

10 December 2018

Keno Licensing Project
Office of Liquor, Gaming and Racing
Department of Justice

Via email: [Engage Victoria electronic platform](#)

Dear Sir/Madam,

Submission to the Keno Discussion Paper

Community Clubs Victoria (CCV) welcomes the opportunity provided by the Office of Liquor, Gaming and Racing to contribute to the Keno Licensing Project via the Keno Discussion Paper process.

Community Clubs Victoria

Community Clubs Victoria is an industry association representing the needs of Victorian community Clubs of all shapes and sizes. Our members vary from small volunteer-based sporting clubs through to very large clubs with multi-million-dollar turnovers. All of our members have one thing in common – like us, they are not-for-profit entities designed to provide facilities, support and entertainment for their communities.

CCV's vision is to be recognised as the trusted Clubs' advisor, a strong and consistent advocate supporting a healthy and sustainable club industry.

Keno Discussion Paper

CCV commends the Department and the state government for being proactive to understand the dynamics of the keno landscape in Victoria, including what is currently working well and what can be improved.

Providing certainty to all members, such as the Clubs we represent, is crucial to ensuring the keno product is matched with much-needed investment.

Given the importance of keno to Clubs in Victoria, including but not limited to additional revenue and to the Victorian economy more broadly through taxation and employment, CCV reaffirms its view that the Government should complete this process expeditiously so that Clubs are given as much certainty as possible.

Yours sincerely,



Mr Leon Wiegard OAM
President
Community Clubs Victoria

What changes, if any, could be made to the legal requirements for the keno licensee and why?

- 1.) CCV believes a single licence model should remain in place as it provides a number of positive benefits:
 - Reduction in inefficiencies (multiple hardware and software systems); and
 - Reduction in duplication (marketing, branding, communication, etc); and
 - Avoidance of customer confusion (customers unable to distinguish between multiple brands/products/jackpots in a multiple licence environment).
- 2.) The current term of the licence should be extended to 20 years:
 - A 20 year term is better for all stakeholders – it creates confidence for the licensee and Clubs to invest, and provides an appropriate timeframe to recoup the capital investment.
 - A 20 years term is also better for Clubs as this would bring keno in line with the recent extension of the EGM entitlements.

What changes, if any, could be made to harm minimisation requirements for the conduct of keno in Victoria and why?

- 1.) CCV actively promotes the responsible service of gambling-related products and has programs and support information for Clubs to minimise harms associated with irresponsible gambling. By way of example, CCV is already the leading self-exclusion provider for electronic gaming machines and over the past two years, Self-Exclusion Program 2 (SEP2) has made big changes to dramatically improve the way self-exclusion works to assist the Clubs and their communities.
- 2.) If the new licensee structure allows for more flexibility towards emerging technology (see point 2 below), technology-based risk management controls would be possible.

What changes, if any, could be made to the licensing arrangements for keno and why?

- 1.) The licensing arrangements for the forthcoming keno licence should allow all parties to maximise the value of their investment.
- 2.) In trying to maximise value for Clubs, it is important that the licensee structure provides for flexibility towards emerging technology, such as:
 - a. Providing keno through electronic devices in-venue, and through online distribution more broadly if Clubs can share in the financial returns.

What changes, if any, could be made to the revenue distribution arrangements under the keno licence and why?

- 1.) Revenue distribution arrangements must be fair to the community, to the licensee and to Clubs as the retail partner. On balance, the revenue distribution arrangement should support keno and retail partners, such as Clubs, rather than profiting government which limits investment and economic growth, and as a consequence, limits employment.

- 2.) The Victorian keno tax rate does need modification:
 - o Victoria currently implements one of the highest tax rates in Australia. On keno classic the tax rate is 8.33% compared to 4.5% in NSW (* an increased tax rate is triggered once Keno turnover hits a certain threshold), 4.4% in ACT and 7.35% in QLD
 - o Clubs, are currently not recognised in their local community for facilitating the delivery of taxation back to Victorians via keno. As a way of promoting the role of Clubs in delivering community taxation:
 - Change should be made enabling the taxation raised by keno to be redirected to 'good causes' in the community – such as the way Queensland Lotteries operate via their contributions to hospitals, schools, etc.
 - This change would be of benefit to the local retailer, the licensee and the community.
- 3.) CCV continues to support opportunities that promote and increase national pooling across multiple jurisdictions and perhaps even increasing the flexibility of the licensee in regards to international pooling arrangements.

What factors could be influencing the difference in the performance of the keno market between Victoria and other jurisdictions?

- 1.) Current tax rate reduces revenue to Clubs (see point 2 above)
- 2.) The standardisation of the product and marketing offer, coupled with the impact of national pooling, has been a significant factor in improving performance.
- 3.) CCV continues to believe that further investment, by the licensee and Clubs, can continue to improve growth in keno.