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SENATE

STANDING COMMITTEE ON COMMUNITY AFFAIRS

Reference: ATMs and Cash Facilities in Licensed Venues Bill 2008; Poker Machine Harm Minimisation Bill 2008; Poker Machine Harm Reduction Tax (Administration) Bill 2008

THURSDAY, 16 OCTOBER 2008

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**SENATE STANDING COMMITTEE ON
COMMUNITY AFFAIRS**

Thursday, 16 October 2008

Members: Senator Moore (*Chair*), Senator Siewert (*Deputy Chair*), Senators Adams, Bilyk, Boyce, Carol Brown, Furner and Humphries

Participating members: Senators Abetz, Arbib, Barnett, Bernardi, Birmingham, Mark Bishop, Boswell, Brandis, Bob Brown, Carol Brown, Bushby, Cameron, Cash, Colbeck, Jacinta Collins, Coonan, Cormann, Crossin, Eggleston, Ellison, Farrell, Feeney, Fielding, Fierravanti-Wells, Fifield, Fisher, Forshaw, Hanson-Young, Heffernan, Hurley, Hutchins, Johnston, Joyce, Kroger, Ludlam, Ian Macdonald, Marshall, Mason, McEwen, McGauran, McLucas, Milne, Minchin, Nash, O'Brien, Parry, Payne, Polley, Pratt, Ronaldson, Ryan, Scullion, Siewert, Stephens, Sterle, Troeth, Trood, Williams, Wortley and Xenophon

Senators in attendance: Senators Bilyk, Carol Brown, Boyce, Fielding, Siewert and Xenophon

Terms of reference for the inquiry:

To inquire into and report on: ATMs and Cash Facilities in Licensed Venues Bill 2008; Poker Machine Harm Minimisation Bill 2008; Poker Machine Harm Reduction Tax (Administration) Bill 2008

WITNESSES

CHAPPELL, Mr Robert Charles John, Director, Independent Gambling Authority 1

Committee met at 3.34 pm**CHAPPELL, Mr Robert Charles John, Director, Independent Gambling Authority**

Evidence was taken via teleconference—

ACTING CHAIR (Senator Siewert)—The committee is continuing its inquiry into the Poker Machine Harm Reduction Tax (Administration) Bill 2008, the Poker Machine Harm Minimisation Bill 2008 and the ATMs and Cash Facilities in Licensed Venues Bill 2008. I welcome Mr Chappell. Information on parliamentary privilege and the protection of witnesses and evidence has been provided to you. I invite you to make an opening statement and at the conclusion of your remarks, I will invite members of the committee to put questions to you. However, having said that, unfortunately, you cannot start yet because we do not have a quorum. If you make comments while we do not have a quorum, you are not actually covered by privilege.

Mr Chappell—I understand.

Senator XENOPHON—Mr Chappell, I am sure you would not need privilege. I am sure you would never say anything defamatory.

Mr Chappell—Thank you, I appreciate your confidence in me there.

ACTING CHAIR—Now we have a quorum, you are free to make your opening statement.

Mr Chappell—Thank you. In South Australia the responsibilities for gambling are shared between the Minister for Gambling, advised by the Department of Treasury and Finance; the Minister for Families and Communities, advised by the Office for Problem Gambling in the Department of Families and Communities; the Liquor and Gambling Commissioner, a statutory office holder in the Attorney-General's Department; and the Independent Gambling Authority, an independent statutory authority.

The Independent Gambling Authority is a board of seven governor in council appointees. It is supported by an office of six staff and has an annual budget of approximately \$1.4 million. This includes an annual allowance of \$0.3 million for research. Under the South Australian Independent Gambling Authority Act 1995 it is required to perform its functions independently of ministerial direction except where express provision for this is made.

ACTING CHAIR—Mr Chappell, we have your opening statement in front of us. I am wondering whether you would like to do a brief summary of it to allow us more time for questions.

Mr Chappell—If you are happy to take that as read, I am happy to move straight to questions.

ACTING CHAIR—If you are happy with that and you do not have anything further to add to your statement that we have here, Senator Fielding will ask you questions.

Senator FIELDING—Thank you for your submission and for making yourself available at short notice. I was interested on page 2 of your submission where you said:

Where the Authority exercises a discretion, it is required to take into account the following two objects.

- the fostering of responsibility in gambling and, in particular, the minimising of harm caused ...

Obviously, your authority focuses a fair bit on the minimising of harm caused by gambling. I assume that focus is on what we call poker machines.

Mr Chappell—It is a feature of the regulatory regime in South Australia that we have to regulate the responsibility in gambling across all of our responsibilities as well as for integrity. That sentence there suggests that there needs to be a balance between regulating for responsibility in gambling and the economic viability of the industry. We apply those principles whether it is about slot machines or placing a bet with a bookmaker at the racecourse.

Senator FIELDING—I have read the last *Australasian Gambling Review*, of 2007. I was also interested in the statement on page 3 of the printed version of your opening statement that says:

I am appearing today as the statutory secretary to the Authority and the director of its office. Noting that the Authority does not have a policy position on the Bills presently before the Senate ...

Do you have any views on any of the bills? Given that you spend so much time on the gambling issue, I am surprised that you do not have any views on the bills.

Mr Chappell—It is a difficult position for an independent statutory authority to be in, to be suggesting things to legislators in another parliament about what they should be doing, although I note that you have a submission from the UK Gambling Commission before the committee. The authority is closely interested in

the progress of this inquiry, and I can offer as much assistance as you need in terms of some of the factual matters that are before you. But, as it is simply a creature of statute in South Australia, the authority is not expressing an opinion about the merits of any of the legislation.

Senator FIELDING—So it sounds like it is pretty good to be independent but you are still worried about giving a view.

Mr Chappell—Neat question; point taken, Senator.

Senator FIELDING—I do not understand why you cannot give a view if you are independent.

Mr Chappell—Unfortunately, that is the position that has been adopted by the board. It is clear that access to cash at venues is a critical factor in people controlling their behaviour, and there is provision in South Australian legislation for restrictions on daily withdrawals from automatic teller machines in licensed premises. The full implementation of that legislation has been frustrated by an apparent inability of the banking sector and the ATM sector to cooperate with initiatives that would enable a maximum daily limit per person per card to be mandated.

I have read some of the material before the committee and my own view about it is that—despite the lack of enthusiasm for dealing with problem gambling—on any view, the major consumption of cash in a gaming venue relates to the insertion of coins and notes into gaming machines. While there are clearly going to be difficulties for non-gaming patrons who happen to run out of money, in my experience of dealing with it in South Australia, you are most likely to find yourself with no cash in your pocket in a gaming venue if you have been playing the machines. And, frankly, the whole point of many of the interventions in gaming venues is to give people a break in play.

I read some of the submissions relating to ATMs from, I think, the New South Wales club industry, and perhaps the New South Wales hotel industry, and the balance appeared to be between protecting people from what might happen to them if they had to go into the street to use a teller machine and protecting them from what would definitely happen to them if they were able to withdraw more funds from their bank account in the venue. Frankly, while I understand that the industry sectors are nervous about regulation of ATMs and access to cash, the argument rang a little hollow for me. But I am afraid that that is about as far as I am able to take it in terms of the contents of the bills. It is quite clear that access to cash is a clear and burning issue and, in the absence of any other way of giving people the means of controlling their behaviour in-venue, access to cash is an excellent proxy for giving people the ability to commit to expenditure.

Senator FIELDING—The background to the question, the reason for the question, is this. Obviously, your authority is a pre-eminent one. We have a Prime Minister who has said that he does not like poker machines—that he hates them and wants to do something about them. And your authority is being silent on it. Here is an opportunity on a national level—and this is not just a state issue or a local issue; this is also a federal issue—and here is an independent authority that seems to be scared to be making any comment on some national laws. Has the authority discussed the three bills before the Senate and said they should not be making any comments? Or is it just that you have not even looked at them?

Mr Chappell—The authority has been briefed about the contents of the bills and has determined that it will follow the debate with interest.

Senator FIELDING—I have to say that I am surprised that, given that your body is obviously one of the pre-eminent ones in looking at harm reduction and given the state of problem gambling in Australia, you are being silent when there is this opportunity here at the federal level to do something—albeit that you are put together through the state parliament. It seems awfully odd to me that you would not be playing a greater role. But that is your choice and your decision. It sounds like the authority has had some discussion about it and has basically said, ‘We don’t think we should be making any comments.’ I will leave that point there. Is the *AGR3: australasian gambling review*, third edition 1992-2007, something that you have put together?

Mr Chappell—It is something that the authority commissioned. The author is Dr Paul Delfabbro of the University of Adelaide.

Senator FIELDING—Down the bottom it says ‘Independent Gambling Authority, 2008’ so I assume it is put together at your instruction.

Mr Chappell—It is published by the authority and Dr Delfabbro and Dr Le Couteur are the authors.

Senator FIELDING—I noticed that on page 5 of that particular document, under item 37, you talk about smart card technology and precommitment. Some of this stuff is in the bill, so I am surprised you are not

making comments about stuff that you have been commenting on already. You are not worried about commenting at the federal level.

Mr Chappell—I feel like I am being interviewed on AM by some tenacious ABC political journalist, being asked that question 27 times. The document *AGR3* is a collection of commentary on published literature. It is commissioned and published by the authority but it is the work of its authors. The authority on other occasions has expressed a view about smart card technology and the desirability of client tracking. Those things are on record and are true. However, we operate in a context where poker machines are licensed in South Australia and it is our job to work within the existing licensing regime.

ACTING CHAIR—I point out that I have just been advised by the secretariat that, because Mr Chappell works for a statutory authority, he is covered by the same rules of proceedings as members of a government department. In other words, he cannot be asked for opinions on policy. I think we are going pretty close to that, Senator Fielding—I am sorry.

Senator FIELDING—I think it brings new meaning the word ‘independent’ but I will let it go at that.

ACTING CHAIR—You have well and truly made your point.

Senator FIELDING—On page 2 and 3 of the review it says, referring to problem gambling:

The lowest prevalence rates have been observed in WA where there are no EGMs—
electronic gaming machines, or pokies—
in clubs and hotels.

Is that something that you still stand by—that there is a significant difference in WA because in clubs and pubs there are no EGMs, or poker machines?

Mr Chappell—I will respond to that in two ways. The first answer is: clearly there is less problem gambling in Western Australia because slot machines are confined to the Burswood Island casino and all of the material that I have ever seen suggests that there is a strong relationship between the widespread availability of slot machines in hotels and clubs and problem gambling. There is a very strong, palpable link there. In preparing for this last night, I reread some of the material in the submissions before the committee from the industry, in which there is what I call a ‘fudge factor’ at work. Selective comparisons of different population studies have been used to create an impression that there might be some similarity between the current prevalence rate in Western Australia and the prevalence rates in Queensland and other eastern states. The truth of the matter is that, when you compare these things properly, the prevalence rate in Western Australia can only be half of what it is in the rest of Australia.

In the document to which you are referring, *AGR3*, there is a whole section in the body, section 4.3, once you get past the executive summary, where Dr Delfabbro and Dr Le Couteur have attempted to create a semblance of sequence for the prevalence studies that have been undertaken in Australia and New Zealand over the last 15 years. Rather than trying to interpret it or explain it even more, can I just commend it to the committee as a good, succinct summary of the range of these prevalence studies and the difficulty in trying to measure gambling prevalence. Even in our South Australian study, our most recent study, which was of 18,000 people, the ranges of confidence around the mid points are very wide, so our 1.6 per cent prevalence rate could actually be anywhere between 1.1 and 2.1 per cent effectively because statistical issues are involved in any sort of randomised population study.

The absence of slot machines in hotels and clubs is a very significant fact that indicates that problem gambling is much, much less in Western Australia. Having said that, I think, Senator Fielding, you asked whether I stood by that. I published this document with confidence, but the opinions expressed in it are the opinions of the author. I treat it with confidence, as I said, but they are not the opinions of the authority; they are the opinions of the author.

Senator FIELDING—Thanks for that. I have two final points and then I will give others the chance to have a go. I want to draw your attention to page 5 of that *AGR* review. It says:

Current evidence suggests that only 10% of people with gambling problems will seek formal assistance.

This is quite an interesting issue because it means that, when people fall off the cliff, they are going to fall a fair way. With only 10 per cent seeking assistance, this would suggest we need to do more at the top of the cliff by looking at how we can actually minimise things before people fall. Things like accessibility or location and the prevalence of poker machines in clubs and pubs may be one way. There may be things we can do about the machines themselves.

That leads on to the next point about the classical conditioning of poker machines. You refer to that in point 26. You talk about how the EGM players are classically conditioned. I think maybe Senator Xenophon will pick this point up a bit more, so I will let him go on with that. But quite clearly the point about 10 per cent of people with gambling problems seeking formal assistance shows that we need to do more at the top of the cliff rather than having more ambulances down at the bottom after they fall. The three bills before us go to the extent of getting people up the top. I will leave it at that, unless you want to make any comments on that.

Mr Chappell—I will just respond to that. The point in the executive summary about 10 per cent of people seeking assistance—

Senator XENOPHON—Mr Chappell, we can hardly hear you. I do not know what they have given you there at the IGA—it looks like a baked beans can—but we can hardly hear you.

Mr Chappell—I am sorry, Senator Xenophon. I will speak up. The authority conducted an inquiry into gambling—

Senator XENOPHON—We can hardly hear you.

Senator FIELDING—Are you on a mobile phone or a landline phone?

Mr Chappell—There is a bit of reverberation at your end as well. Is that better?

ACTING CHAIR—Yes, that is better.

Mr Chappell—The authority conducted an inquiry in 2005—

ACTING CHAIR—Mr Chappell, sorry, I told a lie: it is not better. It did get better for about a second. We are suggesting that you hang up and we will ring you back and try again. Is that okay?

Mr Chappell—That would be fine.

ACTING CHAIR—Are you on a hands-free phone or a landline? What are you ringing from?

Mr Chappell—It is a landline to a hands-free phone.

ACTING CHAIR—I think that the hands-free phone is probably the issue. Are you able to use a handset?

Mr Chappell—Yes, I can do that.

ACTING CHAIR—I think we will try and ring you back. If you can use a handset, that might help.

Mr Chappell—If you could bear with me for a moment, I may be able to do that without having to hang up. I am just getting a handset fixed that I can patch this thing back to. If you will bear with me, I will just try to respond to Senator Fielding's last question. It was never the authority's suggestion but the number of about 10 per cent is probably about right. It was also suggested that, in the addictions field, that is a fairly typical number. Whether it is substances or other behavioural problems, that level of help seeking is probably the best that you are going to get.

ACTING CHAIR—Thank you. That is much clearer.

Mr Chappell—Is that better?

ACTING CHAIR—Yes. That is marvellous.

Mr Chappell—All right.

Senator XENOPHON—I am not sure whether you have submission No. 18 from Dr Charles Livingstone and Dr Richard Woolley in relation to this inquiry.

Mr Chappell—I do.

Senator XENOPHON—It consists of three pieces of correspondence. Firstly, it has a letter from Monash University, from Dr Livingstone, dated 10 October 2008 to the secretary of the committee. Secondly, it has a letter to Dr Livingstone from the Independent Gambling Authority signed by you and dated 3 October 2008. It also has a letter addressed to you as Director of the Independent Gambling Authority dated 14 September 2005. I want to ask you some questions in relation to those documents. During the evidence given by Mr Ferrar for, I think, the Gaming Technologies Association, which is a new incarnation of the Australasian Gaming Machine Manufacturers Association, there was a discussion as to what documents were given to the inquiry commissioned by the Independent Gambling Authority and conducted by Doctors Livingstone and Woolley. There was a denial by Mr Ferrar on behalf of the authority that any material was withheld from that inquiry. Can you precis fairly for the benefit of the committee the substance of the documents I have referred

to in submission No. 18, in particular on the issue of whether the work by Doctors Woolley and Livingstone actually received the data and the information requested by the machine manufacturers.

Mr Chappell—The South Australian act assumes that you can tell whether a group of gaming machines are going to exacerbate problem gambling. We called for a public tender for research that would inform that question, and Dr Livingstone and Dr Woolley were among the tenderers who put in proposals to analyse gaming machine games to see whether some of them were more likely to cause harm than others. When the public tender process was completed and Dr Livingstone and Dr Woolley were selected, the authority wrote to a number of stakeholders, including AGMMA, advising that the research was being undertaken and asking for their cooperation. The letter attached to Dr Livingstone's correspondence was the response received from AGMMA. It left me in no doubt that there would be no cooperation from the manufacturing sector, and it was on that basis that we then proceeded to furnish information to Dr Livingstone and Dr Woolley from official records held in South Australia. We did not get to the stage of asking manufacturers for specific things, because the very clear signal given by the peak body was that there would be no cooperation.

Perhaps with the benefit of 2020 hindsight, we should have written them a letter inviting them to comment in very specific terms so that the evidence Mr Ferrar gave would have been more circumscribed. But the reality was that the AGMMA response and the tone of that letter, suggesting that he had no faith in whatever the outcome of the research would be, left me in no doubt that we should not trouble ourselves with getting information from them. The matter is incomplete in the sense that the authority does have compulsive evidence-gathering powers, and there may come a point when it is necessary to ask a manufacturer under summons to answer some questions. Hopefully, it will not come to that, because one of the manufacturers has now indicated to the authority it would like to participate and cooperate.

Senator XENOPHON—In the report that was prepared by Doctors Livingstone and Woolley for the authority, which was released, I think, at the beginning of this year, they made reference to the fact that they were not able to obtain what is known as reinforcement schedules or probability accounting reports—PAR sheets—and also the volatility of machines as compared to the volatility of payout rates. Are you saying that ultimately the report that was given to the authority by Doctors Livingstone and Woolley did not have that information because it was not provided by the machine manufacturers?

Mr Chappell—Yes. They were not able to be provided with information about the games and analyse them on that basis. For our purposes the report was probably sufficient. The answer to the question is that there is not enough difference between the tastes of problem gamblers and the tastes of recreational gamblers to enable us to find, if you like, the magic bullet that would enable us to have a particular gaming machine game approved that was not going to do any harm.

Senator XENOPHON—That is more like a known unknown, isn't it? You do not really know until you have those schedules and either the PAR sheets or the volatility schedules.

Mr Chappell—I think they are getting some benefit in looking more closely at those things. I think Dr Livingstone did a very good job of attempting to test the theory about whether particular games were going to be more harmful than others. The report is very revealing about the nature of gaming machine. Some people would say, 'They're really just telling us things we already knew.' Most of the benefit of the report comes from the way it is put together and the way these concepts are explained. I do not want to make a commitment about what the authority will do in the next phase of its research program but I can see that, if a manufacturer is prepared to be helpful in providing, on a confidential basis, some of the structural characteristics of the games, there would be some benefit in looking at those and seeing whether there is a correlation with the other observed effects.

Senator XENOPHON—Just to make it clear, for my benefit and perhaps for the committee, my understanding of a volatility schedule for a machine that has, say, a 90 per cent payout rate, is that it shows the number of games it pays out that percentage payout rate. Can you elaborate on that or confirm whether I am on the right track?

Mr Chappell—I think it is fair to say that, if you have a high-volatility game, it takes more spins for it to resolve its return to a player than if it is a low-volatility game.

Senator XENOPHON—That means a low-volatility game would be where you know you will get your 90 per cent return over a limited number of games, compared to an extended number of games?

Mr Chappell—It depends. If there is a bigger number of large prizes then it means there has to be a lot of spins in between for it to resolve properly its return to player. I suspect that players have a sense for the sort of

game that they are playing. Clearly, it is not possible for people to actually understand it because the mathematics are too hard. But I suspect some people have a preference for highly volatile games and other people have a preference for games that give you a win more often, even though it is a smaller one.

So I am not actually sold on the idea that volatility is itself going to be a cause of problem gambling, because there may well be players who are prepared to sit on the machine and just be satisfied with more regular, small wins. But it is certainly the case that, as the technology has enabled the games to become more complex, volatility has become an issue. For the technical regulators the issue is really about deciding when the game will resolve what is regarded as its return to players, to work out whether it will actually satisfy the return-to-player requirements for the legislation.

Senator XENOPHON—Can I just go on to the issue of gambling research in this country. I think Senator Boyce may have raised this previously. Hopefully I am not verballing Senator Boyce, but I think the whole issue of Gambling Research Australia was raised. Given your role as a regulator and your position in terms of gambling research generally, can you tell us in broad terms what the research agenda is? How is Gambling Research Australia structured and how active has it been in recent years?

Mr Chappell—Currently I am the convenor of the Gambling Research Australia working party so I am able to answer the question. The memorandum of understanding between the ministerial council members sets out six priority research areas, and it is within those priority research areas that the working party formulates project briefs for particular research projects. We have three separate modes of procurement. One is commissioned research, where a question is identified and there is some clarification given around what the question is, and that matter is generally put out to public tender. The next procurement methodology is one where we advertise an opportunity to be provided with a grant. People who are interested in conducting the research apply for the grant, and there is governance process for determining which of those grant applications will be approved. An example of the third procurement approach is actually going to be advertised in the weekend newspapers. We are seeking expressions of interest for research into comorbidities in gambling—that is, the relationship between problem gambling and some other addictive or addiction like pathology. The obvious ones are smoking and drinking and the use of illicit substances. This is a process which will enable researchers with expertise in the field to propose a question that is relevant to the project brief, and we will have an evaluation process to determine which of those projects are funded by GRA.

The memorandum of understanding proceeds on the basis that, once the project brief has been approved by GRA, there will be a contracting and contract management process undertaken by the secretariat within the Department of Justice in Victoria and at the end of the process we will have a peer-reviewed, publishable report. Most of the heavy lifting, the hard work, of the GRA working party relates to the formulation of these project briefs and the questions; but, following that, members of the GRA participate in the procurement processes and are involved in ensuring that, at the end of the day, the research reports that are obtained actually answer the question that was asked.

The website, gamblingresearch.org.au, is the most up-to-date publicly available resource mapping out what the GRA program does. I think there is at times some perception by the Australian gambling community that it is a bit out of date, and that is because most of the activity that I am involved in pre procurement, the stages that are preliminary to publicly announced procurement processes. Once we have an approved project brief that can be a publicly procured, that information is on the website.

Senator XENOPHON—Thank you. I have some more questions, but I will give other committee members a go.

Senator BOYCE—I have one area of questions. Mr Chappell, you gave us some figures in your opening material around voluntary barrings in South Australia that the authority has been involved in. Would that be on all barrings that have happened in South Australia? No-one else is doing them?

Mr Chappell—There is no reliable statistical base to compare with the figures from the IGA barring system. We suspect that probably about the same number of people again have been barred from individual venues but there is no reliable way of aggregating that information.

Senator BOYCE—So they are not required to report to you any barrings that they do?

Mr Chappell—They are required to report to the Liquor and Gambling Commissioner, who is the operational regulator, but at the moment there is difficulty in identifying that a person barred from venue A is the same person barred from venue 55 or whatever. Because of the nature of the way we do our work, we are able to say, 'Here is one person who has been barred from 55 hotels and clubs in Adelaide and its suburbs.'

That is because of the way we manage the process and the way we collect the data. Of course, if you decide that you are going to be barred through some other process, you have to approach the venues individually, and there is no way of matching the individuals.

Senator BOYCE—No. My other question goes to how you develop standards for measuring performance in this area. Do you have any research at all around the success rates of barring in terms of people recovering, for want of a better word, and also about people who have deliberately broken or attempted to break their own bars, so to speak?

Mr Chappell—We did some focus work some years ago that suggested that most people who are barred have breached their barring orders at some stage but that they have definitely gambled much less as a result of being barred than they might have done if they had not taken that step. I think the number of revocations are an indication of people who are comfortable that they are successfully beating their gambling problems, although we do have the experience a small group of people who will revoke all their barring orders at the end of the first 12 months and then about a month later they will be back, asking for the orders to be put back on because they have realised that in fact they cannot consume the product safely at all.

To be frank, when this scheme was legislated in 2001, I was very sceptical about whether it would be worth the effort. But I have modified my thoughts on that and eaten my words because it is quite clear to me from dealing with these people and from the reports I get from the interviewers who speak to them that it is of significant benefit to the people who go through the process. Anecdotally, about 70 per cent of them are also in some other form of treatment or therapy, and of the 30 per cent who come here directly we try to get them to go into some form of treatment or therapy so that their initiative in taking control and seeking barring is supported in as many ways as possible. Although it is fraught with all sorts of difficult compliance and identification issues, it is in my view a helpful tool in the armoury against problem gambling.

Senator CAROL BROWN—I apologise; I have just come in. Did you say in the information that you provided about the voluntary barring whether you had figures on people who have been barred from licensed gambling areas by the premises themselves?

Mr Chappell—I do not think there is accurate information about that. The Office of Liquor and Gambling can provide numbers of individual barring orders. I will have to make inquiries and report back, encompassing what I find out. As I understand it, they do not have a systematic mechanism for establishing identity in individuals who are barred from more than one individual premises.

Senator CAROL BROWN—I am trying to get it clear. Are there any guidelines for licensed gambling premises that they are required to follow to ensure that someone that they believe has a problem with gambling is referred somewhere or to ensure that they take action about that?

Mr Chappell—There are various answers to that question, Senator Brown.

Senator CAROL BROWN—Sorry.

Mr Chappell—No, thank you for the question. The first is that they are under a code of practice obligation which is a mandatory licensing commission obligation to facilitate the indefinite voluntary exclusion of people who ask for it. They have an obligation to respond to that, whether it be by barring them under the Gaming Machines Act, by sending them into the authority to be interviewed and barred under the voluntary barring scheme or by simply telling them that if they come back onto the premises they will be trespassing. We get varying reports about the quality of that response from venues and we still occasionally get information that licensees say, 'We don't do that here.' But, generally speaking, I think there is good intention out there in licensee land to applying barring.

The other thing is that from 1 December in South Australia there will be official recognition of approved intervention agency programs, which is an important industry response to some of the regulatory activities of the authority. There are going to be something like nine or 10 dedicated field officers visiting licensed premises in South Australia who will be focused entirely on helping licensees understand their obligations with respect to problem gambling and helping them identify problem gamblers and intervene with them. Those programs are being recognised in the new series of codes of practice by providing relief from some of what you might call the more draconian forms of regulation. If you are not in an approved intervention agency program you will not be able to have any advertising on the outside of your premises and within three years you are going to have to build a wall that is soundproof and lightproof between your gaming machine room and the rest of the premises and the outside world, whereas if you subscribe to one of these programs and they

are adequately funded to the authority's satisfaction you will be able to continue to do business as you do today.

The theory behind that is that the problem gamblers are all in gaming premises. Problem gamblers are probably 10 per cent of people who are regularly gambling in hotels and clubs, and if there is any place where you are going to catch them it is going to be in venues. So if we can make the licensed environment more sensitive to their presence and if we can make the licensed environment one that is more likely to provide intervention and support—and by that I do not mean passive things like just having a leaflet on a counter but having someone actually looking out for the signs of problem gambling—then we are more likely to get some good results and reduce the harm caused by gaming machines in hotels and clubs.

Senator CAROL BROWN—Thank you, Mr Chappell.

ACTING CHAIR—I think we are done with the questions. Thank you very much, Mr Chappell. It is much appreciated and I am sorry that we had to ask you to fiddle around with the phone.

Mr Chappell—Thank you, Senator Siewert. If there are any other matters that arise from the committee I would be happy to take further questions on notice and answer them in writing, and if there are to be further hearings I will follow those with interest.

Committee adjourned at 4.19 pm