

Response to call for comment by the South Australian Department of Treasury and Finance on Draft Amendments to the *Gambling Machines Act 1992* Consultation Paper

This submission responds to the invitation from the South Australian Department of Treasury and Finance to comment on the Draft Amendments to the *Gambling Machines Act 1992* Consultation Paper. This response takes a perspective that is founded on Anglicare SA's extensive practice in working with individuals and families who experience problem gambling and is in line with the organisation's vision and values.

Organisational Background

Anglicare SA has been working for the community of South Australia for over 150 years and is recognised as an organisation providing high quality services responding to both immediate need and assisting people to maintain and restore dignity and control in their lives. We are a large and diverse human service organisation with extensive experience in the delivery of a broad range of community based services including family support, aged care, housing and the provision of comprehensive support to individuals and families in crisis. Many of our clients have high and complex needs.

Through our extensive experience in the delivery of assistance to people who are experiencing problem gambling, Anglicare SA has built a reputation as an organisation that can form positive, trusting relationships with people with varying levels of need and behaviours. We believe such relationships are at the core of successful intervention. As South Australia's most diverse provider of community and health services to individuals, families and communities, we recognise the significance of problem gambling on quality of life and demand for community services. Alongside assistance with problem gambling behaviours and associated problems, Anglicare SA understands that access to a range of supports during life transitions is critical for healthy relationships and social functioning.

The provision of rehabilitation and support services for people affected by problem gambling in the South Australian community is undertaken by a group of stakeholders, of which Anglicare has been part since the inception of our Gambling Help Services (GHS) over more than fifteen years ago. This has allowed Anglicare to develop knowledge of key issues impacting on problem gamblers, relationships with service providers, advocate on behalf of people experiencing problems with gambling and contribute to the ongoing development of policies that underpin the government's response to problem gambling.

Over the past decade we have established and maintained strong working relationships with other Gamblers Help Service providers including industry and community groups. This has been evidenced through our active engagement with the gambling industry support services including Club Safe (Clubs SA), Gaming Care (AHA SA) Host Responsibility (Skycity) gambling venues, Nunkuwarrin Yunti, other gambling help services, including the Statewide Gambling Therapy Service, Families SA, Housing SA, Centrelink, schools and community and health services.

Relationships with the hotel and club industry have resulted in Gambling Help Service counsellors being involved in the delivery of workshops and information sessions about the nature and characteristics of problem gambling along with AHA Early Intervention Agency staff. This has been very successful and we have seen a resultant increase in client referrals

from the industry. Venue staff and licensees have been part of community education activities undertaken by Anglicare.

Anglicare has many examples of GHS counsellors working with venues and clients to support voluntary barring processes. This occurs most often when venue staff perceive a patron maybe spending significant amounts of time, or money, at the gaming venue and believes that their gambling is out of control or causing harm to a significant other. With support from a GHS staff member and gaming/hotel manager we have often worked together to encourage the client to consider barring/self exclusion as an option, short or long term. Collaborative practices during this process ensure clients are safe, respected and confidentiality is maintained at all times.

Anglicare's GHS counsellors work closely with the Independent Gambling Authority (IGA) on issues of self exclusion and the provision of the Problem Gambling Family Protection Orders Scheme. Clients are supported to access services offered by the IGA through the provision of verbal, written and electronic information and the explanation of consequences and responsibilities for individuals and families when considering undertaking these processes in relation to problem gambling issues.

This extensive background in the provision of rehabilitation services and community education, together with our established relationships with the gambling industry places Anglicare SA in a strong and informed position to comment on the policy initiatives outlined in the Draft Amendments Consultation Paper.

Key Principles in Legislating for Gaming Machines

Anglicare SA regrets, but acknowledges the fact that gaming machines are legal and now established activity in our community.

Within this context, we believe that a commitment to harm minimisation is the most appropriate response to the problems of gambling. We define harm minimisation as "a process of education, intervention, regulation and treatment which reduce risks and negative impacts on individuals, their associates and communities."

As a fundamental precondition of effective harm minimisation Anglicare SA considers that any reform to legislation on gaming machines should address the impact of gambling facilities on vulnerable and disadvantaged communities. This includes, but is not limited to, reducing the number of gaming machines and venues across South Australia. Problem gambling is not a simple issue and an inability to address multiple risk factors limits the impact and sustainability of intervention.

Anglicare SA's experience in providing Help Services to people experiencing problem gambling has been built on an evidence-based need for a holistic approach to recovery. The behaviour exhibited by problem gamblers has been found to have been influenced by, and in turn to have an influence on, each individual's background and current family and home situation, their cultural and community engagement and their past and future economic and employment opportunities, amongst a myriad of other factors. The accessibility of gaming machines for people who are undergoing difficult life experiences or recovering from past disadvantages has the potential to pose a significant hurdle in these individuals' progression towards independence, health and wellbeing. Anglicare SA welcomes the public scrutiny of regulations aimed at controlling the management and distribution of gaming machines. As such, Anglicare's response to the Draft Amendments to the *Gaming Machines Act 1992* is based

on a recognition of the harm that problem gaming has on individuals, families and communities, and that legislation governing gaming machines must primarily serve to minimise this risk.

Comments on Draft Amendments to the *Gaming Machines Act 1992* Consultation Paper

Anglicare SA's comments on the Draft Amendments to the *Gaming Machines Act 1992* Consultation Paper will focus on nine of the proposed amendments. These are:

- . Accelerating Gaming Machine Entitlements Reduction.
- . Strengthening the Social Effect Test for New Venues.
- . Extra Responsibilities for Late Trading Venues and Changes to Closing Hours.
- . Prohibiting the Location of Gaming Machines in Smoking Areas.
- . Extending Responsible Gambling Provisions to Airport Gaming.
- . Strengthening the Compliance and Enforcement Provisions.
- . Formalising Recognition of Industry Responsible Gambling Agencies.
- . Social Effect Certificate.
- . Reforming the Regulation of Finance Arrangements.

Accelerating Gaming Machine Entitlements Reduction

Anglicare SA agrees with the removal of the fixed price of \$50,000 on gaming machine entitlements traded through the approved trading system. We see this as likely to result in an overall reduction in the number of gaming machine entitlements in South Australia through a demand-driven increase in their price. A reduced number of gaming machine entitlements is viewed by Anglicare as an integral step in lowering the number of South Australian individuals and families adversely affected by problem gambling.

Anglicare SA also sees a possible reduction in the number of gaming venues as a result of the introduction of this Amendment. With an increase in price, some smaller venues may cease to operate gaming machines. A reduction in the total number of gaming venues in operation is viewed by Anglicare as a positive step towards eliminating problem gambling and its attendant social costs by reducing access.

However, a resulting increase in the concentration of entitlements in some geographic areas is of concern. In Anglicare's experience of delivering Help Services to people experiencing problems with gambling, the ready accessibility of machines, particularly in larger venues where queuing for machines is less common, facilitates problem gambling behaviour in these, and surrounding, areas. In order to guard against such an outcome Anglicare SA would like to see the introduction of parallel strategies to increase regulation on the geographic concentration of gambling machine entitlements. Such strategies would seek to ensure that higher numbers of entitlements are not shared amongst a few larger venues situated within local proximity to each other, particularly in low socio demographic profile regions.

Notwithstanding the benefits associated with an overall reduction in venues, there are some potential downsides in the loss of some smaller operators where this involves community not for profit clubs. Anglicare SA would like to see provisions maintained so that such operators will not be disadvantaged by the introduction of this Amendment, and the proportion of the market share they manage be sustained in the distribution of licences in South Australia.

Strengthening the Social Effect Test for New Venues

Anglicare SA supports the strengthening of the social effect test for new venues. We believe that such measures will increase operators' awareness and understanding of the wider social and economic implications of running gaming venues. The Amendment will also potentially help to protect vulnerable communities against the negative impact that problem gambling, and the gaming venues on which such behaviours depend, can have. It is important that social effects assessments are undertaken as a compulsory pre-condition of the issuing of a social effects certificate. Furthermore, gambling help service providers and other interest groups should be actively engaged in the determination of a revised set of principles and terms of reference for such assessments. For the social effect test to be of value it must be rigorous and extensive in its canvassing of social impacts on a community as a whole, together with specific population cohorts within communities.

In view of these benefits to both local communities and operators Anglicare SA would like to see the strengthening of the social effect test extended to all venues that elect to expand their gaming operations. An increase in the number of gaming machines can have a significant effect on the venue's patrons and the community in which it operates. The benefits of the Amendment would be increased by the inclusion of all expanding venues to a social effect test as a pre-condition to being granted additional licences.

Extra Responsibilities for Late Trading Venues and Changes to Closing Hours

Anglicare SA does not support the operation of gaming venues before 10.00 a.m. on Monday to Friday and between 2.00 a.m. and 10.00 a.m. on Saturdays and Sundays. Our experience in delivering Gambling Help Services to people experiencing problems with gambling has confirmed that gambling during these hours is particularly common amongst some of the most vulnerable groups in our community – young people, people experiencing drug and alcohol misuse, unemployed people and those on low incomes. Patrons of gaming venues who gamble recreationally tend to do so at more convenient and socially acceptable times, outside these hours. This evidence leads Anglicare to support legislation which disallows the operation of gaming venues during these times. Our response to the Amendment is therefore qualified by this position.

In the case that gaming operations are permitted during the specified hours, Anglicare supports the Amendment that no machine designed to change notes into coins is operating on the licensed premises between 2am and 8am. We also support the Amendment that a gaming machine manager or gaming machine employee who has completed advanced problem gambling intervention training be at the venue during late trading hours. However, we would like the Amendment in this area to be strengthened to include three specific requirements:

- That the manager/employee who is performing this duty must have current training in advanced problem gambling intervention (i.e. that they have completed and/or updated their training within the previous 12 months)
- That this training could include a recognised certification in suicide prevention like ASIST (Applied Suicide Intervention Skills Training).
- That a minimum requirement of duties to be performed by this manager/employee during these hours be included in the Amendment. This list of duties would be designed to ensure that the staff member monitors the venue during this time for patrons exhibiting problem gambling behaviours, and that identification of these behaviours results in the appropriate action by the staff member.

Anglicare SA sees a further concern with this Amendment in its exclusion of venues that have entered into a responsible gambling agreement with a responsible gambling agency. Anglicare

supports the hotel and club industry establishing organisations with the purpose of assisting individual operators to comply with regulations. However, Anglicare sees such organisations as inappropriate for the administering of responsible gambling agreements. Anglicare SA sees the authority to enter these agreements as appropriate only for an independent body. Organisations currently entering these agreements are being placed in a position of a clear conflict of interest. They are not sufficiently independent from the interests of those bodies they will be entrusted to regulate and monitor through a responsible gambling agreement.

Anglicare SA sees the regulation of gaming machines in this way as a key area of concern with current legislation and with this Amendment to it. The capacity of Club Safe (Clubs SA) and Gaming Care (AHA SA) to enter into responsible gambling agreements with operators, thereby conferring on these operators the privileges the certificate of agreement affords, is a significant hurdle to the effective regulation of gaming machines in South Australia. These bodies are not independent of the Industry and are therefore not positioned to objectively assess operators' compliance with responsible gambling principles. Objective assessment of compliance can only be performed by an independent body. Anglicare SA sees it as imperative that these powers be transferred to an independent body, which is clearly separate from the gaming industry itself.

Prohibiting the Location of Gaming Machines in Smoking Areas

Anglicare SA supports the prohibiting of gaming machines in smoking areas. We feel that a more effective way of framing the legislation would be to prohibit smoking within 5 metres of a gaming machine. Anglicare feels that this approach would more effectively achieve the desired outcome of geographically separating smoking and the use of gambling machines and avoid any measures to manipulate the intent of keeping gaming machines out of a smoking environment.

Extending Responsible Gambling Provisions to Airport Gaming

Anglicare SA supports the extension of all gaming regulations to machines operating on Airport lands. We believe all gambling machines in South Australia should be subject to the same regulations.

Strengthening the Compliance and Enforcement Provisions

Anglicare SA supports the strengthening of compliance and enforcement provisions. We have a number of suggestions to bolster those put forward in the Amendments that we believe will increase the effectiveness of these regulations and lead to greater achievement of compliance and enforcement. There is currently an under-reporting of breaches, and these Amendments should be designed both to increase compliance and enforcement, and also to facilitate and encourage reporting of breaches.

Anglicare SA feels that the Commissioner's powers to administer monetary penalties for breaches should equal those that can be applied if the act is prosecuted under section 46 of the Act. This would lift the Commissioner's fine to a maximum of \$35,000. We see that the removal of this discrepancy would encourage the reporting of breaches to the Commissioner, thereby facilitating more timely procedures in dealing with these reports than were they all to be directed through the court system.

Anglicare SA also believes that the financial cost to operators of breaches of regulations are currently insufficient to deter many offenders, but particularly repeat offenders. We suggest an escalating scale of fines, increasing with each subsequent offense by the same operator.

A further concern raised by the Act is the accountability of officers of Club Safe and Gaming Care. Anglicare SA would like to see a legal obligation put in place such that all breaches reported to these organisations must be referred to the IGA.

Anglicare SA sees that breaches of regulations by gaming operators are a public concern. These regulations are in place to minimise the harm caused by the mismanagement and misuse of gaming machines to individuals, families and communities. We feel, therefore, that breaches of these regulations should be made public in some way, so that the communities and patrons who are affected by these breaches can be made aware of them. Anglicare SA suggests that regulation requiring signage to be prominently displayed near the gaming machines at the venue where the breach occurred would be an appropriate way to ensure this. We also believe it would serve as an effective motivator for operators to ensure that they continually comply with regulations.

An important step in ensuring that all breaches are reported is the availability of information to the public about how to make a report. Currently operators are required to display signage giving patrons information, including phone numbers, for who to contact if they feel they have a problem with gambling. However, at present operators are not required to provide information to patrons and the public about how to report a breach in regulations or make a complaint against an operator. Anglicare SA feels a requirement for clear signage displayed near gaming machines in all operating venues would assist in the regulation of the industry by facilitating the reporting of breaches by members of the public.

Formalising Recognition of Industry Responsible Gambling Agencies

Anglicare SA has significant concerns with these Amendments to the Act. While Anglicare encourages the formal recognition of licensees who comply with responsible gambling principles, we do not support the ability of responsible gambling agencies to enter agreements with licensees which will result in such recognition by the IGA.

Anglicare's concern, as raised in our comments on the **Extra Responsibilities for Late Trading Venues and Changes to Closing Hours** Amendments, above, is the existing industry relationship between the responsible gambling agencies (Club Safe and Gaming Care) and the operators with whom they are entering these agreements. Anglicare SA does not feel that Club Safe (an organisation established by the industry of Clubs SA) or Gaming Care (an organisation established by the Australian Hotels Association SA) are positioned to enter agreements with operators publicly recognising them as compliant with responsible gambling principles. Such authority can only be possessed by a body independent of the industry structures within which the licensees operate.

Club Safe (Clubs SA) and Gaming Care (AHA SA) have a valuable role to play in assisting their members to comply with responsible gambling principles. The formal recognition of this compliance, whether through an agreement or other certification process, can only be effectively performed by a body that is independent of the industries to which the operators belong.

Social Effect Certificate

Anglicare SA believes the proposed Amendment will support the industry to manage the risk associated with making an application for a gaming machine license and consider the social effect of the product within the community in which the new or established business will operate. Recording details of social effect certificate will ensure that all stakeholders are aware of proposed changes within a community.

Reforming the Regulation of Finance Arrangements

Anglicare SA opposes this Amendment to allow gambling machine entitlements and gaming machines to be used as collateral in finance arrangements by holders of gaming machine licenses.

This Amendment could allow a credit provider to determine who will purchase a gaming machine at a particular price. Anglicare questions whether a credit provider will adhere to all the guidelines and regulations in relation to owning and operating gambling machines. If credit providers were to enter into financial agreements with a purchasing party they should be obligated to adhere to all the guidelines and regulations in the event of any future financial hardship.

Summary and Conclusion

Anglicare SA has been working with South Australian individuals, families and communities for over fifteen years through its Gambling Help Service to recover from the harm caused by problem gambling. As such, we support the pursuit of rigorous regulation and enforcement of gaming machines through mechanisms that will assist in the prevention of problem gambling and minimise the risk gambling machines pose to vulnerable people and groups.

Anglicare SA has welcomed the opportunity provided by the South Australian Department of Treasury and Finance to comment on the Draft Amendments to the *Gaming Machines Act 1992* through its Consultation Paper. We view these instances of community consultation as important indicators of responsible Government.

Our comments have been made in line with Anglicare SA's policy on gambling machines and their regulation, such that legislation surrounding machines and their management should serve to minimise the harm suffered by individuals, families and communities as a result of problem gambling. We support many of the proposed Amendments to the *Gaming Machines Act 1992*. We have made several suggestions of ways in which further Amendments could make the achievement of the Amendment goals more secure.

Anglicare SA believes that the proposed Amendments have highlighted two areas of particular concern. Firstly, we feel that the current role of Club Safe and Gaming Care in the administration of responsible gambling agreements is inappropriate and beyond the scope of hotel and club industry groups to perform. The independent assessment and certification of compliance with responsible gambling principles must be protected. Anglicare SA believes this can only be achieved by changes to the current process removing the ability of Club Safe and Gaming Care to enter into responsible gambling agreements with operators. This authority must be exclusively held by an independent body.

Secondly, Anglicare SA would like to indicate its support for measures designed to reduce the total number of licenses provided that this does not lead to a concentration of gaming machines in 'high risk' demographic communities. An increase in the price of gaming machine entitlements may have the effect of forcing smaller operators out of the industry, possibly including some not for profit organisations. Anglicare is concerned that the changes in distribution of gaming machines around South Australia needs to be continually and adequately monitored so that the emergence of areas of machine concentration in disadvantaged communities can be quickly identified. The identification of such a change must result in a review of the changed social impact of these venues on the communities in which they operate, and measures taken to record and minimise the risks posed by the changed situation.