

Good afternoon.

Thank you for the opportunity to address the Committee and to provide information on the progress of the Government's gambling reforms.

As you are aware, the Department of Families, Housing, Community Services and Indigenous Affairs (FaHCSIA) is working closely with Treasury, and is the lead Department responsible for the implementation of the Government's gambling reforms.

A representative from Treasury is present here today.

### Background

FaHCSIA has portfolio responsibility for gambling issues as part of its *Community capability and the Vulnerable* outcome.

Following the 1999 release of the Productivity Commission: *Australia's Gambling Industries Inquiry report*, state and territory governments introduced harm minimisation measures, including a ban on credit gambling, limitations on access to cash and ensuring players have accurate information on the odds of winning.

FaHCSIA had been working with the state and territory governments through the former Ministerial Council on Gambling to progress a number of national actions and priority areas to reduce harm from gambling, including measures to help individuals set limits, gaming machine standards for better consumer protection and a 1800 National Gambling Helpline.

On 23 June 2010, the Commonwealth released the Productivity Commission Inquiry Report into Gambling.

The Hon Jenny Macklin MP, Minister for Families, Housing, Community Services and Indigenous Affairs, Senator the Hon Nick Sherry MP, Assistant Treasurer Bill Shorten MP, and Senator the Hon Stephen Conroy MP, Minister for Broadband, Communications and the Digital Economy, released an initial response to the Report on 23 June 2009.

As part of that response, the Government indicated its support for the use of pre-commitment technology and a nationally consistent pre-commitment model for EGMs.

The response also indicted the Government's support for additional harm minimisation measures to be incorporated on EGMs, such as dynamic warning and cost-of-play displays. A \$250 national daily withdrawal limit for ATMs per card in venues with EGMs was also supported.

The gambling reform measures proposed by the Government (which arise from six of the Productivity Commission's report recommendations) are:

- implementing a best practice full pre-commitment scheme that is uniform across all states and territories and gaming machines, with the implementation of the pre-commitment arrangements commencing in 2012, with a full pre-commitment scheme commencing in 2014;
- supporting the Commission's recommendations in relation to gaming machine dynamic warning displays and cost of play displays;
- implementing a \$250 daily withdrawal limit for ATMs in venues with gaming machines (excluding casinos).

#### Governance arrangements

The Government has formed a number of high level committees and working groups to provide advice and inform the development of gambling reform measures.

A new high-level COAG Select Council on Gambling Reform (Select Council) has been established and the purpose of the Select Council is to develop a national response to recommendations of the Productivity Commission Report on Gambling.

The Select Council is a time-limited council co-Chaired by the Minister for Families, Housing, Community Service and Indigenous Affairs, the Hon Jenny Macklin MP, and the Assistant Treasurer, the Hon Bill Shorten MP.

The Select Council includes Ministers from State and Territory Governments with responsibility for gambling regulation or Treasury portfolios, and community and human services matters. The Select Council is supported by a Senior Officials Working Group, chaired by FaHCSIA, which generally meets prior to the Select Council.

The Select Council met on 22 October 2010 and is scheduled to meet again on 25 February 2011.

The Select Council issued a Communiqué following its first meeting, agreeing to establish working groups to develop options for full pre-commitment, dynamic warning and cost of play displays, ATM withdrawal limits and a range of other issues, to be chaired by Queensland and the Commonwealth.

The Select Council also agreed the forward work agenda would include:

- consideration of the impact of online betting on the racing industry;
- Indigenous gambling issues, including non-commercial gambling; and
- the regulation of online gambling.

All Ministers highlighted the need for ongoing research and evaluation to supplement the existing evidence base on problem gambling, including in relation to Indigenous communities. Ministers agreed to evaluate the impacts of a pre-commitment scheme and other measures on problem gambling.

On 21 September 2010, a Ministerial Expert Advisory Group on Gambling (the Advisory Group) was established to provide specialist and technical advice to Government.

The Advisory Group is chaired by Professor Peter Shergold AC and has 22 members from industry, the community sector and academia.

The Advisory Group met on 8 November and 13 December 2010 and again on 7 February 2011. The next meeting is scheduled for 18 March 2011. It is expected the final meeting of the Advisory Group will be in April, where the Group will provide its final advice to Minister Macklin and Assistant Treasurer Shorten.

Within the Australian Government a Commonwealth Steering Committee has also been established. This Commonwealth cross-departmental committee provides input into the Commonwealth's consideration of the reforms.

The Steering Committee has met twice, on 1 November 2010 and then more recently on 3 February 2011.

#### Problem Gambling Taskforce

To support the processes bureaucratically, FaHCSIA established the Problem Gambling Taskforce on 11 October 2011, with its role being to support the detailed development and implementation of the Government's commitments on problem gambling, in consultation with state and territory governments and other stakeholders.

The Taskforce also provides high-level secretariat support and advice to the COAG Select Council on Gambling Reform and its associated working groups, the Ministerial Expert Advisory Group and the Commonwealth Steering Committee.

The Taskforce is responsible for developing a research and evaluation plan and commissioning relevant additional advice, research and modelling.

#### Legal Advice

The Government also commissioned and received legal advice on the Commonwealth's constitutional competence and prospects for legislating in the area of problem gambling as part of its commitment to the gambling reforms.

The legal advice has been provided to this Committee and a further copy is available today for the Committee's convenience.

#### Research

While the Productivity Commission Report formed a solid evidence base for the reforms, the Government has commissioned an independent study into problem gambling. Following a procurement process, Access Economics has been engaged to conduct the Independent Study.

To further build the evidence base, the independent study is looking at the impact of a reduction in problem gambling on other revenue flows and individual spending behaviour.

Final results from the independent study are expected by the end of 2011.

Summary of progress to date

As the Committee will note, the Department has been working closely with our state and territory officials and supporting the Ministerial Expert Advisory Group on Gambling in its role to provide technical advice to Government on the key elements of the Government's problem gambling reforms. This process will continue over the coming months.

The work going forward will be focused on addressing the options, costing and timeframes for implementing a full pre-commitment scheme for poker machines, dynamic warning and cost of play displays and the ATM withdrawal limit on ATMs in gambling venues (excluding casinos).

Thank you.