



**Submission to the Inquiry into the *ATM's
and Cash Facilities in Licensed Venues
Bill 2008* and the *Poker Machine Harm
Minimisation Bill 2008***

23 September 2008

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1. Executive Summary

The City of Sydney (the City) acknowledges that whilst many people engage in gambling in a responsible way, for others gambling is a serious problem which can have wide ranging psychological and social impacts. With nearly 2000 licensed premises, the City has more poker machines than any other local government area (LGA) in NSW and the second highest losses by residents and visitors through electronic gaming machines in Australia.

Research and data analysis indicates that the resident population of the City of Sydney is particularly susceptible to problem gambling and gambling addiction. The City strongly supports measures centred on prevention and harm minimisation for problem gamblers and their families and therefore supports many of the measures outlined in the *Poker Machine Harm Minimisation Bill 2008*.

Specifically the City supports the measures in the Bill which seek to alter the ways in which electronic gaming machines operate and the location ATM's and cash facilities within licensed premises as far away as possible from gaming areas. The City does not however support the measures outlined in the *ATM's and Cash Facilities in Licensed Venues Bill 2008* which would result in the removal of ATM's and cash Facilities from licences premises altogether. The City believes that such a measure would limit personal choice and convenience for responsible gamblers and would potentially create public safety issues associated with patrons having to leave a premises to obtain cash, particularly at night.

2. Introduction

The City understands problem gambling to be 'excessive gambling behaviour that creates negative consequences for the gambler, others in his/her social network, and for the community' (Ferris, Wynne and Single, 1999) while recognising that gambling is a social and recreational pastime for visitors to and residents of our city. The City acknowledges that whilst many people engage in gambling in a responsible way, for others gambling is a serious problem which can have wide ranging psychological and social impacts.

The City believes that all levels of government have an important role to play in regulating the gaming industry, and Electronic Gaming Machines.

In this submission the City seeks to:

- Provide relevant statistics on the communities of the City of Sydney;
- Assess trends in problem gambling and how they impact upon the residents of our City;
- Provide specific responses to the legislation being assessed by the Committee;
- Identify opportunities for local government to work in partnership with other levels of government to promote responsible gambling and minimise harm; and
- Offer comment on the current regulatory framework.

3. The City of Sydney

The City of Sydney Local Government Area (LGA) covers approximately 26.15 square kilometres. As at June 30 2007, Sydney had a resident population of 168,862 people, a workforce population of approximately 350,000 and it is estimated that 400,000 people visit the city each day to shop, be educated, conduct business with firms in the City or simply be entertained. In the year to Dec 2004, 2.4 million international visitors came to the Sydney Metropolitan area.

Based on industry-mix and relative occupational wage levels, it is estimated that Economic Activity (GDP) generated in the City of Sydney in 2003-2004 was approximately \$63 billion. This represents over 8% (nearly one-twelfth) of the total national Australian economy, over 30% of the Sydney metropolitan area and almost one-quarter of the GDP of the entire state of NSW.

Given its location as the economic and cultural heart of the Sydney metropolitan area, the City of Sydney is highly and densely urbanised.

The City of Sydney has a diverse ethnic mix with over one third of its residents born overseas. Almost 30% of the resident population speaks a language other than English. Apart from English, the most common languages spoken at home are Chinese, Indonesian, Greek and Russian. The City is home to one of Sydney's largest communities of Aboriginal peoples.

Almost half of city residents are aged between 20 and 40. Conversely, there are fewer teenagers, children and older people residing in the City of Sydney than in the Sydney metropolitan area.

The influx of young residents into the City of Sydney is reflected in the growing number of single people living here. More than half of City residents aged 15 and over have never married, compared with one-third in the Sydney Metropolitan area.

Just less than a quarter of city residents live alone in one-person households. The majority (60%) of city residents live in family households with a partner and/or children or other relatives.

The City also has significant urban Aboriginal communities; at the time of the 2001 census 1890 Aboriginal people lived in the City.

The City also has a large number of public housing dwellings, the largest number in any local government area in NSW, with around 9,500 of dwellings being public housing. The allocation practices of Housing NSW have resulted in people with multiple, complex needs, who are recipients of social security benefits, being accommodated in public housing in the City.

4. Problem Gambling and the City of Sydney LGA

With nearly 2000 licensed premises, the City Sydney has more poker machines than any other local government area (LGA) in NSW. According to the findings of a 2001 report by the NSW Office of Liquor, Gaming and Racing, pubs in the inner Sydney area alone have close to 11,000 electronic gaming machines and generate revenue which represents 61.8% of the total annual revenue generated from electronic gaming machines in pubs in NSW. The City also has the second highest losses by

residents and visitors through electronic gaming machines in Australia.

Research and data analysis indicates that the resident population of the City of Sydney is particularly susceptible to problem gambling and gambling addiction.

Research conducted by the State Government of Victoria, the Salvation Army and Southern Cross University has identified that problem electronic gaming machine usage was highest in the following population groups:

- Males – 20-24 years and 65-69 years
- Renters
- People living in 1 bedroom accommodation
- People without children
- Recipients of social benefits
- Migrants of European and Asian descent

Problem gambling has also been found to be higher among Aboriginal people. The following table provides an evaluation of these trends compared to the City of Sydney:

Males – 20-24 years and 65-69 years	<ul style="list-style-type: none"> • Males comprise close to 54% of the population of Sydney • 16% of the population in the 18-24 year old age bracket • 6.8% in the 60-69 bracket • A further 29.8% in the 25-34 year old bracket
Renters	<ul style="list-style-type: none"> • 46% of residents are renter, this is significant higher than the 25% of people who rent in the rest of NSW
People living in 1 bedroom accommodation	<ul style="list-style-type: none"> • Over 60% of dwellings in the City are units, with the most common being studio and 1/2 bedroom • The average household size in the City is 1.95 people
People without children	<ul style="list-style-type: none"> • 59% of couples in the City of Sydney are couples without children and lone person households comprise close to one third of all household types in the City
Recipients of social benefits	<ul style="list-style-type: none"> • A proportion of the City's residents are recipients of social security benefits. In some suburbs of the City, the proportion is more than 60%.
Migrants of European and Asian descent	<ul style="list-style-type: none"> • Over one third (34%) of the residents of the City were born overseas with the largest groups coming from European and Asian nations. • Some 23% of all migrants in Sydney come from a non-English speaking background.
Aboriginal communities	<ul style="list-style-type: none"> • Aboriginal communities in the city include Redfern, Waterloo, Glebe, Woollahooloo and Millers Point.

In assessing the impact of gambling in the City it is also necessary to include:

- The 350,000 people that work in the City on a daily basis.
- The 400,000 people that visit the City daily to shop, dine and be entertained.
- The 2.4 million tourists that annually visit the City.

In addition to being the capital city of NSW, the City of Sydney is also the most popular destination for local and international tourists. In relation to gambling, the City is home to several large entertainment precincts which attract large numbers of patrons and are responsible for a significant concentration of electronic gaming machines including:

- The Rocks
- Star City Casino
- Kings Cross
- Oxford Street, Darlinghurst
- Darling Harbour
- Circular Quay
- The Moore Park Entertainment Quarter

Problem gambling and its associated psychological and social impacts have been identified as problems affecting both residents and visitors to the City for a number of decades. This is reflected in the location of over 30 government agencies, services and organisations located in the City, which seek to address the problems of gambling and provide support to gamblers, their families and friends. Some of these organisations include:

- St Vincent's Hospital Gambling Treatment Program
- William Booth House, Wesley Gambling Counselling Service
- University of Sydney Gambling Research Unit

Through its involvement in planning assessment, community development, community safety, social planning and economic development activities the City has sought to promote problem gambling awareness and encourage harm minimisation.

5. Specific responses to the proposed legislation

The City of Sydney supports the shared goals of responsible gambling and harm minimisation programs as identified by Blaszczynski, Sharpe and Walker (2001) in a recent study conducted by the University of Sydney Gambling Research Unit. They are:

- To prevent vulnerable individuals from developing gambling problems.
- To reduce the current prevalence of problem gamblers within the community.
- To reduce the negative social and health consequences associated with problem gamblers for individuals, their families and their communities.
- To maintain a reasonable level of enjoyment from gambling by recreational gamblers.

- To ensure that the livelihood of those associated with the gaming industry is not unnecessarily compromised.

In turn, the City supports elements of the *Poker Machine Harm Minimisation Bill* 2008. They include the following sections of the proposed legislation:

Part 2:

- Section 9: Maximum denomination of notes accepted by bank note acceptors
- Section 10: Limit on credits entered through banknote acceptors
- Section 11: Limits on credits entered through gaming machine ticket readers
- Section 12: Prohibition on multiple line betting
- Section 13: Maximum bet per spin
- Section 14: Maximum bet per spin—smart card gaming machines and smart card poker machines
- Section 15: Limit on jackpots and linked-jackpot arrangements
- Section 16: Limit on jackpots and linked-jackpot arrangements – smart card gaming machines and poker machines
- Section 18: Spin rate

Part 3:

- Section 20: Limiting withdrawals and advances from cash facilities

Part 4:

- Section 22: Maximum redemption amount for cash-back terminals

The City strongly supports the removal of ATM's and cash withdrawal opportunities in gaming areas of licensed premises. The City currently applies a Standard Condition of Consent requesting that ATMs in licensed premises cannot be located in the same area as gaming machines. This condition is currently being challenged.

The City does not however, fully support the *ATM's and Cash Facilities in Licensed Venues Bill* 2008 which proposes the removal of ATM's and cash withdrawals from licensed premises entirely. The City believes that the restrictions proposed under this Bill would potentially have a negative impact on two of the shared goals of responsible gambling and harm minimisation strategies, namely

- limiting the reasonable level of enjoyment from gambling by recreational gamblers and
- ensuring that the livelihood of those associated with the gaming industry is not unnecessarily compromised.

The City also believes that the removal of ATM's and cash withdrawal opportunities from licensed premises altogether could have other negative effects including:

- Limiting personal choice and convenience for responsible gamblers.
- Causing public safety issues associated with patrons having to leave a premises to obtain cash. Licensed premises provide a secure location to access cash via ATMs especially late at night. An ATM in a licensed venue with a gaming machine should be located as far away from the

gaming area as possible but not removed entirely away from the licensed venue.

Whilst the City supports elements of the Poker Machine Harm Minimisation Bill 2008 as outlined earlier in this submission, it also believes that the passage of the Bill should be supported by a range of other measures including:

- An additional investment by the federal government in programs which offer further gambling and harm minimisation measures.
- A greater investment in public awareness campaigns associated with problem gambling
- Increased funding of government and non-government agencies to provide support services, information and referral for people who have gambling problems.
- Government to work with industry and the operators of licensed premises in the implementation of this Bill to ensure that economic impacts associated with revenue and employment are well managed and the potentially negative economic impacts of this Bill are appropriately addressed.

6. Opportunities for local government

Whilst the issuing of poker machine licences and the monitoring of activities associated with poker machine usage remains the responsibility of the State Government in NSW, the City believes that there exists opportunities for Councils to play a role in reducing problem gambling. According to Marlatt (1998), there are three basic harm minimisation strategies that can be applied to problem gambling:

- Education of individuals or groups.
- Modifying the environment.
- Implementing changes to public policy.

Education of individuals or groups

Councils have an important role to play as advocates for their community. Councils can support problem gamblers within their community through:

- Raising the profile of support services and networks for problem gamblers.
- Providing information on gambling and support services in public spaces such as libraries and community facilities and to service provider and community development networks.
- Supporting problem gambling services themselves through the provision of office accommodation or grant funding.
- Ensuring issues associated with problem gambling are in the public domain, including to up to date data on gambling from relevant government agencies and through liaison with agencies which offer support services to problem gamblers.

Councils currently engage with licensed premises which operate poker machines through a number of different ways. These could include:

- Local liquor accords.

- Crime Prevention and community safety activities.
- Community Development Support Expenditure Scheme (CDSE).
- Economic Development activities.

This engagement with hoteliers and club operators offers Councils an opportunity to raise the awareness of problem gambling within their LGA. They can achieve this in the following ways:

- Providing comment on the appropriateness of development proposals for licensed premises to identify ways in which to mitigate the issues of problem gambling through design and place management.
- Ensuring that operators of hotels and clubs are aware of the social impacts of problem gambling and implement mitigation strategies.
- Identifying ways in which they can limit the exposure of their patrons to excessive gambling.
- Raising awareness of the support services which exist for their patrons who are problem gamblers.

Modifying the environment

As the consent authority for developments it is possible for Councils to intervene in the design of licensed premises through imposing conditions as part of the standard conditions of development consent which could require ATM's to be placed outside of gaming areas. Through the development of zoning controls including Local Environmental Plans (LEPs) and Development Control Plans (DCP's), it is also possible for Councils to impact upon the location, size and design of licensed premises. However the location and number of gaming machines is the sole responsibility of the NSW State government. The Inquiry should consider whether local government is a more appropriate consent authority.

Implementing changes to public policy

As outlined in the section above, councils can implement changes to public policy via local planning which can impact upon problem gambling. Whilst Local Government does not have responsibility for the issuing of electronic gaming machine or liquor licences in NSW it does have a role to play in ensuring that public policy at both a state and federal level reflects the needs of its community. Council has a role in setting the hours of operation for licensed premises, and the City of Sydney's Late Night Trading Premises Development Control Plan has been developed in response to significant public concern about licensed premises. Local government is well placed to provide a range of information on their communities including demographics data, social trends, problems, opportunities and support services to other levels of government responsible for decision making.

7. Other Measures to address problem gambling

The City believes that there are a number of other issues which relate to gambling and electronic gaming machines which lie outside the proposed legislation, but should be addressed by the Community Affairs Committee, with the aim of promoting responsible gambling and minimising harm.

The current regulatory framework associated with electronic gaming machines is complex, multi-layered and inconsistent in its application across Australia. The City is of the opinion that the Federal Government should take a lead role in the development of a single, national policy in relation to manufacture and licensing of electronic gaming machines. Whilst States, including NSW have implemented a variety of policies associated with Responsible Conduct in Gambling, problems still remain in the application of these policies. Due to the fact that there are few physical signs associated with problem gambling and the fact that gaming areas are often significant distances from where staff might be located in licensed premises, it is often difficult for staff to detect and address problem gambling. Therefore training and intervention options available to operators and staff of licensed premises need to be improved. Further, the Federal Government needs to take a more proactive role in promoting responsible gambling and educating the community about the effects of problem gambling.

National standards requiring adequate lighting levels in gaming areas, and mandatory shut down periods for poker machines would have a substantial positive impact on problem gambling.

Recent changes to the Smoke Free Environment Act (NSW) 2000 and the introduction of the Smoke-Free Environment Regulation Act (NSW) 2007 has removed the capacity for patrons of licensed venues to smoke in enclosed areas. The City supports this legislation, and strongly recommends that the new bill prohibits the location of electronic gaming machines in outdoor smoking areas or in close proximity to those areas, as a means of breaking up gambling activity and discouraging the dual addictions of smoking and gambling.

The current system of licensing for electronic gaming machine licenses in NSW is significantly impacting on the survival of local, well established pubs. As poker machine licenses are purchased by larger pubs, so too are the liquor licenses required for the pubs to operate. Throughout the City, this has resulted in the closure of many smaller pubs which serve as an important social outlet and to which local people have long standing connections. The City calls upon the Federal Government to develop policies which support the retention and viability of small local pubs and limit the negative, predatory impacts of larger pubs and clubs purchasing electronic gaming machine licences.

Finally, the City encourages both the State and Federal Governments to proactively engage with Local Government in relation to the development of policies associated with Electronic Gaming Machines and the regulation of licensed premises in order to deliver policy which is well-informed, appropriate and practical in relation to meeting the needs of local communities.

Reference List:

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