

The Gambling Environment 2007

Changes Since 1999

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Executive Summary

Since the Productivity Commission released its report, *Australia's Gambling Industries*¹, in 1999 the gambling industry and some levels of government in Australia (federal, state and territory) have acknowledged that laws and industry safeguards initially put in place to protect gamblers were inadequate. To that end government, industry and community groups have worked diligently and extensively on harm minimisation strategies.

In 2002 the Chairman of the Productivity Commission, Mr Gary Banks² (the Banks Paper), stated that significant progress had been made in addressing problem gambling since the Productivity Commission's Inquiry. He also stated that the "regulatory and self-regulatory initiatives that have been introduced are extensive, with some useful innovations". Five years later, there have been further regulatory changes and developments in efforts to address problem gambling and promote responsible gambling.

Research into consumer protection and harm minimisation measures remains an area of focus for all stakeholders and it is heartening that such stakeholders have taken increasing ownership of these issues. There is considerable action and collaboration amongst government, the gambling industry and social and community groups to explore the best possible way to deliver gambling in a responsible manner.

This discussion paper examines the changes that have occurred in the gambling industry since 1999 and the considerable progress that has been made in implementing key reforms since this time. The paper will explore these changes and expand on previous recommendations and examine future directions for the industry.

¹ Productivity Commission (1999) *Australia's Gambling Industries*, Report No. 10, AusInfo, Canberra.

² G Banks (2002) *The Productivity Commission's gambling inquiry: 3 years on*. Presentation to the 12th Annual Conference of the National Association for Gambling Studies, Melbourne, 21 November 2002, Productivity Commission, Canberra.

Background

The 1999 the Federal Treasurer commissioned the Productivity Commission to inquire into the economic and social impacts of gambling industries and the effects of the different regulatory structures that surround those industries. During the preceding decade, the gambling industry had grown rapidly as a consequence of deregulation of the sector by state and territory governments.

The Productivity Commission's Inquiry into Australia's Gambling Industries³ (the PC Report) stimulated much discussion, debate and ultimately action. For the first time, a detailed snapshot of gambling activities in Australia was presented and a framework for engagement was put forward. Stakeholders, while divided on some areas, could finally gauge the costs and benefits of gambling and perhaps more importantly, the nature and extent of problem gambling.

The response to the PC Report was swift and the regulatory and policy environment in 2007 is very different from that of eight years ago.

Objective

This discussion paper will outline the current regulatory environment and consider developments over the past eight years, highlighting the changing legislative and policy environment as well as the range of industry initiatives.

Subsequent changes in expenditure, taxation, problem gambling and the public perception of the gambling industry will be examined against the backdrop of these developments including the determinants for change.

The response of government, industry and the community to key areas raised for priority attention will be considered and priorities and recommendations for 2007 and beyond discussed.

Industry Trends

Expenditure

The PC Report highlighted the continual increase in gambling expenditure from the 1990's with the electronic gaming machine (EGM) becoming the dominant form of gambling with just under 60 per cent of the total gambling market.

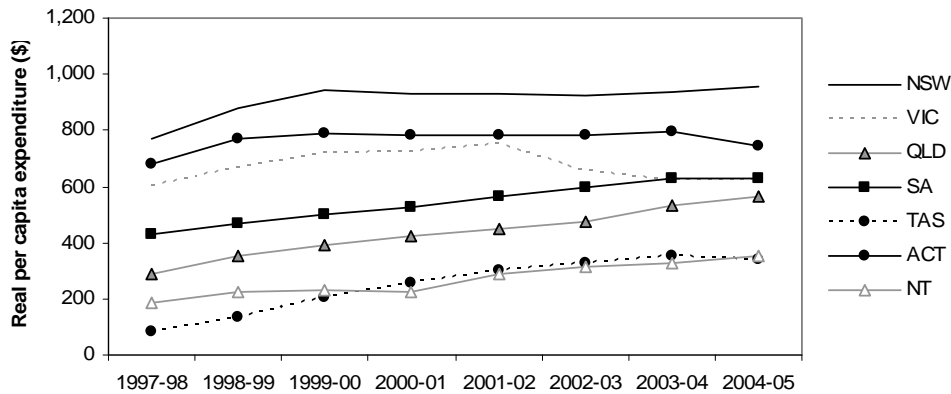
The Banks Paper in 2002 found that expenditure on gambling had risen by 15 per cent since 1997-98 to reach \$14 billion, or \$1,000 per adult (\$1,101 in real terms). This may have partly reflected some policy actions but was more likely due to a maturing gaming machine market. In 2004-05, expenditure on gambling increased to \$16.9 billion, or \$1,097 per adult.

Between 1997-98 and 2000-01 real per capita gaming machine expenditure across Australia increased at an average rate of 7.9 per cent per year. Between 2000-01 and 2004-05, however, growth in expenditure slowed to an average of 0.7 per cent annually.

³ Productivity Commission (1999).

The gaming machine share of gambling expenditure has risen further to 60 per cent in 2004–05 from 57 per cent in 2000–01, 52 per cent in 1997–98 (and 34 per cent in 1991–92), a significant shift because the costs of problem gambling were found to be larger for gaming machines than other gambling modes.⁴

Figure 1: Gaming Machine Expenditure (1997–2005)

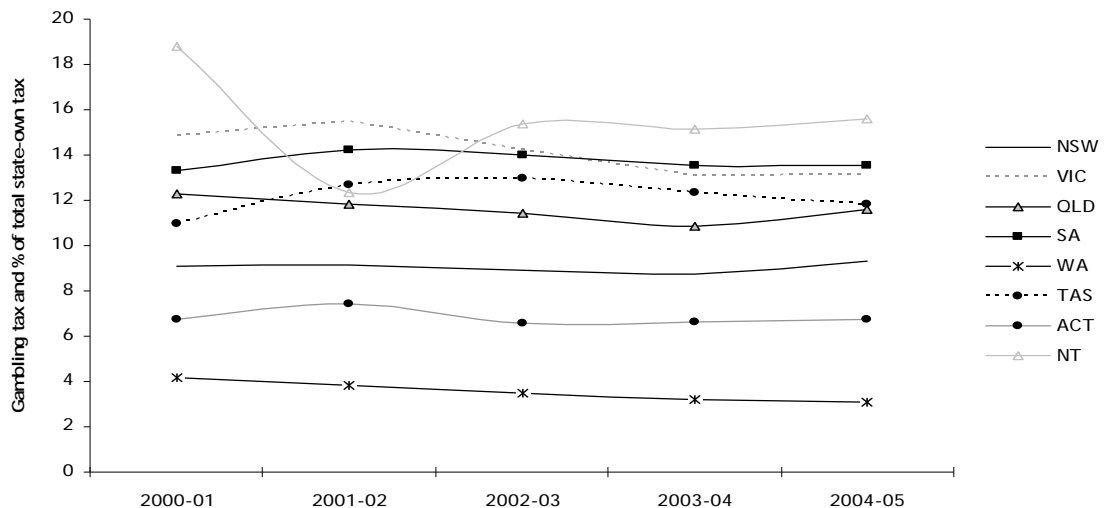


In 1997-98 gambling expenditure represented 2.97 per cent of Household Disposable Income (HDI), while gaming machine expenditure represented 1.53 per cent. In 2002 these figures had increased to 3.13 per cent (gambling) and 1.81 per cent (gaming machines). By 2004-05 it was evident that these figures had stabilised with gambling, as a percentage of HDI slightly decreasing to 3.05 per cent while gaming machine expenditure had marginally increased to 1.82 per cent.

Taxation

State and territory budgets continue to rely heavily on taxation revenue raised through gambling.

Figure 2: Gambling tax as a percentage of state taxes (2000–2005)

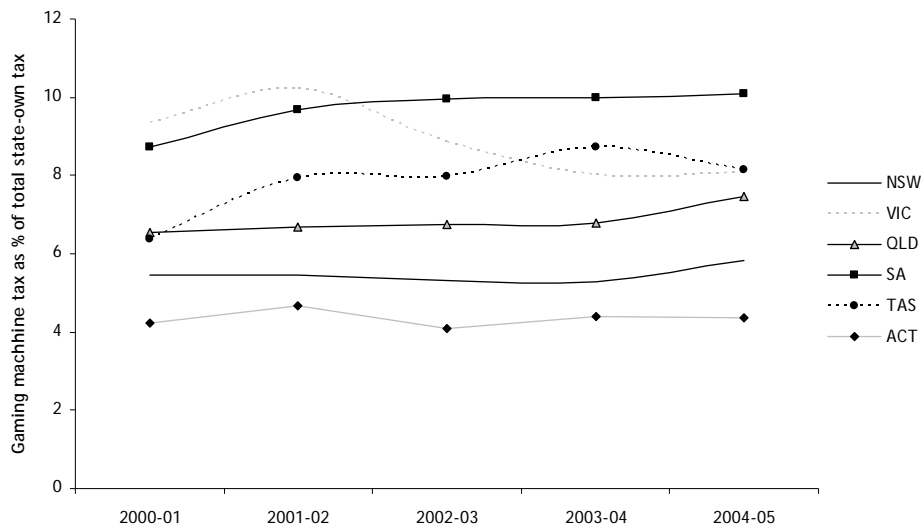


State and territory dependence on gaming machine revenue has, in most cases, increased since 2000-01. The increase between 2000-01 and 2004-05 has been highest in Tasmania (6.4 per cent to 8.2 per cent), South Australia (8.7 per cent to 10.1 per cent),

⁴ Banks (2002).

Queensland (6.6 per cent to 7.5 percent) and New South Wales (5.5 per cent to 5.8 percent). Only Victoria has registered a decrease with gaming machine tax as a percentage of state taxes decreasing from 9.3 per cent in 2000-01 to 8.1 percent in 2004-05.

Figure 3: Gaming machine tax as a percentage of state taxes (2000–2005)



Problem gambling

Prior to and around the time of the release of the PC Report in 1999 the general international practice of measuring the prevalence of problem gambling was to use the South Oaks Gambling Screen (SOGS). Since this time, however, there has been a tendency, initiated overseas, to use the Canadian Problem Gambling Index (CPGI). Despite a general view that this is a superior screen to SOGS, the downside is that it has resulted in few replication studies being undertaken.

The use of different screens post 1999 has meant that potential changes in problem gambling have not, and cannot be reliably tracked or analysed and there is a lack of consistent surveys. In the Banks Paper it was raised that “the search for an ‘ideal’ screening instrument is worthwhile” but that “we should not allow it to become a distraction”, highlighting the importance of applying a given screen consistently over time to assess the effectiveness of any remedial measures.

Table 1: Problem Gambling Prevalence (SOGS 5+) trend

	Year	Sample	Prevalence
NSW	1999	2,600	2.55
VIC	1999	2,200	2.14
	2003	8,475	1.12
QLD	1999	1,500	1.88
SA	1999	1,000	2.45
	2001	6,045	2.0
	2005	17,140	1.9
WA	1999	1,100	0.7

TAS	1994	1,220	0.90
	1996	1,211	2.97
	1999	800	0.44
	2000	1,223	0.90
	2005	6,048	1.41
ACT	1999	700	2.06
	2001	5,445	1.91
NT	1999	600	1.89
	2006	2000	1.06
AUST	1999	10,500	2.1

Table 2: Problem Gambling Prevalence (CPGI) trend

	Year	Sample	Problem gambling (8-27)	Moderate Risk (3-7)
NSW	2006	5029	0.8	1.6
VIC	2003	8,479	0.97	0.91
QLD	2001	13,082	0.83	2.70
	2003-04	30,373	0.55	1.97
SA	2005	17,140	0.40	1.20
WA	-	-	-	-
TAS	2005	6,048	0.73	1.02
ACT	-	-	-	-
NT	2006		0.64	Not collected
AUST	-	-	-	-

The prevalence rates in Tables 1 and 2 above and the downward trend over time suggest problem gambling is either stabilising or decreasing in some instances. Although comparisons in many instances are unreliable or statistically insignificant, one could speculate that prevalence is following the international trend of decreasing or stabilising. For example, problem gambling appears to be stabilising or decreasing in many jurisdictions worldwide eg., Ontario (3.8 per cent to 3.4 per cent)⁵ and Prince Edward Island, Canada (stable)⁶; South Africa (6.8 per cent to 4.8 per cent)⁷, Oregon (1.4 per cent to 0.9 per cent)⁸ and Washington State, United States (0.9 per cent to 0.5 percent)⁸.

How is this trend attributed? Is this based on consumer protection measures, population exposure and adaptation, a maturing industry, effective treatment or public awareness?

Exposure and adaptation models provide competing perspectives of the environmental influence on the development of addictive disorders. Exposure theory suggests that the

⁵ J Wiebe and P Mun (2006) *Gambling and Problem Gambling in Ontario 2005*, Responsible Gambling Council.

⁶ J Doiron (2006) *Gambling and Problem Gambling in Prince Edward Island*. Prince Edward Island Department of Health.

⁷ P Collins and G Barr (2006) *The National 2006 Prevalence Study - Gambling and Problem Gambling in South Africa*. National Center for the Study of Gambling.

⁸ Max Abbott (in press) *Do EGMs and Problem Gambling Go together like a Horse and Carriage?*

presence of social establishments such as casinos may increase the likelihood of people developing harmful disorders, such as problem gambling. Adaptation theory proposes that the introduction of a casino, for example, may increase a person's susceptibility to developing a harmful disorder, but symptoms will diminish as an individual adapts to its presence.⁹

Looking at the social adaptation model, this suggests gamblers are dynamic and capable of modifying their behaviour and adapting to the presence of gambling in their community. This could be due to the novelty effect decreasing or gamblers recognising that the chances of winning have a negative expected value over time and players adjusting how much they will gamble.

This school of thought suggests that while problem gambling prevalence may rise initially with increased gambling availability (exposure theory), this relationship at some point breaks down as individuals and communities adapt and develop immunity (social adaptation theory). Exposure theory is one possible factor in explaining the decrease in prevalence rates.

Public perception of gambling

The public perception of gambling was addressed in the PC Report. As part of the Productivity Commission's *National Gambling Survey* participants were asked where they agreed or disagreed with the statement, "*gambling does more good than harm for the community*". Around 70 per cent disagreed with the statement, compared with only 15 per cent who agreed. Regular gamblers were less critical of the effects of gambling than non-regulars, who in turn were less critical than non-gamblers.

In a 2003 report, the Gambling Research Panel (GRP) asked survey respondents to indicate their position on a number of statements. In response to the statement "*gambling-related problems have got worse in the last four years*" in 1999, 84 per cent of respondents agreed while 7 per cent disagreed. Four years later in 2003 there was a slight decrease with only 81 per cent of respondents agreeing with this statement, while 6 per cent disagreed.

The GRP report also asked individuals to respond to the statement "*gambling does more good for the community than harm*". In 1999, 79 per cent disagreed with this statement while 10 per cent agreed. Four years later in 2003, 76 per cent disagreed with this statement indicating a slight decrease while there was an increase in the proportion of those respondents in agreement, 13 per cent. There was also a decrease in those strongly opposed to this statement with the proportion of those participants in slight disagreement with the statement increasing, suggesting a moderation in opinion over time.

⁹ DW Shaffer (2000) *Epistemic frames and islands of expertise: Learning from infusion experiences*. Paper presented at the International Conference of the Learning Science (IC2S) Santa Monica, CA.

Government, industry and community response

Areas identified by the PC Report as potential harm minimisation or consumer protection measures were:

Informed Choice	Consumer Control	Venue/games restrictions
Meaningful 'price' and odds information	Self exclusion	ATMs (location, withdrawal limits)
Expenditure Statements	Pre-commitment	Credit restrictions
Warnings		Note acceptor limits
Help Service information		Cheque payouts
Ethical promotion		Spending rates
How games work		Enforced breaks
		Machine caps
		Opening hours
		Advertising restrictions
		Lighting, sounds and clocks

Industry initially responded by developing self-regulation initiatives, mainly related to voluntary codes of practice which mostly pertained to discretionary measures including "softer" measures such as the provision of winnings and warnings.¹⁰ These codes were also deficient in that none provided for independent monitoring, review of compliance or evaluation.

Many jurisdictions including the Northern Territory and ACT have adopted the Queensland model (launched in 2002) of a responsible gambling Code of Practice. This Code of Practice represented a tripartite effort (government, industry and community) in setting comprehensive, albeit voluntary, standards related to gambling in Queensland venues. The ACT in its mandatory Code of Practice has included penalties for breaches. In South Australia it is a condition of a gaming licence that a licence-holder must comply with the Responsible Gambling Code of Practice. Potential breaches can lead to penalties in accordance with the *Gaming Machines Act 1992 (SA)*.

Recent developments, such as both Victorian gaming operators conducting annual independent reviews of compliance with Codes and Responsible Gambling Code standards, indicate industry commitment to the effectiveness of codes of practice. Operators have also adopted a responsible gambling compliance framework which is in accordance with Australian Standard AS3806 *Compliance Programs*.

¹⁰ Banks (2002).

Table 3: The current legislative environment.

The following table summarises the measures introduced by state and territory governments in an attempt to minimise harm related to gambling.

	NSW	VIC	QLD	SA	WA	TAS	ACT	NT
Note acceptors	Note acceptors are permitted and may accept all notes up to and including a \$100 note ¹¹ .	\$100 note acceptors are banned.	Machines accept only \$20 notes and a maximum of 5 notes at a time. ¹¹	Gaming machines that accept notes are banned.	All future machines to have a note acceptor limit of \$100. ¹²	Gaming machines with note acceptors are not allowed in hotels and clubs.	\$50 or \$100 note acceptors are banned ¹³ .	Gaming machines with note acceptors are not allowed in hotels and clubs.
Autochange machines	No restriction	No restriction	No restriction	No restriction	N/A	No restriction	No restriction	Maximum of one machine per gaming area limited to exchanging a note no greater than \$50.
Autoplay¹⁴	Prohibited	Prohibited ¹⁵	Prohibited	Prohibited	Prohibited	Prohibited	Prohibited	Prohibited
Gaming machine spin rates	No restriction	Not to be reduced below 2.14 seconds.	No restriction	No restriction	N/A	No restriction	No restriction	N/A
Maximum bet limit¹⁶	\$10 in clubs, hotels and casinos.	\$10 in clubs, hotels and casinos.	\$5 in clubs and hotels.	\$10 in clubs and hotels, \$50 in casino.	\$1 to \$5.	\$10 in clubs and hotels.	Clubs/hotels - \$10.	\$5 in clubs and hotels.
Regulation of loyalty card schemes	Yes	Yes	-	-	-	-	-	-

¹¹ Independent Pricing and Regulatory Tribunal of New South Wales (2004) *Gambling: Promoting a Culture of Responsibility*, June 2004.

¹² Agreed by the Gaming Commission of Western Australia.

¹³ Gaming Machine Regulations (2004) Section 75.

¹⁴ Australian/New Zealand Gaming Machine National Standard Revision 7.0, December 2003. Autoplay refers to a feature whereby the player can nominate to play games without having to manually activate each game play.

¹⁵ Unless the game is operating in unrestricted mode in a specified area.

¹⁶ Independent Pricing and Regulatory Tribunal of New South Wales (2004) *Gambling: Promoting a Culture of Responsibility*, June 2004.

	NSW	VIC	QLD	SA	WA	TAS	ACT	NT
Player information on the odds of winning	Must be provided. ¹⁷	Must be provided.	Information on the odds of winning must be prominently displayed in all gaming areas.	Must be provided in the gaming room.	Must be provided.	No requirement.	Must make available.	Voluntary Code of Practice.
Access to cash from ATM and EFTPOS facilities	ATM and EFTPOS terminals must be located away from areas where gaming machines are located.	ATMs must be located outside the gaming areas. Cash withdrawals limited to \$200 per transaction.	ATMs are not to be located in close proximity to gaming areas.	Cash facilities are not to be located in gaming areas. Cash withdrawals are fixed at \$200.	N/A	ATMs are not permitted in the gaming venue. Cash provisions through EFTPOS facilities must be provided under certain circumstances and may not be provided if they are to be used for gaming.	No cash facility may be provided in a gaming area of the venue.	ATMs cannot be located in close proximity to a gaming area.
Cash advances	No cash advances from credit accounts.	No cash advances from credit accounts.	Gambling providers are not to provide credit or lend money to anyone for the purpose of gambling.	Gambling providers are not to provide credit or lend money to anyone for the purpose of gambling.	N/A	EFTPOS facilities must not be used for the provision of cash from credit accounts.	A licensee may not extend credit to a person to play a gaming machine.	A licensee may not loan or extend credit in any form.

¹⁷ A chance of winning sign must be displayed in every area where the gaming machines are located. The notice must be in letters of at least 1cm in height. This sign is also required to be placed on the front of all gaming machines with the minimum size of the letters being 4mm.

	NSW	VIC	QLD	SA	WA	TAS	ACT	NT
Payment by cheque	Winnings in excess of \$2,000 are to be paid by cheque. ¹⁸	Winnings in excess of \$2,000 are to be paid by cheque.	Winnings above a certain limit to be paid by cheque and electronic transfer. Legislative limit is \$250 but venues may apply for an increase.	No restriction.	N/A	No restriction.	Casino- Winnings above \$20,000 in any 12 hour period paid by cheque. Other - Winnings above \$1,000 paid by cheque. Restriction of large cash payouts for gaming machines - \$1,200 maximum payout for winnings in cash.	Payments over \$250 must be made by cheque.
Cashing of cheques	It is prohibited to cash cheques of more than \$400 in value or third-party cheques.	Venues are prohibited from cashing winnings cheques by the venue.	Cheques issued by the gambling provider are not able to be cashed at the venue for 24 hours or the next trading day.	Code of Practice: No cashing cheques in gaming room.	N/A	Venues will allow the cashing of cheques at the discretion of the licensed premises gaming operator. However, only one cheque per patron can be cashed each day.	Gaming machine licensee prohibited from cashing cheques within a gaming area of the facility, max of \$250 per day applies unless by prior arrangement. ¹⁹	Code of Practice - Cheque cashing for sole purpose of gambling prohibited except in casinos for individuals with account.
Minors banned from gaming machine areas	Yes	Yes	Yes	Yes	Yes - applies to Casino.	Yes	Yes	Yes

¹⁸ NSW Office of Liquor, Gaming and Racing (2006).

¹⁹ ACT Gambling and Racing Commission (2004), *Annual Report* (2003-04).

	NSW	VIC	QLD	SA	WA	TAS	ACT	NT
Advertising restrictions	Yes	Yes	Yes	Advertising Code	N/A	Through voluntary code of practice.	Yes	Yes
Lighting	No	Gaming venues must be adequately lit.	No restriction.	No restriction.	N/A	No restriction.	Lighting must be adequate to allow clocks and signs to be clearly visible.	Code of Practice - Natural lighting where possible.
Clocks	All venues must ensure a clock is kept in each part of the venue where gaming machines are located.	Requirement for clocks on all gaming machines.	No restriction.	Required in gaming room.	N/A	Installation of clocks in gaming areas required under voluntary Code of Practice.	Must prominently display the correct time in the facility.	Code of Practice - Clearly visible clocks.
Restrictions on playing time/hours of opening	Gaming machines in hotels and clubs have been required to shutdown 6 hours per day, between 4am and 10am unless exempted	Legislation prohibits 24 hour gaming venues in regional and rural Victoria. Metro venues can only apply for a 24 hour licence in certain conditions.	In general, gaming machine operation hours are limited to ordinary liquor trading hours of 10am to midnight, Monday to Sunday.	Gaming machine venues must be closed for at least 6 hours in every 24 hour period (can be a combination of six hours).	N/A	Opening hours for EGMs are determined by the liquor licence.	Clubs are only able to operate gaming machines during the hours they are permitted to sell alcohol. That is, gaming machines are not able to be operated for three hours a day. Compulsory shutdown of all gambling venues applies (currently 5 hours per 24 hours from 4am to 9am).	Limited to liquor trading hours and only in the presence of the licensee / employee of the licensee. No gaming between 4am and 10am each day.
Gaming machines banned from retail shopping centres	Yes	Yes ²⁰	No restriction	Yes	N/A	No restriction.	No restriction.	No restriction.

²⁰ Previously approved machines under the *Gambling Regulation Act 2003* (the Act) are allowed by an exemption. Gaming machines also prohibited from strip shopping centres although a new exemption applies that allows gaming machines previously approved under the Act.

	NSW	VIC	QLD	SA	WA	TAS	ACT	NT
Smoking	Smoking to be banned from enclosed spaces within pubs, clubs and casino from 1 July 2007. Private gaming rooms at casino exempt ²¹ (exemptions renewed annually).	Smoking ban in enclosed licensed premises from 1 July 2007. Exemption for casino high roller rooms.	Now banned in all licensed premises as of July 2006. Exemption for premium rooms in casinos ²² .	From October 2005, 50 per cent of all gaming machine areas will be smoke free. From October 2007, all pubs, clubs, gaming and other licensed venues will become completely smoke free, including the high roller room at the Adelaide Casino. ²³	From 31 Dec 2006, smoking to be permitted in only one bar or room in hotels, taverns and other licensed venues.	As of January 2006 smoking no longer permitted inside any licensed venue. Only permitted in certain outdoor areas.	Smoking to be banned in all public places, including licensed venues and gaming areas, from December 2006. ²⁴	Hotels and clubs are required to provide smoking and non-smoking areas of "equal amenity". ²⁵

Source: South Australia Centre for Economic Studies (2003) and updates by the Australian Gaming Council.

²¹ Hon R Carr MP, 'Hospitality workers protected: Premier Carr announces smoking ban for pubs and clubs', *Media Release*, 12/10/04.

²² Queensland Government, *Summary of tobacco laws*, <www.health.qld.gov.au/atods/tobaccolaws/existing_laws.asp>.

²³ Quit South Australia (2007) *Tobacco and the Law*, <www.quitsa.org.au/cms_resources/documents/infosheet_tobacco_law.pdf>.

²⁴ Quit Victoria (2005) *A summary of Australian and State and Territory legislation on smoking in public places* (September 2005).

²⁵ Deacons (2004) *Our Shout news and insights*, September 2004.

Informed choice developments

Areas identified by the PC Report as potential harm minimisation measures are listed on page 8 of this discussion paper. This section will examine each of these measures including a number of additional areas such as early intervention, relationships with counselling providers, awareness and young people and financial literacy.

Meaningful 'price' and odds information/How games work

There have been a number of significant improvements in this area over the last eight years. Information that is easily accessible and clear about the probability of winning provides a better understanding of the foreseeable consequences of gambling.

While the PC Report noted that the odds of winning were readily available in many cases, particularly with wagering and casino games, it argued however, that better information about the price of playing a gaming machine was warranted. A simple system of informing consumers about spend rates on machines and an indication of the likelihood of key payouts on the payout tables displayed on machines should be introduced.

In the Banks Paper it was reported that several governments require venues to provide information to enable a reasonable understanding of the odds and to address false perceptions of how games work. The Independent Pricing and Regulatory Tribunal of New South Wales in its 2004 report on gambling²⁶ (the IPART Report) also focussed on the importance of informed choice and providing, "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".

All states and territories now require provision of provide player information on the odds of winning. In New South Wales, messages such as, "*Your chance of winning the maximum prize on a gaming machine is generally no better than one in a million*", are displayed in each part of the venue where gaming machines are located and on the front or top of each gaming machine. In Victoria, all gaming venues provide information about the likelihood of winning. Brochures such as "*Can you win, really win, on a poker machine*" advise that "*the odds against you are the same every time you play*", "*playing another game won't bring you closer to winning*" and "*losing doesn't mean you are more likely to win next time*".

A more recent development has been the introduction of Player Information Displays (PIDs) which are designed to assist players to make more reasoned decisions about their choice to gamble. PIDs enable a player to view the return to the player configuration of that game and any connected jackpots, monitor a session to record the duration of play as well as total spend and view the odds of the top five and bottom five prizes available in that game. Clearly the quantity of information is not a concern. The quality, however, is an aspect which needs to be reviewed and refined.

The AGC's Paper on Informed Choice and Gambling²⁷ considered that information should go beyond odds and probabilities (which are often misunderstood) and aim to modify values, attitudes and erroneous perceptions influencing behaviour. The most common incorrect misconception of regular players is linking individual stand alone gambling events into one continuous gamble in the belief that if they keep on playing a return is likely.

²⁶ IPART (2004).

²⁷ A Blaszczyński, R Ladouceur, L Nower and HJ Shaffer (2005) *Current Issues Informed Choice and Gambling: Principles for Consumer Protection*. Australian Gaming Council.

Informed choice is a key cornerstone of responsible gambling. Measures that promote informed choice are designed to meet the mandate of consumer protection by targeting the population as a whole rather than simply restricting at-risk or current problem gamblers. To date, there has been no systematic research into the concept of informed choice in gambling or the type of data necessary to facilitate healthy decision making. Industry and governments could take a stronger lead by providing information to persons gambling that dispels a number of myths and misconceptions.

Expenditure statements

The PC Report considered that where loyalty or other cards are used in gaming machines, consumers should be provided with a written periodic record of their spending (as in bank account records). The Banks Paper noted that there was a requirement to provide gamblers participating in loyalty schemes with statements of their expenditure.

This has since been introduced in casinos in both Victoria and New South Wales. Victorian gaming operators must also provide loyalty scheme members with Player Activity Statements. These schemes enable gaming machine players to receive written expenditure statements and information on problem gambling. Statements give loyalty members yearly or on demand details of any pre-determined limits set and details of all gambling activities, including sessions, time spent, money gambled and net monthly win or loss.

Crown Casino operates a loyalty program called 'Crown Club'. Points are earned on both table games and electronic gaming machines (EGMs) which can be traded for meals, accommodation and other merchandise. In July 2003 Crown Casino introduced the Play Safe program for EGM gambling, enabling cardholders to set pre-determined limits on spend amount and the time spent gambling in a 24-hour period. When these limits are reached warnings flash on the screen. While not stopping the individual from gambling these limits make them aware that further gambling will not earn any loyalty points. This enables members to have ongoing access to information about their use of gaming machines.

Warnings/Help service information

The PC Report recommended that there was a need for governments to consult experts in public health on how to best provide clear and visible information to the public about the risk factors and consequences of problem gambling.

Currently, the placement and nature of warnings differ between jurisdictions but can range from problem gambling counselling signage, messages providing information about problem gambling counselling services and self exclusion schemes. Messages are displayed on gaming machines, ATMs, cash-back terminals or EFTPOS facilities, venue tickets, entry forms and in some cases in venue toilets. In a number of jurisdictions, responsible and problem gambling advertisements are placed on television and radio stations to raise awareness of the need for care when gambling.

Slogans existing in 1998 ("*excessive gambling can lead to mental instability*") have evolved to more targeted messages differentiating between problem gambling and responsible gambling.

Methods and content of advertisements still need to be piloted, evaluated and reviewed to ensure their effectiveness, taking into consideration that there have been reports of signage fatigue. Warnings must be targeted and differentiate between problem gambling and responsible gambling. There is scope to broaden the target audience for such communications campaigns as early intervention becomes a focus.

Ethical promotion

The PC Report found that some aspects of advertising would have the effect of reinforcing inherently false beliefs about the odds of winning or about the way gambling technology worked and subsequently there were grounds for tighter controls on gambling advertising. The Report also considered that all advertising should incorporate a risk warning about the product (using an appropriate slogan).

Since 1999 all jurisdictions have implemented changes that ensure the odds of winning are not misrepresented. Legislative changes in all Australian jurisdictions placed considerable advertising restrictions on gambling products. The Banks Paper commented on the regulatory requirements in most jurisdictions relating to advertising and promotions including those of a restrictive nature such as prohibitions on gambling-related advertising and external signage (in New South Wales) and prohibitions on the advertising of any inducement to gamble (in Northern Territory).

In 2004 IPART reviewed the prohibition on gaming machines advertising in New South Wales and indicated in its Report that it was not aware of any specific primary research on this measure. Since this time legislation in Victoria was introduced prohibiting any advertising of gaming machines by hotels, clubs and the casino and limiting signage inside and external to venues.²⁸

Early intervention

The PC Report considered that while it would clearly be appropriate for venues to take action when a patron is showing obvious signs of distress with their gambling, it did not consider, on balance, that venues should be required by statute to withdraw gambling from patrons exhibiting behaviours that may be associated with problem gambling.

In 2002 the AGC asked prominent psychologists and practitioners in the field of problem gambling to give their professional views on problem gambling behaviours and if these behaviours can be identified within a gambling venue.²⁹ The discussion papers showed no consensus on a set of criteria that can be used in the gaming room to identify a problem gambler nor that staff should attempt to diagnose or identify problem gamblers as this is beyond their expertise and training. Venues, however, should be open to present information or to refer customers who may be experiencing difficulty with their gambling, to appropriate sources for help.

Since this time a number of approaches to early intervention have occurred. Of note is the implementation of the SKYCITY Host Responsibility Program, whose team of dedicated co-ordinators assist in addressing problem gambling and alcohol management issues with at-risk customers. This program was designed in a collaborative effort between SKYCITY Adelaide, the South Australian Churches Gambling Taskforce and Break Even counselling network. SKYCITY employs a team of seven dedicated Host Responsibility Co-ordinators, on site at the complex at all times, working in collaboration with Adelaide's counselling agencies and treatment providers. Host Responsibility Co-ordinators are specially trained to look out for early warning signs and help identify gambling and alcohol related problems in customer behaviour. The voluntary nature of the initiative has provided SKYCITY with the flexibility to implement a number of enhancements to the program since its inception.

The hotel industry in South Australia is another example of industry involvement in early intervention. Gaming Care, the Hotels Responsible Gambling Early Intervention Agency,

²⁸ Gambling Regulation (Signage) Regulations 2005.

²⁹ Australian Gaming Council (August 2002) *Current issues related to identifying the problem gambler in the Gambling Venue*.

has employed several responsible gambling officers (Gaming Care Officers) to tackle gambling-related harm by working with hotel management and staff on-site.

In addition industry, in conjunction with the William Angliss Institute of TAFE, Tattersall's, Tabcorp, Australian Hotels Association and Clubs Victoria in consultation with Gambler's Help, has developed a responsible service of gaming training course.

This accredited program is part of the industry's ongoing commitment to implementing responsible gaming practices. The course provides gaming staff and potential gaming staff with knowledge and skills to assist in developing a responsible and professional environment that minimises the potential for harm. There is also an advanced training course to equip gaming room Managers and Supervisors with the necessary knowledge and skills to assist distressed patrons and customers displaying unacceptable behaviour in the gaming room.

Relationships with counselling providers

Most jurisdictions within Australia have provisions within a code or regulation for industry to develop relationships with counselling providers. There are several examples of the industry exceeding prior recommendations for gambling establishments to form relationships with local agencies.

BetSafe, an initiative of registered clubs and hotels in NSW and Canberra, was one of the first programs to be introduced in Australia. This comprehensive program, devised and fully implemented in consultation with responsible gambling experts, provides a free 24 hour problem gambling counselling service for patrons to be venue specific while still providing a uniform approach.

At Star City Casino in Sydney, Tabcorp engages Wesley Gambling Counselling Services to provide crisis counselling to patrons and assistance with the operation of the casinos' exclusion program. Both Tabcorp and Tattersall's support problem gambling counselling services by displaying material about their services in casinos, outlets and venues and through regular liaison with representatives of the support service providers. Funding is also provided for a fulltime counsellor at Odyssey House in the City of Sydney for their residential treatment program for problem gamblers.

In May 2002, Crown Casino established a customer support centre based within the casino complex to provide on-site help, support, assistance and counselling services to casino patrons. These services are available 24 hours a day, seven days a week and provide an immediate support network free of charge for people requiring assistance.

Table 4: Awareness

The following table outlines initiatives conducted by stakeholders to enhance awareness of responsible gambling in the community

	Name	Organiser	Dates (2007)	Coverage	Funding
NSW	Responsible Gambling (RG) Awareness Week	Gambling Impact Society (Self-help organisation run on a not-for-profit basis by volunteers and professionals working in the field of problem gambling). Community development approach. GIS Supporting & resourcing 60 PG counselling services across State and other welfare agencies. NB. Tabcorp has internal RG week at casinos	7 - 13 May	State-wide general community and people affected by problem gambling	Scarce. Coming from the Gambling Impact Society (membership fees) and funds transferred from the NSW Council of PG when it folded in December 2005. Government and industry have been approached but not forthcoming this year.
VIC	Responsible Gambling Awareness Week	Victorian Responsible Gambling Ministerial Advisory Council	21 - 27 May	General community state wide - specifically all gamblers	Some Government funding for co-ordination and management but all activities to be funded by individual participants. Strong industry involvement and collaboration between stakeholders.
QLD		Committee of Gamblers Help Services NB. Tabcorp has internal RG week at casinos Qld Office of Gaming Regulation (QOGR) QOGR and peak industry members (clubs, hotels, casino) and Gambling help	7 - 13 May	State-wide State-wide Brisbane and South east QLD	Funding comes out of funds provided to GH Services through Queensland Office of Gambling Regulation Qld Government Qld Government
SA	Gambling Awareness Week	Health Promotion Branch (Dept. of Health)	7 - 13 May	State-wide	Gambling Rehabilitation Fund
WA	Gambling Awareness Week	Gambling Help WA and Burswood	7 - 13 May	WA	Gambling Help WA and Burswood
TAS	Gambling Awareness Week	Department of Health and Human Services (Gambling Support Bureau)	21 - 25 May	State-wide	Government
ACT	Responsible Gambling Awareness Week	Lifeline	7 - 13 May	Territory-wide	Lifeline which receives money from government and Clubs ACT through its Gambling Care and Club Care programs.
NT	Gambling Awareness Week	Amity , RGL, Industry	7 - 12 May	Territory-wide	Community Benefit Fund

Young people and financial literacy

The PC Report noted that early information about the risks of, and approaches to, problem gambling may play a part in addressing gambling-related problems and referred to some Australian governments developing educational material to provide children with skills intended to manage these risks. Activity in this area has recently experienced resurgence, with industry pursuing partnerships to promote financial literacy and gambling awareness among young people.

The development of gambling education programs in Australia is still in its early stages and there is little information on the effectiveness of interventions. Results from the few programs and initiatives which have undergone evaluation, however, have shown promising results.

Consumer control developments

Self-exclusion

It was noted in the PC Report that many gambling providers operated self-exclusion programs. The Report considered it was important, however, to follow the lead of the jurisdictions which had made the procedure a simple and straightforward process. The PC Report further advocated there were grounds to make the promotion of such schemes mandatory.

Self-exclusion programs have been further developed and improved over the last few years. Legislation regulates self-exclusion programs in all casinos around Australia except for the Northern Territory where a voluntary Code of Practice operates in regards to self-exclusion programs.

In clubs and hotels, self-exclusion programs are legislated in New South Wales, Queensland, South Australia and Tasmania, while a voluntary Code of Practice operates in Victoria and the ACT operates its self-exclusion programs under a mandatory Code of Practice. In Victoria, New South Wales and South Australia a person can choose to be excluded from one to all venues while in Tasmania a person can choose the venues and activity to be excluded³⁰ from while Queensland and the ACT run venue specific self-exclusions.

Tabcorp has put in place self-exclusion programs throughout the company's gaming, wagering and casino operations. This includes a 2005 initiative, Betcare, which provides self-exclusion facilities within the company's wagering facilities.

Pre-commitment

The PC Report indicated a potential for 'pre-commitment' schemes including spending, information and playing style. This was also recognised in the Banks Paper in 2002 and a number of jurisdictions have been exploring commitment program options for gambling. The IPART Report stated 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, IPART was of the view that there is not a sufficient basis to recommend the mandatory use of these cards for gaming machines.

The 'pre-commitment' debate often defaults to technological or card based solutions. Recently a number of studies have been undertaken. In 2005 the Independent Gambling Authority (IGA) in South Australia, through its Smart Card Inquiry, recommended that legislation be introduced for the implementation of a mandatory system that enables the tracking of a person's play, the setting of limits and exclusion from play. The

³⁰ A person in Tasmania may also be excluded from gambling via other mechanisms: by a venue operator, by a third-party who has a close personal interest in that person's welfare or by the Commissioner of Police.

Government, however, considered it premature to introduce such a scheme and stated they did not intend to introduce the legislation.

In 2006, Gambling Research Australia (GRA) commissioned an attitudinal survey into the levels and nature of mechanisms which allow a consumer to set a limit around their gambling or helps them better control their gambling and avoid overspending their limit. The study found that most regular gamblers do pre-commit - including problem and higher risk gamblers who also often pre-commit more frequently than their lower risk counterparts with only slight differences between EGM and TAB gamblers.

Specifically, the IGA study recommended the development of programs to educate regular gamblers on how to arrive at and stick to affordable limits set for gambling, develop budgets in other areas of life and monitor gambling expenditure over a longer period of time. Further, GRA flagged a need to counter the common myths of gambling and raise gambler awareness about avoiding goal setting during play.

In November 2006 the South Australian Minister for Gambling, established a Responsible Gambling Working Party with industry and community representatives to consider the broadest range of voluntary customer commitment options for gamblers. The final report will set out some principles as a framework for customer commitment.

The available literature on pre-commitment is somewhat divided or fails to support card based pre-commitment. In the first instance there are other aspects which could be explored further, although not necessarily tied or limited to a card-based pre-commitment system.

Venue/game design developments

There have been numerous changes in venue restrictions designed to help reduce the harm of excessive gambling.

ATMs

The PC Report raised a number of measures for restricting access to cash in gambling venues. These included restrictions on the nature of ATMs in gaming venues (eg. lower daily withdrawals) and an outright ban. By 2002 most governments had introduced, or were soon to introduce, restrictions on access to cash. Legislation has since been introduced to remove ATMs from gaming areas within the venue in most jurisdictions with some states and territories setting withdrawal limits. In Victoria and South Australia for example, a withdrawal limit of \$200 is set for any ATM transaction.

Credit

The PC Report indicated that providing credit to a player to gamble was banned prior to the Report's release. This has been reinforced in codes of practice and legislation in all states and territories.

Most states and territories have legislated or banned through their Code of Practice, the use of credit accounts to gain cash advances to gamble. In South Australia and in Victoria it is an offence to allow a patron in a venue to use a credit or charge card to gain cash.

Stakeholders raised the point that in some instances, industry had breached this condition and there were also instances where individuals have accessed credit funds from new hybrid accounts. The first situation is addressed through the legislative process. In 2006 some licensees were prosecuted in various jurisdictions for breaching licence conditions by providing cash advances and were subject to fines and incurred substantial legal costs. The second situation is complex and requires vigilance as new banking products are introduced into the environment.

Gambling helpline business cards are required to be placed on or near each ATM and

EFTPOS facility located in the premises, if the licensee can reasonably be expected to exercise control over that ATM or EFTPOS facility.

Note acceptor limits

Imposing note acceptor limits or banning note acceptors altogether is intended to create enforced player breaks and limit possible harmful consequences of continuous play for problem gamblers. For example, EGMs that do not have note acceptors require players to break as they get change for the EGM.

It was reported in the PC Report that most gaming machines in Australia (with the exception of South Australia and Tasmania) allowed gamblers to insert notes up to \$100 denomination. Since this time, many jurisdictions have made changes to their systems.

The Queensland policy on note acceptors targeted minimising harmful gambling behaviours and it was considered that imposing a \$20 limit would lead to increased breaks in play, diminish the chances of tokenising money, help gamblers set spending limits, as well as slow the rate of money being gambled, prevent high starting credits and give more opportunities for the gambler to stop play.

The impact of the changes were studied in Queensland with results showing that for almost two-thirds of players, changes in the note acceptor limit were well received and a further 15-20 per cent reported reductions in the amount of money spent and the time spent playing EGMs. Results also indicated that 30-40 per cent of people in the high risk of problem gambling group reported changes in the amount of money spent, level of enjoyment and the amount of time spent playing EGMs.

Recent results from the ACT which limited note acceptors to \$20 in November 2004 have also reflected a similar trend. Initially, the reduction to \$20 note acceptors had an impact but after players adjusted to the change, figures suggest that EGM gambling has continued to increase.

The findings in Queensland and the ACT suggest that the effect of limiting note acceptors will only be limited to players making adjustments and no meaningful long term impact has been demonstrated.

Cheque payouts

The PC Report argued that requirements for payment by cheque should be imposed for 'larger wins', which it defined as more than \$250. It 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. In their review of harm minimisation measures in New South Wales in 2004, IPART stated they were, "not aware of any specific research on the effectiveness of the existing requirements or the appropriateness of the \$1,000 threshold".

Due to a lack of research done in this area, the effectiveness of current cheque payout requirements, either on problem gamblers or the impact this may have on recreational gamblers, is unclear.

Most Australian states and territories have limits on how prizes can be paid. Currently in Victoria prizes won over \$2,000 must have the balance paid by cheque. The re-elected Victorian government, however, in its gambling strategy released prior to the election, signalled their intention to tighten this regulation by 2010 with the threshold to be reduced to \$1,000. In contrast, the New South Wales government eased the regulation in this area. The Gaming Machines Regulation 2002 has been modified to allow winnings over \$2,000 to be paid to a person by cheque or electronic funds transfer. The previous threshold was \$1,000.

Spending/spin rates

The PC Report did not advocate changing spin rates due to uncertainty around the net benefits of such measure. Instead, it recommended that this policy would require trialling, both to determine the efficacy for problem gamblers and their potential impacts on recreational gamblers. The IPART Report in 2004 also concurred with this position, stating that in the absence of clear evidence to support the introduction of this measure, and with a majority of stakeholders opposing its introduction, it should not be introduced, at least in the short to medium term.

Only Victoria has legislated that the spin rate of a gaming machine cannot fall below 2.14 seconds. Other Australian jurisdictions have no legislation in place that addresses this issue, however Auto play has been prohibited with gaming machines requiring players to fully release a button before pressing it again to effect the next spin.

Maximum bet limit

The PC Report stated that tighter restrictions on the maximum amount that can be bet with a single button push could see the overall expenditure of problem gamblers fall by making gambling per hour cheaper, while fewer people would be likely to progress to problem levels of play. On the other hand, it also identified such controls on intensity as relatively 'heavy-handed', with high intensity play being enjoyable and that some recreational gamblers would derive less pleasure from gambling on machines that reduced that option. The Productivity Commission considered any moves to reduce intensity should use a large dataset of gambling sessions by problem and non-problem gamblers to set the appropriate level of controls on denominations, credits and total amount bet per button press.

Almost all Australian states and territories have implemented a \$10 maximum bet limit on EGMs. Queensland, Northern Territory and WA have legislated a \$5 limit. Victoria recently announced an intention to introduce a \$5 limit which will come into effect in 2010.

Caps

In 1999, all states and territories had some form of gaming machine cap, ranging from an overall state level, various regions, or at a venue level. Some evidence suggests that caps are a blunt instrument and more targeted measures are required, but increasingly the evidence suggests caps have no effect on problem gambling.

Table 5: Gaming Machine Caps

	Casino cap		Global cap		Cap on club venues		Cap on hotel venues	
	1997-98	2004-05	1997-98	2004-05	1997-98	2004-05	1997-98	2004-05
NSW	1,500	1,500	Unlimited	104,000 ³¹	Unlimited	450	30	30
VIC	2,500	2,500	27,500	27,500	105	105	105	105
QLD	a	a	Unlimited	Unlimited	280	280	35	40
WA	a	a	No gaming machines permitted					
SA	a	a	Unlimited	Unlimited	40	40	40	40
TAS	Unlimited	Unlimited	-	2,500	25	40	15	30
ACT	No gaming machines permitted		5,200	5,200	Unlimited	-	13	13
NT	Unlimited	Unlimited	680	680	45	45	6	10

a No formal limit, but any increase requires government approval.

³¹ Total number including 78,020 (clubs) and 25,980 (hotels).

While caps are widespread, and in some jurisdictions recently expanded or changed, their effectiveness remains doubtful. The Banks Paper argued that if caps are to be used then venue caps are the most effective means, rather than state wide or regional caps. Caps may impact on the availability and accessibility of the service for recreational and social gamblers.

Social and economic impact assessments

The Banks Paper noted that the New South Wales Government introduced changes in 2001 requiring social impact assessments of additional gaming machines (in clubs and hotels).

Most jurisdictions consider the economic and social impacts of licensing applications. This occurs for variations to venue operating licences as well as applications for new premise approvals. The Victorian government, for example, has established a consultative process to ensure that appropriate information is given to, and input is received from, the wide variety of persons interested in gambling including stakeholders, affected parties and, to the wider extent possible, the broader Victorian community.

Hours of opening

The PC Report commented on the trend in most jurisdictions of an expansion in the opening hours of a number of gambling establishments and that it is common for gambling establishments to open 24 hours a day each day of the week. The Report noted that increased opening hours were more likely to lead to longer duration of play and greater expenditure by problem gamblers yet countered this by stating restrictions on opening time would probably have few significant positive social effects. It also saw little utility in enforced breaks.

The Banks Paper noted that these policy actions, which seemed less promising to the Commission, were generally among the first to be introduced. While recognising such measures had populist appeal, nonetheless the potential effectiveness had not been demonstrated.

All states and territories have now implemented restrictions on the times that a venue can operate. Most jurisdictions, including Tasmania, Queensland and the Northern Territory have coincided gaming operating hours with liquor licence requirements for the venue. Other jurisdictions have introduced compulsory shutdowns including the ACT (5 hours in every 24 hour period, 4am-9am), South Australia (all venues must close for 6 hours per 24 hour period) and New South Wales (since May 2003, gaming machines in hotels and clubs have been required to shutdown 6 hours per day, between 4am and 10am unless exempted).

The IPART Report noted a divergence of views about the effectiveness and value of such measures and recommended that the existing six-hour shutdown measure in New South Wales be subject to evaluation with consideration given to conducting this research with other jurisdictions that have a similar requirement.

Advertising restrictions

There have been a number of legislative changes in advertising restrictions in all states and territories over the past few years. The PC Report found that some aspects of advertising would have the effect of reinforcing inherently false beliefs about the odds of winning or about the way gambling technology worked. All states and territories have implemented changes that ensure the odds of winning are not misrepresented, or have an implication of skill links, and are not directed at minors, the vulnerable or disadvantaged groups.

In Victoria and New South Wales legislation has gone further prohibiting any advertising of gaming machines by Hotels, Clubs or the Casino and limiting signage at venues. Most

recent developments include Victorian legislation in 2005 banning the advertising of gaming machines.³² The ban includes print, television and radio advertisements as well as any advertising through unsolicited mail.

Clocks and lighting

The PC Report acknowledged some stakeholders were concerned about the “addictive” quality of lights and music on gaming machines and the potential for a lack of natural light to disengage players from the passing of time. It concluded, however, that there was a lack of persuasive evidence suggesting lighting and sounds adversely condition player behaviour. In 2002, the Banks Paper noted that despite the Productivity Commission’s doubts, light and clock requirements were part of a suite of measures introduced.

Most states and territories have now implemented legislation or introduced controls through each state’s code of conduct that directs venues to display clocks in each venue. In New South Wales clocks are displayed in a way that any person playing an EGM can see the current time. In Victoria each EGM must display the time of day, which in many cases is now incorporated in the game screen. The ultimate effectiveness of clocks and natural lighting is unknown.

Staff training

The PC Report noted the strong focus and increasing practice of mandating staff training in awareness of problem gambling.

The recognition that a key role of venue staff should be providing a first step for at risk players should not be underrated. Venue staff work at the front line of gaming and are likely to be able to identify people at risk, with the hope of getting them an early referral to counselling. Venue staff are also likely to be spoken to by patrons about possible problems or offer help on self exclusion or possible counselling services available. Most Australian jurisdictions have introduced mandatory staff training in the service of responsible gambling either through legislation or through codes of practice.

³² Gambling Regulation (Signage) Regulations 2005.

Frameworks for addressing issues

Since 1999 there has been much action in developing frameworks addressing gambling from a public health perspective and incorporating aspects such as informed choice.

Reno Model

In 2001, representatives from the AGC, the American Gaming Association and industry leaders met in Las Vegas with behavioural scientists (Alex Blaszczynski from Sydney University in Australia, Robert Ladouceur from Laval University in Quebec Canada and Howard Shaffer from Harvard University in the US). From these talks it was agreed that the experts on problem gambling would develop a paper³³ describing a strategic framework to promote responsible gambling, to provide guidance to industry and others on how to best provide responsible gambling measures. The paper that evolved was called the Reno Model.

The Reno Model proposes a strategic framework, or blue print, to provide a direction to advance efforts to limit gambling related problems. The purpose of a strategic framework is to:

- guide key stakeholders in the development of socially responsible policies that are founded on sound empirical evidence versus anecdote or socio-political influences;
- promote public health and welfare through prevention efforts that differentially target vulnerable community members and sectors; and
- allow the gambling industry to deliver its recreational products in commercial markets.

The Framework suggests that the objective of responsible gambling and harm minimisation initiatives should be prevention (responsible gambling initiatives reducing the “incidence” or number of new problem gambling cases) and treatment (harm minimisation initiatives reducing the “prevalence” or number of people who are currently problem gamblers).

The paper states that key stakeholders should agree to the following principles:

Shared responsibilities

Addressing problem gambling is the shared responsibility of industry, individuals, government and other stakeholders.

Responsible gambling policies and practices

Responsible gambling policies and practices³⁴ are designed to prevent and reduce potential harm associated with gambling using a range of interventions designed to promote consumer protection, community/consumer awareness and education. Responsible gambling programs should be targeted to:

- protect at risk individuals by enhancing personal control and limiting the transition to serious problems; and

³³ A. Blaszczynski, R. Ladouceur and HJ. Shaffer (2004) *A Science-Based Framework for Responsible Gambling: the Reno model*. Journal of Gambling Studies. 2004 Fall; 20 (3):301-17.

³⁴ Assumptions underlying responsible gambling strategies include:

- Safe levels of gambling participation are possible.
- Gambling provides a level of recreational, social and economic benefits to individuals and the community.
- A proportion of participants, family members and others can suffer significant harm as a consequence of excessive gambling.
- The social benefits of gambling must exceed the total social costs.
- Abstinence is a viable and important, but not necessarily essential goal of individuals with gambling related harm.
- For some gamblers who have developed gambling related harm, controlled participation and a return to safe levels of play is an achievable goal.

- minimise interference caused to recreational players.

Collaboration to achieve these objectives is the responsibility of industry, government and individuals. Responsible gambling is best achieved at the direction of the player, in an environment of consumer protection provided by industry and government. Responsible gambling policies and practices should recognise that industry, government and individuals all play a role.

Responsible gambling policies and practices should assume the following:

- industry provides a safe gambling environment;
- the ultimate decision to gamble is with the individual and represents a choice.
- to properly make a decision to gamble, individuals must be provided with the opportunity to be informed;³⁵ and
- unjustified intrusion is not the way to promote responsible gambling.

Problem gambling behaviours are not uniform and strategies to reduce incidence and prevalence must be based on an understanding of different “pathways” and profiles that lead to gambling problems. Research is required to understand the various attributes that might be associated with gambling sub-types to inform responsible gambling programs.

Treatment and Rehabilitation

Responsible gambling measures are distinct from treatment and rehabilitation programs. Treatment and rehabilitation by specialists working in public health services is required to assist gamblers who have developed severe problems associated with an apparent loss of control over time and money spent gambling.³⁶

Industry Responsibility

The focus of the gambling industry is to provide co-ordinated responsible gambling strategies to reduce the incidence (number of new cases) of gambling disorders. The gambling industry does not have the expertise or responsibility to diagnose or clinically treat individuals with gambling related harm. It is accepted that treatment service providers will address the issues of prevalence.

To promote informed choice, the gambling industry should and does adopt a policy of accurate disclosure and provide the necessary information regarding probabilities and likelihood of winning. Effective primary prevention requires research regarding how to change behaviour by modifying values, attitudes and belief structures.

Industry must not exploit individuals manifesting characteristics associated with gambling related problems.

Measurement and Unintended Consequences

Socially responsible regulation must demonstrate:

- a likelihood of effectiveness, based on scientific principles and research; and
- an awareness of the potential for unintended consequences among the target group and the broader population of harm free recreational gamblers.

Responsible gambling programs and practices should be tested to:

- measure effectiveness in reducing the incidence of gambling related harm; and
- ensure that the reduction in incidence leads to decreases in the point and period prevalence rates associated with gambling related harms.

³⁵ Information must go past odds and payouts to influence value, attitudes and beliefs behind consumer behaviour.

³⁶ Some individuals with severe problems can stop or reduce gambling voluntarily through a process of self diagnosis, self help and natural recovery.

National Framework on Problem Gambling 2004-2008

In 2004, all states and territories in Australia and the Council of Australian Governments agreed that addressing problem gambling is a joint responsibility of governments, industry, communities and individuals. The Ministerial Council on Gambling developed a framework, to be primarily implemented by state and territory governments, to minimise the negative consequences of problem gambling to the individual, their family and the community through a national approach.

The national framework on problem gambling is built upon the following principles:

- the community has a right to accurate and balanced information on gambling; on the risks associated with gambling and on available support services;
- gamblers, the gambling industry, the community, support service providers, state, territory and federal governments all share the responsibility for minimising the harm associated with problem gambling;
- while state and territory governments are responsible for ensuring regulatory frameworks minimise problem gambling, harm minimisation measures can be enhanced when developed and implemented through collaborative partnerships that build on current best practice; and
- research and evaluation are essential to ensure that initiatives are likely to minimise problem gambling without unintended negative consequences for the community.

Independent Pricing and Regulatory Tribunal (IPART) Review

In July 2003, IPART conducted a review of the effectiveness of gambling harm minimisation measures in New South Wales. Along with recommendations into these measures, IPART recommended that the development of an integrated responsible gambling policy framework was necessary to promote a 'culture of responsibility' in relation to gambling.

In its report IPART stated that, as a general principle, harm minimisation 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. Such a framework would assist in recognising and clarifying the roles and responsibilities of various stakeholders, such as community, gamblers, industry, counselling services and the government in addressing problem gambling. IPART's recommendations comprised three key areas:

Promoting the level of 'informed choice'.

There should be an informed choice approach, such as that used in addressing risks associated with alcohol and motor vehicles. IPART recommended consumers being provided with adequate information on which to base their gambling decisions, and improving community awareness of the risks and foreseeable consequences of gambling.

Protecting gamblers to discourage risky behaviours and reduce the prevalence and negative consequences of problem gambling.

According to IPART, 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.

Improving the effectiveness and efficiency of the problem gambling counselling program in NSW.

IPART recommended that several areas of the existing *Policy Framework* for counselling should be prioritised and that counselling services be accredited and be subject to minimum standards. At the same time it recognised the importance of retaining flexibility for some services.

Collaboration

The following Working Parties have been established since 1999 and represent government/industry/community partnerships with mandated advisory responsibilities to relevant government Ministers.

Jurisdiction	Group	Description	Members/participants
National	National Association for Gambling Studies	Promotes discussion and research into all areas of gambling activity	Members from industry, treatment agencies, academics, regulators and gamblers themselves. Committee comprises representatives from industry, government, community and academia
New South Wales	Gambling Industry Operators (GIO)	Informal group of gaming operators supported by the Australasian Gaming Machine Manufacturers Association (AGMMA)	Industry
Victoria	Responsible Gambling Ministerial Advisory Committee (RGMAC)	Working groups operating within RGMAC include Risk Awareness and Reduction, Codes of Conduct and Pathways to Recovery	Representatives from industry and the community
Queensland	Responsible Gambling Advisory Committee (RGAC)	Advisory body of the Queensland Government on responsible gambling-related issues	Representatives from community organisations, the gambling industry and relevant government agencies
South Australia	Responsible Gambling Working Party	Working party to consider broad range of options for gamblers	Representatives from industry, community, union and a government representative (to be used as a resource)
Western Australia	The Problem Gambling Support Services Committee	Addresses the social and economic issues that result from problem gambling in Western Australia	Representatives from the gambling industry and government
Tasmania	Gambling Industry Group	Addresses issues in relation to responsible gambling	Representatives from industry along with invited Government officers from the Tasmanian Gaming Commission and the Gambling Support Bureau

Jurisdiction	Group	Description	Members/participants
	Tasmanian Gambling Consultative Group	Addresses issues in relation to responsible gambling and the social impact of gambling	Representatives from industry, Break Even Network, TasCOSS, Interchurch Taskforce, Tasmanian Gaming Commission, Gambling Support Bureau and the Department of Treasury and Finance
	Research Reference Group	Ministerially appointed Group assesses proposals for gambling research	Representatives from the Australian Bureau of Statistics, the gambling industry, TasCOSS, the TGC, DHHS, the Department of Treasury and Finance and the Gambling Support Bureau
	Charitable Organisations Grants Advisory Group	Ministerially appointed Group assesses applications for the Community Support Levy's annual grant program	Regional balance of representatives from the gambling industry, state and local governments and the university
Australian Capital Territory	-	-	-
Northern Territory	Northern Territory Gambling Reference Group	Provides advice to the Gambling Minister on an "as needs basis"	Comprises representatives from organisations including the Salvation Army, Anglicare, Skycity Casino, NT TAB, Relationships Australia, Tattersall's and CentreBet

Research

In its report, the Productivity Commission favoured the establishment of a national research institute to be funded by all governments. The Banks Paper referred to the promising development of the newly formed Ministerial Council agreeing to fund an Australian Gambling Research 'Secretariat'.

Since this time, Gambling Research Australia has been established and is comprised of departmental officers of member jurisdictions of the Ministerial Council on Gambling, including a representative from the Community Services Ministers' Advisory Council Gambling Working Party. Stakeholders such as community groups and industry are considered external to this body and do not participate, although there is arguably some value in having them at the table in some advisory capacity.

Some priorities, comments and recommendations

The gambling industry is a legitimate source of entertainment and fun, and for the majority of people this is the reason why they choose to gamble. The gambling environment and culture has fundamentally changed since 1999 with the delivery of responsible gambling at the forefront of change. These changes are aimed at reducing the risk to those who choose gambling as an enjoyable and legitimate form of entertainment. The task is not an easy one, balancing the development and implementation of harm minimisation strategies for those who may be at risk while not unduly impeding those who gamble for entertainment in a social setting.

In the last few years responsible gambling has gained a much higher profile in the community than it enjoyed less than a decade ago. This needs to be maintained and strengthened as awareness of the risks involved will assist in reducing problem gambling. Care needs to be taken, though, to ensure that there is a balance in communication.

An overemphasis in advertising communications on problem gambling tends to stigmatise the pastime, discouraging those who are adversely affected from presenting themselves for help and counselling that they need. Collaboration among key stakeholders, namely the gambling industry, government, community and social groups, is another fundamental that must be further developed. The fact that this has already begun over the last few years is testament to the commitment by all stakeholders to reduce the prevalence of problem gambling and should be commended.

Education is one of one area of focus ensuring the message that gambling should be conducted responsibly by all patrons is maintained and strengthened. The gambling industry can continue the responsible gambling message by enhancing much of the literature that is currently available. The materials available in venues, such as brochures or signs, have moved a significant way forward from what was once available. However, information that dispels much of the misinformation and false beliefs circulating in the community could be a significant step forward. A detailed series of information booklets which challenge players' false beliefs in an easy to understand way has merit and can be an industry driven pro-active action.

The three frameworks presented in this paper, all express support for evidence-based measures. In particular, the National Framework on Problem Gambling represents an Australia-wide commitment to "research and evaluation" being "essential to ensure that initiatives are likely to minimise problem gambling without unintended negative consequences for the community". The adoption of this principle in practice, to both guide and support the jurisdictional efforts in devising, implementing and investigating harm minimisation measures is supported. This position reflected in the PC Report and reiterated in the Banks Paper of trialling and testing of different approaches is critical. In many cases, this needs to be done *before* measures are introduced.

In addition, stakeholders need to discuss whether the statistics and information available is sufficient to reliably assess the effectiveness of responsible gambling and harm minimisation measures to date. Some statistics are now eight years old and one would expect that, given the significant activity over this time, these figures and the statistical information they provide are outdated. Subsequently, reliance on such information provides a shaky foundation upon which to progress.

With respect to research, this must be truly objective, rather than just having the appearance of being so. If industry is to be involved or to fund research, arrangements need to be established to ensure that the research is truly independent and transparent. If current research is being conducted or future research considered then the integrity of this research must be beyond doubt or should not be completed. Industry based research, regardless of the industry, is largely greeted with a high degree of scepticism. While the vast majority of gambling research is undertaken and funded by government this should not stop industry from moving in this sphere if the integrity can be guaranteed.

In conclusion, significant steps have been taken since the PC Report and the Banks Paper were released. Industry in conjunction with government and community groups must continue to work together to deliver gambling responsibly now and in the future.

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Appendix

Key findings of the Productivity Commission Inquiry into Australia's Gambling Industries:

- Gambling provides enjoyment to most Australians, over 80 per cent of whom gambled in the last year - spending about \$11 billion - with 40 per cent gambling regularly.
- Gambling is a big and rapidly growing business in Australia, with the industries currently accounting for an estimated 1.5 per cent of GDP, and employing over 100,000 people in more than 7,000 businesses throughout the country.
- The main source of national benefit from the liberalisation of gambling has been the consumer gains from access to a service that gives people enjoyment.
- Net gains in jobs and economic activity are small when account is taken of the impact on other industries of the diversion of consumer spending to gambling.
- The principal rationales for regulating the gambling industries any differently than other industries relate to:
 - promoting consumer protection;
 - minimising the potential for criminal and unethical activity; and
 - reducing the risks and costs of problem gambling.
- Around 130,000 Australians (about 1 per cent of the adult population) are estimated to have severe problems with their gambling. A further 160,000 adults are estimated to have moderate problems, which may not require 'treatment' but warrant policy concern.
 - Taken together, 'problem gamblers' represent just over 290,000 people, or 2.1 per cent of Australian adults.
- Problem gamblers comprise 15 per cent of regular (non-lottery) gamblers and account for about \$3.5 billion in expenditure annually - about one-third of the gambling industries' market.
 - They lose on average around \$12,000 each per year, compared with just under \$650 for other gamblers.
- The prevalence of problem gambling is related to the degree of accessibility of gambling, particularly gaming machines.
- The costs include financial and emotional impacts on the gamblers and on others, with on average at least five other people affected to varying degrees. For example:
 - one in ten said they have contemplated suicide due to gambling; and
 - nearly half those in counselling reported losing time from work or study in the past year due to gambling.
- The adverse impacts on individuals and the community, help explain the ambivalence of most Australians about the gambling industries, despite their widespread involvement:
 - around 70 per cent of people surveyed believed that gambling did more harm than good; and
 - 92 per cent did not want to see further expansion of gaming machines.
- Quantification of the costs and benefits of the gambling industries is hazardous. Uncertainty about key parameters constrained the Commission to providing low and high estimates. For the gambling industries as a whole, estimates of their net contribution to society, ranged from a net loss of \$1.2 billion to a net benefit of \$4.3 billion.
 - This masks divergent results for different gambling modes, with lotteries revealing clear net benefits, whereas gaming machines and wagering include the possibility of net losses.
- Policy approaches for the gambling industries need to be directed at reducing the costs of problem gambling - through harm minimisation and prevention measures - while retaining as much of the benefit to recreational gamblers as possible.

- The current regulatory environment is deficient. Regulations are complex, fragmented and often inconsistent. This has arisen because of inadequate policymaking processes and strong incentives for governments to derive revenue from the gambling industries.
- Restrictions on competition have not reduced the accessibility of gambling other than for casino games. With the possible exception of casinos, current restrictions on competition have little justification.
- Venue caps on gaming machines are preferable to state-wide caps in helping to moderate the accessibility drivers of problem gambling. However, more targeted consumer protection measures - if implemented - have the potential to be much more effective, with less inconvenience to recreational gamblers.
- Existing arrangements are inadequate to ensure the informed consent of consumers, or to ameliorate the risks of problem gambling. Particular deficiencies relate to:
 - information about the 'price' and nature of gambling products (especially gaming machines);
 - information about the risks of problem gambling;
 - controls on advertising (which can be inherently misleading);
 - availability of ATMs and credit; and
 - pre-commitment options, including self-exclusion arrangements.
- In such areas, self-regulatory approaches are unlikely to be as effective as explicit regulatory requirements. In most cases, regulation can be designed to enhance, rather than restrict consumer choice, by allowing better information and control.
- Counselling services for problem gamblers serve an essential role, but there is a lack of monitoring and evaluation of different approaches, and funding arrangements in some jurisdictions are too short term.
- Services, awareness promotion and research activities related to problem gambling are likely to be most effectively funded from earmarked levies on all segments of the gambling industry, with the allocation of funds independently administered.
- Internet gambling offers the potential for consumer benefits, as well as new risks for problem gambling. Managed liberalisation - with licensing of sites for probity, consumer protection and taxation - could meet most concerns, although its effectiveness would require the assistance of the Commonwealth Government.
- On the basis of available information, there is not a strong or unambiguous case for significantly reducing gambling taxes, with the possible exception of lotteries. Any changes would need to be incremental and carefully monitored.
- The mutuality principle, combined with lack of constraints on gaming machine numbers, appears to be distorting the investment and pricing decisions of some clubs, with impacts on competitors. Of the options for dealing with it, only tax action at the state level appears feasible.
- Policy decisions on key gambling issues have in many cases lacked access to objective information and independent advice - including about the likely social and economic impacts - and community consultation has been deficient.
- An ideal regulatory model would separate clearly the policy-making, control and enforcement functions.
- The key regulatory control body in each state or territory should have statutory independence and a central role in providing information and policy advice, as well as in administering gambling legislation. It should cover all gambling forms and its principal operating criteria should be consumer protection and the public interest.

