

**Submission of the  
Department of Racing, Gaming and Liquor**

**Inquiry Into The  
Poker Machine Harm Reduction (\$1 Bets and Other Measures)  
Bill 2012**

## **Introduction**

On 22 March 2012, the Private Members Bill, *Poker Machine Harm Reduction (\$1 Bets and Other Measures) Bill 2012* (the Bill) was introduced by Senators Di Natale, Madigan and Xenophon into the Australian Parliament.

The Joint Select Committee on Gambling Reform has invited submissions on its inquiry in relation to the Bill.

## **Background**

The proposed Bill aims to implement harm minimisation measures in relation to the operation of poker/gaming machines recommended by the Productivity Commission in its 2010 report on gambling, in particular, to minimise the rate of loss by players.

The Bill provides for the regulation of poker by requiring that, poker machines must not:

- accept banknotes with a denomination greater than \$20;
- accept additional credits if the machine stands in credit to the player of \$20 or more;
- allow a bet in excess of \$1 per spin; and
- have a jackpot or a linked-jackpot arrangement greater than \$500.

The Bill provides for penalties for breaching these requirements and enables the responsible Minister to implement uniform national standards for poker machines in relation to harm minimisation, with particular reference to maximum losses, to take effect from 1 January 2015; and for the establishment of a national monitoring network.

The Bill defines a poker machine to include a gaming machine and any machine licensed or required to be licensed for use in a State or Territory as a poker machine or gaming machine.

It is understood that the Bill proposes to capture all licensed venues that operate poker machines, including casinos, with the aim that by 1 January 2017, all licensed venues (operating 10 or more machines) would be complying with the harm minimisation measures outlined in Clause 8 of the Bill. Venues operating 10 or less machines must be compliant with clause 8 by 1 January 2019.

## **Issues**

The Bill essentially seeks to establish low intensity poker/gaming machines as the only form of machine permitted in licensed venues, therefore minimising the potential loss of a player to \$120 per hour by permitting (amongst other initiatives) a maximum bet limit of \$1.

The proposed measures are to apply to all gaming venues and do not provide any exemption to casinos that are recognised as destination gaming environments.

While the definition of poker machine in the Bill captures those machines in operation at the Crown Perth casino, Western Australia does not permit spinning reel machines, and therefore considers the provision proposed in Clause 8(3) limiting the maximum bet to \$1 per spin would not apply to the electronic gaming machines in operation at the casino.

In relation to other harm minimisation measures contained in the Bill, Western Australia is satisfied with the responsible service of gambling (RSG) initiatives in operation at Crown Perth. Since placing a focus on responsible gambling, the average presentations to help services in relation to electronic gaming machines have reduced considerably. Over the last 10 years presentations have reduced from a high of 188 people seeking assistance to a low of 51. On average, presentations for the period 2003 – 2007 equated to 167 where in the last five years presentations equated to 78.

RSG initiatives at the Crown Perth include (but are not limited to):

- establishing a Responsible Gambling Unit that, amongst a number of initiatives, developed a training program to assist employees in the observation and reporting of patron behaviour indicative of problem gambling;
- establishing a Responsible Gambling Information Centre to promote and raise awareness of problem gambling; provide problem gambling assistance; and referral information and advice;
- Introduction of player pre-commitment schemes to enable patrons to limit their gaming activity and monetary limits; and
- promoting and encouraging “take a break” from gaming.

While the reforms contained in the Bill have merit they are more suited to opportunistic gaming venues such as hotels and clubs, they are not suited to the broader destination and integrated gaming environment that casino's such as Crown Perth offer, and in this regard, it is considered that “one size” does not fit all gaming environments.

### **Conclusion**

The Western Australian Government has a reputation for maintaining a strong and responsible approach to the regulation of gambling. This is particularly attributed to the long standing government policy of prohibiting the licensing of electronic gaming machines outside of the licensed casino.

Western Australia, compared to the rest of the country, is unique as it has continued to restrict the proliferation of electronic gaming machines into the wider community through licensed hotels and clubs.

Restricting electronic gaming machines to a single outlet; that is, the Crown Perth Casino creates a destination gambling environment that requires consumers to make a conscious decision about their gambling expenditure and does not provide for opportunistic gaming as experienced in other jurisdictions where gaming machines are far more accessible through a network of hotels and clubs.

As a consequence of Western Australia's unique position in the gaming landscape, the Productivity Commission draws the connection that Western Australia's low prevalence of problem gambling can be attributed to permitting destination gaming and not having available in the wider community electronic gaming machines.

The casino is a mature gaming product in Western Australia and is committed to responsible service of gambling. Crown Perth continually balances its RSG initiatives with meeting the expectations of its international and domestic customer base and therefore, the proposed measures contained in the Bill do not serve the interests of the wider community, government or businesses associated with the casino, and ultimately, has the propensity to adversely affect the operations of the casino and all stakeholders with a connection to the facility.

Consequently, Western Australia does not support the *Poker Machine Harm Reduction (\$1 Bets and Other Measures) Bill 2012*.