



Customer
Service

Gaming Machines Regulation 2019

Report on Public Consultation

August 2019

TABLE OF CONTENTS

1	INTRODUCTION.....	1
2	CONSULTATION PROCESS.....	1
	2.1 Media advertising	1
	2.2 Liquor & Gaming NSW and Have Your Say websites	1
	2.3 Requests for Submissions.....	1
	2.4 Meetings with Stakeholders.....	2
3	CONSIDERATION OF SUBMISSIONS	3
4	AMENDMENTS TO THE PUBLIC CONSULTATION DRAFT	3

Attachment A – Text of Media Notice

Attachment B – Proforma letter received as part of campaign

1 INTRODUCTION

The Gaming Machines Regulation 2010 (2010 Regulation) which prescribes matters necessary to underpin the effective operation of the *Gaming Machines Act 2001* (the Act) is due for automatic repeal on 1 September 2019 in line with the *Subordinate Legislation Act 1989*. It is proposed that the Gaming Machines Regulation 2019 (2019 Regulation) will replace the 2010 Regulation to ensure the efficient operation of the Act.

The 2019 Regulation is essentially a remake of the 2010 Regulation with amendments that support responsible industry development, while continuing to reduce harm associated with gambling activities. Other minor changes to the regulations will help improve clarity, remove unneeded provisions and provide a more logical format.

An exposure draft of the 2019 Regulation and the *Regulatory Impact Statement – Gaming Machines Regulation 2019* (RIS) were subject to public consultation. Liquor & Gaming NSW also ran targeted consultation with industry, health and government stakeholders. As detailed in this report, a number of changes were made to the draft 2019 Regulation as a result of this consultation process. This report has been prepared to outline the consultation process undertaken and the comments and submissions from stakeholders and interested persons that were considered during the process.

2 CONSULTATION PROCESS

The draft 2019 Regulation and RIS were open for public submissions and comments for 28 days, from 19 June 2019 until 17 July 2019.

2.1 Media advertising

Notices were placed in the NSW Government Notice Boards in *The Sydney Morning Herald* and *The Daily Telegraph* on Wednesday 19 June 2019. A copy of the notice text is annexed as **Attachment A**.

2.2 Liquor & Gaming NSW and Have Your Say websites

Public comment on the draft 2019 Regulation and RIS was also invited via a Media Release entitled 'Have your say on gaming machine and casino regulations' on 19 June 2019 and notices published on the Liquor & Gaming NSW's website and the NSW Government's 'Have Your Say' public consultation website on 19 June 2019.

2.3 Requests for Submissions

The following organisations and agencies were formally invited by email to provide a submission on the draft 2019 Regulation and the RIS:

- Australian Hotels Association NSW (AHA NSW)
- Australian Leisure & Hospitality Group (ALH Group)
- Aristocrat
- Gaming Technologies Association
- GLI Australia
- Leagues Clubs Australia
- Maxgaming
- Mounties

- Australian Gambling Council
- Catholic Care
- Centre for Gambling Research, School of Sociology, ANU
- Club Managers' Association of Australia
- ClubsNSW
- Crown Ltd
- Financial Counselling Australia
- NSW Golf
- O'Hara Group
- Responsible Wagering Australia
- Royal NSW Bowling Association
- RSL & Services Clubs Association
- St Vincent de Paul
- Tabcorp
- The Salvation Army
- The Star
- Wesley Mission

Liquor & Gaming NSW also proactively sought comment from the following stakeholders via email:

Industry, Health and Community Organisations and Advisory Bodies:

- Alliance for Gambling Reform
- Anglicare
- Catholic Care
- Centre for Gambling Research, School of Sociology, ANU
- Financial Counselling Australia
- Gambling and Social Determinants unit, School of Public Health and Preventive Medicine, Monash University
- Gambling Help NSW
- Gambling Impact Society
- Gambling Research and Treatment Clinic, University of Sydney
- NSW Council for Social Services (NCOSS)
- Red Cross
- Relationships Australia
- St Vincent de Paul
- The Salvation Army
- Wesley Mission

Government Agencies:

- Centrelink
- Customer Service
- Family and Community Services and Justice (includes FACS & Justice)
- Health
- Local Area Health Districts
- Local Councils
- Local Government NSW
- Multicultural NSW
- NSW Crime Commission
- NSW Police (including LACS)
- Office of Local Government
- Planning and Industry
- Premier and Cabinet
- Treasury

2.4 Meetings with Stakeholders

All stakeholders who were formally invited to provide a submission, as well as several others, were offered the opportunity to meet in person with Liquor & Gaming NSW to discuss the draft 2019 Regulation and the RIS. No industry, community or government stakeholders elected to take the opportunity to meet with Liquor & Gaming NSW during the consultation period.

3 CONSIDERATION OF SUBMISSIONS

34 submissions were received from industry, health, government and community stakeholders, as well as members of the public.

- | | |
|---------------------------------|-----------------------------------|
| 1. AHA NSW | 20. (in confidence) |
| 2. (in confidence) | 21. (in confidence) |
| 3. (in confidence) | 22. (in confidence) |
| 4. Alliance for Gambling Reform | 23. (in confidence) |
| 5. (in confidence) | 24. (in confidence) |
| 6. Bennett Consulting | 25. (in confidence) |
| 7. Betsafe | 26. (in confidence) |
| 8. (in confidence) | 27. Memento Hospitality |
| 9. (in confidence) | 28. NSW Council of Social Service |
| 10. (in confidence) | 29. (in confidence) |
| 11. (in confidence) | 30. (in confidence) |
| 12. ClubsNSW | 31. Reg Alderson |
| 13. (in confidence) | 32. (in confidence) |
| 14. (in confidence) | 33. (in confidence) |
| 15. Design Collaborative | 34. Tabcorp (in confidence) |
| 16. FARE | |
| 17. (in confidence) | |
| 18. (in confidence) | |
| 19. (in confidence) | |

Twenty three submissions were received from members of the public as part of an online campaign, most of whom elected to remain anonymous. The campaign letters were a proforma template that promoted the prohibition of smoking in gaming areas and strong harm minimisation measures in the new Regulations. A copy of this letter is attached to this Report at **Attachment B**.

A technical submission was received from Tabcorp which requested that the submission be kept confidential as it contained commercial in confidence information. All other submissions will be published on the Liquor & Gaming NSW website.

4 AMENDMENTS TO THE PUBLIC CONSULTATION DRAFT

Stakeholders were overwhelmingly supportive of the making of the proposed Regulation and of the proposed reforms. Actions taken to address specific stakeholder feedback in the final draft are detailed below.

Provisions relating to player information

Division 1 of Part 3 of the proposed 2019 Regulation outlines the harm minimisation and player information requirements that hotels and clubs must take to ensure that players make informed decisions when undertaking gaming activities.

The proposed 2019 Regulation also removes the prescribed wording of the player information and harm minimisation messages from the regulations, and instead states they are to be in a form approved by the Authority.

This flexible approach will provide the Authority with the ability to easily transform the content of these messages in response to current research. There was overwhelming support for the flexible and modern approach to the signage requirements, with only minor amendments requested by stakeholders that included the following:

Clause	Description	Change(s)	Explanation or Benefit
23	Gambling Counselling Signage – notice to be displayed.	Clarification that the clause is applicable only when a hotel or registered club is authorised to keep gaming machines. Further clarification is also provided that signage is required at the main entrance of the hotel or registered club.	This clause needed to provide clearer guidance to venues in respect of their signage requirements.
24	Signage to be displayed on ATMs and cash-back terminals	Clarification that the clause is applicable when a hotel or registered club is authorised to keep gaming machines.	This clause needed to provide clearer guidance to venues in respect of their signage requirements.

Fee Changes Generally

The proposed 2019 Regulation introduces a ‘fee unit’ structure and a mechanism for adjusting certain gaming-related fees for inflation. There was no stakeholder feedback on the proposed fee structure or on adjusting the fees for inflation.

However, the proposed 2019 Regulation has been modified since consultation to remove competency card fees and training provider approval fees from being indexed to the Consumer Price Index for the reasons set out below:

Clause	Description	Change(s)	Explanation or Benefit
Schedule 3(1)(2)	Fees	Fees for competency cards and training provider approvals have been removed from increasing with CPI starting from 2020.	A review of the Responsible Conduct of Gambling (RCG) course is being undertaken by the Office of Responsible Gambling. The review will ascertain whether the RCG is impacting the reduction of the harm associated with gambling activities. It is inappropriate at this time to make any adjustments to the scheme until the review is completed.

Gaming Machine Threshold Schemes

The consultation draft 2019 Regulation included a requirement for further information to be provided during an application to increase a venue's Gaming Machine Threshold. This included the trading hours for the venue and the operating hours of the gaming machines at the venue, as well as any additional information that the Authority required for a Class 1 Local Impact Assessment and Class 2 Local Impact Assessment.

Following feedback from stakeholders, the obligation to provide trading and operating hours was removed from the proposed 2019 Regulation with the intention of reducing red tape.

Changes made to the provisions which are reflected in the proposed 2019 Regulation are set out in the following table:

Clause	Description	Change(s)	Explanation or Benefit
32	Threshold increase application - consultation requirements	Removal of requirement to notify the NSW Council of Social Services (NCOSS).	Requirement removed following request from NCOSS.
33	Class 1 LIA application requirements	Removal of the requirements to include in the Class 1 LIA: <ul style="list-style-type: none"> • Trading hours of the venue; and • Operating hours of the gaming machines at the venue. 	Provides clarity and ensures the application process is streamlined.

Clause	Description	Change(s)	Explanation or Benefit
34	Class 2 LIA application requirements	Removal of the requirements to include in the Class 2 LIA: <ul style="list-style-type: none"> • Trading hours of the venue; and • Operating hours of the gaming machines at the venue. 	Provides clarity and ensures the application process is streamlined.
37	Consultation and advertising requirements	Removal of requirement to notify NCOSS.	Requirement removed following request from NCOSS.

Miscellaneous amendments

The draft 2019 Regulation proposed a range of amendments to ensure a dynamic, risk-based approach to regulating gaming machines in NSW. The proposed 2019 Regulation includes several amendments that are machinery in nature to reflect current drafting practices, and elimination of unused or duplicated provisions to provide certainty and reduce red tape.

Following the consultation process, minor clarifying amendments have been included in the proposed 2019 Regulation that are set out in the below table:

Clause	Description	Change(s)	Explanation or Benefit
10	Faulty Gaming Machines	Replaced 'immediately' with 'as soon as practicable' in reference to an hotelier or registered club turning off a faulty gaming machine.	This clause needed to provide clearer guidance to venues in respect of their regulatory requirements.
15	Clubs required to record certain information in relation to gaming machines	Removal of the requirements in clauses 15(6) and 15(7) that we no longer necessary due to upgrades of technology.	This clause needed to provide clearer guidance to venues in respect of their reporting requirements.
85	Records and requirements	Inclusion of the Gaming Machine ID (GMID) in the	The serial number is allocated to the physical gaming

Clause	Description	Change(s)	Explanation or Benefit
	relating to prize winners	recording requirements in relation to payment of prizes.	machine and the GMID is allocated to the technology approved by the CMS. Both are used interchangeably. The inclusion of the GMID will provide additional integrity in identifying the gaming machine.
88	Authorised progressive systems – reading and recording of jackpot reconciliations	Inclusion of the Gaming Machine ID (GMID) in the recording requirements for venues in relation to jackpot reconciliations.	The serial number is allocated to the physical gaming machine and the GMID is allocated to the technology approved by the CMS. Both are used interchangeably. The inclusion of the GMID will provide additional integrity in identifying the gaming machine.
106	Persons or machines that may redeem gaming machine tickets	Amend the requirement for authorised persons to redeem a gaming machine ticket issued in a hotel and registered club to be a current employee of the hotel or registered club who holds a current RCG accreditation.	Realigns the regulatory requirement to provide clarity and flexibility for the venue.
110	Records and other material	Inclusion of “Note. Section 11(2) of the <i>Electronic Transactions Act 2000</i> allows for hard copy documents that are required to be retained for a particular period to be retained in electronic format in certain circumstances.”	Provides clarity and ensures the record keeping process.

Attachment A



Liquor & Gaming NSW

Gaming Machines Regulation 2019 and Regulatory Impact Statement

Invitation for Public Comment

The Gaming Machines Regulation 2010 is due to expire on 1 September 2019. As part of the NSW Government's ongoing commitment to effective regulation of gaming machines, it is proposed that a new Regulation is made.

The proposed new Gaming Machine Regulation 2019 aims to provide the necessary legislative and administrative framework for the operation of the *Gaming Machines Act 2001*.

Before the proposed regulation can be made law, a formal consultation process must take place in line with the *Subordinate Legislation Act 1989*.

We welcome your feedback, which will be considered by Liquor & Gaming NSW before the proposed Regulation is finalised.

A Regulatory Impact Statement which explains the effects of the proposed Regulation and its costs and benefits, and the proposed Regulation itself, is available on the Liquor & Gaming NSW website liquorandgaming.nsw.gov.au.

The documents can also be requested by email gm.regulation@liquorandgaming.nsw.gov.au or phone 02 9995 0822.

Submit your feedback by email gm.regulation@liquorandgaming.nsw.gov.au or post:
Gaming Machines Regulation 2019
Liquor & Gaming NSW
GPO Box 7060
SYDNEY NSW 2001

Submissions must be received by 11:59pm Wednesday 17 July 2019.

Contact: For more information visit liquorandgaming.nsw.gov.au

Attachment B

To Liquor and Gaming regarding the remake of the Gaming Machine Regulation draft 2019

cc: Gambling Minister Victor Dominello, Health Minister Brad Hazzard, Shadow Health Minister Ryan Park, Shadow Minister for Consumer Protection Julia Finn, Greens Gambling Spokes Cate Faehrmann; Premier Gladys Berejiklian & Leader of the Opposition Jodi McKay

Gaming machines should be prohibited from smoking areas in all venues.

It is time that governments and departments in NSW took seriously the requirements of the Gaming Machine Act and make harm minimisation the main purpose of all legislation and regulation.

I call on the Department to add to the Regulations a simple mechanism to protect physical and mental health: ban gambling machines from smoking areas.

Research shows that making gamblers take a break from a machine – by turning the machine off every 30 minutes in some jurisdictions, requiring people to leave the machine to get food or drink, or to smoke – is an effective method to reduce the time gamblers spend exposed to harm. It is a way to break the spell and can encourage gamblers to end a session entirely. Banning machines from being located in smoking areas will encourage smokers to step away from the machine and take a break.

Additionally, passive smoking is well recognised as a health issue. Forcing staff to work in smoking areas to serve drinks while people gamble, or monitor the room, places them at risk.

Please consider this and other measures to put strong harm minimisation measures in the new Regulations.

(please withhold name and address from publication)

Stop harming these helpless addicts

Yours sincerely