

**Opening statement made to the Senate Community Affairs Committee
in respect of its**

Inquiry into ATMs Bill and two other gambling related bills

16 October 2008

Robert Chappell, Director, Independent Gambling Authority—

In South Australia, 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 for 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 7 Governor in Council appointees. It is supported by an office of 6 staff and has an annual budget of \$1.4 million (which includes an annual allowance of \$0.3 million for research). Under the *Independent Gambling Authority Act 1995* (SA), it is required to perform its functions independently of Ministerial direction except where express provision is made for this.¹

Since October 2001, the Authority's statutory functions have included—²

- developing and promoting strategies for reducing the incidence of problem gambling and for preventing or minimising the harm caused by gambling; and
- undertaking (or assisting or co-ordinating) research on gambling generally, on matters specifically directed by the Minister, and into—
 - the social and economic costs and benefits to the community of gambling and the gambling industry; and
 - the likely impact, both negative and positive, on the community of any new gambling product or gambling activity that might be introduced by any section of the gambling industry; and
 - strategies for reducing the incidence of problem gambling and preventing or minimising the harm caused by gambling.
- ensuring that an effective and efficient system of supervision is established and maintained over licensed commercial gambling businesses;³
- advising the Minister for Gambling on matters relating to licensed commercial gambling businesses and the laws under which they operate;

¹ See section 4(2) of the *Independent Gambling Authority Act 1995*. South Australian legislation is available online at www.legislation.sa.gov.au.

² For functions and powers generally, see section 11 of the *Independent Gambling Authority Act 1995*. This list paraphrases the paragraphs of section 11(1).

³ These are the Adelaide Casino business licensed under the *Casino Act 1997*; hotel and club gaming machine businesses, and support businesses for monitoring and servicing of and dealing in gaming machines and games under the *Gaming Machines Act 1992*; off-course totalisator and fixed odds betting (major betting operations licence), on-course totalisator (licensed racing club) and bookmaking businesses under the *Authorised Betting Operations Act 2000*.

- performing specific functions with respect to problem gambling family protection orders and voluntary barring, and under laws regulating commercial gambling businesses.

Where the Authority exercises a discretion, it is required to take into account the following two objects:⁴

- the fostering of responsibility in gambling and, in particular, the minimising of harm caused by gambling, recognising the positive and negative impacts of gambling on communities; and
- the maintenance of an economically viable and socially responsible gambling industry (including an economically viable and socially responsible club and hotel gaming machine industry) in South Australia.

The Authority is the licensing and disciplinary body for the holders of the casino licence (Skycity Adelaide), the major betting operations licence (SA TAB) and the licensed racing clubs. It is also the disciplinary and rule-making body for South Australian licensed bookmakers.

The Liquor and Gambling Commissioner is the licensing and disciplinary authority for gaming machines in hotels and clubs, and the licensing authority for bookmakers. The Commissioner undertakes the inspectorial, enforcement and compliance role and is responsible to the Independent Gambling Authority for the constant scrutiny of SA licensed gambling businesses.

All South Australian commercial gambling businesses⁵ are required to comply with advertising and responsible gambling codes of practice approved by the Authority. The Authority has recently completed a major review of these codes of practice.⁶

In South Australia, the games played in the casino and on gaming machines are regulated through an approval process administered by the Liquor and Gambling Commissioner. One of the statutory requirements of that approval process is that the Commissioner must not grant an application for approval of a new game unless satisfied that the approval would not exacerbate problem gambling. The Authority has a statutory function to give the Commissioner guidelines with respect to those approvals.⁷

In addition, the location of hotel and club gaming machine venues is regulated through a licensing process administered by the Liquor and Gambling Commissioner. The Authority has a statutory function to give the Commissioner gaming machine licensing guidelines with respect to the social effect of licensing particular premises for gaming.⁸

The Authority is responsible for a voluntary barring scheme with respect to the licensed gaming areas of hotels and clubs and the area licensed for the casino at Adelaide.⁹ At the written request of a person, the Authority has a discretion to bar the person from one or more of these areas. In the 7 years since the scheme was established on 1 October 2001, 1037 people have been barred (of whom 228 have subsequently revoked all barrings). In the past 12 months, 112 new people were barred, and there were 255 additions to existing orders by those who were already barred. The total number of barred people at 30 September 2008 was 809.

⁴ See section 11(2a) of the *Independent Gambling Authority Act 1995*.

⁵ This includes the licensed commercial gambling businesses (see footnote 3) and the public lottery business conducted by the Lotteries Commission of South Australia under the *State Lotteries Act 1966*.

⁶ The text of the codes and the *Review 2006* report are available online at www.iga.sa.gov.au.

⁷ The text of the guidelines is available online at www.iga.sa.gov.au.

⁸ The text of the guidelines is available online at www.iga.sa.gov.au.

⁹ See section 15B of the *Independent Gambling Authority Act 1995*.

The Authority is also responsible for a complaint based problem gambling family protection orders scheme.¹⁰ Over the first 4 years of that scheme, the Authority has recorded 170 enquiries and dealt with 18 formal complaints.

The Authority has used its powers to conduct inquiries as part of its public consultation and awareness raising activities. Since 2001, the Authority has conducted public processes or reported on the following subjects:¹¹

- Casino codes of practice (2002);
- Uniform codes of practice (2003);
- Management of gaming machine numbers (2003);
- Problem gambling and crime (2004);
- Smartcard technologies (2005);
- Gambling rehabilitation services (2005);
- Administration of gaming machine entitlements (2006);
- Review of codes of practice and other regulatory measures (*Review 2006*) (2007);
- 2004 amendments (gaming machine numbers reduction legislation) (2007);
- Game approval guidelines (2008).¹²

As part of its commissioned research program, the Authority publishes *Australasian Gambling Review*, which summaries all the gambling literature published in Australian and New Zealand since 1992. The most recent edition, AGR3, was released in May 2008, and deals with the state of the literature as at 30 June 2007. Sections 4.2 and 4.3 may be of particular assistance to the Committee in understanding the methodologies for measuring problem gambling at the population level, and the various claims put in evidence at past hearings about the prevalence of problem gambling.¹³

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, I am able to provide factual information relating to the issues in the Bills and to comment where appropriate on matters raised in evidence before the Committee.

As Director of the Independent Gambling Authority, I participate in a forum of the heads of gambling regulatory agencies in Australia and New Zealand. The agency heads meet six monthly; one of these meetings coincides with a larger gathering which includes members of regulatory authorities and commissions; there are in addition working parties reporting to the agency heads which maintain informal information sharing between jurisdictions. I may also be able to assist the Committee's deliberations on general matters of fact concerning the 9 different gambling regimes in Australia and New Zealand.

¹⁰ See the *Problem Gambling Family Protection Orders Act 2004*.

¹¹ Published reports are available online at www.iga.sa.gov.au.

¹² The inquiry is on-going, and a report had not been published, as at 16 October 2008.

¹³ AGR3 is published online at www.iga.sa.gov.au/pdf/agr2008-Final-20080508.pdf.