

17 July 2019

Remake of the Gaming Machines Regulation
Liquor & Gaming NSW
GPO BOX 7060
SYDNEY NSW 2001

Sent by email to: gm.regulation@liquorandgaming.nsw.gov.au

Dear sir/madam,

REGULATORY IMPACT STATEMENT GAMING MACHINES REGULATION 2019

BetSafe was established in 1998 and provides an independent responsible gambling program to 67 registered clubs located in NSW and ACT. The BetSafe program is widely recognised as the most effective responsible gambling program in Australia.

The BetSafe program includes staff training in the provision of responsible gambling, 24/7 problem gambling counselling, a comprehensive exclusion program comprising self-exclusion, involuntary exclusion and third-party exclusion with a rigorous re-entry procedure, player information, publications, signage, compliance audits and comprehensive policies and procedures covering helping problem gamblers, responding to third party complaints, dealing with minors and unattended children, financial transactions and promotions.

BetSafe is an approved problem gambling counselling service under *Gaming Machines Regulation 2010 cl. 52(1)(c)*.

We are generally supportive of the proposed changes in the Draft Regulation. Our detailed comments on certain changes are set out below.

10 Faulty gaming machines

A number of the newer gaming machines come with functionality through the 'Audit' menu of the machine which allows the machine to be placed into 'Out of Service' mode without being switched off. The Regulation should be amended to allow the option for venues to place a faulty machine into 'Out of Service' mode, if functionality provides.

15 Clubs required to record certain information in relation to gaming machines

The proposed Regulation merges the current clauses 17 and 18. The wording of the existing and proposed clauses is unnecessarily complicated and confusing.

We understand that under these requirements clubs are required to compile a Cash Flow report and Net Analysis report. Both are required to be 'in or to the effect of a form approved' by either the Secretary or Authority. Whilst we are aware of an approved form being published on the L&GNSW website for the former, we are not aware of a form for the latter ever being published on the L&GNSW website.

This requirement should be simplified and further guidance should be published on the L&GNSW website to assist clubs in ensuring they comply with their reporting obligations.

18 Signage and brochures required to be displayed at the entrance to gaming machine areas

The wording in relation to the proposed clauses 18(2)(a) and 20(2) continue to provide ambiguity in relation to where these items must be located. The Regulation states that the notice needs to be displayed both:

- a) in each part of the hotel, or in each part of the club premises, where approved gaming machines are located; and
- b) in such a place that it would be reasonable to expect that a person entering the part of the hotel or the club premises in which the notice is displayed would be alerted to its contents

The requirement that the notice be physically located inside the gaming area is unnecessary. In many situations the most prominent location for placement of the notice is immediately outside the gaming area. There is no benefit to a person entering a gaming area to also require the notice to be physically located within the gaming area.

We recommend amending the requirement by requiring them to simply be displayed:

in such a place that it would be reasonable to expect that a person entering a gaming machine area would be alerted to its contents.

Clocks

The rationale for removal of the requirement to have visible clocks in gaming machine areas is partly based on the fact that most gaming machines now have inbuilt clocks. Although the time on the clocks displayed on most gaming machines is synchronised to the venue's gaming system, we understand that this does not occur at venues providing cashless gaming. Removal of the requirement to have clocks will also remove any obligation on venues to ensure that clocks on gaming machines display the correct time, which may cause issues for patrons.

22 Dangers of gambling—notices to be displayed on gaming machines

The proposal to merge the three separate offences into one for the combined gaming machine notices is fairer and will be simpler to administer.

24 Signage to be displayed on ATMs and cash-back terminals

Currently venues are permitted to customise their own notices for the purpose of ATMs and cash-back terminals (CRTs), so long as the wording is greater than 2mm. Most CRTs now have the approved notice built into the screen of the CRT.

It is unclear whether the proposed Regulation allows for this to continue to occur, or whether venues will need to display a specific type of notice on the CRT (or ATM).

45 Self-exclusion schemes

There are difficulties in getting some venues to accept multiple venue self-exclusion agreements from providers other than the provider used by that venue.

We have received responses from a small number of venues advising that they are not willing to accept a request for multiple exclusion unless the Agreement is in a particular format, or has been sent to them using a particular system. It is our view that these venues are contravening both the requirement, and spirit, of the Regulation.

The existing and proposed Regulations (at subclause (a)) are not sufficiently clear on what constitutes a venue “refus[ing of] a request by a participant”. We suggest that subclause (a) be amended to specifically state:

the hotelier or registered club, or an employee of the hotelier or club, must not refuse a written request (satisfying the requirements of this clause) from a participant (as referred to in section 49 of the Act), or an agent acting on behalf of the participant, to enter into an arrangement under that section,

46 Gambling contact cards

The proposed wording of this clause does not provide adequate information to enable accurate placement of gambling contact cards. Gaming machine venues, L&GNSW inspectors and licensing police have a range of differing views about this requirement.

We are aware of a number of venues who, in order to satisfy their local licensing police officers, have had to resort to displaying contact cards on every single machine, which is clearly not the intent of this requirement.

The fact that the current and proposed Regulation do not provide a definition of what a “bank” of approved gaming machines is, means that inspectors also have varying interpretations of what constitutes a “bank”.

It is also unclear whether the card holder which is visible when approaching, or playing, a gaming machine needs to be attached to the bank in which the machine is located, or whether it can be attached to any bank.

We recommend:

- providing a definition of what constitutes a “bank”, such as:

one of more gaming machines attached directly, or attached indirectly through a continuous base.
- requiring contact card holders to be securely attached to each end of a bank (and removing the complicated requirement about the cards needing to be visible when approaching or playing a machine).

48 Notices relating to gaming machine areas in clubs

The reference to “clause 52 of the Liquor Regulation 2018” has caused confusion in relation to this notice.

The requirements of this clause make it clear that this notice is required to be displayed “in each gaming machine area of a registered club”.

This clause makes no reference to the need for this notice to be displayed at entrance to a gaming machine area. However, we are aware of a club, who received a breach under this clause as it had not displayed the notice at all entrances to their gaming machine areas. The particular licensing officer responsible for breaching this club argued that this requirement not

only imports the notice itself from the Liquor Regulation, but also the requirement to display this notice at each entrance [to a bar area].

It would appear that if this notice was intended to be displayed at each entrance to all gaming machine areas, this clause would specifically state this is the case.

Although the club in question ultimately got the breach overturned in the local court, it incurred considerable legal expenses. We suggest that this clause be amended to make it clear that the reference to the Liquor Regulation is only in relation to the sign itself and not the location of the sign.

86 & 88 Authorised progressive systems—reading and recording of meters and jackpot reconciliations

These requirements make reference to “a form approved by the Authority”. We are not aware of any such form having been approved by the Authority for this purpose.

We have previously been informally advised by L&GNSW that the requirements of subclause (2) no longer apply, as this information is captured and communicated to L&GNSW through CMS.

Accordingly, we recommend that the requirement to read and record this information be removed from the Regulation.

In relation to subclause (9) the requirement to keep separate Net Analysis reports for machines attached to a progressive system appears to be a duplication of the requirements to keep such records for all gaming machines (in the proposed Regulation at clause 15) . In practice, it does not make sense for clubs separate these machines, or to compile separate net analysis reports for all gaming machines and another for gaming machines attached to a progressive system. As such, subclause (9) should be removed.

106 Persons or machines that may redeem gaming machine tickets

The requirement for venues to maintain a list of authorised persons to redeem gaming machine tickets is onerous and unnecessary. In the event that the person redeeming the gaming machine ticket is a staff member, it appears only necessary for that staff member to hold valid RCG accreditation.

As such, subclause (4) should be amended to state:

A hotelier or registered club must keep a record (whether or not as part of another record) of the name, address and date of birth of each person (except those persons employed by the hotelier or club who hold valid RCG accreditation) who is authorised by the hotelier or club as an authorised person.

107 Records to be made on redemption

The requirements of this clause, in respect to payouts of greater than \$5,000, are outdated. This requirement commenced at a time when the ticket cash payout limit was \$500 and the cash payout limit was \$2,000. When these respective requirements were both amended to \$5,000 it became unnecessary to specifically obtain this information under this clause, as the person is already required to be identified as part of the requirements to issue a cheque.

Accordingly, this clause should be amended to state that the information must only be captured where the payout is redeemed 2 or more days after issue.

Please do not hesitate to contact us if you require further information.

Yours faithfully,
BETSAFE PTY LTD

A handwritten signature in blue ink that reads "Daniel Symond." The signature is fluid and cursive, with a large initial 'D' and 'S'.

DANIEL SYMOND
MANAGER