

## **PUBLIC**

### **PARLIAMENTARY JOINT SELECT COMMITTEE ON FUTURE GAMING MARKETS WAS HELD IN THE BAROSSA ROOM, LEVEL 7, STAMFORD PLAZA ADELAIDE, 150 NORTH TERRACE, ADELAIDE ON WEDNESDAY, 26 JULY 2017**

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DISCUSSION HELD WITH **Ms JEANETTE BARNES**, GENERAL MANAGER OF OPERATIONS AND **Mr PHIL DOWLING**, MANAGER POLICY AND PROJECTS, CONSUMER BUSINESS SERVICES OF INDEPENDENT GAMBLING AUTHORITY

**CHAIR** (Mr Gaffney) - Phil and Jeanette, on behalf of the committee thank you for appearing today. We have Sarah, who is part of the committee, on the phone and apologies from Scott and Andrea. We need a quorum, which is four, not six. Thank you for agreeing to appear. Please be aware that this hearing has been set up so we can use whatever you say as evidence that we will refer to in our committee report. If we do not do that, it is difficult with our parliamentary process to refer to it. That is why we have asked you here today. Please be assured we just want to try to get information to help our report. We are not here to comment or criticise whatever you guys do. That is not part of what this is about.

Usually we ask for a brief introduction or overview of what you do, your roles and how you operate here, and then we will take questions as the conversation unfolds. We have allocated about an hour.

Jeanette, you are the general manager of the Independent Gambling Authority?

**Ms BARNES** - That is right, general manager of operations, yes.

**CHAIR** - If you would like to kick off, and then we will ask Phil and go from there.

**Ms BARNES** - I will outline what the authority does. The Independent Gambling Authority is established under the Independent Gambling Authority Act 1995. The authority is made up of a board of seven people who are appointed by the Governor and it is supported by an office of public servants. Phil Dowling and I are two of those public servants. We are one of two regulators in the gambling area in South Australia. Our principal functions are to ensure integrity is maintained in commercial gambling operations and gambling products are delivered in a way that minimises harm and promotes responsible gambling.

The authority also supervises the regulation of licensed commercial gambling premises by the Liquor and Gambling Commissioner. The Liquor and Gambling Commissioner heads up the agency called Consumer and Business Services. The authority regulates advertising our responsible gambling codes of practice for all gambling businesses in South Australia.

**(Mr Scott Bacon joins committee via telephone)**

**Ms BARNES** - In relation to the regulation of gambling in South Australia there are two - also for Scott's benefit - regulators in South Australia: the Independent Gambling Authority which is where we are from, and also the Liquor and Gambling Commissioner who heads up Consumer and Business Services. The authority's role is regulatory. We regulate the advertising of responsible gambling practices for gambling businesses in South Australia. The authority also has a role in supervising the activities of the Liquor and Gambling Commissioner.

## **PUBLIC**

In terms of how it is divided up between ourselves and the commissioner, the authority is responsible for setting out the rules in relation to responsible gambling practices and advertising codes. The commissioner is responsible for enforcing compliance with those rules.

Our office is quite small. We only have a staff of approximately 10 people, so we just do not have the resources to undertake compliance work. The commissioner has a dedicated inspectorate as part of Consumer and Business Services, so all compliance and enforcement work in relation to the gaming machines, lotteries and the casino is undertaken by the Liquor and Gambling Commissioner.

**CHAIR** - Just on that point, when you say you do not have the resources to undertake the compliance, do you like the way it is separated? If you had the resources would you prefer to be doing the compliance side of it? I am interested in the model.

**Ms BARNES** - It is difficult for me to answer because the administrative arrangements in relation to gambling regulation in South Australia were subject to a review late last year. That review has not been publicly released.

**CHAIR** - That is fine.

**Ms BARNES** - I cannot really comment on that. I would say, though, that the role of the commissioner in relation to compliance enforcement is set out in the legislation, so he has a statutory role in that regard. The way it has been structured in South Australia is the commissioner is effectively the policeman in relation to the casino, lotteries and wagering, and the authority is the judge. Any investigations that are done are referred to the authority to decide whether disciplinary action will be taken. There has been that separation of powers.

**CHAIR** - When do you think that report will be finalised?

**Ms BARNES** - It is with the minister at this stage and we have no idea. I am happy to let you know when that does become available.

**Ms RATTRAY** - That would be useful if it happens to come before we report.

**Ms BARNES** - There has been discussion in South Australia about how we are structured. It is a separation of the two roles.

In relation to gaming machines, the roles are combined. The Liquor and Gaming Commissioner undertakes compliance and enforcement work, but also decides whether to take disciplinary action with breaches regarding gaming machines. That arrangement is slightly different.

**Ms RATTRAY** - Any idea why?

**Ms BARNES** - A lot of that is lost in history. It goes back to when gaming machines were first introduced into South Australia and the Independent Gambling Authority was created, or the Gaming Supervisory Authority as it then was. The politics around that led to that separation.

## **PUBLIC**

In terms of the authority's role, all gambling-related legislation in South Australia also provides a supervisory role for the authority in relation to the Liquor and Gambling Commissioner's compliance work. We implement that by the commissioner providing a quarterly report to the authority on all its compliance activities. It provides a level of oversight. Rather than reporting to the minister on all, it comes to the board, which looks at each quarter. The board then can see what things might be developing with compliance issues. The seven people on the board each bring their own skills and expertise to the area. They might bring other things to the table where they might be able to ask questions or put things to the commissioner about what is happening in particular areas or particular operations.

**CHAIR** - With the selection of the board, you said it had ministerial approval -

**Ms BARNES** - Yes, it is appointed by the Governor on recommendation by the minister.

**CHAIR** - Is the board there for how long? Is it for a term of three or four years?

**Ms BARNES** - It depends on the terms. Some members have received three-year appointments. We just had two appointed yesterday with two-year appointments. They are term appointments.

**CHAIR** - If someone retires or resigns from the board?

**Ms BARNES** - A new person is appointed.

**CHAIR** - With particular skills?

**Ms BARNES** - Yes. The minister is looking at, as with any board, bringing a good mix of skills to the table. There is a requirement we have a certain number of legal members. The presiding member has to be a legally qualified person with so many years' standing.

**CHAIR** - Is that written into the legislation?

**Ms BARNES** - Yes, it is. We have members with media and communications experience; legal members; and members with financial and accounting backgrounds. We also have members who work in the help areas in the gambling industry in terms of counselling. We have people with backgrounds in education and research. It brings a mix to table.

**Ms RATTRAY** - What about the gaming industry?

**Ms BARNES** - No, they are not members of the board. We work closely with industry. We have several subcommittees of the board. One of those is the regulation committee and we receive reports from industry on things happening in the regulation area. We meet at least once a year with industry in a formal way, but have regular meetings with industry, as our stakeholders.

In terms of the authority itself: while we have a regulatory role, we also have other dedicated roles in relation to research and providing advice in relation to harm minimisation measures. At the moment the authority has three research projects underway. We participate at a national level, as does Tasmania, with the newly established national gambling research body. That is one of our dedicated functions in the legislation to undertake research and look at harm minimisation measures.

## **PUBLIC**

Hopefully that gives you a flavour of what we do. We are also the body responsible for undertaking barring orders and processes.

**Ms RATTRAY** - As in self-exclusion?

**Ms BARNES** - That is right, yes. If somebody wants to seek a barring order, they approach the authority.

**CHAIR** - Is that what you call it over here?

**Ms BARNES** - Yes.

We have liquor licensing barring orders. So a person can be excluded from a licensed premises under the Liquor Licensing Act. They can also be excluded for welfare reasons under the gambling legislation.

**CHAIR** - But for welfare reasons?

**Ms BARNES** - For welfare, yes. The scheme we currently have came in place back in 2014. Prior to, licensees had the power to do long barring orders in relation to gambling. We also offered a voluntary self-exclusion scheme, so people could approach the authority directly for an order. In 2014 the control over all welfare-related barring orders came to the authority. Licensees can still issue a barring order, but it is for a very short term. It is only for three months. The idea is that they issue a short-term barring order to deal with a person's immediate issues and then the matter is referred to the authority. The idea is that we can help join them up with the help services they might need.

The licensee can provide some information to them about help and counselling services, but if we can get them through our door, we can make barring orders for more than one premises. It might be that the person is having a problem with a particular product or a number of premises in a particular location. If so, we can make an order that addresses all those issues rather than just dealing with one venue.

**CHAIR** - Do not go outside your comfort zone with this. Was the review a legislative requirement? That is, was there a review after so many years or from the organisations because they realised something needed to be done differently? I am interested to know why.

**Ms BARNES** - I think all I can say is that it was not a legislative requirement.

**CHAIR** - All right, thanks.

**Ms BARNES** - I think that covers our role in terms of the authority.

**Mr DOWLING** - I might add one thing on barring at the casino. All welfare barring comes through the authority. The casino can bar under casino behavioural matters or assault or something like that.

**CHAIR** - As can any other hotelier?

## **PUBLIC**

**Ms BARNES** - Yes, any licensee.

**CHAIR** - But it is under the casino act?

**Mr DOWLING** - Yes. While hotels and clubs would do it under liquor, the casino has the choice of using the liquor act or the casino act for behavioural matters.

**Ms RATTRAY** - They can bar for any length of time, longer than the three months at venues?

**Ms BARNES** - No, the casino can bar only for three months and then the Liquor and Gambling Commissioner deals with those types of barring orders. So, one of his staff would review the barring order and decide whether it needed to be for a longer period of time.

**CHAIR** - We understand that South Australia has a model that requires gaming machine operators to have a whole-of-venue licence and entitlement for each EGMs. Can you explain that process?

**Ms BARNES** - I will just outline that licensing process.

**CHAIR** - Unless Phil has anything to add to that.

**Mr DOWLING** - No.

**CHAIR** - Thanks.

**Ms BARNES** - The Gaming Machines Act 1992 covers the operation and regulation of gaming machines in South Australia. Under the Gaming Machines Act a gaming machines licence is issued, but a prerequisite of holding a gaming machines licence is that you also hold a liquor licence. You get your licence under the liquor act and then other eligibility criteria are built into the Gaming Machines Act in terms of holding a liquor licence. Only certain types of venues can hold a gaming machine licence. They are hotels and clubs. There is also a special circumstance licence, which is a liquor licence. It is effectively a class of licence when no other class suits.

**CHAIR** - On that, do you have a community interest test? If a venue wants to open up and have a liquor licence -

**Ms BARNES** - In relation to liquor or gaming?

**CHAIR** - Well, no. For example, if they want to put gaming machines in, they go for the liquor licence first and then a gaming licence. Before it gets to the gaming, they have to get the liquor licence, but when it gets to the gaming, is there a community interest test so the community can say 'We cannot have that here'?

**Ms BARNES** - Yes. I think it is something similar to the process you are talking about. What we have put in place is a consultation process which has to occur prior to an application being made for a gaming machine licence. This is all set out under the Gaming Machines Act. What it says is that a potential applicant has to undertake a social inquiry process. The authority is responsible for prescribing what that process is.

## **PUBLIC**

**CHAIR** - Is that consistent across all jurisdictions?

**Ms BARNES** - No, I think that is unique to us.

**CHAIR** - No, I am sorry. If somebody in Port Augusta -

**Ms BARNES** - Yes, it is across the state. It is statewide requirement. Regardless of where you are looking to establish a premises, you need to go through the social inquiry process. There is quite a lengthy document the authority has prescribed explaining it, but essentially it is a consultation process. It requires the applicant to put together some economic and demographic information about the proposed location; it also identifies those in the locality who might be effected by it and who the relevant stakeholders are going to be. They essentially just need to put together a report about how the premises is going to operate, the number of machines and so on. They then send that to the likely stakeholders and undertake a consultation process with them. At the end of consultation process, they produce a report that has to be lodged with the commissioner as part of their application for a gaming machine licence.

**CHAIR** - I imagine if Mr Smith wanted to open up a venue with 30 machines down the road from Mr Black who has 30 machines, most of the objections will come from industry or from the community itself. For example, we have some socioeconomic areas in Tasmania that are quite at risk, and there seem to be a great preponderance of machines in those communities. When you say the stakeholders, are they the council or the community? How do you get the community input into that?

**Ms BARNES** - Yes, the council would be one of those stakeholders. It is up to the applicant to look at who the groups would be. It was brought in around 2011; I should have remembered because we are actually about to start a review process of this process. We have had very few applications since that was brought in. What we have been told, anecdotally, is that there have not been many applications because the application process is seen as too difficult and costly. That is one of the things the authority will be taking into account when reviewing the current process. I am aware of only one application that has gone all the way through to a decision. I do not think there has been anything recently. The Liquor and Gambling Commissioner decides on the granting of a licence. The authority prescribes the process and principles the commissioner needs to take into account when deciding whether to grant the licence.

I might speak a little bit more about the application process. Once the pre-application consultation process is done, the applicant lodges their report with their application for a gaming machine licence. The application is then advertised. Even though that consultation process has happened, it is then put out by public advertisement for people to lodge objections and become part of the formal hearing process. There is a requirement to go through a compulsory conciliation process if any objections are lodged. The finalised application had community interest groups, local residents, politicians -

**Ms RATTRAY** - Nick Xenophon.

**Ms BARNES** - Yes, and UnitingCare Wesley - quite a range of individuals and groups will be involved in an application process. There is a compulsory conciliation process. If that can resolve the issues the parties have, the commissioner still has to decide whether to grant the licence. The commissioner has to be guided by the social effect principles. The commissioner

## PUBLIC

has to look at certain things set out in the act - economic impact, harm minimisation, worsening problem gambling and so on. That one did not settle at conciliation so it went through to a hearing. That was a lengthy hearing and, being the first one, it tested all the new principles in the legislation. The application was refused and the commissioner went through the reasons for that. He had some concerns at the time about whether there were adequate harm minimisation measures in place to address any potential problem gambling, so that one was refused.

I understand another one or two are with the commissioner, but I think they are still in the early stages.

**CHAIR** - Do you think that refusal would then - it sounded like it was a very lengthy process and the stakeholders you mentioned were attracting media - is that why it -

**Ms BARNES** - No, we are required to undertake a five-year review anyway. The five-year review was formally opened last year, but was adjourned pending the outcome of that decision. We needed to see how that played out before we had some idea -

**Ms RATTRAY** - A test case, really.

**Ms BARNES** - Yes, exactly. Unfortunately, with the timing of your inquiry we will be doing ours in the coming year. We will be restarting that before the end of the year, but there won't be an outcome for that until next year. Feedback from industry is that it has concerns about what it sees as the cost involved. I could reasonably say that the amount of work involved is possibly not what was intended when the process was prescribed. The work people have gone to - and really it was a matter of getting the applicant to engage with the community - to identify some of those issues early on to see if they could be addressed before it was in the hearing process and those issues have to be played out.

**CHAIR** - If it is not going to get there, they cut it off at the pass so they do not spend all that money, time and energy?

**Ms BARNES** - Yes. It did not play out that way.

**CHAIR** - You explained about the venue licence, the process and the entitlements for each of the EGMs. What are the maximums allowable and the differences between pubs and clubs here?

**Ms BARNES** - A hotel here is a particular type of licence class that can be held by a private individual or held by a company. There are some requirements about what services a hotel has to provide. I can speak to some of this because I have also worked in liquor licensing. This is the area of the commissioner rather than the authority. Hotels are required to provide liquor between certain hours and meals between certain hours; they are also able to sell takeaway through direct sales. They are allowed to hold a gaming machines licence. Clubs that are not-for-profit associations can also hold gaming machine licences. The other category of special circumstances licence can cover a broad range of premises. It might be a major sporting facility or it might be that it has to be the home location of a sporting organisation.

**Ms RATTRAY** - Like the Port Adelaide Football Club?

**Ms BARNES** - Yes, things like that, the headquarters.

## **PUBLIC**

**CHAIR** - Is Club One the only one with a special licence here?

**Ms BAMES** - That is a separate category again. Club One has a special category of licence. It is not a location as such; it is an entity able to hold gaming machines but it is not a particular location. We will come back to Club One and I will ask Phil to help me speak to that.

If you satisfy the criteria, you can apply for a gaming machine licence and then you go through that process. We had a well-established, mature gaming machine industry in South Australia prior to this new process coming in. A large number of hotels and clubs hold gaming machine licences.

**CHAIR** - Do the pubs and clubs have the same number of machines in South Australia?

**Ms BAMES** - Yes, 40 is the maximum.

**CHAIR** - For both pubs and clubs?

**Ms BAMES** - Yes, there is no differentiation. The only difference is in relation to the casino and that is covered separately in the Casino Act.

**Mr ARMSTRONG** - And special circumstances?

**Ms BAMES** - Still 40. That is the qualifying criterion to hold a gaming machines licence. Everybody with a licence is on the same playing field in relation to how the machines are regulated. You are able to hold a maximum of 40 machines.

We have this concept of a gaming machine entitlement. Even though the legislation allows for a maximum of 40, you are only allowed to hold as many gaming machines as approved by the Liquor and Gambling Commissioner. If you want to hold 40, you have to seek that approval upfront. If you are approved to hold something else - for example, 10 - you need to go back and apply for approval to the increase that number if you want to change that over time.

What the commissioner looks at in deciding whether to allow 40 machines is harm minimisation, problem gambling and so on - the impacts. It might be that the commissioner decides there might be issues coming from 40, but any concerns can be addressed by reducing it to 10. If they want to seek a higher number at a later stage, the commissioner has to consider the social impact and he can require them to go through a process similar to an application for a gaming machine. It depends on the extent of the increase and the nature of the community, such as where it is located and so on.

**CHAIR** - Once you have the licence, do you have it in perpetuity? Is the entitlement the same unless there is a review?

**Ms BARNES** - The entitlements differ from an approval of how many you are allowed to hold. The approval from the commissioner for up to 40 machines determines the number of machines that would be okay in your venue. You then have to source those machines in the market. That is where the concept of entitlements comes in. Simply being allowed to have the machines in your venue has been separated from the machines in the marketplace or in the state. The concept of an entitlement has been attached to gaming machines. That was introduced as a means of trying to reduce over time the number of machines in South Australia. Venues cannot



## **PUBLIC**

just sell a machine, they have to enter into something called a trading round. Those that want to sell and those that want to purchase come into a common trading scheme administered by the Liquor and Gambling Commissioner.

**CHAIR** - That only started in 2011?

**Ms BARNES** - No, entitlements preceded well before that.

**Mr DOWLING** - 2005.

**Ms BARNES** - I might hand over to Phil to provide detail on the entitlement scheme. That is his area of expertise.

**CHAIR** - I am interested, Phil, to see when and why the entitlement started.

**Mr DOWLING** - The entitlement concept was introduced as part of the government's commitment to take 3000 machines out of the system. That is why the entitlement system came in. Initially, approximately 2200 machines were compulsorily taken out of for-profit venues, hotels -

**CHAIR** - It is one of the terms of reference, the similarities in that. When gaming machines were introduced in South Australia in 1994, how many machines were initially available across the state? Do you know?

**Mr DOWLING** - Around the time when the government committed to taking the 3000 out, a maximum of 15 000 machines was approved. That does not necessarily mean there were 15 000 in the field, but there could have been.

**CHAIR** - No, but there was an approval and they decided there were too many so they introduced the entitlement in 2005?

**Mr DOWLING** - That is right. There was a compulsory reduction of 2200 out of hotels or for-profit venues, which left approximately 800 to come out of the system. That is when the trading system was introduced.

**Ms RATTRAY** - Did the government offer compensation to those who had machines removed?

**Mr DOWLING** - No.

**CHAIR** - How did they decide?

**Mr DOWLING** - There was a formula. For example, if you had maximum approval of 40 with 40 entitlements, that would come down to 32. I think 26 would go down to 20. If you want to know more, I would have to check the details. There was a formula.

**CHAIR** - There was an equitable decrease across the board?

**Ms RATTRAY** - Everybody lost something.

## **PUBLIC**

**Mr DOWLING** - Only for-profit venues. It did not apply to clubs. A non-profit association can hold a hotel licence. It might sound confusing.

**CHAIR** - Can your non-profit organisations support a local football team or netball club? Are they deemed non-profit?

**Ms BARNES** - Yes, a lot of licensees are sporting clubs.

**Mr ARMSTRONG** - Do the venues here own the machines?

**Mr DOWLING** - Yes.

**Mr ARMSTRONG** - What process do they go through to purchase the machine? Do they just go to the manufacturer?

**Mr DOWLING** - We have a category called a gaming machine dealers' licence. They have to go through a dealer to purchase or sell a machine. They are basically manufacturers.

**Ms BARNES** - Yes, the manufacturers apply for those licences. They are regulated.

**Ms RATTRAY** - It sounds like when a car company organises finance for you.

**Mr DOWLING** - There are some gaming machine dealers who are not manufacturers. They simply buy and sell.

**Mr ARMSTRONG** - Who oversees that venue? We have Network Gaming overseeing the venues with the clients. Is that just your organisation?

**Ms BARNES** - The Liquor and Gambling Commissioner manages compliance in relation to gaming machines. The authority is responsible for developing codes of practice for responsible gambling and advertising. The gaming machines licensee has to comply with those codes. The commissioner's staff carry out venue inspections and undertake compliance enforcement work.

**CHAIR** - We might go back to the entitlements. Tania will move on to harm minimisation, and Rob to managing and auditing the machines. We tend to jump all over the place.

**Ms RATTRAY** - It feels like there are a lot of similarities to Tasmania.

**CHAIR** - Yes. You are up to 2005, I think.

**Mr DOWLING** - The 2200 machines automatically came out of the for-profit venues, leaving 800 to reach the government's commitment to take 3000. That was when the trading system was introduced. Back then, it was a fixed price trading system where purchasers were required to pay \$50 000 if they wanted to buy an entitlement and sellers were paid \$37 500. That is because one entitlement in four sold by for-profit venues was cancelled. That goes toward reducing that 800. One in four sold by not-for-profit clubs goes to the licence we referred to before as Club One.

**Ms RATTRAY** - That is where Club One comes into it?

## **PUBLIC**

**Mr DOWLING** - Yes. There are a couple of other options to Club One that we can talk about later if you like.

**CHAIR** - Now you have mentioned Club One -

**Mr DOWLING** - Okay. Club One arose around the same time as the entitlement concepts. A concept was developed by the club industry and put to the Independent Gambling Authority, which was reviewing gaming machine numbers before 2004. I think the authority acknowledged the concept in its report. It came through at the same time as the entitlement scheme.

**CHAIR** - How does it operate?

**Mr DOWLING** - The special club licence was designed to enable clubs that no longer wanted to be in the gaming industry to transfer their entitlements to Club One, and Club One would pay them for that. So it would either be a one-off thing or an annual payment. Club One also receives the one-in-four entitlements sold by not-for-profit associations in the trading round. Club One can then put those entitlements out into wherever they like, such as to hotels who pay a lease for them. They have them in about three or four club venues - they solely hold Club One entitlements but are run by a different club, like a soccer club or something like that.

**Ms RATTRAY** - Who manages Club One?

**Mr DOWLING** - The members of Club One are the South Australian National Football League and Clubs SA, the club body in South Australia.

**Ms RATTRAY** - They would be a pretty powerful group.

**Ms BARNES** - The arrangements are all written agreements that have to be approved by the commissioner. So, it is not just a matter of them having informal arrangements with entities. Formal agreements have to be submitted to the commissioner and the commissioner also has to be satisfied that it is in the club's interest, not just Club One's, but in the interests of the club submitting the machines. The arrangements set out the payment arrangements, the period of time and so on. Oversight is provided by the commissioner. It is also important the commissioner keeps track of all that because it goes to compliance processes - how many machines people are holding, whether it is in accordance with their entitlements and so on.

**CHAIR** - I am interested in this. Is any group disadvantaged because of the Club One regulations? Does Club One potentially have more things going in its favour through the regulations or is that part of the review?

**Ms BARNES** - Club One is not part of our review for the authority. That is solely looking at the social inquiry process - the consultation process and the principles the commissioner needs to take into account.

**CHAIR** - Between the pubs and clubs, does either have a competitive disadvantage because of the rules and regulations, or don't you hear that from industry?

**Ms BARNES** - This process has been in place for quite some time now. I think there was probably a lot of activity early on with movement of machines, but that has pretty much settled

## **PUBLIC**

down now. The machines are not only being placed in clubs but are also going into hotels. I am not aware of any recent concerns raised about it.

**Ms RATTRAY** - Phil, how did they arrive at the reduction by \$3000?

**Mr DOWLING** - That was a government decision, a government commitment.

**Ms RATTRAY** - The government thought that is a fair pullback?

**Mr DOWLING** - I am not sure how it came up with the number. That is in the legislation, so it is to meet the statutory objective.

**Ms RATTRAY** - Okay, so lifting that again would require an amendment to that legislation.

**CHAIR** - Was the pressure to take more machines out of the state from government, industry or the community? What were the main drivers behind that decrease in numbers? Can you remember? I imagine it is probably before your time.

**Ms BARNES** - It precedes my being in South Australia, unfortunately.

**Mr DOWLING** - Other than it being a government decision, I am not sure how it came about.

**Ms BARNES** - Senator Xenophon has been a very strong voice in South Australia in relation to gambling policy.

**Ms RATTRAY** - All over Australia.

**Ms BARNES** - And Australia. We could look into that a bit further if you would like. I could not answer that off the top of my head, I am sorry.

**CHAIR** - We have heard from a number of people and the feeling at the moment about pubs, clubs, machines et cetera is that by 2030 there will be fewer EGMs because of growth in other sectors, such as online and that sort of thing. What is the feeling in the South Australian community about poker machines? Are they good, bad or indifferent? It seems to be a flavour of the month.

**Ms BARNES** - I couldn't really express an opinion about the machines generally other than it is now quite a mature industry here. We are not seeing a lot of growth in gaming machine revenue. They still have a significant role in terms of harm and problem gambling issues. The authority is starting to turn its attention - and has been for some time - to the online issue and the exponential growth and problem gambling coming from that area. We certainly hear views from the community that still express concern about gaming machines. A lot of our barring-related work is still significantly related to gaming machines.

**CHAIR** - Earlier you mentioned licensing and that you are not having a lot of venues opening up. You don't have 10 a year opening and wanting more machines and that sort of thing. It is very stable and matured.

## **PUBLIC**

**Ms BARNES** - That is right. It is fairly rare to see a new hotel licence being sought. A reasonable number of new club licences are coming through, but the growth licensing areas are in other areas like restaurants and wine production.

**CHAIR** - More so than gaming?

**Ms BARNES** - In terms of liquor licensing. In the categories suitable for gaming machine licences, there is not a lot of growth. The first application, which was a couple of years in the pipeline, was called the Cheltenham decision. It was only decided in late December to early January this year. As far as I am aware, only about two others have actually been in the pipeline over the last 12 months. There are just no new gaming machines, possibly because of the maturity of the industry. Certainly concern has been expressed that the process of applying for a licence in itself has become an obstacle.

**Mr ARMSTRONG** - So wineries with restaurants et cetera cannot hold poker machines?

**Ms BARNES** - No.

**CHAIR** - I might get Tania to focus on harm minimisation.

**Ms RATTRAY** - First, how does South Australia assess the harm of gaming machines in the state? How is that harm minimisation funded? How are the programs funded? Is it a percentage? We heard yesterday that South Australia has already been proactive and you have a levy - you have a point-of-sale tax on online gaming.

**Ms BARNES** - A point-of-consumption tax; that is right.

**Ms RATTRAY** - A tax of 15 per cent, which is -

**Ms BARNES** - I can only speak in broad terms about the Gamblers' Rehabilitation Fund. I am not sure if anyone has spoken to you about that yet.

**Ms RATTRAY** - No, but we have someone next who might be able to fill us in if you are not across that. That is fine.

**Ms BARNES** - Okay. The Gamblers' Rehabilitation Fund funds gambling help services, if you have any more detail about that. That is funded through contributions from industry.

**Mr DOWLING** - And the Gambling Helpline.

**Ms RATTRAY** - - Do you know if it is a percentage?

**Ms BARNES** - I am not sure of the breakdown of that, I am sorry.

**Ms RATTRAY** - That is fine, we will ask.

**Mr ARMSTRONG** - From the gambling industry?

**Ms BARNES** - Yes.

## **PUBLIC**

**Ms RATTRAY** - Funded by industry.

**Ms BARNES** - That is managed through a third organisation that is involved with dealing with problem gambling, the Office for Problem Gambling, which sits within the Department for Communities and Social Inclusion. It does not have a regulatory role in managing the industry but it looks after the Gamblers' Rehabilitation Fund. It also manages the contract for the gambling help services. That is put out for tender. It just recently went through that process late last year. It manages the contract for the gambling help service providers.

**Ms RATTRAY** - Does your authority assess the harm minimisation?

**Ms BARNES** - We do not really have a formal means of assessing harm. Our harm minimisation measures are the codes of practice, and the authority developed those through quite an extensive review of the codes. A number of years ago we had individual codes of practice for each area of industry - one each for gaming machines, wagering and so on. In 2011 or 2012 we reviewed all those and brought them together into a single consolidated code that covers all areas of gambling. It is effectively made up of the two codes - one part addressing advertising requirements, the other addressing responsible gambling measures. They are all designed for harm minimisation.

Those codes came about through quite extensive consultation and research by the authority, including by looking at what other jurisdictions were doing and getting feedback from all our stakeholders. We will review all those next year. We will go through a similar process, but there is no ongoing assessment of those measures. They are in place now and licensees are required to comply with them. The authority gets a lot of information from industry. There is a regulated process whereby we get information from industry through recognised industry bodies.

One harm minimisation measure built into the legislation is that licensees can conduct their business in a certain way if they have entered into an agreement with a recognised body to assist them with responsible gambling measures. Both of our clubs and our hotel bodies are recognised industry bodies for that purpose, Club Safe and Gaming Care. They provide support and assistance to licensees to help them comply with their obligations. The recognised industry bodies also report to the authority on a quarterly basis. They provide detailed information about how many visits they are making to licensed premises; what is happening at those licensed premises in terms of interactions with patrons; and what is generating that interaction - whether a staff member has been approached by a patron or a staff member has identified some behaviour that indicates a problem. That data is broken down by gender and age. We also receive case studies that describe particular situations where they have assisted a licensee to direct a person to counselling services or other help services that they might need. Some patrons have very complex issues going on other than the gambling one.

That is a regulated way of getting information about what is happening in hotels and clubs. All venues have entered into this agreement to have access to these services. They were required to do that to be able to operate particular hours. All venues have those agreements. I think I could reasonably say the board has appreciated the work of those organisations in assisting venues, building the capacity of staff to assist patrons and confidently engage with people who are having complex issues.

**Ms RATTRAY** - And recognise the symptoms and the behaviour?

## **PUBLIC**

**Ms BARNES** - Yes. We also have regulated training requirements for gaming staff.

**Ms RATTRAY** - The same sort of thing as an RSA?

**Ms BARNES** - Yes, exactly. The authority does not deliver the training schemes, but we approve the training schemes. We have some prescribed criteria which training programs have to comply with. The emphasis is very much on active learning, not just classroom-style learning. The authority encourages training programs that have people engaging in real lifestyle scenarios, which builds staff confidence in engaging with patrons and approaching people when they see that there might be an issue. Any registered training organisation can submit an application for approval of its training program and can then deliver that training program to industry staff.

Gaming Care has been approved to provide training, as well as Club Safe, from memory. There are a number of other training providers that submit applications. They go through a fairly rigorous assessment process. We bring a specialist consultant in to assist us with that so that training program is approved and that is what they can then deliver. If gaming staff undertake those training programs, they have complied with the requirements.

We do have two levels of training. We have a basic and an advanced course. We also have refresher requirements. Every two years people need to undertake refresher training just to keep their knowledge current.

**Ms RATTRAY** - You mentioned the research the authority has been doing. That is part of your work. Through that research, have you identified any gaps in the harm minimisation area that have not been met yet, through your expertise and knowledge of what goes on in the industry?

**Ms BARNES** - The board has been strongly focused on the concepts of predictive monitoring and automated risk monitoring as ways of identifying issues early. Any gaming provider with a loyalty program was also required to provide predictive monitoring as part of that program. That was due to come in late last year. Unfortunately, there have been some difficulties in rolling that out so the authority has allowed that process to be delayed. Some work is now being done on rolling out predictive monitoring from the central monitoring body.

You put a question a little earlier which I might have misunderstood: in terms of who is monitoring all gaming machines, that is a separate body called the Independent Gaming Corporation.

**Ms RATTRAY** - And you just have one of those?

**Ms BARNES** - We have just one, yes.

**Ms RATTRAY** - That is equivalent to our Network Gaming.

**Ms BARNES** - Yes, I realised later that was what you were referring to. All activity in relation to machines is centrally recorded. We are expecting predictive monitoring will be rolled out through the central monitoring system later this year.

**Mr ARMSTRONG** - Is that an independent company?

## **PUBLIC**

**Ms BARNES** - It is, yes. That is a licence granted under the Gaming Machines Act. They have been through probity processes and so on to be able to hold that.

**CHAIR** - They have been there since year dot?

**Ms BARNES** - Yes.

**Mr DOWLING** - The members are the Australian Hotels Association and Clubs SA.

**Ms BARNES** - That will be rolled out from the central location. That will give licensees information to be able to identify. It will still be attached to individuals through the loyalty programs but they will be able to see unusual spikes, things that are changing in patterns of play, predictors of potential problems.

**Ms RATTRAY** - It is Big Brother really.

**Ms BARNES** - It is another tool to identify where problems might be occurring. It is an add-on to having people physically watching what is happening. Rather than having a requirement to have additional staff in the room, you will have that extra benefit.

**Ms RATTRAY** - Card and a dataset?

**Ms BARNES** - Yes, information about that. We will also be moving to automated risk monitoring, which is going to be a more sophisticated scheme, in 2018. The casino already has that system in place. We have just undertaken a research project to see how the casino is using automated risk monitoring. That report is still being finalised but we expect that will probably be published and available later in the year.

We have not undertaken any research at the moment on specific gaps in harm minimisation. The automated risk monitoring was quite relevant to the new processes put into the casino. The other two projects we have underway at the moment are more about how we might regulate for different types of gambling.

**Ms RATTRAY** - Like online?

**Ms BARNES** - Yes. We have been looking at differences in relation to gaming machines versus wagering, so more of the online component and what sort of different approaches might need to be taken. That report is quite close to being concluded, going through peer review and so on. That report should be available in the next few months.

The other research project is in relation to the most effective treatments for recovered problem gamblers. We already have in place what treatment methods have worked for people. We do not yet have a draft on that one; it is further away. That is more about the best way of approaching a problem as opposed to the other two, which are more about how we identify and deal with issues before the problem stage or regulate in a way to minimise the possibility of harm.

**CHAIR** - We will go to taxation and compliance.

**Mr ARMSTRONG** - I notice you have a different rating in your taxation system for clubs and hotels?



## **PUBLIC**

**Ms BARNES** - This is an area I cannot speak about in any great detail. Phil, are you able to speak to that?

**Mr DOWLING** - Yes, you are right – not-for-profit venues pay less tax than full-profit venues.

**Mr ARMSTRONG** - Do the hotels think that is an unfair advantage?

**Mr DOWLING** - I probably cannot comment; it would be a question for them.

**Ms RATTRAY** - Obviously Phil does not own a hotel.

**Mr DOWLING** - No.

**Mr ARMSTRONG** - Can you touch on why there is a different rate?

**Mr DOWLING** - It is probably before my time. It has been in since 1994 when gaming machines came in.

**Ms RATTRAY** - Good lobbying at the time.

**CHAIR** - On the part of the pubs and clubs. When we introduced the machines in Tasmania back in the mid-1990s, we modelled on New South Wales and Queensland clubs, because they were so successful there. The clubs put all the money back into the community and built bowling greens and had cheap food and that sort of thing. It just did not take off in Tasmania. Whether it was the size of the venue or whether it was limited, it just did not go. How do the clubs operate here? In New South Wales they can have up to 500 machines. They are huge, but here you can only have 40. Have they been successful in South Australia? Do they have the same place in the community as the clubs in New South Wales?

**Ms BARNES** - I know the sort of clubs you are describing in other jurisdictions. Aside from the larger football clubs, which operate venues that look like your classic hotel, we do not have anything that would mirror twin towns, the largest of New South Wales-style of clubs. Where you have 40 machines, you limit that style of growth.

We have a lot of very successful clubs with great facilities in terms of sport. That seems to be where the emphasis is for those style of clubs - serving the community and providing sporting facilities rather than really large-scale entertainment and gaming-style entertainment venues.

**Mr DOWLING** - I might add something on machine numbers. South Australia had some comprehensive reforms to the gambling sector in 2014. Part of that was a proposal that some venues would go up to 60 machines and be called a major venue while 20 or fewer would be a minor venue. A minor venue did not have to comply with certain requirements. That did not proceed through parliament. It was introduced into parliament, but was defeated.

**CHAIR** - Was industry supportive of it? Obviously to get to parliament, somebody had to support it.

**Ms RATTRAY** - It must have been driven by industry if they wanted an increase.

## **PUBLIC**

**Ms BARNES** - It partly recognises that we have a lot of venues with only a very small number of machines. They literally have a room in the corner with just a handful of machines that really do not generate a lot of revenue. It is more work for them to comply with all the requirements than the revenue they are getting.

**CHAIR** - That probably leads to some questions from the taxation point of view that Rob wants to ask.

**Mr ARMSTRONG** - Yes. How is the revenue raised through the taxation system from the machines returned to the community? Is it returned through the budget process or earmarked for special areas?

**Ms BARNES** - I could not -

**Mr ARMSTRONG** - I imagine some of it would go to harm minimisation.

**Ms BARNES** - I would have to check with my treasury colleagues, but my understanding is it is just part of consolidated revenue.

**Ms RATTRAY** - And then the likes of the Gamblers Rehabilitation Fund.

**Ms BARNES** - That has separate funding, yes.

**Ms RATTRAY** - It would be funded indirectly from revenue that comes back into the state.

**Ms BARNES** - I think the gamblers have a small part.

**Mr DOWLING** - We would have to check and come back to you. It could be in the Gaming Machines Act.

**CHAIR** - Our machines are taxed across the board to a certain level to return revenue for the government. There has been the discussion of a sliding-scale tax to address the smaller venues that may only get a smaller revenue return compared to the machine down the road in the major city that might get a large revenue return. How does it operate here? Is it similar to taking legislation up to 60 and under 20? Do you have a grade?

**Mr DOWLING** - There is a sliding scale. Under \$75 000 net gambling revenue and no tax; between \$945 000 and \$1.5 million, you go up to 30.91 per cent. Over \$3.5 million, you pay \$1.24 million plus 55 per cent of anything over the 3.5.

**CHAIR** - Is that from the word dot?

**Mr DOWLING** - I am fairly certain it was, yes. Those numbers were for not-for-profit, so full-profits are a bit higher for those thresholds.

**CHAIR** - Do you have to review those thresholds? If you do, whose responsibility is that? Is that treasury?

**Ms BARNES** - That would be treasury.

## **PUBLIC**

**CHAIR** - That would be treasury. It has nothing to do with -

**Ms BARNES** - No. It is not part of the authorities. It is under the Gaming Machines Act 1992.

**Mr DOWLING** - There was a moratorium in place, and could still be, under which there would be no tax increases. We would have to find out whether that has ended. That is in the legislation, but we can look that up if you like.

**CHAIR** - Are you sure? Natasha will send you an email with some of those requests, which will help you remember them.

**Mr ARMSTRONG** - How many operator compliance breaches have you had? Do you have many?

**Ms BARNES** - Yes. That information is reported back to us from the Liquor and Gambling Commissioner as part of its quarterly reporting. I could not tell you current figures. The commissioner runs regular operations targeting particular areas of compliance. It might be as simple as whether people are wearing a badge and are properly identified.

**Ms RATTRAY** - If the lighting is okay or -

**Ms BARNES** - No.

**Ms RATTRAY** - Not that?

**Ms BARNES** - The commissioner looks more at breaches in relation to the act and the codes of practice. Not so much the nature of the facility anymore. It also targets more qualitative assessments about the venue in terms of staff knowledge and how staff are interacting with patrons. In terms of dealing with breaches, the commissioner reports to us where there have been breaches, but a lot of the minor matters can now be expiated. They will issue an on-the-spot fine for some of those and the commissioner has a hierarchy of responses in terms of how it will deal with breaches. In a lot of cases it is an education approach. I would have to check with the commissioner. I could probably get you some figures around numbers of breaches, but I could not tell you across different breaches, different areas, exactly how many we have.

**Mr DOWLING** - Probably the most noticeable thing we have seen an increase in over the years is licensees or gaming managers having to review the records of suspected problem gamblers. If the Consumer and Business Services inspectors find a bit of non-compliance, they are not doing that. We can see that in the numbers coming from the commissioner.

**Mr ARMSTRONG** - How many of those inspectors do you have?

**Ms RATTRAY** - It would be a fair few.

**Mr DOWLING** - Around six?

## PUBLIC

**Ms BARNES** - The commissioner has a larger inspectorate, but it is covering quite a large number of pieces of legislation. It has inspectors working across a number of different areas. They are multi-skilled but only about half a dozen would be focused on gaming.

**CHAIR** - You touched on the number of incidences. South Australia is unique in its demography in that you have the population centre of Adelaide and the peninsula. How do you address any differences in compliance issues that arise in the suburbs or in regional South Australia?

**Ms BARNES** - Something might appear to be a problem but when you look into it a bit further, there is an explanation for it. For example, industry bodies tell us they rely on reports from all venues on how many interactions they have had, the type of interaction and so on. From time to time a number of venues might not report or report nil interactions. Over the course of a quarter, a very small venue in a very quiet location with only a handful of machines might be lucky enough not to have had any issues or not to have had to engage with anyone in terms of problem gambling issues, so there is not really anything reportable.

In terms of the regional areas in South Australia, we have seen quite a lot of movement in relation to ownership of country pubs. A lot of pubs were on the market. Some of those locations also had the opportunity to move their machines through Club One - to place them elsewhere - if they were not really getting any revenue from them. It might have been that compliance costs outweighed whatever they were getting from the machines in terms of having staff dedicated to that location. We certainly saw a quietening of things in the country and regional locations. My experience in the liquor licensing area over probably the last two years is that the movement of licences picked up. We saw a lot more hotel licences being moved around, so industry was picking up. There certainly has been an improvement, but I could not speak as to whether that has been sustained over the last nine to 12 months. Certainly before that, this area picked up.

In terms of compliance issues, it is a bit difficult for us to really speak to what is happening. We have not noticed any difference really between country and metropolitan other than some of that non-reporting. On the face of it, it looks like there is not as much compliance with it, but some other things are going on.

**Ms RATTRAY** - Sheer numbers?

**Ms BARNES** - Yes. The commissioner has targeted operations in regional areas so it is not all concentrated in the Adelaide metropolitan area.

**Mr ARMSTRONG** - Can you see any areas where compliance could be improved? Is it something that comes across your desk quite often and you think, 'We should probably do something in the compliance area where this would not be an issue'?

**Ms BARNES** - I can't think of anything in particular. We have a mixed bag of things. From time to time, things occur. It might be a form is not filled out correctly and so on. That might just be a matter of us fixing the form.

I think compliance can be improved generally by having a closer relationship with industry in terms of being proactive, in educating and supporting them to be able to comply. That does not mean you go softly on them. It means giving them the tools.

## **PUBLIC**

**Mr ARMSTRONG** - Working with them?

**Ms BARNES** - Yes, being able to work with them, having a good relationship with them and some level of trust. Certainly we have a regulated reporting relationship with the two industry bodies we work with, Club Safe and Gaming Care, particularly in relation to gaming machines. I think we have a fairly good relationship with them in terms of being able to work with them. That is something the authority certainly wants to build on into the future.

**Mr ARMSTRONG** - You have the one overseeing body we talked about earlier on, the same as Tasmania does. Other states have two different things. Do you think that works with just the one?

**Ms BARNES** - I cannot see any drawbacks with just having the one. That is just my personal observation.

**Mr ARMSTRONG** - I think Queensland has two.

**Ms RATTRAY** - Victoria has two.

**Ms BARNES** - I suppose the benefit of having the one is, for example, with predictive monitoring -

**Mr ARMSTRONG** - Can you see a benefit of having just the one?

**Ms BARNES** - Certainly with the example of predictive monitoring, industry has been able to work with IGC to roll out the predictive monitoring mechanism. That might be a bit more difficult if you were having to work that across two systems. I suppose in terms of regulation dealing with one is easier than two.

**Mr ARMSTRONG** - That is fine. You said before that the commissioner can refuse a licence. Do you know how many have been refused over the last five-year period?

**Ms BARNES** - For the last five years, we have been under the current scheme. It is one so far, which was earlier this year.

**Ms RATTRAY** - It is called the Chelton one?

**Ms BARNES** - Cheltenham.

**Ms RATTRAY** - Cheltenham.

**Ms BARNES** - The South Australian Jockey Club at its location at Cheltenham, a suburb in Adelaide.

**Mr DOWLING** - It was not actually a refusal of a licence; it was a refusal of a social effects certificate, which you need to get the gaming machine licence. So it is that first, then the licence.

**Ms BARNES** - When I described the process earlier, I skipped over that a little bit. You apply for a social effects certificate, which is effectively the imprimatur saying, 'Yes, you are

## **PUBLIC**

okay to have a licence at that location but it is not the actual licence'. Then you would have to get your plans finalised.

**Mr ARMSTRONG** - It is the first step?

**Ms BARNES** - Yes.

The biggest hurdle is getting over that social impact test. Once you have the certificate, it is also transferable. Somebody else could come in and buy that, but just for that location. So they could take it over.

**Mr ARMSTRONG** - How much does a licence cost? Is there a fee?

**Ms BARNES** - Not for a gaming machine licence. There is an application fee but no fee for the -

**Mr ARMSTRONG** - No actual fee for the -

**Ms BARNES** - No, that is by way of taxation on the revenue of it.

**Ms RATTRAY** - You have to earn some money first.

**Mr ARMSTRONG** - Keno is just there, isn't it?

**Ms BARNES** - That is part of SA Lotteries. Keno is run by SA Lotteries. We have a separate Lotteries Commission in South Australia. The Lotteries Commission does not actually run the lotteries as such; it has licensed the Tatts Group to conduct lotteries on its behalf. That group oversees that. It still has to comply with our codes of practice. It doesn't have to comply with some things as part of the licensing agreement, but otherwise it has to comply with our codes of practice.

**Ms RATTRAY** - They have been mostly newsagents and hotels?

**Ms BARNES** - Yes. The Independent Gambling Authority approves UBET, which is a TAB group, though those outlets, not the new lottery outlets. They can be located in newsagents, pharmacies -

**Ms RATTRAY** - Pharmacies?

**Ms BARNES** - There are some pharmacies -

**Mr DOWLING** - Petrol stations, hotels and clubs.

**Ms BARNES** - Hotels can have them.

**Mr ARMSTRONG** - This is Keno?

**Ms BARNES** - Yes.

**CHAIR** - We have gone over time.

## **PUBLIC**

**Ms BARNES** - Sorry, I hope I haven't spoken too much.

**CHAIR** - No, it has been very interesting. It was suggested that we should come to South Australia to help us out with our report because of the differences here. It is a mature industry.

**Ms RATTRAY** - And the similarities, too, in some of the compliance.

**CHAIR** - Yes. Is there anything you think we haven't asked that would make front headlines in our newspapers? We will be going back with this wonderful report and your photos will be flashed across it - nothing to put you out on a limb at all.

**Ms BARNES** - No, the review is public knowledge.

I can't think of anything else in particular. In relation to the process for getting a gaming licence, the gaming licensing system is well established here in terms of holding a liquor licence and then the gaming licence travelling with that.

In relation to the consultation process and the application for any licence, it is difficult to draw any conclusions from the decision that has been made.

We have had a lot of concern from industry about the process being onerous, but it is still difficult to draw conclusions when you have only had the one matter to go through. We haven't had any other applicants see it through in a different way. I look forward to seeing what comes out of our review of the process, to see if there are different things the authority might want to do or whether we should keep a similar process but refine it in some ways. Sometimes you can have a particular type of process, but the way a person approaches and implements it can vary.

**Ms RATTRAY** - Or the steps might be out of order.

**Ms BARNES** - Yes, there might be other things we could do.

**Ms RATTRAY** - If that had occurred before, it would have saved a lot of angst here and so forth.

**Ms BARNES** - Yes. Certainly the relationship within industry and having industry well supported - the two industry bodies are very good supports to the local industry - is extremely important in terms of ensuring compliance and supporting licensees.

**Mr DOWLING** - I have a couple of quick things. I have the split of what the Treasurer is required to pay out of the revenue - \$3.5 million is into sport and recreational funds, \$4 million is into the charitable and social welfare funds, \$3.845 million is into the Gamblers Rehabilitation Fund, and \$20 million is into the community development fund. The balance then goes into the Consolidated Account Fund.

**CHAIR** - Is that legislated?

**Mr DOWLING** - Yes, that is in legislation.

**Mr ARMSTRONG** - What was in it again? The gamblers' rehabilitation - ?

## **PUBLIC**

**Ms RATTRAY** - \$3.845 million.

**Mr DOWLING** - We can send them through as well, yes.

Getting back to the trading system we quickly touched on, there was initially a fixed price system. In 2011, it moved to a market-based system so it depends on what people are willing to offer to purchase and sell.

**CHAIR** - I am going to ask a question I asked yesterday in Western Australia. You are to take off your hat. This is just for us; it will not be something we would use in the report. Trust me.

It was quite interesting yesterday as we had different groups representing different stakeholders. The Western Australians are different; their machines are all in the casino. So my question to them was - and I am trying to be fair to the question - how do you think, in the Western Australia situation, would you like your gaming machines in clubs and pubs? It was a mixed bag response from the groups. I suppose my question to you might be the same, looking at the two models. Where our machines are located is something we need to cover in Tasmania. In hindsight, are you comfortable that machines are in pubs and clubs and casinos in South Australia or do you think there would be advantages for them just being centralised in a casino? If you do not want to answer, you do not have to. It is more of a personal comment than one related to your position.

**Ms BARNES** - I am happy to make a personal comment, completely in my own personal capacity, in no way representing the authority or the state.

Going back to what Phil said about reforms to increase the number of machines, one of the drivers behind that was the idea that to some extent you can better police a larger venue. You are going to have more staff there. It is perhaps easier to target your compliance resources to a smaller number of larger venues than trying to cover the field with a whole lot of venues of varying performance.

Sometimes I conduct barring interviews with problem gamblers. I approve the barring orders as I have delegated authority from the board. I read the interviews coming from problem gamblers. A lot gamblers seem to go to a local venue and play the machines once - it is a bit of an incidental thing - and then they are hooked. I hear that quite often from people, and also that the machines are so accessible.

I have given some thought to the idea that it might be better to have venues as destinations rather than having them so accessible around the place. The casino used to be a destination. Casinos have changed the services they offer over time. I am familiar with the Tasmanian casino.

**CHAIR** - Have you been to the Western Australian casino?

**Ms BARNES** - No, I have not been to the WA one.

**CHAIR** - Because that was mind-blowing for us.



## **PUBLIC**

**Ms RATTRAY** - I felt like I was in a different country. I know I am a Tasmanian, and most things are small.

**Ms BARNES** - Our casino previously announced it was going ahead with quite a large redevelopment, including a hotel. It has just confirmed that this morning, with an announcement it is going ahead.

It is a gambling destination now, but it is not quite the destination it might have been for people in the past, and they are trying to recreate that. That is my thinking about it: maybe smaller numbers of larger venues that are destinations. You are going there for the purpose of gambling. Some people don't have any issue with going out for dinner and will pop into the gaming room and spend a few dollars. For others if they are having a hard day and that is where they go to seek solace or for a bit of company if it is just down the corner. I have had other people who say they travel for work and they have to be barred from all the venues on their travel plans because they will find themselves there.

**Mr ARMSTRONG** - Is the venue barring here venue by venue?

**Ms BARNES** - It is, yes. We can also make an order that they be prohibited from certain activities. We can bar someone from wagering, from lotteries and betting in all venues. It means they can still go into the front bar of the venue but they can't purchase a product. Similarly with going to the local newsagency - they can still go there but not purchase the product.

We can also make a barring order that they are simply not allowed to go into the gaming room of their local venue.

**Mr ARMSTRONG** - Then it has to be policed doesn't it?

**Ms BARNES** - Yes, we take a photograph and we have an online database which is accessible to licensees. So their staff can log into the database and they have a photo of all the people who are barred from their venue. It is up to the staff to police that. The person who is barred also commits an offence if they enter the venue. That is rarely acted upon. Generally we send warnings to the person. It is not always in their best interests to proceed with a prosecution when you have someone with that issue.

**Ms RATTRAY** - It compounds the issue.

**Ms BARNES** - Yes. That is my completely personal thoughts about it.

**Ms RATTRAY** - That is Jeanette Barnes' thought on it.

**Ms BARNES** - Yes. Not for use as evidence.

**Mr ARMSTRONG** - Do you think that would be detrimental to some of the smaller venues and hotels? Do you think a lot of your smaller hotels rely on them, not just on the income? We have heard from other hotels, particularly in Tasmania, that if they did not have poker machines they would not be serving meals, they would not have accommodation and they would really struggle. From what you are saying, do you think that would be detrimental to the smaller hotels?

## **PUBLIC**

**Ms BARNES** - I think to some of the smaller operators, it would. You hear from the community as well that they value venues that do not have gaming machines -

**Mr ARMSTRONG** - Gaming- and poker-free, yes.

**Ms BARNES** - It is certainly promoted by some venues as a point of difference that they do not have gaming machines in the background. It is purely a place for socialising, meals, entertainment and music.

There has also been quite a strong push in South Australia back towards live music. There has been quite a tension for some time between live music and inner city-living noise complainants and so on, but the government is very keen on promoting live music back into the city. So there are always possibilities for taking that up.

Yes, I take your point. Going down that path has the potential to disadvantage smaller operators. A lot of smaller operators are holding on to very small numbers of machines and the benefit they are getting from that has to be a bit borderline.

**Ms RATTRAY** - At least there is that One Club opportunity to put them into that?

**Ms BARNES** - Yes, there are ways of moving that. They can either go into the trading round in which they get rid of them completely, or they can still hold on to them but get some revenue back for them through the Club One.

**Ms RATTRAY** - I find that interesting.

**CHAIR** - Phil, would you like to comment?

**Mr DOWLING** - I probably haven't a position on that.

**Ms RATTRAY** - I haven't either yet.

**CHAIR** - Thank you for going longer than you anticipated. We really appreciate it. It is unfortunate your reports are coming out before we have our report written. Hopefully our report will help you at some time.

I am not sure whether the Independent Gambling Authority or similar bodies across Australia ever meet up for conferences and discussions about what they are going to do. If so, I suggest your next one should be in Perth because of what you said about the Adelaide destination being Wrest Point and the Country Club Casino back when they started. It was a destination point and now it doesn't seem to be that anymore, maybe because it is now Australia-wide and because it has changed its way of operating. No Regines anymore.

**Ms BARNES** - I am originally a Tasmanian so I am very familiar with that.

**CHAIR** - Thank you so much, Phil and Jeanette, for being here today. We have really appreciated it. Good luck with the work you are doing at the moment.

**Ms BARNES** - If there is anything you want to follow-up or want more detail about, Natasha could let us know and we will do our best to help get that for you.

## **PUBLIC**

**CHAIR** - Thank you.

**DISCUSSION CONCLUDED.**

## **PUBLIC**

### **PARLIAMENTARY JOINT SELECT COMMITTEE ON FUTURE GAMING MARKETS WAS HELD IN THE BAROSSA ROOM, LEVEL 7, STAMFORD PLAZA ADELAIDE, 150 NORTH TERRACE, ADELAIDE ON WEDNESDAY, 26 JULY 2017**

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#### **DISCUSSION WITH Ms SHONICA GUY, POKIES ANONYMOUS SOUTH AUSTRALIA**

**CHAIR** (Mr Gaffney) - Shonica, the information you give us will be used as part of our report under the parliamentary process under which we operate. That is why Sarah is on the line - to give us a quorum of four members of the parliament.

We also understand your current situation, we think, with where that is at. So if at any time you think, 'I cannot answer that' or 'I do not want to answer that in public', we can go into what we call in camera. That means your evidence just stays within the committee. It cannot be released or repeated unless we have the permission of the person who spoke it. I know your evidence involves issues that might go before the courts and that sort of thing, so if you are not comfortable answering any of the questions, just say 'No, cannot do that because of this but I am happy to provide that evidence in camera'. Does that make sense?

**Ms GUY** - Yes.

**CHAIR** - We will start. I have introduced you to everybody in the room and thank you for appearing. As you know, we have some terms of reference. In Tasmania we have been asked by the parliament to look at our gaming processes and our situation, and we have a chance to make some recommendations to the Government. We saw that you are involved at your level and we just wanted to hear about it - your experiences and the messages you might have for us as a committee. If you would like to go into a spiel and then at the end of that we might ask some questions and then you can decide whether you want to answer them or not.

**Ms GUY** - Okay. I started gambling on the pokies when they first came into pubs and clubs in South Australia - that was in 1994. My friend at the time said, 'You want to come down to the pokies?' and I was not really interested. I had seen them before, but I had never touched them. I did not really want to go, but he kept asking me and I said 'All right, I will go down there'. I remember walking around with a cup in my hand, and thinking 'This is a bit embarrassing, I do not know what I am doing.' Then I saw this touch-screen Keno machine - it was a poker machine, it was Keno; they had Club Keno back then so it sort of looked familiar. So I sat down and I just pressed a few numbers and pressed 'Start' and that was it. I thought this was nothing to be worried about, you know, it is all good.

I do not really remember too much happening so obviously I did not win any money otherwise I would probably remember that. Then it was not long before I was saying to him, 'Do you want to go down to the pokies?' Looking back at it now, I think I was hooked from that first time - actually, I know I was. It was not until 10 years later that I realised I had a problem. I gambled for 14 years and for 10 of those years, I did not think that I had a problem. We used to waste all the rest of the money we had on the pokies so we became stuck into it really quickly. We used to get credit from the deli because we did not really have any money left over for bread and milk sometimes. Then we split up and I moved over to the other side of town into a housing co-op house. I think that is where my addiction really kicked in because I was going by myself.

## PUBLIC

I ended up getting a job at a shopping centre at Marion and they had pokies there. I used to do a little bit of part-time work and in the break on a Thursday, I would go to the pokies because I would have an hour to waste. Then it escalated to me going before work and after work. I remember the bosses said to me, 'Shonica, we have been told you have been seen at the pokies - it is not really a good look.' I said, 'What are you talking about?' - 'We don't want you going there,' they said. I said, 'Why? They love me in there - no-one can tell where I am from. I have my jacket on and stuff.' I could not really understand and they said, 'It isn't really a good look so you can't go there anymore.' I just thought, 'You can't really tell me what to do', so that night I went home and I thought about it and I thought, 'Job or pokies?' So I sent them a text message saying, 'You had better get someone else for next week because I am not coming back.'

Then I ended up getting another job in the city a while after that and my behaviour continued and it was actually worse. I got some credit cards and personal loans, and I didn't really want to tell anyone. I did not tell anyone until I remember one day I did not even have even \$5 left and I didn't really know what to do so I rang my mum and I told her what had happened. I actually told her it was from something else - I didn't want to tell her it was about the pokies. I told her - I don't really want to mention that bit.

I admitted I needed some money and so she gave it to me. I paid her back, and another time I asked her for some money and she said, 'What have you been doing again?' and I said, 'This time it's the pokies'. She said, 'Shonica, you have to stop this', like, 'What?'

She couldn't understand and I said, 'Yep, I can't handle this. You are going to take all my money away. I can't be trusted to pay anything, I have nothing and you need to help.'

That was basically the first time I ever told anyone. I remember the next time I told someone it was another boss I had when I used to do part-time work again. I remember I was a tenancy officer for my housing co-op and something happened. I had to go to a tribunal thing. It was a big deal. I remember going to work after that. I felt relieved about that, but I knew in the back of my mind that I had this big problem and I just started crying my eyes out. My boss said to me, 'What's wrong?', and I said, 'It doesn't matter. What do you care? Leave me alone.' He said, 'If I didn't really care, I wouldn't be asking. I want you to sit down and I want you to tell me right now what is going on because you were all right this morning.'

I don't think he had ever seen someone in that sort of state. I was crying uncontrollably and I couldn't stop. I can't really describe the emotions I was feeling, but I think this was the first time that I had emotion and feeling about this.

I remember all the time I would leave the venue and it was like it never happened. I would go, 'Oh well.' It was like this switch in my mind would go, 'Oh well, I will get more money next week.'

I had to work out how I was going to pay this and that and juggling things. It was harder than a full time job, I would say, because the effort I put into that was really draining me.

After that, my mum used to give me a little bit of money to buy food and things, and then I would spend that as well, and I told her that I wasn't gambling anymore. I told my boss that I wasn't gambling. He was really understanding and he said, 'Whatever we can do to help, we will be there.' That felt good. The relief I felt in telling him was good.

## PUBLIC

I remember meeting this lady at a theatre group I was with and she said to me - because I remember telling her once that I went to the pokies - 'I think you might have a gambling problem.' She must have been observing me, maybe my moods or something, I am not sure. And I thought, 'Do I?' I didn't have enough money for bread and milk, but for some reason I didn't think it was a problem.

She told me there were places I could go to for help. She said that there was Pokies Anonymous and there was financial counselling that I could go to, and I thought about going. I thought about going for four years, thinking about going, but I wasn't taking any action.

One day after four years of thinking about it, I picked up the phone and I rang Pokies Anonymous. I spoke to Julia and she said, 'Are you coming to the meeting?' and I said, 'Yeah.' I didn't know anything about what to expect or anything. I just knew I was desperate and I needed help badly. I didn't know what else to do.

I went down to the meeting and it was the best thing I ever did. There were other people there who were in the same position as me and actually had stopped gambling. Some people were still gambling, but I felt I could say how I felt.

I had a bit of a cry and I could say what had been going on and no-one would tell everyone. A lot of people were really secretive. They did not want people to know too much and they were really embarrassed. At the same time I started researching on the internet because I could not understand why I could not stop. I said to my mum, 'Who would do this for 14 years and not wake up to themselves after all this time?' She told me some people never wake up to themselves. I could not get it off my mind - why something like this would happen and 14 years of my life was gone and I cannot get it back. It did not feel like that long. It only felt like about five years. It did not feel like that long and I could not understand.

Then I started researching on the internet about the product. I found out that they were specifically designed to create an addiction. I felt so ripped off; I felt more ripped off than I already felt. I was a bit angry I had not been warned this sort of thing could happen. Then I started researching more. I got hooked on researching this. People would invite me over and they would want to do things and I would say, 'No, no I am researching. I am doing this.'

I found out how they were designed - losses disguised as wins, near-misses. I read reports from researchers. I got my mum to photocopy me thousands of pages, which I still have in this big box. I was totally obsessed, but I think it helped me understand what happened and I felt a little bit better. I felt like I was not such a loser. I felt like this is intentional. This happened to me by design. I went down to Pokies Anonymous and I was telling everyone they are rigged and I was printing things out for people. I was burning discs and DVDs and some people did not have DVD players so I wheeled this old TV in with a DVD player and had screenings like BF Skinner and stuff like that, so people could understand what happened and learn a little bit about behaviourism.

I thought other people would be saying, 'Yeah, let us do something about this!', but that did not really happen. They were still hooked and I thought, 'Can't you see?' Some people could, but they just could not stop and they still can't. I think I am lucky, very lucky that I came out on top of it and it was only because I investigated. That is what has kept me away because it burst my bubble. I know what they are all about now so I will not go back. I will never, ever go back - and I haven't gambled for seven-and-a-half years, since 12 January 2010.

## **PUBLIC**

**CHAIR** - Do you still go to Pokies Anonymous?

**Ms GUY** - Yes. I actually run the groups now.

**CHAIR** - We might look at that. People often say they are from all different types and all different ages. In your experience, what is the main demographic or the main group of people you work with?

**Ms GUY** - They are all different. There are a lot of young boys, older ladies. There was a lady in her 80s. There are 60-year-old people. Every age group.

**CHAIR** - The younger group, when you say younger boys, how do they get there? It took you 14 years. At what age are they presenting in your gambling group?

**Ms GUY** - They started gambling when they are 18, straight away, and they have been gambling for 10 years.

**CHAIR** - So you are looking at mid-20s, that sort of age group?

**Ms GUY** - Yes. There is someone who has been gambling since his 18th and he has just turned 30. He can't stop.

**CHAIR** - Could you explain to us what you are doing now? You do not have to give us the ins-and-outs if you don't want to, but you decided you wanted to do this with Aristocrat?

**Ms GUY** - Crown and Aristocrat?

**CHAIR** - Yes.

**Ms GUY** - It is alleged I am suing them for misleading, deceptive and unconscionable conduct, and that is with the design features they have built into the machines. We want those design features taken out.

**CHAIR** - Okay. Can you explain to us what parts of the design of the machine you are concerned about?

**Ms GUY** - I am concerned about anyone even touching the machine because it's a trap. I think if you touch it, you are in danger. People think it is disguised as some fun and entertainment but I don't think it is. The losses disguised as wins and the near-misses are designed into the machine so people continue to gamble, and they can't stop.

**CHAIR** - Where is that now? Is it with the courts? How far along the path are you?

**Ms GUY** - I'm not sure of the terminology but it starts on 11 September. The judge is going to hear the case and she has booked, I think, three weeks but not every day.

**Mr ARMSTRONG** - Is that here in South Australia?

**Ms GUY** - It is in Melbourne.

## **PUBLIC**

**CHAIR** - It's in Melbourne, yes.

Have you had assistance with your case? Are people helping and guiding you? It is not easy, you saw yourself, working through the court system. Have people been supportive of what you are doing?

**Ms GUY** - Yes. It is unfortunate that the government, particularly in South Australia, doesn't want to do anything. There are about three politicians I know of who think it is a serious problem, who have put bills up. They said the major parties aren't agreeing so nothing is going to change. People I talk to are absolutely sick of it; they want something to change because it is devastating the whole community. It is not just the gamblers, it is the kids who are going hungry. It took 14 years of my life away when I could have been developing in other areas. I have struggles with a lot of things now because I was stuck in front of a machine.

**CHAIR** - If you think about what we should be doing as a community, do you have any ideas regarding education programs and how else we can better put the message out there? So when you were asked - innocently, I suppose, by your friend 17 years ago - to go out for a night's entertainment - what do you think we should do that could help alert other people so they don't fall into the same trap?

**Ms GUY** - I think education in schools, but the right education: someone with a similar story to mine who can see how easy it is to get hooked.

It is a misleading and deceptive product. I don't know how it was even allowed to be everywhere in the first place. If anything else were causing this harm, it would have been taken off the shelves or recalled. I think the statistics are really underestimated. From my experience, most people are hooked in there. It is not like what they say. It is a lot worse.

**CHAIR** - Shonica, you said some of your work colleagues and your manager picked up on you, and they were people you felt confident having a discussion with. Were you ever approached by anybody from the venues you used to regularly go to, who say, 'We have seen you in here a lot'? In the area you lived, would you go to one main venue or two?

**Ms GUY** - Yes, there were a couple. There was an incident at one of them so I went to another one. There were mainly two places I used to go to.

**CHAIR** - But in all your time going there, you weren't approached by anybody to say, 'You shouldn't be here, we have seen you a lot'?

**Ms GUY** - No. My bosses at the time said that I had been seen at the pokies and they were concerned about it not being a good look. They didn't ask me anything to do with if I had an addiction or anything. I wouldn't have known that I did.

**CHAIR** - Okay. With your gambling group or the people you see, do many of those people self-regulate or bar themselves from pubs and clubs? What is the percentage of people who come into that group who might self-exclude?

**Ms GUY** - Maybe half. It worked for a very small percentage, but I always recommend it because you try everything if you want to stop. They can't bar you from everywhere - the whole



## **PUBLIC**

of Adelaide - so they will go somewhere else. I know someone who recently barred himself and they approached him after a very long time. They went to him and they said, 'Do you need to talk to me?' Now he goes down to the other pub. He was really excited about barring himself from there, but a week later he was down the road at another one. He lives in a country town.

**CHAIR** - When you started going with the gambling group, was that a monthly, fortnightly or a weekly meeting? How do you organise the groups? We have not heard this sort of information before.

**Ms GUY** - Okay. When I first joined Pokies Anonymous, we used to have four meetings a week and they were all evening meetings at different sides of the city. I now run the meeting on Monday. The manager went to run her own restaurant so she doesn't really have the time to do the meetings. I am doing them all. I also run another gambling support group called Gambling Link on Wednesdays, fortnightly, at 6.00 p.m.

We meet fortnightly there and on the other Wednesdays I run Pokies Anonymous.

**CHAIR** - Okay, is that a voluntary capacity?

**Ms GUY** - Yes.

**CHAIR** - Is it in the same place? Who covers the cost of the building?

**Ms GUY** - We get the venue for free because the council knows what we do. We had to get some insurance recently. That was covered by the Alliance for Gambling Reform because we don't have any money to cover public liability insurance. People have been good.

**CHAIR** - How big are your groups and how long does a session go for, or does that depend on the size of the group?

**Ms GUY** - Yes, it depends. The smaller meetings usually run longer. If we had five people, it could go for an hour to an hour-and-a-half - that is Pokies Anonymous. Gambling Link runs from 6.00 p.m. to 9.00 p.m., so three hours, and incorporated into that we also have a drama group. I run that as well. We can tell our stories through the drama and that is a good healing process. We are hoping to do another play soon.

**CHAIR** - Are you feeling comfortable at the moment? Are you all right with this?

**Ms GUY** - Yes.

**CHAIR** - I am going to ask Tania and Robbie to ask a few questions.

**Ms RATTRAY** - Thanks very much, Shonica. We really appreciate you coming today. We heard this morning about the Gamblers Rehabilitation Fund. A lot of money is put out into the community through gambling; it is around \$3.845 million per annum. When you said there was no funding for what you do, has your group attempted to obtain any money from this Gamblers Rehabilitation Fund to support your organisation and the work you do?

## **PUBLIC**

**Ms GUY** - It was at least four years ago that the government, from the rehabilitation fund, the office of problem gambling, gave the group \$20 000 a year. That would cover Julia to be paid a little, and for little expenses that we had.

**Ms RATTRAY** - Like for resources, leaflets and printing and whatever else?

**Ms GUY** - Yes. I do not know whether I should say this. Something happened; the office of problem gambling knows about it. It then said we needed a manager. It was not because of anything done on our behalf - it was to do with someone else. It said that apparently that if we wanted to do any media, we had to ask them first. We were not allowed to do any photocopying and we could not make tee-shirts or do any printing like that.

**Ms RATTRAY** - It became quite restricted?

**Ms GUY** - Yes. Julia said not to worry about the money. We want to put stickers on cars, we want to do what we want to do. I made Pokies Anonymous tee-shirts for people and we were wearing them. We had a no-pokies zombie night, things like that. She said not to worry about it so that was it.

**Ms RATTRAY** - I understand. Thanks, Chair.

**Mr ARMSTRONG** - With no funds, how do you attract people to the group? Do they come to you or do you have an ad in your local paper, 'Pokies Anonymous: Come Along', or is through word of mouth?

**Ms GUY** - Mostly through word of mouth. When the government gave us that \$20 000, they would refer people from the Gambling Helpline. They would refer people to us, but that does not happen anymore. We were taken off that list. I know with the other group, the Gambling Link, I have advertised through Relationships Australia. They tell some people but we have not had any new people for a while. I have taken over that group in the last two years. So it is mostly through word of mouth. People from AA or elsewhere will know about it, and they will tell other people who have a problem. I paid for an ad with my own money a couple of years ago. It attracted one person, so it was probably not worth \$56 to do that again.

**Mr ARMSTRONG** - So the people that come along, does it cost anything to go to your group?

**Ms GUY** - No.

**Mr ARMSTRONG** - You have a cup of coffee and things like that?

**Ms GUY** - Yes. Someone asked if we could get some coffee. I have not even been doing that because I have not had any money lately myself. The facilities at the place we used to have the meetings had coffee and tea, but they took the coffee machine away at this new place.

**Mr ARMSTRONG** - Your local council is supportive of giving you the facility?

**Ms GUY** - Yes, they are really good.

**CHAIR** - Do they advertise? We have council newsletters.

## **PUBLIC**

**Ms GUY** - Yes. I think there was a book, like a guide book for the council. I sent them an email and asked if we could go in that. I don't know if we are in it yet. I have not seen this year's copy.

**CHAIR** - When did you decide to start the court proceedings or processes? We read about you on the website or through Google, and it has been brought to our attention you were here. When did that start?

**Ms GUY** - I think they lodged the paperwork in October 2016.

**Ms RATTRAY** - We went to Western Australia yesterday - we have been to a lot of places, Shonika - and they explained to us that the machines there are different machines. I know you have said how addictive they are. It is a different setup although it is not very common, or not as common as the more prevalent poker machines. Did you know about the other type of machines they have in Western Australia?

**Ms GUY** - No.

**Ms RATTRAY** - Has anyone mentioned that? Most of the people you have been in contact with have been locals, in South Australia?

**Ms GUY** - Yes, they mostly go to pubs and clubs. I haven't heard what -

**Ms RATTRAY** - It is a different type of machine. They don't have the rolling.

**Ms GUY** - Okay.

**Ms RATTRAY** - They certainly have Keno though. They have Keno machines and the new machines are electronic table machines. They are like those you play at the tables, only you play them individually instead of sitting at a table.

**Ms GUY** - So it is sort of like a poker machine - the same thing.

**CHAIR** - It has been presented to us that sometimes when people come in especially for the financial counselling you mentioned before, which I thought was good because we have heard from them. They will say that sometimes, as you said, problem gamblers are the ones who do not admit they have an issue, it is more of a secret. They often present with other problems. In your counselling groups, does it take a while to peel the onion back off the other problems and issues they might have, more so than just the gambling, or are they just there because of the gambling? Is it mainly gaming machines or other types of gambling as well?

**Ms GUY** - No, it is just the pokies. Most people addicted to the pokies are just hooked on the pokies, I have noticed.

**CHAIR** - Okay, so you don't come across the others.

**Ms GUY** - If they do buy a Lotto ticket or gamble in some other way, it does not take over their life. It is just a once every now and again thing. It's mostly the pokies. It is a support group; we do not do counselling. We just -

## **PUBLIC**

**Ms RATTRAY** - Somewhere to tell your story?

**Ms GUY** - Yes, saying what it was like and what it is like now.

The Gambling Link group is a little bit different. It is not a 12-step recovery program or anything. We get along really well and we are more like an activist group. We want to do something. All of us are really eager to change things. I support them in what they want to do.

Some people want posters to hold up at the football with various things on them. I get that organised, help people with whatever they want to do, send emails for them or whatever.

**Mr ARMSTRONG** - People who come to your group, is it the same group coming along all the time. You said you only just had one new member or something? They continue to come along every week or fortnight?

**Ms GUY** - Yes, every fortnight.

**Mr ARMSTRONG** - Do you ever have anybody who comes because of the online gambling problem with machines?

**Ms GUY** - Not yet. A couple of people have said they have gone online and that actually has helped them stop gambling on the pokies in the venues because they are not spending any money. I warn them - I say it is the same thing.

**Mr ARMSTRONG** - And you can spend money.

**Ms GUY** - Yes. They probably have pop-up things saying play with real money or whatever. They think that actually helps them a little bit because they are not spending money. I say it is a trap. It is no good but if that is what they want to do -

**CHAIR** - Shonica, is there anything else we haven't asked you that we should have? We are a committee: we are supposed to ask the questions, but is there anything else you would like to tell us?

We have found your comments very interesting because we haven't sat with somebody who has gone through and talked about Gambling Anonymous and that sort of thing, even though it is part of our terms of reference. It is there anything else you would like to say to us that might be of benefit to what we are trying to do?

**Ms RATTRAY** - Something we should be looking at or focusing on? We are focusing on harm minimisation and the effects of gambling as well as regulation and licensing. We are trying to look at everything, but maybe we have missed something.

**Ms GUY** - The thing with poker machines is gambling responsibly doesn't really fit. I think it is a dangerous product - this is my personal opinion. I don't think you can gamble responsibly on something like that if you do put in \$5 and \$10. That is how it all starts. It is a dangerous product if you touch it - if people aren't warned, they won't know you can be hooked before you know it.

## PUBLIC

As I said before, with the statistics they have - I have had 14 years on-the-job experience in venues and I know that it is more than, say, 40 per cent or whatever they say. I reckon 90 per cent of people are hooked. People who go in there with \$5 or \$10, they are gone. But you see the same people there with you because they are hooked as well.

You don't have to spend a lot of time in there either to be hooked. I have seen guys going in there after work, like a group of four guys after work, in their work clothes and they would pump hundreds in, say, on a Friday. They would be gone in an hour, but I reckon they would have put their whole pay through.

I have heard people in the group saying that the whole company was hooked; they used to all go down to the pub and then a couple of days later, they didn't even have any food there. Someone had to get water out of the tap because they didn't have a bottle of water, things like that, borrowing money until the next week - the whole company.

**CHAIR** - In a nutshell, to conclude, on a cigarette box there is a warning, 'This is a health hazard', but on a poker machine, it says, 'If you spend so much money here, you can then get to the next level', but when you get to the next level, there are no warnings on those machines that it could be an addiction.

**Ms GUY** - It's very dangerous and these young kids, if they are not warned - people need to be warned. I hear about the stigma of people who don't have much money are the ones who are getting hooked. It is not really true. I have heard of doctors being hooked, psychologists.

**Mr ARMSTRONG** - Or politicians.

**Ms RATTRAY** - It shows there are no barriers.

**Ms GUY** - No. It is very dangerous. I think they should be abolished from everywhere, except for the casino.

I have had three people this month ring me up saying they wanted to kill themselves and sometimes I find that really hard. Sometimes their mums ring me up. I don't know what to say to people sometimes. I can only say about what happened to me and be there for someone if they want to talk. That is all I can do. They cannot stop.

**CHAIR** - Shonica, it was interesting that you said they should be in casinos because in one sense you are recognising there are people out there who will gamble and it will not impact them so much. Is that because you think that at a centralised venue, people would be better monitored? You mentioned before that when you went to all the different venues, nobody ever said to you, 'You are gambling too much.'

**Ms GUY** - I think it is too easy for people to walk down the road. There was a pokie venue five houses away from me. It is so easy to go down there. At least at the casino you have to go into the city or make an effort.

**Mr ARMSTRONG** - They are accessible.

## **PUBLIC**

**Ms GUY** - There are casinos on every corner here. It is ridiculous. The product is so dangerous, it has to be restricted to casinos; but I think it is so dangerous, I wouldn't have anyone touching it.

If someone handed me a needle with heroin in it, I would be say no. It does the same thing to your brain as a dangerous drug and I would be saying, 'No, I'm not touching that because I've been warned and I know what that can do.' But poker machines are disguised as fun and entertainment device and it is really the same sort of thing. It is the same as a dangerous drug, even worse, because you can only have so much heroin or so much speed or ice or whatever, but you can gamble for 48 hours and you will still be sitting on the chair. You won't fall over or overdose from that. That is the way I see it anyway. I cannot stand the things.

**CHAIR** - Thank you so much for coming here today. We have really appreciated it and we have taken on board your sincerity.

I am really pleased to hear that you have come out one side and you are actually helping people with some of your experiences. That is commendable.

I am going to say good luck in September; I hope you are satisfied with the outcome on whatever happens. Thank you very much.

**Ms GUY** - Thank you.

**DISCUSSION CONCLUDED.**