

Chapter 2

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

Background

2.1 The Poker Machine Harm Reduction (\$1 Bets and Other Measures) Bill 2012 (the bill) was introduced in the Senate on 22 March 2012.¹ Pursuant to the resolution of appointment of the Joint Select Committee on Gambling Reform the bill was referred to the committee for inquiry and report.² The bill was sponsored by Senator Richard Di Natale, Senator John Madigan and Senator Nick Xenophon.

2.2 In order to assist submitters, the committee originally decided to consider this legislation together with the government gambling reform legislation when it was introduced into the House of Representatives. On 18 September 2012, noting the government legislation had not yet been introduced, the committee decided to commence this inquiry. When the government gambling reform legislation was ultimately introduced in November 2012,³ the committee decided to continue with its inquiry into the \$1 bets legislation and report separately.

Conduct of the inquiry

2.3 The committee advertised the inquiry on its website. The committee also wrote to a number of organisations and individuals inviting submissions by 31 October 2012. The committee received 17 submissions, which are listed at the end of this report, in Appendix 1.

2.4 A public hearing for the inquiry was held in Canberra on 22 February 2013. A list of witnesses who appeared at the hearing is at Appendix 2, while the Hansard transcript is available online.⁴

Purpose of the bill

2.5 The bill's overarching aim is to reduce the harm caused by problem gambling. It seeks to achieve this by regulating the operation of poker machines, specifically through limiting the rate of loss experienced by players.

1 *Journals of the Senate*, 22 March 2012, p. 2362.

2 The resolution of appointment for the Joint Select Committee on Gambling Reform directs the committee to inquire into and report on 'any gambling-related legislation that has been tabled in either House, either as a first reading or exposure draft'. *Journals of the Senate*, No. 3—30 September 2010, pp 141–142.

3 See Parliamentary Joint Select Committee on Gambling Reform, *Fourth report, National Gambling Reform Bill 2012 and related bills*, November 2012.

4 Available at: http://www.aph.gov.au/Parliamentary_Business/Committees/Senate_Committees?url=gambling_reform_ctte/poker_machine_harm_reduction/hearings/index.htm (accessed 10 May 2013).

2.6 To achieve this, the bill aims to regulate four parameters: acceptable banknote denomination, entering credit limits, maximum bet amounts/jackpots and linked-jackpot arrangements. The bill would:

- prevent poker machines from accepting banknotes of a denomination greater than \$20;
- prevent poker machines from accepting additional credits from a player while the machine stands in credit of \$20 or more to the player;
- prevent poker machines from allowing maximum bets in excess of \$1 per spin; and
- limit poker machine jackpots or linked-jackpot arrangements greater than \$500.⁵

2.7 The bill would also provide for a reduction in the poker machine spin rate.

Timeline for implementation

2.8 The bill sets out a timeline for implementation of the proposed measures.

2.9 Subclause 7(1) of the bill stipulates that from 1 January 2013 machines should no longer be able to be sold unless they are capable of supporting the specified limits.⁶

2.10 From 1 January 2017 machines would not be sold unless they operate only in accordance with the proposed limits. In venues with more than 10 machines, all machines are to be operated in accordance with those limits.⁷

2.11 From 1 January 2019 venues with 10 or fewer machines would only be able to operate compliant machines.⁸

Key provisions of the bill

2.12 The bill has five parts. Part 1 covers preliminary issues. Clause 5 of Part 1 indicates that the Act is not intended to exclude or limit the concurrent operations of any law of a state or territory to the extent that the law is capable of operating concurrently with the Act.⁹

2.13 Clause 6 of Part 1 sets out definitions. It defines a 'corporation' as a corporate entity to which paragraph 51(xx) of the Constitution applies. 'Jackpot' is defined as the result of a game that pays the maximum payable winnings. 'Spin rate' is defined as the interval between spins on a poker machine.¹⁰

5 Poker Machine Harm Reduction (\$1 Bets and Other Measures) Bill 2012, clause 8.

6 Poker Machine Harm Reduction (\$1 Bets and Other Measures) Bill 2012, subclause 7(1).

7 Poker Machine Harm Reduction (\$1 Bets and Other Measures) Bill 2012, subclauses 7(2) and (3).

8 Poker Machine Harm Reduction (\$1 Bets and Other Measures) Bill 2012, subclause 7(4).

9 Poker Machine Harm Reduction (\$1 Bets and Other Measures) Bill 2012, Explanatory Memorandum, p. 3.

10 Explanatory Memorandum, p. 3.

2.14 Part 2 outlines the restrictions on the practical operation of poker machines. Clause 7 of Part 2 sets out restrictions on the sale and operation of poker machines that do not comply with the loss-limiting measures specified in the bill. It states:

- after 31 December 2012, a corporation must not sell or lease (or offer to sell or lease) a poker machine unless it is capable of complying with the requirements in clause 8 of the bill (i.e., that it can be operated in a mode that complies, whether or not this is the default or only mode of operation);
- after 31 December 2016, a corporation must not sell or lease (or offer to sell or lease) a poker machine unless the machine complies with the requirements set out in clause 8;
- after 31 December 2016, a licensed venue with more than 10 poker machines must not acquire, install, own, operate or lease a poker machine unless that machine complies with the requirements set out in clause 8; and
- venues which have 10 or fewer poker machines have until 31 December 2018 to ensure that their machines are compliant with the requirements set out in clause 8.¹¹

2.15 Part 3 outlines civil penalties which would apply for contravention of civil penalty provisions set out in clause 7.

2.16 Part 4 of the bill sketches out the minimum uniform national standards for poker machines in relation to harm minimisation. It also provides for a national monitoring network.

2.17 Part 5 covers miscellaneous matters.

Note on references

2.18 References in this report are to individual submissions as received by the committee, not to a bound volume.

Acknowledgement

2.19 The committee thanks those organisations and individuals who made submissions to this inquiry and gave evidence at the committee's public hearing.

11 See Poker Machine Harm Reduction (\$1 Bets and Other Measures) Bill 2012, clause 7.

