



SUBMISSION BY THE NSW DEPARTMENT OF GAMING AND RACING

SECTION 68 - REVIEW OF INTERACTIVE GAMBLING ACT 2001

Summary of Recommendations

Recommendation 1 (Paragraph 33)

That the wagering and lotteries exclusions (in sections 8A and 8D of the *Interactive Gambling Act 2001* – the IGA) continue in their present form.

Recommendation 2 (Paragraph 49)

That an immediate prohibition be instituted on new forms of gambling (eg betting exchanges and financial spread betting) by both Australian and overseas operators. Such new and interactive forms of gambling tend to expand the opportunities for gambling and therefore the potential for adverse social consequences, and their online form has developed without adequate regard to the social consequences or appropriate threshold regulatory controls.

Recommendation 3 (Paragraph 63)

- (a) A regulation under section 69A of the IGA be made which renders unenforceable gambling agreements (and particularly the use of credit cards, and similar ecash facilities) with overseas gambling operators;
- (b) The Commonwealth also give consideration, after appropriate further consultation with the financial sector, and States and Territories, to the 'blocking' of credit card, and similar ecash, transactions involving gambling with overseas gambling operators.

Recommendation 4 (Paragraph 64)

If the Commonwealth does not implement the above recommendations, appropriate steps be taken to ensure the continued effect of the NSW ban on new forms of gambling and the unenforceability in NSW of certain agreements.

Introduction

1. The New South Wales Government is committed to the minimisation of harm to those persons susceptible to problem gambling behaviour. Such an approach includes associated potential harm from such behaviour to family and friends.

2. New South Wales has acted to:

- Initially impose in 1998 a ‘pause’ on new forms of gambling in order to halt the expansion of gambling products; and
- Enact the *Gambling Legislation Amendment (Responsible Gambling) Act 1999* as the first step as a part of a longer term process to address problem gambling.

3. Since then the harm minimisation program has been progressed with landmark legislation such as the *Gaming Machines Act 2001*, and the work of the Casino Community Benefit Fund. A summary of New South Wales harm minimisation initiatives is attached marked ‘A’.

4. New South Wales has direct responsibility for addressing the social impacts of gambling, and will continue to take action do so. It has nevertheless supported the Commonwealth initiatives in this area by:

- Participating on the Ministerial Council on Gambling;
- Supporting a moratorium on new forms of online gambling and the associated study into the feasibility and consequences of banning interactive gambling; and
- Supporting the introduction of the *Interactive Gambling Act 2001* which prohibits Internet gaming.

Relevant NSW legislation and statistics

Internet Gaming

5. New South Wales has not enacted legislation which permits Internet (or online/interactive) gaming. In other words, there is no licensing framework for online casinos, and the like.

6. It should also be noted that NSW Lotteries, which is licensed pursuant to the *Public Lotteries Act 1996*, proposes to sell lottery tickets by way of an on-line sales and ordering facility but that this is merely the equivalent of existing retail methods.

7. While there is no specific purpose legislation criminalising the operation of Internet gaming sites in New South Wales, there are provisions in the *Unlawful Gambling Act 1998* which proscribe the organising of an unlawful game (section 12), participation in such games (section 18) and the possession of gambling aids/documents connected with unlawful gambling (section 19).

8. These provisions are relied on to make it unlawful to operate an Internet casino, or conduct the back office/administrative activities associated with such activities, and unlawful gambling in general.

Internet Wagering

9. New South Wales has four licensed interactive/online wagering operators. They are TAB Ltd (which has an exclusive licence pursuant to the *Totalizator Act 1997*) and the licensed bookmakers Peter Kafataris, Bill Hurley (*Australian Sportsbook*) and Hamish Davidson (*Sports Betting*).

10. The three bookmakers hold in addition to their licence an 'electronic betting authority' issued by the Minister for Gaming and Racing pursuant to section 16 of the *Racing Administration Act 1998*. However, Peter Kafataris is not currently operating his electronic betting authority.

11. Further, NSW bookmakers are permitted to offer Internet wagering on racing on a pre-post basis and only on Group 1 events. Essentially, not on the day of the race and on approximately less than 100 races per year.

Licensing of Wagering Operators

12. Part 2 of the *Unlawful Gambling Act 1998* makes it unlawful to conduct betting or bookmaking unless licensed to do so. Bookmakers may be licensed by the New South Wales Thoroughbred Racing Board, the Harness Racing Authority or the Greyhound Racing Authority. Each licence so issued is specific to the type of racing relevant to the functions of the controlling body, and enables a licensed bookmaker to 'stand' at the relevant racecourse at a time when it is lawful for betting to occur.

13. Part 3 of the *Racing Administration Act 1998* provides for the Minister for Gaming and Racing to authorise licensed bookmakers to conduct telephone, sports and/or electronic (ie interactive/online) wagering.

Restrictions on Cross Border Wagering

14. Part 4 of the *Racing Administration Act 1998*, which applies to wagering on racing and sports, contains restrictions on the dissemination of betting information and related advertising.

15. Generally, section 30 of the Act contains longstanding prohibitions against advertising into NSW – by print and traditional broadcast media – the availability of bookmaker or totalizator services from another Australian jurisdiction or from overseas wagering operators. Such prohibitions, which apply to both the wagering operator and the publisher of the advertising/betting information, attract substantial financial penalties as well as imprisonment for up to 12 months.

16. Section 30(3) of the Act has extended that prohibition to include the advertising of, and provision of access to, non-NSW licensed ‘electronic betting’ operators.

17. In practical terms, it is not an offence for an ISP where an individual uses the ISP’s service to access an interactive/online wagering service operator located in an Australian jurisdiction outside of NSW.

18. However, the offence captures NSW based ISPs who contract to provide advertising, hypertext links or the actual betting service conducted by a wagering operator not licensed in NSW. The effect of the provision is to encourage NSW based ISPs, considering a business arrangement in the field of wagering, to identify if the other party is licensed to conduct that activity in NSW.

19. Sub-sections 30(3) & (4) of the *Racing Administration Act 1998* read as follows:

30(3) A person must not provide by means of the Internet, subscription pay TV or other on-line telecommunications system any service that enables a person:

(a) to access the gambling operations carried on by any person other than:

(i) a licensed bookmaker, or

(ii) the holder of a licence under the Totalizator Act 1997, or

(b) to access information relating to those gambling operations.

Maximum penalty: 50 penalty units or imprisonment for 12 months (or both).

30(4) The regulations may exempt any person, or class of persons, from the operation of subsection (3) in such circumstances, and subject to such conditions, as may be specified in the regulations.

Prohibition on offshore wagering

20. Section 8(3) of the *Unlawful Gambling Act 1998* is a part of a legislative package – see Parts 3 and 4 of the *Racing Administration Act 1998* above – which reformed and modernised laws to take account of the use of emerging technologies in conjunction with gambling. Note also the prohibitions on advertising and disseminating betting information (paragraphs 14 to 16 above).

21. Section 8(3) is similar to ‘casual bettor’ provisions in USA State Acts, and it is understood that it is being looked at favourably by the United Kingdom Government in the course of its own review of the impact of Internet betting on the racing industry.

22. Sub-sections 8(3) & (4) of the *Unlawful Gambling Act 1998* read as follows:

(3) *A person must not make a bet on any horse race, harness race or greyhound race that is to be held anywhere in Australia if:*

(a) *the bet is made by telephone or electronically by means of the Internet, subscription pay TV or other on-line communications system, and*

(b) *the bet is made with another person whom the person making the bet knows (or would be reasonably expected to know):*

(i) *is not a legal bookmaker, or*

(ii) *is not a person who is authorised under the law of any State or Territory to conduct totalizator betting.*

Maximum penalty: 50 penalty units or imprisonment for 12 months (or both).

(4) *For the purposes of subsection (3):*
legal bookmaker means:

(a) *a licensed bookmaker, or*

(b) *a person who is authorised under the law of any State or Territory to carry on bookmaking activities.*

(4A) *Subsection (3) extends to a bet that is made by a person while in the State even though the other person with whom the bet is made is outside the State (including outside Australia).*

Unenforceability of unlawful gambling contracts

23. Section 56 of the *Unlawful Gambling Act 1998* provides that any agreement relating to any form of gambling which is prohibited under the Act is unenforceable.

Internet wagering statistics

24. The Department’s records indicate that licensed NSW bookmaker telephone and Internet wagering (excludes face to face betting on a racecourse) over the last four years was as follows:

Table 1 – NSW Bookmaker Telephone v. Internet Betting Turnover (1999 – 2002)

Years/\$M's	Telephone (Racing/Sport)		Total	Internet (Racing/Sport)		Total
1999	114.33	53.04	167.37	Nil	Nil	Nil
2000	108.98	51.70	160.68	0.07	4.50	4.57
2001	119.85	37.18	157.03	0.18	23.29	23.47
2002	112.58	18.56	131.14	0.39	36.70	37.09

Table 2 – TAB Ltd Telephone v. Internet Betting Turnover (1999 – 2002 FY)

Years/\$M's	Telephone (Racing/Sport)		Total	Internet (Racing/Sport)		Total
1999	549.65	12.59	562.24	20.62	1.79	22.41
2000	605.48	19.97	625.45	41.31	3.60	44.91
2001	620.08	22.15	642.23	114.32	12.45	126.77
2002	543.34	36.99	580.33	174.89	29.39	204.28

Issues

25. This submission addresses three main areas:

- (i) The effect of the exclusions in sections 8A (wagering) and 8D (lotteries) of the Interactive Gambling Act 2001.

26. The exclusions in the IGA for wagering on racing, sports and lotteries were agreed to by the Commonwealth Parliament on the basis that access by on-line means to such services was in effect substitutes for traditional means of placing wagers or buying tickets (eg by telephone or mail order).

27. Gambling on racing, sports and traditional lottery draws relies on the outcome of an independent contingency (eg the result of a horse race, sporting event or lottery draw) which usually occurs at a different time from the placing of a wager or the purchase of a lottery ticket.

28. Racing and sports wagering, and traditional lottery draws are not considered to involve frequent, intense and repetitive gambling which is a feature of casino and poker machine gaming and its on-line equivalent.

29. New South Wales has taken a strong stance against new forms of gambling to ensure that there is no expansion in gambling services. Wagering operators have sought to have this State's policy varied on the basis that they cannot compete with interstate and overseas operators who are less strictly regulated. Nevertheless, NSW has maintained its policy of a 'pause' on new forms of gambling.

30. The exclusions for wagering and lotteries are qualified by the IGA which prohibits the following:

- Betting on the outcome of a sporting event after it has commenced [section 8A(2)]; and
- Electronic forms of instant or scratch lotteries [section 8D(1B) and (2)].

31. The rationale for the 'in the run' or 'micro-wagering' carve out from the exclusions relating to wagering and lotteries is that the convergence of new technologies with actual racing/sporting events and lottery draws is likely to facilitate frequent and intense betting patterns which are potentially harmful to susceptible persons. This submission supports such an approach.

32. A further factor in support of the 'wagering' exemption is the potentially detrimental impact non-Australian wagering operators could have on the local racing industry. In the 2001/02 financial year, NSW TAB Ltd payments to the racing industry were valued at approximately \$192 million. A significant proportion of this revenue would be at risk if overseas operators were permitted to operate without financial contribution. This is illustrated by the following:

- The racing industry is self funding by way of payments it receives from TAB Ltd for staging racing events, and from race day revenues (including revenue from on-course bookmakers) and from participant charges.
- TAB Ltd derives its revenues from the commission it takes out from betting pools it operates.
- Licensed bookmakers earn their revenues by betting with persons residing in New South Wales.
- The racing industry employs, directly and indirectly, approximately 50,000 people and is estimated to contribute in the order of \$1 billion to the gross domestic product of New South Wales.
- There are more than 220 licensed racecourses in New South Wales, the majority of which are in regional centres. Around 3,000 race meetings are conducted each year.

33. Accordingly, this submission recommends that the wagering and lotteries exclusions (in sections 8A and 8D of the IGA) continue in their present form.

(ii) The operation in New South Wales of Interstate and Overseas gambling operators.

34. A number of overseas operators are seeking to 'globalise' their activities and consider expansion into Australia given its relative affluence and its social acceptance of gambling. Some of these have used the Internet to make inroads from offshore while others have been licensed by Australian jurisdictions.

35. Such operators have, for example, introduced the 'betting exchange' and 'financial spread betting' forms of gambling to Australia and openly promote their intention of expanding into the Australian market.

36. A betting exchange is a form of on-line brokerage wagering which provides a 'matching service' between two bettors. For example, one bettor may wish to offer odds on a contingency (eg lay a horse in a race because of the belief that it cannot win) and another may take up the offer. The operator derives revenue by taking a small percentage of winning bets.

37. One such operator has indicated that it is capable of processing 12,000 bets per minute and that it matches about £50 million of bets per week.

38. There are significant regulatory, social and taxation issues arising from the operation of betting exchanges. They are:

- There is no integrity screening of betting exchange participants who are acting as virtual bookmakers. It is very likely that the criminal element may use betting exchanges to fraudulently organize a racing animal or sporting event for financial gain (ie in racing parlance it is easier to hook a horse than to make it win).

- Further, while Australian licensed bookmakers must provide their betting records to racing stewards, the new operators are outside such control. Accordingly, it is not possible for racing officials or Government to properly regulate the integrity of gambling on racing.
- The potentially adverse consequences of this new and interactive form of gambling are unknown. Also, overseas betting exchange operators are not subject to Australian based gambling harm minimisation regulation. The inclusion of certain information on overseas web sites, such as contact details for help-lines or gambling counsellors located in another country, could counteract some of the useful information being distributed through regulated Australian gambling operators under local harm minimisation requirements.
- The betting exchange form of gambling is not licensed by any Australian jurisdiction. Accordingly, as a matter of principle, it is an unlawful form of gambling.
- The activities of such operators have significant adverse consequences for the economic well being of the racing industry, and also the Australian economy. No payment is made to the provider of the Australian racing 'betting platform', and no gambling taxes are paid to the Government of the jurisdiction in which the racing is conducted.

39. The betting exchange form of gambling is a new and interactive form of gambling which is facilitated by stock exchange style software, and emerging technologies. It would not be consistent with the New South Wales 'pause' on new forms of gambling for such gambling to be licensed. Accordingly, as a matter of principle, it should not fall within the definition of wagering, and it should be subject to the full range of prohibitions in the IGA.

40. Alternatively, if there is a technical difficulty in identifying such activity as a separate and new form of gambling, the existing exclusions for wagering should be wound back so that Australian and overseas based operators are prohibited from offering such services. A precedent for limiting such exclusions already exists in relation to betting on the outcome of a sporting event after it has commenced, and electronic forms of instant or scratch lotteries.

41. In mid-2002 an overseas based firm was issued with a licence under the Corporations Act permitting it to provide financial spread betting services in Australia. Financial spread betting uses financial subjects (for example share prices, stock indices and currency markets) as a platform. The 'promoter' sets out its estimated range of the performance of a financial subject (ie, the lowest and highest value) and depending on their expectations of price movements, the punter will elect to buy units at the top or bottom of the range. The promoter makes a profit from the movement of market values. A potentially harmful feature of

spread betting is that a punter may win or lose multiples of the original amount staked depending on actual market movements.

42. Spread betting (whether on sporting events or shares) is not a lawful form of gambling in New South Wales, and is considered a new form of gambling. However, the effect of the licence under the Corporations Act is that the company can operate in NSW despite NSW legislation. As described in detail below, NSW seeks a ban in Commonwealth legislation on all new forms of gambling. However, in this instance NSW is also examining options in relations to the Corporations Act.

43. NSW is also concerned at the establishment in the Northern Territory of corporate bookmakers. Corporate bookmakers had previously only operated offshore. Neither the Northern Territory, Government or corporate bodies based in the Northern Territory make payments to the racing industry in other Australian jurisdictions for the use of the racing betting platform.

44. An anecdote which demonstrates the potentially harmful nature of such operators, and strongly suggests why Government should maintain strong regulatory control over gambling activities, relates to a complaint made last year to the Department of Gaming and Racing by a well known counselling service. The counselling service had been approached by a person who was in financial difficulty because of gambling with a Vanuatu licensed bookmaker. The counselling service advised its client that due to the combination of sections 8(3) [person prohibited from betting with an overseas gambling operator on Australian racing] and 56 [illegal gambling agreements are unenforceable] the debt was unenforceable. The Vanuatu operator had since been taken over by an operator licensed by the Northern Territory. Nevertheless, representatives of the gambling operator are alleged to have 'menaced' the person by visiting the person's home (in New South Wales) and refusing to leave until payment was made. The matter remains under investigation.

45. The personal betting offence provision (section 8(3) of the *Unlawful Gambling Act 1998*) has had a significant impact in that its enactment has influenced the behaviour of the betting public. It is understood that a public awareness campaign conducted by the New South Wales racing industry has resulted in a significant number of bettors avoiding overseas wagering operators, either because it is unlawful or because it is harmful to the local industry.

46. The matters outlined in paragraphs 38 to 44 above are of extreme concern to the Australian racing industry, and have been the subject of consideration by the Australasian Racing Ministers' Conference. The Conference is presently examining the report of a Cross Border Betting Task Force which was formed to investigate the issues and propose solutions.

47. It should not be assumed that the laws that govern gambling regulation from overseas jurisdictions align with those of New South Wales. The examples outlined in this section indicate a strong commercial and expansionist outlook by foreign providers of betting services which is inconsistent with New South Wales sovereign position.

48. A fundamental principle of gambling law and practice is that the bettor has a realistic possibility of success. The Department is aware of instances where overseas based operators have not always applied this fundamental principle of gambling regulation. The Australian community should be protected from, or at least be made aware of, the activities of overseas gambling providers that do not necessarily operate under the same regulations as those in Australia .

49. Accordingly, this submission recommends that an immediate prohibition be instituted on new forms of gambling (eg betting exchanges and financial spread betting) by both Australian and overseas operators. Such new and interactive forms of gambling tend to expand the opportunities for gambling and therefore the potential for adverse social consequences, and their online form has developed without adequate regard to the social consequences or appropriate threshold regulatory controls.

(iii) The feasibility of and capacity to regulate financial transactions associated with the provision of interactive gambling services.

50. Gambling depends on the exchange of cash, and therefore the threshold issue for gambling operators is to maintain cash flows. The worldwide proliferation of on-line gambling operators has resulted in predatory practices to secure market share, including by the offering of inducements to promote more gambling.

51. The primary issue for regulators is to ensure that there are adequate consumer protection measures. The first issue is to deter the participation of the criminal element in gambling activities. Obtaining benefit by fraud is a characteristic of unlawful or poorly regulated gambling.

52. The second issue is to determine what level, and what forms, of gambling are in line with the community expectations of a particular jurisdiction. A number of overseas jurisdictions do not impose adequate gambling harm minimization measures, and do not appear to be concerned if their licensed operators target other jurisdictions. In a sense they are exporting potential problem gambling.

53. In New South Wales, and in most other Australian jurisdictions, these issues have been dealt with by strict laws with relatively heavy penalties (Part 2 of the *Unlawful Gambling Act 1998*). Gambling is not perceived as a free market activity, it is a closely regulated activity which can only be undertaken if licensed.

54. Further, section 56 of the *Unlawful Gambling Act 1998* provides that any agreement relating to any form of gambling which is prohibited under the Act is unenforceable. The provision is a significant impediment to the continuity of cash gambling cash flows, and therefore a deterrent to persons wishing to provide unlawful gambling services.

55. Section 8(3) of the *Unlawful Gambling Act 1998*, which prohibits a person in New South Wales from betting on Australian racing events with an overseas operator, interacts with the section 56 provision to make such agreements unenforceable. It also acts as a deterrent because an overseas operator providing such services is aiding in the commission of an offence, and therefore endangering the prospects of meeting any 'fit and proper person' licence requirements if they were to seek an Australian gambling licence.

56. Other sections of the *Unlawful Gambling Act 1998* do not permit the conduct of or participation in an unlawful game. As New South Wales does not license Internet gaming/casinos, those provisions complement the prohibitions in the IGA. Of particular relevance is section 56 of the *Unlawful Gambling Act 1998*, which arguably operates to make Internet gaming agreements unenforceable.

57. Accordingly, the position in New South Wales, would appear to be that credit card transactions are subject to section 56 of the *Unlawful Gambling Act 1998*. This is consistent with the New South Wales input to the Ministerial Council on Gambling on the Council's examination of gambling related credit card use.

58. It is understood that the relatively recent decision by USA based credit card providers, and the ecash provider PayPal, to discontinue supporting gambling transactions was due to the USA prohibitions on Internet gambling, and also due to the significant cost of administering Internet gambling transactions (eg fraud and repudiation of transactions).

59. It is appreciated that credit card providers, and the like, are potentially exposed to significant risks if regulations are made under section 69A of the IGA to designate Internet gambling transactions as unenforceable. However, it would seem that such a precedent has been set overseas, and in some part in recognition of the commercial/fraud risks associated with poorly regulated gambling operators.

60. Such a regulation under section 69A of the IGA, would be of significant deterrence to overseas Internet gambling operators seeking to target the Australian community, and is warranted despite the potential complexity of its enforcement. There would, of course, be a number of individuals who will find ways around the regulation. However, the regulation would significantly impact on the capacity of overseas gambling operators to induce gamblers with impulse based credit card strategies to gamble. It would therefore be of practical consequence to limiting access to poorly regulated overseas gambling operators, and the availability of gambling opportunities to Australians.

61. The additional option of regulating for credit card providers to 'block' gambling transactions would underpin the proposed 'unenforceability' of gambling transactions. Should credit card providers take the view that the cost of administering gambling transactions is unsupportable, it would seem that a

commercially based decision to block gambling transactions would follow. This submission does not have sufficient information as to the views of credit card providers on this matter.

62. However, it is noted that the Commonwealth has constitutional responsibility for regulating the banking industry and that the issue of credit cards and gambling is a matter that the Commonwealth is examining in the context of the Ministerial Council on Gambling.

63. Accordingly, this submission recommends that:

- (a) A regulation under section 69A of the IGA be made which renders unenforceable gambling agreements (and particularly the use of credit cards, and similar ecash facilities) with overseas gambling operators;
- (b) The Commonwealth also give consideration, after appropriate further consultation with the financial sector, and States and Territories, to the 'blocking' of credit card, and similar ecash, transactions involving gambling with overseas gambling operators.

64. This submission recommends that, if the Commonwealth does not institute a ban on all new forms of gambling and does not seek to render unenforceable gambling agreements (and particularly the use of credit cards, and similar ecash facilities) with overseas gambling operators, that appropriate steps be taken to ensure the continued effect of the NSW ban on new forms of gambling and the unenforceability in NSW of certain agreements.

GAMBLING

HARM MINIMISATION INITIATIVES

Over recent years, the State's gaming machine laws have been reformed to ensure gaming machine operations are conducted responsibly and that proper safety nets are available to those people who may have a gambling problem.

Gaming machine provisions applying to NSW hotels and registered clubs are contained in the Gaming Machines Act 2001 and the Gaming Machines Regulation 2002.

This Information Sheet outlines some of the key gambling harm minimisation initiatives introduced into NSW.

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A NEW SOUTH WALES GOVERNMENT DEPARTMENT

OVERALL INITIATIVES

- Introduced landmark responsible gambling legislation that requires commercial gaming and wagering activities to be conducted in a way that minimises the harm to gamblers, their families and friends.
- Introduced legislation to freeze the number of gaming machines in clubs (March 2000) and hotels (April 2001).
- Introduced pioneering social impact assessment obligations on clubs and hotels seeking to increase their gaming machine entitlements.
- Introduced legislation to generally prohibit the establishment of new clubs and hotels with gaming machines in shopping centres, and prohibit any increase in the number of gaming machines able to be operated in clubs and hotels located in shopping centres.
- Introduced legislation to ensure that gaming machine operations in hotels do not dominate, and to ensure that the primary purpose of the hotel is the sale and supply of liquor by retail.
- Introduced a raft of responsible gambling regulations on hotels, clubs, the casino, totalizator and racecourse operators, and major lottery licensees and selling agents.
- Introduced a comprehensive gaming machine reform package which imposes an overall State cap of 104,000 gaming machines in clubs and hotels, a general cap of 450 gaming machines on each club, an explicit strategy for reducing gaming machine numbers (for 18 clubs with more than 450 gaming machines), a scheme for tradeable poker machine entitlements, an enhanced social impact assessment process for gaming machines and a mandatory shutdown period for club and hotel gaming machines.
- Introduced the Playsmart series of five consumer information brochures about the chances of winning and sources of help. Some of these are required to be displayed in all gaming venues. Brochures are available in English and 12 community languages.
- Initiated and funded the G-line (NSW) facility, which is a 24-hour, 7 day a week telephone help-line service used by more than 12,000 problem gamblers, their families and friends in 2002. Evaluations of the G-line (NSW) service indicate it is a quality and professional service. As a result, the G-line (NSW) contract has been extended to July 2003.
- Allocated over \$56 million to specific gambling-related counselling and treatment services, research projects and other activities designed to minimise the harms associated with problem gambling in the community.
- Allocated over \$1 million of funding for the current media campaign to increase public awareness of the G-line (NSW) service.
- Commissioned a \$3 million program of research into gambling-related problems. The program includes funding of up to \$295,000 per annum (over five years) for a national gambling-related research effort.

OVERALL INITIATIVES (CONT.)

- Launched the implementation of the Policy Framework on Treatment Services for Problem Gamblers and Their Families. This involves a five year Strategic Plan to enhance treatment and counselling programs for people affected by gambling problems. This Plan will also aid the development of counselling and treatment service delivery models to better meet the needs of indigenous communities, people from culturally and linguistically diverse backgrounds, and people in rural and remote communities.
- Fostered a wide range of industry-sponsored responsible gambling initiatives.

SPECIFIC REGULATORY MEASURES

A number of regulatory measures have been introduced to minimise the harm associated with the misuse and abuse of gambling. These measures include:

- a ban on 24-hour gaming machine operations by generally requiring clubs and hotels to 'turn off' their gaming machines for 3 hours per day currently, and for 6 hours per day from 1 May 2003 onwards;
- a ban on gaming machine venues conducting any advertising and using external signage to promote gaming machine operations in their venues;
- restrictions on gaming machine promotions, including a prohibition on cash prizes, and prizes limited to \$1,000 in value;
- a requirement that gaming machine venues enter into arrangements with services or agencies for the provision of counselling to gaming machine players;
- a mandatory requirement that gaming machine venues conduct, promote and support a scheme allowing patrons to be self excluded from the venue(s);
- a requirement that gaming machine venues display specified 'chance of winning' information on each gaming machine and in gaming machine areas;
- a requirement that gaming machine venues display approved Playsmart brochures containing information about the operation of gaming machines, the chances of winning a prize, and the G-line (NSW) helpline number;
- a requirement that gaming machine venues display one of six specified 'warning notices' and a 'problem gambling notice' on each gaming machine;
- a requirement that gaming machine venues display a statutory 'counselling sign' in the main entrance to the venue;
- a requirement that gaming machine venues display a specified G-line (NSW) message on ATMs and cash-back terminals in gaming machine venues;
- a requirement that gaming machine venues display a working clock that is visible to all patrons in gaming machine areas;
- cash chequing restrictions, including a ban on gaming machine venues cashing cheques made out to anyone other than the hotel/club; cashing any cheque for more than \$400; cashing more than one cheque for the same person on a single day; and cashing a cheque for a person who has had a cashed cheque dishonoured;
- a requirement that gaming machine venues bank all cashed cheques within 2 working days;
- a requirement that gaming machine venues pay by cheque or by EFT any part of a gaming machine prize that exceeds \$1,000;
- a requirement that gaming machine venues pay by cheque or by EFT any part of a gaming machine prize up to \$1,000, if the prize winner so requests;
- a ban on any person (other than a financial institution) cashing a cheque that is a prize winning cheque;
- a requirement that gaming machine venues locate cash dispensing facilities (such as an ATM) away from gaming machines;
- a ban on gaming machine venues offering or supplying free or discounted liquor as an inducement to play gaming machines;
- a ban on gaming machine venues offering free credits to gaming machine players, or as an inducement to persons to become gaming machine players, by way of letter box flyers, shopper docketts or other similar means;
- a requirement that the Minister approve club and hotel industry codes of practice that provide practical guidance in promoting responsible practices and conduct;
- a requirement that people working in gaming machine areas of venues undergo training in the responsible conduct of gambling;
- a requirement that gaming machine venues comply with limitations on player reward schemes and the use of card-operated gaming machines;
- enabling disciplinary action to be taken by police and the Director of Liquor and Gaming where it is considered that a hotel or club has engaged in activities likely to encourage the misuse and abuse of gambling activities; and
- a requirement that regulatory officials must have due regard to the need for gambling harm minimisation and the need to foster responsible conduct of gambling when exercising regulatory functions.