



20 February 2018

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Your ref: CD/17/441152

The Hon Marlene Kairouz
Minister for Consumer Affairs, Gaming and Liquor Regulation
Level 26, 121 Exhibition Street
MELBOURNE VIC 3000

Dear Minister

Statement of Expectations for the Victorian Commission for Gambling and Liquor Regulation

I am pleased to respond on behalf of the Victorian Commission for Gambling and Liquor Regulation (VCGLR) to the Statement of Expectations (SOE) dated 20 December 2017, which applies from 31 December 2017 to 30 June 2019.

This letter sets out information about activities planned and currently being undertaken by the VCGLR in order to achieve the objectives set out in the SOE, and the manner in which the VCGLR will report its progress towards achievement of the expectations.

SOE 1: Continue to implement an integrated risk-based approach to the regulation of gambling and liquor industries in Victoria

The VCGLR has developed its risk-based framework for assessing and determining liquor licence applications, and has commenced the development of a comparable framework for assessing and determining gambling-related applications. Activity will include the creation of central data repository systems, new processes for assessment of applications based on risk, training to relevant staff, and development of internal and external collateral material and communications. Funding was received from the 2017 Victorian State Budget to support development and the implementation of the frameworks, with related activity to be completed by June 2020.

Simultaneously, the Compliance division continues to progress its implementation of a contemporary holistic approach to risk based inspections utilising a range of compliance risk tools. The compliance risk model will include all regulated areas of industry, including liquor, gaming venues and minor and charitable gaming activities. The work will include the implementation of prioritisation tools and enhanced information sharing with key partner agencies.

SOE 2: Increase the proportion of compliance inspections occurring at high risk times

The VCGLR is committed to targeting high harm in the community. It will continue to embed its use of data and intelligence via the use of its risk prioritisation tool and

compliance tasking and coordination model, to focus on inspections during high risk times and at high risk venues. The organisation's reporting processes, including Budget Paper 3 and internal accountability framework, will ensure that inspections at high risk times are conducted in line with VCGLR requirements, and will help to drive an anticipated progressive increase in outcomes.

SOE 3: Increase the proportion of compliance inspections occurring at high risk premises, as identified by the risk based approach to compliance

High risk premises are identified using a range of intelligence data and the risk based approach to compliance. The VCGLR will utilise its standardised, objective harm assessment of venues to inform the coordination of its resources in order to effect a phased increase of the proportion of compliance inspections occurring at high risk premises throughout 2017-18 and 2018-19.

SOE 4: As a result of the establishment of regional hubs, increase the proportion of compliance inspections in regional areas occurring at high risk times and at high risk premises

The establishment of regional hubs in Ararat and Sale, servicing the west and east of the state respectively, will increase targeting of high risk premises during high risk times in regional Victoria. The central region of the state will continue to be inspected by metropolitan inspectors based in the VCGLR's Richmond office. Compliance teams for the new regional hubs have been recruited and are currently undergoing training, with hubs anticipated to be operational by late April 2018. Driven by intelligence data and the risk-based approach, the VCGLR will then work to progressively increase the proportion of regional inspections at high risk premises during high risk times over the 2018-19 financial year.

SOE 5: Monitor the implementation by Crown Melbourne Limited of commitments given in response to the findings of the Sixth Casino Review

The VCGLR's report arising from the Sixth Review of the Melbourne Casino Operator and Licence will be delivered to you by 30 June 2018, at which time any recommendations for change will be known. Once the report is finalised, the VCGLR will develop a monitoring plan to ensure it retains oversight of Crown Melbourne Limited's response to, and implementation of, the relevant outcomes of the review.

SOE 6: Finalise the Joint Enforcement Strategy with Victoria Police and report to the Minister on the outcomes of the strategy

The VCGLR and Victoria Police have together drafted a Joint Enforcement Strategy and anticipate it will be finalised in the latter half of 2017-18. Agreement regarding outcomes to be measured will be determined by the end of 2017-18 with routine reporting to both agencies on progress to be established in early 2018-19.

SOE 7: Develop evaluation framework for measuring the effectiveness of the risk based approach to compliance and licensing

The 2017 Victorian State Budget provided funding for the development of this evaluation framework, which is linked to the development and implementation of the integrated risk-based approach to the regulation of gambling and liquor industries referred to in SOE 1 above.

As the relevant licensing and compliance frameworks are developed and implemented, the VCGLR is simultaneously considering the skills and capabilities that will be necessary to undertake the evaluation task. This preliminary planning, which will be finalised by 30 June 2018, will allow the identification of appropriate resourcing for the evaluation framework development. In line with funding timelines, the VCGLR anticipates development of the evaluation framework will be completed by 30 June 2020.

SOE 8: Increase the proportion of forms able to be completed online

A key VCGLR priority is to modernise regulatory tools and processes to provide easy access to VCGLR services. To date, 14 of the VCGLR's most frequently used licence applications have been converted to online forms, including Transfer of Liquor Licence, Declaration of Associates and approval of associated individuals (for a range of gaming-related applications), and the VCGLR continues to collect data on uptake and utilisation of the forms.

The VCGLR has identified nine licence applications to be transferred to online forms within the 2017-18 financial year, and the related activity at this stage is on schedule to be completed. Through early 2018, the VCGLR will work to prioritise and scope the transfer of the next tranche of forms to be scheduled for transition to online availability.

SOE 9: Reduce the time taken to determine low risk applications for liquor and gambling, consistent with a risk-based approach

Through its transfer of paper-based forms to online, the VCGLR has already reduced the time taken to determine low-risk applications for liquor and gambling. It anticipates that further improvements in determination times for low risk applications will be possible through ongoing simplification of licensing processes, including continued work to transfer paper based forms online.

The VCGLR will continue to collect data that enables it to monitor the effectiveness of these initiatives in reducing average determination times.

Reporting

In its response to previous Ministerial Statements of Expectation, the VCGLR has published a range of measures to enable the community and industry to monitor our progress in meeting red tape reduction targets. Further, in the agency's inaugural Corporate Plan, published in July 2017, it identified a range of additional performance measures focused on the outcomes of its activities. The VCGLR will continue to publish these measures as part of its Annual Report to assist in assessing the long-term performance of the agency.

Since its establishment, the VCGLR has made considerable progress to improve its effectiveness and efficiency in regulating gambling and liquor in Victoria. The Commission will continue to report on the organisation's progress in implementing further improvements.

Yours sincerely



Helen Versey
Acting Chairperson