



## Gaming Machines Amendment (Shutdown Periods) Bill.

### Second Reading

**The Hon. IAN MACDONALD** (Minister for Agriculture and Fisheries) [11.04 p.m.]: I move:

That this bill be now read a second time.

I seek leave to have the second reading speech incorporated in *Hansard*.

#### Leave granted.

Gaming machine provisions for hotels and clubs are contained in the Gaming Machines Act. This Act contains extensive harm minimisation measures that must be adopted by hoteliers and registered clubs. A number of major initiatives have been introduced by the Government in recent years to minimise gambling abuse and provide safety nets for problem gamblers.

On 26 July 2001 the Carr Government announced a major plan for gaming reform in New South Wales. As part of the plan, it was announced that gaming machine operations in clubs and hotels would be required to close down for six hours each day.

Under the Gaming Machines Act 2001, the Government allowed for a phasing-in period from 2 April 2002 until 30 April 2003, during which time clubs and hotels were required to turn off their gaming machines for only three hours each day, between the hours of 6 a.m. and 9 a.m.

From 1 May 2003 the general shutdown period was increased to the full six hours, from 4 a.m. to 10 a.m. Clubs and hotels are permitted to apply to have the mandatory shutdown period on Saturdays, Sundays and public holidays reduced to three hours from 6 a.m. to 9 a.m., subject to the agreement of the local consent authority. Also, clubs and hotels that can satisfy the Liquor Administration Board that they had a history of trading as early openers prior to 1997 are permitted to apply for a different closure period to the standard.

Since the commencement of the three-hour shutdown, Clubs NSW and the Australian Hotels Association have reported that some of their members are experiencing significant financial difficulties as a result of the three-hour shutdown. Representations have also been made by the New South Wales Liquor Trades Division of the Liquor, Hospitality and Miscellaneous Workers Union, which has indicated the effects on its members.

In response to these reports, a review of the impact of the three-hour shutdown to date was commenced earlier this year.

A very preliminary examination of available data has been undertaken by the Department of Gaming and Racing, and indicates that a few 24-hour trading clubs appear to have experienced a decline in gaming machine profits since the commencement of the three-hour shutdown.

In view of the possibility that a small number of clubs and hotels may be experiencing considerable hardship from the shutdown, it is proposed that the legislation be amended to provide that clubs and hotels may apply to the Liquor Administration Board for exemption on hardship grounds from the general increase to the current three-hour shutdown period.

It is further proposed to require the Board to take specified guidelines into account in considering whether or not to exempt a particular club or hotel from having to shut down gaming machines for more than three hours. The guidelines will be developed in consultation with the club and hotel industries, and with relevant community representatives.

While the proposal to allow exemptions on hardship grounds may mean that a small number of clubs and hotels will be permitted to continue to close down their gaming machine operations for only three hours per day, seven days a week, for the vast majority of clubs and hotels the full six-hour shutdown will apply, subject to the existing variations that are provided for under the Act.

One of these variations allows clubs and hotels to apply for approval to shut down gaming machines for only three hours on Saturdays, Sundays and public holidays. The Board is not to approve such an application unless the local consent authority has agreed. The requirement to obtain local consent authority (council) agreement is in

direct contrast to section 209 of the Gaming Machines Act, which essentially removes any power from local consent authorities to regulate or restrict gaming machine operations through development consents or other planning powers.

It is clear from recent reports that many local consent authorities are having some difficulty with the new requirement to provide agreement to a shorter shutdown period.

Local consent authorities are not the most appropriate level of government to make important decisions about gaming operations. It is not appropriate to split the control and regulation of gaming operations between local and State governments. The bill will correct this anomaly by removing the requirement for local consent authority agreement to a three-hour shutdown on Saturdays, Sundays and public holidays.

The bill will commence on a day or days to be proclaimed.

The gaming machine shutdown has excited some interest in certain sections of the media in recent times. At this stage the Government is unable to say whether or not the three-hour shutdown has been effective in minimising the harm associated with problem gambling.

Nevertheless, the Government is not prepared to back away from the introduction of the general six-hour shutdown. At the same time, it is important that a pragmatic approach be taken to the increased shutdown period, and that those venues that are able to demonstrate genuine hardship be given the opportunity to apply to retain the current three-hour shutdown.

It is important to remember that the shutdown is not the only aspect of our gaming harm minimisation policy.

Major initiatives have included: the number of poker machines frozen in clubs, from March 2000, and hotels, from April 2001, along with a statewide cap of 104,000; the requirement for venues to undergo a social impact assessment before new machines can be installed; hotels and clubs with gaming machines being prohibited from being established in shopping centres; a primary-purpose test established for hotels to prohibit hotels being conducted as gaming dens; consumer information—Play Smart brochures—on chances of winning being available to patrons in all gambling outlets; funding of the G-line problem gambling helpline; the allocation of over \$56 million for gambling counselling services; the allocation of over \$1 million to promote the G-line service; the commissioning of a \$3 million gambling research program, including an annual contribution to national research; and the launch of a new framework for a more equitable distribution of casino community benefit fund [CCBF] counselling funding.

Specific statutory measures include 24-hour gaming in pubs and clubs being banned; poker machine signs and advertising being banned; a prize limit of \$1,000 on poker machine promotions; venues required to implement counselling and self-exclusion programs for patrons; the requirement for gambling warning/G-line notices to be displayed in venues; cash chequing restrictions of \$400 per person per day adopted; poker machine prizes of more than \$1,000 required to be paid by cheque; ATMs and EFTPOS machines not to be located in gaming areas of hotels and clubs; gambling inducements—free or cheap alcohol and free credits—banned; all gaming staff required to be trained in the responsible conduct of gambling; and enabling disciplinary action to be taken where a venue allows activities likely to lead to gambling abuse.

Whilst a lot has been done in harm minimisation, we can always do more. The Minister for Gaming and Racing will be consulting over the next 12 months with all stakeholders—community, industry, social welfare sector, unions and others—as part of a comprehensive review of harm minimisation policy measures. It is vital that credible research and reviews of policy measures be undertaken.

The Minister for Gaming and Racing wants to see an evidence-based framework for social policy decisions within the gaming and racing portfolio. It is anticipated that recommendations will be developed for consideration by the Government to ensure that we have the best possible combination of harm minimisation measures to tackle the issue of problem gambling.

I commend the bill to the House.

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