

Joint Select Committee on Gambling Reform

ANSWERS TO QUESTIONS ON NOTICE

Treasury Portfolio

15 February 2011

Question: From a Treasury perspective, has any work been done on the impact of pre-commitment technologies and programs on revenue streams for State and Territory governments? If so, is that work available to the committee?

Topic: Problem Gambling

Hansard Page: GR 69

Answer:

The Treasury has not undertaken comprehensive modelling or analysis on the impact of pre-commitment technologies and programs on revenue streams for State and Territory government. 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.

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Question: Further to that question and now talking as Andrew Wilkie MP not as Andrew Wilkie Chair, one of the details in my agreement with the Prime Minister is in fact that the government will do modelling basically of the money – where it goes and where it might go with the introduction of mandatory pre-commitment. You are not aware of any such modelling occurring in Treasury yet?

Topic: Problem Gambling

Hansard Page: GR 69

Answer:

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

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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 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.

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.

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Question:

Is the Treasury modelling looking at the impact of discretionary income being spent elsewhere where there is a reduction in money being lost on poker machines?

Will modelling be done on where that money would be diverted to and what effects that would have on GST, payroll tax receipts for states and other aspects of the economy and also in terms of jobs?

Topic: Problem Gambling

Hansard Page: GR 73 and 74

Answer:

The Treasury has not undertaken analysis on possible changes to individual spending behaviour as a result of the proposed reforms.

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.

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Question: I have a question for Treasury. A week or so ago this bubbled up in the media, I think in an article in the Australian Financial Review. Someone must have put in a freedom of information request, of which you may be aware; it led to an article, in the Australian Financial Review, I think. Much of it was black box. But, from the little bit that was not blacked out, it was quite clear that Treasury has come to the view that the implementation of a mandatory pre-commitment system will not – I cannot recall the exact words. In fact, I will correct myself. Treasury offered the opinion that the industry's claims were exaggerated. Does that ring a bell?

Topic: Problem Gambling

Hansard Page: GR 75 and 76

Answer:

In the recent freedom of information request from Mr Josh Gordon, the Treasury released a number of briefings and other advice on the Government's proposed gambling reforms.

In these documents Treasury discussed some of the claims put forward by industry bodies and the Productivity Commission on the possible impacts of the proposed reforms, including on employment and on contributions made by gambling venues to community groups. The evidence provided by Treasury to assess the industry's claims was based on the report from the Productivity Commission's Inquiry on Gambling (2010).

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.