

## **GAMING CONTROL AMENDMENT BILL (NO.2) 2009**

### **SECOND READING SPEECH**

Mr Speaker

This Bill amends the *Gaming Control Act 1993* to implement a package of measures the Government announced in March this year to further address problem gambling in Tasmania.

These measures have been developed in response to the findings of the Social and Economic Impact Study into Gambling, which was publicly released on 22 July 2008; and following a period of consultation with the Tasmanian Gaming Commission and key community and industry groups.

Mr Speaker

For the majority of the population gambling is simply another choice of recreational activity. However, it is acknowledged that for a small proportion of gamblers, this can develop into obsessive and even addictive behaviour, with the social and economic costs of this behaviour on individual, families and the broader community being very high.

The challenge for Government remains one of balancing the broad demand for access to gambling as a recreation, against the legitimate concerns arising from those few in the community who, often in desperation and for a variety of reasons, live under the false hope that gambling will deliver a substantial financial windfall.

Gambling is available in many forms and from many sources, so it is not practical to think we can deal with these problems through prohibition. What this Government has pursued, however, is very high standards of probity and regulation that clearly recognise the aim of balancing these competing aims.

While Tasmania has been at the forefront in addressing problem gambling, the findings of the study nevertheless indicates that there are significant social costs from problem gambling.

Furthermore, the just released Productivity Commission draft report into gambling in Australia highlights that while the numbers of problem gamblers are small as percentage of the population, they disproportionally account for a significant share of total gambling expenditure, particularly with gaming machines. The draft report will require careful analysis of its findings and recommendations to effectively inform further measures to combat problem gambling.

Mr Speaker

The Government is committed to ensuring that Tasmania has the best harm minimisation measures in Australia.

Therefore, after reviewing the current measures in place, a number of new measures have been identified.

Some of these measures are being implemented by the Tasmanian Gaming Commission, following a Ministerial Direction issued to the Commission on 13 July 2009. For example: reducing the maximum bet per spin and the maximum cash accepted by a gaming machine; reducing the number of lines that can be played; and restrictions on the cashing of cheques. Other measures will be addressed administratively.

The *Gaming Control Amendment Bill (No. 2) 2009* introduces a range of new measures to combat problem gambling and improve consumer protection.

The Bill also includes miscellaneous amendments to improve the effectiveness and efficiency of Tasmania's regulatory framework.

Mr Speaker

I now turn to the amendments to address problem gambling.

Currently gaming operates under two voluntary codes of practice developed and administered by the industry. The voluntary codes deal with advertising, matters of player comfort, patron care, service of alcohol and resolving complaints.

While the voluntary codes have generally been adhered to by the industry, there should be a greater focus on minimising harm and consumer protection.

To provide for a strong and effective industry code of practice that addresses these issues, new mandatory codes are to be developed by the Commission following wide consultation.

Mandatory codes of practice are established in other jurisdictions including the ACT, South Australia and Northern Territory.

The new mandatory codes can include such relevant matters as: restrictions on advertising, promotion and inducements; access to cash; provision of food and alcohol; provision of clocks; minimum lighting standards; the display of warning and help signs; provision of information to players; staff training in recognising and dealing with problem gamblers; and other matters approved by the Minister.

A number of the measures announced by the Government, such as prohibiting the service of food and alcohol in public gaming areas after 9.00 pm, will be implemented by Ministerial direction to the Commission to include these measures in the new codes.

The mandatory codes will ensure that any breaches of the code are properly dealt with and the Commission will be able to impose a range of disciplinary measures for non-compliance with a code.

This initiative will strengthen responsible gambling environments and minimise the harm from problem gambling.

Mr Speaker

There is sound evidence that controlling the access to cash can be an effective measure in minimising the harm from problem gambling.

Tasmania is at the forefront in restricting access to cash from ATMs by being the only jurisdiction that currently bans them from hotel and club venues.

However, there are further measures that can be implemented. Currently there is no maximum amount that is paid in cash from winnings in gaming venues.

In most other States and Territories winnings can be paid in cash up to a pre-determined threshold. Winnings above this limit must be paid by cheque.

Without a limit on the amount of winnings paid in cash there is the risk that large cash winnings will be reinvested and this may lead to problem gambling behaviour.

The pay-out of large winnings by cheque therefore provides a “cooling off” period for the gambler.

In addition to limiting winnings paid in cash, there will be a prohibition on the cashing of winning cheques at a gaming venue on the day the winning cheque is drawn.

Furthermore, it will also be a requirement that the current restriction of one EFTPOS transaction per person per day will be extended from hotels and clubs to include the casinos.

The amendments expand the Commission’s powers to establish rules in relation to the access to cash. A Ministerial direction can then be issued to the Commission requiring it to include, as part of its Rules, the restrictions on access to cash to which I have referred.

Mr Speaker

Tasmania has a comprehensive player exclusion scheme. However, following a review of the scheme conducted in 2007 by the Commission some improvements to the scheme were identified.

The current scheme provides for exclusions to be of various types, such as for a particular game, a particular venue, or manner of wagering or participating in games.

The choice of self-exclusion available is extensive and this introduces unnecessary complexity to the self-exclusion process, leading to confusion for all parties involved and difficulties in enforcing the exclusion.

To simplify this process the exclusion will be limited to two types: a total exclusion from entering the premises; or an exclusion from participating

in gaming or wagering on the premises together with a prohibition on entering and remaining in the restricted gaming area.

Mr Speaker

Currently there is no minimum period that a person can exclude themselves.

This can undermine the effectiveness of the exclusion scheme if it can be revoked after a relatively short period when the person has the urge to gamble. A minimum exclusion period of six months will therefore be established.

There is also no maximum exclusion period. This creates problems with the administration of the scheme and in ensuring that information is up to date.

Without a time limit, the exclusions database can include persons who no longer live in the State, or their photographic identification has become outdated. A maximum period of three years will be set to ensure that the database is kept relevant and up to date.

Mr Speaker

Under the current provisions, before closing the account of an excluded person, a Tasmanian gaming licence holder is required to determine any outstanding wagers (net of all deductions) and remit any funds to the account of the excluded person.

The process of determining outstanding wagers can take considerable time if there are wagers on the outcome of an event that will occur in the future.

There are also instances where the licensed provider is unable to remit the funds due to legal constraints such as a fraud investigation or where the identity of the player has not met Commonwealth anti-money laundering and counter terrorism requirements.

The amendments therefore provide that on receipt of an exclusion notice or order, the account is immediately frozen rather than closed down. The Commission can then give instructions to the licensed provider as to how to deal with the account, such as in the circumstances I have mentioned.

Mr Speaker

The gaming operator, Network Gaming, operates the gaming machine network in hotels and clubs, however it is not empowered under the Act to have access to exclusion records. Without such access it is unable to identify persons who are to be denied direct promotional material.

An amendment therefore provides the gaming operator with access to the exclusions data and imposes a prohibition on directly promoting or advertising to excluded persons. This prohibition extends to hotels, clubs, casinos and Tasmanian gaming licence holders.

Mr Speaker

The Bill strengthens the provisions relating to minors. It is an offence if a venue operator allows a minor to enter and remain in a restricted gaming area. The offence will be extended to also apply to a special employee who allows a minor to enter or remain in a restricted gaming area.

The Bill also strengthens and aligns penalties relating to offences involving minors with those under the *Liquor Licensing Act 1990*.

Mr Speaker

The Commission's role is to regulate gambling in the State in accordance with the Act. However, issues of regulation and protecting consumers from the harm caused by their gambling are often connected.

So that the Commission has, as part of its primary task of regulating gambling in Tasmania, a role in fostering responsible gambling and minimising the harm from problem gambling, the Act will be amended to clarify that this will be part of its functions.

Mr Speaker, I will now turn to amendments of a miscellaneous nature.

Currently licence holders, as well as their associates, are not qualified to hold a licence unless that licence holder or associate is assessed by the Commission to be of 'good repute'.

A similar test existed in relation to liquor licensing and this was proven to be a lesser test than the 'fit and proper' test. Advice from the Solicitor-General has also confirmed this to be the case.

It is therefore considered to be a weakness in the Act to rely on 'good repute' rather than 'fit and proper' in assessing the suitability to hold a licence or to be an associate. The current references to 'good repute' are changed to 'fit and proper'.

Mr Speaker

A Tasmanian gaming licence holder is prohibited from wagering with itself. However it has come to light that a small number of exceptions to this requirement are necessary.

For example, an operator may need to bet with itself in order to mitigate a potential loss for the operator such as where a bet has been placed incorrectly or in cases of fraud. These are special circumstances requiring notification to the Commission and involving accounts approved by the Commission.

The amendment provides an exemption to this restriction in circumstances approved by the Commission and subject to any conditions. This will enable the licensed provider to take immediate action then notify the Commission as soon as possible.

Mr Speaker

The Commission can approve the control system and gaming equipment of the holder of a Tasmanian gaming licence if it is satisfied that the system is suitable for use in the gaming business.

However this does not accommodate emergency circumstances where an urgent change is required to the control system or software to prevent a fraud or a system failure before approval is given.

The Bill provides for the Commission to approve emergency changes to the control system or gaming equipment in such circumstances. This may include approval being given after the changes have been made.

Mr Speaker

Currently a minor gaming permit has duration of 12 months or less as specified by the Commission in the permit. Considerable time and effort is spent re-issuing permits as many applications are received to extend the issued permit beyond 12 months.

The amendment provides the Commission to determine the period for a minor gaming permit to be up to 5 years.

The Commission can issue directions to a variety of licence holders but not to persons listed on the Roll of Manufacturers, Suppliers and Testers of Gaming Equipment. By referring to 'prescribed licence holders' directions will include a listing on the Roll.

The amendments also provide for an annual listing fee to be prescribed in regulations to recoup the administrative costs associated with maintaining the Roll listing.

Mr Speaker

In some circumstances the Commission can become aware that breaches against the Act have occurred, however at the time of investigating the matter, the person no longer holds a prescribed licence. Advice from the Solicitor-General indicates that the definition of a prescribed licence holder only covers a person who is a current licence holder, not a person who once held such a licence.

This amendment enables the Commission to take disciplinary action against a person who held a prescribed licence at the time they contravened a provision of the Act.

Mr Speaker

Under the current disciplinary provisions, the maximum penalty for a licensee of a hotel or club is the same as a special employee at 50 penalty units. A special employee has far less responsibility from that of the licensee in ensuring an appropriate awareness of, and control over, the operation of a gaming venue.

An amendment increases the fine in respect of a licensee to not exceeding 500 penalty units.

Mr Speaker

Currently under the Act, a minor gaming operator must pay the Commission a permit fee determined by the Commission.

A review of minor gaming activities indicated that the current permit fee structure does not adequately recover costs and that it is inequitable that the same fee applies to a minor gaming operator whether it conducts a single small raffle or several larger raffles.

The Bill provides for prescribing in regulations, minor gaming permit fees for a class or classes of minor games.

Finally Mr Speaker, the Bill makes a number of minor amendments to the Act to clarify its intent, and repeal redundant provisions.

Mr Speaker

The Government is serious in its attempts to improve player protection measures wherever they can be meaningfully and practicably pursued. As new technologies emerge and further research into the behaviour of problem gamblers comes to light, our ability to make the relevant changes to our regulatory framework is better informed and supported.

The amendments in this Bill reflect such changes and therefore I commend the Bill to the House.