



16 June 2017

The Coordinating Officer  
Local Impact Assessment Review  
Liquor & Gaming NSW  
GPO BOX 7060  
SYDNEY NSW 2001

Sent by email to: LIA.review@justice.nsw.gov.au

Dear sir/madam,

**RE: LOCAL IMPACT ASSESSMENT REVIEW 2017**

The BetSafe Program was developed in 1998 by problem gambling expert Paul Symond. BetSafe provides an independent responsible gambling program to 52 New South Wales and ACT clubs and is funded by these industry members. 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, a 24 hour 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.

Gaming Machines Regulation cl. 39 requires the Authority to balance the social or economic benefit against the social or economic detriment if the threshold increase application is approved. The main focus of the Productivity Commission's 2010 Gambling Inquiry Report is consideration of ways in which the social or economic detriment of gambling can be reduced. The Productivity Commission explores many ways in which the social and economic detriment of gambling could be reduced and discusses these in detail. While some harm minimisation measures can be legislated, others are more appropriate at the individual venue level. Vigorous application of harm minimisation measures is inevitably going to lead to a better outcome than mere compliance with a legislated minimum standard.

The Productivity Commission's 2010 Gambling report (at 12.41) noted BetSafe's support for appraisal of an individual venue's record of providing harm minimisation measures using data such as the number of self-excluded patrons the venue has, complaints data from gamblers and others, and inspections. The Productivity Commission quoted our view that

*"the standard of a gaming machine venue's responsible gambling program should be a key consideration in an application for an increase in gaming machine numbers. Generally a gaming machine venue that is active in promoting its self-exclusion program and counselling service will be able to demonstrate a healthy number of self-excluded patrons. This would be an effective indicator of the standard of the venue's self-exclusion program."*

## **Calculation of the detriment caused by additional gaming machines**

The fact that an existing gaming venue acquires additional gaming machines does not automatically equate into an increase in problem gambling. It is artificial to calculate a dollar value of problem gambling harms as a percentage of the expected gaming machine revenue over a fixed period of time. Research does not lead to this conclusion but instead focuses on other factors such as the accessibility of gaming machines.

## **How large an area that should be considered for an application?**

The grouping of LGAs into three bands was initially established as a convenient but somewhat crude process to separate out the areas of higher social need using existing demographic data. It only focuses on the locations people live, however, does not take into account the distribution of workplaces and the other aspects of human life that will move people closer or further away from gaming venues. The benefit of the three band approach is that it provides a clear and simple geographical map of the three areas of potential gaming machine harm. The disadvantage is that it is a one size fits all approach.

In New South Wales there is a large variation in the size of gaming machine venues. Small clubs and hotels predominantly cater for the local population of residents and workers.

However, at large clubs many of their patrons come from outside the immediate vicinity, particularly those that have substantial entertainment and recreational facilities. Generally gaming machine players travel further to the venue of choice when they live or work in the outer areas of Sydney than those who live in the inner suburbs. They may travel up to 30 km to visit a major club that has top facilities.

Venues that are located in business districts rather than residential areas are likely to have local workers amongst their patrons. Those gaming machine venues that are located on main roads often attract passing trade. For example many people who travel around Sydney will stop at a local club or hotel for lunch.

The use of raw gaming machine numbers to assess the level of risk of problem gambling has limited validity. That a gaming venue acquires additional machines does not automatically equate into a greater number of problem gamblers. Generally problem gamblers are active gambling for many hours at different times during the week. Recreational gamblers tend to gamble at times activity such as on Friday night and Saturday night. The problem gamblers who are determined to gamble again to make sure that they occupy the machines of their choice. Before the machines are taken during busy periods, it is the recreational gamblers who do not plan their visit who are going to miss out on securing a machine.

It is therefore important that the area under consideration for any application match the actual vocational profile of the venue's patrons. In our view there needs to be some flexibility to the analysis due to the range of possible factors. For example, an application to transfer gaming machine entitlements may be made from a venue that is located in a residential area where most of the patrons are local residents to a commercial centre where there are workers, shoppers and commuters. Consideration should be given to both the location of the gaming machines prior to transfer and their location after transfer.

As Sydney is growing rapidly and employment and population centres continue to evolve it is desirable to have a better system for managing the transfer application process. In our view the current process is unnecessarily complex and uncertain. We believe it would be possible to have a simpler method based on more accurate criteria for measuring the expected benefit and detriment of additional gaming machine numbers. This should take into account the relative distances travelled by gaming machine patrons and the track record of each specific venue on responsible gambling matters.

## **The effectiveness of proposed harm minimisation measures**

In ILGA's 2013 decision regarding the Fairfield Hotel's application for a gaming machine threshold increase, the applicant put forward a list of proposed harm minimisation measures that it said would have a comparatively lower impact than other venues in the local community with larger numbers of gaming machines (at paragraph 31). Many of the proposed measures were intended to educate the local community to become more responsible gamblers, including:

- Installation of a Responsible Gambling Education Booth on the premises providing multi-lingual harm minimisation information in pamphlets and via audio visual media (\$30,000)
- Installation of plasma TVs promoting responsible gambling in high traffic areas of the Hotel, two of which are already planned for the gaming room (\$7,750)
- Establish a relationship with a Fairfield LGA financial planner
- Conduct of "Responsible Gambling Education Evenings" (\$12,600 over three years - \$4,200 per year)
- Placement of "advertisements" in a local newspaper advertising the Hotel with very prominent gambling messages (\$27,000 for three years, \$9,000 per year)
- Arranging for all letter box drops and newspaper advertising to have RCG message (\$6,000 for three years, or \$2,000 per year)
- Placement of local radio advertisements (\$18,000 for three years, or \$6,000 per year)
- Payment for 50 Year-12 school leavers to complete Responsible Conduct of Gambling ("RCG") and Responsible Service of Alcohol ("RSA") courses (\$37,500 over three years and \$12,500 per year)
- Payment for 50 Villawood Detention Centre "clients" or newly settled refugees to complete RCG and RSA courses (\$37,500 over three years and \$12,500 per year)
- Payment for 20 "at risk" youths involved with the Cabramatta Fairfield Police and Community Youth Club (PCYC) to complete RCG and RSA courses (\$37,500 over three years and \$12,500 per year)
- Payment for 50 unemployed residents of Fairfield LGA to complete RCG and RSA courses (\$37,500 over three years and \$12,500 per year)
- Funding the production of a responsible gambling video (\$15,000)
- Funding a current or additional Gambling Counsellor to operate in the Fairfield LGA (\$90,000 for 3 years or \$30,000 per year)
- Installation of additional clocks in Gaming Room and in toilets closest to Gaming Room (\$1000.00)

It appears that the list was contrived to appear to be doing something rather than a genuine proposal to provide a responsible gambling program.

This example is an indicator of the weakness of the current approach to these applications which overemphasises the amount of money being spent or donated rather than consideration of the actual outcomes that are achieved by actual harm minimisation strategies.

## **The individual venues responsible gambling record**

In considering an application for a gaming machine threshold increase, the Authority has recognised that some venues have a stronger record of promoting responsible gambling and providing harm minimisation measures.

The Fairfield Hotel decision noted that although the new owner had made significant improvements in the operation of the venue by comparison with the previous owner, its' application had to be judged on

the track record of the current owner. The Authority considered that it was likely that gaming machine revenue had increased under the new owner and that, therefore, the figures relating to the previous owner were not of any assistance (at 124). This should also apply to responsible gambling measures.

Although the location of the venue is clearly an important factor, in our submission location of venue has been overly emphasised. Because of the difficulty in enforcing promised harm minimisation measures after an application is approved, it is appropriate that the record of the venue applying for the increase be assessed for its level of responsible gambling and harm minimisation measures over a reasonable period of time beforehand.

In the 2013 Mount Pritchard Community Club decision the Authority considered evidence about the BetSafe program which had been in place at the club for many years and noted that the club had a number of harm minimisation measures that were over and above the legal requirements including a well-developed program of self-exclusion which could not only be accessed by individual gamblers but also by their families, with. The Authority observed at para 162:

*“the club took a proactive approach to managing problem gambling on its premises”*

and at para 163:

*“the club had a history of harm minimisation management practices that made it one of the best managed gaming venues in the State from a harm minimisation perspective”*

The Authority took the view that the applicant in that case could be expected to have a lower rate of problem gambling amongst its gaming machine players than a venue that did not have such a high level of responsible gambling measures. As a result of the Club’s superior harm minimisation policies, procedures and resources, the Authority assessed that the contribution that problem gambling will make towards this venue’s projected additional revenue was likely to 22%, which is at the lower end of the documented range (at para 226).

BetSafe believes individual gaming venues should be encouraged to provide the best practice responsible gambling measures, rather than simply comply with the minimum legal requirements. The current framework provide little incentive for venues to exceed their legislative obligations and often requires successful applicants to provide a calculated donation to a charitable organisation in the local area. BetSafe believes more weight should be given to a venue’s track record, particularly where they have voluntarily and proactively implemented measures to mitigate problem gambling.

A recent media article<sup>i</sup> highlighted the difference between a venue which only meets with the legislated minimum requirement and another which proactively exceeds the legislative requirements. The article states that the Canberra Labor Club (a BetSafe club) refused to readmit a problem gambler without her family’s support but unfortunately she obtained admittance to another club (Raiders Belconnen) where she proceeded to lose about \$230,000 in a series of gambling sprees.

The problem gambler says:

*“Raiders Belconnen didn't ask me any questions. They just signed me up and that was the beginning of the slippery slope”*

The problem gambler was a university professor who effectively concealed her relapse from her partner for 17 months. The partner only became aware of the relapse after being notified by the couple’s bank.

BetSafe venues exceed the minimum legislated requirements in NSW by requiring patrons to seek assistance for their gambling problem, and provide evidence they have addressed their gambling problem, prior to allowing them to resume gambling. Many other venues in NSW simply allow a problem gambler to return to gambling once their exclusion period has expired. This is one of the many examples in which BetSafe venues significantly exceed their legislative requirements, which should be taken into account when comparing how proactive a venue is at addressing problem gambling.

Weighing up the benefits and detriments of additional gaming machines is not a process that can be done mathematically. In our view it would be better to consider a number of clearly defined benchmarks to assess a venue's track record in the provision of harm minimisation measures. Venues that exceed the benchmark standard should be given special dispensation and those that lag behind should not be entitled to additional gaming machines even if they are willing to come up with a large amount of money for community contributions.

Yours faithfully,  
**BetSafe Pty Ltd**



**Daniel Symond**  
DIRECTOR

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<sup>i</sup> Addicted poker machine user wants stronger controls to stop out-of-control gambling,  
<http://www.smh.com.au/act-news/addicted-poker-machine-user-wants-stronger-controls-to-stop-outofcontrol-gambling-20170504-gvygnb.html>, accessed 15 June 2017