

**ACT Government Response to the Standing Committee on Public
Accounts' *Inquiry into the Gaming Machine Amendment Bill 2011*
(Report 24)**

August 2012

Tabled 22 Aug 2012

Recommendation 1

The Committee recommends that the ACT Government should consider introducing an interim electronic gaming machine trading scheme for period of up to two years

Government response: Not agreed

The Government recognises that in some circumstances it would be desirable to enable the mobility of electronic gaming machines (EGMs), however, it does not support the introduction of a trading scheme for machines at this time.

The Government intends to address the mobility of EGMs through other mechanisms, including allowing club groups to transfer EGMs between existing venues, to new venues, and allowing for the relocation of venues.

Recommendation 2

The Committee recommends that, within the first year of the operation of the interim electronic gaming machine trading scheme, the ACT Government should establish a gaming machine management system that includes the following principles – to allow for gaming machines to be: transferred between clubs; relocated within club groups; and transferred and traded between existing clubs, and/or new clubs which are not necessarily part of a club group.

Government response: Noted

While not supporting a trading scheme, the regulatory framework proposed through the *Gaming Machine Amendment Bill 2011* and further amendments will allow for the transfer or relocation of EGMs within club groups.

Recommendation 3

The Committee recommends that in tandem with the introduction of an interim electronic gaming machine trading scheme that a relocation scheme for multi-venue clubs be introduced.

Government response: Noted

The Bill and further Government amendments will allow club groups to potentially transfer EGMs between existing venues and to new venues.

Among other provisions, arrangements will be made to facilitate the small scale relocation of machines between venues in club groups. Specifically, proposed amendments to the *Gaming Machine Act* will potentially allow a club to relocate up to 10 EGMs from one venue to another venue within the group, or 10% of the receiving venue's existing total number of machines (whichever is the smaller number), with reduced regulatory requirements where the Gambling and Racing Commission believes such a relocation would pose a low level of risk.

Recommendation 4

The Committee recommends that the ACT Government comprehensively evaluate the interim electronic gaming machine trading scheme after 12 months of operation.

Government response: Noted

See response to Recommendation 1.

Recommendation 5

The Committee recommends that the electronic gaming machine relocation scheme should set a threshold of a specified number of machines that require regulatory approval.

Government response: Agreed

The Government will propose amendments to the *Gaming Machine Act* that will potentially allow a club to relocate up to 10 EGMs from one venue to another venue within the group, or 10% of the receiving venue's existing total number of machines (whichever is the smaller number), with reduced regulatory requirements where the Gambling and Racing Commission believes such a relocation would pose a low level of risk.

Recommendation 6

The Committee recommends that the ACT Government should commence, as a matter of priority, a review of the existing electronic gaming machine cap. The review should commence immediately and a progress report be provided to the ACT Legislative Assembly by the second sitting Tuesday in August 2012.

Government response: Not Agreed

The Government has recently reviewed the appropriateness of the existing cap and determined that a long term cap of 4000 EGMs would be appropriate for the Territory. Government amendments to the Bill now provide that once the 4000 machine cap is reached, a per capita-based cap system will be introduced.

The Standing Committee's recommendation appears to be based on the view that reducing the number of gaming machines in the Territory will not reduce problem gambling harm. The Government's view is that the relationship between problem gambling, harm, and the number of gaming machines in a given geographic area is complex but that reducing the number of machines may potentially reduce harm as a complementary and precautionary measure within a broader range of initiatives. Specifically, reducing the number of EGMs in the Territory may potentially reduce the opportunities available for EGM gambling, and consequential harm.

Reducing the number of EGMs in the ACT would be consistent with the findings of the Productivity Commission's 2010 report on gambling.

Recommendation 7

The Committee recommends that amendment number 12 be deleted from the *Gaming Machine Amendment Bill 2011* and not be reconsidered until such time as a review of the existing electronic gaming machine cap has been completed and reported to the ACT Legislative Assembly.

Government response: Not Agreed

The Government does not support the Standing Committee's proposed review of the existing cap.

The Government intends to revise the sinking cap framework proposed within Amendment 12 of the November 2011 version of the Bill with amending provisions which will maintain a long term target of 4000 EGMs, supplemented by a pool of 150 EGMs (within the sinking cap) available for release to new and independent clubs. A shift to a per capita-based cap system after the achievement of a 4000 machine cap will also be proposed (with the details of the per capita-based system to be determined by a review once the 4000 machine target is reached).

Recommendation 8

The Committee recommends that where entities operating a small number of gaming machines can substantiate a case that the \$250 ATM will adversely affect other aspects of their business, they should be able to apply to the ACT Gambling and Racing Commission for an exemption.

Government response: Agreed

The Government proposes to make amendments to the Bill to allow for exemptions from the ATM withdrawal limit for ATMs brought temporarily to the Canberra Racing Club for use on race days and to venues operating 10 or fewer EGMs. Venues operating only 'Class B' machines (which are less sophisticated, and which are believed to be less attractive to consumers, relative to the 'Class C' machines as typically found in clubs) will also be exempted.

Recommendation 9

The Committee recommends that the *Gaming Machine Act 2004* be amended to allow for an exemption to the \$250 ATM withdrawal limit under approval by the ACT Gambling and Racing Commission.

Government response: Noted

The Government proposes to make amendments to the Bill to allow for exemptions from the ATM withdrawal limit for ATMs brought temporarily to the Canberra Racing Club for use on race days and to venues operating 10 or fewer EGMs. Venues operating only 'Class B' machines (which are less sophisticated, and which are believed to be less attractive to consumers, relative to the 'Class C' machines as typically found in clubs) will also be exempted.

Recommendation 10

The Committee recommends that the introduction of the \$250 ATM withdrawal limit be aligned with the start time of the Commonwealth legislation as it relates to the withdrawal limit on ATM machines in gaming premises.

Government response: Agreed

The Government intends to amend the *Gaming Machine Amendment Bill 2011* to allow the Minister for Gaming and Racing to determine a date for the commencement of the Territory's ATM withdrawal limit, with a view to allowing for alignment with the commencement date of any parallel withdrawal limit created through Commonwealth legislation. This arrangement would nonetheless allow the Territory to proceed should the Commonwealth not pass relevant legislation.

Recommendation 11

The Committee recommends that the ACT Government should implement programs to address the root cause of problem gambling.

Government response: Agreed

The Government does not believe that there is a single, identifiable 'root cause' of problem gambling, as such, and notes that the Standing Committee did not itself identify such a 'root cause' in its report. In the absence of an identified 'root cause', the distinction made by the Standing Committee with 'symptoms' is unclear.

That said, the Government does fund ongoing local research into gambling behaviours and bases its policy on both this research and relevant research conducted elsewhere. This body of research typically gives consideration to the social and psychological characteristics of problem gamblers.

To the extent that the 'root cause' of problem gambling might, in general terms, be seen as social disadvantage or exclusion, it is salient that the Government funds a very wide range of programs to address these issues.

As noted in its response to the Auditor-General's recent report on *Monitoring and minimising problem gambling harm in the ACT*, the Government is also committed to a whole-of-government approach to the issue and will ensure further coordination across the activities of relevant agencies.

Recommendation 12

The Committee recommends that the ACT Gambling and Racing Commission should amend the ACT Gambling Code of Practice to detail that the practice of reserving gaming machines should be regulated.

Government response: Noted

The Gambling and Racing Commission has commenced a review of the mandatory Code of Practice. The review will cover the issue of reserving gaming machines, and will consider research evidence as well as stakeholder submissions.

Recommendation 13

The Committee recommends that the online exclusion database be in operation by 31 December 2012.

Government response: Agreed-in-principle

The Gambling and Racing Commission has commenced development work on introducing an online exclusion database. Indications are that the information technology work required and the consequent amendments to the Code of Practice to implement the requirements will see the database commencing operation during 2013.

Recommendation 14

The Committee recommends that the ACT Government take into account the findings and recommendations of the ACT Auditor-General as detailed in Auditor-General 's Report No. 1 *Monitoring and minimising harm caused by problem gambling*, as part of any proposed amendments to the *Gaming Machine Act 2004*.

Government response: Agreed

The Government's response to this report of the Auditor-General has been sent to the Standing Committee. The Government agreed with all of the Auditor-General's recommendations excepting the suggestion that a fixed timetable be set for the achievement of a 4000 EGM cap. The Government's view is that a prescriptive timetable to achieve the reduced cap would be unduly disruptive to the club sector. Specifically, such disruption may potentially affect the services enjoyed by members of clubs, and the community activities that clubs currently support.

Recommendation 15

The Committee recommends that the Minister for Gaming and Racing make a statement to the ACT Legislative Assembly by the first sitting week in August 2012 detailing: i) what outcomes were achieved over the ACT Government's ten year agreement with the Australian National University's Centre for Gambling Research; ii) the terms of the new agreement; and iii) the status of the research chair of gambling studies position.

Government response: Agreed

The following forms the Minister's statement in response to this recommendation.

i) Outcomes of the research agreement

The table below outlines the research outcomes by the ANU's Centre for Gambling Research under contract with the ACT Gambling and Racing Commission.

	PROJECT TITLE	PUBLICATION DATE
COMPLETED		
1	Gambling and Clients of ACT Corrections	June 2003
2	Gaming Machine Accessibility and Use in Suburban Canberra: A detailed analysis of the Tuggeranong Valley	September 2004
3	The Use of ATMs in ACT Gaming Venues: An Empirical Study	September 2004
4	Help-seeking by Gamblers, Friends and Families: A focus on Gender and Cultural Groups	October 2004
5	Adolescent gambling in the ACT	March 2005
6	Review of the ACT Governments Harm Minimisation Measures	March 2005
7	Young Men and Gambling in the ACT	September 2005
8	2009 Survey of the Nature and Extent of Gambling, and Problem Gambling, in the ACT	November 2010
9	Help – seeking and Uptake of Services amongst people with Gambling Problems in the ACT	October 2011
10	Profiling Problem Gambling Symptoms in the ACT: Socioeconomic and Demographic Characteristics and Gambling Participation	October 2011
CURRENT		
1	Beliefs and Knowledge about Gambling amongst high-intensity players of Gaming Machines	Anticipated October 2012
2	Social Engagement and Gambling	Anticipated October 2012
3	Prevention Interventions for Problem Gambling	Anticipated July 2013

A copy of the above completed reports is available via the ACT Gambling and Racing Commission's website at: <http://www.gamblingandracing.act.gov.au/Research.htm>

- ii) Terms of any new agreement; and*
- iii) Status of the position of the research chair*

The 2002 Deed was reviewed, with a revised version being executed in April 2009. The revised Deed is reviewable every 5 years and is an on-going arrangement. The revisions provided for greater

supervision of research work and brought the Centre for Gambling Research under the control of the ANU's Research School of Social Sciences. This move greatly enhanced a multi-disciplinary approach to gambling research and significantly increased the administrative and technical support available to the Centre.

As a result of the restructure, the Deed funded a senior research position rather than the previous title of 'Chair' of the Centre.

The revised Deed established a Steering Committee to oversee the research projects being undertaken. The Committee has equal representation from the Commission and the ANU and meets on a regular basis.

Recommendation 16

The Committee recommends that the ACT Government should progress a Memorandum of Understanding (MoU) with ClubsACT that mutually agrees on parameters for reform to the club sector in the ACT. Amongst other things, the parameters of such an understanding should include: i) maintaining the role and contribution of clubs in the ACT community; ii) supporting the economic viability of the sector; and (iii) outlining measures and strategies that continue to work towards addressing problem gambling and minimising harm caused by problem gambling.

Government response: Agreed

The Government has previously indicated that it would be willing to explore an arrangement with the ACT's club sector along the lines of the memorandum of understanding proposed by the Standing Committee.

The Government has maintained dialogue with the club sector throughout the review of the *Gaming Machine Act 2004*, and the progression of the *Gaming Machine Amendment Bill 2011* to date. It is hoped that the development of a memorandum of understanding would extend and reinforce this productive relationship.

Recommendation 17

The Committee recommends that the *Gaming Machine Amendment Bill 2011* should only be supported by the ACT Legislative Assembly subject to the recommendations as detailed in the ACT Standing Committee on Public Accounts' report inquiring into the Bill.

Government response: Noted

Responding to this recommendation is a matter for the Assembly rather than the Government.

