

ACT Auditor-General's Office

Performance Audit Report

MONITORING AND MINIMISING HARM CAUSED BY PROBLEM GAMBLING IN THE ACT

REPORT NO. 1/2012

The ACT Gambling and Racing Commission



PA 11/04

The Speaker
ACT Legislative Assembly
Civic Square, London Circuit
CANBERRA ACT 2601

Dear Mr Speaker

I am pleased to forward to you a Performance Audit Report titled 'Monitoring and minimising harm caused by problem gambling in the ACT' for tabling in the Legislative Assembly pursuant to Section 17(5) of the *Auditor-General Act 1996*.

Yours sincerely

Dr Maxine Cooper
Auditor-General
3 April 2012

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LIST OF ABBREVIATIONS AND DEFINITIONS

ACT	Australian Capital Territory
ANU	Australian National University
<i>Australian Gambling Statistics</i>	References are made in this report to data from the 27th edition of <i>Australian Gambling Statistics</i> . This publication is produced by the Queensland Office of Economic and Statistical Research (OESR) in cooperation with all State and Territory governments. It is the official collection of Australian data on legalised regulated gambling for which accurate figures are available. The 27th edition, published June 2011, updates data for the financial years 1983–84 to 2008–09. It is the latest available publication that captures key gambling data across all Australian jurisdictions.
COAG	Council of Australian Governments
Gambling	<p>An entertainment based on staking money on uncertain events driven by chance, with the potential to win more than staked, but with the ultimate certainty that gamblers as a group will lose over time.</p> <p>Legal gambling in Australia may take many forms including on and off course bookmakers, the TAB, casinos, gaming machines, instant lottery, interactive gaming, Keno, lotteries, lotto, pools and sports betting.</p>
Gambling harm	A broad term used to describe the adverse health, social and economic consequences of gambling behaviour for individuals, families, and communities. <i>Problem gambling</i> (see below) is part of the continuum of gambling harm.
Gaming expenditure	The amount wagered less the amount won; the net loss to gamblers.
Gaming machines	Electronic gaming machines – commonly known as ‘poker’ machines.
Gaming turnover	The amount wagered.
Licenseses	Holders of gaming machine licences. In the ACT clubs and hotels can hold gaming machine licences.
Problem gambling	<p>Problem gambling is characterised by difficulties in limiting money and/or time spent on gambling which leads to adverse consequences for the gambler, others or for the community.</p> <p>For the purposes of the ACT’s <i>Gambling and Racing Control (Code of Practice) Regulation 2002</i> Code of Practice, a person has a problem gambling if the person cannot manage properly the person’s gambling activities.</p>
The Centre	The Centre for Gambling Research
The Commission	The ACT Gambling and Racing Commission
The Minister	The Minister for Gaming and Racing

List of abbreviations and definitions

2010 gambling
prevalence study

The *2009 Survey of the Nature and Extent of Gambling, and Problem Gambling, in the ACT*. This is a research study undertaken by the Australian National University for the ACT Gambling and Racing Commission. It was conducted in late 2009 and reported in November 2010. In total, 5 500 ACT residents were surveyed to investigate the prevalence of gambling in the Territory. Prior to this project, the most recent study on the prevalence of gambling in the Territory was completed in 2001.

1. SUMMARY AND CONCLUSION

INTRODUCTION

- 1.1 This report presents the results of a performance audit on monitoring and minimising harm caused by problem gambling in the Australian Capital Territory.

BACKGROUND

- 1.2 In the ACT, most adults engage in some form of legal gambling each year. A research study (the 2010 gambling prevalence study) commissioned by the ACT Gambling and Racing Commission (the Commission) reported in November 2010 that 70 percent of ACT adults legally gambled at some time in the twelve months preceding the study.¹ Legal gambling in ACT includes bookmakers, ACTTAB, the Canberra Casino, gaming machines, instant lottery, interactive gaming, Keno, lotteries, lotto, pools and sports betting.
- 1.3 Most people gamble responsibly, but some cannot manage their gambling activities properly. Problem gambling is ‘characterised by difficulties in limiting money and/or time spent on gambling which leads to adverse consequences for the gambler, others or for the community.’²
- 1.4 Problem gambling is not a problem in isolation. It is often entangled with other symptoms like drug and alcohol abuse, relationship issues or financial stress. The consequences of problem gambling may include financial harm, crime, family dysfunction and domestic violence. It is estimated that for every problem gambler, another seven people are adversely affected.
- 1.5 In 2008-09 total gambling turnover in the ACT was \$2.51 billion.³ Gaming machines (commonly known as ‘poker’ machines) contributed \$2.08 billion of this total. The ACT, with 5 024 licensed gaming machines as at 31 December 2011, has the highest ratio per capita of gaming machines in Australia (13.8 machines per 1000 head of population). Gambling expenditure, which is the amount wagered less the amount won – or the net loss to gamblers – was \$243.5 million in 2008-09.⁴ Of this, \$175.1 million was wagered and lost on gaming machines.
- 1.6 In 2010-11, the ACT government collected \$56.6 million from gaming taxes and regulatory fees (see Appendix B). Over 90 percent of gaming tax revenue comes

¹ The Australian National University, *2009 Survey of the Nature and Extent of Gambling, and Problem Gambling, in the ACT*, research study for the ACT Gambling and Racing Commission, November 2010. It is available from <http://www.gamblingandracing.act.gov.au/Documents/Recent%20Research/ACT%20Gambling%20Prevalence%20Study.pdf> [accessed 7 September 2011].

² Neal P, Delfabbro P, O’Neil M. *Problem gambling and harm: a National definition*. Adelaide, Australia: South Australia Centre for Economic Studies, 2005.

³ Australian Gambling Statistics 1983-84 to 2008-09, 27th edition, Prepared by the Office of Economic and Statistical Research, Queensland Treasury, published June 2011

⁴ *ibid*

from gaming machines and interstate lotteries (63 percent and 29 percent respectively).

- 1.7 It is difficult to accurately measure how many problem gamblers there are in the ACT. The 2010 gambling prevalence study estimated there were 1 370 problem gamblers in the ACT. This was equivalent to 0.5 percent of the ACT adult population, which compares to 0.4 percent in New South Wales, Queensland and South Australia and 0.7 percent in Victoria.
- 1.8 Research on gambling prevalence indicates that the more frequently a person gambles the more likely they are of developing problem gambling symptoms. In the ACT it is estimated 48 000 people are high frequency gamblers as they gamble 48 or more times during the year, or four or more times a month. The 2010 ACT gambling prevalence study estimated 44.5 percent of people gambling weekly or more on activities other than scratch tickets or lotteries were experiencing some symptoms of problem gambling (see Appendix G) and 5.6 percent were identified as problem gamblers. For those who played gaming machines weekly or more, 55 percent were experiencing some symptoms of problem gambling and 8.9 percent, or one in eleven, were problem gamblers. This strongly suggests that approaches to dealing with problem gambling should target a broader section of gamblers as well as those already identified as problem gamblers.
- 1.9 This audit is on the Commission's activities with respect to harm minimisation caused by problem gambling in the ACT. In the ACT, the Commission is responsible for regulating gambling and wagering and monitoring and researching the social effects of gambling and of problem gambling. The Commission is an independent statutory authority established under the *Gambling and Racing Control Act 1999*.
- 1.10 The Commission regulates gambling in the ACT but has no control over online gambling based in other jurisdictions but accessible by ACT residents.
- 1.11 The Commission's strategic plan for 2009-13 incorporated a vision 'to create an environment in which stakeholders have the highest degree of confidence in the integrity of the Territory's approved gaming and wagering industries **and where the harm caused by problem gambling is minimised**' [Audit emphasis]. Key objectives from the strategic plan include:
- minimise the negative impact caused by problem gambling;
 - keep informed about developments in gambling harm minimisation strategies and research conducted into problem gambling;
 - ensure the members of the community are provided with information to enable them to make informed decisions about their gambling.
- 1.12 The Commission has an important role in minimising gambling harm, and has extended this role beyond regulation. Effectively addressing gambling harm, however, requires the cooperation of many, including the gaming industry and the individuals who gamble.

AUDIT OBJECTIVE

- 1.13 The objective of the audit is to provide an independent opinion to the Legislative Assembly on whether the ACT Gambling and Racing Commission is effectively monitoring and minimising harm caused by problem gambling in the ACT.
- 1.14 This audit focused on parts of legislation and regulations that target problem gambling (see Appendix A) Audit considered whether the Commission's practices were:
- well planned and based on appropriate and robust research and analysis;
 - well implemented in accordance with legislation and better practice;
 - accurately monitored and reported; and
 - appropriately evaluated, to identify whether the initiatives were achieving the intended purpose.

AUDIT CONCLUSION

Problem gambling is a complex issue with significant consequences. It is particularly prevalent in those gamblers who use electronic gaming (poker) machines. The ACT has the highest ratio per capita of gaming machines in Australia. Although the Government is acting to reduce the number of gaming machines, Audit estimates that based on current trends it will take twenty six years to achieve the target cap of 4 000 from the current 5 024.

Gambling harm reaches across the community and manifests itself in many forms. Harm is experienced by readily-identifiable problem gamblers as well as other gamblers who display problem gambling symptoms and its effects are felt by the broader community. For this reason, approaches for dealing with problem gambling should target a broader range of gamblers as well as those already identified as problem gamblers.

The ACT has been and remains in the vanguard in initiating progressive policies and initiatives for minimising harm caused by problem gambling. This includes being the first Australian jurisdiction to introduce a mandatory Code of Practice for licensees and fostering a direct relationship between counselling services, the gambling industry and academia. The Commission is working with the Australian National University to gain a better understanding of the social and economic effects of gambling and problem gambling. This research will help to build an evidence base for policies and initiatives aimed at addressing gambling harm.

The Commission has, and continues to, play an important role in shaping the framework intended to minimise harm caused by problem gambling. Audit considers that its efforts to reduce the effects of problem gambling continue to be appropriate and progressive. While this is the case, due to the complexity and inter-action of various factors that affect the prevalence of problem gambling, Audit has not been able to establish a direct relationship between the Commission's actions and effects on problem gambling in the ACT. Therefore a definitive conclusion regarding the Commission's effectiveness in monitoring and minimising harm caused by problem gambling in the ACT cannot be made. However, Audit recommendations provide guidance to the Commission for improving its reporting to allow a better understanding of its effectiveness. The recommendations also highlight how improvements can be made to the framework that guides how problem gambling is

addressed in the ACT, particularly the need for a review of the Code of Practice, and the need for a strong focus on ensuring that all licensees effectively implement this code. Specifying a time for achieving the cap of 4 000 gaming machines is also recommended.

KEY FINDINGS

1.15 The audit conclusion is supported by the following findings:

Context for minimising gambling harm in the ACT (Chapter 2) showed:

- The Productivity Commission report on gambling (February 2010) showed that in Australia:
 - 62 percent of gambling expenditure is from gaming machines;
 - around 75 to 80 percent of problem gamblers play gaming machines;
 - in comparing the number of games played per hour for different types of gambling, around 650 games can be played on a gaming machine compared to around 100 black jack games, 40 roulette games and five races; and
 - the possible cost of playing a gaming machine in the ACT, assuming a maximum \$10 bet per game, and a 90 percent return to the player is \$1 200. That is, a player could potentially lose \$1 200 per hour. Turnover (the amount wagered) would potentially be \$12 000 in a single hour.
- In June 2009, the ACT was estimated to have 1 370 adults (0.5 percent of the then adult population) who were problem gamblers and further 14 525 people (5.3 percent) who were reporting symptoms of problem gambling. While the estimated number of problem gamblers was small, for each person, it is estimated that at least another seven people are directly affected. This means that around 9 600 people may be directly affected by problem gambling in the ACT.
- Research suggests that the more frequently a person gambles the more likely they will develop problem gambling symptoms. It is estimated that in June 2009 there were 48 234 high frequency gamblers in the ACT and a further 46 863 were medium frequency gamblers (17.6 percent and 17.1 percent of the then adult population respectively). Approaches for dealing with problem gambling should target a broader range of gamblers as well as those already identified as problem gamblers.
- The ACT has been and remains in the vanguard in initiating progressive actions for minimising harm caused by problem gambling. For example, the ACT was the first jurisdiction in Australia to introduce a mandatory Code of Practice. This Code includes significant measures to deal with gambling harm and has stood the test of time when compared to other jurisdictions. However, it is time to review the Code as it has not been reviewed since 2004.
- The Commission's Strategic Plan offers no detail on how its broadly defined strategies will be implemented to meet the Commission's identified key objectives. The Commission does not have an action plan to guide implementation of the strategies and does not report specifically against the key objectives in the Strategic Plan in its public reporting.
- The ACT contributes to and monitors national research on gambling and its social

effects, through Gambling Research Australia, an initiative of the Council of Australian Governments. As well, in 2002 the Commission established the Centre for Gambling Research in collaboration with the Australian National University to undertake local research. The Centre is undertaking a steady program of research activities. There is scope to improve how the Commission documents its consideration of research findings and recommendations.

- Although in the ACT the Commission has the pivotal role in minimising gambling harm, several ACT Government agencies provide services that can be accessed by people experiencing gambling harm or used to assist in minimising problem gambling. The Commission should work with relevant ACT Government agencies to identify opportunities for integrating their activities to minimise harm caused by problem gambling

Taking action to minimise gambling harm (Chapter 3) showed:

- Gambling problems are not identified early enough by individuals. Few people with gambling problems sought or received help, and most did not seek help until they were at risk of, or contemplating, suicide. More effective ways to raise public awareness of responsible gambling, problem gambling symptoms and the risks of gambling harm are needed.
- The Commission's problem gambling websites are informative, but not as comprehensive as similar sites in other jurisdictions.
- The Commission audits licensees' compliance with legislation and the Code of Practice at least once annually. The Commission's compliance audits only test that a particular requirement has been met, but not how well it has been met.
- To look at levels of compliance this audit tested implementation of problem gambling related sections of the Code in twenty clubs and found:
 - two staff of one venue, who were providing gambling services, had not received required training (of the 48 breaches of the code identified by the Commission's compliance audits in 2010-11, 65 percent were for the failure to provide training to staff as required);
 - Gambling Contact Officers interviewed by Audit showed a generally sound understanding of their responsibilities but did not routinely provide briefings to other staff who provide gambling services to communicate the responsibilities of staff under the code and to identify incidents that might suggest a patron may have problem gambling symptoms;
 - all venues had a Problem Gambling Incident Register as required by the Code, but the registers typically contained few entries. The compliance reviews by the Commission cannot provide assurance that all incidents that should be recorded have been recorded. Stakeholders consulted by Audit agreed the Register was a useful tool, but felt that licensees were not making full use of it;
 - information regarding problem gambling, such as brochures on responsible gambling, was not always displayed in 'a conspicuous way'. Some clubs had brochures on the floor; and
 - self exclusion registers maintained by licensees are mostly manual. Of the registers reviewed by Audit, twenty percent of the exclusions were not

current. The Commission is intending to introduce a computerised exclusions database that will simplify processes for multiple venue exclusions.

- The gaming industry was encouraged to support initiatives to minimise gambling harm through their community contribution schemes. ACT gaming machine turnover was \$2.08 billion in 2008-09, and gross gaming machine revenue for ACT licensees (after returning winnings to players) was \$174.5 million. Of this 0.17 percent (\$305 640) was contributed by clubs to fund problem gambling assistance.
- In July 2011 the Problem Gambling Assistance Fund was introduced through amendments to the *Gaming Machine Act*. This requires licensees to contribute 0.6 percent of gross gaming machine revenue to problem gambling. This is expected to raise more than \$1 million annually.
- The Commission is considering using the Problem Gambling Assistance Fund to meet the costs of counselling services and club liaison delivered by Mission Australia, and to undertake further research into ACT problem gambling.
- The Commission approved training for Gambling Contact Officers and staff who offer gambling services with the intention of ensuring that the training covered the requirements of the ACT Code of Practice. Discussions with licensee staff indicated training could be improved. The Commission should test the quality and effectiveness of training to ensure courses are delivering the intended outcomes.

Monitoring and evaluation (Chapter 4) showed:

- The Commission monitors issues relevant to gambling harm in a variety of ways, most notably through the conduct of gambling prevalence studies. Only two such studies have been commissioned in the ACT, in 2001 and 2010. This is too infrequent. The Commission intends to conduct prevalence studies every five years but even more frequent studies may be warranted.
- The Gambling Advisory and Reference Group was established in October 2001 as an advisory body from which the Commission may draw views and opinions on issues related to gambling harm from a range of ACT community service organisations. Value obtained from this Group by the Commission may be diminished as it meets infrequently.
- In 2004, the Commission and the Centre for Gambling Research examined three harm minimisation strategies introduced between 1993 and 2002: \$10 maximum bets; compulsory gaming machine shutdown; and restrictions on paying out winnings exceeding \$1 000 in cash. The research concluded that although major changes had occurred in clubs there was no evidence to suggest the changes occurred due to the measures being reviewed.
- Apart from the 2004 research, there has been limited evaluation of the effectiveness of measures introduced in the ACT to deal with minimising gambling harm, including for example, the Code of Practice.
- The Commission uses its annual reports to report to the community on gaming regulation and other relevant activities. Conducting research is the Commission's primary performance measure directly related to its legislated requirement to

exercise its functions in a way that, as far as practicable, ‘reduces the risks and costs, to the community and to the individuals concerned, of problem gambling’.

- There were 5 024 gaming machines in the ACT at 31 December 2011. This is about 13.8 gaming machines per thousand head of population in the ACT. There are more gaming machines per capita in the ACT than any other jurisdiction in Australia.
- A Bill introduced in December 2011 included ‘a medium to longer term target for the number of gaming machines in the ACT of 4 000’ commencing from 1 January 2012. At this time there was a legislated cap on gaming machines of 5 200. The new proposed target is to be achieved through ‘natural attrition’.
- There is no specified time or plan for achieving the reduction of 1 200 gaming machines. If the level of ‘natural attrition’ over the past four years continues, it will take twenty six years to deliver the 20 percent reduction required to reach the cap of 4 000 machines.
- National research indicates that reserving gaming machines contributed to gamblers exceeding pre-commitment limits. Audit observed that prominent reservation signs were available in clubs to enable gamblers to reserve machines. Given that the ACT Code of Practice is silent on the use of machine reservation signs, the Commission should consider whether such practice should be regulated, regardless of whether a Commonwealth pre-commitment scheme is introduced in the ACT.
- The ACT is well positioned to respond positively to most, if not all, of the national reforms to minimise the harm caused by problem gambling being considered under the guidance of the Council of Australian Governments Select Council on Gambling Reform.

RECOMMENDATIONS WITH COMMISSION’S AND DIRECTORATE’S RESPONSES

- 1.16 This audit report includes nine recommendations. Priority should be given to the implementation of **Recommendation 1** (Review the gambling Code of Practice), **Recommendations 5 and 6** (Guidance and recognition for gambling venues to achieve a more consistent approach), **Recommendation 7** (Implement an electronic exclusion database) and **Recommendation 9** (Develop a time frame and strategy to reach the lower gaming machine cap).
- 1.17 In accordance with Section 18 of the *Auditor-General Act 1996*, a final draft of this report was provided to the Chief Executive Officer of the Commission, and the Directors-General of the Health, Community Services, Education and Training and Economic Development Directorate, for consideration and comments.
- 1.18 The Chief Executive Officer and Directors-General provided responses to each recommendation, as shown below.

Recommendation 1 (Chapter 2, Chapter 3 and Chapter 4)

Review the gambling Code of Practice

The ACT Gambling and Racing Commission should initiate a review of the Gambling Code of Practice taking into account:

- a) recent developments in other jurisdictions and research; and
- b) means to encourage licensees to:
 - i. undertake staff refresher training every three years;
 - ii. provide routine briefings by Gambling Contact Officers to other staff who provide gambling services, particularly casual or part-time staff, to bring about a better understanding of the responsibilities of staff under the Code of Practice and the identification of incidents that might suggest a patron may have problem gambling symptoms;
 - iii. prepare procedures to guide staff on the use of the Problem Gambling Incident Register and encourage consistency in reporting and recording incidents;
 - iv. ensure all information relating to problem gambling is made available to patrons in ‘a conspicuous way’ and that this information presents accurate facts on the chances of winning major prizes, programs for exclusions from gambling, the availability of interpreter services, and the names and contacts for Gambling Contact Officers;
 - v. improve the consistency of the content of signage and warning notices to patrons and ensure that these are also presented in ‘a conspicuous way’;
 - vi. enhance the use of the Register of Excluded People maintained by licensees; and
 - vii. restrict the capacity for gamblers to reserve gaming machines in licensed venues.

The Commission’s Response:

Agreed

The Commission has already commenced preliminary work on a review of the Code of Practice which will include consideration of work in other jurisdictions and will incorporate, where relevant, recent research findings. The inclusions suggested by Audit Office for consideration will also be investigated as part of the review.

As with all reviews undertaken by the Commission, public consultation will be an important part of the review process before recommendations are made to Government for any legislative changes.

Recommendation 2 (Chapter 2)

Improve the Commission's corporate planning and reporting

The ACT Gambling and Racing Commission should improve its corporate planning and reporting by:

- a) specifically reporting against the objectives and strategies included in its Strategic Plan;
- b) better aligning information used in its Strategic Plan, Annual Reports and its Budget Papers/Performance Measurement Framework; and
- c) supporting its Corporate Plan with an action plan or its equivalent.

The Commission's Response:

Agreed.

The Commission will provide more specific reporting on its Strategic Plan objectives and will formalise its implementation or action plan.

Recommendation 3 (Chapter 2 and Chapter 4)

Enhance the monitoring of research

The ACT Gambling and Racing Commission should enhance its research and monitoring of the risks and costs of problem gambling in the ACT and gambling harm by:

- a) defining and documenting its procedure for reviewing and analysing research findings and recommendations;
- b) using a statement of consideration (or similar document) to explicitly show how research findings and recommendations have been considered by the Commission;
- c) undertaking studies of gambling prevalence in the ACT at a minimum every five years, and considering the value of reducing this to every three years; and
- d) expanding its research program, to include fostering research aimed at establishing a performance measurement framework to assess the Commission's achievements against its requirements under legislation.

The Commission's Response:

Agreed.

The Commission will enhance and formalise its research evaluation and implementation procedures to ensure relevant research projects are fully and consistently considered.

Prevalence studies are scheduled to be undertaken every five years based on effort and cost involved. This allows for further targeted research to be conducted based on prevalence study outcomes while providing for regular base-line data updates.

Where financial and technical capacity allows, additional research will be conducted to specifically test the effectiveness of particular harm minimisation strategies that have been implemented in the ACT.

Recommendation 4 (Chapter 2)

ACT Government opportunities to integrate activities

The ACT Gambling and Racing Commission and ACT Government agencies (such as the Health, Community Services, Education and Training and Economic Development Directorates) should identify opportunities for integrating their activities to minimise harm caused by problem gambling.

The Commission's Response:

Agreed.

Sharing of knowledge has already occurred in some areas including education and community services. Further co-ordination of stakeholder activity will be undertaken.

The Economic Development Directorate's Response:

As the portfolio agency for the ACT Gambling and Racing Commission, the Economic Development Directorate is encouraging the Commission's efforts in sharing information and collaborating with relevant agencies across Government in developing and implementing strategies to address problem gambling.

The Directorate would be supportive, therefore, of any initiatives that would enhance the level of cooperation.

The Health Directorate's Response:

The Health Directorate Alcohol and Drug Service (ADS) identify opportunities for integrating their activities to minimise harm caused by gambling (Recommendation 4). The ADS work with people who have a gambling addiction associated with Alcohol and/or Drug addiction, because it is recognised as an associated problem.

Typically this is provided by our counselling staff both individually and in group therapy work. Similarly this would occur with people who have a gambling addiction and who access mental health services, again because it is recognised as an associated and related problem.

However the focus for ADS is not on gambling as a standalone issue, as the scope for the service is to provide Alcohol and Drug services. If a client contacts our service and discloses gambling as a standalone issue they are referred to Gamblers Anonymous.

The Education and Training Directorate's Response:

The Directorate looks forward to working with the ACT Gambling and Racing Commission to identify opportunities to minimise harm caused by problem gambling, and consider how these activities may be integrated.

As an example, the Directorate is keen to work further with the Commission on how best to make information on gambling more accessible to school students. This work would complement the opportunities provided for students to learn about finances and the responsible management of money through the ACT curriculum framework, the new Australian curriculum, and the Helping Our Kids Understand Finances National Agreement.

Recommendation 5 (Chapter 3)

Guidance and recognition for gambling venues

The ACT Gambling and Racing Commission should:

- a) provide guidance to licensees in how best to meet the requirements of the Code of Practice through developing a 'Better Practice Guide' or using some other mechanism; and
- b) acknowledge licensees that adopt better practices.

The Commission's Response:

Agreed.

The Commission considers that the provision of guidance material will assist licensees achieve an enhanced understanding of requirements to enable them to better utilise the tools provided under the Code of Practice for managing problem gambling. Acknowledging those licensees that are performing well and using those examples as incentives for others to follow is considered a positive step.

Recommendation 6 (Chapter 3)

Mission Australia working with the gambling industry to encourage a consistent approach

The ACT Gambling and Racing Commission should, in conjunction with Mission Australia, work closely with the ACT's gambling industry with the intention of:

- a) increasing awareness and understanding among gambling venue staff of their roles and responsibilities in addressing gambling harm; and
- b) encouraging more consistent implementation to the Code of Practice relating to minimising harm caused by problem gambling.

The Commission's Response:

Agreed.

The Commission agrees that increasing the awareness and skills of venue staff to enable them to better manage problem gambling in their venue is a positive step. Increased interaction with Mission Australia and between venues is considered to be useful in this area.

Enhanced information sharing and training opportunities will provide a more skilled workforce that is likely to result in greater consistency in the implementation of Code of Practice requirements and principles.

Recommendation 7 (Chapter 3)

Implement an electronic exclusion database

The ACT Gambling and Racing Commission should complete the redevelopment and implementation of the computerised exclusion database as a high priority.

The Commission's Response:

Agreed.

The Commission has commenced work in this area as a high priority.

Recommendation 8 (Chapter 3 and Chapter 4)

Increase public awareness

The ACT Gambling and Racing Commission should enhance its public awareness actions relating to responsible gambling and the risks of gambling harm. This could include:

- a) a direct link to the local counselling service provider website from, the Commission's website, once Mission Australia establishes its website;
- b) up-grading the Commission's website;
- c) enhancing promotion of the Commission's website especially in gaming venues;
- d) undertaking further research to inform the targeting of different groups; and
- e) making information on problem gambling symptoms available widely to assist people self-diagnosing gambling problems.

The Commission's Response:

Agreed.

Within available resources, enhancing licensee and public awareness is considered a positive step to increasing the knowledge about potential gambling issues and encouraging early intervention for those experiencing problems with their level of gambling activity.

Recommendation 9 (Chapter 4)

Set a time frame and strategy to reach the lower gaming machine cap

The ACT Government should set a time to achieve the 4 000 gaming machine cap and implement strategies to meet the target.

The Commission's Response:

This is a matter for the Executive and the ACT Legislative Assembly to consider.

The Economic Development Directorate's Response:

This is a matter of policy for the Minister, and the Executive to consider.

The report relies upon historical rates of reducing gaming machine numbers in order to estimate the time it may take to reach the proposed cap. The continuing maturing of the clubs industry in the Territory, however, is giving rise to better understanding within the clubs of the benefits of, and need for, diversifying resources.

This diversification is likely to provide further impetus to the divestment of gaming machines by clubs, but in the manner and at a rate that does not threaten their viability, and

Summary and conclusion

preserves their capacity to maintain the significant contributions to the community made by the club industry.

2. CONTEXT FOR MINIMISING GAMBLING HARM IN THE ACT

In this chapter the framework for minimising gambling harm is considered. Research is particularly important in shaping components of this framework.

SUMMARY

Problem gambling is a complex issue with significant consequences. Although problem gambling can occur in relation to any form of gambling, it is particularly prevalent in those gamblers who use electronic gaming (poker) machines.

The ACT has been and remains in the vanguard in initiating progressive policies and initiatives for minimising harm caused by problem gambling. This includes being the first Australian jurisdiction to introduce a mandatory Code of Practice for licensees, establishing a gambling research centre with the Australian National University, and fostering a direct relationship between counselling services and the gambling industry and research. The Commission is working with the Australian National University to gain a better understanding of the social and economic effects of gambling and problem gambling. This research will help to build an evidence base for policies and initiatives aimed at addressing gambling harm.

The Commission has, and continues to, play an important role in shaping the framework intended to minimise harm caused by problem gambling. Nevertheless, improvements are needed to the framework. The Commission should:

- review the Code of Practice as this was last undertaken in 2004;
- improve its corporate planning and reporting by better aligning information in its Strategic Plan, Annual Reports and its Budget Papers/Performance Measurement Framework and include an assessment and evaluation of its effectiveness in reducing the risks and costs, to the community and to individuals, of problem gambling; and
- develop procedures to guide and document its consideration of research finding and recommendations, and its monitoring of developments in other jurisdictions.

Key findings

- The Productivity Commission report on gambling (February 2010) showed that in Australia:
 - 62 percent of gambling expenditure is from gaming machines;
 - around 75 to 80 percent of problem gamblers play gaming machines;
 - in comparing the number of games played per hour for different types of gambling, around 650 games can be played on a gaming machine compared to around 100 black jack games, 40 roulette games and five races; and
 - the possible cost of playing a gaming machine in the ACT, assuming a maximum \$10 bet per game, and a 90 percent return to the player is \$1 200. That is, a player could potentially loose \$1 200 per hour. Turnover (the

amount wagered) would potentially be \$12 000 in a single hour.

- In June 2009, the ACT was estimated to have 1 370 adults (0.5 percent of the then adult population) who were problem gamblers and further 14 525 people (5.3 percent) who were reporting symptoms of problem gambling. While the estimated number of problem gamblers was small, for each person, it is estimated that at least another seven people are directly affected. This means that around 9 600 people may be directly affected by problem gambling in the ACT.
- Research suggests that the more frequently a person gambles the more likely they will develop problem gambling symptoms. It is estimated that in June 2009 there were 48 234 high frequency gamblers in the ACT and a further 46 863 were medium frequency gamblers (17.6 percent and 17.1 percent of the then adult population respectively). Approaches for dealing with problem gambling should target a broader range of gamblers as well as those already identified as problem gamblers.
- The ACT has been and remains in the vanguard in initiating progressive actions for minimising harm caused by problem gambling. For example, the ACT was the first jurisdiction in Australia to introduce a mandatory Code of Practice. This Code includes significant measures to deal with gambling harm and has stood the test of time when compared to other jurisdictions. However, it is time to review the Code as it has not been reviewed since 2004.
- The Commission's Strategic Plan offers no detail on how its broadly defined strategies will be implemented to meet the Commission's identified key objectives. The Commission does not have an action plan to guide implementation of the strategies and does not report specifically against the key objectives in the Strategic Plan in its public reporting.
- The ACT contributes to and monitors national research on gambling and its social effects, through Gambling Research Australia, an initiative of the Council of Australian Governments. As well, in 2002 the Commission established the Centre for Gambling Research in collaboration with the Australian National University to undertake local research. The Centre is undertaking a steady program of research activities. There is scope to improve how the Commission documents its consideration of research findings and recommendations.
- Although in the ACT the Commission has the pivotal role in minimising gambling harm, several ACT Government agencies provide services that can be accessed by people experiencing gambling harm or used to assist in minimising problem gambling. The Commission should work with relevant ACT Government agencies to identify opportunities for integrating their activities to minimise harm caused by problem gambling.

THE NATURE OF PROBLEM GAMBLING

2.1 The Productivity Commission has defined gambling as:

...an entertainment based on staking money on uncertain events driven by chance, with the potential to win more than staked, but with the ultimate certainty that gamblers as a group will lose over time.⁵

2.2 A 'responsible' gambler spends only what he or she can afford. The Productivity Commission notes that:

Like most other recreational activities (such as going to the movies or taking holidays), gambling involves spending the income remaining after having met non-discretionary expenditures (such as buying food or paying rent).⁶

2.3 Not all gamblers can manage their gambling activities. As the Productivity Commission notes:

Gambling may become problematic when it interferes with non-discretionary expenditures, when gambling behaviours do not emulate the enjoyment of a recreational activity or when people's expenditure decisions are only weakly informed. While clearly harmful, these behaviours may affect people who would not necessarily be classified as problem gamblers.⁷

2.4 There is no agreed definition of problem gambling. The Productivity Commission describes it as 'an abstract and contested construct'⁸ that involves a cluster of behaviours. Problem gambling is 'characterised by difficulties in limiting money and/or time spent on gambling which leads to adverse consequences for the gambler, others or for the community'.⁹ The ACT's *Code of Practice* issued under the *Gambling and Racing Control (Code of Practice) Regulations 2002* states that:

...a person who cannot manage properly their gambling activities is taken to have a gambling problem.¹⁰

2.5 Problem gambling is not a problem in isolation. A problem gambler often has other addictions like alcohol or drug abuse, and often experiences relationship or financial stress. The consequences of problem gambling may include financial harm, crime, family dysfunction and domestic violence. Furthermore, it is estimated that for every problem gambler, another seven people are adversely affected.

⁵ Productivity Commission, *Inquiry Report Gambling Volume 1* February 2010, page 1.4

⁶ Ibid

⁷ Ibid

⁸ Productivity Commission, op cit, page 5.1

⁹ Neal P, Delfabbro P, O'Neil M. *Problem gambling and harm: a National definition*. Adelaide, Australia: South Australia Centre for Economic Studies, 2005.

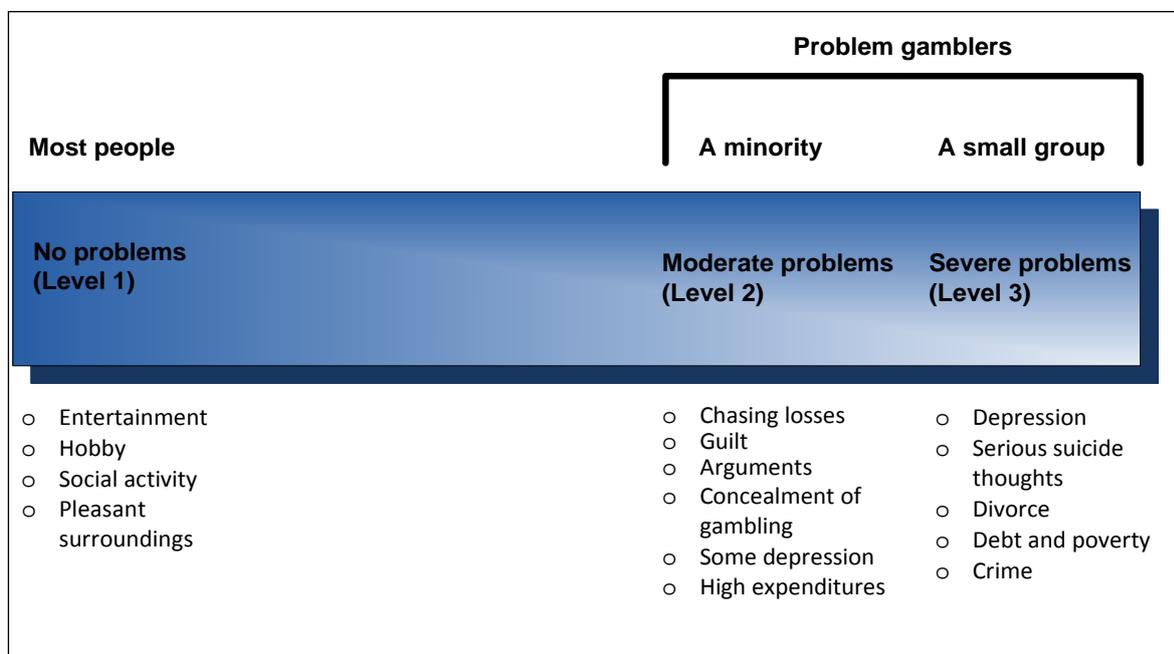
¹⁰ *Gambling and Racing Control (Code of Practice) Regulations 2002*, Schedule 1 – Code of Practice, Part 1.2 – Meaning of gambling problem

2.6 Problem gambling is a complex issue with significant consequences. It is particularly prevalent in gamblers who use electronic gaming (poker) machines. The Productivity Commission report on gambling showed in Australia:

- 62 percent of gambling expenditure is from gaming machines;
- around 75 to 80 percent of problem gamblers play gaming machines;
- in comparing the number of games played per hour for different types of gambling, around 650 games can be played on a gaming machine compared to around 100 black jack games, 40 roulette games and five races; and
- the possible cost of playing a gaming machine in the ACT, assuming a maximum \$10 bet per game, and a 90 percent return to the player is \$1 200. That is, a player could potentially loose \$1 200 per hour. Turnover (the amount wagered) would potentially be \$12 000 in a single hour.

2.7 Problem gambling behaviours can be considered on a continuum of increasing severity. The extremes extend from recreational gamblers enjoying the fun of (say) a Melbourne Cup flutter to problem gamblers experiencing severe harm from gambling. Between the extremes, there are people facing either heightened risks of future problems or varying levels of harm¹¹ (see Figure 2.1). A gambler’s behaviour may become increasingly destructive and rather than ceasing gambling they increase it in an attempt to escape their problems or to ‘win’ to reverse their downward spiral.

Figure 2.1: The gambling continuum



Source: Adapted from The Productivity Commission, 1999 *Report 10 Australia’s Gambling Industries*

¹¹ Productivity Commission, op cit, page 5.8

2.8 It is important to recognise that

... the most effective method of addressing problem gambling would be to eventually implement prevention strategies that reach low to moderate risk gamblers—that is, intervene before the gambler reaches the lower portion of the spiral.¹²

PROBLEM GAMBLERS IN THE ACT

2.9 It is difficult to get an accurate measure of how many problem gamblers there are in the ACT. Estimates are typically made based on surveys, and the survey method and basis for assessment of gambling behaviours will influence the outcome. For example, national measures of problem gambling now use the Canadian Problem Gambling Index (see Appendix E), but until recently they were based on the South Oaks Gambling Screen. The two measures produce different results (the South Oaks Gambling Screen consistently produced a higher rate of problem gamblers), making long-term comparisons problematic. The Canadian Problem Gambling Index has been adopted by all Australian jurisdictions as it is understood to be more accurate.

2.10 Based on statistical analysis using the Canadian Problem Gambling Index to generate prevalence rates, the Productivity Commission estimates that the number of problem gamblers in Australia in 2009 was somewhere between 80 000 and 160 000 (that is, between 0.5 and 1 percent of the adult population).¹³

2.11 The findings of a gambling prevalence study in the ACT published in November 2010 estimated that 70 percent of the ACT's adult population gambled legally at some time in 2009 and nearly half the adult population reported gambling on activities other than scratch tickets or lottery.¹⁴ This study, referred to in this report as the 2010 gambling prevalence study, was undertaken in 2009 by the Australian National University, for the ACT Gambling and Racing Commission. Legal gambling takes many forms such as betting with bookmakers, ACTTAB or at the Canberra casino, or gambling on electronic gaming (poker) machines, instant lottery, interactive gaming, Keno, lotteries, lotto, pools and sports betting.

2.12 The 2010 gambling prevalence study estimated that there were 1 370 adults in the ACT who could be considered problem gamblers (see Table 2.1). The study used the Canadian Problem Gambling Index and projected its findings based on the estimated June 2009 adult population of the ACT (274 054). The estimated number of problem gamblers was equivalent to 0.5 percent of the ACT population, which compares to 0.4 percent in New South Wales, Queensland and South Australia and 0.7 percent in Victoria.

¹² NFO Donovan Research, *Qualitative Research To Develop A Communication Strategy For Problem Gamblers*, March 2003. Commissioned by the Problem Gambling Support Services Committee WA Department Of Racing, Gaming & Liquor. Available from <http://www.rgl.wa.gov.au/Default.aspx?NodId=117&DocId=458> (accessed 03 January 2012).

¹³ Productivity Commission, *op cit*, page 5.16

¹⁴ The Australian National University, *2009 Survey of the Nature and Extent of Gambling, and Problem Gambling, in the ACT*, research study for the ACT Gambling and Racing Commission, November 2010, available from <http://www.gamblingandracing.act.gov.au/Documents/Recent%20Research/ACT%20Gambling%20Prevalence%20Study.pdf> [accessed 7 September 2011].

2.13 While the estimated number of problem gamblers was small, if for every problem gambler at least another seven people are directly affected, it means that around 9 600 people may be directly affected by problem gambling in the ACT. Furthermore, this study estimated that there were 14 525 (5.3 percent) people who were reporting symptoms of problem gambling (see Table 2.1).

Table 2.1: Gambling risk assessment: Findings of the Gambling Prevalence Study applied to the estimated June 2009 adult population (274 054)

Category	Proportion based on survey	Equivalent number of adults
Problem gamblers	0.5%	1 370
Moderate risk problem gamblers	1.5%	4 111
Low risk problem gamblers	3.4%	9 318
Total reporting symptoms of problem gambling	5.3%	14 525

Source: The Centre for Gambling Research: ACT Gambling Prevalence Study – November 2010. Summary of Findings

2.14 Research also suggests that the more frequently a person gambles the more likely they will develop problem gambling symptoms. Table 2.2 shows the projected findings of the 2010 gambling prevalence study regarding frequency of gambling, based on the estimated June 2009 adult population of the ACT (274 054).

Table 2.2: Gambling frequency: Findings of the Gambling Prevalence Study applied to the estimated June 2009 adult population (274 054)

Category	Proportion based on survey	Equivalent number of adults
High frequency gamblers ¹	17.6%	48 234
Medium frequency gamblers ²	17.1%	46 863
Low frequency gamblers ³	35.2%	96 467
Non-gamblers	30.2%	82 764

Note:

1 High frequency gambling: 48+ times in the past year, or 4+ times per month.
 2 Medium frequency gambling: 12 to 47 times in the last year.
 3 Low frequency gambling: fewer than 12 times in the last year.

Percentages have been rounded to nearest 0.1%. Numbers are estimates of the number of adults in the ACT population for each category.

Source: The Centre for Gambling Research: ACT Gambling Prevalence Study – November 2010. Summary of Findings

2.15 The 2010 gambling prevalence study also estimated that 44.5 percent of people gambling weekly or more on activities other than scratch tickets or lotteries were experiencing some symptoms of problem gambling and 5.6 percent were identified as problem gamblers. For those who played gaming machines weekly or more, 55 percent were experiencing some symptoms of problem gambling and 8.9 percent (one in eleven) were problem gamblers. This strongly suggests that

approaches to dealing with problem gambling should target a broader range of gamblers as well as those already identified as problem gamblers.

- 2.16 The figures presented in Tables 2.1, 2.2 and quoted in paragraph 2.15 are based on responses to a survey using the Canadian Problem Gambling Index for the ACT's adult population. They may understate the number of people in the ACT with severe gambling problems as research by the Productivity Commission has shown that 'many people are understandably reluctant to give honest answers to an interviewer about their gambling problems'.

THE ACT GAMBLING AND RACING COMMISSION

- 2.17 The *Gambling and Racing Control Act 1999* (the Gambling Control Act) is the overarching legislation enacted in the ACT to regulate the gaming industry and facilitate monitoring and minimising harm caused by problem gambling. It is one of many separate Acts and Regulations that relate to gambling (see Appendix D). Importantly, it establishes the ACT Gambling and Racing Commission (the Commission). Section 6 outlines the Commission's functions. Particularly relevant to this audit are the functions of monitoring and researching the social effects of gambling and of problem gambling, and providing education and counselling services. The Commission is also required to review legislation and policies and make recommendations to the Minister.
- 2.18 The Commission is required to consider and as far as practicable seek to reduce the risks and costs of problem gambling when exercising its functions. However, it is required to do this while also minimising the regulatory burden on industry, the costs and benefits of any proposal, protecting public moneys and other Government policies relevant to particular circumstances.
- 2.19 Section 7 of the Gambling Control Act requires the Commission to consider three key objectives when exercising its functions, under an overarching objective of promoting the public interest. These are promoting consumer protection, minimising criminal/unethical activity, and reducing risks and costs to the community and individuals from problem gambling. The Commission has advised that although the Act refers to 'problem gambling', contemporary practice and research in this area tends to consider problem gambling as part of the continuum of 'gambling harm'. Accordingly this has a broader scope than the term 'problem gambling' may suggest.
- 2.20 The prevalence of gambling harm in the community is the result of a number of factors. In the broadest sense it is related to the overall level of gambling activity in the community. This is influenced by factors such as the economic climate, availability of gaming options and cultural preferences.
- 2.21 While government policy concerning gaming machines and other forms of gambling, and industry behaviours and the application of statutory requirements may influence the prevalence of gambling harm, the attitude and behaviour of individuals within the community is fundamental. Changing attributes and behaviour is challenging. The Commission tries to meet this challenge through education and monitoring/enforcing statutory compliance by licensees and providing educational information.

- 2.22 Under section 18 of the Gambling Control Act the Commission is required to develop and review a Code of Practice for all gambling licensees. The Commission has advised that its primary approach to achieving legislated functions concerning gambling and its social impacts is through the mandatory Code of Practice and its activities surrounding research, education and counselling. In more general terms, when undertaking legislative reviews and making recommendations to the Minister, the Commission also considers the harm minimisation aspects of gambling and problem gambling.
- 2.23 The Commission has a governing board consisting of the Chief Executive Officer of the Commission and four non-executive members. In accordance with the Gambling Control Act one of the members ‘must have knowledge, experience or qualifications related to providing counselling services to problem gamblers’. This requirement has been met. The board meets monthly. Board members informed Audit that reducing risks and costs to the community and individuals from problem gambling was considered when making Board decisions. Audit notes that briefing papers for the board (such as a proposal to approve a new ACTTAB sub-agency) specifically considered whether relevant harm minimisation measures were being applied. For the purpose of this audit, an important role of the Board includes approving research undertaken by the Centre for Gambling Research and approval of gaming industry’s Community Contributions.
- 2.24 The Commission has an important role in minimising gambling harm, and has extended this role beyond regulation. Effectively addressing gambling harm, however, requires the cooperation of many, including the gaming industry and the individuals who gamble. The gaming industry, for example, has a particular responsibility to effectively implement regulatory requirements such as the Code of Practice, and a broader responsibility to provide gaming services in a professional manner in keeping with community expectations.
- 2.25 Testing conducted in ACT clubs as part of this audit showed varying levels of adherence to regulatory requirements, perhaps reflecting variability in the understanding of responsibilities. The Commission’s ongoing relationship with the industry and the recent engagement of Mission Australia to provide a range of services, including working directly with gambling venue staff, is important in minimising gambling harm.
- 2.26 In chapter 3, the Commission’s actions to ensure the satisfactory implementation of the industry Code of Practice are presented, as well as their education and counselling activities.

MANDATORY CODE OF PRACTICE

- 2.27 The ACT has been and remains in the vanguard in initiating progressive actions for minimising harm caused by problem gambling. For example, it was the first jurisdiction to:
- introduce a mandatory Code of Practice (2002) - see paragraphs 2.28 to 2.38;

- establish a local gambling research facility (the Centre for Gambling Research at the Australian National University (2002)) - see paragraph 2.52; and
 - foster a direct relationship between counselling services and the gambling industry and research (2011) - see paragraphs 3.96 to 3.104.
- 2.28 The *Gambling and Racing Control (Code of Practice) Regulation 2002* (Code of Practice) makes application of the Code of Practice mandatory for all licensees of a gambling facility.
- 2.29 The Code was developed, based in part on the findings of the Productivity Commission report *Australia's Gambling Industries 19 July 1999*, to replace a voluntary code that the Commission considered 'had minimal impact on controlling industry activity'.
- 2.30 The Explanatory Memorandum circulated by the then Minister for Sport, Racing and Gaming (Mr Ted Quinlin MLA) when the Regulation was to be debated in the Legislative Assembly notes:
- The Code of Practice is designed to present gambling operators with a minimum set of standards that should be met in providing patrons access to their gambling products. ... [It] provides a number of harm minimisation measures that are designed to reduce the likelihood that persons will gamble excessively. This strategy is aimed at reducing the financial impact on problem gamblers and their dependants. It is also in the public interest to promote consumer protection and reduce the risks and costs to the community and to individuals of problem gambling.
- 2.31 Several significant measures to deal with gambling harm were introduced by the Code. These include obligations on licensees:
- to give patrons information about gambling or gambling facilities that is not false or misleading. This information is to be available in 'a conspicuous way' and cover matters such as restrictions on cashing cheques, gambling limits, the chances of winning a major prize, rules for gambling offered by the licensee, exclusion programs, gambling contact officers at the venue and the Code of Practice;
 - to record problem gambling incidents;
 - not to encourage people to gamble beyond their means;
 - to appoint at least one gambling contact officer for a facility who has successfully completed an approved training program (refresher training is required every five years);
 - to keep a record of people with a gambling problem, discuss the possible gambling problem with them and to provide advice and information about gambling counselling services and any other appropriate action;
 - to voluntarily exclude people with a gambling problem;
 - to exclude a person from gambling at a facility if the licensee believes on reasonable grounds that the welfare of the person, or the person's dependants, is seriously at risk because of the person's gambling problem.

The licensee must prepare written procedures for dealing with people to be excluded from gambling at the facility;

- to keep a register of excluded persons;
- not to send promotional material to excluded people;
- to limit access to cash by not locating a cash facility (such as an ATM) in a gaming area;
- to restrict a person’s ability to cash a cheque at a physical gambling venue;
- to limit cash payouts;
- to provide sufficiently visible clocks and an adequate level of lighting;
- to limit gambling advertising, promotions and inducements.

2.32 Only two other jurisdictions have mandatory Codes: South Australia adopted its mandatory Code in February 2004, and the Northern Territory in 2006. Tasmania is introducing a mandatory Code in March 2012. All other jurisdictions have voluntary Codes.

2.33 A brief comparison of the ACT’s Code with other mandatory Codes shows that the Codes are generally similar in many respects, although the ACT’s Code appears to be more comprehensive with respect to harm minimisation.

Table 2.3: A brief comparison of mandatory Codes of Practice

Criteria	Jurisdiction			
	ACT	TAS	SA	NT
Self-exclusion	✓	✗	✓	✓
Problem Gambler Incident Register	✓	✗	✓	✓
Staff training	✓	✓	✓	✓
Refresher staff training	✓	✗	✓	✓
Approval or audit of staff training	✓	✗	✓	✗
Loyalty program restrictions	✓	✓	✓	✗
Visibility of gaming rooms	✗ ¹	✗	✓	✗
Playing more than one machine at a time	✗	✗	✓	✓
Access to ATMs restricted	✗ ¹	✓	✗	✗
Assistance in multiple languages	✓	✗	✓	✗
Limits on cash payouts of winnings	✓	✓	✗	✗
Gambling restrictions on staff	✓	✗	✗	✗
Review of Code	✗	✓	✗	✓
Note 1	These aspects are included in the ACT’s <i>Gaming Machine Act 2004</i>			

Source: Audit analysis of Codes of Practice

- 2.34 Unlike the ACT's Code, the Tasmanian Code does not have self-exclusion or club-exclusion options for patrons.
- 2.35 The South Australia's December 2008 revised Code of Practice introduced an internal recording system for licensees, similar to the ACT's Problem Gambling Incident Register. The South Australian Code has a few differences, including:
- South Australia has requirements to provide poster and pamphlets in other specified languages. ACT has the requirement to provide a translator if asked;
 - South Australia requires training to be in-house or refreshed every two years, and the licensee must have the training program audited. The ACT Code requires training to be refreshed every five years;
 - the ACT Commission approves the training content, South Australia requires training content to be audited by an independent auditor;
 - South Australia does not allow patrons to play more than one machine at a time;
 - South Australia requires club staff to monitor its 'Problem Gambling Incident Register' every two weeks. This is not an ACT requirement; and
 - South Australia requires licensees to monitor the use of the coin dispensing machine.
- 2.36 The ACT Government committed to review the implementation of the ACT Code twelve months after it was introduced. This occurred, and considerable effort was made to ensure community and industry participation. The review of the Code indicated it had been well accepted by industry. The review concluded that the Code was 'operating well with most licensees taking their responsibilities very seriously'. The review resulted in 30 amendments to the Code.
- 2.37 In the ACT, other legislation has been amended or introduced that has some relevance to gambling harm. This includes the *Gaming Machine Act 2004* and the *Casino Control Act 2006*. Among other things, the Gaming Machine Act prohibits gaming rooms from being visible from outside the licensed venue, and restricts access to ATMs in gaming rooms.
- 2.38 Notwithstanding the availability of new research findings, including those of the Productivity Commission in 2010, there has been no review or further amendment of the ACT Gambling Code of Practice since 2004. A review of the Code is warranted to ensure it reflects recent local, national and international research findings, developments in other jurisdictions and demonstrates better practices in managing gambling harm.

Recommendation 1 (a)

The ACT Gambling and Racing Commission should initiate a review of the Gambling Code of Practice taking into account:

- a) recent developments in other jurisdictions and research.

THE COMMISSION'S STRATEGIC PLAN

- 2.39 The Commission's Strategic Plan 2009-13 includes the following vision:
- To create an environment in which stakeholders have the highest degree of confidence in the integrity of the Territory's approved gaming and wagering industries and where the harm caused by problem gambling is minimised.
- 2.40 This emphasises the regulatory role of the Commission (which focuses on promoting consumer protection and minimising the potential for criminal and unethical activity) and its 'social responsibility' activities (which aim to reduce the risks and costs of problem gambling through harm minimisation and prevention measures while retaining as many benefits as possible for recreational gamblers).
- 2.41 Six key objectives are presented in the strategic plan to support the Commission's vision; of these, three relate to minimising harm caused by problem gambling:
- to minimise the negative impact caused by problem gambling;
 - to keep informed about developments in gambling harm minimisation strategies and research conducted into problem gambling; and
 - to ensure that members of the community are provided with information to enable them to make informed decisions about their gambling.
- 2.42 The key objectives are underpinned by several strategies, which although aligning with the Commission's activities are not explicitly linked to its operational activities. A strong theme in the Commission's activities is monitoring and researching the social and economic effects of gambling and problem gambling. The Commission has a strategy to 'build on-going partnerships' with various parties including other gambling regulators, gambling providers and counselling services, with the aim of exchanging research. The Commission also has a strategy to 'coordinate ... and monitor research conducted in other Australian and overseas jurisdictions'.
- 2.43 The Commission's strategy also presents its commitment to 'ensure that community education is undertaken ... to enable individuals to make an informed choice concerning their gambling behaviour'. The Plan indicates this will largely be achieved through providing appropriate information to the community and licensees.
- 2.44 The Commission's Strategic Plan is a two-page document intended to guide the full range of its activities, much of which is directed towards administering the gaming laws and controlling, supervising and regulating gaming in the ACT. While a strategic plan by its nature is succinct, such plans are usually supported by an action plan (or similar) that details how the plan will be implemented. No such supporting plans exist with respect to the Commission's plan.
- 2.45 The Commission does not report specifically against the Plan's key objectives in its public reporting. This could be done through qualitative and/or quantitative reporting. Its Statement of Performance developed under the ACT Government's Performance Measurement Framework and published in the Commission's

Annual Reports for 2009-10 and 2010-11 outlines a different set of organisational objectives and associated strategic and accountability indicators.¹⁵ The more detailed ‘analysis of performance’ in the Commission’s annual reports does not report against the Strategic Plan objectives, although it is generally relevant to the stated objectives.

- 2.46 There is scope for the Commission to improve its corporate planning and reporting by aligning information in its Strategic Plan, Annual Reports and Budget Papers/Performance Measurement Framework; and developing an action plan or its equivalent. (This is discussed further in chapter four, paragraphs 4.25 to 4.28.)

Recommendation 2 (a), (b) and (c)

The ACT Gambling and Racing Commission should improve its corporate planning and reporting by:

- a) specifically reporting against the objectives and strategies included in its Strategic Plan;
- b) better aligning information used in its Strategic Plan, Annual Reports and its Budget Papers/Performance Measurement Framework; and
- c) supporting its Corporate Plan with an action plan or its equivalent.

RESEARCH TO SUPPORT THE COMMISSION’S HARM MINIMISATION ACTIVITIES

- 2.47 Ideally, policies and initiatives aimed at addressing problem gambling in the ACT should be supported by research, analysis and experience from within the ACT and other jurisdictions. Research on problem gambling, however, is a relatively new field and it will take some time to build a substantial evidence base. A recent performance audit completed by the Victorian Auditor-General’s Office titled *Taking Action on Problem Gambling* (July 2010) examined the development of a five-year strategy introduced by the Victorian government in October 2006 to address problem gambling. The audit concluded that:

Due to the limited national and international research in the field of problem gambling, the evidence underpinning the inclusion of specific initiatives in the strategy was not sufficient to indicate that they would be successful in reducing the prevalence of problem gambling and gambling-related harm.

- 2.48 Monitoring and researching the social and economic effects of gambling and problem gambling feature prominently in the Commission’s activities. Maintaining productive partnerships with other gaming regulators and research

¹⁵ The Statement of Performance is required under the ACT Performance and Accountability Framework. The Statement of Performance is the means through which agencies report their results against the performance measures outlined in the budget for the year. The accountability and strategic indicators in the Commission’s Statement of Performance have been essentially unchanged since 2007-08.

institutions is seen as an important way to build a sound understanding of relevant issues, and will contribute to a useful exchange of information.

National research

- 2.49 Since 1999, the Council of Australian Governments (COAG) has identified gambling as a matter of national significance. Under COAG, the Ministerial Council on Gambling was established to ‘auspice the development of a national strategic framework, to be implemented by State and Territory governments, around prevention, early intervention and continuing support, building effective partnerships and national research and evaluation’.¹⁶ Problem gambling was a major area of interest.
- 2.50 A working group comprising representatives of all jurisdictions was established in 2001 to develop a national gambling research program. This group, now known as Gambling Research Australia, monitors current research programs within Australian jurisdictions and facilitates new research initiatives on a national basis.¹⁷ The ACT contributes to Gambling Research Australia through a financial contribution from the Commission. The financial contribution is proportionate to gambling taxes collected by each jurisdiction.
- 2.51 Gambling Research Australia publishes its research papers online (<http://www.gamblingresearch.org.au>). Since 2006 almost twenty research projects have been completed or are under way.

Research in the ACT

- 2.52 In May 2002 the Commission and the Australian National University signed a Deed to establish the Centre for Gambling Research (the Centre). Each party contributed \$1.1 million to establish the Centre. The Deed is to be reviewed every five years to ensure the requirements of all parties are being met. It was extended in April 2009 for a further five years. The Centre may undertake research not funded by the Commission.
- 2.53 The Commission pays for each research project in addition to the \$1.1 million contributed initially. Over the last three financial years the Commission has paid an additional \$224 300 for research by the Centre.
- 2.54 In accordance with the Deed, research and activities undertaken by the Centre must be designed to provide information and advice regarding:
- the social and economic effects of gambling;
 - the development of prevention strategies, harm minimisation measures and treatment of problem gambling;
 - the regulation of gambling;

¹⁶ Council of Australian Governments Communiqué 3 November 2000, available at http://www.coag.gov.au/coag_meeting_outcomes/2000-11-03/index.cfm#gamble [accessed 09 January 2012]

¹⁷ Gambling Research Australia, available at <http://www.gamblingresearch.org.au/about+GRA-The+Working+Party> [accessed 09 January 2012]

- the nature of the gambling industry; and
 - consumer education initiatives on gambling.
- 2.55 Work by the Centre is undertaken based on a five-year research framework jointly developed and agreed by the Commission and the Australian National University. The framework is considered to be ‘indicative only’, as funding priorities may change and the research itself will need to be informed by new evidence over time. The Commission works with the Centre to develop more specific research aims and methods for projects funded by the Commission. An annual work program approved by a Steering Committee guides and prioritises the research projects.
- 2.56 Specific aims of research for the five years commencing 2010-11 include:
- understanding personal, family and societal harms and benefits associated with gambling participation;
 - improving the understanding of the characteristics associated with gambling participation, problems and harms;
 - examining the co-occurrence of gambling with social and health problems;
 - understanding the barriers and facilitators for self-identification and help-seeking for gambling problems and harms;
 - identifying pathways through care, including entry and exit points, referral and transition practices; and
 - investigating the inter-sectorial services needed to support people with gambling problems, from early intervention and self-management for those ‘at-risk’, through to specialised services for people experiencing significant gambling harms.
- 2.57 The research performed by the Centre since 2004 has included studies on:
- profiling problem gambling symptoms in the ACT (2011);
 - help-seeking and uptake of services amongst people with gambling problems in the ACT (2011);
 - prevalence of gambling and problem gambling in ACT (2010);
 - young men and gambling in the ACT (2005) and adolescent gambling in the ACT (2005);
 - review of the ACT Government's Harm Minimisation Measures (2005);
 - help seeking by problem gamblers, friends and families (2004);
 - the use of ATMs in ACT gaming venues (2004); and
 - gaming machine accessibility and use in the Tuggeranong Valley (2004).
- 2.58 In 2009 the Centre undertook a prevalence survey which was published in 2010 (see Appendix F) which updated the Commission’s understanding of the prevalence of gambling harms in the ACT. The Commission funded further research to explore two key areas of concern from the survey. These reports were

published in October 2011. The first is concerned with developing an understanding of socio-economic factors that are most relevant or associated with gambling harms. The second report explores why so few people with gambling problems seek help (a phenomenon often noted in Australian prevalence studies). This report considers services used by problem gamblers so support services offered in the future, align with problem gambler preferences. The second report has assisted the Commission in developing the agreement for counselling services provided by Mission Australia (see paragraphs 3.96 to 3.104).

From research to policy

- 2.59 Given the importance of research and monitoring activities to the Commission's work, Audit expected the Commission to have a documented process for analysing research results and documenting implications for the ACT. While it was possible to discern links between research and some initiatives of the Commission (see Appendix F), there is no documented process for reviewing and analysing research findings nor is there a statement of consideration (or similar document) to explicitly show how research findings and recommendations have been considered by the Commission. Without these there is a risk that the corporate knowledge that guides the Commission's current processes could be lost if key officers were to leave.
- 2.60 A procedure, even if it is succinct and simple, needs to be defined and documented. This should result in the preparation of a statement of consideration (or similar document) demonstrating that the research has been reviewed and analysed for relevance to the ACT environment. A similar process could be applied to the Commission's role in monitoring developments in other jurisdictions.
- 2.61 A statement of consideration could include documenting matters such as:
- the purpose of the study, and its relationship to ACT research priorities and harm minimisation strategies;
 - the relevance to target groups (such as indigenous persons or persons from a culturally and linguistically diverse background);
 - the overall quality of the research and evidence to support recommendations;
 - the relevance of findings and recommendations to the ACT (recognising matters such as the consistency with other harm management initiatives, practicality, alternatives, stakeholder consultation needs, intended outcomes and possible changes to the Code of Practice);
 - a recommendation regarding further action that may be warranted by the Commission and where relevant gives consideration to an implementation strategy (including costs, timing, communications etc); and
 - where relevant, review and evaluation processes.
- 2.62 The statement of consideration should be formally circulated within the Commission for discussion and approval as necessary.

Recommendation 3 (a) and (b)

The ACT Gambling and Racing Commission should enhance its research and monitoring of the risks and costs of problem gambling in the ACT and gambling harm by:

- a) defining and documenting its procedure for reviewing and analysing research findings and recommendations; and
- b) using a statement of consideration (or similar document) to explicitly show how research findings and recommendations have been considered by the Commission.

INTEGRATING COMMISSION AND ACT GOVERNMENT ACTIVITIES

2.63 Although in the ACT the Commission has the pivotal role in minimising gambling harm, several ACT Government agencies provide services that can be accessed by people experiencing gambling harm or used to assist in minimising problem gambling.

2.64 People seeking help for issues related to problem gambling are not just problem gamblers, but also include family and friends, employers, and medical practitioners. People seek assistance for a great many issues including:

- financial problems;
- relationship/marital problems;
- emotional well-being issues such as anxiety and depression;
- loss of, or impact on, employment;
- family conflict;
- legal concerns;
- emergency relief;
- medical and health issues; and
- substance related problems.¹⁸

2.65 It follows that dealing with problem gambling, and minimising the harm to individuals and the community from it, is a complex matter. Just as there is no agreed definition of problem gambling, there is no single approach to dealing with the effects of problem gambling. Some approaches focus on problem gambling as a medical issue—an addiction or illness—whereas others may consider problem gambling as a behavioural problem—focusing on ‘unlearning’ bad habits.¹⁹

2.66 ACT Government agencies providing services that can be accessed by problem gamblers or used to assist in minimising problem gambling include the:

¹⁸ Data Analysis Australia Pty Ltd, *Review of Services for Problem Gambling*, March 2002. Commissioned by the Problem Gambler Support Services Committee WA Department Of Racing, Gaming & Liquor. Available from <http://www.rgl.wa.gov.au/Default.aspx?NodeId=117&DocId=458> (accessed 03 January 2012).

¹⁹ Productivity Commission, op cit, page 7.28

- Health Directorate, which provides medical services, including mental health services for people who develop or have serious mental health problem arising from or co-occurring with a gambling problem;
- Community Services Directorate, which provides assistance regarding housing and family support; and
- Education and Training Directorate, which provides educational services.

2.67 The Commission has a legislated function to monitor and research the social effects of gambling and of problem gambling, and to provide relevant education and counselling services. The Commission has a vision that includes ‘to create an environment ... where the harm caused by problem gambling is minimised’²⁰ and has developed several relevant key objectives. The Commission’s activities are a vital component of a broad range of government, industry and community efforts to tackle the significant social effects of problem gambling in the ACT.

2.68 There appear to be opportunities to more explicitly integrate the activities of the Commission and ACT Government agencies that are directly and indirectly related to problem gambling. An integrated approach to provide services, programs and policies of ACT Government agencies involved in activities affecting gambling harm could focus on the multi-faceted themes initially promoted by the Council of Australian Governments as a means of guiding development of a national framework on problem gambling,²¹ namely;

- prevention;
- early intervention and continuing support;
- building effective partnerships; and
- research and evaluation.

2.69 For example, with respect to ‘prevention’, activities of the Education and Training Directorate lend themselves to explicitly including harm minimisation from gambling. This Directorate provides students in the ACT, through the ACT curriculum framework and the new Australian Curriculum, the opportunity to learn about money and finance and gain knowledge and understanding about responsible borrowing and lending and risks associated with impulse buying, credit and gambling. The Directorate advised Audit that it would welcome the opportunity of working with the Commission regarding the provision of information on responsible gambling as appropriate to ACT schools.

2.70 Audit notes that unlike some other jurisdictions,²² there is no overall strategy or plan that integrates the relevant services and programs of ACT Government agencies that could be used to assist in tackling the significant social effects of problem gambling. Whether such a formal approach is required in a small jurisdiction like the ACT is debateable, however, Audit encourages the

²⁰ ACT Gambling and Racing Commission, Strategic Plan 2009-2013.

²¹ National Framework on Problem Gambling 2004-2008, developed by the Ministerial Council on Gambling at the request of the Council of Australian Governments

²² See, for example, the Victorian Government’s five-year plan *Taking Action on Problem Gambling Strategy*.

Commission to work closely with relevant ACT Government agencies and to develop strong linkages to ensure the full benefits of the Government's various activities related to harm minimisation are realised.

Recommendation 4

The ACT Gambling and Racing Commission and ACT Government agencies (such as the Health, Community Services, Education and Training and Economic Development Directorates) should identify opportunities for integrating their activities to minimise harm caused by problem gambling.

3. TAKING ACTION TO MINIMISE GAMBLING HARM

The Commission is required by legislation to consider and seek as far as practicable to reduce the risks and costs of problem gambling when exercising its functions. This chapter examines the Commission's actions in this regard.

SUMMARY

One of the more important initiatives for minimising harm caused by problem gambling initiated in the ACT has been the introduction of a mandatory Code of Practice for licensees of a gambling facility. There is considerable variability in how some licensees are implementing requirements of the Code. The Commission needs to:

- provide guidance to licensees in how best to meet the requirements of the Code of Practice through developing a 'Better Practice Guide' or using some other mechanism, while acknowledging licensees that adopt better practices;
- pursue amendments to the Code of Practice that encourage licensees to:
 - provide routine briefings by Gambling Contact Officers to all staff who provide gambling services;
 - prepare procedures to guide staff on the use of the Problem Gambling Incident Register and encourage consistency in reporting and recording incidents;
 - present all information relating to problem gambling in 'a conspicuous way' and present information that is accurate and relevant;
 - improve the consistency of signage and warning notices and display these in 'a conspicuous way';
 - enhance the use of the Register of Excluded People; and
- give high priority to implementing the Tasmanian exclusion database in the ACT.

The Commission should also enhance its public awareness actions by, for example, undertaking further research to inform the targeting of different groups and making information on problem gambling symptoms available widely to assist people self-diagnosing gambling problems.

Key findings

- Gambling problems are not identified early enough by individuals. Few people with gambling problems sought or received help, and most did not seek help until they were at risk of, or contemplating, suicide. More effective ways to raise public awareness of responsible gambling, problem gambling symptoms and the risks of gambling harm are needed.
- The Commission's problem gambling websites are informative, but not as comprehensive as similar sites in other jurisdictions.
- The Commission audits licensees' compliance with legislation and the Code of Practice at least once annually. The Commission's compliance audits only test

that a particular requirement has been met, but not how well it has been met.

- To look at levels of compliance this audit tested implementation of problem gambling related sections of the Code in twenty clubs and found:
 - two staff of one venue, who were providing gambling services, had not received required training (of the 48 breaches of the code identified by the Commission's compliance audits in 2010-11, 65 percent were for the failure to provide training to staff as required);
 - Gambling Contact Officers interviewed by Audit showed a generally sound understanding of their responsibilities but did not routinely provide briefings to other staff who provide gambling services to communicate the responsibilities of staff under the code and to identify incidents that might suggest a patron may have problem gambling symptoms;
 - all venues had a Problem Gambling Incident Register as required by the Code, but the registers typically contained few entries. The compliance reviews by the Commission cannot provide assurance that all incidents that should be recorded have been recorded. Stakeholders consulted by Audit agreed the Register was a useful tool, but felt that licensees were not making full use of it;
 - information regarding problem gambling, such as brochures on responsible gambling, was not always displayed in 'a conspicuous way'. Some clubs had brochures on the floor; and
 - self exclusion registers maintained by licensees are mostly manual. Of the registers reviewed by Audit, twenty percent of the exclusions were not current. The Commission is intending to introduce a computerised exclusions database that will simplify processes for multiple venue exclusions.
- The gaming industry was encouraged to support initiatives to minimise gambling harm through their community contribution schemes. ACT gaming machine turnover was \$2.08 billion in 2008-09, and gross gaming machine revenue for ACT licensees (after returning winnings to players) was \$174.5 million. Of this 0.17 percent (\$305 640) was contributed by clubs to fund problem gambling assistance.
- In July 2011 the Problem Gambling Assistance Fund was introduced through amendments to the *Gaming Machine Act*. This requires licensees to contribute 0.6 percent of gross gaming machine revenue to problem gambling. This is expected to raise more than \$1 million annually.
- The Commission is considering using the Problem Gambling Assistance Fund to meet the costs of counselling services and club liaison delivered by Mission Australia, and to undertake further research into ACT problem gambling.
- The Commission approved training for Gambling Contact Officers and staff who offer gambling services with the intention of ensuring that the training covered the requirements of the ACT Code of Practice. Discussions with licensee staff indicated training could be improved. The Commission should test the quality and effectiveness of training to ensure courses are delivering the intended outcomes.

COMPLIANCE AUDITS OF THE CODE OF PRACTICE

3.1 The Commission undertakes a program of audits across the full spectrum of gambling activities to test licensees' compliance with the Code of Practice (see paragraphs 2.28 to 2.38). This involves it auditing the casino, gaming machines, ACTTAB and lotteries. Details of the Commission's compliance-focused audits as well as investigations into alleged breaches of the rules, control procedures or legislation are included in the Commission's annual reports. Details of such investigations during 2010-11 are summarised in Table 3.1.

Table 3.1: Compliance audits undertaken by the ACT Gambling and Racing Commission during 2010-11

Type of venue	No. of audits	Number of breaches
Casino ¹		
Compliance audits	100	
Revenue based audits (payment of taxes)	12	
	112	411 'minor breaches' of the approved rules and procedures
Venues with gaming machines ²		
Compliance audits		
Full audits	67	
Random audits	51	
Specific purpose audits	71	
	189	
Audits of community contributions	62	
	251	195 breaches of relevant legislation
NOTES:		
1	One licensee	
2	69 licensees (58 clubs, 11 hotels/taverns)	

Source: ACT Gambling and Racing Commission Annual Report 2010-11

- 3.2 Audits of venues with gaming machines tend to fall within the following types:
- full audits of all licensee requirements including implementation of the Code of Practice;
 - audits of the licensee's community contribution required under the *Gaming Machine Act 2004* (community contributions are discussed in paragraphs 3.59 to 3.68 of this report); and
 - random and specific-purpose audits targeting areas of concern.
- 3.3 The compliance audits, particularly those that test implementation of the Code of Practice, are an important component of the Commission's activities to minimise the harm caused by problem gambling. The Commission conducted a full audit of each of the 62 licensed venues (licensees) during 2010-11, as well as an audit of

the licensee's community contribution. Many of the audits conducted during 2010-11, were 'random' audits or 'specific-purpose' audits that narrowly focused on particular requirements of the relevant legislation. Full audits are comprehensive compliance audits against the requirements of the Code of Practice and a range of other licensee requirements. Because they are time-consuming and require access to senior licensee staff, the Commission provides the licensee notice of full audits.

3.4 Aspects of the Code of Practice checked in the full compliance audits include:

- restrictions on advertising and promotions, visibility of gaming machines from outside the boundaries of the premises, venue layout, lighting and provision of clocks;
- restrictions on operating times for gaming machines;
- notices and warning signs;
- restrictions on cash payouts and cash facilities;
- appointment of a trained Gambling Contact Officer, initial and refresher training for new and existing staff;
- restrictions on staff gambling;
- existence of a gambling incidents register and completeness of entries; and
- existence of exclusion procedures and a register of excluded persons.

3.5 The Commission will generally issue a warning to the licensee when a breach of the legislation is identified, subject to the seriousness of the breach. For repeated offences or more serious breaches, the Commission will consider taking disciplinary action against the licensee. Disciplinary action, which may take the form of a reprimand, a monetary penalty of up to \$100 000 or the suspension or cancellation of a gaming machine licence, is only taken after the licensee has been given the opportunity to show-cause why the Commission should not take the proposed disciplinary action. During 2010-11, the Commission finalised disciplinary action against seven licensees for 17 breaches of the legislation such as a failure to submit audited accounts by the due date or allowing unauthorised persons to access gaming machines. None of these breaches were against the Code of Practice.

Moving beyond compliance audits

3.6 The Commission's compliance audits are not in-depth assessments of the implementation of the Code of Practice by licensees nor are they intended to be. For many of the aspects examined that deal with harm minimisation in some manner, the audits adopt a checklist approach, with the inspectors mostly answering either yes or no to a series of questions. The audits test the existence of evidence that a particular requirement has been met, but not how well it has been met. For example, questions about signage and the availability of information ask only whether the signs are present and the information is provided; the audits do not examine the quality of the signage or the information provided.

- 3.7 Some stakeholders commented to the Audit Office that some clubs did not appear fully committed to implementation of the Code of Practice; they met the Commission's requirements but were not 'sincere' in their application.
- 3.8 Audit examined the implementation of several requirements of the Code in a selection of ACT licensed clubs, and found considerable variability in how licensees were implementing requirements. Some had implemented practices that appeared to offer the potential to be effective while others had not. Given this variability and the fact that the Commission's compliance audits are not intended to be in-depth assessments of the implementation of the Code by licensees, action is needed to guide licensees in their implementation efforts. There may be several ways in which effective compliance can be achieved, accordingly flexibility is needed. A 'better practice' guide or some other mechanism may assist in this regard. The *Compliance Bulletins* or *Circulars* issued by the Commission to inform licensees about the Commission's regulatory requirements may be an appropriate means of communicating better practices. Those licensees who adopt better practices should be acknowledged.

Recommendation 5 (a) and (b)

The ACT Gambling and Racing Commission should:

- a) provide guidance to licensees in how best to meet the requirements of the Code of Practice through developing a 'Better Practice Guide' or using some other mechanism; and
- b) acknowledge licensees that adopt better practices.

Audit Office testing

- 3.9 This audit examined the implementation of several of the requirements of the Code of Practice in a selection of ACT licensed clubs. The premises for 20 licensees (out of 58 clubs or 35 percent) were visited and staff at the clubs interviewed. The clubs had more than 406 000 members and 1 917 gaming machines. The following aspects of the Code, which focus on gamblers who may have problem gambling symptoms, were examined:
- staff training;
 - Gambling Contact Officers, including communication with other staff;
 - use of the Problem Gambling Incident Register;
 - visibility of problem gambling information in licensed venues; and
 - use of the Excluded People Register.
- 3.10 Based on Audit's testing, changes need to be made to the Commission's compliance audit practices.

Staff training

- 3.11 Training is a requirement under the Code. All licensee staff providing gambling services (including full-time, part-time or casual staff members of the facility) and anyone supervising such staff are required to undertake an approved training program within the previous five years. The Commission has approved a Responsible Conduct of Gambling program that is tailored to the ACT. The Commission has not approved similar interstate programs for application in the ACT as each jurisdiction has different requirements and therefore programs vary.
- 3.12 Audit interviewed 34 staff in the 20 venues examined. All but two staff members had undertaken Responsible Conduct of Gambling training. The two untrained staff members were employed by the same licensee. One of the staff members was yet to attend the training and the other had only received Responsible Conduct of Gambling training in New South Wales.
- 3.13 It is the licensee's responsibility under the code to ensure that staff members are adequately trained before the staff member is involved in providing gambling services to patrons. Without such training, the staff member may not be fully aware of his or her responsibilities under the Code.
- 3.14 Several of the larger licensees advised Audit that it was practice to give all staff Responsible Conduct of Gambling training, regardless of whether the staff member was providing gambling services.
- 3.15 Audit notes that of the 48 breaches of the Code of Practice detected by the Commission during compliance audits in 2010-11, 31 related to the failure to provide training to staff as required (64.5 percent).
- 3.16 Training must be undertaken (or 'refreshed') within five years of the staff member providing gambling services. Given the importance of maintaining an understanding of the responsibilities of a staff member providing gambling services or of a gambling contact officer, and the nature of the hospitality industry, more frequent training may be beneficial, say every three years.

Recommendation 1(b)(i)

The ACT Gambling and Racing Commission should initiate a review of the Gambling Code of Practice taking into account:

b) means to encourage licensees to:

- (i) undertake staff refresher training every three years.

Gambling Contact Officers

- 3.17 Under the Code, licensees are required to nominate at least one staff member as a Gambling Contact Officer. Gambling Contact Officers must complete a specifically designed training program, which must be refreshed every five years. The training content is approved by the Commission to ensure it meets the requirements of the Code of Practice. This is in addition to the requirement that all licensee staff who provide gambling services must undertake a Responsible Conduct of Gambling course.
- 3.18 The Gambling Contact Officer position was created by the Commission as the key point of contact at a gambling facility for gambling related issues. The Gambling Contact Officer is the main source of assistance to patrons in relation to information about problem gambling and the services offered to assist someone who may have difficulties with their gambling. A Gambling Contact Officer is trained to deal with problem gambling issues and is therefore the best person at a gambling facility to deal with these issues.
- 3.19 Under the Code, the Gambling Contact Officer must take reasonable steps, in relation to a person whom the licensee or a staff member has reasonable grounds for believing has a gambling problem, to:
- discuss the possible gambling problem with the person as soon as possible;
 - give the person advice or information about counselling and advisory services available from support agencies and any other appropriate action that may be taken by the person, including the opportunity to sign a deed to ensure the person's exclusion from gambling at the facility.
- 3.20 Gambling Contact Officers are usually senior staff members within a licensee's staff, and in practice are often in an office environment, rather than on the gaming room floor, particularly in the larger clubs. This means they may rely on floor staff to communicate information about possible problem gamblers or gambling incidents in a licensee venue.
- 3.21 Gambling Contact Officers interviewed by Audit showed a generally sound understanding of their responsibilities. At one club, the person named as Gambling Contact Officer no longer worked at that venue.
- 3.22 The staff interviewed by Audit were asked about their communications with the Gambling Contact Officer. Only 32 percent of staff interviewed indicated that they had discussed their observations of patrons with their Gambling Contact Officer. Most staff said they did not witness any reportable incidents or the players they observed at gaming machines did not appear to be 'at risk'. Where observations were reported to the Gambling Contact Officer, they tended to be about particular patrons or incidents and were generally promptly dealt with. There did not appear to be routine discussions or briefings between Gambling Contact Officers and floor staff.
- 3.23 Internal staff communications are important in monitoring patrons' behaviour in venues. Routine communications and briefings with the Gambling Contact Officer and other staff providing gambling services, particularly casual or part-time staff,

are likely to engender a better understanding of the responsibilities of staff under the Code of Practice and the identification of incidents that might suggest a patron is 'at risk'.

Recommendation 1 (b)(ii)

The ACT Gambling and Racing Commission should initiate a review of the Gambling Code of Practice taking into account:

b) means to encourage licensees to:

- (ii) provide routine briefings by Gambling Contact Officers to other staff who provide gambling services, particularly casual or part-time staff, to bring about a better understanding of the responsibilities of staff under the Code of Practice and the identification of incidents that might suggest a patron may have problem gambling symptoms.

Problem gambling incident register

- 3.24 Under the Code, a licensee of a gambling facility must keep a record of 'gambling incidents', which although undefined, are essentially any incident that suggests any person in the gaming area of the facility shows signs of having a gambling problem or is in the facility notwithstanding that he or she has self-excluded or otherwise been excluded. By recording the date and nature of the incident, the name and address (if known), or description, of the person involved and the action taken and by whom, the licensee would have a consistent and adequate source of data for any follow-up action or future enquiries.
- 3.25 The Commission created the Problem Gambling Incident Register as a means to build a history of people's behaviour that may indicate the patron is a problem gambler. Stakeholders consulted by Audit agreed the Register was a useful tool, but felt that licensees were not making full use of its capabilities. Some stakeholders considered it tended to be used to identify patrons for possible exclusion who have become a nuisance in the club environment either by begging, harassing other patrons, intoxication or violence, rather than as an aid to identify patrons with a possible gambling problem. Stakeholders said audits of the Register by the Commission were not influencing club practices. The Commission acknowledged that use of the Register was difficult to audit.
- 3.26 The Commission's compliance audit requires an inspector to test whether:
- there is a register of problem gambling incidents in a facility;
 - incidents recorded include all required details (a date, nature of incident, name and address (if known) or description of the person, action taken and by whom); and
 - the entries appear to be complete.
- 3.27 The Commission's audit testing method requires compliance auditors to respond to each question with a yes or no answer. The tests are therefore of compliance with procedures, not completeness or efficacy. Compliance testing cannot

provide any form of assurance that all incidents that should be recorded have been included. Completeness testing is not just a review of whether the existing entries have data recorded in all the required fields. A more comprehensive approach would involve an assessment of whether the Problem Gambling Incident Register has all the entries it would be expected to have.

- 3.28 Audit examined the Problem Gambling Incident Register for 2010 and 2011 in 20 licensed clubs. Licensees were selected to represent a range of small, medium and large venues in the ACT. Discussions were also held with staff providing gambling services and Gambling Contact Officers at the various venues.
- 3.29 Staff interviewed by Audit appeared to have a broad understanding of the use of the incidents register and the kind of incidents that should be recorded. Many staff referred to specific behaviours by gamblers such as asking to borrow money, spending a long time on gaming machines, frequent use of ATM facilities or aggressiveness; one staff member implied the only incident that would be recorded was the ejection of a patron from the club. With only a few exceptions, however, most staff very infrequently noticed and recorded such behaviours. Use of the registers was not commonly analysed by the club (this was somewhat dependent on the number of entries in the register), but most registers (or individual entries) were reviewed by some member of management such as the Duty Officer or Club Manager.
- 3.30 Although there was considerable diversity in the number of incidents recorded, the Problem Gambling Incident Registers contained relatively few entries. Audit noted:
- the highest number of incidents recorded in a year was 77 (a large club with many gaming machines and members);
 - nine venues recorded no incidents at all for at least one of the two years examined (five venues recorded no incidents during either year);
 - large clubs (those with 200 or more gaming machines) averaged 56 incidents per club over the two-year period and one large club recorded seven incidents in total over the two years;
 - medium clubs (those with less than 200 but more than 20 gaming machines) averaged incidents eight per club over the two-year period and four of the medium clubs recorded no incidents for at least one of the two years;
 - small clubs (those with less than 20 gaming machines) averaged less than two incidents per club over the two-year period and five of the small clubs recorded no incidents for at least one of the two years.
- 3.31 Although many factors will influence the prevalence of gambling incidents in a licensed facility, the size of the club (membership numbers) and the number of gaming machines could be expected to have some bearing on the number of incidents recorded in the Register. Audit's testing of entries in the Register showed there was little correlation in this regard.
- 3.32 From discussions with staff and analysis of the use of the register, Audit considers that staff in some facilities may not be observing or recording all gambling

incidents. Audit noted that eleven of the twenty licensed facilities examined had not prepared procedures to guide staff on the use of the Problem Gambling Incident Register. This included two of the largest clubs in the ACT. Although such procedures are not required under the Code, Audit considers they would be a useful addition to club procedures and if soundly implemented could give greater assurance that licensees are consistently maintaining a Problem Gambling Incident Register as intended under the Code.

- 3.33 Research on the use of the Problem Gambling Incident Register may be warranted to determine the use and effectiveness of the Register.

Recommendation 1 (b)(iii)

The ACT Gambling and Racing Commission should initiate a review of the Gambling Code of Practice taking into account:

b) means to encourage licensees to:

- (iii) prepare procedures to guide staff on the use of the Problem Gambling Incident Register and encourage consistency in reporting and recording incidents.

Visibility of problem gambling information in venues

- 3.34 The Code of Practice requires licensees to display or otherwise make available certain information in 'a conspicuous way' in and around gaming rooms including:

- warning notices about not gambling if the patron is under 18 or intoxicated;
- the chances of winning major prizes;
- programs for exclusion from gambling;
- counselling services;
- the availability of interpreter services;
- gambling warnings on gaming machines; and
- information on Gambling Contact Officers.

- 3.35 The Commission's full compliance audits test whether the required information is displayed or made available. The Commission has issued some directions on the size of the various signage required and the text of some notices. Audit notes that of the 48 breaches of the Code of Practice detected by the Commission during compliance audits in 2010-11, four related to the failure to make information available as required.

- 3.36 Audit examined whether information for patrons was visible and conspicuously displayed in 20 licensed clubs; the availability of information is summarised in Table 3.2 below.

Table 3.2: Visibility of selected Code of Practice information

Selected Code of Practice information	Displayed signage	Available in Brochures	Not Visible
	(percentage of clubs examined)	(percentage of clubs examined)	(percentage of clubs examined)
Warning notices about not gambling if you are under 18	100	-	-
Warning notices about not gambling if you are intoxicated	60	-	40
Chances of winning major prizes	10	75	15
Programs for exclusions from gambling	45	45	10
Availability of a Gambling Contact Officer	100	-	-
Counselling services	70	30	-
Availability of interpreter services	5	95	-
Gambling warnings on gaming machines	100	-	-

3.37 The required information was generally displayed or available, commonly in brochures provided by the Commission (which included references to Mission Australia’s counselling services) available in the premises. However, there was little consistency in the placement of displays; brochures were placed near gaming machines in some venues, at reception in other venues and on the floor in others. Furthermore, it is debatable whether much of the material could be considered to be presented in ‘a conspicuous way’.

3.38 Without reading a number of brochures, patrons in many clubs would not know what services were available to problem gamblers.

3.39 The services available that were particularly poorly visible were:

- chances of winning major prizes;
- programs for exclusions from gambling; and
- availability of interpreter services.

3.40 Only two of the twenty gambling facilities (10 percent) inspected by Audit displayed signs that showed the chances of winning major prizes on the gaming machines. Most others had brochures that included this information, but no information was visible on the day of inspection in three clubs including two large clubs that have almost 600 gaming machines between them.

Figure 3.1: Example of a information displays – on the floor of the premises



Source: Audit Office photograph of ACT licensed gambling venues - photographs taken 7 and 8 November 2011

Figure 3.2: Example of a warning notice affixed to a gaming machine



NOTE: Actual size is 220 x 35 mm

Source: Audit Office photograph in an ACT licensed gambling venue – photograph taken 4 November 2011

3.41 While the presence of the type of notice in Figure 3.2 is noted, Audit wishes to emphasise that the reference to the counselling service is for a provider in NSW, not the ACT provider (Mission Australia) or the national service supported by the Commission (Gambling Help Online). Furthermore, the notice considerably overestimates the chances of ‘winning big’. For example a brochure issued by the Victorian Government notes that:

Usually your chances of winning the highest prize on a machine are less than one in 10 000 000. That means that you have a better chance of winning Tattsлото or even being killed by lightning.²³

3.42 Audit notes that a brochure produced by the Commission advises patrons that:

[for a gaming machine] with five reels and 35 possible stopping positions on each reel, there are about 52 500 000 possible stopping combinations. ... The symbol that will trigger the maximum prize is often assigned to only one position on each

²³ *Inside the pokies - player guide*, Victorian Department of Justice 2009, available from <http://www.problemgambling.vic.gov.au/main/taking-control/playing-pokies> [accessed 22 January 2012]

reel. If so, the chance that all five of these symbols will appear on any one line is about 1 in 52 500 000.²⁴

- 3.43 There was little consistency in text or appearance of the signage and notices, other than those specifically prescribed by the relevant legislation. Licensees appear to have adopted a variety of signs available from counselling providers (such as Clubcare, Gambling Help Online, and Lifeline) and internally prepared notices, not all of which reflect a professional appearance. Warning signs affixed to gaming machines included engraved plaques, colourful stickers and typed labels. They were of varying style, shape and placement. Some warning signs on gaming machines were worn, as illustrated in Figure 3.3.

Figure 3.3 Example of a worn sign affixed to a gaming machine



NOTE: The photograph is the actual size of the sign (60 x 15 mm)

Source: Audit Office photograph in ACT licensed gambling facility – photograph taken 7 November 2011

- 3.44 Other notices did not include information that would be useful to patrons. The Code requires the licensee to display where patrons can find information about the Gambling Contact Officer for the facility. Although a few clubs (six of twenty) provided the name of a staff member or directed patrons to the duty manager or bar staff, most of the inspected venues displayed a notice that stated:

If you have a gambling problem contact the venue.

- 3.45 Having consistent and clearly visible signage, including the name and contact details of the Gambling Contact Officer, and more prominent and professional displays will provide patrons with better information and options should they wish to seek assistance.

²⁴ *Betting on Gaming Machines ... know your chances on the pokies*, ACT Gambling and Racing Commission, <http://www.gamblingandracing.act.gov.au/Documents/Brochures/Playsmart%20Betting%20on%20Gaming%20Machines%202011.pdf> [accessed 27 January 2012]

Recommendation 1 (b) (iv) and (v)

The ACT Gambling and Racing Commission should initiate a review of the Gambling Code of Practice taking into account:

b) means to encourage licensees to:

- (iv) ensure all information relating to problem gambling is made available to patrons in ‘a conspicuous way’ and that this information presents accurate facts on the chances of winning major prizes, programs for exclusions from gambling, the availability of interpreter services, and the names and contacts for Gambling Contact Officers;
- (v) improve the consistency of the content of signage and warning notices to patrons and ensure that these are also presented in ‘a conspicuous way’.

Exclusion procedures and the Register of Excluded People

- 3.46 In the ACT there is an option for problem gamblers to exclude themselves from any venue, for an amount of time selected by the person, by preparing a deed of exclusion. The licensee of a gambling facility must also exclude people from the facility if there are reasonable grounds for believing the welfare of the person, or any of the person’s dependants, is seriously at risk because of the person’s gambling problem, or if the person has prepared a deed of exclusion.
- 3.47 The Code requires that a licensee must prepare written procedures dealing with how people are to be excluded from gambling at the facility, and make information about the procedures available to patrons. The licensee must keep a Register of Excluded People. All excluded people must be added to the register.
- 3.48 The Commission’s full compliance audits test whether a licensee has a register and appropriate procedures, and whether any entries in the register include the required information. The Commission does not review whether the Register of Excluded People is administered by licensees effectively.
- 3.49 Stakeholders consulted by Audit commended the use of the exclusion register as an important tool in minimising gambling harm. The effectiveness of the register process was, however, questioned by several stakeholders, including the licensees. For example, representatives of a social service provider informed Audit that some licensees are using the exclusion provisions to deal with patrons with behavioural problems not necessarily gambling related.
- 3.50 Processes under the Code provide for a person to self-exclude from more than one facility, and encourage licensees to assist the person in this regard. A receiving licensee must send a copy of a deed of exclusion to each other licensee nominated by the person. Each licensee must then include that person on their exclusion register.
- 3.51 Currently each licensee in the ACT has its own exclusion register, and most are manually maintained. For some large licensees operating several facilities a single

register may be available across all venues. In practice, however, it is a lengthy process if a person wants to be excluded from more than one venue.

- 3.52 The Commission advised that not many people seek self-exclusion, and this comment was supported by Audit's inspection of the exclusion registers across 20 licensed gambling facilities. Registers inspected recorded from one entry to 347 exclusions, with predictably more exclusions in the medium and large facilities. Many exclusions covered multiple venues. The number of self-exclusions for most venues was small and the number of club exclusions even smaller. The registers do not show, however, whether patrons were excluded for matters related to possible problem gambling or other reasons. The term of exclusion varied from a day to 'life'; most were for several years.
- 3.53 Audit reviewed 229 exclusions listed in the registers of the twenty facilities. The registers were not up to date; testing showed that twenty percent of the selection was not current, although this would inevitably include exclusions for the same patrons across several venues. Nevertheless, out of date information on the registers could lead to embarrassment for patrons and difficulties for club staff if they sought to exclude a person whose deed of exclusion was no longer valid.
- 3.54 Some club staff reported that it was difficult to check all persons entering a facility against the exclusion register. Audit observed that some larger clubs 'tagged' excluded persons in the electronic membership database, meaning it was immediately evident if the member's card was presented for entry to the facility, or used in a 'loyalty' program. For some of the smaller clubs, however, checking for exclusions is a manual process. The difficulty is summed up well by one Gambling Contact Officer's comment:
- enforcing [the exclusion register] is nearly impossible. No one can recognise 160 faces.
- 3.55 Gamblers are taking a potentially life-changing step when choosing to self-exclude. Such a step warrants the support of the industry and, to the extent possible, the Commission and relevant ACT Government agencies. There are opportunities for the Commission to work with licensees and take advantage of their collective experience to improve the effective implementation of the exclusions procedures. For example, there may be benefit in encouraging the licensees to assist the person self-excluding to connect with a counselling service (Audit understands that some licensees may already assist patrons in this manner).
- 3.56 The Commission has advised that it is intending to introduce a computerised exclusions database that will be located at the Commission and simplify processes for multiple venue exclusions. The database has been developed by the Commission's equivalent in Tasmania and offered free to the ACT, although the Commission has had to tailor the database for the ACT and will need to pay for software upgrades. All clubs in the ACT will be able to link to the new database and will be required to use the database. The Commission is expecting to implement the exclusions database before the end of 2012.

Recommendation 1 (b)(vi)

The ACT Gambling and Racing Commission should initiate a review of the Gambling Code of Practice taking into account:

b) means to encourage licensees to:

(vi) enhance the use of the Register of Excluded People maintained by licensees.

3.57 Regulation of the gaming industry is but one step in minimising harm caused by problem gambling. Audit's testing in ACT clubs showed varying levels of adherence to certain regulatory requirements, contained within the Code of Practice. Effective implementation of regulations requires the cooperation and commitment of gambling venues, in terms of both their understanding of and adherence to requirements. The Commission's contract with Mission Australia, which aims to foster a direct relationship between counselling service and the gambling industry, offers an important means of engaging with gambling venue staff to assist in education and delivery of the Commission's intentions (see paragraphs 3.98 to 3.104).

Recommendation 6 (a) and (b)

The ACT Gambling and Racing Commission should, in conjunction with Mission Australia, work closely with the ACT's gambling industry with the intention of:

- a) increasing awareness and understanding among gambling venue staff of their roles and responsibilities in addressing gambling harm; and
- b) encouraging more consistent implementation to the Code of Practice relating to minimising harm caused by problem gambling.

Recommendation 7

The ACT Gambling and Racing Commission should complete the redevelopment and implementation of the computerised exclusion database as a high priority.

FUNDING TO SUPPORT HARM MINIMISATION ACTIVITIES

3.58 Two main approaches have been used to encourage the ACT gaming industry to financially support activities and initiatives to minimise gambling harm; Community Contributions and the Problem Gambling Assistance Fund.

Community contributions

3.59 Under the Gaming Machine Act,²⁵ ACT Clubs are required to return eight percent of net gaming revenue to the community as Community Contributions. The required contribution increased from seven percent to eight percent in July 2011 with the introduction of the Problem Gambling Assistance Fund (see paragraphs 3.69 to 3.74). Hotels with gaming machines may make Community Contributions voluntarily.

3.60 In general terms, community contributions approved under the Act are to be for the benefit of the general public or community. The contributions should have the effect of contributing to or supporting the development of the community, or raising the standard of living of the community or part of the community.

3.61 Clubs may make monetary contributions or contributions 'in-kind' under the following categories:

- charitable and social welfare;
- problem gambling;
- sport and recreation;
- non-profit; and
- community infrastructure.

3.62 Criteria specifying the nature of the contributions are in the Gaming Machine Regulation. Contributions must be claimed monthly and claims are audited by the Commission.

3.63 Eligible claims for a problem gambling community contribution may be made for:

- counselling or support services for problem gamblers that are not provided by the licensee (such as counselling or support services provided by Lifeline Canberra Inc, the Salvation Army or Anglicare); or
- training or education programs on the recognition and avoidance of problem gambling (such as the development and delivery of an education program that assists in recognising and avoiding problem gambling or to train staff in effectively providing services to address problem gambling); or
- public awareness campaigns for problem gambling; or

²⁵ *Gaming Machine Act 2004*, part 12 and *Gaming Machine Regulation 2004*, part 9

- programs to research and collect data on problem gambling (such as research by a national research centre on the implications of problem gambling for the community).²⁶

3.64 In December 2007 the Gaming Machine Act was amended to introduce an incentive scheme to encourage gaming machine licensees to increase their community contributions to assist problem gambling issues. The incentive scheme allows licensees to claim \$4 for every \$3 spent on eligible contributions to assist problem gambling issues. The Commission advised that the incentive generated no appreciable increase in the community contributions to assist problem gambling.

3.65 Table 3.3 shows the turnover of ACT gaming machines in 2008-09 relative to gross and net gaming machine revenues, the amounts paid by ACT clubs as community contributions and community contributions specifically identified as problem gambling assistance.²⁷ In 2008-09, the ACT's club contributions to problem gambling funding were equivalent to 0.17 percent of gross gaming machine revenue.

Table 3.3: Comparison of 2008-09 ACT club gaming machine turnover to problem gambling contributions

Description	
ACT gaming machine turnover ¹	\$2 085 222 000
Gross gaming machine revenue ²	\$174 502 000
Net gaming machine revenue ³	\$98 600 000
Total community contributions	\$13 800 000
Problem gambling contributions (actual contribution)	\$305 640
NOTES	
1:	Gaming machine turnover is the amount wagered on ACT gaming machines
2:	Gaming machine turnover not returned to the player may be regarded as gross gaming machine revenue (defined by the Commission as the amount of winnings for playing the machines paid or payable in accordance with the machine's indicated prize scales (excluding linked jackpots); and any amount set aside under a linked jackpot arrangement for payment of linked jackpots)
3:	Net gaming machine revenue is gross gaming machine revenue less any amount of gaming machine tax payable on that revenue (before GST is deducted); and 24 percent of the gross revenue (this is an amount allowed by the Commission to cover the administrative cost to clubs of running gaming machines)

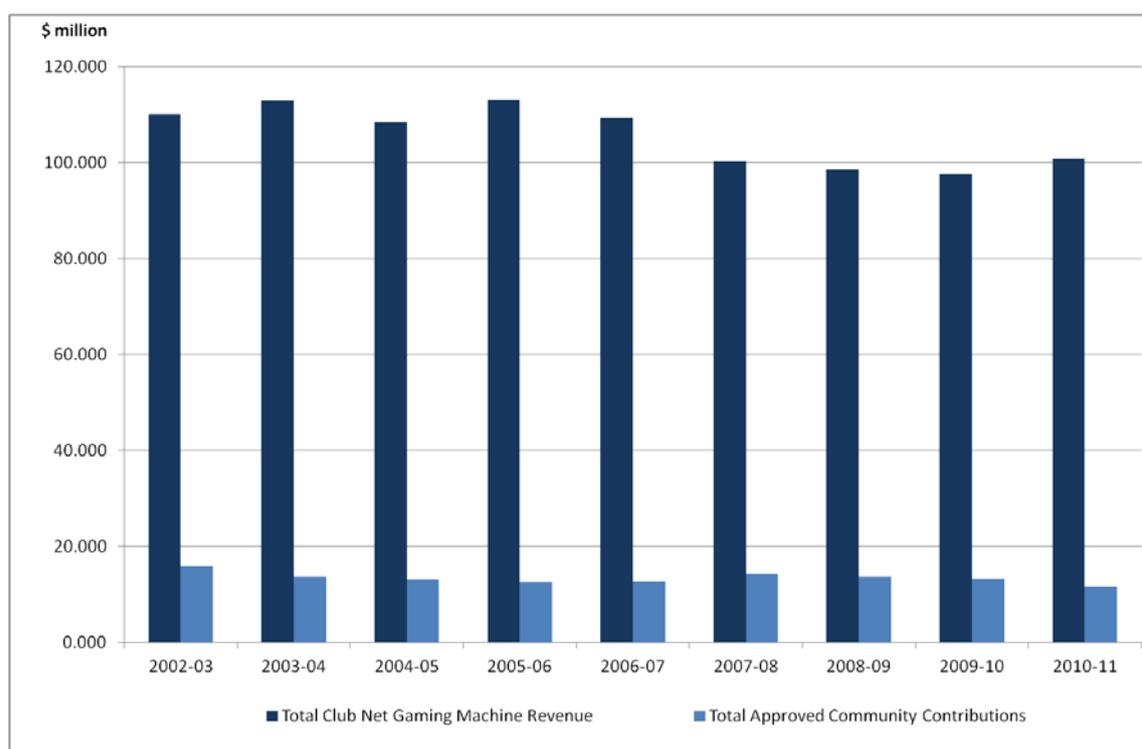
Source: *Australian Gambling Statistics 1983-84 to 2008-09*, published June 2011, and the ACT Gambling and Racing Commission report *2008-09 Community Contributions*.

3.66 Figure 3.4 illustrates the relationship between clubs' net gaming machine revenue and community contributions.

3.67 The Commission reported that in 2010-11 total net gaming revenue from ACT clubs was \$100.9 million. Community contributions totalled \$11.7 million, of which \$471 589 was recorded as provided for problem gambling services (adjusted to reflect the \$4 for \$3 incentive; actual contributions were \$339 622).

²⁶ *Gaming Machine Regulation 2004*, section 64A

²⁷ These reflect the most recently published Australian gambling statistics.

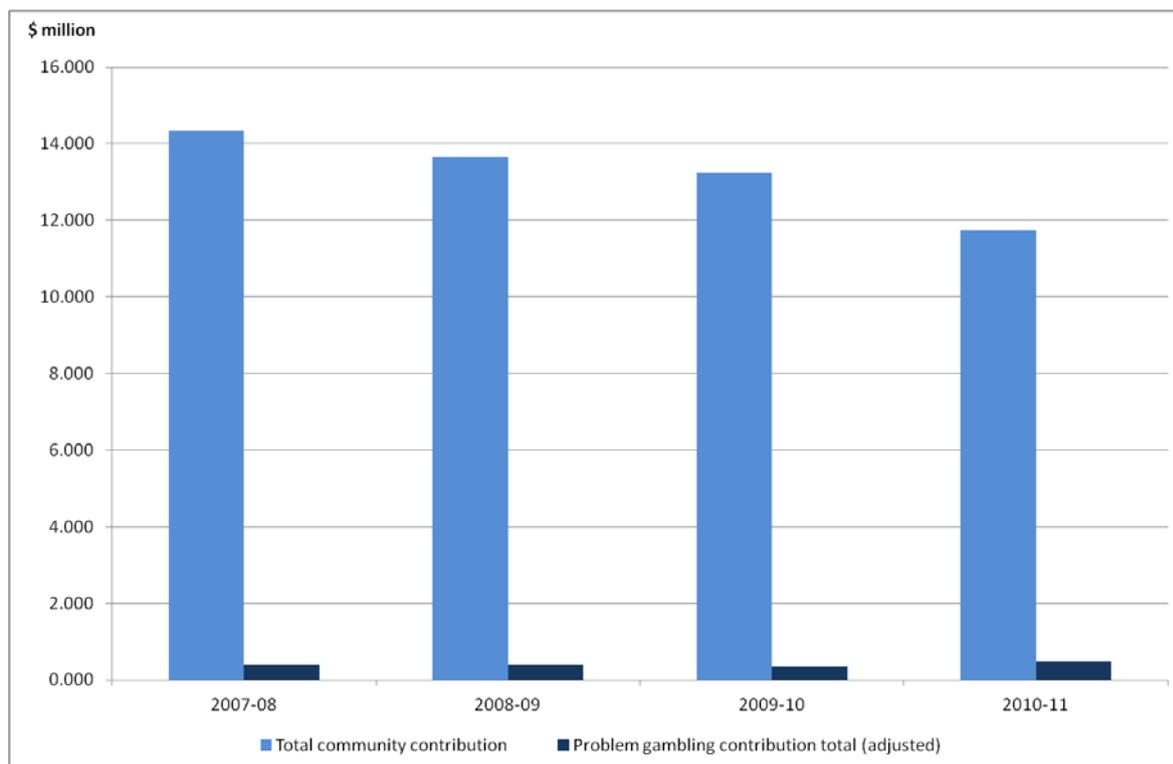
Figure 3.4: Community contributions relative to net gaming machine revenue

Source: ACT Gambling and Racing Commission reports on community contributions made by gaming machine licensees

3.68 Figure 3.5 illustrates the relationship between total approved community contributions (the light blue bars in Figure 3.4) and the contributions claimed as assistance for problem gambling. Only a small proportion of community contributions have been used for problem gambling assistance (an average of about \$400 000 or three percent over the past four years). These are adjusted figures reflecting the \$4 for \$3 incentive. Actual community contributions expenditure for problem gambling assistance averaged \$300 000 a year over the past four years (net gaming revenue averaged \$99.4 million a year over this period). In this period, an average of 32 clubs contributed to problem gambling – on average less than \$9 400 per club per year.²⁸

²⁸ Analysis based on reports by the ACT Gambling and Racing Commission of *Community Contributions Made by Gaming Machine Licensees*. In contrast to the community contributions to problem gambling assistance, over the past four years, clubs contributed about \$9.8 million each year to community sport and recreation.

Figure 3.5: Problem gambling community contributions relative to total approved community contributions



Source: ACT Gambling and Racing Commission reports on community contributions made by gaming machine licensees

Note: Problem gambling community contributions have been separately reported since 2007-08. Before this they were included in the category of 'charitable and social community contribution'.

Problem gambling assistance fund

3.69 In the face of concerns that the community contributions made to assist problem gambling services were inadequate, legislative changes were introduced to increase available funding. From 1 July 2011 the *Gaming Machine (Problem Gambling Assistance) Amendment Act 2010* has required licensees to contribute 0.6 percent of gross gaming machine revenue to form a Problem Gambling Assistance Fund. This fund is administered by the Commission and is expected to raise more than \$1 million annually. All clubs must contribute to the fund.

3.70 Required payments to the Problem Gambling Assistance Fund may be claimed by clubs as a community contribution under section 169 of the Gaming Machine Act, although they will not attract the \$4 for \$3 incentive for problem gambling contributions. With the introduction of mandatory contributions for the Problem Gambling Assistance Fund, the required level of community contributions increased from seven percent to eight percent of a club's net gaming machine revenue. Clubs are still free to make other problem gambling contributions, which will attract the incentive.

3.71 Expenditure from the fund may only be used if the Commission is satisfied it will assist in:

- alleviating problem gambling; or

- alleviating the disadvantages that arise from problem gambling; or
 - providing or ascertaining information about problem gambling.
- 3.72 The legislation includes the following examples of appropriate uses of the fund:
- counselling for problem gamblers;
 - education and awareness about harms caused by excessive gambling;
 - assisting problem gamblers to exclude themselves from gambling venues;
 - self-help information about problem gambling; and
 - research about problem gambling.
- 3.73 The Commission is considering, among other things, using the fund to meet the costs of:
- Mission Australia’s counselling services;
 - implementing the Tasmanian exclusions list database and software upgrades; and
 - further research into ACT problem gambling.
- 3.74 The Commission is required to include detailed reporting of payments into and from the fund in its annual reports. This provision ensures that the scheme is managed openly and transparently.²⁹

PUBLIC AWARENESS

- 3.75 The 2010 gambling prevalence study (see Appendix F) identified that few people with gambling problems sought or received help, and most did not seek help until they are at risk of, or are contemplating, suicide. This indicates that individuals may not be identifying gambling problems early enough. There are many reasons for this, including a perceived stigma associated with problem gambling, denial or lack of recognition by the problem gambler and a lack of awareness about problem gambling.
- 3.76 Research shows that effectively addressing gambling harm requires intervention before gamblers reach the high risk category. This requires a combination of strategies, some of which will be targeted at making it harder to gamble excessively and others targeted at increasing community awareness of the issues.
- 3.77 Under the Gambling and Racing Control Act, the Commission may carry out or sponsor publicity and education programs:
- providing consumer information for different kinds of gambling;
 - about the risks of gambling; or
 - about dealing with gambling problems.³⁰

²⁹ *Gaming Machine (Problem Gambling Assistance) Amendment Bill 2010*, Explanatory statement, page 3, available from http://www.legislation.act.gov.au/b/db_39591/relatedmaterials/explanatory_statement.pdf

- 3.78 The Commission's activities in raising public awareness are mainly through providing brochures for gaming venues, its website, its educational activities for the industry, and participation in a national media program on responsible gambling via TV and newspaper advertising.
- 3.79 Much of the Commission's published material is intended to raise awareness of responsible gambling and encourage gamblers to play without harming themselves or others. Much information on responsible gambling is targeted at 'at risk' and recreational players who may not respond to messages specifically directed at problem gamblers.

The Commission's website

- 3.80 The Commission's website³¹ provides a range of information related to the Commission's functions, including links to relevant legislation, the Code of Practice, and research papers. The website page on *Problem Gambling* offers information (what is problem gambling, warning signs, strategies to control gambling) and a link to the Commission's *Responsible Gambling* website.³² Information on the site offers a useful guide to identifying whether a person has a possible gambling problem. However, online self-diagnosis tools available at similar sites in other jurisdictions are not directly available from the Commission's website. There may be benefit in having these on the Commission's website.
- 3.81 The *Responsible Gambling* website provides further information, including several brochures produced by the Commission that are also available through the ACT's licensed gaming facilities. The website features a prominent link to *Gambling Help Online*, a national counselling service with online 24-hour counselling services. There is no direct link to the local counselling service provider engaged by the Commission (Mission Australia), as Mission Australia's local service does not yet have a website. A brief description of the services available and a telephone contact is provided. However, it should be stated that a web link to Mission Australia will be provided once it has a website.

Recommendation 8 (a)

The ACT Gambling and Racing Commission should enhance its public awareness actions relating to responsible gambling and the risks of gambling harm. This could include:

- a) a direct link to the local counselling service provider website from, the Commission's website, once Mission Australia establishes its website.

- 3.82 The Commission's websites are informative, but not as comprehensive as similar sites in some other jurisdictions. They are not dynamic in appearance, and this

³⁰ *Gambling and Racing Control Act 1999*, section 19 Education and counselling

³¹ <http://www.gamblingandracing.act.gov.au/Index.htm>

³² <http://www.problemgambling.act.gov.au/>

may deter some users, particularly the (typically) more technologically aware 18-29 year olds. (The 2010 gambling prevalence study indicated that proportionately more of this age group reported low risk and moderate risk/problem gambling than any other age group.) As discussed in paragraph 4.14, however, the websites appear to have limited exposure. The Commission should consider upgrading its website and enhancing its promotion in material in gaming venues.

3.83 A 2009-10 report on the problem gambling website (see paragraph 4.14) included several suggestions for enhancing the Commission's website:

- investing in website advertising with search engines (such as Google) and advertising/links on other government websites;
- exchanging links with other responsible gambling websites;
- introducing a more dynamic front page with fresh content updated regularly;
- adding relevant video to the home page such as the Commission's television advertisements; and
- providing a regular online newsletter that people can sign up for.

3.84 These recommendations do not appear to have been acted on. They should be considered in the Commission's planned website up-grade in the next twelve months once the Whole-of-Government website template has been developed.

Recommendation 8 (b) and (c)

The ACT Gambling and Racing Commission should enhance its public awareness actions relating to responsible gambling and the risks of gambling harm. This could include:

- b) up-grading the Commission's website; and
- c) enhancing promotion of the Commission's website especially in gaming venues.

Information to industry

3.85 As mentioned in paragraph 3.81, the Commission has prepared a range of brochures specifically on problem gambling that it distributes free to licensees. The brochures cover responsible gambling and the code of conduct (brochure titles include *Gambling more, enjoying it less?*, *Responsible Gambling - Take Control*, *Responsible gambling – Friends and Family can help*; and *Responsible Gambling - Set your own limits*). The brochures were recently updated to include contact information for the new counselling services provider (Mission Australia).

3.86 The Commission also provides advice and reminders to industry through Compliance Bulletins, industry seminars and the Commission's regular interaction with licensees. Compliance Bulletins include news and developments as well as regular reminders about specific aspects of the Code of Practice, the latter often reflecting issues that became evident from compliance audits.

3.87 The Commission distributes its brochures and other information promoting responsible gambling through licensee's gaming venues and to the public online. Brochures are usually available at venues with material providing information on the risks of problem gambling, where to get help and self-help techniques. As discussed in paragraphs 3.34 to 3.45, Audit's inspection of clubs showed little consistency in the manner in which material was displayed and as previously stated it is debatable that it was presented in 'a conspicuous way'. The placement of brochures on the floor of the gaming facility, for example, seems unlikely to encourage patrons to a greater awareness of the availability of counselling services, the chances of winning major prizes or responsible gambling. A more responsible approach from some licensees is needed.

Responsible Gambling Awareness Week

3.88 The Commission participates annually in the Responsible Gambling Awareness Week at a cost of around \$18 000 (2011). This is a national campaign led at a state level that is a partnership between government, industry and community groups for the promotion of responsible gambling. For the past four years the Commission has funded community services advertisements about responsible gambling on local television stations, as well as contributing to The Canberra Times supplement during that week. Working with Lifeline Canberra, the Commission developed wallet sized 'self-help' brochures, which provided information intended for people who were not inclined to seek outside help or counselling.

3.89 The Commission's review of usage statistics for the Commission's websites (including the responsible gambling site) showed little change in visits during or following the awareness week campaign.

Other related activities

3.90 The Commission disseminates information to selected ACT Government agencies. This includes reports on research on problem gambling undertaken by the Centre for Gambling Research or Gambling Research Australia.

3.91 The Commission has worked with the Education and Training Directorate to raise awareness among ACT's school students. Research indicates that young people are particularly vulnerable to the risks of gambling harm, therefore it is appropriate to target preventive action at this group. The Education and Training Directorate has advised that it is looking forward to working with the Commission regarding the provision of information on responsible gambling as appropriate to ACT schools.

3.92 Raising public awareness of the importance of gambling responsibly and encouraging licensees to play a greater role in making relevant information conspicuously available to patrons is important and more needs to be done. Research suggests that an estimated 14 525 adults in the ACT have some problem gambling symptoms (of these 13 429 are moderate and low risk problem gamblers - see Table 2.1 at page 24). Assisting these low to moderate risk gamblers is preferable to waiting until they become problem gamblers.

- 3.93 Research indicates that the form and content of information needs careful consideration.³³ Different target audiences have different needs for information, and respond differently to communication delivery mechanisms. For example, information may be available for problem gamblers, their friends and family, low to medium risk gamblers and the broader community, and the desired outcome and method for communicating with each group will be different.
- 3.94 The Commission is currently commissioning local research into why people are not seeking help for problem gambling. The proposed research notes findings of the 2010 gambling prevalence study that a large proportion of people with gambling problems do not seek help. It will seek to identify a number of matters that can be characterised as an awareness of problem gambling, including the knowledge and beliefs of people about:
- what constitutes risky and responsible gambling behaviour;
 - the signs and symptoms of problem gambling;
 - what services can be and are being accessed by people with gambling problems; and
 - available interventions and services, as well as treatment outcomes.

Recommendation 8 (d) and (e)

The ACT Gambling and Racing Commission should enhance its public awareness actions relating to responsible gambling and the risks of gambling harm. This could include:

- d) undertaking further research to inform the targeting of different groups; and
- e) making information on problem gambling symptoms available widely to assist people self-diagnosing gambling problems.

- 3.95 Appendix G outlines a number of indicators of a possible gambling problem.

INTEGRATED APPROACH FOR COUNSELLING SERVICE PROVIDERS

- 3.96 An important inclusion in the Gaming Machine Act to minimising gambling harm in the ACT has been the inclusion of provisions to establish a Problem Gambling Assistance Fund (the fund). The fund will be administered by the Commission and used to deliver problem gambling services (see paragraphs 3.69 to 3.74). The Commission is required to report on how the money is distributed.
- 3.97 Licensees are required to contribute 0.6 percent of gross gaming machine revenue to the fund plus contributions on a voluntary basis from ACTTAB and Casino Canberra Limited. The fund is expected to generate over \$1 million each year.
- 3.98 During 2010-11, the Commission engaged Mission Australia to provide problem gambling support services in the ACT. The contract commenced on 1 July 2011.

³³ NFO Donovan Research, op cit

Prior to this, specialist gambling counselling services were provided by Lifeline Canberra under its Clubcare gambling counselling program. This contract was managed by the Community Services Directorate.

3.99 Mission Australia will offer a broader range of services than under previous arrangements. Its services to assist problem gamblers will include:

- providing problem gambling counselling services;
- providing targeted education to increase awareness of issues such as prevalence, control and treatment;
- encouraging help-seeking behaviour;
- adopting a cooperative approach in working with and responding to researchers, including willingness to assist in properly developed trials or piloting proposed assistance strategies;
- ensuring the support service is widely accessible, with flexible contact hours to allow for appointments outside normal business hours;
- ensuring each client undergoes an assessment process including the Canadian Problem Gambling Index;
- ensuring counselling staff have appropriate qualifications and undergo continual knowledge updates; and
- providing regular updates to the Commission.

3.100 Mission Australia will report quarterly to the Commission on:

- client waiting times;
- number of interpreter services including the languages interpreters required;
- the number of clients referred to or from each referral agency;
- copies of any new or amended protocol or procedures documentation;
- details of counselling staff changes, training and details of qualifications and memberships; and
- initial and if available follow up Canadian Problem Gambling Index scores for clients.

3.101 Data is being collected by Mission Australia for the Commission's use and is expected to provide information that may assist or inform the research undertaken for the Commission by the Centre for Gambling Research.

3.102 The ACT is the only jurisdiction in Australia to set up such a structure with a problem gambling counselling service provider.

3.103 From Audit's inspection of twenty licensed gambling facilities in November 2011, it was evident that some clubs had not yet fully adapted to the role of Mission Australia (see paragraph 3.41). Although Mission Australia brochures were in clubs, many venues still had Clubcare (Lifeline) posters and contact phone numbers. Staff in the relevant clubs said the information on the posters was still pertinent.

- 3.104 The funding available from the Problem Gambling Assistance Fund should allow the Commission to deliver (through Mission Australia) more services to assist problem gamblers in the ACT than has previously been able to be funded.

4. MONITORING AND EVALUATION

This chapter includes commentary on what the Commission is doing to monitor gambling harm and the prevalence of problem gamblers, and to evaluate the effectiveness of its activities. Some planned changes, including reforms through the Council of Australian Governments are discussed.

SUMMARY

There are no easy ways to measure or monitor the harm to individuals or the community from problem gambling. Similarly, evaluating the effectiveness of harm minimisation strategies relating to problem gambling is not simple. To enhance monitoring and evaluation the Commission needs to:

- provide a sound evidence base for monitoring the extent of problem gambling in the ACT by undertaking studies of gambling prevalence at a minimum of five years, and consider reducing this to three years; and
- continue to give a strong emphasis to research and expand its program in this area, to establish an evidence-based performance measurement framework for policies and initiatives aimed at addressing gambling harm and to assess the Commission's achievements against the requirements of legislation.

The ACT has the highest per capita number of approved gaming machines of any jurisdiction in Australia, some 13.8 per 1000 people. Although the Government is acting to reduce the number of gaming machines, Audit estimates that based on current trends it will take twenty six years to achieve the target cap of 4 000 from the current 5 024.

There is no restriction on reserving gaming machines in the ACT. National research found that reserving gaming machines contributed to exceeding pre-set limits when playing gaming machines. The Commission should consider if reserving gaming machines needs to be regulated.

Key findings

- The Commission monitors issues relevant to gambling harm in a variety of ways, most notably through the conduct of gambling prevalence studies. Only two such studies have been commissioned in the ACT, in 2001 and 2010. This is too infrequent. The Commission intends to conduct prevalence studies every five years but even more frequent studies may be warranted.
- The Gambling Advisory and Reference Group was established in October 2001 as an advisory body from which the Commission may draw views and opinions on issues related to gambling harm from a range of ACT community service organisations. Value obtained from this Group by the Commission may be diminished as it meets infrequently.
- In 2004, the Commission and the Centre for Gambling Research examined three harm minimisation strategies introduced between 1993 and 2002: \$10 maximum bets; compulsory gaming machine shutdown; and restrictions on paying out winnings exceeding \$1 000 in cash. The research concluded that although major changes had occurred in clubs there was no evidence to suggest the changes occurred due to the measures being reviewed.
- Apart from the 2004 research, there has been limited evaluation of the

effectiveness of measures introduced in the ACT to deal with minimising gambling harm, including for example, the Code of Practice.

- The Commission uses its annual reports to report to the community on gaming regulation and other relevant activities. Conducting research is the Commission's primary performance measure directly related to its legislated requirement to exercise its functions in a way that, as far as practicable, 'reduces the risks and costs, to the community and to the individuals concerned, of problem gambling'.
- There were 5 024 gaming machines in the ACT at 31 December 2011. This is about 13.8 gaming machines per thousand head of population in the ACT. There are more gaming machines per capita in the ACT than any other jurisdiction in Australia.
- A Bill introduced in December 2011 included 'a medium to longer term target for the number of gaming machines in the ACT of 4 000' commencing from 1 January 2012. At this time there was a legislated cap on gaming machines of 5 200. The new proposed target is to be achieved through 'natural attrition'.
- There is no specified time or plan for achieving the reduction of 1 200 gaming machines. If the level of 'natural attrition' over the past four years continues, it will take twenty six years to deliver the 20 percent reduction required to reach the cap of 4 000 machines.
- National research indicates that reserving gaming machines contributed to gamblers exceeding pre-commitment limits. Audit observed that prominent reservation signs were available in clubs to enable gamblers to reserve machines. Given that the ACT Code of Practice is silent on the use of machine reservation signs, the Commission should consider whether such practice should be regulated, regardless of whether a Commonwealth pre-commitment scheme is introduced in the ACT.
- The ACT is well positioned to respond positively to most, if not all, of the national reforms to minimise the harm caused by problem gambling being considered under the guidance of the Council of Australian Governments Select Council on Gambling Reform.

MEASURING AND MONITORING HARM FROM PROBLEM GAMBLERS

4.1 There are no easy ways to measure or monitor the harm to individuals or the community from problem gambling as help is often only sought when a problem gambler is suicidal. People with gambling problems often have other problems such as drug or alcohol abuse, relationship or financial stress. Untangling the complexity of these interrelated problems may mean that other issues require attention before dealing with the problem gambling.

4.2 Statistics from Gambling Help Online, a national online counselling service for problem gamblers funded by the various Australian jurisdictions, show that when a person first contacts the counselling service they are usually seeking help for severe problems. Monitoring the effectiveness of assistance provided to people with possible gambling problems is important to assist in developing actions to minimise gambling harm.

MONITORING BY THE COMMISSION

- 4.3 The Commission monitors issues relevant to gambling harm in a variety of ways, including:
- local research and in particular the gambling prevalence studies;
 - national research by Gambling Research Australia and research commissioned in other jurisdictions;
 - liaising with organisations that provide services to problem gamblers, including Mission Australia;
 - review of reports of regulators in other jurisdictions as well as those for organisations that provide services to problem gamblers;
 - media monitoring (local, national and international);
 - monitoring comments on various problem gambling help websites; and
 - monitoring traffic on the Commission's problem gambling website.
- 4.4 This type of monitoring provides the Commission with a broad understanding of developments that can help to shape further research or policy, or point to particular problem areas that might warrant further review or analysis. Understanding the experiences of people with gambling problems could lead to particular counselling successes or suggest intervention techniques.
- 4.5 Of particular importance are research studies such as the *ACT Gambling Prevalence Study* (discussed in Appendix F). However, only two such studies have been commissioned in the ACT; 2001 and 2010. Given likely changes over such a period, this is too infrequent.
- 4.6 The Commission has advised that it intends to conduct prevalence studies every five years. This is clearly an improvement, but even more frequent studies may be warranted. Audit accepts that these types of prevalence studies require substantial resources, but notes that funding through the Problem Gambling Assistance Fund is now available for this purpose. Audit also notes a recommendation by the Productivity Commission that jurisdictions should conduct prevalence surveys using a set of core questions that are common across jurisdictions and in a manner consistent with relevant National Health and Medical Research Council standards and guidelines. While this is expected to improve the ability to make comparisons between jurisdictions it is understood that the recommendation has not yet been adopted.³⁴
- 4.7 A Gambling Research Australia study titled *A Review of Australian Gambling Research (January 2010)* included information on when each Australian jurisdiction performed prevalence studies. Five jurisdictions performed prevalence studies on average every three years. Western Australia and Northern Territory had a gap between studies of five and six years respectively. In contrast, the elapsed time between the two prevalence studies conducted in the ACT was nine years.

³⁴ Productivity Commission, op cit, page 18.8

Recommendation 3 (c)

The ACT Gambling and Racing Commission should enhance its research and monitoring of the risks and costs of problem gambling in the ACT and gambling harm by:

- c) undertaking studies of gambling prevalence in the ACT at a minimum every five years, and considering the value of reducing this to every three years.

Gambling Advisory and Reference Group

- 4.8 The Gambling Advisory and Reference Group was established in October 2001 to assist the Commission in developing and implementing targeted strategies to address problem gambling in the ACT. It is an advisory body from which the Commission draws views and opinions on issues related to gambling harm from a range of ACT community services organisations.
- 4.9 The Group includes representatives from counselling services, ACT Council of Social Services, ACT Churches Council, Council on the Aging, and Canberra Multicultural Community Forum Inc. A representative of the Commission's governing board chairs the meetings.
- 4.10 The Group was expected to meet annually, but the last three meeting dates were:
- 12 June 2009;
 - 9 December 2009; and
 - 22 June 2011.
- 4.11 The Group presents an ideal opportunity for the Commission to gain insights, feedback and advice from a variety of stakeholders. Its value to the Commission is diminished if meetings are infrequent.

The Commission's responsible gambling website

- 4.12 Analysis of the use of the Commission's website (which includes a page on problem gambling)³⁵ and the specific responsible gambling website may provide a useful means for the Commission to monitor public demand for information relevant to problem gambling.³⁶ The latter website includes:
- links to a national counselling service that provides an online 24-hour counselling service, and telephone contacts for a local counselling service; and
 - information on what problem gambling is, differences between responsible and not-so-responsible gambling, strategies to control gambling, help for families, and information on exclusion arrangements.

³⁵ <http://www.gamblingandracing.act.gov.au>

³⁶ <http://www.problemgambling.act.gov.au>

- 4.13 The Commission reviews the usage of the website annually, comparing statistics for the current and recent years. The analysis also seeks to determine whether there is any significant change in traffic following the public ‘Responsible Gambling Awareness Week’ (this is a national campaign to promote responsible gambling led at a state level in partnership between government, industry and community groups).
- 4.14 A 2009-10 report on the problem gambling website showed:
- there were 1 524 unique visitors in 2009-10, averaging about four visitors per day;³⁷
 - visitors viewed (on average) about two pages per visit;
 - the average time visiting the website was less than two minutes;
 - only around 46 percent of visits were from within Australia (visits came from 49 countries or territories – the USA and UK featured highly, at 27 percent and 11 percent respectively);
 - one-third of all pageviews (by far the largest proportion) were of the ‘exclusions’ page.
- 4.15 The Commission has not analysed and compiled the information in a manner that could facilitate trend analysis. Current reporting only compares the current and immediately prior periods.

The national Gambling Help Online website

- 4.16 The ACT, along with all Australian States and Territories, funds National counselling support provided via Gambling Help Online.³⁸ This is a 24 hour online counselling service offered throughout Australia and based in Victoria. The website offers free professional counselling services to people who are affected by problem gambling, as well as information on related issues and services.
- 4.17 Reports available to the Commission show considerable use of the website; there were almost 32 000 visits to the site over the nine months from July 2010 to March 2011 (averaging about 120 each day). Visits to the site from the ACT averaged two each day over this period. Use of the live counselling services, on the other hand, was comparatively low; just over 1 000 occasions of service in the nine-month period, of which thirteen were from the ACT. More than 90 percent of people seeking live counselling presented with a gambling problem.

³⁷ A unique visitor is somebody with a unique (one-off) internet address that has visited the web site. If this visitor makes several visits during the month, it is counted only once. This is a different measure to the ‘number of visits made by all visitors’. The number of visits is the total number of visits by all visitors over a given period of time (including repeat visitors). If a person visited a site and then come back four more times, the statistics would show see one ‘Unique visit’, and five ‘Number of visits’ by that person.

³⁸ The funding for this service is proportional to gambling tax revenue collected by each jurisdiction. In 2009-10 the Commission paid just over \$11 000 for the national online counselling service.

PARTICIPATION ON ADVISORY AND WORKING PARTIES

- 4.18 The Commission participates in a range of collaborative national forums and working parties that focus on gambling and problem gambling, such as the Australasian Casino and Gaming Regulators' Chief Executive Officers' Forum, the Regulators' Responsible Gambling Working Party and the Select Council on Gambling Reform Senior Officials' Working Group.
- 4.19 The extent of such participation is outlined in the Commission's annual reports.
- 4.20 The ACT has been represented on a number of working groups established under the auspices of the Council of Australian Governments (COAG). Before 2011, the working groups were formed under the Ministerial Council on Gambling, which included regulators and support service providers. These working groups undertook projects including development of a national policy standard for pre-commitment and principles for the conduct of responsible gambling machine activity in clubs and hotels. In 2011, the Ministerial Council on gambling was replaced by the Select Council on Gambling Reform, which has a specific focus on a national approach to minimise the harm caused by problem gambling.
- 4.21 Participation on the working groups and councils provides the Commission with access to information on developments across Australia, and an opportunity to contribute to developments.

EVALUATING THE EFFECTIVENESS OF HARM MINIMISATION MEASURES IN THE ACT

- 4.22 Evaluating the effectiveness of harm minimisation strategies relating to problem gambling is not simple. Evaluating policy, strategies or activities requires careful interpretation. The Productivity Commission noted in its 2010 report on Gambling that:
- A better evidence base is ... needed to answer basic questions about the effectiveness of prevention and early intervention strategies, and of counselling and treatment services.³⁹
- It is difficult and expensive to undertake comprehensive evaluations that identify and quantify the impacts of a policy measure. In particular, the relationship between regulatory measures and outcomes is usually indirect, and because regulatory measures in gambling are rarely introduced in isolation, determining the impacts of particular regulations can be challenging.⁴⁰
- 4.23 In 2004, the Commission engaged the Centre for Gambling Research to examine the impact on problem gamblers, recreational gamblers, clubs and the community of three harm minimisation measures introduced between 1993 and 2002, namely:
- \$10 maximum bets on electronic gaming machines;
 - mandatory three hour shutdown on gaming machines each day; and

³⁹ Productivity Commission, op cit page 18.10

⁴⁰ Productivity Commission, op cit page 18.26

- restrictions on cash payment of winnings (winnings above \$1 000 must be paid by non-cash means such as cheque or electronic funds transfer).
- 4.24 The report *Review of the ACT's Government's Harm Minimisation Measures* was published in March 2005. It concluded that although major changes had occurred in clubs between July 2000 and February 2004, there was no evidence to suggest the changes occurred due to the measures being reviewed.
- 4.25 The Commission uses its annual reports to report to the community on gaming regulation and other relevant activities. Activities in monitoring social and economic effects of gambling in the ACT and education and support services are also reported.
- 4.26 The Commission's annual reports indicate which licensees have breached any Code requirements and the penalties issued. The annual reports include the results of the Commission's compliance audits, summarising breaches of legislation identified and, for cases where disciplinary action has been finalised, summarising the breach, action taken and name of the licensee.
- 4.27 The annual reports include the Commission's Statement of Performance reports. These show whether the Commission has met targets for accountability indicators, which reflect the number of compliance audits and revenue audits undertaken. The Commission reported against additional performance indicators included in its Statement of Intent. The indicators, targets and outcomes for indicators relevant to gaming harm are shown in Table 4.1:

Table 4.1: ACT Gambling and Racing Commission Additional Performance Indicators included in its Statement of Intent

Activity	Performance measure	Result
Review gaming legislation and policies and implement changes	Completion of at least one report or brief to Commission or Minister, implementation of reviews or policy issues considered	One
Coordinate research and education projects	Completion of at least one project	Two

Source: ACT Gambling and Racing Commission Annual Report 2010-11

- 4.28 The performance indicators reported by the Commission are activity measures. Although clearly relevant to its role to monitor and research the social effects of gambling and of problem gambling and reviewing legislation and policies, the indicators make no substantive comment on the effectiveness of the Commission's role in this regard. No targets have been set for measuring the achievement of strategy objectives, nor has the Commission developed key performance indicators to determine achievement of outcomes. Audit notes that under the Gambling and Racing Control Act 'the Commission must exercise its functions in the way that best promotes the public interest, and in particular, as far as practicable ... reduces the risks and costs, to the community and to the individuals concerned, of problem gambling'. The Commission's performance measurement framework offers no means to assess achievements against this

legislated requirement. This is a matter that needs consideration and informing by targeted research.

- 4.29 The difficulty in evaluating the effectiveness of harm minimisation strategies should not be seen as a reason not to seek to evaluate policy decisions. As the Productivity Commission observed in its 2010 report on gambling:

an ongoing program of high quality, policy-focused research and evaluation will supplement policymakers' use of judgment and expert opinion, and enrich the existing evidence base. Better information may lead to new directions in policy and will allow policymakers to adapt, revoke or introduce regulations with greater certainty about their impacts.⁴¹

- 4.30 In 2010, the Auditor-General of Victoria released a report on the Victorian Government's problem gambling strategies.⁴² The Auditor-General reported that:

it was reasonable and appropriate to implement a broad-based, multifaceted policy approach as a response to problem gambling. However, not all initiatives were supported by evidence that they had worked or that they were likely to work.

- 4.31 However, the Auditor-General of Victoria said that further work to address 'critical gaps in the evidence base' for policy initiatives through evaluation and research is vital, including establishing baseline data, and developing targets and performance indicators. This comment is supported by this Audit.

- 4.32 As discussed in paragraph 2.52 the Commission has initiated research through the Centre for Gambling Research at the Australian National University on a range of matters relevant to gambling harm. Much of this research has been to gather 'base-line' data, focusing on understanding the impacts and the nature and extent of gambling in the ACT. Apart from the research described at paragraph 4.23, there has been limited evaluation of the effectiveness the measures introduced in the ACT to deal with gambling, including for example, the Code of Practice.

- 4.33 As policy decisions about gambling require a sound base of evidence to support them, there is a need to continue researching gambling and its effects in the community, including on participation and access, and gambler behaviour and demographic characteristics. Additional funding for research is now available to the Commission through the implementation of the Problem Gambling Assistance Fund, for this purpose.

⁴¹ Productivity Commission, *op cit*, page 18.2

⁴² Victorian Auditor-General's Office, *Taking action on problem gambling*, July 2010

Recommendation 3 (d)

The ACT Gambling and Racing Commission should enhance its research and monitoring of the risks and costs of problem gambling in the ACT and gambling harm by:

- d) expanding its research program, to include fostering research aimed at establishing a performance measurement framework to assess the Commission's achievements against its requirements under legislation.

REVIEW OF GAMING MACHINE NUMBERS IN THE ACT

- 4.34 In 1998 the Legislative Assembly amended the Gaming Machine Act, to specify a limit on the number of gaming machines in the ACT. This limit was 5 200.
- 4.35 By December 2006, the maximum number of gaming machines in the ACT was reached. This prompted a decision in January 2007 to review the maximum number of gaming machines permitted in the ACT. A public consultation paper released by the Commission⁴³ at the time showed that at 30 June 2005, the ACT had 5 144 gaming machines. This was the equivalent of 14.9 gaming machines per thousand head of population in the ACT, the highest per capita ration of gaming machines in Australia.
- 4.36 The Commission's recommendation to the Minister, informed by public feedback, was that the cap on gaming machines in the ACT should not be increased, but redistribution across the ACT could be beneficial. The Minister advised that:
- I have asked the ACT Treasury ... to develop a scheme that allows for the redistribution of machines between gaming venues, without creating a predatory environment that will lead to the swallowing of small clubs by larger ones. I want to spread the number of available machines more equitably, without leading to pressure to increase the overall number.
- 4.37 In 2009 the Government initiated another review to consider options to reduce the number of gaming machines in the ACT. At the request of the Minister, the Commission was asked to provide advice and in so doing concluded there was scope for a reduction in the number of gaming machines.
- 4.38 The number of gaming machines in the ACT at 30 June 2011 was 5 024, as shown in Table 4.2. On current population figures, this is about 13.8 gaming machines per thousand head of population in the ACT.

⁴³ ACT Gambling and Racing Commission *Gaming Machine Act 2004 Review of the Maximum Number of Gaming Machines Allowed in the ACT Consultation Paper March 2007*. Available from the Commission's website (legislative Review).

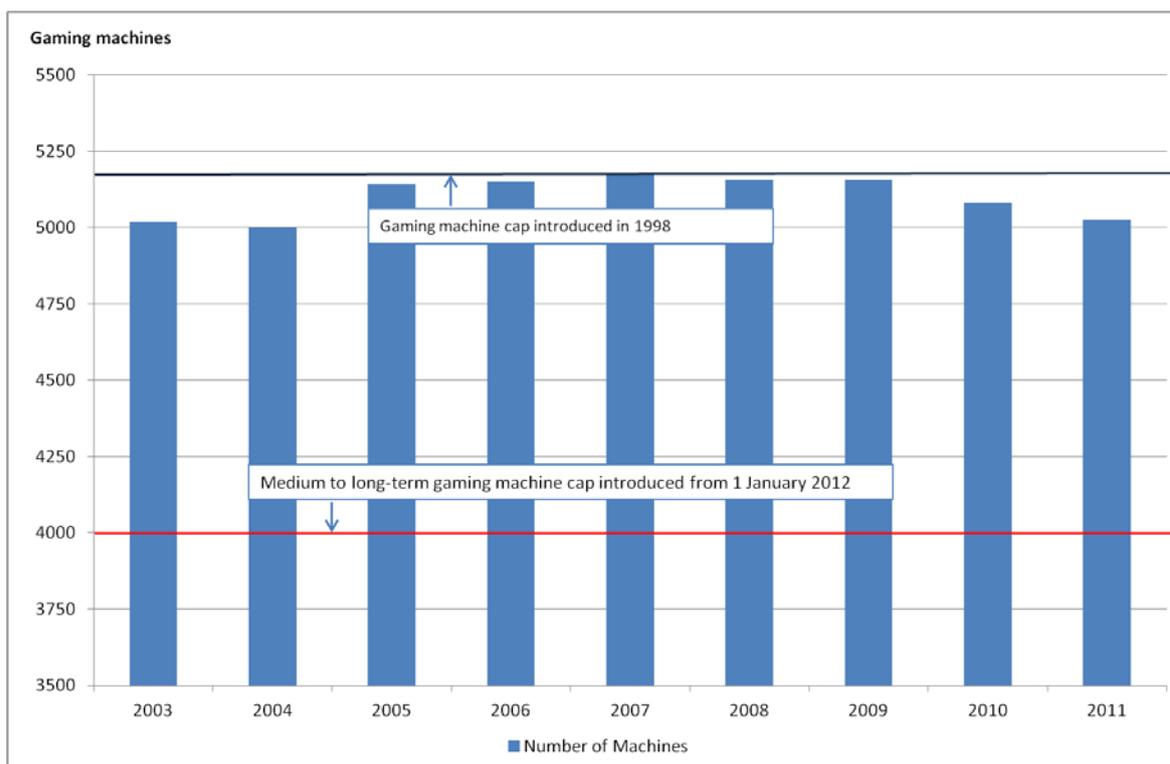
Table 4.2: Number of gaming machines in the ACT at 30 June 2011

Type of Gaming Machine Licensee	Licensed Venues	Number of Machines
Clubs	58	4 954
Hotels/Taverns	11	70
Total	69	5 024

Source: ACT Gambling and Racing Commission Annual Report 2010-11

Recent developments to reduce the number of gaming machines in the ACT

- 4.39 In December 2011 the *Gaming Machine Amendment Bill 2011* was tabled in the Legislative Assembly. The Assembly referred the bill to the Standing Committee on Public Accounts, and the Committee is presently considering the Bill. Among other things, the Bill introduces ‘a medium to longer term target for the number of gaming machines in the ACT of 4 000’ commencing 1 January 2012. The maximum number of machines at any time will reduce through ‘natural attrition’ and be equal to the number of machines at the end of 31 December 2011 (5 024), less any machines surrendered voluntarily by licensees or cancelled by the Commission on or after 1 January 2012.
- 4.40 The Bill requires the Commission to prepare a notifiable instrument that states the new maximum number of machines and the date of the change as soon as possible after any machine licences are surrendered or cancelled. This will allow tracking of the number of gaming machines in the ACT at a given time.
- 4.41 The Minister is required to review the gaming machine cap when the number of gaming machines in the ACT reaches 4 000.
- 4.42 Table 4.3 illustrates the movement in the number of gaming machines in the ACT since 30 June 2003.

Table 4.3: Number of gaming machines in the ACT 2003 to 2011

Source: ACT Gambling and Racing Commission annual reports

4.43 There is no time specified for achieving the reduction of 1 200 gaming machines. The *Gaming Machine Amendment Bill 2011* states:

It is the intention of the Legislative Assembly that the maximum number of gaming machines allowed on all licensed premises in the ACT be reduced to 4 000.

This reduction is to happen over time as gaming machines are surrendered or cancelled.⁴⁴

4.44 Reducing the number of gaming machines is a preventive measure intended to limit the accessibility to gaming machines, and hence minimise risks from problem gambling. It is consistent with findings from the Productivity Commission's 2010 on gambling that noted in relation to the accessibility of gaming machines:

Existing caps should not be relaxed.

- This is consistent with a precautionary approach to the risks of harms from gaming machines.
- Given current levels of accessibility, small reductions in caps are more likely to increase utilisation than reduce harms.⁴⁵

4.45 As can be seen from Table 4.3, there has not been a significant change in the number of gaming machines in the ACT over the past decade. During the period 30 June 2003 to 30 June 2011 the numbers actually increased from 5 020 to 5 024.

⁴⁴ *Gaming Machine Amendment Bill 2011*, section 12 amending sections 35 and 36 of the *Gaming Machine Act 2004*

⁴⁵ Productivity Commission, op cit, page 14.1

The number of licensed gaming machines has dropped slightly since 2007 with an overall decrease of 155 machines, which is a three percent reduction over four years. If this level of ‘natural attrition’ continues, it will take some twenty six years to deliver the 20 percent reduction required to reach the new cap of 4 000 machines.

- 4.46 Mindful of the Productivity Commission’s observation that ‘small reductions in caps are more likely to increase utilisation than reduce harms’, the ACT Government should consider strategies other than ‘natural attrition’ to significantly reduce the number of gaming machines licensed in the ACT to meet the cap in a timely manner.

Recommendation 9

The ACT Government should set a time to achieve the 4 000 gaming machine cap and implement strategies to meet the target.

PLANNED CHANGES

Pre-Commitment

- 4.47 In May 2011, a national agreement by the Council of Australian Governments - Select Council on Gambling Reform was made to introduce pre-commitment technology to gaming machines. In this context, pre-commitment is defined as any mechanism that may allow a consumer to set a limit around their gambling or help a consumer better control their gambling and avoid overspending their limit.
- 4.48 The introduction of pre-commitment technology was based on the view that being able to set time and money limits on the use of gaming machines is a useful means to help curb problem gambling behaviour.
- 4.49 A mandatory scheme was not agreed at a state level. However, the ACT was selected to be the location of a trial on mandatory pre-commitment. The Federal Government would meet all infrastructure costs for the trial, including upgrading or replacing poker machines not suitable for mandatory pre-commitment, and would compensate ACT clubs for their participation, which was estimated to lead to a 20 percent reduction in gross gaming machine revenue.
- 4.50 At the time of this report, clubs in the ACT had agreed in-principle to participate in the trial subject to ongoing negotiations.
- 4.51 There have been two national reports on pre-commitment. These were published by Gambling Research Australia in June 2006 and November 2010.⁴⁶ One examined whether gamblers did pre-commit and if they did were they likely to adhere to the pre-commitment. The second national report dealt specifically with

⁴⁶ The reports, *Analysis of gambler pre-commitment behaviour* and *Factors that influence gambler adherence to pre-commitment decisions* are available from Gambling Research Australia’s website:

<http://www.gamblingresearch.org.au/CA256DB1001771FB/page/GRA+Research+Reports?OpenDocument&1=35-GRA+Research+Reports~&2=-&3=->

gaming machines and examined factors that influenced pre-commitment decisions, including design features.

- 4.52 The June 2006 research, *Analysis of gambler pre-commitment behaviour*, surveyed 482 gamblers who gambled at least once a month. Report findings included:
- limits set by gamblers may be set at a limit that is neither affordable or realistic;
 - half of gamblers surveyed admitted to not always calculating the affordability of their gambling;
 - one in five of the gamblers surveyed never calculated affordability of their gambling;
 - there was a slightly lower tendency for gaming machine players in the ACT to set a spending limit than the other jurisdictions (possibly due to higher player income);
 - when the limits were set correlated with the likelihood of the limit being exceeded. A limit set at the venue was more likely to be exceeded than a monthly limit set well ahead of gambling at the venue.
- 4.53 The research identified three priority triggers for gamblers to exceed their limit:
- sensing a win was due;
 - reserving gaming machines to avoid others accessing the next winning game; and
 - goal setting to get so many free spins/features before leaving.
- 4.54 The November 2010 research, *Factors that influence gambler adherence to pre-commitment decisions*, sought to identify aspects of gaming machine design that may affect adherence to pre-commitment decisions, activities and features offered by and at venues that support or undermine pre-commitment decisions; and other factors that may influence pre-commitment decisions.
- 4.55 The report was informed by observation of 200 gaming machine players across 200 venues in three states.
- 4.56 The research found that often a player's perceptions did not align with reality. The spending pre-commitment was exceeded by 12–16 percent of electronic gaming machine players. In contrast, only seven percent of players reported exceeding their pre-commitment when questioned after play had finished.
- 4.57 Audit's inspections of several ACT gambling facilities noted that prominent reservation signs were provided in clubs to enable gamblers to reserve machines. The ACT Code of Practice is silent on the use of machine reservation signs.
- 4.58 Given the implication from National research that reserving gaming machines contributed to gamblers exceeding pre-commitment limits, the Commission should consider whether such practice should be regulated, regardless of whether a Commonwealth pre-commitment scheme is introduced in the ACT.

Recommendation 1 (b)(vii)

The ACT Gambling and Racing Commission should initiate a review of the Gambling Code of Practice taking into account:

- b) means to encourage licensees to:
- (vii) restrict the capacity for gamblers to reserve gaming machines in licensed venues.

Other reforms arising from the Productivity Commission report

4.59 The Council of Australian Governments Select Council on Gambling Reform was formed to progress a national approach to minimise the harm caused by problem gambling. This means, essentially, implementing across Australia many of the recommendations from the Productivity Commission's 2010 report on gambling.

4.60 A staged approach to pre-commitment over six years, which would include a limited trial funded by the Australian Government, was a significant reform proposed by the Productivity Commission (this was discussed above). Other reforms include:

- limiting note acceptors to \$20 and not allowing further notes to be loaded onto a machine until credits fall below \$20 (the ACT already limits note acceptors to \$20);
- a bet limit of \$1 by 2016 (the current bet limit in the ACT is \$10);
- mandatory 'shut-down' periods for gaming areas from at least 2am and for at least six hours (the mandatory shut down period in the ACT is five hours from 4.00am- 9.00am);
- a daily limit of \$250 for cash withdrawals from ATMs and EFTPOS machines in gaming venues with ATMs not to be visible from the gaming floor (the ACT prohibits ATMs in gaming areas and does not currently have a limit, although a \$250 daily limit is among the amendments in the *Gaming Machine Amendment Bill 2011*);
- prizes over \$300 to be quarantined and paid by cheque or direct transfer- this may need to be phased in as a feature on machines (the ACT requires winnings of \$1200 to be paid by cheque);
- gaming machines to display dynamic warnings of potentially harmful play;
- gaming machines to display a dynamic notice of actual cost of play and dynamic warnings of potentially harmful play.

4.61 The Productivity Commission recommended a phased approach for these reforms, with implementation from 2010 to 2020 when there would be an assessment of all harm minimisation measures to see if they should be modified or removed.

4.62 The ACT is well positioned to respond positively to most, if not all, of these reforms.

APPENDIX A: AUDIT CRITERIA AND APPROACH

AUDIT OBJECTIVE

The objective of the audit was to provide an independent opinion to the Legislative Assembly on whether the ACT Gambling and Racing Commission is effectively monitoring and minimising harm caused by problem gambling in the ACT.

AUDIT CRITERIA

Assessments of the effectiveness of the Commission's activities to monitor and minimise harm caused by problem gambling were made against whether the activities were:

- well planned and based on appropriate and robust research and analysis;
- well implemented in accordance with legislation and better practice;
- accurately monitored and reported; and
- appropriately evaluated, to identify whether the initiatives were achieving the intended purpose.

AUDIT APPROACH

The performance audit was conducted under the authority of the *Auditor-General Act 1996*, and in accordance with the principles, procedures, and guidance contained in Australian Auditing Standards relevant to performance auditing. These prescribe the minimum standards of professional audit work expected of performance auditors. Of particular relevance is the professional standard on assurance engagements - *ASAE 3500 Performance Engagements*.

Evidence was collected by:

- conducting a literature review of relevant ACT gambling legislation to determine what requirements the Commission has to minimise harm caused by problem gambling in the ACT;
- conducting a literature review of work undertaken on the gambling regulation and harm minimisation by other jurisdictions including other audit offices to identify better practices;
- conducting interviews and discussions with management and key personnel who have responsibility for implementing the Commission's strategies and activities for monitoring and minimising harm caused by problem gambling;
- examining key documentation within the Commission, including policies, procedural guidance, compliance audits and reports to ensure legislative requirements are being met; and
- reviewing research papers commissioned by the Commission;
- conducting interviews and discussions with stakeholders, such as:
 - Gambling Care, Lifeline, Canberra;
 - Mission Australia;

- Clubs ACT;
- ANU Centre for Gambling Research;
- ACTCOSS – ACT Council of Social Services Incorporated;
- Multicultural, Aboriginal and Torres Strait Islander Affairs; and
- two gambling contact officers; and
- staff of selected ACT gaming venues, and reviewing aspects of the activities undertaken at the venues to monitor and minimise harm caused by problem gambling.

APPENDIX B: ACT GAMBLING TAXATION REVENUE

Gambling revenue collected by the Commission on behalf of the Territory in 2010-11 was \$56.6 million. Of this, \$35.3 million (62 percent) was from gaming machine taxation.

The income generated from gambling is a significant revenue stream for the Territory (at about one percent of the budget). As this revenue represents the collection of taxes, fees and fines it is deposited into the Territory Banking Account.

Comparisons of Australian states and territories gambling taxes

ACT Treasury comparison of revenue from gambling taxes with other jurisdictions from 2006-07, shows ACT derived the second lowest (after Western Australia) gambling tax revenue per head of adult population.

Table B.1 below shows how much gambling tax was collected by each Australian State and Territory in 2006-07. To assist in giving these taxes some perspective each has been compared to the adult population and the total taxes collected for each jurisdiction.

Table B.1: State and Territory gambling tax revenue for 2006-07

State	Tax revenue (\$ million)	Average tax revenue per adult (\$)	Tax revenue as portion of total own state tax revenue (%)
New South Wales	1 656	314	9.4
Victoria	1 535	382	13.1
Queensland	817	259	9.6
South Australia	430	348	13.2
Western Australia	326	204	5.7
Tasmania	82	217	10.9
Northern Territory	63	408	17.0
ACT	56	213	6.0
All states	Total 4 965	Average 309	Average 10.1

Source: ACT Treasury from the Australian Bureau of Statistics data.

APPENDIX C: DISTRIBUTION OF GAMING MACHINE REVENUE

Information published in *Australian Gambling Statistics 1983–84 to 2008–09*, prepared by the Office of Economic and Statistical Research, Queensland Treasury, shows that in 2008-09 gaming machine turnover in the ACT (that is, the amount wagered on gaming machines) was \$2.08 billion. This was equivalent to \$7 716 per capita (adult population).

Gaming machine turnover was 81.1 percent of the total gambling turnover in the Territory in 2008-09 of \$2.51 billion.

Under the *Gaming Machine Regulation 2004*, all gaming machines in the ACT must return to players a minimum percentage payout of 87 percent. Many licensees in the ACT choose to return a higher percentage to players (around 90 percent).

Gross Gaming Machine Revenue

Gaming machine turnover not returned to the player may be regarded as gross gaming machine revenue (defined by the Commission as the amount of winnings for playing the machines paid or payable in accordance with the machine's indicated prize scales (excluding linked jackpots); and any amount set aside under a linked jackpot arrangement for payment of linked jackpots).

Figure C.1 shows the distribution of gaming machine revenue, assuming the amount wagered and paid back as winnings is the minimum mandated by legislation (87 percent).

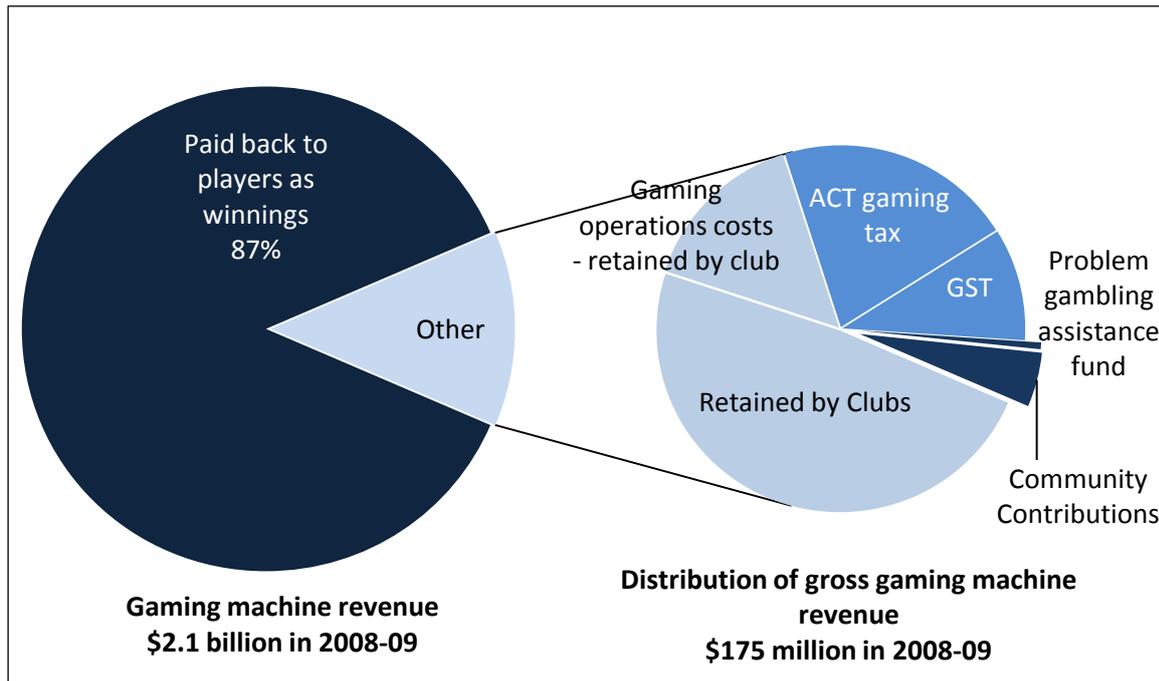
Net Gaming Machine Revenue

Net gaming machine revenue is gross gaming machine revenue less any amount of gaming machine tax payable on that revenue (before GST is deducted); and 24 percent of the gross revenue (this is an amount allowed by the Commission to cover the administrative cost to clubs of running gaming machines).

The Commission reported that net gaming machine revenue in the ACT in 2008-09 was \$98.6 million. In 2010-11, net gaming machine revenue was \$100.9 million.

Figure C.2 shows the net gaming machine revenue from ACT clubs since 1998-99. Net gaming machine revenue peaked in 2005-06 at \$113 million, and has averaged \$103.6 million in the thirteen years since 2009-09. The decline in revenue that commenced in 2006-07 is at least in part attributable to the indoor smoking ban that was introduced into the ACT in December 2006.

Figure C.1: The distribution of gross gaming machine revenue

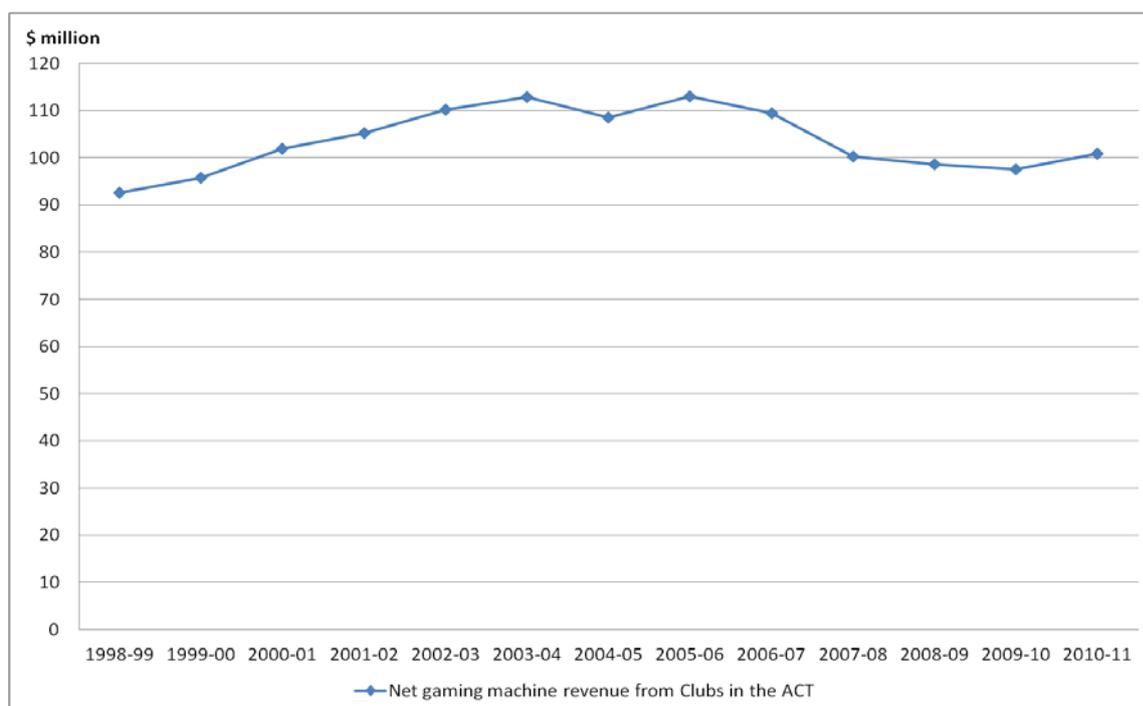


NOTE: This assumes the amount wagered that is paid back as winnings is the minimum mandated by legislation (87 percent). Many licensees in the ACT choose to return a higher percentage to players (around 90 percent). This will reduce the proportion of the amount wagered that is retained by the clubs.

Revenue figures are from the most recent publication of Australian Gambling Statistics 1983–84 to 2008–09, prepared by the Office of Economic and Statistical Research, Queensland Treasury, and available from <http://www.oesr.qld.gov.au/products/publications/aus-gambling-stats/index.php>

Source: Audit Office, based on Clubs ACT *Where the gaming dollar goes*, available from http://www.clubsact.com.au/club_sector/gaming_dollar.php

Figure C.2: ACT net gaming machine revenue



Source: ACT Gambling and Racing Commission reports on community contributions made by gaming machine licensees

APPENDIX D: ACT GAMBLING LEGISLATION

The following legislation is currently enacted in the ACT to regulate the gaming industry and facilitate monitoring and minimising harm caused by problem gambling:

- *Gambling and Racing Control Act 1999*;
- *Gambling and Racing Control (Code of Practice) Regulation 2002*;⁴⁷
- *Betting (ACTTAB Limited) Act 1964*;
- *Casino Control Act 2006*;
- *Gaming Machine Act 2004*;
- *Interactive Gambling Act 1998*;
- *Lotteries Act 1964*;
- *Pool Betting Act 1964*;
- *Race and Sports Bookmaking Act 2001*;
- *Racing Act 1999*;
- *Unlawful Gambling Act 2009*; and
- *Gaming Machine (Problem Gambling Assistance) Amendment Act 2010*.

In addition, the *Gaming Machine Amendment Bill 2011* was introduced into the Legislative Assembly in December 2011. The Assembly referred the bill to the Standing committee on Public Accounts, and the Committee is presently considering the Bill.

Extract from Gambling and Racing Control (Code of Practice) Regulation 2002

1.2 Meaning of gambling problem

(1) For this Code of Practice, a person has a gambling problem if the person cannot manage properly the person's gambling activities.

Examples of signs that person has gambling problem:

1. admitting being unable to stop gambling or to gamble within the person's means
2. expressing concern about the amount of time or money the person spends on gambling
3. acknowledging the person spends on gambling money needed for day-to-day living expenses, including for dependants
4. having a disagreement with a family member or friend about the person's gambling behaviour

(2) Also, a person is taken to have a gambling problem, if the person engages in any of the following behaviour:

⁴⁷ This is a regulation created under the *Gambling and Racing Control Act 1999*. Other regulations are not included in this list.

- a. seeking credit for gambling unless authorised under a gaming law;
- b. seeking to borrow or scavenge for money to gamble;
- c. seeking assistance or advice about controlling the person's gambling;
- d. admitting to borrowing or stealing money to gamble.

APPENDIX E: CANADIAN PROBLEM GAMBLING INDEX

The Canadian Problem Gambling Index asks people to rate the frequency of nine behaviours/attitudes over the last year of gambling, with the options on any question being never, sometimes, most of the time or almost always.

The questions are:

1. Have you bet more than you could really afford to lose?
2. Still thinking about the last 12 months, have you needed to gamble with larger amounts of money to get the same feeling of excitement?
3. When you gambled, did you go back another day to try to win back the money you lost?
4. Have you borrowed money or sold anything to get money to gamble?
5. Have you felt you might have a problem with gambling?
6. Has gambling caused you any health problems including stress or anxiety?
7. Have people criticised your betting or told you you had a gambling problem, regardless of whether you thought it was true?
8. Has your gambling caused any financial problems for you or your household?
9. Have you felt guilty about the way you gamble or what happens when you gamble?

Each response is scored in the following manner:

- never = 0,
- sometimes = 1
- most of the time = 2
- almost always = 3

The higher the score, the greater the risk that gambling is a problem.

Scores for the nine items are summed, and the results are interpreted as follows:

- 0 = Non-problem gambling;
- 1–2 = Low level of problems with few or no identified negative consequences;
- 3–7 = Moderate level of problems leading to some negative consequences;
- 8 or more = Problem gambling with negative consequences and a possible loss of control.

APPENDIX F: RESEARCH SUMMARIES

The Commission contributes financially to research at local and national levels. This Appendix provides an overview of some of the recent research.

LOCAL RESEARCH

The main method the Commission uses to monitor problem gambling in the ACT is research. In May 2002 the Commission and the Australian National University established the Centre for Gambling Research (the Centre). The Centre has published eight reports since 2004.

Profiling problem gambling symptoms in the ACT: Socioeconomic and demographic characteristics and gambling participation October 2011

The study was designed to build on the analysis and findings of the prevalence survey published in 2010 (see below) by disentangling how socioeconomic and demographic risk factors, and types of gambling activity, relate to gambling symptoms.

After taking into account the considerable overlap between socioeconomic and demographic measures, marital history, age, sex and education were identified as the most important predictors of problem gambling symptoms. More specifically, in relation to these measures, being younger, male, having a history of divorce or having never married, and lower qualifications were found to be the most important predictors of problem gambling symptoms.

The findings showed that the proportion of people with problem gambling symptoms varied greatly across different subgroups within the adult population.

- For example, only a small proportion (0.7 percent) of young women aged 18-24, with a bachelor degree or higher, who had married (but never been divorced) reported symptoms of problem gambling.
- In contrast, 18.1 percent of young men aged 25-44, with a year 12 or lower qualification and who had never married reported symptoms of problem gambling.
- The ten highest-risk subgroups in the community (accounting for 14 percent of the adult population) all contained men with year 12 (or a lower qualification), a trade certificate or diploma, who had either never married or had a history of divorce.

The study looked at how gambling intensity (for example how often people gamble, their financial losses, the number of different activities they engage in and duration of gambling sessions) related to problem gambling in the community. The findings demonstrated that as gambling intensity increased so too did the proportion of people reporting problem gambling symptoms.

- For example, amongst people who had gambled 100 times in the last 12 months, about 30 percent reported some problem gambling symptoms and approximately 10 percent met the criteria for moderate risk/problem gambling. Amongst people who gambled 150 times in the last 12 months

the proportions were higher (approximately 40 percent and 15 percent respectively).

- A group of the highest-intensity gamblers (across all forms of gambling activities) were identified based on their responses to questions about both gambling frequency and their financial losses. Amongst this group 55 percent reported some problem gambling symptoms with 27 percent meeting the criteria for moderate risk/problem gambling.
- Around half of all people who reported losing \$100 per week reported some problem gambling symptoms with around one in five meeting the criteria for moderate risk/problem gambling.

The findings demonstrated that intensity of playing electronic gaming machines was a better indicator of problem gambling symptoms than intensity of gambling across all activities.

The report is available from the Commission's website:

<http://www.gamblingandracings.act.gov.au/Research.htm>

Help-seeking and Uptake of Services Amongst People with Gambling Problems in the ACT (October 2011)

Overall, the findings suggest that people with gambling problems are unlikely to identify as having a gambling problem or seek help unless they have experienced serious impacts or harms. The qualitative studies further indicate that people with gambling problems are more likely to seek help for the consequences of their gambling (for example, economic and relationship problems) or for co-occurring problems (for example, alcohol or other drug problems) well in advance of seeking help for their gambling problems. The experiences and views of people developing gambling problems need to be better understood so that appropriate and attractive early intervention strategies can be built into service delivery models. Improving the identification and engagement of people with gambling problems amongst those who seek help for other problems may also provide opportunities for earlier intervention.

This report found that having been married or in a defacto relationship and talking to family and friends was strongly associated with whether or not someone with gambling problems self-identified or accessed services for gambling problems. Service providers described the negative impacts experienced by the family of people with gambling problems, and some clients reported feeling shame for what they put their family through. This report highlights the importance of family and friends but further research is needed to unpack the roles family and friends might play in identifying gambling problems and help-seeking pathways.

ACT's 2010 gambling prevalence study titled 'Survey of the Nature and Extent of Gambling, and Problem Gambling, in the ACT'

This research project was conducted in late 2009 and reported in November 2010. In total, 5 500 ACT residents were surveyed to investigate the prevalence of gambling in the Territory. Prior to this project, the most recent study on the prevalence of gambling in the Territory was completed in 2001. The study's findings were applied to the estimated June 2009 adult population of the ACT (274,054)

The report identified:

- around 70 percent of adults gambled at least once in the last 12 months;
- 30 percent of adults played gaming machines at least once in the last year with 3 percent playing at least once a week; and
- participation in gambling activities has fallen slightly in the last decade.
- 7.9 percent of gamblers had at least one symptom of problem gambling, with 2.9 percent being classified as moderate risk or problem gamblers;
- of those that were identified as moderate risk or problem gamblers, 90 percent reported playing gaming machines (but not necessarily exclusively);
- problem gamblers tend to bet on a range of products – the average being four different products;
- the typical problem gambler is male, young and less well educated – education level has the strongest association with gambling measures;
- smoking and harmful levels of alcohol consumption were strongly associated with higher frequency gambling; and
- problem gamblers and those at risk typically do not seek intervention (ie counselling support) until they are at risk of, or are contemplating, suicide.

The report revealed a strong relationship between frequency of gambling, number of gambling activities reported, amount of money lost and duration of gambling session. The report also examined the socioeconomic and demographic factors associated with high frequency gambling. Compared to the rest of the population, high frequency gamblers (who are not necessarily problem gamblers) are more likely to be male, in an older age group, less educated, with income derived from pensions, benefits, or superannuation, or in full time employment.

As with other Australian jurisdictions, the report found that receiving help for gambling problems is not only a rare event in the general population (0.7 percent have ever received help) but is also uncommon among people with gambling problems, with only about one in five ever getting help. The report found that feeling suicidal was the most common factor associated with help-seeking for problem gamblers. This gave the impression that seeking help is a last resort.

The report is available from the Commission's website:

<http://www.gamblingandracetracing.act.gov.au/Research.htm>

Young Men and Gambling in the ACT

Young Men and Gambling in the ACT, June 2005 studied the attitudes towards, perceptions of, and engagement with, gambling by young males (aged 18 – 25 years) in the ACT. The study was based primarily on in-depth semi-structured interviews with a sample of 30 young males living in the ACT.

There are diverse reasons for why young men gamble, what they gamble on, when they gamble, who they gamble with, the contexts in which they gamble, how much they

gamble, whether problems emerge and how they are dealt with. Overall it was clear that the extent to which young men become involved with gambling is heavily influenced by the leisure contexts in which they tend to participate.

The report recommendations included: building on existing programs in the ACT to provide 'male friendly' education, life skills and support programs, similar to those that exist in the construction industry; increase mentoring programs through sports clubs; and using local sporting identities in outreach programs and responsible gambling campaigns.

Targeting young men to address problem gambling is a message reinforced by the 2011 Centre's research on socioeconomic factors that are most relevant or associated with gambling harms. Advice from the Children and Young People's Commissioner was in order to effectively target young people consult the group to be targeted to identify what will appeal to them.

The report is available from the Commission's website:
<http://www.gamblingandracing.act.gov.au/Research.htm>

NATIONAL RESEARCH

The Commission, along with each State and Territory, contributes financially to Gambling Research Australia, to further research problem gambling.

This financial contribution is proportionate to gambling taxes collected by each jurisdiction. The research commissioned by the Gambling Research Australia since 2005 has included studies on:

- identifying problem gamblers in venues;
- characteristics that attract a player to a venue;
- the factors that influence a gambler's ability to adhere to a self-set limit; and
- the risk factors for the transmission of problem gambling behaviours from parents to children.

These reports and how the Commission addressed report findings are summarised below.

Identifying problem gamblers in venues

The study titled '*Identifying Problem Gamblers in Gambling Venues, November 2007*' discussed duty of care and problem gambling. Australian policy makers and some regulators have generally supported a public health approach to minimising harm associated with gambling. This research had three components: Surveys with 120 Venue staff and 15 problem gambling counsellors; Surveys of 700 regular gamblers; and two observational studies were conducted within venues. One in South Australia on whether behaviours were occurring in venues and the other in ACT on details of the behaviours and variations across individuals.

A public health approach encourages a whole-of-government and industry response to reducing problem gambling. According to this approach the industry has a duty of care to protect their patrons from harmful consequences of problem gambling. Duty of care is an obligation on governments and the industry that society deems reasonable.

Duty of care provisions were found to be implemented at different levels: as part of legislation; mandatory Codes of Practice; voluntary Codes of Practice; and statements of business ethics of operational principles.

Comparisons of Australian states and territories showed:

- ACT, South Australia and Northern Territory have mandatory Codes of Practice that include legislatively enforceable sanctions for non-compliance;
- ACT and South Australia are the only jurisdictions that have a mandatory requirement that venue staff make active attempts to identify problem gamblers in gaming venues;
- Queensland applies a system of co-regulation between industry, community representatives and Government. Collaboratively these groups have developed a Code of Practice that is subject to a periodic review; and
- Other States (New South Wales, Victoria, Western Australia and Tasmania) responsible gambling provisions are applied largely via industry self-regulation.

As the Commission had introduced a mandatory Code of Practice in 2002 that required the Gaming Industry to have: staff trained in approaching and identifying problem gamblers in venues; and exclusion options for patrons, the findings were not relevant to the ACT.

Table F.1 shows a summary of what the ACT had in place at the time of the 2007 report.

Table F.1: Report findings and ACT treatments

Summary of report findings	How ACT addressed findings
There are visible differences between problem gambler and non-problem gamblers. For example people who become angry, depressed, violent towards machines or complain to staff.	ACT is one of two states and territories with a mandatory requirement for venue staff to make attempts to identify problem gamblers in gaming venues.
Venue staff found the most significant barrier to identifying problem gamblers was uncertainty around the response of the patron.	In 2002 the Commission created the role of Gambling Contact Officer whose role includes liaison with patrons. Gambling Contact Officers receive training to assist them in patrons' responses.
There was a lack of training to assist staff in managing removal of problem gamblers.	ACT Gambling Contact Officers are trained in managing the removal of problem gamblers. ACT also has self-exclusion and club-exclusion options available.
A single behaviour on its own may not indicate a problem gambler, but if a number of indicators were observed it increases the likelihood of identification of a problem gambler.	Through the mandatory Code of Practice for the Gambling Industry in ACT the clubs are required to maintain a 'Problem Gambling Incident Register'. (This is to establish a history over time.)

Source: *Identifying Problem Gamblers in Gambling Venues, November 2007* and ACT Audit Office.

Characteristics that attracted a player to a venue

The study titled '*The Influence of Venue Characteristics on Player's Decision to Attend a Gambling Venue, March 2010*' discussed why gamblers chose to gamble where they do and venue characteristics. Venue characteristics were analysed to determine whether certain features are more or less likely to attract or maintain problem gamblers.

Two surveys were performed, the first surveyed 501 'general population gamblers' about their gambling frequency, venue types, venue characteristics and location, the other surveyed 200 'problem gamblers' who had recently commenced counselling for gambling related problems.

Table F.2 compares venue selection criteria for non-problem gamblers and problem gamblers.

Table F.2: Report findings comparing non-problem gamblers and problem gamblers venue selection criteria

Non-problem gamblers selection criteria	Both non-problem and problem gambler selection criteria	Problem gambler selection criteria
reasonable entry or membership prices	good service	comfortable seating
opportunities to socialise with other people	safe environment	favourite machines
	low denomination machines	machines with bonus features
		enough machines so they don't have to wait
		able to gamble without feeling watched
		free refreshments

Source: *The Influence of Venue Characteristics on Player's Decision to Attend a Gambling Venue, March 2010*.

Part of the Commission's role is to approve the layout of gaming machine floor plans. The Commission also regulates promotions and advertising in licensees' venues. Factors that influence a gambler's ability to adhere to a self-set limit

In May 2011 a national agreement by the Council of Australian Governments - Select Council on Gambling Reform was made to introduce pre-commitment technology to gaming machines. Pre-commitment is defined as any mechanism which may allow a consumer to set a limit around their gambling or help a consumer better control their gambling to avoid overspending their limit.

The introduction of pre-commitment technology was based on it being a useful tool for some gamblers. A mandatory scheme was not agreed and therefore the Federal Government is required to pass legislation by 2012 to require the introduction of a mandatory scheme.

There have been two national reports on pre-commitment. These were published in June 2006 and November 2010. One looked at whether gamblers did pre-commit and if they did were they likely to adhere to the pre-commitment. If pre-commitment was exceeded, what were the reasons? The other looked at factors that influenced pre-commitment decisions.

The research looked at what triggered gamblers to go over their limit. There were three priority triggers:

- sensing a win was due;
- reserving gaming machines to avoid others accessing the next winning game; and
- goal setting to get so many free spins/features before leaving.

Visits to licensees showed that there are large reservation signs in clubs enabling gamblers to reserve machines. The ACT Code of Practice has no requirements for machine reservation signs.

Table F.3 below shows a summary of what the ACT has done in relation to the report suggestions.

Table F.3: Report findings and ACT treatments

Summary of report suggestions	How ACT addressed findings
Future education should aim to counter the common myths of gambling and gambling awareness should be raised about avoiding goal setting during play.	Clubcare posters in ACT clubs, about responsible gambling, suggest players set limits before gambling alongside other information.
Gaming machine players could be considered as important targets for future education programs.	The Commission work cooperatively with counselling service to circulate brochures and posters to assist educate gaming machine players at licensed venues.
Assist players deal with reasons for gambling, like social contact or depression via means other than gambling. (Social welfare strategies).	The Commission administer a contract with Mission Australia to provide counselling support to ACT problem gamblers. Mission Australia will be working with licensees and ANU research. As this began in July 2011 it is a new social welfare strategy to assist players.
Future research should investigate the role of gambling in players experiencing severe depression or social isolation. This should also investigate the factors which may help such gamblers keep pre-commitment limits.	ACT research in 2011 looked at socioeconomic groups at risk of developing gambling problems. Although it didn't look at reasons for gambling it was done to understand ACT problem gamblers in order to target future education material.
Investigate ATM use at gambling venues including: - withdrawals by individual gamblers; - placement of ATMs further away from gaming machines; and reducing the number of ATMs in a venue.	Research into ATMs in ACT licensee venues was done by the Commission in September 2004. This was two years prior to the National study. ACT do not allow ATMs in gaming rooms, but they are in clubs.

Source: Analysis of gambler pre-commitment behaviour, June 2006 and ACT Audit Office

The November 2010 report on pre-commitment selected gaming machines as the only gambling method studied in the report. The objectives of the 2010 report was to identify: aspects of gaming machine design that may affect adherence to pre-commitment decisions; activities and features offered by and at venues that support or undermine pre-commitment decisions; and other factors that may influence pre-commitment decisions.

Observation of 200 gaming machine players across 200 venues in three states formed the basis of this report. This approach was intended to give a more in-depth behavioural perspective of gambler pre-commitment behaviour.

When players were observed 12 to 16 percent of electronic gaming machine players exceeded their spending pre-commitment. When questioned after play had finished only seven percent reported exceeding their pre-commitment.

The 2010 report found there were three factors that directly influenced adherence to pre-commitments. Two of these related to gaming machine features and the third was the life events and daily hassles experienced by the individual. Given the implication that reserving gaming machines contributed to exceeding pre-committed there may be a place to regulate around gaming machine reservation.

APPENDIX G: INDICATORS OF PROBLEM GAMBLING

SYMPTOMS OF PROBLEM GAMBLING

Examples of symptoms of problem gambling from the ACT research, 2009 *Survey of the Nature and Extent of Gambling and Problem Gambling in the Australian Capital Territory: Canberra: ACT Gambling & Racing Commission, November 2010*, included:

- continuing to gamble to win back losses;
- feeling guilt, anxiety or stress about gambling;
- gambling to escape stress or other problems;
- lying to cover up gambling;
- gambling on your own;
- betting more than you can afford to lose;
- borrowing money to keep gambling;
- gambling with money set aside for food or bills; or
- gambling instead of going to school or work.

IDENTIFYING PROBLEM GAMBLERS IN GAMBLING VENUES

Research by Gambling Research Australia has sought to identify behaviours that might assist staff in gaming venues to identify persons with a possible problem gambling problem. The research paper *Identifying Problem Gamblers in Gambling Venues, November 2007* is available from the Gambling Research Australia website at <http://www.gamblingresearch.org.au/CA256DB1001771FB/page/GRA+Research+Reports?OpenDocument&l=35-GRA+Research+Reports~&2=~&3=~>.

The indicators listed in the research paper are as follows:

Frequency duration and intensity

- gambles every day of the week
- gambles for three hours or more without a break of 15 minutes or longer
- gambles for 5 or more hours without a break of 15 minutes or longer
- gambles so intensely that the person barely reacts to what is going on around him or her
- plays very fast (inserts a large number of coins into the machine, presses the button rapidly so the spin rate is fast)
- bets \$2.50 or more per spin most of the time
- after winning on poker machines, plays on quickly without even stopping to listen to music or jingle

- rushes from one machine or gaming table to another
- gambles on two or more machines at once (where this is allowed)
- gambles continuously
- spends more than \$300 in one session of gambling, and/or
- significant changes in expenditure pattern, e.g. sudden increases in spending.

Impaired control

- stops gambling only when the venue is closing
- gambling right through the usual lunch break or dinner time
- finds it difficult to stop gambling at closing time
- tries obsessively to win on one particular machine, and/or
- starts gambling when the venue opens.

Social behaviours

- asked venue staff to not let other people know they are there
- has friends or relatives call or arrive at the venue asking if the person is still there
- is rude or impolite to venue staff
- avoids contact, communicates very little with anyone else
- stays on to gamble when friends leave the venue
- becomes very angry if someone takes the person's favourite machine or spot in the venue
- brags about winning or makes a big show relating to how skilful he or she is as a gambler, and/or
- stands over the other players while waiting for his or her favourite machine.

Raising funds/chasing behaviour

- get cash out on two or more occasions to gamble using an ATM or EFTPOS at venues
- asks to change large notes at venues before gambling
- borrows money from other people at venues
- asks for a loan or credit from the venues
- puts large win amounts back into the machine and keeps playing
- leaves the venue to find money to continue gambling
- observed rummaging around in purse or wallet for additional money
- appears to have run out of all money including the money in purse or wallet when they leave the venue, and/or

Indicators of problem gambling

- uses coin machine at least four times.

Emotional responses

- seen to be shaking (while gambling)
- sweats a lot (while gambling)
- looks nervous / edgy (e.g. leg swinging, bites lip continuously)
- vocally displays anger (e.g. swears to themselves, grunts)
- kicks or violently strikes machines with fists
- looks very sad or depressed (after gambling)
- cries after losing a lot of money
- sits with head in hand after losing
- plays the machine very roughly and aggressively (e.g. with fists or slaps)
- groans repeatedly while gambling, and/or
- shows significant changes in mood during sessions.

Other behaviours

- gambles after having drunk a lot of alcohol
- appears to avoid cashier - appears evasive - only uses cash facilities, and/or
- significant decline in personal grooming and/or appearance over several days.

Irrational Attributions / Behaviours

- blames venues or machines for losing
- complains to staff about losing
- swears at machines or venue staff because they are losing, and/or
- compulsively rubs belly of machine or screen while playing.

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