

**Government Response
Joint Select Committee on Gambling Reform
Inquiry into Pre-commitment Schemes**

First Report: The design and implementation of a mandatory pre-commitment system for electronic gaming machines

The Commonwealth Government ('the Commonwealth') welcomes this report and recognises the important work of the Joint Select Committee on Gambling Reform.

For many people, gambling is a form of recreation that is enjoyed responsibly. However, for some people it can be devastating – for them and their families. The Productivity Commission estimates that the social cost of problem gambling in Australia is at least \$4.7 billion per year¹.

Up to half a million Australians are, or are at risk of becoming, problem gamblers. Gambling on electronic gaming machines ('EGMs') is significant with Australians spending nearly \$12 billion a year on this form of gambling. The Productivity Commission also found that three-quarters of problem gamblers play EGMs.

The Commonwealth is committed to taking action to reduce the harm caused by problem gambling including by implementing pre-commitment technology on all EGMs in Australia.

Background: the Productivity Commission Inquiry Report into Gambling

In 2008 the Commonwealth Government asked the Productivity Commission to conduct a follow up inquiry to its 1999 Report into gambling in Australia.

The Productivity Commission conducted an extensive 18 month inquiry with particular consideration of measures to reduce the harm from problem gambling.

The Productivity Commission found that pre-commitment is the most effective way to target problem gamblers and at-risk gamblers without impacting upon the wider gambling community.

When the Government released the Productivity Commission's second report in 2010, it indicated its intention to progress a nationally consistent pre-commitment model for EGMs.

The Australian Government also wrote to the State and Territory Premiers and Chief Ministers to establish a new high-level Council of Australian Governments (COAG) Select Council on Gambling Reform to progress a national approach to minimise the harm caused by problem gambling. In May 2011 the COAG Select Council on Gambling Reform agreed to support the required infrastructure for pre-commitment in every venue across Australia.

¹ Productivity Commission inquiry report into gambling, February 2010

The Commonwealth's reform plan

On 21 January 2012, the Prime Minister announced a comprehensive plan for national problem gambling reform. This reform plan includes Commonwealth legislation to roll-out pre-commitment infrastructure on every EGM in the country. The Government also announced its support for a large scale trial of mandatory pre-commitment in the Australian Capital Territory ('ACT') to build the evidence base for mandatory pre-commitment.

This staged, evidence-based pathway to implementing pre-commitment reflects the approach recommended by the Productivity Commission.

The Commonwealth will legislate to ensure:

- new machines manufactured or imported from the end of 2013 are pre-commitment capable;
- all gaming machines be part of a state-wide pre-commitment system and display electronic warnings by 2016, with longer implementation timelines for small venues; and
- that there be a \$250 a day Automatic Teller Machine ('ATM') withdrawal limit for gaming venues (other than casinos) from 1 February 2013.

Further, the Commonwealth recognises that gambling online and sports betting are a growing concern, and has committed to:

- ban the promotion of live odds during sports coverage;
- extend pre-commitment to online betting services;
- crack down on online sports betting companies offering credit and introduce stricter limits on betting inducements; and
- increase the powers of the Australian Communications and Media Authority (ACMA) to enforce these new rules.

These changes will be introduced as separate legislation later in 2012, following the completion of the Review of the *Interactive Gambling Act*.

A number of non-legislative measures were also announced including:

- supporting a trial of mandatory pre-commitment in the ACT, with a legislated review of the trial results by the Productivity Commission;
- fifty new financial counsellors to work with problem gamblers;
- expanding the reach of Gambling Help Online;
- strengthening self-exclusion arrangements; and
- improving training for staff in gaming venues.

The Commonwealth exposed draft legislation on 17 February 2012 and plans to introduce legislation in the Winter Parliamentary sittings of 2012 if support for the legislation is assured. These Bills will be the first ever national gaming machine regulations. They will make sure that pre-commitment technology is installed on every one of the country's more than 200,000 poker machines. This will mean that the infrastructure is in place to move to a mandatory pre-commitment system, if the results of the trial support it.

Response to Joint Select Committee's Report

The Commonwealth has carefully considered the recommendations of the Joint Select Committee on Gambling Reform in the development of Commonwealth legislation and thanks the committee for its considered report.

The Commonwealth agrees in principle with a significant number of the Committee's recommendations. The Commonwealth's draft legislation prescribes several of the key components of a pre-commitment system as recommended by the Committee. In addition, some of the operational features recommended by the Committee will be considered as part of the trial of mandatory pre-commitment to inform operational features of a pre-commitment system.

Additionally, the Commonwealth provides in principle agreement to the Committee's recommendations for staff training, public awareness campaigns, education and counselling services and self-exclusion arrangements. Many of these recommendations have been accounted for in the non-legislative measures of the Commonwealth's announcement of 21 January 2012.

The Commonwealth acknowledges that the Committee has made several recommendations in areas in which state and territory governments have primary responsibility or where joint effort is required. These recommendations will require further jurisdictional consultation.

Government Response to the Joint Select Committee on Gambling Reform Inquiry into Pre-commitment Scheme

Recommendation	Government Response
<p>Rec 1: EGM numbers</p> <p>The committee notes that the number of EGMs and their distribution in any jurisdiction is a matter for state and territory governments to decide and recommends that the proposed reforms should in no way be used as an opportunity to increase numbers or alter distribution.</p>	<p>Agree</p> <p>The Commonwealth agrees that the number of electronic gaming machines ('EGMs') and their distribution in each jurisdiction should remain the responsibility of state and territory governments. This is explicit in the Government's draft legislation.</p>
<p>Rec 2: Functions of a national regulator ('fake wins')</p> <p>The committee recommends that aligning jurisdictional standards on the issue of 'fake wins' be referred to the national regulatory authority (see recommendation 28) with a view to agreeing a national approach.</p>	<p>Matter for jurisdictional consultation</p> <p>The issue of 'fake wins' is outside the scope of the Commonwealth's draft legislation.</p> <p>It is the Commonwealth's preference that the regulation of gaming machines is conducted by state and territory regulators. This includes implementing the provisions in the Commonwealth's draft legislation. The Commonwealth is continuing discussions with state and territory governments to reach agreement on this matter.</p> <p>Note the comments made in response to recommendations 28 and 29.</p>

Government Response to the Joint Select Committee on Gambling Reform Inquiry into Pre-commitment Scheme

Recommendation	Government Response
<p>Rec 3, 26: Pre-commitment public information campaign</p> <p>The committee recommends that the public information campaign on pre-commitment (referred to in chapter six) include other messages connected to pre-commitment including clear and simple messages explaining the Return to Player percentage and the warning signs of problem gambling (rec 3).</p> <p>The committee recommends the new national regulatory authority be tasked with developing an appropriate national awareness campaign aligning with the principles of the Ottawa Charter, to raise public awareness of pre-commitment (rec 26).</p>	<p>Agree in principle</p> <p>The Government will consider conducting a public information campaign leading up to and as part of the implementation of state-wide pre-commitment systems.</p> <p>An awareness campaign will also be part of the trial of mandatory pre-commitment in the Australian Capital Territory ('ACT') which will inform the public information requirements for the national roll-out of pre-commitment.</p> <p>In relation to information for players about the risks of playing, the Commonwealth's legislation includes requirements for dynamic warnings on EGMs.</p> <p>The Commonwealth is conducting a trial of dynamic warnings on EGMs with the Queensland Government. This trial will inform the detailed requirements for dynamic warnings to be set in the Commonwealth's regulations.</p> <p>The states and territories also have regulations requiring the provision of information to players on EGMs and gambling in general. The Commonwealth will work with state and territory governments through the COAG Select Council on Gambling Reform ('COAG Select Council') on connecting this type of information and messaging with pre-commitment information.</p>
<p>Rec 4: Public health approach</p> <p>The committee recommends that in line with the Productivity Commission recommendations a public health approach to problem gambling be adopted across jurisdictions with a view to reducing the levels of problem gambling.</p>	<p>Agree</p> <p>The Commonwealth Government supports a public health approach.</p>

Government Response to the Joint Select Committee on Gambling Reform Inquiry into Pre-commitment Scheme

Recommendation	Government Response
<p>Rec 5, 6 and 7: Training</p> <p>The committee recommends that an independent review of training programs be undertaken to assess whether these are effectively equipping staff with adequate training to apply problem gambling interventions (rec 5).</p> <p>The committee recommends that industry codes of conduct should include effective protection for venue staff who highlight shortcomings with training (rec 6).</p> <p>The committee recommends that venue staff receive appropriate training in assisting patrons with pre-commitment (rec 7).</p>	<p>Agree</p> <p>The Government recognises the importance of proper training for staff in gaming venues, especially in implementing a pre-commitment system.</p> <p>Research conducted on voluntary pre-commitment trials in Australia has demonstrated that gaming venue staff are integral to ensuring patrons understand how the pre-commitment system operates, how to register to use the system and how to set realistic limits.</p> <p>As part of the national gambling reform announcement of 21 January 2012, the Commonwealth has committed to working with states and territories, through the COAG Select Council, 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>The Government further supports this review considering protections for venue staff who highlight shortcomings with training, and the review of training being conducted independently as recommended by the Committee.</p> <p>The Commonwealth is also funding staff training as part of the trial of mandatory pre-commitment in the ACT. These training programs will ensure that venue staff understand the pre-commitment system and are well equipped to assist patrons. The effectiveness of these training programs will be assessed as part of the trial and will provide an evidence base for future training programs.</p>

Government Response to the Joint Select Committee on Gambling Reform Inquiry into Pre-commitment Scheme

Recommendation	Government Response
<p><u>Rec 8: Functions of national regulator (risk management)</u> The committee recommends a risk management framework be developed by the national regulatory authority (see recommendation 28). The framework should be made available to other bodies involved in implementation to draw upon.</p>	<p>Agree in principle The Commonwealth regulator, or the agency overseeing the delegation to state and territory regulators, will develop a risk management framework. Note the comments made in response to recommendations 28 and 29.</p>
<p><u>Rec 9, 25: ID and player privacy</u> The committee recommends that pre-commitment cards will need to demonstrate sufficient integrity and robustness in order to minimise identity fraud but not require onerous signing up processes or infringe upon individual's privacy (rec 9). The committee recommends that only basic identification information be collected for the purposes of verification (rec 25).</p>	<p>Agree Protecting the privacy of player's information is of the utmost importance to the Government. The draft legislation establishes a robust privacy framework to support the privacy of registered players of gaming machines. Additionally, a comprehensive offence and penalty regime, as well as a monitoring and enforcement regime ensures adherence to the strict penalty provisions. The Government does not support a pre-commitment solution requiring invasive personal data collection. The draft pre-commitment legislation prohibits the use of fingerprinting or other biometrics for registration and player identification. The Commonwealth's draft legislation does not prescribe a particular type of pre-commitment system (or card) but does require a single registration for each player to ensure the system is robust. The information required for players to register and identify to the pre-commitment system, as well as registration processes, will be determined by regulation. The trial of mandatory pre-commitment will also test these features to inform the national roll-out of pre-commitment.</p>

Government Response to the Joint Select Committee on Gambling Reform Inquiry into Pre-commitment Scheme

Recommendation	Government Response
<p>Rec 10: Ministerial Expert Advisory Group on Gambling</p> <p>The committee recommends that representatives of problem gamblers and consumer groups be invited to join the membership of the Ministerial Expert Advisory Group on Gambling.</p>	<p>Agree</p> <p>The Ministerial Expert Advisory Group on Gambling included a representative from the Gambling Impact Society, which is a problem gambling consumer body. The Ministerial Expert Advisory Group on Gambling was established to provide specialist and technical implementation advice to the Government to assist in delivering the national gambling reforms, and was intended as a time limited body. Its final meeting was in April 2011.</p>
<p>Rec 11: Research Institute</p> <p>The committee recommends that a national, accountable and fully independent research institute on gambling be established to: drive and coordinate national research efforts, monitor the effectiveness of policies to reduce harms from problem gambling and build an evidence base sufficient to better inform future policy development. The committee recommends that annual funding for this new body be derived in part from a small levy on gambling taxes collected by state and territory governments and a commensurate contribution from the Commonwealth.</p>	<p>Matter for jurisdictional consultation</p> <p>In 2009, the Commonwealth renewed its Memorandum of Understanding with all states and territories for the funding of the national research body, Gambling Research Australia, until 2014. Future research arrangements are a matter to be discussed with states and territories through the COAG Select Council.</p>

Government Response to the Joint Select Committee on Gambling Reform Inquiry into Pre-commitment Scheme

Recommendation	Government Response
<p><u>Rec 12: Pre-commitment start date</u> The committee recommends that a mandatory pre-commitment scheme apply to all players of high intensity electronic gaming machines by 2014.</p>	<p><u>Disagree</u> The Commonwealth intends to implement a state-linked pre-commitment scheme across all states and territories from 2016. This reflects independent technical advice commissioned by the Government that found that a 2014 timeline was not achievable.</p> <p>The Commonwealth is committed to supporting a large-scale, jurisdiction-wide trial of mandatory pre-commitment in the ACT starting in 2013. This trial will build the evidence base of mandatory pre-commitment as well as testing the design features and technological aspects of a mandatory pre-commitment system.</p> <p>The trial will allow an assessment of whether mandatory pre-commitment delivers stronger benefits to communities and individuals than a voluntary pre-commitment system.</p>
<p><u>Rec 13: Setting limits</u> The committee recommends that players set binding spending limits but does not specify an upper limit.</p>	<p><u>Agree</u> The trial of mandatory pre-commitment will include this feature. In addition, the Commonwealth's draft legislation provides for pre-commitment limits to be binding for registered users within the pre-commitment system who choose to set a limit.</p> <p>The Commonwealth agrees with the Committee around the considerations of maintaining consumer sovereignty. Draft legislation does not prescribe an upper maximum loss limit, instead leaving this up to the individual.</p>

**Government Response to the Joint Select Committee on Gambling Reform
Inquiry into Pre-commitment Scheme**

Recommendation	Government Response
<p><u>Rec 14: Player lock out</u> The committee recommends that players be prevented from further play—locked out—once they reach their pre-set spending limit.</p>	<p>Agree The trial of mandatory pre-commitment will include this feature. In addition, the Commonwealth's draft legislation provides that if a registered player has set a limit, that this limit be binding and that further play within the pre-commitment system as a registered user be prevented.</p>
<p><u>Rec 15: Changing limits</u> The committee recommends that players be unable to increase their spending limit during the time period they have specified for their limit to apply.</p>	<p>Agree The trial of mandatory pre-commitment will include this feature. In addition, the draft legislation prescribes that the pre-commitment system must provide a person who chooses to register with a limit period. The length of time for which a registered user's loss limit applies will be no less than 24 hours. The draft legislation provides that for a player wishing to decrease their limit period or increase their loss limit, the pre-commitment system must ensure that the change does not take effect until the current limit period has ended. Should a player wish to increase their limit period or decrease their loss limit, the pre-commitment system must enable the change to take effect as soon as is practicable, with the intention that this take place immediately.</p>

Government Response to the Joint Select Committee on Gambling Reform Inquiry into Pre-commitment Scheme

Recommendation	Government Response
<p><u>Rec 16: Education and counselling services</u> The committee recommends that player education be made available and counselling services be offered to assist players set affordable limits.</p>	<p>Agree The trial of mandatory pre-commitment will include player education as well as access to, and linkages with, counselling services. See the response to recommendations on information campaigns (rec 3, 26) and staff training (rec 5, 6, 7). Further, the Government has announced its commitment to increasing counselling and support services for individuals and families affected by problem gambling. The Commonwealth will fund 50 new financial counsellors through the existing financial counselling network, to work closely with local gaming venues and state and territory government gambling counselling services. Additionally, the Government will provide funding towards enhancements to the Gambling Help Online website, as well as expanding the reach of this service.</p>
<p><u>Rec 17: Default spending limits</u> The committee recommends that all pre-commitment cards be issued with a pre-set default spending limit which the player can choose to use or modify.</p>	<p>For further consideration Advice from the Ministerial Expert Advisory Group was that there was limited evidence about the benefits of default limits. Some academic members were concerned that default limits could actually undermine harm minimisation efforts. Further research is required to assess the potential benefits and harms to players.</p>

**Government Response to the Joint Select Committee on Gambling Reform
Inquiry into Pre-commitment Scheme**

Recommendation	Government Response
<p>Rec 18: Default limit periods</p> <p>The committee recommends that the card include a default time period which specifies the duration of the spending limit (decreasing a limit will take immediate effect) which the player can choose to use or modify. The committee suggests the length of this default time period could be a common budgetary period such as a fortnight. The minimum timeframe it could be modified down to is 24 hours.</p>	<p>Agree in principle</p> <p>The draft legislation prescribes that the pre-commitment system must provide a person who chooses to register with a 'limit period'. The length of time for which a registered user's loss limit applies will be no less than 24 hours.</p> <p>Pre-commitment systems may also allow players to choose their own limit periods. Should a player wish to decrease their spending limit within this limit period, this decrease should take effect immediately, or as soon as practicable.</p> <p>Should a player wish to increase their limit period, the pre-commitment system must enable the change to take effect as soon as is practicable, with the intention that this take place immediately.</p> <p>In addition, the trial of mandatory pre-commitment will include default time limits.</p>
<p>Rec 19: Scheme coverage</p> <p>The committee recommends that players be prevented from circumventing pre-set spending limits by machine and/or venue hopping.</p>	<p>Agree in principle</p> <p>The Commonwealth is seeking the participation of all venues and machines in the ACT for the trial of mandatory pre-commitment. This means that players will not be able to change machines or venue-hop to avoid the system.</p> <p>In addition, the Commonwealth's draft legislation provides that a person who chooses to register with the pre-commitment system will have one registration that applies to them across the particular state or territory. This will ensure that a players pre-set limits, when playing as a registered player, will be binding across machines and venues within that state or territory. This sets up the system capability for a mandatory system, if amendments were made to the Act to require all players to register.</p>

Government Response to the Joint Select Committee on Gambling Reform Inquiry into Pre-commitment Scheme

Recommendation	Government Response
<p>Rec 20: Limit reviewing The committee recommends that players be prompted to review their limits every twelve months.</p>	<p>Agree in part The Commonwealth's draft legislation provides for information to be displayed at the gaming machine on commencement of play including the length of time since the person last changed their limit. The Commonwealth's draft legislation provides that registered players will be allowed to change their loss limit, set a loss limit or exclude themselves from the system at any time. Making the limits more stringent must take effect immediately but increasing the limits must not take effect until the end of the current limit period. Transaction statements are also provided for in the draft legislation where registered users can access as many transaction statements as they choose in any given period. Each transaction statement will provide them with information in relation to their use of a gaming machine during the previous 12 months including when their last changed their limit.</p>
<p>Rec 21: Where limits are set The committee recommends that the process of setting limits not occur in close proximity to gaming machines.</p>	<p>For further consideration The Commonwealth has committed to supporting a trial of mandatory pre-commitment in the ACT. This trial will test operational features of a pre-commitment system including the process of setting limits. The trial will be independently evaluated and will inform the national roll-out of pre-commitment.</p>

Government Response to the Joint Select Committee on Gambling Reform Inquiry into Pre-commitment Scheme

Recommendation	Government Response
<p>Rec 22: Dynamic warnings</p> <p>The committee recommends that the system include dynamic warnings to alert players when their limit is approaching and it include the capacity to personalise messages.</p>	<p>Agree in principle</p> <p>The Commonwealth's draft legislation provides for the implementation of dynamic warnings on all machines by 2016, except in small venues. The warnings will relate to:</p> <ul style="list-style-type: none"> • use by a specific person; or • potential harm from and cost of using gaming machines generally. <p>The form, frequency, content and position of these messages will be prescribed in regulations.</p> <p>The Commonwealth is currently undertaking a trial of dynamic warning parameters that is being facilitated by the Queensland Government. This trial will inform the design features to be prescribed in regulations.</p> <p>The draft legislation also ensures that players will be informed of the amount remaining of their loss limit both at the commencement of a play session and periodically during play through the pre-commitment system. Again, the form, frequency, content and position of these messages will be set by regulations.</p>

Government Response to the Joint Select Committee on Gambling Reform Inquiry into Pre-commitment Scheme

Recommendation	Government Response
<p>Rec 23, 24: Self exclusion</p> <p>The committee recommends that a self-exclusion option be enabled on the pre-commitment card and varying periods for self-exclusion be made available. This could be linked to existing jurisdictional exclusion schemes to provide players with effective self-exclusion options (rec 23).</p> <p>The committee recommends that players who self-exclude for a certain period of time should not be able to shorten that period within the specified timeframe (rec 24).</p>	<p>Agree</p> <p>The Government believes that self-exclusion arrangements are an important support for problem gamblers and their families. The draft legislation allows registered users of the pre-commitment system to effectively exclude themselves from using gaming machines. This is intended to be an additional harm minimisation tool to complement existing arrangements currently operating in states and territories which enable people to self-exclude from gaming venues.</p> <p>The Commonwealth has also committed to work with the states and territories and industry to develop a nationally consistent approach to self-exclusion, incorporating better counselling support, consideration of third party exclusions and more central oversight.</p>
<p>Rec 27: Linking pre-commitment with loyalty marketing schemes</p> <p>The committee recommends that linking loyalty schemes with pre-commitment schemes not be prohibited, but this be monitored by the new national regulatory authority for adverse consequences.</p>	<p>Agree</p> <p>The Government will monitor the linking of loyalty marketing schemes in the context of implementing the legislation. As recommended by the Committee, the draft legislation does not prohibit linking.</p>

Government Response to the Joint Select Committee on Gambling Reform Inquiry into Pre-commitment Scheme

Recommendation	Government Response
<p>Rec 28 and 29: Establishment of national regulator</p> <p>The committee recommends that a national independent regulatory body be established by the end of 2011 to oversee mandatory pre-commitment and associated reforms in all Australian jurisdictions (rec 28).</p> <p>The committee recommends that pending the establishment of the national regulatory authority, the Department of Families, Housing, Community Services and Indigenous Affairs perform the functions of the new authority. (rec 29)</p>	<p>Matter for jurisdictional consultation</p> <p>It is the Commonwealth's preference that the regulation of gaming machines is conducted by state and territory regulators. This includes implementing the provisions in the Commonwealth's draft legislation. The Commonwealth is continuing discussions with state and territory governments to reach agreement on this matter.</p> <p>The Commonwealth has developed draft legislation that provides for a national regulatory framework but allows the Commonwealth to delegate the regulatory function to the states and territories with the approval of the relevant state or territory Minister.</p> <p>The Commonwealth's draft legislation provides that the Regulator is the Secretary of the Department who has portfolio responsibility for the new Act. At this time, this responsibility sits within the Department of Families, Housing, Community Services and Indigenous Affairs.</p>
<p>Rec 30: Pre-commitment trial</p> <p>The committee recommends that a pre-commitment trial be conducted in one jurisdiction in order to further inform and refine key pre-commitment design features and help identify any unintended consequences. The trial should commence as soon as possible but not delay the timeframe for implementation.</p>	<p>Agree in part</p> <p>The Commonwealth has committed to supporting a large-scale, jurisdiction-wide trial of mandatory pre-commitment in the ACT.</p> <p>As recommended by the Productivity Commission, the trial will test the operational features of mandatory pre-commitment, and assess whether mandatory pre-commitment delivers stronger benefits to communities and individuals than voluntary pre-commitment.</p> <p>The trial will assess the impacts on problem gamblers, recreational gamblers, venues and communities.</p> <p>The trial will conclude in early 2014 and will be rigorously evaluated by an independent research institution.</p>

Government Response to the Joint Select Committee on Gambling Reform Inquiry into Pre-commitment Scheme

Recommendation	Government Response
<p>Rec 31 and 32: Functions of national regulator</p> <p>The committee recommends that development of the broad design of mandatory pre-commitment be progressed by the national regulatory authority.</p> <p>The committee recommends that a detailed solution for registration, identification and privacy be referred to the national regulatory authority for progressing (rec 32).</p>	<p>Agree in principle</p> <p>The Commonwealth's legislation, developed by the Department of Families, Housing, Community Services and Indigenous Affairs, and the Treasury, sets out the key features of pre-commitment systems and new and imported gaming machines.</p> <p>These features would deliver the capability for mandatory pre-commitment if the Bills were amended to require players to register.</p> <p>Further operational requirements will be set by regulation, by the Commonwealth regulator.</p> <p>The trial of mandatory pre-commitment in the ACT will test the operational features of a pre-commitment system. The trial will be independently designed, managed and evaluated.</p>

Government Response to the Joint Select Committee on Gambling Reform Inquiry into Pre-commitment Scheme

Recommendation	Government Response
<p>Rec 33, 34, 35, 38: National standards</p> <p>The committee recommends a phased approach to achieving harmonised national standards. In the first stage, mandatory pre-commitment in all jurisdictions for players of high intensity machines is introduced by 2014. Jurisdictions may elect to use differing technological solutions to meet the national pre-commitment features. (rec 33)</p> <p>The committee recommends that in phase two the national regulatory authority develop a timetable to move toward harmonisation of the Australia/New Zealand Gaming Machine National Standard, and adopt an agreed national standard reflecting consumer safety and harm minimisation principles (rec 34).</p> <p>The committee recommends that phase three would see full implementation of uniform national technical standards (rec 35).</p> <p>The committee recommends that the process towards harmonisation of the national technical standards by the national regulatory authority include an independent review of the barriers currently impeding greater uniformity and competition as a matter of urgency. This should include a review of the continued use of the <i>Mutual Recognition (Commonwealth) Act 1992</i>, Schedule 1(3) and an analysis of the costs and benefits of the restriction as this was beyond the scope of the last COAG review (rec 38).</p>	<p>Matter for jurisdictional consultation</p> <p>The Commonwealth's draft legislation delivers minimum national standards for pre-commitment.</p> <p>The Commonwealth will discuss any further national standards with states and territories through the COAG Select Council.</p>

Government Response to the Joint Select Committee on Gambling Reform Inquiry into Pre-commitment Scheme

Recommendation	Government Response
<p><u>Rec 36, 37, 42: Low intensity machines</u></p> <p>The committee recommends that low intensity machines, configured to reliably limit player losses to an average loss of around \$120 per hour, do not need to be part of the mandatory pre-commitment system. Specifically the committee recommends these machines feature a \$1 maximum bet limit, a \$500 maximum prize and a \$20 maximum load up. The use of these machines should be monitored by the national regulatory authority to identify any unintended consequences and the extent to which they contribute to reducing problem gambling prevalence rates (rec 36).</p> <p>The committee recommends that the timeline to introduce low intensity machines with the parameters specified in the recommendation above is consistent with the timeline to implement mandatory pre-commitment (rec 37).</p> <p>The committee recommends that venues be given the choice to either run high intensity EGMs with mandatory pre-commitment or low intensity EGMs without pre-commitment enabled, or a combination of both (rec 42).</p>	<p>Disagree</p> <p>The Government agrees with the recommendations of the Productivity Commission that pre-commitment would be the most targeted and effective measure to address problem gambling without impacting on recreational players.</p> <p>The Government has also received independent advice regarding implementation of low intensity machines or \$1 maximum bet limits on games. This advice is that all games would need to be reconfigured or re-designed as currently, there are no games in Australia that would enable a maximum \$1 bet. This would cost in excess of \$1.5 billion.</p> <p>The Commonwealth is considering whether low intensity machines can be trialled as part of the broader trial of mandatory pre-commitment in the ACT, if supported by trial partners.</p>
<p><u>Rec 39, 40: Small venues</u></p> <p>The committee recommends that the definition of a small venue be 15 machines or less but that it also take into consideration revenue per machine (rec 39).</p> <p>The committee recommends that small venues, particularly those in regional and rural areas, be allowed until 2018 to implement mandatory pre-commitment (rec 40).</p>	<p>Agree in part</p> <p>The Government understands the challenges faced by smaller venues, many in regional and rural communities. Under the draft legislation, small venues will have additional time to implement pre-commitment technology.</p> <p>Venues with 11 to 20 gaming machines will have an additional four years (until 2020) to introduce the changes and venues with 10 or fewer machines will be able to align implementation with their machine replacement cycles.</p>

Government Response to the Joint Select Committee on Gambling Reform Inquiry into Pre-commitment Scheme

Recommendation	Government Response
<p><u>Rec 41: Industry transition fund</u></p> <p>The committee recommends the COAG Select Council on Gambling Reform investigate establishing an industry transition fund to assist small venues to diversify their revenue stream away from gambling, cover a shortfall in a community service or enable low intensity machines. The criteria for access to the fund would be developed in consultation with industry.</p>	<p><u>Matter for jurisdictional consultation</u></p> <p>The Commonwealth will discuss this matter further with states and territories through the COAG Select Council.</p> <p>The states and territories raise revenues from gaming venues and would be best placed to consider proposals for industry assistance.</p>
<p><u>Rec 43: Foreign Tourist exemption</u></p> <p>The committee recommends that, upon proof of identity, foreign tourists in casinos be issued with a card that overrides the mandatory pre-commitment scheme for a period of 24 hours. This should be monitored by the national regulatory authority for abuse.</p>	<p><u>For further consideration</u></p> <p>The draft legislation provides that any player of gaming machines (both international and local players) can choose to register for and set limits on their use of a gaming machine.</p> <p>The Commonwealth recognises that casinos are a tourist gambling destination and if amendments were made to the Bills to instead require all players to register, the Government would consider exemptions for international tourists at that time.</p> <p>The draft legislation also excludes casino venues from ATM withdrawal limits due to the nature of their diversified business environment and their role in international tourism, as was recommended by the Productivity Commission.</p>

**Government Response to the Joint Select Committee on Gambling Reform
Inquiry into Pre-commitment Scheme**

Coalition Members' Dissenting Report recommendations

Recommendation	Government Response
<p><u>Rec 1:</u> Coalition committee members recommend that the differences in technical standards and communication protocols be harmonised by jurisdictions</p>	<p>Matter for jurisdictional consultation The Commonwealth's draft legislation delivers minimum national standards for pre-commitment. The Commonwealth will discuss any further harmonisation with states and territories through the COAG Select Council.</p>
<p><u>Rec 2:</u> Coalition committee members recommend that further research is required to understand the effect of mandatory pre-commitment on employment, tourism, and contributions to the community</p>	<p>Agree The Commonwealth has committed to supporting a large-scale, jurisdiction-wide trial of mandatory pre-commitment in the ACT. As recommended by the Productivity Commission, the trial will test the operational features of mandatory pre-commitment, and assess whether mandatory pre-commitment delivers stronger benefits to communities and individuals than voluntary pre-commitment. The trial will assess the impacts on problem gamblers, recreational gamblers, venues and communities. The trial will conclude in early 2014 and will be rigorously evaluated by an independent research institution.</p>
<p><u>Rec 3:</u> Coalition committee members recommend that a full cost-benefit analysis of the final mandatory pre-commitment scheme be undertaken before any decision is made on implementation</p>	<p>For consideration by the Productivity Commission The Commonwealth has committed to a legislated independent review of the trial results to assess whether mandatory pre-commitment delivers stronger benefits to communities and individuals than voluntary pre-commitment. This independent review will be undertaken by the Productivity Commission. The Productivity Commission is best placed to determine what methodologies they will use to make this assessment.</p>