

Kathryn Bannon
Deputy Secretary, Integrity, Regulation and Legal Services
Department of Justice and Community Safety
Level 26, 121 Exhibition Street
MELBOURNE VIC 3000

3 February 2026

Dear Ms Bannon,

REGULATORY IMPACT STATEMENT FOR THE GAMBLING REGULATIONS 2026

I would like to thank your staff at the Department of Justice and Community Safety (the Department) for working with the team at Better Regulation Victoria on the preparation of the Regulatory Impact Statement (RIS) for the Gambling Regulations 2026 (the proposed Regulations).

The Commissioner for Better Regulation provides independent advice on the adequacy of the analysis provided in all RISs in Victoria. A RIS is deemed to be adequate when it contains analysis that is logical, draws on relevant evidence, is transparent about any assumptions made, and is proportionate to the proposal's expected effects. The RIS also needs to be clearly written so that it can be a suitable basis for public consultation.

I am pleased to advise that the final version of the RIS received on 30 January 2026 meets the adequacy requirements set out in the *Subordinate Legislation Act 1994*.

Background and problems

Gambling is a form of recreational entertainment for an estimated 53.3 per cent of Victorians, across a range of offerings including electronic gaming machines (EGMs), wagering, sports betting, trade promotion lotteries, raffles, bingo, and lucky envelopes.¹ Gambling contributes to the state's economy by providing employment, tourism, charitable fundraising, and tax revenue.

¹ Lucky envelopes (also known as bingo tickets or pull tabs) are a form of pre-determined lottery, which entitles holders to claim a prize determined and announced before the start of ticket sales.

However, the Department explains that gambling harm is a significant problem in Victoria. Problem gambling, where people gamble heavily and have lost a degree of control over their gambling habits, can have significant negative consequences for gamblers, their families and friends, and the wider community. These consequences include both financial impacts as well as less tangible harms, such as emotional and psychological harm and productivity loss. In 2022-23, the total social cost of gambling problems in Victoria was estimated to be \$14 billion, with 8.5 per cent of the state's adult population classified as being at some risk of experiencing gambling harm.

The *Gambling Regulation Act 2003* (the Act) governs how gambling is conducted in Victoria. The Act sets standards for the conduct of different types of gambling and establishes licensing and approval schemes to enable entities to conduct gambling lawfully in Victoria. The Gambling Regulations 2015 (the current Regulations) prescribe additional requirements to ensure the integrity, fairness and safety of gambling products, and set fees for regulatory services, such as the assessment of licence applications. Fees are intended to recover regulatory costs incurred by the state's independent gambling regulator, the Victorian Gaming and Casino Control Commission (the Commission).

The current Regulations are due to sunset in June 2026. Without the current Regulations in place, the Department explains that the following problems may arise:

- the fairness of gambling products may come into question. Without the current Regulations, the Department explains that providers may 'stack' the odds in their own favour, choose to not pay out winners, or otherwise deceive or exploit players. It is also concerned that gambling may be exploited for criminal purposes.
- the integrity of the industry may come into question. Without the integrity provisions of the current Regulations, the industry could become susceptible to criminal exploitation, organised crime and money laundering.
- the loss of important harm-reduction measures, such as responsible gambling signage and lighting requirements in gaming areas, may lead to an increase in gambling-related harm.
- without fees being prescribed, the Commission would not be able to fully recover its costs of regulating the industry. This may result in regulatory costs being borne by the wider community rather than by the businesses that benefit from offering gambling products.

In the RIS, the Department also outlines problems related to the fees set in the current Regulations. It explains that significant changes in the industry and questionable or illegal behaviour identified in public inquiries have prompted the Commission to strengthen its regulatory oversight of the industry. For example, following recommendations from the Royal Commission into the Casino Operator and Licence, the Commission now applies increased scrutiny to licence applications, with more senior staff having greater oversight

over licensing decisions. The Department explains that greater regulatory scrutiny has increased regulatory costs, meaning that the fees set in 2015 do not accurately reflect and only partly recover the costs incurred by the Commission to process applications.

Options and impact analysis

In the RIS, the Department considers options for each key area for the proposed Regulations: **gaming machines, other gambling products** (including wagering and betting, trade promotion lotteries, bingo, lucky envelopes, raffles, and other forms of authorised gambling), and **fees**. Options are compared against the base case, where the current Regulations sunset and are not remade. Under the base case, the Act would continue to regulate these areas, but without the additional details prescribed in regulations.

The Department compares options using a multi-criteria analysis (MCA). For options relating to gaming machines and other gambling products, the Department uses the following MCA criteria and weights:

- effectiveness to reduce gambling harm (15 per cent)
- protects the integrity of the product (30 per cent)
- impact on participant experience (5 per cent)
- cost to government and industry (50 per cent)

For options relating to fees, the Department uses the following MCA criteria and weights, which are aligned to the Victorian Government's *Pricing for Value Guide*:

- reflective of cost and risk (45 per cent)
- horizontal equity (35 per cent)
- simplicity (20 per cent).

Gaming machines

The Department analyses one option (Option 1), to remake the gaming machine provisions of the current Regulations with minor technical amendments, against the base case. Option 1 includes requirements that cover:

- the physical environment of gaming venues – requirements concerning lighting and the display of the time-of-day to ensure that EGM users are aware of the time and their surroundings.
- information availability – requiring venues to provide certain information to players, such as how to access gambling help services, and requiring gaming industry employees to complete Responsible Service of Gaming (RSG) training.
- advertising and signage – providing limited exemptions to the Act's prohibition of gambling advertising to enable hotels, clubs, and the casino to advertise and provide signage about their gaming machines under strict conditions, as well as providing an exemption for gambling help-related signage.

For gaming machines, the Department chooses to remake the current Regulations with minor technical amendments (Option 1). It explains that the physical environment and information requirements will impose only minor costs on industry while reducing gambling harm and improving participant's experience. For the advertising and signage provisions, the Department acknowledges that allowing some exemptions for gaming machine advertising may contribute to an increased level of gambling harm, however it argues that the strict advertising requirements reflect an appropriate balance between harm minimisation and the legitimate pursuit of recreational gambling.

Other gambling products

The Department analyses one option (Option 1), to remake the provisions of the current Regulations related to wagering and betting, trade promotion lotteries, bingo, lucky envelopes, raffles and other forms of authorised gambling with minor technical amendments, against the base case. Under Option 1, the proposed requirements by gambling product are:

- For **wagering and betting**, Option 1 imposes requirements for the display of rules and results, information provision, reporting significant events (such as forged tickets) to the Commission, the management of betting offices, and the allocation of payments into pools for approved betting competitions.
- For **trade promotion lotteries**, Option 1 imposes requirements related to the conditions under which a lottery can be conducted, conditions that operators can place on entry into lotteries, conditions for awarding prizes, providing information to entrants, and record-keeping.
- For **bingo**, Option 1 establishes requirements covering the handling of proceeds, distribution of prizes, retaining of information, supervision of sessions, and financial reporting.
- For **lucky envelopes**, Option 1 imposes restrictions on the value of prizes and returns to players, as well as standards for the supply of lucky envelopes, record-keeping requirements, and a prohibition on selling lucky envelopes to persons under 18.
- For **raffles**, Option 1 imposes requirements for the sale of raffle tickets, the value of prizes relative to tickets for sale, the conduct of raffles, information on tickets, transfer of prizes and record-keeping.
- For **commercial raffle organisers**, who are authorised to conduct raffles on behalf of a community or charitable organisation, Option 1 prohibits organisers and close associates from purchasing raffle tickets in raffles they are running and imposes requirements governing the transfer of proceeds to community or charitable organisations and for the provision of financial statements.
- For **other forms of authorised gambling**, which include games at amusement centres, fetes, and carnivals, Option 1 prescribes standards and conditions to ensure the fairness of these activities.

For other gambling products, the Department chooses to remake the current Regulations with minor technical amendments (Option 1). It explains that many of these provisions ensure the integrity and fairness of different gambling products. For example, Option 1 requires that for all raffles conducted in Victoria, there is a random and equal chance of each ticket being drawn, and that the first ticket drawn wins the first prize. Through providing clear, consistent and fair rules for these gambling products across the state, the Department argues that Option 1 will also positively impact participants' experience of these gambling products.

Further, the Department outlines that Option 1 will help to ensure that trade promotion lotteries, bingo, lucky envelopes, and raffles are conducted for community or charitable purposes rather than for commercial benefit, in line with the intentions of the Act. The Department also highlights that Option 1 has further integrity benefits through the record-keeping and information provision requirements, which enables the Commission to have oversight over the industry and investigate incidents or criminal activity.

The Department notes that Option 1 is likely to impose relatively small costs on industry. These costs are related to the record-keeping and reporting requirements, as well as the restrictions on the amount of revenue or profit that operators can generate through bingo, lucky envelopes and raffles.

Fees

The Department analyses two options related to fees for applications and permits:

- **Option 1:** fees set in line with current levels
- **Option 2:** fees aligned with new regulatory costs.

The Department identifies Option 2 as its preferred option, as it would fully recover the cost of processing applications and permits, whereas Option 1 would only partially recover these costs. The Department explains that the proposed fee structure would be more efficient than the current fees, as the fee paid by an applicant would better align with the costs of processing their application. Under Option 2, the Department also proposes to combine two fees for applications to increase the number of gaming machines in a venue and remove two fees that are now redundant following recent legislative amendments.

Option 2 entails a median fee increase of 33 per cent compared to the current fee structure. However, there will be no change to the total amount of fees and charges paid by industry participants that are subject to the annual supervision charge, as any application and approval fees paid are subtracted from the supervision charge.

The Department estimates that the proposed fees will collect approximately \$1.0 million in revenue per year, or \$8.0 million over ten years in net present value terms. When accounting for the relationship between the fees set in these Regulations and supervision

charges paid by a subset of industry participants, the net revenue that will be raised by the proposed fees is estimated to be \$520,000 per year, compared to \$195,000 with the current fees.

Implementation and evaluation

The Department expects that the proposed Regulations will come into effect in June 2026, prior to the sunset of the Gambling Regulations 2015. It expects that the implementation of the proposed Regulations will be relatively straightforward, as there are no significant updates to the current Regulations, outside of the new fees and the consolidation of the two sets of regulations into one set of regulations.

The Department will engage with stakeholders from both industry and the community to notify them of the RIS and encourage feedback. The Department explains that the Commission will be responsible for compliance with, and enforcement of, the proposed Regulations, as well as communicating the fee changes to industry participants.

The Department will conduct an evaluation of the proposed Regulations prior to their sunset in 2036. Evidence for this evaluation will rely upon data and information obtained by the Commission, in addition to consultation with other stakeholders.

Should you wish to discuss any issues raised in this letter, please do not hesitate to contact Better Regulation Victoria on (03) 7005 9772.

Yours sincerely,



Katrina McKenzie

Commissioner for Better Regulation