



NORTHERN TERRITORY GOVERNMENT SUBMISSION TO

THE PRODUCTIVITY COMMISSION

INQUIRY INTO GAMBLING

BACKGROUND

The Productivity Commission's (the Commission) Inquiry into Gambling (the Inquiry) results from a Council of Australian Government's decision on 3 July 2008. The Inquiry will assist in the development of policy responses to reduce the prevalence of problem gambling in Australian and to provide an update on developments since the Commission's 1999 Report including:

- the nature and definition of gambling;
- the participation profile of gambling;
- the economic and social impact of gambling industries;
- the contribution of gambling revenue on community development activity and employment;
- the effects of regulations governing gambling industries;
- the impact of new technologies;
- the impact of gambling on government budgets;
- the impact that the introduction of harm minimisation measures at gambling venues has had on the prevalence of problem gambling and on those at risk; and
- the effectiveness of harm minimisation measures used by governments.

The comments on the Commission's Issues Paper provided by the Northern Territory Government (NTG) are in response to:

- Gambling activity in Australia;
- Participation
- Impacts of gambling;
- Taxation and regulatory arrangements; and
- Consumer protection measures.

GAMBLING ACTIVITY IN AUSTRALIA

What have been the changes to gaming machines (numbers, location and characteristics)? Why have these occurred and what have been the impacts? What future trends are likely in the characteristics of gaming machines?

In the Northern Territory (NT), decisions relating to the placement and conditions on gaming machines are made by the Northern Territory Licensing Commission (NTLC), an independent body established by the *Northern Territory Licensing Commission Act 2000*.

In 2008 amendments were made to the *Gaming Machine Act* (NT), to introduce a cap on the total number of community gaming machines (that is, gaming machines in hotels and clubs) able to be operational across the NT. The cap has been set at 1190 which is equivalent to the current number of approved machines already operating in the NT.

Therefore it is considered that further variations in the performance of any particular gaming product will more likely emerge from changes in market share as opposed to market expansion.

In the NT, there is a significant proportion of gambling activity which is unable to be captured statistically as it is non-commercial gambling (that is, 'community card games'). These games are not regulated in a commercial sense, and although there is anecdotal evidence which indicates that significant funds are expended by participants, actual expenditure data is not available.

The NTG considers that the introduction of a cap on gaming machine numbers, that the NT has not allowed some of the most potentially harmful provisions that have been allowed in other jurisdictions, for example; unlimited betting structures and credit betting in conjunction with the establishment of the NTLC and adoption of a mandatory code of practice for responsible gambling has resulted in a maturing of the NT's gaming machine market.

What factors explain the increased share of gaming machine expenditure in total gambling expenditure since 1999?

The increase in gaming machine numbers is a major contributor to the increased share of gambling expenditure. However, in the NT, the drivers of gambling expenditure are complex involving significant non-commercial gambling activity which is not reported in administrative data, making it difficult to state with any certainty that gambling machine expenditure has increased.

What are likely to be the future changes in spending for different types of gambling, especially in relation to gaming machines and to new technologies (such as those involving the internet or mobile phones)?

The NTG does not anticipate that there will be a significant escalation in per capita gambling expenditure due to the emergence of new technologies. It is more likely that there will be a marked shift away from the more traditional forms of gambling products to the new technologies, for example; mobile phone schemes which replicate casino style games and cable TV facilitated betting. However, those gambling industries and products which will incur a reduction in expenditure will be largely dependent upon the marketing of new gambling products and the cross section of the community that is targeted by new gambling technologies.

PARTICIPATION

What surveys of the participation and profile of gamblers have occurred and what do they show?

A survey conducted by the NT School for Social and Policy Research in October 2005 (refer attachment A) found that:

- 73 per cent of the adult population had participated that some form of gambling during the 12 months preceding the survey;
- forms of lotteries (for example, Tattsлото) were the most popular form of gambling (53 per cent), followed by scratch tickets (29 per cent) and gaming machines (27 per cent);

The rationale for introducing a cap was the concern about the impact of gaming machines on individuals and families. The NTG considered that more needed to be done to manage the impact of gaming machines and the use of a cap system would provide certainty for the community that there would be no increase in overall gaming machine numbers on licensed premises. Without a mechanism to manage gaming machine numbers, the result would be significantly more machines in the NT and a concerning increase in harm.

Current community gaming machine numbers in the NT are:

	2005	2006	2007	2008	Current
Clubs	687	706	730	744	758
Hotels	298	344	367	422	432
Total	985	1050	1097	1166	1190

Note: Casinos are not included in the cap

In addition, venue caps are also in place for community gaming machines (10 for hotels and 45 for clubs). The gaming machines operated in the NT's two casinos (Sky City and Lasseters) are not included in the cap as the limits are prescribed in the Casino Agreement with these venues. Currently, there are a total of 851 gaming machines in the NT's two casinos.

The NTG is also considering options to facilitate the ongoing management of gaming machines across the NT including a model to allow for the movement of gaming machines from one venue to another. A Discussion Paper on an appropriate trading model is currently under consideration. This measure, in conjunction with the existing caps on gaming machines will limit the growth in gaming machines in the NT and accordingly reduce gambling related harm from this product.

While, it is not possible to predict future movements in the industry, the NTG considers that its comprehensive regulatory framework comprising:

- the *Gaming Control Act*;
- the *Gaming Control Regulations* (regulating community gaming, internet gaming and gaming machines);
- the *Gaming Machine Act*; and
- the *Gaming Machine Regulations*;

provide an appropriate and adequate mechanism to identify and address harmful risks associated with future industry innovation relating to gaming machines.

What factors explain trends in gambling expenditure, particularly in gaming machine expenditure, since 1999? Has the gaming machine market 'matured'? What roles have harm minimisation measures played?

Two factors suggest that the gaming machine market is mature:

- Single digit growth in terms of new entrants and expenditures by the population.
- Gambling expenditure as a proportion of household disposable income has been stable for many years indicating the market has reached a limit of total expenditures.

- males were more likely to participate in sports betting, while females preferred scratch tickets; and
- gaming machines and keno were played by over 70 per cent of regular gamblers (those gambling at least once per week in any gambling activity excluding lotto or scratch tickets) compared to 30 per cent of non regular gamblers.

What new problem gambling instruments have been developed since 1999, either in Australia or overseas? How adequate are the instruments, particularly the Canadian Problem Gambling Index (CPGI) and the Victorian Gambling Screen, in measuring problem gambling prevalence in Australia? How do these new instruments compare with the South Oaks Gambling Screen? Is it possible to refine these instruments further, or to change the survey methodology that applies to them, to make them more accurate or counter the inherent bias in responses?

The NTG supports the current position of the Ministerial Council on Gambling (MCG) that the CPGI represents an optimum model for population level prevalence data collection. The decision to adopt the CPGI was based upon extensive independent evidence and in the absence of a clear alternative option for the measurement of gambling, the use of the CPGI remains a viable and appropriate instrument. However, consistent with good public policy the NTG considers that when evidence of a more effective and efficient instrument becomes available, that the MCG may choose to review current problem gambling instruments in favour of a new approach.

The reliability of screening tools is an important factor in measuring problem gambling, however, the data collected is at too high a level to be useful in the policy analysis of population subsets. Refinements to these instruments, changes to survey methodology or the design of new instruments should have consideration for their suitability to specific types of gamblers. In the NT context, the suitability of screening tools in particular the consistency of survey methodology to Indigenous gamblers is of particular concern and it is considered that for these tools to be able to capture consistent data on the gambling patterns of Indigenous gamblers, they need to have consideration for the particular demographics such as instances where there are multiple adults in a particular household.

What changes have occurred to the incidence, prevalence and profile of problem gamblers once account is taken of the potentially different thresholds used to define problem gambling? What has happened to 'at risk' groups? Have new groups of problem gamblers emerged? Have problem gambler spending patterns changed? What factors are likely to have affected problem gambling prevalence?

Prevalence data suggests that problem gambling rates in the NT have remained stable as has the basic demographic profile of its gamblers.

A 2005 study conducted by the NT's *School for Social and Policy Research* (refer attachment B – Problem Gambling in the Northern Territory) found that:

- less than 1 per cent of the NT's adult population were classified as problem gamblers, although this estimate varied across the NT's regions;
- gaming machines were the most popular gambling activity amongst problem gamblers;

- in terms of gender differences in problem gamblers, women preferred lotto, instant scratch tickets and keno, while sports betting by problem gamblers was an all male affair; and
- there is a higher representation of problem gamblers amongst males compared to females, younger people (18-24) compared to other age groups, people living in a group compared to single family / person households and single parents compared to couples with or without children.

IMPACTS OF GAMBLING

What are the regional impacts (for example, in low income areas, outside major metropolitan areas, or in remote or Indigenous communities)?

The *Northern Territory Gambling Prevalence Survey* (the Survey) (refer attachment C) and the *Indigenous Gambling Scoping Study* (the Study) (refer attachment D) were published in October 2006. The reports were based on research conducted by the NT's *School for Social Policy Research* and *School of Health Sciences* at Charles Darwin University.

The Survey did not address the association of problem gambling with other issues such as mental health problems or drug and alcohol abuse. However, it did provide some support for the view that a narrow focus on correcting an individual's problem gambling behaviour would be less useful than a more holistic approach. This has been subsequently supported by research conducted in Australia and overseas.

The Survey found that:

- Problem gamblers in the NT are a heterogeneous group, that is; there is no typical problem gambler.
- Patterns of gambling in the NT would appear to be determined by a different mix of regulatory, geographic and market forces to those found in other major Australian cities.

The Study found that:

- There is a high instance of unregulated gambling (for example: card playing) in remote Indigenous communities, but the pattern of gambling is changing in response to the level of engagement of these communities with main centres of population.
- Gambling is only one of a number of financial problems facing Indigenous people. Other financial problems include the book up system, reliance on Centrelink and Community Development Employment Projects (CDEP) payments, access to banking services, distribution of royalty payments and excessive demand sharing. The Intervention's income management program may help with these money problems.
- Problem gambling in an Indigenous context cannot be studied in isolation from other social issues such as alcohol and drug misuse, family violence, child neglect and abuse, or sexual abuse of young people and women.

The Report of the Northern Territory Board of Inquiry into the Protection of Aboriginal Children from Sexual Abuse 2007 (the Inquiry) also indicated that gambling was seen by many to be an associated problem which severely impacted on children.

“.. The Inquiry was told anecdotally of instances where young mothers, when collecting their Centrelink payments, were humbugged by older women or men seeking money for gambling at community card games. Gambling was not regarded as a problem in communities where the winnings were in any event, divided up among the players and used for food in the community.

However, it appears that it is now more common for the winnings from these card games to be taken to town and used on poker machines. The result is no money for food for the family, and while the game continues children remain unsupervised, meaning that they may be neglected in terms of their physical, safety and emotional needs...”

In summary, the Survey and Study concluded that concentrating on understanding the individual problem gambler at the expense of the social and institutional framework in which gambling occurs is not the most appropriate approach to further research in the NT context. In other words, the focus should be on attempting to understand pathways to, and how to address or mitigate problem gambling rather than exploring individual gambling pathology.

What kinds of consumer issues may arise from gambling and how best should policy deal with them?

An analysis of the full range of gambling regulatory schemes applying in each jurisdiction is necessary if the Commission is to understand the multiplicity of consumer protection measures in place for the industry. In general, the majority of regulatory schemes provide for:

- consumer fairness and transparency of products;
- integrity and fiduciary capability;
- harm controls and safety provisions; and
- consumer control options.

The best mechanism for addressing consumer issues is through existing State and Territory based legislative and regulatory regimes.

TAXATION AND REGULATORY ARRANGEMENTS

What have been the main changes to state and territory taxation arrangements applying to gambling since 1999? Have there been changes to the application of the mutuality principle?

Amendments to the *Gaming Machine Act* (NT) in 2008 lowered the taxation rates for gaming machines in hotels and clubs and reduced the NTG's reliance on gambling revenue.

As indicated in the following table with effect from 1 July 2009, a component of the gross monthly profit of Category 1 (premises with a hotel liquor licence) or Category 2 (premises with a club liquor licence) premises are liable to tax at the percentage rate specified:

Component of Gross Monthly Profit (\$)	Percentage (%)
Up to \$10 000	12.91%
\$10 001 to \$100 000	22.91%
\$100 001 to \$200 000	32.91%
\$200 001 and above	42.91%

Example

If the gross monthly profit is \$250 000, the first \$10 000 will be taxed at 12.91%, the next \$90 000 will be taxed at 22.91%, the next \$100 000 will be taxed at 32.91% and the remaining \$50 000 will be taxed at 42.91%.

In relation to the application of the mutuality principle, while there is significant case law on its impact upon the operations and income tax exempt status of some clubs with gambling facilities and their revenues, there is inadequate evidence to suggest that the changes have had an appreciable impact on the viability or competitiveness of the clubs sector.

Are the current levels of gambling taxes, particularly in respect of gaming machines, appropriate? How do gambling taxes affect the 'odds' of gambling for consumers, and with what distributional outcomes for consumers and effects on problem gamblers?

In the NT context, there is no evidence to suggest that any relationship exists between gambling taxes and the 'odds' of gambling, return to player or the marketability of gaming machines as these matters are regulated by legislation. While levels of taxation may impact on the profitability of certain commercial gambling activities (for example; bookmakers), it is our view that price will be largely unaffected.

What have been the main developments in state and territory regulations applying to gambling since 1999? What are the rationales, benefits and costs of any new regulatory measures?

Amendments to the *Gaming Machine Act* (NT) were passed in 2008 which imposed a cap on the number of community gaming machines able to be operated in the NT, this is consistent with caps on gaming machine in place in other jurisdictions. Options for the ongoing management of gaming machines being considered by the NTG include a model to allow the movement of machines from one venue to another. Venue caps will continue to apply being a maximum of 45 machines for clubs and 10 for hotels. The 2008 amendments also reduced the taxation payable on community gaming machines.

The range of constraints on gaming machines in this jurisdiction are reflected by the relatively low net revenues attributable to each machine. Any new measure would need to meet the existing regulatory review test as set out by the Commission with respect to its regulatory review functions.

In addition, the Northern Territory Responsible Gambling Code of Practice (the Code), which was initially established as a voluntary code in April 2003, became mandatory in June 2006. The rationale for adopting a mandatory code was to provide for a consistent standard for the NT's gambling industry to make the public aware of strategies to minimise the risk of problem gambling and the support services available for problem gamblers.

The Code (refer attachment E), is a partnership between NT gambling providers, the NTG, regulators and counselling services and forms an essential part of managing gambling services provided by NT gambling licensees. It represents a whole-of-industry commitment to best practice in the provision of responsible gambling and is designed to:

1. minimise the extent of gambling-related harm to individuals and the broader community;
2. enable consumers to make informed decisions about their gambling practices;
3. enable people adversely affected by gambling to have access to timely and appropriate assistance and information;
4. promote a shared understanding between individuals, communities, the gambling industry and Government about responsible gambling practices and an understanding of their rights and responsibilities in relation to these practices; and
5. ensure the gambling industry provides safe and supportive environments for the delivery of gambling products and services.

To what extent has technological change affected the ability of state and territory governments to regulate gambling? Has regulation impeded technological innovation within Australia's gambling industries?

The NTG considers that its regulatory regime is flexible enough to respond to technological innovation in gambling industries. The NTG's regulatory frameworks whilst flexible are still able to provide a thorough assessment process for new products before they are allowed to proceed to market so that the risk of harms that may occur from new technologies can be minimised.

To what extent has there been greater harmonisation of regulations across the states and territories or across different gambling forms?

While benefits can be derived from harmonisation, the need for harmonisation requires a legitimate policy intent to reduce the regulatory burden and costs for businesses which genuinely operate at the national level as even minor variations will act as barriers to entry. In addition, harmonisation should also only occur after taking into account the underlying policy rationales for the different regulatory regimes applying across jurisdictions. There is no evidence to suggest that such businesses exist with the exception of gaming machine manufacturers who have benefited from national technical standards for gaming machines.

Are there any inconsistencies across jurisdictions in the application of the Gaming Machine National Standard (GMNS)? Are these justified? What impact do they have on the gambling industries? Are the individual gambling policy objectives of jurisdictions unduly affecting the technical orientation of the National Standard?

Variations in the GMNS across jurisdictions are appropriate as each jurisdiction has developed individual policy objectives based upon their specific legislative requirements and demographics.

What have been the main changes to state and territory regulatory frameworks for gambling since 1999? How have the governance and administration of regulatory frameworks changed? What impacts have any changes had on the quality of policy and regulation-making in the jurisdictions?

It is the NTG's view that its regulatory framework has improved. Changes to the NTG's regulatory frameworks to consolidate its separate entities regulating its gambling and liquor regimes into a single regulator (the NTLC) provides less scope for conflict between licensing regimes (for example; opening / trading hours). The adoption of the mandatory Code by the NT's gambling industry provides for a more consistent approach to issues of harm minimisation at licensed premises.

In addition, through the NTG's Closing the Gap initiatives, it has facilitated the bringing together of the NTG's harm minimisation strategies to address separate problems such as gambling and alcohol and drug abuse as a whole.

How effective has the Ministerial Council on Gambling been in addressing its objectives? To what extent has the National Framework on Problem Gambling been applied by state and territory governments? How effective has Gambling Research Australia been in addressing its objectives? Are its priority areas of research appropriate? What changes, if any, should be made to the various national initiatives?

The NT is a member of the MCG and supports the work of Gambling Research Australia (GRA). The NTG considers that the framework for gambling research adopted by the MCG is the optimum one.

While GRA undertakes considerable research that is of national significance; the local gambling agenda in the NT usually requires responses to address harms more expediently than can be addressed through either MCG activity or GRA research.

As the NT's unique circumstances in terms of population, geography and regional demographics do not necessarily align with the those of other larger jurisdictions, through a Partnership Agreement between the NTG and Charles Darwin University (CDU), education and research is undertaken by the *School for Social and Policy Research* to assist NTG agencies in the development of policies and the delivery of programs to address gambling related issues in the NT.

CONSUMER PROTECTION MEASURES

What industry codes of practice have been introduced since 1999, or are in prospect, to address problem gambling and other consumer protection concerns? What measures do they contain?

As previously indicated, the NT operates a range of measures including a mandatory code of practice and industry self-regulation to assist in establishing a culture of long term compliance. The NT's Responsible Gambling Code of Practice (the Code) was initially established as a voluntary code in April 2003 and became mandatory in June 2006.

The Code is designed to:

- minimise the extent of gambling-related harm to individuals and the broader community;

- enable consumers to make informed decisions about their gambling practices;
- enable people adversely affected by gambling to have access to timely and appropriate assistance and information;
- promote a shared understanding between individuals, communities, the gambling industry and Government about responsible gambling practices and an understanding of their rights and responsibilities in relation to these practices; and
- ensure the gambling industry provides safe and supportive environments for the delivery of gambling products and services.

What measures have gambling venues introduced to address problem gambling and other consumer protection concerns?

Gambling venues in the NT have introduced a range of measures to protect consumers and include:

- the provision of information to consumers, including development of a Responsible Gambling Mission Statement and the promotion of gambling counselling services;
- the development of procedures for early intervention with problem gamblers;
- more effective record keeping systems, especially in relation to gambling related incidents;
- the provision of ongoing training and skills development for staff and the nomination of a staff person to be the responsible gambling contact officer;
- more effective and user friendly self-exclusion arrangements;
- introduction of more effective financial controls and restriction of access to credit via ATM's and EFTPOS for gambling purposes;
- adoption of responsible standards for advertising and promotion and provision of responsible gambling signage; and
- implementation of consumer privacy policies.

Are there sufficient incentives, such as the threat of litigation by gamblers, for gambling venues to introduce consumer protection measures? What does the case law in this area reveal?

The regulatory framework implemented by the NTG provides sufficient incentive for venues to have in place appropriate consumer protection measures.

In addition, the NTG has also introduced a Minister's Award for the Responsible Service of Gambling to be awarded at the Australian Hotels Association (NT) Awards for Excellence to the venue that has showed leadership in relation to responsible gambling.

Litigation by gamblers in the NT is extremely rare; accordingly there is very little case law on this matter.

Should governments make industry codes of practice mandatory?

The NT's Responsible Gambling Code of Practice has been mandatory since June 2006.

Whilst a mandatory code is desirable, it may not be necessary to mandate if voluntary uptake is satisfactory and the code operates within the full spectrum of regulatory controls. In the NT, uptake of the voluntary code was initially slow, but a review undertaken in 2004 indicated an average compliance rate of 77 per cent.

The need to mandate such regulatory instruments should be undertaken on a case by case basis having consideration for new developments within the gambling industry and the effectiveness of current regulatory frameworks. If this was not the case, it is likely that the Commonwealth Government would have sought to mandate a large number of codes for which it has policy and regulatory responsibility.

Does the National Snapshot of Harm Minimisation Strategies provide a complete representation of government actions? What other government actions have taken place since 1999 to introduce harm minimisation measures? What harm minimisation measures are in prospect?

The National Snapshot is a comprehensive representative of actions in place. The MCG officials group has agreed to update the snapshot bi-annually, with the latest snapshot released following consultation with jurisdictions in October 2008.

It is difficult to speculate what future harm minimisation measures will develop in response to changes and innovations as they occur in the gambling industry.

To what extent have the development of harm minimisation measures reflected regulatory best practice (such as clear objectives, evidence of likely efficacy, consultation with stakeholders, coordination with other measures, and cost effectiveness)? What changes, if any, in regulatory processes in this area are warranted?

Having consideration for the scale and extent of the Commission's 1999 report, the NTG believes that the Commission has access to a comprehensive analysis of the regulatory value of a range of harm minimisation measures. The NTG considers in the NT context, its harm minimisation measures and regulatory frame are best practice and that the existing coordination and consultative processes with the Commonwealth are satisfactory.

Are there inconsistencies in harm minimisation measures across jurisdictions, as well as across the different forms of gambling? What problems or distortions do any inconsistencies cause?

In the NT context, the high percentage of Indigenous representation results in significant differences in its gambling profile when compared with other jurisdictions. Accordingly, harm minimisation strategies that have been developed in other jurisdictions may not be appropriate in their application to the NT and may require modification to address indigenous gamblers.

The advantage of jurisdictions undertaking different responses is that it provides an opportunity for observation, comparison and evaluation of different approaches and how they could be modified to address specific jurisdictional issues.

What impact has smoking restrictions had on expenditure by gamblers? To what extent is the impact temporary? Are gambling venues able to legally reconfigure their premises to accommodate smokers?

The NTG has not proposed that smoking restrictions will have a harm minimisation impact.

The NTG is currently considering how smoking restrictions announced in 2008 will be introduced into licensed venues in the NT and what capacity if any will exist for premises to reconfigure their physical environments to accommodate smokers.

Accordingly, there is little evidence available at this time about the impact of smoking restrictions on the expenditure habits of gamblers in the NT, however, it is our understanding that other jurisdictions who have implemented smoking restrictions at their gambling venues have experienced a reduction in gambling expenditure and that demand for gambling help services have also declined as a result of the reduction in gambling expenditure.

Is the Commission's approach to evaluating consumer protection or harm minimisation measures still appropriate?

The NTG considers that the inclusion of a public health perspective would be advantageous in identifying the social determinants of problem gamblers and their prevalence in the community.

This would result in a more cost effective approach in the identification of options to protect consumers, and in the development of strategies to reduce harm. There would also be the opportunity for synergies to address other issues, for example, alcohol and drug misuse and the related harms.

To what extent have industry and government actions since 1999 dealt with the inadequacies in arrangements previously identified by the Commission?

Having consideration for the Commission's 1999 report, the NTG is not of the view that previous arrangements in relation to regulation and governance were inadequate or that they were not implemented effectively. Any model or approach to changing the behaviour of an individual recognises that no strategy or arrangement will have a 100 per cent success rate.

The gambling industry and its environment is fluid. Accordingly, as new products and technological advances enter the market, jurisdictions may need to develop new regulatory regimes and strategies to respond to these changes. Accordingly, each jurisdiction is best placed to react and respond to changes within their gambling industries and environment. The NTG considers that the previous arrangements were adequate and were effective.

To what extent are comorbidities (such as depression and substance abuse) in problem gamblers and those at risk of problem gambling relevant to the effectiveness of harm minimisation measures?

- Alcohol and other drugs and mental health

Substance misuse is the use of alcohol and/or other drugs that may lead to health, legal, social and/or financial problems for the user, their families and colleagues. Poor mental health and substance misuse problems interfere with a person's ability to function effectively and affect his/her relationship to themselves and with others as well as influencing particular behaviours.

Whilst the presence of substance misuse or mental health issues has a significant impact, where an individual is affected by the symptoms of two diagnoses, the symptoms from each may interact with one another and exacerbate the severity of each disorder. This may significantly influence problem gambling behaviour (due to impaired decision making for example) or may actually lead to the commencement of problem gambling behaviour, particularly where financial issues are also of concern.

Increasing financial concerns may cause an individual to misuse particular substances and/or lead to depression. If the individual chooses to gamble in a misguided effort to gain funds – but loses their money – substance misuse and/or depression may be the eventual outcome. This may lead to a cycle of increasing debt leading to substance misuse and/or depression, followed by further problem gambling behaviour in order to recoup losses.

Attempting to make problem gamblers aware of, and utilise harm minimisation strategies in the areas of '*Informed Choice*' and '*Consumer Controls*' is likely to achieve limited success where there is an underlying substance misuse or mental health condition. This is particularly relevant for individuals with an alcohol misuse problem as they may combine the two activities - gambling and drinking - further impacting upon their ability to make informed and reasoned decisions about their gambling behaviour as they are intoxicated.

Anecdotal evidence suggests that with the widespread practice of informal card games in Indigenous communities, the money gambled usually remains within a particular community. However, of greater concern is the impact of gambling which occurs away from the community as it may lead to a reduction of the total amount of money within the community and indirect consequences such as family disputes about finances or neglect of children through parental absence.

In addition, the 'losers' may also experience other pressures such as the inability to obtain adequate food for their children or substances such as alcohol and cannabis, although it is noted that the issue of securing food may have been ameliorated to a degree by the income management strategies of the Emergency Response. The financial pressures generated in the "losing" families may also be a catalyst for further substance abuse, domestic violence and mental illness. A further issue which provides opportunities to combine alcohol consumption, tobacco use and gambling is the co-location of gaming machines, Keno and TAB's in licensed premises.

The NTG's Department of Health and Families, through its Alcohol and Other Drugs Program, provides a broad range of community level education and awareness activities in relation to the impacts of substance misuse – particularly alcohol, cannabis and tobacco. Reducing the incidence and severity of substance misuse (and subsequent impairment) would have indirect positive consequences for those who may also demonstrate problem gambling behaviours.

What new technologies might enhance or support harm minimisation measures? Are there examples of such technologies being used here or overseas? Are there regulatory impediments to the adoption by the gambling industries of these new technologies? What would be the cost to the industries? What privacy issues might arise? What other impacts would these technologies have? Should the adoption of particular technologies be mandated?

The MCG is working to develop broad guidelines and standards relating to cashless gaming and pre-commitment tools.

As a member of the MCG, the NTG is working in partnership with other jurisdictions to consider and develop appropriate standards, having consideration for differences in jurisdictional demographics.

The adoption of particular technologies is considered a matter for individual jurisdictions as the decision to mandate the use of specific technologies should be based upon each jurisdiction's specific circumstances relating to their local gambling industry.

In addition, the introduction of technologies may also vest significant responsibilities on the part of the venue. For example, if a venue introduces player tracking technology and the venue becomes aware of a person exhibiting signs of problem gambling, should the venue be responsible for or compelled to take active steps to assist the person in addressing the issue? It is considered that where the technological capacity exists to identify problem gamblers, the obligation on the venue to address the issue would be invoked.

Any approach to mandating technologies such as that described needs to be mindful of the relationship between Government and suppliers of technology products and the impact that Government decision making might have on the efficient operations of the market. The NTG does not agree that specific technologies should be mandated, but that clear policy standards should govern the capability and requirements of any set of systems which are designed to support consumer information and decision making.

SUMMARY

Since the Commission's report in 1999, the NT's regulatory environment has changed markedly. Decisions relating to the placement and conditions on gaming machines are now undertaken by an independent body. Amendments have been made to the *Gaming Machine Act* to introduce a cap on the number of gaming machines able to be operated in NT hotels and clubs, taxation rates for gaming machines in hotels and clubs have been lowered and the NT's Responsible Code of Practice for Responsible Gambling for the NT's gambling industry became mandatory.

Studies conducted by the NT's *School for Social and Policy Research* indicate that problem gambling rates in the NT have remained stable as have the basic demographic profile of its gamblers. While less than 1 per cent of the NT's adult population were classified as problem gamblers, there is a significant proportion of gambling activity in Indigenous communities which is unable to be captured statistically as it is non-commercial gambling (community card games).

In the NT context, understanding the individual problem gambler without consideration for the social and institutional framework in which gambling occurs is not considered the most appropriate approach to further research. Gambling is only one of a number of problems facing Indigenous people, and the extent of problem gambling in an indigenous context cannot be studied in isolation from other social issues, for example, drug and alcohol abuse.

As patterns of gambling in the NT would appear to be determined by a different mix of regulatory, geographic and market forces to that found in other jurisdictions, the NTG considers that the Commission's inquiry should have a focus on the suitability of screening tools to measure problem gambling in the NT context to identify and capture data on the gambling patterns of the NT's Indigenous cohort and the delivery of a plan for future action that recognises and supports the regulatory frameworks already operating in each jurisdiction to understand pathways to, and how to mitigate problem gambling, rather than exploring individual gambling pathology.

Signed for and on behalf of the
Northern Territory Government
By the Chief Minister



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The Hon Paul Henderson MLA
Parliament House
Northern Territory

May 2009



ATTACHMENTS

- Attachment A Gambling Participation in the Northern Territory (Gambling Research by the *School for Social and Policy Research*).
- Attachment B Problem Gambling in the Northern Territory (Gambling Research by the *School for Social and Policy Research*).
- Attachment C Northern Territory Gambling Prevalence Survey 2005 (*School for Social and Policy Research and the Community Benefit Fund*).
- Attachment D Indigenous Gambling Scoping Study – A Summary October 2006 (*School for Social and Policy Research and the Community Benefit Fund*).
- Attachment E Northern Territory Code of Practice for Responsible Gambling.