

Chapter 1

Introduction

Terms of Reference

1.1 On 30 September 2010 the Joint Select Committee on Gambling Reform was appointed by resolutions of the House of Representatives and the Senate. The terms of reference directed the Committee to:

- (a) Inquire into and report on:
 - (i) The Productivity Commission report on gambling, released in June 2010, including a national response to the full set of its recommendations;
 - (ii) The design and implementation of a best practice full pre-commitment scheme – that is uniform across all States and Territories and machines – consistent with the recommendations and findings of the Productivity Commission;
 - (iii) Legal advice commissioned and received by the Commonwealth by 1 February 2011 regarding the Commonwealth's constitutional competence and prospects for successfully legislating in this area, including the reasoning and supporting legal advice and financial and other consequences flowing from it;
 - (iv) Any gambling-related legislation that has been tabled in either House, either as a first reading or exposure draft;
 - (v) Appropriate terms of reference, to be set by no later than 30 June 2013, of a further Productivity Commission Inquiry to examine the impact of pre-commitment schemes on problem gambling and to determine what further harm minimisation measures may be necessary;
 - (vi) Monitoring the impact of reforms to address problem gambling; and
 - (vii) Such other matters relating to gambling referred by either House.
- (b) Make recommendations to the Minister for Families, Housing, Community Services and Indigenous Affairs and the Assistant Treasurer, to inform any positions that the Commonwealth will take to the COAG Select Council on Gambling Reform.

1.2 The committee was established following the signing of an agreement on 2 September 2010, between the Prime Minister and Mr Andrew Wilkie (then MP-elect for the seat of Denison) to pursue a number of reforms relating to poker machines. Specifically, the agreement committed the government to:

Implementing a best practice full pre-commitment scheme – that is uniform across all States and Territories and machines – consistent with recommendations and findings of the Productivity Commission. Implementation of pre-commitment arrangements will commence in 2012, with the full pre-commitment scheme commencing in 2014, working with States and Territories to achieve this outcome. The full pre-commitment scheme will include the use of technology that is expected to have the best chance of reducing problem gambling.¹

1.3 In line with this agreement the committee undertook as its first priority to conduct an inquiry into and report on the design and implementation of a best practice full pre-commitment scheme as early as possible in 2011. Other issues included in the committee's terms of reference and issues and legislation subsequently referred to the committee will be considered over the life of the committee.

Conduct of the inquiry

1.4 Information about the inquiry was advertised in *The Australian* newspaper and on the committee's website. This included an invitation to make submissions on the terms of reference, but with a particular focus on the pre-commitment scheme, by 31 January 2011. The committee also wrote to relevant organisations and individuals to notify them of the inquiry and invite submissions. The committee received 119 submissions. A list of the submissions authorised for publication by the committee is provided in Appendix 1.

1.5 The committee held public hearings in Adelaide (1 February), Melbourne (2 February), Brisbane (3 February), Sydney (4 February), Canberra (14 and 15 February and 25 March) and Hobart (18 February) 2011. A list of witnesses who appeared at the public hearings is at Appendix 2. Hansards from the hearings are available from the committee website at:

http://www.aph.gov.au/Senate/committee/gamblingreform_ctte/precommitment_scheme/hearings/index.htm

1.6 The committee also conducted a number of site visits in order to inform committee members about existing pre-commitment schemes and to see a range of technologies available to facilitate pre-commitment.

Structure of the report

1.7 The report consists of nine chapters. Chapter two covers the personal stories told to the committee by individuals who have experienced problem gambling with Electronic Gaming Machines (EGMs). Chapter three details the characteristics and features of EGMs that make them the riskiest form of gambling. Chapter four explains

1 The Agreement between the Hon. Julia Gillard, MP, Prime Minister and Mr Andrew Wilkie, 2 September 2010.

the need for a broader approach to address problem gambling and help those affected apart from the individual gambler. Chapter five introduces pre-commitment, the trials conducted to date in Australia and overseas and research issues. Chapter six covers the required design features of a mandatory pre-commitment system. Chapter seven presents some of the technology available and the issues that need to be taken into consideration in this area to implement a mandatory pre-commitment scheme. Chapter eight introduces the option for both venues and players of introducing genuinely low intensity machines. Chapter nine details the issues raised by the industry.

Note on references

1.8 References to the committee Hansard for the 2, 3, 15, 18 February and 25 March 2011 hearings are to proof Hansard: page numbers may vary between the proof and the official Hansard.

