

INQUIRY INTO IMPACT OF GAMBLING

Organisation: NSW Government

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Premier of New South Wales

2014-88114

17 MAR 2014

The Director
Select Committee on Gambling
Legislative Council
Parliament House
Macquarie Street
Sydney NSW 2000

Dear Sir

Thank you for the opportunity to provide a NSW Government submission to the Select Committee's Inquiry into Gambling.

The attached submission provides the Inquiry with a factual record of the regulation of gambling within NSW. In particular, it provides detail on measures available to assist in ameliorating the negative impacts of problem gambling.

I look forward to the outcome of the Committee's Inquiry in due course.

Should you have any queries concerning the submission, please contact
Department of Premier and Cabinet on

Yours sincerely

Barry O'Farrell MP
Premier

NSW Government Submission

The NSW Government welcomes the opportunity to provide input to the Legislative Council Select Committee's Inquiry into the impact of gambling on individuals and families in NSW.

The following information is provided to inform the Committee's consideration of its terms of reference:

(a) The design and accessibility of electronic gaming machines and new and emerging gambling products and services

In Australia and New Zealand all gaming machines and ancillary equipment must meet a set of requirements contained in the Australian and New Zealand Gaming Machine National Standard. The Standard sets out the core requirements common to all jurisdictions with an appendix that sets out additional or differing requirements for that jurisdiction.

In NSW, under the *Gaming Machines Act 2001* the Independent Liquor and Gaming Authority is responsible for adopting/setting gaming machine standards and approving gaming machines (and ancillary equipment) for use in NSW. The Authority cannot approve a gaming machine that fails to meet the gaming machine standards.

All those with functions under the Act, including the Authority, must have due regard to gambling harm minimisation in exercising regulatory functions, including what is or is not in the public interest. The Act also compels the Authority to have regard for the need to minimise the potential for any harm that may result from the approval of a gaming machine and any feature, function or characteristic that is likely to lead to an exacerbation of problem gambling.

In addition, the Authority maintains a Gaming Machine Prohibited Features Register which identifies gaming machines or gaming machine features/characteristics that are likely to cause gambling harm (e.g. headphones and headphone jacks for gaming machines) and are therefore not permitted in NSW.

The NSW Government recognises that there can be benefits, both from gambling harm minimisation and player enjoyment perspectives, from introducing new gaming machine technology. When seeking approval for a new gaming machine product (or feature), the applicant has a responsibility as the one who stands to gain a commercial benefit from the introduction of the new product to provide an independent, peer-reviewed assessment in relation to player behaviour and any risks of gambling harm associated with the product.

It is the Government's view that this assessment should be part of gaming machine manufacturers' and suppliers' normal research and development process, and should be provided with the application for approval. Where the appropriate assessment has not been undertaken, consideration of the new device, or game, should be deferred until the necessary assessment has been undertaken, either through the product proponent or the regulator. This is consistent with the evidence-based approach to gambling harm minimisation sought by both government and industry.

In respect of national standards for gaming machine design and manufacture, the NSW Government is leading a national project, with the assistance of the Queensland regulator, to move to a principles-based Australian/New Zealand Gaming Machine National Standard. The overall objective is to achieve greater consistency and minimise jurisdictional differences, while re-classifying prescriptive requirements under an outcomes-based framework. This involves a movement away from a focus on mandating specific technical solutions, towards identifying the desired outcomes the Standard is seeking to achieve.

This process will not result in a dilution of existing player fairness and gambling harm minimisation standards. Completion of the project is expected to contribute to a well articulated and transparent approach to harm minimisation, reduced assessment times and costs to industry (including both manufacturers and venues), and increased certainty and support for innovation and investment (including greater opportunities for new technology that promotes harm minimisation measures).

The NSW Government is aware of emerging internet-based gambling products that can be accessed via home computers and portable devices such as tablets and smart phones. Regulating these products is the responsibility of the Federal Government under the *Interactive Gambling Act 2001*. The NSW Government, as well as other jurisdictions, supports a national approach to ensure tighter controls on online gambling through changes to this Act, and its enforcement.

Accessibility of gaming machines

Since May 2003 all hotels and clubs have been required to shutdown their gaming machines for a mandatory six hours (4am to 10am) each day. This requirement is an extension of an earlier mandatory shutdown of three hours per day which had been in place since April 2002.

Venues can apply to the Authority to vary the shutdown period, for example to three hours per day on weekends; for those early opening venues that have a history of opening early before 10am; or when hardship caused by the six hour shutdown can be demonstrated. Around a quarter of clubs and hotels have reduced or varied gaming machine shutdown hours.

No venue is exempt from the mandatory daily requirement to shut down its gaming machines for a period of time. Those granted a variation to the normal shutdown period must still turn off machines for at least three hours a day.

The intention of this harm minimisation policy is to limit the opportunity for continuous gaming machine play, by providing a break in play and allowing gamblers to reassess their gambling. It supports agencies and problem gamblers to fulfil an individual and public health harm minimisation role.

In December 2008, independent research investigated the effectiveness of the mandatory six hour gaming machine shutdown requirement. The findings were reported in the *Evaluation of the 6-hour shutdown of electronic gaming machines* which is available on the OLGR website at: www.olgr.nsw.gov.au/rr_6_hour_shutdown.asp.

The report prepared by Blue Moon Research And Planning Pty Ltd indicates that there is no compelling evidence supporting a change in the current arrangements. The research found that the shutdown period was effective in reaching those problem gamblers playing

before the commencement of the shutdown period – it encourages the majority of problem and moderate risk gamblers to go home, achieving its goal of a break in play.

Research

Gambling Research Australia (GRA) is a national gambling research program funded by all Australian State, Territory and the Commonwealth Governments. The current, five-year GRA research program (2009-2014) was established via a Memorandum of Understanding signed by all gaming/gambling ministers in June 2009.

The NSW Government contributes funds through the Responsible Gambling Fund (RGF). Further information about this and research projects is published by the RGF in its annual reports which are available at www.olgr.nsw.gov.au/gaming_rgf_pubs.asp

The Committee may be interested in some of GRA's completed and ongoing research projects.

On 31 January 2014, GRA published research into the impact of gaming machine jackpots on gambling behaviour. The final report is available at:

<http://www.gamblingresearch.org.au/home/the+impact+of+electronic+gambling+machine+jackpots+on+gambling+behaviour>

GRA has also funded research into gambling and the impact of new and emerging technologies. The final report is available at:

<http://www.gamblingresearch.org.au/home/research/gra+research+reports/gambling+and+the+impact+of+new+and+emerging+technologies+%282010%29>

GRA is also currently conducting research into the structural characteristics of gaming machines. The aim of the yet to be completed research is to determine the impact of gaming machine characteristics on gambling behaviours and whether such characteristics have a differential impact on problem gamblers and/or exacerbate problem gambling behaviour.

(b) The regulation of the number and location of electronic and high intensity gaming machines

Cap on gaming machines

The *Gaming Machines Act 2001* provides for a gaming machine threshold and entitlement trading scheme which controls the distribution of gaming machines in NSW hotels and clubs.

The statewide cap on gaming machines in hotels and clubs was introduced under the *Gaming Machines Act 2001*. Originally set at 104,000, the cap was reduced in January 2009 to 99,000 Gaming Machine Entitlements. This reduction reflects the impact of the GME trading scheme in reducing the number of gaming machines in NSW.

Gaming Machine Entitlement (GME) trading and threshold schemes

The GME trading scheme was established to provide a mechanism for the ongoing reduction in the number of gaming machines in NSW. The reduction is achieved by the forfeiture of GMEs when traded between hotels or clubs. A GME is forfeited to the Independent Liquor and Gaming Control Authority for each 'block' of 2 or 3 GMEs traded. Limited exemptions from forfeiture for clubs exist, which are noted at item (h). GMEs forfeited to the Authority cannot be reallocated.

Given the forfeiture requirements under the GME trading scheme, an increase in the number of GME trades increases the rate at which the total number of GMEs is reduced. Consequently, this process facilitates the ongoing reduction of gaming machines in NSW.

Each hotel and club has a gaming machine threshold set by the Authority, which is the maximum number of gaming machines it can operate. A gaming machine may be approved to operate using a GME or poker machine permit (hotels only). The maximum number of machines that can be installed in a hotel is 30.

Local Impact Assessment (LIA) process

The Local Impact Assessment (LIA) process, which controls the movement of gaming machines in NSW, commenced in January 2009. An LIA is required when a venue applies to the Authority to increase the number of gaming machines it operates – i.e. its gaming machine threshold. Any new hotel or club automatically has a zero gaming machine threshold, and must apply to the Authority to increase it.

Each Local Government Area (LGA) in NSW has been classified as either Band 1, 2 or 3. A Band 1 LGA typically has lower than average gaming machine density and expenditure and a high Socio-Economic Indexes for Areas (SEIFA) score. A Band 3 LGA typically has higher than average gaming machine density and expenditure and a low SEIFA score.

Depending on the increase in gaming machines sought and the classification of the LGA in which the venue is situated, dictates what type of LIA is required.

A venue must submit a Class 1 LIA if it is located in a Band 1 LGA and seeks a mid-range increase (21 to 40); or the venue is located in a Band 2 LGA and is seeking a low range increase in gaming machines (up to 20); or the club is located in a new development area where the area does not currently have the full benefits provided by a club. Venues must satisfy the Authority that the proposed increase in gaming machines will provide a positive contribution towards the local community where the venue is, or will be, situated.

A Class 2 LIA is required when a venue is situated in a Band 1 LGA and is seeking a high range (over 40) increase in the number of gaming machines; or is situated in a Band 2 LGA and is seeking a high range (over 40) or mid-range (21 to 40) increase in gaming machines; or is situated in a Band 3 LGA and is seeking any increase in gaming machines.

A more stringent test is required under a Class 2 LIA, where a venue must satisfy to the Authority that the proposed increase in gaming machines at the venue will have an overall positive impact on the local community where the venue is, or will be situated.

As a result, under the LIA process, it will be very difficult for venues in LGAs with a higher than average density of gaming machines, high gaming machine expenditure and a low socio-economic disadvantage score under the Australian Bureau of Statistics' (ABS) Socio-Economic Indexes for Area (SEIFA), to obtain more gaming machines.

No LIA is required when GMEs are sought to be transferred to a Band 1 LGA and the increase is low range (less than 20). An LIA is also not required when GMEs are sought to be transferred within an LGA. This is because there is no net increase in the number of GMEs within that area. However, the GME forfeiture requirements continue to apply.

Gaming machines at the Sydney casino are limited to 1,500 and are not subject to the cap and trade scheme that applies to clubs and hotels under the Gaming Machines Act.

(c) Voluntary pre-commitment technology and operational guidelines

The NSW Government supports a pre-commitment system that is voluntary for the player, and is committed to working with the Federal Government on promoting and implementing a venue-based voluntary pre-commitment system.

On 20 November 2013, the Federal Government introduced the *Social Services and Other Legislation Amendment Bill 2013*. This Bill (when passed) will replace mandatory pre-commitment (which was introduced under the previous Federal Government's *National Gambling Reform Act 2012*) with a commitment to work with the States and Territories, gaming machine manufacturers and hotels and clubs to determine a more realistic timetable for implementing a venue-based voluntary pre-commitment system.

The Bill, which is currently before the Senate, among other things proposes substantial amendments to the *National Gambling Reform Act 2012*. These amendments:

- Rename the Act to the *Gambling Measures Act 2012*
- Repeal all the current provisions relating to statewide gaming machine voluntary pre-commitment systems (including gaming machine capability), dynamic warning messaging, and automatic teller machine withdrawal limits
- Abolish the Gaming Machine Regulator
- Repeal the gaming machine supervisory levy and the gaming machine regulation levy
- Repeal the Productivity Commission review of the mandatory pre-commitment trial in the ACT (which is abandoned under the Federal Coalition's *Policy to Help Problem Gamblers*).

(d) Access to cash and credit in and around gambling venues, and the form and delivery of cash prizes

Access to cash and credit

There is a general prohibition on the location of Automatic Teller Machine (ATM) facilities within the gaming machine areas of registered clubs and hotels and within the boundary of the Sydney casino.

Prohibiting the placement of ATMs in gaming areas is intended to force players who may have run out of credits to leave their gaming machine. This gives the individual the opportunity to reflect on whether they want to continue playing.

The prohibition on cash dispensing facilities, such as ATMs and EFTPOS terminals, from providing cash from a credit account which came into effect in January 2009, is intended to deny individuals, with a tendency to gamble, access to money that they do not have, or cannot afford to repay. Preventing access to credit for gambling purposes is seen as a key strategy to limit the impact of problem gambling. ATM facilities must also have gambling signage displaying the Gambling Help line telephone number.

It has been a long standing practice for wagering operators across Australia, including Tabcorp and licensed bookmakers, to offer the availability of depositing money into a wagering account from a credit card. Licensed bookmakers also have the ability to offer direct credit to selected clients under their business model.

The *Totalizator Act 1997* contains provisions allowing NSW TAB customers to operate betting accounts. Funds may be deposited into accounts by means of credit card (operator assisted over the telephone or online), BPAY, Electronic Funds Transfer online, or by cash over the counter at a TAB outlet.

Funds deposited into all Tabcorp accounts by means other than cash are subject to the requirement for the funds to be turned over (i.e. wagered or used to bet with) prior to the funds being available to be withdrawn as cash at an outlet. Tabcorp argues that this requirement is considered an appropriate strategy to ensure minimal opportunities for fraud, money laundering, or the general misuse of betting accounts.

All wagering operators licensed to operate in NSW, including Tabcorp, have responsible gambling obligations. These include providing customers with the option to exclude themselves from being able to use a credit card to deposit money into their wagering account.

There are no restrictions on the placement of ATMs and EFTPOS facilities on licensed racecourses or in TAB outlets (including PubTAB and ClubTAB). The *Racing Administration Regulation 2012* and *Totalizator Regulation 2012* require that these facilities must have gambling signage displaying the Gambling Help line number on or adjacent to the facility.

Generally, NSW licensed bookmakers operating in person on a racecourse conduct cash transactions with their clients. However, individual arrangements may be made between the client and bookmaker. NSW licensed bookmakers providing telephone and Internet betting will have arrangements in place for the payment of winnings to their customers according to their business model.

Cash transactions are also usual practice at TAB outlets. Tabcorp has policies in place in respect of its agents paying out large cash winnings and also regarding cash transaction reporting requirements. Winnings may also be claimed in the form of a cheque or voucher.

Tabcorp account customers may make withdrawals from their account in the following manner:

- EFT (Electronic Funds Transfer)
- Cheque requested online
- Cash or cheque over the counter at Tabcorp retail venues in NSW and Victoria
- Cash at Australia Post Bank@Post outlets (min \$20 – max \$1000)

Federal reforms in relation to ATMs

A \$250 ATM daily withdrawal limit applying to gaming venues under the *National Gambling Reform Act 2012* came into effect on 1 February 2014. The Federal Government is seeking to repeal this provision but this had not occurred before the above commencement date as the amending legislation remains before the Senate. In the interim the Federal Minister for Social Services has issued the National Gambling Regulator a Ministerial Directive regarding appropriate compliance action.

Prizes payable by cheque

In NSW, where the total prize money payable to a person exceeds \$2,000, a hotel or club must pay the amount that exceeds \$2,000 by cheque payable to the person, or by means

of electronic transfer of funds to an account nominated by the prize winner. The prize winner can also ask for the total amount to be paid in a similar manner. In the case of the casino where the prize exceeds \$2,000, the person must be notified they may request that the total prize money be paid by crossed cheque.

The cheque must be clearly identified as a prize winning cheque by the inclusion of the following "Prize winning cheque – cashing rules apply". This is supported by other legislative provisions relating to the cashing of cheques in hotels and clubs – including that the cheque must be made payable to the venue, and a limit of \$400 and one transaction per person per day applies.

The policy objective of these provisions is two-fold. First, they are intended as a security measure for patrons to ensure they are not forced to carry large amounts of cash winnings when they leave a gaming venue. Patrons carrying large amounts of cash are at greater risk of being robbed when leaving a venue.

A cheque cannot be exchanged for cash by a hotel or club unless the cheque is made payable to the venue. A limit of one transaction per day for no more than \$400 is in place. These provisions also stop a third party cheque being endorsed by a payee in favour of a gaming venue. That is, a third party cheque from the Australian Taxation Office or Medibank for example cannot be endorsed by the payee to the benefit of a gaming venue.

(e) The role and capacity of gambling industry staff to address problems caused by gambling

All NSW gaming venues must have measures in place to help minimise gambling-related harm. Examples of these mandatory measures include a daily shutdown period for all gaming machines in hotels and clubs, the display of Gambling Help Line information throughout the venue and on every gaming machine and ATM, and requiring all staff or volunteers with gambling related duties must complete the NSW Responsible Conduct of Gambling course (RCG).

The range of consumer information notices displayed and resources available throughout gaming venues must display the Gambling Help telephone number. There are similar requirements to display consumer information and harm minimisation resources, including the Gambling Help contact number, at all racecourses and TAB outlets.

Gambling Help is a free 24-hour, 7 days a week, statewide telephone crisis counselling, information and referral service for problem gamblers, their families, friends and others. Funding for Gambling Help is through the NSW Government's Responsible Gambling Fund, which supports more than 50 problem gambling counselling and support services operating throughout NSW.

Harm minimisation measures also aim to improve player information by requiring clubs and hotels with gaming machines to have information brochures available explaining how gaming machines work and the chances of winning. This helps to inform players about the very small chance that they have of actually winning the maximum prize on a gaming machine.

A key strategy also requires all gaming venues to have a self-exclusion scheme in place to allow patrons to exclude themselves, and have arrangements with a problem gambling counselling service provider. This requires the person to identify that they have a gambling

problem and to take positive action to address the problem.

Self exclusion

Self exclusion schemes in NSW registered clubs, hotels and the Sydney casino allow people concerned about their gambling to enter into a formal arrangement not to enter the venue, or part of the venue, for a specified period.

NSW gaming venues are required to establish and operate self exclusion schemes. This requirement has been in place for the Sydney casino since its launch in 1995 and for hotels and registered clubs since 2002. Registered clubs and hotels are also required to enter into arrangements with a recognised problem gambling counselling service provider to make those counselling services available to patrons of those venues.

The Sydney casino similarly is required to enter into arrangements for problem gambling counselling services to be made available to patrons of the casino. All venues are also required to display signage alerting patrons to these arrangements.

A penalty of up to \$11,000 applies for venues that do not meet the self exclusion scheme requirements.

Tabcorp offers a self exclusion scheme to its customers whereby a person can exclude themselves from up to 15 TAB Agencies in either Victoria or NSW as well as 15 participating Hotels and Clubs. A customer can also choose to have their TAB betting account (telephone and internet) suspended.

Third party exclusion

With respect to the casino, the *Casino Control Act 1992* section 79(1) allows the casino operator, and the Authority, to issue an involuntary exclusion order to a person identified by the casino, the Authority or another third-party such as a family member, as experiencing gambling problems. There is no minimum or maximum exclusion period. The Authority considers appeals against such exclusions issued by the casino operator. There is no appeal against an exclusion issued by the Authority.

The casino operator is also required, under the *Casino Control Act 1992*, to remove excluded persons from the venue. Hotels and clubs are not currently required to remove self-excluded patrons from venues.

Currently the *Gaming Machines Act 2001* only provides for voluntary self-exclusion arrangements in hotels and clubs. However, the Government is considering third-party-initiated exclusions of problem gamblers from venues. A range of matters will need to be examined in giving consideration to this matter.

Responsible gambling staff training

All staff or volunteers with gaming machine-related duties in clubs and hotels must complete an approved six-hour training program in the responsible conduct of gambling. Relevant staff, including security staff, at the Sydney casino are also required to undertake responsible gambling training under the *Casino Control Act 1992*, including refresher training every 2 years.

The course provides participants with the skills and knowledge required to provide responsible gambling services, identifies the impact of problem gambling and provides information to customers who require assistance with their gambling.

The NSW Government, through the RGF, funded a review of the new NSW Responsible Conduct of Gambling course (RCG) in 2010. This review resulted in a revised course being developed to ensure the skills and knowledge required to promote responsible gambling in their workplaces were embedded in the course.

Enhancements to the course included a more interactive approach using discussions, video clips, role plays and presentations from counsellors of gambling help services. The course has an emphasis on helping participants recognise signs of problem gambling behaviour in venues as well as ways of engaging with clients who are distressed and providing appropriate help and assistance to those who may be experiencing problems with their gambling.

A core component of the revised RCG course reviewed the signs of problem gambling for patrons in venues. The content for this module was drawn from the GRA funded research – Identifying problem gamblers in gambling venues (see below).

In respect of wagering, there is no legislative requirement to undertake responsible gambling training. However, as best management practice and in the public interest, Tabcorp provides in-house responsible gambling and harm minimisation training to all staff and its agents.

Research

The Committee may be interested in some of GRA's completed and ongoing research projects relevant to this item.

GRA has published research on identifying problem gamblers in the gambling venue (2007). This study reports on the results of an empirical research into the nature of visible indicators of problem gamblers within venues.

The research concluded that within venues, identification of problem gamblers was theoretically possible through observation and the use of a checklist of indicators (identified in the report).

GRA has funded further research which is currently underway to validate the checklist of visible indicators that identify problem gamblers in venues that was created as part of the 2007 research project.

(f) The regulation of telephone and internet gambling services in other jurisdictions in Australia and overseas

The following information about other larger Australian jurisdictions is based on publicly available information and provided for the information of Select Committee Members:

Victoria

Tabcorp

The relevant provisions in Victoria for the issue of telephone and internet wagering by the TAB are contained in Tabcorp Wagering (Vic) Pty Ltd's Wagering and Betting Licence. Clause 5.5 of that licence provides for where and when TAB betting is legal. This includes via an internet carriage service, any other listed carriage service, a broadcasting service, any other content service and a datacasting service.

Bookmakers

Section 4 of the *Racing Act 1958* (Vic) provides for betting with a registered bookmaker. Principally, section 4A "methods of remote betting" provides for the Minister to approve a method of communication for registered bookmakers to accept bets and to impose any conditions that the Minister thinks fit. Methods of communication include via the internet or telephone. Further subsections deal with the approval of premises where bets can be accepted away from a racecourse and provide that the Minister may prescribe requirements (conditions) for bookmakers to comply with before an approval is given.

Queensland**TattsBet**

In Queensland, TattsBet Limited (formerly UNITAB Limited) holds both the Race Wagering and Sports Wagering licences. Both licences are exclusive until 30 June 2014 and will expire in 2098 (Race) and 2037 (Sports). While the licence exclusivity remains in place, no other licence may be issued by the State.

The conduct of wagering by the Licensee (and its agents) is administered by the: *Wagering Act 1998* (Qld):-

<https://www.legislation.qld.gov.au/LEGISLTN/CURRENT/W/WageringA98.pdf>

Wagering Regulation 1999:-

<https://www.legislation.qld.gov.au/LEGISLTN/CURRENT/W/WageringR99.pdf>; and

Wagering Rule 2010:-

http://www.olgr.qld.gov.au/resources/gamDocs/Wagering_Rule_2010.pdf

The Queensland Wagering legislation does not apply to interstate or international jurisdictions offering wagering services to Queensland residents.

With respect to the provision of telephone and internet services, the Licensee must ensure the equipment (i.e. Regulated Wagering Equipment) it uses is approved by the Queensland Officer of Liquor and gambling Regulation (QLD OLGR) (refer section 207 & 208 of the *Wagering Act 1998*). The QLD OLGR has categorised certain equipment as being 'Regulated' and the list can be found in Schedule 2 of the Wagering Regulation.

Bookmakers

The relevant QLD legislation which deals with telephone and internet gambling is the *Racing Act 2002*, Chapter 6 (Racing Bookmakers), Part 3A (Offcourse approvals for racing bookmakers) and Part 4 (Other provisions about racing bookmakers).

In Queensland bookmakers licensed by a control body may take bets by phone or other telecommunication devices approved by the control body during a licensed race meeting. Licensed bookmakers may apply to the Minister for an offcourse approval to conduct betting (Part 3A).

In addition, Racing Queensland, the control body for the three codes of racing, has Rules of Racing to facilitate and regulate telephone and internet betting.

Research

GRA has funded research which is currently underway to determine who, what, when and how people are gambling using interactive technology.

(g) The regulation of gambling advertisingAdvertising of gaming machines

Section 43 of the *Gaming Machines Act 2001* generally prohibits the advertising or promotion of gaming machines, while clause 46 of the *Gaming Machines Regulation 2010* contains some narrowly confined exceptions.

These exceptions provide for mostly incidental or conventional business-to-business, media or educational communications about gaming machines to take place. For example advertising in trade journals and advertising in a publication for a trade convention involving the gaming machine industry are exempt from the advertising restrictions. All other external advertising of gaming machines is prohibited. Clubs may include gaming machine advertising contained in other material provided to its members but only if strict conditions contained in clause 46(4) of the *Gaming Machines Regulation 2010* are followed and the member expressly consents to receiving the material.

The policy objectives of these provisions is to limit 'at risk' gamblers' awareness as to the availability of gaming machines. The intent of any advertising is to encourage consumers to 'purchase/use' the product by raising their awareness of the product. In this case the product is gaming machines.

The Secretary of NSW Trade and Investment also has the discretion to direct venues to move or screen gaming machines. The intention is to prevent venues locating their gaming machines so as to subvert the prohibition on the external advertising of gaming facilities. Clause 47 of the *Gaming Machines Regulation 2010* prohibits the display of outdoor signage advertising gaming machines.

Advertisements for products other than gaming machines, while permitted, are subject to various controls. For example, advertisements for wagering, lotteries and the Sydney casino must not transgress community standards, encourage a breach of the law, or depict children, while those for wagering products and the casino must not promote the consumption of alcohol while gambling. Relevant legislation also limits the portrayal of the outcomes of gambling, and requires that advertisements for wagering, lotteries and the casino contain reference to Gambling Help.

Research

GRA has funded research which is currently underway to determine the relationship between sportsbetting marketing, gambler product preferences and risk, and the influence of such marketing on young people.

(h) Exemptions and exceptions to State and Federal laws and policies relating to gambling

Some exemptions exist in NSW gambling laws which aim to uphold harm minimisation principles while balancing the need for industry viability. For example, some exemptions exist for NSW clubs which recognise the community services and facilities provided by these venues but are considered to have little or no adverse impact on families or individuals.

For example, amalgamated, or related, clubs are exempt from the requirement to forfeit GMEs when transferring GMEs between related club premises. However, if a related club seeks to increase its gaming machine threshold (maximum number of gaming machines)

the LIA requirements continue to apply to ensure proposed increases, especially in higher gaming machine density areas, are appropriately assessed. The measure is a practical one that aims to help amalgamated clubs retain these assets when relocating them to other premises, providing them with a greater opportunity to remain financially viable.

(i) Gambling education including school-based programs, and measures to reduce the exposure of children and young people to gambling activity

NSW Department of Education

In 2010, the NSW Department of Education (DET), in consultation with the NSW Government's RGF, developed a Guide to Problem Gambling: Children and Young People: An information Guide for TAFE NSW and School Counsellors. The resource is based on and licensed from a similar guide in Victoria. The Guide was developed by stakeholders from the counselling sector, the gaming industry, TAFE, DET, the independent and catholic school systems.

In addition, a number of RGF funded counselling services work with local schools to run awareness programs for students and parents. However, it should be noted that in the Productivity Commission's Report into Gambling released in June 2010, Finding 9.1 on school-based education mentioned that:

Little evidence has been collected about the effects of school-based gambling education programs on students' gambling behaviour. However, evaluations of similar programs in alcohol and vehicle safety have found that, while they can raise awareness, they tend to have no, or even adverse, behavioural impacts.

Given the risk of adverse outcomes, governments should not extend or renew school-based gambling education programs without first assessing the impacts of existing programs.

With respect to access to gaming machines the NSW Government is conscious of the need to prevent access by minors. To guard against minors being socialised to gambling, the Government has put in place tough laws in venues to prevent minors (persons under 18 years old) being exposed to gaming machines. Under the *Gaming Machines Act 2001* and *Gaming Machines Regulation 2010*, venues must place gaming machines in designated gaming areas/rooms and access by minors to gaming machine areas/rooms is prohibited. At a club a minor may pass through a gaming machine area, but only if in the company of an adult and to access another part of the club that a minor may lawfully enter.

While venues may provide arcade games in childrens' play areas the *Unlawful Gambling Act 1998* is in place to ensure that these games are not gambling games, as an additional protection against children becoming socialised to gambling.

TAFE

TAFE NSW provides gambling education to students seeking employment across the hospitality, tourism and sport and recreation industries.

TAFE NSW delivered the nationally endorsed unit of competency SITHGAM006A *Provide Responsible Gaming Services* from the SIT07 Tourism, Hospitality and Events Training Package, from 2009 to 2013 across all ten TAFE NSW Institutes and the Open Training and Education Network.

The Unit *Provide Responsible Gaming Services* is a core unit in the TAFE NSW Statement of Attainment *Responsible Conduct of Gambling* and provides learners with the skills and knowledge to provide responsible gaming services and information and assistance to customers about problem gambling.

There were more than 12,500 TAFE NSW enrolments in the Statement of Attainment *Responsible Conduct of Gambling* from 2009 to 2013. Of these, approximately 54% were learners in the 17-24 years age group.

The Unit is also included in a number of qualifications in hospitality, tourism, sport and recreation from Certificate II to Advanced Diploma levels and is a core unit in the TAFE NSW Statement of Attainment *Hotel Licences*.

(j) The adequacy and effectiveness of problem gambling help services and programs, including service standards, qualifications and funding of chaplaincy, counselling and treatment services

a. Adequacy and effectiveness of problem gambling help services and programs and funding of counselling and treatment services.

The NSW Government has committed \$48.1 million from the Responsible Gambling Fund for the four years 2013-2017 to fund 56 counselling and support services across NSW. Gambling Help services operate at more than 200 locations across the State providing free, confidential and effective counselling and support to problem gamblers and their families.

These services are tailored and targeted to specific community needs to help turn around the lives of the small proportion of the NSW adult population that has a gambling problem to bring relief not only to them but also to their families and loved ones.

Face to face counselling services are being provided right across NSW, including throughout Sydney, the Central Coast, the Hunter, the Illawarra, the New England and North West, the North Coast, the Riverina and Murray regions, and the South East and Western NSW regions.

Three statewide services are also being funded to support problem gamblers from non-English speaking backgrounds; to help problem gamblers facing legal difficulties; and to ensure that NSW's gambling counsellors have access to the latest professional training. Together, these organisations and services will deliver best practice programs and support to efficiently and effectively target problem gambling.

Twenty four hour telephone counselling is also available as well as access to support via the internet and email. This ensures problem gamblers can get the type of help most suited to them when and where they need it.

The NSW Government is committed to ensuring that counselling and support services are available across the State to provide assistance to problem gamblers and their families. Also, RGF funded services undertake client satisfaction surveys and conduct follow up with clients after they have exited the service.

b. Service Standards and Qualifications

The RGF is implementing a set of new service standards following a review into the previous accreditation system and an increased focus in service performance. The

previous accreditation system built on the accredited Quality Improvement Council standards, including specific problem gambling standard was very thorough about quality standards but often too onerous on services.

More than 70% of problem gambling counsellors have relevant degree qualifications or higher. Both problem gambling counselling and financial counsellors are required to meet minimum qualification standards. For gambling counsellors they are required to complete the nationally accredited problem gambling skills set and financial counsellors are required to complete the Diploma of Community Services (Financial Counselling) as a priority.

Research

The NSW Government, in conjunction with the ACT Government, are funding longitudinal research about client help seeking, pathways into help services, clients' experience of help services and their gambling behaviour after leaving the help service. The research is currently underway and is due to be completed in 2018.

The NSW Government, through the RGF, is also funding research to determine what other cost-effective treatment models and technologies are available to help people to better manage their problems and change their problematic behaviours. This research is due to be completed in 2014.

(k) The effectiveness of public health measures to reduce risk of gambling harm, including prevention and early intervention strategies

The NSW Government is funding research to determine the risks and harms associated with different gambling products and what harm minimisation strategies are required for each. The research is underway and is due to be completed by the end of 2014.

From a public health perspective, there is evidence that problem gambling can have a significant impact on the health and wellbeing of individuals;

The social cost of gambling in Australia has been estimated to be \$4.7 billion per year. (Productivity Commission, *Productivity Commission Inquiry Report*, Report No. 50, Canberra: Commonwealth of Australia 2010)

Problem gambling has been associated with:

- Stress, financial harm, lost work productivity (Jason J Azmier, *Gambling in Canada*, 2005)
- Poorer health outcomes (Mason K, Arnold R. Problem gambling risk factors and associated behaviours and health status: results from the 2002/03 New Zealand Health Survey. *NZ Medical Journal* 2007; 120(1257)
- Mental health and substance abuse problems (el-Guebaly N, Patter SB, Currie S, Williams JVA, Beck CA, Maxwell CJ, Wang JL. Epidemiological associations between gambling behaviour, substance use and mood and anxiety disorders. *J Gambl Stud.* 2006;22:257-287)
- Domestic violence and family discord. (Afifi TO, Brownridge DA, MacMillan H, Sareen J. The relationship of gambling to intimate partner violence and child maltreatment in a nationally representative sample. *J Psychiatr Res.* 2010;44: 331-337), and
- Depression, insomnia, intestinal disorders, migraine and other stress-related disorders. (Mark Griffiths, 'Betting your Life on it: Problem gambling has clear health

related consequences', *British Medical Journal*, Vol. 3289, No.7474, November 2004, pp. 1055-1056).

This has been confirmed from consultation across the Health cluster including with the Mental Health and Drug and Alcohol Office, Population Health, Centre for Aboriginal Health and the NSW Mental Health Commission.

(l) The effectiveness of strategies and models for consumer protection and responses to problem gambling in other jurisdictions in Australia and overseas

In 2010, Gambling Research Australia published an analysis of Australian gambling research studies. It included an overview of harm minimisation strategies. The report is available on the Gambling Research Australia here, <http://www.gamblingresearch.org.au/home/research/gra+research+reports/a+review+of+australian+gambling+research+2010>

(m) Any other relevant matters

Impact of Gambling in Aboriginal Communities

The Committee's attention is drawn to the following research findings on the impacts of gambling on Aboriginal communities.

Extent of gambling

The Centre for Gambling Education and Research at Southern Cross University conducted surveys of 1,259 Aboriginal adults in NSW and Queensland in 2011 and found that approximately one third gambled on card games and 80 per cent gambled through commercial gambling channels (mostly electronic gaming machines)¹. Men, especially younger men, were found to be significantly more likely to participate in gambling and in a riskier manner.

Impact of gambling

The research between 2005 and 2007 by Aboriginal Health and Medical Research Council (AH&MRC) Gambling Research Project found that gambling in NSW Aboriginal communities is associated with financial hardship, child neglect, family disharmony, and contact with the criminal justice system.² There is also an association between problem gambling in Aboriginal communities and poor health outcomes for children.³ The AH&MRC project also found gambling problems were a source of shame and stigma within Aboriginal communities, which was a significant barrier to people discussing gambling problems and seeking assistance for gambling related problems.⁴

More recent research by the Centre for Gambling Education and Research at Southern Cross University found some culturally distinctive positive and negative impacts of gambling in Aboriginal communities. The positive impacts were collective socialising and the opportunity to win money, and the negative impacts were said to be community deprivation and cultural obligations not being fulfilled.⁵

¹ Hing N, et al, The Gambling Behaviour of Indigenous Australians, *Journal of Gambling Studies* (Jan 2013), (<http://www.ncbi.nlm.nih.gov/pubmed/23378227>)

² <http://www.aboriginalgamblinghelp.org.au/gambling-what-is-problem-gambling.htm> and http://www.pc.gov.au/data/assets/pdf_file/0009/87597/sub150.pdf

³ <http://nacchocommunique.com/2013/06/12/naccho-health-alert-gambling-causing-ham-to-aboriginal-childrens-health-menzies-research/>

⁴ http://www.pc.gov.au/data/assets/pdf_file/0009/87597/sub150.pdf

⁵ Breen H et al, Gambling impacts on Aboriginal communities in New South Wales, Australia: community leaders' Perspectives, *Asian Journal of Gambling Issues and Public Health* 2013, 3:10 (<http://www.ajgiph.com/content/pdf/2195-3007-3-10.pdf>).

Strategies to address problem gambling

The AH&MRC project found mainstream gambling treatment services were not being accessed by Aboriginal problem gamblers. In order for the services to be more appropriate, they needed greater Aboriginal employment, cross cultural training for staff, better community engagement and more culturally appropriate education resources and treatment models. More recently, the Centre for Gambling Education and Research found Aboriginal problem gamblers are more likely to seek the assistance of family and community members and local Aboriginal services for professional assistance.⁶ The common theme has been the importance of Aboriginal culture to effective treatment programs for Aboriginal problem gamblers.

Other matters

The NSW Government notes the significant activity which has recently occurred in the regulation of gambling relevant to the Terms of Reference of this Inquiry. This activity, most of which has a national focus, includes:

Productivity Commission Gambling Inquiry 2010

Released in June 2010, the Commission's report covered many varied aspects relating to gambling in Australia. The recommendations made formed the basis for the establishment of the COAG Select Council on Gambling Reform, where all jurisdictions have been represented.

Commonwealth Joint Select Committee on Gambling Reform

Recent inquiries by this Joint Select Committee have addressed such issues as gaming machine pre-commitment, online gambling and gambling advertising, the prevention and treatment of problem gambling, advertising and promotion of gambling services in sport, and the National Gambling Reform legislation.

Commonwealth review of the Interactive Gambling Act

The Commonwealth released its final report on 12 March 2013 and has been consulting with all States and Territories on the report's recommendations.

Gambling Research Australia

Ongoing research by GRA which is a partnership between the Commonwealth, State and Territory Governments to manage a national gambling research program structured around the following five research priority areas:

1. helping individuals set their limits including access to cash and pre-commitment
2. responsible gambling environments
3. gaming machine standards-developing better consumer protection
4. a preventative and early intervention strategy targeted at those at risk of problem gambling
5. development of harm minimisation measures for interactive gambling.

A number of the Terms of Reference for this Inquiry are already under active consideration by GRA, and have been the subject of an Inquiry by the Joint Select Committee on Gambling Reform.

Other Terms of Reference for this Inquiry would require jurisdictional comparisons and a national approach and / or research such as item (h).

⁶ Hing N, et al Gambling Harms and Gambling Help-Seeking Amongst Indigenous Australians, Journal of Gambling Studies (June 2013)
(<http://www.ncbi.nlm.nih.gov/pubmed/23740348>)