



The Hon Melissa Horne MP

Minister for Casino, Gaming and Liquor Regulation
Minister for Local Government
Minister for Ports and Freight
Minister for Roads and Road Safety

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Our ref: 24015375

Ms Fran Thorn
Chairperson and Commissioner
Victorian Gambling and Casino Control Commission
12 Shelley Street
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By email: fran.thorn@vgccc.vic.gov.au

Dear Ms Thorn

I am pleased to provide a new Statement of Expectations for the Victorian Gambling and Casino Control Commission (VGCCC), which applies from the date of issue until 30 June 2026, or until otherwise amended.

This statement of expectations is reflective of the significant advancement and strengthening of gambling regulation that we have seen since the VGCCC was established on 1 January 2022.

I firstly want to thank you, your fellow Commissioners and the staff of the VGCCC for your exceptional work in ensuring the integrity and compliance of the gambling industry.

Since its establishment, the VGCCC has brought a clearer and stronger focus to regulating industry. This work is essential for the prevention of money laundering and criminal activity, as well as enforcing crucial consumer protections against gambling harm.

Over the past two years, the gambling legislative and regulatory environment has changed considerably. The Victorian Government has amended legislation and made regulations and directions that have enabled the implementation or progress of all recommendations of the Royal Commission into the Casino Operator and Licence. The National Consumer Protection Framework for Online Wagering has been fully implemented.

The Government has also announced landmark policy to move to state-wide mandatory carded play and pre-commitment across Victoria, expand closing hours for hotels and clubs, slow spin rates and reduce load up limits.

I continue to appreciate the insights provided by the VGCCC and know the Department of Justice and Community Safety values your contributions to the development and implementation of these important policies.

Towards best practice

I commend the VGCCC's commitment to best practice models of regulation and note the significant progress that has been made by the VGCCC in advancing its regulatory framework since its establishment. The VGCCC has brought a clearer and stronger focus to regulation to reduce the harmful impacts of gambling. This includes through clear statements to industry on expectations and acting firmly against poor practice, including addressing historic wrongs enacted by the Casino.

As you are aware, the regulation of the gambling industry is incredibly complex and requires consideration of potential harms, criminal activities and the broader economic context in which gambling licensees operate. I note Better Regulation Victoria has recently published a new guide for regulators, *Towards Best Practice: A guide for regulators*, which includes 10 key principles of good regulatory practice. I expect that in upcoming business planning, the VGCCC considers this best practice guide and references how it is considering best practice regulatory principles.

Building strong, collaborative relationships

Strong collaborative relationships are essential to successful regulation. I expect the VGCCC to continue engaging with a range of stakeholders, including harm reduction stakeholders, industry, the Department of Justice and Community Safety, local government, law enforcement and other relevant regulators.

Of particular importance will be engagement prior to the implementation of new initiatives for industry, to ensure they are able to be delivered within the current technological and regulatory environments. Where possible, stakeholders should be engaged on an ongoing basis to assess the business impacts of new initiatives.

Building a robust and modern industry through a risk-based approach to regulation

By 2025, I expect the VGCCC to further advance its approaches to risk-based regulatory oversight of the gambling industry in Victoria, noting the significant work it has already undertaken. The approach must identify and respond to new and emerging risks, particularly in the online environment and the continued creation of new gambling products, channels and markets. The assessments of these risks must be informed by ongoing engagement with a range of stakeholders.

A modern gambling industry should promote tourism, employment and economic development generally in the State. It is important that the VGCCC ensures the gambling industry delivers benefit to the Victorian community.

I note that the VGCCC is considering fit-for-purpose digital technologies to ensure industry participants are supported to understand and go beyond their minimum regulatory obligations. I look forward to advice in your business planning regarding ways to advance the VGCCC's current technologies.

Continued rigour in regulation of the Casino

In April 2024, the VGCCC found Crown Melbourne Limited clearly suitable to continue to hold the Melbourne Casino Licence. I expect the VGCCC to continue to provide rigorous oversight of the Casino's operations, to ensure the failures identified by the Royal Commission into the Casino Operator and Licence never happen again. This includes in the establishment of the new casino audit function.

Ensuring compliance and preventing criminal activities

I note the strong focus of the VGCCC on addressing risks regarding potential criminal activities, including money laundering and terrorism financing. The gambling industry should be free of the harm caused by criminal infiltration.

I expect that the VGCCC will maintain its strong relationships and collaboration with law enforcement agencies and other relevant regulators. In your next business plan, I am keen to see information on how these relationships can be leveraged, and information about your focus on ensuring the gambling industry is free from criminal influence.

Harm minimisation

The purpose of the VGCCC is to ensure the integrity, safety and fairness of the gambling industry in accordance with its regulatory objectives, functions and powers. This includes the objective to minimise gambling harm, which has been a focus of the VGCCC's work so far.

I expect the VGCCC to continue to integrate and prioritise harm minimisation into all aspects of its regulatory approach. This includes:

- integrating proportionate harm minimisation requirements into regulatory decision-making processes
- proactively engaging with and supporting industry participants to understand gambling harm and exercise their duty to care for their customers, as well as the broader community
- improving the quality of engagement with, and information available to, the community to enable consumers to understand gambling harm and make informed choices
- actively using and analysing intelligence, data and other forms of information to target your regulatory responses to high-risk areas of gambling harm
- monitoring and analysing emerging issues and trends on anything that could impact the prevalence of gambling harm
- ensuring the VGCCC's regulatory responses are proportionate to the risks posed and harm caused by industry participants' failure to take responsibility for preventing gambling harm
- actively pursuing those who opportunistically or deliberately contravene their obligations to protect the community from gambling harm.

I expect the VGCCC will continue to engage with a range of stakeholders, including harm minimisation experts, industry, and the Department of Justice and Community Safety, to ensure the implementation of these objectives is undertaken as effectively as possible.

Educating industry to improve compliance

Working with industry to improve compliance is a fundamental element of the VGCCC's important work. I expect the VGCCC to continue to work with industry and provide education

on the regulatory requirements, as well as engaging with industry on the most effective ways to implement new and existing regulatory strategies.

I note other regulators and enforcement bodies, such as Victoria Police, WorkSafe Victoria and the Australian Securities and Investment Commission, articulate strategic expectations and areas of compliance priorities, providing immediate focus on areas where compliance must improve. I believe setting these priorities will provide clear direction to industry about where compliance must be improved.

Noting the VGCCC's recent indication that it intends to commence using its inquiry powers under Section 33 of the *Victorian Gambling and Casino Control Act 2011*, I encourage the VGCCC to firstly consider focusing on areas where practice no longer aligns with leading regulatory approaches.

Inquiries should seek to openly elicit facts and informed opinions about harm minimisation, integrity, benefit to the community and other key objectives of gambling legislation, helping the VGCCC to deliver a better-informed regulatory response, as well as the evolution of the VGCCC's regulatory approach.

I would welcome the opportunity to discuss what you consider to be areas of focus in upcoming business planning. I also encourage you to engage with key stakeholders, including law enforcement agencies, industry and harm reduction stakeholders, to ensure the focus is targeted to areas where regulatory practice can be improved.

Gambling harm prevention and campaigns

On 1 July 2024, responsibility for gambling harm public health prevention activities, including campaigns, is expected to transfer to the VGCCC from the current Victorian Responsible Gambling Foundation (Foundation).

I consider this aligns with the VGCCC's enhanced focus on gambling harm, and oversight of the Responsible Code of Conducts for gambling licensees will provide new opportunities to prevent gambling harm and raise awareness of support available.

I know the current staff performing this function will be well supported by the VGCCC throughout this transition.

As an initial stage, I expect the VGCCC will continue to engage with the current Foundation staff, the Department of Justice and Community Safety, the Department of Health, Gambler's Help providers, gambling harm experts, academia and industry, to develop a plan to ensure the important public health approach continues, and can leverage the networks and focus of the VGCCC.

Advising the Minister

I expect the VGCCC to provide advice to me on the operation of gambling legislation and the functions of the VGCCC. This should include reviewing and providing advice, in collaboration with the Department of Justice and Community Safety, on how the law may be improved to support the achievement of a safe gambling industry, both free of harm caused by criminal infiltration and minimising the harm caused to individuals in their use of gambling products.

This should commence with providing information and advice on the effectiveness of current regulations to the department as part of its upcoming review of the Gambling Regulations, due to expire in 2025.

Reporting and business planning

This statement of expectations has been prepared in line with the Statement of Expectations Framework (2023), published by the Department of Treasury and Finance.

I note that regulators are responsible for developing business plans that demonstrate how they will achieve the Minister's expectations, implementing those plans and reporting on their progress in meeting those expectations.

I recognise the Department of Justice and Community Safety has engaged you in the development of this statement of expectations. I encourage you to work with the department when preparing a reporting framework to report against the 10 principles for good regulatory practice, outlined in the aforementioned *Towards Best Practice: A guide for regulators* framework. As the VGCCC finalises its outcomes framework, I encourage you to work with the department to consider whether that framework can be used to report on the VGCCC's performance, including in implementing this Statement of Expectations.

Finally, I would like to again thank you, your fellow Commissioners and VGCCC staff for their continued commitment to ensuring the integrity and compliance of the gambling industry. Should you wish to discuss any aspect of this letter, please do not hesitate to contact Toby Hemming, Deputy Secretary, Integrity, Regulation and Legal Services, Department of Justice and Community Safety.

I look forward to continuing working with you to achieve these objectives.

Yours sincerely

A handwritten signature in blue ink, appearing to read 'Melissa Horne', is positioned above the printed name.

Hon Melissa Horne MP

Minister for Casino, Gaming and Liquor Regulation

Date: 27/06/2024