer and Star City Casino, the costs of employing the additional inspectors/surveillance staff are met by Star City Casino.

STRATEGIC DIRECTIONS

The Authority continues to streamline its operations and monitoring of the Casino's compliance in accordance with the recommendations of the 2000 and 2003 investigations into the casino licence.

Under the Casino Duty and Community Benefit Levy Supplemental and Amending Deed, twelve additional surveillance inspector positions were created. Clause 6 of the Deed requires the Authority to periodically review the staff requirement. The first review, completed in November 2002, recommended reduction of the twelve positions to ten. The next review is to be completed in June 2004.

In December 2003, the Authority completed its latest statutory three yearly investigation of the casino under section 31 of the *Casino Control Act 1992*. The investigation concluded that Star City is suitable to continue to give effect to the casino licence and that it is in the public interest that the casino licence continues in force.

Since 2000 the Authority has participated in a Working Party of Australasian Casino and Gaming Regulators established to develop a best practice model for regulating, supervising and inspecting casinos. The Authority continues to review its casino supervision activities to further develop its risk based controls methodology.

2004-05 BUDGET

The Authority's total expenditure budget for 2004-05 is \$7 million. This is the same as the 2003-04 Budget with employee related expenses making up 70 percent.

Asset Acquisitions

The capital allocation of \$70,000 is for the replacement of fully depreciated and/or obsolete computer and office equipment.