



# **Australian Hotels Association**

## **Submission to the Productivity Commission Inquiry into Gambling**

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Contact: John Whelan  
Director of Responsible Gambling  
Australian Hotels Association  
Email: [john.whelan@ahansw.com.au](mailto:john.whelan@ahansw.com.au)



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## Executive Summary

The Australian Hotels Association (AHA) represents the interests of hotels throughout Australia. AHA members include small country pubs, urban hotels, four and five-star accommodation hotels and resorts. In excess of 70% of hotels in Australia are financial members of the AHA.

According to the 2009 PricewaterhouseCoopers report into the industry, hotels make a significant contribution to the Australian economy and Australian society.

Key finding of the report are:

- Hotels in Australia employ 188,862 people
- Hotels support the community to the extent of \$75 million each year
- Hotels spend \$72 million each year training staff
- In the absence of the hotel sector, Australian household consumption would contract by an estimated \$3.5 billion

In 1999 the first key finding of the Productivity Commission was that “Gambling provides enjoyment to most Australians.” This is still the case today. Gambling is part of the Australian way of life and it will continue - either regulated or unregulated.

In terms of responsible gambling, the Australian hotel industry has grown considerably since 1999. During this period many improvements have been made & we now operate in a highly regulated environment with an emphasis on harm minimisation.

Over the past 6 years most Australian State Governments have commissioned gambling prevalence studies. Results indicate these harm minimisation initiatives are having a positive impact, with less than 1% of our adult population now recognised as being problem gamblers.

However there is still more work to be done. In this regard our submission recommends the implementation of a range of new responsible gambling initiatives, including:

- ATM self-exclusion
- National ban of credit betting
- Improved gambler education
- World’s best counselling & treatment
- Family protection legislation

Australia’s gambling industry is now mature. Recent gaming freezes and forfeiture schemes have led to a reduction in the total number of machines. Expenditure as a percentage of household disposable income has fallen slightly between 1999/00 and 2005/06, while real per capita gaming machine expenditure has remained virtually unchanged during the same period.

Gambling is certainly an important part of our business, but there is a lot more to Australian hotels than simply gambling – as confirmed by the Australian Bureau of Statistics (ABS) and more recently by PricewaterhouseCoopers. In pubs, bars and

taverns with gambling facilities, an overwhelming 70% of income was generated by food & beverage sales – sales unrelated to gambling.

A significant concern for Australian society is the rapid growth in popularity of internet gambling. An increasing number of Australians are now gambling online at home, when they are alone and using their credit cards to place bets. Research has found the prevalence of problem gamblers is 3 to 4 times higher in internet gamblers.

Good policy needs to be supported by evidence.

The removal of ATMs or EFTPOS facilities from Australian hotels with gaming machines is not supported by evidence. Such a move will however inconvenience 99% of the population who are not problem gamblers, have a devastating financial impact on hotel food and beverage sales, unfairly harm many small, rural and regional hotels and create safety issues for patrons.

Similarly, there is no evidence pre commitment technology will be effective as a harm minimisation measure in Australia. It is not appropriate to rush through this new technology without extensive research, particularly when implementation cost estimates range from \$1.6 billion to \$4 billion.

Prevention is better than a cure. We need to educate from a young age to ensure all Australians are able to make informed gambling decisions. We also need to build on our impressive track record of assisting those with a problem. Hotel gambling help programs such as Gaming Care and Gamecare have helped thousands regain control of their lives over the past decade.

For those who slip through the prevention safety net free treatment has proven to be extremely effective. A 2008 survey of gambling counselling clients by the NSW Government found:

- 1 month after counselling 84.3% are better able to manage their gambling
- 3 months after counselling 92.7% are better able to manage their gambling
- 6 months after counselling 90% are better able to manage their gambling

The challenge now is to encourage all those who need help to obtain help.

The 1999 Productivity Commission Report has had an enormous impact on Australia's gambling environment – it is still regularly quoted 10 years on. The 2009 report will be no different.

## **AHA Responsible Gambling Framework**

The AHA supports the following responsible gambling framework.

1. Harm minimisation is a shared responsibility of consumers, industry, government and treatment providers.
2. A 'one size fits all' approach to gambling regulation is not appropriate. Each State & Territory Government remains the most appropriate body to regulate gambling in their own jurisdiction.
3. Focus on education & information to prevent those at risk developing problems with their gambling.
4. Recognise & respect the right of the Australian public to exercise freedom of choice.
5. Gambling on credit is not responsible.
6. Responsible gambling policy must be supported by evidence.
7. Harm minimisation measures need to be evaluated on an on-going basis to assess their effectiveness in helping problem gamblers and also any unintended consequences they may have had.
8. Best practice gambling treatment must be appropriately resourced and supported.

## **Positive Solutions**

While a great many improvements have been made since the 1999 Productivity Commission Report, there is still more that should be done.

The following hotel industry initiatives are designed to prevent Australians developing problems with gambling and also to protect and help those with gambling related issues. Importantly, our aim is to not unfairly inconvenience the 99% of our adult population who don't have a problem and enjoy gambling as a legitimate form of recreation and entertainment.

More detail on each of these positive solutions is provided in the body of our submission (page 70). We would welcome the opportunity to discuss their merits with the Commission.

### **ATM Self-exclusion**

An initiative supported by problem gamblers and the ATM Industry Reference Group. This targeted scheme is designed to prevent or limit the amount of cash problem gamblers can withdraw from ATMs in licensed venues. The scheme will not inconvenience the overwhelming majority who obtain cash from a hotel ATM to purchase food or drinks.

### **National ban of credit betting**

It is risky & irresponsible to bet with money you don't have – where the losing outcome is immediate debt.

### **Consumer Protection**

Additional resources need to be allocated towards education and the provision of factual gambling related information. There is a need to target the young and those at risk.

### **World's Best Help**

For those who slip through the prevention safety net, counselling & treatment has proven to be extremely effective. The challenge is to encourage those who need help to obtain help.

### **Family Protection legislation**

Loved ones should have the power to intervene – to protect the problem gambler & their family.



## Evidenced based decisions

Good policy is supported by clear and credible evidence.

In 2004, the NSW IPART recognised the importance of evidenced based decisions

“measures should be repealed or introduced only where there is clear evidence or broad stakeholder consensus that the measure is respectively ineffective or effective in achieving its objectives.”<sup>1</sup>

The history of gambling regulation in Australia is littered with ‘knee jerk’ decisions designed to deliver Government a political quick fix, appease a hostile anti gambling spokesperson or provide a win to a media organisation in direct competition for the same recreational dollar.

This phenomenon is not new, with IPART acknowledging in 2004

“there is widespread stakeholder concern that many of these measures were introduced without any credible evidence of their effectiveness, and that their objectives and the process for evaluating them are not clear.”<sup>2</sup>

Unfortunately it is evident little progress has been made over the past decade, as recently recognised by the Chairman of the Productivity Commission during his ‘Evidenced based policy-making’ speech in January 2009

“there have been a multitude of harm minimisation measures introduced by different jurisdictions across the country, very few of those were preceded by trials or pilots to assess their cost effectiveness, or designed with the need for evaluation data in mind.”<sup>3</sup>

Clearly it is now time to take stock and undertake a comprehensive evaluation of the many harm minimum measures implemented over the past decade.

A commitment to evidenced based policy making is long overdue. Now is certainly not the time to continue blindly down the path of announcing politically convenient and unproven harm minimisation measures. This type of on-the-run policy places at risk the sustainability of industry and the employment of thousands.

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<sup>1</sup> IPART NSW (2004): Gambling – Promoting a culture of responsibility, p 6

<sup>2</sup> IPART NSW (2004): Gambling – Promoting a culture of responsibility, p 23

<sup>3</sup> Banks, G. Chairman Productivity Commission, February 2009 speech Evidence Based policy-making: What is it ? How do we get it ? p12

## Economic & Community Contribution

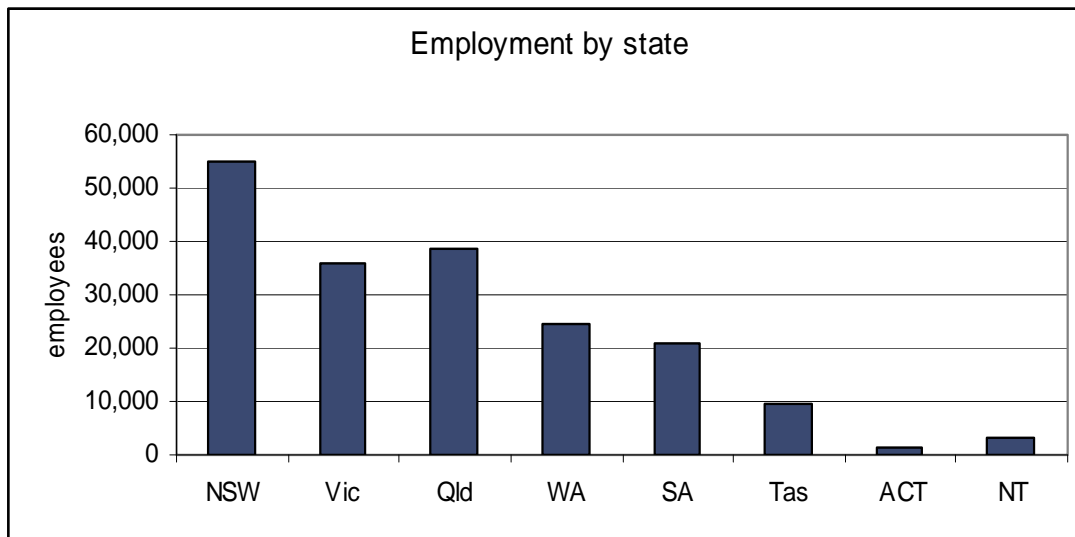
In 2009 the AHA engaged PricewaterhouseCoopers to prepare a report into the Australian hotel industry.

This study involved analysis of existing data sourced from the Australian Bureau of Statistics, Queensland Treasury and the Productivity Commission. PricewaterhouseCoopers also conducted the most extensive survey of Australian hotels ever, with 1,077 hotels responding online.

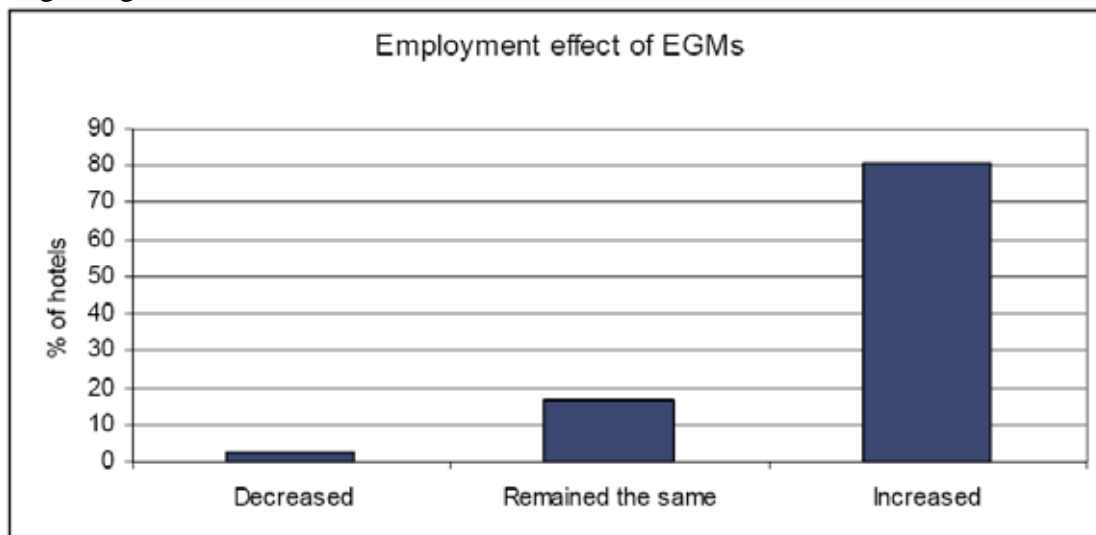
The full PricewaterhouseCoopers report is attached and forms part of the AHA's submission to the Productivity Commission. Below is a summary of the key social and economic findings.

### **Employment**

Hotels in Australia employ 188,862 people.

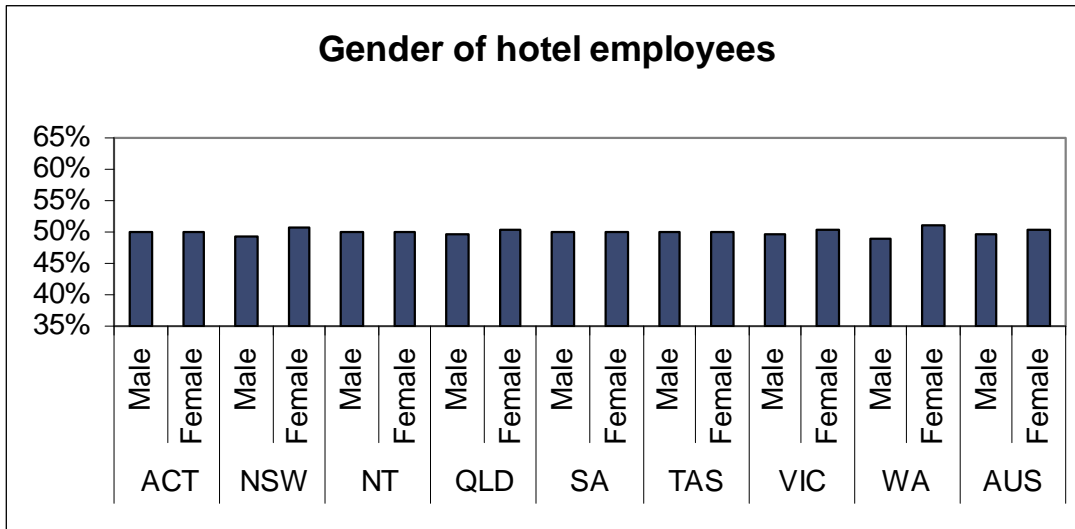


An overwhelmingly number of hotels increased employment following the introduction of gaming machines

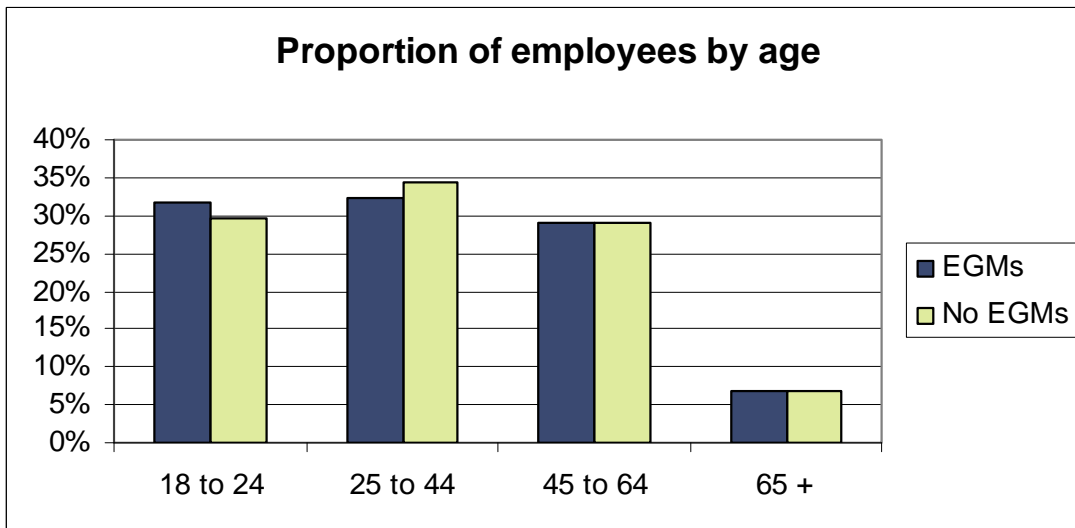




Australian hotels employ an equal number of men and women.

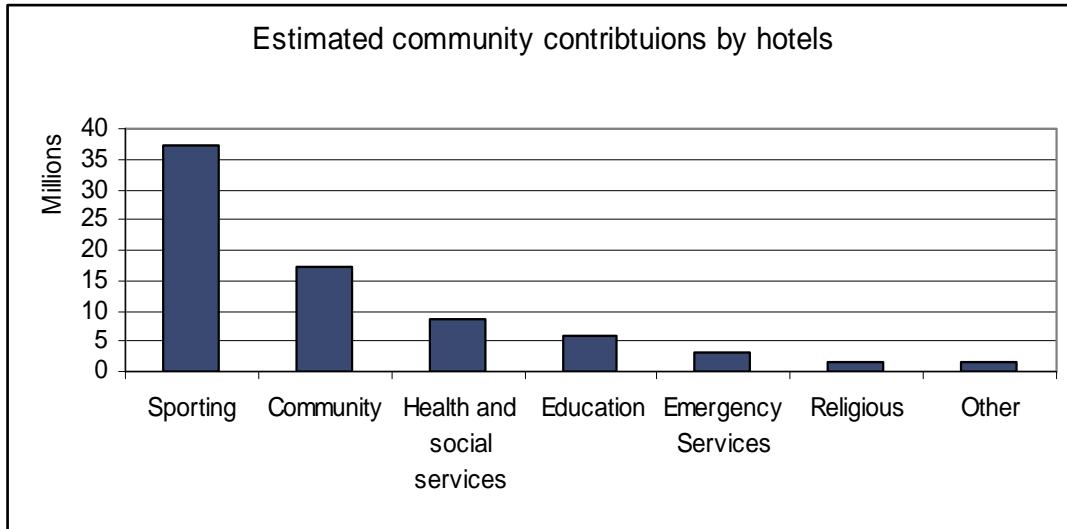


And all ages ....



## Community Contribution

Sporting and community groups receive an estimated \$75 million each year from Australian hotels.

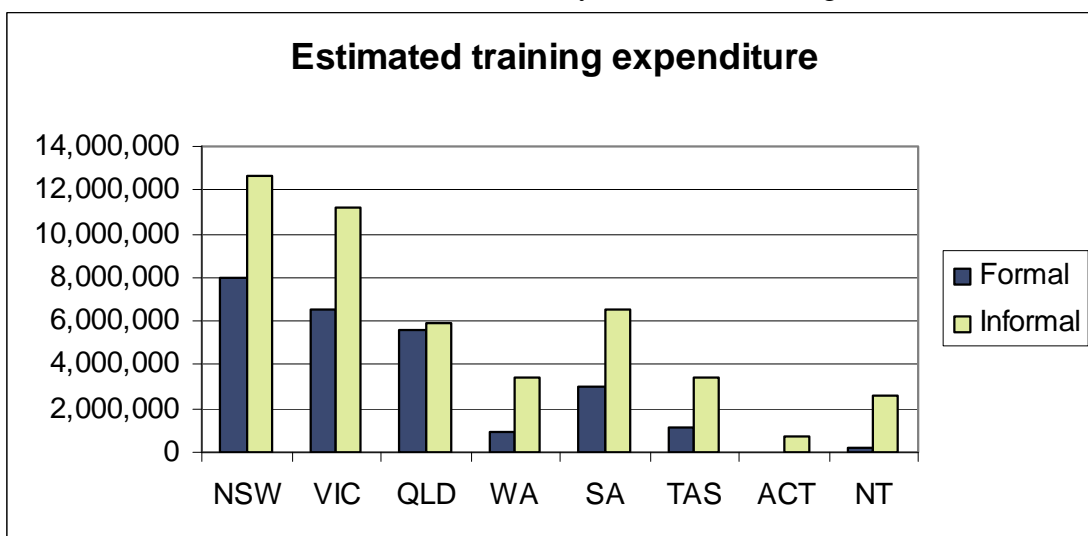


Each year Australian hotels provide support to:

- 20,597 sporting teams
- 18,209 community groups
- 6,165 health and social service organisations
- 8,015 educational organisations
- 2,568 emergency service organisations
- 1,099 religious groups
- 1,450 other organisations

## Training

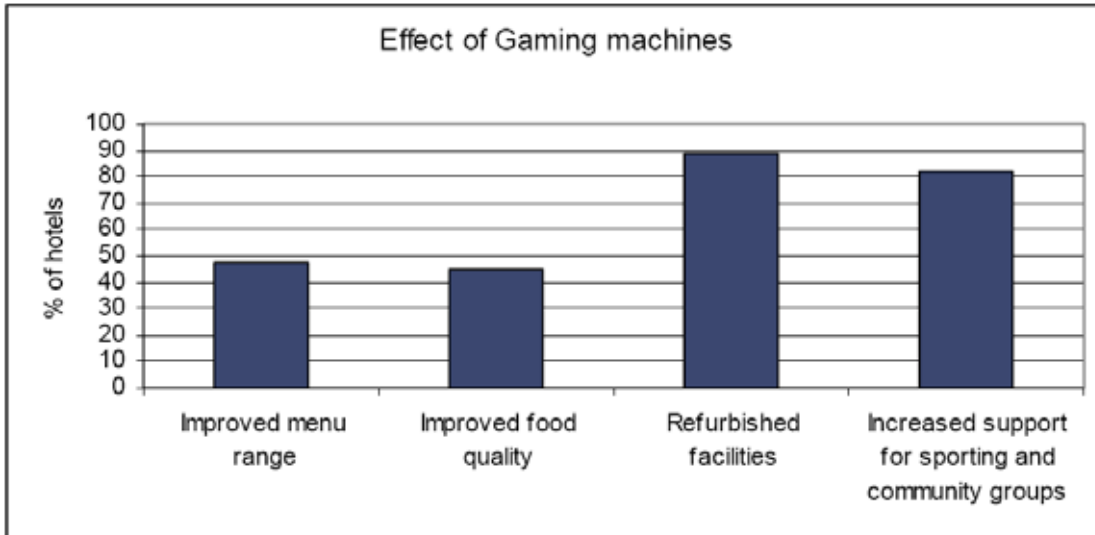
Hotels commit an estimated \$72 million each year to staff training.



## Impact of gaming machines

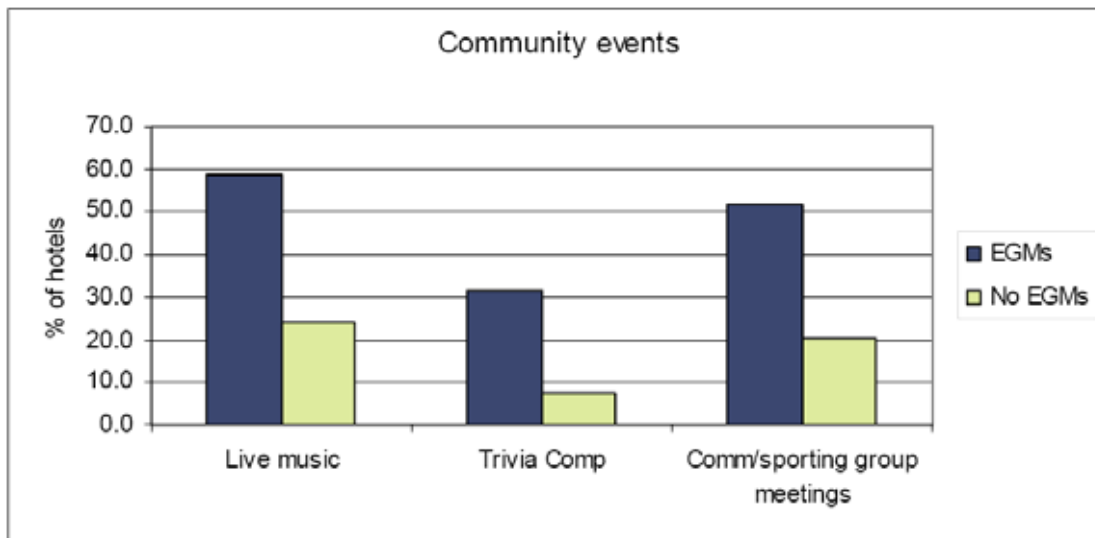
### Food, Facilities & Community

The introduction of gaming machines has allowed the hotel industry to make many positive changes.



### Live Music & Sport

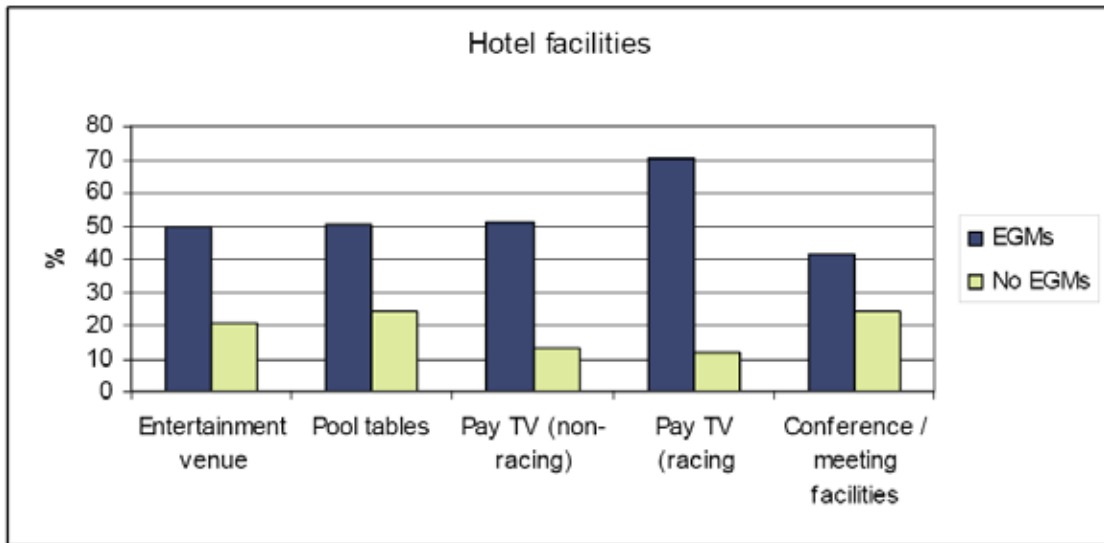
Hotels with gaming machines are more likely to host live music & other community events.



It is estimated each year the hotel industry hosts

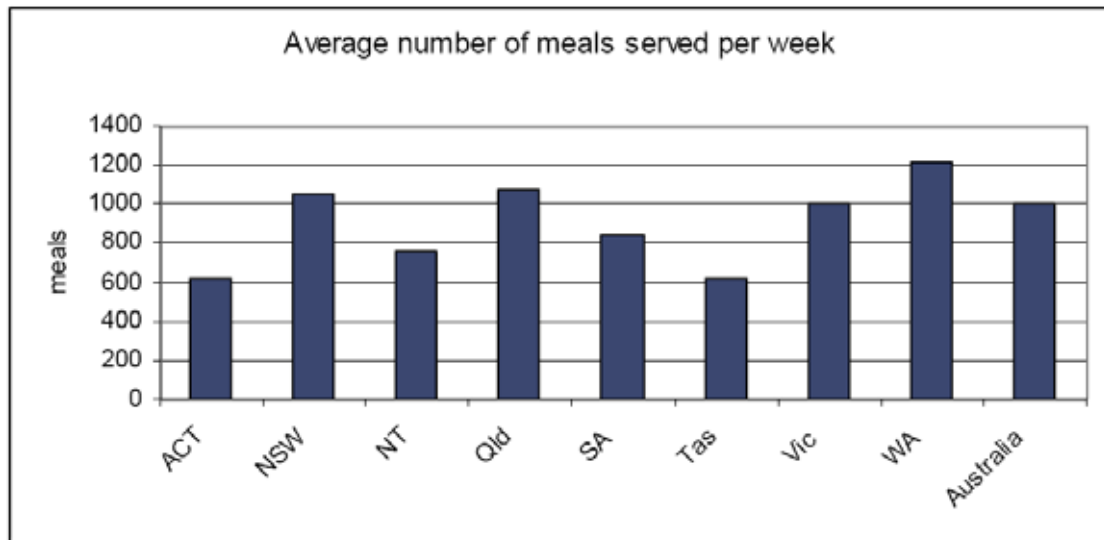
- 249,819 live music performances
- 71,556 trivia competitions
- 122,904 meetings of local sporting and community organisations

Hotels with gaming machines provide additional services to patrons



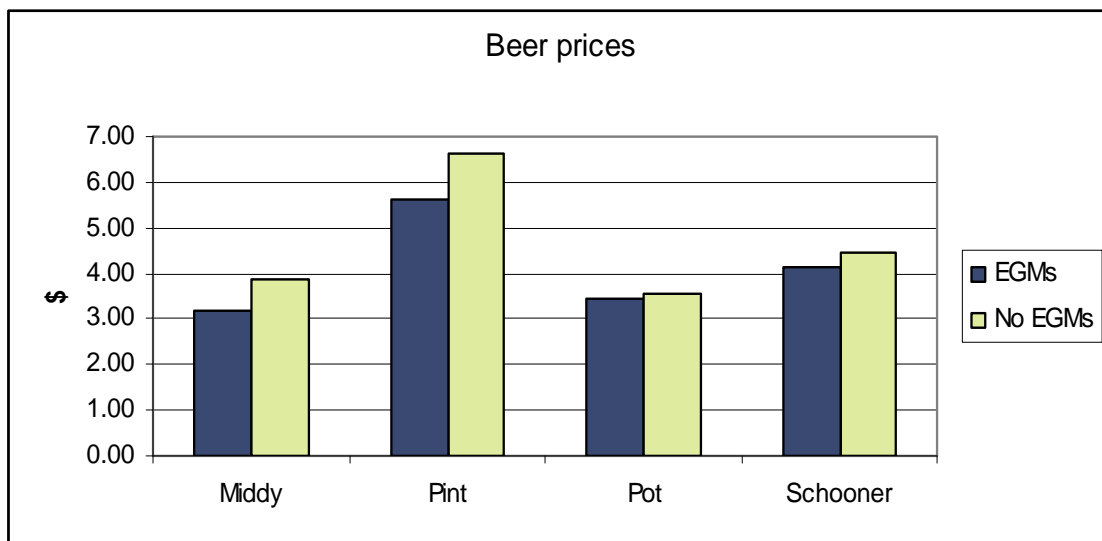
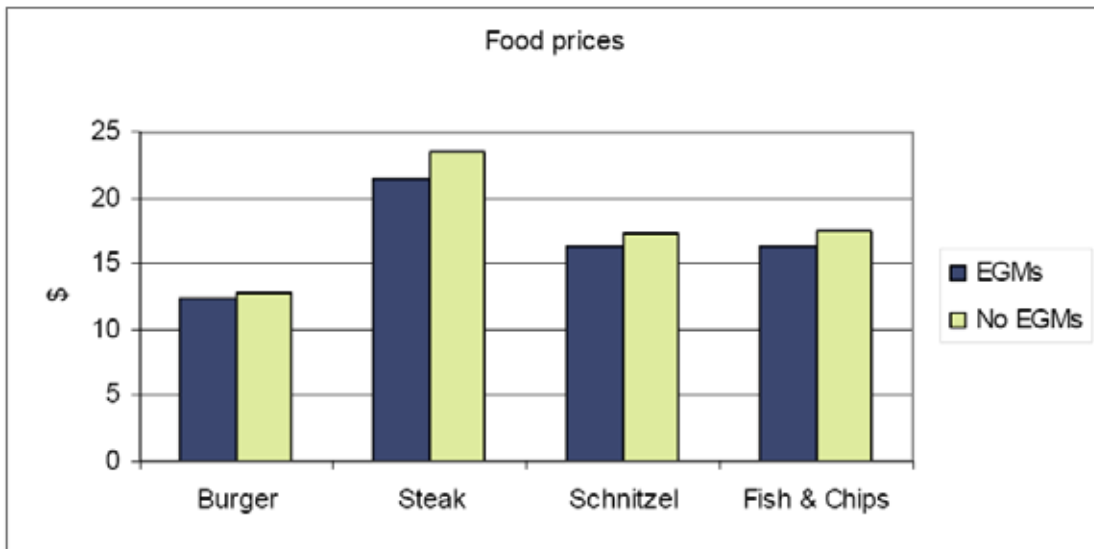
**Hotels serve 3.6 million meals per year**

The average Australian hotel prepares and serves around 1,000 meals per week. This equates to around 3.6 meals each year nationwide.



## Cheaper Food & Beverages

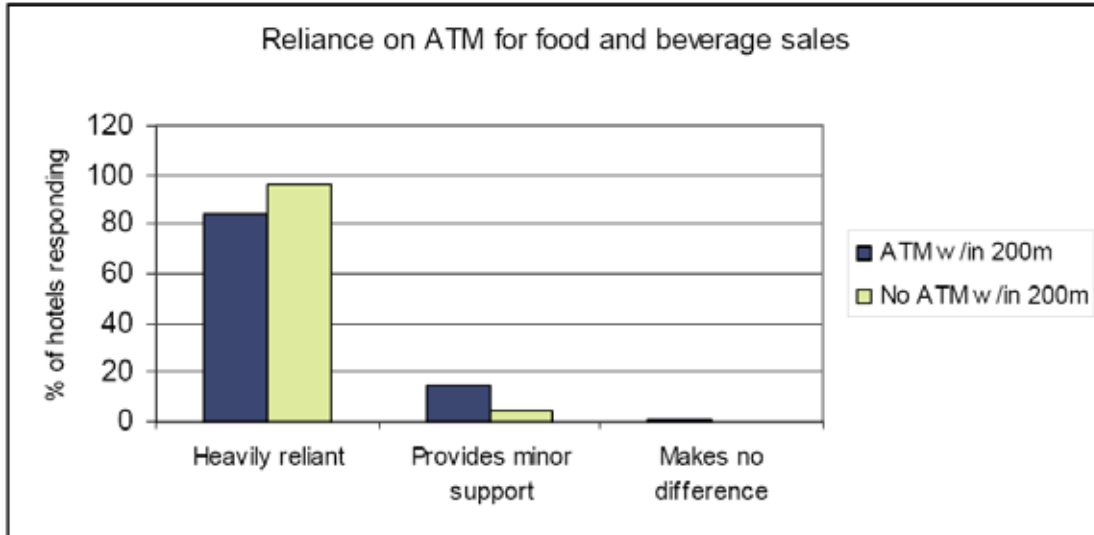
Food & beverages are cheaper in hotels with gaming machines.



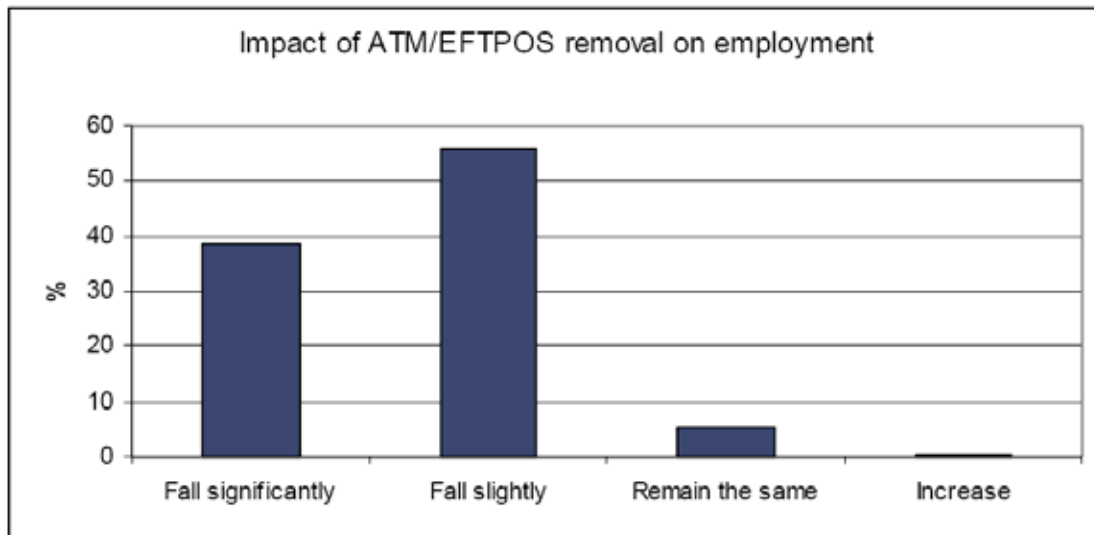
## ATMs

Australian hotels are heavily reliant on ATMs for food and beverage sales.

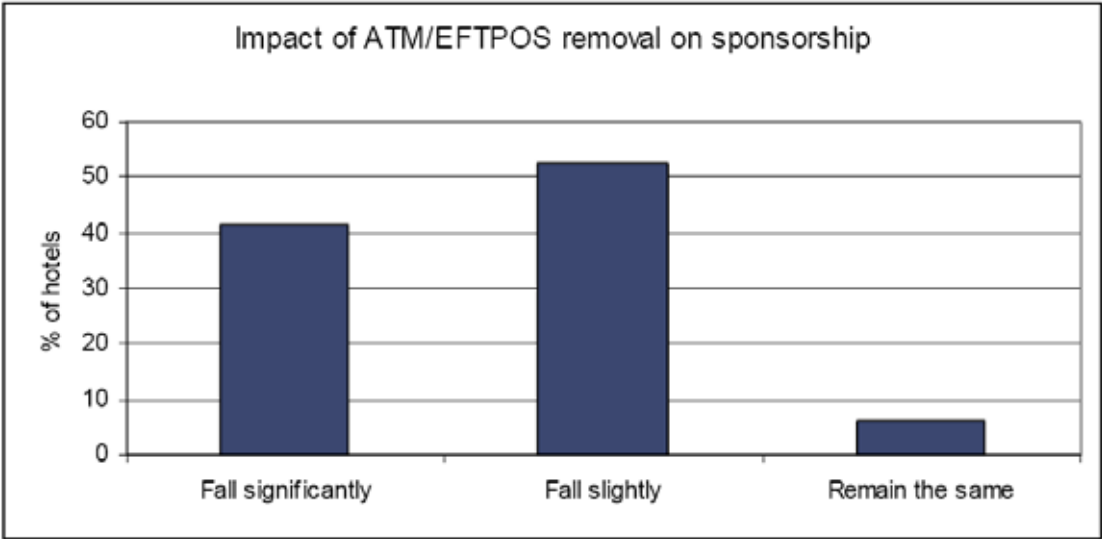
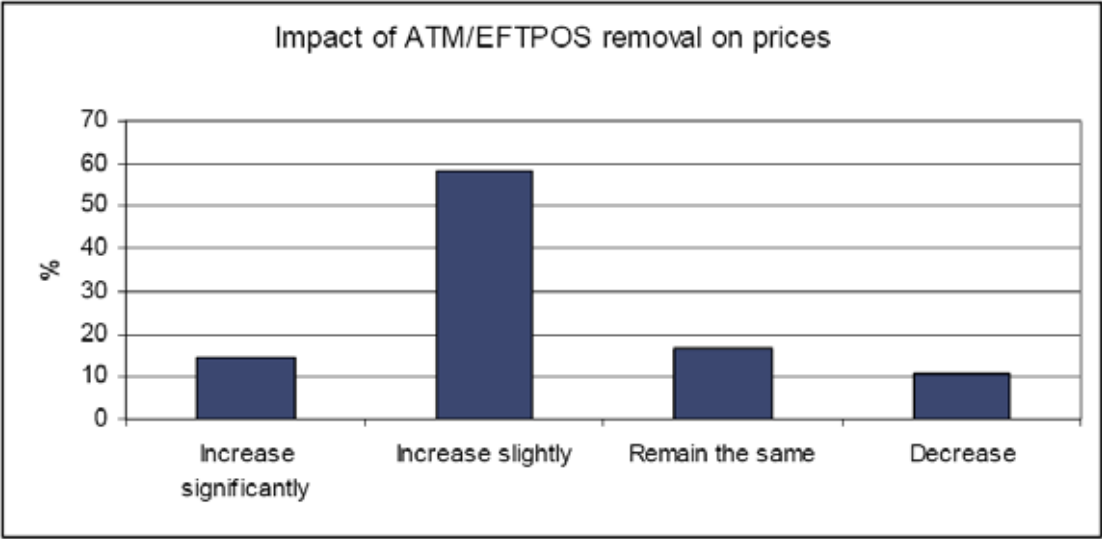
PricewaterhouseCoopers found there is a “weak and uncertain link between ATM withdrawals and gaming expenditure.”<sup>4</sup>



Removing ATMs from hotels will cause jobs to be lost, food and drink prices to increase and a reduction in sponsorship

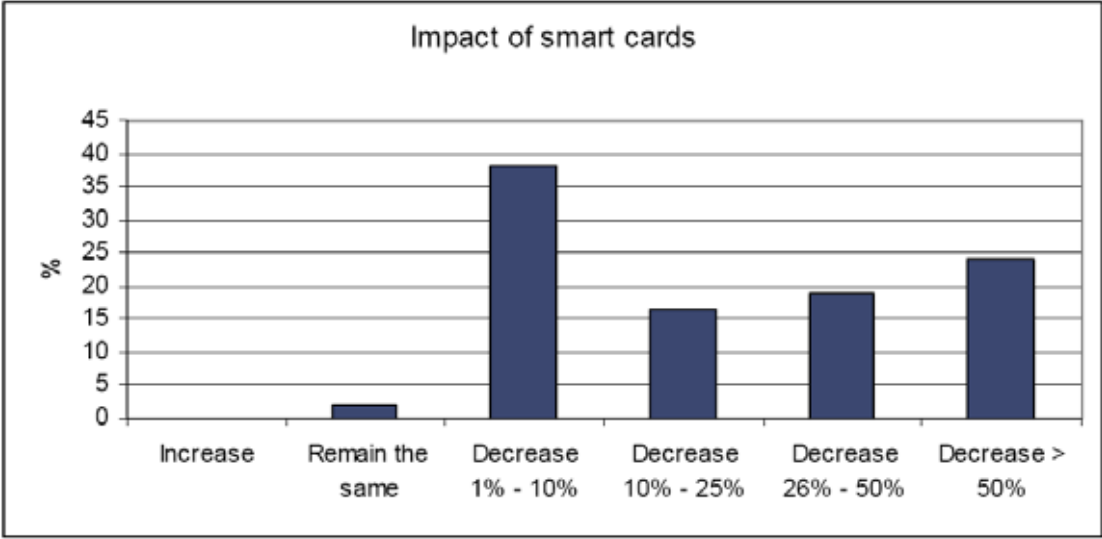


<sup>4</sup> PricewaterhouseCoopers Report (2009), Australian Hotels: More than just a drink and a flutter. An overview of the Australian hotel industry. Page iv

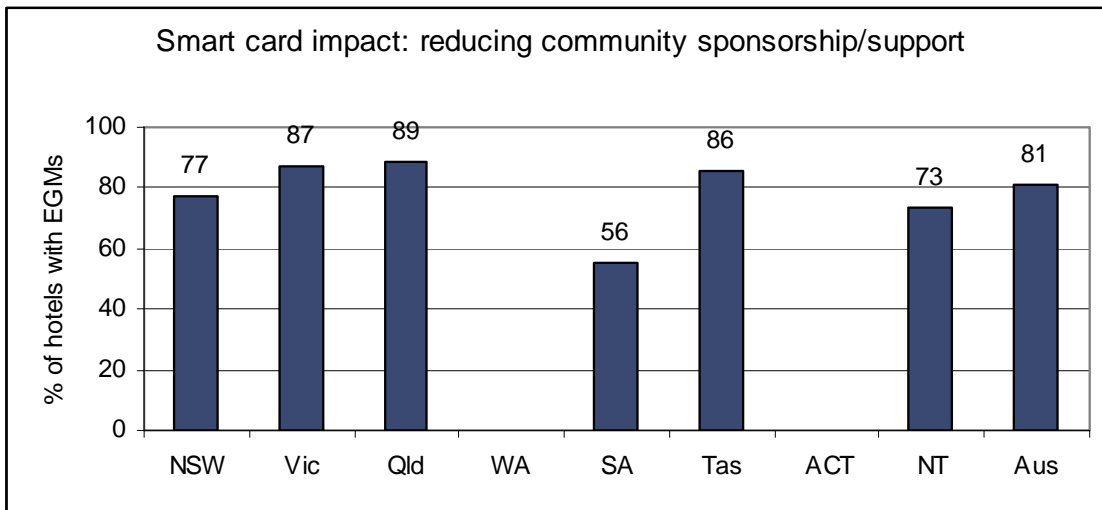
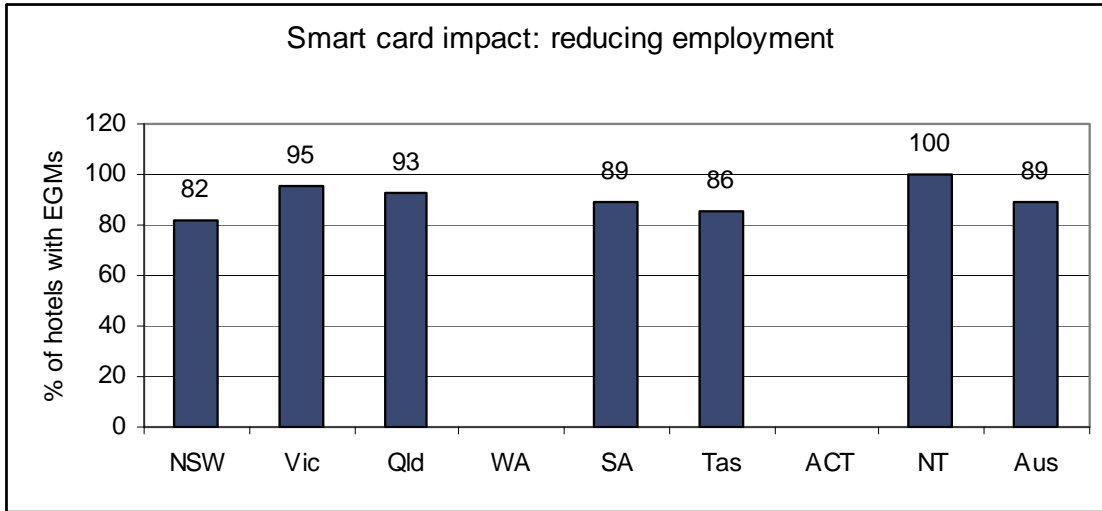


**Technology based pre-commitment**

The introduction of mandatory pre-commitment technology is expected to have a devastating impact on hotel industry gaming revenue.



The mandatory introduction of smart cards is also expected to reduce hotel employment and community support.



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<sup>5</sup> Note all statistics and tables in this section have been sourced from PricewaterhouseCoopers Report (2009), *Australian Hotels: More than just a drink and a flutter. An overview of the Australian hotel industry.*



## Gambling In Australia

“Gambling in Australia is a social activity that has been with us for a long time and will continue..... We know that prohibition does not work, that it can encourage organised crime or result in problem gambling and other issues slipping under the table and people not getting the services they need.”<sup>6</sup>

When the Productivity Commission released its original report, the Australian gambling landscape was very different to today. This fact is highlighted in the Productivity Commission’s second key finding that gambling was a “rapidly growing business in Australia”<sup>7</sup> in 1999.

In 2009 that growth is long gone, with gaming expenditure over recent years barely keeping pace with inflation.

Since the release of the 1999 Productivity Commission Report, industry along with all States & Territories, have worked hard to create a culture of responsibility. Many improvements have been made and a wide range of harm minimisation measures have been introduced.

The Productivity Commission’s recent ‘*A National Snapshot of Harm Minimisation Strategies*’ recognised the many responsible gambling initiatives introduced throughout Australia in recent years, such as:

- A ban on accessing credit to gamble
- A ban of 24 hour gaming in hotels
- Staff are trained in responsible gambling
- ATMs and EFTPOS facilities are not permitted in gaming areas
- Caps on gaming machines
- Display of odds to players
- Warnings on machines
- Compulsory self- exclusion schemes
- Well funded treatment services
- Display of clocks
- Social Impact Assessment for gaming machine increases to gauge the impact of increased gaming activity on a local community
- Gambling awareness week
- 24/7 online counselling
- A national 1800 helpline

In 2009 it is clear the Australian gambling market is considerably more responsible and mature than it was in 1999.

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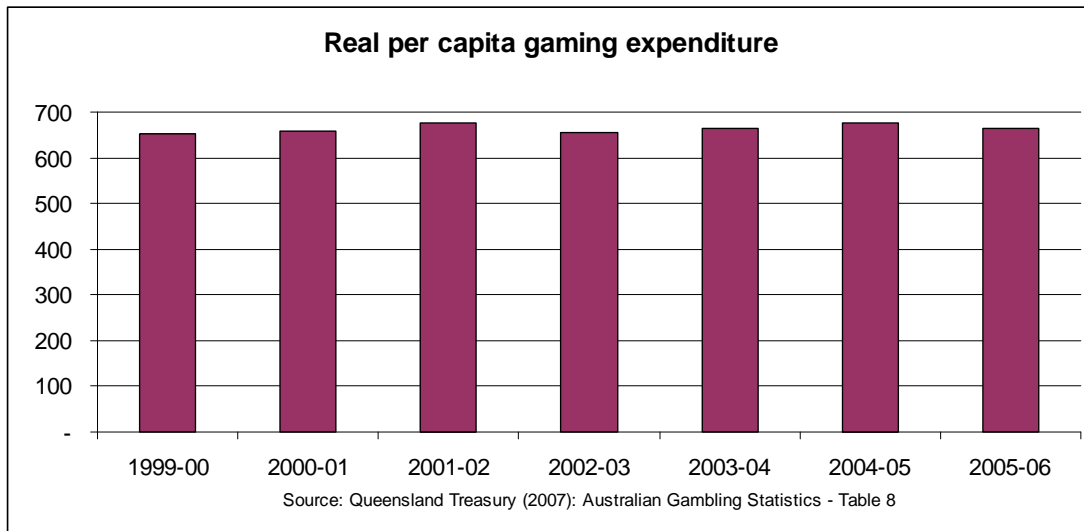
<sup>6</sup> West, G. NSW Minister for Gaming & Racing, NSW Problem Gambling Roundtable, 17 July 2008.

<sup>7</sup> Productivity Commission, Australia’s Gambling Industries, Inquiry Report, November 1999, p2

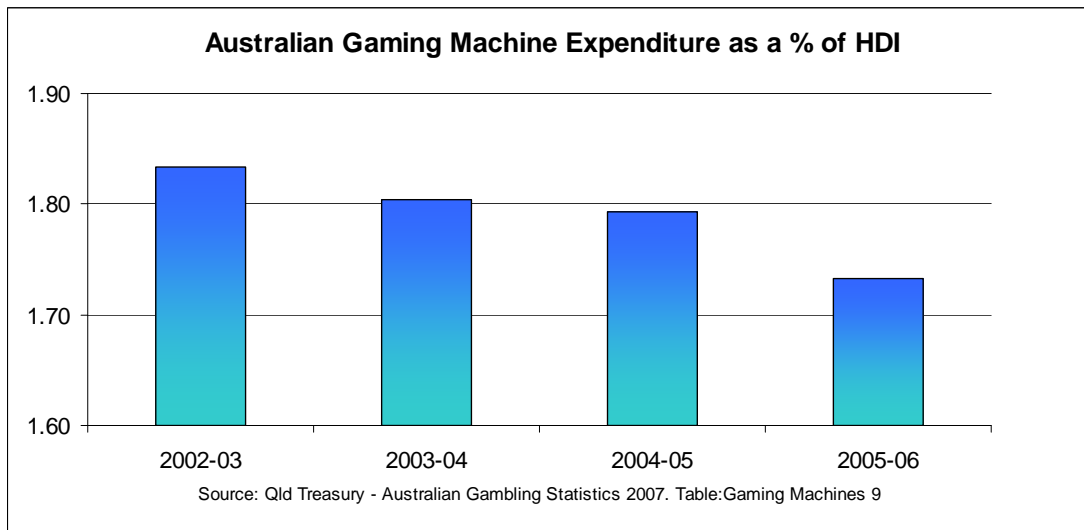
Real per capita gaming expenditure is stable, gaming machine numbers are frozen or in decline, gaming expenditure<sup>8</sup> as a percentage of HDI has been falling for a number of years and fewer Australians are gambling.<sup>9</sup>

All indicators point to continued subdued gaming growth in the foreseeable future.

Queensland Treasury's Australian Gambling Statistics confirm Australian real per capita gaming machine expenditure has remained stable since the 1999 Productivity Commission Inquiry into Gambling, with expenditure falling slightly since 2001/02 (see table below)<sup>10</sup>



Further, both gambling expenditure and gaming machine expenditure as a percentage of Household Disposable Income (HDI) has been falling for a number of years.<sup>11</sup>



<sup>8</sup> Note: when examining gaming data, the AHA supports the view taken by the Productivity Commission in 1999 that overall player loss and not turnover is the most appropriate measure of expenditure

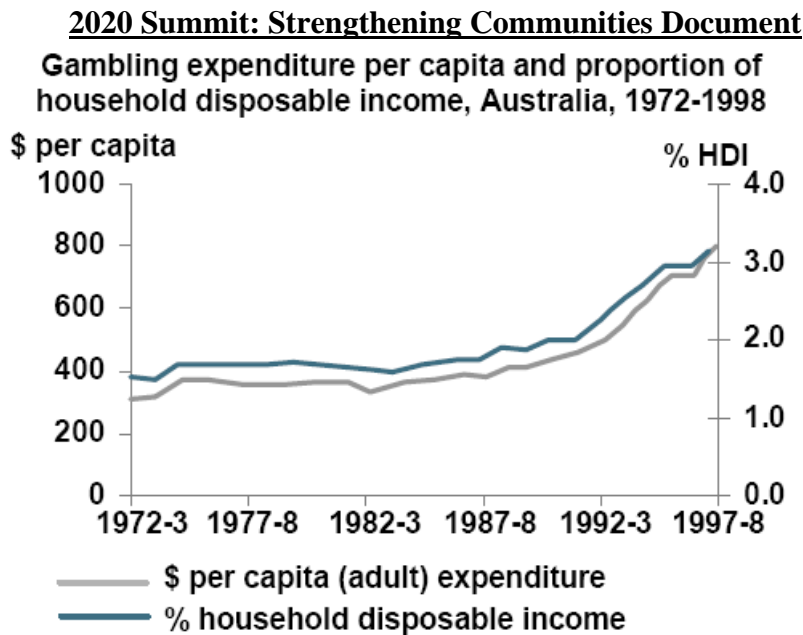
<sup>9</sup> Qld Treasury - Australian Gambling Statistics 2007 and Roy Morgan Research (2008).

<sup>10</sup> Qld Treasury - Australian Gambling Statistics 2007. Table Gaming Machines 8

<sup>11</sup> Qld Treasury - Australian Gambling Statistics 2007. Table Gaming Machines 9

As these Australian Gambling Statistics are widely available and represent the most reputable gambling data, it is extremely disappointing the authors of last year's Commonwealth Government's 2020 Communities Document<sup>12</sup> chose to publish data that is a decade old.

As can be seen in the table below, the information published by the Commonwealth Government did not include data beyond 1997/98, allowing the chart to show an upward trend in gambling expenditure as a proportion of HDI.



Had they included more recent data, the chart would have revealed a very different trend, showing gambling expenditure as a proportion of HDI had actually fallen over recent years, as shown below.<sup>13</sup>

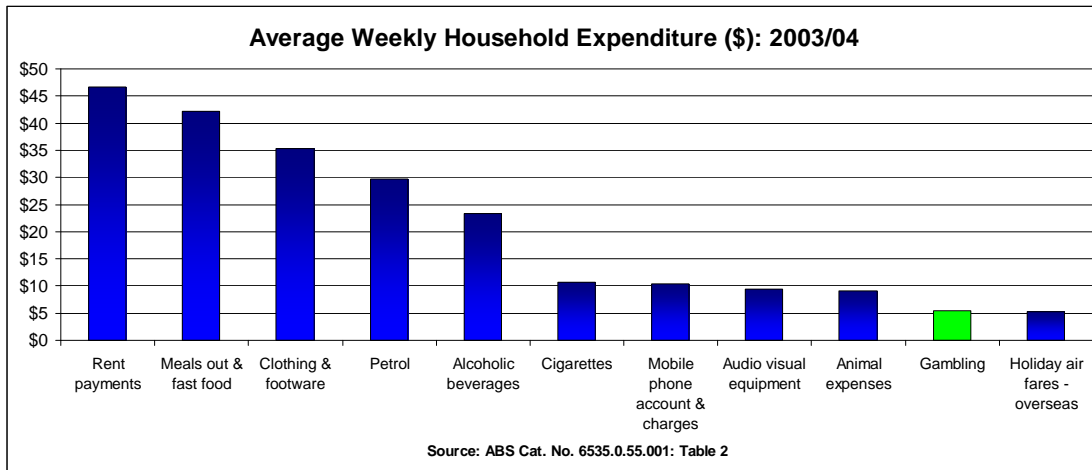


<sup>12</sup> Australia 2020 Summit. Strengthening Communities, Supporting Families and Social Inclusion (2008) p16

<sup>13</sup> Qld Treasury - Australian Gambling Statistics 2007. Table All Gambling 9

Unfortunately this type of selective and out-of-date data is usually seized upon by the anti gambling lobby and sections of the media to generate the headline that gambling expenditure is ‘out-of-control’ - when in fact this is clearly not the case.

Further, Australian Bureau of Statistics (ABS) data reveals gambling only represents a minor portion of household expenditure.



### Issues Paper – Gaming share of gambling

Figure 3 in Productivity Commission’s 2008 Issues Paper, compares expenditure of the main types of gambling between 1997/98 and 2005/06. The charts show the share attributed to gaming machines has grown from 52% to 59% over the period.

It is firstly important to note these 2005/06 figures are unlikely to capture gambling data related to the recent explosion in popularity of the Northern Territory based Corporate Bookmakers and also the rapid growth in internet gambling by Australians.

These ‘new’ forms of gambling aggressively advertise their product. This is not the case with gaming machines.

Many Australians enjoy the entertainment value of gaming machines and choose to spend a portion of their recreation time at their local pub or club. In terms of player returns, gaming machines offer a superior return than most other forms of gambling.

The table below shows comparative returns to player in NSW<sup>14</sup>:

Gaming Machines	91.1%
TAB	85.4%
Keno	75.2%
Lotteries	61.1%
Instant Lotteries	58.8%
Lotto	55.9%
Pools	46.4%

<sup>14</sup> Clubs Australia (2008). Problem Gambling in Australia - A way forward.

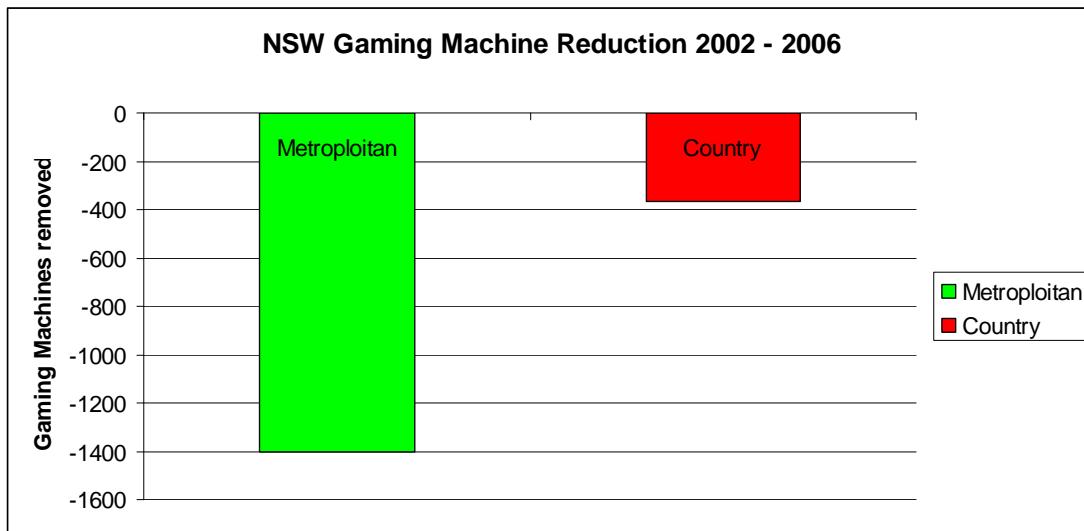
## Country v City reallocation

In 2007, the Chairman of the Productivity Commission commented that

“the maintenance of real per capita spending in NSW, despite some contraction in machine numbers, may reflect the reallocation of machines to pubs in ‘bigger spending’ locations (eg from country to city).”<sup>15</sup>

Recent NSW Office of Liquor, Gaming & Racing data has shown that gaming machines in NSW have not, on the whole, relocated from NSW country regions to Sydney.

In fact, between 2002 and 2006 three times as many gaming machines were removed from city venues than country venues (1,402 v 368) as shown below.<sup>16</sup>

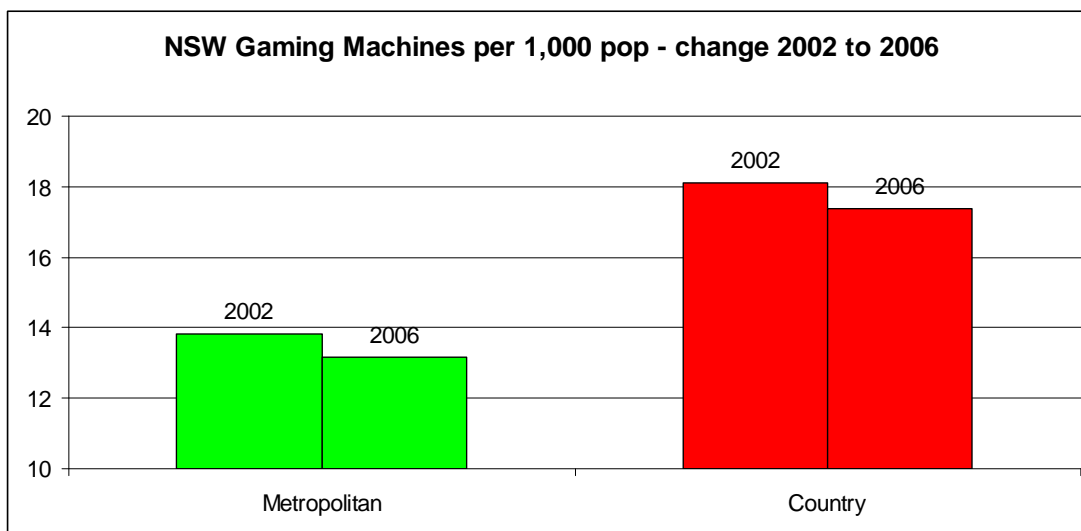


Further, the number of NSW gaming machines per 1,000 people in metropolitan areas also declined during this period and remains at levels substantially below those in country areas.<sup>17</sup>

<sup>15</sup> Banks, G. (2007) Speech - Gambling in Australia: Are we balancing the equation ? p18

<sup>16</sup> NSW Office of Liquor, Gaming & Racing (2007) Statutory Review of the Gaming Machines Act 2001, p36 Table 2

<sup>17</sup> NSW Office of Liquor, Gaming & Racing (2007) Statutory Review of the Gaming Machines Act 2001, p36 Table 2



### Gaming Machine Numbers

Recent data reveals gaming machine numbers are falling in Australia.

Machine freezes in States such as Queensland and Victoria and gaming machine forfeiture schemes in NSW and South Australia have led to the removal of thousands of gaming machines in recent years.

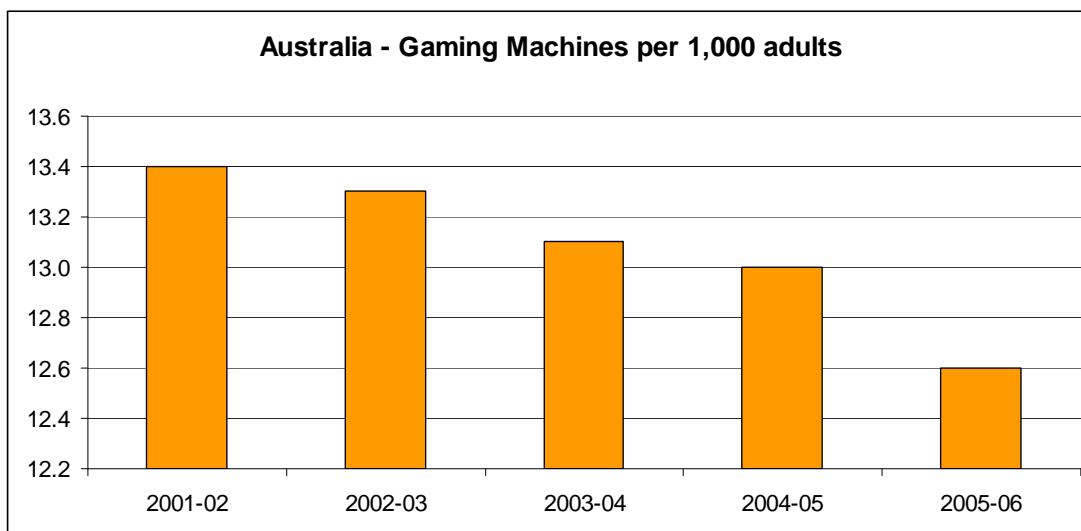
Total gaming machine per 1,000 adults is also falling. As can be seen in the table below, between 2001 and 2006 falls were recorded in NSW, Victoria and South Australia, while other States such as Queensland and the ACT remained flat.<sup>18</sup>

	NSW	Vic	Qld	SA	WA	Tas	ACT	NT
<b>2005-06</b>	19	7.5	14.4	11.1	1	9.9	20.4	12.6
<b>2004-05</b>	19.5	7.7	14.6	12.6	1	9.7	20.7	12.3
<b>2003-04</b>	19.7	7.8	14.5	13.2	0.9	9.5	20.2	11.3
<b>2002-03</b>	20	8	14.5	13.4	0.9	9.5	20.6	11.8
<b>2001-02</b>	20.5	8.1	14.3	13.3	0.9	9	20.4	10.7

In Australia, the number of gaming machines per 1,000 adults fell by 6% over this period.<sup>19</sup>

<sup>18</sup> Australasian Gaming Council (2008) Overview of the Gambling Industry table 1.3.9 page 1-13

<sup>19</sup> Australasian Gaming Council (2008) Overview of the Gambling Industry table 1.3.9 page 1-13



### Gambling Participation

More recently, a 2008 study by Roy Morgan Research found fewer Australians were gambling than in 2002.<sup>20</sup>

The study found the percentage of people gambling had fallen from 73% in 2002 to 66% in 2008. Further, the percentage of Australians using gaming machines had fallen from 32% to 27%, with the study also finding the frequency of gambling on poker machines had also declined.

The one area of gambling recording growth was internet gambling, with Roy Morgan Research finding

“Gambling participation and frequency has declined across all age, income and lifestyle groups, indicating a broad cultural and lifestyle change within Australia. People spend more leisure time on the internet and personal computers and less time on traditional leisure activities such as gambling.

The only good news for hotels, clubs and casinos is that more Australians are dining at the licensed premises, and that gambling is only one of many reasons for visiting a venue.”<sup>21</sup>

### Hotels, Gambling & International Tourism

In December 2005 the Commonwealth Department of Industry Tourism and Resources prepared an emerging markets tourism strategy<sup>22</sup> for the Minister for Small Business and Tourism.

<sup>20</sup> Roy Morgan Research (2008). Press Release, Article No. 755 – May 19, 2008 (note: figures compare the 12 months to December '02 and March '08)

<sup>21</sup> Ianniello, J. Roy Morgan Research International Director of Tourism, Travel & Leisure (2008). Press Release, Article No. 755 – May 19, 2008

<sup>22</sup> Department of Industry Tourism and Resources (2005), *China & India: Investing today for tomorrow*.

Tourism is a significant contributor to the Australian economy and the Australian tourism industry is heavily reliant on visitor arrivals from China. The Report forecast that China is set to become Australia’s largest source of visitor arrivals by 2017.

In terms of the most popular activities undertaken by Chinese visiting Australia, gambling featured prominently with 38% of all tourists visiting a casino during their stay.

The Report also recognised that over the past 15 years India has emerged as one of the fastest growing economies in the world. By 2025 India’s rank in terms of visitor arrivals to Australia is forecast to increase from 15<sup>th</sup> to 7<sup>th</sup>.

It is interesting to note that one of the most popular activities engaged in by visitors from India was “going to pubs, clubs & discos”.<sup>23</sup>

### One size does not fit all

Gambling has evolved very differently in each State & Territory.

It’s clear a ‘one size fits all’ approach to gambling regulation is not appropriate. Each State & Territory Government remains the most appropriate body to regulate gambling in their own jurisdiction.

According to the Australasian Gaming Council there are currently 5,845 businesses that provide opportunities for gambling on gaming machines. This number has fallen slightly since 2001 when the total number was 5,968.

The table below highlights the different gambling environments operating in each State & Territory. As can be seen, NSW has as many hotels with gaming machines as all other States & Territories combined. However it should be noted most of these hotels are small in terms of gaming, with 1,119 or around two thirds of all NSW hotels operating not more than 15 gaming machines.<sup>24</sup>

**Estimated number of venues with gaming machines in Australia by state/territory (2005-06)**<sup>25</sup>

<b>Total</b>	<b>Hotels</b>	<b>Casinos</b>	<b>Casinos</b>	<b>Total</b>
New South Wales	1,784	1,352	1	3,137
Victoria	249	274	1	524
Queensland	770	573	4	1,347
South Australia	499	79	1	579
Western Australia	na	na	1	1
Tasmania	94	10	2	106
Australian Capital Territory	14	65	0	79
Northern Territory	38	32	2	72

<sup>23</sup> Department of Industry Tourism and Resources (2005), *China & India: Investing today for tomorrow*. P10, 13 & 18

<sup>24</sup> NSW Office of Liquor, Gaming & Racing. NSW gaming data.

<sup>25</sup> Australasian Gambling Council (2008), Overview of the Gambling Industry. Table 1.3.1



With regard to the total number of gaming machines throughout Australia, the table below also shows significant differences between the jurisdictions.

#### Gaming machines in hotels throughout Australia (2005-06)<sup>26</sup>

Location	Hotels	Clubs	Casino(s)	Total	Hotels % of total gaming machines
New South Wales	24,053	74,273	1,500	99,826	24.09%
Victoria	13,657	13,490	2,500	29,647	46.06%
Queensland	18,556	22,024	3,593	44,173	42.00%
South Australia	11,003	1,595	850	13,448	81.81%
Western Australia	Nil	Nil	1,500	1,500	Nil
Tasmania	2,217	183	1,277	3,677	60.29%
Australian Capital Territory	84	5066	0	5,150	1.63%
Northern Territory	344	706	800	1,850	18.59%
<b>National Total</b>	<b>69,914</b>	<b>117,337</b>	<b>12,020</b>	<b>199,271</b>	<b>35.08%</b>

State & Territory Governments have also imposed different global and venue caps on gaming machines.

#### Gaming Machine Caps – Overview by State/Territory<sup>27</sup>

	Casino Cap		Global Cap		Cap on Club venues		Cap on hotel venues	
	1997-98	2005-06	1997-98	2005-06	1997-98	2005-06	1997-98	2005-06
<b>NSW</b>	1500	1500	Unlimited	Max 99,000 machines - clubs/hotels	Unlimited	450	30	30
<b>Vic</b>	2500	2500	Max 27,500 machines – clubs/hotels	Max 27,500 machines-clubs/hotels	105	105	105	105
<b>Qld</b>	No formal limit – any increase requires government approval		Unlimited	Unlimited	280	280	35	40
<b>WA</b>	Limit determinable by statutory formula – any increase requires government approval		No gaming machines permitted					
<b>SA</b>	Limit determinable by statutory formula – any increase requires government approval		Unlimited	40	40	40	40	40
<b>Tas</b>	Unlimited	Unlimited	-	Max 2,500 machines – clubs/hotels	25	40	15	30
<b>ACT</b>	No gaming machines permitted		Max 5200 allowed	Max 5200 allowed	Unlimited	-	13	10
<b>NT</b>	Unlimited	Unlimited	680	680	45	45	6	10

<sup>26</sup> Australasian Gambling Council (2008), Overview of the Gambling Industry. Table 1.3.7

<sup>27</sup> Australasian Gambling Council (2008), Overview of the Gambling Industry. Table 1.3.2

The history of gaming machines in each State & Territory is also vastly different as shown in the table below.<sup>28</sup> Of course, the Productivity Commission would be well aware gaming machines were operating illegally and unregulated in the years prior to formal Government approval.

	<b>Year legalised in Clubs</b>	<b>Year legalised in Hotels</b>
<b>NSW</b>	1956	1992
<b>Victoria</b>	1992	1992
<b>Queensland</b>	1992	1992
<b>South Australia</b>	1994	1994
<b>WA</b>		
<b>Tasmania</b>	1997	1997
<b>ACT</b>	1976	1988
<b>NT</b>	1996	1996

Finally, as recognised in the Productivity Commission’s Issues Paper, each State & Territory Government has introduced a range of specific gambling harm minimisation measures suited to their jurisdiction over the past decade.

As no two States and Territories are the same, the Productivity Commission must be mindful that any national gaming policy targeted at one jurisdiction is likely to have a different and unintended impact on other Australian jurisdictions.

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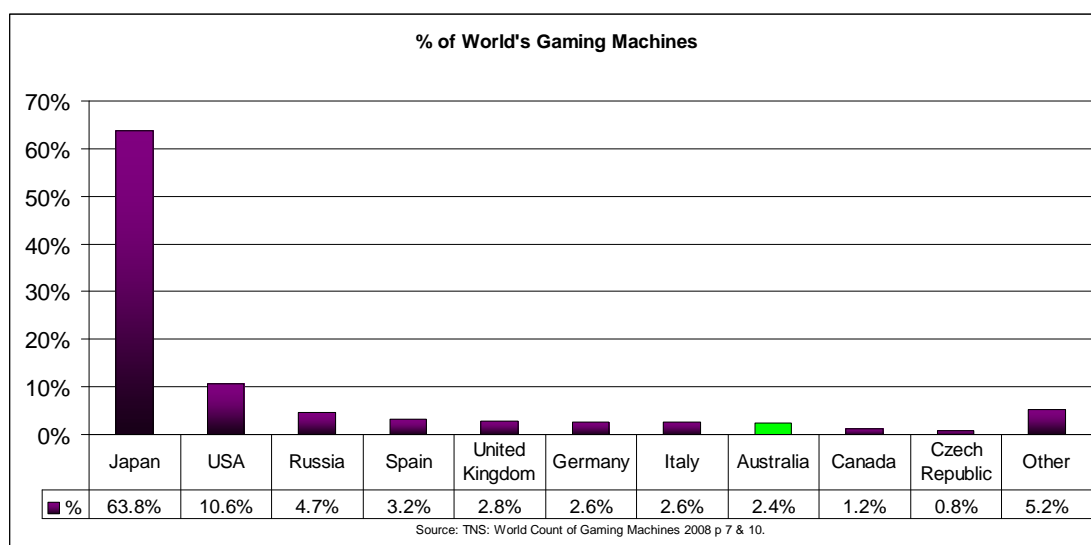
<sup>28</sup> Australasian Gambling Council (2008), Overview of the Gambling Industry. Table 1.3.8 & Table 1.3.6

## World share of gaming machines

The AHA supports the Productivity Commission’s 1999 finding that “what matters for policy, is not the proportion of machines that are in Australia”<sup>29</sup>.

However, the experience of the past decade has taught us that any total world gaming machine number released by the Productivity Commission will be widely quoted and often sensationalised by the media and anti gambling groups.

A recent study by Taylor Nelson Sofres PLC has estimated the world count of gaming machines at 7,678,528 with Australia accounting for 2.4% of this total.<sup>30</sup>



Japanese Pachinko and Pachislot machines are clearly comparable with Australian gaming machines in terms of intensity. In fact, from a harm minimisation perspective these machines are extremely dangerous because a degree of skill is involved, with many players adopting the ‘practice makes perfect’ approach where they are happy to accumulate losses while they develop their ‘skill’.

On visits to Japanese Pachinko halls, AHA staff have literally been forced to step over up to 20 gamblers queuing on the street, ready to secure their lucky machine at opening time.

Pachinko & Pachislot turnover in 2007 was Yen 28 trillion<sup>31</sup> or around \$400 billion Australian dollars. These figures further highlight the high intensity nature of these Japanese gaming machines.

It is therefore vitally important the Productivity Commission update its calculation of world gaming machines and include Japanese Pachinko & Pachislot machines. If the Productivity Commission does not, the same inflated figures will be quoted for the next 10 years.

<sup>29</sup> Productivity Commission, Australia's Gambling Industries, Inquiry Report, November 1999, p11

<sup>30</sup> Taylor Nelson Sofres PLC, World Count of Gaming Machines 2008, p7

<sup>31</sup> When, S. Macquarie Bank (2009) - Gaming Analyst

## State & Territory Reliance on Gaming

Australian hotels & clubs pay State & Territory Governments \$3 billion in gaming tax each year. This substantial level of taxation impacts heavily on the overall financial viability of the hotel & club industries.

In 1999 the Productivity Commission recognised this significant contribution when it noted “Gambling is more highly taxed than most activities.”<sup>32</sup>

While this statement is still correct, over recent years many commentators have been publicly critical of Australian State Government’s reliance on gaming machine revenue.

Closer examination of Treasury Budget Papers reveals a different story. As can be seen in the table below, hotel & club gaming machine revenue only represents around 2% of total State & Territory Government revenue.

<b>2008/09 Budget - \$M</b>								
	NSW	Vic	Q'land	Sth A	Tas	ACT	NT	Aust
<b>Gaming Revenue</b>	1,026	1,025	578	296	55	37	30	3,046
<b>Total Government Revenue</b>	47,882	37,810	36,582	13,255	4,131	3,318	3,778	146,756
	2.1%	2.7%	1.6%	2.2%	1.3%	1.1%	0.8%	2.1%

**Source: 2008/09 State & Territory Budget papers**  
 NSW - Budget Statement 2008/09 - Table 4.2 & 4.5. - (Hotel & Club Gaming devices)  
 Victoria - Chapters 3 & 4 - Table 3.1 & 4.2 (Electronic Gaming Machines)  
 Queensland – Budget strategy & outlook - Table 5.1 & 5.2. (Gaming Machine Tax)  
 South Australia - Table 3.5 & 3.6 (Gaming Machines)  
 Tasmania - Revenue & Expense Estimates - pg 4.1, Table 5.1 & Chart 5.5 (Video Gaming machines)  
 ACT - Budget Paper No.3 - Table 3.1.2 and table 3.1.3 (Gaming Tax)  
 Northern Territory - Fiscal Position & Outlook - pg 16 & Table 6.6 (Community Gaming machines)

While 2% of revenue is clearly important to each State & Territory, especially in today’s economic environment, there are many other more significant sources of revenue for each jurisdiction.

Unfortunately a much higher figure than 2% is incorrectly quoted in the media by the anti gambling spokespeople who selectively quote figures that include all other forms of gambling. This is misleading because these anti gambling groups are only lobbying for the removal of gaming machines, but deliberately quote inflated figures that also include all other gambling taxation revenue generated by lotteries, the TAB and Keno sales.

It is also important to acknowledge the intention behind recent gaming machine freeze and reduction schemes introduced by Australian State Governments. These schemes effectively reduce Government taxation revenue, as fewer machines are in operation.

<sup>32</sup> Productivity Commission, Australia's Gambling Industries, Inquiry Report, November 1999, 19.1

In NSW, Australia's largest gaming machine market, the Government's gaming machine forfeiture system is now well established.

In summary, Clubs & Hotels are able to buy and sell gaming machines. For every three gaming machines sold, the purchaser receives two gaming machines, with the third gaming machine forfeited to the Government.

Under the scheme, around 5,000 gaming machines have been removed from operation.

Recognising the benefits associated with trading and forfeiture, the NSW Government recently included an additional Object of the NSW Gaming Machines Act:

“to provide for an on-going reduction in the number of gaming machines in the State by means of the tradeable poker machine entitlement scheme.”<sup>33</sup>

An additional feature of the new legislation is the removal of red tape which has allowed the NSW Government to set a target to remove a further 3,000 gaming machines through forfeiture over the next five years.<sup>34</sup>

Further, the NSW Government recently introduced a new gaming machine trading scheme specifically designed to prevent additional gaming machines moving to local government areas that have high levels of gaming machine density, high levels of EGM expenditure and a low socio economic profile.

These are all initiatives expected to reduce government gaming revenue.

The bottom line is that if the NSW Government was 'addicted' to gaming revenue they would not have reduced gaming machine numbers by 5,000, established a regulatory framework that will see EGMs fall by a further 3,000 over the next five years and prevented new machines operating in high expenditure areas.

In South Australia the Government has taken similar steps.

In 2005 the South Australian State Government implemented recommendations made by the Independent Gambling Authority to remove a significant proportion of gaming machines from operation. This initiative has seen total South Australian gaming machines numbers fall by over 2,000.

As is the case in NSW, this decision by the South Australian Government had the effect of reducing, rather than increasing taxation revenue.

In other States, gaming machines freezes have had a similar impact on gaming taxation revenue.

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<sup>33</sup> NSW Gaming Machines Act 2001 No 127, 3 (1) (e)

<sup>34</sup> Greene, K. NSW Minister for Gaming & Racing, media release, 28 October 2008.

## National measure of Problem Gambling

Over the past 5 years most Australian State Governments have commissioned gambling prevalence studies with results indicating ten years worth of harm minimisation initiatives have had a positive impact.

The table below shows the average rate of problem gambling in Australia is 0.73%.

Recent State & Territory prevalence studies, using the CPGI account for 88% of the Australian adult population (14.5 million / 16.4 million), with only Western Australia and the ACT not undertaking a study in the past 6 years.

<b>Problem Gambling - Australian States</b>					
<b>State</b>	<b>Prob Gambling Rate</b>	<b>Adult pop</b>	<b>Adult Prob Gamblers</b>	<b>Survey Size</b>	<b>Year</b>
NSW	0.80%	5,353,527	42,828	5,026	2006
Queensland	0.47%	3,236,595	15,212	30,000	2007
South Australia	0.40%	1,249,137	4,997	17,000	2005
Tasmania	0.54%	380,260	2,053	4,051	2007
Northern Territory	0.64%	157,751	1,010	1,873	2005
Victoria	0.97%	4,092,349	39,696	8,479	2003
<b>Total</b>	<b>0.73%</b>	<b>14,469,619</b>	<b>105,796</b>		

Note: Canadian Problem Gambling Index used - scores of 8+ indicate problem gamblers

Source: ABS 3201.0 - Population by Age and Sex, Australian States and Territories, Jun 2008

The AHA notes the difference between the Canadian Problem Gambling Index and the older and the now questionable SOGS method used by the Productivity Commission in 1999. We do not make direct comparisons between problem gambling rates generated using different screens.

However, in terms of available screens, today there is overwhelming support for the Canadian Problem Gambling Index over other screens, a fact consistently backed by recent independent research:

“Overall the CPGI demonstrated the best measurement properties of all three gambling instruments investigated by this study (CPGI, SOGS & VGS)”<sup>35</sup>

“On this research, the CPGI out-performed other screens”<sup>36</sup>

The 2003 Victorian gambling survey of 8,749 adults used three screens, SOGS, CPGI & the VGS with each regular gambler randomly administered only one of the screens. The study found:

<sup>35</sup> Wenzel, McMillen, Marshall & Ahmed (2004) Validation of the Victorian Gambling Screen. P12

<sup>36</sup> Wenzel, McMillen, Marshall & Ahmed (2004) Validation of the Victorian Gambling Screen. P3

“On the basis of this research the CPGI was found to be the superior screen and demonstrated the best measurement properties of all three problem gambling instruments (SOGS, SPGI & VGS) examined in the study. This finding subsequently has been confirmed by a national review of research on problem gambling measures.”<sup>37</sup>

Independent research has also identified SOGS as a flawed measure of problem gambling.

“SOGS was never designed to be used in prevalence studies, in which context it may produce an excessive number of false positive classifications”<sup>38</sup>

“SOGS was soon found to over-diagnose problem gambling”<sup>39</sup>

“The results of our validation tests for SOGS indicate that it is an unsatisfactory instrument to measure the prevalence of problem gambling in the general population. We recommend that the SOGS be replaced as the screen of choice in future Victorian and Australian population surveys.”<sup>40</sup>

“(SOGS) does not appear to capture all of the behaviours thought to be indicative of problem gamblers.”<sup>41</sup>

“it is conceivable that a person who used to be a problem gambler, but had not gambled for years, would still be classified as a problem gambler (using SOGS).”<sup>42</sup>

There is now overwhelming academic and State Government support for the CPGI as the most appropriate available measure of problem gambling in Australia.

In 1999 SOGS was the most respected and widely used screen to measure problem gambling, however it is clear that today the CPGI is an improved, more accurate and academically accepted screen.

In 2009 there is no reason to again use SOGS as it will only allow us to compare new flawed data with old flawed data.

### **Australian problem gamblers – 119,785 adults**

The AHA supports the Productivity Commission’s view that the focus should not be on the total number or percentage of adult problem gamblers. Instead, every effort should be made to prevent Australians developing problems with their gambling and also to provide treatment to those who encounter problems.

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<sup>37</sup> McMillen & Wenzel (2006) Measuring Problem Gambling: Assessment of Three Prevalence Screens. Published in International Gambling Studies, Vol 6, No. 2 Nov 2006 p167

<sup>38</sup> Neal, P., Delfabbro, P. & O’Neill, M (2005) Problem Gambling and Harm: Towards a National Definition, The SA Centre for Economic Studies with the Department of Psychology, University of Adelaide p78

<sup>39</sup> Delfabbro (2007). Australasian Gambling Review p56.

<sup>40</sup> Wenzel, McMillen, Marshall & Ahmed (2004) Validation of the Victorian Gambling Screen. P12

<sup>41</sup> Delfabbro (2007). Australasian Gambling Review p57

<sup>42</sup> Delfabbro (2007). Australasian Gambling Review p57

However, it is still of interest and use to quantify the extent of problem gambling in Australia.

As noted earlier, only Western Australia and the ACT have not conducted gambling prevalence studies in the past 6 years. If estimates are made for these two jurisdictions using the national average problem gambling rate of 0.73%, the total number of Australian problem gamblers is 119,785 adults. (see table below)

This equates to 1 in every 136 Australian adults.

Importantly, it is appropriate to make this nationwide comparison as all States & Territories have used a common screen, the CPGI.

<b>Problem Gambling - Australian States</b>					
<b>State</b>	<b>Prob Gambling Rate</b>	<b>Adult pop</b>	<b>Adult Prob Gamblers</b>	<b>Survey Size</b>	<b>Year</b>
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Tasmania	0.54%	380,260	2,053	4,051	2007
Northern Territory	0.64%	157,751	1,010	1,873	2005
Victoria	0.97%	4,092,349	39,696	8,479	2003
Western Australia	0.73%	1,646,481	12,038	estimate as no survey	
ACT	0.73%	266,828	1,951	estimate as no survey	
<b>Australia</b>	<b>0.73%</b>	<b>16,382,928</b>	<b>119,785</b>		

Note: Canadian Problem Gambling Index used - scores of 8+ indicate problem gamblers

Source: ABS 3201.0 - Population by Age and Sex, Australian States and Territories, Jun 2008

While we acknowledge comparisons cannot be made with prevalence rates and total problem gambling numbers produced using SOGS, it is of interest to note that in 1999 the Productivity Commission found “around 293,000 adults (or 2.1% of the adult Australian population) have significant problems associated with gambling”.<sup>43</sup>

At worst, this new figure of 119,785 problem gamblers indicates a downward trend in the rate of problem gambling in Australia and highlights the success of the many prevention and harm minimisation measures introduced by regulators and industry over the past decade.

<sup>43</sup> Productivity Commission, Australia's Gambling Industries, Inquiry Report, November 1999, p6.45

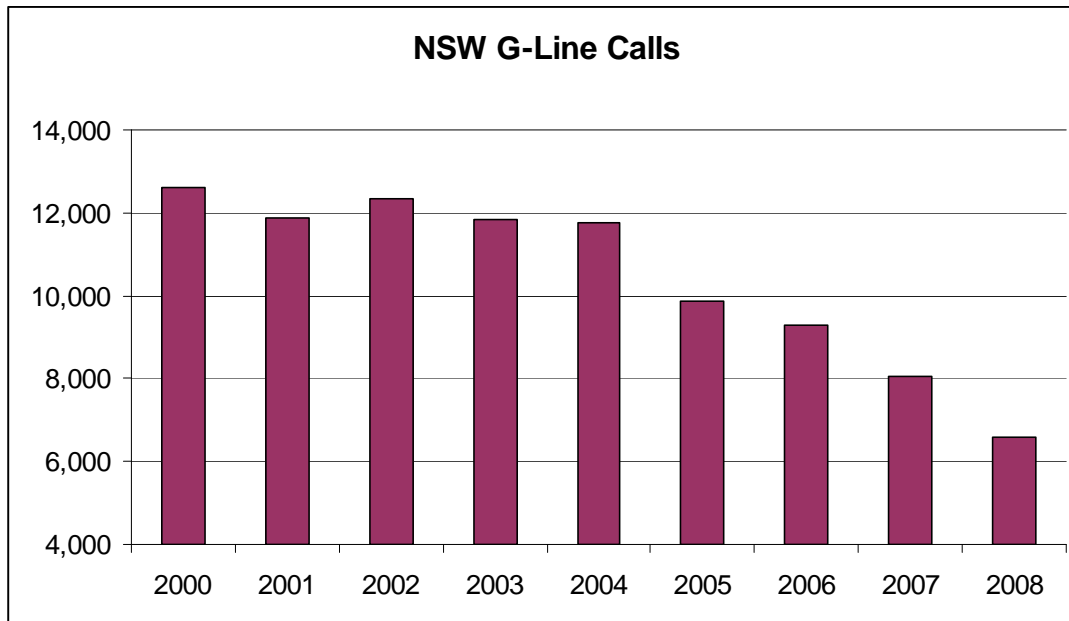


## G-Line calls down = problem gambling down ?

It is also of interest to note the recently released G-Line call figures<sup>44</sup>.

As can be seen in the chart below, total calls to G-Line have fallen significantly over recent years. Calls even continued to drop during the NSW Government's \$1.8 million 'Gambling Hangover' media campaign<sup>45</sup> in 2008.

The reason or reasons for this decline have not been fully examined, however it may reflect the fact there are now fewer problem gamblers requiring help.



## Problem Gamblers

While attention and resources need to be directed towards the 'at risk' group of gamblers, it is critically important to distinguish between those who are problem gamblers and those who are at risk of becoming problem gamblers.

The Productivity Commission needs to make this distinction when arriving at a rate of problem gambling or the number of problem gamblers.

It is not appropriate to group 'at risk' gamblers and 'problem' gamblers as they are two distinct categories of gamblers.

<sup>44</sup> NSW Office of Liquor, Gaming & Racing. 26 March 2009

<sup>45</sup> West, G. NSW Minister for Gaming & Racing. Media release 3 July 2008.

## The Queensland experience

“The clearest indicator of trends comes from the Queensland Household Gambling Survey series, using the CPGI and based on large sample sizes”<sup>46</sup>

The Queensland Government commissioned comprehensive gambling prevalence studies in 2001, 2003-04 and 2006-07, with the last two surveying 30,000 people – a sample size nearly three times that of the national survey commissioned in 1999 by the Productivity Commission.

Each survey produced a lower rate of problem gambling, with the problem gambling rate falling from 0.83% to 0.55% to 0.47%. While these reductions are not considered statistically significant, they do indicate a downward trend in the prevalence of problem gambling in Queensland.

Today only 1 in 212 Queensland adults is considered to be a problem gambler.

It is important to note these falls in the rate of problem gambling were recorded when:

- the number of gaming machines in Queensland were increasing,
- ATMs were available in gaming venues,
- note acceptors were in use
- there was no form of pre commitment technology in operation.

It is also worth noting that during this same period a number of harm minimisation measures were in operation, including the Responsible Gambling Advisory Committee, mandatory self-exclusion, staff trained in responsible gambling and a ban on credit betting.

## Problem Gambler Expenditure

“Another rubbery figure is the percentage of income that industry, and then ultimately government, gets from problem gamblers.”<sup>47</sup>

Ten years on and the level of expenditure by problem gamblers remains one of the most quoted findings of the 1999 Productivity Commission Report.

If the Productivity Commission decides to again publish a problem gambler gaming machine expenditure estimate, it is certain to be quoted (& disputed) for the next decade. Any figure is also certain to attract the immediate attention of the media, government, the anti gambling lobby and industry.

If a figure is released, it is certainly not appropriate to quote a ‘problem gambler’ expenditure figure that combines expenditure by both ‘problem gamblers’ and also expenditure by ‘at risk gamblers’.

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<sup>46</sup> Productivity Commission, Issues Paper (2008), p18

<sup>47</sup> Allcock, C. NSW Problem Gambling Roundtable, 17 July 2008

It is also important to recognise that large gambling expenditure often does not equate to problem gambling. It is widely recognised that some of Australia’s largest gamblers do not have a problem with their gambling.

Finally, it should be noted the finding of the 2007 Livingstone & Wolley paper, *Risky Business: A Few Provocations on the Regulation of Electronic Gaming Machines* <sup>48</sup>have not been widely accepted.

The paper’s findings were based on a survey of only 418 Victorian gaming machine players, of which a seemingly high number (113) were considered to be problem gamblers. All surveyed were given a \$15 shopping voucher for their participation <sup>49</sup>.

When questioned last year, the Victorian Gaming Minister responded that the Monash University estimation of problem gambling expenditure was “a contested point” <sup>50</sup>.

### **Surveys: underestimate or overestimate?**

In 1999 the Productivity Commission found it was difficult to determine the exact expenditure of problem gamblers.

“It should be emphasised that the estimated expenditure share of problem gamblers could be somewhat higher or lower than one third, and that the number should be seen as indicative, rather than an exact measure.” <sup>51</sup>

“The fact player perceptions of expenditure vary so significantly from the real amounts lost should be subject to further research” <sup>52</sup>

In a more recent study <sup>53</sup> Blaszczynski, Ladouceur, Goulet & Savard concluded that gamblers may over-estimate or under-estimate their expenditure depending on the time period and also their interpretation and calculation of the ‘expenditure’ question asked of them.

“In conclusion when gamblers were asked to report on their gambling expenditures retrospectively for the preceding 1-month time frame, they tend to under-estimate their expenditures. However when asked to monitor and report their gambling expenditure on a daily basis, they have a tendency to over-estimate expenditures.”

It is apparent that in 2009, as in 1999 it is not possible to accurately determine the expenditure of problem gamblers.

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<sup>48</sup> Livingstone, C & Wolley, R. *Risky Business: A few provocations on the regulation of electronic gaming machines* 2007. Publish in *International Gambling Studies*, 1 Dec 2007.

<sup>49</sup> Caraniche Pty Ltd (2005). *Evaluation of Electronic Gaming Machine Harm Minimisation Measures in Victoria*

<sup>50</sup> Robinson, T. (2008) Victorian Minister for Gaming. AAP, October 24, 2008

<sup>51</sup> Productivity Commission, *Australia’s Gambling Industries, Inquiry Report, November 1999, Vol 3, 14*

<sup>52</sup> Productivity Commission, *Australia’s Gambling Industries, Inquiry Report, November 1999, Vol 3, p14*

<sup>53</sup> Blaszczynski, A. Ladouceur, R. Goulet, A. & Savard, C. (2008). Differences in monthly versus daily evaluations of money spent on gambling and calculation strategies. Published in the *Journal of Gambling Issues*, Issue 21, July 2008. p103

## Access to Cash – ATMs

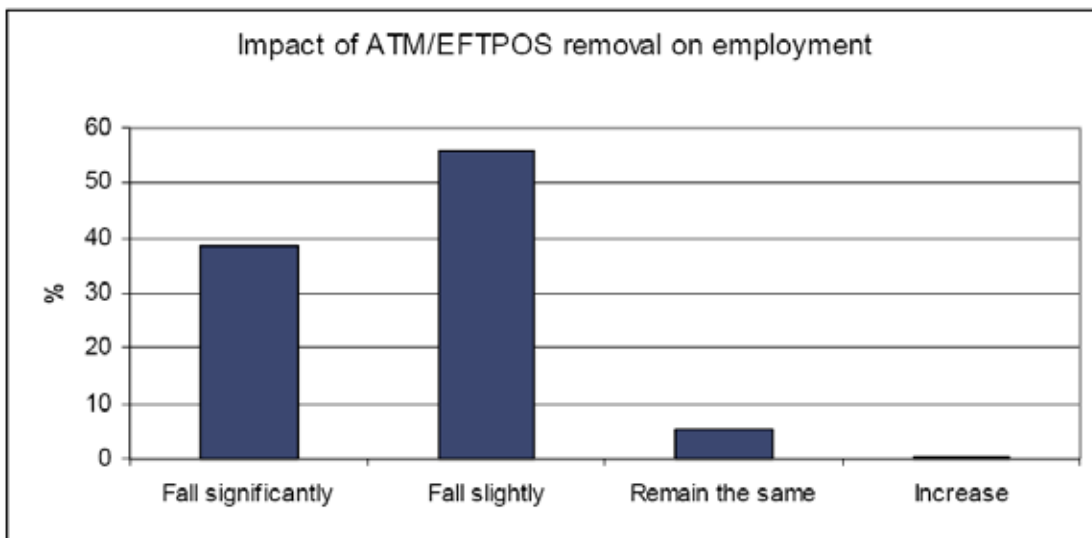
“gambling industries generate substantial income and employ many people. And, reimposing prohibitions or cutbacks on these industries now could result in significant losses and transitional unemployment.”<sup>54</sup>

The above comment, made by the Productivity Commission in 1999, correctly recognises the important role the gambling industry plays as a significant Australian employer.

Hotels across Australia now employ 188,862<sup>55</sup>

While the Commission also added that “it is likely that most of the people involved would find alternative employment” it is still clear today that new prohibitions such as the banning of ATMs will cause many job losses, at least in the immediate term.

This view was confirmed in the 2009 PricewaterhouseCoopers Report (chart below)<sup>56</sup>.



The AHA strongly supports Government decisions based on robust, independent evidence. There is no solid evidence the removal of ATMs or EFTPOS facilities will have a positive impact on problem gambling.

<sup>54</sup> Productivity Commission, Australia's Gambling Industries, Inquiry Report, November 1999, p16

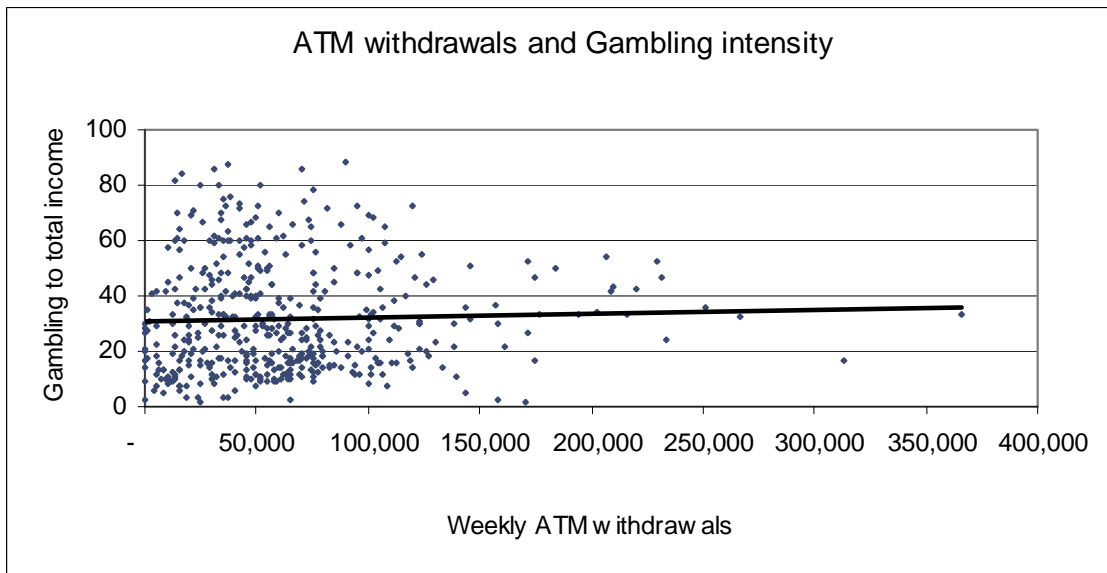
<sup>55</sup> PricewaterhouseCoopers Report (2009), Australian Hotels: More than just a drink and a flutter. An overview of the Australian hotel industry.

<sup>56</sup> PricewaterhouseCoopers Report (2009), Australian Hotels: More than just a drink and a flutter. An overview of the Australian hotel industry.

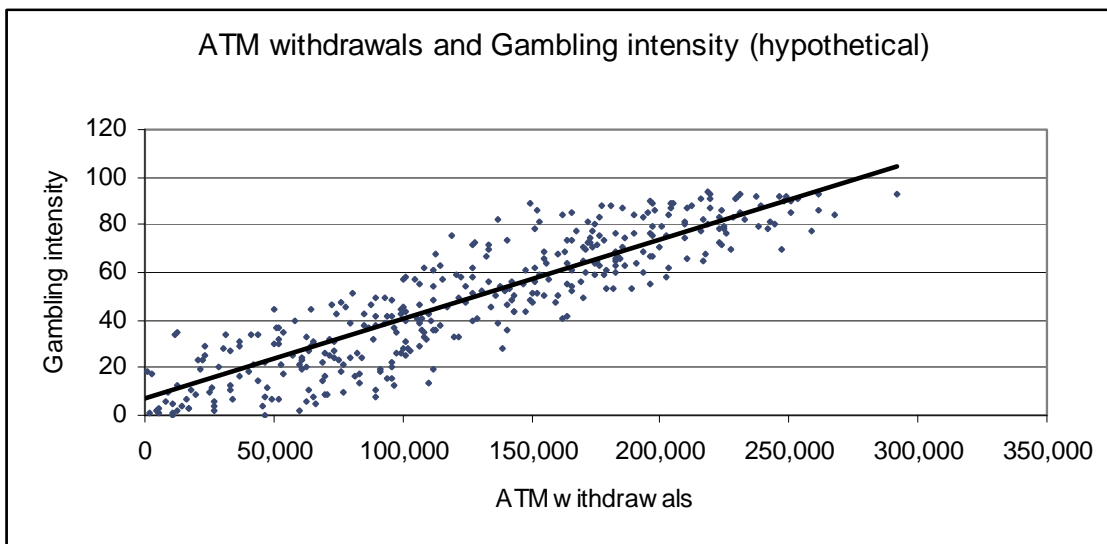
PricewaterhouseCoopers found there did not appear to be a strong positive correlation between gaming intensity and ATM withdrawals.

“There is a weak and uncertain link between ATM withdrawals and gaming expenditure”<sup>57</sup>

The diagram below records hotel ATM withdrawals v hotel gambling to total income. The data was sourced from surveyed Australian hotels.<sup>58</sup>



The diagram above shows there is not a strong correlation between ATM withdrawals and gambling intensity. If there was a strong positive correlation, the survey of hotels would have generated a diagram similar to the example shown below.



<sup>57</sup> PricewaterhouseCoopers Report (2009), Australian Hotels: More than just a drink and a flutter. An overview of the Australian hotel industry. Page iv

<sup>58</sup> PricewaterhouseCoopers Report (2009), Australian Hotels: More than just a drink and a flutter. An overview of the Australian hotel industry

In 2004 the NSW Independent Pricing and Regulatory Tribunal (IPART) did not support the removal of ATMs from venues.

“There is insufficient evidence to support a complete prohibition on electronic cash withdrawal facilities in gaming venues.”<sup>59</sup>

The 2004 report “*The Use of ATMs in ACT Gaming Venues: An Empirical Study*” supported this view:

“we find limited evidence to support the removal of ATMs from gaming venues in the ACT. While this strategy might bring positive benefits to a small number of ACT gamblers, we have not found an unequivocally strong relationship between problem gambling and the use of ATM in ACT gaming venues.”<sup>60</sup>

### **Inconvenience**

“We have also found that removal of ATMs from gaming venues would inconvenience a proportion of recreational gamblers and non-gambling patrons of gaming venues in the ACT.”<sup>61</sup>

We operate in a business environment where customers expect to be able to access cash wherever and whenever they shop.

The reality is that today most young people don’t carry cash. These customers do however have an expectation that cash will be available in our hotels, often after normal business hours.

The overwhelming majority of these customers don’t have a problem with gambling, in fact a very large number do not gamble at all. These customers simply use a hotel ATM because it is a safe & convenient place to withdraw their cash to buy food and drinks or spend elsewhere.

Removing ATMs from hotels will unfairly inconvenience these customers.

### **Unintended impact on food & beverage sales**

“The 2006 study into the prevalence of problem gambling in the community indicated that the majority of users of ATMs in venues used them as a generally convenient way to access cash, and for purposes unrelated to gambling in venues.”<sup>62</sup>

The most significant impact of removing ATMs from hotels with gaming machines will be on food and beverage sales.

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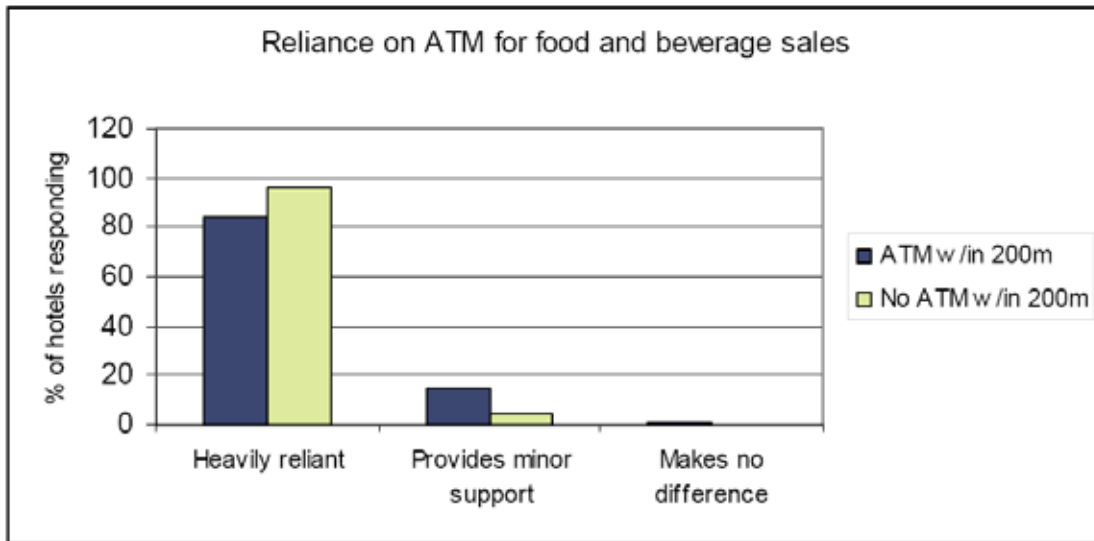
<sup>59</sup> Independent Pricing and Regulatory Tribunal of NSW. Gambling: Promoting a Culture of Responsibility 2004. pg 97

<sup>60</sup> J. McMillen, D. Marshall, L. Murphy – The Use of ATMs in ACT Gaming Venues: An Empirical Study, 2004. pg 15

<sup>61</sup> J. McMillen, D. Marshall, L. Murphy – The Use of ATMs in ACT Gaming Venues: An Empirical Study, 2004. pg 15

<sup>62</sup> NSW Government 2007. Report on the five-year Statutory Review of the Gaming Machines Act pg 27

As shown below, hotels are heavily reliant on ATMs to generate food and beverage sales.<sup>63</sup>



Food and beverage sales are the most important element influencing the success or failure of most hotels. It is certainly not reasonable to restrict these food and beverage sales simply because the hotel legally operates a number of gaming machines.

It is unfortunate many anti gambling spokespeople continue to claim hotels are primarily dependent on gaming for their survival. This is not the case. The reality is that gaming represents but one of a number of important revenue streams for Australian hotels.

Australian Bureau of Statistics data reveals that removing ATMs will have the greatest impact on food and beverage sales, seriously threatening the viability of hotels.

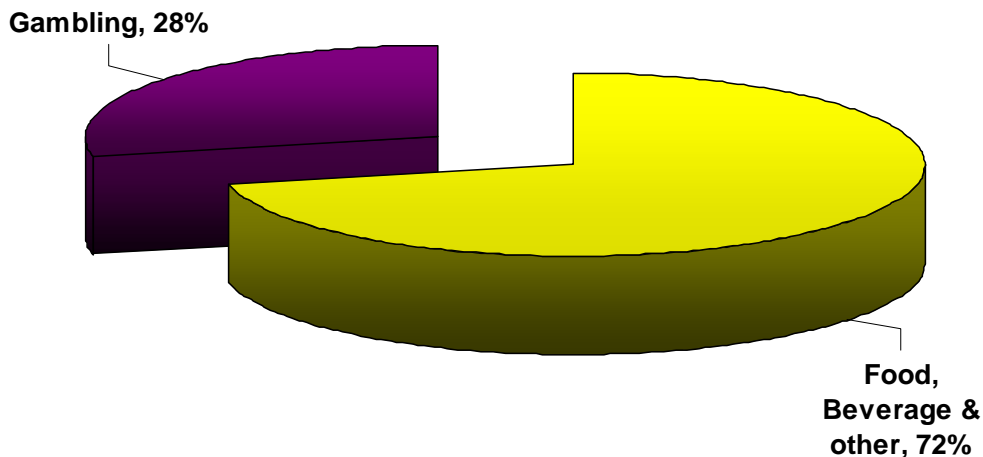
For pubs, taverns and bars with gambling facilities, the ABS found around 70% of income generated is from food and beverage sales, with gambling accounting for only 28% of total income.<sup>64</sup>

<sup>63</sup> PricewaterhouseCoopers Report (2009), Australian Hotels: More than just a drink and a flutter. An overview of the Australian hotel industry

<sup>64</sup> Australian Bureau of Statistics 2004-05: 8687.0 pg 8

## Hotel Income Venues with Gambling

(Source: ABS 8687.0 - Clubs, Pubs, Taverns & Bars, Australia 2004-05)



This 2004/05 ABS data has been confirmed by the recent PricewaterhouseCoopers Australia survey of Australian Hotels which found gambling accounted for 31.5% of total revenue.<sup>65</sup>

In this regard, the AHA believes hotels have already achieved the goal of Victorian based Dr Charles Livingstone and 'his collaborators' to:

“make EGM revenues a reasonable element of ...hotel revenues rather than the whole purpose of their business.”<sup>66</sup>

28% clearly does not represent the whole purpose of our business.

<sup>65</sup> PricewaterhouseCoopers Report (2009), Australian Hotels: More than just a drink and a flutter. An overview of the Australian hotel industry

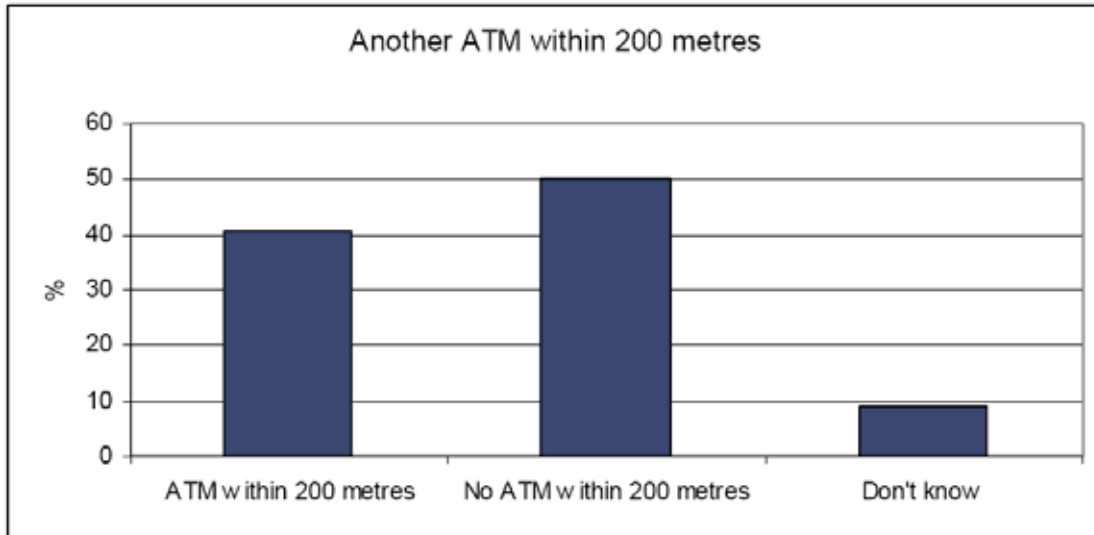
<sup>66</sup> Dr Charles Livingstone. Senate Standing Committee on Community Affairs, 11 September 2008 pg CA2



## Removing ATMs will not reduce problem gambling

A ban on ATMs in hotels will not be effective in preventing problem gamblers accessing cash.

The PricewaterhouseCoopers report revealed that almost half of all Australia hotels have an ATM within easy walking distance.



NSW IPART recognised that patrons who want to access cash to gamble will find a way to gamble:

“Problem gamblers could be expected to avoid lower cash limits at gaming venues by using multiple cards or withdrawing more money from ATMs located outside of venues.”<sup>67</sup>

Problem gamblers have also commented that any ban on ATMs in Clubs & Hotels will simply encourage them to withdraw twice as much from the nearest ATM and return to gamble.<sup>68</sup>

Of course, ATMs located outside licensed venues allow credit card withdrawals and do not display problem gambling information such as the gambling help line phone number.

## New 'lock-out' legislation

A new feature of Australian liquor regulation has been the imposition of patron lock-outs in venues.

Lock-outs do not allow patrons to enter a venue after a designated time. Lock-out restrictions also apply to patrons who wish to leave and re-enter the venue.

<sup>67</sup> IPART NSW (2004): Gambling – Promoting a culture of responsibility, p 107

<sup>68</sup> SBS Television 'Insight' 'Playing the Pokies' (2008). Problem Gambler 'Mike'

If ATMs are removed from these premises there will be an unintended impact on the venue's food and beverage business as patrons who run out of cash will not be able to continue their night at the venue as they will be unable to withdraw funds from the street and re-enter.

### **Devastating impact on small & country hotels**

It is also important to recognise many Australian hotels only operate a very small number of gaming machines.

Any blanket ATM or EFTPOS restriction will unfairly harm over a thousand small, rural and regional hotels.

For example, there are currently 1,690 hotels in NSW with gaming machines.<sup>69</sup>

- 1,119 of these hotels (66%) have 15 or less EGMs
- 632 hotels (37%) have 10 or less EGMs
- 284 hotels (17%) have 5 or less EGMs.

In rural and regional NSW<sup>70</sup> there are currently 892 hotels with gaming machines.

- 774 (87%) of these rural and regional hotels have 15 or less EGMs
- 529 (59%) have 10 or less EGMs
- 270 (30%) have 5 or less EGMs

These venues clearly do not rely on gaming for the majority of their income. They do however rely on ATMs to strongly support food and beverage sales.

The NSW Governments recently recognised the importance of ATMs to country and regional NSW

“A blanket ban on ATMs in gaming venues would cause problems for country NSW.”<sup>71</sup>

Any restriction on ATMs will unfairly penalise these small, rural and regional businesses and place their financial viability at severe risk.

### **EFTPOS only is not realistic**

Hotels have always been businesses where food and beverages are purchased with cash.

It is unrealistic to expect hotel staff and patrons to process an EFTPOS transaction each time a patron without cash sought to purchase a drink, a meal or a packet of chips.

It will simply not be possible for hotels to process large numbers of transactions in a timely manner.

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<sup>69</sup> NSW Office of Liquor, Gaming & Racing. Gaming Data

<sup>70</sup> Areas outside Sydney and the Newcastle & Wollongong LGAs

<sup>71</sup> West, G. NSW Minister for Gaming & Racing (2007): Media release ‘ATM controls already in place in NSW’

## **Removing ATMs create an unnecessary safety risk**

Patrons are comfortable using ATMs located inside licensed venues because they regarded them as a safe place to withdraw cash. A ban on ATMs will force patrons onto the street at night to withdraw cash from ATMs, creating security issues.

Many elderly do not feel comfortable withdrawing cash from ATMs located on the street. This safety issue was recognised by the Productivity Commission in 1999 and the Queensland Treasurer in 2008:

“It may also have adverse security impacts of customers if they are forced to use an ATM on the street rather than inside the venue.”<sup>72</sup>

"Many older patrons make a point of accessing funds through their club's ATM because they feel that it is the safest place to do so.”<sup>73</sup>

Recently throughout Australia there has been a significant increase in the number of attacks on ATMs with explosions causing much damage to surrounding property. To date, the AHA is not aware of any ‘in venue’ attacks on ATMs.

If the attacks continue it is likely to cause a shift in the location of ATMs from street fronts to more secure locations regularly frequented by the public, such as shopping malls, hotels and clubs.

It is appropriate for the Productivity Commission to thoroughly examine this safety issue prior to making any recommendations in relation to ATMs.

## **ATMs in venue dispense less than other ATMs**

Hotel & club ATM withdrawal figures do not identify any link with gaming machine play.

The average withdrawal from an ATM in a pub or a club where gaming machines are present is \$110. This is exactly the same average withdrawal amount as hotels and clubs in Western Australia, where gaming machines are not permitted to operate in venues.

Further, the \$110 withdrawn from hotels and clubs is significantly lower than the \$170 average withdrawal from a bank ATM outside licensed venues.<sup>74</sup>

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<sup>72</sup> Productivity Commission. Australia’s Gambling Industries 1999 pg 16.62

<sup>73</sup> Andrew Fraser, Queensland Treasurer. Courier Mail. 6 June 2008

<sup>74</sup> ATM Industry Reference Group (2008)

## Loan Sharks

The 1999 Productivity Commission found

“Problem gamblers may resort to borrowing money from ‘loan sharks’ when possibilities for borrowing from mainstream avenues such as banks, credit unions, and financial institutions are exhausted.”<sup>75</sup>

This unintended consequence remains a possibility if access to ATM cash is removed.

## ATM summary

Hotels rely on ATMs to support their core business – food and beverage sales.

ATMs are located where consumers want to use them, with about 25% of Australia’s 25,000 ATMs located in pubs & clubs.<sup>76</sup>

The removal of ATM or EFTPOS facilities from hotels cannot be supported. Such a blunt action would:

- Place many hotel jobs at risk
- Inconvenience 99% of the population who don’t have a problem with gambling
- Have a devastating impact on food & beverage sales – and the viability of many hotels
- Cripple many small, country & regional hotels
- Create an unnecessary safety risk for patrons

It is important to acknowledge that significant ATM restrictions are already in place. All Australian State Governments currently prohibit the operation of ATMs inside hotel gaming rooms, while credit card withdrawals are not permitted from ATMs located in licensed venues with gaming machines.

It must also be recognised there is no evidence that banning ATMs from licensed venues will be an effective harm minimisation measure. In most cases gamblers will still be able to walk a short distance to the nearest ATM to withdraw cash to continue gambling.

Finally, it is worth noting that in Queensland, where ATMs operate in venues with gaming machines, the rate of problem gambling is amongst the lowest in Australia at 0.47%

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<sup>75</sup> Productivity Commission. Australia’s Gambling Industries 1999 pg 7.65

<sup>76</sup> David Glen, Chair ATM Industry Reference Group. Senate Standing Committee on Community Affairs. 12 September 2008 pg CA 30.

## Access to EGMs & problem gambling

In 1999 the Productivity Commission found that, overall, the evidence appeared to suggest there was a significant connection between greater access to gaming machines and a higher prevalence of problem gambling.

“evidence from Australian surveys suggests a causal link between access and problem gambling “<sup>77</sup>

“Problem gambling varies by state, with NSW having the highest rate – probably reflecting the greater availability of gaming machines”<sup>78</sup>

“there is sufficient evidence from many different sources to suggest a significant connection between greater accessibility – particularly gaming machines – and the greater prevalence of problem gambling.”<sup>79</sup>

Recent research and evidence does not identify a link between access to gaming machines and the rate of problem gambling.

In 2008, the NSW Independent Pricing and Regulatory Tribunal (IPART) completed a Review of the NSW Registered Clubs Industry. IPART specifically examined this relationship and concluded that there was no link:

“Based on more recent studies measured via the Canadian Problem Gambling Index it appears that greater access to gaming machines between states does not necessarily translate into a higher incidence of problem gambling.”<sup>80</sup>

Further, examination of gaming machine numbers and prevalence rates clearly show that total gaming machine numbers do not influence the rate of problem gambling.

For example, Victoria, with 27,500 gaming machines in clubs & hotels has a problem gambling rate of 0.97%. In comparison, NSW with more than three times the number of gaming machines (99,000) operating in clubs & hotels has a problem gambling rate of 0.8%.

Similarly, Queensland has 50% more gaming machines than Victoria, but has half the rate of problem gambling.

It is now evident the number of gaming machines in a State and the access the public has to them does not influence the prevalence of problem gambling.

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<sup>77</sup> Productivity Commission, Australia's Gambling Industries, Inquiry Report, November 1999, p37

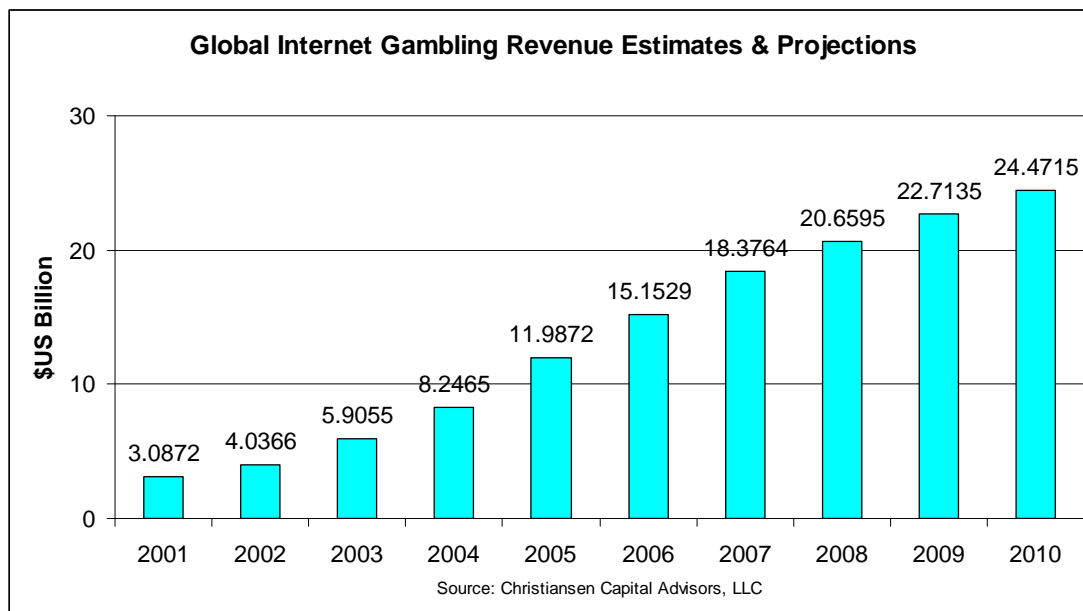
<sup>78</sup> Productivity Commission, Australia's Gambling Industries, Inquiry Report, November 1999, p6.1

<sup>79</sup> Productivity Commission, Australia's Gambling Industries, Inquiry Report, November 1999, p8.1

<sup>80</sup> NSW Independent Pricing and Regulatory Tribunal 2008: Review of the Registered Clubs Industry in NSW. p235

## Internet Gambling

Over the past decade there has been an explosion in the number of internet gambling sites and the volume of money bet through them. In 2009 gamblers are expected to lose US \$22.7 billion online. Five years ago this figure was US \$8.3 billion<sup>81</sup>.



Australians are already accounting for a significant portion of this expenditure with a recent study by Wood & Williams for the Ontario Problem Gambling Research Centre, Guelph, Canada finding Australian & New Zealand mean monthly internet gambling expenditure was the second highest in the world.<sup>82</sup>

<b>Net Mean Monthly Gambling Expenditure (\$US)</b>		
Rank	Region	Internet Gamblers
1	Africa	\$881.35
<b>2</b>	<b>Australia &amp; NZ</b>	<b>\$300.32</b>
3	South America	\$281.40
4	USA	\$237.68
5	Europe	\$169.04
6	Canada	\$166.55
7	Other	\$124.17
8	Caribbean	\$124.17
9	Asia	\$88.69
10	United Kingdom	\$64.64

<sup>81</sup> Christiansen Capital Advisors, LLC, (2009) - <http://www.cca-i.com/>

<sup>82</sup> Wood, R. Williams, R. (2009): Prevalence, Patterns, Problems and Policy Options, p67

## **Internet Gambling – A Commonwealth responsibility**

Unlike most other forms of legal gambling, the regulation of online gambling is a Commonwealth responsibility.

Online gambling in Australia is regulated by the Interactive Gambling Act (2001). Under this legislation it is offence to provide an interactive gambling service to a customer physically present in Australia, but bizarrely it is not an offence for Australian residents to play casino games online. There are also exemptions, including the provision of lotteries over the internet and some forms of online betting and wagering.

For many years it has been legal for Australians to engage in risky gambling activity with offshore online casinos. The Commonwealth Government now has a responsibility to regulate these casinos to ensure they operate in a fair manner with a focus on consumer protection and harm minimisation.

## **Internet Problem Gambling**

“the prevalence of problem gambling is 3 to 4 times higher in internet gamblers compared to non-internet gamblers.”<sup>83</sup>

Internet gambling possesses certain features that can increase the risk of problem gambling, including<sup>84</sup>:

- Solitary play – increased potential to dissociate and lose track of time / money gambled
- Play under the influence of Drugs & Alcohol – Responsible Service of Alcohol laws do not apply in the home
- Accessibility & Convenience – no time travel required, may lead to greater frequency of play
- Anonymity – may reduce social anxiety and inhibitions; problem gamblers may gamble in secret and in private
- Electronic payments – may have a lower psychological value than cash, resulting in greater amounts wagered
- Credit Card gambling – accounts are funded by credit card deposits; gamblers bet with money they don't have

It is therefore not surprising independent research has found internet gamblers are more likely to be problem gamblers than those who don't gamble online.

“Levels of problem gambling appear to be substantially higher amongst Internet gamblers compared to non-internet gamblers.”<sup>85</sup>

Further, a 2003/04 online survey of 1,920 internet gamblers found that 20.1% were classified as problem gamblers using the Canadian Problem Gambling Index.<sup>86</sup>

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<sup>83</sup> Wood, R. Williams, R. (2009): Prevalence, Patterns, Problems and Policy Options, p10

<sup>84</sup> Monaghan, S. (2009) A Critical Review of the Impact of Internet Gambling, p 8

<sup>85</sup> Monaghan, S. (2009) A Critical Review of the Impact of Internet Gambling, p 3

<sup>86</sup> Wood, R. Williams, R. Lawson, p (2007). Why do internet gamblers prefer online versus land based venues: some preliminary findings and implications. Journal of Gambling Issues, 20. p240

This research was supported by the 2006 California Problem Gambling Prevalence Survey of 7,121 adults which found that 19.2% of internet gamblers were problem gamblers.<sup>87</sup>

### **Consumer protection**

“A significant proportion of sites have unsatisfactory business and responsible gambling practices.”<sup>88</sup>

Unlike gambling in an Australian hotel, which is regulated by Government to ensure consumer fairness and protection, many online gambling sites operate in a relatively unregulated environment and have little regard for the player.

A 2006 survey by the American Gaming Association found that 55% of players believe online casinos cheat, while 46% believed other players were cheating the site.<sup>89</sup>

Further, eCOGRA a non-profit organization, specifically overseeing fair gaming, player protection and responsible operator conduct undertook a survey of 10,865 players in 2007 which found:

“Over a third of survey respondents claimed to have had a dispute with an internet casino or internet poker website.....just under half the respondents in this survey who reported having a dispute said it had been resolved.”<sup>90</sup>

The unfortunate reality is that there will always be many sites willing to accept any patron with money. Furthermore, in an open marketplace there is always competitive pressure for having fewer restrictions.<sup>91</sup>

### **Internet Gambling & Youth**

The youth of Australia rapidly adopt and utilise new technology. With a penchant for risk taking behaviour, internet gambling represents a serious threat to our youth with independent research finding many young teenagers are already gambling online.

Virtually all Australian teenagers now use the internet and there is a real risk vulnerable Australians, particularly those under the age of 18 will be attracted to these gambling websites. Unfortunately many internet gambling sites do not place great importance on ensuring appropriate identification is obtained from the gambler.

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<sup>87</sup> Volberg, R. Nysse-Carris, K. & Gerstein, D (2006) 2006 California problem gambling prevalence survey, p63

<sup>88</sup> Wood, R. Williams, R. (2009): Prevalence, Patterns, Problems and Policy Options, p94

<sup>89</sup> American Gaming Association (2006). State of the States 2006. The American Gaming Association survey of casino entertainment.

<sup>90</sup> eCOGRA (2007) An Exploratory Investigation in the Attitudes and Behaviours of Internet Casino & Poker players. Pg 14

<sup>91</sup> Wood, R. Williams, R. (2009): Prevalence, Patterns, Problems and Policy Options, p94



An investigation of 30 internet gambling sites in the UK found only half made genuine attempts to verify the age of players<sup>92</sup>, while a further study found only 20% of sites were given a 'high' rating for their responsible gambling measures.<sup>93</sup>

Similarly, another UK study found that a 16 year old was able to place bets online on 30 out of 37 internet gambling sites tested, while a European survey found that 17% of visitors to online gambling sites were under the age of 18.<sup>94</sup>

Further, a study of adolescent internet gamblers in Canada found that:

“Adolescents who have bet money online are more likely to be problem gamblers. Online gamblers have significantly lower grades. Adolescents who have wagered money online are more likely to engage in delinquent activity.”<sup>95</sup>

In light of this research, it is alarming that young Australians are now being aggressively targeted by offshore internet casinos with the promise of 'too good to be true' sign-on bonuses.

In October 2008 the latest in a growing number of foreign online casinos sought a slice of Australia's internet gambling market when Malta based Spin Palace Online<sup>96</sup> launched their Australian website with the promise of a \$1,000 sign up bonus.

It was no surprise to discover the fine print actually reveals a new gambler is not eligible for the full bonus unless they deposit a total of \$6,150 and gamble online for a year!

The unfortunate reality is that unless these sites are regulated many vulnerable teenagers will continue to be drawn to what they perceive to be 'easy cash'.

### **Inducement to gamble - Free Bets**

It has become increasingly common for gambling operators, particularly internet casinos and corporate bookmakers to offer free bets as a strategy to recruit new customers.

Appropriately, hotels throughout Australia are not permitted to offer free bets to attract customers to their gaming machines.

The AHA believes this is a serious responsible gambling issue. The offering of free bets by any gambling operator should not be permitted as it is a blatant attempt to encourage a person to gamble who otherwise would not have gambled.

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<sup>92</sup> Smeaton, M & Griffiths, M (2004) Internet Gambling and social responsibility: An exploratory study. *Cyber Psychology & Behaviour*

<sup>93</sup> Jawad, C. & Griffiths, S. (2008) A critical analysis of online gambling websites. Paper presented to at the 2008 EBEN-UK Annual Conference.

<sup>94</sup> Monaghan, S. (2009) A Critical Review of the Impact of Internet Gambling, p 8

<sup>95</sup> Mackay, T-L. (2005) Betting on Youth: Adolescent Internet Gambling in Canada.

<sup>96</sup> <http://www.spinpalace.com/>

The AHA calls for the Productivity Commission and the Commonwealth Government to level the playing field and support a nationwide ban of free bets for new clients.

### **Level Playing Field**

In terms of regulation and harm minimisation a level playing field does not exist between online gambling operators and Australian hotels.

Unlike Australian hotels, many online gambling sites are operating without restriction, are not contributing tax to the Australian Government and do not have consumer protection and harm minimisation measures in place.

At a minimum, online gambling operators accepting bets from Australians should meet the following standards:

- Age to be verified before play is permitted
- No credit card deposits – it is unsafe practice to allow bets to be placed with borrowed funds.
- Approved self-exclusion schemes should operate and be promoted to gamblers.
- Prominent display of problem gambling information and 24/7 contact details of Australian based gambling counsellors
- Information explaining each game, including rules, how outcomes are determined and probabilities of winning.
- A clock in real local time should be visible
- Player activity statements should be available
- A ban on 24 hour gambling
- A ban on inducements to gamble

### **Internet Gambling – the Future**

“The popularity and prevalence of internet gambling will continue to grow and reach new demographic groups, including women, older professionals familiar with internet technology, and youth.”<sup>97</sup>

In 1999 the Productivity Commission recognised the potential risks associated with online gambling

“online gambling also poses significant new risks for problem gambling. It represents a quantum leap in accessibility to gambling, and is likely to involve new groups of people in gambling.”<sup>98</sup>

Unfortunately, that risk has become a reality and Australian gamblers now regularly play online poker machines and casino games such as roulette and poker.

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<sup>97</sup> Monaghan, S. (2009) A Critical Review of the Impact of Internet Gambling, p 12

<sup>98</sup> Productivity Commission, Australia's Gambling Industries, Inquiry Report, November 1999, p18.1

Following the recent WA High Court challenge and the removal of nationwide advertising restrictions, it appears certain many new online gambling operators will be created.

Recent new Australian entrants include

[www.luxbet.com](http://www.luxbet.com) – TABCORP owned Northern Territory bookmaking operation

[www.titansbet.com.au](http://www.titansbet.com.au) – QLD based NRL team joint venture with Betezy

[www.betfair.com.au](http://www.betfair.com.au) – a UK betting exchange operating out of Tasmania. Betfair have recently announced sponsorship arrangements with Cricket Australia and the Wests Tigers

Today, following recent regulatory approval by the Victorian and NSW Governments punters can bet on their favourite horse with a click of their Foxtel remote. Mobile phones of today are becoming so technologically advanced these hand held devices are likely to become the next big gambling medium.

Round 1 of the 2009 AFL season saw the inclusion of a \$50 betting voucher in every copy of the *AFL Record*, a football publication read and collected by many children.

# **AFL CASH PLAY**

## **\$300 million internet bet bonanza**

It is also reported the AFL submission to the Productivity Commission has called for a relaxation, rather than a tightening, of the Interactive Gambling Act allowing gamblers to bet live ‘in-the-run’ on all games.<sup>99</sup>

In conclusion, the AHA believe there is merit in the argument put forward by Wood & Williams that it is better for internet gambling to come under some form of legal regulatory control so as to accrue the economic benefits such as tax revenue, employment, player protection and a decrease in money leaving the jurisdiction.<sup>100</sup>

It is also clear the public will shift to internet gambling if they feel that legalised gambling at hotels, clubs and casinos becomes over regulated, intrusive or restrictive.

It is now time for the Commonwealth Government to accept legislative responsibility and act swiftly to regulate online gambling in Australia.

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<sup>99</sup> Herald Sun, 9 April 2009

<sup>100</sup> Wood, R. Williams, R. (2009): Prevalence, Patterns, Problems and Policy Options, p93

## Day Trading = Gambling

"There's more gambling going on in the stock market than all other forms of gambling combined. And for some people, it will end up having the same impact on their lives as compulsive gambling." <sup>101</sup>

"Day trading in the stock market is akin to playing a computer video game each day while gambling lots of money with the click of mouse." <sup>102</sup>

Over the past decade the day trading of shares has grown significantly in popularity across Australia and throughout the world. This modern phenomenon has been made possible by advances in online technology which have enabled cheap and immediate share trades.

Online brokers are now targeting young, amateur traders with promises of special \$19.95 introductory offers, the ability to trade 24/7 <sup>103</sup> or earn airline Frequent Flyer points as you trade. <sup>104</sup>

A visit to Australian and international gambling help websites such as [www.gamblersanonymous.org.au](http://www.gamblersanonymous.org.au) reveals that in terms of gambling harm there is no real difference between gambling on horses, gaming machines or day trading on the stock market. <sup>105 106 107</sup>

While considered 'investing' by the Australian Tax Office, for the majority of participants, day trading is no more than a short term gamble. The lure of the quick and easy buck has enticed many day traders to speculate on shares, often with very large amounts, and often with more than they can afford to lose.

Of course there are no guarantees, and many Australian day traders have seen their stake wiped out rapidly, particularly over the past year.

It is important to note the vast majority of these day traders have no expertise in this field. They have no licence and usually have no training in the art of trading or significant knowledge of the shares they are buying and selling.

These assumptions were recently confirmed by the Australian Stock Exchange in their 2006 share ownership study. This study found the majority of direct investors who had bought and sold shares over the past 2 years had done so through the internet site of a discount stock broker that did not provide advice. <sup>108</sup>

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<sup>101</sup>

[http://www.responsiblegambling.org/articles/FCCG\\_says\\_day\\_trading\\_is\\_gambling\\_in\\_its\\_most\\_addictive.pdf](http://www.responsiblegambling.org/articles/FCCG_says_day_trading_is_gambling_in_its_most_addictive.pdf)

<sup>102</sup> Malkiel, B. Professor of Economics, Princeton University. Published in the Wall Street Journal, 3 August 1999

<sup>103</sup> Comsec.com.au

<sup>104</sup> <https://invest.etrade.com.au/Home.aspx>

<sup>105</sup> <http://www.gamblersanonymous.org.au/community/forum/index.php?t=msg&th=758&start=0&>

<sup>106</sup> <http://www.cnsproductions.com/drugeducationblog/events/17/>

<sup>107</sup> <http://www.800gambler.org/ArticleDetails.aspx?ContentID=18>

<sup>108</sup> Australian Stock Exchange (2006). 2006 Australian Share Ownership Study. P 21

The study also revealed these investors did not obtain expert advice prior to purchasing their shares. Surprisingly, most obtained their advice from a newspaper (reporting events the day after they took place). Obtaining advice from a financial planner (4<sup>th</sup>) or from a broker (6<sup>th</sup>) was not seen as a priority by people investing in shares.

#### Source of Advice and Information<sup>109</sup>

1. Newspaper
2. Family / friends
3. Internet
4. Financial planner
5. Investment newsletter
6. Broker
7. Magazines
8. Television

### Margin lending risks

Online share trading websites also promote margin lending, a practice that is risky for professionals and amateurs alike. Margin lending allows the day trader to speculate on the purchase of shares on credit – or money he or she does not have. Both E\*Trade and Commsec promote margin lending (below)

### Borrow To Invest



**Borrowing to invest** is a proven wealth-creation strategy, and one that many people who have invested in property are familiar with. E\*TRADE gives you the opportunity to borrow to grow your portfolio with the ANZ E\*TRADE Share Investment Loan.<sup>110</sup>



“you don’t need large amounts of money to get started in margin lending. Using the regular gearing option, you can begin building a geared investment fund portfolio with an initial contribution of only \$1,000, plus regular monthly contributions of \$250 a month.

For each dollar you invest in margin lending, you can borrow up to two dollars, multiplying your investment. That makes it possible to build a large holding surprisingly quickly.”<sup>111</sup>

<sup>109</sup> Australian Stock Exchange (2006). 2006 Australian Share Ownership Study. P 24

<sup>110</sup> <https://invest.etrade.com.au/InvestmentProducts/BorrowtoInvest/Default.aspx>

<sup>111</sup> Comsec.com.au

The AHA is aware the trading of shares has not traditionally been considered gambling. However, advances in technology and low entry levels have seen an increasing number of Australians risking large amounts of money via the click of a computer mouse.

Day traders are typically uninformed, can buy shares on credit, trade 24 hours per day and there is little or no help for those who develop a problem. In 2009 it is now extremely difficult to distinguish between a 'traditional' gambler and a day trader.



## Pre commitment

### **Lack of research and evidence**

In 2004, the NSW IPART noted

“In summary, there is no specific evidence on the effectiveness of pre-commitment cards”<sup>112</sup>

The common theme of Australian and international research into technology based pre commitment mechanisms is that there is still no clear evidence it is an effective harm minimisation measure.

In 2008 the Gambling Commission, Great Britain funded a study into cashless & card-based technologies. This comprehensive study searched eleven electronic databases and eleven specialist online libraries. They also received information from 49 jurisdictions throughout the world. The study found:

“Empirical evidence regarding the use and impact of card-based and cashless technology in gambling is limited.”<sup>113</sup>

“Overall, there are few studies which empirically investigate the nature of cashless and card-based technology and its impact on gambling behaviour. Each study has its limitations, which range from studies being fundamentally flawed, to having a few methodological shortcomings.”<sup>114</sup>

“A number of jurisdictions also highlighted that there is a lack of solid evidence on which to base recommendations for policy and regulation”<sup>115</sup>

“across all forms of technology there was limited consensus among stakeholders regarding its impact on problem gambling. A lack of empirical evidence was cited as a possible factor contributing to the variation in stakeholder views.”<sup>116</sup>

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<sup>112</sup> IPART NSW (2004): Gambling – Promoting a culture of responsibility, p 100

<sup>113</sup> Gambling Commission, Great Britain (2008): Cashless and card-based technologies in gambling: A review of the literature p9

<sup>114</sup> Gambling Commission, Great Britain (2008): Cashless and card-based technologies in gambling: A review of the literature p7

<sup>115</sup> Gambling Commission, Great Britain (2008): Cashless and card-based technologies in gambling: A review of the literature p6

<sup>116</sup> Gambling Commission, Great Britain (2008): Cashless and card-based technologies in gambling: A review of the literature p8

These British finding reinforce the findings of Nisbet in 2004 that

“Overall, there was little evidence to suggest that a voluntary, card based gambling scheme offered any significant protection to gambling consumers relative to that offered by other responsible gambling measures.”<sup>117</sup>

In 2005 the South Australian Independent Gambling Authority released its report: *Inquiry into Smartcard technology*. In response, the South Australian Minister for Gambling recognised the lack of available evidence<sup>118</sup>

“The costs of a smartcard scheme are unknown and the benefits are unproven. More research would need to be done on aspects of smartcards and pre-commitment schemes.”

The Minister also recognised that many smartcard technologies are still untested.

“Many models examined are not fully developed or operational in a gaming environment and are referred to as “future technologies”. More certainty is needed over implementation and operational matters.”

Minister Wright concluded that

“It is considered premature to introduce such a scheme and the Government does not intend to introduce legislation.”

Finally, the only national research available at present is the 2006 McDonnell-Phillips analysis of gambler pre-commitment behaviour for Gambling Research Australia (an initiative of the Ministerial Council on Gambling).

This McDonnell-Phillips study was phase one of Gambling Research Australia’s (GRA’s) two-phased pre commitment project and identified the types of precommitment strategies used by gamblers.

The report acknowledged that in terms of research and evidence of the effectiveness of pre commitment measures, they were at a very preliminary stage

“readers may wish to consider this exploratory study as a starting point for discussing and researching precommitment at a national level.”<sup>119</sup>

It is understood phase two study into *Factors that Influence gambler adherence to pre commitment decisions* has only recently been commissioned with a final report not expected until 2010.

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<sup>117</sup> Nisbet, S. (2004) An assessment of the Advantages and Disadvantages of Cashless Gambling Technologies in NSW p91

<sup>118</sup> Wright, M. South Australian Minister for Gambling, Ministerial Statement, 5 July 2005

<sup>119</sup> McDonnell-Phillips for Gambling Research Australia (2006), Analysis of Gambler Pre-Commitment Behaviour, p49



## Risk of international studies

“The other risk is that overseas studies will be resorted to inappropriately as a substitute for domestic studies.....Translating foreign studies to Australia can sometimes be perilous, given different circumstances and the scope for misinterpretation.”<sup>120</sup>

The AHA is aware of increasing interest by regulators and welfare sector service providers (and those that seek to do damage to the Industry) of the development of pre-commitment strategies utilising card based technology in Nova Scotia, Canada and Norway. In various forums these jurisdictions are often promoted as ideal solutions to minimising the negative impact of gambling and gaming in particular on some customers.

In view of this interest, the AHA participated in an Australasian Gaming Council delegation to both these jurisdictions in November/December 2008. The AHA’s delegate was Mr. Ian Horne, General Manager of our South Australian branch. The delegation consulted widely with government regulators and operators.

The following is an extract of our delegate’s conclusions.

### **“Nova Scotia**

*The Nova Scotia model is an example of a unique local response to local conditions, be those conditions political, societal or cultural. The Nova Scotia model is a Government monopoly not readily transferred to the Australian environment i.e. the Government through the Nova Scotia Gaming Corporation (NSGC) owns and allocates all gaming machines. The NSGC is in the process of retro fitting all machines (other than First Nation machines) with a Responsible Gaming Device (RGD) that will require use of a card to initiate play (machines still take cash and pre-commitment functionality is voluntary).*

*Amongst the limitations of this model is an observation that the commissioned agent arrangement i.e. the retailer earns a commission for ‘hosting’ NSGC machines in their venues, does not provide regulated licensed retailers with a financial capacity or incentive to raise standards or invest capital to improve or expand facilities. By Australian gaming venue standards these Nova Scotian gaming facilities were considered crude and lacked professional service and support, e.g. no designated cashier facilities, no designated gaming staff, little attention to cleanliness etc.*

*By comparison the private ownership gaming models of Australia which are subject to comparatively high levels of regulation and compliance have stimulated significant levels of competition amongst venues that has resulted in generally very high standards in community facilities (hotels & clubs) by comparison to most other gaming jurisdictions internationally.*

*The writer is left with the sense that the Nova Scotia model is as a consequence of a Government agency/agencies reacting to a unique set of political imperatives and at*

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<sup>120</sup> Banks, G. Chairman Productivity Commission, February 2009 speech Evidence Based policy-making: What is it ? How do we get it ? p11

*the same time and to some extent, compromised by other political realities, i.e. First Nation gaming – largely unregulated yet competes in the same market.*

*The writer believes that any meaningful outcomes from the Nova Scotia ‘experiment’ may be some years and potentially many millions of dollars away. Until that time, the anticipated improvements in harm minimisation outcomes or the inadvertent and unforeseen consequences of the Nova Scotia model remain untested and experimental in nature.*

**Norway**

*The Norwegian gaming model is unique within the Scandinavian region, Europe and Internationally. The writer’s observations are that the model has evolved as a consequence of specific political pressures and imperatives generated within the jurisdiction, as a result of a largely unregulated gaming model [‘the most liberal legal gaming regime in Europe’- page 1 of report] that had little apparent incentive to constrain or contain its commercial activities. The Government response to those pressures and imperatives is a reflection of unique Norwegian political, regulatory and cultural characteristics and attitudes.*

*The Norwegian Government after lengthy and costly court actions over more than three years, has effectively banned gaming machines under the former model in July 2007 and are in the process of replacing them with Government owned and controlled Electronic Gaming Machines activated by cards via Norsk-Tipping. The Norwegian Government now has a total monopoly on **all** gambling including gaming.*

*As with Nova Scotia, this new Norwegian model is not readily transferable to the private ownership gaming models of Australia which have comparatively high levels of regulation and compliance requirements based around controlled liquor licensed premises. Supervision of the Australian state based jurisdictions is significant, no such arrangements appear to have previously existed in Norway although this new arrangement will now restrict access to machines to dedicated kiosks and licensed premises only (similar to Australia).*

*There is no precedent for this Norwegian experiment and meaningful and measurable outcomes may also be some years and potentially many millions of dollars away.*

*The Norwegian experiment (with its promise of improved harm minimisation outcomes through technological controls on player pre-commitment) remains at this time untested.”*

The full reports on both jurisdictions detailing our delegate’s observations can be made available for the Productivity Commission’s interest.

## Cost / benefit of implementing

It is clear the introduction of smart card technology will impose an enormous cost on industry.

In submissions to the South Australian Independent Gambling Authority into Smartcard Technology, Aristocrat Technologies and the Australian Casino Association each provided implementation cost estimates based on modifying South Australia's 12,000 EGMs.

“Aristocrat estimates an indicative cost in the range of \$100 to \$140 million dollars to introduce Smartcard Technology into gaming throughout South Australia, plus GST where applicable.”<sup>121</sup>

The cost estimation of the Australian Casino Association was even higher

“This submission provides indicative costing that puts the potential capital cost of implementing a Smartcard technology onto gaming machines in South Australia in the order of \$125 million to \$160 million. Ongoing costs of cards (depending on the deployment basis) could also be in the order of \$2.4 million.”<sup>122</sup>

The Australian Casino Association makes the valid point that the cost of the card reader components (estimated by some at \$1,500 per EGM) is only a small part of a full system implementation. It is necessary to include other associated costs including<sup>123</sup>:

- Modified gaming machine software
- Modified central monitoring system software
- The cost of integrating new hardware into existing gaming machines
- Replacement EGM cost as many older machines will be incapable of accepting card reader equipment or software modifications to interact with card systems.

Using the lowest of these Aristocrat and Australian Casino Association estimates, this equates to over \$8,000 per machine. If multiplied across Australia's 200,000 machines, the additional cost imposition on industry would be in the order of \$1.6 billion.

If there is a requirement to install & operate new 'pre-commitment' ready gaming machines, the cost will be even higher. \$20,000 per machine x 200,000 machines equates to a cost imposition of \$4 billion.

Further, on top of these initial costs it is estimated the technology will cost a further 10% per annum to maintain and operate.

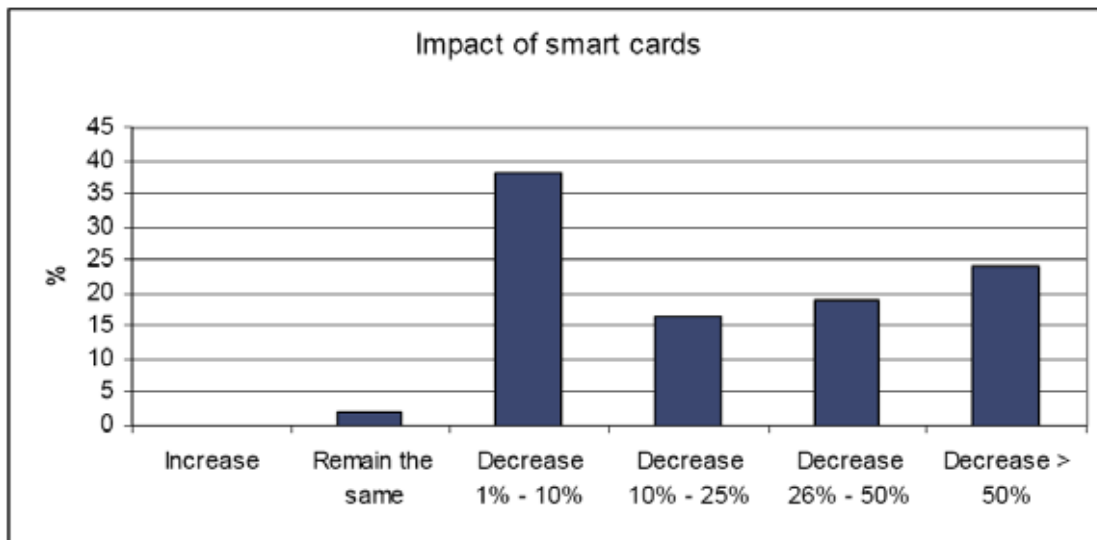
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<sup>121</sup> Aristocrat Technologies (2005) submission to the South Australian IGA inquiry into Smartcard Technology p10

<sup>122</sup> Australian Casino Association(2005) submission to the South Australian IGA inquiry into Smartcard Technology p9

<sup>123</sup> Australian Casino Association(2005) submission to the South Australian IGA inquiry into Smartcard Technology p9 & 10

Finally, it is also important to recognise this new intrusive technology will also significantly reduce venue gaming revenue (below)<sup>124</sup>



With such enormous costs involved, the question needs to be asked whether it is wise to impose a \$1.6 billion or \$4 billion cost on industry to implement an unproven technology?

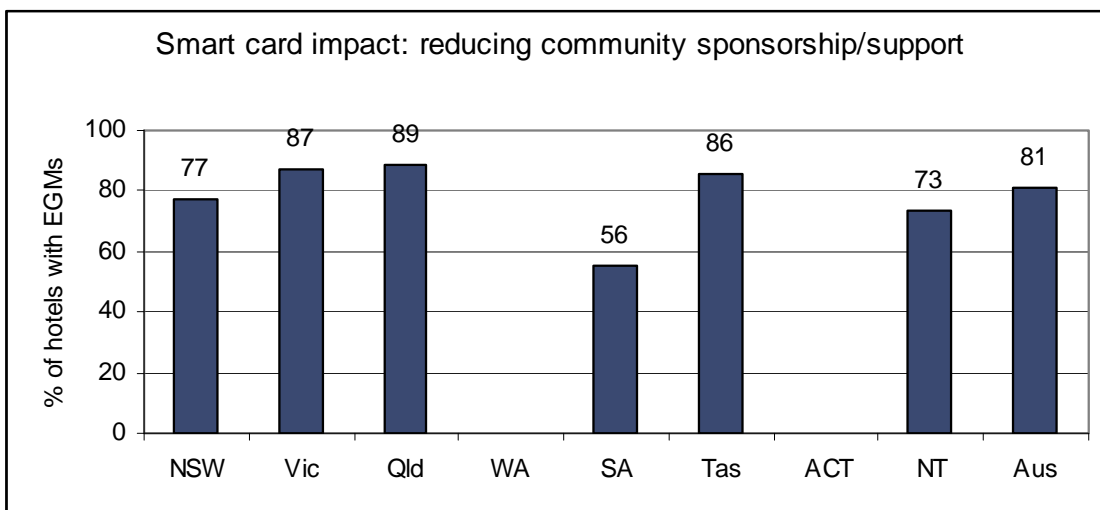
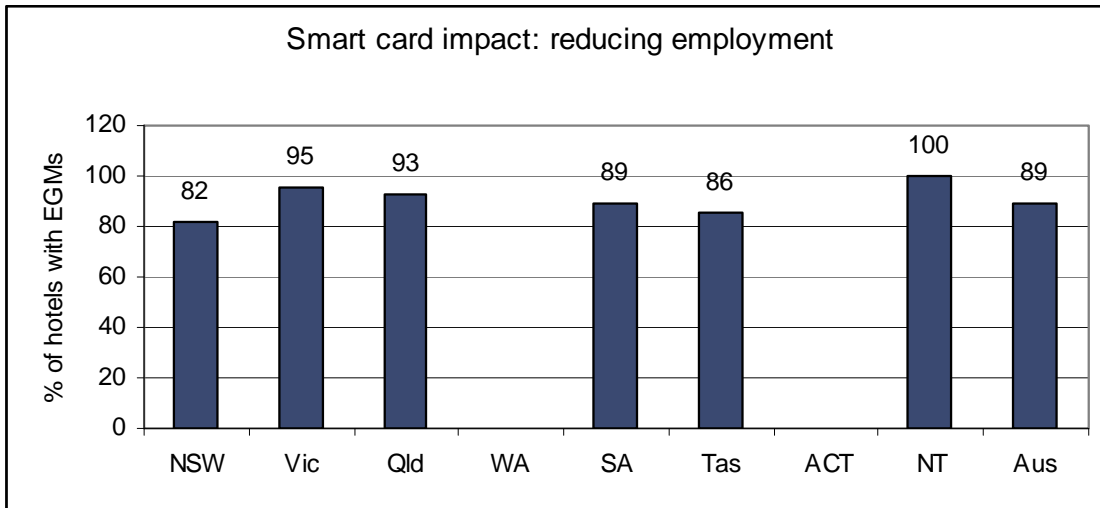
The AHA strongly believes a superior responsible gambling outcome, at a fraction of the cost, can be achieved by focusing on education, prevention and treatment.

<sup>124</sup> PricewaterhouseCoopers Report (2009), Australian Hotels: More than just a drink and a flutter. An overview of the Australian hotel industry

## Pre Commitment - Anticipated Impact on Australian Hotels

As there is no evidence on the impact technology based pre commitment would have on the day to day operation of hotels, the 2009 PricewaterhouseCoopers survey obtained the expectations of 1,077 hotels across Australia.

As shown below, it is expected the introduction of mandatory pre commitment technology will have a devastating impact on hotel employment and community support.<sup>125</sup>



<sup>125</sup> PricewaterhouseCoopers Report (2009), Australian Hotels: More than just a drink and a flutter. An overview of the Australian hotel industry

## **Privacy & security**

The possible introduction of an ‘Australia Card’ style personally identified smart card also raises many significant privacy issues.

Gamblers will be extremely reluctant to reveal all their personal information just to have an occasional flutter on the pokies. They certainly won’t want all their player activity collected by a third party.

Further, if player information ends up in the wrong hands, it could be used to track gambling patterns and allow unscrupulous operators to target people who are most vulnerable.

Smart cards could also be on-sold or used by friends and there is a real risk a second hand smart card market will develop where cards are sold to problem gamblers

History has shown that when specific gambling restrictions are too severe it only drives gambling underground, into an unregulated environment or to other forms of legal gambling, such as online casinos.

## **Impact on the recreational gambler**

Any requirement to use a smart card to play a gaming machine will also unfairly inconvenience the 99% of the population who are not problem gamblers.

Such a heavy handed approach is intrusive and would severely inconvenience the recreational or casual gambler. Equally, interstate or international visitors will be required to complete rigorous identification checks before they are able to have a flutter on the machines.

Such intrusive measures will certainly detract from the enjoyment many people derive from trying their luck on the pokies.

## **Pre commitment - Measures are already in place**

Pre commitment is already widely practiced throughout Australia.

The McDonnell-Phillips report for Gambling Research Australia concluded most regular Australian gamblers do precommit – including problem gamblers.

“Findings of research clearly highlight that limit setting is quite characteristic of virtually all types of regular gamblers. This even extends to problem gamblers and higher risk groups, who also often precommit more frequently than their lower risk counterparts.”<sup>126</sup>

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<sup>126</sup> McDonnell-Phillips for Gambling Research Australia (2006), Analysis of Gambler Pre-Commitment Behaviour, p14

In NSW, the current Gaming Machines Regulation allows gamblers to pre commit by setting weekly account limits.

**Clause 88 Weekly account limits**

- (1) A person who opens a player account may, by written notice to the hotelier or registered club, set a limit on the amount of net expenditure (ie turnover less wins) per week from the account (*weekly account limit*). The setting of a weekly account limit may also include arrangements for the deactivation of the account card.
- (2) The person is to be advised in writing at the time the player account is opened that a weekly account limit may be set.
- (3) If a weekly account limit is set, the person may alter the limit by written notice to the hotelier or registered club.
- (4) If the notice is to decrease the weekly account limit, the hotelier or registered club is to give effect to alteration as soon as practicable (but not later than 24 hours in any case).
- (5) If the notice is to increase the weekly account limit, the increase does not take effect until 48 hours after the notice is given to the hotelier or registered club.
- (6) Information about altering the weekly account limit is to be provided to the person in writing at the time the player account is opened.

In Victoria, the current Gambling Regulation Act includes pre commitment mechanisms, including the ability to set loss or time limits.

**Victorian Gambling Regulation Act (2003)**

3.5.36 (1) A loyalty scheme provider cannot allow participation unless the player is provided with a written statement of prescribed information and person has agreed to receive player activity statement

3.5.36 (2) loyalty scheme participants must be able to set:  
(a) limit on amount of time in any 24 hour period  
(b) limit on net loss in any 24 hour period  
(c) limit on net loss in any year.

s 3.5.36 (3) increases to set time/loss limits must not be effected until at least 24 hours after notification to loyalty scheme provider.

s3.5.36 (4) loyalty scheme provider must not allow play to continue under loyalty scheme after limit reached.

In April 2008, the Victorian Government announced gaming machines would be required to contain new pre commitment mechanisms. The specific detail as to how this will operate is yet to be finalised.

In South Australia the Independent Gambling Authority has included the following in the Responsible Gambling Code of Practice for gaming machine venues. This came into effect on December 1 2008:

## **SA Responsible Gaming Code of Practice s6A. Inducements**

The gambling provider will not offer—

- (a) any inducement (other than participation in a loyalty program) directed at encouraging patrons to gamble;
- (b) participation in a loyalty program (other than a program which includes a pre-commitment program approved by the Authority).

### **Level playing field with other forms of gambling**

Problem gamblers participate in all forms of gambling.

If consideration is being given to the introduction of smart card technology as a gambling harm minimisation measure, it is reasonable to expect all forms of gambling will be treated equally.

If severe restrictions are imposed on gaming machines but not on other forms of legal gambling, it will simply drive gamblers to other less regulated forms of gambling such as internet casinos, horse racing and poker.

If this is the case, any expected net reduction in the overall rate of problem gambling will be questionable at best.





## Game Features

### Note Acceptors

“The Tribunal (IPART) is of the view that banning note acceptors could have very significant effects on the economics of the gaming industry but there is very little evidence regarding the effectiveness of the measure.”<sup>127</sup>

Currently each State & Territory regulates the operation of gaming machine note acceptors. Some limit the value of the notes accepted, others have no limit, while other jurisdictions do not allow notes to be inserted into gaming machines.

To date there is no clear evidence restricting the denomination of notes accepted by gaming machines will be an effective problem gambling initiative. In fact, recent data indicates restrictions on note acceptors have no impact on the rate of problem gambling or per capita gaming machine expenditure.

In Queensland, where note acceptors are permitted, the rate of problem gambling is 0.47%, a prevalence rate that is broadly in line with the jurisdictions who have banned notes acceptors, Tasmania (0.54%), South Australia (0.4%) and the Northern Territory (0.64%).

Further, in 2005-06 per capita gaming expenditure for Victoria was \$634 while Queensland was \$585. In South Australia, a State where there are no note acceptors the figure was \$624, or broadly in line with the Victorian and Queensland figure and the national average of \$663.<sup>128</sup>

It is also important to recognise many recreational gamblers enjoy the convenience of inserting notes into a gaming machine. The 2006 NSW Prevalence study found that over 68% of non problem gamblers inserted notes into machines (sometimes, often or always).<sup>129</sup>

### Bet Limits

There is no clear evidence the limiting of maximum bets will have a positive impact on problem gambling.

Such a severe restriction would certainly encourage gaming machine players to shift their attention to other forms of gambling such as horse racing, casino games or internet gambling where very large bets can still be placed. Those with a problem will still be able to gamble significant dollar amounts.

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<sup>127</sup> IPART NSW (2004): Gambling – Promoting a culture of responsibility, p 102

<sup>128</sup> Australian Gambling Statistics 2005-06. Summary Table E

<sup>129</sup> AC Nielsen (2006), Prevalence of Gambling and Problem Gambling in NSW – A community survey 2006, p87

In 2007 the NSW Government examined bet limits during their Statutory Review of the Gaming Machines Act 2007. The NSW Government found:

“Proposals to increase or reduce bet limits are not supported at this stage, particularly in the absence of any significant research on bet and prize limits and problem gambling.”<sup>130</sup>

After considering available research on modifications to gaming machines, including limiting the maximum bets Dr Paul Delfabbro in the June 2007 Australasian Gambling Review concluded

“it is not clear whether there is any evidence that they work in practice, or whether problem gamblers would alter their behaviour in the face of such modifications.”<sup>131</sup>

Finally, it is also important to note the impact of inflation on these maximum bet limits, many of which have not been adjusted for a number of years.

In NSW the maximum bet limit of \$10 was introduced for all gaming machines manufactured after 1 July, 1987.<sup>132</sup> Today, the value of this \$10 is half what it was 22 years ago – or \$4.98.<sup>133</sup>

This inflationary impact was recognised by the NSW Government in 2008

“The claim that the real value of fixed dollar amount limits can be deflated by around 15% every 5 years through inflation is noted and may be considered in the future in light of applicable research.”<sup>134</sup>

The reality is that all EGM maximum bet limits have fallen significantly in real terms and will continue to fall over future years. There is no need to make further reductions.

## Reel Speeds

The AHA is not aware of evidence that proves slowing reel spin speeds will reduce the prevalence of problem gambling. Rather research has found it will have no effect:

“There is evidence from the present study that a reduction in reel spin speed would not be an effective harm minimisation strategy.”<sup>135</sup>

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<sup>130</sup> NSW Government (2007). Report on the five year statutory review of the Gaming Machines Act 2001, p33

<sup>131</sup> Dr Paul Delfabbro - Australasian Gambling Review June 2007 – a report prepared for the Independent Gambling Authority of South Australia. p154

<sup>132</sup> NSW Office of Liquor, Gaming & Racing advice. 25 February 2009

<sup>133</sup> PricewaterhouseCoopers, 25 February 2009.

<sup>134</sup> NSW Minister for Gaming & Racing; Report on the five year statutory review of the Gaming Machines Act 2001, p33

<sup>135</sup> Blaszczyński, A. Sharpe, L. & Walker M (2001): The Assessment of the impact of the reconfiguration on electronic gaming machine as a Harm Minimisation Strategies for Problem Gambling p9

In 2004 the NSW IPART examined the impact of slower reel spin speeds. The Tribunal's recommended was that:

“Slower reel spin speeds should not be introduced”

### **Other Game features**

The AHA is unaware of clear evidence that restricting or removing other features from gaming machines will have a positive impact on problem gambling.

In relation to game features it is important to recognise that player preference and demand has shaped the way gaming machines operate today.

In 2004 the NSW IPART gave detailed consideration to the operation of gaming machines, their features and environment. IPART acknowledged there was insufficient evidence available and made the following recommendations:<sup>136</sup>

- Sound limits should not be introduced at this time
- The maximum amount that can be won on a standalone gaming machine should not be amended at this time
- Restrictions on double-up and similar game features should not be introduced at this time.
- Further controls on gaming machine artwork should not be introduced at this time
- Mandatory cash-out based on session length should not be introduced
- Forcing the payment of winnings once a certain level is reached should not be introduced
- A requirement for natural light to be provided in gaming areas should not be introduced
- Requirements for gamblers to be visible from outside the gaming area should not be introduced
- Compulsory shutdown of individual machines should not be introduced
- Requirements on the maximum number of carded games per reel should not be introduced.

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<sup>136</sup> IPART NSW (2004): Gambling – Promoting a culture of responsibility, p 107

## Live Music

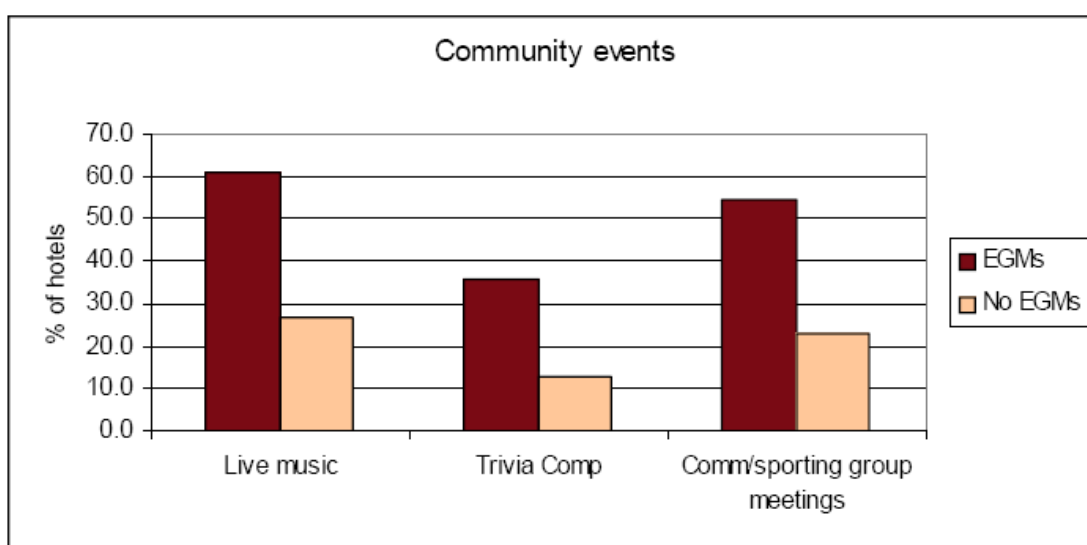
Independent research has found the introduction of gaming machines into hotels across Australia has provided a significant boost to the live music industry, providing countless hours of entertainment for many thousands of Australians and international tourists.

*'Vanishing Acts' An inquiry into the state of live popular music opportunities in NSW* by Associate Professor Bruce Johnson and Dr Shane Homan is the principal source document on this issue. This 2002 Report was jointly funded by the Music Board of Australia Council and the NSW Ministry for the Arts. The full report is attached to this submission.

The report did not blame gaming for the demise of the live music industry, instead it found:

“The causes of the reduction, however, extend far beyond the liberalisation of gaming legislation, and in fact **gaming has proven to be a means of subsidising live music.**”<sup>137</sup>

The findings of the Vanishing Acts Report have recently been confirmed by PricewaterhouseCoopers Australia in their recent survey of Australian hotels which revealed hotels with gaming machines were twice as likely to host live music.



<sup>137</sup> Johnson, B. and Homan, S. (2002) *Vanishing Acts' An inquiry into the state of live popular music opportunities in NSW* p 1

## **Importance of hotels to the Racing Industry**

For many decades the hotel industry has played a significant role in the on-going funding of the horse, greyhound and harness industries throughout Australia.

In NSW alone, hotels generate \$55 million in racing industry funding.

The three codes of racing derive over 90% of their funding from wagering. The recent NSW Government report '*Correct Weight – A review of wagering and the future sustainability of the NSW racing industry*' identifies that racing is "highly dependent on funding from wagering activity for its continued viability. The primary source of this funding is the NSW TAB."<sup>138</sup>

The hotel industry plays an extremely important role in the funding of the racing industry as shown through data released by the NSW TAB.

- There are 1,041 Hotels in NSW with PubTABs representing more than 52% of NSW Wagering points of Retail Distribution
- Wagering turnover generated via NSW Hotels totalled \$1.216 billion in FY 07/08
- PubTABs represent 36.3% of all Retail Wagering in NSW
- NSW Hotels are the fastest growing Retail Wagering Channel in NSW with YTD growth of 16.1%
- Hotels in NSW generated revenues that directly delivered in excess of \$55 million to the NSW Racing industry in FY 07/08<sup>139</sup>

All Australian States and Territories rely heavily on hotels and the TAB to fund their racing industry, with the NSW hotel / TAB / Racing Industry relationship replicated across the nation.

Without TAB funding (and hotel industry support) it is doubtful the racing industry through Australia could continue to exist in its current form.

With very low commissions, high broadcast fees and increasing staff costs, most Australian hotels operate a TAB as a 'non profit' or 'loss' service to patrons. In many cases the hotel TAB is subsidised by hotel gaming revenue.

If further restrictions are placed on gaming machines, hotels may be forced to close their loss making TABs, leading to an unintended impact on wagering levels and racing industry funding.

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<sup>138</sup> Cameron, A.: *Correct Weight – A review of wagering and the future sustainability of the NSW racing industry*, p16

<sup>139</sup> Tabcorp, January 2009.

# **Australian Hotels Association**

## **Positive**

## **Responsible Gambling**

## **Solutions**



## ATM Self-exclusion

The AHA with support of self-excluded problem gamblers and Australia's ATM Industry Reference Group<sup>140</sup> have developed a simple, effective and practical solution to prevent problem gamblers withdrawing cash from ATMs.

Under the proposed ATM self-exclusion scheme, all gamblers, including problem gamblers will be able to set a daily ATM withdrawal limit or make changes to their accounts prohibiting the use of their debit card in ATMs located in licensed venues.

Prior to developing this scheme, the AHA sought the views of the group targeted by such a scheme - problem gamblers. To assist in this process, Sweeney Research was engaged to undertake a phone survey of 1,713 problem gamblers who had self-excluded themselves from NSW hotels through GameCare.<sup>141</sup>

The research methodology used was assessed and endorsed by an independent arbiter.

Sweeney Research has extensive experience in conducting gaming research, including over 10 years of involvement with problem gambling research for the Victorian Government.

An impressive response rate of 422 or 24.6% of self-excluded problem gamblers completed the survey.

The problem gamblers were asked the following questions:

1. How effective or otherwise do you think an ATM self-exclusion scheme would be in helping problem gamblers control their gambling?
2. How likely or unlikely would you be to participate in an ATM self-exclusion scheme ?
3. Which would you prefer
  - a targeted ATM self exclusion scheme, or
  - A scheme where all ATMs were removed from venues

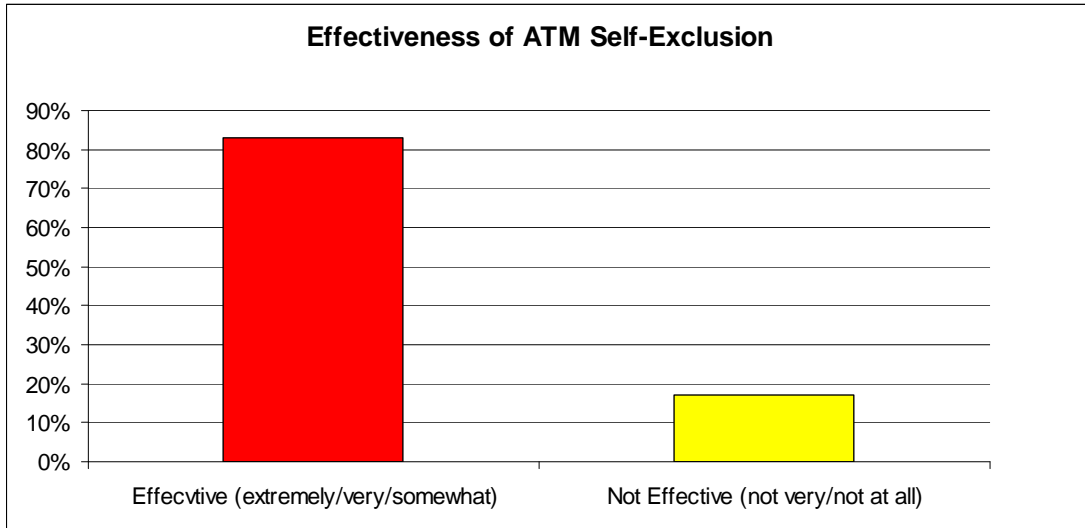
A full copy of the research findings is attached to this submission.

In summary, as shown in the tables below, problem gamblers overwhelmingly supported the proposed ATM self-exclusion scheme. Most believed the scheme would be 'extremely effective' in helping problem gamblers control their gambling.

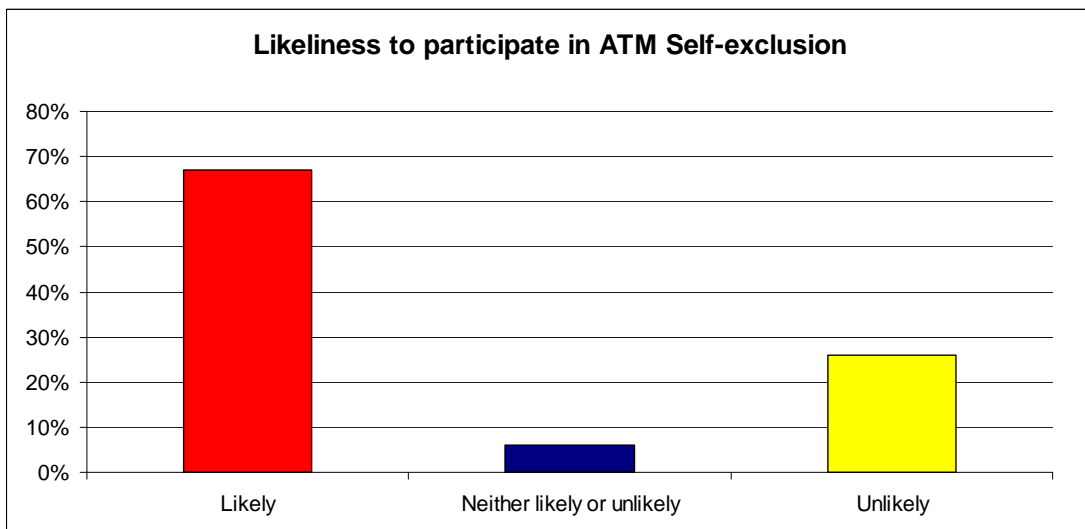
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<sup>140</sup> Note: The ATM Industry Reference Group is made up off the four largest independent ATM providers in Australia who own & operate nearly 99 per cent of ATMs in pubs and clubs.(Glen, D. Chair ATM Industry Reference Group. Senate Standing Committee on Community Affairs. 12 September 2008)

<sup>141</sup> Sweeney Research (2009) NSW Self-excluded problem gambler survey

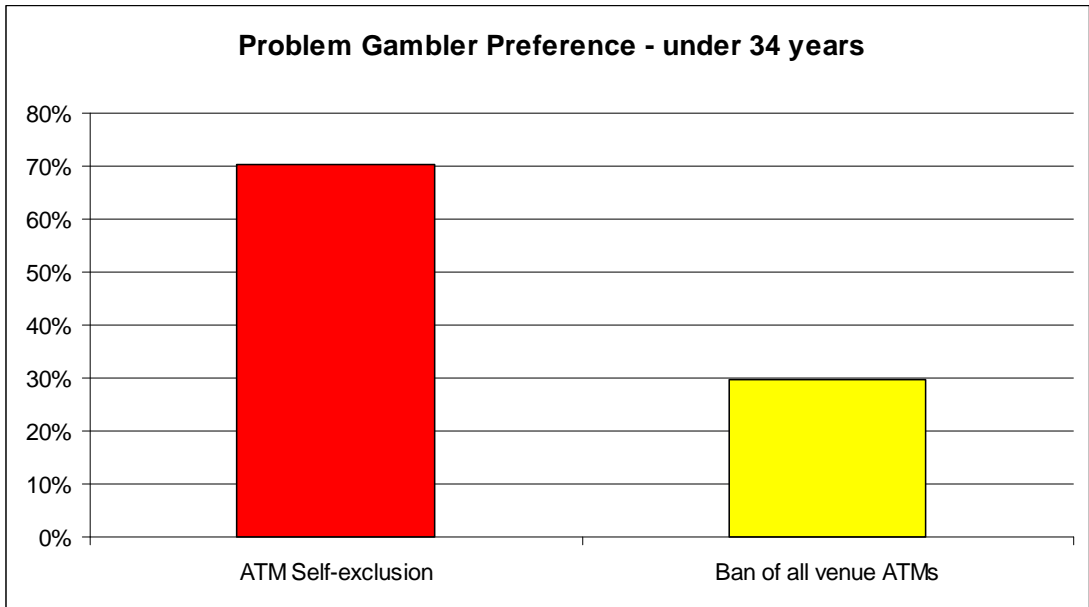


When questioned whether they would participate in an ATM self-exclusion scheme that allowed them to limit their ATM withdrawals, problem gamblers were overwhelmingly positive.



Finally, when asked whether they would prefer a complete ban of ATMs from venues or ATM Self-exclusion, the problem gamblers indicated clear support for the ATM self-exclusion scheme. Support for the scheme was particularly strong from the key under 34 age group.





**ATM Self-Exclusion trial**

To further explore the effectiveness & practicality of the proposed ATM self-exclusion scheme, the AHA and the ATM Industry Reference Group are currently finalising details of a trial of the scheme, involving current and former NSW based problem gamblers. The trial is scheduled to run through June & July for 2 months.

Unfortunately recent changes to the operation and fee structure of Australian ATMs have delayed the commencement of the trial. The AHA and the ATM Industry Reference Group will provide results of the trial to the Productivity Commission as soon as they are available.

**ATM self exclusion – NSW IPART support**

The principle of ATM self exclusion is supported by NSW IPART<sup>142</sup>:

“gamblers should be encouraged to better manage their expenditure on gaming machines by setting lower limits on their electronic cash withdrawal cards.”

IPART also recommend the financial sector take action to establish such a scheme

“Consultation should be held with the financial sector to ascertain whether consumers can request lower withdrawal limits from gaming venues only. If this is possible, gamblers should be encouraged to use this facility as a tool to gamble more responsibly. If this is not possible, the financial sector should be encouraged to make this facility available.”

<sup>142</sup> IPART NSW (2004): Gambling – Promoting a culture of responsibility, p 103

## **Simplicity & Ease**

For the proposed ATM self-exclusion scheme to be successful, it will need to be simple, secure and well promoted. It must not be complicated, otherwise problem gamblers will not participate.

It will be necessary to ensure the banking requirements are not too onerous as this will create a disincentive for a problem gambler to self exclude. In short, the process needs to be quick, confidential and easy to complete.

All gambling call centre staff will also need to be trained to provide gamblers with information on the scheme and to assist problem gamblers complete the ATM self exclusion documents.

## **Conclusion**

The AHA strongly believes the proposed ATM self-exclusion scheme is a sensible and practical solution to dealing with the issue of access to cash by problem gamblers in licensed venues.

The scheme is designed to meet the objectives of government, the general public, problem gamblers, the concerned sector and also industry. These objectives are:

1. to prevent problem gamblers withdrawing cash to play gaming machines
2. to not inconvenience 99% of the population who don't have a problem with gaming machines & use hotel ATMs to access cash for food, beverages or other items

## **National Ban of credit betting**

It is not responsible practice to allow gamblers to bet with money they don't have.

The AHA calls for a national ban of all forms of credit card betting.

The AHA supports the principal of a level playing field between all forms of gambling.

The national credit card gambling ban should include:

- Credit card withdrawals from ATMs located within any gambling venue
- Credit card deposits into all Australian gambling accounts
- Credit card bets placed via phone, internet or other electronic means
- Credit card deposits into offshore internet gambling accounts

Gamblers should not be allowed to place bets when the losing outcome is immediate debt.



## **The Consumer: protection and informed choice**

Gambling is a recreational and entertainment activity enjoyed by millions of Australians. The overwhelming majority who gamble derive enjoyment from it.

Unfortunately for less than 1% of the adult population, gambling does create problems and the AHA supports targeted initiatives aimed at protecting and helping these Australians.

While individuals are responsible for their own actions, the AHA believes additional attention and resources need to be devoted to ensuring all Australian adults are in a position to make an informed choice when it comes their gambling activities.

### **Education**

Recent research suggests the 18-30 age group are most at risk of developing problems with gambling.<sup>143</sup> It is an unfortunate reality that many young people do not understand the odds when gambling and overestimate their chance of success.

The AHA believes there is a real need to include in the Australian school curriculum an education program delivering factual information on all forms of gambling to students before they reach legal age.

There is considerable research supporting this approach:

“interventions designed to inform new gamblers about the true odds and risks need to be targeted at young people before they can legally leave school (perhaps around 12-14 years of age), and be supplemented by information concerning irrational beliefs and fallacies associated with gambling.”<sup>144</sup>

“It is expected that, once students have adequate awareness about the risks of gambling they will be able to determine whether they need to avoid the activity completely, know how to be careful if they elect to experiment with gambling, and make the decision to get help for any problems.”<sup>145</sup>

There have been some recent examples of State Government’s taking the lead in this area.

In South Australia the *‘Dicey Dealings’* program was developed to allow school students to consider and understand potential consequences of gambling related

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<sup>143</sup> AC Nielsen (2006), Prevalence of Gambling and Problem Gambling in NSW – A community survey 2006, p44

<sup>144</sup> Delfabbro (2007). Australasian Gambling Review p36

<sup>145</sup> Monaghan. S, The University of Sydney (2008). Role of Education in the Prevention of Youth Gambling Problems p6

choices. Evaluation of the program by the Department of Education and Children's Services was positive

“the education campaign had improved students' knowledge of the odds of gambling, given them a greater understanding of the randomness and chance, and enhanced student awareness of the risks of gambling, as compared with a group of control schools that had not been exposed to the curriculum materials.”<sup>146</sup>

In Victoria the *'You figure it out – Know the odds'* program and in Queensland the *“The Responsible Gambling Curriculum”* program have both been promoted to school students.

In NSW last year the Government allocated \$90,000 towards a school and TAFE program aimed at students affected by problem gambling. A gambling resource kit provides counsellors with the tools to identify and respond to a student developing a gambling problem or affected by a family member's gambling problem.

This year, the AHA (NSW) in partnership with the NSW Office of Liquor Gaming and Racing are promoting Responsible Gambling Awareness Week. Part of the promotion of the week involves a 14-16 year old drink coaster art competition (below).

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<sup>146</sup> South Australian Department of Education and Children's Services (2005). Quoted in Delfabbro (2007). Australasian Gambling Review p138



look around...

# did you know?

some of the coasters on display this week were designed by 14–16yr olds in a state-wide design competition to highlight the symptoms of problem gambling

we are part of

## RESPONSIBLE gambling AWARENESS WEEK

If you or someone close to you needs help with a gambling problem contact

gambling HELP

PHONE • FACE TO FACE • ONLINE

1800 858 858

[www.gamblinghangover.nsw.gov.au](http://www.gamblinghangover.nsw.gov.au)





## **Informed Choice**

Prevention is always better than a cure.

Every effort needs to be made to ensure players are aware of their chances of success & are as informed as possible.

While ‘return to player’ can be a difficult concept to explain and understand, all gambling industry participants have a responsibility to ensure gamblers are aware of their chances of success (or failure).

Throughout Australia, hotels are required by law in each State to ensure their gaming machines provide a minimum return to player percentage. However, experience has taught us that informing players their return will be 90% will only lead to player confusion, frustration and disappointment - because the 90% is a long-run expected return, and is unlikely to be relevant for a given gambling session.<sup>147</sup>

To overcome this problem, the AHA believes additional resources should be devoted to researching, developing and testing new ‘meaningful odds’ information for players. The promotion of ‘meaningful odds’ information was supported by the Productivity Commission in 1999.

“Better information about the odds and the average costs of gambling might help reduce the false perceptions that sometimes underlie problem gambling.”<sup>148</sup>

To ensure a level playing field, the AHA believes it is appropriate for ‘meaningful odds’ player return information to be provided to patrons by operators of all forms of Australian gambling.

## **Gambling education – national curriculum**

“Challenges still exist, including a lack of national curriculum, low level of perceived risk by educators and over crowding of the school curriculum<sup>149</sup>

At present, schools throughout Australia teach students about safe sex, the dangers of smoking and drugs and the responsible consumption of alcohol. However, to adequately prepare students for life after school, gambling education needs to be included in the national school curriculum.

The AHA strongly believes the Commonwealth Government has an important role to play in the co-ordination and implementation of a national approach to gambling education.

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<sup>147</sup> Delfabbro, P. (2007). Australasian Gambling Review p141

<sup>148</sup> Productivity Commission, Australia's Gambling Industries, Inquiry Report, November 1999, p 40

<sup>149</sup> Monaghan, S, The University of Sydney (2008). Role of Education in the Prevention of Youth Gambling Problems p6

## World's best help

Since 1999 State & Territory Governments and industry have introduced a wide range of harm minimisation measures. All parties have come a long way over the past decade and now act in an increasingly responsible manner.

The Productivity Commission recognised the impressive list of responsible gambling initiatives introduced throughout Australia in its 30 page, 2008 document '*A National Snapshot of Harm Minimisation Strategies*'.

In addition both the Ministerial Council on Gambling and the Productivity Commission have acknowledged the \$200 million spent on responsible gambling and harm minimisation by the States & Territories over the past five years.

These responsible gambling initiatives include the following highlights:

- A ban on accessing credit to gamble
- A ban of 24 hour gaming in hotels
- Staff are trained in responsible gambling
- ATMs and EFTPOS facilities are not permitted in gaming areas
- Caps on gaming machines
- Display of odds to players
- Warnings on machines
- Compulsory self- exclusion schemes
- Well funded treatment services
- Display of clocks
- Social Impact Assessment for gaming machine increases to gauge the impact of increased gaming activity on a local community
- Gambling awareness week
- 24/7 online counselling
- A national 1800 helpline



## The effectiveness of treatment

92.7% of problem gamblers said they were better able to manage their gambling habits after three months of counselling.<sup>150</sup>

The above statistic produced by the NSW Government's Responsible Gambling Fund (RGF) clearly shows the effectiveness of treatment.

Today all gamblers have access to free and confidential help or advice where and when they need it.

In NSW alone, the NSW Government has allocated more than \$100 million through their responsible Gambling Fund (RGF) since 1995 to help people with gambling problems. This funding has supported quality counselling services, research, education and other community projects.

Annual funding has grown from around \$300,000 in 1995 to \$12.2 million in 2008. The NSW RGF continues to fund the Statewide, 24-hour G-line counselling service and more than 150,000 problem gambling counselling hours, delivered by around 130 counsellors at over 200 locations across NSW.

This comprehensive support is mirrored in all other Australian States & Territories.

Governments across Australia have allocated many hundreds of millions of dollars to gambling counselling and support services since 1999. Pleasingly, research has shown these services are having a positive impact.

In NSW the RGF undertakes client follow-up research into the effectiveness of their counselling services. The most recent survey was conducted in December 2008 to assess the impact of counselling upon those with gambling problems.

Respondents were asked how they felt their ability to manage their gambling habits had changed 1, 3 and 6 months after attending counselling. Further questioning asked about changes in the amount of gambling undertaken, the amount of time spent gambling, and changes in their motivation to gamble.

Respondents to the initial survey 1 month after counselling were contacted again 3 months after counselling, with the respondents to the 3 month survey contacted again after 6 months.<sup>151</sup>

As can be seen in the table below, these gambling help services are achieving extremely positive outcomes with 90% of clients reporting being "*better able to manage their gambling*" 6 months after attending counselling. Importantly, many of these people will have stopped gambling entirely.<sup>152</sup>

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<sup>150</sup> NSW Responsible Gambling Fund (2 March 2009)

<sup>151</sup> NSW Responsible Gambling Fund (2 March 2009)

<sup>152</sup> NSW Office of Liquor, Gaming & Racing. March 2009

<b>1 MONTH</b> (total respondents = 191)				
<b>Better Able to Manage = 84.3%</b>		No Change / Unsure = 14.7%		Losing Ability to Manage = 1%
	Decreased	No change	Unsure	Increased
Amount	161	19	3	8
Time	167	16	3	5
Motivation	150	23	4	14
<b>3 MONTHS</b> (total respondents = 55)				
<b>Better Able to Manage = 92.7%</b>		No Change / Unsure = 7.3%		Losing Ability to Manage = 0%
	Decreased	No change	Unsure	Increased
Amount	52	3	0	0
Time	52	2	0	1
Motivation	52	3	0	0
<b>6 MONTHS</b> (total respondents = 20)				
<b>Better Able to Manage = 90%</b>		No Change / Unsure = 5%		Losing Ability to Manage = 5%
	Decreased	No change	Unsure	Increased
Amount	19	0	0	1
Time	19	0	0	1
Motivation	19	1	0	0

It is clear treatment is effective for those problem gamblers who receive counselling.

However, research suggests far too few problem gamblers currently seek help, with only around 10% seeking formal assistance in a given 12-month period.<sup>153</sup>

There is an urgent need to rectify this situation. Industry & Government now spend hundreds of millions of dollars on gambling counselling and treatment services. However it is apparent our immediate focus needs to shift towards encouraging those with a problem to seek help.

The AHA recommends the Commonwealth Government, through the Ministerial Council on Gambling create a government, industry & community sector working party to urgently develop a national strategy focused on ensuring more problem gamblers seek help.

### **Gaming Care case study – South Australia**

In South Australia Gaming Care is the Hotel Industry’s Early Intervention Agency. The hotel industry has developed this significant initiative aimed at reducing the level of problem gambling in the community.

Gaming Care currently employs 8 full time officers and administrators to support the Hotel management and staff in identifying and supporting problem gamblers.

Gaming Care’s core business can be summarised as follows:

<sup>153</sup> Delfabbro, P. (2007). Australasian Gambling Review p175

- Assist gaming venue owners, licensees, managers and gaming room staff in the early identification of, and support for patrons who may be at risk of or experiencing difficulties with their gambling behaviour
- Facilitate open lines of communication with gaming machine venues and gambling help services at the local level
- Assist in developing and promoting initiatives, programs and venue policies designed to address problem gambling
- Provide practical assistance to gaming licensees and managers in relation to compliance with regulatory Responsible Gambling and Advertising Codes of Practice
- Undertake audits to assist gaming venues comply with the regulatory codes of practice with a particular focus on patron intervention

In essence, Gaming Care’s core business is to support the Hotel industry and individual venues, their management and staff, to identify problem gamblers and facilitate early access to gambling support services by those gamblers i.e. early intervention.

In 2006, South Australia’s Independent Gambling Authority (IGA) in its “2004 amendments inquiry”, acknowledged the significant commitment made by the Industry through the Gaming Care initiative and announced publicly that;

“If it were not for the emergency of Gaming Care and Club Safe... the Authority would now be recommending further serious machine number reductions directed at achieving a 30% reduction in the number of premises with gaming...”

Gaming Care is an integral part of the South Australian Industry’s response to the issue of minimising harm and as a result ensuring the sector is maintained as a socially responsible and economically viable industry.

Gaming Care together with the key initiatives being undertaken by Industry through the Responsible Gambling Working Party and tasks such as the AHA-SA Paul Delfabbro research project would suggest that the level of cooperation, mutual respect and sensible exchange that occurs in this jurisdiction is unique and worth emulating.

## Self-exclusion

As noted in the Productivity Commission's recent document *A National Snapshot of Harm Minimisation Strategies* all Australian jurisdictions have provisions for gambler self exclusion.

- “In New South Wales, Queensland, the Australian Capital Territory and Northern Territory it is mandatory for a venue to have self-exclusion schemes in place.
- In Tasmania, people can be excluded from gaming in a number of different ways – self-exclusion, third-party exclusion, venue operator exclusion and self-exclusion from internet-based gambling.
- In Victoria, from December 2008 it will be mandatory for venue operators to have a self exclusion program approved by the regulator.
- In South Australia, the Independent Gambling Authority will be conducting an inquiry into exclusion provisions which is expected to report in late 2009.”<sup>154</sup>

### **Self Exclusion case study - NSW**

#### **GameCare - AHA's long-term commitment to responsible gambling**

In December 1999, the NSW Branch of the Australian Hotels Association appointed a specialist gambling counsellor as part of our on-going commitment to the responsible service of gambling. This appointment was the first of its kind in Australia.

In February 2002 the AHA (NSW) began operating a self exclusion program as a voluntary initiative - two years prior to the introduction of mandatory self exclusion.

Over recent years, GameCare has formed strategic partnerships with CatholicCare and the Multi-cultural Problem Gambling Service to enhance the service provided to problem gamblers. In January this year the AHA funded the production and distribution to all member hotels of a poster providing gambling help and treatment information in 20 different languages. (below)

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<sup>154</sup> Productivity Commission, *A National Snapshot of Harm Minimisation Strategies* (2008)

**If gambling is causing problems in your life you can get help**

**FOR FREE ASSISTANCE**  
**phone: 1800 856 800**  
**www.dhi.gov.au/mpgs**

<p><b>If gambling is causing problems in your life you can get help.</b>          The Multicultural Problem Gambling Service can provide help confidentially, anonymously, in your community language. You can also enter a legal agreement to stop you coming into this venue.  <b>Phone 1800 856 800</b></p>	<p><b>إذا كان القمار يسبب مشاكل لك في الحياة يمكنك الحصول على المساعدة.</b>          يمكنك الحصول على المساعدة بطريقة سرية وبكلماتك الخاصة. يمكنك أيضا إبرام اتفاق قانوني يمنعك من العودة إلى هذا المكان.  <b>اتصل بنا رقم 1800 856 800</b></p>	<p><b>Ukoliko vam kockanje stvara probleme u životu, pomoć je dostupna.</b>          Multikulturni Poslužitelj za Probleme sa Kockanjem može vam pružiti pomoć. Pomoć je dostupna anonimno i u vašem jeziku. Također možete sklopiti pravni sporazum koji će vam pomoći da se ne vraćate u ovaj prostor.  <b>Pozovite 1800 856 800</b></p>	<p><b>Ako vam kockanje uzrokuje probleme u životu, možete dobiti pomoć.</b>          Multikulturna služba je dostupna anonimno i u vašem jeziku. Također možete sklopiti pravni sporazum koji će vam pomoći da se ne vraćate u ovaj prostor.  <b>Nazovite 1800 856 800</b></p>	<p><b>Εάν ο Τζόγος προκαλεί προβλήματα στη ζωή σας μπορεί να λάβετε βοήθεια.</b>          Η Πολυπολιτισμική Υπηρεσία για Προβλήματα Τζόγου είναι διαθέσιμη ανωνύμως και στην δική σας γλώσσα. Μπορείτε επίσης να υπογράψετε για να μην επιστρέψετε πια σε αυτό χώρο.  <b>Τηλέφ. 1800 856 800</b></p>
<p><b>Jika perjudian menjadikan masalah dalam hidup, Anda dapat ditolong.</b>          Layanan Perjudian Multikultural dapat membantu Anda secara anonim dan dalam bahasa Anda. Anda juga dapat menandatangani perjanjian hukum yang mencegah Anda datang ke tempat perjudian.  <b>Telepon 1800 856 800</b></p>	<p><b>Se il gioco d'azzardo ti causa problemi nella vita puoi trovare aiuto.</b>          Il Multicultural Problem Gambling Service ti può offrire aiuto nella tua lingua materna o in italiano. Puoi anche stipulare un accordo legale per impedirti di tornare in questo locale.  <b>Telefono 1800 856 800</b></p>	<p><b>만약 도박이 당신의 인생에 문제를 일으키고 있다면 당신은 도움을 받을 수 있습니다.</b>          다문화문제상담센터에서는 여러분의 모국어나 한국어로 상담을 제공합니다. 또한, 법적 계약을 체결하여 이 공간을 다시 방문하지 않도록 할 수 있습니다.  <b>전화 1800 856 800</b></p>	<p><b>Ako igranje uzrokuje vam probleme u životu, možete dobiti pomoć.</b>          Multikulturna služba je dostupna anonimno i u vašem jeziku. Također možete sklopiti pravni sporazum koji će vam pomoći da se ne vraćate u ovaj prostor.  <b>Telefon 1800 856 800</b></p>	<p><b>Jekk iġ-ġoġob ta' l-azzard qed jikkawża problemi f'haġġek inti tista' tikseb għajjuna.</b>          Is-Servizz Multikulturali għall-Problemi ta' L-Azzard jistgħu jgħiduk għajjuna b'lingwa tiegħi u jgħiduk kif tistgħu tikkonferma li ma tneqterx f'dan il post.  <b>Ċampel 1800 856 800</b></p>
<p><b>اگر قمار در زندگی شما مشکلی ایجاد کرده می تواند کمک در یافتن آن را به شما ارائه دهد.</b>          خدمات مشاوره بازی های قمار ما می تواند به شما کمک کند تا به صورت ناشناس و به زبان مادری خود با ما صحبت کنید. شما همچنین می توانید توافق نامه ای امضا کنید که مانع از بازگشت شما به این مکان می شود.  <b>تلفن 1800 856 800</b></p>	<p><b>Kung ang pagsusugal ay nagdududot ng mga problema sa inyong buhay makakahingi ka ng tulong.</b>          Ang Serbisyo ng Pagsusugal ng Problema sa Pagsusugal sa Multikultural na Problema sa Pagsusugal ay nagdududot ng tulong sa inyong mga katuturan. Ang Serbisyo ay nagdududot ng tulong sa mga problema sa buhay na nagdududot ng tulong sa inyong mga katuturan.  <b>Tawagan ang 1800 856 800</b></p>	<p><b>Jesteli hazarda powoduje problemy w Twoim życiu, możesz uzyskać pomoc.</b>          Multikulturny Poslužitelj za probleme sa kockanjem može vam pružiti pomoć. Pomoć je dostupna anonimno i u vašem jeziku. Također možete sklopiti pravni sporazum koji će vam pomoći da se ne vraćate u ovaj prostor.  <b>Zašvatite broj broja: 1800 856 800</b></p>	<p><b>Se a prática de jogo de azar está a causar problemas na sua vida você pode obter ajuda.</b>          O Serviço Multicultural para o Problema de Jogo de Azar pode oferecer assistência. Você pode também fazer um acordo legal para não voltar mais para este espaço.  <b>Telefone 1800 856 800</b></p>	<p><b>Уколико вам коцканје отвара проблеме у животу, помоћ је доступна.</b>          Мултикултурна Служба је доступна анонимно и у вашој мајинској језици. Такође можете закључити правни споразум који ће вам помоћи да се не враћате у овај простор.  <b>Позовите 1800 856 800</b></p>
<p><b>如果賭博對你的生活造成問題，你是可以尋求幫助的。</b>          多文化問題賭博服務中心可以為你提供多語言及多文化協助。你亦可以簽署法律協議，阻止你再次進入賭博場所。  <b>電話 1800 856 800</b></p>	<p><b>Si te adicción al juego le causa problemas usted puede obtener ayuda.</b>          El Servicio Multicultural Para el Problema del Juego puede ayudarte en tu idioma. También puedes hacer un acuerdo legal para no volver a este lugar.  <b>Teléfono 1800 856 800</b></p>	<p><b>만약 도박이 당신의 인생에 문제를 일으키고 있다면 당신은 도움을 받을 수 있습니다.</b>          다문화문제상담센터에서는 여러분의 모국어나 한국어로 상담을 제공합니다. 또한, 법적 계약을 체결하여 이 공간을 다시 방문하지 않도록 할 수 있습니다.  <b>전화 1800 856 800</b></p>	<p><b>Eğer kumar yapmanızda sorun yaratıyorsa yardım edinebilirsiniz.</b>          ÇOKKÜLTÜR Servisi Kumar Sorunu ile ilgili size yardımcı olabilir. Ayrıca, yasal anlaşma yapabilir ve bu alanı tekrar ziyaret etmemenizi sağlayabiliriz.  <b>Telefon 1800 856 800</b></p>	<p><b>Nếu có bạc bẽng ra những rắc rối trong cuộc sống của mình, quý vị có thể được giúp đỡ.</b>          Dịch vụ Đa văn hóa của Team Hỗ trợ Chơi và Giải Trí Có bạc bẽng ra rắc rối trong cuộc sống của quý vị, chúng tôi có thể giúp đỡ. Quý vị cũng có thể ký kết một thỏa thuận pháp lý để ngăn chặn việc quay trở lại đây.  <b>Số điện thoại: 1800 856 800</b></p>

**STRESS**    **CONFLICT**    **DEBT**    **→**    **GET HELP**



Multicultural Problem Gambling Service is a joint initiative of the Community Relations Commission for a multicultural NSW and Sydney West Area Health Service. Financial assistance for MPGS is provided by the New South Wales Government from the Responsible Gambling Fund (RGF). The views expressed in this publication however, are solely those of the author(s). For assistance outside Multicultural Problem Gambling Service, please contact the G-Line problem gambling information, counselling and referral help line on 1800 856 858 which operates 24 hours seven days a week.

Since its inception GameCare has assisted more than 3,400 people with Harvard University’s Centre for Addictions Associate Director of Research Richard LaBrie recently describing GameCare as a world leader in the provision of industry assistance for problem gamblers<sup>155</sup>.

A strength of GameCare is a that it is a state-wide program where a problem gambler can self-ban from the gaming areas of the hotel(s) in their district, no matter where they live, irrespective of the cost – which is borne by the AHA. This removes the need for the client to visit each venue as this is recognised as a disincentive for participation.

<sup>155</sup> R. LaBrie. Ass. Dir. Division on Addictions, Harvard Medical School, June 2005.

Hotels commit in writing to the GameCare Code of Conduct (below)



**GameCare**  
A community initiative of CatholicCare and AHA (NSW)

# 2009 Hotel Gaming Code of Conduct

GAMBLING HARM MINIMISATION IS A PRIMARY OBJECTIVE OF THIS HOTEL

## This hotel agrees that it will:

1. Abide by all Acts and Regulations applicable to the delivery of gaming in the state of NSW and support all legislation passed by the NSW Parliament.
2. Ensure that gaming machine play is conducted as an ancillary activity of traditional hospitality services.
3. Assist patrons who have (or are at risk of developing,) a gambling problem by participating in, and actively promoting, the GameCare statewide Self-Exclusion program.
4. Ensure that all staff are aware of their obligations relating to the GameCare Self-Exclusion program including respecting the confidentiality of self-exclusion participants and not disclosing any related information to another person unless in the exercise of their duties.
5. Display signage promoting the GameCare accredited counselling service as part of directing patrons-in-need to professional support services.
6. Conduct business in a manner that precludes persons who (a) may indicate signs of intoxication and/or (b) are known to be self-exclusion participants.
7. Prohibit any form of patron credit being available for gaming machine play.
8. Actively promote awareness among all hotel staff of the Gaming Machines Act requirement for payment of large collects (over and above the 1st \$2,000 in cash) to be paid in cheque and when requested by patron, to provide the entire collect by cheque.
9. Ensure that all staff working in gaming rooms complete an accredited Responsible Conduct of Gambling course and Responsible Service of Alcohol course.
10. Clearly mark gaming machines that are out-of-order to avoid customer confusion and disappointment.

**THIS CODE EXPIRES 31 JANUARY 2010**

  
 Sally Fieko AHA (NSW) C.E.O.      LICENSÉE      RESPONSIBLE GAMBLING REGISTER COMPLIANCE NUMBER  
 This certificate remains the property of the Australian Hotels Association (NSW) and any reproduction of the certificate without the Association's permission is prohibited.




Anybody wishing to ban themselves from using gaming machines can contact the AHA via a toll-free number and forfeit their right to be in any area of the hotel set aside for gaming purposes.

A sample of letters supporting GameCare can be found in Attachment A.

## Macquarie University Assessment of NSW GameCare

In 2003, the AHA (NSW) submitted GameCare to Macquarie University for independent performance assessment. Macquarie University found GameCare services are profoundly valuable in assisting problem gamblers. Some of the specific findings are:

- 88% of surveyed participants found the self-exclusion program to be satisfactory for their needs;
- 76% of surveyed participants found themselves financially better off after participating in the self exclusion program;
- 65% cited significant improvement in their personal relationships as a result of participating in the program;
- More than 70% reported significant reductions in the money spent on gambling as a result of participating in the program;
- Of those participants who breached their self exclusion agreement, 63% received direct intervention from the hotel staff.

### Self Exclusion – the ideal model

In March 2009, the AHA engaged the services of Sweeney Research to obtain the views of problem gamblers on the ideal self exclusion model.

More than 400 GameCare clients, all of whom have experienced self-exclusion as a recovery tool, answered a series of questions related to self exclusion programs.

The survey of problem gamblers found:

- To be able to self-exclude from a multitude of locations in just the one meeting is a service that 92% of those surveyed consider important or very important.
- 85% consider being able to apply for self-exclusion somewhere confidential and private is seen as important or very important.
- 84% consider being able to self-exclude at a location close to home/work as important or very important.
- 73% consider being able to apply for the scheme outside of normal working hours as important or very important.
- Self-excluding at a place away from the gambling venue is something that 74% of respondents believe important or very important.
- 84% of those who've experienced self-exclusion considered that being attended to by a professional who understands their problem is a factor that is important if not very important.
- 86% consider it to be important or very important that they can arrange their self-exclusion at short notice.

The above results clearly indicate any self-exclusion scheme must include the following features:

- multi venue exclusion
- the ability to self exclude close to home or work
- 24/7 availability
- Confidentiality & privacy
- Professional self exclusion staff

Industry associations also have a very important role to play in the operation of gambling self exclusion, through the provision of support to members.

Different self exclusion schemes have been operating throughout Australia for the past decade, with independent research finding they have been very effective. The AHA believes it is now time for the Ministerial Council on Gambling to assess the strengths and weaknesses of each scheme, to allow for the development of the most effective national self exclusion model.



## Family Protection Legislation

Often those closest to a gambler are the first to recognise their gambling is becoming an issue.

The AHA believes loved ones should have the ability to intervene - to help the gambler and minimise any adverse impact on the gambler & their family.

In 2004 the South Australian Parliament passed the Problem Gambling Family Protection Orders Act. Under the scheme, a person (for example: a spouse, domestic partner or child) who is affected by a family member's gambling problem can make a complaint to the Independent Gambling Authority about the family member's gambling problem. In certain circumstances, the Authority may receive a complaint on behalf of the family from a person who is not a family member.

The Authority has powers to make orders to address the person's problem gambling behaviour, which can include: barring from gaming venues and requirements about payment of wages, etc.

The AHA is supportive of the spirit of this legislation and would like to work with Government to progress its introduction in all States and Territories.



## **Attachments**

1. PricewaterhouseCoopers Report (2009) – Australian Hotels: More than just a drink and a flutter.
2. Sweeney Research (2009)– ATM and Self-Exclusion Research
3. NSW IPART (2004). Gambling: Promoting a Culture of Responsibility (2004)
4. Self Exclusion client letters

