

18 July 2016

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Our ref: CD/16/17183

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

Dear Minister

**STATEMENT OF EXPECTATIONS (STAGE 2 – RE-ISSUED) FOR THE VICTORIAN COMMISSION FOR GAMBLING AND LIQUOR REGULATION**

I am pleased to provide you with a response on behalf of the Victorian Commission for Gambling and Liquor Regulation (VCGLR) to the Re-issued Stage Two Statement of Expectations (SOE) dated 10 June 2016 and to your subsequent letter confirming the SOE dated 12 July 2016.

This letter provides information about activities planned and currently being undertaken by the VCGLR in furtherance of the key governance and performance objectives and targets stipulated in the SOE, and the manner in which the VCGLR will report its progress towards achievement of the expectations.

**Progress the development of regional hubs to support the Commission's compliance efforts undertaken in regional Victoria**

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Expanding and improving compliance activity in regional Victoria is a key initiative planned by the VCGLR.

In order to undertake this, the VCGLR will develop an Expenditure Review Sub-Committee (ERSC) business case, for submission to the Department of Justice and Regulation (DJR).

In parallel, the VCGLR will develop implementation and recruitment plans for establishing regional hubs, in order to focus on compliance with liquor and gambling regulation in regional Victoria.

**Develop key performance indicators (KPIs) that align with the Commission's strategic priorities, particularly in contributing to harm minimisation, evidence-based decision making and co-regulatory activities.**

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Work is underway to develop an improved board reporting framework within the VCGLR, arising from the Review of the VCGLR undertaken in 2015. This will involve the development of a guidance document and a system of monthly reporting from the VCGLR Executive to the Commission.

Key performance indicators within the 2016-17 VCGLR Business Plan will be cascaded to 2016-17 Divisional Plans and subsequently embedded in individual KPIs for all Executive level staff and Performance Development Plans for all other VCGLR staff.

### **Further refine the risk-based approach to the assessment and determination of licence applications.**

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Since 2014 the VCGLR has undertaken a number of initiatives to increase the analysis of risk in the management of our licensing functions. These initiatives involved:

- categorising applications on the basis of risk and/or complexity; and
- assessing incoming applications using a triage approach and allocating resources on the basis of risk and/or complexity.

The benefits of this approach have included ensuring more senior staff determine applications that are higher risk or more complex and streamlining the determination of lower risk and less complex applications.

To further this initiative, in 2016-17 a six month pilot program will commence to better inform the assessment and determination of applications which are considered to possibly involve a greater risk of harm. For example, officers determining licensing applications will have up-to-date intelligence information and evidence before them when deciding applications, leading to an enhanced assessment of the risks that an application may pose.

### **Undertake a program of review of the standard conditions for liquor licences to determine if they are effective and appropriate**

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This will be a significant project, undertaken in various stages over the next two years. A number of initiatives will be undertaken to review standard conditions for liquor licences and identify potential improvements in a staged approach.

In the short term, existing standard licence conditions will be reviewed to ensure they are modern, appropriate and properly enforceable.

Over the longer term, the VCGLR will conduct research concerning the effectiveness of both new and existing licence conditions in minimising harm and, following a consultative process, deploy a staged approach to amend existing licences over time.

### **Further refine the risk-based approach to compliance activities to ensure appropriate targeting of the supply of alcohol and gaming to minors and supply of alcohol to intoxicated persons**

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A focus for the VCGLR in 2016-17 will be minors in sporting clubs and minors in gaming venues, which will be incorporated into operational plans. Additionally, the VCGLR will increase inspections at late night and other higher risk times.

The VCGLR will develop a model to utilise intelligence sources to better target venues suspected of supplying minors and intoxicated persons.

The VCGLR will also enhance training for Liquor and Gambling Inspectors, with a focus on the detection and enforcement of relevant offences.

### **Develop a modern inspection and compliance ICT system that better supports risk-based regulation activities in metropolitan and regional Victoria**

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The VCGLR is aiming to replace legacy Compliance systems with an integrated liquor and gambling compliance ICT system.

This would improve operational efficiency by delivering contemporaneous recording of inspection data and inspection mobility through the use of portable tablets and modern devices. It would also:

- introduce a single database for all compliance related information;
- enhance reporting to stakeholders and government; and
- improve the ability of the VCGLR to conduct risk-based profiling of licensed entities.

### **Improve its service and determination times by enabling online licence applications for both temporary and permanent licences**

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The VCGLR will further progress the deployment of online licence applications, in two stages:

#### *Stage 1*

- Gaming Industry Employee new applications and renewals;
- Casino Special Employee new applications and renewals; and
- Liquor Nominee and Director applications

#### *Stage 2*

- Approval as an associated entity for various licences - combining eleven existing application forms into one;
- Liquor licence transfer applications; and
- Bingo Centre Operator's Licence applications and renewals.

The above applications represent some of the most common applications received by the VCGLR.

### **Further streamline licensing processes including those that impose unnecessary duplication on industry**

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As described above, creating a single associate approval form (replacing the current eleven different forms) will significantly streamline licensing processes and reduce unnecessary burdens on industry.

The VCGLR is also implementing electronic notification of granted temporary limited liquor licences to Local Government Authorities, which will replace the current process of sending hard copy letters via mail, and reduce costs and delays associated with printing and mailing.

The VCGLR will also look at options to streamline processes relating to planning permit requirements for liquor licence variations, as well as continuing to liaise with the Office of Liquor, Gambling and Racing (**OLGR**) to identify areas of possible legislative reform to streamline and improve:

- the intersection of the planning and liquor licensing regulatory frameworks; and
- licence renewal applications

to reduce duplication and complexity for industry.

### **Make the Commission's published decisions available in a form which is modern and more readily searchable**

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The VCGLR is committed to transparency by:

- giving the gambling and liquor industries, the Victorian community and regulatory partners a clear understanding of what to expect from us; and
- providing a transparent account of the way we regulate, our operations and the decisions we make.

The VCGLR has a long-standing policy of publishing Commission reasons for decision in full on our website. This will be further improved by publishing all Commission reasons for decision to the Australasian Legal Information Institute (AustLII) on an ongoing basis. The VCGLR will also publish all historical Commission reasons for decision to AustLII. This will mean that the Commission's reasons will be fully searchable, indexed and complete and able to be freely and easily accessed by industry and the wider community.

### **Implement a formal training program to support liquor and gambling inspectors to effectively undertake their role**

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During 2016-17 the VCGLR will design, develop and deliver a customised, competency-based Regulatory Compliance Learning & Development Program for Compliance Inspectors, which will involve the award of the Statement of Attainment for the Certificate IV in Government Investigation (Regulatory Compliance) upon completion.

At the same time the VCGLR will design, develop and deliver a competency-based Leadership and Supervisory Management Program for Compliance Managers and Team Leaders. This will involve the award of the Statement of Attainment for the Certificate IV in Leadership and Management upon completion.

### **Reporting**

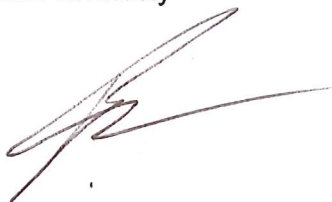
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As part of responding to the SOE (Stage 1 and the original Stage 2) the VCGLR published a range of measures to enable the community and industry to monitor our progress in meeting red tape reduction targets. We will continue to publish these measures as part of our Annual Report to assist in assessing the long-term performance of the VCGLR.

In order to provide greater insight into the performance of the VCGLR, we will continue to identify additional measures that can be published. These will focus on the general performance of the VCGLR as a regulator as well as the initiatives outlined in the Re-issued SOE (Stage 2).

Over its history, the VCGLR has made considerable progress in improving the effectiveness and efficiency of gambling and liquor regulation in Victoria. I look forward to providing you with continued updates about the organisation's progress in implementing further improvements.

Yours sincerely



Dr Bruce Cohen  
**Chair**