



LEGISLATIVE ASSEMBLY

FOR THE AUSTRALIAN CAPITAL TERRITORY

STANDING COMMITTEE ON PUBLIC ACCOUNTS

Brendan Smyth MLA (Chair), Mary Porter AM MLA (Deputy Chair), Nicole Lawder MLA,
Meegan Fitzharris MLA

STANDING COMMITTEE ON PUBLIC ACCOUNTS

Inquiry into elements impacting on the future of the ACT Clubs sector

Questions taken on Notice No. 1 – 7

Responses from Minister for Racing and Gaming



LEGISLATIVE ASSEMBLY FOR THE AUSTRALIAN CAPITAL TERRITORY

STANDING COMMITTEE ON PUBLIC ACCOUNTS

Brendan Smyth MLA (Chair), Mary Porter AM MLA (Deputy Chair), Nicole Lawder MLA, Meegan Fitzharris MLA, Shane Rattenbury MLA¹

¹The Assembly motion of 26 March 2015 resolved that a member of the cross-bench be appointed to the Standing Committee on Public Accounts for the purpose of this investigation.

Inquiry into elements impacting on the future of the ACT Clubs sector ANSWER TO QUESTION TAKEN ON NOTICE Monday, 18 May 2015

Asked by Mr Smyth:

[Ref: Hansard Transcript 18 May 2015, pg 2 (Proof)]

In relation to: Revenue received from the clubs sector

THE CHAIR: Minister, how much revenue a year does the government receive from the clubs sector?

Ms Burch: I will ask Ms Gilding to respond to that.

Ms Gilding: The gaming machines in the ACT provided \$176 million in gross gaming machine revenue in 2012 and 2013 and \$170 million in gross gaming machine revenue in 2013-14, which was a reduction of approximately 3.3 per cent.

THE CHAIR: We do not have later figures than that?

Ms Gilding: These are the figures that I have. I have the 2012-13 figures. We could certainly see if we could get a year to date figure from the Commission.

MINISTER FOR RACING AND GAMING: The answer to the Member's question is as follows:—

Clubs generate Gross Gaming Machine Revenue (GGMR)¹. From this, the government receives revenues from gaming machine taxes and regulatory fees.

¹ GGMR is the total of all monies inserted into machines less: winnings to players; and approved amounts set aside for the payment of linked jackpots.

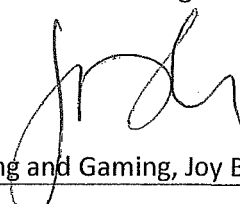
	2010-11	2011-12	2012-13	2013-14
GGMR	\$178.935m	\$180.939m	\$176.608m	\$170.150m
Government revenue				
Gaming machines tax	\$35.350m	\$35.714m	\$34.906m	\$33.685m
Gaming machines regulatory fees	\$0.179m	\$0.182m	\$0.251m	\$0.294m

Source: GGMR – ACT Gambling and Racing Commission, *Community Contribution Reports*. Government revenue (tax and regulatory fees) – ACT Gambling and Racing Commission, *Annual Reports*.

Note: a small proportion of GGMR, gaming machines tax and regulator fees are attributable to hotels and taverns (rather than to the clubs sector).

Approved for circulation to the Standing Committee on Public Accounts

Signature:



Date:

9.6.15

By the Minister for Racing and Gaming, Joy Burch MLA



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Inquiry into elements impacting on the future of the ACT Clubs sector

ANSWER TO QUESTION TAKEN ON NOTICE

Monday, 18 May 2015

Asked by Mr Rattenbury MLA:

[Ref: Hansard Transcript 18 May 2015, pg 9 (Proof)]

In relation to: Difference in statistics

MR RATTENBURY: I will ask a supplementary on that. You have cited statistics on page 19 of the government submission, but in the ClubsACT submission, on pages 67 and 68, they have quite different per capita household figures.

Ms Gilding: I can provide some data on that. Yesterday I looked at that difference as well; it is on page 68 of their submission. We all understand that it is a complex problem. We can look at percentages and they can give us part of the story. If we look at three of the reasons for the decrease in gaming machine expenditure as a percentage of disposable income, in 2002-03 the ACT expenditure of disposable income on gaming machines was 1.374 per cent. I cannot quite remember, Mr Rattenbury, the 2009 figure; I think it was approximately similar to what is there on page 68. I do not have it in front of me.

MR RATTENBURY: Yes, 1.5.

Ms Gilding: 1.5. So we have 1.3—and, again, I would want to double-check the ABS stat there. But if we look at our 2012-13 figure, we are at 0.574. If we unpack that a little bit, there are actual decreases in gaming machine expenditure. We are looking at \$739 down to \$598 per person. So we are looking at a 19 per cent decrease in the actual dollars going through. Again, we have been talking about that shift in the type of gaming. So we are looking at a shift from poker machines to perhaps those online products. We have seen gaming machine expenditure fall from 83 per cent of total gaming expenditure in 2002-03 to 81 per cent in 2012-13—a slight shift there.

When we look at percentages, we also have to look at the fact that we have seen an increase in disposable household income over that decade as well. Therefore, the actual amount might be the same but the percentage has actually decreased. There is a complex array of figures there. I would be happy to provide that to the committee, if that would be useful.

Minister for Racing and Gaming: The answer to the Member's question is as follows:–

Difference in statistics presented in ACT Government and ClubsACT submissions

The statistics referred to in the ACT Government submission and the ClubsACT submission are both drawn from the *Australian Gambling Statistics* produced by the Queensland Government Statistician's Office, albeit for different time periods (and in the case of the ClubsACT submission, via the Government's May 2009 Discussion Paper on *Gaming Machine Reallocation Scheme and Gaming Machine Cap*).

The ClubsACT submission refers to 2005 data identifying the proportion of disposable household income spent on gaming in total. Total gaming expenditure includes expenditure on gaming machines as well as: casinos; instant lottery; interactive gaming; keno; lotteries; lotto; minor gaming; and pools.

The ACT Government submission, page 19, presents the most up-to-date data available with comparisons over time also presented on page 20. The ACT Government submission considers the proportion of disposable household income spent on gaming machines rather than total gaming expenditure.

Source data from the ACT Government submission, as well as total gaming expenditure statistics (as per the ClubsACT submission) are presented below.

Table 1: Jurisdictional comparisons of gaming expenditure as percentage of household disposable income

	ACT		NSW		Australian	
	Gaming machines	Total gaming	Gaming machines	Total gaming	Gaming machines	Total gaming
2002-03	1.374%	1.657%	2.440%	3.027%	1.759%	2.592%
2003-04	1.351%	1.618%	2.382%	2.964%	1.716%	2.529%
2004-05	1.219%	1.467%*	2.338%	2.882%	1.688%	2.442%
2005-06	1.186%	1.420%	2.298%	2.869%	1.638%	2.405%
2006-07	1.032%	1.243%	2.224%	2.776%	1.528%	2.259%
2007-08	0.893%	1.086%	1.827%	2.361%	1.334%	2.031%
2008-09	0.773%	0.951%	1.755%	2.297%	1.255%	1.943%
2009-10	0.696%	0.866%	1.685%	2.029%	1.178%	1.788%
2010-11	0.655%	0.799%	1.630%	2.114%	1.143%	1.765%
2011-12	0.609%	0.745%	1.611%	2.105%	1.110%	1.759%
2012-13	0.574%	0.708%	1.595%	2.120%	1.066%	1.716%

Source: Queensland Government Statistician's Office, Queensland Treasury and Trade, *Australian Gaming Statistics 1987-88 to 2012-13, 30th edition*, October 2014. ACT data – Table ACT 24, NSW data - Table NSW 24, Australian data, Gaming Machines – Table Gaming Machines 9, Total Gaming – Table Gaming 9. Available at: www.qgso.qld.gov.au/products/reports/aus-gambling-stats/

* This is the basis for the figure referred to in the ClubsACT submission.

Changes in gaming machine expenditure over time

The ClubsACT submission to the Committee also does not fully extrapolate the reasons contributing to the decline in ACT gaming expenditure.

Government analysis indicates three drivers of the decreasing percentage of disposable household income spent on gaming machines. These are:

- an actual decrease in gaming machine expenditure;
- a shift from gaming machine expenditure towards other types of gaming; and
- an increase in household disposable income.

Table 2: Changes in ACT gaming expenditure over time

	Per capita expenditure on gaming machines (\$)	Expenditure on gaming machines (\$ million)	Total gaming expenditure (\$ million)	Gaming machine expenditure as % of total gaming expenditure	Household disposable income	Gaming machine expenditure as % of household disposable income
2002-03	\$739.23	\$182.553	\$220.060	83%	\$13,284	1.374%
2003-04	\$767.00	\$191.712	\$229.538	84%	\$14,187	1.351%
2004-05	\$732.62	\$185.182	\$222.807	83%	\$15,188	1.219%
2005-06	\$748.68	\$191.963	\$229.775	84%	\$16,181	1.186%
2006-07	\$706.36	\$184.719	\$222.512	83%	\$17,895	1.032%
2007-08	\$665.92	\$177.932	\$216.389	82%	\$19,924	0.893%
2008-09	\$642.15	\$175.114	\$215.557	81%	\$22,665	0.773%
2009-10	\$622.24	\$173.433	\$215.733	80%	\$24,907	0.696%
2010-11	\$633.32	\$180.313	\$219.885	82%	\$27,535	0.655%
2011-12	\$625.54	\$181.592	\$222.313	82%	\$29,835	0.609%
2012-13	\$598.04	\$177.155	\$218.586	81%	\$30,876	0.574%

Source: Queensland Government Statistician's Office, Queensland Treasury and Trade, *Australian Gaming Statistics 1987-88 to 2012-13, 30th edition*, October 2014. Expenditure data – Table ACT 20 (per capita, Table ACT 22), Income data – Table 2. Available at: www.qgso.qld.gov.au/products/reports/aus-gambling-stats/.

This comparison shows that ACT disposable incomes have grown significantly over the last decade, while there has been a decrease in gaming machine (and total gaming) expenditure over the same period.

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Inquiry into elements impacting on the future of the ACT Clubs sector ANSWER TO QUESTION TAKEN ON NOTICE Monday, 18 May 2015

Asked by: Mr Smyth MLA

[Ref: Hansard Transcript 18 May 2015, pg 17 (Proof)]

In relation to: ClubsACT recommendations to the inquiry

THE CHAIR: In the ClubsACT submission there are 28 recommendations. I take it you have not had time to discuss them, from what has been said. Could you take each of the 28 recommendations as a question on notice—with the prefix “Does the government agree that?” and then read recommendations 1, 2, 3 through to 28—and get back to the committee with a government response to the recommendations?

Ms Burch: Whether that is the best approach, Mr Smyth, goes to my comments when I opened, reflecting on the need for clubs to have certainty. Where can this committee go? I would like to see a consensus view—that would be an ideal outcome—about those key areas where we can all agree about reform for the clubs. Whether we take the clubs’ 28 recommendations and agree—there are probably other submissions that have recommendations as well—I do not know if that is the right way. I would seek that you hold that request until this hearing plays out a bit. As I said at the very beginning, I am more than happy to come back with points of clarification to better inform and support the committee’s deliberations.

THE CHAIR: You just said that the clubs are after certainty. They have put forward what I assume are, in their view, 28 things required for them to have certainty. I ask that you take them all on notice.

Ms Burch: We will take them on notice but, with the indulgence of the committee, I would like to be informed by the other deliberations of the people that will come before this committee. I think that is a fair and reasonable thing to do.

Recommendation 1

A Ministerial Advisory Group be established comprising of representatives of ClubsACT, the welfare sector, the business and sport and recreation sectors and other bodies as appropriate. This group will provide an opportunity for relevant issues to be discussed and feedback provided to the Minister.

Recommendation 2

As a matter of process, any regulation or legislation that is likely to have an impact on the operating environment of licensed clubs, should be preceded by an Industry or Sector Impact Statement. This would be a detailed analysis of the likely impacts of such legislation or regulation. Industry should be consulted as part of the development of that analysis which should be produced prior to ministerial or cabinet agreement.

Recommendation 3

An independent review of cross border competitive issues should be conducted with a view to identifying opportunities for eliminating differences in the regulatory approach between NSW and the ACT.

Recommendation 4

Regulations should be introduced into the Legislative Assembly to give effect to the abolition of note restrictions and the implementation of an agreed cash input limit.

Recommendation 5

All agencies involved in the conduct of licensee audits should publish quarterly data regarding the number of audits and inspections conducted including identifying how many audits are conducted on particular venues (without naming the licensee).

Recommendation 6

A semi-independent body be established to oversight the activities of ACT regulatory agencies and officers and provide an opportunity for any regulated entity to offer feedback and seek redress where necessary. This body would also be empowered to compel data and other information from agencies regarding enforcement practices such as the frequency and conduct of audits.

Recommendation 7

Access Canberra considers options to improve the efficiency of enforcement practices including extending the 'one-stop-shop' principle to the frequency and conduct of licensee audits.

Recommendation 8

A working group comprising of representatives of ClubsACT and Chief Minister, Treasury and Economic Development Directorate be established to examine options for the implementation of a Central Monitoring System in the ACT.

Recommendation 9

An independent review be conducted into the business practices of the ACT Gambling and Racing Commission to identify opportunities for efficiencies and other improvements in regulatory and enforcement practices.

Recommendation 10

The ACT Government participates in the proposed gaming machine trading scheme by purchasing licenses to reduce the overall cap and eventually as a mechanism to distribute additional licenses as Canberra's population grows.

Recommendation 11

The ACT Government consider the implementation of a scheme based on the NSW ClubGrants scheme to encourage clubs to maintain community contributions at existing high levels.

Recommendation 12

Changes to the fee regime were highlighted as part of the ACT Liquor Review and the ACT Government should consider a scheme to reward low risk venues with fee rebates.

Recommendation 13

The existing suite of Lease Variation Charge (LVC) remissions be extended beyond March 2016 and this policy measure should be announced well in advance of the current end date of the scheme to provide industry with certainty beyond that date.

Recommendation 14

Any recommendations or other matters relating to club diversification determined to be worthy of further consideration be referred to the Community Clubs Task Force with a view to develop and propose specific policies for consideration by government and the Legislative Assembly.

Recommendation 15

An omnibus variation to the Territory Plan be considered to make necessary amendments to enable clubs to undertake approved developments.

Recommendation 16

Options for further Lease Variation Charge and deconcessionalisation cost remissions should be examined. These could include a LVC remission for developments undertaken by the not-for-profit sector and costs of deconcessionalising leases be significantly reduced or waived in circumstances where the applying club has been onsite for 25 years or more.

Recommendation 17

A scheme be introduced which allows clubs to reduce costs associated with lease deconcessionalisation and lease variation charges by surrendering a proportion of their gaming machine licenses in return for remissions.

Recommendation 18

Consideration be given to a scheme which allows clubs to receive tax credits for costs associated with redevelopments where such redevelopments will demonstrably lead to a reduction in reliance on gaming.

Recommendation 19

Options for direct government financial support for clubs undertaking redevelopments be examined such as low or no interest loans and development related offsets for gaming tax.

Recommendation 20

The existing ACT online exclusion database be linked with the clubs in at least Queanbeyan to enable sharing of information on excluded patrons between NSW and ACT clubs.

Recommendation 21

The \$250 per day ATM withdrawal limit that applies to licensed clubs be extended to the Canberra Casino.

Recommendation 22

Consideration be given to expanding the scope of organisations that receive funding from the Problem Gambling Assistance Fund.

Recommendation 23

Amend the existing community contributions scheme to encourage increased contributions to organizations dealing with primary or secondary impacts of problem gambling. The current \$4 for \$3 arrangements for contributions to women's sport would serve as a useful model.

Recommendation 24

Consideration be given to restoring appropriate levels of information and data sharing between ClubsACT, individual clubs, Relationships Australia and the ACT Gambling and Racing Commission.

Recommendation 25

Chief Minister, Treasury and Economic Development Directorate provide options to ensure expenditure on gambling research occurs as a result of an open, competitive, rigorous and transparent procurement process as well as options to expand the scope of potential providers of research.

Recommendation 26

That the ACT Government consider the application of the Community Service Obligation program to clubs that maintain sport and recreation infrastructure.

Recommendation 27

An independent review of cross border competitive issues should be conducted with a view to identifying opportunities for eliminating the difference in secondary water supply costs between NSW and the ACT.

Recommendation 28

That the ACT Government consider the application of the Community Service Obligation program for recycled water.

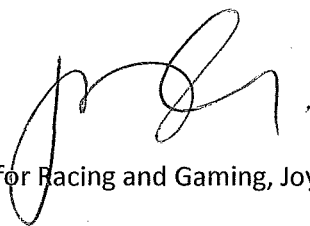
MINISTER FOR RACING AND GAMING: The answer to the Member's question is as follows:—

The above recommendations from the ClubsACT submission to the Committee's Inquiry have been addressed as a question taken on notice from the Chair.

As the ClubsACT submission was prepared for the Committee's Inquiry, it would be pre-emptive of the government to provide a response to specific recommendations prior to the Inquiry's deliberations being concluded. The government intends to formally respond to any recommendations that are included as part of the Inquiry's final report. In the interim, I am prepared to attend another hearing with the Inquiry to provide additional information that may assist the Committee in its investigation.

Approved for circulation to the Standing Committee on Public Accounts

Signature:



Date:

9.6.15

By the Minister for Racing and Gaming, Joy Burch MLA



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Inquiry into elements impacting on the future of the ACT Clubs sector ANSWER TO QUESTION TAKEN ON NOTICE Monday, 18 May 2015

Asked by Mr Smyth:

[Ref: Hansard Transcript 18 May 2015, pg 18-19 (Proof)]

In relation to: Accessibility of poker machines during peak periods

THE CHAIR: How many clubs have machines currently mothballed, and under what circumstances are they mothballed?

Mr Jones: We would need to take that on notice. Some clubs have interim, for a week or two, or perhaps up to a month, while machines are being repaired. That comes and goes all the time. In terms of long-term storage or whatever, I would have to take that on notice and get back to the committee.

THE CHAIR: Are there any significant numbers known to you at this stage?

Mr Jones: Not known at this stage, no.

THE CHAIR: I understand that the Tradies at Dickson might have something like up to 100 machines not on the floor being used.

Mr Jones: No; they are still active. They are still being used.

THE CHAIR: They are all active?

Mr Jones: Yes. Not necessarily all of the time, but they are certainly active, at a minimum, every week, once a week.

THE CHAIR: How do they do that? They rotate access to them?

Mr Jones: No, they are in an area which I understand used to be a function room which, depending on club demand, during the quieter periods, they do not have access to, presumably to save on salaries and expenditure and to meet peak demand on Friday and Saturday nights or whatever. That is open to all members to meet their peak demand, including those approximately 100 machines.

THE CHAIR: How many other clubs run an arrangement like that?

Mr Jones: I am not sure, off the top of my head. I would need to find out. There is no compulsion for clubs to use all of their machines every time they are open. But machines, while they are on the floor, must be active at least once during a month, effectively.

THE CHAIR: During a month?

Mr Jones: During a month. The legislation pretty well says—it is actually written in the negative—that if a machine is not active during a month, it must be for a good reason or the commission needs to instigate some action.

THE CHAIR: So you will take on notice both those that have been mothballed genuinely and those that are on arrangements where they are not always accessible to the public?

Mr Jones: We take each case on a case by case basis. As I said, some are for repairs. Some are not active every day of the week, to meet their own peaks and troughs. There are some machines which have been approved to be non-active and are stored either off site or in a secure area—for example, in a club basement. There is a whole range of possibilities. I do not know the exact number for each venue off the top of my head.

THE CHAIR: If you could take that on notice, that would be fine.

Mr Jones: I will take it on notice.

MINISTER FOR RACING AND GAMING: The answer to the Member's question is as follows:—

The Commission has granted approval to five clubs for the storage of (114) gaming machines. The table below provides details of the licensee and reason for storage.

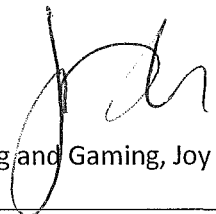
Licensee	No. GMs in Storage	Reason for Storage	Length of Storage Approved	Legislative Provision
Canberra Southern Cross Club Ltd T/as Canberra Southern Cross Club	15	Renovations	12 mths to 24 September 2015	S26(3) GM Act Up to 10% of machines for up to 12mths
Canberra Southern Cross Club Ltd T/as Southern Cross Club Jamison	16	Renovations	12 mths to 23 October 2015	S26(3) GM Act Up to 10% of machines for up to 12mths
Canberra Southern Cross Club Ltd T/as Southern Cross Club Tuggeranong	17	Renovations	12 mths to 23 October 2015	S26(3) GM Act Up to 10% of machines for up to 12mths

Licensee	No. GMs in Storage	Reason for Storage	Length of Storage Approved	Legislative Provision
Italo Australian Club (ACT) Ltd T/as Italo Australian Club	6	To consider the effect on revenue by the reduction of machines.	12 mths to 23 September 2015	S26(3) GM Act Up to 10% of machines for up to 12mths
Canberra Services Club Ltd T/as The Canberra Club	60	Storage approved pending building of new premises.	On-going, pending construction of new premises.	S26(2) GM Act Amend licence temporarily if satisfied there is a good reason.

All machines held by licensees at their venues are active (available for patron's use) during each month as required by the *Gaming Machine Act 2004*.

Approved for circulation to the Standing Committee on Public Accounts

Signature:



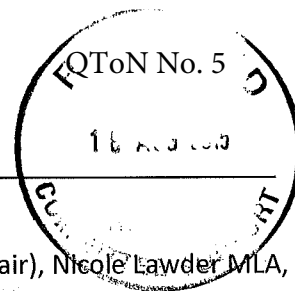
Date:

15.6.15

By the Minister for Racing and Gaming, Joy Burch MLA



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Inquiry into elements impacting on the future of the ACT Clubs sector
ANSWER TO QUESTION TAKEN ON NOTICE
Monday 18 May 2015

Asked by Ms Porter MLA:

[Ref: Hansard Transcript 18 May 2015, pg 6 (Proof)]

In relation to: 2015 prevalence study

MS PORTER: Mr Jones, when did you say we expect the latest information to come out from the ANU and be available for us?

Mr Jones: In terms of the 2015 prevalence study?

MS PORTER: Yes.

Mr Jones: Formally, their report is not due to us until about July-August. But we understand there will be substantial data available in summary form, which ANU are working on at the moment. We are hoping that will be perhaps sometime in June. We will make that available to the committee as soon as that is available.

Minister for Racing and Gaming: The answer to the Member's question is as follows:—

Please refer to Attachment A - 2014 ACT Gambling Prevalence Study, Summary of Preliminary Findings

Approved for circulation to the Standing Committee on Public Accounts

Signature:

Date:

13.8.15

By the Minister for Racing and Gaming, Joy Burch MLA

2014 ACT Gambling Prevalence Study Summary of Preliminary Findings

The ACT Gambling and Racing Commission contracted The Australian National University's Centre for Gambling Research to undertake a comprehensive study of gambling and problem gambling in the ACT. *The 2014 Survey on Gambling, Health and Wellbeing in the ACT* surveyed 7,068 ACT residents in late 2014 and early 2015 and reports in detail on the prevalence of gambling in the Territory. The previous prevalence surveys on gambling in the ACT were undertaken in 2001 and 2009.

A summary comparison table between 2009 and 2014 findings is on page 2.

Major findings at a glance

Gambling Participation:

- participation in gambling activities has continued to fall over the last decade;
- total gambling expenditure fell by 19% from 2009 to 2014;
- around 45% of adults had not gambled in the last 12 months, up from 30% in 2009; and
- 20% of adults gambled on gaming machines at least once in the last year however less than 2% gambled on them once a week or more. In 2009, 30% of adults gambled on gaming machines at least once in the past year while 3% gambled on them at least once a week.

Gambling Harm (where relevant, 2009 figures are included in brackets after each 2014 figure for comparison):

- since 2009, the percentage of the ACT population reporting symptoms of moderate risk/problem gambling fell by about 0.8% but this change was not statistically significant;
- the level of problem gambling in the ACT, as measured by the widely used Problem Gambling Severity Index (PGSI), is 0.4% (0.5% in 2009) which compares to 0.8% in New South Wales, 0.5% in Queensland, 0.6% in South Australia and 1.0% in Victoria;
- A further 1.1% (1.5% in 2009) of adults were found to be moderate risk problem gamblers, 3.9% (3.4% in 2009) low risk problem gamblers and 48.7% (62.1% in 2009) were non-problem gamblers;
- 10% (7.9% in 2009) of gamblers had at least one symptom of problem gambling, with 2.9% (2.9% in 2009) being classified as moderate risk or problem gamblers;
- problem gambling was fifteen times more common in high frequency gamblers (gambling weekly or more) compared to medium frequency gamblers (gambling monthly or more);

- over 26% (22.1% in 2009) of people losing \$5,000 or more annually were moderate risk or problem gamblers;
- of those that were identified as moderate risk or problem gamblers, 76% (92% in 2009) reported playing gaming machines (but not necessarily exclusively);
- moderate risk/problem gamblers tend to bet on a range of products – the average being four different products;
- compared to the rest of the population, a problem gambler is more likely to be male and less well educated;
- poor physical and mental health, smoking, and alcohol consumption were associated with problem gambling;
- less than 10% of people ever having gambling problems had ever received professional help for issues related to their gambling with a further 5% trying unsuccessfully to get help and 5% wanting but not trying to access help;
- people with gambling problems typically do not seek help until the consequences of their gambling are serious, the most common predictor of help seeking was feeling suicidal; and
- 15.8% of ACT adults have ever had a close family member with gambling issues.

The table below provides a comparison of key gambling prevalence statistics from the 2009 and 2014 ACT gambling prevalence surveys. The 2009 survey did not administer the Problem Gambling Severity Index (PGSI) to participants who gambled less than 12 times a year and lost less than \$2000. The 2014 survey included this group to gain a more complete picture of harms experienced from gambling. The *adjusted* 2014 results exclude this group to facilitate accurate comparison of results between the two surveys.

Comparison of key statistics 2009-2014

Category	2009 survey	2014 results (adjusted)	2014 survey	Number of ACT adults*
Problem gambling				
problem gamblers	0.5%	0.4%	0.4%	1,110
moderate risk problem gamblers	1.5%	0.8%	1.1%	3,053
low risk problem gamblers	3.4%	2.1%	3.9%	10,825
total reporting symptoms of problem gambling	5.3%	3.3%	5.4%	14,988
non-problem gamblers	62.1%	50.9%	48.7%	135,171
non-gamblers	30.2%	45%	45%	124,901
Frequency of gambling				
high frequency gamblers (48+ times last year)	17.6%		12.1%	33,585
medium frequency gamblers (12-47 times last year)	17.1%		12.8%	35,527
low frequency gamblers (less than 12 times last year)	35.2%		30.2%	83,823
non-gamblers	30.2%		45%	124,901

Category	2009 survey	2014 results (adjusted)	2014 survey	Number of ACT adults*
Gambling expenditure (self-reported estimates)				
positive net expenditure (profit) in the last year	1.8%		3.6%	9,992
net expenditure (loss) of less than \$103 in the last year	65.1%		71.1%	197,344
net expenditure (loss) between \$103 and \$999 in the last year	22.8%		17.2%	47,740
net expenditure (loss) between \$1,000 and \$9,999 in the last year	9.0%		7.7%	21,327
net expenditure (loss) over \$10,000 in the last year	1.4%		0.4%	1,110

*Based on 2011 ACT ABS Census data, 277,558 persons over 18 years of age.

Findings in more detail

Gambling prevalence, frequency and expenditure

Between 2009 and 2014 the percentage of non gamblers rose from 30% to 45%. The number of people who gambled at least once in the last 12 months fell 3% between 2001 and 2009 and has fallen a further 14% since then. The percentage of people who gambled more than monthly fell from 17% to 13% between 2009 and 2014 and those who gambled weekly or more fell from 18% to 12%.

Participation rates for most types of gambling have fallen except sports & special events betting and bingo. There has been a corresponding drop in gambling expenditure across all activities amongst ACT adults (19%). The extent of the decrease suggests this is a result of changing spending patterns of individuals.

Problem gambling was strongly related to more frequent gambling. Gamblers who gambled at least weekly were twice as likely to be moderate risk gamblers and problem gambling was fifteen times more common compared to those that gambled at least monthly. This association was markedly stronger for gaming machine gamblers, strong for gambling on other activities excluding lotteries and scratch tickets and consistent with 2009 findings.

On average, gaming machine gamblers gambled for 47 minutes per session and 16 hours each year in 2014. High frequency gaming machine gamblers were three times more likely than other gaming machine gamblers to gamble for 2 hours or more per session and on average gambled for 120 hours per year.

Problem gambling amongst gaming machine gamblers was also strongly associated with the length of time of gambling sessions. Of those who gambled for less than an hour per session 3.3% were moderate risk/problem gamblers, rising to 10% for those playing between one

and two hours and 19.2% for those playing from more than two hours at a time in 2014. For 2009 these percentages were 2.4%, 11.1% and 26.3% respectively.

Half (51%) of the gamblers surveyed reported gambling on two or more activities and 11% of this group gambled on four or more activities. For high frequency gamblers this increased to 24% gambling on four or more activities in 2014 down from 32% in 2009.

Losing more than \$1,000 a year gambling was reported by 8% of ACT adults and 1% reported losing more than \$5,000. For high frequency gamblers these figures increased to over 50% losing more than \$1,000 a year and 9% losing more than \$5,000. In 2009 10% of adults lost more than \$1000 and 3.4% lost more than \$5000. These dollar figures are not adjusted for inflation.

Problem gambling

Problem Gambling Severity Index results indicated that:

- 0.4% of the ACT adult population were problem gamblers;
- 1.1% of adults were moderate risk problem gamblers;
- 3.9% were low risk problem gamblers; and
- 48.7 % were non-problem gamblers.

However, care must be exercised when assessments of risk or harm are based on the entire population, as this includes infrequent and non-gamblers. As the Productivity Commission's 2010 report on gambling notes, assessments should focus on the specific products most related to harm and the people who regularly use them.

Gambling on gaming machines in the last year was reported by 76% (92% in 2009) of moderate risk/problem gamblers compared to 36% (38% in 2009) of other gamblers. Compared to the rest of the population, problem gamblers are more likely to be male and less-well educated.

The 2014 adjusted prevalence results show a significant increase in the number of non-gamblers and significant decreases in the number of non-problem gamblers and low risk problem gamblers since 2009. During the same period, the proportion of moderate risk/problem gamblers has fallen from 2% to 1.2%. However this is a small change in a relatively small group of people and as such is not statistically significant.

Impacts of problem gambling on family

A close family member ever having a gambling issue was reported by 15.8% of ACT adults with 6.1% saying this had been in the last 12 months.

Where the gambling issue had occurred in the last 12 months, 38.8% of family members said the issue had affected them. Family members reported relationship and family impacts (92.7%), emotional impacts (86%) and financial impacts (47.8%).

The family members with gambling problems were often parents (27.6%) and spouses/partners (19.1%).

Gaming machines

In 2014, 19.9% of the ACT adult population gambled on gaming machines, down from 30.2% in 2009. Other gaming machine related findings include:

- 14% (16.8% in 2009) of gaming machine gamblers gambled weekly or more;
- 3.1% of gaming machine players reported losses of \$5,000 or more in the last year;
- 15.7% (15.2% in 2009) of gaming machine gamblers reported symptoms of problem gambling and 5.8% (6.6% in 2009) were moderate risk/problem gamblers;
- 76% (92% in 2009) of people identified as moderate risk/problem gamblers played gaming machines and this was the most common activity reported by this group;
- 61.2% of high frequency gaming machine gamblers reported losing more than \$2,000 in the last year and 29.1% lost \$5000 or more; and
- amongst gaming machine gamblers, non-problem gamblers accounted for:
 - 92.5% of low frequency gamblers;
 - 74.9% of medium frequency gamblers; and
 - 50.9% of high frequency gamblers.

Internet gambling

The survey provides the first comprehensive estimate of internet gambling in the ACT. The report revealed that 8.4% of adults used the internet to gamble. However, only 2.1% of ACT adults do so weekly or more often. The most common forms of online gambling were sports or special events gambling, horse or greyhound racing, and buying lottery tickets. Less than 1% of adults gambled on gaming machines or table games online.

In addition:

- 22% of high frequency internet gamblers lost \$2,000 or more in the last year including 11% who lost \$5,000 or more; and
- 23.7% of people using the internet to gamble reported at least some problem gambling symptoms compared to 7.4% of other gamblers.

Help seeking and service use

As in other Australian jurisdictions, the report found that receiving professional help for gambling problems is uncommon. Of those who self-identified as ever having problems with gambling, 17.9% had wanted help, 14% sought help and 8.9% received professional help. Although 58% of moderate risk/problem gamblers self-identified as having gambling-related problems in the last year, even when people recognised a problem with their gambling, a large proportion did not seek professional help.

People often wanted help for more than one issue:

- 89% wanted help cutting back or stopping their gambling;
- 66% wanted help with feelings of stress, anxiety or depression;
- 53% wanted help for financial issues; and

- 35% wanted help for relationship or family issues.

The report found that feeling suicidal was the most common predictor of help-seeking for gambling problems. 8 out of 10 people who sought help because of feeling suicidal received help.

Community attitudes

The survey also asked a number of questions relating to participants' attitudes towards gaming activity:

- the percentage of people agreeing that gambling does more good than harm continued to decrease, 11.6% in 2001, 9.1% in 2009 and 7.3% in 2014;
- gaming machines and gambling over the internet were seen to be harmful with 86.2% and 84.1% of adults respectively disagreeing that these activities did more good than harm;
- 53.7% of people agreed that ATMs should be allowed in gaming machine venues up from 24% in 2009; and
- 86% of respondents supported an ATM cash withdrawal limit of \$250 or less, per card, per day.

Knowledge of the ACT's self-exclusion from gambling program was reported by 45.5% of gaming machine gamblers. This rose to 72.3% for low-risk gamblers and 77.6% for moderate risk/problem gaming machine gamblers.

Support is available

Anyone experiencing problems with their gambling is encouraged to seek assistance. Confidential help is available anytime at no charge by phoning the national gambling helpline on 1800 858 858 or through the national online help service at:

www.gamblinghelponline.org.au



LEGISLATIVE ASSEMBLY

FOR THE AUSTRALIAN CAPITAL TERRITORY

STANDING COMMITTEE ON PUBLIC ACCOUNTS

Brendan Smyth MLA (Chair), Mary Porter AM MLA (Deputy Chair), Nicole Lawder MLA, Meegan Fitzharris MLA, Shane Rattenbury MLA¹

¹The Assembly motion of 26 March 2015 resolved that a member of the cross-bench be appointed to the Standing Committee on Public Accounts for the purpose of this investigation.

Inquiry into elements impacting on the future of the ACT Clubs sector

ANSWER TO QUESTION TAKEN ON NOTICE

Monday, 18 May 2015



Asked by Ms Lawder MLA:

[Ref: Hansard Transcript 18 May 2015, pg 8-9 (Proof)]

In relation to : Expenditure per person

MS LAWDER: What are the relationships that affect perhaps people's spending on gaming machines?

Mr Jones: I think demographics is probably number one in terms of what interests people regarding gambling products. As you can well imagine, there is a very large range of gambling products in a whole range of forms that is available to people. Some of those are obviously in venue, like gaming machines at a club. Some are through the internet, through phones and that sort of thing, which can be relatively private or impersonal, depending on what your inclination is.

MS LAWDER: But those things are pretty common across Australia, surely?

Mr Jones: They are indeed.

MS LAWDER: What are the things that might make us different and well below the average?

Mr Jones: Again, demographics is important. We are a relatively young, what you might call well-educated society. The prevalence studies we have seen both here and interstate show that those people that tend to play gaming machines and those that perhaps may develop issues with their gambling tend to be particularly young males of lower educational level and perhaps single. So demographics is clearly a major factor.

In terms of our population and what is available compared to other states, and the number of persons attending the casino, it is only a relatively small casino and there are only table games available there, as you know. That may or may not be attractive to some people. Perhaps it is really about opportunities and demographics in terms of people's preferences. Other than that, trying to explain people's choices about where their expenditure goes can be fairly difficult.

MS LAWDER: When you say there is perhaps less choice, it is probably in here somewhere, but how does our number of gaming machines compare? Page 8 gives a comparison with other jurisdictions. Do we have a lesser relationship per person to gaming machines than elsewhere?

Mr Jones: No. In fact, the ACT has one of the highest per capita number of gaming machines.

MS LAWDER: Does that perhaps negate your previous comment when you said it is about opportunity?

Mr Jones: I was thinking more about the casino, in terms of opportunities there. There is certainly plenty of access to gaming machines through the club venues.

MS LAWDER: Is it that we have fewer young, single males on low incomes, perhaps, based on what you have said so far?

Mr Jones: I would need to have a look at the actual demographics, but of those that tend to come into concerns with their level of gambling, the problem gamblers, young single males of a lower educational level tend to dominate that category. In terms of overall expenditure on gaming machines per capita, most of that can be explained through our particular demographics in the ACT compared to others.

MINISTER FOR RACING AND GAMING: The answer to the Member's question is as follows:—

It appears from Hansard that the origins of Ms Lawder's questions relate to the statement on page 19 of the ACT Government's submission to the Committee *'Total annual expenditure on gaming machines represented 0.574 percent of ACT Household disposable income in 2012-13, well below the national average of 1.066 percent and about one third of the NSW percentage of 1.595 percent'*.

The percentages referred to above are reported in Australian Gambling Statistics 2012-13 (AGS). ACT expenditure on gaming machines as a percentage of household disposable income is well below average primarily because household disposal income per capita in the ACT is well above the Australian average.

Per capita gaming machine expenditure in dollar terms reported in AGS is reflected in the table below.

Per Capita Gambling Expenditure (Gaming Machines) 2012-13

ACT	NSW	NT	QLD	SA	TAS	VIC	WA	Australia
\$ 598	\$ 922	\$ 350	\$ 570	\$ 558	\$ 285	\$ 561	—*	\$ 610

*Gaming machines in WA operate within Crown Perth Casino and expenditure is not reported separately.

Approved for circulation to the Standing Committee on Public Accounts

Signature:



Date: 28/5/15

By the Minister for Racing and Gaming, Joy Burch MLA



LEGISLATIVE ASSEMBLY

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Brendan Smyth MLA (Chair), Mary Porter AM MLA (Deputy Chair), Nicole Lawder MLA, Meegan Fitzharris MLA, Shane Rattenbury MLA¹

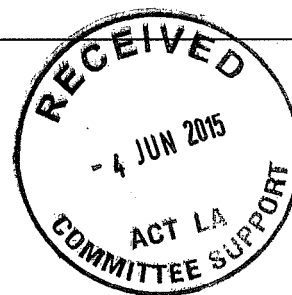
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Inquiry into elements impacting on the future of the ACT Clubs sector ANSWER TO QUESTION TAKEN ON NOTICE Monday, 18 May 2015

Asked by Mr Smyth MLA:

[Ref: Hansard Transcript 18 May 2015, pg 4 (Proof)]

In relation to: Resources spent on problem gaming



THE CHAIR: How much time and effort of staff resources of the Commission are spent on problem gaming?

Mr Jones: I would need to take that on notice to give you an exact figure. We have a policy research area which spends a lot of time monitoring research in other jurisdictions and contract management of research. I will take that on notice and give you an exact figure as to how many FTEs are involved with that.

MINISTER FOR RACING AND GAMING: The answer to the Member's question is as follows:—

In addition to expenditure under the Problem Gambling Assistance Fund, in 2013-14 the Commission's policy and research area was resourced with 3.4 FTE. Approximately 70 per cent of these resources were allocated to problem gambling activities at a cost of \$284,535 (incl salary & on costs).

Activities included:

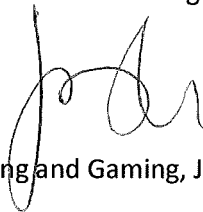
- community engagement and education;
- contract management of the ACT Gambling Counselling Support Service;
- monitor and research effects of problem gambling;
- administer the Problem Gambling Assistance Fund; and
- provided administrative support to the Commission's consultative committees.

The Commission also funded (from its operating expenses) \$118,686 on gambling related research products throughout 2013-14.

As at 30 April 2015, the Commission has spent a total of \$612,576 on problem gambling related activities in the 2014-15 financial year. This is made up of staff salaries in the amount of \$297,912 and research products of \$314,664. The increase in research expenditure relates to the payment for the 2014 Survey on Gambling, Health & Wellbeing in the ACT (\$216,370).

Approved for circulation to the Standing Committee on Public Accounts

Signature:



Date:

By the Minister for Racing and Gaming, Joy Burch MLA

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