

**NSW Impact of Gambling Inquiry – Public Hearing - 5 June 2014**  
**ClubsNSW Answers to Questions on Notice**

**The Hon. MICK VEITCH:** At the last hearing when you gave evidence you spoke about the involvement of individual clubs in self-exclusion programs. Did we actually ask you to give us some figures on the number of clubs involved in self-exclusion and how many people are involved?

The following represent some of the headline statistics collected by the ClubsNSW multi-venue self exclusion scheme (MVSE).

- Total number of self-exclusions processed under the MVSE System to date: **2,096**
- Total number of clubs with access to the MVSE system: **1,161**
- Total number of active clubs\* on the MVSE system: **939**
- Total Number of counsellors using the system: **153**

\*Active club refers to a club that has used the system to process or view a multi-venue self-exclusion.

**CHAIR:** We are happy if you want to put some of those ideas into suggested amendments to the Legislation. You can take it on notice and send it to us before we prepare our final report.

ClubsNSW recommends the following amendments to the *Gaming Machines Act 2001* and *Gaming Machines Regulation 2010* in order to improve harm minimisation regime in NSW.

#### **Prize Forfeiture**

ClubsNSW recommends that the NSW Government introduce amendments to the Gaming Machines Act 2001 that require self-excluded patrons to forfeit any prizes they win, in excess of \$2,000, to the Responsible Gambling Fund.

- Prize forfeiture for self-excluded patrons was a recommendation of the Productivity Commission (recommendation 10.1). According to the Productivity Commission prize forfeiture would help problem gamblers maintain their resolve not to gamble by removing the monetary incentive to breach their self-exclusion arrangements.
- The Productivity Commission also recommended that in order to minimise the cost to venues of this measure it is necessary to ensure that the prize forfeiture threshold is large enough to reduce the number of times staff would need to access the self-exclusion database.
- ClubsNSW recommends a prize forfeiture threshold of \$2,000; this aligns with the current threshold for issuing prize payments by cheque. The identification of a patron is required to be issued a cheque and could trigger a check against the MVSE self-exclusion database.

#### **Family Interventions / Involuntary Exclusions**

ClubsNSW recommends that the *Gaming Machines Act 2001* be amended to provide legislative support for a third-party intervention process.

- The *Gaming Machines Act 2001* should be amended to include provisions that would allow venues to issue and enforce involuntary exclusions, subject to a process approved by the Director-General (see recommendation below).
- The involuntary exclusion provisions should have the same legal protections for venues as the self-exclusion provisions contained in Section 49 of the Gaming Machines Act 2001.

### **Recommended Process**

- **First Response:**
  - Venues should be obligated to respond to a request for an intervention on behalf of a family member. Recognising at this stage the complaint is merely an allegation that the person has a gambling problem, venues should be required to:
    - observe the gambling behaviour of the individual in question;
    - as appropriate, engage in a respectful conversation with the alleged problem gambler and offer assistance;
    - maintain the anonymity of the complainant to protect against the risk of domestic violence
    - provide the family member with an information pack outlining their options and advice for supporting the problem gambler's recovery
- **Expert Panel:**
  - Where the patron denies the assistance offered during the venue intervention, the family member should have the ability to apply to have an expert panel examine the allegation. Where the allegation is established a recommendation should be made to the venue to issue an involuntary exclusion. The expert panel should consist of members with the following backgrounds:
    - A clinical psychologist with a background in treating gambling problems;
    - A member of the legal profession with a background in judicial process and procedural fairness; and
    - A member of community services sector with a background in family relationship issues.
- **Appeal Process:**
  - There should be a mechanism to appeal to the Independent Liquor and Gaming Authority with respect to the issuing of an involuntary exclusion.

**The Hon. SARAH MITCHELL:** Have the dozen or so clubs that have shown an interest in having the program instigated it or do you as an organisation go to clubs in the areas that have a higher prevalence of problem gambling and say that they should look at taking it up? What is the process?

- ClubsNSW has developed a comprehensive prospectus that we provide to clubs outlining the benefits of the Salvation Army Chaplaincy program. This includes a brief video presentation that can be viewed on the following link:  
[http://www.youtube.com/watch?v=sJ5V9\\_kLBPA&feature=youtu.be](http://www.youtube.com/watch?v=sJ5V9_kLBPA&feature=youtu.be)
- ClubsNSW has used this prospectus to approach the clubs that have the largest membership bases, in the initial stages we feel that this is the best way expand the reach of the program into the broader community.
- We have plans to expand the program state-wide over time. This could involve the time-sharing of chaplaincy services across multiple clubs in regional areas.

**CHAIR:** ClubsNSW has a policy on live odds. Would you support a total prohibition of live odds?

- ClubsNSW shares community concerns regarding the pervasiveness of online sports-betting and wagering advertising including the promotion of live odds. In our view reasonable

measures should be taken to limit the exposure of minors to advertising promoting gambling.

- In addition to the broadcast of live-odds, ClubsNSW also has concerns regarding other advertising practices undertaken by online sports-betting agencies such as inducements to gamble and the promotion of credit betting.
- ClubsNSW recommends that the NSW Government seek to impose uniform advertising standards across NSW for all forms of gambling, including advertising by online sports-betting and wagering operators. A uniform approach would ensure consistency in harm minimisation practices and maintain competitive neutrality between operators.
- In our view, any gambling advertising standards should strike a balance between the promotion of gambling as a legitimate form of entertainment and the need for harm minimisation.

### Supplementary questions

Evidence given by Dr Betty Con Walker on 5 June 2014 regarding the methodology used by ClubsNSW and the Australian Hotels Association (NSW) in their submissions to determine their respective employment figures.

**The Hon. GREG PEARCE:** Can you assure us that the methodology of the clubs and pubs used was the same as the ABS uses?

**Dr WALKER:** I have to tell you that in the past when I have used club figures and checked them with the ABS, they have been even more exaggerated. They have improved a little bit.

**The Hon. GREG PEARCE:** You cannot assure us that the same methodology has been used, can you?

**Dr WALKER:** I cannot assure you—

**The Hon. GREG PEARCE:** No. I think we should invite the clubs and pubs to explain the difference in the numbers.

- The employment figure (41,300 persons) provided by ClubsNSW in its submission is taken from the KPMG *New South Club Census 2011*. The *New South Clubs Census 2011* figures were drawn from a survey sample of 421 clubs.
- ClubsNSW understands that the most recent club employment data published by the Australian Bureau of Statistics based on a survey in 2004-05 found that New South Wales Clubs employed a total of 39,170 persons.
- ClubsNSW is not aware of the ABS publishing or conducting any additional research on club employment, since the survey in 2004-05
- The difference between the ABS and KPMG figures does not seem unreasonable considering the time interval between the research. The difference could possibly be explained by the following:
  - Annual employment growth of 0.89 per cent per annum over the six year period.

- Differences in survey methodology and subsequent sampling errors
- Seasonal or cyclical employment impacts based on the timing of the survey
- The NSW Office of Liquor Gaming and Racing conducts a mandatory biennial survey of employment in all licence premises. The OLGR survey has close to a 100 per cent response rate. The 2010-11 figures found that clubs employed a total of 41,126 employees.
- ClubsNSW also notes that the club employment figures quoted by Dr Walker did not appear to include casual employees. Both the OLGR and KPMG census figures include casual employees.
- ClubsNSW stands by the employment figures presented in our submission.

#### **Additional Responses to Testimony at Public Hearing on Thursday 5 June 2014**

**Dr WALKER:** I have done detailed analysis of the largest clubs.... A minute proportion of their gaming revenue goes into cash contributions to the community. No one has been able to contradict that, because that is a fact.

- ClubsNSW refutes this claim by Dr Walker. ClubsNSW notes the findings of (IPART) in relation to the cash contributions of Mounties:

*Mounties – a larger, more commercially-run club in the Sydney suburb of Mount Pritchard – makes total cash contributions equivalent to around 34 per cent of its net profit.*

- By comparison, according to their most recent annual report, Australia's top corporate donor Westpac makes a community contribution equivalent to 1.3% of its net profit.

**Dr WALKER:** If you are looking at our society and how it operates, it is the only industry where there are differential tax rates applied to two participants.

- Arrant nonsense. As an example, St Vincent De Paul, that sells clothes as part of its business, is taxed differently to Country Road.
- ClubsNSW notes that it is common practice in all jurisdictions in Australia for different participants in the gambling industry to be taxed at different rates. For example in NSW, there are different wagering tax rates for bookmakers and totalisators.
- ClubsNSW notes that there are around 80 clubs in NSW that pay a higher average tax rate on their gaming revenue than The Star casino pays on its domestic gaming revenues.

**Ms GIBBESON:** The Productivity Commission used a different methodology. I think it stated that every \$21,000 worth of expenditure equates to one problem gambler. You look at the amount of expenditure in an area and divide it by 21 and that will give you a rough idea of the level of problem gambling.

- ClubsNSW notes that the Productivity Commission did not estimate the problem gambling prevalence rate using the methodology described above.

- The Productivity Commission relied upon the state-wide surveys conducted by State and Territory Governments using the Canadian Problem Gambling Index (CPGI) to estimate the problem gambling prevalence rate.
- The Productivity Commission estimated the national problem gambling prevalence rate as 0.7% of the adult population. According to the most recent state survey the problem gambling prevalence rate in South Western Sydney is 0.3% of the adult population.
- Additional evidence was presented by ClubsNSW in its submission which found the Productivity Commission's expenditure estimates were substantially over-estimated.