



## **Australian Government**

Australian Government response to:

The Parliamentary Joint Select Committee on Gambling Reform:

Fourth Report; and

The Community Affairs Legislation Committee of the Senate Report

Inquiries into the National Gambling Reform Bill 2012 and related bills

[May 2013]

## **Government Response**

### **Joint Select Committee on Gambling Reform: Fourth Report; and Community Affairs Legislation Committee of the Senate**

#### ***Inquiries into the National Gambling Reform Bill 2012 and related bills***

The Australian Government (the Government) welcomes the opportunity to respond to these reports and recognises the important work of both the Parliamentary Joint Select Committee on Gambling Reform, and the Community Affairs Legislation Committee of the Senate (together referred to as 'the Committees').

The Government has responded in full to the two inquiry reports in one combined response. Where recommendations differ between reports, this has been identified in the response.

The Government released exposure drafts of the national gambling reform legislation for comment and consultation on 17 February 2012. Extensive consultations were conducted with industry groups, manufacturers, the community sector and state and territory governments in the development of the draft legislation. As a result of these consultations and prior to the introduction of the bills into the Parliament, amendments to the draft bills were made.

The Government was pleased to introduce the National Gambling Reform Bill 2012 and related matters bills into the Parliament on 1 November 2012. The legislation was then referred to the Committees for inquiry and report.

As a result of recommendations made by the Committees, in conjunction with consultations with other stakeholders, the Government made a number of amendments to the legislation. The Member for New England, Mr Tony Windsor MP also proposed amendments to the legislation which were supported by the Government.

Following debate in both Houses of the Parliament, the legislation with amendments was passed by the Parliament on 29 November 2012. The *National Gambling Reform Act 2012* and related matters Acts commenced on 11 and 12 December 2012, after receiving Royal Assent.

The *National Gambling Reform Act 2012* and related matters Acts deliver on the Government's commitment to reduce the harm caused by gaming machines to problem gamblers, and to the families, friends and communities of problem gamblers and those at risk of developing gambling problems, as announced on 21 January 2012. This legislation represents the first time that a national government has legislated to help tackle problem gambling. The reforms in the Acts will help those who may have problems with gambling take control of their gambling behaviour and take back control of their lives.

**Parliamentary Joint Select Committee on Gambling Reform: Fourth Report; and  
Community Affairs Legislation Committee of the Senate Report**

**November 2012**

<b>Main report - Recommendations</b>	<b>Government Response</b>
<p><b>Recommendation 1</b></p> <p>The committee recommends that the ban on the use of biometrics be included as an issue for the Productivity Commission to consider in its review of assessment of progress in complying with the requirements around pre-commitment.</p>	<p><b>Agree</b></p> <p>The Government amended the legislation so that this issue will be examined by the Productivity Commission as part of the scope of the Productivity Commission's review of other matters, in line with the recommendation of the Committee. This appears in the <i>National Gambling Reform Act 2012</i> in paragraph 194(1)(b).</p>
<p><b>Recommendation 2</b></p> <p>The committee recommends that the linking of pre-commitment to loyalty schemes be included as an issue for the Productivity Commission to consider in its review of assessment of progress in complying with the requirements around pre-commitment.</p>	<p><b>Agree</b></p> <p>The Government amended the legislation so that this issue will be examined by the Productivity Commission as part of the scope of the Productivity Commission's review of other matters, in line with the recommendation of the Committee. This appears at paragraph 194(1)(c) of the <i>National Gambling Reform Act 2012</i>.</p>

**Parliamentary Joint Select Committee on Gambling Reform: Fourth Report; and  
Community Affairs Legislation Committee of the Senate Report**

**November 2012**

Main report - Recommendations	Government Response
<p><b>Recommendation 3</b></p> <p>The committee recommends that the issue of whether there are grounds for further exemptions for smaller venues in regional and remote areas should be included as an issue for the Productivity Commission to consider in its review of assessment of progress in complying with the requirements around pre-commitment.</p>	<p><b>Agree</b></p> <p>The Government understands that small hotel and club venues, many in regional areas, are not the same as big gaming venues.</p> <p>In recognition of this, the Government amended the legislation to provide longer implementation timeframes for all venues.</p> <p>Venues with between 11 and 20 gaming machines have an additional four years (until 2022) to implement pre-commitment technology. This accounts for around 26 per cent of venues nationally.</p> <p>Venues with more than 20 machines (around 48 per cent nationally) will have until 2018 to implement pre-commitment technology.</p> <p>Small venues with 10 machines or fewer (around 26 per cent nationally) will be able to implement these changes as they replace their gaming machines. This will remove any upfront implementation costs for these venues.</p> <p>The Government does not want to see small gaming machine venues disadvantaged.</p> <p>The Government amended the legislation so that this issue will be examined by the Productivity Commission as part of the scope of the Productivity Commission's review of other matters, in line with the recommendation of the Committee. This appears in the <i>National Gambling Reform Act 2012</i> in paragraph 194(1)(e).</p>

**Parliamentary Joint Select Committee on Gambling Reform: Fourth Report; and  
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**November 2012**

<b>Main report - Recommendations</b>	<b>Government Response</b>
<p><b>Recommendation 4</b></p> <p>The committee recommends that the government develop an appropriate national education and social marketing campaign for voluntary pre-commitment and work with industry to develop training for staff.</p>	<p><b>Agree in principle</b></p> <p>Education within gaming venues will be an integral component of initiatives to support the introduction of the Government's gambling reforms, including pre-commitment. The Government recognises the importance of encouraging player take up of pre-commitment, and how this can be achieved through various methods, including interactions between venue staff and players.</p> <p>In January 2012, the Government made a commitment to improving training for staff in gaming venues. The Australian Government will work with state and territory governments to review and update responsible gambling training in all jurisdictions. This will include a particular focus on staff interaction with players in a pre-commitment system.</p>
<p><b>Recommendation 5</b></p> <p>The committee recommends that the members of the ATM Industry Reference Group be given until the end of 2013 to implement the \$250 daily withdrawal limit on ATMs in gaming machine premises should the government believe such an extension would assist with the transition.</p>	<p><b>Agree</b></p> <p>The Government acknowledges that implementation timeframes were compressed due to delays in securing parliamentary support for the legislation.</p> <p>The automatic teller machine (ATM) industry raised the need for 12 months lead time to implement the \$250 per day withdrawal limit.</p> <p>The Government agrees with the recommendation of the Committee to provide additional time to implement ATM withdrawal limits.</p> <p>Section 14 of the <i>National Gambling Reform Act 2012</i> was amended by the Government, extending the application date of this legislative provision to 1 February 2014, giving the industry over 12 months to implement the \$250 limit.</p>

**Parliamentary Joint Select Committee on Gambling Reform: Fourth Report; and  
Community Affairs Legislation Committee of the Senate Report**

**November 2012**

Main report - Recommendations	Government Response
<p><b>Recommendation 6</b></p> <p>The committee recommends that the issue of including EFTPOS transactions in the \$250 per day ATM withdrawal limit be considered by the Productivity Commission in its review of assessment of progress in complying with the requirements around the ATM withdrawal limits.</p>	<p><b>Agree</b></p> <p>The <i>National Gambling Reform Act 2012</i> does not include a withdrawal limit for electronic funds transfer at point of sale (EFTPOS) withdrawals.</p> <p>However, the Government has amended the legislation so that this issue will be examined by the Productivity Commission as part of the scope of the Productivity Commission’s review of other matters, in line with the recommendation of the Committee. This appears in the <i>National Gambling Reform Act 2012</i> in paragraph 194(1)(d).</p>
<p><b>Recommendation 7</b></p> <p>The committee recommends that the Australian Gambling Research Centre should, as a priority, conduct a national prevalence study of problem gambling to establish baseline data (using best practice screening tools) that will enable comparison between jurisdictions and will include as many at risk groups as possible.</p>	<p><b>For consideration by the AGRC</b></p> <p>The <i>National Gambling Reform Act 2012</i> establishes the Australian Gambling Research Centre (AGRC) as an independent national centre for gambling policy research and evaluation. The AGRC is established in section 196 of the Act.</p> <p>Although the research agenda of the AGRC may align with government policy work, this will be determined by the Director of the AGRC and remain independent from government. However, future research may include the conduct of a national prevalence study of problem gambling.</p> <p>The AGRC aims to provide a forum for experts to shape and inform the direction of gambling research in Australia. In this way, the research agenda will also be shaped by an Expert Advisory Group on Gambling, with membership by appointment of the Director of the AGRC. Under the Act, appointments must only be made if the Director is satisfied the person has relevant expertise and satisfies the Director’s terms and conditions of appointment.</p>

**Parliamentary Joint Select Committee on Gambling Reform: Fourth Report; and  
Community Affairs Legislation Committee of the Senate Report**

**November 2012**

<b>Main report - Recommendations</b>	<b>Government Response</b>
<p><b>Recommendation 8</b></p> <p>The committee recommends that the bills be passed.</p>	<p><b>Agree</b></p> <p>The <i>National Gambling Reform Act 2012</i> and related matters Acts were passed, with amendments, on 29 November 2012. The legislation received Royal Assent on 11 and 12 December 2012.</p>

**Parliamentary Joint Select Committee on Gambling Reform: Fourth Report; and  
Community Affairs Legislation Committee of the Senate Report**

**November 2012**

Joint Select Committee Chair's Additional Comments - Recommendations	Government Response
<p><b>Recommendation 1</b></p> <p>I recommend that the independence of members of the expert advisory group from the interests of the gambling industry should be a pre-requisite for appointment. In addition, researchers should be required to declare any existing or previous funding or relationships with the gambling industry, including publishing the details of such relationships.</p>	<p><b>For consideration by the AGRC</b></p> <p>The <i>National Gambling Reform Act 2012</i> establishes the AGRC as an independent national centre for gambling policy research and evaluation.</p> <p>Section 197 of the Act establishes an Expert Advisory Group on Gambling. Members of the Expert Advisory Group on Gambling will be appointed by the Director of the AGRC. Under the Act, appointments must only be made if the Director is satisfied the person has relevant expertise and satisfies the Director's terms and conditions of appointment.</p> <p>The Government agrees that appropriate mechanisms should be put in place to promote transparency around research findings.</p>
<p><b>Recommendation 2</b></p> <p>I recommend that the government take action to ensure that the funding for the Australian Gambling Research Centre is increased to be a more realistic figure and that it makes explicit publicly that the funding is ongoing.</p>	<p><b>Disagree</b></p> <p>The AGRC will be an independent national centre for gambling policy research and evaluation, funded by the Government at a level required for the AGRC to undertake the functions outlined in the legislation.</p> <p>The AGRC will be adequately funded by the Government, with approximately \$1.5 million allocated per annum to establish and run the Centre, commencing 1 July 2013.</p>

**Parliamentary Joint Select Committee on Gambling Reform: Fourth Report; and  
Community Affairs Legislation Committee of the Senate Report**

**November 2012**

Coalition members' dissenting report - Recommendations	Government Response
<p><b>Recommendation 1</b></p> <p>Coalition committee members recommend that the different technical situations in jurisdictions, which will directly affect timelines and costs for implementation, be taken into consideration by moving the timelines from the legislation to the regulations to allow greater flexibility and more time.</p> <p><b>Community Affairs Legislation Committee Coalition members' dissenting report</b></p> <p><b>Recommendation 1</b></p> <p>Coalition Senators recommend that to ensure full successful implementation, timelines for implementation are incorporated in the regulations and not in the legislation thus reflecting the pre-existing technical variations between jurisdictions.</p>	<p><b>Disagree</b></p> <p>The timelines for implementing the requirements were considered in detail, through extensive consultations conducted on the exposure draft of the legislation with industry, state and territory governments and interested stakeholders.</p> <p>All timelines in the <i>National Gambling Reform Act 2012</i> were extended through amendments.</p> <p>For example, the Government amended the Act to provide venues with between 11 and 20 gaming machines an additional four years (until 2022) to implement pre-commitment technology. This accounts for around 26 per cent of venues nationally.</p> <p>The Government also amended the Act to give venues with more than 20 machines (around 48 per cent nationally) until 2018 to implement pre-commitment technology.</p> <p>The Act was amended to allow small venues with 10 machines or fewer (around 26 per cent nationally) to implement these changes as they replace their gaming machines.</p> <p>In addition, section 14 of the Act was amended by the Government, extending the application date of the ATM withdrawal limit to 1 February 2014, giving the industry over 12 months to implement the \$250 limit.</p>

**Parliamentary Joint Select Committee on Gambling Reform: Fourth Report; and  
Community Affairs Legislation Committee of the Senate Report**

**November 2012**

Coalition members' dissenting report - Recommendations	Government Response
<p><b>Recommendation 2</b></p> <p>Coalition committee members recommend that existing pre-commitment systems that meet the minimum requirements specified in the legislation should be recognised as compliant as quickly as possible in order to provide regulatory certainty for venues.</p> <p><b>Community Affairs Legislation Committee Coalition members' dissenting report</b></p> <p><b>Recommendation 2</b></p> <p>Coalition Senators recommend that existing pre-commitment systems that already meet minimum requirements proposed in the bill be automatically recognised as compliant to assist in delivering regulatory certainty to some gaming premises.</p>	<p><b>Agree in principle</b></p> <p>The Government has intentionally not been prescriptive about particular systems or technologies in the legislation to provide flexibility for industry to choose systems that suit their particular operating environment.</p> <p>Instead the <i>National Gambling Reform Act 2012</i> sets out the broader functionality to be satisfied in order for a system to be approved.</p> <p>This approach also allows for new systems to be developed over time, in addition to those currently available, providing greater compatibility with future technology and opportunities for innovation.</p> <p>The Australian Government is undertaking consultations with state and territory government regulators and industry to inform regulations specifying additional functionalities and system based requirements.</p> <p>These regulations will provide industry with the certainty required to operate in the new regulatory environment, while allowing continued flexibility around pre-commitment systems. However until these regulations take effect, pre-commitment systems cannot be approved and recognised as compliant with the requirements contained in these regulations.</p>

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**November 2012**

Coalition members' dissenting report - Recommendations	Government Response
<p><b>Recommendation 3</b></p> <p>Coalition committee members recommend that further consultation with industry take place to ensure the timelines proposed in the bill can take further consideration of the ability of smaller venues, those in regional and rural areas and those in financial distress to comply with the requirements. This should include the suggestions put forward by industry and the placement of deadlines in regulations.</p> <p><b>Community Affairs Legislation Committee Coalition members' dissenting report</b></p> <p><b>Recommendation 3</b></p> <p>Coalition Senators recommend that Government undertake more targeted consultation to address the concerns of some gambling premises regarding the implementation of the bill's measures. This consultation should specifically address the needs of smaller venues and those in regional and rural areas that may be more financially marginal operations, and make proposals to ameliorate the time and cost pressures of implementing measures proposed by the bill.</p>	<p><b>Agree in part</b></p> <p>The Government recognised the concerns of industry during consultations on the exposure draft of the legislation, in particular, that small hotel and club venues, especially those in regional areas, are not the same as big gaming venues.</p> <p>Consequently, the <i>National Gambling Reform Act 2012</i> was amended by the Government to provide longer implementation timeframes for all venues.</p> <p>Venues with between 11 and 20 gaming machines have an additional four years (until 2022) to implement pre-commitment technology. This accounts for around 26 per cent of venues nationally.</p> <p>Venues with more than 20 machines (around 48 per cent nationally) will have until 2018 to implement pre-commitment technology.</p> <p>Small venues with 10 machines or fewer (around 26 per cent nationally) will be able to implement these changes as they replace their gaming machines.</p> <p>Additionally, the <i>National Gambling Reform Act 2012</i> was amended by the Government to have the Productivity Commission consider further exemptions for small venues in regional and remote areas as part of the review of other matters. This is detailed in paragraph 194 (1)(e) of the Act.</p>

**Parliamentary Joint Select Committee on Gambling Reform: Fourth Report; and  
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**November 2012**

<b>Coalition members' dissenting report - Recommendations</b>	<b>Government Response</b>
<p><b>Recommendation 4</b></p> <p>Coalition committee members recommend that there should be a lead time of not less than 12 months from the date of the bills passing parliament for the proposed daily withdrawal limit to apply.</p>	<p><b>Agree</b></p> <p>The Government acknowledges that implementation timeframes were compressed due to delays in securing parliamentary support for the legislation.</p> <p>The ATM industry also raised the need for 12 months lead time to implement the \$250 per day withdrawal limit.</p> <p>The <i>National Gambling Reform Act 2012</i> was amended by the Government to provide additional time to implement ATM withdrawal limits. This measure will commence on 1 February 2014, giving the industry more than 12 months to implement the limit from the time of the enacting of the legislation.</p>

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**November 2012**

<b>Coalition members' dissenting report - Recommendations</b>	<b>Government Response</b>
<p><b>Recommendation 5</b></p> <p>Coalition committee members recommend that measures around ATM use targeted specifically to help problem gamblers, such as lowering their daily withdrawal limits and/or the use of self-exclusion ATMs, should be pursued in preference to causing inconvenience to all patrons. However, if implemented, the proposed daily limit should be increased to at least \$400 to take account of the issues raised by industry.</p> <p><b>Community Affairs Legislation Committee Coalition members' dissenting report</b></p> <p><b>Recommendation 4</b></p> <p>Coalition Senators recommend the daily withdrawal limit for ATMs be raised from \$250 to \$400 and that attention be given to use of self-exclusion mechanisms on ATMs for problem gamblers.</p>	<p><b>Disagree</b></p> <p>The Government has considered the points raised by industry around alternative measures to limit ATM withdrawals for problem gamblers, specifically the use of self-exclusion on ATMs.</p> <p>Advice to the Government is that the technology for self-exclusion on ATMs does not currently exist, and that there is no evidence indicating that this tool would be effective in minimising harmful gambling behaviour.</p> <p>The Government supports the recommendation of the Productivity Commission to prescribe an ATM daily withdrawal limit of \$250 in gaming venues, as this limit could help address gambling harms without unduly affecting most patrons of clubs and hotels. The Productivity Commission found that nearly 85 per cent of ATM withdrawals in hotels and clubs are already less than \$250 per card per day.</p> <p>The withdrawal limit does not apply to EFTPOS which will continue to be available to patrons.</p>

**Parliamentary Joint Select Committee on Gambling Reform: Fourth Report; and  
Community Affairs Legislation Committee of the Senate Report**

**November 2012**

<b>Coalition members' dissenting report - Recommendations</b>	<b>Government Response</b>
<p><b>Recommendation 6</b> Coalition committee members recommend that the bills not be passed in their current form.</p> <p><b>Community Affairs Legislation Committee Coalition members' dissenting report</b></p> <p><b>Recommendation 5</b> Coalition Senators recommend that the bills not be passed in their current form.</p>	<p><b>Disagree</b> The <i>National Gambling Reform Act 2012</i> and related matters Acts were passed, with amendments, on 29 November 2012. The legislation received Royal Assent on 11 and 12 December 2012.</p>

**Parliamentary Joint Select Committee on Gambling Reform: Fourth Report; and  
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**November 2012**

<b>Dissenting Report by Senator Xenophon - Recommendations</b>	<b>Government Response</b>
<p><b>Recommendation 1:</b></p> <p>That the bills not be passed unless amended to include provisions for the implementation of maximum \$1 bets and hourly losses of \$120 on all gaming machines in Australia.</p>	<p><b>Disagree</b></p> <p>The Government does not support the implementation of a \$1 bet limit on all gaming machines.</p> <p>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.</p> <p>The <i>National Gambling Reform Act 2012</i> implements a pre-commitment system, a key recommendation of the Productivity Commission.</p>
<p><b>Recommendation 2:</b></p> <p>That there be a plebiscite to be held at the next Federal Election to determine the will of the Australian people on the maximum \$1 bet and \$120 hourly loss recommendation of the Productivity Commission.</p>	<p><b>Disagree</b></p> <p>The Government has enacted Australia's first national legislation to tackle problem gambling, including a staged, evidence-based pathway to pre-commitment.</p> <p>Pre-commitment 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.</p>

**Parliamentary Joint Select Committee on Gambling Reform: Fourth Report; and  
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**November 2012**

<b>Australian Greens Additional Comments – Recommendation (Joint Select Committee only)</b>	<b>Government Response</b>
<p><b>Recommendation 1</b></p> <p>That the Australian Gambling Research Centre should prioritise research into the effectiveness and cost of implementing national bet limits on poker machines in Australia.</p>	<p><b>For consideration by the AGRC</b></p> <p>The AGRC will be an independent national centre for gambling policy research and evaluation, and established within an independent statutory agency.</p> <p>Although the research agenda of the AGRC may align with government policy work, it will be set by the Director of the AGRC and will remain independent from government.</p>