



Parliament of Australia
Parliamentary Budget Office

Phil Bowen PSM FCPA
Parliamentary Budget Officer

Senator Christine Milne
Leader of the Australian Greens
Parliament House
CANBERRA ACT 2600

Dear Senator Milne

Please find attached a response to your costing request on *dollar bets* (letter of 14 August 2013).

The response to this request will be released on the PBO website (www.aph.gov.au/pbo).

If you have any queries about this costing, please do not hesitate to contact Colin Brown on (02) 6277 9530.

Yours sincerely

Phil Bowen

15 August 2013



COSTING – ELECTION CARETAKER PERIOD

| Name of proposal to be costed: | Dollar bets |
|--|--|
| Summary of proposal: | <p>The proposal will require all poker machines in Australia to have the following limitations:</p> <ul style="list-style-type: none">• a maximum bet limit of \$1 per spin• a load up limit of \$20, and• jackpots of no more than \$500. <p>The proposal will require all new poker machines to support bet and jackpot limits by 2015, with the limits to be enforced on all machines from 1 July 2017.</p> |
| Person/party requesting costing: | Senator Christine Milne, Australian Greens |
| Date costing request received: | 14 August 2013 |
| Date costing completed: | 15 August 2013 |
| Date of public release of policy: | 26 July 2013 |
| Additional information requested (including date): | On 15 August 2013, additional information was sought from the applicant on the commencement date of the enforcement of the limitations on all poker machines. |
| Additional information received (including date): | On 15 August 2013, Director of Policy, Office of Senator Christine Milne advised that the enforcement of the proposed limitations on all machines would commence on 1 July 2017. |
| Agencies from which information was obtained: | Not applicable |

Costing overview

The proposal will require all new poker machines to support the outlined bet and jackpot limits by 2015, with enforcement of these limitations on all poker machines to begin on 1 July 2017. The cost in the lead up to commencement of the enforcement is likely to be limited. As a result the cost across the budget and forward years is expected to be negligible.

There may be an increase in the costs to the Department of Families, Housing, Community Services and Indigenous Affairs in the lead up to enforcement of the proposal, including those involved in the setup of the regulatory body and dissemination of information. However, these are likely to be limited and are not quantifiable with the information available.

POLICY COSTING – ELECTION CARETAKER PERIOD

There are anticipated costs beyond the forward estimates due to regulation, however, these costs will depend on the approach adopted to monitor and enforce compliance with the proposed policy. As a result, these costs have not been quantified.

The impact on State government revenues has not been quantified.

This costing is considered to be of high reliability based on the information available.

Table 1: Financial implications (outturn prices)

| Impact on | 2013-14 | 2014-15 | 2015-16 | 2016-17 |
|-------------------------------|---------|---------|---------|---------|
| Underlying cash balance (\$m) | - | - | - | - |
| Fiscal balance (\$m) | - | - | - | - |

Key assumptions

The proposal assumes the main impact on the Commonwealth Government would be the cost of regulation. It also assumes a transition period whereby the limits would be enforceable from 1 July 2017. Hence in this costing, it is assumed that there would be no enforcement costs and very limited other costs to the Commonwealth Government during the 2013-14 Budget forward estimates period.

Beyond the forward estimates period, the costs will depend on whether the regulator is established within an existing Commonwealth agency or as an independent public statutory authority, as well as the approach and scope of the regulatory requirements. In many cases, regulators operate on a cost-neutral basis with costs offset by imposing a levy on the regulated entities.