

Gambling:

**Promoting a Culture of
Responsibility**



IPART

**INDEPENDENT PRICING AND
REGULATORY TRIBUNAL
of New South Wales**

Gambling:

**Promoting a culture
of responsibility**

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1 INTRODUCTION

Gambling is a large industry in NSW. It employs a sizable number of people, makes a significant contribution to NSW Government revenue, and provides social and recreational opportunities for the many people who participate in its various forms. However, when participants spend more time and money on gambling than they can afford, it can also result in harm to them, their families and the wider community.

For this reason, the legislation that regulates gambling in NSW includes requirements for the provision of a range of 'harm minimisation' measures. The existing harm minimisation framework comprises a significant number of specific measures, many of which were introduced in recent years, as well as programs for research, counselling, community education and community projects. In addition, stakeholders have proposed that a wide variety of additional measures be introduced. The existing measures and programs are overseen by a variety of government bodies, namely the Department of Gaming and Racing (DGR), the Liquor Administration Board (LAB), the Casino Community Benefit Fund (CCBF) Trust and the Casino Control Authority (CCA).

On 29 July 2003, the Acting Premier approved a request under s. 9 of the IPART Act for the Independent Pricing and Regulatory Tribunal (the Tribunal) to conduct a review of the effectiveness of gambling harm minimisation measures. The terms of reference for this review were wide ranging (see Attachment 1). They required the Tribunal to assess:

- 14 specified harm minimisation measures, including community services such as counselling services
- the harm minimisation measures that the LAB considered in its 'First Determination' of April 2001¹ (see Attachment 6)
- further harm minimisation measures that have been identified or proposed for adoption (see Attachment 7).

The Tribunal was requested to examine the impact of each measure on the general community, gamblers and problem gamblers, and to consider the indirect impacts of these measures—such as their effect on employment, support for community projects, and recreational and social opportunities. It has interpreted 'gamblers' to mean both 'recreational' gamblers and 'at risk' gamblers.

The Tribunal has found that the effectiveness of gambling harm minimisation efforts in NSW would be improved by developing a coherent, integrated responsible gambling policy framework. The Tribunal considers that the overall aim of the integrated policy framework should be to promote a 'culture of responsibility' in relation to gambling. Notably, no submission to this review suggested that the existing arrangements should continue unchanged.

¹ Liquor Administration Board, *Review of the Liquor Administration Board Technical Standards for Gaming Machines and Subsidiary Equipment in New South Wales: Gambling Harm Minimisation and Responsible Conduct of Gambling Activities – First Determination*, April 2001. (Hereafter referred to as LAB, *First Determination*, 2001).

As a general principle, the measures implemented under this policy should aim to reduce the likelihood that gambling will become a problem for participants, without imposing unnecessary limits on people's general right to enjoy gambling as a legitimate social activity. In addition, such a culture of responsibility should recognise and clarify the roles and responsibilities of various stakeholders in reducing problem gambling—including the general community, gamblers themselves, the gambling industry, counselling services and the Government.

Given these overall findings, the Tribunal's recommendations fall into three main areas:

1. **Promoting the level of 'informed choice'.** The Tribunal considers that in general, a culture of responsibility would be promoted by ensuring that consumers have adequate information on which to base their gambling decisions, and by improving community awareness of the risks and foreseeable consequences of gambling. Such an informed choice approach already has been adopted in relation to other industries and activities which are associated with risks to participants—such as alcohol and motor vehicles. Many of the existing measures under the current harm minimisation framework are informed choice measures. The Tribunal recommends that the measures that promote the NSW G-line and responsible gambling should be grouped as an 'informed choice package' and that the messages in this package should be reviewed to increase their effectiveness. The Tribunal also recommends that several of the informed choice measures should be refined to improve their ongoing effectiveness, and that a number of new informed choice measures should be introduced.
2. **Protecting gamblers to discourage risky behaviours and reduce the prevalence and negative consequences of problem gambling.** Measures that aim to protect gamblers are a central element of any responsible gambling policy framework. However, these measures—which often involve modifying the gambling product or environment to make them safer for problem gamblers—can have unintended consequences for recreational gamblers and the gambling industry. Therefore, the Tribunal has assessed existing and proposed measures to protect gamblers on the basis of credible evidence or stakeholder consensus. Given the different levels of existing evidence and stakeholder support for the many measures examined, the Tribunal has proposed seven broad groupings of recommendations; for example, where the existing evidence and stakeholder consensus support a measure, the Tribunal recommends that it be introduced retained or amended.
3. **Improving the effectiveness and efficiency of the problem gambling counselling program in NSW.** To improve the standards of this program generally, the Tribunal recommends that several areas under the CCBF's existing *Policy Framework* for counselling should be prioritised. To raise the quality of individual counselling services, it recommends that there be a requirement for accreditation and that this should be phased in. This accreditation should set minimum standards for all counselling services in areas such as staff qualifications. However, it should also provide flexibility for the better performing services, and accommodate experienced existing services that may not meet all of the minimum standards.

This report explains the Tribunal's review, findings and recommendations in detail. Chapters 2 and 3 set out its process in undertaking the review, and explain some of the important concepts, such as problem gambling and the existing concept of harm minimisation. Chapters 4 to 8 focus on the Tribunal's proposed policy framework for promoting a culture of responsibility in gambling, and its assessment and recommendations in relation to measures to increase informed choice, measures to protect gamblers, and counselling services, as well as analysis of the administration of the policy framework.

The full list of the Tribunal's recommendations is set out in Attachment 2.

2 REVIEW PROCESS

In line with its terms of reference, the Tribunal assessed the specified gambling harm minimisation measures and counselling services by examining the evidence presented in available research and policy studies.

Wherever possible, the Tribunal pursued an evidence-based approach, particularly when assessing the effectiveness of measures in protecting gamblers. To this end, it examined in detail the findings and recommendations in the available research studies. It also has taken into account the methodologies used in conducting these studies, although it was beyond the scope and breadth of this report to assess the individual studies or to conduct further studies.²

With regard to the informed choice measures, the Tribunal's view is that they may be introduced or refined on the basis of stakeholder views. However, where possible an evidence-based approach should be used for determining the most effective message to be delivered via each measure.

The Tribunal encountered some practical difficulties in pursuing this evidence-based approach:

- First, although the number of research studies into problem gambling has increased in recent years, particularly since the Productivity Commission released its report on *Australia's Gambling Industries* in 1999,³ the existing research covers around only half of the measures identified for consideration in this review, and some of this research is only of a secondary nature. That is, for some of the measures considered, very little evidence about their effectiveness in reducing problem gambling was available. Moreover, in no area have sufficient studies been undertaken to establish a consensus; that is, there is little depth in the research.
- Second, for those measures where considerable research does exist, there typically is little stakeholder consensus. In many cases, industry players and academics contest the methodologies, findings and recommendations of the reports,⁴ and claim that further research is needed.

In addition to reviewing available research, the Tribunal consulted with a wide range of stakeholders and experts. It invited public submissions and met with peak organisations representing relevant industry, community and trade union groups. Where evidence on a measure was not available, it gave even greater consideration to expert views and stakeholder consensus.

² In Chapter 4, the Tribunal recommends guidelines for future government-funded research into responsible gambling in NSW.

³ Productivity Commission, *Australia's Gambling Industries*, Report No. 10, 3 Vols, 26 November 1999. (Hereafter referred to as PC, *Australia's Gambling Industries*, 1999).

⁴ See for example the 11 'comments on research' forwarded to IPART following the release of a number of research reports that were funded by the Casino Community Benefit Fund and publicly released in November 2003.

It was beyond the scope and breadth of this review to assess the economic impacts of individual measures. The Tribunal received little data on the economic impacts of the existing regime, although some stakeholders have indicated to the Tribunal that the existing harm minimisation regime has not had significant detrimental economic impacts, except for clubs' and hotels' concerns about their requirement to shutdown gaming operations for six or three hours per day. Nonetheless, the Tribunal has taken economic impacts into account when proposing recommendations and developing guidelines for future research.

Overall, in developing recommendations for this review, the Tribunal has generally adopted an approach whereby it has proposed that:

- 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
- measures should be refined where it is clear that the ongoing operation of the measure can be improved or the evidence or stakeholder opinion generally supports such refinements
- measures should be prioritised for evaluation where
 - for existing measures, there is evidence or stakeholder consensus questioning the effectiveness of the measure
 - for proposed measures, there is evidence or stakeholder consensus supporting the measure
- the government should note industry and community concerns about the operation of measures where these stakeholder concerns are clear and there is not sufficient evidence to support a recommendation for responsible gambling purposes.

The Tribunal's consultation processes included:

- releasing an Issues Paper, which was advertised in the *Sydney Morning Herald* and the *Daily Telegraph*, posted on the IPART website (www.ipart.nsw.gov.au) and forwarding to a number of interested stakeholders
- receiving 46 submissions from 44 different submitters in response to the Issues Paper
- calling for comments on six research reports that were funded by the CCBF and released in November 2003 and receiving 11 submissions in response
- conducting meetings with over 25 different organisations or individuals (including regulators), with a number involving more than one meeting
- conducting a roundtable discussion with eight leading counselling services, many of which are funded by the CCBF
- visiting gaming regulators and stakeholders in Victoria and Queensland
- conducting site visits of a range of venues offering gaming and wagering services
- attending the National Association of Gambling Studies (NAGS) conference in Canberra in November 2003, the Gaming and Casinos World Conference in Melbourne in May 2004, and other problem gambling seminars and conferences.

The stakeholders who made submissions to this review are listed in Attachment 4. The organisations and individuals with whom the Tribunal met for the purposes of this review are listed in Attachment 5.

The terms of reference also allowed for the Tribunal to commission additional studies into responsible gambling policy. However, it did not do so based on expert views it obtained at the start of its review. It was advised that primary studies of the effectiveness of harm minimisation measures generally take at least one year to complete (including obtaining ethics clearance for research conducted within universities). This meant that such studies would not have been able to be completed in the reporting timeframe for this review. Instead, the Tribunal has recommended that research into the effectiveness of certain measures be undertaken in the future, and has identified specific measures that should be prioritised for research (see Attachment 3).

3 GAMBLING AND GAMBLING ISSUES IN NSW

Gambling involves staking money on uncertain events driven by chance. The two broad categories of gambling are:

- **gaming**, which involves playing games of chance for money and broadly includes all non-wagering gambling activities
- **wagering**, which involves placing a bet on the outcome of a racing or other event (usually a sporting event).⁵

Many people in NSW regard gambling as an enjoyable activity. For example, they may see it as:⁶

- a way to pass the time in a pleasant social environment
- a form of entertainment or an escape from reality
- a means of achieving excitement, a thrill or an adrenalin rush
- a hobby or way to relax
- a chance of achieving the dream of financial security
- a medium to help them meet other people.

The Productivity Commission's 1999 National Gambling Survey indicated that about 82 per cent of adults in Australia engage in gambling, and 40 per cent gamble at least once a week.⁷ The Tribunal noted in 1998 that the increased availability of gaming has improved the range and quality of entertainment opportunities available to a large number of people.⁸ As gambling activities are legal and widely available in NSW, it is also clear that Parliament considers gambling to be a legitimate social activity.

This chapter outlines the various forms of gaming and wagering available in NSW, and the current state of the gambling industry and gambling regulation. It also discusses issues relating to problem gambling and the existing concept of harm minimisation.

⁵ IPART, *Report to Government: Inquiry into Gaming in NSW*, OP-5, November 1998, p 2. (Hereafter referred to as IPART, *Inquiry into Gaming*, 1998.)

⁶ Australian Gaming Council, *A Database on Australia's Gambling Industries*, 2002, p 3. (Hereafter referred to as AGC, *A Database on Australia's Gambling Industries*, 2002.)

⁷ PC, *Australia's Gambling Industries*, 1999, p 12.

⁸ IPART, *Inquiry into Gaming*, 1998. See also the Productivity Commission's 1999 study, which stated that the primary benefit of gambling is its 'consumer surplus':

The benefits from liberalisation of the gambling industries come primarily from the satisfaction that consumers obtain from the ability to access what for many is a desired form of entertainment (PC, 1999, *Australia's Gambling Industries*, Volume 1, pp 5.3 and 5.1).

3.1 Forms of gambling in NSW

A variety of forms of gambling are available in NSW. The main forms are electronic gaming machines, lottery products, casino gaming and wagering. These and other less significant forms of gambling are described below.

3.1.1 Electronic gaming machines

Electronic gaming machines are recreational amusement devices on which people can spend money. Modern gaming machines use computer technology to control and operate all functions—including determining the outcome of each game, which involves a computer program within the machine that generates outcomes at random.⁹

In NSW, there are four main types of electronic gaming machines:

- Approved Poker Machines (APMs), which usually feature a set of electronic spinning reels. When the reels land on specific combinations, the player wins a prize designated in credits and the equivalent dollar value.
- Approved Amusement Devices (AADs), which are primarily electronic card games that replicate poker.
- Multi-terminal Gaming Machines (MTGMs), which offer a variety of electronic gaming activities, such as automated roulette wheel, with multiple stations from which players can place bets on the outcome.¹⁰
- Specially Approved Gaming Machines (SAGMs), which are special gaming machines that connect to State-Wide Linked Jackpot Systems operated by the TAB.¹¹

Gaming machines for use in clubs and hotels in NSW must be approved by the LAB. Gaming machines for use in the Star City Casino must be approved by the CCA. In deciding whether to approve a gaming machine, the LAB and CCA determine whether it meets the relevant Technical Standards. The Tribunal understands the existing Technical Standards for gaming machines are the Gaming Machine National Standard Version 6.01 and the NSW Appendix to the Gaming Machine National Standard Version 6.0. These Standards require that all gaming machines operating in NSW return a minimum of 85 per cent of funds to the player (see Box 3.1).

The *Gaming Machines Act 2001* places some limits on the number of gaming machines in NSW. It caps the number of approved gaming machines in all hotels and registered clubs at 104,000 (25,980 of which can be in hotels and 78,020 in registered clubs). It also limits the number of approved gaming machines in any one hotel to 30, and on any premises of a registered club generally to 450.¹² The Casino has 1,500 machines that are not included in the cap under the Gaming Machines Act.

⁹ Australian Gaming Machine Manufacturers Association, 2002, *Player Information Booklet*, pp 6 and 10.

¹⁰ Liquor Administration Board, *Annual Report 2002-2003*, p 26. (Hereafter referred to as LAB, *Annual Report 2002-2003*).

¹¹ LAB, *Annual Report 2002-2003*, p 26.

¹² *Gaming Machines Act 2001*, Part 2. The limit on the number of gaming machines in registered clubs does not apply to large-scale clubs, however these clubs are required to reduce numbers of gaming machines held over a 5-year period, ending 1 April, 2007. See *Gaming Machines Act 2001*, s. 15A and Gaming Machines Regulation 2002, r. 8.

At 30 June 2003, there were:¹³

- 1,830 hotels with 24,255 electronic gaming machines
- 1,381 registered clubs with 75,214 electronic gaming machines
- 1 casino (the Star City Casino), with 1,500 electronic gaming machines.

For 2002/03, turnover on gaming machines in hotels and registered clubs totalled over \$47,700 million.¹⁴

Box 3.1 Return to player on gaming machines

The Return to player (RTP) on gaming machines is expressed as a percentage and is the average amount won by a player as a share of the cumulative amount staked. This means that, of the total value bet, a certain proportion is expected to be returned to players in winnings.

In Australia, the Gaming Machines National Standards set this rate at a minimum of 85 per cent, although this varies across jurisdictions and is significantly lower in New Zealand, as outlined below.¹⁵

	NSW	Vic	Qld	Tas	NT	SA	WA	ACT	NZ
RTP (%)	85	87	85 (Casino machines—90)	85	85 (Casino machines—88)	87.5	Casino machines 90	Not specified	78 (Casino machines—87)

A game can typically be set at a variety of RTP percentages above the specified minimum rates and it is up to the venue operator to choose the rate at which the game will be set. Usually, it is not possible for the player to tell which RTP percentage is operating on a specific machine.

Notably, the RTP percentage is a long-term average; it is *not* an outcome that is based on individual play sessions. The period of the RTP is based on a 'standard deviation'—which is set out in the Gaming Machines National Standards—and the specific configuration of the individual machine. The Tribunal understands that there is no requirement for an individual machine to return the expected rate in any given period.¹⁶ It is very unlikely that an individual player will ever achieve the set rate of winnings. As AGMMA has noted: "An individual player will almost certainly not play a sufficient number of games to have any reasonable expectation of experiencing the 'set' Player Return Percentage".¹⁷

¹³ Department of Gaming and Racing, *Annual Report 2002-2003*, Fast Facts. (Hereafter referred to as DGR, *Annual Report 2002-2003*.)

¹⁴ DGR, *Annual Report 2002-2003*, Fast Facts.

¹⁵ Australian/New Zealand Gaming Machine National Standard, Version 6.01, pp 124-126.

¹⁶ Office of Gambling Regulation (Victoria), Player Information Brochure, p 3, accessed via the Gaming and Racing link on www.justice.vic.gov.au.

¹⁷ AGMMA, *Australian Gaming Machines Player Information Booklet*, 2000, p 14.

3.1.2 Lottery products

There are two main types of lottery products available in NSW – those provided by the NSW Lotteries Corporation, and Keno which is offered in registered clubs and the casino.

NSW Lotteries Corporation

The NSW Lotteries Corporation is a state owned corporation with exclusive licences¹⁸ to provide a range of public lottery products in the state, including Lotto, Lotto Strike, Oz Lotto, Saturday Lotto, Powerball, Soccer Pools and Draw Lottery Games.¹⁹ It also provides an instant lottery product, commonly known as ‘scratchies’, which involve a player scratching off a coating on a purchased ticket to reveal number or object combinations.²⁰ These products are sold at various outlets, predominantly newsagencies. NSW Lotteries Corporation’s annual turnover on products in 2002/03 totalled \$1,092.9 million.²¹

Keno

Clubkeno Holdings Pty Ltd and Jupiters Gaming (NSW) Pty Ltd currently jointly hold the licence to conduct games of Keno in NSW clubs and the Star City Casino.²² Keno is a lottery style game of chance where players bet that the numbers they choose on a ticket match any of the 20 numbers randomly selected from a group of 80 numbers via a computer system or ball draw device. At 30 June 2003, 1,020 registered clubs and Star City Casino were connected to Keno.²³ In 2002/03, net subscriptions to Keno totalled \$333.6 million.²⁴

3.1.3 Casino gaming

Casino gaming involves laying bets on table games such as blackjack, roulette, sic bo and baccarat. TABCORP Holdings Limited operates Star City Casino, which is the only legal casino in NSW and is located at Pyrmont near the Sydney central business district. TABCORP Holdings Limited has a 99-year licence to operate a casino in NSW including exclusive rights for 12 years from the opening of the temporary casino (expiring September 2007).

Star City Casino has 200 gaming tables, 1,500 electronic gaming machines and Star Keno.²⁵ In 2002/03, gross gaming revenue from the Casino totalled \$541 million.²⁶

¹⁸ These licences are due to expire on 1 July 2007.

¹⁹ A lottery involves three components: the purchase of a ticket; a draw; and winners’ prizes. See AGC, *A Database on Australia’s Gambling Industries*, 2002, p 31.

²⁰ AGC, *A Database on Australia’s Gambling Industries*, 2002, p 32.

²¹ NSW Lotteries, *Annual Report 2003*, p 3.

²² This licence is due to expire on 1 July 2007.

²³ DGR, *Annual Report 2002-2003*, p 35.

²⁴ DGR, *Annual Report 2002-2003*, Fast Facts.

²⁵ Casino Control Authority, *Annual Report 2002-2003*, p 19.

²⁶ DGR, *Annual Report 2002-2003*, Fast Facts, 2003.

3.1.4 Wagering

Various forms of wagering are available in NSW, including:

- racing, which comprises wagering on horse and greyhound racing through bookmakers or the Totalizator Agency Board (TAB)
- sports betting, which involves wagering on a range of local, national or international sporting events through bookmakers or the TAB.

In NSW, TAB Limited is licensed to conduct off-course and on-course totalizators and fixed odds wagering on approved sporting and racing events. TAB Limited is the only provider of on-course totalizator facilities in NSW and operates at over 175 racetracks. The Tribunal notes that TAB Limited is to be sold.

There are 322 dedicated TAB retail outlets operated by agents in NSW. In addition, TAB facilities are also available in 900 hotels and 536 registered clubs throughout NSW. TAB provides totalizator wagering services by telephone and through the Internet to registered account holders.²⁷

The licensing of racing bookmakers is the responsibility of the following three controlling bodies of racing under governing legislation:

- Thoroughbred: NSW Thoroughbred Racing Board (trading as Racing NSW)
- Harness: Harness Racing NSW
- Greyhound: Greyhound Racing Authority (NSW).²⁸

Sports bookmakers are authorised by the Minister for Gaming and Racing under the *Racing Administration Act 1998* and must operate under Rules approved by the Minister.

Turnover on all forms of wagering in 2002/03 totalled over \$5,296.9 million.²⁹

3.1.5 Other forms of gambling

Other forms of gambling—such as bingo, art unions, legalised two-up at Broken Hill and other state venues on Anzac Day, and raffles—are all comparatively small in terms of turnover, and are understood not to be subject to significant harm minimisation measures in NSW. Accordingly, the Tribunal has not specifically considered them in this review.

Internet gambling is regulated in Australia by the Federal Government through the *Interactive Gambling Act 2001* (IGA). Under the IGA, it is an offence to provide certain interactive services to customers physically located in Australia. These services typically involve use of the Internet to play games of chance, or games of mixed chance and skill such as roulette, poker, craps, online 'pokies' and blackjack. The Tribunal understands that the Federal Government is currently finalising a statutory review of the IGA. The review is

²⁷ TAB Limited submission, 2003.

²⁸ The Tribunal understands that Harness Racing NSW and the Greyhound Racing Authority (NSW) are to be amalgamated.

²⁹ DGR, *Annual Report 2002-2003*, Fast Facts.

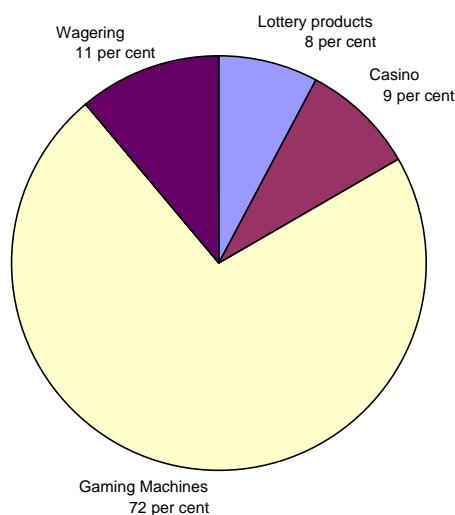
required to consider matters such as the operation of the IGA and technological developments that may assist in dealing with problem gambling.³⁰

3.2 State of the gambling industry

The gambling industry in NSW does more than provide a form of entertainment to participants. It is a large industry in terms of its annual turnover, and makes significant contributions to employment, government revenue, and local communities.

In 2001/02, the total net takings from gambling businesses operating in NSW were \$5.7 billion. This represented average spending in 2001/02 on gambling products in NSW of 3.83 per cent of Household Disposable Income. Almost three-quarters of this expenditure was on gaming machines (Figure 3.1).

Figure 3.1 Expenditure on main forms of gambling in NSW 2001/02³¹



NSW government revenue from gambling taxes and levies in 2002/03 totalled approximately \$1,261 million. Club and hotel gaming machines were the largest source of tax revenue, contributing \$755 million.³²

The gambling industry in NSW employs large numbers of people, and generates employment in a range of other industries. As at 30 June 2003, direct employment opportunities were provided by:³³

- 3,211 licensed venues operating gaming machines
- one casino operator
- two lottery operators
- one totalizator operator

³⁰ *Interactive Gambling Act 2001*, s. 68.

³¹ Expressed in 2001-2002 values. Data Source: Tasmanian Gaming Commission, *Australian Gambling Statistics 2001-2002*, September 2003.

³² NSW Budget Papers, *Budget Statement 2003-2004, Budget Paper No. 2*, p 3-13.

³³ DGR, *Annual Report 2002-2003*.

- two authorised full-time and 40 authorised casual sports betting bookmakers
- 295 racing bookmakers.

Indirect employment opportunities were created in areas such as:

- manufacturing, testing and selling gaming machines
- providing advisory and financial services to gambling businesses
- providing professional advice such as lawyers, accountants and social researchers
- contracting for constructing or improving gambling venues
- transporting products
- providing tourism and hospitality related services such as hotels, restaurants and taxis
- providing counselling and related services.

NSW gambling businesses also provide financial assistance to a wide range of local and charitable organisations and community programs,³⁴ with many NSW clubs managing and maintaining sporting facilities. The hotel industry in NSW also voluntarily contributes to community projects, charities and social causes.³⁵

Star City Casino is required, under the *Casino Control Act 1992*, to pay a casino community levy of 2 per cent on all its gaming revenue. The levy is paid into the CCBF.³⁶ The Trustees of the CCBF recommend to the Minister the projects and activities which may be considered for funding. Between the opening of the temporary casino in 1995 and 30 June 2003, over \$15 million from the CCBF had been committed to community projects and services that may be determined as being of benefit to the community generally (separate to CCBF funding for the research, awareness and counselling programs).³⁷ These are discussed in more detail in Chapter 8.

3.3 State of gambling regulation

There are currently four main bodies in the Gaming and Racing portfolio involved in the existing gambling 'harm minimisation' regime in NSW:

- **The Department of Gaming and Racing.** DGR provides strategic advice and professional support to the Minister for Gaming and Racing, including administering legislation, regulations, grants and incentives to industry. It contains the CCBF Branch which provides administrative support to the CCBF Trust, as well as compliance areas that undertake compliance monitoring and enforcement in clubs and hotels with regard to harm minimisation and industry integrity. The Department also provides support to the LAB in the conduct of its regulatory functions.
- **The Casino Community Benefit Fund Trust.** The CCBF Trust makes recommendations to the Minister on the funding of counselling, research, community

³⁴ NSW clubs may contribute to community projects through the Community Development and Support Expenditure Scheme administered by the LAB.

³⁵ Australian Hotels Association (NSW) supplementary submission, 2003, p 1.

³⁶ *Casino Control Act 1992*, s. 115.

³⁷ Department of Gaming and Racing (NSW), Casino Community Benefit Fund Information Sheet - February 2004

awareness and community projects, and also administers any subsequent programs and grants with the assistance of the CCBF Branch.

- **The Liquor Administration Board.** The LAB develops and administers Technical Standards for gaming machines, which include harm minimisation measures, and administers the Social Impact Assessment process discussed in section 6.2.3.
- **The Casino Control Authority.** The CCA is a stand-alone authority under the *Casino Control Act 1992* that administers systems for the licensing, supervision and control of the casino.

3.4 Problem gambling

While most people can participate in gambling activities without problems, some gamblers experience problems as a result of their participation. The definition of ‘problem gambling’, and its characteristics, risk factors and prevalence are discussed below.

3.4.1 Definitions

Various definitions of problem gambling exist, and there is no consensus on precisely how to test whether a person is a problem gambler or not. It has been argued that individuals experience gambling problems when they exceed their personal thresholds for discretionary disposable income and leisure time.³⁸ The Queensland Responsible Gambling Strategy states that problem gambling exists when gambling activity results in a range of adverse consequences, where:

- the safety and well being of gambling consumers or their family and friends are placed at risk, and/or
- negative impacts extend to the broader community.³⁹

However, a practical difficulty for these definitions arises because the thresholds can be subjective and relative to individuals’ life circumstances. Accordingly, they are extremely difficult to objectively measure.

The lack of consensus about how to define and identify problem gamblers stems from the variety of theoretical models that exist for understanding problem gambling. These include:

1. **The mental disorder or medical addiction model**—which views problem or ‘pathological’ gambling as a psychiatric disorder or addiction, where the individual finds it difficult to control the urge to gamble. This urge is believed to be physiologically based.

³⁸ See:

- Blaszczyński, A., Hill, S. and Pritchard, M., ‘Gambling: Clarifying Concepts in Pathological and Problem Gambling’, *Proceedings – 12th Annual National Association for Gambling Studies Conference*, Melbourne 21-23 November 2002, p 72.
- Dickerson, M., *Exploring the Limits of ‘Responsible Gambling’: Harm Minimisation or Consumer Protection?*, in *Gambling Research (Journal of the National Association for Gambling Studies Australia)*, 15, 2003, pp 29-44.
- University of Sydney Gambling Research Unit (Hereafter referred to as USGRU) submission, 2003, pp 13-14. (This submission was funded by the NSW Gaming Industry Operators; however, the USGRU submitted the report directly to IPART.)

³⁹ Queensland Treasury, *The Queensland Responsible Gambling Strategy – a partnership approach*, 2002, accessed at: www.responsiblegambling.qld.gov.au/strategy/

2. **Cognitive theory of gambling**—which sees problem gambling as the result of erroneous thinking about gambling—in particular, the belief that random events are predictable, and an unwillingness to exercise control.⁴⁰ Despite personal experience of losses, problem gamblers continue to gamble because they think that winning is likely and losses will be recouped.⁴¹
3. **Behavioural theory of gambling**—which views problem gambling as stemming from behaviours that have been reinforced by the rewards and positive experiences offered by gambling, or by the minimisation of negative feelings.
4. **Escape theory of gambling**—which sees gambling behaviour as an escape from pressures elsewhere in an individual’s life.⁴²
5. **Problem gambling as a social problem**—in which problem gambling is understood as a situation where an individual’s gambling activities give rise to harm that may impact on the individual gambler, his/her family and the wider community.⁴³

These understandings of problem gambling are not inconsistent, and several or all may be valid. Nonetheless, three treatment modes emerge from these understandings and are commonly used by counsellors in NSW (see Box 7.1).

3.4.2 Characteristics and risk factors

A number of characteristics have been widely recognised as features of problem gambling. The Productivity Commission identified these characteristics as follows:⁴⁴

- **Personal and psychological characteristics**—such as difficulties in controlling expenditure; anxiety, depression or guilt over gambling; thoughts of suicide or attempted suicide; use of gambling as an escape from boredom, stress or depression; thinking about or participating in gambling for long periods of the time; and giving up formerly important social or recreational activities in order to gamble.
- **Gambling behaviours**—such as chasing losses; spending more time or money on gambling than intended; and making repeated but unsuccessful attempts to stop gambling.
- **Interpersonal problems**—such as gambling-related arguments with family members, friends and work colleagues; and relationship breakdown or not spending sufficient time with family.
- **Job and study problems**—such as poor work/study performance; lost time at work or studying; and resignation or sacking due to gambling.
- **Financial effects**—such as large debts, unpaid borrowings, and financial hardship for the individual or family members (either in the present, in the case of high gambling

⁴⁰ Blaszczyński, A., Sharpe, L. and Walker, M., *The Assessment of the Impact of the Reconfiguration on Electronic Gaming Machines as Harm Minimisation Strategies for Problem Gambling*, 2001, pp 30-31.

⁴¹ University of Sydney Gambling Treatment Clinic submission, 2003, p 1.

⁴² Walker, M., Shannon, K., Blaszczyński, A., and Sharpe, L., *Problem Gamblers Receiving Counselling or Treatment in New South Wales: Seventh Survey*, December 2003, funded through the Casino Community Benefit Fund, p i. (Hereafter referred to as Walker, M., et al., 2003, *Seventh Survey*.)

⁴³ Dickerson, M., ‘Exploring the Limits of “Responsible Gambling”: Harm Minimisation or Consumer Protection?’, in *Gambling Research* (Journal of the National Association for Gambling Studies Australia), 15, 2003, pp 29-44.

⁴⁴ PC, *Australia’s Gambling Industries*, 1999, p 6.4.

commitments out of current earnings, or in the future, in the case of assets that are liquidated to finance gambling).

- **Legal problems**—such as misappropriation of money, passing bad cheques, and criminal behaviour due to gambling. In severe cases, these may result in court cases and prison sentences.

In addition, research indicates that a range of factors is associated with greater potential for problem gambling, or vulnerability for developing problem gambling behaviour. Recent studies have established that people who have problematic gambling behaviours are also likely to have other problem behaviours.⁴⁵ For example, reports have shown that up to 50 percent of problem gamblers have substance use disorders.⁴⁶ Problem gamblers also frequently exhibit mental health disorders including obsessive-compulsive disorders, attention-deficit disorders, anxiety disorders, and depressive disorders. Some reports suggest that these conditions share a physiological substrate with 'pathological' gambling.

Research has also found that people belonging to certain communities are at risk of developing problem gambling behaviour, due to their financial status and distinct needs (see Box 3.2). Clearly, the impact of the characteristics of problem gambling extends beyond the individual gamblers, to their family and friends and the wider community (for example, through the costs to welfare agencies and community groups). These characteristics and risk factors reveal that problem gambling is a complex phenomenon. Rather than operating in a singular way, it operates differently in relation to various communities and gambling products.

⁴⁵ PC, *Australia's Gambling Industries*, Volume 1, 1999.

⁴⁶ See:

- Cunningham-Williams R., Cottler, L., Compton, W., and Spitznagel, E., *Taking chances: problem gamblers and mental health disorders: results from the St Louis Epidemiological Catchment Area study*. American Journal of Public Health 8, 1998, pp 1093- 1096.
- National Centre for Education and Training on Addiction (NCETA), South Australia, *Current "Best Practice" Interventions for Gambling Problems: A Theoretical and Empirical Review*, Prepared for the Department of Human Services, Victoria.

Box 3.2 'At risk' communities

Several communities have been identified as being at greater risk of developing problematic gambling behaviour than the general community, due to their financial status and/or distinct needs.

Demographic profiles of problem gamblers suggest that a disproportionate number are economically disadvantaged. Studies in Canada have found that although participation in and expenditure on gambling rise with household income, lower income households spend an amount which is *proportionally* higher than higher income households, and therefore are at greater risk of developing problems.⁴⁷

The University of Queensland conducted a study into problem gambling in non-English speaking background (NESB) communities in Queensland,⁴⁸ which found that gambling is often a hidden issue in these communities that is rarely discussed. Because problem gambling is stigmatised, people in these communities rarely access mainstream treatment. The study also found that gambling may become a coping mechanism to deal with pressures associated with the migration process and readjustment issues such as language difficulties, unemployment and boredom. While gambling as a coping mechanism may not of itself be necessarily problematic, it could lead to problematic behaviour unless *other* coping skills are also developed and adopted by the individual.

There has been debate over whether NESB communities are disproportionately represented in the gambling population. A report for the Victorian Casino and Gaming Authority stated that these communities spend more money on gambling and appear to experience greater problems than the general community.⁴⁹ The report claims that the social supports available to Australian born players are often not available to NESB players, and these players may not have the same financial resources as the general community.⁵⁰ Furthermore, studies state that NESB gamblers are less likely to present to counselling services and to seek help for their gambling, thereby increasing the likelihood of long-term problems.⁵¹

A Queensland Government prevalence study found that prison populations have relatively high prevalence rates of problem gambling. Based on 178 interviews and using the Canadian Problem Gambling Index, almost 20 per cent of the Queensland prisoner population would be expected to be problem gamblers and an additional 15.2 per cent would be moderate risk gamblers.⁵²

3.4.3 Measuring the prevalence of problem gambling

Various 'screening tools' have been used to identify pathological or problem gambling (see Box 7.2). The most commonly used are questionnaires based on the American Psychiatric Association's Diagnostic and Statistical Manual of Mental Disorders, 4th edition (DSM-IV), and the South Oaks Gambling Screen (SOGS), developed by Lesieur and Blume in 1987.⁵³ The Queensland Government uses the Canadian Problem Gambling Index (CPGI).

⁴⁷ Marshall, K., *Update on Gambling, Perspectives on Labour and Income*, 12 (1), 2000, pp 29-35

⁴⁸ UQ Community Service and Research Centre, undated, *Problem Gambling: in non-English speaking background communities in Queensland: a pilot study, Final Report*, The University of Queensland.

⁴⁹ Cultural Partners Australia, *The Impact of Gaming on Specific Cultural Groups*, prepared for the Victorian Casino and Gaming Authority, 2000, p 18.

⁵⁰ Cultural Partners Australia, *The Impact of Gaming on Specific Cultural Groups*, 2000, p 39.

⁵¹ See:

- Cultural Partners Australia, *The Impact of Gaming on Specific Cultural Groups*, 2000, p 132.
- UQ Community Service and Research Centre, undated, *Problem Gambling: in non-English speaking background communities in Queensland: a pilot study, Final Report*, The University of Queensland, p 9.

⁵² Department of Corrective Services and Treasury (Qld), *Problem Gambling Prevalence Survey 2002*, Department of Corrective Services, Brisbane, 2002

⁵³ Lesieur, H., and Blume, S., 'The South Oaks Gambling Screen (SOGS): A new instrument for the identification of pathological gamblers'. *American Journal of Psychiatry*, 9, 1987, pp 1184-87. Other instruments used to identify problem gambling include the Victorian Gambling Research Panel's Victorian Gambling Screen.

In its 1999 report, the Productivity Commission estimated that about 1 per cent of Australian adults have severe problems with their gambling and another 1.15 per cent have moderate problems. While specific estimations often vary, it is generally accepted that prevalence rates for problem gambling are around 1.5 to 2.5 per cent of the population.

The Productivity Commission also identified that the prevalence of problem gambling varies according to the mode of gambling, with higher prevalence among regular players of gaming machines, racing and casino table games.⁵⁴ The University of Sydney Gambling Research Unit (USGRU) conducts an annual survey of problem gamblers presenting for counselling or treatment in NSW. The results of its 2003 survey indicate that 86 per cent of these problem gamblers say that the main form of gambling they use is gaming machines.⁵⁵ Several leading counsellors and stakeholders the Tribunal consulted as part of its review process provided support for this finding. They estimated that gaming machines are the source of problems for over 80 per cent of problem gamblers.

The USGRU's annual survey also indicates that the demographic profile of problem gamblers in treatment has remained relatively consistent across years. In 2003, this profile was male (59 per cent), from Sydney (54 per cent), Anglo Australian (64 per cent), with an average age of 40 years.⁵⁶

In November 2003, the Minister approved funding for a State-wide prevalence survey on gambling and problem gambling, as recommended by the CCBF Trustees.⁵⁷ The Tribunal supports this decision, as such studies are a useful, practical means for refining policy and program activity. It also considers that ongoing surveys should be conducted to update the findings of previous surveys, and to enable the extent of problem gambling, its geographical spread and the profile of problem gamblers to be monitored over time.

Recommendation

To inform gambling policy and program activity, ongoing prevalence studies should be conducted into problem gambling to assess, and monitor over time, the extent of problem gambling, its geographic spread and the profile of problem gamblers.

3.5 The existing concept of 'harm minimisation'

Generally, gambling harm minimisation is a broad concept that encompasses harm to individual gamblers and the associated impacts experienced by their families, friends and the wider community. It is a concept that was originally applied in 'public health' strategies to address adverse health consequences associated with substance abuse. Gambling harm minimisation's aims have been described as follows:⁵⁸

- to prevent vulnerable individuals from developing gambling problems
- to reduce the current prevalence of problem gamblers within the community
- to reduce the negative social and health consequences associated with problem gamblers for individuals, their families and their communities

⁵⁴ PC, *Australia's Gambling Industries*, 1999, pp.6.1 and 6.51-6.52.

⁵⁵ Walker, M., et al., *Seventh Survey*, 2003.

⁵⁶ Walker, M., et al., *Seventh Survey*, 2003, p i.

⁵⁷ Casino Community Benefit Fund Trustees submission, 2004, p 16.

⁵⁸ Blaszczyński, A., Sharpe, L. and Walker, M., *The Assessment of the Impact of the Reconfiguration on Electronic Gaming Machines as Harm Minimisation Strategies for Problem Gambling*, 2001, p 25.

- to maintain a reasonable level of enjoyment from gambling by recreational gamblers
- to ensure that the livelihood of those associated with the gaming industry are not unnecessarily compromised.

In 1999, the NSW Parliament introduced gambling harm minimisation amendments to various gambling legislation, as part of the *Gambling Legislation Amendment (Responsible Gambling) Act 1999*. This Act promoted gambling harm minimisation and responsible gambling across all forms of gambling.

The *Gaming Machines Act 2001*, which came into effect in April 2002, identifies harm minimisation as one of its primary objects, and describes it as the minimisation of harm associated with the misuse and abuse of gambling activities. This Act also requires various persons and bodies, such as the Liquor Administration Board, to have regard to "... the need for gambling harm minimisation and the fostering of responsible conduct in relation to gambling when exercising functions under this Act".⁵⁹

Specific gambling harm minimisation measures are prescribed by a range of Acts and subordinate regulations in NSW, including:

- *Gaming Machines Act 2001*
- *Casino Control Act 1992*
- *Racing Administration Act 1998*
- *Totalizator Act 1997*
- *Public Lotteries Act 1996*.

The Tribunal has reviewed the adequacy of the existing gambling harm minimisation framework in NSW. Its findings are discussed in Chapter 4.

⁵⁹ *Gaming Machines Act 2001*, s. 3.

4 PROMOTING A CULTURE OF RESPONSIBILITY IN GAMBLING THROUGH AN INTEGRATED POLICY FRAMEWORK

In NSW, as in other jurisdictions, problem gambling policy is a relatively new area. The existing policy framework includes a large number of individual measures with a range of objectives. For example, some aim to reduce the community's access to gambling facilities in general, while others specifically target problem gamblers and aim to reduce their opportunity to gamble to excess, or to minimise the effects of their gambling behaviour on them and their families.

As part of its review of the effectiveness of these measures, the Tribunal examined the policy framework as a whole. It also considered the basis on which individual measures were introduced and their ongoing effectiveness was evaluated. It found that the existing measures are not part of a coherent, integrated policy framework, or the responsibility of one agency. In addition, it found that there is widespread stakeholder concern that many of these measures were introduced without credible evidence of their effectiveness, and that their objectives and the process for evaluating them are not clear. Some stakeholders are also concerned that the existing concept of 'harm minimisation' is not the most appropriate objective for gambling policy.

The Tribunal considers it important that a coherent and integrated responsible gambling policy framework be developed, and that this framework should be used to guide future decision making. In line with the broad approach it proposed in its 1998 review of gambling policy,⁶⁰ the Tribunal considers the general aim of the policy should be to promote a culture of responsibility in relation to gambling. As a general principle, the measures implemented under this policy should aim to reduce the likelihood that gambling will become a problem for participants, while also recognising that gambling is a legitimate social activity that people should generally be free to enjoy.

The Tribunal is of the view that an integrated policy approach based on the following three strategies would encourage such a culture of responsibility:

- **Promoting informed choice.** These measures should make the general community aware of the risks and foreseeable consequences of excessive gambling, and provide the community with adequate information on which to base decisions in relation to gambling. They would also encourage people to take responsibility for their gambling behaviour, including recognising when they or someone close to them has a gambling problem and seeking appropriate help.
- **Protecting gamblers to discourage risky behaviours and reduce the prevalence and negative consequences of problem gambling.** These measures would include both mandatory and voluntary measures designed to make gambling products or the gambling environment safer, to encourage gamblers to behave more responsibly when gambling, and to protect gamblers from spending excessive amounts of time and money gambling.

⁶⁰ IPART, *Inquiry into Gaming*, 1998.

- **Providing counselling services to problem gamblers and their families and friends to reduce the negative impacts of their gambling behaviour.** These measures would make appropriate treatment of a minimum acceptable standard available to people who have problems associated with gambling.

The Tribunal also considers the policy framework should include guidelines for evaluating the effectiveness of existing measures and introducing new measures, and that these guidelines should require a greater reliance on evidence from credible research. It should also encourage more and higher quality research to be undertaken by leading researchers. Generally, government-funded research should be limited to projects that assist government decision making, and should be subject to independent review by experts in either gambling research or in the research methodology used.

These findings and recommendations in relation to the responsible gambling policy framework are discussed in greater detail below.

4.1 Stakeholders' views about the existing harm minimisation framework

Nearly all stakeholders who made submissions to this review argued that government has a legitimate role to play in relation to problem gambling. However, most raised concerns about the existing harm minimisation framework. On one hand, some industry players argued that the existing harm minimisation measures are too onerous, and that many of these measures were introduced without a sound policy or scientific basis. On the other hand, many other stakeholders suggested that the existing framework does not go far enough, and called for the introduction of additional measures some of which could be regarded as more onerous. No submission to this review suggested that the existing arrangements should continue unchanged.

A range of stakeholders were also concerned about the appropriateness of harm minimisation as an objective for problem gambling policy. For example, the NSW Gaming Industry Operators Group (NSW GIO) and the Australasian Gaming Machine Manufacturers Association (AGMMA) argued that the concept is not appropriate because 'harm minimisation' cannot have any real meaning in gambling regulation unless some specific harm can be identified and demonstrated to be effectively minimised or reduced by the process.⁶¹

Other stakeholders were concerned that the term 'harm minimisation' is confusing; that it is not really clear what the existing measures aim to achieve, and how the effectiveness of these measures are evaluated. The USGRU submitted that:

There is confusion and lack of consistency in the use of the term 'harm minimization' with a number of measures being more appropriately defined as primary prevention and education programs. It remains unclear whether harm minimization strategies are designed to target vulnerable subgroups or are intended to exert an impact across the board. Current measures variably target the population of problem and/or recreational gamblers.⁶²

⁶¹ NSW Gaming Industry Operators, submission 2003, and Australasian Gaming Machine Manufacturers Association (Hereafter referred to as AGMMA) submission, 2003, p 11.

⁶² USGRU submission, 2003, p 17.

Mark Dickerson, Tattersall's Chair in Psychology at the University of Western Sydney, argued that the existing harm minimisation policy should be replaced with a policy based on 'consumer protection', with the key element being a mandatory requirement to use smart cards that allow for money and time limits to be set when playing gaming machines.⁶³

The Australian Casino Association (ACA) called for the existing framework to be replaced with a 'responsible gambling' framework, which encourages consumers to make informed and educated choices, and involves initiatives that contribute to improving the wellbeing of people who may be adversely affected by their gambling behaviours. It noted that responsible gambling involves shared responsibility by individuals, communities, the gambling industry and government.⁶⁴

The Australian Gaming Council (AGC) called for the establishment of clear objectives, criteria and principles against which to assess harm minimisation measures. It endorsed a 'public health' framework for gambling, in which the focus is on balancing the costs and benefits of gambling as opposed to what it terms the "unrealistic goal" of total harm prevention.⁶⁵

4.2 Relevant gambling policy reviews

As part of its review, the Tribunal considered the findings of other reviews, including its own 1998 review of NSW gambling policy⁶⁶ and the Productivity Commission's 1999 public inquiry into Australia's gambling industries⁶⁷.

One of the main issues the Tribunal considered in its 1998 review was how to reduce the adverse social impacts of excessive gambling. Its report proposed the adoption of an approach it characterised as 'fostering responsible gambling'. It broadly defined this approach as assisting consumers to enjoy gambling while reducing the likelihood that their gambling will become a problem. It noted that, like alcohol abuse, gambling to excess can cause devastating effects.

Based on submitters' comments, public hearings and other meetings, the 1998 report also identified a range of measures designed to foster more responsible gambling, including calling on the gambling industry to caution people to bet no more than they can afford. In proposing these measures, the Tribunal stated that a balance must be struck between ensuring that venue operators act responsibly in the delivery of gaming, and that the regulations and codes are not so onerous that participants are driven to forms of gambling that are less subject to control, such as illegal gambling or gambling on the Internet.

The Productivity Commission's 1999 report examined the economic and social impacts of gambling. The Productivity Commission stated that it did not support simply imposing or tightening a constraint on the amount of gambling. Moreover, it did not favour measures that would reduce the social costs of gambling '*no matter what the sacrifice to the private benefits*'. Rather, its approach was to seek ways that, '*as far as practical, reduce the social costs of gambling without reducing the benefits*'.⁶⁸

⁶³ Mark Dickerson submission, 2003.

⁶⁴ Australian Casino Association submission, 2003, p 2.

⁶⁵ Australian Gaming Council submission, 2003, p 7.

⁶⁶ IPART, *Inquiry into Gaming*, 1998.

⁶⁷ PC, *Australia's Gambling Industries*, 1999.

⁶⁸ PC, *Australia's Gambling Industries*, 1999, p 12.21. Emphasis in source document.

4.3 The Tribunal's proposed approach to responsible gambling policy

The Tribunal still considers that NSW responsible gambling policy should aim to balance the need to reduce the likelihood that people will develop gambling problems with the community's more general freedom to choose to gamble as a legitimate social activity. To date, the public debate on gambling has tended to be polarised – often depicting problem gambling as predominantly the responsibility of either:

- the gambling industry, with problem gamblers being the victims of 'addictive' gambling products, or
- gamblers themselves, who fail to control their behaviour or erroneously think they will win.

The Tribunal considers that neither of these perspectives reflects the complexity of problem gambling, and so both are inadequate for framing policy recommendations. Rather, it is of the view that NSW responsible gambling policy should recognise that a range of stakeholders have responsibility for and should play an active role in reducing the prevalence and negative impact of problem gambling. It should promote a broad culture of responsibility in relation to gambling, by clarifying the roles and responsibilities of these stakeholders and, where possible, making them accountable for promoting or adopting the measures relevant to their role. The Tribunal's opinion is that these stakeholders include:

- **Government**, whose role should be to develop a regulatory framework that effectively and efficiently assists in promoting responsible gambling, and to promote the ongoing effectiveness of this framework through compliance monitoring, systematic evaluation, and developing incentives for industry best practice. Where appropriate, governments should jointly commission policy relevant research. Government should also promote transparency in responsible gambling policy – in Australia, this should include all governments publishing clear and accessible information on regulatory measures in their jurisdiction.
- **The gambling industry**, which should contribute to a culture of responsibility by providing gambling services and products that are as safe as feasibly possible, in venues that encourage responsible gambling. They should ensure that the attitudes of all personnel associated with venues, from Board members to venue staff, are consistent with such a culture. They should also adopt ethical practice and governance systems that are consistent with a responsible culture. To this end, the Tribunal notes that some venues have implemented measures and policies that support responsible gambling (see Box 4.1). However, it is also aware that some venues do not comply with certain regulatory requirements, and that some advertisements for gaming operators or the messages of encouragement on gaming machines following near misses or wins, do not promote a culture of responsibility.
- **Gamblers themselves**, who need to gamble more responsibly by setting budgets for gambling sessions, being more aware of the gambling product and environment, using voluntary measures to control their gambling and seeking help if they spend excessive amounts of time and money when gambling. As set out in Figure 4.1, the four main types of gamblers are: recreational (non-problem gamblers); 'at risk' – low; 'at risk' – moderate; problem gamblers.

- **Problem gambling counsellors**, whose role should be to provide services that meet minimum standards of best practice and to demonstrate accountability in the delivery of these services.
- **The general community**, which should recognise the risks associated with excessive gambling, generally be aware of safe gambling practices and promote these practices, particularly to family and friends.

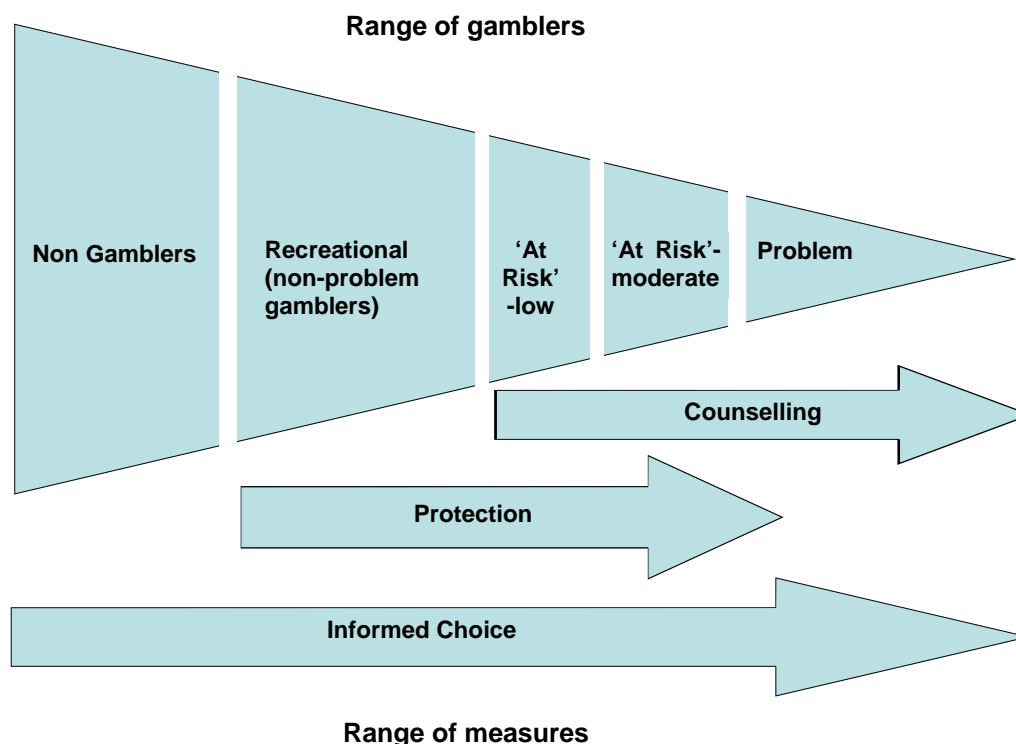
Box 4.1 Gambling operators' commitment to responsible gambling

A number of gambling operators have voluntarily implemented arrangements that support responsible gambling.

- Fairfield RSL Club has adopted several voluntary measures, including displaying additional responsible gambling signs in light boxes around the gaming floor. The Club managers have attended responsible gambling courses in Nevada in the United States. In November 2003, the Club held a series of responsible gambling seminars, presented by Professor Bo Bernard, Director of Gaming Research at the University of Las Vegas.
- As part of TABCORP, Star City Casino has adopted the TABCORP Responsible Gambling Code.
- TAB Limited has implemented a Community Commitment Code outlining key goals including the provision of gambling services in a responsible way, applying standards to advertising and promotions, providing assistance to problem gamblers and ensuring business is conducted in a way which reduces the potential for gambling related harm.
- A range of peak industry bodies in the gambling industry established the NSW Gaming Industry Operators group, which has funded high quality research into problem gambling.
- A range of leading gambling operators established the Australian Gaming Council, which commissions research into responsible gambling and has developed a Responsible Gambling Code containing recommended principles and practices for gaming operators in Australia.

In this context, the Tribunal has developed a proposed policy approach that it considers will promote this culture of responsibility. It categorises measures into three main types— informed choice, protection and counselling—each of which targets specific population segments (see Figure 4.1).

Figure 4.1 Proposed policy approach to responsible gambling



For the proposed responsible gambling policy, the Tribunal considers that the DGR, as the Minister’s key policy agency, should increase its leadership role by taking responsibility for state-wide planning, direction-setting and guidance, to develop an overarching medium to longer-term vision for the policy. In relation to the various programs under the policy framework (see Chapter 8), the DGR needs to play a central role in developing the overall strategic policy for these programs and, in turn, incorporating the outcomes and findings from these programs back into the policy framework.

In addition to its policy and program work, the DGR should continue its compliance work by actively monitoring and enforcing compliance with the revised responsible gambling policy. Although the Tribunal believes most of the gambling industry complies with the existing regulations, in conducting site visits and consultations for this review it has become aware that a significant number of gambling operators do not comply with certain regulatory requirements. An effective regime must have the capacity to respond to contraventions, as businesses’ incentive to comply will be greatly diminished if the potential for sanctions is not credible. The DGR could need to place greater focus on gambling operators’ compliance with the revised responsible gambling policy.

The Tribunal is also of the view that the CCBF Trust could play a central role in promoting a culture of responsibility in relation to gambling by adopting a community advisory role to the Minister. To this end, the CCBF Trust could provide advice to the Minister on community attitudes in relation to responsible gambling issues.

4.3.1 Informed choice measures

Informed choice refers to making decisions about an activity on the basis of adequate information about the nature and foreseeable consequences of that activity, and without controlling influences.

Informed choice measures should target the whole community and the full range of gamblers, and should generally aim to make people more aware of the risks and foreseeable consequences of gambling. In addition, these measures should aim to provide accurate, clear and accessible information that will help people decide whether they will gamble, and if so, how they will gamble. They should encourage people to recognise problem gambling behaviours and make them aware of the assistance available for those who are exhibiting those behaviours and experiencing gambling problems.

Stakeholders consulted for this review uniformly supported 'informed choice' as a key component of a responsible gambling policy framework. However, some stakeholders argued that the individual measures should be assessed on their effectiveness in reducing problem gambling. The Tribunal considers that existing informed choice measures should more appropriately be assessed on the basis of their effectiveness in meeting their objectives—that is, promoting the community's awareness of gambling and responsible gambling, including the risks and foreseeable consequences of excessive gambling.

Given this, the Tribunal considers that informed choice measures may be introduced or refined on the basis of stakeholder views; however, where possible an evidence-based approach should be used for determining the most effective message to be delivered via the measure.

The Tribunal has taken this approach in its assessment of existing and proposed informed choice measures for this review. Its approach, findings and recommendations are discussed in Chapter 5.

4.3.2 Protection measures

Consumer protection generally involves imposing requirements on a product or service, or the environment in which that product or service is purchased or used, to make it safer. Such measures may be mandatory or voluntary. In the case that measures are voluntary, they require the relevant industry to commit to implementing them, and consumers to take responsibility for adopting them. Accordingly, the voluntary measures may be more relevant to those who are 'at risk' of developing gambling problems than existing problem gamblers.

When applied to responsible gambling policy, protection measures should aim to discourage risky behaviours, and to reduce the incidence, prevalence and negative consequences of problem gambling (see section 3.3). These measures should target recreational and at risk gamblers (both low and moderate risk gamblers), and those who have gambling problems. However, in principle, they should focus on forms of gambling and gambling behaviours that are more common to problem gamblers and those who are at risk of becoming problem gamblers, so that recreational gamblers will not be unnecessarily affected. They should also help prevent people migrating across the gambling continuum towards problematic gambling behaviours.

Most stakeholders supported the need for protection measures as part of a policy framework, but there was wide disagreement about the appropriateness and effectiveness of the existing measures. Given that protection measures typically alter the gambling product or environment and thus would carry some greater costs to industry than informed choice measures, the Tribunal considers that policy guidelines for decision making in relation to amending or recommending such measures should require greater reliance on evidence. When credible evidence is not available, the guidelines should require strong stakeholder support.

The Tribunal has taken a similar approach in assessing existing and proposed protection measures for this review. Its approach, findings and recommendations are discussed in Chapter 6.

Should certain measures be particularly effective in protecting gamblers, it may be the case that related measures are made redundant. There may also be protection measures that, when used in combination with other measures, become more effective than if they were implemented separately. While there is currently little evidence to indicate which measures are particularly substitutable or complementary, the Tribunal considers that ongoing reviews into responsible gambling policy should take this into account when assessing the effectiveness of measures and the broader policy framework.

4.3.3 Counselling measures

Counselling refers to different types of treatments to assist people who are developing or have developed problems to resolve those problems. These treatments may include individual counselling, self help, group counselling, financial counselling and assistance for families and friends.

In relation to responsible gambling policy, counselling measures should aim to help problem gamblers stop or moderate their problematic behaviours, and reduce the negative impacts of these behaviours on them, their families and friends, and the wider community. These measures should target gamblers who are developing or have gambling problems, and their families and friends affected by these problems.

Stakeholders uniformly supported counselling measures as a key component of a NSW policy framework. However, there is currently very little evidence available about what constitutes best practice for problem gambling counselling (primarily because this is a relatively new field of counselling). Nonetheless, the Tribunal is of the view that policy guidelines for decision making in relation to counselling measures should take into account the findings of available international literature and interstate case studies, which demonstrate the key elements required in an efficient and effective counselling program.

The Tribunal has taken a similar approach in assessing counselling measures and the key elements of a counselling program for this review. Its approach, findings and recommendations are discussed in Chapter 7.

4.3.4 Implementation of recommendations

Issues relating to implementing the recommendations for the counselling program are discussed in Chapter 7. With regard to implementing informed choice and protection measures, the Tribunal generally considers that:

- where measures can be accommodated without significant costs to the industry, they should be implemented within six months of the Minister's determination
- where measures involve greater costs or complexities, they should be phased in over time.

In the case of gaming machines, the phase-in period following determination of the measure could accompany the introduction on new machines or games, up to a five-year limit after the Minister's determination. The Tribunal understands that current games typically have around a four-year lifespan. Such a determination should allow a lead-in time for the reconfiguration of machines or games in the immediate period following its determination.

Recommendations

- *The Government should develop a coherent and integrated responsible gambling policy framework. This framework should promote a broad culture of responsibility in relation to gambling among all stakeholders including: government; the gambling industry; gamblers; relevant counselling services; and the general community.*
- *The responsible gambling policy framework should incorporate three main strategies:*
 - *promote informed choice*
 - *protect gamblers to discourage risky behaviours and reduce the prevalence and negative consequences associated with problem gambling*
 - *provide counselling services to 'at risk' and problem gamblers and their families and friends to reduce the negative impacts of their gambling behaviour.*
- *Government should promote transparency in responsible gambling policy. In Australia, this should include all governments publishing information on regulatory measures in their jurisdiction.*
- *The Department of Gaming and Racing should take responsibility for state-wide planning, direction-setting and guidance for responsible gambling policy, to develop an overarching medium to longer-term vision for the policy.*
- *The Department of Gaming and Racing should actively monitor and enforce compliance with the revised responsible gambling policy.*
- *Ongoing monitoring and evaluation of the proposed responsible gambling framework should take into account whether certain measures have close substitutes or complementary measures. This should identify whether measures may be made redundant if related measures are particularly effective or if they would be most effectively used in combination with other measures.*
- *Where measures can be implemented without significant costs to the industry, they should be implemented within six months of the Minister's determination. Where measures involve greater implementation costs or complexities, they should be phased in over time—in the case of gaming machines, the phase-in period following*

determination of the measure could accompany the introduction of new games or machines, up to a five-year limit following a lead-in time.

4.4 Evidence-based policy and guidelines for research

As discussed in the sections above, the Tribunal is of the view that the NSW policy framework should include a more evidence-based approach to evaluating, selecting and modifying the measures implemented under that policy. As part of its review, it considered submissions from several stakeholders in the gaming industry who argued that all measures for which there is no clear scientific evidence or proof of effectiveness should be repealed.⁶⁹ For example, the Leagues Clubs Association put the view that “any existing measures which have had no scientific evidence to support the premise that they reduce harm should be abolished”.⁷⁰ The NSW GIO suggested that “the existing and proposed ‘technical measures’ which cannot be shown to have any material positive impact on problem gambling in NSW be discontinued or not proceeded with as such measures impact negatively on recreational players”.⁷¹

The Tribunal also took into account the views expressed by the Productivity Commission in its 1999 report, where it noted that an argument could be made for reversing the onus of proof proposed by the gambling industry:

Governments tend, for example, to ban or limit exposure to *potentially* dangerous drugs. In this instance, the onus of proof is on demonstrating the product’s safety, before it can be regarded as a normal good, rather than the onus of proof being to demonstrate that it is hazardous prior to measures seeking to control its availability. Arguably this precautionary approach is appropriate for some aspects of gambling too. The approach reflects the concern that consumption of certain products might have small benefits for many, but very large adverse consequences for some.⁷²

The Tribunal found that while a more evidence-based approach to decision making is desirable, it is important that the policy does not require tests to be applied to measures if they are not actually achievable or realistic. It considers that tests for scientific evidence are currently not achievable for many measures.

- In practice, responsible gambling is a relatively new policy and research area—the research currently available is not broad or deep enough to support such an approach.
- In principle, scientific ‘proof’ may not be a realistic goal for this area, given that it has human behaviour as its primary focus of study.

Conversely, it could also be argued that reversing the onus of proof would stifle innovation and development in the gambling industry, which in turn could have wider economic and social affects.

⁶⁹ See, for example, submissions by Australian Casinos Association, Leagues Clubs Association of NSW, and NSW Gaming Industry Operators (submission and supplementary submission).

⁷⁰ Leagues Clubs Association submission, 2003, p 1.

⁷¹ NSW Gaming Industry Operators supplementary submission, 2003, p 2.

⁷² PC, *Australia’s Gambling Industries*, 1999, p 16.87. Emphasis in source document.

The Tribunal considers that it would be more appropriate for the policy to require that decision makers seek credible evidence derived from research methodologies that meet relevant best practice. To this end, one of the policy's aims should be to encourage more research of a higher quality on which government can make evidence-based decisions. Accordingly, stakeholders need to recognise that government's role in policy is not to engage in academic debates about the merits of individual research studies.

To promote research that makes a practical contribution to the development of a responsible gambling policy, the Tribunal proposes that the Government should require the research that it funds should:

- be chosen on the basis of a competitive process or from a panel of professional researchers short-listed for preferred use
- be subject to an independent review by relevant experts
- use appropriate methodologies.

4.4.1 Commissioning research

To encourage high quality research proposals, and to ensure that government can choose the most appropriate researchers for each specific task, the particular organisations or researchers chosen to undertake the tasks should be commissioned either:

- on the basis of a competitive process for each task, in line with general practice for government procurement, or
- from a panel of short-listed professional researchers established by the DGR for the purposes of conducting problem gambling research, and appointed following a competitive process.

4.4.2 Independent review

In line with standard practice for the publication of academic manuscripts, government-funded research into responsible gambling policy should be subject to independent review by at least two experts either in the gambling research field or in the research methodology area. A panel of relevant experts should be established for the purposes of this review. The review should be undertaken:

- at the research proposal stage, in order to ensure that only the highest quality projects are funded and to provide the funded projects with further guidance on achieving research best practice within the project parameters
- prior to finalisation and publication of the research report, in order to ensure that the research report is of publishable quality.

4.4.3 Appropriate methodologies

Where research is conducted into the effectiveness of **informed choice** measures, the test applied should be the degree to which the measures effectively:

- achieve their communication objectives – for example, the extent to which they
 - provide information to gamblers about their gambling activities and the gambling environment
 - increase awareness of the risks of gambling
 - assist identification of problem gambling
 - educate about assistance available for problem gamblers
- sustain recollection of the message in their target audiences
- have spill-over effects for secondary audiences.

Where research is conducted into the effectiveness of **protection measures**, four key impacts should be taken into account. These are the extent to which the measures would:

- reduce harms associated with problem gambling, including for ‘at risk’ communities
- affect recreational gamblers
- economically affect the relevant industry sectors
- generate any unintended or perverse consequences.

Where possible, research into specific measures should also identify measures that are complementary or a possible substitute. This should assist ongoing monitoring and evaluation of the proposed responsible gambling policy framework, by identifying the measures that could be combined into a package or the measures that could be repealed if they are made redundant by the effective introduction of other measures.

When researching gamblers’ responses to the protection measures, a combination of observation and questionnaire approaches should be preferred, and the results should be cross-validated. The main limitation of the questionnaire approach in isolation is that individuals know they are part of a study and so may not accurately report their behaviours; for example, they may underestimate losses and overestimate wins. The main limitation of the observation approach is that many measurements are limited to a single session of gambling, and gamblers may act abnormally knowing they are being observed.⁷³ The observation approach can take place either in designated gambling venues (‘in vivo’), or in a controlled laboratory setting.

Recommendations

- *The responsible gambling policy framework should encourage credible research on which government can make evidence-based decisions. Government-funded research projects should be limited to those which assist government decision-making, and should be subject to independent review – at research proposal and final report – by experts in either gambling research or in the research methodology used.*

⁷³ Walker, M., ‘Atlantic Lottery Corporation Video Lottery Responsible Gaming Feature Research: An Evaluation by Professor Michael Walker’, attachment to Australian Gaming Council submission, 2003.

- *Researchers conducting government-funded research should be appointed on the basis of a competitive process – either for the individual research tasks or for appointment to a panel of preferred researchers, which should be developed and administered by the Department of Gaming and Racing.*
- *In relation to gambling protection measures in particular, research should evaluate the extent to which the measures would:*
 - *affect problem gambling (including ‘at risk’ gambling) and recreational gambling*
 - *have significant economic impacts as well as any unintended consequences.*

5 PROMOTING INFORMED CHOICE FOR THE COMMUNITY

The Tribunal assessed eight existing measures and four proposed measures that it considers primarily to be informed choice measures. As discussed in Chapter 4, ‘informed choice’ is a concept used in a range of areas, including in relation to many goods and services that we use in our daily lives. It refers to the process by which consumers make choices about purchasing or consuming goods or services on the basis of adequate information about the nature and foreseeable consequences of doing so, and without controlling influences such as “force, fraud, deceit, duress, over-reaching, or other ulterior form of constraint or coercion”.⁷⁴

In relation to gambling, informed choice measures generally aim to provide accurate, clear and accessible information either to the community in general or to gamblers in particular, to help them make informed choices about whether they will gamble and how they will gamble. This information may aim to:

- increase awareness of the risks associated with gambling
- increase understanding of how gambling products work and the probability of winning a prize
- encourage responsible gambling practices
- help people recognise problem gambling behaviours
- inform and educate people about the assistance available for those experiencing gambling problems
- increase the application of responsible behaviours.

Where available, the Tribunal considered evidence on the range of relevant matters outlined in its terms of reference, including the impact of the measures on recreational gamblers, employment and support for community projects.

Given the public concerns about excessive gambling, the Tribunal considers that existing measures should be continued (possibly with refinements) on the basis of available evidence and/or stakeholder views, even though there may not be strong evidence in favour of the effectiveness of the measure in *reducing problem gambling*. The Tribunal is also of the view that there is a need to look at the measures that include G-line and responsible gambling messages as a ‘package’, assisted by an evidence-based approach for determining the most effective *messages* to be delivered via the package as well as the optimal number and placement of signs. Accordingly, it has recommended an overall review of the messages and number of signs in this package.

⁷⁴ See National Council on Ethics in Human Research (Canada), *Facilitating Ethical Research: Promoting Informed Choice*, NCEHR Communiqué Vol. 7, No. 2, 1996, pp. 3-4. Accessed at: www.ncehrcenter.org on 21 January 2004.

With regard to making recommendations on individual measures, the Tribunal has adopted the following approach:

- **For existing measures:**
 - where the evidence and/or stakeholder opinion does not clearly support repeal or amendment, it has recommended the measure be maintained in its current form
 - where the evidence and/or stakeholder opinion clearly supports amendment to improve its ongoing effectiveness, it has recommended the measure be maintained and that specific amendments be made
- **For proposed measures:**
 - where the evidence and/or stakeholder opinion clearly supports introduction, it has recommended the measure be introduced
 - where the evidence and/or stakeholder opinion does not clearly support introduction, or indicates that introduction may be counterproductive, it has recommended the measure not be introduced.

Each of the Tribunal's recommendations is outlined in Table 5.1 and discussed in detail below.

Table 5.1 Summary of recommendations in relation to informed choice measures

Existing	
Maintain, no amendment	<ul style="list-style-type: none"> • Display of the monetary value of credits, bets and wins • Requirements for venues to display notices about the probability of winning prizes where gaming machines are located (however, NSW Lotteries is encouraged to provide probability odds for all its products on its website).
Maintain with amendment	<ul style="list-style-type: none"> • General advertisements highlighting problem gambling <ul style="list-style-type: none"> - repeat periodically through year - coordinate timing between Department of Gaming and Racing, G-line and counselling services • Requirements on gambling venues to display responsible gambling signage <ul style="list-style-type: none"> - review required messages - rationalise number of required signs • Requirements on providers of gambling products to make available gambling information brochures <ul style="list-style-type: none"> - review messages in brochures - where relevant include information about self-exclusion schemes and counselling services • Requirements for gambling products to display a responsible gambling message <ul style="list-style-type: none"> - review message - increase visibility and consistency of the message (preferably on the front of tickets) - increase compliance monitoring and enforcement • Controls on advertisements for gambling products other than gaming machines <ul style="list-style-type: none"> - review message - present message on all gambling operators' advertisements - the advertisements to reflect a culture of responsibility in gambling (DGR to monitor and enforce compliance) • Requirements on venues to display clocks in areas where gaming machines are located <ul style="list-style-type: none"> - replace requirement for clocks on walls in gaming machines areas with requirement for clocks on gaming machine screens.
Proposed	
Introduce	<ul style="list-style-type: none"> • Provision of contact cards for counselling services <ul style="list-style-type: none"> - cards to be required in gaming areas of clubs and hotels and in TAB outlets - review message • Periodic information messages <ul style="list-style-type: none"> - require on gaming machines after 60 minutes of continuous play.
Not introduce at this time	<ul style="list-style-type: none"> • Display of payout ratios for gaming machines • Information on individual gambling sessions.

5.1 Review of signs, brochures, tickets and contact cards aimed at conveying information and promoting responsible gambling

As discussed in the following sections, the existing regulations require gambling operators to display and/or make available a range of signs, brochures and messages on betting tickets. In this chapter, the Tribunal makes a number of recommendations relating to these, and recommends a further requirement for provision of business card-sized contact cards for counselling services. There are two main issues that have emerged in promoting informed choice among gambling patrons through the signs, brochures, tickets and the provision of contact cards.

First, there are general concerns about ‘signage fatigue’, where increasing numbers of signs and excessive content diminish their effectiveness. Some stakeholders have emphasised that the responsible gambling signs are in addition to required signs relating to minors in gaming machine areas or responsible service of alcohol. Currently, gambling operators are required to provide the following responsible gambling information, although a number of the signs may be combined⁷⁵:

- 1) **Problem Gambling Counselling Service Sign:** a notice containing information about problem gambling counselling services and self exclusion schemes.
- 2) **Probability of Winning Sign:** a notice displaying the probability of winning a major prize from the operation of a gaming machine.
- 3) **Gambling Warning Sign:** a notice containing one or more responsible gambling messages.
- 4) **Problem Gambling Sign:** a notice containing the G-line message (‘Is gambling a problem for you? Call G-line NSW counselling service 1800 633 635’).
- 5) **Counselling Sign:** a notice containing a number of responsible gambling messages and the G-line message.
- 6) **Responsible Gambling Sign on ATMs, cash-back terminals or EFT facilities:** a notice containing the G-line message.
- 7) **Gambling Information Brochures:** brochures containing a range of responsible gambling information, including information concerning the use of a gambling product and chances of winning prizes. The brochures may be available in community languages.
- 8) **G-line message on tickets and entry forms.**

Table 5.2 provides an overview of the existing and proposed requirements for each form of gambling.

⁷⁵ For example, r. 25(4) of the Gaming Machines Regulation 2002 provides that a gambling warning notice may appear in a problem gambling notice or with any other notice displayed on a gaming machine.

Table 5.2 Summary of information requirements

	Gaming machine venues	Casino table games	Lotteries products	Totalizers (TABs)	Bookmakers	Racecourses
Problem Gambling Counselling Service Sign	X	X				
Probability of Winning Sign	X	PV	PV			
Gambling Warning Sign	X					
Problem Gambling Sign	X					
Counselling Signage	X	X	X	X		X
Signage on ATMs, cash-back terminals and EFT facilities	X	X		X		X
Gambling information brochures	X	X	X	X		X
Responsible gambling message on tickets and entry forms			X	X	X	
Counselling contact cards	P	P		P		

Notes:

X denotes an existing requirement.

P denotes proposed by the Tribunal.

PV denotes proposed as a voluntary measure by the Tribunal.

The second key issue in promoting informed choice concerns the particular messages that are communicated through the package. The Tribunal considers that to be most effective, the range of responsible gambling notices and brochures, and the proposed contact cards, needs to operate as a ‘package’ for the community. This package should complement the general responsible gambling advertising (ie. the current G-line awareness campaign).

In this context, the Tribunal considers there is a need to review the messages published through the package, and specifically to examine:

- The number and placement of signs under the package, to ensure that the different requirements for these notices are complementary.
- The messages conveyed in the signs, to ensure these are effective and consistent.
- Opportunities to maximise the effectiveness of problem gambling counselling services and self-exclusion schemes provided or operated by gaming venues.
- The Tribunal’s recommendations on counselling services’ branding (discussed in Chapter 7).

- The long-term message strategy for the general advertisements highlighting problem gambling (discussed in section 5.3.1).
- The findings of the Consumer Contact study—conducted for the Department of Gaming and Racing in 2003—that evaluated the reactions of gamblers to a series of ten potential responsible gambling messages.⁷⁶ The messages consisted of two parts—the first part aimed to provide people with a warning about the risks of gambling and/or encourage responsible gambling; the second directed them to call G-line with the existing G-line message ‘Is gambling a problem for you? Call G-line NSW on 1800 633 635’. The study found the following three messages resonated most with gamblers and so have the potential to encourage responsible gambling behaviour:⁷⁷
 - ‘Have you spent more money on gambling than intended?’
 - ‘Are you gambling longer than planned?’
 - ‘Have you felt bad or guilty about your gambling?’

The Consumer Contact study also noted that the two-part structure of all the messages inhibited effective communication. In particular, it noted that when a notion about gambling being a concern is linked with a direction to call G-line, the message changes from one about responsibility to one about dealing with a gambling problem. It recommended that, given the messages that emerged from the study as being most effective were related to responsible gambling behaviour, the messages should be restructured so they don’t lose their impetus when a reference to G-line is introduced.⁷⁸ Alternatively, it may be that alternative notices need to be developed to get the G-line message across.

As noted in section 5.3.2 below, the concerns about ‘signage fatigue’ are primarily in relation to the required responsible gambling signs—as distinct from the brochures, messages on tickets or proposed cards. In that section, the Tribunal recommends that the review of the package of measures that promote G-line and responsible gambling information should also aim to rationalise the number of signs required in venues.

Recommendation

- *A review of the number of signs and the messages contained in the entire range of responsible gambling advertisements, signs, brochures, tickets and proposed contact cards should be conducted, to ensure these materials operate effectively and consistently as a package for the community. This review should take into account:*
 - *the number and placement of signs under the package, to ensure that the different requirements for these notices are complementary*
 - *the messages conveyed in the signs, to ensure these are effective and consistent*
 - *opportunities to maximise the effectiveness of problem gambling counselling services and self-exclusion schemes provided or operated by gaming venues*
 - *the long-term message strategy for the general advertisements highlighting problem gambling (discussed in section 5.3.1)*

⁷⁶ Consumer Contact, 2003, *Testing of Harm Minimisation Messages for Gaming Machines*, Report for the Department of Gaming and Racing, February-May 2003. (Hereafter referred to as Consumer Contact, 2003, *Testing of Harm Minimisation Measures*)

⁷⁷ Consumer Contact, 2003, *Testing of Harm Minimisation Measures*, p 3.

⁷⁸ Consumer Contact, 2003, *Testing of Harm Minimisation Measures*, pp 4-5.

- *the findings of the Consumer Contact study, including whether the responsible gambling messages and the G-line message are best presented separately or together*
- *the Tribunal's recommendations on counselling services' branding (discussed in Chapter 7).*

5.2 Existing measures to be maintained without amendment

For two existing informed choice measures – requirements to display the monetary value of credits, bets and wins on gaming machines and to display notices about the probability of winning prizes – the Tribunal found that there was general stakeholder support regarding the measures and insufficient evidence to support a recommendation to amend or repeal the measure. It therefore recommends that they be maintained in their current form.

5.2.1 Display of the monetary value of credits, bets and wins on gaming machines

Description

The existing Technical Standards for gaming machines adopted by the LAB and the CCA require gaming machines to display the monetary value of credits, bets and wins.⁷⁹

Evidence

A 2001 laboratory study by Loba and colleagues⁸⁰ examined the impact on problem and non-problem gamblers of a counter on gaming machines that displays a running total of money spent by the player. This study found that problem gamblers reported a lack of willingness to continue playing and greater ease in stopping playing when this counter was visible.

Another study by Focal Research Consultants Ltd (Schellinck and Schrans), looked at the impact of various 'responsible gaming' features introduced to gaming machines in Nova Scotia in May 2001.⁸¹ One of these features was a display of betting activity in cash amounts rather than credits, which was aimed at "making players more aware of how much money they are wagering" and "serving as a 'reality check' for players".⁸² The study involved qualitative research of gamblers (n=22) playing the new gaming machines, followed by discussion groups and one-on-one interviews (n=12) and quantitative research in the form of pre and post surveys (n=164) of a mix of no risk, low risk, moderate risk and problem gamblers.

⁷⁹ Australian/New Zealand Gaming Machine National Standard Version 6.01, s. 3.8.2a.

⁸⁰ Loba, P., Stewart, S., Klein, R. and Blackburn, J., 'Manipulations of the Features of Standard Video Lottery Terminal (VLT) Games: Effects in Pathological and Non-Pathological Gamblers', *Journal of Gambling Studies*, 17(4), 2001, pp 297-320. (Hereafter referred to as Loba, P., et al., 2001, *Video Lottery Terminal (VLT) Games*.)

⁸¹ Focal Research Consultants Ltd, *Atlantic Lottery Corporation Video Lottery Responsible Gaming Feature Research – Final Report*, October 2002. (Hereafter referred to as Focal Research, *Responsible Gaming Feature Research*, 2002.)

⁸² Focal Research, *Responsible Gaming Feature Research*, 2002, p 5-16.

This study found no evidence of improved player behaviour on the new gaming machines. However, it noted that the display of cash amounts seemed to heighten players' excitement and involvement levels with the betting activity, which may encourage chasing losses among some players. Despite these mixed results, it recommended the cash display feature should be retained and identified its value as enhancing players' awareness of actual money spent before problem behaviours develop.⁸³

Stakeholder views

A number of stakeholders expressed support for display of the monetary value of credits, bets and wins measure with general recognition that it is of limited or no assistance in reducing problem gambling.⁸⁴ Stakeholders expressed no opposition to continuation of this measure.

Comment

The Tribunal considers the primary purpose of displaying the monetary value of credits, bets and wins on gaming machines is to provide individual players with easily accessible information about their gambling activities, which can help them make informed choices about whether to continue or stop gambling. Accordingly, while the evidence on its impact on *problem gambling* is inconclusive, there is no evidence to suggest it should not continue to operate as an *informed choice* measure.

The Schellinck and Schrans study observed that display of cash amounts may encourage chasing losses among some players. The Tribunal therefore recommends that this measure continue to be limited to the display of the monetary value of credits, bets and wins, and not be amended to also include accumulated values for the gambling session.

Recommendation

- *The existing requirement for gaming machines to display the monetary value of credits, bets and wins should continue to operate without amendment.*

5.2.2 Display of probability of winning prizes

Description

Currently, the Gaming Machines Regulation 2002 and Casino Control Regulation 2001 require a notice to be displayed concerning the chances of winning a major prize from the use or operation of any gaming machine:

Your chance of winning the maximum prize on a gaming machine is generally no better than one in a million.⁸⁵

Notices containing this information must be displayed in each part of the venue where gaming machines are located and on the front or top of each gaming machine.

⁸³ Focal Research, *Responsible Gaming Feature Research*, 2002, pp 5-18 and 5-19.

⁸⁴ See submissions by BetSafe, USGRU, Macarthur Financial Counselling Service, Wesley Community Legal Service and Wesley Gambling and Counselling Services.

⁸⁵ Gaming Machines Regulation 2002, r. 21; Casino Control Regulation 2001, r. 24.

In its First Determination, the LAB determined not to require these notices in a range of languages.⁸⁶

Evidence

In 2003, Nerilee Hing of the Centre for Gambling Education and Research at Southern Cross University conducted a CCBF-funded study of members of Sydney clubs (Hing study). This study examined club members' awareness of various responsible gambling strategies, and their views on the adequacy and effectiveness of these strategies.⁸⁷ It was based on 706 responses to a survey mailed to 6,000 members of four clubs, and 248 responses to an on-site survey conducted at six clubs. It found that over 67 per cent of respondents to its survey had noticed signs about the chances of winning a major prize.⁸⁸

Stakeholder views

Stakeholders who commented on this issue uniformly supported it being maintained.⁸⁹

Comment

In its 1999 report on *Australia's Gambling Industries*, the Productivity Commission noted that representations of the mathematical odds of winning any given payout on a gaming machine would accurately inform consumers about their true chances, although such representations do little for consumers who find odds hard to interpret.⁹⁰ The Tribunal similarly considers that easily accessible, *clear* information about the probability of winning can be expected to provide a better understanding of the foreseeable consequences of gambling.

The Tribunal notes that Star City Casino provides payout odds for table games on its website⁹¹, and that NSW Lotteries Corporation provides standard odds for some games on its website⁹². The Tribunal strongly supports such voluntary measures as a practical way of promoting informed choice. It considers that these operators should continue such measures on a voluntary basis, and that NSW Lotteries should consider giving odds on all of its products. If in the future government becomes aware that operators of lotteries or casinos do not provide such information on their websites, consideration should be given to mandating such a measure.

Recommendations

- *The existing requirement for the display of the probability of winning for gaming machines should continue.*
- *The provision of payout odds by Star City Casino and NSW Lotteries Corporation should continue as a voluntary informed choice measure at this time, and NSW Lotteries should consider giving odds on all of its products.*

⁸⁶ LAB, *First Determination*, 2001, p 3.

⁸⁷ Hing, N., *An Assessment of Member Awareness, Perceived Adequacy and Perceived Effectiveness of Responsible Gambling Strategies in Sydney Clubs*, Report by the Centre for Gambling Education and Research, Southern Cross University, for the Casino Community Benefit Fund, September 2003. (Hereafter referred to as Hing, N., *An Assessment of Member Awareness*, 2003.)

⁸⁸ Hing, N., *An Assessment of Member Awareness*, 2003, p 119.

⁸⁹ See submissions by BetSafe, ClubsNSW, Mr Norm Hooper, Liquor Administration Board, NCOSS, NSW Gaming Industry Operators and Star City Casino.

⁹⁰ PC, *Australia's Gambling Industries*, 1999, pp 16.17.

⁹¹ www.starcity.com.au.

⁹² www.nswlotteries.com.au.

5.3 Existing measures to be maintained with amendment

The Tribunal considers that there is sufficient evidence or stakeholder consensus to support recommendations that the following measures be maintained and amended to improve their ongoing operation:

- general advertisements highlighting problem gambling
- requirements on gambling venues to display responsible gambling signage
- requirements on providers of gambling products to make available gambling information brochures
- requirements for gambling products to display a responsible gambling message
- controls on advertisements for gambling products other than gaming machines
- requirements on venues to display clocks, currently in areas where gaming machines are located.

5.3.1 General advertisements highlighting problem gambling

Description

The CCBF is currently funding an advertising campaign to raise awareness of G-line, a state-wide gambling telephone counselling service. The *Unscrambling Problem Gambling* advertising campaign started in November 2002 and includes television and radio commercials, press advertisements, posters and shopping docketts. The aim of the campaign is to:

- assist people in identifying whether they have (or someone close to them has) a gambling problem
- raise awareness of assistance available for problem gambling
- encourage calls to G-line.

The television commercials used as part of this campaign were made by the Victorian Government and have been used in other states.

Evidence

In March 2003, Marketing & Research Associates (MRA) conducted a post-campaign study of 350 people to measure the impact of the *Unscrambling Problem Gambling* advertising campaign on levels of awareness about the G-line service, and to assess the campaign itself.⁹³ The first stage of the advertising ran over five months from November 2002 and involved television, radio and press advertisements. Overall, the study found an increase in awareness of G-line that could be directly related to the advertising campaign, and particularly to the television commercials. The study noted that while only one in three respondents *did not* recognise the campaign television commercials, only one in four respondents who *did* recognise the television commercials branded them as G-line commercials. They concluded that while the campaign had been successful, further growth in awareness of G-line had been limited by poor branding.

⁹³ Marketing & Research Associates, *G-line Consumer Awareness Campaign*, March 2003.

The provider of the G-line service, McKesson Asia Pacific Pty Ltd submitted that the *Unscrambling Problem Gambling* advertising campaign had had a significant impact on the service's usage rate. It experienced an increase in call volume in November 2002, and a further increase in February 2003 when the campaign's second phase commenced.⁹⁴

In 2003, NFO Donovan Research conducted a focus group study for the Western Australian Department of Racing, Gaming and Liquor to assist with the development of a targeted education campaign to raise awareness among gamblers and their family and friends about the signs of problem gambling.⁹⁵ This study examined the reaction of the focus group participants (n=40) to the television advertisements developed by the Victorian Government. The study found very positive participant response to these advertisements, particularly those who were problem gamblers.⁹⁶

NFO Donovan identified four potential target audiences for a campaign to raise general awareness of problem gambling, and communication objectives for each audience:⁹⁷

- **problem gamblers**, where the aim should be to identify what constitutes 'problem gambling' and to educate about the existence of sources of assistance for problem gambling
- **family and friends of problem gamblers**, where the aim should be to educate them about sources of assistance for problem gambling
- **low-medium risk gamblers**, where the aim should be to deter them from progressing toward problem gambling
- **the general community**, where the aim should be to raise awareness of problem gambling and to alert potential intermediaries about sources of assistance for problem gambling.

Stakeholder views

Many of the stakeholders who made submissions to this review, and whom the Tribunal consulted expressed strong support for the continuation of advertising campaigns to highlight problem gambling, such as the *Unscrambling Problem Gambling* campaign.⁹⁸ No stakeholders opposed such campaigns.

Participants in the Tribunal's roundtable discussion with leading counsellors highlighted the effectiveness of the *Unscrambling Problem Gambling* advertising campaign. However, they also expressed concern about what they saw as a lack of coordination between the campaign and providers of gambling counselling services—specifically, they noted that the campaign ran over the Christmas period when many counsellors are not available.

⁹⁴ McKesson Asia Pacific Pty Ltd submission, 2003, p 3. This submission is supported by material provided to the Tribunal by the Department of Gaming and Racing and by the submission of the CCBF.

⁹⁵ NFO Donovan Research, *Qualitative Research to Develop a Communication Strategy for Problem Gamblers*, a report to the Problem Gambling Support Services Committee, Department of Racing, Gaming & Liquor (WA), March 2003. (Hereafter referred to as NFO Donovan Research, *Communication Strategy for Problem Gamblers*, 2003.)

⁹⁶ NFO Donovan Research, *Communication Strategy for Problem Gamblers*, 2003, p 3.

⁹⁷ NFO Donovan Research, *Communication Strategy for Problem Gamblers*, 2003, p 3.

⁹⁸ See submissions by Liquor Administration Board, Mr John Sabados, Wesley Community Legal Service and Wesley Gambling and Counselling Services, BetSafe, Leagues Club Association, and Council of Social Service of NSW (Hereafter referred to as NCOSS).

Comment

Both the evidence and stakeholder opinion supports the continued use of advertising campaigns targeting wide audiences to raise awareness about problem gambling and the assistance available to problem gamblers. Therefore, the Tribunal recommends the current *Unscrambling Problem Gambling* campaign should be repeated periodically throughout the year. This will involve the CCBF providing additional funding – the Tribunal’s findings in relation to program expenditure are outlined in Chapter 8.

The Tribunal notes counsellors’ concerns about running the campaign over the Christmas period and the availability of counselling resources at this time. It understands that this period is considered to be a particularly effective time to broadcast G-line advertisements. However, the effectiveness of the campaign in this period would be improved by better coordination with counselling services, including providing these services with appropriate periods of notice about its timing, to ensure that they can provide adequate levels of service over the period the advertisements are shown to meet the increased demand they create.

The Tribunal also notes MRA’s finding that the success of the *Unscrambling Problem Gambling* campaign in raising awareness of the G-line telephone counselling service had been limited by poor branding. Its recommendations in relation to this issue are discussed in Chapter 7. The Tribunal also considers that the long-term message strategy for the general advertisements highlighting problem gambling should be taken into account in the review of the package of informed choice measures, proposed in section 5.1.

Recommendations

- *G-line advertising campaigns should be repeated periodically throughout the year.*
- *The timing of these campaigns should be better coordinated with counselling services. The Department of Gaming and Racing, G-line and the individual counselling services should ensure that a minimum level of counselling services is provided during periods when the campaign is broadcast.*
- *The long-term message strategy for the general advertisements highlighting problem gambling should be taken into account in the review of the package of informed choice measures, proposed in section 5.1.*

5.3.2 Responsible gambling signage

Description

Gambling venues⁹⁹ are required to display a number of signs with responsible gambling messages in various parts of the venue, including at the entrance to the venue, on gaming machines and on automatic teller machines (ATMs), cash-back terminals and electronic funds transfer facilities. The content, size and placement of these signs are prescribed by the:

- Gaming Machines Regulation 2002¹⁰⁰
- Casino Control Regulation 2001¹⁰¹

⁹⁹ Gambling venues include registered clubs and hotels authorised to keep gaming machines, Star City Casino, racecourses, premises in which totalizator betting is conducted and premises where lotteries products are available.

¹⁰⁰ Gaming Machines Regulation 2002, rr. 25-27.

- Racing Administration Regulation 1999¹⁰²
- Totalizator Regulation 1998¹⁰³
- Public Lotteries Regulation 2002.¹⁰⁴

Table 5.2 above sets out the range of information requirements for the promotion of G-line and responsible gambling practices.

Evidence

The Hing study found that while there was a high level of recognition of responsible gambling signage among survey respondents, many considered this signage to be ineffective. In addition, of the 13 strategies considered by respondents, the existing responsible gambling signage was seen as the least likely to encourage responsible gambling.¹⁰⁵

Also in 2003, Consumer Contact conducted a qualitative market research study for the Department of Gaming and Racing to evaluate the reactions of gamblers to a series of ten potential responsible gambling messages.¹⁰⁶ As noted in section 5.1, the messages that the study found have the potential to encourage responsible gambling behaviour were:¹⁰⁷

- 'Have you spent more money on gambling than intended?'
- 'Are you gambling longer than planned?'
- 'Have you felt bad or guilty about your gambling?'

In addition, as the Consumer Contact study noted that the two-part structure of all the messages inhibited effective communication, it recommended that the messages should be restructured so they don't lose their impetus when a reference to G-line is introduced.¹⁰⁸

Stakeholder views

Most stakeholders who commented on this measure in submissions to the review supported requirements for displaying responsible gambling signs being maintained. However, many queried the effectiveness of the existing signs, and called for a review of this effectiveness and of the number of signs required. Several noted that venues are also required to display signs not related to gambling.¹⁰⁹

NSW Lotteries questioned the responsible signage requirements on the basis that the signs are not relevant to lottery products, arguing that these products are fundamentally different from other gambling products and pose minimal risk in terms of problem gambling.¹¹⁰

¹⁰¹ Casino Control Regulation 2001, rr. 28-30.

¹⁰² Racing Administration Regulation 1999, rr. 4AE-4AF.

¹⁰³ Totalizator Regulation 1998, rr. 4F-4G.

¹⁰⁴ Public Lotteries Regulation 2002, r. 11.

¹⁰⁵ Hing, N., *An Assessment of Member Awareness*, 2003, p 117.

¹⁰⁶ Consumer Contact, *Testing of Harm Minimisation Measures*, 2003.

¹⁰⁷ Consumer Contact, *Testing of Harm Minimisation Measures*, 2003, p 3.

¹⁰⁸ Consumer Contact, *Testing of Harm Minimisation Measures*, 2003, pp 4-5.

¹⁰⁹ See submissions by Liquor Administration Board, Star City Casino, The Leagues Club Association of NSW, BetSafe, Centre for Gambling Education and Research, NCOSS, Gambling Impact Society, Wesley Community Legal Service and Wesley Gambling and Counselling Services.

¹¹⁰ NSW Lotteries submission, 2003, pp 3-4.

Comment

The Tribunal considers that the requirement for gambling venues to display responsible gambling signage can have two main purposes. First, the signs could raise awareness of, and encourage, responsible gambling practices. Second, the signs could inform people of counselling services available to help problem gamblers and their family and friends, and provide contact details for these services. Where appropriate, the signs should increase awareness of self-exclusion schemes (see section 6.2.1).

While there is general stakeholder support for the existing requirements to display responsible gambling signage, it appears that the 'signage fatigue' the Tribunal noted in its 1998 report on gambling is still an issue.¹¹¹ It considers that, based on stakeholders' concerns and the findings of the Hing study, the number and messages of responsible gambling signs need to be reviewed. This review is proposed in section 5.1 of this report.

Recommendation

- *Responsible gambling signage should continue to be required in all gambling venues. However, as proposed in section 5.1, the responsible gambling signage requirements should be reviewed to:*
 - *increase their effectiveness and consistency*
 - *rationalise the number of required signs.*

5.3.3 Gambling information brochures

Description

Providers of gambling products are required to make available approved gambling information brochures that include a variety of responsible gambling information. The brochures may be available in a number of community languages. The content, placement and availability of player information brochures are prescribed by the:

- Gaming Machines Regulation 2002¹¹²
- Casino Control Regulation 2001¹¹³
- Racing Administration Regulation 1999¹¹⁴
- Totalizator Regulation 1998¹¹⁵
- Public Lotteries Regulation 2002.¹¹⁶

¹¹¹ IPART, *Inquiry into Gaming*, 1998, p 46.

¹¹² Gaming Machines Regulation 2002 rr. 22-24.

¹¹³ Casino Control Regulation 2001 rr. 25-27.

¹¹⁴ Racing Administration Regulation 1999 rr. 4AA-4AD.

¹¹⁵ Totalizator Regulation 1998 rr. 4B-4E.

¹¹⁶ Public Lotteries Regulation 2002 rr. 7-9.

Evidence

The Hing study of responsible gaming strategies found that less than half of the survey respondents were aware of player information brochures.¹¹⁷ In addition, the NFO Donovan Research focus group study for the Western Australian Department of Racing, Gaming and Liquor recommended that player information brochures should be developed.¹¹⁸

Stakeholder views

In general, both industry and community stakeholders support the requirement to provide gambling information brochures.¹¹⁹ Most of the stakeholders stated that such brochures are an appropriate means of providing information to gamblers about how a particular form of gambling works, the likelihood of winning a prize, and the availability of counselling services. However, some stakeholders queried the effectiveness of the brochures.¹²⁰ NSW Lotteries submitted that there is little demand for its player information brochures.¹²¹

Comment

The Tribunal considers that the functions of gambling information brochures are to:

- provide information about the nature of the gambling product, including the odds of winning and how the particular product works
- provide contact information for gamblers seeking counselling or other assistance with problem gambling.

The Tribunal recognises the overwhelming community support for the brochures. It is of the view that the brochures should be available to the general community for all forms of gambling. It notes the Productivity Commission's finding that essentially misleading information about forms of gambling that pose minimal risks for problem gambling (such as lottery products) may establish pre-conceptions about the general nature of gambling, which then carry over to forms where those misconceptions increase consumer risks (such as gaming machines).¹²² In relation to lotteries, the Tribunal notes that Golden Casket, a Queensland lottery provider, produces a responsible gambling brochure and that it has replaced 70,000 of these brochures across 1,150 agents.¹²³

The *Gaming Machines Act 2001* and *Casino Control Act 1992* require hotels, clubs and Star City Casino to enter into arrangements for problem gambling counselling services to be made available to their patrons.¹²⁴ In most cases, the problem gambling counselling service providers also operate the venue's self-exclusion scheme. Gambling information brochures provide an opportunity to increase awareness of the availability of self-exclusion schemes in clubs, hotels and the casino (see section 6.2.1). To maximise the effectiveness of the problem counselling services and to encourage participation in self-exclusion schemes, the Tribunal

¹¹⁷ Hing, N., *An Assessment of Member Awareness*, 2003, p 117.

¹¹⁸ NFO Donovan Research, *Communication Strategy for Problem Gamblers*, 2003.

¹¹⁹ See submissions by Star City Casino, ClubsNSW, Australian Casino Association, Macarthur Financial Counselling, BetSafe and NCOSS.

¹²⁰ See submissions by Liquor Administration Board, Leagues Club Association of NSW, Star City Casino and NSW Lotteries.

¹²¹ NSW Lotteries submission, 2003, p 5.

¹²² PC, *Australia's Gaming Industries*, 1999, p 16.13.

¹²³ Queensland Treasury, *Report on the Implementation Review of Queensland Responsible Gambling Code of Practice*, Research and Community Engagement Division, February 2004, p 41. (Hereafter referred to as Queensland Treasury, *Implementation Review of Queensland Responsible Gambling Code*, 2004.)

¹²⁴ *Gaming Machines Act 2001* s. 46; *Casino Control Act 1992* s. 72A.

considers that brochures approved under the Gaming Machines Regulation 2002 and Casino Control Regulation 2001 should include information about self-exclusion schemes, counselling services and G-line. The key messages contained in the brochures, however, should be assessed in the review of the package of informed choice measures proposed in section 5.1.

Recommendations

- *The requirement to provide gambling information brochures should be maintained. However, the messages in the gambling information brochures should be reviewed to increase their effectiveness and consistency, as part of the review of the package of informed choice measures proposed in section 5.1.*
- *In addition, approved responsible gambling brochures should, where relevant, include information about self-exclusion schemes and counselling services, in addition to G-line.*

5.3.4 Information printed on gambling products

Description

Currently, gambling products such as TAB, lottery, Keno and bookmaker tickets are required to display the G-line message: 'Is gambling a problem for you? Call G-line 1800 633 635'.¹²⁵

Evidence

The Tribunal is not aware of any specific primary research that has been conducted into this measure. However, the NFO Donovan Research focus group study recommended the introduction of such requirements on the basis that they would repeatedly reinforce the helpline number without requiring additional resources.¹²⁶

Stakeholder views

Stakeholders expressed general support for this measure.¹²⁷ However, the Leagues Clubs Association of NSW and NSW Lotteries opposed it on the basis that there is no evidence of its effectiveness in reducing the harm associated with problem gambling.¹²⁸

Comment

This measure is targeted at people already involved in gambling activities, and aims to raise their awareness of problem gambling and to provide contact information to encourage and help them to seek counselling or other assistance with problem gambling. As such, the Tribunal considers it should be considered an informed choice measure, not a protection measure.

¹²⁵ Public Lotteries Regulation 2002, r. 10(1) (this obligation does not apply to instant lotteries tickets); Racing Administration Regulation 1999, r. 4ADA; Totalizator Regulation 1998, r. 4EA.

¹²⁶ NFO Donovan Research, *Communication Strategy for Problem Gamblers*, 2003, p 52.

¹²⁷ See submissions by ClubsNSW, NCOSS, Star City Casino, Macarthur Financial Counselling, Wesley Community Legal Service and Wesley Gambling and Counselling Services.

¹²⁸ Leagues Clubs Association of NSW submission, p 4 and NSW Lotteries submission, p 5.

The review examined a number of tickets and entry forms subject to the measure and found the required message is often either not included or is placed on the back of the ticket and in small typeface. To fulfil its purpose, the message should be presented in a more visible and consistent fashion across the range of gambling products, preferably on the front of forms and tickets.

The Tribunal understands that there is also some confusion as to whether the responsible gambling message should appear on both an entry form and a betting ticket. The Public Lotteries Regulation 2002¹²⁹ and Totalizator Regulation 1998¹³⁰ provide that each printed entry form *and* ticket must display the problem gambling message. This approach ensures that gamblers have access to G-line contact information before participating in a gambling activity, and on the ticket they keep and carry away from this activity. Increased monitoring of compliance with these requirements is needed to ensure the G-line message is reinforced at the appropriate opportunities. The required message should be assessed in the review of the package of informed choice measures, proposed in section 5.1.

Recommendations

- *The responsible gambling message printed on gambling products should be presented in a more visible and consistent fashion across the range of different gambling entry forms and products, preferably on the front of forms and tickets. The Department of Gaming and Racing should ensure that this requirement is appropriately enforced.*
- *However, the required message should be reviewed to increase its effectiveness and consistency, as part of the review of the package of informed choice measures proposed in section 5.1.*

5.3.5 Responsible advertising for gambling products other than gaming machines

Description

Advertisements for gambling products other than gaming machines are subject to various controls. (Advertising of gaming machines is prohibited by the *Gaming Machines Act 2001*¹³¹ and the *Casino Control Act 1992*¹³² – this measure is discussed in section 6.1.2.) For example, advertisements for wagering, lotteries and the casino must not transgress community standards, encourage a breach of the law, or depict children.¹³³ Those for wagering and the casino also must not promote the consumption of alcohol while gambling.¹³⁴

The existing relevant regulations also limit the portrayal of the outcomes of gambling. However, the different forms of gambling are not subject to uniform limits, with those for lotteries being the most relaxed and those for the casino being the most stringent (see Table 5.3). These regulations also require that advertisements for wagering, lotteries and the casino contain the G-line message.¹³⁵

¹²⁹ Public Lotteries Regulation 2002, r. 10(1).

¹³⁰ Totalizator Regulation 1998, r. 4EA(1).

¹³¹ *Gaming Machines Act 2001* s. 43.

¹³² *Casino Control Act 1992* s. 70A.

¹³³ Casino Control Regulation 2001, r. 33(1); Public Lotteries Regulation 2002, r. 12(2); Totalizator Regulation 1998, r. 41(2).

¹³⁴ Casino Control Regulation 2001, r. 33(1)(h); Totalizator Regulation 1998, r. 41(2)(f).

¹³⁵ Casino Control Regulation 2001, r. 33(2); Public Lotteries Regulation 2002, r. 12(3); Totalizator Regulation 1998, r. 41(3).

Table 5.3 Restrictions in the regulations on the depictions of gambling in advertising

	Lotteries	Wagering	Casino
Regarding winning	not to suggest winning 'definite' outcome	not to suggest winning 'definite' outcome	not to suggest winning 'likely' outcome
Regarding financial prospects	not to suggest gambling 'will definitely' improve financial prospects	not to suggest gambling 'likely to' improve financial prospects	not to suggest gambling 'likely to' improve financial prospects

Evidence

The Tribunal is not aware of any research on the existing controls on advertisements for forms of gambling other than gaming machines. However, participants in the Tribunal's roundtable discussion with leading counsellors argued that advertising restrictions effectively reduce harm.

Stakeholder views

Stakeholders who commented on this measure in their submissions were divided in their views, with around half supporting it and around half opposing it. Of those who expressed support,¹³⁶ some also argued that the restrictions should be tightened¹³⁷ or extended to all forms of advertising within a gambling venue.¹³⁸ However, NSW Lotteries and the Newsagents Association of NSW and ACT Ltd (Newsagents Association) expressed opposition to any increased controls on advertising.¹³⁹

Of those who expressed opposition to the existing measure, most were involved in the gaming machine market¹⁴⁰ and argued that the existing controls are of limited effectiveness, restrict commercial competition and are impractical. ClubsNSW and the Services Clubs Association submitted that uniform controls should apply to all types of gambling, including gaming machines. The Leagues Clubs Association of NSW raised concerns about some advertisements for lotteries products, which depict winners receiving 'truckloads of cash'. It argued that these advertisements breach the spirit of responsibility in gambling.

Comment

Restrictions on advertisements for gambling products are imposed to ensure consumers make decisions about gambling without controlling influences, and to reinforce the G-line message.

¹³⁶ See submissions by McKesson Asia Pacific Pty Ltd, NCOSS, BetSafe, Newsagents Association of NSW and ACT Ltd, NSW Lotteries, Sutter, R., Wesley Community Legal Service, Wesley Gambling and Counselling Services, Macarthur Financial Counselling and Western/Riverina-Murray Region Gambling Counsellors Form.

¹³⁷ Sutter, R submission, 2003, p 1.

¹³⁸ Macarthur Financial Counselling submission, 2004, p 6.

¹³⁹ NSW Lotteries submission, 2003, p 2; Newsagents Association of NSW and ACT Ltd submission, 2004, p 2.

¹⁴⁰ See submissions by NSW Gaming Industry Operators, ClubsNSW, Services Clubs Association, Leagues Clubs Association, AGMMA and Star City Casino.

The Tribunal notes that requirements relating to inclusion of the G-line message on advertisements for wagering, lotteries products and the casino apply to *all* advertisements.¹⁴¹ However, in examining some broadcast and print advertisements for lotteries products and the casino, the Tribunal found that several broadcast advertisements do not include the G-line message, and that print advertisements often display the message in very small typeface. Increased monitoring of compliance with these requirements is needed to ensure the G-line message is reinforced at appropriate opportunities and that this message is presented in a visible and consistent fashion. Going forwards, the required message should be assessed as part of the review of the package of informed choice measures proposed in section 5.1.

The Tribunal also notes that some stakeholders are concerned that lottery advertisements depicting winners receiving 'truckloads of cash' do not reflect or promote a culture of responsible gambling.

Recommendations

- *Gambling operators should ensure their advertisements present the G-line message and that they do so in a more visible and consistent fashion. However, the required G-line message should be reviewed to increase its effectiveness and consistency, as part of the review of the package of informed choice measures proposed in section 5.1.*
- *Gambling operators should ensure their advertisements reflect a culture of responsibility in gambling. The Department of Gaming and Racing should ensure this requirement is appropriately enforced.*

5.3.6 Display of clocks in gaming machine venues

Description

Gambling venues with gaming machines are currently required to have a clock in each part of the venue where gaming machines are located. The clock must be positioned so that any person operating a gaming machine can readily see the time.¹⁴² Some gaming machine manufacturers are incorporating on-screen clocks in new machines.

Evidence

One of the responsible gaming features examined in the Schellinck and Schrans study in Nova Scotia¹⁴³ was a permanent on-screen clock on gaming machines. This study concluded that on-screen clocks on gaming machines could be associated with improvements in keeping track of time and playing within the desired time limits, although it had no impact on session times or expenditure. The researchers argued their study results suggest that:

...despite easy access to time-of-day, as players become more involved in the games ... they are less inclined to turn their attention away from the screen to reference any sources for tracking time. Thus, placement of a clock feature on the screen is positioning time-of-day in the optimum location for player reference.¹⁴⁴

¹⁴¹ See the definition of 'publication' or 'publish' at Casino Control Regulation 2001, r. 33(7); Public Lotteries Regulation 2002, r. 12(6); Totalizator Regulation 1998, r. 4H.

¹⁴² Casino Control Regulation 2001, r. 31; Gaming Machines Regulation 2002, r. 28.

¹⁴³ Focal Research, *Responsible Gaming Feature Research*, 2002.

¹⁴⁴ Focal Research, *Responsible Gaming Feature Research*, 2002, p 5-14.

They further recommended that the on-screen clock should be positioned in the same place on all gaming machines so that players know where to find it.¹⁴⁵

The Hing study found that while only 37 per cent of its survey respondents recalled seeing a clock in their club's gambling areas, on average respondents agreed that responsible gambling is more likely to occur when a club's gambling areas have features such as clocks that make people aware of the passage of time.¹⁴⁶

Stakeholder views

Several stakeholders who commented on this measure supported maintaining the existing requirements, with some suggesting that clocks could be located on gaming machines.¹⁴⁷ ClubsNSW and the Leagues Clubs Association of NSW expressed opposition to the existing requirement as they claim there is no evidence this requirement is effective in reducing the harm associated with problem gambling.¹⁴⁸

Comment

The available evidence suggests that on-screen clocks are associated with improvements in keeping track of the time and playing within desired time limits. As outlined in section 3.3, it has been argued that gambling problems are experienced when an individual spends more of their discretionary disposable income and discretionary leisure time on gambling than they can afford. Given this, the Tribunal supports measures that raise gambler awareness of the time and helps them to track how much time they spend gambling. It considers on-screen clocks are a more effective means of doing this than clocks in each part of the venue where gaming machines are located, as is currently required.

The Tribunal notes the concerns of some stakeholders that there is no evidence that this measure is effective in harm reduction. However, it considers that this is not primarily relevant for this measure. The measure's primary aim is to increase consumers' awareness of the gambling environment; it is not to reduce the harm associated with problem gambling. The Tribunal also notes that it is the responsibility of individual gamblers to use the clocks provided to ensure they don't exceed their personal threshold of discretionary leisure time.

In addition, the Tribunal has observed that some new gaming machines already incorporate on-screen clocks. In section 4.3.4, the Tribunal proposed that where recommendations for measures applying to gaming machines imposes significant costs or complexities on the industry, the measure should be phased in, possibly with the introduction of new machines up to a period of five years, with a lead-in time.

Recommendation

- *Permanent on-screen clock displays should be introduced for gaming machine screens to replace the existing requirement for clocks to be displayed in gaming machine areas at venues. An on-screen clock should be positioned identically on every approved gaming machine.*

¹⁴⁵ Focal Research, *Responsible Gaming Feature Research*, 2002, p 5-15.

¹⁴⁶ Hing, N., *An Assessment of Member Awareness*, 2003, p 118.

¹⁴⁷ See submissions by Liquor Administration Board, John Sabados, Macarthur Financial Counselling, Wesley Community Legal Service and Wesley Gambling and Counselling Services.

¹⁴⁸ ClubsNSW submission, 2003, p 20 and Leagues Clubs Association of NSW submission, p 4.

5.4 Proposed measures to be introduced

The Tribunal considers that the provision of contact cards for counselling services and periodic information measures should be introduced on the grounds that the available evidence or stakeholder opinion suggests that they are likely to be effective in promoting informed choice.

5.4.1 Provision of contact cards for counselling services

Description

Some responsible gambling programs provide business card-sized cards that set out the contact details for counselling services for problem gamblers, or for self-exclusion programs such as BetSafe and GameChange. The Tribunal understands that one major counselling service is currently trialling the use of this kind of card.

Evidence

The Tribunal is not aware of any specific primary evidence on provision of contact cards for counselling services. However, the focus group study conducted by NFO Donovan Research for the Western Australian Government recommended the introduction of such cards as part of a public education campaign.¹⁴⁹

The Tribunal is also aware that in Queensland, UNiTAB has replaced almost 12,000 cards across 160 sites and that four casinos have experienced take-up of almost 60,000 cards.¹⁵⁰ From September 2002, the contact numbers for each regional Gambling Help service in Queensland were included on the cards.

Stakeholder views

In general, stakeholders who commented in submissions on this proposed measure supported its introduction, describing contact cards as discreet, easy to pick up and an effective method of communicating with gamblers.¹⁵¹ Star City Casino, however, opposed an additional requirement for gambling operators to provide counselling contact cards as it claims the existing information requirements are adequate.¹⁵²

Comment

Counselling contact cards are designed to provide problem gamblers and their families and friends with contact information for counselling services. The Tribunal notes the strong stakeholder support for the introduction of counselling contact cards and, in particular, arguments that such cards are an effective method of communicating with problem gamblers.

¹⁴⁹ NFO Donovan Research, *Communication Strategy for Problem Gamblers*, 2003.

¹⁵⁰ Queensland Treasury, *Implementation Review of the Queensland Responsible Gambling Code*, 2004, p 41.

¹⁵¹ See submissions by Australian Casino Association, BetSafe, NCOSS, Wesley Community Legal Service, Wesley Gambling Counselling Services, Macarthur Financial Counselling, Australian Hotels Association and the Liquor Administration Board.

¹⁵² Star City Casino submission, 2003, p 8.

The *Gaming Machines Act 2001* and *Casino Control Act 1992* require hotels, clubs and Star City Casino to enter into arrangements for problem gambling counselling services to be made available to their patrons.¹⁵³ In most cases, the providers of these problem gambling counselling services also operate the venue's self-exclusion scheme. To maximise the effectiveness of these counselling services and encourage participation in self-exclusion schemes, the Tribunal considers that gaming venues should have the option of providing contact cards that set out details of their nominated problem gambling counselling services or G-line. However, this should be determined as part of the proposed review of the package of informed choice measures.

The Tribunal also considers that as a significant minority of problem gamblers in NSW reference wagering as their predominant form of gambling, the requirements for contact cards should be applied to TAB outlets.

Recommendation

- *Clubs, hotels, the casino and TAB outlets should provide 'responsible gambling' contact cards. The message required for the cards should be reviewed as part of the review of the package of informed choice measures proposed in section 5.1.*

5.4.2 Periodic information messages

Description

Periodic information messages can be displayed on gaming machine screens in order to create a break in play and potentially encourage players to actively decide to continue or discontinue their gambling session. They are commonly referred to as 'pop-up' messages.

Evidence

There are two studies of particular relevance to periodic information messages. The first, conducted by Tony Schellink and Tracy Schrans, focused on responsible gambling features and other changes to 1,400 gaming machines in Nova Scotia, Canada.¹⁵⁴ One of the responsible gambling features introduced was a pop-up reminder, which advises the player how long they have spent playing that machine after 60, 90 and 120 minutes. The study was based on a sample size of 164 people who played gaming machines at least monthly, of which 30 were classified as problem players. The same people were surveyed on four occasions over a period of nine months.

This study found that a message after 60 minutes of continuous play was effective in reducing session length. The message advised players how long they had been playing and asked if they wished to continue. Further messages at 90 minutes and 120 minutes were not effective. Continuous play was defined in the study as a single play period without receiving any cash out or running credits down to zero (both of which reset the timing mechanism for the pop-up message).

¹⁵³ *Gaming Machines Act 2001* s. 46; *Casino Control Act 1992* s. 72A.

¹⁵⁴ Schellink, T., and Schrans, T., *Atlantic Lottery Corporation Video Lottery Responsible Gaming Feature Research – Final Report*, Halifax, Nova Scotia, Focal Research Consultants, 2002. See also Schellink, T., and Schrans, T., 'Responsible Gaming Features on Video Lottery Terminals: Impact and Promise', *Proceedings – 12th Annual National Association for Gambling Studies Conference*, Melbourne 21-23 November 2002, pp 413-424.

The second study, by Robert Ladouceur and Serge Sevigny, focused on interactive messages on gaming machines and persistence in gambling.¹⁵⁵ This study involved 30 participants who played gaming machines at least once per month, but no more than four times per month. Participants were divided into three groups: one group received a message after 15 games that the outcome of the game is determined by chance; the second group received a message after 15 games simply stating 'break'; and the third group received no message at all. Under controlled conditions, the players in both the groups received messages played around 20 per cent fewer games than those in the group that did not.

Stakeholders

Most stakeholders who commented on periodic information messages in their submissions expressed support for the introduction of this measure.¹⁵⁶ Several stakeholders specifically supported the pop-up message as an effective harm minimisation measure. To this end, the USGRU stated:

The available evidence suggests that on-screen messages can be effective in reducing session length, and that the effect is achieved by the message causing a break in play rather than the content of the message being important in itself. However, the impact of such messages can be anticipated to reach only a small proportion of problem players.¹⁵⁷

Several stakeholders from the gaming industry expressed qualified support for periodic information messages, provided they were not overly disruptive to play.¹⁵⁸ Star City Casino, however, opposed the introduction of periodic information messages, claiming that the evidence indicates it would have little positive impact.¹⁵⁹ AMC Convergent IT, which called for the implementation of its 'Gambler Subtle Assist' technology instead of periodic information messages and related measures, claimed that gamblers would ignore periodic information messages.¹⁶⁰

Comment

The Tribunal considers that there is sufficient evidence and stakeholder support for it to recommend the introduction of pop-up messages after 60 minutes of continuous play. At this stage, the evidence indicates that the messages should simply state that the player has been playing for 60 minutes and should ask the player whether he or she wishes to continue. The introduction of this measure should be accompanied by research to evaluate the effectiveness of the measure.

The Tribunal also notes that the introduction of this measure would be linked to the introduction of clocks on gaming machines screens (see section 5.2.6), in terms of both technology used and phase-in with new machines.

¹⁵⁵ Ladouceur, R., and Sevigny, S., 'Interactive Messages on Video Lottery Terminals and Persistence in Gambling', *Gambling Research*, vol 15(1), May 2003, pp 45-50.

¹⁵⁶ See submissions by NCOSS, Mr Norm Hooper, Liquor Administration Board, Macarthur Financial Counselling, Wesley Community Legal Service and Wesley Gambling Counselling Services.

¹⁵⁷ USGRU submission, 2003, p 29. See also submissions by BetSafe and the Australian Gaming Council.

¹⁵⁸ See submissions by the NSW Gaming Industry Operators, ClubsNSW and AGMMA.

¹⁵⁹ Star City Casino submission, 2003.

¹⁶⁰ AMC Convergent IT submission, 2003.

Recommendation

- *A requirement that gaming machines display pop-up messages to advise players when they have been playing continuously for 60 minutes should be introduced. The introduction of this measure should be accompanied by evaluation.*

5.5 Proposed measures not to be introduced at this time

The Tribunal considers that requirements for gaming machines to provide players with information on payout ratios and individual gambling sessions should not be introduced at this time.

5.5.1 Display of payout ratios for gaming machines

Description

The LAB and the CCA set the minimum payout ratio, or return to player, for gaming machines in NSW (see Box 3.1). It has been argued that requiring venues to display this payout ratio would give consumers a better understanding of the foreseeable consequences of playing gaming machines.

Evidence

The Tribunal is not aware of any specific research on display of payout ratios for gaming machines.

Stakeholder views

Stakeholders who commented on this proposed measure in submissions expressed unanimous support for its introduction.¹⁶¹ BetSafe cautioned that any information on payout ratios should not be confusing. The NSW GIO proposed that any requirements in relation to payout ratios should be consistent with the 'Player Information Display' required in Victoria, as manufacturers have already developed the required technology and software/hardware.¹⁶²

Comment

In its 1999 report on *Australia's Gambling Industries*, the Productivity Commission expressed support for the availability of better information about the price of playing gaming machines. It argued, however, that notification of gaming machine *return* is a misleading indicator of the price of playing gaming machines as players may confuse long run average payouts with expected returns for each gambling session.¹⁶³

While the Tribunal considers that the display of payout ratios for gaming machines is likely to give some consumers a better understanding of the foreseeable consequences of playing gaming machines, and notes the strong stakeholder support for introducing of this measure, it supports the Productivity Commission's argument that the measures could create false expectations among some gamblers. Accordingly, it recommends that the measure should not be introduced at this time.

¹⁶¹ See submissions by ClubsNSW, NCOSS, Mr Norm Hooper, Macarthur Financial Counselling, BetSafe, Star City, NSW Gaming Industry Operators and the Liquor Administration Board.

¹⁶² NSW Gaming Industry Operators submission, 2003, p 36.

¹⁶³ PC, *Australia's Gambling Industries*, 1999, p 16.21.

Recommendation

- *The display of payout ratios should not be required for gaming machines at this time.*

5.5.2 Information on individual gambling sessions

Description

As noted in 5.2.1, the existing Technical Standards for gaming machines require that these machines provide the player with information on the monetary value of their credits, bets, and wins. These requirements could be extended so gaming machines also provide information to players on an individual gambling session, including the time and money they have spent gambling.

Evidence

The Tribunal is not aware of any research specifically on the provision of individual gambling session information in promoting informed choice. However, it notes that the Schellinck and Schrans study stated that the display of cash amounts may encourage chasing of losses among some players.¹⁶⁴

Stakeholder views

The majority of submitters who commented on the proposed requirements for gaming machines to display session information supported the measure.¹⁶⁵ Specifically, the NSW GIO and AGMMA called for the introduction of the electronic ‘player information display’ that has been introduced in Victoria.

However, a number of stakeholders expressed concerns about the practical implementation of the measure. For example, AGMMA argued that, if introduced, it should not interrupt play.¹⁶⁶ Star City Casino put the view that no new technology investments should be required.¹⁶⁷ BetSafe and AMC Convergent IT argued that the individual session information would not be as helpful as the longer run player activity statements that are required under the existing controls on player reward schemes (see section 6.1.4).¹⁶⁸

Moreover, several stakeholders the Tribunal consulted as part of its review noted the possibility that the provision of information on an individual gambling session basis may encourage players to chase losses, although there was no stakeholder consensus on this possibility.

Comment

The Tribunal’s recommendations address provision of a range of information for players of gaming machines about individual gambling activities and the gambling environment, including:

- display of the monetary value of credits, bets and wins on gaming machines (see section 5.2.1)

¹⁶⁴ Focal Research, *Responsible Gaming Feature Research*, 2002, p 5-18.

¹⁶⁵ See submissions by ClubsNSW, AGMMA, NSW Gaming Industry Operators, NCOSS, Wesley Community Legal Service, Wesley Gambling Counselling Services and Liquor Administration Board.

¹⁶⁶ Australasian Gaming Machine Manufacturers submission, 2003.

¹⁶⁷ Star City Pty Ltd submission, 2003.

¹⁶⁸ See submissions by BestSafe and AMC Convergent IT.

- introduction of 60-minute pop-up reminders on gaming machines (see section 5.4.2)
- more effective utilisation of longer-run player activity statements (see section 6.1.4).

Given the concerns expressed about the effect of providing further information about time and money spent during individual gaming machine sessions, the Tribunal considers that this measure should not be introduced at this time.

Recommendation

- *Requirements to provide information on individual gambling sessions on gaming machines should not be introduced at this time.*

6 IMPROVING MEASURES TO PROTECT GAMBLERS

The Tribunal assessed 11 existing measures and 19 proposed measures that it considers primarily to be protection measures. As discussed in section 4.3.2, protection measures usually impose mandatory or voluntary requirements on the gambling product or environment to make them safer for consumers. They generally aim to discourage risky behaviours and to reduce the prevalence of problem gambling and the negative consequences associated with it. The Tribunal considers that, in principle, protection measures should aim to target gambling behaviours that are more common in problem gamblers and those who are 'at risk' of developing problems – so that unnecessary effects on recreational gamblers and the gambling industry are minimised (see Figure 4.1).

In making its assessment, the Tribunal examined the evidence available from research studies on the effectiveness of each measure, and considered stakeholder views on this effectiveness. Where available, it also considered evidence on the range of other matters outlined in its terms of reference, including the impact of the measure on recreational gamblers, employment and support for community projects.

Given that protection measures typically alter the gambling product or environment, the Tribunal is of the view that recommendations in relation to these measures should be based on evidence that the measure is effective in reducing problem gambling, and/or on uniform stakeholder opinion. Given also the current limitations on credible research on problem gambling (see Chapter 2 and section 4.4), the Tribunal has taken the following approach:

- **For existing measures:**
 - where there is insufficient evidence and/or stakeholder consensus to support repeal or amendment, it has recommended that the measure be maintained in its current form, but that the Government note stakeholder concerns about its ongoing effectiveness or practical operation
 - where there is sufficient evidence and/or uniform stakeholder consensus to support amendment, it has recommended that the measure be maintained and that specific amendments be made
 - where there is insufficient evidence and/or stakeholder consensus to support and/or understand the likely impacts of amendment, it has recommended the measure be prioritised for further research and evaluation
- **For proposed measures:**
 - where the evidence and/or stakeholder consensus is not clear or insufficient to support introduction, but generally indicates some potential, it has recommended the measure be prioritised for further research and evaluation
 - where the measure appears to have implications for gambling behaviour but is not directly related to gambling policy, it has recommended it be dealt with in the more appropriate policy area
 - where the measure has been previously considered and broadly accepted by the gaming industry but has not been introduced, and there is insufficient evidence on which to base a recommendation, the Tribunal considers that the Government should consult with the gaming industry
 - where there is insufficient or no evidence to support introduction, and/or little or no stakeholder support, or indeed stakeholder opposition, the Tribunal considers that the measure cannot be introduced in the short to medium term.

The Tribunal’s recommendations on each measure are outlined in Table 6.1 and discussed in detail below, including an overview of the evidence, stakeholder views, and other matters it considered. The Tribunal was not able to consider the impacts of each measure on employment and community projects in detail, as little evidence was available for most measures. However, the Tribunal has taken general concerns about the economic impacts of measures into account when making its recommendations. Moreover, where the Tribunal has recommended that a measure be prioritised for further research, it has also recommended that these impacts should be specifically estimated as part of the research task (see section 4.4.3).

As noted in section 4.3.2, some measures could be a substitute for related measures, and other measures could have greater effectiveness if used in combination with complementary measures. While currently there is little evidence regarding substitute or complementary measures, the Tribunal has recommended that this be taken into account in research on measures and in ongoing monitoring and evaluation of the proposed responsible gambling policy framework.

Table 6.1 Summary of recommendations in relation to ‘gambling protection’

Existing	
Maintain, no amendment but note findings	<ul style="list-style-type: none"> • Prohibition on credit for gaming <ul style="list-style-type: none"> - organisations involved in lotteries claim this measure is less relevant to them and creates administrative difficulties • Prohibition on advertising gaming machines <ul style="list-style-type: none"> - club gaming operators are concerned they are prevented from sending information about gaming products to club members • Requirement that large payouts not be paid in cash <ul style="list-style-type: none"> - can result in consumer receiving \$1,000 in cash and perversely a minor amount in cheque - clubs are concerned about number of cheques issued and the different requirements for the casino • Controls on player reward schemes <ul style="list-style-type: none"> - consumers do not generally request the voluntary player activity statements • Restrictions on promotions and inducements <ul style="list-style-type: none"> - stakeholders have indicated that certain promotion could be inducements, including announcements of jackpots, free transport and food, and product giveaways.
Maintain with amendment	<ul style="list-style-type: none"> • Self-exclusion schemes <ul style="list-style-type: none"> - introduce offence provisions for failing to establish and publicise a self-exclusion scheme - process applications immediately - provide for exclusion from multiple venues - venue, or counselling service on its behalf, to take photo of applicant - establish working group to facilitate self-exclusions across schemes and for integrating counselling into the schemes - collect uniform data • Staff training <ul style="list-style-type: none"> - modify to reflect changes to self-exclusion and counselling and further emphasise these schemes (in consultation with

	<p>counsellors)</p> <ul style="list-style-type: none"> • Social Impact Assessment process <ul style="list-style-type: none"> - guidelines should be developed indicating timeframes for Liquor Administration Board's processing of applications - LAB to issue guidelines setting out SIA requirements and data or formulae - Class 1 threshold to be amended from four machines over three years to 10 machines over 10 years - LAB to take into account a number of matters for Class 1 applications for small, rural, regional or disadvantaged communities - conduct ongoing reviews - note the statutory test for SIAs is difficult to meet.
Evaluate	<ul style="list-style-type: none"> • Maximum bets for gaming machines • Compulsory six-hour shutdown of machines • Location of ATMs (with research on note acceptors and lower withdrawal limits for ATMs in gaming venues).
Proposed	
Prioritise for evaluation	<ul style="list-style-type: none"> • 'Pre-commitment' mechanisms, including smart cards • Restrictions on note acceptors in gaming machines (with research on ATM location and lower withdrawal limits for ATMs in gaming venues) • ATM daily cash limits (with research on location of ATMs and restrictions on note acceptors).
Appropriately other policy areas	<ul style="list-style-type: none"> • Prohibition on smoking in gaming areas • Restrictions on alcohol consumption.
Government to consult industry on preparedness to introduce	<ul style="list-style-type: none"> • Lower money inputs for gaming machines – previously accepted by industry • Prohibition on play through and autogamble – previously accepted by industry.
Not introduce	<ul style="list-style-type: none"> • Limits or standards relating to the sounds made by gaming machines • Reductions to the maximum win allowed from individual gaming machines • 'Ticket in ticket out' technology for gaming machines • Double up and similar features on gaming machines • Further controls on gaming machine artwork • Slowing down the speed of play (or reel speeds) on gaming machines • Forced cash-outs by gaming machines after certain period of play • Gaming machines to pay winnings when a player reaches a certain level of credits • Natural light in gaming areas • Gamblers to be visible outside the gaming area • Compulsory shutdown of individual gaming machines • Limits on maximum number of carded games per reel.

6.1 Existing measures to be maintained without amendment, but note findings

For some of the existing protection measures, the Tribunal found that there is not sufficient evidence and/or stakeholder consensus about their effectiveness to support a recommendation to amend or repeal the measures. It therefore recommends that they be retained in their current form, but that the Government note stakeholder concerns about their ongoing effectiveness or practical operation. These measures include:

- the prohibition on credit for gaming
- the prohibition on advertising gaming machines
- the requirement that venues not pay large payouts in cash
- controls on player reward schemes
- restrictions on promotions and inducements.

6.1.1 Prohibition on credit for gaming

Description

In NSW, it is an offence to provide credit to gamble on gaming machines, casino gaming, lotteries or keno products.¹⁶⁹ In addition, Electronic Funds Transfer at Point of Sale (EFTPOS) and ATMs in gaming venues may provide debit only; cash advance capabilities are not permitted via these technologies.¹⁷⁰

Evidence of effectiveness

In September 2002, KPMG Consulting conducted a study on problem gambling and ATM and EFTPOS capabilities for the Federal Department of Family and Community Services (KPMG Study).¹⁷¹ This study consisted of quantitative and qualitative research into the impact of available ATM and EFTPOS functions and capabilities on gambling, including interviews, focus group sessions and questionnaires. It involved the financial services sector, regulators, community sector and the gambling sector. The KPMG study noted that all states and territories – including NSW – had banned cash advances from credit cards via EFTPOS and ATMs. KPMG formally recommended that for gaming areas “the Commonwealth negotiate ... to ensure that all ATMs that service gaming locations do not enable access to credit accounts”.¹⁷²

The 2003 Hing survey of members of Sydney clubs found that nearly one-half of respondents were unsure about whether their club would extend them credit with which to gamble. Only about one-quarter of respondents could recall with reasonable accuracy aspects of their club’s credit policies. However, the study also noted that such a result “would be expected if these respondents had never tried to access cash in these ways at their

¹⁶⁹ For gaming machines in clubs see s. 54C, *Registered Clubs Act 1976*; for gaming machines in hotels see s. 126A, *Liquor Act 1982*; for casino gaming see s. 74, *Casino Control Act 1992*; and for lottery products see s. 43, *Public Lotteries Act 1996*.

¹⁷⁰ KPMG Consulting, *Problem Gambling: ATM/EFTPOS Functions and Capabilities*, report to Department of Family and Community Services (Federal), 25 September 2002, p 22. (Hereafter referred to as KPMG Consulting, *ATM/EFTPOS Functions and Capabilities*, 2002.)

¹⁷¹ KPMG Consulting, *ATM/EFTPOS Functions and Capabilities*, 2002.

¹⁷² KPMG Consulting, *ATM/EFTPOS Functions and Capabilities*, 2002, pp 83-84.

club".¹⁷³ Moreover, the study found that the survey respondents strongly supported the prohibition on extending credit or cash advances for gambling. Out of 13 responsible gambling strategies, the only measure that received greater respondent support was preventing minors and intoxicated persons from gambling.¹⁷⁴

Stakeholder views

The USGRU submitted an extensive academic analysis of the existing studies and evidence on problem gambling harm minimisation.¹⁷⁵ Its submission argued that the harms associated with gambling result from excessive expenditure of time and/or money. It also argued that measures that focus solely on time are broadly less likely to be effective because they could be easily accommodated by problem players with liberal amounts of free time.¹⁷⁶ Further consultations with Dr Michael Walker, one of the authors of the USGRU submission, indicated that liquidity controls are more likely to be effective than time-based measures.

Most of the stakeholders who specifically commented on this measure in submissions to the review expressed support for the measure.¹⁷⁷ In addition, at the Tribunal's roundtable discussion with leading counsellors, there was a consensus of opinion that this measure has been particularly successful in reducing harm. Other stakeholders whom the Tribunal consulted also broadly supported the measure, such as Mr John Sabados, who has initiated the online problem gambling forum, Escape From Gambling, which has over 90 members.

However, NSW Lotteries and the Newsagents Association claimed that the prohibition is difficult for them to administer, as customers often purchase other items at the same time as lottery products, and that the inconvenience of not being able to accept credit card payments places their businesses at a competitive disadvantage compared to wagering outlets which do accept credit. Moreover, the Newsagents Association claimed that the prohibition on credit was less relevant to lottery products as they were less likely to be associated with problem gambling than other forms of gambling.¹⁷⁸

Comment

The Tribunal notes that organisations involved in lotteries claim this measure is less applicable to them and that it creates administrative difficulties. Nonetheless, the Tribunal considers that there is insufficient evidence – and a lack of stakeholder consensus – on which to base a recommendation to amend this measure. Rather, the existing research on the prohibition of credit generally supports this measure, as do a majority of stakeholders.

Recommendations

- *The prohibition on credit for gaming should continue to operate without amendment.*
- *However, the Government should note that organisations involved in lottery products claim this measure is less relevant to lotteries as they are less likely to be harmful. In*

¹⁷³ Hing, N., *An Assessment of Member Awareness*, 2003, pp 71-72.

¹⁷⁴ Hing, N., *An Assessment of Member Awareness*, 2003, p 78.

¹⁷⁵ USGRU submission, 2003.

¹⁷⁶ This was also reaffirmed in consultations with Dr Michael Walker of the USGRU, including at the counsellors roundtable at IPART on 15 November 2003.

¹⁷⁷ See submissions by BetSafe, ClubsNSW, NCOSS, Liquor Administration Board, Macarthur Financial Counselling, Services Clubs Association, Star City Casino, Wesley Community Legal Service, Wesley Gambling and Counselling Services and Western/Riverina-Murray Region Gambling Counsellors Forum.

¹⁷⁸ See submissions by NSW Lotteries and the Newsagents Association of NSW and ACT Ltd.

addition, they argue that the prohibition creates administrative difficulties for lottery agents who tend to sell other products via credit.

6.1.2 Prohibition on advertising gaming machines

Description

Advertising of gaming machines is prohibited in NSW, including external signage at venues.¹⁷⁹

Evidence

The Tribunal is not aware of any specific primary research on this measure. However, the Hing study discussed above found that the majority of survey respondents (mail: 82 per cent; on-site: 66 per cent) had not seen any advertising by their club that they considered irresponsible. The survey respondents also ranked responsible advertising as the fifth most important responsible gambling measure of the 13 reviewed.

Stakeholder views

At the Tribunal's roundtable discussion, leading counsellors argued that the existing advertising controls are one of the most effective existing responsible gambling measures. This was reaffirmed in consultation with Mr John Sabados. Discussions with Victorian representatives, counsellors and other stakeholders have also strongly supported the existing controls in NSW.¹⁸⁰ The Tribunal understands that Victoria recently strengthened its advertising controls, so they are similar to NSW's existing controls.

The gaming machine industry, however, strongly opposed this measure. The NSW GIO argued that the prohibition has no proven harm minimisation effects and that it restricts commercial competition.¹⁸¹ The Leagues Clubs Association criticised the inconsistent treatment of gaming machines and other forms of gambling, and specifically noted that advertisements for lottery products showed people winning 'truckloads of cash' (see section 5.3.5).¹⁸² The Australasian Gaming Machine Manufacturers Association called for the existing controls to be replaced with more relaxed requirements, such as those that used to apply in Victoria.¹⁸³

BetSafe, a responsible gambling program operated by 45 clubs, generally supported the existing prohibition, but it argued that the measure should be relaxed to allow information to be sent to club members.¹⁸⁴ ClubsNSW also noted that clubs face a number of practical difficulties associated with the existing restrictions, including that they cannot send information about gaming machines to club members, and that 'flyers' providing such information within venues may not be taken outside the venue.

¹⁷⁹ For the requirements applying to the casino see the *Casino Control Act 1992*, s. 70A, and for clubs and hotels see the *Gaming Machines Act 2001*, ss. 43 and 44.

¹⁸⁰ See submissions by NCOSS, Wesley Community Legal Service, Wesley Gambling and Counselling Services and Western/Riverina-Murray Region Gambling Counsellors Forum.

¹⁸¹ NSW Gaming Industry Operators submission, 2003.

¹⁸² Leagues Clubs Association submission, 2003.

¹⁸³ AGMMA submission, 2003.

¹⁸⁴ BetSafe submission, 2003.

Comment

The Tribunal notes the very strong support for the advertising prohibition by non-industry stakeholders and the opposition by the gaming industry. Although there is little evidence concerning the effectiveness of the measure, the Tribunal would be reluctant to recommend changes to relax this measure, given that there is evidence to suggest that gaming machines are the main form of gambling for the vast majority of problem gamblers.

Recommendations

- *The prohibition on advertising gaming machines should continue to operate without amendment.*
- *However, the Government should note gaming operators' concerns about practical difficulties associated with this measure—particularly that it prevents them from sending information about gaming machines to club members.*

6.1.3 Large payouts not to be paid in cash

Description

Clubs and hotels are required by legislation to pay winnings of more than \$1,000 by means of a crossed cheque payable to the player concerned or, if that player requests, by means of an electronic funds transfer.¹⁸⁵ They are also required to pay winnings of less than \$1,000 by such non-cash means at the player's request.

The Star City Casino is required by legislation to notify winners of prizes greater than \$1,000 (either verbally or through signage) that this money can be paid by means of crossed cheque made payable to them, and to do so at such a winner's request.¹⁸⁶

Evidence

The Tribunal is not aware of any specific research on the effectiveness of the existing requirements or the appropriateness of the \$1,000 threshold. However, on the basis of its extensive National Gambling Survey, the Productivity Commission argued that requirements for payment by cheque should be imposed for 'larger wins', which it defined as more than \$250. This survey found that problem gamblers are more likely to have larger wins than non-problem gamblers. Moreover, it found that problem gamblers are more likely to continue gambling with a large prize, as these gamblers typically accumulate losses and bet wins away. The Productivity Commission also argued that payment of larger prizes by cheque would not be an inconvenience to most gamblers, since most do not win these amounts on a frequent basis.¹⁸⁷

Stakeholder views

A number of stakeholders expressed support for the existing requirements, on the grounds that they can act as a circuit breaker, encouraging gamblers to 'cool off' and discouraging them from betting these wins away.¹⁸⁸ Wesley Mission's legal and counselling services also

¹⁸⁵ Gaming Machines Regulation 2002, r. 30.

¹⁸⁶ Casino Control Regulation 2001, r. 32.

¹⁸⁷ PC, *Australia's Gambling Industries*, vol. 2, 1999, pp 16.84-85.

¹⁸⁸ See submissions by the Liquor Administration Board, Newsagents Association of NSW and ACT Ltd. and Western/Riverina-Murray Region Counsellors Forum.

argued that these requirements are more likely to assist gamblers who are 'at risk' of developing problems or who have mild problems.¹⁸⁹

However, NSW GIO argued that the existing requirements are not effective and that they do not "address the causes of problem gambling or seek to treat problem gamblers in an appropriate manner".¹⁹⁰ Moreover, it claimed that these requirements inconvenience recreational gamblers and increase its members' administration costs due to the significant number of cheques they are required to issue. BetSafe also made this argument, and provided a breakup of the amounts and numbers of prize cheques paid by one large club over a typical weekly period, which indicate that around 80 per cent of cheques fall in the \$1,000 to \$3,000 bracket.¹⁹¹

Other non-casino gaming operators called for the requirements for clubs and hotels to be made consistent with those for the casino.¹⁹² Several submitters further noted that cheque-cashing businesses have been established near gaming venues and that, in some cases, prize winners have exchanged their cheques for cash with someone on the gaming room floor, at very significant exchange fees.¹⁹³ This was also noted by the counsellors who attended the IPART counselling roundtable.

In relation to the current threshold, Mr John Sabados argued that the threshold should be decreased from \$1,000 to \$500.¹⁹⁴ However, BetSafe and the NSW GIO called for the threshold to be raised to \$3,000.¹⁹⁵

Comment

The Tribunal is persuaded by the Productivity Commission's conclusions from its extensive National Gambling Survey that problem gamblers more commonly win larger amounts, and that they tend to bet these wins away while also accruing losses. In this context, there is a sufficient basis on which to recommend that the existing requirements to pay large payouts by non-cash means be maintained.

The Tribunal acknowledges that there are some practical concerns with the operation of this measure. For example, the existing requirements may result in the perverse situation where a person who wins \$1,005 receives \$1,000 in cash and a \$5 cheque. Moreover, there is no evidence or stakeholder consensus on the appropriateness of the \$1,000 threshold, or the inconsistency in requirements for clubs and hotels compared with the casino. The Tribunal also notes that clubs are concerned about the number of cheques that are issued due to the existing \$1,000 threshold, which they recommend be raised to \$3,000. However, there is no evidence on which to recommend any amendments to the existing requirements for responsible gambling purposes.

¹⁸⁹ Wesley Community Legal Service submission, 2003 and Wesley Gambling and Counselling Services submission, 2003.

¹⁹⁰ See submissions by Star City Casino, Jupiters Gaming and NSW Gaming Industry Operators.

¹⁹¹ BetSafe submission, 2003.

¹⁹² ClubsNSW submission, 2003 and Services Clubs Association submission, 2003.

¹⁹³ See submissions by BetSafe, NSW Gaming Industry Operators, and Macarthur Financial Counselling Service.

¹⁹⁴ Sabados, John submission, 2003.

¹⁹⁵ BetSafe submission, 2003, pp 17-18 and NSW Gaming Industry Operators submission, 2003, pp 34-35 and Attachment 7.

Recommendations

- *The requirements for large payouts not to be paid in cash should continue to operate.*
- *However, the Government should note that the existing requirements can result in gamblers receiving \$1,000 in cash and perversely a relatively very small amount in cheque. It should also note that gaming industry stakeholders have expressed concern about the number of cheques they are required to issue and have called for:*
 - *the threshold for payment by cheque to be raised from \$1,000 to \$3,000*
 - *the voluntary cheque payment arrangements that currently apply to the casino to be also applied to clubs and hotels.*

6.1.4 Controls on player reward schemes

Description

Under the *Gaming Machines Act 2001* and the *Casino Control Act 1992*, a hotel, club and the casino must not offer or present a promotional prize in the form of cash or which exceeds \$1,000 in value. Furthermore, if a gaming operator conducts a player reward scheme, the gaming operator must make available, on request, a player activity statement that contains information on money and time spent when the player's card was inserted in gaming machines. Any promotional material relating to the player reward scheme is required to contain information that player activity statements are available upon request.¹⁹⁶

Evidence

The Tribunal is not aware of any specific research on the effectiveness of the existing controls on player reward schemes in NSW. However, the Tribunal notes the Productivity Commission's general view that: "Incentives for prolonged playing may well represent a hazard for gamblers – and may accentuate problematic behaviour such as chasing losses".¹⁹⁷

Stakeholder views

The Council of Social Service of NSW (NCOSS) expressed support for the controls on player reward schemes. The prohibition on cash prizes was particularly supported by Macarthur Financial Counselling Service and Wesley Mission's legal and counselling services particularly supported the prohibition on cash prizes.¹⁹⁸ The LAB also supported the linking of player activity statements to reward schemes.¹⁹⁹

Several gaming operators and BetSafe opposed the existing requirements on the grounds that they are too restrictive and unduly impact on recreational players.²⁰⁰ Moreover, ClubsNSW and the Leagues Clubs Association claimed that the requirement to provide player activity statements is ineffective, as very few consumers actually request them. Consultations with various stakeholders reaffirmed that the player activity statements are not widely requested, although many of these stakeholders nonetheless supported the statements as an informed choice measure. The Tribunal also understands that there are

¹⁹⁶ *Gaming Machines Act 2001*, s. 42, and *Casino Control Act 1992*, s. 76A.

¹⁹⁷ PC, *Australia's Gambling Industries*, 1999, p 16.82.

¹⁹⁸ Submissions by NCOSS, Macarthur Financial Counselling Service, Wesley Community Legal Service and Wesley Gambling and Counselling Services.

¹⁹⁹ Liquor Administration Board submission, 2003.

²⁰⁰ Submissions by BetSafe, ClubsNSW, Leagues Clubs Association, and Star City Casino.

privacy concerns in jurisdictions where venues must mail player activity statements to registered players each year.

Comment

In summary, as there is no existing evidence concerning the effectiveness of these controls and there is stakeholder disagreement regarding the measure, the Tribunal considers that there is no basis on which to recommend an amendment to the measure. Moreover, the Tribunal is also aware of arguments that the risks of liberalising such controls are likely to outweigh the benefits to consumers, as doing so could potentially encourage problem gamblers to gamble more than they otherwise would while the individual benefits are likely to be minor.

While the player activity statements could be assessed as an informed choice measure, the statements are required under the player reward schemes protection measure. In this context, the Tribunal is concerned that consumers generally do not request the player activity statements that are available as part of player reward schemes. Making these statements available provides consumers with a tool to monitor their expenditure and therefore to set appropriate betting limits. As an existing measure, and given its support as a tool that assists in informing consumers, the Tribunal considers that venues should continue to make the statements available. It is envisaged that as the culture of responsibility in gambling develops over time, more consumers will voluntarily request the statements.

Recommendations

- *The existing controls on player reward schemes should continue to operate without amendment.*
- *However, the Government should note that consumers generally do not request the player activity statements that venues are required to make available as part of player reward schemes. The Tribunal considers that players should be responsible for adopting responsible gambling practices, including using appropriate voluntary measures such as player activity statements.*

6.1.5 Restrictions on promotions and inducements

Description

In NSW, the casino, clubs and hotels currently must not:

- offer or supply any free or discounted liquor as an inducement to play gaming machines or play them more frequently
- offer free credits to players, or as an inducement to persons to become players.²⁰¹

²⁰¹ Casino Control Regulation 2001, r. 23, and Gaming Machines Regulation, r. 48.

Evidence

The Hing study found that 24 per cent of the respondents to the mail survey and 29 per cent of the respondents to the on-site survey stated that their club had given them free or cheap drinks when they were gambling. A statistically significant minority of respondents also stated that their club had given them free credits on gaming machines (mail survey over 10 per cent and on-site survey 14 per cent).²⁰²

In addition, this survey questionnaire invited respondents to provide additional comments about responsible gambling. Of the 339 respondents who did provide comments, 18 criticised gaming venue promotions. Half these respondents noted that to win promotions in the club, people were required to be on the premises when the prize was announced, which Hing stated encourages “people to stay for longer and to gamble more while they were waiting”. The other half were critical that the style of these promotions offered inducements to gamble. Hing argued that many “saw such promotions as very much against the spirit of responsible gambling, even though their club has implemented other responsible gambling practices”.²⁰³

In addition, the Productivity Commission has expressed a general view that incentives for prolonged gambling may represent a hazard for gamblers and that they may accentuate problematic behaviour such as chasing losses.

Stakeholder views

Most submissions to this review expressed strong support for the existing restrictions on promotions and inducements. Several stakeholders argued that the restrictions are effective in reducing the harms associated with problem gambling.²⁰⁴ BetSafe and ClubsNSW specifically supported the ban on the provision of free alcohol and gambling credits.²⁰⁵

Other stakeholders expressed concern that gambling operators are able to offer alternative inducements that encourage gambling. For example, the City of Wagga Wagga was concerned about free transport and food being offered by gaming venues, and Mr Ross Suter called for TABs to be banned from giving away televisions and DVDs as prizes for gambling.²⁰⁶ The Gambling Impact Society expressed concern that announcements made in venues via intercom about gaming machine jackpots are a form of inducement. The Tribunal agrees that these announcements could be an inducement to gamble for a person who is in the venue for other purposes, such as to attend the dining facilities.

However, some gaming industry operators opposed the existing restrictions, and Star City Casino called for their repeal.²⁰⁷ The Leagues Clubs Association claimed there is no evidence to support the effectiveness of the restrictions, and the NSW GIO claimed that the restrictions significantly affect recreational gamblers.

²⁰² Hing, N., *An Assessment of Member Awareness*, 2003, pp 63-64.

²⁰³ Hing, N., *An Assessment of Member Awareness*, 2003, pp 100-101.

²⁰⁴ See submissions by NCOSS, Liquor Administration Board, Wesley Community Legal Service, Wesley Gambling and Counselling Services, Western/Riverina-Murray Region Gambling Counsellors Forum.

²⁰⁵ BetSafe submission, 2003 and ClubsNSW submission, 2003.

²⁰⁶ The City of Wagga Wagga submission, 2003 and Mr Ross Suter submission, 2003.

²⁰⁷ See submissions by Leagues Clubs Association, NSW Gaming Industry Operators and Star City Casino.

Comment

In summary, the Tribunal is generally concerned about schemes that could encourage consumers, particularly regular and problem gamblers, to spend more time or money on gambling than they otherwise would. Given the limited evidence and lack of stakeholder consensus, the Tribunal is not inclined to recommend liberalisation of the existing controls, on the basis that doing so could be hazardous while the consumer benefits are unlikely to be great.

Recommendations

- *The existing restrictions on promotions and inducements should continue to operate without amendment.*
- *However, the Government should note stakeholder concerns about certain promotions that could be regarded as inducements, including jackpot announcements in venues, free transport and food, and product giveaways.*

6.2 Existing measures to be maintained with amendments

For three existing protection measures, the Tribunal found that there is sufficient evidence and stakeholder consensus about their effectiveness to support a recommendation that they continue to operate, and that amendments be made to improve their ongoing effectiveness. These measures are:

- requirements to operate self-exclusion schemes
- requirements to provide staff training in responsible conduct of gambling activities
- provisions in relation to the Social Impact Assessment process.

6.2.1 Self-exclusion schemes

Description

Self-exclusion schemes provide for consumers to seek assistance from a venue operator to prevent them from gambling at the venue. The consumer signs an undertaking not to gamble at the venue for a specified period – if caught breaching this undertaking, he or she may be removed from the gambling area by the venue operator.

Since October 2002, clubs and hotels have been required under the *Gaming Machines Act 2001* to operate self-exclusion schemes. The *Gaming Machines Regulation 2002* sets out requirements for the schemes, including that:

- participants in these schemes may not withdraw from the scheme within three months
- participants must be given written information about problem gambling counselling services
- participants must be given an opportunity to seek independent legal or other professional advice at their own expense as to the meaning and effect of the undertaking before it is given.

To date, the Minister has approved the following major self-exclusion schemes under the Gaming Machines Act: BetSafe (approximately 45 clubs), ClubSafe (operated by ClubsNSW) and GameChange (operated by the Australian Hotels Association).²⁰⁸

Currently, no offence provisions are attached to the requirements on venues to establish a self-exclusion scheme. The requirement can be enforced by the Director of Liquor and Gaming, or by the police following complaint proceedings against the hotel or club. However, this recourse is time consuming and costly; its outcome is often uncertain.

The *Casino Control Act 1992* also requires a self-exclusion scheme to operate in the Star City Casino. The CCA or the casino operator may give a written order to a person, on the person's voluntary application, prohibiting the person from entering or remaining in the casino.²⁰⁹ If a casino operator becomes aware that a person subject to an exclusion order is in the casino, it must notify an inspector and remove the person, or cause the person to be removed, from the casino.²¹⁰

Exclusion orders under the *Casino Control Act 1992* stay in force until revoked by the person who gave the order.²¹¹ The self-excluded person may apply to the CCA for a review of the exclusion order. The CCA may make inquiries as it thinks fit, including of the witness to the person's application to be excluded from the casino and may overrule the order or allow it to stand.²¹²

Comparison of existing self-exclusion schemes

There are many variations in the four schemes currently in operation in NSW. The Tribunal understands that the main differences are those listed in Table 6.2. This table shows that the BetSafe scheme (which has around 45 larger clubs as members) and the Casino scheme provide for immediate self-exclusion, while GameChange and ClubSafe encourage patrons to see a counsellor or solicitor prior to signing a deed. BetSafe and GameChange both provide for exclusion from multiple venues. With regard to counselling, BetSafe and the casino require counselling assessments prior to revocation of self-exclusion deeds.

²⁰⁸ *Gaming Machines Act 2001*, s. 49, and *Gaming Machines Regulation 2002*, r. 47. The Minister has also approved the following smaller schemes: GAME (a CCBF-funded counselling service); Clubs Hotels Group (15 hotels); Crookwell Bowling Club; Winmalee Tavern; Antill Park Country Club; Trades Hall Inn; and Garry Owen Hotel.

²⁰⁹ *Casino Control Act 1992* s. 79(3).

²¹⁰ *Casino Control Act 1992* s. 85.

²¹¹ *Casino Control Act 1992* s. 82.

²¹² *Casino Control Act 1992* s. 80.

Table 6.2 Features of existing self-exclusion schemes in NSW

	BetSafe	ClubSafe	Game Change	Casino
Immediate processing?	Yes	No*	No	Yes
Multiple venues?	Yes	No	Yes	N/A
Require interview with counsellor or solicitor prior to signing deed?	No	Yes	Yes	No
Require counselling assessment prior to revocation of self-exclusion deed?	Yes	No	No	Yes

* While immediate processing is possible under the ClubSafe scheme, patrons who wish to self-exclude are generally encouraged to see a counsellor or solicitor prior to signing the deed.

Evidence

When the Victorian Gambling Research Panel (GRP) evaluated the self-exclusion program in Victoria in 2003, it noted that at that time, there were only two published research papers specifically on self-exclusion programs, both of which related to programs within casinos.²¹³

One of these, by Ladouceur and others in 2000 about self-exclusion programs in Canada,²¹⁴ supports the argument that there is a place for self-exclusion, on the basis that it may meet the needs of at least some individuals who have a gambling problem. This study found that about 30 per cent of participants in self-exclusion programs reported that they had managed to completely stop gambling for the duration of a previous self-exclusion program. However, as most participants said they did not manage this, the researchers suggested that:

- it may be useful to inform all those who sign a self-exclusion deed about the likely success rate, in order to raise awareness about the potential for relapse
- self-control gambling clinics be offered in, or as alternatives to the self-exclusion program.²¹⁵

The other study, by Nowatzki and Williams,²¹⁶ also supports this argument, on the basis that when properly implemented, self-exclusion can be a valuable tool in helping to curb problem gambling. The researchers reported that a much higher compliance with self-exclusion occurs in the Netherlands, where personal identification is required to enter the 12 casinos, and computer checks immediately identify any self-excluded patrons.²¹⁷

²¹³ The South Australian Centre for Economic Studies, *Evaluation of Self-exclusion Programs*, prepared for the Gambling Research Panel, GRP Report No. 2, 2003.

²¹⁴ Ladouceur, R., Jacques, C., Giroux, I., Ferland, F. and Leblond, J., 'Analysis of a Casino's Self-Exclusion Program', *Journal of Gambling Studies*, 16(4), 2000, pp 453-460, as cited in Gambling Research Panel, *Evaluation of Self-exclusion programs in Victoria*, GRP Report No. 2, 2002, pp 35-36. (Hereafter referred to as Ladouceur et al., 'Self-Exclusion Program', 2000.)

²¹⁵ Ladouceur et al., 'Self-Exclusion Program', 2000.

²¹⁶ Nowatzki, N., and Williams, R., 'Casino Self-exclusion Programmes: A Review of Issues', *International Gambling Studies*, Vol. 2, July 2002, pp 3-25.

²¹⁷ Nowatzki, N., and Williams, R., 'Casino Self-exclusion Programmes: A Review of Issues' *International Gambling Studies*, Vol. 2, July 2002, pp 3-25.

The GRP's evaluation of the Victorian self-exclusion program is the only Australian research on this measure. This study found that only a relatively small number of people use the program and that the need to check photo identification to identify self-excluded patrons was a significant weakness of the program.²¹⁸ The GRP made a number of recommendations to improve the operation of the existing Victorian program, including:

- venues should be required to participate in a computer-based system for transferring photographs to venues, with a computerised central notification system, central data management system, reporting of breaches and follow-up
- venues should have the capacity to issue a reminder notice of self-exclusion at the time of detection and a copy should automatically be forwarded to a central authority
- consistent and transparent procedures should be established for reporting and recording of information (ie breaches, time, date, referral to central agency for follow-up)
- information relating to self-exclusion programs should be more prominently displayed within venues.²¹⁹

Stakeholder views

Participants at the Tribunal's roundtable discussion with leading counsellors suggested that the primary value of self-exclusion is in providing problem gamblers with a strong psychological deterrent from gambling. A considerable number of stakeholders who made submissions supported self-exclusion on the grounds that they are valuable for a proportion of problem gamblers, particularly when used in conjunction with other support services. Star City Casino stated that the most important element of a self-exclusion scheme is linking self-excluded persons to counselling services.²²⁰

However, some of these stakeholders also commented on the operation and effectiveness of these schemes in NSW. Their concerns focused on three broad issues:

- the difficulties venues face in identifying self-excluded patrons and detecting when their exclusion deed is breached
- the different characteristics of self-exclusion schemes operating in NSW, which make some less effective than others
- the need to collect data and evaluate the effectiveness of self-exclusion schemes.

²¹⁸ The South Australian Centre for Economic Studies, *Evaluation of Self-exclusion Programs*, prepared for the Gambling Research Panel, GRP Report No. 2, 2003, p 14.

²¹⁹ The South Australian Centre for Economic Studies, *Evaluation of Self-exclusion Programs*, prepared for the Gambling Research Panel, GRP Report No. 2, 2003, pp 14-15.

²²⁰ IPART meeting with Star City Casino, 18 May 2004.

Difficulties in identifying self-excluded patrons and detecting breaches of self-exclusion

Some submissions put the view that the difficulties venues face in identifying self-excluded patrons on their premises are significant limitations on the effectiveness of self-exclusion schemes.²²¹ Star City Casino argued that:

...it is not possible to prevent all self-excluded patrons from returning to the casino. People who are determined to breach their orders can disguise themselves to try to avoid detection. However, these occasional breaches by self-excluded patrons should not be used to diminish the success of the overall scheme...Star City believes that, despite the fact that self-exclusion programs can be abused, they are a valuable self-help tool for many people to avoid gambling when they are unable to control their actions.²²²

Wesley Community Legal Services submitted that self-exclusion has proven highly effective in country areas, where there are few accessible gambling venues and patrons are known. However, in city areas where there are more venues and patrons, it is difficult for gambling venue staff to remember photographs of self-excluded patrons and to monitor a larger number of patrons.²²³

Other submissions suggested various solutions to overcome difficulties in identifying self-excluded patrons. The Services Clubs Association argued that the onus should be on the self-excluded patron to identify him or herself when entering a gaming venue.²²⁴ Several others proposed solutions that involve the use of various forms of new technology to identify patrons.²²⁵ However, the USGRU argued that these technologies would need to be assessed for effectiveness in practice to improve detection rates.²²⁶

Characteristics of self-exclusion schemes operating in NSW

The four self-exclusion schemes currently operating in NSW have numerous variations in their features, as described in Table 6.2 above. Several submissions raised concerns that some of these different methods for nominating for and revoking self-exclusion limit the effectiveness of these schemes. For example, the Gambling Impact Society (NSW) commented that its members have found it difficult to access self-exclusion programs, particularly in rural areas where a gambler may be required to go to each individual venue in the area to nominate for self-exclusion, and thus also have to arrange transport to each venue. Its members have reported a preference for a scheme that facilitates self-exclusion from multiple venues, and that enables exclusion from all venues within a geographical region.²²⁷

The Wesley Community Legal Service argued that a problem gambler should be able to self-exclude quickly from all nominated gambling venues. Even under existing schemes that facilitate self-exclusion from multiple venues, a problem gambler may only self-exclude from those venues that belong to a particular scheme.²²⁸ Therefore, to self-exclude from

²²¹ McKesson Asia Pacific submission, 2003, p 7, Sabados, J. submission, 2003, p 2 and Wesley Community Legal Service submission, 2003, p 9.

²²² Star City Casino submission, 2003, p 6.

²²³ Wesley Community Legal Service submission, 2003, p 9.

²²⁴ Services Clubs Association submission, 2003, p 3.

²²⁵ AMC Convergent IT submission, 2003, p 5, Liquor Hospitality and Miscellaneous Workers Union (Hereafter referred to LHMU) submission 2003, p 5 and Sabados, J. submission, 2003, p 2.

²²⁶ USGRU submission, 2003, p 5.

²²⁷ Gambling Impact Society submission, 2003, p 3.

²²⁸ Wesley Community Legal Service submission, 2003, pp 9-10.

venues within a geographical region, a problem gambler may need to enter into a number of self-exclusion deeds under different schemes.

The Wesley Community Legal Service also raised a concern about the GameChange scheme, under which there is a delay of several days between a point of crisis when a problem gambler decides to nominate for self-exclusion to when he or she is able to sign a self-exclusion deed at a counsellor's office. It argued that:

...During that delay, many problem gamblers will 'cool off', and return to more gambling losses. That results in a further, and more serious crisis, as the problem gambler's situation deteriorates...²²⁹

BetSafe raised a similar concern, arguing that:

...It is our experience that problem gamblers are most willing to self-exclude at the point of crisis, say after a heavy gambling loss. Unless the problem gambler is able to **immediately** sign a self-exclusion deed, the wish to self-exclude fades and may be overtaken by a desire to return and gamble to recover past losses.²³⁰

The Tribunal notes that ClubSafe does allow for immediate self-exclusion, but it does not recommend this. Rather, it encourages patrons to see a counsellor or solicitor prior to signing a self-exclusion deed.

The operator of GameChange, Australian Hotels Association (NSW), does not view the delay between nominating for self-exclusion and signing a self-exclusion deed under this scheme as a problem. It argues that the fact GameChange is administered away from a gambling venue is a strong feature of the scheme, which allows problem gamblers to directly and privately connect with professional help. It states that this approach means problem gamblers don't have to enter premises in which they have been unable to control their gambling until they are confident of their ability to control their actions.²³¹

Other submissions raised concerns about differences in the procedures for revoking self-exclusion deeds or allowing self-exclusion to lapse. The Tribunal understands that the Casino and BetSafe schemes require self-excluded persons seeking readmittance to a gambling venue to undertake a counselling assessment. GameChange contacts self-excluded persons shortly before their self-exclusion period expires, to establish whether they wish to extend the exclusion or allow it to expire.²³² BetSafe argues that its re-entry interview procedure:

...provides an effective barrier to a relapse into gambling problems for patrons who may not have adequately dealt with their issues during the exclusion period. It also provides an opportunity to discuss the possibility of a relapse.²³³

²²⁹ Wesley Community Legal Service submission, 2003, p 9.

²³⁰ BetSafe submission, 2003, p 5.

²³¹ Australian Hotels Association submission, 2003, p 6.

²³² BetSafe submission, 2003, p 7.

²³³ BetSafe submission, 2003, p 8.

Collection of data to evaluate self-exclusion schemes

Several submissions identified a need to collect data to evaluate the effectiveness of the self-exclusion measure, and to compare the effectiveness of the different schemes and their different characteristics.²³⁴ The Australian Casino Association pointed out that there are currently no defined criteria to measure the success, effectiveness or performance of self-exclusion schemes.²³⁵ The USGRU commented that:

...There is relatively little empirical evidence to determine whether or not self-excluded patrons do abstain and/or whether venues are successful in detecting breaches to the self-exclusion order. However, most venues have not introduced a systematic procedure for the reporting of breaches...

...Research should not only attempt to determine whether self-exclusion programs are successful in reducing the harm associated with problem gambling, but also what characteristics of programs are associated with the greatest reductions in harm...²³⁶

Comment

Given the passage of time since the introduction of requirements under the Gaming Machines Act for gaming venues to establish and publicise a self-exclusion scheme, the Tribunal considers it appropriate to now make it an offence for clubs and hotels to fail to comply with this requirement.

In line with the review's terms of reference, the Tribunal has not examined or made recommendations on the requirement to *establish* self-exclusion schemes. Rather, it has focussed on improving the processes involved in self-exclusion and attempting to make the schemes more effective, particularly given the links to counselling. To this end, the Tribunal considers it appropriate to amend the self-exclusion requirements to reduce the barriers to problem gamblers participating in self-exclusion schemes, make it less likely that participants will relapse after they leave such schemes or breach their self-exclusion deed while they are in such schemes, and collect data for evaluating the effectiveness of such schemes.

Reducing barriers to participation

Based on its examination of the various self-exclusion schemes currently approved in NSW and consideration of stakeholder submissions, the Tribunal considers there are significant barriers to participation in some schemes that should be removed.

One of these barriers is the inability of gamblers who decide to nominate for self-exclusion under the GameChange scheme to enter into a self-exclusion deed at the same time at the gaming venue. The Tribunal considers it should be a mandatory requirement that all self-exclusion schemes enable patrons who nominate for self-exclusion to enter into a self-exclusion deed immediately. Such a requirement will enable problem gamblers to follow through with their decision to self-exclude at the point of their crisis.

²³⁴ Australian Casino Association submission, 2003, p 6 and USGRU submission, 2003, pp 51-55.

²³⁵ Australian Casino Association submission, 2003, p 6.

²³⁶ USGRU submission, 2003, p 52 and p 55.

Another barrier is the requirement under some existing schemes that self-excluding patrons provide photographs of themselves when they nominate for self-exclusion. The Tribunal considers that gaming venues should be required to have the necessary equipment to take photographs of patrons who decide to self-exclude. However, given that all gaming venues must have links with counselling services and be part of a self-exclusion scheme, it may be acceptable in some situations for the counselling service to take photographs if they are able to do so. This approach may not work for the larger schemes or remote venues where there could be delays in having a counselling service representative attend the venue. But for hotels and clubs that have links with local counselling services, it may be sufficient for them to be able to call their counselling service to take the photos and help the patron fill out the self-exclusion deed.

A third barrier to participation is that not all existing schemes provide for patrons to self-exclude from multiple venues within those schemes at the same time. The Tribunal considers problem gamblers should be able to self-exclude from multiple venues without having to enter into separate self-exclusion deeds at the individual venues within that self-exclusion scheme. While this may not make it possible to self-exclude from all venues within a geographical region through one self-exclusion deed, as a range of schemes may operate at venues throughout a region, it should make this process easier. Ideally, different schemes would collaborate to enable self-exclusion across schemes. The DGR should form a working group with representatives of the approved self-exclusion schemes to facilitate self-exclusions across schemes. This working group should also develop strategies for integrating counselling into their schemes, as discussed below.

Reducing the likelihood of breaches and relapses

The self-exclusion schemes currently approved by the Minister have different procedures for re-admitting self-excluded persons to gaming venues. Some of these schemes require the gambler to undergo a counselling assessment prior to readmission, while others simply allow the self-exclusion deed to lapse at the end of the self-exclusion period. As the available literature highlights the likelihood of self-excluding patrons relapsing at the end of a self-exclusion period, the Tribunal considers that counselling should be integrated into the approved self-exclusion schemes.

While the Tribunal does not consider that self-excluded persons should be *required* to see a counsellor for revocation of a deed, it is of the opinion that attendance at counselling sessions should form part of self-exclusion. To this end, the Department of Gaming and Racing should consult the approved self-exclusion schemes about how best to integrate counselling into their schemes.

In addition, while the views of stakeholders and the available literature highlight the difficulty of detecting self-excluded patrons in breach of their deed as an issue for all self-exclusion schemes, the Tribunal does not recommend imposing further requirements on venues purely to address detection of self-excluded patrons at this point. However, if venues adopt technology in the future that is capable of identifying patrons (such as certain 'pre-commitment cards'), the Government should consider requiring them to also use this technology to assist in detecting self-excluded patrons in breach of their exclusion deed.

Collecting data for evaluation

Insufficient data is currently available to evaluate and compare the effectiveness of individual schemes. The Tribunal therefore considers that, as a minimum standard, the following data should be collected to facilitate evaluation of self-exclusion schemes:

- the number of persons participating in self-exclusion schemes
- how long persons participate in self-exclusion schemes
- the number of breaches of self-exclusion detected by venues.

Recommendations

- *If not already considered, offence provisions should be introduced to the Gaming Machines Act 2001 for gaming venues' failure to establish and publicise a self-exclusion scheme.*
- *All self-exclusion schemes should be required to provide for immediate processing of self-exclusion nominations and enable participants to simultaneously enter into self-exclusion deeds with multiple venues within the scheme.*
- *Venues, or where they are able to do so, counselling services acting on their behalf, should take photographs of the applicant when they apply for self-exclusion (as opposed to requiring the applicant to bring a passport-sized photograph of themselves when making an application).*
- *The Department of Gaming and Racing should form a working group with representatives of the approved self-exclusion schemes to facilitate self-exclusions across schemes. This working group should also develop strategies for integrating counselling into their schemes.*
- *Uniform data on self-exclusion schemes should be collected, including the number of persons involved in the schemes, length of participation and the number of breaches detected by venues, in order to gain better information on the effectiveness of self-exclusion schemes.*

6.2.2 Staff training

Description

Hoteliers, club secretaries and gaming staff must complete a Responsible Conduct of Gambling course, which has been approved by the Liquor Administration Board.²³⁷ The DGR and TAFE (NSW) have developed a six-hour course that has been approved by the LAB.

It is a condition of the casino licence that the casino operator must provide for employees a training course that has been approved by the CCA and includes responsible practices in relation to the conduct of gaming.²³⁸

²³⁷ Gaming Machines Regulation 2002, r. 51.

²³⁸ Casino Control Act 1992, s. 64.

Evidence

The Tribunal is not aware of any research specifically on the effectiveness of the existing staff training requirements.

However, the Australian Gaming Council commissioned a research report on issues related to identifying the problem gambler in the venue, to inform the development of staff training. The report was comprised of eight discussion papers by experts on problem gambling. In introducing the report, Clive Allcock, Senior Consultant Psychiatrist Cumberland Hospital, emphasised that staff should not be involved in 'diagnosing' problem gamblers – they are not qualified, nor is it appropriate for them to do so. Rather, Allcock stated:

Training should provide for staff to be aware of potential behaviours and situations they may be required to deal with. House policies should clearly outline and delineate the respective roles and responsibilities in each venue and senior appropriately trained staff should be charged with customer care in these situations.²³⁹

Stakeholder views

Stakeholders uniformly agreed that staff training measures are effective, both in their submissions to the review and in the further consultations undertaken as part of the review.²⁴⁰ Some stakeholders noted these requirements, in addition to those for the responsible service of alcohol, were also advantageous for industry staff.

Others expressed particular support for staff training in relation to dealing with self-excluded patrons.²⁴¹ In line with Allcock's concerns, the USGRU and ClubsNSW cautioned that staff should not be required to identify and approach problem gamblers, as they are not qualified counsellors.²⁴² The LAB, however, stated that this is an area that requires further consideration:

The Board is of the view that it is too easy for operators of gambling venues to stand back and let their patrons continue to gamble irresponsibly when it is quite apparent that they are doing so. This enables profits to be made by the venue operator at the expense of the problem gambler and the problem gambler's family.²⁴³

Comment

The Tribunal considers the existing staff training requirement should be maintained on the basis of unanimous stakeholder support. Such training contributes to a culture of responsibility by incorporating modules on problem gambling and responsible gambling.

The Tribunal also considers that approved staff training courses should be modified to reflect any amendments made to self-exclusion schemes (see section 6.2.1) and counselling services (see Chapter 7). As self-exclusion and counselling are voluntary measures, staff

²³⁹ Allcock, Clive, ed, *Current Issues Relating to Identifying the Problem Gambler in the Gaming Venue*, commissioned by the Australian Gaming Council, 2002.

²⁴⁰ Submissions by BetSafe, ClubsNSW, NCOSS, USGRU, Liquor Administration Board, Wesley Community Legal Service, Wesley Gambling and Counselling Services, and Western/Riverina-Murray Region Gambling Counsellors Forum.

²⁴¹ Wesley Gambling and Counselling Services submission, 2003 and Western/Riverina-Murray Region Gambling Counsellors Forum submission, 2003.

²⁴² ClubsNSW submission, 2003 and USGRU submission, 2003. The Liquor Administration Board, however, called for consideration to be given to whether staff should approach problem gamblers.

²⁴³ Liquor Administration Board submission, 2003, p 68.

training should particularly emphasise the importance of these measures and further encourage staff to recommend the measures to gamblers. In particular, training should emphasise that the staff's role is to *facilitate* counselling and self-exclusion, not to undertake any counselling. The redevelopment of this aspect of the training should be undertaken in consultation with counsellors.

Recommendation

- *Responsible gambling staff training programs should be modified to reflect changes in the measures related to self-exclusion and counselling that result from the Tribunal's recommendations, and to further emphasise the importance of self-exclusion and counselling in assisting problem gamblers. Redevelopment of this aspect of the training should be undertaken in consultation with counsellors.*

6.2.3 Social Impact Assessment process

Description

Social Impact Assessment (SIA)²⁴⁴ is the process by which applications for the authorisation of gaming machines in hotels and clubs are assessed, based on the likely impact of granting such an authorisation on the local community. The *Gaming Machines Act 2001* provides for the LAB to determine such applications. There are two classes of SIAs:

- **Class 1**, which applies to applications for four or fewer additional gaming machines over a three-year period. These applications require only limited information, but an advertisement inviting written submissions from the community must be published in the local paper. The Secretary to the LAB determines these applications under delegation.²⁴⁵
- **Class 2**, which applies to all applications for more than four additional machines. These applications have significant information requirements, including detailed data on machine numbers and socioeconomic factors in the local area. The applicant must pay an application fee and specifically seek submissions from the NSW Council of Social Service, the Department of Community Services, the local area health service and any local CCBF-funded counselling services. Upon receipt, the LAB sends applications to a review panel. On the basis of the reviewer's report, the LAB decides whether the application is able to be determined or whether further information is required (as has been required for every application submitted at least once²⁴⁶).

To approve a Class 2 SIA, the LAB must be satisfied that, among other things, the "overall economic and social impact of granting the application will not be detrimental to the local community".²⁴⁷

Evidence

The Tribunal is not aware of any existing research into the effectiveness or operation of the SIA requirements. It is aware, however, that as at February 2004, 59 Class 2 SIAs had been lodged and only eight had been determined, leaving 51 applications still under consideration. Some Class 2 SIAs still to be determined have been with the LAB since the

²⁴⁴ *Gaming Machines Act 2001*, Part 4 Division 1, and *Gaming Machines Regulation 2002*, Part 3 Division 3.

²⁴⁵ The Secretary to the Liquor Administration Board is an officer of the Department of Gaming and Racing.

²⁴⁶ Liquor Administration Board submission, 2003, p 10.

²⁴⁷ *Gaming Machines Act 2001*, s. 37(3)(d).

end of March 2002, although most applications have been partially considered. The LAB has indicated that most of these are now with applicants for further information it considers relevant to its determination.

Stakeholders

Stakeholders who made submissions and specifically commented on SIAs generally recognised the value of assessing the impact of additional gaming machines on a local community, particularly for socially and economically disadvantaged or vulnerable communities and regional areas. Judith Stubbs and John Storer argued that:

The SIA process...has become a mechanism that has the potential to have an ameliorative impact on access-related harm to problem gamblers from gaming machines.²⁴⁸

However, some also expressed dissatisfaction with the two-tiered system of SIAs introduced by the Gaming Machines Act. Councillor Greg Matthews, Mayor of Dubbo, points out that applications for four or fewer gaming machines across all clubs and hotels in an area may have a significant overall impact—but each application would only require a Class 1 SIA. As an example, he submitted that an application from each registered club and hotel in Dubbo for four additional gaming machines would result in eighty new machines in that area. He argued that:

This differential treatment of small and large applications is incongruous with the fact that one application for five new gaming machines can be subject to a full social impact assessment but not collective applications totalling a possible eighty new machines.²⁴⁹

ClubsNSW submitted that the Class 2 SIA process is technically difficult and complex. It also argued that the Class 1 SIA process is not capable of addressing the demand for gaming machine entitlements in clubs and that the threshold for Class 1 SIAs should be increased from four machines to 20, similar to the threshold set in Queensland.²⁵⁰

For clubs, the Queensland Government has set the threshold at 20 gaming machines per annum which would translate to approximately 60 gaming machines every three years. That is, if a Queensland club wishes to increase its machine holdings by 60 or less every three years, a requirement similar to that of a Class 1 SIA would apply...Compared to Queensland, New South Wales clubs have approximately 4 times the gaming machine population and yet a SIA 1 threshold level of one fifth of that in Queensland applies.²⁵¹

The Tribunal understands that while the Queensland threshold for determining whether a community impact statement is required is higher than the NSW Class 2 SIA threshold, the Queensland Gaming Commission maintains a right to consider a community impact statement for increases of 18 or 19 machines in clubs. Moreover, once this threshold is reached, applicants must engage in significantly more community consultation than is required for Class 2 SIAs in NSW. This consultation is expected to be undertaken by a researcher surveying a sample of individuals, businesses that are likely to be affected by an

²⁴⁸ Judith Stubbs and Associates submission, 2003, p 3.

²⁴⁹ Dubbo City Council (Councillor Greg Matthews, Mayor) submission, 2003, p 1.

²⁵⁰ ClubsNSW supplementary submission, 2003, pp 3-4.

²⁵¹ ClubsNSW supplementary submission, 2003, p 4.

increase in gaming machine numbers, and representatives from various welfare, business and community groups.²⁵²

Nonetheless, ClubsNSW further indicated concerns about the significant costs involved in preparing and lodging Class 2 SIAs, and that no assurance is given to applicants on how long an application will take to be considered.²⁵³ The LAB's submission indicated that it is currently in discussions with the Minister and the Department of Gaming and Racing about developing guidelines to assist applicants in preparing Class 2 SIAs.²⁵⁴

Comment

The review terms of reference state that the review should not examine the requirement to undertake a SIA for additional gaming machines, as the requirement is a core Government policy. However, the terms of reference do provide for the review to investigate measures for improving the existing SIA *process*. There is clear evidence and broad stakeholder support that the Class 2 SIA process is complicated and lengthy, and that it needs to be made more efficient. The existing arrangements are uncertain and impose considerable costs on the industry.

First, guidelines could be developed and made publicly available for indicating the time in which the LAB could be expected to process each major component of the SIA process. These guidelines should not involve penalties or have implications for applicants. Rather, they should assist in dealing with existing concerns raised by applicants who currently are not given an assurance on how long an application would take to be considered.

Second, the Tribunal supports the development of detailed guidelines to expedite the preparation and consideration of SIAs. These guidelines should provide information to assist applicants to prepare more adequate applications and set out minimum requirements for the process. Such guidelines should be issued by the LAB, and include detail of:

- the information that must be included in each class of SIA
- the consultation process required for each class of SIA
- the LAB's procedures for assessing SIAs
- any formulae or data matrices used by the LAB in considering applications
- any other matters that the LAB considers relevant to it making a determination of a Class 2 SIA.

Third, given that the process for determining Class 1 SIAs is generally supported and has been efficiently conducted under delegation, the current bottleneck in Class 2 SIAs could be reduced by providing for more applications to be determined under the Class 1 tests. To this end, the threshold could be amended from four machines over three years to 10 machines over 10 years.

At the same time, a mechanism would need to be established to address the community concerns about multiple venues in a local community each making Class 1 applications, thereby significantly increasing the number of machines in the area without an assessment

²⁵² Queensland Gaming Commission, *Guidelines – Community Impact Statement*, July 2003, pp 6-7.

²⁵³ IPART meeting with ClubsNSW, 8 April 2004.

²⁵⁴ Liquor Administration Board, 2003, p 10.

of the social impact. To this end, the Liquor Administration Board could be required to take into account the following matters when processing Class 1 applications for venues in small, rural, regional or disadvantaged communities:

- trends in machines numbers for the applicant
- recent and coinciding applications from other venues in the local community
- trends in total machines numbers for the local community.

The Tribunal considers that these SIA requirements should be subject to ongoing review to assess and improve their effectiveness.

In addition, the Tribunal has general concerns that the statutory test for approving SIAs is extremely difficult for the LAB to establish: that is, for the LAB to be satisfied that the overall economic and social impact of granting the application 'will not be detrimental to the community'. This test requires the LAB to weigh unclear costs and benefits of a range of potentialities for each SIA submitted. These could include problem gambling prevalence, employment implications and recreational effects. They could also include impacts for which proxies are particularly difficult to develop, such as psychological or emotional impacts on problem gamblers and their families. As the Productivity Commission noted in its 1999 report:

Quantifying all these benefits and costs is a hazardous task, given the lack of information about key aspects. Attempting to estimate the costs of the gambling industries is especially problematic, as many of them involve impacts on individuals which are inherently difficult to measure.²⁵⁵

In this context, the Productivity Commission's estimated net outcome from gambling activities in Australia underscores the difficulty of meeting the statutory test for Class 2 SIAs of no detriment to the community. The Productivity Commission found that deducting the estimated costs of gambling from the net consumer benefit numbers yielded an aggregate range of a net *loss* of \$1.2 billion to a net *benefit* of \$4.3 billion for 1997/98. That is, the most extensive cost benefit analysis of gambling undertaken in Australia found that it was not clear whether the net outcome of gambling was detrimental or beneficial.

Recommendations

- *Guidelines should be developed and made publicly available indicating timeframes in which the Liquor Administration Board could be expected to process the major components of the Social Impact Assessment (SIA) applications.*
- *To assist applicants in preparing SIAs, the Liquor Administration Board should issue guidelines which set out the SIA requirements and include any data or formulae that the Board uses when assessing applications.*
- *The Class 2 threshold should be amended from four machines over three years to 10 machines over 10 years.*
- *In relation to applications for increases in machine numbers that fall under the Class 1 category (that is, 10 or less), the Liquor Administration Board should be*

²⁵⁵ PC, *Australia's Gambling Industries*, Vol 1, 1999, p 31. The Productivity Commission noted that it is particularly difficult to establish proxy values for the psychic or emotional impacts on problem gamblers and their families.

required to specifically take into account the following matters for applications in small, rural, regional or disadvantaged communities:

- trends in machine numbers for the applicant*
- recent and coinciding applications from other venues in the local community*
- trends in total machine numbers for the local community.*
- *The SIA requirements should be subject to ongoing review to assess and improve their effectiveness and efficiency.*
- *The Government should note that the statutory test for the SIA process is difficult to meet.*

6.3 Existing measures to be further evaluated or reviewed

For three existing measures, the Tribunal considers there is insufficient evidence or stakeholder consensus to understand the effectiveness of the measures, or to support and/or understand the likely impacts of amending the measures. It therefore considers these measures should be subject to further research and evaluation, to determine their effectiveness and to improve their ongoing operation:

- Technical Standards in relation to maximum bets for gaming machines
- requirements in relation to the compulsory six-hour shut down of machines
- requirements in relation to the location of ATMs.

6.3.1 Maximum bets for gaming machines

Description

Under the Technical Standards for gaming machines, the maximum bet that stand-alone gaming machines in NSW can accept is \$10.²⁵⁶ In April 2001, as part of its First Determination, the LAB proposed the maximum bet for these machines be reduced by 90 per cent from \$10 to \$1 on a trial basis.

Evidence

The evidence regarding reducing the maximum bet from \$10 to \$1 suggests that it would promote responsibility in gambling. However, the estimated economic effects on hotels and clubs from such a reduction are disputed, and there has been no research into the economic effects on the casino.

²⁵⁶ Australian/New Zealand Gaming Machines National Standard Rev 6.01, 12 May 2003, s. 8.3.

In response to the LAB's First Determination, the NSW GIO commissioned research into three measures, including reducing the maximum bet to \$1. Two bodies conducted research reports for the NSW GIO:

- the USGRU evaluated the impact of the proposed changes on problem and recreational gamblers, and also examined possible negative and unintended consequences of these changes²⁵⁷
- the Centre for International Economics (CIE) estimated the likely economic impacts of the proposed changes.²⁵⁸

On the basis of an observational study of 779 participants²⁵⁹, the USGRU report found that reducing the maximum bet to \$1 would be a potentially helpful harm minimisation strategy. The report stated that reducing the maximum bet had a large effect on almost all variables assessed in the study:

Players on these machines played for less time, made fewer bets, lost less money and drank and smoked less than the players who played machines with a maximum bet of \$10.²⁶⁰

Notably, the USGRU report also found that reducing the maximum bet size did not appear to prolong players' gambling sessions²⁶¹, as might be expected as a result of changes that slow down the rate of play.

The USGRU report also found that reducing the maximum bet could have a greater effect on problem gamblers than recreational gamblers. It found that while only 3.5 per cent of all players on whom data was available (n = 497) made bets of more than \$1, 7.5 per cent of problem gamblers did so compared with 2.3 per cent of recreational gamblers. In other words, problem gamblers were more than three times more likely to bet more than \$1 per game than recreational gamblers, although some recreational gamblers do bet more than \$1 per game.

The CIE study of the economic effect of reducing the maximum bet to \$1 involved 29 venues. Its report estimated that the reduction would risk an average of 17 per cent of club machine revenue and 39 per cent for hotels. It also claimed this risk was generated by the relatively large contribution of 'high intensity play' to revenues, where a possibly small number of players stake more than \$1 per game.²⁶² However, the USGRU argued in its report to the NSW GIO that on the basis of the data collected in its study, the "the impact on revenue is likely to be small".²⁶³ The Tribunal notes that this view appears to contradict the USGRU's subsequent submission to this review.²⁶⁴

²⁵⁷ Blaszczyński, A., Sharpe, L., and Walker M., *The Assessment of the Impact of the Reconfiguration on Electronic Gaming Machines as Harm Minimisation Strategies for Problem Gambling*, University of Sydney Gambling Research Unit, 2001, p 20, prepared for the NSW Gaming Industry Operators Group. (Hereafter referred to as Blaszczyński, A., et al., *Reconfiguration on Electronic Gaming Machines*, 2001).

²⁵⁸ Centre for International Economics, *Gaming Machines Revenue at Risk: The impact of three proposed modifications to gaming machines in NSW*, prepared for the NSW Gaming Industry Operators Group, October 2001. (Hereafter referred to as Centre for International Economics, *Gaming Machines Revenue at Risk*, 2001.)

²⁵⁹ Blaszczyński, A., et al., *Reconfiguration on Electronic Gaming Machines*, 2001, p 55.

²⁶⁰ Blaszczyński, A., et al., *Reconfiguration on Electronic Gaming Machines*, 2001, p 64.

²⁶¹ Blaszczyński, A., et al., *Reconfiguration on Electronic Gaming Machines*, 2001, p 10.

²⁶² Centre for International Economics, *Gaming Machines Revenue at Risk*, 2001, p x.

²⁶³ Blaszczyński, A., et al., *Reconfiguration on Electronic Gaming Machines*, 2001, p 11.

²⁶⁴ USGRU submission, 2003.

The USGRU and CIE reports were in turn peer reviewed by the Centre for Gambling Studies at the University of Auckland, New Zealand (the Auckland review).²⁶⁵ This review expressed greater support for the USGRU report, which it argued “has greater methodological integrity and draws conclusions that are more consistent with the research findings than the economic study quantifying the gaming revenue at risk”.²⁶⁶

In summary, the Auckland review stated that the reduction in maximum bet size shows ‘strong potential’ as a harm minimisation measure.²⁶⁷ It noted that while it is reasonable to expect that an effective harm minimisation strategy would affect revenue, it stated that it “has *little confidence* in the revenue at risk estimates for gaming venues provided by the CIE Report or in the extrapolation to State and national revenue impact and job losses”.²⁶⁸ It claimed that the CIE’s revenue at risk projections represent “the *absolute maximum amount* that might be lost”.²⁶⁹

The CIE’s response to the Auckland review defended the methodology it used to project revenue losses. It claimed that the assumptions of its model were made explicit and that these:

...should have been recognised by the reviewers as an important offsetting effect to any tendency for experimental conditions to bias estimates of revenue loss upwards... [A]cceptance is needed that whilst acknowledging biases will be present, pragmatic attempts to offset these have been made in our approach.²⁷⁰

Stakeholder views

Stakeholders from the gaming industry strongly opposed the proposal to reduce the maximum bet to \$1, while the non-industry stakeholders who commented on the proposal expressed support.

Several gaming operators and associated groups strongly argued that reducing the maximum bet to \$1 would be unlikely to reduce the incidence of, or minimise, problem gambling.²⁷¹ BetSafe similarly noted that the USGRU research indicated that a \$1 bet limit might assist only 7.5 per cent of problem gamblers.²⁷² The ACA submitted that this issue required further research.²⁷³

²⁶⁵ Auckland Uniservices Ltd, *Assessment of the Research on Technical Modifications to EGMs*, final report prepared for the NSW Department of Gaming and Racing, 2003. IPART understands that this peer review was requested by the LAB and funded under the Casino Community Benefit Fund (CCBF) research program. (Hereafter referred to as Auckland Uniservices Ltd, *Technical Modifications to EGMs*, 2003.)

²⁶⁶ Auckland Uniservices Ltd, *Technical Modifications to EGMs*, 2003, p 6.

²⁶⁷ Auckland Uniservices Ltd, *Technical Modifications to EGMs*, 2003, p 6.

²⁶⁸ Auckland Uniservices Ltd, *Technical Modifications to EGMs*, 2003, p 32. Emphasis in source document.

²⁶⁹ Auckland Uniservices Ltd, *Technical Modifications to EGMs*, 2003, p 26. Emphasis in source document.

²⁷⁰ NSW GIO, comments on research submission, 2004, attached letter from Ross Chapman, Director CIE Sydney, to Mr Ross Ferrar, Executive Officer Australian Gaming Machines Manufacturers Association, 29 January 2004.

²⁷¹ See submissions by Australian Gaming Council, Leagues Clubs Association, NSW Gaming Industry Operators and Star City Casino.

²⁷² BetSafe submission, 2003.

²⁷³ Australian Casino Association submission, 2003.

AGMMA called for an increase in the maximum bet limit. AGMMA argued that the maximum bet was set in 1989 and that in real terms the equivalent sum would now be \$15.21 (a real depreciation of 34.25 per cent). AGMMA further noted that the *minimum* bet on TAB's PhoneTAB Express service is \$10.²⁷⁴

In contrast, the Council of Social Service of NSW and Macarthur Financial Counselling expressed general support for reducing the bet limit.²⁷⁵ The USGRU's submission to the review provided an extensive academic analysis of the existing studies and evidence on problem gambling harm minimisation.²⁷⁶ The USGRU indicated that of all the measures it analysed, reducing the maximum bet would have the greatest potential to effectively reduce harm:

There is some evidence that the following change to electronic gaming machines could have a substantial impact on the harm caused by excessive involvement:

- reduction of the maximum bet size for any one game.

There is evidence that reduction of the maximum bet size in New South Wales from \$10 per game to \$1 would impact more heavily on problem players than recreational players. The greater the reduction in maximum bet size, the greater will be the reduction in harm from excessive involvement. However, major reductions in maximum bet size would also impact on recreational players and is likely to cause major revenue loss. By contrast, minor reductions in maximum bet size are likely to be accommodated by problem players without any reduction in harm.²⁷⁷

Inter-jurisdiction comparison

The Tribunal considered maximum bet levels for gaming machines in other Australian jurisdictions and New Zealand. It understands that these bet limits are those shown in Table 6.3. This table shows that while most Australian jurisdictions have a \$10 limit for gaming machines in clubs and hotels, Queensland and the Northern Territory have a \$5 limit and New Zealand has a \$2.50 limit. The table also shows that while NSW and Victoria have the same bet limits applying to machines in casinos as applied to machines clubs and hotels, South Australia has a bet limit of \$50 in its casino and four jurisdictions do not specify a bet limit for casino machines.

²⁷⁴ AGMMA submission, 2003, p 69.

²⁷⁵ NCOSS submission, 2003 and Macarthur Financial Counselling submission, 2003.

²⁷⁶ USGRU submission, 2003.

²⁷⁷ USGRU submission, 2003, pp 3-4.

Table 6.3 Gaming machine bet limits in the Australian jurisdictions and NZ

	Clubs/Hotels	Casino
New South Wales	\$10	As per clubs hotels
Australian Capital Territory	\$10	N/A
Victoria	\$10 (unless the game is operating in 'unrestricted mode')	As per clubs/hotels
Tasmania	\$10	Not specified
South Australia	\$10	\$50
Western Australia	N/A	\$1 to \$5 depending on particular game
Northern Territory	\$5	Not specified
Queensland	\$5	Not specified
New Zealand	\$2.50	Not specified

Comment

In summary, the Tribunal considers that while the evidence of the effectiveness of reducing the maximum bet supports a reduction, any reduction should not be undertaken unless there is sufficient evidence regarding:

- the optimal maximum bet level
- the related impacts of potential levels on
 - recreational gamblers
 - the economics of the gaming industry
 - unintended consequences.

The Tribunal notes that a reduction is likely to have impacts on recreational gamblers and the economics of the gaming industry, and also potentially unintended consequences such as prolonging gambling sessions. Moreover, the Tribunal considers that the optimal level for the maximum bet is unclear, as the industry research was undertaken on the arbitrary value of \$1. This is especially so when considered in relation to the measure's potential broader impacts, as the research into the economic impacts of the measure is unclear and did not examine the casino.

In order to determine the optimal maximum bet level, independent research should be commissioned to model the effects of a range of bet levels at and below the existing \$10 limit. For each level, the research should assess the economic effects, the effects on player behaviour and the effects on recreational gamblers. The optimal level would provide the greatest balance between reducing the harm associated with problem gambling while minimising unnecessary effects on recreational gamblers and the industry. As each jurisdiction has set maximum bet limits for gaming machines and many are also at \$10, consideration should be given to national coordination of the research and peer review.

The Tribunal considers that the argument that the maximum bet level has not been adjusted since 1989 does not outweigh this evidence supporting a reduction. The studies of the effects of reducing the maximum bet were undertaken in recent years. Accordingly, they assessed the effects of the maximum bet limits in near current value.

Multi-terminal gaming machines

The Tribunal is aware that under Part 8 of the Gaming Machines Regulation 2002, the maximum bet for multi-terminal gaming machines (MTGMs) is \$100, which is ten times the existing maximum bet limit for standalone machines. The Tribunal understands that as at 16 March 2004, 77 clubs had LAB authority to operate MTGMs, and that there were 273 control units or 'hubs' operating 1,546 player terminals. The return to the operator from MTGMs is typically around one to two per cent, which is significantly lower than the typical return from stand-alone gaming machines, of 10 to 12 per cent.

The LAB submitted to the review that it "does not support the current maximum bet limit of \$100 and the possible maximum winning prize of \$500,000 on the operation of multi-terminal gaming machines".²⁷⁸ However, currently there is no research on the MTGMs and whether the greater maximum bet limit has effects on problem gambling. In this context, the Government may wish to consider incorporating a study of MTGMs into the study of bet levels on standalone machines.

Recommendations

- *To determine the optimal maximum bet level for stand-alone gaming machines, independent research should be commissioned under the Ministerial Council for Gambling into a range of bet levels at and below the existing \$10 limit.*
- *The research should evaluate the impacts of each potential maximum bet level on:*
 - *problem and 'at risk' gambling*
 - *recreational gambling*
 - *the economics of the gaming industry*
 - *unintended consequences.*

6.3.2 Compulsory six-hour shutdown of machines

Description

From April 2002, all hotels and clubs were required to shutdown their gaming operations for three hours per day, generally between 6am and 9am. In May 2003, this requirement was increased to 6 hours per day, between 4am and 10am unless exempted.²⁷⁹ The casino is not subject to any shutdown requirement.

Evidence

The Tribunal is not aware of any specific research conducted into the existing six-hour shutdown requirements. However, as part of the CCBF's research program, ACNielson and the Australian Centre for Gambling Research (ACGR) jointly conducted an evaluation of the three-hour shutdown of gaming machines.²⁸⁰ Specifically, this report aimed to evaluate the impact of the three-hour shutdown on, among other things, problem gambling, recreational gamblers, and venues. It involved:

²⁷⁸ Liquor Administration Board submission, 2003, p 21.

²⁷⁹ *Gaming Machines Act 2001*, Part 4, Division 2.

²⁸⁰ ACNielson and the Australian Centre for Gambling Research, *Evaluation of the Impact of the Three Hour Shutdown of Gaming Machines*, May 2003. (Hereafter referred to as ACNielson and ACGR, *Impact of the Three Hour Shutdown*, 2003.)

- qualitative interviews with problem gamblers (n=10) and their families (n=5), and with representatives from counselling services (n=5), gaming venues (n=10) and local councils (n=9)
- quantitative interviews with representatives from counselling services (n=40), gaming venues (n=111) and recreational gamblers (n=300).²⁸¹

In relation to the impact of the shutdown on problem gamblers, the report based its findings on the qualitative interviews with problem gamblers and their families and the qualitative and quantitative interviews with representatives from counselling services. The report stated that most of the gamblers it interviewed were unaffected by the shutdown and that, due to the hours of its application, the shutdown is viewed as ineffective at reducing the harm caused by problem gambling.²⁸² Most representatives from counselling services it interviewed suggested that the three-hour shutdown is not seen as the most effective gambling measure, but 85 per cent of these representatives nevertheless supported it.²⁸³

In relation to the impact on recreational gamblers, the report based its findings on the quantitative interviews with the recreational gamblers. It found that the most popular gaming machine hours are 6pm to midnight, with around two in five usually playing between 6pm and 9pm (39 per cent) or 9pm and midnight (42 per cent). Only 2 per cent claimed that they usually played between 6am and 9am, which was the legislated shutdown time for most venues.²⁸⁴ Those who played at this time claimed they did so because they are either shift workers, finished work during/near these hours or that they fitted it in before work.²⁸⁵

The report's findings regarding the impact of the shutdown on gaming venues was based on qualitative and quantitative interviews with managers of gaming venues. It found that, prior to the imposition of the measure, 47 per cent of venues surveyed used to trade 24 hours per day, seven days per week. Clubs were more likely than hotels to have been open to all hours, with 74 per cent of clubs doing so before the shutdown.²⁸⁶ In terms of reported revenue loss, 76 per cent of venues stated that the shutdown had a negative impact on their business, and 34 per cent claimed that this was a very negative effect. In response to these impacts, 14 per cent stated that they had reorganised staff rosters and 10 per cent had reported having fewer staff.²⁸⁷ Based on gaming machines profit data for the venues affected by the shutdown, the affected hotels experienced a slight decline (-2.3 per cent) and the affected clubs experienced a slight increase (+1.1 per cent) when comparing year on year quarterly profit for the relevant period of the measure's introduction.²⁸⁸

²⁸¹ ACNielson and ACGR, *Impact of the Three Hour Shutdown*, 2003, p 32.

²⁸² ACNielson and ACGR, *Impact of the Three Hour Shutdown*, 2003, p 5.

²⁸³ ACNielson and ACGR, *Impact of the Three Hour Shutdown*, 2003, p 10.

²⁸⁴ ACNielson and ACGR, *Impact of the Three Hour Shutdown*, 2003, p 11.

²⁸⁵ ACNielson and ACGR, *Impact of the Three Hour Shutdown*, 2003, p 12.

²⁸⁶ ACNielson and ACGR, *Impact of the Three Hour Shutdown*, 2003, p 15.

²⁸⁷ ACNielson and ACGR, *Impact of the Three Hour Shutdown*, 2003, p 16.

²⁸⁸ ACNielson and ACGR, *Impact of the Three Hour Shutdown*, 2003, p 20.

Stakeholder views

Several submissions to the review supported the shutdown requirements as an important circuit breaker for problem gamblers.²⁸⁹ Mr Norm Hooper submitted that afternoon shutdown should also be considered.²⁹⁰

Most submissions from stakeholders in the gaming industry strongly argued against the shutdown requirements. Several claimed that the measure is ineffective.²⁹¹ Others opposed the measure claiming it has a significant impact on recreational gamblers,²⁹² and on industry revenues and associated employment opportunities.²⁹³ While the Star City Casino called for further research into the effectiveness of the existing requirements²⁹⁴, ClubsNSW called for these requirements to be repealed.²⁹⁵ The Tribunal is also aware of some stakeholders' concerns that the economic impacts of the shutdown are greater on venues closer to the casino than those that are a significant distance from the casino.

Several stakeholders' submissions did not express support or opposition to the measure, but argued that it does not specifically address problem gambling and that it is easily circumvented as the casino is open 24 hours.²⁹⁶

Comment

On the basis of the ACNielsen/ACGR study, there appears to be evidence to question the effectiveness of the *three-hour* shutdown in protecting gamblers.

However, the existing shutdown requirements are for a *six-hour* period. This measure has been in place for around one year and is unexamined. There are significant difficulties in extrapolating from the three-hour shutdown requirements to the current measure.

It is important to note that the ACNielsen/ACGR report's findings in relation to the effectiveness of the *three-hour* shutdown measure were only based on qualitative interviews with 10 problem gamblers, five family members of problem gamblers and 45 interviews with representatives of counselling services. The Tribunal considers that although this study provides some indicative information about issues of concern to a part of the gambling community, it is not by itself a sufficient basis on which to make policy recommendations.

Further, the Tribunal notes that stakeholders disagree about the effectiveness and value of the measure, although most of those who commented on the measure in submissions either opposed the measure due to its effects on industry economics or claimed it is not effective in protecting problem gamblers.

²⁸⁹ Submissions by Liquor Administration Board, Macarthur Financial Counselling Service, Western/Riverina-Murray Region Gambling Counsellors Forum.

²⁹⁰ Hooper, N., submission, 2003.

²⁹¹ See submissions by Australian Hotels Association, BetSafe, ClubsNSW and Services Clubs Association.

²⁹² See submissions by AMC Convergent IT, BetSafe, ClubsNSW, Leagues Clubs Association, NSW Gaming Industry Operators and Services Clubs Association.

²⁹³ See submissions by the Leagues Clubs Association and the Services Clubs Association. However, NCOSS queried these industry arguments about the employment and revenue affects of the measure.

²⁹⁴ Star City Casino submission, 2003.

²⁹⁵ ClubsNSW submission, 2003.

²⁹⁶ See submissions by USGRU, Wesley Community Legal Service, Wesley Gambling and Counselling Services, and NCOSS.

For these reasons, the Tribunal recommends that research should be conducted into the existing six-hour shutdown requirements. This research should evaluate any special circumstances; for example, venues in close proximity to the casino. As it is understood that South Australia and the Northern Territory also have six-hour shutdown for clubs and hotels, this research could be conducted jointly with one or both of these jurisdictions (although in South Australia venues can choose the six-hour period in which they close and may split the six-hour period into two three-hour periods).

Recommendation

- *The existing six-hour shutdown measure should be subject to evaluation. Consideration should be given to conducting this research with other jurisdictions that have the six-hour shutdown requirement.*

6.3.3 Location of ATMs

Description

In NSW, ATM and EFTPOS facilities are permitted at gaming venues. However, the venues must not provide these cash facilities in gaming areas.²⁹⁷ It is a condition of the casino licence that an automatic teller machine or any like device is not to be installed within the boundaries of the casino.²⁹⁸

Evidence

In relation to ATMs in venues generally, the Productivity Commission's National Gambling Survey found that problem gamblers use ATMs at venues when playing gaming machines more frequently than recreational players. Specifically, this survey found that around 78 per cent of recreational or non-problem players never used an ATM at a venue when playing gaming machines. However, a large proportion of problem gamblers did—around 40 per cent of SOGS 5+ problem gamblers often or always used ATMs while gambling, and around 60 per cent of SOGS 10+ often or always did so.²⁹⁹ KPMG Consulting noted that a study undertaken in the ACT similarly found that problem gamblers in the ACT are three to four times more likely than recreational gamblers to withdraw money from ATMs for the purposes of gambling at the venue.³⁰⁰

The Tribunal is not aware of any evidence that focuses specifically on the prohibition of all electronic cash withdrawal facilities in gaming venues. However, NFO Donovan Research conducted a focus group study for the Western Australian Government on developing a communication strategy for problem gamblers, and found that many problem gamblers and regular gamblers included in the research said that the presence of ATMs at gambling venues (or EFTPOS facilities at venues such as the TAB) enable those with a problem to gamble to excess.³⁰¹

²⁹⁷ Gaming Machines Regulation 2002, r. 31.

²⁹⁸ *Casino Control Act 1992*, s. 74(3).

²⁹⁹ PC, *Australia's Gambling Industries*, 1999, p 16.61.

³⁰⁰ KPMG Consulting, *ATM/EFTPOS Functions and Capabilities*, 2002, p 32.

³⁰¹ NFO Donovan Research, *Communication Strategy for Problem Gamblers*, 2003.

In relation to the location of ATMs, the KPMG Study argued that while current legislation prohibits ATMs in gaming areas, in reality ATMs are often to be found at the entrance to, or in close proximity to, gaming areas. Clearly, while this is within the law, it could be seen as not within the intent or spirit of the law. Nerilee Hing's consumer survey found that up to half of the respondents noted that their club has an ATM in its gambling areas, and about one-fifth noted the presence of EFTPOS facilities there.³⁰²

Given such findings, KPMG Consulting recommended a review of the location and placement of ATMs in gaming venues, particularly their proximity to gaming areas, to ensure that the intent of the legislation is being adhered to. It also recommends that such a review may consider increasing requirements to ensure ATMs are not in visible sight of patrons in the gaming areas.³⁰³ The Auckland University peer review of the USGRU's and CIE's gambling studies also highlighted that the combination of note-accepting gaming machines and ATMs in close proximity to each other posed a hazard for controlled gambling.³⁰⁴

Stakeholder views

There is overwhelming stakeholder support for controls on the location of ATMs in gambling venues. BetSafe and ClubsNSW noted in their submissions that they generally support this measure. The Council of Social Service of NSW argued that the measure is considered to be effective.³⁰⁵ Some stakeholders stated in submissions or in consultations that the existing requirements are a 'bare minimum', or that ATMs should be as far away from the gaming area as possible.³⁰⁶

Several others called for ATMs to be completely prohibited in gaming venues, or for research into this prohibition to be undertaken.³⁰⁷ However, some gaming operators argued strongly against prohibiting ATMs in gambling venues on the basis that this would disadvantage the majority of patrons.³⁰⁸ Western/Riverina-Murray Region Gambling Counsellors Forum also argued that removing ATMs from gaming venues would disadvantage regional communities, where the gaming venue may have the only ATM in town.³⁰⁹

Comment

In summary, the evidence clearly suggests that ATMs in gambling venues are used more often by problem gamblers than by recreational gamblers. It also suggests that the location of ATMs is often too close to the gaming areas in venues. However, there is insufficient evidence to support a complete prohibition on electronic cash withdrawal facilities in gaming venues.

³⁰² Hing, N., *An assessment of Member Awareness*, 2003, p 119.

³⁰³ KPMG Consulting, *ATM/EFTPOS Functions and Capabilities*, 2002, p 83.

³⁰⁴ Auckland Uniservices, *Technical Modifications to EGMs*, 2003.

³⁰⁵ Submissions by BetSafe, ClubsNSW and NCOSS.

³⁰⁶ Submissions by Wesley Community Legal Service, Wesley Gambling and Counselling Services, Macarthur Financial Counselling Service and Western/Riverina-Murray Region Gambling Counsellors Forum.

³⁰⁷ Submissions by Gambling Impact Society, Liquor Administration Board and Mr Ross Suter.

³⁰⁸ Submissions by Australian Casinos Association, Services Clubs Association and Star City Casino.

³⁰⁹ Western/Riverina-Murray Region Gambling Counsellors Forum submission, 2003.

Given this, the Tribunal considers that the requirements in relation to the location of ATMs in venues should be amended to ensure cash facilities are a minimum distance from gaming areas, and that a review should be undertaken to determine what this distance should be. This review should be linked to the reviews into note acceptors on gaming machines proposed at section 6.4.2 and lower ATM cash limits proposed at section 6.4.3. The Tribunal also notes that the Federal Government has previously commissioned research into problem gambling and ATM and EFTPOS facilities through the Department of Family and Community Services.

Recommendation

- *A review should be conducted to determine uniform minimum distances that ATMs must be from the gaming areas in venues. The review should be linked to the reviews into note acceptors on gaming machines proposed at section 6.4.2 and lower ATM cash limits proposed at section 6.4.3.*

6.4 Proposed measures to be prioritised for evaluation

The Tribunal considers that there is sufficient evidence or stakeholder consensus to suggest that three of the proposed measures have the potential to be effective, but not to support their immediate introduction. It therefore considers these measures should be prioritised for evaluation, to assess their potential effectiveness in reducing harm from problem gambling. They include:

- the use of 'pre-commitment' mechanisms or smart cards by players of gaming machines
- restrictions on 'note acceptors' in gaming machines
- the requirement that ATMs in gaming machine venues be modified to limit the amount of cash a customer can withdraw on any day.

6.4.1 'Pre-commitment' mechanisms, including smart cards

Description

'Pre-commitment' mechanisms could allow for persons using gaming machines to set monetary or time limits for their gambling over a specified period. Once the set limit is reached, the gaming machine would not allow for any further play during the period. It could be facilitated by:

- Incorporating facilities into gaming machines to allow a player to set a monetary or time limit for a particular gaming 'session'.
- Using smart card technology or magnetic stripe cards.³¹⁰ Players could use pre-commitment cards or smart cards by inserting the cards into a gaming machine when playing. The monetary and time limits, and the period for accruing these limits, would be set by the player onto the cards and would apply to any gaming machine using this technology. The cards could be voluntary or mandatory.

³¹⁰ Magnetic stripe cards currently are the basis of the only player account schemes in operation in NSW (Gaming Machines Regulation 2002, Part 6).

Evidence

The Tribunal is not aware of any specific research on the effectiveness of ‘pre-commitment’ mechanisms or smart cards. It understands that a player card scheme is being explored in Nova Scotia, but is not aware of any research findings or of an expected date for release of research findings in relation to this work.

Stakeholders

A significant number of stakeholders who made submissions to this review expressed support for ‘pre-commitment’ or smart cards.³¹¹ Aristocrat, a manufacturer of gaming machines, noted that the cards provide for players to predetermine how much time and money they will spend on gaming.³¹² AMC Convergent IT called for its ‘Gambler Subtle Assist’ device to be used as the chosen smart card technology.³¹³ More generally, the LAB and Wesley Mission’s legal and counselling services stated that the technology for pre-commitment already exists.³¹⁴

The USGRU argued that without evidence, it is premature to speculate about the potential of pre-commitment cards. Nonetheless, it suggested that *voluntary* pre-commitment may not be effective for problem players who tend to become more strongly convinced that a major pay out will soon occur, but that it “may well be effective for regular, recreational players”.³¹⁵

Mark Dickerson, Tattersall’s Chair in Psychology at the University of Western Sydney, submitted that pre-commitment cards should be made mandatory in relation to gaming machines. Dickerson attached two of his academic articles, which argued that loss of control over time and money is a common and expected outcome of regular gaming machine use. Based on a study of 200 regular players of gaming machines, Dickerson argued that the main cause of the impaired control is the enjoyable strong emotion experienced during play. On this basis, he argued making players of these machines purchase pre-commitment cards from a location outside the gaming area before they begin a gaming session should help them gain more control over these factors.³¹⁶

However, several stakeholders from the gaming industry strongly opposed pre-commitment cards on a mandatory basis.³¹⁷ Furthermore, the Tribunal is aware that there is some disagreement as to whether the assumed loss of control actually contributes to problem gambling.

³¹¹ See submissions by Aristocrat, City of Wagga Wagga, NCOSS, Mark Dickerson, Liquor Administration Board, Macarthur Financial Counselling Service, Wesley Community Legal Service, Wesley Gambling and Counselling Services, and AMC Convergent IT.

³¹² Aristocrat submission, 2003 and NCOSS submission, 2003.

³¹³ AMC Convergent IT submission, 2003.

³¹⁴ See submissions by Liquor Administration Board, Wesley Community Legal Service, Wesley Gambling and Counselling Services.

³¹⁵ USGRU submission, 2003, p 40.

³¹⁶ Dickerson, Mark, submission, 2003.

³¹⁷ See submissions by Aristocrat, Australian Casino Association, BetSafe, ClubsNSW, and Star City Casino.

Comment

In summary, there is no specific evidence on the effectiveness of pre-commitment cards, and stakeholders disagreed as to whether the cards should be introduced on a mandatory basis. Given this, the Tribunal is of the view there is not a sufficient basis to recommend the mandatory use of these cards for gaming machines.

However, no stakeholders opposed the use of the cards on a voluntary basis, and the Tribunal considers that voluntary use is likely to assist recreational gamblers to manage the time and money they spend gambling, and may particularly assist at risk gamblers. The technical facilities for establishing a pre-commitment scheme already exist in many venues where electronic player loyalty card schemes have been introduced on machines.

The Tribunal also considers conducting research on the effectiveness of pre-commitment or smart cards should be a high priority, and ideally this research should be done on a national basis. Issues considered in such research should include nominating where and when pre-commitment is to occur, options for overturning set limits and 'cooling off' periods.

Recommendation

- *Players should be encouraged to use pre-commitment cards on a voluntary basis where they are available. Research into pre-commitment mechanisms, including cards, should be conducted at a national level.*

6.4.2 Restrictions on note acceptors in gaming machines

Description

'Note acceptors' provide for players to insert bank notes into gaming machines as a form of credit input. Restrictions on note acceptors may include:

- **banning note acceptors for gaming machines.** It is understood that South Australia has an outright ban on note acceptors, and Tasmania and the Northern Territory ban note acceptors on gaming machines in clubs and hotels.
- **limiting the note acceptors to lower denomination notes.** It is understood that in Queensland, note acceptors can only accept \$20 notes, and a maximum of five notes at a time, and in Victoria note acceptors can only accept \$50 or smaller notes.

Currently in NSW, note acceptors are permitted and may accept all notes up to and including \$100 notes.

Evidence

The Tribunal is not aware of any specific research on the effectiveness of banning note acceptors for gaming machines. However, the Schellink and Schrans study in Nova Scotia introduced a note acceptor to machines at the same time as four 'responsible gambling features' were also introduced. Although the study was not designed to evaluate the impact of note acceptors, players rated this feature as a more effective measure in assisting them to manage or budget their expenditure than the pop-up message and mandatory cash out features that were evaluated.³¹⁸ However, the study also found that despite the introduction

³¹⁸ Schellink, T., and Schrans, T., 'Responsible Gaming Features on Video Lottery Terminals: Impact and Promise', *Proceedings - 12th Annual National Association for Gambling Studies Conference*, Melbourne 21-23 November 2002, pp 418-19.

of the responsible gambling features, the rate of expenditure was faster on the machines that included the acceptor. As a consequence, it was not clear whether the introduction of the note acceptor actually led to better budgeting by gamblers, or whether it was linked to an increased rate of expenditure.

The USGRU report on technical modifications to gaming machines commissioned by the NSW GIO examined limiting note acceptors to \$20 or smaller notes. It found that while this measure reduced expenditure by 42 per cent, there was no evidence that the measure reduced gambling behaviour among problem gamblers. It concluded that the measure would be “of limited effectiveness in minimising harm associated with electronic gaming machines but would lead to an overall reduction in revenue to the gaming venue”.³¹⁹

The CIE study of the economic impact of the technical modifications found that the modifications to note acceptors to limit to smaller denomination notes would have a lower impact on revenue at risk for the venues than reducing the maximum bet or slowing reel speeds. Specifically, the revenue impact was estimated to be 2 per cent for clubs and 6 per cent for hotels.³²⁰ This contradicts the USGRU’s findings discussed above.

The Auckland Uniservice’s peer review of both these studies concluded that restricting note acceptors would be unlikely to be effective in isolation, but that it “could be a potentially effective harm minimisation strategy if it was implemented together with other considerations such as proximity to ATMs”.³²¹ In particular, the Auckland report noted that the USGRU made the following findings that were not reflected in its executive summary:

- for certain gamblers “the combination of bill acceptors and the close proximity of ATMs ... pose a hazard for controlled gambling”
- a recurring theme of focus group discussion “was that removing or reconfiguring low denomination bill acceptors was considered to be a useful harm minimisation strategy”.³²²

The Tribunal is also aware of a draft confidential study which reports that limiting the notes allowed in note acceptors may be successful in reducing the time and money spent by problem gamblers. However, the evidence from this research is contradictory in parts and generally inconclusive.

Stakeholder views

Both the Wesley Mission’s legal and counselling services and Macarthur Financial Counselling supported limiting note acceptors to low denomination notes. Mr John Sabados called for all gaming machines with note acceptors to also have coin acceptors, to provide for those who wish to bet a small amount.³²³

³¹⁹ Blaszczyński, A., et al., *Reconfiguration on EGMs*, 2001.

³²⁰ Centre for International Economics, *Gaming Machines Revenue at Risk*, 2001, p xi.

³²¹ Auckland Uniservices Ltd, *Technical Modifications to EGMs*, 2003, p 34.

³²² Auckland Uniservices Ltd, *Technical Modifications to EGMs*, 2003, p 21.

³²³ See submissions by Wesley Community Legal Service, Wesley Gambling and Counselling Services, Macarthur Financial Counselling Service and John Sabados.

Stakeholders from the gaming industry tended to oppose the measure, primarily on the basis that the USGRU report found little evidence of its effectiveness.³²⁴ The LAB and USGRU also argued that there would be no significant effect on problem gambling from limiting note acceptors to \$20 notes.³²⁵ It has also been put to the Tribunal that jurisdictions such as South Australia that ban note acceptors do not have lower prevalence rates than jurisdictions which allow note acceptors on gaming machines.

Comment

The research in relation to limiting note acceptors to low denomination notes is contradictory. While there is evidence that this measure would not be effective, there is also some evidence that it could be effective, particularly in conjunction with controls on ATMs. In addition, there is evidence that the measure could have both a large effect and a small effect on gaming revenues. Overall, the Tribunal considers that further research should be conducted to clarify the benefits to gamblers and the economic impacts on venues of modifying note acceptors so they do not accept \$100 notes and so they do not accept \$100 or \$50 notes. The study should be linked with the recommended studies on the location of ATMs within venues (section 6.3.3) and lower daily cash limits for ATMs in gaming venues (section 6.4.3).

The Tribunal is of the view that banning note acceptors could have very significant effects on the economics of the gaming industry, but that there is very little evidence regarding the effectiveness of the measure. In this context, the Tribunal considers that research into limiting note acceptors to low denomination notes should be given greater priority than any research into banning note acceptors.

Recommendation

- *Further research should be conducted on the impacts of modifying note acceptors so they do not accept \$100 notes and \$100 or \$50 notes. This review should be linked to the reviews into ATM locations proposed in section 6.3.3 and lower daily cash limits for ATMs in gaming venues proposed in section 6.4.3.*

6.4.3 Daily cash limits for ATMs in gaming venues

Description

This proposed measure involves modifying ATMs in gaming venues to limit the amount of money withdrawn per day per customer.

Evidence

The Tribunal is not aware of any specific research on the effectiveness of limiting cash withdrawals from ATMs at gaming venues. However, as section 6.3.3 outlined, the Productivity Commission's National Gambling Survey found that problem gamblers use ATMs in gaming facilities more often than non-problem gamblers. The KPMG study on problem gambling and ATM/EFTPOS functions noted that:

- South Australia has a daily withdrawal limit of one withdrawal per day to a maximum of \$200

³²⁴ See submissions by AGMMA, Australian Casino Association, Australian Gaming Council, BetSafe, ClubsNSW, NSW Gaming Industry Operators, Star City Casino.

³²⁵ Liquor Administration Board submission, 2003, USGRU submission, 2003.

- the Northern Territory has a requirement for the approval of the venue manager for withdrawals greater than \$250
- Victoria had proposed a limit of \$200 per day.³²⁶

While not specifically recommending daily limits on ATMs, the KPMG study did recommend that the Australian jurisdictions should negotiate with the financial services sector to develop a 'self-help strategy' for banking customers who require assistance in managing their finances as a result of gambling issues. It also noted that consumers currently have the capacity to place withdrawal limits on specific accounts:

Ultimately the problem gambler is required to share some responsibility in dealing with their gambling behaviour. There are ranges of strategies in this area that are being implemented overseas and could be implemented here... Further, there is already capacity for individuals to place withdrawal limits on specific accounts. This allows some people some capacity to address their own behaviour whilst not negatively impacting on the broader community group.³²⁷

Stakeholder views

The LAB's submission supported lower cash limits on ATMs in gaming venues, as did Clive Allcock who also suggested that no further ATM withdrawals should be permitted following a withdrawal in a gaming venue.³²⁸ A number of other submissions supported the proposed measure but called for further consultation.³²⁹

However, the Australian Casino Association, Star City Casino, BetSafe and ClubsNSW opposed the measure, arguing that it could be easily circumvented and that it would negatively affect recreational gamblers.³³⁰

Comment

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. However, lower cash limits at venues could assist regular gamblers to better manage their betting on gaming machines. This review should be linked to the reviews into ATM location proposed in section 6.3.3 and into restricting note acceptors on gaming machines proposed in section 6.4.2.

Where appropriate, gamblers should be encouraged to better manage their expenditure on gaming machines by setting lower limits on their electronic cash withdrawal cards. Consultations 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.

³²⁶ KPMG Consulting, *ATM/EFTPOS Functions and Capabilities*, 2002, pp 22-26.

³²⁷ KPMG Consulting, *ATM/EFTPOS Functions and Capabilities*, 2002, p 85.

³²⁸ Liquor Administration Board submission, 2003; Clive Allcock letter to IPART, 20 October 2003.

³²⁹ Submissions by NCOSS, Gambling Impact Society, and Macarthur Financial Counselling Service.

³³⁰ Submissions by Australian Casino Association, BetSafe, ClubsNSW and Star City Casino.

Recommendation

- *Research should be conducted into lower ATM cash limits in gambling venues. This review should be linked to the reviews into ATM location proposed in section 6.3.3 and into restricting note acceptors on gaming machines proposed in section 6.4.2. Pending this research, consultations should be held with the financial sector concerning the provision of lower ATM cash withdrawal limits in gambling venues.*

6.5 Proposed measures more appropriately dealt with in other policy areas

The Tribunal considers that while the following measures have implications for gambling behaviour they are more appropriately dealt with in other policy areas:

- the prohibition on smoking in gaming areas
- restrictions on alcohol consumption in gambling venues or gaming areas.

6.5.1 Prohibition on smoking in gaming areas

Description

In Victoria, a prohibition on smoking was introduced in gaming areas from September 2002. In NSW, the Government has introduced legislative and policy initiatives to progressively reduce smoking in a wide range of venues, including licensed venues. The broad issue of smoking in licensed venues is being examined by a joint government/industry working group, comprising representatives from the Cabinet Office, the Department of Health, Workcover, the Department of Gaming and Racing, the Liquor Hospitality and Miscellaneous Worker Union, ClubsNSW, Australian Hotels Association, Restaurant & Catering NSW, and the Star City Casino.

Evidence

On the basis of historical industry data made publicly available by the Victorian Office of Gambling Regulation,³³¹ expenditure on gaming machines in Victoria dropped significantly following the introduction of the smoking prohibition. For example, the long-run total net expenditure for the 2001/02 and 2002/03 financial years show a 9 per cent decline from \$2.563 billion to \$2.334 billion, after a relatively constant growth in previous years. The average daily expenditure on gaming machines contracted 20 per cent from around \$8 million in August 2002 in the month after this prohibition was introduced. That average daily expenditure remained relatively constant for the following year.

However, the Tribunal has been advised that no research was conducted into the effect of the ban on problem gambling. Accordingly, the effectiveness of the measure and its differentiated impact on recreational, 'at risk' and problem gamblers is not known.

³³¹ Victorian Office of Gambling Regulation, www.ogr.vic.gov.au, accessed December 2003.

Stakeholder views

Several stakeholders who made submissions supported the introduction of a ban on smoking primarily as a measure to protect gamblers.³³² Others supported a ban on smoking as a potentially effective gambling ‘circuit breaker’, but stated that the issue of whether to introduce a prohibition is primarily a public health matter.³³³

Stakeholders from the gambling industry typically opposed a ban on smoking as a gambling measure, claiming:

- it is more appropriately a public health matter³³⁴
- there is no evidence smoking causes or is linked to gambling problems³³⁵
- the Victorian ban has had unclear impacts on problem gamblers.³³⁶

Comment

In summary, while there is evidence to suggest that prohibiting smoking in gaming areas significantly reduces gambling revenue, there is no evidence on its effectiveness in protecting gamblers from the harms associated with problem gambling. The Tribunal notes that the issue of smoking in licensed venues is being considered in NSW by a working group with representatives from a broad range of government and industry bodies. Given this, it considers that this working group is the appropriate forum for considering the issue of smoking in gaming areas at venues.

However, if another jurisdiction introduces a ban on smoking in gaming areas before the Government makes its determination arising from the NSW working group’s deliberations, research should be conducted – possibly administered by the Ministerial Council on Gambling – into the effect of the ban on problem gambling.

Recommendations

- *Consideration of a ban on smoking is appropriately a matter for the Government arising from the deliberations of the working group on smoking in licensed venues.*
- *Should a ban on smoking in gaming areas be introduced, research should be conducted into the effect of the ban on problem gambling.*

6.5.2 Restrictions on alcohol consumption

Description

Restrictions could be placed on the availability of alcohol to patrons who are gambling or are in gambling areas. Under Part 7A of the Liquor Regulation 1996, licensees and staff are required to hold a recognised Responsible Service of Alcohol certificate.

³³² See submissions by NCOSS, Gambling Impact Society, Liquor Administration Board.

³³³ See submissions by Macarthur Financial Counselling Service, Wesley Community Legal Service, Wesley Gambling and Counselling Services and Western/Riverina-Murray Region Gambling Counsellors Forum.

³³⁴ See submissions by Australian Casino Association, BetSafe, ClubsNSW; and Star City Casino.

³³⁵ Leagues Clubs Association submission, 2003.

³³⁶ Star City Casino submission, 2003.

Evidence

The Tribunal is not aware of any research on the effectiveness of restrictions on alcohol consumption in protecting gamblers from the harms associated with gambling.

Stakeholder views

The Council of Social Service of NSW supported restrictions on alcohol, and banning the availability of alcohol in gaming rooms in particular, as it claims that alcohol is a common co-morbidity associated with problem gambling.³³⁷ Several submitters called for a prohibition on 'waiter service' in gaming areas.³³⁸

However, the gaming industry uniformly opposed restrictions on alcohol. hile BetSafe and ClubsNSW specifically raised concerns about potential effects on recreational gamblers. Other stakeholders argued that provision of alcohol is currently adequately addressed through the Responsible Service of Alcohol program.³³⁹

Comment

The Tribunal considers that the provision of alcohol in gambling venues is a matter that falls under the Responsible Service of Alcohol program. This is underscored by the lack of evidence and stakeholder disagreement concerning possible restrictions.

Recommendation

- *The provision of alcohol in gambling venues is appropriately dealt with under the existing Responsible Service of Alcohol program.*

6.6 Proposed measures previously considered by the gaming industry

The Tribunal considers that, due to lack of evidence and stakeholder comments, it cannot recommend the introduction of the following measures in the context of this responsible gambling review.

6.6.1 Certain measures recommended by the Liquor Administration Board in its First Determination

Description

In its First Determination, the LAB recommended the introduction of:

- lower maximum limits for the input of money into gaming machines, from the current \$10,000 limit to \$200.
- prohibition on 'play through' and 'autogamble'³⁴⁰.

³³⁷ NCOSS submission, 2003.

³³⁸ See submissions by Liquor Administration Board, Macarthur Financial Counselling Service, Wesley Community Legal Service, and Wesley Gambling and Counselling Services.

³³⁹ See submissions by Australian Casino Association, BetSafe, ClubsNSW, Leagues Clubs Association, NSW Gaming Industry Operators, and Star City Casino.

³⁴⁰ 'Play through' is the facility to cut short the pay cycle, which may include animation or music, by simply playing the next game. 'Autogamble' is the facility which allows continuous play on a gaming machine. The Tribunal understands that 'autogamble' has already been prohibited at a national level through the National Technical Standards.

Evidence

The Tribunal is not aware of any research on these proposed measures.

Stakeholder views

The Tribunal did not receive substantive comments from submitters on these measures. However, it is understood that gaming industry has previously agreed to the introduction of these measures.

Comment

Given the lack of evidence and stakeholder views concerning these measures, the Tribunal does not consider it can make a recommendation to introduce the measures that are as yet not introduced. However, consultations with the gaming industry could be undertaken to determine whether they are still supportive of these measures. If such consultations are undertaken, gambling counsellors and gamblers should also be consulted regarding whether there would be any benefits in pursuing the measures.

Recommendation

- *The Government should consult with the gaming industry, gambling counsellors and gamblers on the potential introduction of:*
 - *lower money input limits for gaming machines*
 - *prohibition on 'play through'.*

6.7 Proposed measures not recommended for introduction

The Tribunal considers that, due to insufficient evidence, little or no stakeholder support or negative stakeholder response, the following proposed measures should not be introduced in the short to medium term in NSW:

- limits or standards relating to the sounds made by gaming machines
- reductions to the maximum win allowed from individual gaming machines
- requirements for gaming venues to introduce and use 'ticket in ticket out' technology for gaming machines
- restrictions on double up and similar features on gaming machines
- further controls on gaming machine artwork
- requirements to slow down the speed of play (or reel speeds) on gaming machines
- requirements for forced cash outs by gaming machines after a certain period of play
- requirements for gaming machines to pay winnings when a player reaches a certain level of credits
- requirements in relation to natural light in gaming areas
- requirements that gamblers be visible from outside the gaming area
- requirements for compulsory shutdown of individual gaming machines
- requirements on the maximum number of carded games per reel.

6.7.1 Limits in relation to the sounds made by gaming machines

Description

The NSW Technical Standards for gaming machines approved by the LAB do not currently set limitations or restrictions on sound. However, the LAB's First Determination argued that consideration could be given to establishing standards including in relation to the period or style of music played, the speed at which music is played, and the involvement of vocal effects.

The First Determination outlined that consultation should take place on:³⁴¹

- Whether sound associated with gaming should be able to be heard from outside gaming areas, as it may constitute an attraction to the gaming area (when other forms of advertising or enticement may be forbidden) and in particular an allurements to young people.
- Whether sounds that suggest success or otherwise, such as cheers or bells or whistles or sirens, or 'sympathetic' groans may arouse emotions, promote irrational responses, increase excitement, and/or constitute enticements to gambling or to continuing gambling.
- Whether sounds similar to those used to maintain interest and excitement in arcade and computer games have a similar effect with gaming machines.
- The effects of various types of sounds on particularly vulnerable personalities.

Evidence

Delfabbro and colleagues presented a paper at the National Association for Gambling Studies (NAGS) Conference in 2003 into the effects of a number of technical modifications to electronic gaming machines.³⁴² These modifications included play speed, betting options and number of lines, illumination, credit display and sound. Participants (n=144) were asked to play four machines with a combination of these modifications for three minutes each, give an enjoyment ranking for each machine, and rank the machines in order of preference. The study found that players were indifferent to changes in betting options and number of lines, but that speed and sound influenced player enjoyment ratings.

A 2001 laboratory study by Loba *et al.*³⁴³ examined the impact on both problem and non-problem gamblers (n=60) of manipulating the sensory features of gaming machines in different types of venues. The manipulations consisted of 'low sensory features' where participants were exposed to slower speed of play with no sound and 'high sensory features' where speed of play was increased to faster than normal and sound was on. This study found that decreasing the speed and turning off the sound of gaming machines decreased players' rating of their enjoyment, excitement and 'tension-reduction' during the game, and that the effect was more pronounced for problem gamblers than for non-problem gamblers.³⁴⁴

³⁴¹ Liquor Administration Board, *First Determination*, 2001, pp 51-52.

³⁴² Delfabbro, P., Falzon, K., and Ingram, T., *Parameter Modifications and Electronic Gaming*, Department of Psychology, University of Adelaide as presented at NAGS Conference 2003 and provided to IPART by the Author, 2003.

³⁴³ Loba, P., et al., *Video Lottery Terminal (VLT) Games*, 2001.

³⁴⁴ Loba, P., et al., *Video Lottery Terminal (VLT) Games*, 2001, p 317.

The Tribunal notes that a preliminary study by the University of Guelph noted by the University in a news release suggests that electronic gaming machine sounds may elicit emotional responses from players that may affect gambling behaviour. Participants were shown video footage of casinos in Las Vegas. In one video the sound was not altered, in another recognisable non-gaming related music was played. Participants reported that their urge to gamble was less when the sounds of the machines were removed.³⁴⁵

Stakeholder views

Gaming industry stakeholders expressed strong opposition to restrictions being placed on gaming machine sounds, and argued that there is little evidence to support the effectiveness of such a measure.³⁴⁶

For example, AGMMA submitted that there are no grounds to remove or alter sound and music, which it claims are a critical part of the enjoyment of the win for gamblers. AGMMA argued that problem gamblers would be the least likely group to be deterred by restrictions on sound, and altering sounds would make gaming machines less entertaining for recreational gamblers.

However, several non-industry stakeholders called for further research into this measure.³⁴⁷ The Gambling Impact Society argued that while it is unclear whether a reduction in sound would positively impact on problem gambling, such stimuli may potentially trigger further gambling. Nonetheless, it acknowledged that there is no evidence to support this.

The USGRU commented that it would expect that modifications to gaming machine sounds would result in little harm reduction.

Comment

While the studies by Delfabbro and colleagues and the University of Guelph found that restricting sound decreased the enjoyment of regular gaming machine players, the Tribunal does not consider this finding can be generalised to show that limiting sound is effective in protecting problem gamblers. In fact, the Tribunal considers that generally reducing player enjoyment is a poorly targeted way of dealing with problem gambling.

Similarly, while Loba and colleagues found that decreasing speed of play *and* sound resulted in decreased enjoyment by problem gamblers, these results alone are not indicative of the effectiveness of limiting sound as a protection measure for problem gamblers. This study was conducted in a laboratory setting with a relatively small number of participants. Further, it is not possible to isolate the different impacts of alterations to sound and to the speed of play.

Given the lack of specific evidence and stakeholder disagreement on the effectiveness of this proposal, the Tribunal considers there is no basis to recommend altering or restricting sound on electronic gaming machines at this time.

³⁴⁵ News release on 26 September 2003, *Urge to gamble linked to casino designs, say U of G researchers*, University of Guelph.

³⁴⁶ See submissions by AGMMA, ClubsNSW, NSW Gaming Industry Operators, Star City and BetSafe.

³⁴⁷ See submissions by Liquor Administration Board, BetSafe Wesley Community Legal Service and Wesley Gambling and Counselling Services.

Recommendation

- *Sound limits on gaming machines should not be introduced at this time.*

6.7.2 Lower maximum wins for standalone machines

Description

The maximum amount that can be won as currently prescribed by the NSW Technical Standards for standalone machines is \$10,000.³⁴⁸ This measure has been in place since 1986. In its First Determination, the LAB suggested that consultation should take place on a proposal that the maximum prize for a standalone gaming machine should be reduced to \$1,000.³⁴⁹

Evidence

The Tribunal is not aware of any specific research on the effectiveness of reducing the maximum amount that can be won on standalone gaming machines.

However, in 2004, New Focus Research conducted a study of clients of problem gambling services for the Victorian GRP (New Focus study).³⁵⁰ The study was based on questionnaires of 142 problem gamblers, 77 “loved ones” and 54 service providers. As survey research, the study should identify some attitudes to gambling issues. Notably, the study was not designed to incorporate observational methodologies to determine whether the attitudes are reflected in actual gambling practices. In this context, the New Focus survey found that 23 per cent of the problem gamblers surveyed stated that the desire to win the jackpot was their motivation for spending more money on gaming machines.³⁵¹

Stakeholder views

The gaming industry strongly opposed any reduction to maximum win for standalone gaming machines, based on the lack of evidence to support this as an effective measure to reduce problem gambling.³⁵²

BetSafe commented that it would expect this measure to have little impact on problem gambling, citing that the United Kingdom and Holland have significantly smaller prizes than Australia, yet players still encounter problems with gambling.³⁵³

ClubsNSW noted that the existing maximum prize limit of \$10,000 has been in place for 17 years, and so in ‘real terms’ this amount has approximately halved in value. The NSW GIO expressed a similar view, stating that to bring the prize in line with its real value in 1986, the maximum win should in fact be increased to \$17,836.

³⁴⁸ Australian/New Zealand Gaming Machine National Standard, Rev 6.1, 2003, p 124.

³⁴⁹ Liquor Administration Board, *First Determination*, 2001, p 4.

³⁵⁰ New Focus Research Pty Ltd, GRP Report No. 5, *Problem Gamblers, Loved Ones and Service Providers*, Prepared for the Gambling Research Panel (Victoria), 2004. (Hereafter referred to as New Focus, *Problem Gamblers, Loved Ones and Service Providers*, 2004.)

³⁵¹ New Focus, *Problem Gamblers, Loved Ones and Service Providers* 2004, p 13.

³⁵² See submissions by NSW Gaming Industry Operators, ClubsNSW, BetSafe, and Star City Casino.

³⁵³ BetSafe submission, 2003, p 21.

Star City Casino submitted that the \$10,000 limit on gaming machines is well below the maximum win on other forms of gambling such as lotteries.

Comment

Given the lack of evidence regarding the actual effectiveness of reducing the maximum win for standalone gaming machines, and the stakeholder opposition, the Tribunal does not recommend the introduction of this measure at this time.

While stakeholders from the industry have argued that the maximum win on standalone gaming machines should be increased, the Tribunal does not consider that there is evidence to support this view, and therefore recommends no change to existing arrangements.

Recommendation

- *The maximum amount that can be won on standalone gaming machines should not be amended at this time.*

6.7.3 ‘Ticket In Ticket Out’ (TITO) technology in gaming machines

Description

Ticket In Ticket Out (TITO) is a technological facility that can be installed on gaming machines to allow players to use tickets rather than cash in gaming machines. The tickets are bar-coded and can be inserted into machines as a form of credit or redeemed at cashier facilities. Under Part 7 of the Gaming Machines Regulation 2002, a number of clubs currently operate the ‘ticket out’ part of this technology only, which avoids the need for venue staff to assist players to cash-out on the gaming floor.

Evidence

The Tribunal is not aware of any specific research on the effectiveness of TITO in gambling harm reduction.

Stakeholder views

Two stakeholders who commented on this technological facility supported it as a *harm minimisation measure* – ClubsNSW and AGMMA, which both proposed that TITO technology be considered for introduction in NSW. AGMMA argued that this technology has been especially popular in the United States, with around 130 casinos in 16 different jurisdictions adopting the technology. Moreover, in relation to responsible gambling, AGMMA argued that the technology:

- permits players to redeem the full amount on the credit meter without having to wait for an attendant, thus potentially providing for greater ‘impulse control’
- provides for responsible gambling information to be printed on the tickets.³⁵⁴

However, the Australian Liquor, Hospitality and Miscellaneous Workers Union opposed the introduction of the TITO facility, arguing that it would affect employment by eliminating the need for staff intervention on the gaming floor. It specifically raised concerns that TITO

³⁵⁴ AGMMA submission, 2003, pp 87-94.

technology could affect staff who perform ‘hopper fills’ or fill coins as well as security guards who guard monies.³⁵⁵

Comment

Anecdotally, some stakeholders have argued that the current ‘ticket out’ facility could be beneficial for players, by allowing them to take their ticket and have this cashed immediately rather than wait for venue staff to intervene on the gaming floor. A long wait for venue staff may prompt players to continue gambling. However, it could also be argued that the full TITO facility would reduce the circuit breakers inherent in gaming machine operations with manual insertion and retrieval of notes and coins. Nonetheless, the Tribunal is unaware of any specific evidence to support these arguments.

The Tribunal notes that key industry players have argued that all existing and proposed measures should be evaluated on a strong evidence base. They have further argued for the repeal of measures where there is little or no evidence of effectiveness. At the same time, however, the Tribunal notes that certain submitters recommended the introduction of TITO as a *harm minimisation measure*, but also that there is a lack of evidence regarding the effectiveness of the facility in reducing problem gambling.

Given the absence of evidence of effectiveness, or broad stakeholder support for TITO, the Tribunal considers that this technical facility should not be introduced as a *gambling protection measure* at this time. Accordingly, the Tribunal considers that the issue of whether to introduce the TITO facility is more broadly a policy issue outside the scope of this review.

Recommendation

- *‘Ticket In Ticket Out’ technology should not be introduced for gambling protection purposes at this time.*

6.7.4 Restrictions on double-up and other similar game features

Description

In its First Determination, the LAB determined that consultation should take place on introducing restrictions to gaming machine features so that:

- the maximum win possible from the gamble feature is limited to \$500
- players can make only one double up attempt in a single play of a game.

The Tribunal understands that the proposed consultation has not taken place, and that at present, up to five double-ups are permitted but only until the maximum prize limit on a standalone machine is reached.

Evidence

The Tribunal is not aware of any specific research on the effectiveness of the above limitations on gaming machine in protecting gamblers. However, the New Focus study found that 27 per cent of problem gamblers claimed that free spins or free games contributed to them spending more money on gaming machines.³⁵⁶

³⁵⁵ LHMU submission, 2003, p 4.

³⁵⁶ New Focus, *Problem Gamblers, Loved Ones and Service Providers*, 2004, p 13.

Stakeholder views

The LAB supported the limitations on double-up and other gambling features on gaming machines outlined in its First Determination, arguing these features should be limited because they are particularly attractive to problem gamblers and encourage chasing losses.³⁵⁷

Several other stakeholders noted in their submissions that there is a lack of evidence on the effectiveness of these measures.³⁵⁸ Star City Casino argued that these features are popular among gamblers because they add another dimension to games, and that any move to limit them would penalise recreational gamblers.³⁵⁹

Comment

With little stakeholder support and little evidence of the actual effectiveness of placing restrictions on double-up or similar gaming machine features in protecting gamblers, the Tribunal considers these measures should not be introduced for gambling protection purposes at this time.

Recommendation

- *Restrictions on double-up and other similar game features should not be introduced at this time.*

6.7.5 Further controls on gaming machine artwork

Description

The NSW Technical Standards specify core and detailed requirements for artwork on gaming machines,³⁶⁰ including:

- all game instructions on the artwork must be easily interpreted, unambiguous, and sufficient to explain all game rules
- the display of the result of game outcome must not be misleading or deceptive to the player (eg must not improperly indicate a near-miss)
- artwork graphics shall not be in any manner or form indecent or offensive, e.g. be pornographic or cause undue offence to religious groups.

In its First Determination, the LAB indicated that consultation should be undertaken on introducing new requirements on artwork lighting. The Tribunal understands this consultation has not taken place.

Evidence

The Tribunal is not aware of any specific research on further controls on gaming machine artwork.

³⁵⁷ Liquor Administration Board submission, 2003, pp 38-39.

³⁵⁸ See submissions by BetSafe, Star City Casino, ClubsNSW, NSW Gaming Industry Operators, and Wesley Community Legal Service.

³⁵⁹ Star City Casino submission, 2003, p 17.

³⁶⁰ Australian/New Zealand Gaming Machines National Standard Rev 6.01, Chapter 4.

Stakeholder views

While stakeholders support the existing restrictions on artwork prescribed by the NSW Technical Standards, there was uniform opposition to the introduction of any further controls.³⁶¹

Comment

With no evidence on the impact of further controls on gaming machine artwork and no stakeholder support for their introduction, the Tribunal recommends that this proposed measure not be introduced at this time.

Recommendation

- *Further controls on gaming machine artwork should not be introduced at this time.*

6.7.6 Slower reel speeds on gaming machines

Description

The NSW Technical Standards do not currently set limits on the speed of gaming machine reel spins. However, in its Provisional Determination on changes to these standards, the LAB determined that it was appropriate to slow down the speed of play and thus reduce gamblers' loss rate per hour. It determined that this should be achieved by requiring a minimum reel spin of 3.5 seconds and a minimum of 1.5 seconds in idle mode, during which at least one standard data block must be transmitted.

In its First Determination on changes to these standards, the LAB deferred its consideration of slowing gaming machine reel speeds in response to industry concerns about the effectiveness of such a measure in reducing harm for problem gamblers and pending the outcome of research work.³⁶²

Evidence

As noted in section 6.3.1, in response to the LAB's First Determination, the NSW GIO commissioned the USGRU and CIE to conduct research into three measures, including reducing reel spin speed. Comparing enjoyment ratings for machines with fast (3.5 seconds) and slow (5 seconds) reel spins, the USGRU report found a small but consistent tendency for players on the slower machines to rate their enjoyment lower than players on the faster machines.³⁶³ On the basis of its observational study of 779 participants, the report also found that there was weak evidence to suggest that slowing reel spin may help a small proportion of problem gamblers – but there was also evidence to suggest that it may simply extend the period of play for a group of individuals.³⁶⁴

The CIE analysed data for 29 gaming machine venues to estimate what proportion of venue revenue may be at risk if reel spin speeds were reduced. It estimated this proportion would depend on the size of the reduction, and would increase as game speed decreases.³⁶⁵

³⁶¹ See submissions by AGMMA, BetSafe, ClubsNSW, NSW Gaming Industry Operators and NCOSS.

³⁶² Liquor Administration Board, *First Determination*, 2001, p 42.

³⁶³ Blaszczyński, A., et al., *Reconfiguration on EGMs*, 2001, pp 47-49.

³⁶⁴ Blaszczyński, A., et al., *Reconfiguration on EGMs*, 2001, p 66.

³⁶⁵ Centre for International Economics, *Gaming Machines Revenue at Risk*, 2001, pp 15 and 22.

The Auckland peer review of the USGRU study concluded that reel spin modification does not appear to be an effective harm minimisation strategy.³⁶⁶

Loba and colleagues found that reducing the reel spin speed and turning off the sound of gaming machines decreased ratings of enjoyment, excitement and “tension-reduction” for problem gamblers relative to non-problem gamblers.³⁶⁷

Stakeholder views

The LAB supports the introduction of slower reel spins, arguing that taking longer to play must mean less money is lost.³⁶⁸ However, several industry stakeholders opposed the introduction of this measure,³⁶⁹ arguing that it would be ineffective in reducing harm, and may have negative impacts on revenue from gaming machines and the enjoyment of recreational players.

Wesley Mission’s legal and counselling services called for more research on this measure.³⁷⁰

Comment

The Tribunal notes that while the findings of the USGRU study suggest that slowing reel spin may help a small proportion of problem gamblers, there is evidence of potential negative consequences. In addition, the Loba study indicated that although reducing speed and sound of play had an effect on player enjoyment, it is not possible to isolate the impact of slowing speed of play from the related sound stimuli.

In the absence of clear evidence to support the introduction of this measure, and with a majority of stakeholders opposing its introduction, the Tribunal is of the view it should not be introduced, at least in the short to medium term.

Recommendation

- *Slower reel spin speeds should not be introduced.*

³⁶⁶ Auckland Uniservices Ltd, *Technical Modifications to EGMs*, 2003, p 34.

³⁶⁷ Loba, P., et al., *Video Lottery Terminal (VLT) Games*, 2001, p 317.

³⁶⁸ Liquor Administration Board submission, 2003, p 39.

³⁶⁹ See submissions by AGMMA, BetSafe, ClubsNSW, NSW Gaming Industry Operators and Star City Casino.

³⁷⁰ Wesley Community Legal Service submission, 2003, p 17 and Wesley Gambling and Counselling Services submission, 2003, p 15.

6.7.7 Mandatory ‘cash-outs’ based on session length

Description

Currently there are no requirements for gaming machines to force a player to ‘cash out’ after a period of play. It has been proposed that such requirements could interrupt long periods of play and thus provide an opportunity or trigger for players to stop gambling.

Evidence

The Schellinck and Schrans study, which examined the impact of ‘responsible gaming’ features on gaming machines in Nova Scotia,³⁷¹ looked at the impact of introducing a five-minute cash out warning at 145 minutes of continuous play, and a mandatory cash out at 150 minutes which forced the termination of the session. It found that exposure to this feature had no impact on expenditure for high-risk players, but was associated with increases in the expenditure of low-risk players. It also identified a risk of creating a ‘frenzied’ period of play prior to cash out where players may be chasing losses.³⁷²

Stakeholder views

Most of the stakeholders who commented on measures that force players to break play on gaming machines expressed opposition to their introduction, noting the lack of evidence of their effectiveness and potential impact on recreational gamblers.³⁷³

The LAB supported introducing measures that force problem gamblers to take a break in play, arguing that circuit breakers provide gamblers with an opportunity to think about whether they wish to continue. However, it noted that such measures cause some inconvenience to recreational players.³⁷⁴

Comment

The Tribunal notes the possibility, identified by Schellinck and Schrans, that player behaviour may simply adapt to a mandatory cash out feature and encourage binge gambling in the period before cash-out.

With no evidence of the effectiveness of mandatory cash-outs in protecting gamblers, evidence to suggest there may be possible unintended negative consequences, and stakeholder opposition, the Tribunal does not recommend introduction of a mandatory cash-out feature based on session length.

Recommendation

- *Mandatory cash-out based on session length should not be introduced.*

³⁷¹ Focal Research, *Responsible Gaming Feature Research*, 2002.

³⁷² Focal Research, *Responsible Gaming Feature Research*, 2002, pp 5-31 - 5-33.

³⁷³ See submissions from ClubsNSW, Leagues Club Association, Star City Casino, NSW Gaming Industry Operators, Australian Gaming Council and BetSafe.

³⁷⁴ Liquor Administration Board submission 2003, p 36.

6.7.8 Forced payment of winnings when certain level of credits is reached

Description

The forced payment of a win when a certain level of credits is reached is not currently prescribed by the NSW Technical Standards.

Evidence

The Tribunal is not aware of any specific research on the effectiveness of enforcing a payment of winnings once a specified level of credits is reached.

Stakeholder views

Most stakeholders were opposed to this proposed measure. Some noted that there is no evidence to support this as an effective measure to protect problem gamblers.³⁷⁵ Others argued that the introduction of forced payment of winnings could have a negative impact on recreational gamblers.³⁷⁶

Star City Casino argued that it would be difficult to establish an appropriate 'win level' considering the differing financial capacity of players.³⁷⁷ BetSafe argued that the introduction of this measure could encourage binge gambling prior to cash-out, and the USGRU expected that it would lead to little harm reduction.

Wesley Gambling Counselling Service, however, supported this measure. It stated that it is "common sense that gamblers who continue to gamble after a certain win will simply gamble away their win to nothing".³⁷⁸ The LAB argued that this measure could be effective as a circuit breaker for players.

Comment

Given there is no evidence on the effectiveness of this measure in protecting gamblers, and that the vast majority of stakeholders who commented on it were opposed to the measure, the Tribunal does not recommend forced payment of winnings once a certain level of credits is reached.

Recommendation

- *Forcing the payment of winnings once a certain level is reached should not be introduced.*

³⁷⁵ See submissions by Australian Gaming Council, BetSafe, ClubsNSW, Leagues Clubs Association, Star City Casino and NSW Gaming Industry Operators.

³⁷⁶ See submissions by Star City Casino and NSW Gaming Industry Operators.

³⁷⁷ Star City Casino submission, 2003, p 14.

³⁷⁸ Wesley Gambling and Counselling Services submission, 2003, p 13.

6.7.9 Natural light in gaming areas

Description

There are currently no requirements in NSW relating to the provision of natural light in gaming areas. It has been suggested that natural light would help gamblers keep track of how long they spend gambling, by making them more aware of the passing of time.

Evidence

The Tribunal is not aware of any specific research on the effect of natural light in gaming areas on gambling behaviour. However, this issue was touched upon by survey respondents in Nerilee Hing's consumer study, who suggested improvement to lighting and particularly natural lighting to assist gamblers in keeping track of time.³⁷⁹

Stakeholder views

The majority of stakeholders who commented on this proposed measure opposed it on the grounds of insufficient evidence.³⁸⁰ They also noted that this was not a practical measure and would have major implications for gambling operators, in terms of infrastructure, surveillance systems and building costs.

The LAB was the only stakeholder to support this measure, arguing that the visibility of natural light could assist gamblers to keep track of time while playing.

Comment

The Tribunal notes there is no specific research to support the measure and, given the lack of evidence and majority of stakeholders opposing this measure, it is not recommended for introduction.

Recommendation

- *A requirement for natural light to be provided in gaming areas should not be introduced.*

6.7.10 Gamblers to be visible from outside gaming areas

Description

There is currently no requirement in NSW for gamblers to be visible from outside the gaming area.

Evidence

The Tribunal is not aware of any specific research on the impact of players being visible from outside the gambling area on the players' gambling behaviour. However, survey respondents in the Hing study suggested there should be better segregation of gambling areas in venues so that gaming machines are not as visible and enticing.³⁸¹

³⁷⁹ Hing, N., *An assessment of member Awareness*, 2003, pp 95-96.

³⁸⁰ See submissions by Australian Casino Association, BetSafe, ClubsNSW and NSW Gaming Industry Operators.

³⁸¹ Hing, N., *An assessment of member Awareness*, 2003, pp 95-96.

Stakeholder views

In general, stakeholders who commented on this proposed measure opposed it, arguing that there was no evidence to support its effectiveness in harm reduction.³⁸² The LAB argued that such a measure could in fact be a form of advertisement for the venue.

Comment

Stakeholders who commented on this measure were unanimous in their opposition. The Tribunal also notes that there are legitimate concerns that making gamblers visible from outside the venue could in fact work as an enticement or form of advertising for gambling. As such, the Tribunal does not recommend that gamblers be visible outside the gaming area as a requirement.

Recommendation

- *Requirements for gamblers to be visible from outside the gaming area should not be introduced.*

6.7.11 Compulsory shutdown of individual machines

Description

This proposed measure involves introducing requirements that gaming machines be shutdown for 10 minutes every hour. In its First Determination, the LAB determined the Technical Standards should *not* be amended to include such requirements.³⁸³

Evidence

The Tribunal is not aware of any specific research on the impact of compulsory hourly shutdowns for individual gaming machines.

Stakeholder views

The vast majority of stakeholders who commented on this proposed measure opposed its introduction.³⁸⁴ Several argued that such a measure could be easily accommodated by problem gamblers, who would simply move to another machine and continue to play.³⁸⁵ Star City Casino argued that players would also be likely to increase their rate of play and the amount they bet prior to the machine shutting down.³⁸⁶ Moreover, a number of stakeholders noted that this proposal had already been rejected by the LAB in its First Determination.³⁸⁷

³⁸² See submissions by Australian Casino Association, BetSafe, ClubsNSW, Wesley Community Legal Service, Wesley Gambling and Counselling Services and Star City Casino.

³⁸³ Liquor Administration Board, *First Determination*, 2001, p 44.

³⁸⁴ See submissions by Leagues Clubs Association, AMC Convergent IT, BetSafe, Star City Casino, Liquor Administration Board, and ClubsNSW.

³⁸⁵ See submissions by AMC Convergent IT, BetSafe and Star City Casino.

³⁸⁶ Star City Casino submission, 2003, p 5.

³⁸⁷ See submissions by Liquor Administration Board, Star City Casino and ClubsNSW.

Comment

Given the lack of evidence or stakeholder support, and that the LAB in its First Determination found that it should not be introduced, the Tribunal does not recommend that requirements be introduced for individual gaming machines to shutdown for 10 minutes every hour.

Recommendation

- *Compulsory shutdown of individual machines should not be introduced.*

6.7.12 Maximum number of carded games per reel

Description

In its First Determination, the LAB stated that it had been suggested to it that limits should be set on the maximum number of carded games per reel.

Evidence

The Tribunal is unaware of any research on this measure.

Stakeholder views

No submitters to this review commented on this proposal.

Comment

Given the lack of evidence or stakeholder views concerning the proposed measure, the Tribunal considers that it should not be introduced.

Recommendation

- *Requirements on the maximum number of carded games per reel should not be introduced.*

7 MORE EFFECTIVE AND EFFICIENT COUNSELLING SERVICES

The Tribunal assessed the effectiveness and efficiency of community services, including problem gambling counselling services. As discussed in Chapter 4, counselling services include a range of treatment types targeted at people who already have moderate or severe gambling problems, to help them resolve these problems.

In line with general principles for assessing government-funded programs, the Tribunal considers that the NSW problem gambling counselling program should be as efficient and as effective as possible. To this end, the program should produce positive client outcomes in a timely fashion. The Tribunal considers this is more likely to occur if clients receive appropriate and effective treatment by a skilled counsellor, and if services are provided within a clear and robust policy framework.

In making its assessment, the Tribunal examined the existing problem gambling counselling program in NSW, including the available services, the arrangements for funding and administering these services, the overall policy framework, and stakeholder views on the program. It also reviewed national and international literature on counselling techniques and program arrangements, to identify the key elements of an effective and efficient problem gambling counselling program.

In general, the Tribunal found a consensus in the literature and among stakeholders that counselling services are an important component of any responsible gambling policy framework. In relation to counselling techniques, while few studies on problem gambling counselling have produced conclusive results, most reported that counselling results in positive outcomes, primarily linked to eclectic therapeutic approaches, client assessment, counsellor characteristics and client participation in goal setting. Accordingly, the Tribunal recommends that a variety of treatment techniques be employed by counsellors based on initial client assessment, and that treatment services allow for clients to participate in goal setting via a strong client-counsellor relationship.

In relation to counselling program arrangements, the Tribunal has found that the literature and stakeholder views indicated particular arrangements have been found to be effective in other jurisdictions and counselling areas. Accordingly, the Tribunal has recommended that they be incorporated into the NSW problem gambling services program. Overall, it recommends that a program of accreditation for counselling services should be introduced and phased in, and that this program should set out minimum standards for counsellors, monitoring and evaluation requirements, and follow-up requirements. It also recommends that a coordinated approach to treatment should be adopted, so that services are commonly branded under one name.

An overview of the existing arrangements for the problem gambling counselling services program in NSW, plus the Tribunal's findings and recommendations on effective counselling techniques and effective and efficient program arrangements are set out below.

7.1 Problem gambling counselling in NSW

In NSW, a variety of different treatment types are available, from a variety of service providers. These include:

- Government-funded organisations including G-line, a Government-funded 24-hour telephone help line operated by McKesson Asia-Pacific
- Wesley Mission, The Smith Family and the St Vincent de Paul Society
- industry-funded counselling schemes, namely BetSafe, ClubSafe (operated by ClubsNSW) and GameChange (operated by AHA)
- psychiatrists and general practitioners
- voluntary groups such as Gamblers Anonymous (GA)
- some specialist private hospitals such as South Pacific, St Edmund's and St John of God.

Under s. 46 of the *Gaming Machines Act 2001*, clubs and hotels are required to enter into arrangements with a recognised provider of problem gambling counselling to make these services available to their members and patrons. All government-funded counselling services and industry-operated counselling services are recognised service providers. In addition, all clubs and hotels are required to display notices with information and contact details about the counselling service with which the venue has entered into arrangements.

Such links to counselling services are generally regarded as being integral to responsible gambling programs. For example, Star City Casino stated that establishing links with counselling services is one of the most important elements of self-exclusion schemes (see section 6.2.1). Introducing the Australian Gaming Council's commissioned research on issues related to identifying the problem gambler in venues, Clive Allcock stated:

To raise awareness and capability for staff to improve customer assistance and situations where customers potentially have a problem with their gambling, senior staff should be knowledgeable about and as far as possible, have a working relationship with the treatment providers in the region. This can help improve customer access to treatment and provide a line of information or resources to venues.³⁸⁸

The Tribunal considers that given the broad support for venues' existing requirements to enter into arrangements with counselling services, and the lack of evidence or stakeholder views against the measure, the arrangements and the requirement to provide signs detailing the arrangements should be maintained. However, the Tribunal is aware that while an infringement notice may be given if the venue does not display the sign, there is no offence provision if the required arrangements have not been entered into. Given the passage of time since the introduction of the requirement under the *Gaming Machines Act* to establish arrangements with counselling services, the Tribunal considers it appropriate to now make it an offence for clubs and hotels to fail to comply with this requirement.

³⁸⁸ Allcock, Clive, *Current Issues Relating to Identifying the Problem Gambler in the Gaming Venue*, commissioned by the Australian Gaming Council, 2002.

Key elements of the existing NSW problem gambling counselling program include the Casino Community Benefit Fund, G-line, and the *Policy Framework*. These elements, plus stakeholder views on the existing program are outlined below.

Recommendations

- *The requirement for clubs and hotels to enter into arrangements with counselling services and to publicise these arrangements should be maintained. If not already considered, offence provisions should be introduced to the Gaming Machines Act 2001 for gaming venues' failure to establish the arrangements.*
- *However, the message in the required signage for publicising the arrangements with counselling services should be reviewed to increase its effectiveness and consistency, as part of the review of the package of informed choice measures proposed in section 5.1.*

7.1.1 Casino Community Benefit Fund

As outlined in section 3.2, the *Casino Control Act 1992* provided for the establishment of the CCBF. Under this Act, a levy is applied to the operators of Star City Casino, and an amount equal to 2 per cent of casino gaming revenue is allocated to the CCBF to fund, among other things, counselling programs in NSW.

In 1995, the CCBF established a submission-based funding model for gambling counselling services in NSW. The model it favoured encouraged diversity in treatment rather than a centralised network of problem gambling services. In this context, the CCBF's main aim in distributing monies has been to make gambling counselling services available and accessible across the whole of NSW.

Currently, the CCBF funds 57 gambling treatment services, two counselling training services and a 24-hour telephone help line known as G-line (see section 7.1.2). These services are provided through a variety of government and non-government organisations (NGOs). Most, however, are provided by NGOs, many of which are community-based agencies that often provide a variety of other services including drug and alcohol counselling and mental health services.

For the 2002/2003 financial year, CCBF-approved grants ranged from \$3,363 to the Illawarra Aboriginal Medical Service to \$477,663 to the Wesley Gambling Counselling Service (Surry Hills).³⁸⁹

According to the annual survey of CCBF-funded problem gambling counselling services in NSW, 843 individuals received face-to-face counselling during a one-week period in 2003.³⁹⁰

7.1.2 G-line

As noted above, one of the services funded by the CCBF is G-line, a 24-hour telephone service that provides crisis counselling, information and referral to treatment services. G-line is currently administered by McKesson Asia-Pacific, which also administers gambling help lines in Tasmania and Western Australia.

³⁸⁹ Casino Community Benefit Fund Trustees, *Annual Report: 2001-2002*, 2002.

³⁹⁰ Walker, M., et al., *Seventh Survey*, 2002, p 2.

All gaming venue operators are required to display the G-line telephone number on responsible gambling signage within venues, and on gaming products such as lottery and TAB tickets (see section 5.3.4). The CCBF is currently funding a G-line awareness campaign, *Unscrambling Problem Gambling*, which includes television and radio commercials and press advertisements (see section 5.3.1).

As a result of its high visibility, G-line is often the first point of contact for people seeking help for problem gambling. It receives an average of 1146 target calls per month (ie. approximately 40 per day)³⁹¹. It has reported that 69 per cent of these calls are from people seeking help for the first time.³⁹² According to the annual survey of problem gambling counselling services in NSW, 27 per cent of referrals to counsellors in 2003 were via G-line, which is consistent with 2002 referral rates. Notably, G-line referral rates increased significantly in 2002 from preceding years, a likely result of the awareness campaign which began in 2002.³⁹³

In general, stakeholders who made submissions to this review considered G-line to be a useful and important service for those seeking help. However, some stated that there has been no evaluation of telephone counselling services to date, and that G-line should be audited for effectiveness.³⁹⁴ The Tribunal understands that G-line has been evaluated by an independent evaluator on several occasions, most recently in December 2001. The Tribunal also notes that the CCBF has established regular reporting requirements as part of its contract with G-line. G-line submits data on a monthly basis to CCBF.

Others raised concerns about G-line's referral processes and argued that at times clients may not receive complete information of services in their area and may not have their call returned for a number of days.³⁹⁵ However, the Tribunal's consultations indicated there was a general view that G-line's referral processes were improving, and that the high demand for the service illustrated clients found the service useful and meeting their needs.

7.1.3 Problem gambling counselling services policy framework in NSW

In 2000, the CCBF recognised that problem gambling treatment programs in NSW were not optimally organised, and identified a number of areas in which improvement was required. To address this, the Department of Gaming and Racing, on behalf of the CCBF Trustees, commissioned the NSW Department of Health to develop a policy framework for the provision of problem gambling counselling services.

³⁹¹ Target calls are those from gamblers, family members, significant others or professional counsellors. This excludes calls such as wrong numbers or prank calls. In McKesson Asia-Pacific (G-line) submission, 2003, p 4.

³⁹² McKesson Asia-Pacific (G-line) submission, 2003, p 3.

³⁹³ Walker, M., et al., *Seventh Survey*, 2002, p 16.

³⁹⁴ USGRU submission, 2003, p 50.

³⁹⁵ See submission by Gambling Impact Society and Counsellor roundtable discussion.

The *Policy Framework on Treatment Services for Problem Gamblers and their Families*³⁹⁶ was launched on 10 October 2001, and outlined a number of broad strategic directions for counselling services in NSW for the five-year period 2002 – 2006. It also set out a range of areas in which refinements were required, including:

- developing an integrated approach to treatment via the development of strategic plans
- implementing a resource distribution model incorporating a triennial funding program
- developing a directory of treatment services and a catalogue of problem gambling resources
- reviewing and expanding the G-line database and developing resources on problem gambling, including in community languages
- improving monitoring and evaluation of services by collecting uniform data using a standardised client data set
- facilitating the development of accredited gambling specific treatment qualifications and competencies, and gambling training modules for generalist counsellors
- developing a code of ethics for service providers
- facilitating the development of minimum standards for the accreditation of agencies
- supporting service models for rural and remote communities, indigenous communities and culturally diverse communities.

Based on its consultations with counselling stakeholders and its review of the operation of the counselling program, the Tribunal considers that focusing on these areas would promote significant improvements in the quality of the counselling program. For example, participants in its roundtable discussion with leading counsellors expressed the view that the *Policy Framework* contains useful information and outlines important policy objectives.

The Tribunal also found that the strategic directions set out in the existing *Policy Framework* appear to reflect the best practices identified in the international literature.³⁹⁷ For example, the Massachusetts Council on Compulsive Gambling outlined that key elements of best practice for problem gambling counselling should include appropriate staff training, outcome evaluation, cultural appropriateness and accessibility.³⁹⁸ These are consistent with the areas outlined for refinement in the *Policy Framework*.

³⁹⁶ Casino Community Benefit Fund, *Policy Framework on Treatment Services for Problem Gamblers and their Families in NSW*, Department of Gaming and Racing, 2001. (Hereafter referred to as CCBF, *Policy Framework*, 2001.)

³⁹⁷ See for example:

- Department of Human Services (Oregon), *Oregon Gambling Treatment Programs Evaluation Update 2002*, Oregon, 2003.
- Paton-Simpson, G., Gruys, M., and Hannifin, J., *Problem Gambling Counselling in New Zealand: 2002 National Statistics*, New Zealand Problem Gambling Committee, 2003.
- Massachusetts Council on Compulsive Gambling, *The Results of a National Think-Tank on State-Funded Gambling Treatment Programs – A Massachusetts Initiative*, Massachusetts Department of Public Health, Harvard Medical School Division of Addictions, 2001. (Hereafter referred to as Massachusetts Council on Compulsive Gambling, *National Think-Tank*, 2001.)

³⁹⁸ Massachusetts Council on Compulsive Gambling, *National Think-Tank*, 2001.

The Tribunal notes that although some progress has been made in the implementation of the CCBF's *Policy Framework*, there appear to have been some significant delays. Participants in its roundtable discussion suggested that more resources could be directed towards implementing the strategy. The Tribunal is of the view that certain elements of the *Policy Framework* should be prioritised and progressed by the CCBF (see section 7.3).

7.1.4 Stakeholders' views about the existing counselling program

Stakeholders agree that the provision of effective treatments and counselling techniques is a critical element of any responsible gambling framework.³⁹⁹ For example, Wagga Wagga City Council described problem gambling counselling services as the foundation for support for those wishing to address issues related to problem gambling.⁴⁰⁰ ClubsNSW argued that:

...effective diagnosis and effective and efficient treatment of problem gamblers is a critical, if not the most critical component, in the overall strategy of dealing with problem gambling.⁴⁰¹

A number of submitters made reference to the requirement for gambling operators to have formal arrangements in place with counselling services (see section 7.1). This requirement received unanimous support, with Star City Casino for example describing the advice and assistance provided by counselling services as 'invaluable'.⁴⁰²

However, several stakeholders who commented on the existing counselling program in submissions to the review raised general concerns about its administration, arguing that the existing services and structures need to be improved.⁴⁰³ Clubs NSW argued that there appears to be a lack of structure in problem gambling treatment strategies and that the distribution of services may not be appropriate in some areas.⁴⁰⁴ NSW GIO recommended that problem gambling counselling should be improved by:

- i) establishing proper competency standards for counselors and treatment providers;
- ii) training professionals to those competency standards
- iii) establishing a network of treatment providers with an effective vertical referral system.....and
- iv) training all venue gaming staff in responsible service of gambling procedures and effective liaison with treatment providers...⁴⁰⁵

³⁹⁹ See submissions by Wagga Wagga City Council, ClubsNSW, Liquor Administration Board, Services Clubs Association, McKesson, Star City Casino, USGRU, Australian Hotels Association and NSW Gaming Industry Operators.

⁴⁰⁰ Wagga Wagga City Council submission, 2003, p 1.

⁴⁰¹ ClubsNSW submission, 2003, p 20.

⁴⁰² Star City Casino submission, 2003, p 18.

⁴⁰³ See submissions by Wagga Wagga City Council, Australian Casino Association and ClubsNSW.

⁴⁰⁴ Clubs NSW submission, 2003, p 21.

⁴⁰⁵ NSW Gaming Industry Operators submission, 2003, p 28.

Others put the view that there is a lack of coordination between the program's service design and service delivery.⁴⁰⁶ The Services Clubs Association argued that a greater evidence-based approach is needed:

This area lacks considerable and proven research and requires extensive development as there is no approved or generally agreed treatment program, no central register of what treatment is being given, what the outcomes are or what are the most effective treatments.⁴⁰⁷

The Australian Casino Association argued that appropriate research should inform the development of uniform data sets and assessment tools and that data should be reviewed by an independent body.⁴⁰⁸

Counsellors who participated in the Tribunal's roundtable discussion argued for an external review of the counselling program in NSW, and expressed general dissatisfaction with the existing regulatory arrangements and role of the CCBF Branch (see Chapter 8).

7.2 Effective counselling techniques for problem gambling counselling

There is currently no singular, internationally established model of best practice for problem gambling counselling. Each type of treatment can incorporate a number of different therapeutic techniques, so it is often difficult to determine which particular elements have been effective. Furthermore, published outcome studies are often short term and rely on a small sample size, therefore making it difficult to extend findings to the long-term effectiveness of treatment programs.

As discussed in Chapter 3, there is variety of models for understanding problem gambling. Based on these, different models for the treatment of problem gambling have emerged, including the medical model, the behavioural model and the cognitive model (see Box 7.1). There is reasonable evidence in the literature that treatment based on cognitive and behavioural models produce good client outcomes. However, a single technique has not been shown to be *more* effective than any other.⁴⁰⁹

The literature on problem gambling counselling does not support the promotion of any one model of treatment. Rather, it suggests that a number of therapeutic strategies have direct implications for counselling effectiveness and should be incorporated into treatment of problem gambling. Based on the literature it reviewed and the views of counselling stakeholders, the Tribunal considers the following four strategies should be incorporated in NSW problem gambling counselling treatments:

- multimodal treatment
- the incorporation of a comprehensive assessment into treatment planning
- a strong client-counsellor relationship
- the involvement of the client in setting realistic and achievable goals for treatment.

⁴⁰⁶ ClubsNSW submission, 2003 and USGRU submission, 2003.

⁴⁰⁷ Services Clubs Association submission, 2003, p 3.

⁴⁰⁸ Australian Casino Association submission, 2003, p 13.

⁴⁰⁹ See Department of Human Services (Victoria), undated, *Current "Best Practice" Interventions for Gambling Problems: A Theoretical and Empirical Review*, and USGRU, submission, 2003.

Box 7.1 Problem Gambling Counselling Treatment Models

The wide range of approaches to treating gambling related problems in NSW is influenced by the view taken of the 'causes' of problem gambling. From the five theoretical models for understanding problem gambling (see section 3.4.1), there are three consequent treatment modalities: the 'medical' model, the 'behavioural' model and the 'cognitive' model⁴¹⁰

Medical Model

The medical model defines problem gambling as an addiction akin to drug and alcohol dependence, or an impulse control disorder akin to anorexia and obsessive compulsive disorder. In this way, problem gambling is seen as an illness which must be treated by appropriate interventions, with the goal of treatment being abstinence from all gambling. The Gamblers Anonymous treatment model and other self-help treatments consider problem gambling an addiction requiring total abstinence.

Behavioural Model

The behavioural model interprets problem gambling as a learned behaviour, motivated and reinforced by the personal experiences and environment of the gambler. Behaviourist theories attribute the development of problem gambling to different types of rewards offered by the activity (such as financial or emotional) or minimising negative states (such as loneliness or depression). Behavioural treatment focus is on 'unlearning' bad habits and learning techniques to reduce the harmful effects of problem gambling through 'controlled gambling'. Abstinence, although theoretically consistent with this approach, is not usually specified as an end point.⁴¹¹

Cognitive Model

The cognitive model suggests that problem gambling behaviours are maintained by irrational beliefs and attitudes. The gamblers think erroneously that they will win money and recoup losses despite personal experience. Problem gamblers have heightened expectations of winning and perceptions of greater control over the outcome of a game than is actually the case.

Recommendation

- *The Government should note that there are four main strategies that are particularly relevant to problem gambling counselling treatments:*
 - *multimodal treatment*
 - *the incorporation of a comprehensive assessment into treatment planning*
 - *a strong client-counsellor relationship*
 - *the involvement of the client in setting realistic and achievable goals for treatment.*

7.2.1 Multimodal treatment

Description

Multimodal treatment programs are 'client-centred' in that the treatment focuses on meeting the needs of the client, and the specific techniques or interventions used are matched to these needs. These programs use a range of different therapeutic techniques and strategies to address problematic thoughts and behaviour. Multimodal treatment has also been variously labelled 'bio-psychosocial', 'pragmatism' and 'eclecticism' in the literature.

⁴¹⁰ Gambling Research Panel, Report no. 3, *Best Practice in Problem Gambling Services*, Victoria, 2003.

⁴¹¹ Jackson, A., et al., *Longitudinal Evaluation*, 2002, p 47.

Literature review

Generally, the literature examining the aetiology of problem gambling behaviour suggests there is no clear mechanism by which people develop problems and consequently no clear preferred approach to treatment.⁴¹² Rather, there appears to be a number of interacting factors that can lead to the development of problem gambling behaviours. A variety of factors have been documented as contributing to the development of problematic gambling behaviour—including cognitive variables (such as personality traits), cultural and social influences, co-morbid conditions (including drug and alcohol use), and significant external personal relationships such as family and peer influences.

Multimodal therapies have been described as offering a holistic approach to the treatment of problem gambling that incorporates a number of strategies, including behavioural and cognitive elements.⁴¹³ In this way, the counsellor is able to find the 'right fit' between the client and treatment.

A Victorian longitudinal study by Jackson and colleagues (Jackson study) found that counsellors with the highest rates of problem resolution tend to use a mix of techniques based on initial assessment and client goals.⁴¹⁴ In line with this finding, organisations in Victoria that deliver problem gambling counselling services have developed a multimodal orientation in their counselling over time. The USGRU found that 65 per cent of problem gambling counsellors interviewed in NSW in 2002 reported using multiple treatment methods with their clients.⁴¹⁵

Stakeholder views

The Tribunal held a roundtable discussion with leading counsellors and visited a number of key counselling stakeholders in Melbourne to examine and discuss the Victorian counselling program. It found these stakeholders supported the multimodal approach to treatment, which they saw as promoting positive client outcomes.

Comment

Based on the literature it reviewed and stakeholder support, the Tribunal considers that a multimodal approach to treatment should assist in promoting positive outcomes for clients, as this approach allows treatment to be tailored to fit clients' particular needs or issues and also allows for a range of therapeutic techniques and strategies to be used. It therefore considers that this approach should be part of the NSW problem gambling counselling framework.

⁴¹² See for example:

- Gambling Research Panel, Report no. 3, *Best Practice in Problem Gambling Services*, Victoria, 2003;
- Department of Human Services (Victoria) *Current "Best Practice" Interventions for Gambling Problems: A Theoretical and Empirical Review*;
- Blaszczynski, A., and Silove, D., 'Cognitive and behavioural therapies for pathological gambling', *Journal of Gambling Studies*, 11(2), 1995.

⁴¹³ Gambling Research Panel, Report no. 3, *Best Practice in Problem Gambling Services*, Victoria, 2003, p 43.

⁴¹⁴ Jackson, A, Thomas, S, Thomason, N., Borrell, J., Crisp, B, Enderby, K., Fauzee, Y., Ho, W., Holt, T, Perez, E., and Smith, S., *Longitudinal Evaluation of the Effectiveness of Problem Gambling Counselling Services, Community Education Strategies and Information Products*, Melbourne: Victorian Department of Human Services, 2002. (Hereafter referred to as Jackson, A, et al., *Longitudinal Evaluation*, 2002.)

⁴¹⁵ Walker, M., et al., *Sixth Survey*, 2002, p i. Note that this data was not reported in the *Seventh Survey* for 2003.

Recommendation

- *No one method of treatment should be prescribed for problem gambling counselling across services. Clients of problem gambling counselling services should have access to a range of different therapeutic techniques. Ideally, treatment strategies should be multimodal.*

7.2.2 Comprehensive assessment

Description

When clients first present for counselling, the counsellor usually undertakes an initial assessment, which involves gathering information about the client—both formally through questionnaires and screening tools (see Box 7.2), and informally through interviews. This information most commonly concerns the client’s family background, demographic information, medical history and physical health, and co-presenting issues including substance use patterns and mental health history.

The assessment also establishes the client’s current problem, their readiness to change and their goals for treatment. For problem gambling counselling, it usually explores the history of gambling behaviour, assesses current gambling patterns, financial circumstances, the severity of the problem and the impact of gambling on the individual and their social functioning.

Literature review

In 2000, the Massachusetts Council on Compulsive Gambling hosted a ‘National Think Tank’ on gambling treatment programs.⁴¹⁶ The aim was to gather information about the structure and scope of existing programs, and to discuss the future development of these programs. Key factors in treatment effectiveness were identified, with participants finding assessment to be a critical element in the continuum of care, irrespective of the treatment model used. A comprehensive and reliable assessment was described as the key factor in client retention, as this allowed for appropriate matching of clients to treatment and informed treatment planning.

In 2002, Shaffer and colleagues published a study of gambling treatment services in Iowa.⁴¹⁷ The study described assessment as the critical initial step in the treatment of problem gambling. It argued that assessment provides a foundation for establishing an alliance with the client, and is critical to the development of a strong client-counsellor relationship.

The Jackson study found that counsellors who achieved high levels of problem resolution with problem gambling clients were more likely to have conducted a thorough initial assessment of their clients, including measuring their “readiness to change”.⁴¹⁸

⁴¹⁶ Massachusetts Council on Compulsive Gambling, *National Think-Tank*, 2001.

⁴¹⁷ Shaffer, H., LaBrie, R., LaPlante, D., and Kidman, R., *The Iowa Department of Public Health Gambling Treatment Services: Four Years of Evidence*, Harvard Medical School of Addictions, 2002.

⁴¹⁸ Jackson, A., et al., *Longitudinal Evaluation*, 2002, p 103.

Stakeholder views

The USGRU submitted that assessment or history taking is a vital component of counselling, allowing the clinician to obtain critical information necessary for effective treatment planning and service delivery.⁴¹⁹ Counsellors who participated in the Tribunal's roundtable discussion agreed that a comprehensive assessment was one of the most important elements of a good quality and effective treatment program.

Comment

Based on its literature review and stakeholder opinion, the Tribunal is of the view that a comprehensive assessment tool enables counsellors to more accurately assess clients' problems when they present to treatment, and to consider other influencing factors such as co-presenting conditions including drug and alcohol use and mental health issues. Thus, it enables them to address the needs of the client and negotiate an appropriate treatment plan with the client. The Tribunal therefore considers that an appropriate and comprehensive assessment is an important adjunct to a multimodal framework for treating problem gambling clients.

Recommendation

- *The use of appropriate and comprehensive assessment to accurately match clients to interventions and inform treatment planning should be encouraged as part of effective counselling treatment.*

Box 7.2 Screening Tools

The two most commonly used screening tools for measuring problem gambling are the South Oaks Gambling Screen (SOGS)⁴²⁰ and the Diagnostic and Statistical Manual (DSM) IV screen. The Productivity Commission's 1999 report into gambling in Australia found that most agencies in NSW use one of these screening tools.

- The SOGS is a 20 item questionnaire developed as a screen for compulsive gambling, and focuses primarily on the financial aspects of gambling. A score of five or higher is considered evidence of problem gambling.
- The DSM-IV is the fourth edition of the Diagnostic and Statistical Manual of Mental Disorders. It is a reference to the 10 characteristics presented in the manual as indicative of problem gambling. The DSM-IV screen places emphasis on the psychological aspects of gambling. A diagnosis of problem gambling requires an individual to meet five of the ten criteria outlined.

However, the April 2004 GRP study of gambling screens recommended that the recently developed Canadian Problem Gambling Index (CPGI)⁴²¹ should replace the SOGS as the problem gambling screen of general use in Australian population surveys.⁴²² The CPGI contains 31 items and divides respondents into five groups: non-gambling, non-problem gambling, low risk gambling, moderate risk gambling and problem gambling. Notably, the Queensland Government used the CPGI in its 2001 Queensland Household Gambling Survey.⁴²³

⁴¹⁹ University of Sydney Gambling Treatment Clinic submission, 2003, p 4.

⁴²⁰ Lesieur, H., and Blume, S., 'The South Oaks Gambling Screen (SOGS) A new instrument for the identification of pathological gamblers', *American Journal of Psychiatry*, 144, 1987, pp 1184-1188.

⁴²¹ Canadian Centre for Substance Abuse, *The Canadian Problem Gambling Index: Final Report*, February 2001.

⁴²² Gambling Research Panel, *Validation of the Victorian Gambling Screen*, GRP Report No. 7, Prepared by the Centre for Gambling Research, Australian National University, April 2004.

⁴²³ Queensland Treasury, *Queensland Household Gambling Survey 2001*, Queensland Government, Brisbane, 2002.

7.2.3 A strong client-counsellor relationship

Description

The client-counsellor relationship is also known as the ‘therapeutic relationship’ and is the bond between the counsellor and the person presenting for treatment. The establishment and management of an appropriate therapeutic relationship requires consideration of individual, organisational, social, cultural, religious and professional factors, including the maintenance of appropriate professional boundaries.⁴²⁴ Key characteristics of a strong client-counsellor relationship are an environment of trust and safety where the client is able to discuss issues openly and fully engage in the counselling process.

Literature review

The literature on problem gambling counselling consistently reports that the most significant predictor of client outcome is the nature of the client-counsellor relationship. For example, the Jackson study reported that a strong therapeutic relationship was consistently correlated with positive client outcomes. It found that although counsellor characteristics are important, on the whole they are not predictive of client outcomes. It also found that very few client characteristics had statistically significant impacts on counselling outcomes.⁴²⁵

In addition, the Gambling Research Panel of Victoria found the quality of the client’s participation in therapy and the therapeutic bond as perceived by the client clearly stand out as the most significant determinant of outcome.⁴²⁶

Stakeholder views

In its submission to the review, the University of Sydney Gambling Treatment Clinic argued that establishing rapport with the client is one of the most important characteristics of treatment. It pointed out that counsellor characteristics such as warmth and empathy are likely to positively affect the counsellor-client relationship.⁴²⁷

Comment

Based on examination of the literature, the Tribunal considers a strong client-counsellor bond would facilitate the atmosphere of trust and safety that is essential for clients to fully engage in the counselling process and should lead to better results for the client. When the counsellor is aware of, and sensitive to, the various issues that arise within the therapeutic relationship, and is able to address these issues systematically, counselling is better able to progress in the appropriate direction and pace.

⁴²⁴ Nurses Board of South Australia, *Standard for therapeutic Relationships and Professional Boundaries* accessed at www.nursesboard.sa.gov.au

⁴²⁵ Jackson, A., et al., *Longitudinal Evaluation*, 2002, p 103.

⁴²⁶ Gambling Research Panel, Report no. 3, *Best Practice in Problem Gambling Services*, Victoria, 2003.

⁴²⁷ University of Sydney Gambling Treatment Clinic submission, 2003, p 3.

Recommendation

- *A strong client-counsellor relationship should be encouraged as part of effective counselling treatment.*

7.2.4 Client participation in goal setting

Description

Client participation in goal setting involves decisions on both long-term and short-term treatment goals being made by the client, or being negotiated with the client.

Literature review

In 2001, a study by Berg and Briggs looked at solution-focused brief therapy (SFBT) in treating problem gambling. This study found that the starting point for working with problematic gambling should be establishing the client's goal. This process orients clients towards a positive outcome and an expectation that there will be an end to their problems.⁴²⁸ Similarly, the Jackson study found that allowing for clients to participate in goal setting and celebrating client achievements is correlated with good client outcomes.⁴²⁹

In addition, the USRGU found that over 19 per cent of counsellors interviewed encouraged clients to set treatment goals and a further 70 per cent negotiated goals with the client.⁴³⁰

Stakeholder views

The Tribunal is not aware of any stakeholder opposition to client goal setting as a key feature of problem gambling counselling treatment.

Comment

Based on its review of the literature, the Tribunal understands establishing (and achieving) realistic and achievable short-term and long-term goals helps to make clients feel empowered and motivated to change, which can promote positive outcomes.

Recommendation

- *Providing for clients to participate in setting goals for their treatment should be encouraged as part of effective counselling treatment.*

7.3 Elements of an effective and efficient problem gambling counselling program

The Tribunal is of the view that developing a program of accreditation for problem gambling counselling services in NSW would promote the effectiveness and efficiency of the counselling program. Through membership of such a program, service providers can demonstrate that they are accountable to their funding provider and the community. This

⁴²⁸ Berg, I., and Briggs, J., 'Treating the Person with a Gambling Problem', *Electronic Journal of Gambling Issues*, Issue 6, 2001.

⁴²⁹ See:

- Jackson, A., *Longitudinal Evaluation*, p 103.
- Gambling Research Panel, Report no. 3, *Best Practice in Problem Gambling Services*, Victoria, 2003, p 29.

⁴³⁰ Walker, M., et al., *Seventh Survey*, 2003, p 22.

membership should also be a recognised symbol to consumers of a high-quality and effective service.

This approach would be consistent with that taken in other countries, and in other policy areas in NSW. Accreditation of health and community services is well established in many countries throughout the world, including the USA, New Zealand, Canada, the UK and Australia.⁴³¹ In NSW, accreditation of health service providers and/or counselling services is required in a number of areas, including under the Health and Fair Trading portfolios. For example:

- All non-government organisations funded by NSW Health are required to undergo service accreditation. While they are not all accredited yet, they are all working towards accreditation. NSW Health has published operational guidelines for NGOs that set out minimum standards and timelines for services to achieve accreditation.⁴³² NGOs are currently accredited for a maximum of three years, and are subject to an annual review of their compliance with their funding and performance agreements.
- All licensed methadone clinics in NSW are required to join an approved quality assurance program and achieve accreditation within a specified timeframe. Methadone clinic accreditation standards were released in February 2001 outlining minimum requirements across a number of key areas.⁴³³
- Financial counsellors in NSW are also required to obtain accreditation through the Financial Counsellors' Association of NSW (FCAN) prior to practicing. Membership of FCAN is staged to recognise qualifications and experience. Accredited counsellors are eligible for registration with their relevant professional body, encouraging higher quality service to clients of the program. Financial counsellors are often linked to, or work within, problem gambling counselling services.

While recognising that accreditation itself does not guarantee quality, the Tribunal considers it would provide a useful framework for encouraging the development of a 'quality culture' and provide a foundation to achieve positive client outcomes. To date, an accreditation program has not been applied to problem gambling counselling services in Australia, but has received both national and international support as a framework for improving service effectiveness. Counselling stakeholders consulted in Victoria and NSW expressed support for moving towards service accreditation. The Massachusetts Council on Compulsive Gambling in 2000 argued that states in the US should, as a priority, require gambling service providers to be certified under either state guidelines or national standards.⁴³⁴

Existing health care standards should be reviewed and adapted to problem gambling counselling. Standards are a statement of the level of performance to be achieved by an organisation across key areas. They need to be flexible, have clear objectives, be applicable to rural and metropolitan organisations and be developed in consultation with key stakeholders. Standards should be achievable and measurable, and performance against standards should be measured through key performance indicators.

⁴³¹ The main agencies that develop standards for the accreditation of health care organisations in Australia are the Australian Council on Health Care Standards (ACHS) and the Quality Improvement Council (QIC).

⁴³² NSW Department of Health, *Operational Guidelines – Non-Government Organisation Grant Program*, November 2001, p 10.

⁴³³ NSW Department of Health, *NSW Methadone Clinic Accreditation Standards*, November 2001.

⁴³⁴ Massachusetts Council on Compulsive Gambling, *National Think-Tank*, 2001.

For example, the Australian Council on Healthcare Standards (ACHS) uses standards that are categorised into Continuum of Care, Leadership and Management, Human Resources Management, Information Management, Safe Practice and Environment and Improving Performance. An accreditation program for problem gambling counselling services should incorporate these general standards, as well as elements specific to the gambling counselling program.

The Tribunal considers that, given that the strategies outlined in the *Policy Framework* have the support of stakeholders and reflect best practice, these strategies should be incorporated into a program of accreditation. Further, its review of the literature and stakeholder opinion suggests that three of these strategies should be prioritised for implementation:

- establishing minimum standards for counsellors
- improving and standardising client data collected
- standardising client follow-up procedures.

Once the accreditation program has been developed and refined, the Tribunal considers it should be implemented across problem gambling counselling services, and phased in over a period of approximately three years. Once accredited, these services should be coordinated under a centralised network and 'branded' under a common name. The basis for the Tribunal's position and its recommendations on each of these matters is discussed in detail below.

Recommendation

- *An accreditation program for problem gambling counselling services should be developed and introduced in NSW and phased in over approximately three years.*

7.3.1 Setting minimum standards for counsellors

Description

Minimum standards for counsellors refer to the level of qualification, training and experience required of those working in problem gambling treatment services. The Tribunal understands that the CCBF has begun to develop minimum qualifications for counsellors, and has recommended that the NSW Community Services and Health Industry Training Advisory Board be engaged to develop an accredited vocational education and training qualification as a minimum standard for workers within the problem gambling treatment sector. This project is due for completion in 2006.

Literature review

In Massachusetts, participants in the 'National Think Tank' study reported that certification of counsellors should be a requirement for all staff.⁴³⁵ Participants argued that all entry-level staff should have training specific to problem gambling, regardless of their other qualifications, and that supervisors should hold a specific qualification in problem gambling counselling in addition to a qualification in another field such as addiction or mental health.

⁴³⁵ Massachusetts Council on Compulsive Gambling, *National Think-Tank*, 2001, p 11.

Stakeholder views

Several stakeholders who made submissions to the review supported the need to establish minimum competency standards for counsellors as a means of improving the quality of treatment received by clients.⁴³⁶ For example, the NSW GIO argued that the establishment of minimum competency standards for counsellors is critically important. It noted that in April 2001 it had written to the Australian Psychological Society (APS) requesting that it become involved in the establishment of these minimum standards, but that this project did not proceed.⁴³⁷

The Gambling Impact Society argued that minimum training levels for counsellors should be set at university-level psychology or social work. It also proposed that minimum standards should include additional training specific to problem gambling, and training in dealing with families as well as problem gamblers themselves.⁴³⁸

The University of Sydney Gambling Treatment Clinic put the view that 'best practice' would employ clinical psychologists in the treatment of problem gambling. It argued that due to the high level of co-morbidity among the problem gambling population, workers required skills in clinical diagnosis consistent with the training of clinical psychologists. It also pointed out that counsellor characteristics such as warmth and empathy, while positively affecting the counsellor-client relationship, will not lead to improved client outcomes alone. Rather, counsellors must also be skilled and display competence in counselling to allow clients to feel confident in obtaining a positive result.⁴³⁹

The Victorian Gamblers Help program requires counsellors working with problem gamblers and their families to meet minimum standards. These standards were developed by the Victorian Department of Human Services, and include a tertiary qualification such as a degree in psychology or social work. However, many of these counsellors have also completed specialised training in the treatment of problem gambling. The key counselling stakeholders the Tribunal interviewed in Melbourne uniformly supported establishing minimum standards and argued that this would promote positive outcomes for clients.

Leading NSW counsellors at the Tribunal's roundtable discussion also strongly supported establishing minimum standards for counsellors. However, they also expressed concern that this could negatively affect counsellors, particularly in rural areas, who have provided counselling services for many years without formal qualifications. They argued that these workers should gain recognition for relevant current competency and for prior learning and experience.

Comment

The Tribunal considers that given the strong stakeholder support for the development of minimum counsellor standards in NSW, this should be progressed as a priority and incorporated into a program of accreditation. Although several stakeholders argued that minimum standards should be set at the level of psychologist or social worker, the Tribunal notes the concern of participants in its roundtable discussion that some existing counsellors, particularly in rural areas, do not have formal qualifications. Many have provided

⁴³⁶ See submissions by Gambling Impact Society, University of Sydney Gambling Treatment Clinic, NSW Gaming Industry Operators, Star City Casino and ClubsNSW.

⁴³⁷ NSW Gaming Industry Operators submission, 2003, p 29.

⁴³⁸ Gambling Impact Society submission, 2003.

⁴³⁹ University of Sydney Gambling Treatment Clinic submission, 2003, pp 8-9.

counselling services for a number of years and have very often engaged in gambling specific training and further professional development.

Given this, it recommends that a flexible approach be taken to the development of minimum counselling standards for existing counsellors, so that the experience of such workers be taken into consideration. The Tribunal would expect, however, that any new counsellors would need to have formal qualifications.

Recommendations

- *The development of minimum standards for problem gambling counsellors should be progressed as a priority and incorporated into a program of accreditation. Once established, minimum standards should be applied to problem gambling services as a part of the accreditation program.*
- *A flexible approach should be taken when developing minimum standards for existing counsellors, particularly those in rural areas.*

7.3.2 Standardising the client data set

Description

Counselling services usually collect information on a client in the form of a client data set. The *Policy Framework* identified the need for services to collect comprehensive client data in a systematic and consistent way. The current data set for clients of CCBF-funded problem gambling counselling services comprises questions regarding demographic information, preferred venue for gambling, gambling activities, and source of referral.

The Tribunal understands the CCBF is currently working towards improving data collection by developing and implementing a standardised client data set which is facilitated by a web-based database. The Tribunal strongly supports this initiative, and is of the view that a standardised client data set should:

- allow services and funding bodies to monitor access to services, patterns of service utilisation
- better provide for comparability of performance
- aid in planning effective treatment service provision for problem gamblers and their families
- allow for the analysis of emerging trends in terms of the number and type of clients presenting for treatment
- provide an accurate picture of those receiving treatment through the analysis of key demographic variables
- allow for future service planning for quality improvement
- aid in the development of strategies for benchmarking.

Literature review

An analysis report of clients presenting to gambling counselling services in Victoria outlined a number of key problems with the Victorian client data set, including a lack of compatibility with data sets being collected by other government agencies. It argued that aligning these data sets would enable a more comprehensive comparison between clients of problem gambling services and the general population in Victoria to be made. In response to this report, the questionnaire used by gambling counsellors in Victoria was reviewed and redesigned.⁴⁴⁰

Stakeholder views

Several stakeholders who made submissions to the review supported improving monitoring and evaluation for counselling services. They argued that the effectiveness of gambling counselling services in NSW is not currently assessed in any standardised way.⁴⁴¹

Counsellors who participated in the roundtable discussion supported recent improvements to information collection, but argued that the current data collection questionnaire still requires refinement. They noted that the existing gambling client data set appears to be very brief when compared with those of other counselling services, and suggested that additional information should be collected on marital status, living arrangements, income and other key demographic information to give a more complete picture of clients of counselling services. In addition, they expressed concern that information collected has not been relayed back to services in a timely fashion, and has therefore not been as useful as it could have been in helping to inform the planning of services.

Comment

Based on its literature review and stakeholder views, the Tribunal considers that improving information collection and the useability of this information is critical to the planning of effective treatment provision. Meeting determined data collection standards should be a requirement in the development of a program of accreditation.

The more complete and comprehensive a set of information, the more useful it is for monitoring trends and informing service planning. As outlined by stakeholders, information should also be analysed and relayed back as quickly as possible to provide treatment service agencies with accurate and relevant information to allow for service reconfiguration and refinement as appropriate.

Consideration should be given to expanding the current client data set to give a more complete picture of problem gamblers and, in line with the findings of the Victorian analysis report, to make the data more comparable with data sets across other related portfolios.

The *Gaming Machines Act 2001* requires hotels and clubs to enter into arrangements for problem gambling counselling and provides that the regulations may make provision with respect to the manner in which these counselling services are to be provided. To this end, the Gaming Machines Regulation 2002 regulation identifies BetSafe and the schemes operated by ClubsNSW and the AHA.⁴⁴² To give a more complete and useful picture of

⁴⁴⁰ Jackson, A., Thomason, N., Ryan, V., and Smith, S., *Client and Service Analysis Report No. 1 – Analysis of Clients Presenting to Problem Gambling Services*, School of Social Work, University of Melbourne, 1997.

⁴⁴¹ See submissions by USGRU, ClubsNSW and Services Clubs Association.

⁴⁴² Gaming Machine Regulations, 2002, r. 46.

problem gambling, the Tribunal considers these industry-operated counselling services should be similarly required to collect standardised client information.

Recommendations

- *The current client data set should be reviewed, and consideration should be given to collecting a wider set of information to provide a more complete picture of those receiving treatment for problem gambling. Once established, the incorporation of a comprehensive client minimum data set should be applied to problem gambling services as a part of a program of accreditation.*
- *The department responsible for the collection of the client data set should analyse and feed-back information to counselling services in a timely fashion.*
- *Consideration should be given to aligning the gambling client data set with those of other counselling areas to enable comparability.*
- *Industry counselling schemes listed as approved by the Minister in the Gaming Machines Regulation 2002 should be similarly required to collect and submit client data in a standardised format.*

7.3.3 Standardising client follow-up procedures

Description

Client follow-up, or outcome measurement, is a key part of quality assurance and allows for a measure of service effectiveness and client change. Client follow-up involves administering a test or scale designed to measure the difference from one point in time (usually pre treatment) to another (usually post treatment).

Literature review

In recent times, accountability to consumers and to funding bodies has taken on greater public significance. The problem gambling counselling literature shows a strong trend towards outcome measurement, through client follow-up, as the primary tool to measure services' effectiveness and as a key requirement of an accreditation program.⁴⁴³ For example, an article by Blaszczyński and colleagues stated that there is a need for controlled treatment outcome studies to be conducted to develop 'best practice' approaches in the management of problem gambling.⁴⁴⁴

In terms of the types of questions that should be asked at follow-up, the Massachusetts 'National Think Tank' report found that an effective measure of treatment efficacy should include changes in gambler behaviour (including amount gambled), illegal activities, incidence of other co-morbid behaviours (such as drug and alcohol use, depression and anxiety), management of finances, and stated satisfaction with the treatment experience.⁴⁴⁵

⁴⁴³ Department of Health and Aged Care (Cwth), *Standards and Quality Improvement Processes in Health and Community Services: A review of the Literature*, June 2000, p 1.

⁴⁴⁴ Blaszczyński, A., Walker, M., Sagris, A. and Dickerson, M., *Psychological Aspects of Gambling Behaviour*, Australian Psychological Society, Australia, 1997, p 23.

⁴⁴⁵ Massachusetts Council on Compulsive Gambling, *National Think-Tank*, 2001, p 16.

Under a New Zealand model, the telephone counselling service (G-line equivalent) conducts follow-ups of clients and assesses progress against outcome criteria.⁴⁴⁶ Thus counselling services are not required to follow-up their own clients, avoiding potential problems associated with this methodology. Three measurements are administered to clients at assessment and repeated at follow-up: the SOGS, a measure of how much money has been lost, and a test of the client's assessment of the degree of control they have over gambling. This model would underpin the development of an effective follow-up system as a critical element to achieving good outcomes.

Stakeholder views

Stakeholders who made submissions to the review expressed concern that the effectiveness of gambling counselling services in NSW are not currently assessed in any standardised way. They also suggested that accountability and audit measures should be strengthened and that measurement of client outcomes should be developed as a priority.⁴⁴⁷ The Services Clubs Association argued that there is no central register of outcomes and therefore no measure of the effectiveness of treatment.

The Gambling Treatment Clinic at the University of Sydney submitted that the key characteristics of a quality service include a structured evaluation program for up to two years post treatment. It suggested that best practice would be to conduct the same structured interviews pre-counselling and at follow-up. It also pointed out that the University of Sydney has developed a Structured Clinical Interview for Problem Gambling (SCIP) that uses the DSM-IV criteria, and also measures time and money spent on gambling and assesses the level of debt of the client.⁴⁴⁸

McKesson Asia Pacific (which administers G-line) indicated that it supports the collection of meaningful outcome data, and has sought to enhance its role in this area.⁴⁴⁹ The Tribunal understands that the G-line approach is widely regarded as an effective framework for measuring client outcomes. Counsellors at the Tribunal's roundtable discussion suggested that client follow-up could be carried out by G-line on a sampling basis.

Comment

Given the strong support both in the literature and from stakeholders for the measurement of outcomes through the development of client follow-up, the Tribunal recommends this strategy be progressed as a priority and incorporated into a program of accreditation.

Ideally, follow-ups should be standardised, valid and reliable. Reliability refers to how uniformly the test can be repeated when administered on more than one occasion or by more than one person. Validity refers to the extent to which the test measures what it intends. An outcome measure should be easy to administer and acceptable to the client. It should allow for comparability between clients, and comparability between services. A 'same structure' interview should be conducted both pre and post treatment to allow for an accurate measure of client change, and follow-ups should be conducted for a period of two years.

⁴⁴⁶ Paton- Simpson, G., Gruys, M., and Hannifan, J., *Problem Gambling Counselling in New Zealand: 2002 National Statistics*, New Zealand Problem Gambling Committee, 2003.

⁴⁴⁷ See submissions by Services Clubs Association, USGRU and NSW Gaming Industry Operators.

⁴⁴⁸ University of Sydney Gambling Treatment Clinic submission, 2003, p 9.

⁴⁴⁹ McKesson Asia-Pacific (G-Line) submission, 2003, pp 9-10.

In line with international models and the views of stakeholders, consideration should be given to expanding the role of G-line to conduct follow-ups. The Tribunal considers that such a model would have significant advantages for improving service effectiveness and client outcomes.

Recommendations

- *The development of a standardised tool for measurement of client outcomes should be progressed as a priority and incorporated into a program of accreditation. Once established, client follow-up should be applied to problem gambling services as a part of a program of accreditation.*
- *Consideration should be given to expanding the role of G-line to enable the service to conduct follow-up of clients in NSW.*

7.3.4 Implementing the accreditation program

Once accreditation standards are developed and incorporated into an accreditation program, the program should be implemented across problem gambling treatment agencies in NSW and phased in over approximately 3 years.

The Tribunal considers that engagement in a process of accreditation should be a minimum requirement to receive new or continued funding from the CCBF. This does not mean that services that are not accredited will be de-funded. Rather, services would need to have achieved accreditation or *be working towards* this to received funding.

In the short term, there may be resource implications for some agencies that would require significant improvements to meet accreditation standards. The Tribunal's opinion is that this issue can be partly addressed by phasing in accreditation over time, and by having a mechanism in place to allow already existing services some flexibility to demonstrate adequate adherence to accreditation criteria. In addition, the Tribunal has also found that there is scope to focus the current funding for community projects (see Chapter 8).

Services that have been in operation for a number of years and have demonstrated sound practice and client outcomes may be eligible for accreditation immediately, while new services applying for CCBF funding for the first time would be required to undertake a full accreditation process as a condition of funding. Typically, organisations that provide counselling services under a health portfolio receive either two or four-year accreditation with on-site reviews occurring every two years.

Organisations in the process of accreditation typically undergo an internal self-assessment followed by an external review. Self-assessment involves reviewing current practices, identifying areas for improvement, assigning priorities and strategies for improvement, and selecting performance indicators to measure change. This should be incorporated into guidelines for accreditation.

The *Gaming Machines Act 2001* provides that the regulations may make provision with respect to the manner in which industry counselling services are to be provided. Clients of problem gambling counselling services should be confident that they are receiving a high-quality service regardless of whether they are presenting to a CCBF-funded service or an industry-operated service. As such, the Tribunal considers that industry-operated counselling services should be similarly required to meet accreditation standards.

Recommendations

- *Accreditation should allow for flexibility in the recognition of existing skills and experience within existing services.*
- *Services should undergo a program of internal self-assessment followed by an external review by an accreditation service provider.*
- *Services should be engaged in the process of accreditation as a condition of new and ongoing funding.*
- *Industry counselling schemes should be required to meet the same standards as CCBF-funded agencies.*

7.4 Implementing common branding

Description

Common branding refers to the co-ordination of the counselling services under a centralised network and 'branding' these services under one common name.

In Victoria, problem gambling counselling services were initially provided under the 'BreakEven Program', which was established by The Victorian Department of Human Services as part of its Problem Gambling Services Strategy (PGSS) in 1993. The BreakEven program has since been adapted and expanded to Queensland (renamed Gambling Help), South Australia and Tasmania. It was also further developed and re-branded as 'Gambler's Help' in Victoria in 2000.

Literature review

The Tribunal is not aware of any literature that specifically focuses on the common branding of problem gambling counselling programs.

Stakeholder views

The counselling stakeholders in Victoria that the Tribunal interviewed supported common branding, arguing that it provides greater coordination and visibility to problem gambling counselling services. In that state, the coordination of the counselling program on a state-wide level has been described as having significant advantages for service utilisation due to high level visibility of services leading to strong community awareness. Advertising and educational campaigns are developed state-wide, enabling the promotion of services across the state including in localised areas.

Several NSW stakeholders who made submissions to the review also supported common branding. For example, Wagga Wagga City Council stated:⁴⁵⁰

Consideration (should be given to) a coordinated approach to counselling and community services in NSW that are designed to meet the needs of problem gamblers and their families, including the provision of services under a single service name for the whole of NSW, easing the problem associated with promoting the availability of a service in localised areas.

Comment

The Tribunal noted in section 7.1.1 that, when it established the problem gambling counselling program in NSW, the CCBF favoured an approach which encouraged diversity in treatment. The main aim of the CCBF has been geographical coverage of the state and wide accessibility of services. While this approach may have been advantageous in the short term and in the initial set-up phase of the counselling program, the Tribunal considers it is now time to move towards an integrated and coordinated framework.

The Tribunal considers that coordinating the program on a state-wide level under one service name and continuing to use the G-line telephone number in NSW would result in significant advantages for service utilisation. Advertising and educational campaigns could be developed state-wide, which would improve the promotion of services in localised and remote areas. High-level visibility of services would promote strong community awareness. Common information and resources could be developed across NSW with efficiencies in cost and production time.

In relation to implementing this approach, existing services would not need to undergo a name change. Rather, services would be recognised as a member of the accreditation network and consumers could be assured that all services thus branded met minimum program standards.

In this way there would be two main identifiers of problem gambling counselling treatment services in NSW:

- All CCBF-funded services should be commonly branded under one name such as 'Gamblers Help'. This would identify these services, including G-line, as funded by the CCBF.
- More broadly, all counselling services that have achieved accreditation should display an accreditation logo, thereby identifying them as having met minimum standards. This would necessarily include CCBF-funded counselling services and the industry counselling schemes listed in r. 46 of the Gaming Machine Regulations. In addition, other counselling services could display this logo should they undertake the accreditation process.

For practical purposes, all accredited CCBF-funded services would display both the common brand and the accreditation logo. The schemes that are funded by the industry but nonetheless meet accreditation standards would display the accreditation logo only.

⁴⁵⁰ Wagga Wagga City Council submission, 2003, p 3.

Furthermore, consideration should be given to national branding for problem gambling counselling services. The Tribunal considers there are significant advantages for advertising and educational campaigns, which could be developed nationally under the Ministerial Council on Gambling.

Recommendations

- *A coordinated program of problem gambling counselling should be established enabling the provision of CCBF-funded problem gambling counselling services under a single service name or brand. Membership of such a branded network should be awarded to problem gambling services that have successfully undergone accreditation, or that are undergoing accreditation, identifying them as a high quality and government approved service.*
- *Counselling services that achieve accreditation should display an accreditation logo.*
- *Consideration should be given to national branding for problem gambling counselling services.*

8 ADMINISTERING THE POLICY

As noted in Chapter 4, the responsible gambling environment should include an integrated policy framework, more effective measures that are evidence-based where applicable, and more effective counselling services. In proposing the integrated responsible gambling policy, and in examining the effectiveness of measures, the Tribunal considered the administrative arrangements for the policy.

The Tribunal found that there are two main aspects of the current harm minimisation framework that are particularly relevant to the effective administration of the proposed responsible gambling policy framework:

1. The **strategic policy and planning** role in relation to responsible gambling is currently split across the DGR, CCBF Trust and the LAB, with no single body having overall responsibility for this essential function. This role is critical to ensuring that the policy framework *is* integrated and coherent.
2. The **administration of programs** is consequently not sufficiently aligned to policy, including
 - the CCBF-funded *research program* is not closely linked to policy development, so the funded research does not always have practical benefits in terms of informing policy decisions
 - there have been significant delays in implementation of the policy framework for the CCBF-funded *counselling program*. In addition, leading counsellors appear to lack confidence in the CCBF Trust's expertise in relation to counselling, and in the arrangements between the Trust and the CCBF Branch
 - the CCBF Trust's requirement that a certain percentage of triennial funding in each region be spent on *community awareness and education program* may not result in the level of impact that a more coordinated, state-wide approach would achieve with similar funding
 - the CCBF-funded *community projects program* lacks a strong focus on gambling projects, and does not appear to be guided by a formal framework or strategy.

The Tribunal's findings in relation to these areas are discussed in detail below.

8.1 No single body has overall responsibility for strategic policy and planning

Strategic policy and planning is developing objectives for policy and determining what needs to be achieved in order to realise these objectives. Effective strategic policy and planning should result in policy development that is not buffeted by events or short-term distractions, and in the appropriate allocation of resources.⁴⁵¹ Currently in NSW, no single body has overall responsibility for strategic policy and planning for the existing gambling harm minimisation framework. The Tribunal considers that such administrative arrangements could hinder the development and ongoing operation of the proposed responsible gambling framework.

⁴⁵¹ Prime Minister's Strategy Unit (UK), undated, *Strategy Survival Guide*, Version 2.1, accessed at: www.strategy.gov.uk/su/survivalguide/index.htm.

8.1.1 The Department of Gaming and Racing

In our system of government, ministers are responsible to Parliament for spending public money and for other government activities in their portfolio areas. Ministers are generally assisted in their duties by departments, which provide strategic advice and professional support to the minister. This includes the development and administration of legislation, regulations, grants and incentives to industry. The departments traditionally provide the strategic policy framework for portfolio issues.

In the Gaming and Racing portfolio, the DGR provides professional support and strategic advice to the Minister, including developing and administering legislation and regulations and making submissions to the Cabinet that contain policy initiatives and expenditure commitments. However, in relation to strategic policy and planning for responsible gambling in the portfolio, the DGR does not have overall responsibility. Rather, the CCBF Trustees and the LAB primarily have this role for critical aspects of the responsible gambling policy.

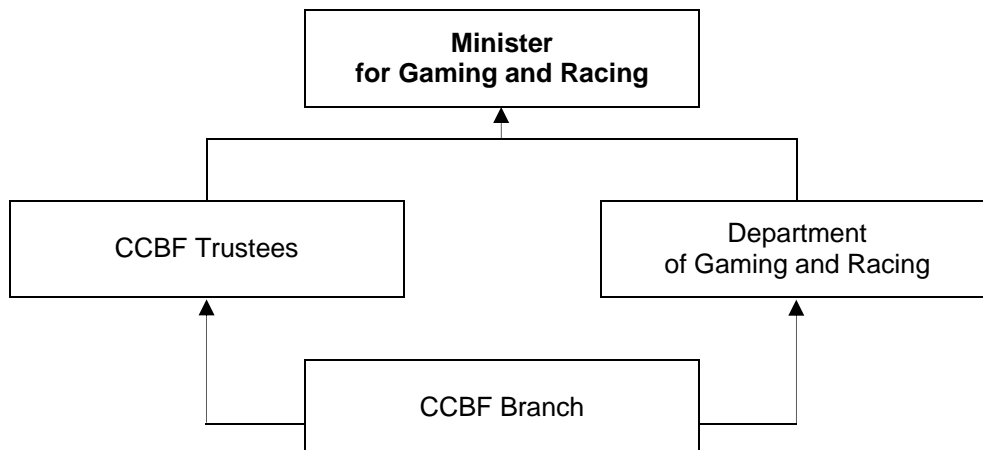
8.1.2 CCBF Trustees

The CCBF is governed by up to 11 Trustees appointed under the current 'Trust Deed' between the NSW Government and the CCBF. Currently, the Trustees represent Wesley Mission, the Salvation Army, the St Vincent de Paul Society, the Uniting Church, ethnic communities, the Departments of Education and Training, Health, Community Services, and Gaming and Racing.

The Trust Deed sets out the objectives of the Trust and governs the monies derived from the 2 per cent levy applied to the Casino. The Trustees are responsible for recommending to the Minister projects and activities to be considered for funding, and establishing guidelines for the distribution of monies. They are required to make recommendations in accordance with the objectives of the Fund, which include supporting organisations that provide counselling, support and rehabilitation services to those affected by problem gambling. The Minister typically approves the allocation of funds to individual projects on this basis. The CCBF Trust administers these projects with assistance from the CCBF Branch (around 12 staff) within the Department of Gaming and Racing. This organisational structure is illustrated in Figure 8.1.

The CCBF Trustees have primary responsibility for strategic policy and planning for the various CCBF-funded programs—which include research, counselling, community awareness and community projects. Their role includes developing the strategic direction of these programs and administering the programs.

Figure 8.1 CCBF organisational structure



8.1.3 Liquor Administration Board

Under Division 2 of Part 5 of the *Gaming Machines Act 2001*, the LAB approves gaming machines for operation in clubs and hotels in NSW. For the purposes of ensuring the integrity of gaming, the LAB also approves Technical Standards for gaming machines, which set out criteria against which machines are evaluated prior to being submitted for approval.

When the Technical Standards were first introduced in the 1970s, they did not include gambling harm minimisation measures; rather, they were focused on communication protocols and certain operational issues.⁴⁵² In 1999, however, the legislation providing for the regulation of gambling were amended to provide for harm minimisation—namely, primary objects were inserted into the legislation for ‘the need for gambling harm minimisation and the fostering of responsible conduct in relation to gambling’. Accordingly, when approving gaming machines under the *Gaming Machines Act*, the LAB is required to give due regard to the need for gambling harm minimisation when considering what is or is not in the public interest under this Act.⁴⁵³

When approving gaming machines, s. 62A of the *Gaming Machines Act* also requires the LAB to have due regard to:

- the need for gambling harm minimisation
- the need to foster responsible conduct in relation to gambling
- the need to minimise the potential for any harm that may result from the approval of Technical Standards under s. 62 of the *Gaming Machines Act* or from the declaration of a device as an approved gaming machine under this Division
- whether, in the opinion of the Board, any feature, function or characteristic of any such device is likely to lead to an exacerbation of problem gambling.

⁴⁵² LAB, *First Determination*, 2001, p 11.

⁴⁵³ *Gaming Machines Act 2001*, s. 3.

In this context, the LAB has primary responsibility for strategic policy and planning in relation to the Technical Standards for gaming machines, which set out minimum requirements for approved gaming machines in NSW. Its role includes developing the strategic direction of and administering these standards. The LAB is assisted in its work by the appointment of three departmental officers to its secretariat. The DGR further assists the LAB by carrying out some administrative work and technical functions on a contract basis, and exercising some functions under delegation.

The LAB's attention to harm minimisation when developing the Technical Standards was further focussed on 8 February 2000, when the then Minister for Gaming and Racing requested it to review the Technical Standards to incorporate gambling harm minimisation measures.⁴⁵⁴ The LAB undertook this review and released provisional determinations in November 2000. Following a consultation process, it published its First Determination of proposed changes to the Technical Standards in April 2001. The First Determination contained an extensive range of recommendations or findings, as summarised in Attachment 6.

While several of the recommended measures were introduced through the LAB's subsequent adoption of the National Technical Standards,⁴⁵⁵ or through legislative amendments to the gambling harm minimisation regime, the LAB has not implemented the First Determination. Three of the measures identified in the First Determination were subject to research commissioned by the NSW GIO. This research was then subject to CCBF-funded independent evaluation. In its submission to this review, the LAB stated that this research and evaluation process has had "the effect of delaying implementation of the First Determination"⁴⁵⁶, as it did not wish to mandate several tranches of changes to the Technical Standards due to the costs to industry.⁴⁵⁷ Nonetheless, the LAB submitted that it remains of the view that the First Determination is current.⁴⁵⁸

In its submission, the Australian Gaming Machines Manufacturers Association expressed concern about the LAB's role in harm minimisation, particularly with regard to administering the Technical Standards. It argued that LAB decisions have resulted in "serious restrictions to game design that have impacted on the entertainment offered by gaming machines without impacting on problem gambling".⁴⁵⁹

Comment

The Tribunal has found that the strategic policy and planning role in relation to responsible gambling policy is split between the DGR, CCBF Trust and the LAB, and that no single body has overall responsibility for this critical function. This could hinder the development of the proposed responsible gambling policy framework. Furthermore, the Tribunal has concerns as to whether the Technical Standards are appropriate for developing and establishing responsible gambling measures.

⁴⁵⁴ LAB, *First Determination*, 2001, p 8.

⁴⁵⁵ In August 2002, the LAB adopted the National Standards with the NSW Appendix.

⁴⁵⁶ Liquor Administration Board submission, 2003, p 25.

⁴⁵⁷ LAB, *Annual Report: 2002-2003*, 2003, p 8.

⁴⁵⁸ Liquor Administration Board submission, 2003, p 25.

⁴⁵⁹ AGMMA submission, 2003, p 4.

Recommendations

- *The Government should note that no single body has overall responsibility for strategic policy and planning in relation to responsible gambling.*
- *The Government should note that there are concerns regarding whether the Technical Standards are an appropriate basis for developing and establishing responsible gambling measures.*

8.2 Administration of existing harm minimisation programs in NSW

Government programs may involve government in directly providing services to the public or in allocating grants to organisations to deliver services. Under the existing harm minimisation framework, the CCBF Trustees administer four main programs:

- research into problem gambling and associated matters
- problem gambling counselling services
- community awareness and education
- community projects.

The Tribunal's discussion and findings in relation to these programs are set out below.

Initially, the Tribunal wishes to note the relevance of the NSW Auditor-General's performance audit in relation to *Managing Grants*.⁴⁶⁰ The Tribunal notes that the Auditor-General's recommendations for administering grants should promote agencies' abilities to align grants with government objectives and demonstrate that the money is spent as intended. The recommendations are listed at Attachment 8 and fall under the following main categories:

- alignment with corporate programs
- planning
- selection
- management
- evaluation.

8.2.1 Research program could be better linked to policy development

Aim and resources

In NSW, government-funded research into problem gambling and harm minimisation is funded and administered through the CCBF. The CCBF Trust Deed sets out that one objective of the CCBF Trust is "funding appropriate research into gambling and the social and economic impact of gambling".⁴⁶¹ Under the CCBF Policy Guidelines issued on 6 September 2001 by the then Minister for Gaming and Racing, at least 10 per cent of total funding must be applied towards research.

⁴⁶⁰ Audit Office of NSW, *Performance audit report: Managing grants*, December 2002.

⁴⁶¹ *Trust Deed Establishing the Casino Community Benefit Fund*, 25 July 2000, cl 5.1.

Between 1995 (when the CCBF was established) and 30 November 2003, the CCBF Trust allocated over \$4.7 million to research, comprising seven per cent of the total funds allocated by the Fund.⁴⁶² Since 1998, the amounts allocated to research per financial year were as follows:

- \$210,000 in 1998/99
- \$0 in 1999/2000
- \$672,000 in 2000/01
- \$243,000 in 2001/02
- \$481,000 in 2002/03.

Operation

In their submission to this review, the CCBF Trustees noted that they are currently following a research framework that focuses on three key areas:

- **‘before’ or ‘recreational gambling’**, which focuses on ‘the stages before someone becomes a problem gambler, or the preventative measures that can be implemented’
- **‘after’ or ‘problem gambling’**, which focuses on ‘the stage once problem gambling has manifested itself ... [including] rehabilitation and impact analysis’
- **baselines studies**, which aim to establish baseline data in a format that may be compared and exchanged with other states and territories.⁴⁶³

The CCBF Trustees also noted that on 18 November 2003, the Minister approved funding for seven research proposals under the CCBF Research Program. One of the projects is a prevalence study that is budgeted at \$150,000. The remaining research proposals cover a range of topics, and the Trustees have allocated \$75,000 for each proposal.⁴⁶⁴

The CCBF Trustees have also committed \$1,475,000 over five years to a National Gambling Research Program under the auspices of the Ministerial Council on Gambling. This research program is a joint initiative of the Federal Government and each state and territory, and is subject to a memorandum of understanding between the parties, signed on 27 October 2003 by the Federal Minister for Family and Community Services. The NSW representative on the Ministerial Council’s national research working group is an officer from the DGR.

Comment

When the Tribunal examined NSW gambling policy in 1998, it found that it was difficult to assess which measures help foster responsible gaming, as there was very little research available on the effects of gambling and on the measures that succeed in promoting responsible gambling. It also found there was a need for greater research on which treatments for gambling problems work best, as well as ongoing analysis on the extent of problem gambling.⁴⁶⁵ While there has been significant research activity since this time, particularly in recent years, the current review found there is still a need for more research, of high quality and of greater relevance to the policy process.

⁴⁶² CCBF Trustees submission, 2004, p 7.

⁴⁶³ CCBF Trustees submission, 2004, pp 11-16.

⁴⁶⁴ CCBF Trustees submission, 2004, p 16.

⁴⁶⁵ IPART, *Inquiry into Gaming*, 1998, p 53.

The Tribunal is also concerned about some unnecessary complications and lack of consultation in the administration of the research program. It is clear from the example of research commissioned following the release of the LAB's 'First Determination' regarding the Technical Standards for gaming machines, that too many bodies were involved in the development of research. This led to an unwieldy process and significant delays. For instance, in response to the LAB's First Determination, the gaming industry formed the NSW GIO and commissioned two research reports into three of the measures that were proposed in the Determination. On receipt of this industry-funded research, the LAB then recommended that an independent peer review should be commissioned of the research. This review was then commissioned by DGR with CCBF funding and undertaken by Auckland University.

At this early stage of the development of responsible gambling policy, the Tribunal considers it is crucial that all government-funded research into problem gambling and gambling protection has the capacity to inform development of policy (see section 4.4). This is even more important now the National Research Program has been established under the Ministerial Council for Gambling, as it involves DGR as the NSW participating agency. As discussed in Chapters 5 and 6, the Tribunal has recommended that research be conducted into a number of measures, and where appropriate that this research should be undertaken nationally or in conjunction with other states and territories.

Recommendations

- *The Government should note that the research program could be better linked to policy development.*
- *The Government should note that there are too many bodies involved in the development of research which could affect the Department of Gaming and Racing's role with the national research program under the Ministerial Council.*

8.2.2 Delays in implementing policy framework for counselling program

Aims and resources

The CCBF Trust develops and administers the NSW Government's problem gambling counselling program. The CCBF Trust Deed sets out the objectives of the CCBF, which include:

- supporting organisations offering counselling services for problem gamblers and their families
- supporting treatment and rehabilitation services for problem gamblers and their families.

The CCBF Policy Guidelines issued by the former Minister for Gaming and Racing stipulate that the CCBF should aim to direct at least 40 per cent of total funding towards counselling, treatment and rehabilitation services.

Between 1995 and 30 November 2003, the CCBF Trust allocated just over \$43 million to treatment, comprising 60 per cent of the total funds allocated by the CCBF.⁴⁶⁶ Since 1998, CCBF funds paid per financial year in relation to treatment approximately were as follows:

- \$3.227m in 1998/99
- \$3.911m in 1999/2000
- \$6.463m in 2000/01
- \$8.637m in 2001/02
- \$6.372m in 2002/03.

Operation of the counselling program

The CCBF Trust currently funds 60 gambling treatment services around NSW, to enable these services to provide free counselling and other treatment to problem gamblers and their families. Included in these 60 services is G-line (see section 7.1.2).

As discussed in Chapter 7, the CCBF is currently implementing a *Policy Framework* on treatment services, which provides a five-year strategic plan that should guide improvements to treatment services. Specifically, the CCBF has progressed the following parts of its *Policy Framework*:

- triennial funding for treatment services
- client data set
- minimum qualifications for counsellors
- codes of ethics and professional standards.

Comments

Based on its consultation for this review, the Tribunal is concerned that the CCBF Trustees may not have the confidence of counsellors, particularly the leading counsellors, regarding their administration of counselling services. Certain counsellors expressed concern about the Trustees' expertise in developing, administering and funding a 'public health' program such as counselling (see section 7.1.4). They noted that the Department of Health has a history of working with non-government organisations and has an established framework for working with counselling services across NSW. Others argued that the role of the CCBF Trustees should be reviewed and limited, suggesting that the functions of the CCBF Trust should be devolved to the Department of Gaming and Racing, or to other departments such as the Premier's Department or the Department of Health.⁴⁶⁷

Furthermore, several counsellors raised concerns about the general role of the CCBF Branch, which they described as fragmented. The counsellors suggested that the effectiveness of the Branch is hindered because, although it is located in the DGR, in practice it reports to the CCBF Trustees. They argued that the Branch appears simultaneously to be serving two authorities: the Minister (through what should be the DGR's primary role to provide strategic advice and professional support to the Minister), and the CCBF Trust.

⁴⁶⁶ CCBF Trustees submission, 2004, p 7.

⁴⁶⁷ See also submissions by Gambling Impact Society and Macarthur Financial Counselling Service. Concerns about structure and resources of counselling services were also expressed in submissions by ClubsNSW, Gambling impact Society and the City of Wagga Wagga.

While some progress has been made in the implementation of the CCBF's *Policy Framework*, there have been some significant delays. As explained in Chapter 7, the Tribunal is of the view that certain strategies should be prioritised and also incorporated into an accreditation program that should be introduced for problem gambling counselling in NSW.

In addition, the counselling program could benefit from greater coordination with the Department of Health, which has significant experience in dealing with non-government organisations and administering a wide variety of counselling programs. In most other Australian jurisdictions, the health or community service departments oversee gambling counselling programs. In NSW, options for the involvement of the Department of Health would include:

- DGR developing greater linkages and cooperation with relevant areas of the Department of Health, and possibly appoint a senior officer from this department onto an inter-departmental advisory committee on the counselling program, or
- DGR contracting with the Department of Health to administer the counselling program.

Recommendations

- *The Government should note that there have been some delays in the development of the problem gambling counselling program. However, the Tribunal has recommended in Chapter 7 that some aspects of the counselling policy framework should be prioritised in the short to medium term.*
- *The Government should note that the Department of Health has significant experience in dealing with non-government organisations and administering a wide variety of counselling programs, which could be of assistance to the ongoing development of the problem gambling counselling program.*

8.2.3 Focussing the community awareness and education program

Aims and Resources

The CCBF Trustees undertake community awareness and education programs on behalf of the NSW Government. One of the objectives of the CCBF is “promoting industry and community awareness of problem gambling and associated activities through education campaigns”.⁴⁶⁸ The CCBF Policy Guidelines set out that at least 15 per cent of CCBF funds should be directed “towards preventative measures including national programs, education and awareness”.⁴⁶⁹

From 1995 to 30 November 2003, the Trust allocated nearly \$7.4 million to awareness and education projects, which represents 11 per cent of the total funds it allocated.⁴⁷⁰ Since 1998, CCBF funds paid per financial year in relation to these projects were approximately as follows:

- \$1.058m in 1998/99
- \$171,000 in 1999/2000

⁴⁶⁸ Trust Deed Establishing the Casino Community Benefit Fund, 25 July 2000, cl 5.2.

⁴⁶⁹ CCBF Trustees submission, 2004.

⁴⁷⁰ CCBF Trustees submission, 2004, p 7.

- \$672,000 in 2000/01
- \$229,000 in 2001/02
- \$1.728m in 2002/03.

Operation of the community awareness and education program

The Tribunal found that prior to its 1998 report, little funding had been provided for prevention and education programs.⁴⁷¹ In this current review, it has found that the CCBF has recently directed significant resources to the G-line awareness campaign, which has been successful in promoting calls to G-line (see section 5.3.1).

The Tribunal also notes the CCBF is working to incorporate education into the triennial funding scheme for counselling services. This scheme is being implemented as part of the *Policy Framework*, and involves implementation of a resource distribution model (RDM) on a region-by-region basis. Under the scheme, a certain proportion of triennial average expenditure of funds *within each region* is required – 76 per cent is to be spent on counselling services; 19 per cent on community projects; and 5 per cent on education.

Comment

Although the Tribunal does not object to the dedication of a specific amount of funding to awareness campaigns, it is concerned this new approach will lead to smaller regional campaigns. It considers these smaller campaigns are not likely to achieve the broad community education that a coordinated, state-wide education campaign would achieve with similar funding (for example, continued G-line advertising or possibly a school-based curriculum).

It is also aware that in some cases the counselling services themselves fund and administer the awareness and education projects. This is not an area where counselling services should be expected to have expertise. It is not appropriate for counselling services to be responsible for the awareness and education projects.

As discussed in section 5.3.1, the Tribunal considers that general advertisements highlighting problem gambling should be extended periodically through the year. The Tribunal also considers that the community education program could be extended to community forums or seminars on responsible gambling issues. Findings relevant to funding this extension are discussed in the following section.

Recommendation

- *The Government should note that the community awareness and education program has been successful. The Tribunal has recommended that the existing campaign should be extended periodically throughout the year.*

⁴⁷¹ IPART, *Inquiry into Gaming*, 1998, p 65.

8.2.4 Community projects program not sufficiently focused on gambling

Aims and resources

One of the CCBF's objectives is "funding community projects and services as may be determined as being of benefit to the community generally".⁴⁷² The CCBF Policy Guidelines set out that the amount of CCBF funding directed to community projects may be "up to 25%" of total CCBF funds.⁴⁷³

Between 1995 and 30 November 2003, the Trust allocated over \$15 million to community projects, comprising 22 per cent of the total funds it allocated.⁴⁷⁴ Since 1998, CCBF funds paid in relation to these projects per financial year approximately were as follows:

- \$2.089m in 1998/99
- \$3.902m in 1999/2000
- \$1.709m in 2000/01
- \$2.005m in 2001/02
- \$1.445m in 2002/03.

Operation of the community projects program

In 1998, the Tribunal expressed concern about the direction of CCBF funding to community projects that were not directly related to gambling. It was noted that there was potential duplication or undermining of the community service planning undertaken by the Department of Community Services (DOCS). It noted that:

... the CCBF is a segment of government money which the government chooses to direct mainly to problem gambling research, support and rehabilitation. It would be inconsistent to allow the fund to develop into a general social funding body. Thus, the fund should be for gambling-related purposes only. This does not prevent subsidisation of general social services, but this should only be done for a gambling reason. Also of note is the view by DOCS that subsidising social services could undermine its comprehensive community service planning.⁴⁷⁵

The Tribunal understands that since the 1998 report, there has been an intention to 'tighten' the funding to community projects that are more directly related to gambling. However, a significant proportion of CCBF funds continue to be directed to projects that are not directly related to gambling. An indicative broad analysis of the projects funded in 2002/03 is provided in Table 8.1.

⁴⁷² *Trust Deed Establishing the Casino Community Benefit Fund*, 25 July 2000, cl 5.5.

⁴⁷³ CCBF Trustees submission, 2003, p 5.

⁴⁷⁴ CCBF Trustees submission, 2004, p 7.

⁴⁷⁵ IPART, *Inquiry into Gaming*, 1998, pp 64-65.

Table 8.1 Community project grants approved by the CCBF in 2002/03

Gambling related	
Awareness and community education	\$546,581
Counselling related projects (including counselling or assistance of family members, culturally appropriate NESB gambling counselling, and other gambling counselling matters)	\$432,149
Total	\$978,730
Not directly related to gambling	
Violence	\$251,636
General counselling (including crisis)	\$72,413
General education	\$127,744
Nutrition and 'life skills'	\$54,133
General community development	\$62,492
Equipment / resources for young people	\$9,068
General community transport	\$40,620
Total	\$618,106

In addition, as for the community and awareness program, the new triennial funding agreements provide that a specified proportion of CCBF funding for each region must be spent on community projects. The Tribunal understands that this proportion is 19 per cent.

Comment

The Tribunal wishes to reemphasise its view that CCBF funds should be used for projects with a gambling-related focus. While the community projects the CCBF Trust has funded to date have generally contributed to the community, they have not always had a gambling focus. For example, the Tribunal estimates that 39 per cent of the funding allocated to community projects in 2002/03 did not directly relate to gambling. It considers it is more appropriate that this funding should not be provided for such projects in the future.⁴⁷⁶ This funding could then be directed to funding and improving treatment services for problem gamblers and their families, particularly to fund the Tribunal's proposals for accreditation and to extend the G-line advertising campaign.

The Tribunal also considers that the gambling-related projects funded by the CCBF as community projects could generally be seen as either counselling related or awareness and community education related (see Table 8.1). It might therefore be more efficient to fund and administer them under the counselling and community awareness programs. Moreover, several counsellors expressed concern that the CCBF Trust does not appear to have formal plans or a formal framework for the community projects, and that the money directed to community projects should be more appropriately directed to improvements in

⁴⁷⁶ The counselling roundtable similarly expressed concern about the funding of non-gambling related community projects.

counselling, education or research. Others suggested that the effectiveness of these community projects should be evaluated with a greater focus on an evidence-based approach.

To simplify and clarify the funding arrangements, the Tribunal considers the category of community projects could be abolished, and the gambling-related projects currently funded as community projects should be funded either under the counselling program or the community education and awareness program, as relevant. As indicated, funding for non-gambling related community projects should be discontinued.

With regard to the new triennial agreements, the proposed requirement of 19 per cent for community projects is very significant. The Tribunal is concerned there should not be any resulting reduction in the amount directed to counselling services. It is also concerned that in some cases the counselling services themselves are required to fund and administer the community projects. The Tribunal considers that it is not appropriate for counselling services to be responsible for community projects, and considers that this reinforces its recommendation to discontinue this category of funding.

Recommendations

- *The Government should note that a significant proportion of monies allocated to community projects do not directly relate to gambling and could be more effectively allocated to funding accreditation or extending the G-line advertising campaign.*
- *The Government should consider abolition of the category of community projects, and gambling-related projects currently funded as community projects should be funded either under the counselling program or the community education program, as relevant. Funding for non-gambling related community projects should be discontinued.*
- *Counselling services should not be made responsible for administering any remaining 'community projects' that fall under relevant programs.*

ATTACHMENT 1 TERMS OF REFERENCE

REVIEW INTO GAMBLING HARM MINIMISATION MEASURES

TERMS OF REFERENCE

IPART is requested to review the effectiveness of existing gambling harm minimisation measures. The review is also to consider further harm minimisation measures that have been identified or proposed for adoption.

The IPART review should not consider key Government policies as outlined in the attachment.

In particular, the review is to examine and report on:

1. The impact of each existing harm minimisation measure on gamblers, problem gamblers and the broader community;
2. Potential further measures that may foster a responsible gambling environment; and
3. The impact of those potential further measures on gamblers, problem gamblers and the broader community.
4. Community services, including problem gambling counselling services and their individual effectiveness in addressing harm minimisation objectives.

In determining impacts on the broader community, the review is to consider the effect of each measure on :

- A. Community services, including problem gambling counselling services, health services, and community support services.
- B. Employment
- C. Support for community projects (both in dollar terms and 'in kind' support)
- D. Recreational and social opportunities.

In undertaking the investigation, IPART is to call for public submissions, IPART is also to meet with peak organisations representing relevant industry, community and trade union groups.

IPART should take account of any relevant studies undertaken both in New South Wales or other jurisdictions, and commission additional studies, if appropriate, within the budget allocated.

IPART is to provide an interim report to the Minister for Gaming and Racing within six months of commencement, and a final report to the Minister after a further three months.

KEY GOVERNMENT POLICIES

The following matters are considered to be core Government policies, and are not to be the subject of the review :

- Statutory caps on gaming machines in hotels and clubs
- Tradeable poker machine entitlement scheme for hotels and clubs
- Requirement to undertake a Social Impact Assessment for additional gaming machines in hotels and clubs (*although the inquiry may investigate measures for improving the current process*)
- Prohibition on gaming machines in hotels and clubs in shopping centres
- Prohibition on gaming machine advertising and external signage

- Requirement that regulatory officials have due regard to gambling harm minimisation in exercising regulatory functions
- Requirement to establish self-exclusion schemes in gaming machine venues and the casino.

HARM MINIMISATION MEASURES TO BE REVIEWED

The following existing harm minimisation measures are to be considered in the course of the review:

- Requirement to shut down gaming machine operations
- Restrictions on gaming machine promotions and other inducements to gamble
- Requirements relating to the display of signage in gaming machine venues, race clubs, TAB outlets, lottery and keno agencies and the casino
- Requirement to provide player information brochures in gambling venues
- Role of community services, including problem gambling counselling services in addressing harm minimisation objectives
- Requirement to display certain information on betting tickets, and lottery and keno entry forms, "how to play" information and websites
- Display of clocks in gaming machine areas
- Controls over cashing of cheques and payment of prizes by cheque or EFT in gaming machine venues and the casino
- Prohibition over providing credit to gamble on gaming machines, casino gaming, or lottery or keno products.
- Requirement to locate ATMs away from gaming machines and casino gaming areas
- Controls over player reward schemes and card-operated gaming machine systems
- Controls over advertising for wagering, keno and lottery products, and casino gaming
- Mandatory training in Responsible Conduct on Gaming for employees in gaming machine venues and the casino
- Requirement that gaming machine venues and the casino enter into arrangements with counselling services.

The following further potential harm minimisation measure is to be considered, along with any additional measures that the inquiry may identify in the course of the review:

- Matters identified in the Liquor Administration Board's *Proposed Revision to the NSW Technical Standards Revision 2 for Gaming Machines and Subsidiary Equipment in NSW – Review – First Determination*.

ATTACHMENT 2 LIST OF RECOMMENDATIONS

Prevalence studies

- To inform gambling policy and program activity, ongoing prevalence studies should be conducted into problem gambling to assess, and monitor over time, the extent of problem gambling, its geographic spread and the profile of problem gamblers.

Responsible gambling policy framework

- The Government should develop a coherent and integrated responsible gambling policy framework. This framework should promote a broad culture of responsibility in relation to gambling among all stakeholders including: government; the gambling industry; gamblers; relevant counselling services; and the general community.
- The responsible gambling policy framework should incorporate three main strategies:
 - promote informed choice
 - protect gamblers to discourage risky behaviours and reduce the prevalence and negative consequences associated with problem gambling
 - provide counselling services to 'at risk' and problem gamblers and their families and friends to reduce the negative impacts of their gambling behaviour.
- Government should promote transparency in responsible gambling policy. In Australia, this should include all governments publishing information on regulatory measures in their jurisdiction.
- The Department of Gaming and Racing should take responsibility for state-wide planning, direction-setting and guidance for responsible gambling policy, to develop an overarching medium to longer-term vision for the policy.
- The Department of Gaming and Racing should actively monitor and enforce compliance with the revised responsible gambling policy.
- Ongoing monitoring and evaluation of the proposed responsible gambling framework should take into account whether certain measures have close substitutes or complementary measures. This should identify whether measures may be made redundant if related measures are particularly effective or if they would be most effectively used in combination with other measures.
- Where measures can be implemented without significant costs to the industry, they should be implemented within six months of the Minister's determination. Where measures involve greater implementation costs or complexities, they should be phased in over time—in the case of gaming machines, the phase-in period following determination of the measure could accompany the introduction of new games or machines, up to a five-year limit following a lead-in time.

Research guidelines

- The responsible gambling policy framework should encourage credible research on which government can make evidence-based decisions. Government-funded research projects should be limited to those which assist government decision-making, and should be subject to independent review—at research proposal and final report—by experts in either gambling research or in the research methodology used.
- Researchers conducting government-funded research should be appointed on the basis of a competitive process—either for the individual research tasks or for appointment to a panel of preferred researchers, which should be developed and administered by the Department of Gaming and Racing.
- In relation to gambling protection measures in particular, research should evaluate the extent to which the measures would:
 - affect problem gambling (including ‘at risk’ gambling) and recreational gambling
 - have significant economic impacts as well as any unintended consequences.

Increasing informed choice for the community

- A review of the number of signs and the messages contained in the entire range of responsible gambling advertisements, signs, brochures, tickets and proposed contact cards should be conducted, to ensure these materials operate effectively and consistently as a package for the community. This review should take into account:
 - the number and placement of signs under the package, to ensure that the different requirements for these notices are complementary
 - the messages conveyed in the signs, to ensure these are effective and consistent
 - opportunities to maximise the effectiveness of problem gambling counselling services and self-exclusion schemes provided or operated by gaming venues
 - the long-term message strategy for the general advertisements highlighting problem gambling (discussed in section 5.3.1)
 - the findings of the Consumer Contact study, including whether the responsible gambling messages and the G-line message are best presented separately or together
 - the Tribunal’s recommendations on counselling services’ branding (discussed in Chapter 7).
- The existing requirement for gaming machines to display the monetary value of credits, bets and wins should continue to operate without amendment.
- The existing requirement for the display of the probability of winning for gaming machines should continue.
- The provision of payout odds by Star City Casino and NSW Lotteries Corporation should continue as a voluntary informed choice measure at this time, and NSW Lotteries should consider giving odds on all of its products.
- G-line advertising campaigns should be repeated periodically throughout the year.
- The timing of these campaigns should be better coordinated with counselling services. The Department of Gaming and Racing, G-line and the individual counselling services

should ensure that a minimum level of counselling services is provided during periods when the campaign is broadcast.

- The long-term message strategy for the general advertisements highlighting problem gambling should be taken into account in the review of the package of informed choice measures, proposed in section 5.1.
- Responsible gambling signage should continue to be required in all gambling venues. However, as proposed in section 5.1, the responsible gambling signage requirements should be reviewed to:
 - increase their effectiveness and consistency
 - rationalise the number of required signs.
- The requirement to provide gambling information brochures should be maintained. However, the messages in the gambling information brochures should be reviewed to increase their effectiveness and consistency, as part of the review of the package of informed choice measures proposed in section 5.1.
- In addition, approved responsible gambling brochures should, where relevant, include information about self-exclusion schemes and counselling services, in addition to G-line.
- The responsible gambling message printed on gambling products should be presented in a more visible and consistent fashion across the range of different gambling entry forms and products, preferably on the front of forms and tickets. The Department of Gaming and Racing should ensure that this requirement is appropriately enforced.
- However, the required message should be reviewed to increase its effectiveness and consistency, as part of the review of the package of informed choice measures proposed in section 5.1.
- Gambling operators should ensure their advertisements present the G-line message and that they do so in a more visible and consistent fashion. However, the required G-line message should be reviewed to increase its effectiveness and consistency, as part of the review of the package of informed choice measures proposed in section 5.1.
- Gambling operators should ensure their advertisements reflect a culture of responsibility in gambling. The Department of Gaming and Racing should ensure this requirement is appropriately enforced.
- Permanent on-screen clock displays should be introduced for gaming machine screens to replace the existing requirement for clocks to be displayed in gaming machine areas at venues. An on-screen clock should be positioned identically on every approved gaming machine.
- Clubs, hotels, the casino and TAB outlets should provide 'responsible gambling' contact cards. The message required for the cards should be reviewed as part of the review of the package of informed choice measures proposed in section 5.1.
- A requirement that gaming machines display pop-up messages to advise players when they have been playing continuously for 60 minutes should be introduced. The introduction of this measure should be accompanied by evaluation.
- The display of payout ratios should not be required for gaming machines at this time.
- Requirements to provide information on individual gambling sessions on gaming machines should not be introduced at this time.

Measures to protect gamblers

- The prohibition on credit for gaming should continue to operate without amendment.
- However, the Government should note that organisations involved in lottery products claim this measure is less relevant to lotteries as they are less likely to be harmful. In addition, they argue that the prohibition creates administrative difficulties for lottery agents who tend to sell other products via credit.
- The prohibition on advertising gaming machines should continue to operate without amendment.
- However, the Government should note gaming operators' concerns about practical difficulties associated with this measure—particularly that it prevents them from sending information about gaming machines to club members.
- The requirements for large payouts not to be paid in cash should continue to operate.
- However, the Government should note that the existing requirements can result in gamblers receiving \$1,000 in cash and perversely a relatively very small amount in cheque. It should also note that gaming industry stakeholders have expressed concern about the number of cheques they are required to issue and have called for:
 - the threshold for payment by cheque to be raised from \$1,000 to \$3,000
 - the voluntary cheque payment arrangements that currently apply to the casino to be also applied to clubs and hotels.
- The existing controls on player reward schemes should continue to operate without amendment.
- However, the Government should note that consumers generally do not request the player activity statements that venues are required to make available as part of player reward schemes. The Tribunal considers that players should be responsible for adopting responsible gambling practices, including using appropriate voluntary measures such as player activity statements.
- The existing restrictions on promotions and inducements should continue to operate without amendment.
- However, the Government should note stakeholder concerns about certain promotions that could be regarded as inducements, including jackpot announcements in venues, free transport and food, and product giveaways.
- If not already considered, offence provisions should be introduced to the Gaming Machines Act 2001 for gaming venues' failure to establish and publicise a self-exclusion scheme.
- All self-exclusion schemes should be required to provide for immediate processing of self-exclusion nominations and enable participants to simultaneously enter into self-exclusion deeds with multiple venues within the scheme.
- Venues, or where they are able to do so, counselling services acting on their behalf, should take photographs of the applicant when they apply for self-exclusion (as opposed to requiring the applicant to bring a passport-sized photograph of themselves when making an application).
- The Department of Gaming and Racing should form a working group with representatives of the approved self-exclusion schemes to facilitate self-exclusions

across schemes. This working group should also develop strategies for integrating counselling into their schemes.

- Uniform data on self-exclusion schemes should be collected, including the number of persons involved in the schemes, length of participation and the number of breaches detected by venues, in order to gain better information on the effectiveness of self-exclusion schemes.
- Responsible gambling staff training programs should be modified to reflect changes in the measures related to self-exclusion and counselling that result from the Tribunal's recommendations, and to further emphasise the importance of self-exclusion and counselling in assisting problem gamblers. Redevelopment of this aspect of the training should be undertaken in consultation with counsellors.
- Guidelines should be developed and made publicly available indicating timeframes in which the Liquor Administration Board could be expected to process the major components of the Social Impact Assessment (SIA) applications.
- To assist applicants in preparing SIAs, the Liquor Administration Board should issue guidelines which set out the SIA requirements and include any data or formulae that the Board uses when assessing applications.
- The Class 2 threshold should be amended from four machines over three years to 10 machines over 10 years.
- In relation to applications for increases in machine numbers that fall under the Class 1 category (that is, 10 or less), the Liquor Administration Board should be required to specifically take into account the following matters for applications in small, rural, regional or disadvantaged communities:
 - trends in machine numbers for the applicant
 - recent and coinciding applications from other venues in the local community
 - trends in total machine numbers for the local community.
- The SIA requirements should be subject to ongoing review to assess and improve their effectiveness and efficiency.
- The Government should note that the statutory test for the SIA process is difficult to meet.
- To determine the optimal maximum bet level for stand-alone gaming machines, independent research should be commissioned under the Ministerial Council for Gambling into a range of bet levels at and below the existing \$10 limit.
- The research should evaluate the impacts of each potential maximum bet level on:
 - problem and 'at risk' gambling
 - recreational gambling
 - the economics of the gaming industry
 - unintended consequences.
- The existing six-hour shutdown measure should be subject to evaluation. Consideration should be given to conducting this research with other jurisdictions that have the six-hour shutdown requirement.

- A review should be conducted to determine uniform minimum distances that ATMs must be from the gaming areas in venues. The review should be linked to the reviews into note acceptors on gaming machines proposed at section 6.4.2 and lower ATM cash limits proposed at section 6.4.3.
- Players should be encouraged to use pre-commitment cards on a voluntary basis where they are available. Research into pre-commitment mechanisms, including cards, should be conducted at a national level.
- Further research should be conducted on the impacts of modifying note acceptors so they do not accept \$100 notes and \$100 or \$50 notes. This review should be linked to the reviews into ATM locations proposed in section 6.3.3 and lower daily cash limits for ATMs in gaming venues proposed in section 6.4.3.
- Research should be conducted into lower ATM cash limits in gambling venues. This review should be linked to the reviews into ATM location proposed in section 6.3.3 and into restricting note acceptors on gaming machines proposed in section 6.4.2. Pending this research, consultations should be held with the financial sector concerning the provision of lower ATM cash withdrawal limits in gambling venues.
- Consideration of a ban on smoking is appropriately a matter for the Government arising from the deliberations of the working group on smoking in licensed venues.
- Should a ban on smoking in gaming areas be introduced, research should be conducted into the effect of the ban on problem gambling.
- The provision of alcohol in gambling venues is appropriately dealt with under the existing Responsible Service of Alcohol program.
- The Government should consult with the gaming industry, gambling counsellors and gamblers on the potential introduction of:
 - lower money input limits for gaming machines
 - prohibition on 'play through'.
- Sound limits on gaming machines should not be introduced at this time.
- The maximum amount that can be won on standalone gaming machines should not be amended at this time.
- 'Ticket In Ticket Out' technology should not be introduced for *gambling protection purposes* at this time.
- Restrictions on double-up and other similar game features should not be introduced at this time.
- Further controls on gaming machine artwork should not be introduced at this time.
- Slower reel spin speeds should not be introduced.
- 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.

More effective and efficient counselling services

- The requirement for clubs and hotels to enter into arrangements with counselling services and to publicise these arrangements should be maintained. If not already considered, offence provisions should be introduced to the *Gaming Machines Act 2001* for gaming venues' failure to establish the arrangements.
- However, the message in the required signage for publicising the arrangements with counselling services should be reviewed to increase its effectiveness and consistency, as part of the review of the package of informed choice measures proposed in section 5.1.
- The Government should note that there are four main strategies that are particularly relevant to problem gambling counselling treatments:
 - multimodal treatment
 - the incorporation of a comprehensive assessment into treatment planning
 - a strong client-counsellor relationship
 - the involvement of the client in setting realistic and achievable goals for treatment.
- No one method of treatment should be prescribed for problem gambling counselling across services. Clients of problem gambling counselling services should have access to a range of different therapeutic techniques. Ideally, treatment strategies should be multimodal.
- The use of appropriate and comprehensive assessment to accurately match clients to interventions and inform treatment planning should be encouraged as part of effective counselling treatment.
- A strong client-counsellor relationship should be encouraged as part of effective counselling treatment.
- Providing for clients to participate in setting goals for their treatment should be encouraged as part of effective counselling treatment.
- An accreditation program for problem gambling counselling services should be developed and introduced in NSW and phased in over approximately three years.
- The development of minimum standards for problem gambling counsellors should be progressed as a priority and incorporated into a program of accreditation. Once established, minimum standards should be applied to problem gambling services as a part of the accreditation program.
- A flexible approach should be taken when developing minimum standards for existing counsellors, particularly those in rural areas.
- The current client data set should be reviewed, and consideration should be given to collecting a wider set of information to provide a more complete picture of those receiving treatment for problem gambling. Once established, the incorporation of a

comprehensive client minimum data set should be applied to problem gambling services as a part of a program of accreditation.

- The department responsible for the collection of the client data set should analyse and feed-back information to counselling services in a timely fashion.
- Consideration should be given to aligning the gambling client data set with those of other counselling areas to enable comparability.
- Industry counselling schemes listed as approved by the Minister in the Gaming Machines Regulation 2002 should be similarly required to collect and submit client data in a standardised format.
- The development of a standardised tool for measurement of client outcomes should be progressed as a priority and incorporated into a program of accreditation. Once established, client follow-up should be applied to problem gambling services as a part of a program of accreditation.
- Consideration should be given to expanding the role of G-line to enable the service to conduct follow-up of clients in NSW.
- Accreditation should allow for flexibility in the recognition of existing skills and experience within existing services.
- Services should undergo a program of internal self-assessment followed by an external review by an accreditation service provider.
- Services should be engaged in the process of accreditation as a condition of new and ongoing funding.
- Industry counselling schemes should be required to meet the same standards as CCBF-funded agencies.
- A coordinated program of problem gambling counselling should be established enabling the provision of CCBF-funded problem gambling counselling services under a single service name or brand. Membership of such a branded network should be awarded to problem gambling services that have successfully undergone accreditation, or that are undergoing accreditation, identifying them as a high quality and government approved service.
- Counselling services that achieve accreditation should display an accreditation logo.
- Consideration should be given to national branding for problem gambling counselling services.

Administering the policy

- The Government should note that no single body has overall responsibility for strategic policy and planning in relation to responsible gambling.
- The Government should note that there are concerns regarding whether the Technical Standards are an appropriate basis for developing and establishing responsible gambling measures.
- The Government should note that the research program could be better linked to policy development.

- The Government should note that there are too many bodies involved in the development of research which could affect the Department of Gaming and Racing's role with the national research program under the Ministerial Council.
- The Government should note that there have been some delays in the development of the problem gambling counselling program. However, the Tribunal has recommended in Chapter 7 that some aspects of the counselling policy framework should be prioritised in the short to medium term.
- The Government should note that the Department of Health has significant experience in dealing with non-government organisations and administering a wide variety of counselling programs, which could be of assistance to the ongoing development of the problem gambling counselling program.
- The Government should note that the community awareness and education program has been successful. The Tribunal has recommended that the existing campaign should be extended periodically throughout the year.
- The Government should note that a significant proportion of monies allocated to community projects do not directly relate to gambling and could be more effectively allocated to funding accreditation or extending the G-line advertising campaign..
- The Government should consider abolition of the category of community projects, and gambling-related projects currently funded as community projects should be funded either under the counselling program or the community education program, as relevant. Funding for non-gambling related community projects should be discontinued.
- Counselling services should not be made responsible for administering any remaining 'community projects' that fall under relevant programs.

ATTACHMENT 3 LIST OF RECOMMENDED RESEARCH PROJECTS

In addition to recommending guidelines for the conduct of government-funded research (see section 4.4 and Attachment 2), the Tribunal recommended the following specific research projects:

1. Prevalence studies should be continued into problem gambling to assess, and monitor over time, the extent of problem gambling, its geographic spread and the profile of problem gamblers. (NSW)
2. A review of the number of signs and the messages contained in the entire range of responsible gambling advertisements, signs, brochures, tickets and proposed contact cards should be conducted, to ensure these materials operate effectively and consistently as a package for the community. (NSW)

This review should take into account:

- the number and placement of signs under the package, to ensure that the different requirements for these notices are complementary
 - the messages conveyed in the signs, to ensure these are effective and consistent
 - opportunities to maximise the effectiveness of problem gambling counselling services and self-exclusion schemes provided or operated by gaming venues
 - the long-term message strategy for the general advertisements highlighting problem gambling
 - the findings of the Consumer Contact study, including whether the responsible gambling messages and the G-line message are best presented separately or together
 - the Tribunal's recommendations on counselling services' branding.
3. Evaluation of 60 minute pop-up messages advising players when they have been playing continuously for 60 minutes should be conducted with the introduction of this measure. (NSW)
 4. To determine the optimal maximum bet level for stand-alone gaming machines, independent research should be commissioned into a range of bet levels at and below the existing \$10 limit. For each bet level, the research should evaluate the effectiveness of the level in relation to 'at risk' and problem gambling, the effects on recreational gamblers, the economic impacts and unintended consequences. (National)
 5. The existing six-hour shutdown measure should be subject to evaluation. (NSW, possibly with other jurisdictions that have six-hour shutdown)
 6. Research should be conducted into the effectiveness of pre-commitment mechanisms including cards. (National)
 7. Linked research should be conducted into the effectiveness of the following liquidity controls:
 - uniform minimum distances that ATMs must be from gaming areas
 - lower ATM cash limits in gambling venues
 - modifying note acceptors so they do not accept \$100 notes and \$100 or \$50 notes. (NSW)

8. Should a ban on smoking in gaming areas be introduced, research should be conducted into the effect of the ban on problem gambling. (Possibly national)

ATTACHMENT 4 LIST OF SUBMISSIONS

Submissions to review

AMC Convergent IT
Aristocrat Technologies Australia Pty Ltd
Australasian Gaming Machine Manufacturers Association
Australian Casino Association
Australian Gaming Council
Australian Hotels Association (NSW)
Australian Liquor, Hospitality and Miscellaneous Workers' Union - LHMU
BetSafe
Casino Community Benefit Fund Trustees
Centre for Gambling Education and Research
City of Wagga Wagga (Councillor Kevin Wales, Mayor)
ClubsNSW *including supplementary submission*
Confidential
Confidential
Dickerson, Mark (Professor)
Dubbo City Council (Councillor Greg Matthews, Mayor)
ECM Technology
Eurobodalla Financial Counselling Service
Gambling Impact Society
Hooper, Norm
Jam, Hal
Judith Stubbs and Associates
Jupiters Gaming Pty Ltd (Keno)
Leagues Clubs Association of NSW
Liquor Administration Board
Macarthur Financial Counselling Service
McKesson Asia-Pacific - MAP
Mingara Recreation Club Ltd
NCOSS (Council of Social Service of NSW)
Newsagents Association of NSW and ACT Ltd
Ngo, Thang (Councillor)
NSW Gaming Industry Operators *including supplementary submission*
NSW Lotteries

Perin, Richard

Sabados, John

Services Clubs Association - SCA

Star City Pty Ltd - Star City Casino

Suter, Ross

TAB Limited

University of Sydney Gambling Research Unit

University of Sydney Gambling Treatment Clinic

Wesley Community Legal Service

Wesley Gambling Counselling Services

Western/Riverina-Murray Region Gambling Counsellors Forum

Comments on CCBF-funded research released on 15 November 2003

AMC Convergent IT

Australian Casinos Association

Australian Gaming Council

Australian Hotels Association NSW

ClubsNSW

Confidential

Gambling Impact Society

Judith Stubbs and Associates

Liquor Administration Board

NSW Gaming Industry Operators

Services Clubs Association

ATTACHMENT 5 LIST OF CONSULTATIONS

General consultations were undertaken with the following individuals or groups:

Allcock, Clive

Australasian Gaming Machine Manufacturers Association

Australian Council on Healthcare Standards

Australian Gaming Council

Australian Hotels Association

Australian Liquor, Hospitality and Miscellaneous Workers' Union

Blaszczynski, Alex

Carter, Reverend Chester, Wesley Mission

Casino Community Benefit Fund Trustees

Casino Control Authority

ClubsNSW

Department of Gaming and Racing (NSW)

Department of Health (NSW)

Department of Human Services (Victoria)

Department of Justice (Victoria)

Department of Treasury and Finance (Victoria)

Gamblers Help

Gambling Treatment Clinic, University of Sydney

Interchurch Gambling Taskforce

Jackson, Alun

Liquor Administration Board (NSW)

McKesson (G-line)

Productivity Commission

Quality Management Services

Queensland Office of Gaming Regulation, Queensland Treasury

Sabados, John

Star City Pty Ltd

Victorian Advocate for Responsible Gambling

Attendees to Counsellors' Roundtable at IPART, 11 February 2004

Council of Problem Gambling (Kirsten Enerson)

Gambling Impact Society (Kate Roberts)

Gambling Treatment Clinic, Sydney University (Michael Walker)

Game Change, Australian Hotels Association (Rowan Cameron)

Macarthur Financial Counselling Service (Jim Connolly)

Multicultural Problem Gambling Service for NSW (Ted Quan)

Wesley Mission Problem Gambling Counselling Service (Nicole Preece)

Western/Riverina-Murray Region Gambling Counsellors Forum (Kevin Howard)

ATTACHMENT 6 MEASURES CONSIDERED IN THE LIQUOR ADMINISTRATION BOARD'S FIRST DETERMINATION

The measures considered in the LAB's First Determination can be summarised as follows:

Recommended for incorporation into the Technical Standards

- 'player information displays', which include session information
- lower money input limits for gaming machines
- display of monetary value of credits
- 'pull through' messages once per 30 minutes of continuous play and when there has been \$200 cash input
- mandatory break in play following certain monetary win with cash out option
- restrictions on gaming machines artwork
- prohibition on play through and autogamble
- prevention of continuous play without further button presses
- the minimum return to player be increased from 85 per cent to 87 per cent.

Not recommended for incorporation into the Technical Standards

- machine shutdown for 10 minutes per hour
- chance of winning display in a range of languages.

Deferred subject to research

- controls on note acceptors
- reel spin controls
- reduction of maximum bet from \$10 to \$1.

Noted that consultation was continuing

- card-based gaming.

Sought further input

- reduction in maximum prize for stand-alone machine from \$10,000 to \$1,000
- controls on gamble and double up features
- limiting standard deviation to 15
- mandatory payout for wins of \$1,000 or greater and then by cheque
- no cancelling of cash out once requested
- amount up to \$100 must be readily redeemable without attendant's intervention

- controls on sound
- controls on artwork.

Recommended for consideration for incorporation into other harm minimisation policies

- prohibition of certain gaming related advertising and signage
- limit on promotion schemes of \$1,000 per week and no aggregated prize value greater than \$26,000
- consideration of controls on refreshments including alcohol.

Noted were new proposals put forward as a result of the provisional determination

- maximum number of carded games per reel
- endorsement of National Technical Standards
- prohibition on availability of credit on ATM and EFTPOS machines
- mandatory responsible conduct of gambling training for club directors
- mandatory self-exclusion schemes, standardisation of the schemes and ability to exclude from multiple venues
- review of cheque cashing facilities not at gaming venue where cheque issued
- minimise children's visual exposure to gaming machines prohibition on poker machine style toys
- implications for AUSTRAC (ie reporting requirement for cash transactions over \$10,000).

ATTACHMENT 7 GROUPING OF MEASURES IN REVIEW'S ISSUES PAPER

The review's Issues Paper set out the existing and proposed measures as follows. In developing the Issues Paper, the Tribunal consulted a range of key stakeholders, including industry players, counsellors and problem gambling academics. Existing NSW harm minimisation measures are marked with an asterisk (*).

“Circuit-breakers”	<ul style="list-style-type: none"> • *Compulsory shut-down of gambling venues • ban on smoking in gambling venues • periodic shut-down of individual machines • periodic information messages to gamblers using gaming machines • restrictions on alcohol consumption by gamblers • performance of self-exclusion schemes.
Information for gamblers	<ul style="list-style-type: none"> • *Requirements to display certain signage • *display of clocks in gaming machine areas; • *information on brochures required in gambling venues • *information on betting tickets, lottery and keno entry forms • *role of community services, including gambling counselling services • contact cards for counselling services • compulsory display of payout ratios and probability of winning specific prizes • *general advertisements highlighting problem gambling • display of monetary value of credits, bets and wins • information for individual players on their gambling session.
Liquidity controls	<ul style="list-style-type: none"> • *Requirement for large payouts not to be in cash • *prohibition on providing credit for gambling • *requirement to locate ATMs away from gambling areas • restrictions on note acceptors • lower limit on maximum bets on gaming machines • “pre-commitment” or “smart” cards that enable financial limits to be set • restrictions on daily cash limit in ATMs close to gambling venues • reducing the maximum permissible win • further possible changes to affect the rate of loss or play per hour • forced payment of wins when certain level is reached and payment then to be only by cheque.
Restricted promotion of gambling	<ul style="list-style-type: none"> • *Controls on advertising • *controls over player reward schemes • *restrictions on promotions and other inducements to gamble • controls on gaming machine artwork • possible elimination of double up and other similar gamble features • availability of alcohol and other refreshments to gamblers.
Community/counselling services	<ul style="list-style-type: none"> • *Requirement for gambling operators to enter into agreement with counselling services • *training of staff in gaming machine venues.
Technical measures	<ul style="list-style-type: none"> • Slower reel speeds

	<ul style="list-style-type: none">• removal of visual and sound stimuli• *requirement for human intervention in large payouts• requirement for natural light in gambling venues• requirement for gambling patrons to be visible to people outside the gambling venue• the impact of music being played and display of lights when a win takes place.
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ATTACHMENT 8 AUDITOR-GENERAL'S RECOMMENDATIONS FOR MANAGING GRANTS

As part of its 2002 performance audit for *Managing Grants*, the Auditor-General's report made the following recommendations⁴⁷⁷:

All agencies who use grants as a means of achieving their objectives should:

Alignment

- ensure that their grants programs are consistent with their corporate programs

Planning

- develop program objectives and outcomes which clearly outline the purpose of the program
- develop performance measures to assess overall program effectiveness

Selection

- develop comprehensive assessment guidelines to assist the selection of grants, including guidelines for advisory committees
- develop a system for prioritising applications
- fully document the reasons for funding decisions at all stages of the decision making process including assessment by departmental staff, advisory committees and Ministers

Management

- document informal monitoring of project performance
- introduce more rigorous follow-up of outstanding reporting documents
- consider introducing sanctions which correspond with the seriousness of breaches in grant conditions
- introduce standard reporting documentation to improve the consistency of performance information, and require recipients to report on overall program objectives

Evaluation

- introduce formal systems to review projects to determine whether project and program outcomes have been achieved
- introduce a rolling program of review for all funding programs to assess overall program relevance and effectiveness.

⁴⁷⁷ Audit Office of NSW, *Performance audit report: Managing grants*, December 2002.

ATTACHMENT 9 CHRONOLOGY OF RELEVANT GAMBLING REGULATION AND KEY EVENTS IN NSW

- 1931** *State Lotteries Act 1931* No 51 provided for the first State lottery to be held, administered by Treasury.
- 1956** NSW Parliament replaced prohibition on gaming machines with legislation allowing the operation of gaming machines in not-for-profit clubs.
By December regulatory approval for about 800 machines in not-for-profit clubs.
- 1964** *Totalizator (Off-course betting) Act 1964* provided for the establishment of the Totalizator Agency Board (TAB) of NSW.
- 1976** *Registered Clubs Act 1976*:
- Registered clubs remained free to acquire, keep and operate an unlimited number of gaming machines provided each machine was authorised in advance of installation
 - New legislative requirement that manufacturer obtain approval for each gaming machine model that it intended to sell.
- 1977** *Harness Racing Act 1977* provided for the establishment of Harness Racing New South Wales (HRNSW).
- 1979** *Lotto Act 1979* No 53 allowed for a joint licence to be issued to the Director of State Lotteries and Lotto Management Services Pty Ltd to conduct the game of lotto in NSW.
- 1983** The State Lotteries Office became a sub-department of the newly created Department of Finance.
- 1984** Legislation enacted to enable hotels to install and operate up to five *video technology* gaming machines, provided approvals were granted by regulatory authority.
- 1985** *Greyhound Racing Authority Act 1985* set out the rules and regulations of the Greyhound Racing Authority of New South Wales.
- 1986** Legislation enacted to require persons involved in manufacture, sale and repair of gaming machines to be licensed.
- 1988** Hotels allowed to increase number of video draw gaming machines to up to 10, provided pre-installation authorisations were obtained from the regulatory authority.
- Gambling (Two-Up) Act 1998* No 115 legalised two-up on Anzac Day and in Broken Hill and commenced on 1 March 1999.

- 1990** *NSW Lotteries Act 1990* No 78 provided for the establishment of:
- New South Wales Lotteries as a Statutory Authority
 - a Board of Management responsible for setting policy and monitoring performance of New South Wales Lotteries.
- 1992** *Casino Control Act 1992* provided for establishment of Sydney Casino, allowing for the Casino to operate gaming machines in addition to table games and other gambling products. The Act also established the Casino Community Benefit Fund (CCBF), a statutory fund operating from a 2 per cent community benefit levy applying to all gaming revenue from the Sydney Casino. CCBF is empowered to fund research, support counselling and increase awareness of problem gambling. The Minister for Gaming and Racing is responsible for approving of payments from the Fund in accordance with the recommendations of the Trustees.
- 1996** *NSW Lotteries Corporatisation Act 1996* established the governance structure of New South Wales Lotteries.
- Public Lotteries Act 1996* No 86:
- made provision for the proper conduct of public lotteries including licence conditions and rules of conduct
 - required that revenue derived from public lotteries be properly managed and accounted for.
- 1997** *Totalizator Act 1997* replaced the *Totalizator (Off Course Betting) Act 1964*.
- Hotels permitted to install *club style* machines and clubs permitted to install *video* gaming machines.
- Cap on machines in hotels increased from 10 to 30, of whatever type, upon approval by regulatory authority.
- Establishment of G-Line, a Statewide telephone counselling helpline for problem gamblers, their friends and families. G-Line is funded by the CCBF and can be accessed on 1800 633 635.
- NSW Lotteries incorporated as a State Owned Corporation.
- TAB Privatisation Act 1997* provided for the TAB's joint venture with the racing industry and for the TAB's development of gaming products.
- Racing Distribution Agreement with NSW racing industry provides for the TAB to make a range of payments to the racing industry in return for an agreed program of thoroughbred, harness and greyhound racing meetings.
- Internet wagering (NetTAB) introduced in NSW.
- 1998** *Unlawful Gaming Act 1998* No 113, among other things prohibited gambling with children.
- Racing Administration Act 1998*, among other things, stated it will be unlawful for a person to provide, via the Internet or other online communications system:
- any service that enables a person to access the gambling operations carried on by a person who is not a lawful bookmaker.
- Totalizator Agency Board of NSW corporatised to Tab Limited on February 25.

1999

Gambling Legislation Amendment (Responsible Gambling) Act 1999 :

- inserted harm minimisation as a legislative objective into *Liquor Act 1982* and *Registered Clubs Act 1976*
- inserted harm minimisation into legislative functions of agencies operating under those Acts
- authorised regulations in relation to provision of credit, advertising, promotions, signs and notices (see the 'Responsible Gambling' regulations made under the Registered Clubs Act and the Liquor Act in 2000)
- further restricted minors from participating in gambling activities
- provided for self-exclusion schemes
- enabled courts to require corrective advertising and personnel training.

TAB Gaming Services licensed to deal in poker machines and approved amusement devices in July.

2000

Gambling Legislation Amendment (Gaming Machines Restrictions) Act 2000 :

- froze the number of gaming machines in clubs (to apply from 28 March 2000)
- prohibited the use of gaming machines in hotels within shopping centres
- required Social Impact Assessments to be made prior to installation of new machines in a club or hotel.

Casino Control Amendment (Responsible Gambling) Regulation 2000 received assent on 14 April 2000 [Government Gazette (GG) No 46, p. 3201]. The Regulations:

- placed further limits on Casino advertising of gambling
- provided for courts to make remedial orders requiring corrective advertising or personnel training.

Registered Clubs Amendment (Responsible Gambling) Regulation 2000 and *Liquor Amendment (Responsible Gambling) Regulation 2000* received assent on 14 April 2000 [GG No 46, p. 3248 & 3225 respectively]. The Regulations:

- require hoteliers/clubs who keep gaming machines to display notices and provide information about: availability of counselling (in a number of community languages); chances of winning prizes, potential for excessive gambling to cause problems
- require clocks to be readily viewable
- limit cashing of cheques
- require prizes over \$1,000 to be paid in cheque and not cash
- require ATMs to be away from gaming devices
- limit the advertising of gambling
- prohibit certain inducements such as free liquor
- require personnel training
- prescribe minimum requirements for self exclusion schemes.

Registered Clubs Amendment (Gambling Signage) Regulation 2000 and *Liquor Amendment (Gambling Signage) Regulation 2000* received assent on 21 July 2000 [GG No 93, p. 6471 & p. 6459 respectively]. The Regulations:

- require certain signage on gaming machines to state: 'Your chance of winning the maximum prize on a gaming machine is generally no better than one in a million'.

Council of Australian Governments (COAG) agreed on 3 November 2000 that the Ministerial Council on Gambling would auspice the development of a

national strategic framework, to be implemented by State and Territory governments, around prevention, early intervention and continuing support, building effective partnerships and national research and evaluation. Specifically, the Ministerial Council on Gambling would develop an on-going national research and evaluation strategy on the social consequences of gambling.

'Playsmart Brochures', funded by CCBF, launched in December. The brochures are made available in 12 community languages. (The *Gaming Machine Regulations 2002* below require display of these brochures).

2001

Liquor Amendment (Approved Gaming Devices) Regulation 2001, *Liquor Further Amendment (Approved Gaming Devices) Regulation 2001* and *Liquor Amendment (Gaming Machine Restrictions) Act 2001*, imposed snap freeze on number of hotel gaming machines, effective from 19 April 2001.

Racing Administration Amendment (Responsible Gambling) Regulation 2001 and *Totalizator Amendment (Responsible Gambling) Regulation 2001* received assent on 2 February 2001 [GG No 34, p. 446 & p. 454 respectively]. The Regulations:

- require problem gambling brochures approved by Minister to be displayed at racecourses and where totalizator betting occurs
- enable persons to request at those places a brochure in community language
- require problem gambling notices at entrances to racecourses and where totalizator betting conducted
- prohibit certain inducements for betting
- restrict advertising of racecourse and totalizator betting.

Treasurer Michael Egan and Minister for Gaming and Racing, Richard Face, announced gaming reform package on 26 July 2001. The reform package was contained in the *Gaming Machines Act 2001*, which received commenced 2 April 2002. The Act consolidated the gaming machine laws formerly located in the *Liquor Act 1982* and the *Registered Clubs Act 1976*, particularly with regard to control, regulation and management of gaming machines in clubs and hotels. Specifically, the Act:

- retained harm minimisation as a legislative objective
- retained harm minimisation as function of agencies under the Act
- imposed an overall State cap of 104,000 gaming machines, comprising a club cap of 78,020 and a hotel cap of 25,980
- imposed a cap of 450 machines per club and strategy for reducing machines in the 18 large clubs with more than 450 machines, within 5 years
- retained the 30 machine cap for hotels
- introduced tradeable machine entitlements between clubs and hotels
- retained Social Impact Assessments when a venue applies for additional machines
- required shut down of gaming machines for 3 hours per day and 6 hours per day from May 2003
- prohibited advertising of gaming machines on the exterior of clubs and hotels
- required gaming venues to enter into arrangements for provision of counselling to problem gamblers

- retained other measures imposed under the Gambling Legislation Amendment (Responsible Gambling) Act 1999.

Minister for Gaming and Racing launched *Policy Framework on Treatment Services for Problem Gamblers and Their Families* on 10 October 2001. Developed by the CCBF, the *Policy Framework* was a five-year strategic plan aimed at improving the availability and quality of treatment and counselling services for problem gamblers, their families and friends.

Public Lotteries Amendment (Responsible Gambling) Regulation 2001 received assent on 9 November 2001 [GG No 173, p. 9086]. The Regulations:

- required problem gambling brochures approved by Minister to be displayed at places where lottery tickets are sold
- enabled persons to request at those places the brochures in a community language
- required lottery entry forms, tickets, pamphlets and websites to contain problem gambling information
- restricted advertising of public lotteries
- required certain prizes to be paid by crossed cheque or electronic funds transfer.

Racing Administration Amendment (Gambling Signage) Regulation 2001 and *Totalizator Amendment (Gambling Signage) Regulation 2001* received assent on 9 November 2001 [GG No 173, p. 9097 & p. 9102 respectively]. The Regulations:

- amended signage and advertising requirements for G-Line and required betting tickets to contain promotion of G-Line.

2002

Public Lotteries Amendment (Gambling Inducements) Regulation 2002 received assent on 28 March 2002 [GG No 67, p. 1974]. The Regulations:

- prohibited the supply of free or discounted liquor as an inducement to participate in any public lottery under the Public Lotteries Act 1996.

Gaming Machines Regulation 2002 were subordinate to the *Gaming Machines Act 2001* and commenced at the same time as this Act, on 2 April 2002. The Regulations provided for:

- annual quotas to reduce the number of machines in clubs with over 450 machines
- requirements for dedicated rooms for gaming machines in hotels
- requirements for payment of prizes
- requirements for the nature of player information and signage (to include provision of approved 'Playsmart Brochures' that were launched in December 2000)
- limits on cashing cheques and requirements for placement of ATMs
- requirements for social impact assessments
- requirements to provide activity statements for player reward schemes
- authorisation of counselling
- personnel training
- limits on player inducements
- licensing arrangements for manufacturers and repair etc
- licence fees
- machine requirements.

Casino Control Amendment (Responsible Gambling Practices) Regulation 2002 received assent on 28 March 2002 [GG No 67, p. 1839]. The Regulations:

- specify certain requirements in relation to player reward schemes
- prescribe certain matters in relation to problem gambling counselling
- provide for penalty notices in relation to offences for display of gaming machine signage.

Casino Control Amendment (Responsible Gambling Practices) Regulation (No. 2) 2002 received assent on 27 September 2002 [GG No 154, p 8373]. The Regulations:

- require cash back terminals to display problem gambling counselling signage
- require Casino to keep copies of player activity statements
- provide for penalty notices in relation to certain offences for promotion of prizes and reward schemes.

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ABBREVIATIONS

AAD	Approved Amusement Devices
ACA	Australian Casino Association
ACGR	Australian Centre for Gambling Research
ACHS	Australian Council on Health Care Standards
ACT	Australian Capital Territory
AGC	Australian Gaming Council
AGMMA	Australasian Gaming Machine Manufacturers Association
AHA	Australian Hotels Association
APM	Approved Poker Machines
APS	Australian Psychological Society
ATMs	Automatic Teller Machines
CCA	Casino Control Authority (NSW)
CCBF	Casino Community Benefit Fund
CGER	Centre for Gambling Education and Research
CIE	Centre for International Economics
CPGI	Canadian Problem Gambling Index
DOCS	Department of Community Services (NSW)
DGR	Department of Gaming and Racing (NSW)
DHS	Department of Human Services (Victoria)
DSM IV	Diagnostic and Statistical Manual of Mental Disorders, 4 th edition
EFTPOS	Electronic Funds Transfer at Point of Sale
FCAN	Financial Counsellors' Association of NSW
GA	Gamblers Anonymous
GRP	Gambling Research Panel
IGA	<i>Interactive Gambling Act 2001</i>
IPART	Independent Pricing and Regulatory Tribunal of NSW
IPART Act	<i>Independent Pricing and Regulatory Tribunal Act 1992</i>
LAB	Liquor Administration Board
LHMU	(Australian) Liquor Hospitality and Miscellaneous Workers Union
MRA	Marketing and Research Associates
MTGM	Multi-Terminal Gaming Machines
NAGS	National Association for Gambling Studies
NESB	Non English Speaking Background
NCOSS	Council of Social Service of NSW
NGO	Non-Government Organisation
NSW	New South Wales
NSW GIO	NSW Gaming Industry Operators Group
PC	Productivity Commission
PGSS	Problem Gambling Services Strategy (Victoria)
RDM	Resource Distribution Model

RTP	Return to Player
SAGM	Specially Approved Gaming Machines
SCA	Services Clubs Association
SCIP	Structured Clinical Interview for Problem Gambling
SFBT	Solution Focused Brief Therapy
SIA	Social Impact Assessment
SOGS	South Oaks Gambling Screen
TAB	Totalizator Agency Board
TITO	'Ticket In Ticket Out' technology
Tribunal	Independent Pricing and Regulatory Tribunal of NSW
UK	United Kingdom
USGRU	University of Sydney Gambling Research Unit