

MINISTER FOR GAMING AND RACING

OVERVIEW

<i>Agency</i>	<i>Budget 2000-01 \$m</i>	<i>Budget 2001-02 \$m</i>	<i>Variation %</i>
Department of Gaming and Racing			
Total Expenses	41.3	37.8	- 8.3
Asset Acquisitions	0.4	0.1	- 70.1
Casino Control Authority			
Total Expenses	3.3	5.6	69.7
Asset Acquisitions	0.1	0.2	266.7
Total, Minister for Gaming and Racing			
Total Expenses	44.6	43.4	- 2.7
Asset Acquisitions	0.5	0.3	- 40.0

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

The Department is currently overseeing the introduction of a centralised monitoring system for gaming machines in New South Wales, as well as the implementation of the recommendations of the McClellan Report into Casino Gaming and the Independent Commission Against Corruption inquiry into the greyhound racing industry.

During 2000-01, the Department:

- ◆ restructured its Liquor and Machine Gaming Compliance Division;
- ◆ transferred keno and racing revenue collections to the Office of State Revenue;

- ◆ developed legislation to integrate the Casino Surveillance Division into the Casino Control Authority; and
- ◆ continued to oversee the introduction of the Central Monitoring System.

STRATEGIC DIRECTIONS

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

- ◆ implement and enhance the Government's measures to promote responsible gambling as well as minimise harm associated with gambling activities;
- ◆ the review of liquor, gambling, wagering and racing legislation in accordance with National Competition Policy requirements;
- ◆ the transfer of gaming machine monitoring functions to TAB Limited under departmental supervision;
- ◆ the transfer of gaming machine and racing revenue collection functions to the Office of State Revenue;
- ◆ finalise the integration of the Casino Surveillance Division into the Casino Control Authority following the recommendations of the McClellan Report;
- ◆ overseeing the implementation of recommendations contained in the Independent Commission Against Corruption report following the Commission's inquiry into matters relating to the Greyhound Racing Industry; and
- ◆ a review of the structure of the Boards of the New South Wales Greyhound Racing Authority and Harness Racing (New South Wales) to ensure that the structures are serving the needs of the greyhound racing and harness racing industries.

2001-02 BUDGET

Total Expenses

Total expenses for the Department of Gaming and Racing in 2001-02 are estimated at \$37.8 million, a reduction of approximately 8 percent on 2000-01. The reduction is related to the transfer of the casino surveillance division to the Casino Control Authority, the transfer of revenue collection functions to the Office of State Revenue, and the transfer of gaming machine monitoring to TAB Limited. Major features of the Department's expenditure include:

- ◆ an increase in expenditure by the Casino Community Benefit Fund from \$11.7 million in 2000-01 to \$12.5 million in 2001-02. Funding is provided from a 2 percent levy on the casino operator. These funds will be used for problem gambling-related research, education, treatment, support and rehabilitation services and other community benefit projects;
- ◆ provide financial assistance to eligible registered clubs following implementation of the Centralised Monitoring System (\$1.6 million);
- ◆ provide offset payments to bookmakers for Goods and Services Tax payments (\$2 million); and
- ◆ develop enhancements to the Central Monitoring System (\$0.5 million).

Asset Acquisitions

The Department's asset acquisition program of \$132,000 for 2001-02 will provide for the purchase of minor plant and equipment.

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 a casino in New South Wales.

EXPENDITURE TRENDS AND RECENT DEVELOPMENTS

Total expenses over the last five years reflect the work associated with the control of the permanent casino since its opening at the end of 1997, and a number of investigations/inquiries in the last four years. This included the conduct of the first and second statutory investigations into the casino operator; the investigation into TABCORP Holdings Limited (1998-99 to 1999-2000); and the inquiry into the probity of the Leighton group of companies (1998-99 to 1999-2000).

In May 2000, the Authority appointed Mr Peter McClellan QC to oversee the conduct of the Authority's second statutory review of the casino operator under Section 31 of the *Casino Control Act 1992*. The review was completed in December 2000.

The Authority endorsed Mr McClellan's recommendations and will implement those for which the Authority is responsible. Other recommendations require amendments to the *Casino Control Act 1992* before they can be implemented. The organisational structure of the Authority will change as a result with some staff from the Department of Gaming and Racing being transferred to the Authority. The proposed amendments to the *Casino Control Act 1992* have been introduced into Parliament.

STRATEGIC DIRECTIONS

The current focus of the Authority is to implement the recommendations of Mr McClellan. This includes streamlining its operations and putting the structural changes into place. The Authority will also conduct a review into the casino operator at the end of 2001, as recommended by Mr McClellan.

2001-02 BUDGET

The Casino Control Authority has estimated total expenditure of \$5.6 million, an increase of \$2.2 million, reflecting the transfer of the Casino Surveillance Division from the Department of Gaming and Racing to the Authority.

Asset Acquisitions

The capital allocation of \$220,000 includes \$100,000 to redevelop the Authority's Casino Employee Licensing System; \$50,000 to upgrade its communication system; and \$70,000 to replace fully depreciated and/or obsolete computer and office equipment.