

RESPONSE TO QUESTION WITHOUT NOTICE

LEGISLATIVE COUNCIL

QUESTION NUMBER: 93 of 2024

ASKED BY: Hon Meg Webb MLC

ANSWERED BY: Leader of the Government

QUESTION:

1. Has the Government, Department or TLGC collected data on the magnitude of the increased percentage of poker machine revenue retained by venues under the new FGM licensing model? For example, a comparison of the percentage of revenue retained by the venue under the first year of the new model (financial year 2023-24) compared to the previous year under the old licensing model (financial year 2022-23).
2. If this data has been collected,
 - a. what is the statewide average percentage increase in revenue for venues in the first year of the new licensing model?
 - b. without identifying the specific venue, what was the highest percentage increase for a single venue?
 - c. without identifying the specific venue, what was the lowest percentage increase for a single venue?

ANSWER:

1. Player expenditure data has been collected from hotels and clubs who operate electronic gaming machines from 1 July 2023.

A comparison of the player expenditure for the 2023-24 financial year has been undertaken, comparing the likely retained profits under the current licensing arrangements against the likely retained profits under the licensing arrangements prior to 1 July 2023.

The retained profit comparison for the current licensing arrangement took into account direct costs for the operation of electronic gaming machines, including tax, the community support levy, core monitoring and licence fees. The comparison for the licensing arrangements prior to 1 July 2023 was based on commission received from the former Gaming Operator.

The comparison excluded costs which were considered to exist under both licensing arrangements, such as regulated maintenance fees and broader business costs.

2. Under the provisions in the *Gaming Control Act 1993* and *Taxation Administration Act 1997*, information pertaining to revenue retained by individual venues is information obtained in relation to the administration of taxation law. As a result, it cannot be disclosed in the format requested. However, the following deidentified aggregate data is provided.

- The statewide average increase in the retained profits for licensed hotels and clubs is 55.91 per cent.
- The percentage increase in the retained profits for approximately the top one third of licensed hotels and clubs (30 venues) is 61.99 per cent.
- The percentage increase in the retained profits for the approximate middle one third of licensed hotels and clubs (30 venues) is 51.01 per cent.
- The percentage increase in the retained profits for the approximate bottom one third of hotels and clubs (31 venues) is 32.43 per cent.

The data does not take into account business factors unrelated to the licensing model.

APPROVED/NOT APPROVED

A handwritten signature in blue ink, appearing to be 'R. Jaensch', written over the 'APPROVED/NOT APPROVED' text.

Hon Roger Jaensch MP
Minister for Finance

Date: 20/11/24