



Australian Government

**Department of Families, Housing,
Community Services and Indigenous Affairs**

Deputy Secretary

Ms Lyn Beverley
Committee Secretary
Joint Select Committee on Gambling Reform
PO Box 6100
Parliament House
CANBERRA ACT 2600

Dear Ms Beverley

Thank you for the opportunity to provide a submission to the fifth inquiry of the Parliamentary Joint Select Committee on Gambling Reform, into the Poker Machine Harm Reduction (\$1 Bets and Other Measures) Bill 2012.

The Department of Families, Housing, Community Services and Indigenous Affairs ('the Department') aims to improve the lives of Australians with a focus on supporting vulnerable Australians.

As the Committee is aware, the Department is the lead agency supporting the Australian Government's commitment to address problem gambling. The Department acknowledges the range of recommendations made by the Productivity Commission in its 2010 Inquiry Report on Gambling. The Productivity Commission made recommendations around low intensity measures for gaming machines, including the implementation of \$1 bet limits, load up limits and jackpot limits.

In 2011, the Department sought expert advice and conducted research on the technical requirements and cost and feasibility of introducing low intensity parameters, including \$1 bet limits, on electronic gaming machines. The Department also reviewed a range of current evidence on the implementation of \$1 maximum bet limits, such as that conducted by the Productivity Commission.

Consultation was undertaken with state and territory government gaming regulators, gaming machine manufacturers and through commissioning independent and unaligned expert technical advice. In addition, the Department held two technical workshops on options for low intensity on gaming machines. These workshops provided a broad range of views on the costs and implementation options for low intensity to inform Government policy decisions.

The Government's technical advice on \$1 bet limits and other low intensity parameters is that as a harm minimisation measure, it is not as simple and affordable as some have suggested. Advice from consultations with gaming machine manufacturers, subsidiary

providers and independent technical experts is that to implement \$1 bet limits nationally, machines would require the design and development of new software. That is, the individual games would need to be re-designed to operate under the new limit.

Another key recommendation of the Productivity Commission was the implementation of a pre-commitment system on gaming machines. Pre-commitment provides gamblers with a tool to control and monitor their own spending. This measure was recommended by the Productivity Commission as it assists players in making their own choices about how much they can afford to lose on gaming machines, and stick to these limits.

The Department has also consulted broadly and commissioned research and technical advice into pre-commitment. Independent technical advice is that pre-commitment is more cost effective to implement than \$1 bet limits. The advice is that it is possible to connect pre-commitment technology to a gaming machine without the need to make more costly changes to the gaming machine software.

The Government's national gambling reforms focus on the introduction of pre-commitment on all gaming machines in Australia, and include a range of other measures to help to minimise the harm from gambling and provide more assistance and services for individuals and families that are impacted by the consequences of gambling problems. These include legislative and non-legislative measures, which the Department has identified in its submission to the Committee's third inquiry into *the prevention and treatment of problem gambling*.

National Gambling legislation

The Government remains committed to introducing legislation, as soon as the support of the Parliament is secured, which will require:

- a \$250 daily withdrawal limit on automatic teller machines in gaming venues (except casinos);
- all new poker machines manufactured to be capable of supporting pre-commitment;
- all poker machines to be part of a state linked pre-commitment system (eligible small venues will have a longer implementation timeframe); and
- electronic warnings and cost of play displays on poker machines.

Trial of mandatory pre-commitment in the ACT

The recently announced Trial Oversight Committee ('Oversight Committee') met for the first time on Friday 12 October 2012 to discuss the establishment of the Committee and the preparatory work elements of the ACT trial. The Oversight Committee will provide technical and implementation advice to the Commonwealth and ACT Governments, and the independent contractors who will manage and evaluate the trial. It is expected that the procurement for the preparatory work of the trial will commence before the end of 2012.

To ensure the trial achieves the best possible outcomes, a series of research activities will be conducted before the trial commences in gaming machines venues. The preparatory work of the trial will inform how a pre-commitment system should be designed and also how it should be evaluated. The research will initially have a broad focus, looking at pre-commitment approaches internationally and nationally, and also examining the other strategies taken to reduce the harm caused by problem gambling that could complement a pre-commitment regime.

Trial of dynamic warnings in Queensland

The Commonwealth is also continuing to work with the Queensland Government to trial dynamic warning technology across a number of venues in Queensland. This trial is expected to commence in early 2013 and run for six months. It is anticipated that the trial will be conducted across 10 venues, comprised of five control venues and five experimental venues.

The Department will continue to closely monitor the proceedings of this inquiry, particularly as it relates to Departmental activities, and would be happy to provide any further information required by the Committee.

Yours sincerely

Liza Carroll

30 October 2012