

Appendix A:

Submissions and comments

We have consulted with the Department of Justice and Community Safety, the Department of Premier and Cabinet, the Department of Treasury and Finance, and the Victorian Gambling and Casino Control Commission, and we considered their views when reaching our review conclusions. As required by the *Audit Act 1994*, we gave a draft copy of this report, or relevant extracts, to those agencies and asked for their submissions and comments.

Responsibility for the accuracy, fairness and balance of those comments rests solely with the relevant agency head.

Responses received

Agency	Page
Department of Justice and Community Safety	A-2
Department of Premier and Cabinet	A-5
Department of Treasury and Finance	A-7
Victorian Gambling and Casino Control Commission	A-10

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Department of Justice and Community Safety

Secretary

121 Exhibition Street
Melbourne Victoria 3000
Telephone: (03) 8684 0501
justice.vic.gov.au

Our ref: 26083937

Mr Andrew Greaves
Auditor-General
Victorian Auditor-General's Office
By email: [REDACTED]

Dear Mr Greaves

Proposed report: Public Lottery Licence Extension

Thank you for your letter of 19 August 2026 to provide the proposed report on Public Lottery Licence Extension for final response.

The Department of Justice and Community Safety (the department) is committed to ensuring that arrangements for the issuing of lottery and related licences comply with the relevant legislation and are conducted with appropriate levels of independent probity oversight.

The department has reviewed the report and encloses feedback suggesting amendments to Recommendation 2 to more closely align to the language of Recommendation 1. Specifically, DJCS' interpretation is that Recommendation 2 involves the application of the framework developed under Recommendation 1 to future processes for awarding or extending gambling licences. If no such framework was developed, DJCS would then develop and apply guidance to support decision-making regarding whether to disclose key government decisions about the processes agreed to award or extend those licences.

The department accepts in principle VAGO's recommendation and has attached an action plan to acquit the actions, with the first of three actions to be acquitted by 30 November 2026, and the following two actions dependent on central agencies' implementation of Recommendation 1.

If your office requires further information, please contact [REDACTED], Executive Director, Data, Performance and Governance on [REDACTED] or via email at [REDACTED].

Yours sincerely

Emma Cassar PSM
Secretary
3 / 09 / 2026

Encl. DJCS Action Plan – Public Lottery Licence Extension



DJCS feedback on proposed report ^{PROTECTED}

Public Lottery Licence Extension

Feedback from: [REDACTED], Gaming & Liquor

Page & paragraph	VAGO's comments and DJCS's responses
Page 8, Recommendation 2	<u>VAGO's comment</u> 'Apply the framework developed under Recommendation 1 to future processes for the awarding or extension of gambling licences. If such a framework is not established, develop guidance that addresses the same transparency and commercial confidentiality considerations.' <u>DJCS's response</u> Greater clarity could be provided in the second sentence of VAGO's Recommendation 2, by more closely replicating the language of Recommendation 1, to minimise future confusion and increase the likelihood that implementation will replicate fully the intention of Recommendation 2. <u>Suggested action, change or alternative text</u> VAGO may wish to consider echoing the language of Recommendation 1 in the second sentence of Recommendation 2, along the following lines: 'Apply the framework developed under Recommendation 1 to future processes for the awarding or extension of gambling licences. If such a framework is not established, develop and apply guidance to support decision-making regarding whether to disclose key government decisions about the processes agreed to award or extend those licences.'

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DJCS action plan

Public Lottery Licence Extension

#	VAGO recommends that DJCS/relevant agencies:	Response	#	DJCS will:	By:
1	Apply the framework (developed under Recommendation 1) to future processes for the awarding or extension of gambling licences. If such a framework is not established, develop guidance that addresses the same transparency and commercial confidentiality considerations.	Accept in principle	1.1	Capture lessons learned through the licensing process.	30/11/2026
			1.2	Subject to DTF and DPC's implementation of Recommendation 1, apply the framework for assessing how and when information about major commercial transaction processes should be disclosed.	The next licensing process (yet to be determined)
			1.3	Should DTF and DPC not implement Recommendation 1, develop guidance for disclosing information about the licensing process that balances the need for public transparency against commercial confidentiality before any future licensing process occurs.	Before the next licensing process commences (yet to be determined)



Department of
Premier and Cabinet

1 Treasury Place
East Melbourne, Victoria 3002 Australia
Telephone +61 3 9651 5111
dpc.vic.gov.au

BSEC-260800461

Mr Andrew Greaves
Auditor-General
Victorian Auditor-General's Office
Level 31, 35 Collins Street
MELBOURNE VIC 3000

Dear Auditor-General

Thank you for inviting the Department of Premier and Cabinet (DPC) to respond to the Victorian Auditor-General's Office Proposed Report on the Public Lottery Licence Extension (the Report).

DPC acknowledges the five key findings and three recommendations outlined in the Report and accepts, in principle, the joint recommendation directed to the Department of Treasury and Finance and DPC (Recommendation 1). Please find enclosed DPC's agency action plan outlining how DPC will acquit this recommendation.

DPC supports the development of the framework outlined in Recommendation 1. However, DPC considers that major infrastructure projects already have in place adequate processes for disclosing information and should be excluded from the framework's scope.

Thank you for the opportunity to comment on the Report.

Yours sincerely

Chris Barrett
Secretary

28 / 8 / 2026

cc Secretary, Department of Treasury and Finance

enc Agency action plan - DPC

Your details will be dealt with in accordance with the *Public Records Act 1973* and the *Privacy and Data Protection Act 2014*. Should you have any queries or wish to gain access to your personal information held by this department please contact our Privacy Officer at the above address.



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Department of Premier and Cabinet action plan to address recommendation from Victorian Lottery Licence Extension

No.	VAGO recommendation	Acceptance	Agreed management actions	Target completion date
1	Work with relevant agencies to develop a framework for assessing how and when information about major commercial transaction processes should be disclosed to support public understanding of key government decisions and their rationale, taking into account commercial confidentiality requirements	☐ Yes ☐ No ☐ In part ☒ In principle	DPC will provide whole-of-government support to DTF as required to support the development of the framework. DPC supports the development of the framework. However, DPC considers that major infrastructure projects already have in place adequate processes for disclosing information and should be excluded from the framework's scope.	July 2027

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Department of Treasury and Finance

1 Treasury Place
Melbourne Victoria 3002 Australia
Telephone: +61 3 9651 5111
dtf.vic.gov.au

CSEC- 260800280

Mr Andrew Greaves
Auditor-General
Victorian Auditor-General's Office
Level 31
35 Collins Street
MELBOURNE VIC 3000

Dear Auditor-General

RESPONSE TO VAGO'S PROPOSED REPORT - PUBLIC LOTTERY LICENCE EXTENSION

Thank you for your letter dated 19 August 2026, inviting the Department of Treasury and Finance (DTF) to comment on the proposed report for the Public Lottery Licence Extension limited assurance review (the Report).

DTF welcomes the positive findings of the Report, and notes VAGO's acknowledgement and findings that the Victorian public lottery licence extension processes were informed by a structured program of work and decisions and that there was a credible basis for adopting a bilateral negotiation process with the incumbent licensee, Tattersall's Sweeps Pty Ltd through its parent company The Lottery Corporation (TLC) to optimise value for Victoria. DTF also welcomes VAGO's acknowledgement in the Report of the probity and integrity of the licence extension process.

As acknowledged in the Report, the State implemented a robust licensing process to deliver optimal value for the Victorian public lottery licence following an assessment of the lottery market. This market assessment supported informed decisions that a bilateral process was the best pathway to optimise value for the State. DTF welcomes VAGO's conclusion in the Report that the Government had sound reasons for negotiating with TLC bilaterally.

The \$1.145 billion premium achieved through the process is the highest price paid for an Australian lottery licence, and more than 9.5 times the premium from the 2018 licence for increasing the licence term from the current 10-year term to 40-years.

DTF provided robust advice to support informed Government decisions throughout the licensing process. Financial modelling supporting the process was based on appropriate assumptions that were informed by, and cross-checked against, comparable licensing processes in Victoria and other jurisdictions, market soundings, as well as industry insights from DTF and its commercial adviser.



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DTF accepts the recommendations for DTF in the Report, noting Recommendation 1 is accepted in principle. DTF considers the framework proposed by Recommendation 1 should exclude major infrastructure projects, noting these are already subject to processes under established guidelines.

Thank you again for the opportunity to respond to the Report and for your team's consultative approach in conducting the review.

Yours sincerely



Camille Kingston
Acting Secretary

31 August 2026

Attachments encl.: Department of Treasury and Finance action plan to address recommendations from VAGO's proposed report *Public Lottery Licence Extension*

Department of Treasury and Finance action plan to address recommendations from *Public Lottery Licence Extension*

No.	VAGO recommendation	Acceptance	Agreed management actions	Target completion date
1	Work with relevant agencies to develop a framework for assessing how and when information about major commercial transaction processes should be disclosed to support public understanding of key government decisions and their rationale, taking into account commercial confidentiality requirements	☐ Yes ☐ No ☐ In part ☒ In principle	DTF will work with the Department of Premier and Cabinet to develop a framework for assessing how and when information regarding major DTF-led commercial transaction processes (excluding major infrastructure projects) is disclosed publicly. DTF notes there are established processes for the procurement of major infrastructure projects, including under the Investment Lifecycle and High Value High Risk Guidelines, the Partnerships Victoria Requirements and Market-led Proposals Guideline.	July 2027
3	For major commercial transactions, ensure that key cost assumptions underpinning valuations and reserve prices are cross-checked against alternative estimation approaches where appropriate, and subjected to sensitivity analysis	☒ Yes ☐ No ☐ In part ☐ In principle	DTF advises that assessments of potential major commercial transactions already include cross-checking of key valuation assumptions against alternative approaches, and applying sensitivity analysis, where appropriate. DTF will continue to ensure that these processes are clearly articulated and well-documented including the rationale for the approach taken.	Completed

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1 September 2026

Mr Andrew Greaves
Auditor-General
Level 31, 35 Collins Street
Melbourne Vic 3000

Dear Mr Greaves,

Re: Proposed Report: Public Lottery Licence Extension

Thank you for your letter dated 19 August 2026 regarding the proposed report for the Public Lottery Licence Extension for review and comment.

The Victorian Gambling and Casino Control Commission has reviewed the report and has no comments to provide.

Yours sincerely

A handwritten signature in blue ink, likely belonging to Mr Chris O'Neill APM, is positioned below the 'Yours sincerely' text.

Mr Chris O'Neill APM
Chair
Victorian Gambling and Casino Control Commission

cc. Suzy Neilan, Chief Executive Officer, Victorian Gambling and Casino Control Commission

Director, Economy and Infrastructure – Parliamentary Reports and Services, Victorian Auditor-General's Office

**Victorian Gambling
and Casino Control
Commission**

Level 8, 8 Exhibition Street,
Melbourne VIC 3000
GPO Box 1988, Melbourne
VIC 3001

T: 1300 599 759
E: contact@vgccc.vic.gov.au
VGCCC.VIC.GOV.AU