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CENTRE FOR GAMBLING RESEARCH

REVIEW OF THE ACT GOVERNMENT'S HARM MINIMISATION MEASURES

MARCH 2005

**COMMISSIONED BY
ACT GAMBLING AND RACING COMMISSION**

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Centre for Gambling Research

Postal Address: RegNet, RSSS, ANU, Canberra, ACT, 0200.

Location Address: Coombs Extension, Fellows Road, Acton ACT 0200.

Telephone: 61 2 6125 4665 Facsimile: 61 2 6125 1507

Email Address: anucgr@coombs.anu.edu.au URL Location: <http://gambling.anu.edu.au>

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Definition of terms

'At risk' gambler

A recreational gambler who is 'at risk' of developing a gambling problem.

Break in play

Research has suggested that 'breaks in play' to interrupt continuous, repetitive gambling can encourage gamblers to think again before continuing. Some harm minimisation strategies such as the 3-hour shutdown of gaming venues have been introduced to require gamblers to take a break from gambling machines.

Cashing out

Gamblers playing gaming machines can 'cash out' or 'hit collect' to end the game and take out all credits and/or winnings. In the ACT this term refers to 'cashing out' credits before winnings exceed \$1,000. This action avoids the policy requirement to take winnings above \$1,000 as either a cheque or electronic funds transfer.

Chasing

Research shows that some gamblers chase losses: that is, after a win they risk their winnings to recover losses from previous gambling sessions.

EFT

Electronic funds transfer.

EGMs

Electronic gaming machines, also commonly called poker machines or pokies.

Gambling

In the context of legalised commercial gambling, staking money on uncertain events approved by legislation. The major forms of commercial gambling in Australia are wagering (racing and sports) and gaming (casinos, gaming machines, keno and lotteries).¹

Gambling down

Gambling down or 'playing off' winnings or credits on an EGM. In the context of ACT policy the term is used to describe playing off credits over \$1,000 in the hope of either reducing credits to below \$1,000 so that all winnings can be collected in cash, or achieving a larger win.

Club patron

A person who attends a licensed ACT club. For the purposes of this study club patrons are restricted to club members or invited guests of a club member.

Problem gambling

The Productivity Commission's 1999 inquiry into Australian gambling found that anybody who gambles regularly has the potential to develop problems. Excessive

¹ Productivity Commission 1999. *Australia's Gambling Industries*. Final Report No. 10. Ausinfo, Canberra. Vol.1, p.x.

gambling can lead to significant problems which may harm relationships, finances, work, physical health and mental health.² Problem gambling can cause harm to individual gamblers, families and communities.

Recreational and regular gamblers

Most Australian gambling participation surveys define a regular gambler as an adult who has gambled at least weekly or 52 times per year, in gambling activities other than lottery games or instant scratch tickets.³ Regular gamblers are thus differentiated from 'occasional' or irregular gamblers who gamble less frequently. Many studies also refer to regular and occasional gamblers as 'recreational' gamblers to differentiate them from problem gamblers. That is the definition used in this study.

Shutdown club

For the purpose of this study, an ACT club trading for 24 hours a day on any day of the week in the period leading up to the implementation of the 3-hour shutdown on 14 September 2004.

Turnover

The cumulative amount of money staked or wagered by gamblers, including recycled winnings.⁴

² ACT Gambling and Racing Commission, *What is Problem Gambling?* ACT Gambling and Racing Commission website, accessed 22 July 2004. <http://www.gamblingandracing.act.gov.au/>

³ Productivity Commission 1999. op.cit.; McMillen, J., H. Masterman-Smith and K. Tremayne 2001a. *Survey of the Nature and Extent of Gambling and Problem Gambling in the ACT*. Report to the ACT Gambling and Racing Commission. Australian Institute for Gambling Research, UWS.

⁴ Productivity Commission 1999, op.cit. p.xiii

Executive Summary

Introduction

This report outlines research on the effects of three harm minimisation measures introduced between 1993 and 2002 in the ACT:

- a \$10 maximum bet on EGMs (electronic gaming machines, or 'poker' machines);
- a mandatory three-hour shutdown of gaming machines each day;
- restriction on cash payment of winnings. The *Gambling and Racing Control (Code of Practice) Regulations* require that winnings above \$1,000 must be paid by non-cash means such as a cheque or electronic transfer.

The report also provides a summary of the ACT gambling and regulatory environment and a policy chronology, with particular focus on the history and objectives of the ACT harm minimisation measures under review.

Using multiple methods, this study has attempted to identify the impact of the three measures in the ACT on problem gamblers, recreational gamblers, clubs and the community. For the purposes of this study the gaming venues included in the research were ACT licensed clubs. Casino Canberra and ACT hotels were excluded from analysis.

Given the complexity of the subject matter, data limitations and the project's time and budgetary constraints, however, this review of the above measures should be seen as exploratory research rather than an exhaustive analysis.

Methodology

Methods chosen for primary data collection were informed by a comprehensive review of research literature and relevant policies in other Australian jurisdictions. They included:

- Desk top analysis of administrative data from the ACT Gambling and Racing Commission on monthly EGM turnover and the number, denomination and type of EGMs;
- In-depth interviews with a small sample of self-identified problem gamblers and family members ($n=16$);
- Telephone interviews with a small sample of recreational gamblers recruited on-site in ACT clubs ($n=45$);
- Telephone interviews with all contactable ACT club managers ($n=60$);⁵ and
- Interviews with relevant community organisations, counsellors and expert analysts.

Impacts on ACT clubs

Although the structure and operations of ACT clubs have undergone significant changes during the reference period July 2000 to February 2004, we found no evidence to suggest that these changes have occurred as a result of the three measures under review.

⁵ Two clubs could not be contacted throughout the period of research.

Analysis of official monthly turnover data for all ACT clubs affected by the three measures revealed no discernible negative impacts of the measures on EGM turnover when the year-on-year trends were compared for the relevant period. In general, monthly variations in the turnover data can be partially explained by seasonal factors and are relatively consistent.

- Over the period, turnover levels for the group of small clubs (3-40 gaming machines) have been relatively flat. However, we found no evidence to suggest that any of the three measures have directly affected this trend.
- The trend in overall gaming machine turnover for the group of largest clubs (more than 155 gaming machines) has shown a steady increase,
- While the trend for medium (41-100 machines) and medium-large clubs (101-155 gaming machines) has levelled out.

No ACT club provided quantitative or financial data on the effects of the three harm minimisation measures under review. However, all club managers interviewed for this study offered extensive comments on the impacts of the measures on their business and club patrons.

Club impacts: 3-hour shutdown

The reported effects of the **3-hour shutdown** on clubs can be summarised as follows:

- All the thirteen shutdown clubs close all their facilities for the duration of the shutdown – i.e. the gaming machines in all the shutdown clubs operate whenever the club is open.
- Although a majority of shutdown club managers support the 3-hour shutdown, a majority also do not consider the shutdown to be an effective harm minimisation measure.
- All shutdown club managers consider that recreational gamblers, not problem gamblers, are most affected by the shutdown. They reported that prior to the shutdown 11-45 patrons would be in clubs during those hours - an average of 26 patrons per club. They indicated that over half of these patrons would have played the EGMs. Club patrons appear to have adjusted to the shutdown.
- All club managers reported the effects of a 'shoulder' period either side of the shutdown hours when patronage declined. None reported 'compensatory' behaviour by patrons increasing their spending prior to and immediately following the shutdown period.
- The main impact on patrons reported by club managers was that the shutdown prevents patrons from socialising or meeting friends leading up to and during the shutdown hours.
- The majority of shutdown clubs reported that the shutdown had impacted negatively on their gaming revenue and total revenue, with losses ranging from 3-10%. However the shutdown has had very little effect on their staffing costs or total costs.
- Perceived benefits of the shutdown for clubs include a safe environment to count money; a slight reduction in security staff;

and cleaning has been made easier.

Club impacts: \$10 maximum bet Many club managers had difficulty responding to questions on the effects of the **\$10 maximum bet** because the measure has been in place since 1993.

- Overall club managers consider it has little or no impact at its current level of \$10. The large majority reported no impact from the measure on club revenue, operating costs or on patrons.
- More than half of club managers reported that fewer than 10% of patrons play up to the \$10 maximum bet. The large majority considered the \$10 maximum bet restriction has little, if any, impact on patrons who gamble. Several ACT clubs (10%) do not have EGMS able to accept a \$10 maximum bet.
- Only one club manager thought the restriction would mainly affect problem gamblers; three managers said it affected both recreational and problem gamblers.
- Opinions were divided on whether the average bet by patrons had increased over time. Over a third of club managers reported the average bet had not increased over time; 30% said it had increased; and 11% said it had decreased. Estimates of the average bet varied from 25c to \$5.
- One club reported tourists and interstate visitors complain that the maximum bet is too low compared to the maximum bet available elsewhere, e.g. on casino EGMS in other states.

Club impacts: cash payment restrictions

The large majority of club managers report that the **restriction on cash payment of winnings** has had a direct negative impact on club staff and administration costs, with the smaller clubs reporting the costs as significant.

- Six clubs consider they have lost gambling revenue associated with the restriction on cash payment of winnings.
- Just over 80% of clubs have made one or more changes as a result of the restriction. The most common change was to set up new procedures to manage the cheques (43% of all clubs). Three club managers reported they had set up EFT systems.
- The large majority of ACT clubs pay winnings over \$1,000 by cheque rather than by electronic funds transfer (EFT). The time taken by clubs to pay winners' cheques varies from 'on the spot' to three days. Cheques not paid on the spot are usually collected by patrons from the club, rather than being sent by mail.
- Medium-large clubs report processing more cheques of larger amounts than was reported by small or large clubs.
- More ACT club managers rated the \$1,000 cash payment restrictions as an effective harm minimisation measure than the other two measures under review. However, opinions overall were divided with almost as many managers indicating that in their view the restriction was ineffective. Only nine (15%) of the club managers considered the measure had more impact on problem gamblers.

- A large number of club managers reported that patrons 'cashed out' their winnings below \$1,000 or 'gambled down' their winnings to avoid a cheque. This has created cash management and security problems for clubs.
- The main impact, reported by 51% of club managers, was that the restriction on the cash payment of winnings had provoked complaints about inconvenience, mainly from recreational gamblers and visitors. Even so, the majority of club managers said that the restriction had now been accepted by their patrons.
- Club managers also expressed dissatisfaction with the way club patrons and the community had been informed about the measure.

**Clubs:
assessment of the
three measures**

The \$10 maximum bet received the highest level of support from club managers (63%); 60% of ACT club managers support the cash payment restrictions; while the 3-hour shutdown is supported by only 48% of club managers.

- However, all three measures under review were perceived as ineffective harm minimisation measures by a majority of club managers.
- Only 44% of club managers considered the restriction on cash payment of winnings was effective; 38% said the \$10 maximum bet was effective; and the 3-hour shutdown was perceived as effective by only 12% of club managers.

**Recreational
gambling
behaviour**

The 45 patrons recruited on-site at ACT clubs were regular gamblers whose most frequent form of gambling was EGMs.

- The majority (60%) reported that they play EGMs at least weekly, with almost half of that group (49%) usually gambling 2-3 times a week. 60% of the recreational gamblers interviewed reported that they play EGMs at least weekly. Five club patrons reported gambling more frequently at 4-7 times a week.
- The most popular hours for gambling on EGMs were between 6pm and midnight (77% of patrons interviewed). Hours either side of the 3-hour shutdown were the least popular. Only five of the 45 patrons reported they usually play EGMs in the hours leading up to the shutdown (e.g. midnight to 4am). Four patrons usually gamble between 8am-10am, the hours following the shutdown period.
- Over one quarter of patrons interviewed (27%) said that they have personally experienced a gambling problem at some time.

**3-hour shutdown:
impacts on
recreational
gamblers:**

- The **3-hour shutdown** reportedly has had little effect on recreational gamblers interviewed for this study. Only nine (20%) of the 45 club patrons interviewed had previously played EGMs during the current shutdown hours. Five were shift workers or finished work near those times; four said they remained in the club at the end of a night out.
- Only two patrons said they had changed either the time or the amount spent gambling on EGMs as a result of the shutdown. One of those patrons now spends less time playing the poker machines

since the shutdown was introduced, and one patron reported spending more time and money gambling than before, mainly before the shutdown hours.

- However, the shutdown has prevented three of the 45 recreational gamblers from gambling when they wanted to.

\$10 maximum bet: impacts on recreational gamblers

- The **\$10 maximum bet** reportedly has not changed the gambling behaviour of the recreational gamblers in this study. The large majority of EGM gamblers interviewed (over 84%) usually bet \$1 or less at a time; 69% normally bet 50c or less. None said they usually bet more than \$3.
- Only five (11% of the sample) report they have ever bet up to \$10, and none had altered the amount of money or time they spent on poker machines as a result of the \$10 restriction.

Cash payment restrictions: impacts on recreational gamblers

- For those recreational gamblers who have had EGM wins over \$1,000, the **restriction on cash payment of winnings** appears to have had a greater affect on gambling behaviour than the other two measures under review.
- The majority of recreational gamblers interviewed (82%) reported they had not had a win that took their EGM credits over \$1,000 in the last 12-18 months. Eight patrons (18%) said they had had a win that took their credits over \$1,000.
- Three of those eight patrons reported that they gambled the credits down below \$1,000 to avoid having to get part of their winnings as a cheque; and five (11%) had cashed out before \$1,000 to avoid a cheque.
- None of the gamblers interviewed had changed the place where they gambled because of the way the club deals with the payment of winnings.

Recreational gamblers: support for the three measures

The level of support by recreational gamblers for all three measures was significantly higher than that indicated by ACT club managers.

- The **\$10 maximum bet** had the highest level of club patron support (87% of ACT gamblers interviewed, with 40% expressing strong support).
- **Cash payment restrictions** also received support from a large majority of gamblers interviewed (85%); sixteen patrons (36%) said they 'strongly support' the measure and 22 (49%) stated they 'support' it.
- The **3-hour shutdown** had a slightly lower level of majority support from club patrons (78%); 26 patrons (58%) said they 'strongly supported' it and nine (20%) said they 'supported' it.

Recreational gamblers: impact of measures on problem gambling

In contrast to the negative view of most club managers, a majority of club patrons interviewed believe that all three measures were effective for reducing gambling-related harm.

- The **restriction on cash payment of winnings** received the highest rating for efficacy (66% of recreational gamblers compared to 44%

- of ACT club managers).
- The large majority of gamblers interviewed saw the cash payment restrictions as a positive initiative in preventing gamblers from spending their large winnings.
 - However, a small number of patrons (four) commented that the amount paid in cash should be reduced.
 - Critics of the measure complained about the delay and inconvenience of having to collect a cheque from the club. Others suggested it would impact negatively on visitors to Canberra and that a mandatory restriction interferes with people's rights.
 - Recreational gamblers also expressed strong majority support for the **\$10 maximum bet**. The maximum bet was rated as an effective harm minimisation measure by 60% of recreational gamblers compared to 38% of club managers.
 - However both supporters and opponents of the measure expressed the view that the \$10 limit is too high to have a positive effect on problem gambling.
 - The **3-hour shutdown** was rated as effective only by a minority (40%) of recreational gamblers. A large proportion (33%) felt this measure was ineffective and 27% did not know. Even so, more patrons considered the shutdown to be an effective measure than did ACT club managers (12%).
 - Although the concept of a shutdown of EGMs is perceived as a positive measure by the majority of recreational gamblers interviewed, a large number were sceptical of the benefits of the measure because it is currently timed to occur when few people would be in the clubs and thus it is unlikely to be effective as a harm minimisation measure.

Other more general comments by recreational gamblers were critical of government policies and of clubs' management of gaming machines.

**Problem gamblers:
impact of
measures on
problem
gambling**

The large majority of self-identified problem gamblers interviewed said that none of the three measures had impacted positively on their gambling problems. They reported there had been little if any beneficial change in their gambling as a result of the measures.

- Problem gamblers were less likely than recreational gamblers to perceive the maximum bet and the 3-hour shutdown as being effective.
- The **3-hour shutdown** was reported as having had a positive effect for a very small number of gamblers who said their gambling was less of a problem as a result of the measure. By providing a break in play the 3-hour shutdown has been effective for those gamblers. However the hours of the shutdown mean that most problem gamblers are not affected.
- The **maximum bet** was not generally seen as an effective strategy to minimise harm from gambling as the \$10 limit was higher than

most gamblers would bet. Problem gamblers reported the \$10 maximum bet allowed them to increase the size of their bets when they were on a 'winning streak' and when they were losing. Family members and friends of problem gamblers were more supportive of the \$10 maximum bet than gamblers.

- The majority of problem gamblers (72%) reported that the **cash payment restrictions** placed an effective restraint on the amount of money they gambled. A large number, however, reported they frequently bypassed the restriction, e.g. by cashing out or gambling down below \$1,000 to avoid payment by cheque so they can continue gambling.
- Interviews with family members of problem gamblers also found that the **restriction on the cash payment of winnings** was seen by this group as the most effective of the three measures under review.
- While the measure may benefit some problem gamblers, reports that many gamblers are gambling down below \$1,000 to avoid a cheque suggests that the measure could have unintended negative consequences for some gamblers.

Community agencies: impact of measures on problem gambling

In response to our requests for information, no counselling or community organisation provided quantifiable client data on the effects of the three measures on problem gambling behaviour.

Community organisations and counsellors interviewed considered that the **3-hour shutdown** was beneficial to a small number of problem and 'at risk' clients by forcing a 'break in play'. While they were unable to provide specific client data, they believe this measure could have reduced the amount of gambling by those clients who might gamble at those hours, e.g. women with child care responsibilities, shift workers and young males.

- However few counsellors could recall any particular clients who had been affected by the shutdown.
- Counsellors reported instances where the 3-hour shutdown had helped club managers identify problem and 'at risk' gamblers who returned to the club when it reopened.
- All agencies and expert analysts interviewed were critical of the hours specified for the 3-hour shutdown, saying that the timing (e.g. 4am-7am) reduces its efficacy. Like many club patrons interviewed for this study, community agencies and counsellors generally felt the shutdown would be more effective if it was at more popular times for gambling. Others said most problem gamblers would have exhausted their cash by the time the shutdown commences.
- Counsellors ranked the shutdown as least effective of the three measures for harm minimisation.
- Community agencies and counsellors gave muted support to the **maximum bet** as a harm minimisation measure to reduce the 'rate of play', but they considered the current ceiling of \$10 to be too high to affect the vast majority of problem gamblers.
- Community agencies and expert analysts suggested a reduction in

the bet size.

- Community agencies and counsellors also support the **cash payment restrictions** as a harm minimisation measure, although they queried whether the current \$1,000 limit is appropriate. The majority of community agencies considered the current \$1,000 limit should be reduced or maintained.
- Consistent with the reports by club managers and patrons interviewed for this study, the counselling agencies reported that many of their clients gamble down big winnings to avoid payment by cheque. This practice subverts the intention of the measure.
- Counsellors also reported that problem and 'at risk' gamblers are willing to pay fees to cash cheques early to gain access to winnings so they can continue gambling.
- ACTCOSS and financial counsellors were particularly critical of club policies that require patrons to return to the club to collect cheques for winnings.

Community impacts of the three measures

The Liquor Hospitality and Miscellaneous Workers' Union (LHMWU) reported that there has been minimal impact on the club labour force as a direct result of the 3-hour shutdown or the other measures under review.

- Apart from roster changes there had been no impact on the employment of permanent or regular club staff but there may have been an impact on casual workers.
- Expert analysts also had little sympathy for the argument that shift workers might be disadvantaged.

The Australian Federal Police (AFP) was unable to provide any evidence of any changes to gambling-related crime or social disorder in the ACT community connected with the 3-hour shutdown or the other measures under review.

Conclusions and recommendations

As anticipated, gamblers and clubs have been most directly affected by the three measures under review.

- Small clubs seem to have been affected more negatively than other groups of clubs, reporting revenue loss, administrative costs and inconvenience. However evidence available to the study suggests that most clubs have not been adversely impacted by the policies and have adjusted to the changes.
- Recreational and problem gamblers expressed support for the three policies as harm minimisation measures, although there is little evidence that the measures have been effective in preventing problem gambling. The restrictions on cash payment of winnings has impacted on gambler behaviour more than the other two measures, but many gamblers appear to bypass the restriction to ensure they have cash to continue gambling.
- We found little evidence that the effects of the three measures have extended to other community groups such as the families of heavy gamblers, or to counselling and other community support agencies,

or to the community as a whole.

The study found overwhelming support for the three measures among recreational gamblers and representatives of community agencies, while club managers were more critical of effects of the policies. Community representatives and many gamblers expressed the view that all three measures should be amended to improve their effectiveness. However, no group was able to provide objective evidence to support their opinions.

Overall, there is insufficient evidence or consensus between the various groups and individuals interviewed for this study to sufficiently understand the effectiveness of the measures in minimising the potential harm from gambling. Further, while the study has provided indicative findings on each of the three measures, we do not consider that the evidence provides a sufficient basis on which to make firm recommendations for improvements.

Despite disagreement between different groups about the value and effectiveness of the three measures, and criticisms by clubs about their costs and inconvenience, they do appear to have been accepted (albeit reluctantly) by gamblers and clubs, both of which have adjusted to the current restrictions. Given this, we consider that the policies should be monitored and a further review undertaken when more reliable information of the effects is available.

Recommendation – 3-hour shutdown

The existing three-hour shutdown should be subject to ongoing evaluation to examine the effects of extending the shutdown period to five hours, as proposed. Consideration should also be given to obtaining data to identify the hours when problem gamblers are more likely to gamble (e.g. from client data and research) to inform a review and possible variation of the shutdown hours.

Recommendation - \$10 maximum bet

While evidence supports a reduction in the size of the maximum bet, further information about the betting patterns of problem gamblers (e.g. from client data, surveys, venue data) and the circumstances in which gamblers risk high bets is required to determine the optimal bet size and its effects.

Recommendation – restriction on cash payment of winnings

The existing restrictions on cash payment of winnings should continue to operate without amendment but should be monitored to obtain more reliable objective information of its effects on small clubs and problem gamblers.

1 Introduction

In December 2003 the ACT Gambling and Racing Commission (the Commission) commissioned the ANU Centre for Gambling Research to undertake a review of three of the ACT Government's harm minimisation measures for gaming machines in the Territory:

- a \$10 maximum bet on EGMs (electronic gaming machines, or 'poker' machines);
- a mandatory three-hour shutdown of gaming machines each day;
- restriction on cash payment of winnings. The *Gambling and Racing Control (Code of Practice) Regulations* require that winnings above \$1,000 must be paid by non-cash means such as a cheque or electronic transfer.

Under the terms of reference this *Review of the ACT Government's Harm Minimisation Measures* (referred to herein as the Policy Review) is intended to inform the Commission's monitoring of the social and economic impacts of electronic gaming machine (EGM) gambling in the ACT, to guide policy development and the provision of services to problem gamblers.

This report presents the findings of that review which has:

- examined the background to the implementation of the three measures;
- clarified the objectives of three of the ACT Government's harm minimisation measures;
- analysed the likely effect of the harm minimisation measures on problem and 'at risk' gamblers and their family and friends, recreational gamblers, non-gamblers, venues, and the general community; and
- attempted a balanced assessment of the costs and benefits of the harm minimisation measures.

The review has taken the following issues into account:

- government legislation and policies relating to gambling in the ACT and other Australian jurisdictions; and
- the reported impacts on affected parties.

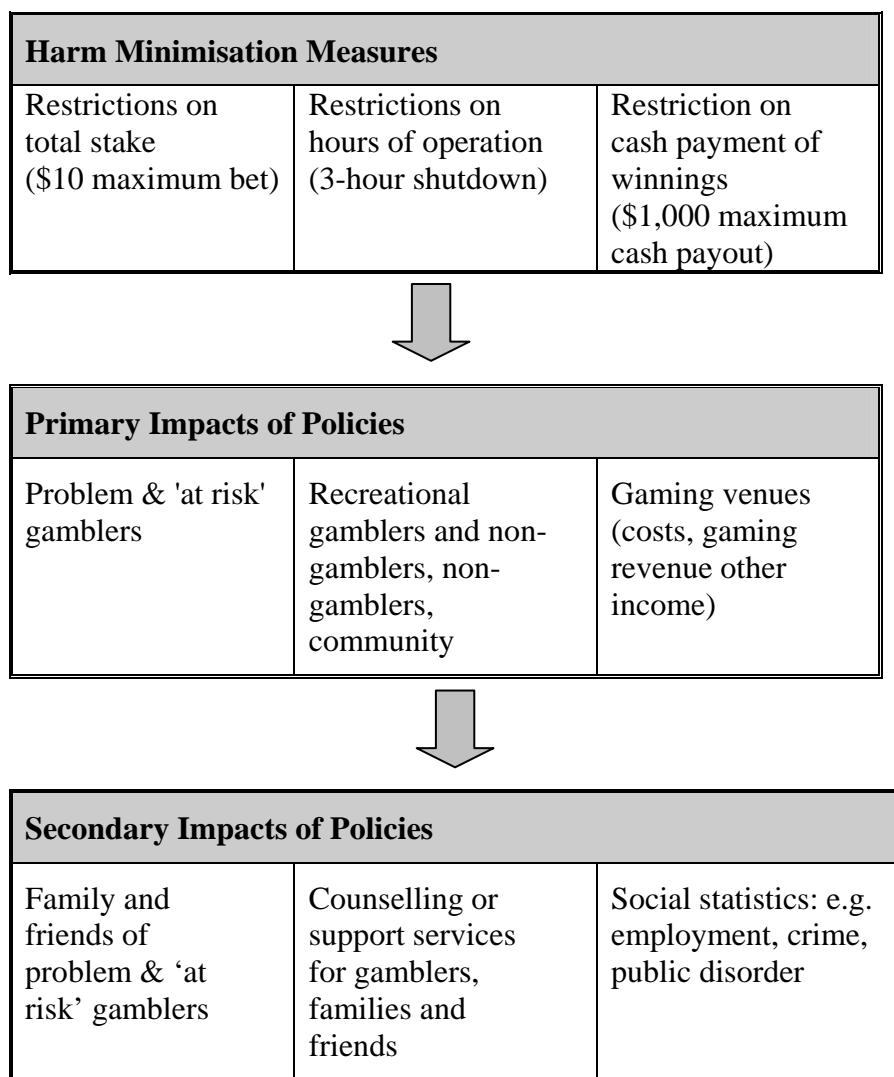
We hypothesised that the Government's harm minimisation regulations would potentially have a differentiated impact on a number of groups in the ACT. Insofar as relevant data were available, the review considered the following issues for each of the measures:

- whether the Government's measures have helped minimise harm from problem gambling;
- the impacts on recreational gamblers;
- the impacts on gaming venues; and
- impacts on the community.

We anticipated that the three measures would have the most direct impact on gamblers and gaming venues; and that the effects would flow on to other community groups such as the families/friends of heavy gamblers, to counselling and support agencies, and potentially to the various organisations which deal with social

problems. Thus the research aims were to consider both the primary and secondary effects of the policies as outlined in Figure 1.

Figure 1: Impact of harm minimisation measures



Research was conducted between February and June 2004. A progress report was provided to the Gambling and Racing Commission in April 2004. The progress report reported on the literature review, the proposed evaluation framework, emerging research questions and resultant methodology.

For the purposes of this study the gaming venues included in the research were ACT licensed clubs. The Canberra Casino has no EGMs and was thus deemed out of scope. In consultation with the Commission, hotels were deemed out of scope due to the type and small number of EGMs they operate.⁶

⁶ Legislation permits ACT hotels to have thirteen gaming machines; taverns may have two. However private correspondence from the Commission showed there were only 70 EGMs Class B machines licensed to hotels in the ACT at March 2004 compared to 4,935 machines licensed to clubs.

Limitations of the study

Note that this research was limited to the three harm minimisation measures above. On advice from the ACT Gambling and Racing Commission, the project did not examine other recommendations contained in the Commission's *Policy Paper 2002 (Policy Paper)*, e.g. possible extension of the restriction on EGM trading hours or the size of the maximum jackpot on stand-alone machines.⁷

Apart from the requirement to restrict cash payment of winnings, nor have we systematically examined the Commission's Code of Practice which was subject to a separate review by the Commission during the research period. The findings of the Commission's review and recommended policy changes were published in June 2004.⁸ Data collection for our research was completed prior to publication of the Commission's findings in June 2004; thus our research results were not affected by the outcome of the Commission's own assessment of the cash payment measure.

During the period of research a number of related studies were also being conducted in other jurisdictions. For example, a similar review of harm minimisation measures was being conducted in NSW by the Independent Pricing and Regulatory Tribunal (IPART), commissioned by the NSW Government in July 2003. The report of the IPART review was not published until June 2004, after research for this project was completed.⁹ Similarly, the Australian Institute of Primary Care had been commissioned by the Victorian Gambling Research Panel to conduct research into changes in the gaming machine industry and technology.¹⁰ The report of that research has not been published at the time of writing.

Consequently we were unable to incorporate the findings and recommendations of those inquiries into the research design for this study. The timing of those studies has also meant that information and responses obtained from participants in the ACT were not affected by their findings. On the other hand, we did review relevant submissions to the IPART inquiry as they became available; and the findings of the IPART report have been considered in our final analysis insofar as they may be relevant for the ACT.

Importantly, resource constraints prevented systematic research into the prevalence of problem gambling in the ACT at the time of the study. Thus we have not been able to reliably assess whether the three harm minimisation measures have affected the present rate of problem gambling in the ACT community. Rather, estimates of

Although some of these 70 EGMs in hotels are MX machines (multi-play and multi-line) and thus have the capacity of taking bet of up to \$10 or paying out winnings of more than \$1,000, the actual number was not considered significant.

⁷ Some of those recommendations have been examined in another study undertaken by the Centre – J. McMillen *et al.*, 2004. *The Use of ATMs in ACT Gaming Venues: An Empirical Study*.

⁸ ACT Gambling and Racing Commission 2004a. *Review of the Gambling and Racing Control (Code of Practice) Regulations 2002. Policy Paper*. ACT Gambling and Racing Commission. <http://www.gamblingandracing.act.gov.au>.

⁹ Independent Pricing and Regulatory Tribunal (IPART) 2004. *Gambling: Promoting a Culture of Responsibility*. Independent Pricing and Regulatory Tribunal of New South Wales. <http://www.ipart.nsw.gov.au/>

¹⁰ Gambling Research Panel - <http://www.grp.vic.gov.au>, accessed June 2004.

problem gambling were drawn from the most recent ACT household gambling survey conducted in 2001.¹¹

Other limitations of the study should be noted when reading this report:

- No ACT club or counselling service provided quantitative or financial data for analysis on the effects of the three harm minimisation measures under review. Therefore we have relied on the reported effects of the measures and views of participants.
- Quotes from the qualitative stage are in italics, reproduced verbatim and have not been edited for factual inaccuracies.
- Columns in tables may not always sum to exactly 100% due to rounding.
- The base sample size in some tables is relatively small; these results should be seen as indicative only.

Given the complexity of the subject matter, data limitations and the project's time and budgetary constraints, therefore, this review of the above measures should be seen as exploratory research rather than a comprehensive analysis.

¹¹ McMillen, J. *et al.* 2001, *op.cit.*

2 Background

The review commences with a summary of the ACT gambling and regulatory environment and a policy chronology. The following discussion examines the history and objectives of ACT harm minimisation measures and policies. It summarises the policy environments in the ACT and other states - NSW, Victoria and Queensland in particular - with a focus on the three measures in scope.

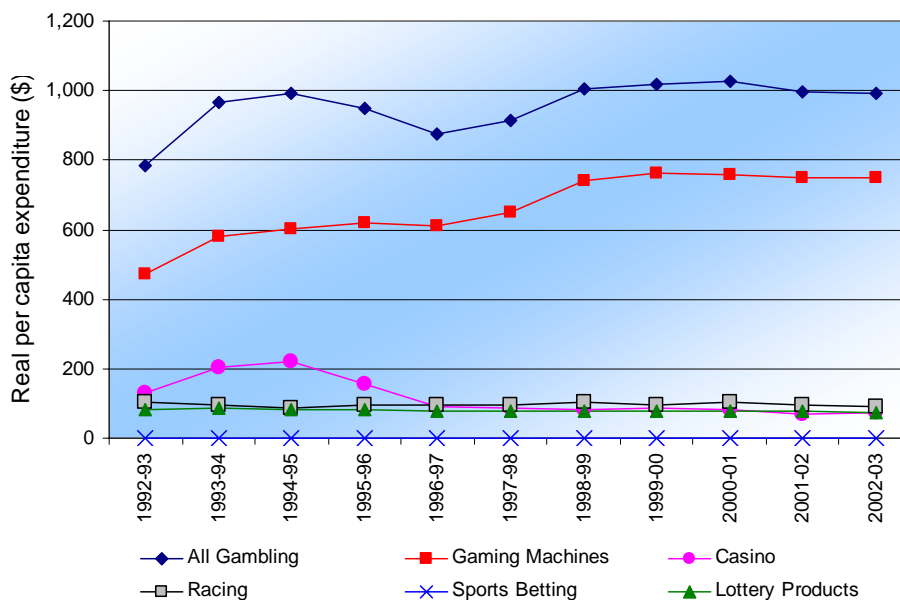
2.1 Gambling in the ACT

An understanding of the recent growth and magnitude of gambling in the ACT is obtained by analysis of national and state statistics with particular emphasis on machine gambling. Trends in gambling expenditure and gambling-related government revenue also provide important indicators in the Territory.

Per capita expenditure

In 2002-03, real per capita expenditure on gambling in the ACT was \$993.15, a slight decrease from \$995.65 in 2001-02.¹² This compares with \$782.14 in 1992-93 and represents an average increase in real per capita expenditure on racing and gaming of 2.7% per annum over the decade (Figure 2).

Figure 2: Real per capita expenditure (or loss) on gaming and racing in the ACT, 1992-93 to 2002-03.



Source: Tasmanian Gaming Commission (2004).

Note: 'Lottery products' include lotteries, lotto, pools and instant scratch-its. Gaming machines refers to machines in clubs and hotels. 'Casino gaming' includes wagers on table games, gaming machines and keno systems in the casino. 'Other' includes keno, interactive and minor gaming.

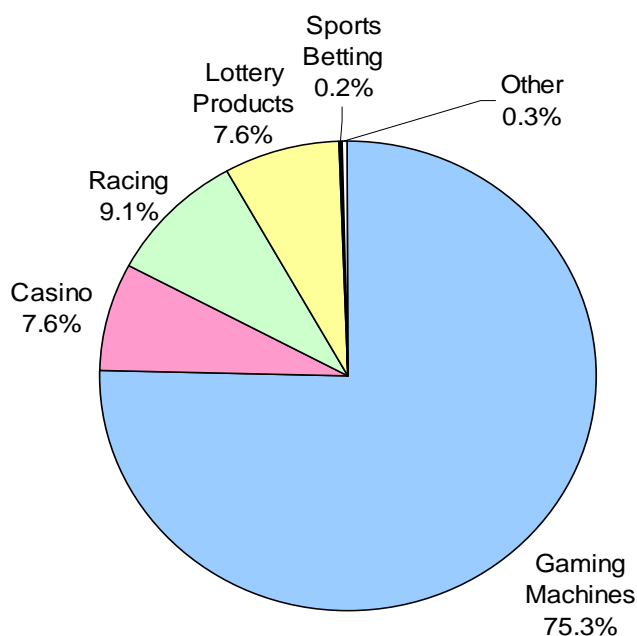
¹² 'Real' gambling expenditure has been adjusted for the effects of inflation over time and is given in 2002-03 dollar values. Per capita refers to people over the age of 18 years.

Gaming (primarily gaming machines) has been the principal area of growth in this period. The average rate of growth in real per capita expenditure on gaming in the ACT has been 3.26% per annum from 1992-93 (\$679.88) to 2002-03 (\$901.48), which is higher than the growth rate of real per capita expenditure for ACT gambling overall (2.7%). Gaming machines have had an average real per capita expenditure growth of 5.88% per annum from 1992-93 (\$470.62) to 2002-03 (747.43). On average, real per capita expenditure on racing in the ACT has declined (-1.21% per annum) in the decade from 1992-93 (\$102.26) to 2002-03 (\$89.89).

The ACT gambling market

In 2002-03, total gambling expenditure in the ACT was \$242.6 million, compared to \$231.3 million the previous year. In terms of expenditure, the ACT gambling market shows a consistent increase over the last 10 years. A breakdown of total gambling expenditure for 2002-03 for all forms of gambling in the ACT is shown in Figure 3.

Figure 3: Expenditure on different forms of gambling as a proportion of total gambling expenditure in the ACT (2002-3).



Source: Tasmanian Gaming Commission (2004) *Australian Gambling Statistics 1977-78 to 2002-03*, Tasmanian Gaming Commission, Hobart.

Note: 'Lottery products' include lotteries, lotto, pools and instant scratch-its. Gaming machines refers to machines in clubs and hotels. 'Casino gaming' includes wagers on table games, gaming machines and keno systems in the casino. 'Other' includes keno, interactive and minor gaming.

In 2002-03, gaming machines contributed 75.3% (\$182.5 million) of total gambling expenditure in the Territory. Expenditures on other gambling forms in 2002-03 were racing \$21.9 million; casino gaming \$18.4 million; and lottery products \$18.5 million. As a proportion of total gambling expenditure, these three gambling forms have declined over the past decade. The trend in expenditure on different forms of gambling as a proportion of total gambling expenditure in the ACT is illustrated in Table 1. In the period 1992-93 to 2002-03:

- Gaming machine expenditure in clubs decreased as a proportion of total gambling expenditure following the opening of the ACT casino in 1992; however over time the market share of machine gaming expenditure has returned to pre-casino levels;
- Expenditure on lottery products and racing as a proportion of total gambling has declined over the period; and
- Expenditure on casino gaming as a proportion of total gambling has also declined since peaking in 1994-95.

Table 1: Expenditure on different forms of gambling as a proportion of total gambling expenditure in ACT, 1992-93 to 2002-03.

	Gaming Machines	Lottery Products	Casino Gaming	Racing	Sports Betting	Other
1992-93	60.17	10.33	16.42	13.07	-	-
1993-94	60.15	8.92	20.89	10.04	-	-
1994-95	60.83	8.44	22.18	8.55	-	-
1995-96	65.05	8.70	16.21	10.04	-	-
1996-97	69.75	8.69	10.44	11.13	-	-
1997-98	71.11	8.64	9.66	10.59	-	-
1998-99	73.54	7.87	8.14	10.44	-	-
1999-00	74.75	7.62	8.44	9.20	-	-
2000-01	73.95	7.72	8.12	10.21	-	-
2001-02	75.40	7.67	7.01	9.44	0.18	0.31
2002-03	75.26	7.61	7.59	9.05	0.18	0.31

Source: Tasmanian Gaming Commission (2004).

Note: 'Lottery products' include lotteries, lotto, pools and instant scratch-its. Gaming machines refers to machines in clubs and hotels. 'Casino gaming' includes wagers on table games, gaming machines and keno systems in the casino. 'Other' includes keno, interactive and minor gaming.

Tax revenue and household disposable income (HDI)

- Gambling expenditure in the ACT in 2002-03 contributed government revenue of \$47.99 million. This figure is not comparable to previous years due to the impact of the GST in 1999-2000;
- Gambling taxes account for a relatively small proportion of total government revenue (6.8% in 2002-03).¹³ On a per capita basis, residents in the ACT contribute the lowest gambling tax of all states/territories (\$197);¹⁴
- Gambling expenditure as a proportion of household disposable income (HDI) has increased in the past decade from 2.3% in 1992-93 to 2.43% in 2002-03;
- There has been a slight decline in gambling expenditure as a proportion of HDI every year since peaking at 2.72% in 1999-2000 (Table 2).

Table 2: ACT gambling expenditure as a percentage of HDI, 1992-93 to 2002-03.

Year	1992-93	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01	2001-02	2002-03
HDI (%)	2.30	2.67	2.69	2.64	2.38	2.58	2.68	2.72	2.67	2.42	2.43

Source: Tasmanian Gaming Commission (2004).

¹³ This compares to South Australia (where gambling taxation was 15.5% of total state revenue), Victoria (14.2%) and Tasmania (12.6%).

¹⁴ In contrast, residents in Victoria and South Australia contribute the highest gambling tax per adult (\$355 and \$300 respectively)

2.2 ACT regulatory environment

In the ACT electronic gaming machines (EGMs) are regulated by the *Gaming Machine Act 1987* (the Act). This legislation and its associated regulations prescribe the licence and operating conditions for gaming machines in clubs and hotels. Under the licensing conditions of the Act the type and number of gaming machines in the ACT are restricted.¹⁵

The ACT Gambling and Racing Commission (the Commission), a statutory authority, is responsible for administration and enforcement of gaming machine regulations. The function and powers of the Commission are outlined in Section 6 of the *Gaming and Racing Control Act 1999* and reported in the ACT Gaming and Racing Commission's Annual Report.¹⁶ The Commission's primary objective is to ensure that gaming machine operations are conducted in accordance with the relevant legislation, are of a high standard, are conducted fairly and without corruption, and reflect the desires of the community and the Government. Under the Act the Commission's functions include reviewing the legislation and policies related to gaming and racing, including harm minimisation measures.¹⁷

Number of EGMs and ACT club structure

At the time of the study, there were currently 5,005 gaming machines licensed to clubs and hotels. Of these, 4,935 were licensed to 64 club licensees and the remaining 70 to ten hotels.¹⁸

Clubs may operate from multiple sites. For example at the time of research the following club groups operate in the ACT:

- Ainslie Football and Social Club - three venues
 - Ainslie Football & Social Club (201 EGMs)
 - Gungahlin Lakes Club (183 EGMs)
 - Canberra City Bowling Club (9 EGMs)
- Canberra Southern Cross Club - four venues
 - Southern Cross Club Woden (270 EGMs)
 - Southern Cross Club Tuggeranong (155 EGMs)
 - Southern Cross Club Yamba (67 EGMs)
 - Southern Cross Club Yacht Club (50 EGMs)
- Canberra Tradesmen's Union Club - two venues
 - Canberra Tradesmen's Union Club at Dickson (400 EGMs)
 - Woden Tradesmen's Union Club (140 EGMs)
- Vikings Clubs - four venues
 - Tuggeranong Valley Rugby Union and Amateur Sports Club (231 EGMs)
 - Lanyon Valley Rugby Union and Amateur Sports Club (140 EGMs)

¹⁵ *Gaming Machine Amendment Bill 2004* (No 2) Clause 4, http://www.gamblingandracing.act.gov.au/gaming_machines.htm, March 2004.

¹⁶ ACT Gambling and Racing Commission 2002, op.cit.; ACT Gambling and Racing Commission *Annual Report 2002-2003*.

¹⁷ Paragraph 6(2)(f) of the *Gambling and Racing Control Act 1999*; ACT Gambling and Racing Commission 2002, op.cit.

¹⁸ ACT Gambling and Racing Commission, private correspondence March 2004. This figure excludes 75 machines allocated to the proposed Eastlake Club, Calwell. This club was not operating at the time of this study.

- Town Centre Sports club (173 EGMs)
- Chisholm Sports Club (150 EGMs)
- The Labor group of clubs¹⁹
 - Canberra Labor Club (225 EGMs)
 - Ginninderra Labor Club (95 EGMs)
 - Weston Creek Football Club (63 EGMs)

The maximum number of gaming machines licensed to any club was 400. There were six clubs (all with multiple sites) with more than 200 gaming machines. There were 20 clubs with fewer than 20 machines, the smallest with three machines.

Classification of EGMs

In the ACT gaming machines are classified as follows:

- Class A machines are similar in appearance to the standard Class C video machine, but are limited to single coin play and restricted to a maximum payout of 40 times the stake (eg, \$8.00 on a 20 cent machine). All wins are discharged through the machine, that is, no credits or jackpots are permitted;
- Class B are Draw Poker and Keno machines; and
- Class C are standard video/stepper gaming machines.

ACT licensed clubs are permitted to operate Class C and Class B machines. At the time of study, the six hotels with gaming machine licences were restricted to a total of ten Class B machines. Prior to 2004 taverns were restricted to two Class A machines; however the *Gaming Machine Amendment Bill 2004 (No 2)* has made provision for taverns to have two Class B machines.²⁰ The main argument in support of the above amendments to the *Gaming Machine Act 1987* was that Class A machines are now 'redundant'.

Number of EGMs - Clubs

Whilst there is a legislative cap on the number of gaming machines to be licensed in the ACT under the provisions of the Act, a club may apply for any number of Class B and Class C gaming machines. Although the number is unlimited, it is largely dependent upon physical and safety aspects and is determined by the Commission having regard to:

- the size and layout of the premises;
- the size or layout of the room or area in which it is proposed to install the machines;
- the number of club members; and
- any such matters as are relevant.

Number of EGMs - Hotels and taverns

A General Licensee in respect of premises that has twelve or more rooms of residential accommodation is eligible to apply for a maximum of three Class A gaming machines and ten Class B Draw Poker gaming machines. Where the premises have less than twelve rooms, the Licensee is eligible to apply for two Class A gaming

¹⁹ A fourth member of the Labor group of clubs, the Canberra Workers Club, was closed for demolition and rebuilding at the time of research.

²⁰ *Gaming Machine Amendment Bill 2004 (No 2)* Outline and clause notes.

machines only. An on-licensee (i.e. tavern) is eligible to apply for two Class A gaming machines only.²¹

2.3 Background to the review

This section summarises background research on the impact of gaming machines in the ACT and the policy response to problem gambling and perceptions of growing community concern. Three research reports provide background information relevant to the ACT.

1. The Productivity Commission's report on *Australia's Gambling Industries* published in 1999 remains the most authoritative source of information on the nature, extent and regulation of gambling in Australia, although it is now somewhat dated.²² That report was commissioned against the background of community concern about the growth in gambling in general and EGMs in particular.

2. In 2001 the Australian Institute for Gambling Research (AIGR) conducted a household survey in the ACT which replicated the Productivity Commission survey with a larger population sample. The results of this research are published in the report *Survey of the Nature and Extent of Gambling and Problem Gambling in the ACT*.²³

The AIGR research provides the baseline data for the ACT on:

- gambling participation and expenditure;
- problem gambling;
- impacts of problem gambling; and
- community attitudes to gambling.

3. In 2002 the Chairman of the Productivity Commission provided an update to the 1999 report including consideration of the emerging effects of policy responses for harm minimisation.²⁴ Noting that gambling expenditure had shown different trends across Australian jurisdictions since 1999, he was unable to identify any clear causal relationship with harm minimisation initiatives:

*At face value, this [the tapering of expenditure in some states, e.g. NSW and the ACT] might suggest that initiatives to moderate gambling had some success...However the fact that the slowdown or decline has not been consistent across jurisdictions ...raises the possibility of other explanations... A plausible explanation...is that they simply reflect the maturation (or emerging saturation) of the gaming machine market.*²⁵

²¹ *ibid.*

²² Productivity Commission, 1999. *Australia's Gambling Industries: Report No. 10*

²³ McMillen J., 2001a. *Survey of the Nature and Extent of Gambling and Problem Gambling in the ACT Report to the ACT Gambling and Racing Commission*. Australian Institute for Gambling Research, UWS.

²⁴ Banks. G., 2002. *The Productivity Commission's Gambling Inquiry: 3 Years On*. Presentation to the 12th Annual Conference of the National Association for Gambling Studies, Melbourne, 21 November 2002, Productivity Commission, Canberra.

²⁵ *ibid.*, pp.9-10.

2.3.1 Productivity Commission inquiry into Australia's Gambling Industries

In 1999 the Productivity Commission's (PC) study of *Australia's Gambling Industries* estimated that around 2.1% of Australians experience gambling problems.²⁶ However, they also found that the prevalence of problem gambling is not uniform across all types of gambling; EGMs were the most significant source of problem gambling with 9.27% of regular EGM gamblers having experienced problems.²⁷

Some of the Productivity Commission's findings concerning gambling activity in the ACT at that time included:

- Around 80% of the ACT population participated in gambling in 1997-98 compared to 82% of the national population.²⁸ The PC's national survey found little difference in gaming machine expenditure between the ACT and national populations.
- 2.06% of ACT respondents reported gambling problems (measured by the SOGS 5+ score), similar to the national average of 2.07%.²⁹
- Of ACT respondents surveyed in 1999, 1.32% reported harm associated with their gambling compared with 1.8% of the national population.³⁰
- Of regular gaming machine players in the ACT 18.5% experienced problems with this mode of gambling. This compared to 24.9% in NSW, 27.2% in Victoria, 39.5% in the Northern Territory and a national average of 22.9%.³¹
- Over 90% of ACT residents surveyed in 1999 were opposed to increasing gaming machine numbers. This was also similar to the national figure.³²

2.3.2 2001 ACT Survey of Gambling and Problem Gambling

To examine the situation in the ACT in more detail, the ACT Gambling and Racing Commission contracted the Australian Institute for Gambling Research (AIGR) to replicate the research methodology used by the Productivity Commission with a much larger population sample (5,445 respondents) to establish baseline data on problem gambling in the ACT.³³

With some minor variations, the 2001 community survey confirmed the findings of the Productivity Commission study. It found that:

- there had been a slight decline in gambling participation by ACT residents since 1999 (75% compared to 80%);
- the ACT appears to have a younger regular gambling population than the national average;
- as in 1999, the highest levels of gambling expenditure were recorded for gaming machines and lotteries;

²⁶ Productivity Commission, 1999. *Australia's Gambling Industries*. AusInfo Report No. 10, Canberra.

²⁷ *ibid.*, p.6.54.

²⁸ *ibid.*, p.B.2.

²⁹ *ibid.*, p.21. SOGS 5+ refers to the screening instrument used to measure the prevalence of problem gambling (South Oaks Gambling Screen).

³⁰ *ibid.*, p.21 (Table 3).

³¹ *ibid.*, p.8.23.

³² *ibid.*

³³ McMillen, J., H. Masterman-Smith and K. Tremayne 2001a, *op.cit.*; McMillen, J., N. Bellew and S. Martin, 2001b. *ACT Needs Analysis. Gambling Support Services*. Report to the ACT Gambling and Racing Commission. Australian Institute for Gambling Research, UWS.

- 1.9% of ACT adult residents report gambling problems;
- gaming machines continued to be the main source of problem gambling: 8% of all machine players and 22% of weekly machine players were found to have gambling problems; and
- this group accounted for 37.3% of estimated gambling expenditure reported by the surveyed population.

2.4 Development of the current regulatory framework

The following policy chronology presents a summary of the historical development of harm minimisation policies in the ACT.

1956 Legal poker machines were first allowed in NSW registered clubs to generate income for improved facilities and amenities for members.³⁴

1975 Passage of the *Poker Machine Control Ordinance 1975* (the Ordinance). The Ordinance restricted poker machines to licensed clubs and required a poll of members of each individual club with a majority in support before that club could apply for the right to operate gaming machines.³⁵ The criteria to obtain a club liquor licence as provided in the *Liquor Act 1975* included that the entity be a body corporate, that certain matters must be specified in the constitution of the club and that the club have at least 200 financial members over the age of 18 years.

1976 The first 'poker' machines were introduced in ACT clubs with liquor licenses in November.³⁶ The maximum stake was 10 cents.³⁷ As in NSW at the time, poker machines were authorised in clubs run by local service organisations for the stated purpose of supporting a range of amenities and entertainments.³⁸

1984 The Edmunds Report reported on a number of matters in relation to gaming machines in the ACT.³⁹ The report recommended 'additional restrictions' including:

- Coin denomination to be either 10 or 20 cents;
- Maximum payout to be 40 times the coin denomination; and
- Each win must be immediately paid out (i.e. no build up of credits).

1988 Based on the *Gaming Machine Act 1987* the first licensed gaming machines were permitted into ACT premises other than licensed clubs. The revised gaming machine legislation permitted two Class A gaming machines for taverns based on the recommendations of the Edmunds Report.⁴⁰ It also allowed up to ten Class B machines (draw poker machines) and three Class A machines for General Licence holders (hotels) with at least 12 rooms of accommodation. A

³⁴ McMillen, J. *et al.* 1999. *Australian Gambling: A Comparative History and Analysis*. Victorian Casino and Gaming Authority, p.vii

³⁵ *ibid.*

³⁶ *ibid.*

³⁷ Legislative Assembly, Hansard, 22 August 2001, p.3175

³⁸ *ibid.*

³⁹ ACT Gambling and Racing Commission, 2002, *op.cit.*, pp.18-19.

⁴⁰ *ibid.*

study into the feasibility of legalising a casino in Canberra recommended against permitting poker machines in the casino.⁴¹

1992 The gaming machine legislation was amended to remove the prerequisite for a club to be the holder of a club liquor licence prior to being eligible to obtain a gaming machine licence.⁴² The amendments included severing the connection between the *Gaming Machine Act 1987* and the *Liquor Act 1975*. Concerns about applications for gaming machine licences by 'pseudo' clubs led to further amendments of the gaming machine legislation in the form of 'eligible club' provisions.⁴³

Opening of Casino Canberra. The Canberra Casino was specifically prohibited from offering machine gaming.⁴⁴ That restriction still applies.

1993 Regulation for a maximum stake of \$10 for gaming machines was implemented.⁴⁵ This regulation mirrored similar policies introduced in NSW for gaming machines in community clubs.

1998 Presentation of the Allen Consulting Group report to the Assembly on the *Gambling Legislation in the Australian Capital Territory* (the Allen Report).⁴⁶ This report was commissioned in response to the National Competition Policy process which required all governments to review legislation that unjustifiably restricts competition.

As well as the removal of 'anti-competitive distortions that cannot be justified on public interest grounds', the Allen Report recommended 'more regulatory attention should be directed at containing the social costs of problem gambling'.⁴⁷

The Allen Report recommendations included:

- the establishment of a single regulator in the ACT with wider responsibilities; and
- the establishment of 'enforced self-regulation' to overcome the problems perceived with the current regime.⁴⁸

Recommendation 20 of the Allen Report also proposed:

The Gaming Machine Act should be amended to restrict the operation of gaming machines in clubs, hotels and taverns to those times when open for the sale of liquor. In the cases of clubs who do not hold a liquor licence, a

⁴¹ Caldwell, G., S. Young, M. Dickerson and J. McMillen 1988. *Social Impact Study Civic Section 19 Development and Casino: Casino Development for Canberra: Social Impact Report*, Commonwealth of Australia.

⁴² McMillen, J. *et al.* 1999, *op.cit.*, p.19.

⁴³ *ibid.*, p.20.

⁴⁴ *ibid.*, p.132.

⁴⁵ ACT Gambling and Racing Commission, Private Correspondence, March 2004

⁴⁶ The Allen Report, 1998. *Gambling and Related Legislation in the Australian Capital Territory: A National Competition Policy Review* cited by the ACT Gambling and Racing Commission, 2002, *op.cit.*, p.20.

⁴⁷ *ibid.*

⁴⁸ *ibid.*

*mandatory break in the operation of gaming machines of at least three hours a day should be applied.*⁴⁹

- 1999** Release of the Productivity Commission's analysis of *Australia's Gambling Industries*.⁵⁰ Following the Productivity Commission's national inquiry, in December 1999 the ACT Legislative Assembly passed the *Gambling and Racing Control Act 1999*. That Act provides for the administration of certain Acts relating to gambling and racing and established the Gambling and Racing Commission to regulate gambling in the Territory. The Act also required the Commission to develop a code of practice that applies to gambling licensees in the ACT.⁵¹
- 2000** In December 2000 the Chief Minister commissioned the ACT Gambling and Racing Commission to review the *Gaming Machine Act 1987* to 'ensure that its provisions meet the needs of the ACT community'.
- 2001** June-July: Presentation of the two AIGR research reports on gambling and problem gambling in ACT.⁵²

Origin of the 3-hour shutdown: The *Gaming Machine Amendment Act 2000 (No 2)*, passed in September 2001, restricted the operation of gaming machines to the same hours that ACT clubs are permitted to sell alcohol.⁵³ In effect, this restriction imposed a 'shutdown' of gaming for three hours between 4:00am-7:00am. As with many previous gaming policies in the ACT, this policy mirrored the proposed introduction of a three-hour shutdown of gaming machines in NSW (effective from April 2002).⁵⁴

The debate in the Legislative Assembly on 22nd August 2001 indicates that the new policy was proposed as a harm minimisation measure. Debate at the time also considered the benefits of an 'enforced break' to enable gamblers to break the session and 'return to reality'.⁵⁵ The Legislative Assembly debate also identified gaps in knowledge of the consequences of such measures on both problem gamblers and other groups.⁵⁶

The Gambling and Racing Commission's advice to the Assembly was that nine ACT clubs traded 24 hours a day at that time. These clubs between them had 1,452 machines representing 80% of the machines operating over the 24 hour period.⁵⁷

⁴⁹ Legislative Assembly, Hansard, 22 August 2001, p.3005.

⁵⁰ Productivity Commission, 1999. *Australia's Gambling Industries*. AusInfo Report No. 10, Canberra.

⁵¹ *Gambling and Racing Control Act, 1999*, <http://www.legislation.act.gov.au/a/1999-46/default.asp>

⁵² McMillen, J. *et al.* 2001a, *op.cit.*; McMillen, J., *et al.* 2001b, *op.cit.*

⁵³ ACT Gambling and Racing Commission, 2002, p.112.

⁵⁴ ACNielsen and Australian Centre for Gambling Research (ACGR) 2003. *Evaluation of the 3-hour Shutdown of Gaming Machines*. Report to the Department of Gaming and Racing, NSW. As the Director of the former ACGR, Jan McMillen assisted ACNielsen with that research.

⁵⁵ Legislative Assembly, Hansard, 22nd August 2001, p.3207.

⁵⁶ Legislative Assembly, Hansard, 22nd August 2001, pp.3174-3207.

⁵⁷ *ibid.* Hansard records that this information was presented by the clubs to the Commission. It was also noted that the information was neither verified nor independently documented. The Commission's paper was not tabled but was available for members to inspect during the debate.

In supporting the Bill members of the Assembly spoke of their concern about the harmful effects of gambling and the need to encourage harm minimisation measures particularly in relation to poker machines.⁵⁸

*It is frightening that 1.9% of the adult population accounts for more than 37 percent of gambling expenditure. That equates to approximately 5,300 people spending a total of \$77 million, or \$14,500 each, every year. Research also shows that the bulk of this spending is on poker machines and that the average income of the people most likely to use them is \$35,000 a year. It is very clear there is a real problem in the ACT.*⁵⁹

Members opposing the legislation spoke of their concern about the lack of information about the likely impact of the Bill on problem gamblers, recreational gamblers, non-gamblers, gambling clubs and staff.⁶⁰ Others spoke of the need to monitor the impact of effect of the regulatory change.

After passage of the amendment in September 2001 the Commission subsequently provided advice to clubs that the legislation had changed and that compliance audits would be conducted.⁶¹ Unlike the situation with the 3-hour shutdown of gaming in NSW, ACT clubs cannot apply for exemptions.⁶² At the time of research there had been no variation to the shutdown hours since implementation of the amendment on 14th September 2001.⁶³

2002 Passage of the *Gambling and Racing Control (Code of Practice) Regulation 2002*. One of the objectives of the mandatory Code of Practice developed by the Commission is to require gambling providers to maintain minimum standards of conduct that will provide protection to people who have difficulty in controlling their gambling behaviour.⁶⁴ A further rationale is to amalgamate all the ACT harm minimisation measures in one document.

In October 2002 the Gambling and Racing Commission released the *Review of the Gaming Machine Act 1987 Policy Paper (Policy Paper)* after a lengthy public consultation process. The *Policy Paper* contained several policy recommendations including the three measures under review. Those recommendations and the ACT Government response are as follows:

1. Shutdown of gaming for three hours between 4:00am–7:00am: Since the introduction of the shutdown on 14th September 2001, the Commission had monitored the impact on gaming machine turnover and the expenditure trends of gaming machine gamblers. The Commission reported that since implementation of the restrictions the total gaming machine turnover of the seven gaming machine licensees (nine clubs) which had been trading 24 hours a day had, on

⁵⁸ *ibid.*, p.3178. Statement by the then Chief Minister Gary Humphries.

⁵⁹ Legislative Assembly, Hansard, 22 August 2001, p.3206, citing data from the 2001 survey.

⁶⁰ Legislative Assembly, Hansard, 22 August 2001, pp.3174 – 3207.

⁶¹ ACT Gambling and Racing Commission, 2002, *op.cit.* pp.113-14.

⁶² *ibid.*

⁶³ ACT Gambling and Racing Commission, private correspondence.

⁶⁴ The Code of Practice is formally called the *Gambling and Racing Control (Code of Practice) Regulation 2002* (No. 1). The regulations are made pursuant to section 18 of the *Gambling and Racing Control Act 1999*.

average, risen for the periods examined by the Commission. Furthermore, 'the turnover per patron has in the majority of the clubs also risen'.⁶⁵

The Commission concluded that the empirical evidence of the shutdown as a harm minimisation measure strategy 'is less than conclusive in attaining a reduction in the total amount expended on gaming machines'.⁶⁶ The Commission reported there was some evidence for a 'compensatory effect' in that gaming machine users in the affected seven clubs were, on average, increasing their expenditure in the periods prior to and following reopening.

Notwithstanding this the Commission noted it 'is mindful that total expenditure by an individual is not the only indicator or result of a gambling problem. Spending excessive time gambling (whether intentionally or otherwise) at the expense of other activities may also be indicative of a gambling problem'.⁶⁷

The Commission therefore found that the restriction in trading hours is a beneficial strategy as it forces some break in play compared to the 24-hour gaming option. 'It is therefore proposed that gaming machines should not be operated between the hours of 4:00am to 9:00am, regardless of liquor trading hours'.⁶⁸ The Government has supported this recommendation but it has not yet been introduced.

2. Maximum bet: Section 4 of the *Gaming Machine Regulations 1987* set the maximum bet amount for a multi-stake machine at \$10 and a single stake machine at \$2. The maximum stake of \$10 for ACT gaming machines has not been subject to variation since it was implemented. The Commission's 2002 *Policy Paper* recommended that 'the Act should require the Commission to set the maximum stake amount for gaming machines'.⁶⁹ The Government has supported this recommendation. No action has been taken at the time of research.

3. Restrictions on cash payment of winnings: ACT legislation does not specify restrictions on cash payment of winnings.⁷⁰ However, jackpot prizes on gaming machines can reach \$10,000, raising concern among community agencies about the consequences of continued gambling with prize money for problem gambling.⁷¹

In response to submissions from community agencies and 'to avoid unnecessary duplication of provisions in the Act', the Commission's 2002 *Policy Paper* recommended that 'provisions relating to the control of the cashing of cheques and the payment of winnings over a predetermined amount be included within

⁶⁵ ACT Gambling and Racing Commission, 2002, op.cit. p.115.

⁶⁶ *ibid.*

⁶⁷ *ibid.*, p.116.

⁶⁸ *ibid.*, Recommendation 49, pp.116-117.

⁶⁹ *ibid.*, Recommendation 42, p.102.

⁷⁰ ACT Gambling and Racing Commission, 2004, op.cit.

⁷¹ The ACT inherited the \$10,000 maximum payout by virtue of the design of the gaming machines. Most of the EGMS installed in the ACT are approved in NSW where the maximum payout has been \$10,000 since 1986. Therefore the ACT machines have been programmed accordingly (McMillen *et al.*, 1999, op.cit.).

the mandatory Code of Practice rather than the Act'.⁷² The Government supported this recommendation and the Code was amended to include a provision for payment of winnings over \$1,000 by cheque.⁷³

In addition to those three recommendations, the Commission recommended the size of the maximum jackpot on stand-alone machines should be set by the Commission and 'that the ACT assess the outcome of interstate or local research before requiring any general hardware or software changes to gaming machines operating in the ACT'.⁷⁴ This latter recommendation was made in the context of proposals in other jurisdictions (e.g. by the Liquor Administration Board in NSW) to modify the performance and operating features of gaming machines. The Government has supported this recommendation.

More generally, the Commission also recommended breaking the nexus between the gaming machine regulations and the liquor licence provisions. The Commission's recommendation is that 'the prerequisite for any gaming machine applicant to be a holder of a liquor licence should be removed from the gaming machine legislation'. The Government has supported this recommendation.⁷⁵

2004 In February the Commission released the *Review of the Gambling and Racing Control (Code of Practice) Regulations 2002, Consultation Paper* calling for submissions on the gambling Code of Practice.⁷⁶ That review included consideration of the provision to restrict cash payment of winnings which has been simultaneously subject of this research.

In March the passage of the *Gaming Machine Amendment Bill 2004 (No 2)* amended the Act to enable hotels and taverns access to Class B gaming machines. It ensures that a licence for gaming machines cannot be issued for a premise to which an on-licence applies unless the licence is stated to be for the primary purpose of running a tavern/bar.⁷⁷ The amended Act further enables clubs that have more than one premise to transfer machines between premises, within the total number of machines held. Clubs remain the only ACT licensed venues with access to Class C machines.

The ACT Government introduced additional legislation arising out of the *Review of the Gaming Act 1987* to further extend the shutdown hours for gaming machines from the current three hours to five hours in a 24-hour period. This proposed new restriction is part of the Government's strategy aimed at restricting access to gambling.

⁷² ACT Gambling and Racing Commission 2002, op.cit, Recommendation 38.

⁷³ Part 1.3, Clause 23 (1) *Gambling and Racing Control (Code of Practice) Regulation 2002*. Maximum cash payable \$1,000. *Gambling and Racing Control (Code of Practice) Regulations 2002* (No 1).

⁷⁴ ACT Gambling and Racing Commission 2002, op.cit., Recommendation 46, p.26.

⁷⁵ *ibid.*, Recommendation 3.

⁷⁶ ACT Gambling and Racing Commission, 2004b. *Review of the Gambling and Racing Control (Code of Practice) Regulations 2002, Consultation Paper*.

⁷⁷ *Gaming Machine Amendment Bill 2004 (No 2)*, www.legislation.act.gov.au

2.5 Responsible gambling policies in Australia

Legislated or self-regulated harm minimisation measures are core strategies for achieving the objectives of responsible gambling policies and programs. This section provides an overview of harm minimisation measures in Australia, with a focus on the three measures in scope. Note that Western Australia is excluded from the following summaries as there are no gaming (poker) machines in clubs and hotels in that state. Gaming machines are permitted in Burswood Resort Casino alone, and it is currently WA Gaming Commission policy not to approve gaming machines that depict or imitate spinning reels (poker machines).⁷⁸

Table 3 summarises the range of principles and objectives commonly found in responsible gambling programs in Australia.

Table 3: Objectives of responsible gambling policies and programs in Australia.

-
- Legal compliance
 - Fair trading
 - Harm minimisation
 - Consumer information
 - Responsible marketing
 - Consumer protection
 - Patron privacy
 - Meeting community standards
 - Responsible conduct of gambling, with honesty and integrity
 - Providing an environment which promotes responsible gambling by patrons
 - Co-operation with problem gambling support services and other community agencies
 - Enhancing industry and economic development
 - Improving the public image of the organisations concerned
 - Enhancing the leisure and entertainment aspects of gambling
 - Staff training in responsible conduct of gambling
 - Accountability for and ongoing evaluation of the policies and codes.
-

Responsible gambling regulation in Australia is characterised by a mixture of voluntary self-regulation and government prescription. In some states and territories extensive legislative measures are being introduced while in others, a more self-regulatory approach is being taken.⁷⁹ For example, in NSW the *Gambling Legislation Amendment (Responsible Gambling) Act 1999* inserted responsible gambling provisions into all gambling legislation. Industry operators are required to develop and implement measures to minimise the harm from gambling and ensure responsible conduct by gambling providers. A different approach has been taken in Queensland, where industry, government and community representatives have cooperated in a partnership to develop a uniform 'whole of industry' Responsible Gambling Strategy and Code of Practice.⁸⁰

⁷⁸ SA Centre for Economic Studies, 2002, op.cit., p.239

⁷⁹ McMillen, J. and K. Doherty 2000. *Discussion Paper. Responsible Gambling Code of Practice*. Queensland Government Treasury

⁸⁰ Queensland Responsible Gambling Advisory Committee 2002. *Responsible Gambling Strategy and Code of Practice*. <http://responsiblegambling.qld.gov.au>

Table 4 summarises policies most commonly proposed by Australian governments to minimise harm from gambling. The three harm minimisation policies which are the object of this research are shown in bold type.

Table 4: Possible harm minimisation measures.

Circuit breakers	<ul style="list-style-type: none"> • Compulsory shut-down of gambling clubs • Ban on smoking in gambling clubs • Periodic shut-down of individual machines • Periodic information messages to gamblers using gaming machines • Restrictions on alcohol consumption by gamblers • Performance of self-exclusion schemes.
Information for gamblers	<ul style="list-style-type: none"> • Requirements to display certain signage • Display of clocks in gaming machine areas • Information on brochures required in gambling clubs • Information on betting tickets, lottery and keno entry forms • Role of community services, including gambling counselling services • Contact cards for counselling services • Compulsory display of payout ratios and probability of winning specific prizes • General advertisements highlighting problem gambling • Display of monetary value of credits, bets and wins • Information for individual players on their gambling session.
Liquidity controls	<ul style="list-style-type: none"> • Requirements for large payouts not to be in cash • Prohibition on providing credit for gambling • Requirements to locate ATMs away from gambling areas • Restrictions on note acceptors • Lower limit on maximum bets on gaming machines • 'Pre-commitment' or 'smart cards' that enable financial limits to be set • Restrictions on daily cash limit in ATMs close to gambling clubs • Reducing the maximum permissible win • Further possible changes to affect the rate of loss or play per hour • Forced payment of wins when certain level is reached and payment then be only by cheque.
Restricted promotion of gambling	<ul style="list-style-type: none"> • Controls on advertising • Controls over player reward schemes • Restrictions on promotions and other inducements to gamble • Controls on gaming machine artwork • Possible elimination of double up and other similar gamble features • Availability of alcohol and other refreshments to gamblers.
Community/counselling services	<ul style="list-style-type: none"> • Requirements for gambling operators to enter into agreement with counselling services • Training of staff in gaming machine clubs.
Technical measures	<ul style="list-style-type: none"> • Slower reel speeds • Removal of visual and sound stimuli • Requirement for human intervention in large payouts • Requirement for natural light in gambling clubs • Requirement for gambling patrons to be visible to people outside the gambling club • The impact of music being played and display of lights when a win takes place.

Source: IPART 2003. *Review into Gambling Harm Minimisation Measures, Issues Paper*, p.6

In theory, Australian harm minimisation policies incorporate strategies for prevention, treatment and rehabilitation. These policies thus should be viewed in the context of the availability and accessibility of gambling to the public, alternative community leisure activities, and existing and potential preventative programs.⁸¹ For example, theories behind strategies such as the liquidity controls and circuit breakers outlined in Table 4 aim to reduce the likelihood that some 'at risk' gamblers will develop gambling problems; that is, they are designed as prevention and early intervention strategies.

2.6 Application of the three measures in Australia

This section includes a comparative summary of the application of the three harm minimisation measures in the ACT and other Australian jurisdictions at the time of research (Table 5). The information was derived primarily from the SA Centre for Economic Studies, *Summary of Self-exclusion Programs in Australian States and Territories* 2002 and was complemented by other sources.⁸²

2.6.1 Restrictions on trading hours

- **ACT**

As discussed above, prior to September 2001 gaming machine trading hours in the ACT were not restricted. The *Gaming Machine Amendment Bill 2000 (No. 2)* amended the *Gaming Machine Act 1987*, introducing a restriction on the operation of gaming machines linked to those hours when premises are open for the sale of liquor. Under the ACT liquor licensing laws the sale of liquor is restricted for three hours each day, e.g. between 4am-7am. There is no provision for exemptions.

The relevant clause is section 13A of the *Gaming Machine Act 1987*:

13A Authorised activities

A licence authorises the licensee, subject to this Act—

- (a) to acquire and dispose of the licensed gaming machines; and*
- (b) to install the licensed gaming machines on the licensed premises; and*
- (c) to operate the licensed gaming machines on the licensed premises at any time when the premises are open for the sale of liquor.*

- **New South Wales**

As in the ACT, operating hours for gaming machines in NSW clubs and hotels have not been specifically restricted until recently. From April 2002 all NSW clubs and hotels were required to shutdown gaming machines from 6am to 9am (known as the 'interim 3-hour shutdown period').

From 1st May 2003 the shutdown period was extended from 4am-10am (a general six-hour shutdown period). However clubs and hotels can apply to the

⁸¹ McMillen J., N. Bellew and S. Martin, 2001b. *ACT Needs Analysis: Gambling Support Services*, p.10

⁸² *ibid.*, pp.196-240

Liquor Administration Board (LAB) to have the general six-hour shutdown period reduced to three hours from 6am–9am on a Saturday, Sunday or public holiday.

A NSW hotel or club can also apply to the LAB for an 'early opener' shutdown period different from the interim three-hour shutdown period, the general 6-hour shutdown period and the 3-hour shutdown period if the applicant can prove that the club:

- was open for business before 10am on a regular basis prior to 1st January 1997 on at least one day of the week; and
- was closed for business between midnight and 10am on a regular basis prior to 1st January 1997 for a minimum of three hours on at least one day of the week; and
- has continued to open and close on that same basis ever since; and
- has the approval of the local consent authority to trade the hours requested.

A review of the 3-hour shutdown was commissioned by the Department of Gaming and Racing in 2003.⁸³ That review found little evidence that the shutdown had been effective as a harm minimisation measure.

- **Victoria**

Reforms introduced by the government as part of the *Gambling Legislation (Responsible Gambling) Act 2000* prohibit 24-hour gaming clubs in regional and rural Victoria. In the Melbourne metropolitan area, clubs can apply for a 24-hour licence depending on certain conditions. The application for approval of premises suitable for gaming to open 24 hours per day must be accompanied by a submission on the net economic and social benefit that will accrue to the community of the municipal district in which the premises are located. There must be a further submission taking into account the impact of the proposal for approval on surrounding municipal districts.

- **Queensland**

Since December 2000, the Queensland Gaming Commission has set gaming hours when gaming machine licences are granted, and when licensed clubs apply for additional gaming machines or variations to their licence. The Commission can also impose conditions on the licence. As a general rule, the Commission considers that gaming during the span of ordinary (liquor) trading hours of 10am to midnight, Monday to Sunday is acceptable.

When an applicant has extended liquor licensing hours approved beyond these hours, the onus is on the applicant to demonstrate that there is a demand for gaming during the extended hours sought in the gaming application.

- **South Australia**

Under the *Gaming Machine Act 1992* gaming machine clubs (licensed clubs and hotels) must be closed for six hours in every 24 hour period.

⁸³ ACNielsen and ACGR 2003. *Evaluation of the 3-hour Shutdown of NSW Clubs*.

- **Tasmania**
Operating hours for EGMs outside the two casinos are related to the liquor licence held by club operators. Clubs cannot operate EGMs beyond the period stated on the liquor licence.
- **Northern Territory**
Operating time for EGMs is limited to liquor trading hours and only in the presence of a licensee/employee of licensee. No gaming is permitted between 4am-10am of each day.

2.6.2 Restrictions on the maximum bet

To a large extent the Technical Standards and configuration of EGMs establishes the parameters of play by gamblers.⁸⁴ Although an agreement has been achieved on national operating standards for EGMs, the parameters applied to the operation of EGMs can vary markedly between Australian states and territories.⁸⁵ Furthermore, there is often a difference in parameters between different types of venues within each jurisdiction (e.g. between clubs and hotels, and casinos). The extent to which the National Standard is implemented in any particular jurisdiction is determined by the regulators in that state/territory.

- **ACT**
The maximum bet that EGMs in ACT clubs can accept was based on Technical Standards for NSW machines. Regulation 4 of the *Gaming Machine ACT 1987* sets the maximum stake value for multi-stake machines in the ACT at \$10.⁸⁶ This measure was implemented in 1993 and has not been subject to variation since this date.

4A *Maximum stake values—prescription*

The regulations may prescribe maximum stake values for section 4, definitions of multi-stake machine and single-stake machine.

Regulation 4B states that the prescribed amount for Class B gaming machines (hotels and taverns) is 20 cents.

Gaming machines are approved by the Commission with these restrictions pre-programmed. Compliance thus is not an issue.

- **New South Wales**
Gaming machines in NSW have had a prescribed \$10 maximum stake since 1988.⁸⁷ In November 2000 the NSW Liquor Administration Board (LAB) recommended a series of provisional determinations involving modifications to EGMs as potential harm minimisation strategies for problem gambling.⁸⁸

⁸⁴ See Productivity Commission 1999, op. cit., Appendix U.

⁸⁵ Australia/New Zealand Gaming Machine National Standard Revision 7.0, December 2003.

⁸⁶ ACT Gambling and Racing Commission, Private correspondence, March 2004

⁸⁷ In 1988 \$1 and \$2 machines were introduced to NSW clubs, and the maximum bet was increased to \$10 per play irrespective of machine denomination. See McMillen *et al.* 1999, op.cit., p.169.

⁸⁸ Liquor Administration Board (LAB) 2001. *Review of the Liquor Administration Board Technical Standards for Gaming Machines and Subsidiary Equipment in New South Wales: Gambling Harm Minimisation and Responsible Conduct of Gambling Activities First Determination*, April, p.3

The LAB Review includes a recommendation that the maximum bet for stand-alone machines in NSW be reduced from \$10 to \$1.

In 2001 these proposed measures were evaluated in research commissioned on behalf of the NSW gaming industry (Gaming Industry Operators' Group - GIO).⁸⁹ Subsequently that research was reviewed by a team from Auckland University and by IPART. The issues raised are discussed in the following Section 6 – Previous Research on Harm Minimisation Strategies.

- **Victoria**
A maximum bet limit of \$10 applies to Victorian EGM games approved on or after 1st January 2003 and to all gaming machine games from 1st January 2008.⁹⁰ This regulation was introduced by Ministerial Direction to the Victorian Casino and Gaming Authority on 19th September 2002, as provided for under section 62A (4) of the *Casino Control Act 1991* and Section 12 (1) of the *Gaming Machine Control Act 1991*.
- **Queensland.**
A \$5 maximum bet limit applies to EGMs in Queensland clubs and hotels. This stake limit is set by the licensed operator in consultation with the government regulator.
- **South Australia**
A \$10 maximum bet applies to EGMs in South Australian clubs and hotels.
- **Tasmania**
A \$10 maximum bet applies to EGMs in Tasmanian clubs and hotels.
- **Northern Territory**
A \$5 maximum bet applies to EGMS in Northern Territory hotels and clubs, as in Queensland

2.6.3 Restriction on cash payment of winnings

In most states the maximum win that can be obtained from any single gambling attempt is determined by regulators at \$10,000. In Queensland, for example, the amount is set by the licensed operator in consultation with the regulator. In Victoria, the amount is determined from time to time by the Minister in accordance with the legislation. However, states vary in the restrictions placed on cash payment of those winnings.

⁸⁹ Blaszczyński A., L. Sharpe and M. Walker 2001. *The Assessment of the Impact of the Reconfiguration on Electronic Gaming Machines as Harm Minimisation Strategies for Problem Gambling: A Report for the Gaming Industry Operators Group (GIO)*. University of Sydney; Centre for International Economics (CIE) 2001, op. cit. *Gaming Machine Revenue at Risk: The Impact of Three Proposed Modifications to Gaming Machines in NSW*. Prepared for The NSW Gaming Industry Operators Group, Centre for International Economics.

⁹⁰ This regulation applies to new games unless the game operates in an unrestricted mode in a specified area.

- **ACT**

The Act does not specify the maximum payout of winnings.⁹¹ Since 2002 provisions relating to the control of the cashing of cheques and the payment of winnings in the ACT are specified in the Code of Practice as follows:

*A licensee... must not, for a particular event or contingency on which a gambling patron has staked or risked money, pay to the patron winnings in cash that are more than \$1,000 for gaming machines.*⁹²

Subclause 23 (2) states that 'However, subclause (1) does not prevent the payment of winnings, in excess of the maximum amount payable in cash, by other means'.⁹³

Subclause 24 (2) applies to cheques and gaming machine licensees. Gambling machine licensees must not:

- cash a cheque within a gaming area of the facility; or
- buy back or redeem a previously cashed personal cheque.⁹⁴

Subclause 24 (3) provides restrictions on cashing of cheques. Licensees of a gambling facility must not:

- cash a patron's personal cheque for more than \$250 on any day unless the person has made arrangements with the licensee on a previous day; or
- cash a cheque of any other kind for the patron.⁹⁵

- **New South Wales.**

The *Gaming Machines Regulation 2002* includes:

- limits on the cashing of cheques;
- limitations placed on the payment of prizes by cash; and
- if a person accumulates more than \$1,000 on a gaming machine, the club must pay the amount over \$1,000 by cheque payable to the prize winner.
- Clubs and hotels are required to pay winnings of less than \$1,000 by such non-cash means if the player requests it.

- **Victoria**

Winnings or accumulated credits exceeding \$2,000 from a gaming machine must be paid by cheque, with players having the options of cheque payment winnings below \$2,000. This restriction does not apply in an area specified by notice of the Authority published in the Government Gazette if the casino operator complies with the conditions, if any, specified in the notice.

⁹¹ ACT Gambling and Racing Commission, 2004, op.cit.

⁹² *Gambling and Racing Control (Code of Practice) Regulations 2002 (No.1)*, Clause 23(1).

⁹³ *ibid.*

⁹⁴ *ibid.* Clause 24.

⁹⁵ *ibid.*

- **Queensland**
Under the Queensland Responsible Gambling Code of Practice launched in May 2002 gambling providers or sectors of the industry are to establish a limit above which all winnings are paid by cheque or electronic transfer. Gambling winnings above the set limit are paid by cheque and must not be cashed on the gambling provider's premises within 24 hours of the win or until the next trading day.
- **South Australia**
There are no restrictions on cash payment of EGM winnings.
- **Tasmania**
There is no regulation on payment of EGM winnings. Clubs will allow the cashing of cheques at the discretion of the licensed gaming operator; however only one cheque per patron can be cashed each day.
- **Northern Territory**
Payments of cancelled credits or jackpot payouts over \$250 must be made by cheque.

Table 5 below summarises the three measures under review and their application in Australian jurisdiction

Table 5: Summary of harm minimisation measures in Australian jurisdictions.

	ACT	NSW	VIC	QLD	SA	TAS	NT
Maximum bet limit	\$10 in clubs & hotels	\$10 in clubs, hotels & casino	\$10 in clubs, hotels & casino – unless games operating in 'unrestricted mode'	\$5 in clubs & hotels	\$10 in clubs & hotels; \$50 casino.	\$10 in clubs & hotels	\$5 in clubs & hotels
Restrictions on playing time/hours of operation	From September 2001, EGMs must shut down for three hours, e.g. 4am-7am. No variations permitted.	From April 2002 EGMs must shut down between 6am-9am. From May 2003 the shutdown period extended to 4am-10am. Venues can apply for variation.	Legislation prohibits 24-hour gaming clubs in regional and rural Victoria. Metro clubs can apply for 24-hour licence only in certain conditions.	In general, gaming machine operation hours are limited to ordinary liquor trading hours: 10am-12am, Monday to Sunday.	Gaming machine clubs must be closed for at least six hours in every 24 hour period.	Opening hours for EGMs are determined by the liquor licence.	Gaming is limited to liquor trading hours. No gaming between 4am-10am.
Payment by cheque	Patrons who accumulate more than \$1,000 on EGMs must be paid the amount over \$1,000 by cheque.	Patrons who accumulate more than \$1,000 on EGMs must be paid the amount over \$1,000 by cheque.	Winnings in excess of \$2,000 are to be paid by cheque.	Winnings above a certain limit to be paid by cheque or electronic transfer (Limits are set by operator)	-	-	Payments over \$250 must be made by cheque.

Note: This table includes only the three measures under study.

Source: Adapted from Independent Pricing and Regulatory Tribunal of New South Wales 2004. *Gambling: Promoting a Culture of Responsibility*; and SA Centre for Economic Studies 2002. *Summary of Self-exclusion Programs in Australian States and Territories*.

3 Previous Research on Harm Minimisation Strategies

This section reviews relevant literature and research on the three harm minimisation measures of interest. A review of the available research indicates that there have been few attempts at evaluation of harm minimisation measures. As a consequence there is little empirical evidence on the extent to which measures designed to minimise harm for problem gamblers or their families and friends have in fact been implemented or how effective they are. There is also little empirical evidence on the impact of the measures on the gaming venues themselves.

Since the Productivity Commission's 1999 report a number of jurisdictions have developed legislation and policy changes intended to minimise harm from gambling. Although the NSW policy and gambling environments differ from the ACT in important ways, the historical connection between these two jurisdictions suggests that the most instructive policy research for this study has occurred in NSW.

For the purpose of this study, research has specifically focussed on two NSW policy initiatives:

- The *Gaming Machines Act 2001* and *Gaming Machines Regulation 2002* provide for changes to the regulation, control and management of gaming machines in hotels and registered clubs in NSW; and
- In 2001 the NSW Liquor Administration Board (LAB) foreshadowed regulatory changes to the technical standards for NSW gaming machines and subsidiary equipment that were directed at harm minimisation.⁹⁶

The LAB proposals included:

- The maximum prize for a stand-alone poker machine should be reduced to \$1,000; and the maximum prize for multi-terminal gaming machines and State-wide links should be reduced to \$10,000;
- Any win which causes accumulated credits to equal or exceed \$1,000 or more should be automatically transferred to the credit meter (i.e. no gamble feature would be offered and a cancel credit condition should be effected). The total prize should be paid to the player by means of a crossed cheque;
- CCCE (Centralised Cash Controller Equipment) systems should not allow partial transfers of prizes to defeat the \$1,000 limit or for any other reason;⁹⁷ and
- It must also be possible for a player to readily redeem an amount up to \$1,000 of credit/win from a gaming machine without an attendant's intervention.⁹⁸

The LAB indicated that refinements to the proposed measures would be considered if suitable data were available to support changes.

⁹⁶ Liquor Administration Board 2001, op.cit.

⁹⁷ Centralised Cash Controller Equipment enables in-club coinless gaming to take place (*Liquor Administration Board Annual Report, 2002-2003*, p.26).

⁹⁸ Liquor Administration Board, 2001, op.cit, p.4.

In response to these proposals the gambling industry, through the Gaming Industry Operators' (GIO) alliance, commissioned research reports to examine the impact of the LAB proposals:

- The University of Sydney Gambling Research Unit (USGRU): *The Assessment of the Impact of the Reconfiguration on Electronic Gaming Machines as Harm Minimisation Strategies for Problem Gambling*. This research included an assessment of the impact of the reduction of the maximum bet on problem gamblers.⁹⁹
- Centre for International Economics (CIE): *Gaming Machine Revenue at Risk: The Impact of Three Proposed Modifications to Gaming Machines in NSW*. This research included an assessment of the impact of the reduction of the maximum bet on revenue.¹⁰⁰

The NSW Department of Gaming and Racing has also commissioned a number of research projects to inform the development of harm minimisation policies. Research relevant to this project includes reports by:

- Centre for Gambling Studies, Auckland University: *Assessment of the Research on Technical Modifications to Electronic Gaming Machines in NSW, Australia*. That study reviewed the CIE and USGRU research commissioned by the LAB outlined above;¹⁰¹ and
- ACNielsen and the Australian Centre for Gambling Research (ACGR): *Evaluation of the Impact of the 3-hour Shutdown of Gaming Machines*. This ACNielsen/ACGR study investigated the impact of the 3-hour shutdown of gaming machines on problem and recreational gamblers, clubs and the wider community.¹⁰²

Subsequently, in 2003 the NSW Government also initiated a review of harm minimisation measures by the Independent Pricing and Regulatory Tribunal (IPART). Submissions to IPART which commented on relevant NSW research have also been reviewed for this project including:

- Blaszczyński *et al.* response to the submission by Tse *et al.* of Auckland University;¹⁰³
- Aristocrat Technologies Australia Pty Ltd submitted a *Review of Gambling Harm Minimisation Measures: Pre-commitment or Smart Cards that Enable Limits to be Set*;¹⁰⁴ and
- AMC Convergent IT *Review of Gambling Harm Minimisation Measures* which responded to the ACNielsen/ACGR report and other research.¹⁰⁵

⁹⁹ Blaszczyński A., L. Sharpe and M. Walker, 2001, op. cit.

¹⁰⁰ Centre for International Economics (CIE) 2001, op. cit.

¹⁰¹ Tse, D., R. Brown and P. Adams, 2003. *Assessment of the Research on Technical Modifications to Electronic Gaming Machines in NSW, Australia*, Centre for Gambling Studies, Auckland University.

¹⁰² ACNielsen and ACGR 2003, op.cit.

¹⁰³ Blaszczyński A., L. Sharpe and M. Walker, 2004. *Harm Minimisation in Relation to Gambling on Electronic Gaming Machines – A Submission to the IPART Review by Members of the Gambling Research Unit at the University of Sydney*. Gambling Research Unit.

¹⁰⁴ Aristocrat Technologies Australia Pty Ltd. 2004. *Review of Gambling Harm Minimisation Measures: Pre-commitment or Smart Cards that Enable Limits to be Set*. Submission to the Independent Pricing and Regulatory Tribunal.

¹⁰⁵ AMC Convergent IT, 2004. Submission to the Independent Pricing and Regulatory Tribunal.

The above sources were examined to identify key research findings and research questions related to each of the measures under review in the ACT. We also considered criticisms made of the methodologies and analysis in the NSW research. However the resource and time constraints of this study prevented us from replicating or using similar methods in the ACT, or from answering all the possible research questions that have emerged from the NSW studies. For example, the methodologies of the ACNielsen/ACGR assessment of the 3-hour shutdown of NSW gaming machines, the Blaszczynski *et al.* experimental study of EGM gamblers and the CIE economic analysis are far beyond the scope and resources of this project.

3.1 Restrictions on trading hours

A key finding of the 1999 Productivity Commission report was that the prevalence of problem gambling is directly related to the degree of accessibility of gambling, particularly to EGMs.¹⁰⁶ With regard to operating hours of gaming clubs, the Productivity Commission cited a Nova Scotia study that:

*Increased opening hours are likely to lead to longer durations of play and greater expenditure by problem gamblers. This is because it removes a possible control mechanism for excessive gambling for people with incipient or current problems, who might otherwise have timed their gambling just prior to the club closing.*¹⁰⁷

Three years later, in his 2002 assessment of the effects of restrictions on trading hours, the Chairman of the Productivity Commission found little evidence that this measure had been evaluated and commented: 'Those who support the use of restricted hours of operation as a measure do so on the basis that it may be necessary to use a blunt instrument in the absence of a sharp one'.¹⁰⁸ Subsequent research by ACNielsen/ACGR in 2003 found little evidence to suggest that the 3-hour shutdown of NSW clubs from 6am-9am had been effective as a harm minimisation strategy.

3.1.1 Impacts on problem gamblers

The ACNielsen/ACGR examination of the 3-hour shutdown of EGMs in NSW found that:

*The main factors which influenced the frequency with which problem gamblers play poker machines are access to money, convenient club opening hours, family and work responsibilities and the opportunities presented for being alone (connected to family and work responsibilities). The duration of gambling sessions was driven by the amount of money available to spend, access to money, extent of winnings (with problem gamblers tending to play all the money they can access or that they win), club opening hours and work and family commitments.*¹⁰⁹

ACNielsen/ACGR reported that **problem gamblers, their family and friends** considered the shutdown was *ineffective* in practice as a harm minimisation measure

¹⁰⁶ Productivity Commission, 1999, op.cit. p.2

¹⁰⁷ *ibid.*, p.15:41.

¹⁰⁸ Banks G., 2002, op.cit., p.29

¹⁰⁹ ACNielsen and ACGR 2003, op.cit.

because they rarely, if ever, played poker machines during shutdown hours.¹¹⁰ However problem gamblers thought the shutdown was an effective harm minimisation strategy *in theory*, providing a break to 'think clearly and regain control'.

The 45 **counselling agencies** interviewed for the ACNielsen/ACGR study provided more support for the shutdown:

- 66% believed their clients did not previously play during the early morning hours of 6:00 am to 9 am; and
- 24% reported having clients who used to play during these hours.¹¹¹

The support agencies suggested that males aged 26-54 working full-time without dependent children had been more likely to gamble during the hours subject to the shutdown. Gambling agencies reported that these were clients who often gambled at the time when the shutdown took effect or they were shift-workers. Overall counsellors felt it was a 'step in the right direction', although it was 'largely ineffective due to the time of day it occurs'.¹¹²

However, we note that the regulatory and gambling environment in NSW differs from the ACT in ways that could influence the impacts of this measure. For example, in NSW the Sydney Star City Casino is exempt from the shutdown; thus Sydney gamblers who want to play EGMs during the shutdown hours can simply visit the casino. 43% of NSW support agencies surveyed by ACNielsen/ACGR thought gamblers would just go elsewhere to gamble during the shutdown.¹¹³ Submissions to the IPART review also indicated that the economic impacts of the shutdown are greater on venues closer to the casino.

Moreover, some NSW clubs have varied their shutdown hours by special application. The impacts found in the ACNielsen/ACGR study therefore may not directly apply in the ACT, where Casino Canberra does not offer EGM gambling and exemptions to the shutdown are not available.

Blaszczynski *et al.* also argued to the IPART inquiry there is 'no empirical data indicating that shutting down gaming machines for three to six hours in low activity times has any impact on problem gambling behaviours'.¹¹⁴ They suggest that shutdowns impact on both recreational and problem gamblers and there is no evidence it impacts differentially on problem gamblers. They submitted:

To be an effective measure in reducing gambling losses by problem gamblers, it must be established that:

- *A significant proportion of problem gamblers are known to play machines during the period covered by the shutdown;*
- *That shutting down machines interrupts persistence in play by problem gamblers;*
- *That an alternative gambling club is not readily available.*¹¹⁵

¹¹⁰ *ibid.*, p.5

¹¹¹ *ibid.*, p.8

¹¹² *ibid.*

¹¹³ *ibid.*

¹¹⁴ Blaszczynski A., L. Sharpe and M. Walker, 2004. *op.cit.*, p.18

¹¹⁵ *ibid.*

They submitted that their clinical data suggests that the majority of 'problem' gambling occurs between 11:00am and 1:00pm, although a number of problem gamblers do persist at gambling for extended periods of time. Some of those gamblers would have their play terminated by mandatory shutdowns at 4:00am.

3.1.2 Impacts on recreational gamblers/non-gamblers

ACNielsen/ACGR interviewed 300 recreational gamblers recruited on-site at EGM clubs (excluding the Star City Casino) and followed up with a telephone interview.¹¹⁶ Of these 300 respondents, 3% said they sometimes played during the hours of the shutdown and 1% said they often played during those hours (4% in total). The main reasons for gambling during those hours were either because they were shift workers, or finished work during/near these hours, or they gambled before going to work.

3.1.3 Impacts on clubs

Using a similar method as this ACT study, ACNielsen and the Australian Centre for Gambling Research (ACGR) investigated the impact of the interim 3-hour shutdown on gaming clubs by conducting interviews with NSW clubs affected by the shutdown.¹¹⁷ ACNielsen/ACGR found that 50% of surveyed NSW clubs closed completely during the gaming machine shutdown period:

- 45% kept some areas or sections of the club open.
- The remaining 5% closed on some days and remained open on others.¹¹⁸
- The majority of NSW club managers interviewed believed that the shutdown did not impact on problem gamblers, rather on shift workers or hospitality workers (67% of clubs).¹¹⁹
- Only 11% of clubs which remained open during the shutdown reported that patrons stayed in the venue after the machines were shut down.

ACNielsen/ACGR also requested information from NSW clubs on the economic impacts of the shutdown, including shutdown and start-up costs. Those industry responses were supplemented by revenue data available from the Department of Gaming and Racing. In summary the results suggested that 'although the shutdown may have had an effect on profit growth in the months immediately following the introduction of the shutdown, profit growth has steadily increased since then'.¹²⁰

IPART, after review of the above research and numerous submissions on the shutdown policy in NSW, found that 'there appears to be evidence to question the effectiveness of the three-hour shutdown in protecting gamblers'.¹²¹ Moreover IPART recommended that the six-hour shutdown measure in NSW should be evaluated and that 'consideration should be given to conducting this research with other jurisdictions that have the six-hour shutdown' (i.e. Queensland, South Australia and the Northern Territory).

¹¹⁶ ACNielsen and ACGR 2003, op.cit., p.12.

¹¹⁷ In the NSW study, ten in-depth interviews were conducted followed by 111 telephone interviews with club managers.

¹¹⁸ *ibid.*, p.15.

¹¹⁹ *ibid.*, p.18

¹²⁰ *ibid.*, p.21

¹²¹ IPART 2004, op. cit., p.95.

3.2 Restrictions on the maximum stake

The issue for harm minimisation with this measure is whether problem gamblers are likely to use larger bet sizes on average than non-problem gamblers. If this is the case then the rate of EGM expenditure per hour by problem gamblers would be expected to be relatively higher, on average.

Whilst governments in the ACT, NSW, Victoria, South Australia and the NT have placed restrictions on the maximum stake for EGMs there is little research on the effects of this policy on problem gambling behaviour. The only known studies are the Blaszczynski *et al.* and CIE studies commissioned by the NSW Gaming Industry Operators' Group (GIO) and a Victorian study by New Focus Research commissioned by the Victorian Gambling Research Panel (GRP).¹²²

The objectives of the Blaszczynski *et al.* and CIE studies were to analyse the impacts of the following modifications to gaming machines proposed by the LAB:¹²³

- reduction of maximum bets on gaming machines to one dollar, replacing the existing limit of \$10;
- slowing of game speeds; and
- reconfiguration of the note acceptors on machines to accept bank notes up to but not exceeding \$20 compared with the facilities on some machines at present which will accept notes up to \$100.

The findings of these studies are at times contradictory and in many respects inconclusive.

3.2.1 Impacts on problem gamblers

The NSW experimental study conducted by Blaszczynski *et al.* examined the impact on gambling patterns arising from a reduction of the maximum bet per EGM game from \$10 to \$1.¹²⁴ That study found evidence that a reduction in the maximum bet size would impact more heavily on problem gamblers than recreational players.¹²⁵

- The study found that gamblers played for less time, made fewer bets and lost less money on EGMs with a \$1 maximum bet. However, this result must be interpreted in the context of a relatively small number of bets greater than \$1 on any machine. Of 497 participants, only 3.5% placed maximum bets of an amount greater than \$1; 2.3% of recreational gamblers and 7.5% of problem gamblers typically bet more than \$1 per game.¹²⁶
- Further, the experiment was conducted in Sydney clubs with all participants using modified and unmodified one cent 'Pirate' machines in the one venue. Others have criticised the methodology for not being in a normal club setting that would be less likely to distort patterns of play.¹²⁷ Blaszczynski *et al.*

¹²² Blaszczynski *et al.*, 2001, op.cit.; Centre for International Economics, 2002, op.cit.; New Focus Research 2004. *Problem Gamblers, Loved Ones and Service Providers*. Commissioned by the Gambling Research Panel.

¹²³ Liquor Administration Board, 2001, op.cit.

¹²⁴ Blaszczynski *et al.*, 2001, op.cit.

¹²⁵ *ibid.*, p.3

¹²⁶ *ibid.*, p.8

¹²⁷ AMC Convergent IT. 2004, op.cit. p.3

concede that their experimental study design meant that players could move on to alternative standard machines if they were not satisfied with the game on the Pirate machines.

- The researchers suggested the impact of changes proposed by the LAB 'may be different for players preferring higher denomination machines'.¹²⁸ They noted 'there is an absence of data on the number of problem gamblers who play the various denomination machines in comparison to one cent machines'. (In this regard, it should be noted that one cent machines are the most common denomination in the ACT, as shown in Table 10 below. One cent machines comprised 78% of all EGMs in the ACT at June 2001 with the proportion increasing to 88% of all EGMs by February 2004.)
- On the basis of their study, Blaszczyński *et al.* found that reducing the size of the maximum bet had a significant effect on gamblers' behaviour. Contrary to expectations that reduction in the maximum bet would prolong play, the study found that reducing the maximum bet to \$1 did not appear to prolong players' gambling sessions overall:

*Players on these machines [modified for \$1 maximum bets] played for less time, made fewer bets, lost less money and drank and smoked less than the players who played machines with a maximum bet of \$10.*¹²⁹

- Blaszczyński *et al.* found that reducing maximum bets would have a greater impact on problem gamblers than recreational gamblers. Even so, they estimated that a \$1 maximum bet would assist only 7.5% of problem gamblers. While they considered that of all the measures they analysed reducing the maximum bet had greatest potential to reduce harm, they concluded that restricting the size of maximum bets to \$1 would have only limited benefit as a harm minimisation measure.
- They found that problem gamblers were less concerned with betting large amounts than extending the time spent playing the machines. Moreover, they suggested that some problem gamblers would switch to other forms of gambling if restrictions on EGM bets were imposed:

Problem gamblers spend more time playing poker machines each week than do recreational gamblers... Given that a large percentage of bets are less than \$1 per game, it is likely that the problems caused by gambling losses result not so much from excessive bet size over shorter periods, but relatively standard bet sizes for longer periods of time in play. The implication is that serious problem gamblers bet in such a way that they stay in play for longer.

*... A player who is willing to play the machines on average for five hours each week is likely to be willing to play for relatively small periods in addition if the money is available. Thus, limiting bets to \$1 may enable some serious problem gamblers to play for a further period of time before their money dissipates. However, if all machines are modified and there is no choice remaining, a small proportion of problem gamblers may elect to substitute other forms of gambling that enable the placement of large bets.*¹³⁰

¹²⁸ *ibid.*, p.12

¹²⁹ Blaszczyński *et al.* 2001, *op. cit.*, p.64.

¹³⁰ *ibid.*, p.76

In support of the Blaszczyński *et al.* study findings, several industry submissions to the IPART review argued that reducing the maximum bet size 'may in fact keep gamblers gaming for longer, risking recruitment of more gamblers into the problem gambler population'.¹³¹

The Auckland University research team commissioned to review the Blaszczyński *et al.* study arrived at a different conclusion, arguing that 'The reduction in maximum bet size shows strong potential as a machine-based modification to minimise harm associated with problem gambling'.¹³² The Auckland University researchers also criticised that Sydney research for:

- inconsistency in defining problem gambling;
- concern about the use of some statistical analysis and interpretation;
- unclear recruitment procedures of gamblers in venues; and
- inadequate information on problem gambling instruments.¹³³

A more recent qualitative study in Victoria sought the views of problem gamblers on the maximum bet issue. In telephone interviews problem gamblers (n=115) and their family and friends (n=50) were asked 'What do you think should be the maximum bet allowed per play?'.¹³⁴ In response the 'overwhelming' majority of problem gamblers (78%) and families/friends (84%) suggested that the maximum bet should be \$1 or less per play.¹³⁵

- 31% of problem gamblers interviewed believed the maximum bet should be less than 50 cents per play;
- Only two problem gamblers and four family/friends suggested the maximum bet should be unlimited. The remainder preferred bets of \$10 or less.

3.2.2 Impacts on recreational gamblers

Research into the effects of a maximum bet on recreational gamblers is similarly rare and the findings contradictory. As previously noted, the Blaszczyński *et al.* experimental study of Sydney gamblers found that reductions in maximum bet size would impact on both problem gamblers and recreational gamblers.¹³⁶ In a later submission to IPART they emphasised that the nature of those impacts would depend on the size of the reduction.

The findings of the Blaszczyński *et al.* study, however, have been criticised because the experimental research was not based on a representative sample of the gambling population as a whole.¹³⁷ The CIE report prepared for the NSW gaming industry also suggests that to differentiate the impact on problem and recreational gamblers of policies introduced to restrict maximum bets it would be necessary to estimate how each group of players modified their behaviour in response to any reduction: that is, whether they

- spent more time gaming; and/or

¹³¹ AMC Convergent IT, op.cit. p.3.

¹³² *ibid.*, p.34.

¹³³ Tse., S. *et al.*, op cit. p.6

¹³⁴ New Focus Research. 2004, op.cit. p.43.

¹³⁵ *ibid.*

¹³⁶ Blaszczyński *et al.* 2001, op. cit.

¹³⁷ AMC Convergent IT. 2004, op.cit. p.11.

- increased their rate of play.¹³⁸

While we note the benefits of improved methodologies, this study did not have the time or resources to attempt such research.

3.2.3 Impacts on clubs

The Centre for International Economics (CIE) was commissioned by the GIO group primarily to analyse the economic impacts of modifications to gaming machines proposed by the LAB, including restriction on maximum bets. The study also examined the possible implications for the state in terms of government revenues and possible employment impacts. Research involved analysis of estimates of current play as well as surveys of EGM gamblers.¹³⁹

CIE's report argued that a reduction in the maximum bet size has the potential to have a significant impact on revenue, as 'the larger the maximum bet size, the larger the expected loss on an EGM, other factors held constant'.¹⁴⁰ Using an average game speed of 5.5 seconds in its calculations, CIE concluded the reduction in the maximum bet 'would put ... 17% of club machine revenue at risk, on average. The risk is generated by the relatively large contribution to revenues from 'high intensity play' where (a possibly small number of) players stake more than \$1 per game'.¹⁴¹

In support of this view, Blaszczynski *et al.*'s submission to IPART argued that a reduction in the maximum bet from \$10 to \$1 is likely to result in 'major revenue loss'.¹⁴² This assessment contradicted their earlier study findings reported to the GIO that the 'impact on revenue is likely to be small'.¹⁴³

Both the CIE and Blaszczynski *et al.* studies suggested that a reduction in maximum bets could have contradictory impacts, affected by the size of the reduction.

*The greater the reduction in maximum bet size, the greater will be the reduction in harm from excessive involvement. However, major reduction in maximum size would also impact on recreational gamblers and is likely to cause major revenue loss. By contrast, minor reductions in maximum bet size are likely to be accommodated by problem gamblers without reduction in harm.*¹⁴⁴

The independent review by Auckland University researchers concluded that it is not possible using the CIE methodology to estimate how much revenue will actually be lost.¹⁴⁵ This would require a methodology whereby:

- remote and distant locations (comparable in terms of the socio-economic status and ethnic profile) were utilised for experimental and control groups so that players exposed to an experimental club could not choose to play at a control club;

¹³⁸ Centre for International Economics, 2001, op. cit.

¹³⁹ *ibid.*, p.xi

¹⁴⁰ Blaszczynski *et al.* 2003, op.cit., p.32.

¹⁴¹ *ibid.*, p.x.

¹⁴² Blaszczynski *et al.* 2003, op.cit., p.4

¹⁴³ Blaszczynski *et al.* 2001, op. cit, p.11

¹⁴⁴ *ibid.*, p.4

¹⁴⁵ *ibid.*, p.26

- all clubs in a specified location had modified machines introduced; and
- revenues for each club are compared with a control.

On balance, after review of the above research and submissions, IPART concluded that 'the evidence regarding reducing the maximum bet from \$10 to \$1 suggests that it would promote responsibility in gambling. However the estimated economic effects on hotels and clubs from such a reduction are disputed'.¹⁴⁶

IPART therefore recommended that any reduction should not be introduced without sufficient evidence regarding the optimal maximum bet level, related impacts of potential levels on recreational gamblers and the economics of the industry, and 'unintended consequences'.¹⁴⁷ IPART recommended that research to determine the optimal size for maximum bets on EGMs should be commissioned at a national level through the Ministerial Council for Gambling.¹⁴⁸

3.3 Restrictions on cash payment of winnings

As outlined in Table 4 above, restrictions on cash payment of winnings are 'liquidity controls' aimed at controlling gamblers' impulsive expenditure on gambling.¹⁴⁹ There is strong evidence in the literature that problem gamblers chase their losses, for example by raising the amount they bet and by persisting at betting after a sequence of losses or a large win. Payment of winnings by cheque or electronic transfer is thus designed to allow for a 'cooling off' period after large wins.¹⁵⁰

We were unable to locate research that has specifically assessed the impact of this harm minimisation measure on problem gamblers, recreational gamblers or clubs. However the Productivity Commission's 1999 national survey found that problem gamblers reported having larger wins than recreational gamblers and were more likely to continue gambling with their winnings, thus accruing large losses.¹⁵¹

A number of submissions to the 2003-4 IPART review also commented on the impact of NSW policies for payment of winnings over \$1,000, a policy similar to that in the ACT.¹⁵² For example The Leagues Clubs' Association of NSW submission argued that 'at the very least, the limit should be increased to \$3,000 or abandoned altogether'.¹⁵³ They submitted 'there is evidence to suggest that the existing arbitrary \$1,000 exacerbates the plight of problem gamblers who tend to want to cash their cheques promptly, sometimes at a substantial discount at the hands of unscrupulous loan sharks'.¹⁵⁴

¹⁴⁶ IPART 2004, op. cit., p.88.

¹⁴⁷ *ibid.*, p.92.

¹⁴⁸ *ibid.*, p.165.

¹⁴⁹ IPART 2003. *Review into Gambling Harm Minimisation Measures, Issues Paper*, p.6

¹⁵⁰ Tse. S. *et al.* 2003, op.cit. p.16.

¹⁵¹ Productivity Commission 1999, op. cit., pp.16.84-86.

¹⁵² IPART, 2003, op.cit.

¹⁵³ The Leagues Clubs' Association of NSW, *Letter to IPART*, 10 November 2003, p.3

¹⁵⁴ *ibid.*

In contrast, others argued for a reduction in the prescribed threshold. The Wesley Community Legal Service considered that the measure has 'helped many gamblers keep their wins rather than simply going back and losing it all'.¹⁵⁵

While recognising practical problems implementing the strategy, the IPART review of evidence from NSW concluded that 'there is sufficient basis on which to recommend that the existing requirements to pay large amounts by non-cash means be maintained' as a harm minimisation measure.¹⁵⁶

In summary, following our review of the above research, additional research questions were developed which expanded on this project's Terms of Reference. Further research questions also emerged during interviews with club managers and recreational gamblers conducted as part of this *Policy Review*.

¹⁵⁵ The Wesley Community Legal Service, *Letter to IPART*, thirteen November 2003.

¹⁵⁶ IPART 2004, *op. cit.*, pp.70, 164.

4 Research Methodology

4.1 Ethics approval

This research is committed to the highest standards of ethical research conduct. The project proposal was reviewed by the Human Research Ethics Committee of the ANU which must comply with the joint National Health and Medical Research Council/Australian Vice-Chancellor's Committee Guidelines on Research Practice (1997).

All survey materials (i.e. questionnaire, interview questions) and relevant documents were submitted to the ANU Human Research Ethics Committee. The Committee considers the ethical implications of proposals for all research projects involving or impacting on human subjects to determine whether or not the proposals are acceptable on ethical grounds and conform to the National Health and Medical Research Council's National Statement on Ethical Conduct in Research Involving Humans (1999). The ethics approval for this project was obtained on the 17th March 2004.

During research the following measures were taken to protect the identity of participants:

- No personal identifying information has been reported;
- All participants were allocated a code by the research team to protect their identities;
- No participants have been directly identified. Respondents are referred to as 'interviewee' or 'key participant' or given pseudonyms;
- No gaming clubs are named; they are referred to in generic terms; and
- Interviewees were informed that participation in this research was voluntary and they were free to withdraw at any time throughout the duration of the research.

4.2 Consultation with stakeholders

A Community Advisory Group (CAG) was established to advise the research team in designing and conducting the research. The first meeting of the CAG was held at ANU on the 18th December 2003. Members of the CAG have provided assistance in all research projects being conducted through the Centre for Gambling Research at the ANU.

To address the research questions, the support and collaboration of CAG members was crucial to recruitment of participants (e.g. club managers, recreational and problem gamblers) and to obtain access to relevant data. For example, the project budget did not allow for a large random survey of recreational gamblers. As in the ACNielsen/ACGR study of the NSW shutdown, we obtained the cooperation of ClubsACT and club managers to directly recruit a small sample of recreational gamblers for telephone interviews.

Unlike the NSW shutdown study, however, counselling agencies in the ACT were unable to recruit problem gamblers for participation in the study. That objective was achieved through the sample of recreational gamblers.

Membership of the CAG and a list of other stakeholders consulted for the Policy Review are provided at Appendix A.

4.3 Centre for Gambling Research *Code of Practice*

The research is also conducted within the guiding framework of the ANU Centre for Gambling Research *Code of Practice*. This Code applies to all research conducted by the Centre and ensures that issues of integrity and confidentiality guide the research practices of all staff involved with the project.

4.4 Primary data collection

A combination of research methods was used taking into account the sensitivity and availability of relevant data, the cost of data collection and the research time available. Using multiple methods and data triangulation, research was undertaken to assess the three measures separately and in combination.

Methods chosen for primary data collection were informed by the literature review and desk research with a particular focus on Australian jurisdictions (Table 6). They included:

- Desk top analysis of administrative data from the ACT Gambling and Racing Commission on monthly EGM turnover and the number, denomination and type of EGMs;
- In-depth interviews with a small sample of self-identified problem gamblers and family members ($n=16$);
- Telephone interviews with a small sample of recreational gamblers ($n=45$);
- Telephone interviews with all contactable ACT club managers ($n=60$);¹⁵⁷ and
- Interviews with relevant community support and other organisations.

Table 6: Research methods used in this study.

Groups of interest	Literature review and desk top analysis	Analysis of available data	Telephone interviews	Face to face interviews
<i>ACT Gambling and Racing Commission</i>	✓	✓	✓	✓
<i>Problem gamblers, family and friends</i>	✓			✓
<i>Club patrons</i>	✓		✓	
<i>Club managers</i>	✓	✓	✓	
<i>Gambling and other support agencies</i>	✓			✓
<i>Industry representatives</i>	✓	✓		✓

For the purpose of this study, the ACT Gambling and Racing Commission provided a register of all licensed gaming venues in the ACT. On advice from the Commission

¹⁵⁷ Two clubs could not be contacted throughout the period of research.

the seven ACT licensed hotels and one club which was in the hands of the receiver were deemed outside of the scope of this research. A list of the remaining club licensees is included at Appendix E.

Also on advice from the ACT Gambling and Racing Commission three licensed clubs were excluded from the study for the following reasons:

- One club was temporarily closed for refurbishment;
- One club was in the process of amalgamating with another club;¹⁵⁸ and
- One club was not operational during the research period.

The remaining 61 licensed clubs covering all regions in the ACT formed the sample frame for the study. Table 7 below profiles the clubs. The size categories are based on data provided by the ACT Gambling and Racing Commission at March 2004. The number of EGMs in each venue has been used as a proxy measure for club size.

Table 7: Profile of ACT clubs, 2004.

Club Profile		Venues	
		(n)	%
Size (number of EGMs)	Small clubs (3-40 EGMs)	30	49
	Medium clubs (41-100 EGMs)	13	21
	Medium-large clubs (101- 155 EGMs)	10	16
	Large clubs (>155 EGMs)	8	13
	Total	61	100
Location	North Canberra	15	25
	South Canberra	14	23
	Woden	8	13
	Weston	2	3
	Tuggeranong	8	13
	Belconnen	12	20
	Gungahlin	2	3
	Total	61	100
Type of club	Other sports club	19	31
	Football	16	26
	Cultural club	11	18
	Workers club	2	3
	Services club	2	3
	Community club	5	8
	Other	6	10
	Total	61	100

Source: ACT Gambling and Racing Commission, Private correspondence, March 2004.

Thirteen ACT licensed clubs have been affected by the ACT shutdown policy implemented in September 2001. These thirteen clubs are referred to herein as the 'shutdown clubs'. Of the thirteen shutdown clubs:

- Three are medium size clubs with 41-100 EGMs;
- Five are medium-large clubs with 101-155 EGMs; and
- Five are in the group of largest clubs with more than 155 EGMs.

¹⁵⁸ Hence one manager was interviewed on behalf of these two clubs.

4.4.1 Analysis of official data

Desk top analysis of administrative data from the ACT Gambling and Racing Commission on monthly EGM turnover and the number, denomination and type of EGMs was conducted to investigate whether gambling turnover data shows any direct or indirect effect of the introduction of the 3-hour shutdown, the restriction on the maximum bet or the restriction on the cash payment of winnings. Research questions included:

- Have there been any changes to revenue (e.g. average monthly turnover) as a result of the measures?
- Have clubs been affected differently depending on their size, location or other characteristics?
- To what extent can any changes in revenue be directly attributed to the measure? That is, can impacts of the measure be differentiated from the effects of other factors and externalities?

In addition, relevant agencies in the ACT (e.g. the Australian Federal Police, unions) were contacted for relevant information on patterns of crime and social disorder, impacts on shift workers and general community issues. These agencies were specifically asked if they had data which might indicate the effects of the three harm minimisation measures, or if they had an opinion on the impacts of these policies. The agencies contacted were unable to provide specific data on the impacts of the measures but contributed general information that would assist the research.

Data limitations

Analysis of official ACT Gambling and Racing Commission administrative data was relatively cost-effective but limitations included:

- Confidentiality requirements necessitated aggregation of unit record turnover data;
- As the ACT does not have a centralised monitoring system (CMS), clubs self-report EGM data to the Commission;
- Some data were not available or comparable (e.g. data prior to the introduction of the maximum bet in 1993);
- Non-availability of individual venue data for some group clubs that combine EGM and other data; and
- Lack of detailed information on club patronage and gambling patterns, e.g. to identify EGM turnover across the 24-hour period, or to identify EGM play by shift-workers.

Importantly, this study has not had access to data on other possible external factors that would affect EGM turnover – such as improvements in EGM technology, game and machine features, club marketing programs. Thus we have been unable to differentiate the impacts of the measures from the effects of other factors and externalities with any confidence.

4.4.2 Interviews with club managers

All managers of ACT clubs selected for this study were interviewed by telephone to obtain qualitative and quantitative information on the following questions:

- Have there been any changes to club business and trading hours as a result of the measures?

- To what extent can any changes in gambling revenue, employment levels and trading hours be directly attributed to the measure? That is, how can the impacts of the measures be differentiated from the effects of other factors and externalities?
- What have been the effects of the measures on their patrons – non-gamblers, recreational and problem gamblers?
- Have gamblers adjusted their gambling patterns to accommodate the measures under review? – eg changes to club operating hours; trends in the maximum stake by club patrons; reduction in the real value of the \$10 maximum bet over time.
- Has there been any change to gambling-related incidents (e.g. social disorder, crime) in the ACT community associated with the 3-hour shutdown in particular?
- Have clubs been affected differently depending on their location or characteristics? (e.g. the size of the club; the type of facilities offered; their operating hours before the shutdown; the type of clientele they attract such as shift workers).

A semi-structured telephone questionnaire was developed based on the ACNielsen/ACGR survey of NSW club managers.¹⁵⁹ That survey was modified to also include questions on the maximum bet and restrictions on cash payment of winnings. A small pilot test of the questionnaire was administered and improvements made to the questions and survey length. A copy of the final questionnaire is at Appendix F.

During the interviews, information was obtained in three ways:

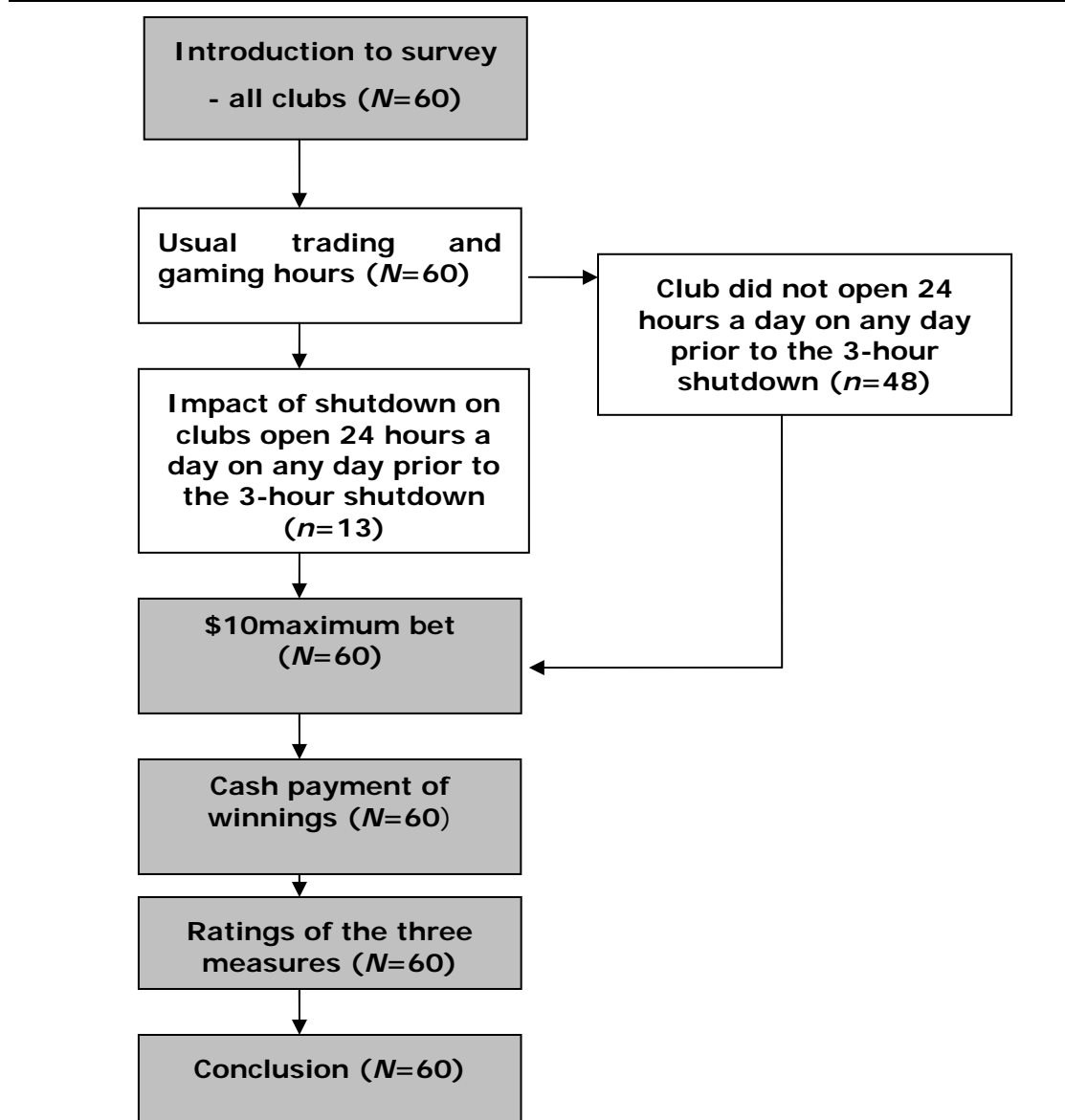
- by asking open-ended questions so that club managers could offer unprompted responses;
- by asking structured questions on a number of specific issues (ie questions which prompted managers on key issues); and
- by specifically asking club managers for follow-up comments on the three measures and their effects.

A flow chart showing the pathways through the interviews is provided at Figure 4.

- Prior to commencing the survey, ClubsACT emailed members advising them of the research and seeking their cooperation. Clubs which are not members of ClubsACT were 'cold-called'.
- Calls commenced on Monday 31st May 2004 and were completed on Thursday 24th June 2004.
- Managers of sixty clubs were interviewed; one club was unable to be contacted throughout the period of research. This is a small club with relatively few EGMs and irregular opening hours. Several unsuccessful attempts were made to access this venue.
- All managers who were contacted cooperated with the interview. Approximately 40% were unable to be interviewed at the time of initial contact but were subsequently interviewed at another convenient time.
- Interviews were interrupted at some of the smaller clubs while managers responded to operational requirements.

¹⁵⁹ ACNielsen and ACGR 2003, op.cit.

Figure 4: Club manager interviews - flow chart



Data limitations

The majority of managers were unable to provide specific information or quantitative data relating to the direction or magnitude of any change on revenue, costs or the number of patrons.

- Many managers were unable to recall specific financial details or provide patronage figures. Most managers indicated they were responding to our questions without their financial or other records at hand.
- Several managers said they were not working in the industry or that venue when the maximum bet and shutdown measures were introduced. However all managers interviewed had been working in the ACT club industry when the restrictions on cash payment of winnings were implemented.
- Data obtained during interviews are self-reported with no external data source available for cross-checking.

- Moreover, information and opinions provided by club managers during the telephone interview may have been influenced by perceptions of potential consequences of this study. In light of this, caution should be used when considering their responses to policies such as the 3-hour shutdown and payment of winnings.

Nevertheless, the qualitative data and opinions obtained from the interviews present a valued perspective on the effects of the three harm minimisation measures under study. ACT club managers have provided accounts on how the three measures have been implemented and their impacts on a venue-specific basis. This information offers another layer of understanding to this topic which could not be provided through the other research techniques.

4.4.3 Interviews with club patrons

Telephone interviews were conducted with a small sample of recreational EGM gamblers ($n = 45$). The objective was to obtain information from club patrons on the impacts of the three measures, for example:

- Whether each of the three measures has had particular impacts on different socio-demographic or other groups (shift workers, hospitality workers);
- The consequences of the measures on recreational gamblers and problem gamblers; and
- Whether gamblers have modified their EGM play to compensate for the maximum stake, the 3-hour shutdown or the payment of winning policy.

To obtain the views of EGM gamblers, a semi-structure questionnaire was developed based on the ACNielsen/ACGR survey of NSW gamblers on the 3-hour shutdown in that state.¹⁶⁰ That survey was modified to include questions on the maximum bet and the cash payment restrictions, informed by our interviews with club managers. A small pilot test of the questionnaire was administered and improvements made to the questions and survey length. A copy of the final questionnaire is at Appendix G.

The target population for this stage of research was EGM gamblers in ACT licensed clubs. Eight clubs were sampled by using a simple random method to provide geographic balance, a cross-section of club sizes and at least one club which was not a member of ClubsACT (Table 8).

The patron recruitment method evolved during the conduct of the research. Initially the preferred method was to approach club patrons directly in venues and request their participation in a subsequent telephone survey, as was done for the ACNielsen/ACGR research in NSW.¹⁶¹ Given the relatively tight timeframe of the research, however, a variation on the ACNielsen/ACGR method was considered which would involve selecting a 1% sample from each venue's list of regular club patrons. But preliminary discussions with one club raised concerns about the venue's obligations to protect patrons' identity under privacy legislation. After discussion with ClubsACT and the venue concerned, the researchers reverted to the original proposal.

¹⁶⁰ ACNielsen/ACGR 2003, op.cit.

¹⁶¹ *ibid.*

Managers of the eight sample clubs were approached by email to request their assistance to recruit patrons on site. The email included an electronic copy of the Letter of Introduction/Information for Club Patrons (Appendix D) and was followed up by phone to clarify concerns and obtain their agreement to participate. Club managers had also acquired understanding of the research through their prior participation in interviews.

Several club managers at first were reluctant to participate in this aspect of the study, but in the majority of cases agreement was reached when they were reassured of ClubsACT support for the project. When a club manager declined to participate, that club was replaced by another club from the same geographic area of a similar size in terms of the number of EGMs.

Table 8: Location of clubs sampled to recruit patrons.

Club location	(n)
North Canberra	1
South Canberra	2
Woden/Weston	2
Belconnen	2
Tuggeranong	1
Total	8

Club managers were advised in advance when the researcher would be visiting their venue and were asked to notify the Duty Manager on duty that day. Research visits were scheduled between Friday 18th June and Thursday 24th June 2004. One visit was made to each club with the exception of the smallest venue, where two visits occurred two hours apart. Visits were made at different times of the day and on different days of the week.

On arrival at each participating club the researcher explained the purpose of the patron interviews to the Duty Manager. Duty Managers were informed that the study sought to interview EGM gamblers representing a broad cross-section of people of all ages and backgrounds. They were asked to invite patrons to participate in the study and introduce them for interview at a time convenient to themselves and the patron (e.g. during a break in play). As far as possible the number of patrons recruited from each of the sample clubs was in proportion to the venue category (by number of EGMs).

Recruitment visits to each club lasted between 20-25 minutes and resulted in an average of 5.5 patrons from each of the eight sample clubs agreeing to be interviewed. A flow chart showing the pathways through the patron interview is provided at Figure 5.

- Approximately two-thirds of the introductions were initiated and made by the Duty Manager. The remainder were made at the suggestion of the researcher.
- If patrons were willing to hear about the project they were provided with a Letter of Invitation/Information (Appendix D).
- Patrons were informed that only a first name and phone number were required and that they could nominate the time that suited them for a telephone interview. Those who agreed to be interviewed were asked to provide their name, phone number and an indication of the 'best time to call'.

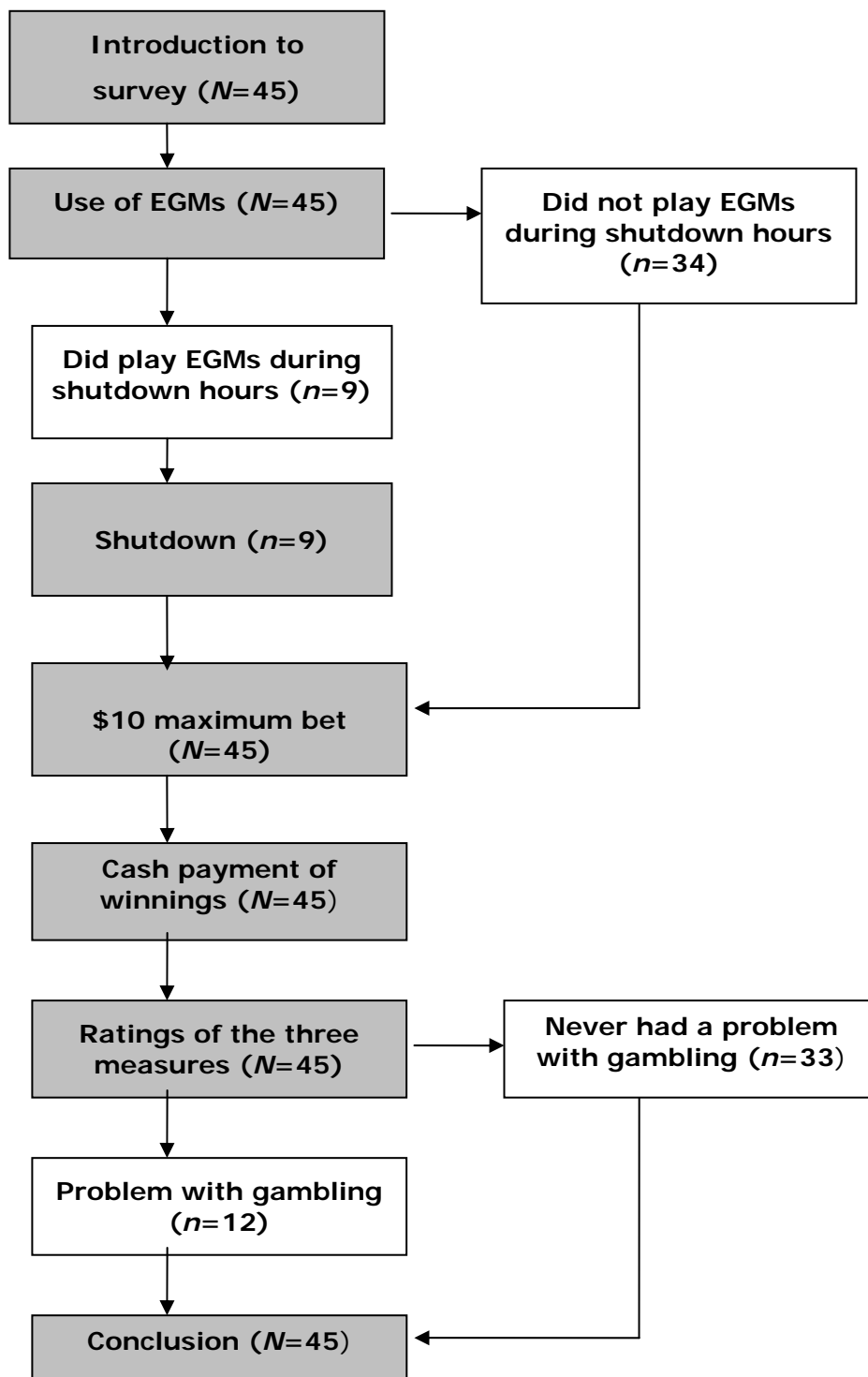
- Patrons were invited to nominate a convenient time for interview between 10am and 9pm, from 25th June through to 29th June 2004. The most popular times selected were weekdays. Most respondents who were employed provided work numbers or mobile phone numbers; 15 of the 51 patrons who agreed to participate provided mobile numbers.

Telephone interviews were preferred to face-to-face interviews as this method:

- allowed more flexibility in time and place of interview for respondents;
- allowed privacy compared to interviews at clubs or in focus groups;
- provided more anonymity for respondents;
- reduced the influence of others on answers;
- allowed probing by a skilled interviewer;
- allowed interviewers to encourage response by rephrasing and clarifying;
- allowed for quick and inexpensive call-backs if people are not answering; and
- provided timely results.

Telephone interviews were conducted in the week from 25 June 2004 to 30 June 2004. First contacts were made at the time and date nominated by the patron during the recruitment to the sample. If contact was not made at that attempt, up to four subsequent attempts were made to contact them. Forty-five interviews were completed from a sample frame of 51. This represents a response rate of 88%.

Figure 5: Club patron interviews - flow chart



Characteristics of the sample

Table 9 below provides a profile of the 45 club patrons who subsequently completed an interview. The recruiting method and small sample size do not allow meaningful analysis of sub-groups, however.

Table 9: Profile of club patrons interviewed

Estimated age*	(n)	%
18 - 30 years	9	20
31 - 40 years	12	27
41 - 50 years	10	22
51 - 60 years	7	16
61 - 70 years	6	13
71 - 80 years	0	0
over 80 years	1	2
Total	45	100
Sex		
Male	28	62
Female	17	38
Total	45	100

* Age estimated by researcher during recruitment to sample

Data limitations

The sample for the interviews with club patrons is small in proportion to the ACT adult population; thus caution must be exercised when interpreting the results. Moreover the sampling methodology whereby Duty Managers introduced patrons for possible interview could have biased the sample in favour of gamblers who frequent the clubs more often than average.

Note also that a clinical problem gambling screen (e.g. SOGS, CPGI) was not used in this patron survey. Rather, respondents were asked to self-identify if they had experienced a gambling problem. This method was used for comparison with the ACNielsen/ACGR shutdown study in NSW; it has also been used effectively in a number of other gambling studies. However, the findings are not comparable with problem gambling prevalence studies such as the ACT 2001 gambling survey.

Respondents who said they had a problem and were trying to do something about it were given the telephone number for Lifeline-Gambling Care.

4.4.4 Interviews with problem gamblers, families and friends

In addition to interviews with gamblers recruited in clubs, face-to-face interviews were conducted with another group of self-identified 'problem gamblers', families and friends to gain their perspective on whether each of the measures has helped minimise the harm from problem gambling.

Respondents were recruited as part of a related research project being conducted through the Centre for Gambling Research.¹⁶² Self-identified 'problem gamblers', family members and friends of problem gamblers were recruited using the following means:

- Newspaper advertisements were printed in the *Canberra Times* inviting people experiencing gambling problems, or their friends and family to participate in the research.
- A notice was put in the *Fridge Door* section of the *Canberra Times* inviting participation.
- Posters and Information Sheets were distributed to gambling counselling agencies and community organisations who were asked to display the posters to facilitate recruitment.
- Radio advertisements were placed with the Mix106.3 community switchboard. Information about the project was read out on air with further details available on the Centre for Gambling Research webpage.

All participants in the interviews were self-referrals. Sixteen participants were interviewed consisting of four self-identified female problem gamblers, five self-identified male problem gamblers, and seven family members of a person with a gambling problem (five female and one male). Interviews were conducted at the Centre for Gambling Research and were approximately 1½ hours in duration. At least two members of the research staff were present during interviews.

Interviewees were asked to comment upon the harm minimisation measures and asked whether these measures had any impact on them personally. Participants were also asked if they had adopted compensatory measures, for example by modifying their betting patterns in response to the maximum bet, or gambling at different times or increasing their play-rate prior to the shut-down. In addition, some volunteered refinements to the measures which they considered would have a positive impact upon problem gambling.

Prior to face-to-face interview, interviewees were required to sign a consent form and were provided with a document detailing the research for their own records. Each interview lasted approximately 1½ hours and was conducted at the Centre for Gambling Research at the Australian National University.

As with the patron survey, the sample size for the face-to-face interviews with problem gamblers, friends and families is relatively small. However, the quality of information provided by those people interviewed is superior to any information that may have been provided by an alternative method. In-depth interviews have particular advantages when seeking qualitative data in terms of:

- establishing rapport and confidentiality;
- obtaining sensitive, quality data;
- handling complex sequencing; and
- exploring issues that require extensive probing.

¹⁶² J. McMillen *et al.* 2004. *Help-seeking by Problem Gamblers, Friends and Families: A Focus on Gender and Cultural Groups*. ANU Centre for Gambling Research. Interviews for that project also canvassed issues relevant to this review and relevant responses have been included in this report.

4.4.5 Interviews with other ACT stakeholders

Face-to-face and telephone interviews with key individuals and community organisations were also conducted. The individuals contacted for interview are well placed to provide an understanding on how policies relating to harm minimisation in ACT gaming venues have impacted upon the ACT community. Information from these interviews complemented the data obtained via the surveys of club managers and patrons and other interviews.

Interviews were designed to investigate issues which had arisen during other stages of the research and were conducted with representatives of the following:

- Industry groups, e.g. ClubsACT, Casino Canberra, the Australian Hotels Association;
- Lifeline - ClubCare and Gambling Care (a non-profit gambling support counselling provider based in the ACT);
- BetSafe (a private gambling support counselling provider which has been contracted by one group of ACT clubs);
- Analysts with relevant expertise, including Ralph Lattimore (Productivity Commission), Professor Alex Blaszczynski (University of Sydney)¹⁶³ and Ian McAuley (University of Canberra).

Interviews were informal and consisted of open-ended questions and discussion points around which the dialogue developed. Interviewees were afforded opportunities to voice issues they perceived as relevant to the research and were probed for evidence of any relationship between the three harm minimisation measures under study and changes in gambling behaviour, club revenue and management practices, or more general community impacts.

¹⁶³ The interview with Professor Blaszczynski was conducted by telephone.

5 Research Findings: ACT Clubs

5.1 The changing structure and characteristics of ACT clubs

The ACT Gambling and Racing Commission advised the following club EGM data were available for the period July 2000 to February 2004:

- number of EGMs
- denomination of EGMs
- monthly turnover (TO)
- monthly net theoretical revenue (NTR)

An examination of the numbers, denomination and type of machines (multi-play, multi-line and combination) was conducted using data provided by the ACT Gambling and Racing Commission for July 2000 to February 2004.

We were advised by the Commission that the structure and operations of ACT clubs had undergone several changes during the reference period July 2000 to February 2004. For example, there were a number of club closures:

- Four clubs with 1-40 EGMs had closed, including three cultural clubs;
- Two clubs with 41-100 EGMs had closed; and
- A third club was closed temporarily for redevelopment.

In addition there were a number of club licence transfers during that period. Three small clubs transferred their licenses to larger club groups and a fourth closed and reopened with different licensees.

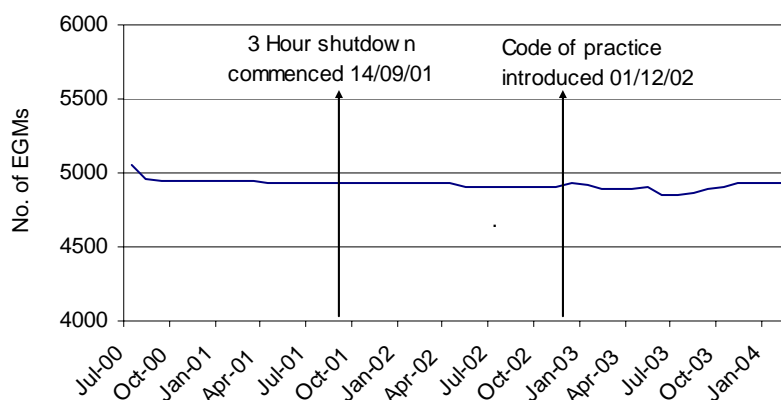
For the purposes of this study, clubs were categorised as 'clubs trading for 24 hours' if they had traded for 24 hours a day on one or more days of the week in the period leading up to the 3-hour shutdown on 14th September 2001. This information was obtained from club managers during telephone interviews. No clubs with less than 101 EGMs were trading 24 hours prior to the 3-hour shutdown.

Figure 6 shows that there has been a slight decline in the total number of EGMs in ACT clubs during the reference period. Overall, there were 4,921 EGMs licensed to clubs in July 2001 and 4,936 EGMs in February 2004 (Table 10). In the intervening period there was a slight fall in EGM numbers as some smaller clubs closed.

While there has been little variation in the total number of EGMs in ACT licensed clubs in the 2001-2004 period, there has been a slight shift in the number of EGMs located in small-medium clubs (up to 100 EGMs) towards larger clubs with more than 101 gaming machines.¹⁶⁴ There has also been a considerable shift towards one cent denomination combination machines (multi-line, multi-play machines).

¹⁶⁴ A 'cap' of 5,200 gaming machines has applied in the ACT since 2000. However that total has not been reached at any stage.

Figure 6: Total number of EGMs in ACT clubs, July 2000 to February 2004



Source: ACT Gambling and Racing Commission, private correspondence, March 2004 (unpublished data). All ACT clubs trading during the period June 2000 to February 2004.

Types of EGMs

Whilst the total number of EGMs in the ACT has been relatively constant in recent years there has been a change in the denomination and functionality of gaming machines (Table 10). The shift has been to combination machines capable of both multi-play and multi-line betting, replacing older machines offering relatively simple games.

There has also been a growth in low denomination machines. At 30 June 2003 there were 3,985 combination one cent machines, representing 81% of all EGMs licensed to ACT clubs. By February 2004 this had increased to 4,429 one cent machines, representing 88% of all EGMs in the Territory. The number of one dollar machines has also increased, although these machines comprise a minority share of the market.

Table 10: Denomination of EGMs by stake type and number, July 2001 to February 2004. All ACT clubs.

Denomination	Stake Type	July 2001	July 2002	July 2003	February 2004
		no.	no.	no.	no.
0.1 cent	MX	9	77	55	46
1 cent	ML	1	1	0	0
	MP	0	3	3	1
	MX	3 985	4 180	4 265	4 428
2 cents	MX	419	210	95	58
5 cents	ML	2	1	0	0
	MP	1	1	1	0
	MX	208	125	91	93
10 cents	ML	2	2	1	0
	MP	7	6	0	0
	MX	7	6	4	1
20 cents	MP	4	4	2	0
	MX	3	1	1	1
50 cents	MX	1	0	0	6
\$1.00	MP	19	12	0	0
	MX	246	260	316	301
\$2.00	MP	3	3	3	1
	MX	4	2	0	0
Total		4 921	4 894	4 837	4 936

ML = Multi-line; MP = Multi-play; MX = Combination.

Increases are highlighted.

Source: ACT Gambling and Racing Commission, April 2004 (unpublished data) (N=62 clubs).

5.2 EGM turnover trends

Based on advice from the ACT Gambling and Racing Commission monthly turnover data were considered to be more suitable than NTR data to measure the impact of the three harm minimisation measures on clubs, as turnover is the best indicator of machine usage.¹⁶⁵ EGM turnover data were included for all venues trading at any time during the period under study (July 2000 to February 2004).

Turnover data were grouped into the following eight categories for ease of analysis and for reasons of confidentiality:

- ACT clubs by number of EGMs:
 - clubs with 3-40 EGMs (small clubs)
 - clubs with 41-100 EGMs (medium clubs)
 - clubs with 101-155 EGMs (medium-large clubs)
 - clubs with more than 155 EGMs (large clubs)
 - all clubs with EGMs.

¹⁶⁵ Per capita expenditure was not analysed as the population of the ACT has varied very little within the study timeframe; and comparison with other jurisdictions is not relevant to the objectives of this study.

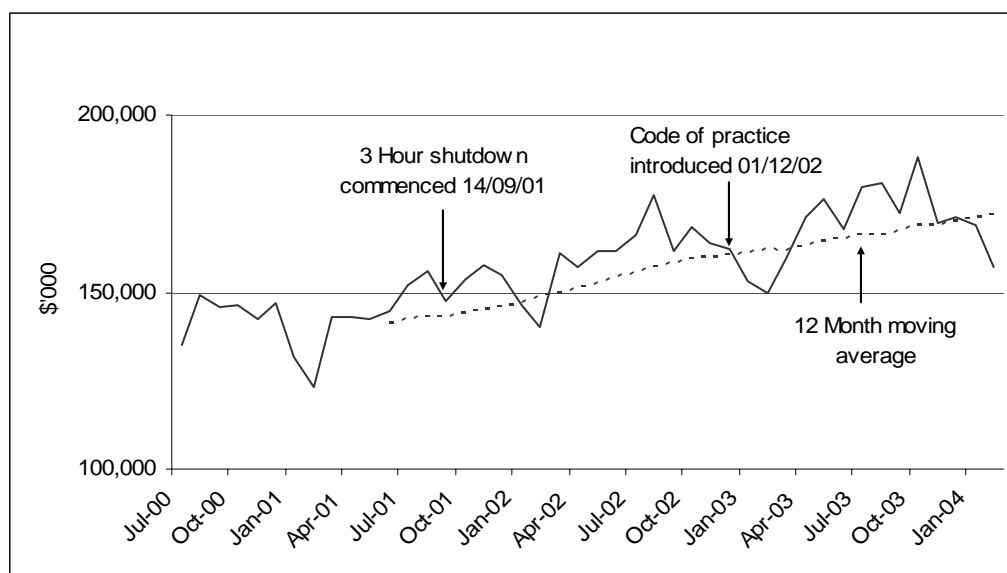
- Shutdown clubs (clubs trading for 24 hours on any day prior to the 3-hour shutdown in September 2001):
 - clubs trading for 24 hours with 41-155 EGMs (small to medium-large clubs)
 - clubs trading for 24 hours with more than 155 EGMs (large clubs)
 - all clubs trading for 24 hours prior to September 2001.

Of the thirteen ACT clubs trading for 24 hours a day in the period leading up to the 3-hour shutdown, two clubs (one with 101-155 gaming machines, and one with more than 155 machines) had traded 24 hours on Friday and Saturday only.

Analysis of nominal (actual) gambling turnover data was conducted for these eight club categories. We also conducted a similar analysis of real club gambling turnover for the same period.¹⁶⁶ As the findings for real gambling turnover trends were similar to the nominal turnover analysis, we have not included a discussion of real club gambling turnover in this report.

The following graph (Figure 7) presents analysis of nominal EGM turnover for all ACT clubs who traded during the period July 2000 to February 2004. This is followed by a series of graphs (Figures 8-11) showing turnover grouped by the size of clubs. The graphs include a 12-month moving average which is a simplified measure of the trend to reduce some of the variation due to seasonal factors and other irregular influences, such as the different numbers of days per month and the different numbers of trading days falling on weekends.

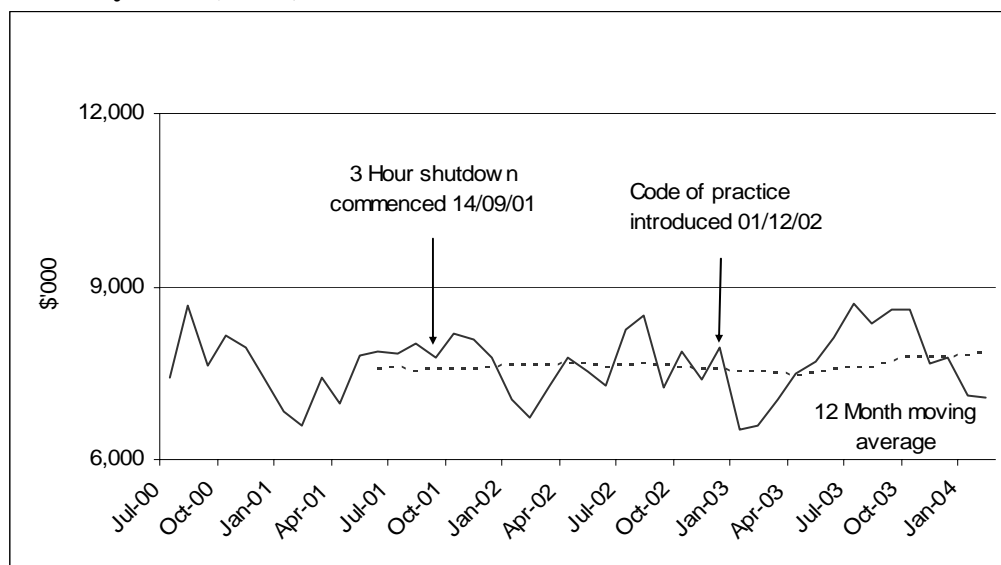
Figure 7: Nominal monthly EGM turnover, all ACT clubs - July 2000 to February 2004 (\$'000)



Source: ACT Gambling and Racing Commission, private correspondence, March 2004 (unpublished data). All clubs trading during the period June 2000 to February 2004.

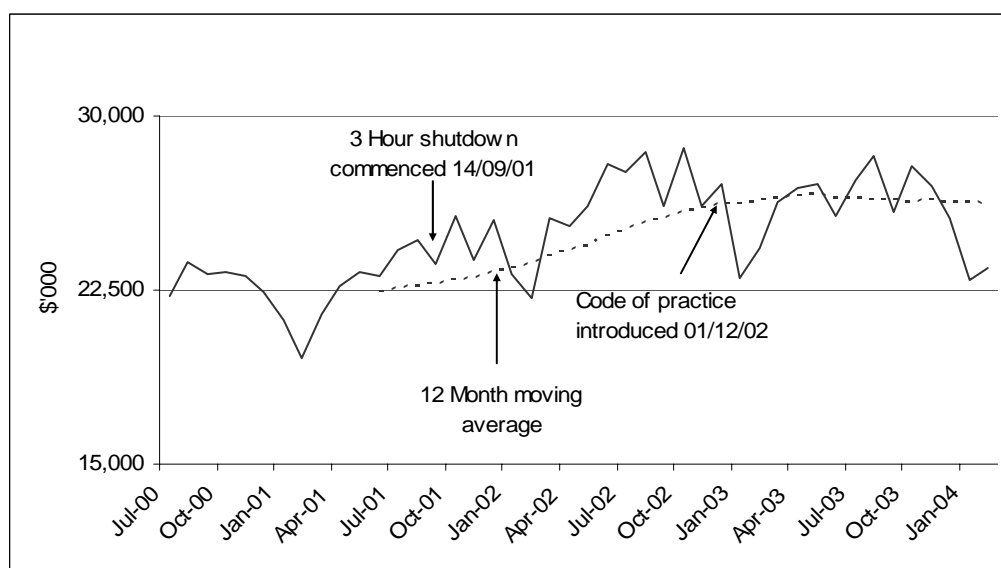
¹⁶⁶ Nominal EGM turnover data have not been adjusted for inflation; real turnover data were adjusted for inflation using the CPI average for all capital cities.

Figure 8: Nominal monthly EGM turnover, small ACT clubs - July 2000 to February 2004 (\$'000)



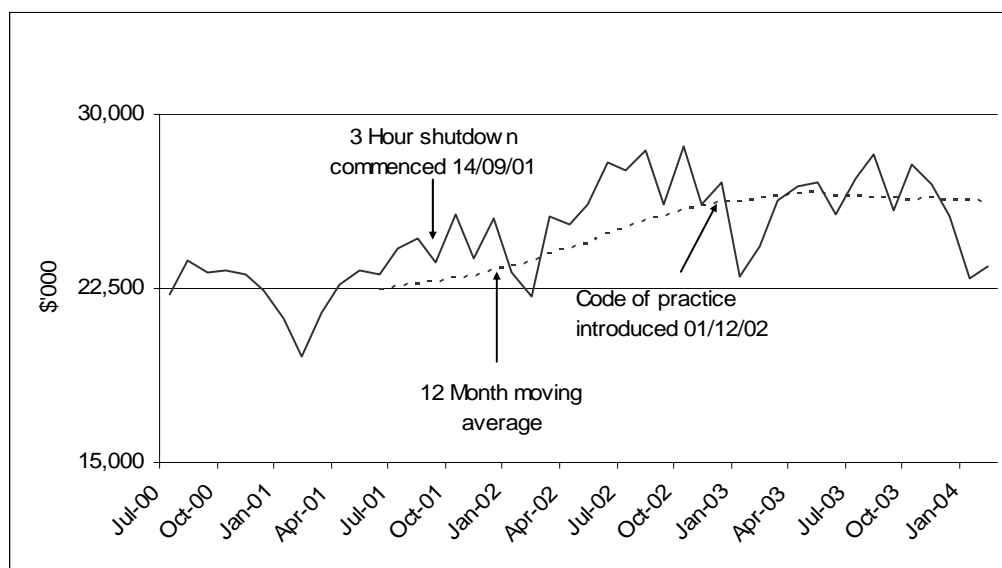
Source: ACT Gambling and Racing Commission, private correspondence, March 2004 (unpublished data). All ACT clubs trading during the period June 2000 to February 2004 with fewer than 40 EGMs.

Figure 9: Nominal monthly EGM turnover, medium ACT clubs - July 2000 to February 2004 (\$'000)



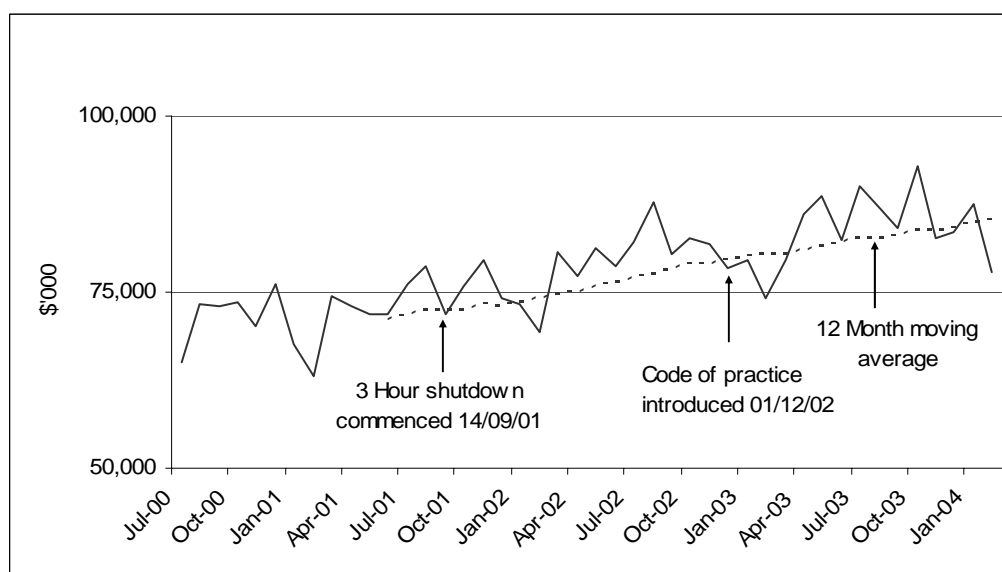
Source: ACT Gambling and Racing Commission, private correspondence, March 2004 (unpublished data). All ACT clubs trading during the period June 2000 to February 2004 with 41-100 EGMs.

Figure 10: Nominal monthly EGM turnover, medium-large ACT clubs - July 2000 to February 2004 (\$'000)



Source: ACT Gambling and Racing Commission, private correspondence, March 2004 (unpublished data). All ACT clubs trading during the period June 2000 to February 2004 with 101-155 EGMs.

Figure 11: Nominal monthly EGM turnover, large ACT clubs - July 2000 to February 2004 (\$'000)



Source: ACT Gambling and Racing Commission, private correspondence, March 2004 (unpublished data). All ACT clubs trading during the period June 2000 to February 2004 with more than 155 EGMs.

The analysis of nominal EGM turnover for the period July 2000 to February 2004 shows:

- The **3-hour shutdown** introduced in September 2001 has had no detectable impact on ACT club gambling turnover.
- No apparent impact on ACT club gambling turnover associated with the policy restricting cash payment of winnings. **Cheque payment of winnings over \$1,000** was implemented at the same time as the *Gambling and Racing Control (Code of Practice) Regulations 2002*. Therefore it is not possible to disentangle any impact of this particular restriction from other impacts arising from various requirements of the Code.
- Benchmark turnover data were not available to allow assessment of the impacts on turnover attributable to introduction of the **\$10 maximum bet** in 1993.
- No negative impacts of the three measures on EGM turnover can be identified when the year-on-year trends are compared for the relevant period. Monthly variations in the turnover data can be partially explained by calendar-related and seasonal factors (different number of days per month, number of weekends per month, number of pay days per month). Those patterns are relatively consistent across each twelve month period, with a recurring decline in turnover in the January-April quarters and peaks in the July-October quarters.
- The trend in overall gaming machine turnover for the group of largest clubs has shown a steady increase (Figure 11), while the trend for medium and medium-large clubs has levelled out (Figure 9, Figure 10). Over the period, turnover levels for the group of small clubs have been relatively flat (Figure 8). This pattern may be related to the closure of some of those smaller venues during the study reference period.

There were no evident external factors that would significantly influence the EGM turnover trends in ACT clubs in the reference period from July 2000 to February 2004.

- There has been little change in the size or composition of the Canberra population during the study period.
- Whilst there has been some inflationary pressure during that period it has not been significant and does not appear to have affected the EGM turnover patterns presented above.

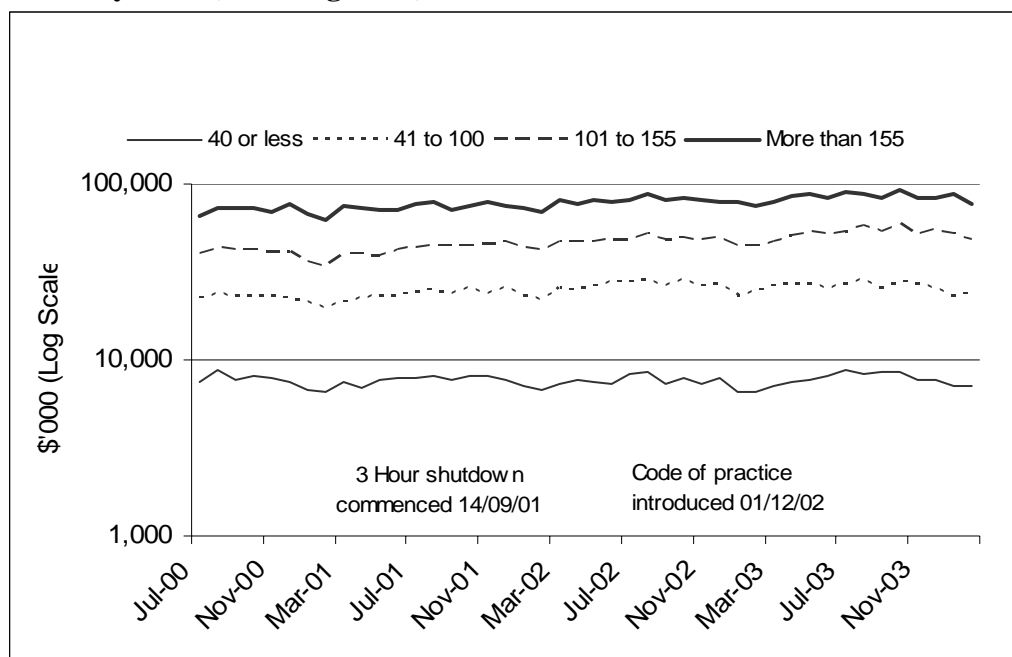
However, this study has not had access to data on other possible external factors that would affect EGM turnover – such as improvements in EGM technology, game and machine features, club marketing programs. Hence this analysis of externalities is limited and only suggestive.

In Figure 12 nominal monthly EGM turnover is presented on a log scale to facilitate a comparison of rates of change for the small, medium, medium-large and large ACT clubs. As before, size is based on the number of EGMs licensed to each club. The turnover pattern is relatively similar for the four groups of clubs, although generally there has been a slight fall in EGM turnover for clubs with fewer than 40 machines.

Overall, this analysis suggests that neither the **3-hour shutdown** nor the **restriction on cash payment of winnings** has had a discernible impact on gambling turnover in

ACT clubs. Without baseline data from 1993 when the **\$10 maximum bet** was introduced to the ACT, it is not possible to assess the impact of that measure on EGM turnover.

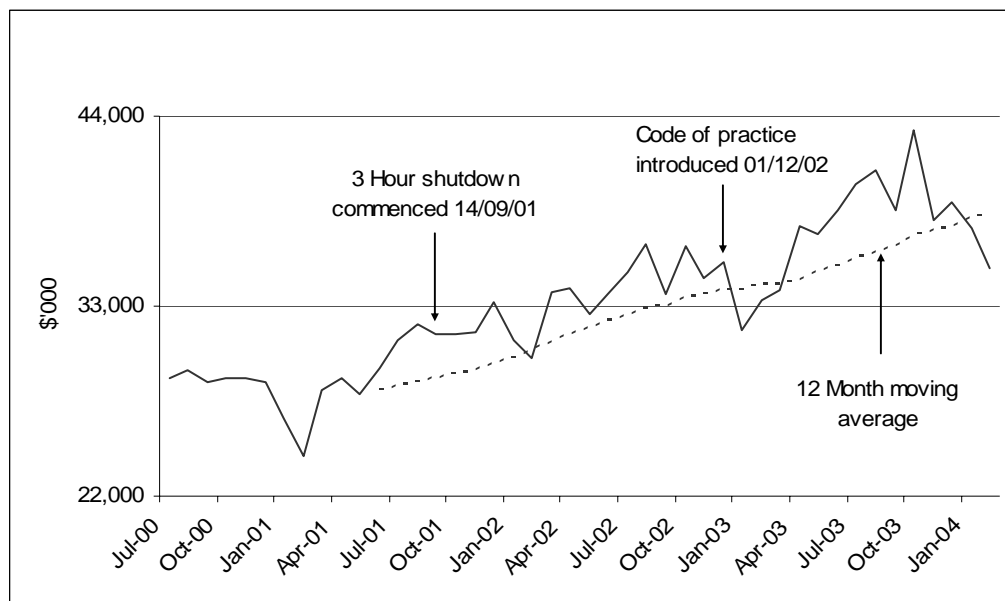
Figure 12: Nominal monthly EGM turnover by number of EGMs - July 2000 to February 2004 (\$'000 log scale)



Source: ACT Gambling and Racing Commission, private correspondence, March 2004 (unpublished data). All ACT clubs trading during the period June 2000 to February 2004 ($N=64$).

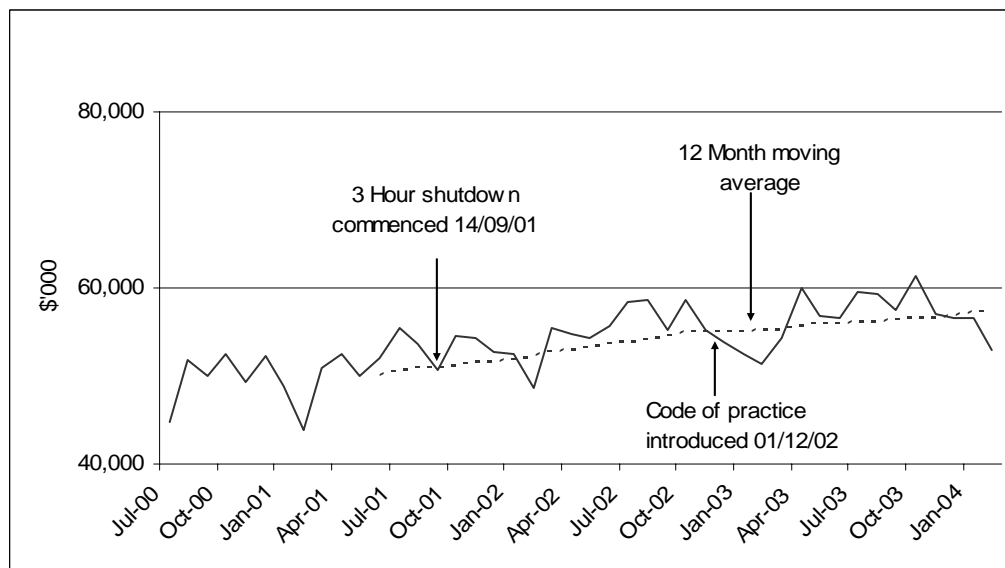
The following two graphs (Figure 13 and Figure 14) present an analysis of nominal EGM turnover for the clubs that were trading 24 hours on any day in the period leading up to the 3-hour shutdown – **the shutdown clubs**. Again the evidence suggests that the introduction of the 3-hour shutdown in September 2001 has had no evident impact on EGM turnover in shutdown clubs with 155 or fewer machines (Figure 13) and no detectable impact in shutdown clubs with more than 155 machines (Figure 14).

Figure 13: Nominal monthly EGM turnover, ACT clubs previously trading 24 hours with 155 or fewer machines - July 2000 to February 2004 ('000)



Source: ACT Gambling and Racing Commission, private correspondence, March 2004 (unpublished data). *ACT clubs previously trading 24 hours with 155 or fewer machines ($n=8$).

Figure 14: Nominal monthly EGM turnover, ACT clubs previously trading 24 hours with more than 155 machines - July 2000 to February 2004 ('000)



Source: ACT Gambling and Racing Commission, private correspondence, March 2004 (unpublished data). ACT clubs previously trading 24 hours with more than 155 machines ($n=5$).

5.3 Interviews with club managers

In this section, we present findings of telephone interviews with ACT club managers on the impacts of the three harm minimisation measures. The analysis begins with results of interviews with managers of clubs directly affected by the 3-hour shutdown of EGMs (the shutdown clubs). This is followed by analysis of responses by club managers on the impacts of the other two harm minimisation measures under review: the maximum bet and restrictions on cash payment of EGM winnings. The level of support by club managers for the three measures and their views on the efficacy of the measures are also examined.

5.3.1 Characteristics of the sample

During the month of June 2004, representatives of ACT licensed clubs were interviewed by telephone. The methodology and sample frame are outlined previously in Section 4 of this report (Research Methodology).

Club representatives interviewed for this study are referred to as 'club manager' for convenience although their official titles included general manager, chief executive officer, operations manager, financial controller, club secretary and bar manager. Where a club manager was responsible for more than one club they were interviewed in relation to all premises under their management.

Managers were interviewed in relation to 60 licensed club premises. There were no refusals. As outlined above, three clubs were closed during the period of study and thus were excluded from interviews; and one small club could not be contacted during the research period. The objective of the interviews was to obtain qualitative and quantitative information on impacts resulting from the three harm minimisation measures of interest. A copy of the questions used to guide the interviews with club managers is at Appendix F.

- The average length of interview was 17 minutes.
- Interviews with managers of clubs affected by the shutdown averaged 24 minutes.
- An average of four telephone calls were made before a completed interview was obtained.

5.3.2 Shutdown impacts

Trading hours

To identify clubs affected by the 3-hour shutdown implemented on 14th September 2001 all club managers were asked '*in the period leading up to the 3-hour shutdown, was your club open for 24 hours on any day of the week?*'

- Thirteen of the 60 clubs interviewed had previously opened for 24 hours a day (27%).
- Twelve of these thirteen club managers reported trading for 24 hours on every day of the week.
- One reported trading 24 hours on Friday and Saturday only.

To identify how the shutdown had impacted on trading hours, all club managers were asked about the club's hours of operation, both gaming and other club facilities. Fifty-

nine of the 60 club managers reported that their clubs operate regular ('usual') trading hours. One club does not have regular trading hours.

- The usual trading hours for all ACT clubs averaged 94.5 hours per week and 13.5 hours a day. The average trading hours for all ACT clubs is shown in Table 11, ranging from 12.6 hours on Sunday to 14.2 hours on Friday.
- The total hours of EGM operations reported by club managers was 66.5 hours less than the reported total hours of trading. This indicates that some clubs remain open when their gaming machines are turned off. Gaming hours for all ACT clubs averaged 93.4 hours per week or 13.3 hours per day.
- The thirteen shutdown clubs open for longer periods than the overall average for ACT clubs - an average of 136.3 hours per week or 19.5 hours a day. Six shutdown clubs open 21 hours a day; four clubs open 20 hours a day; the remaining three shutdown clubs are open 14-16 hours a day on average. Weekend trading hours for shutdown clubs average from 19.2-19.8 hours.
- In contrast to the pattern for ACT clubs as a whole, the shutdown clubs operate their gaming areas during all hours when the club is trading. That is, all shutdown clubs close all their facilities, not just EGMs, for the duration of the shutdown.

Table 11: Average number of trading hours and EGM hours, all ACT licensed clubs and shutdown clubs.

All ACT clubs	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday	Sunday
Average no. trading hours	13.3	13.5	13.5	13.8	14.2	13.9	12.6
Average no. EGM hours	12.9	13.3	13.4	13.6	14.1	13.7	12.5
Shutdown clubs							
Average no. trading and EGM hours ^(a)	19.3	19.3	19.3	19.7	19.7	19.8	19.2

Source: Interviews with club managers (Appendix F) (n=60).

Note: Excludes one club with irregular opening and closing hours.

(a) All thirteen clubs which traded for 24 hours on any day of the week prior to the shutdown reported that the club closes when gaming machines are shut down.

QB2. *What are your current trading hours – for each day of the week?*

QB3. *Do your poker machines operate during all these hours?*

The remaining analysis in this section relates only to the thirteen shutdown clubs. Ten club managers were interviewed in relation to thirteen shutdown clubs.¹⁶⁷ The majority of shutdown managers interviewed (seven) did not specifically cite business records when responding to questions.

¹⁶⁷ In some cases of group clubs, a manager provided information on behalf of more than one club. In these cases, specific information was obtained for each club.

Effect of the shutdown on club business

Club managers were asked to comment on the impact of the shutdown on their total business (gambling and other income), costs (staffing and other expenses) and on patrons (gambling and non-gambling). Table 12 summarises the responses.

- The majority of shutdown club managers (nine) reported the shutdown had impacted negatively on their gaming profits and total club income.

The impact on revenue was only on gaming. We did some quick figures at the time and it was about 5-7% of gaming revenue, which is about 2% of total revenue.

We lost all our growth, our revenue plateaued [levelled out].

We lost \$120k in club revenue per year when the shutdown came in.

We lost 10% of growth – about 6% of total revenue. Our gaming revenue is about 60% of total revenue.

- Of the nine managers that reportedly had a decrease in gaming revenue, seven provided an estimate of the percentage change: two clubs reported a decrease of 10%; two of 3% and one each of 6% and 5% respectively.
- Of the nine club managers that reported a decrease in total club earnings, four provided an estimate of the percentage change: two club managers reported a 3% decrease; one of 2% and one of less than 1%.
- The other five shutdown clubs said there had been no impact on club business.
I don't think the 3-hour shutdown has had any impact on business whatsoever, given our sales results.
- Six managers reported a loss in non-gaming business, with the other seven clubs said there had been no change.
No change in non-gaming. We used to serve soft drinks and tea and coffee when the bar was shut – but tea and coffee were complimentary anyway.
- Of the six managers that reported a decrease in non-gaming revenue, four provided an estimate of the percentage change: two reported a decrease of 3%, one of 2% and one less than 1%.
We've had a reduction in beverage. No food was available then, but we do [serve food during the shutdown hours] now.
- Two managers were unable to comment on the impact of the shutdown as trading had been adversely affected by renovations in one case and relocation of premises in another.
It's hard to comment. Since the shutdown the club has moved premises and has doubled the number of machines.

Effect of shutdown on club costs

All shutdown club managers reported the shutdown had very little impact on their total business expenses.

- Managers of ten clubs reported the shutdown had no impact on their staffing or operating costs. Conversely, a small number reported that the shutdown created a safe environment to count money and made venue cleaning easier.

Costs didn't change. We still have the air conditioning running, staff are always on site, doing clearances, cleaning, security. Security has to be here before 5am; no-one comes in until 8am once we are closed.

We keep the machines on, the air-conditioner on.

We have maintained the same costs, keep the air-conditioning going, we just have more work to do.

- The remaining three club managers said they had experienced a small decrease in staffing and total costs. All three managers considered there had been a decline in staffing costs, but only one club provided an estimate of the cost saving (12% of staffing costs).

Some shifts had to go – we had two night managers – about 80 hours of labour lost per week from night managers.

The security company lost three hours a night by seven days a week - 21 hours.

At the time we had a small decrease. Not very large at the time; less than 1%. We were already not serving alcohol so it was just gaming costs.

We have had a slight decrease in wage costs and a very small decrease in insurance – workers' compo costs. We have rearranged the staff roster.

It's allowed us to use less people over a longer period of time.

We had a decrease in costs but it was very minimal. There were some savings in gas and electricity. We reduce the air conditioning from 22 degrees to 15 degrees from 3.30 am and lift it up at 7am. It would cost more to turn it off and I am not sure we save anything turning it down.

Effect of shutdown on the number of patrons

A majority (nine) of the shutdown club managers reported a decrease in the number of patrons as a result of the shutdown, including gaming and non-gaming patrons. None of these managers provided an estimate in percentage terms.

It's hard to put a figure on whether there's been any impact on the number of patrons. Anecdotal reports that those who used to come in at 2am or 3am don't come in here any more.

There's been a little reduction in the number of club patrons.

No impact according to our graphs; we've had a consistent rollover.

Closure of other areas during the shutdown

Managers of shutdown clubs were asked whether other areas or sections stay open during the EGM shutdown, or whether they close the club completely, or stay open on some days and close on others. All affected clubs close down completely during the shutdown period.

- One manager reported his club initially kept other areas open but that trial was discontinued.

We tried staying open for half an hour on the first night but people left, so we closed. We're not making any money and it's a huge security risk so we close and lock the doors.

Efficiencies arising from the shutdown

Club managers were asked whether there had been any cost savings or efficiencies as a result of the shutdown. Response options were not read out and multiple responses were allowed.

- Managers of nine shutdown clubs said their club had not experienced any cost saving or efficiencies as a result of the shutdown. In six of the clubs the staff rosters were maintained after the shutdown and staff work through the shutdown period doing clearances and cleaning.
- The remaining four club managers reported savings or efficiencies related to the count of machine revenue, cleaning and staffing issues. Two club managers reported the shutdown helps with staff rosters.

*We had a slight saving in workers' compensation.
We do the clearance between 5am and 8am.
Staff can clear machines in a safer environment and the cleaners have the full run of the club.*

Response by clubs to the effects of the shutdown

Shutdown club managers were asked what, if anything, they had done to respond to the impacts of the 3-hour shutdown, i.e. whether changes had been made to the way they ran their business. As with the previous question multiple responses were allowed.

- Four clubs had not made any changes directly in response to the 3-hour shutdown apart from closing the premises to patrons during the shutdown hours.

*We've maintained a 24 hour roster; it's easier to keep everything going.
At the moment we keep all shifts. If they go to 5 hours we'd like to see it flexible – allow say 7am to midday. An extension would be more of a problem for management than the punter. We'd have to go to a full shutdown, at the moment we float through.*

We haven't done anything. We kept steaming along the way.

- Three club managers said they 'run more efficiently and became more streamlined'. Four club managers said they had reorganised staff rosters.

We've rearranged the staff roster. It's allowed us to use less people over a longer period of time.

- Four club managers said they had conducted more advertising and promotions.
We tried to maintain our promotional base. Competition around Canberra has increased. We've become more profitable, analysing our results and trends using software. We look at how our business works. We had a two year decline in 2001- 2002 financial year, some increase in 2003-2004. We're not at the levels we were in 1999 - about 3% behind.

- One response was received for each of the following: closed sections/areas of the club; handled noise complaints from neighbours; and increased the number of late night housie sessions.

Table 12: Impacts of the 3-hour shutdown.

Whether any impact on	Don't know	No change	Decrease/Loss	Increase
...				
Gaming revenue	0	4	9	0
Non-gaming revenue	0	7	6	0
Total revenue	0	4	9	0
Staffing costs	0	10	3	0
Other costs	0	12	1	0
Total costs	0	10	3	0
Gaming patrons	1	3	9	0
Non-gaming patrons	1	3	9	0
Total patrons	1	3	9	0

Source: Interviews with shutdown club managers (Appendix F) (n=13 clubs). Note that some managers provided information on more than one club.

QC1. Has there been any increase or decrease in revenue as a result of the 3-hour shutdown?

QC2. Has there been any increase or decrease in costs as a result of the 3-hour shutdown?

QC3. Has there been any increase or decrease in the number of patrons as a result of the 3-hour shutdown?

Impact of any changes made in response to the shutdown

Managers of the nine shutdown clubs which had responded to the shutdown by implementing changes were then asked whether that change had been enough to counteract the effect of the shutdown.

- In five of the nine clubs, changes had fully (one club) or partially (four clubs) counteracted the effect of the shutdown.
- In three of the nine clubs, changes had not counteracted the effect of the shutdown at all; and
- One club manager said the question was not applicable to the changes they had made.

Shoulder period adjacent to shutdown hours

Shutdown club managers were asked whether they experienced a 'shoulder period' either side of the shutdown, when trade either starts to drop off or patrons might increase their expenditure, as the Commission suggested in its initial review of the measure.¹⁶⁸

The potential impact of the shoulder period is affected by the club closing and reopening times. The shutdown commences at different times of the morning for the various clubs (e.g. 4am-7am, 5am-8am).

- As stated above six of the thirteen clubs close only for the mandatory three hours; the other seven clubs close for four or more hours.
When we had a 24 hour trade we'd see a drop off at 5am – that was the trend. Some would be there to watch TV, drink coffee, read the papers.
- All managers of shutdown clubs said their club had experienced a 'shoulder period' either side of the shutdown when patronage declines. They reported the impacts commence from 30 minutes to 3 hours before the shutdown, with an average of 1 hour 40 minutes.
Depending on the day, we feel the impact from 2-2.30am, on the weekend from 3.30-4am. We used to open at 8am, now it's 9.30am – so we're one and a half hours behind.
Our hourly sales figures show that at 4am the results are still strong. There's a fall at 4.30am leading up to the close at 5am.
- The shutdown club managers reported the shutdown impacts last from 1-2.5 hours after the club reopens, with an average of 1 hour 37 minutes.
- No club managers reported 'compensatory' behaviour by patrons increasing their spending prior to and immediately following the shutdown period.

Number of patrons in club during shutdown hours

Eight of the shutdown club managers provided an estimate of the average number of patrons who would normally have been in the club during their current shutdown hours. Estimates range from 11-46 patrons, an average of 26 patrons in a typical club.

- Managers reported that the number of patrons in shutdown clubs varies by the day of the week and other irregular events. Five club managers reported that few patrons would remain in the club during shutdown hours in the early part of the week, but that more patrons would remain in the club during the

¹⁶⁸ ACT Gambling and Racing Commission 2002, op. cit.

shutdown hours when large functions or events such as overseas sporting events were being telecast.

- Club managers gave varied reports of the effect of the shutdown on patrons:
We had a loss in the number of club patrons but overall, in the big picture, it was very small overall.
We've lost people who looked at us as a destination, somewhere they could go to and spend their night. Some nights we had 25 people here after 5am, some nights just 4 or 5, including some just reading the paper and having a free coffee.
We would have had about 10–20 in from Monday to Friday and about 30–50 on Saturday and Sunday. About half played the gaming machines.
- The majority of club managers reported that prior to the shutdown approximately half the patrons in the club during the shutdown hours would have been playing the EGMs at some time during those hours. The estimated number of EGM gamblers in each club ranged from 6–22, with an average of 14 patrons playing the EGMs.

Effect of the shutdown on patrons

Shutdown club managers were asked how the shutdown has impacted on patrons. Multiple responses were allowed. The most common effect reported by eleven of the shutdown clubs was that shift workers such as hospitality workers, taxi drivers and hospital staff no longer have a local meeting place during the shutdown hours.

They have nowhere to go now. Part of our lifestyle is you knock off work and pick the wife up, or drop off at a club on the way home – more and more people are doing shiftwork or working odd hours.

- The club managers were unable to say definitely where patrons go during the shutdown hours, although six club managers assumed that patrons went home.
I suppose they go home.
Those people have gone, I don't know where. I think they can get alcohol 24 hours a day at the Casino that opens at 8am.¹⁶⁹ Some go to another club that shuts later.
Depending on their age group they may be out looking for other activities and creating a nuisance in a less controlled environment. We have had to deal with noise complaints from residents at the time of the shutdown.
I don't know. I suppose they just go to another club that shuts later.
I suppose they just go elsewhere to wind down.
I don't know. They don't come here anymore.
- Four club managers said some patrons have been frustrated or annoyed by the shutdown.
We still have people looking for somewhere to go at 5am when we close the doors.
Even eight to ten months after the shutdown we still had people knocking on the door; duty managers would tell me they'd get a bit irate.

Types of patrons affected by the shutdown

The shutdown club managers were asked what types of customers had been affected by the shutdown. Multiple responses were allowed.

¹⁶⁹ Canberra Casino hours are 12:00 pm until 6am.

- Managers of twelve clubs reported the main impact was on shift workers and/or hospitality workers.

We had shift workers who live out this way, mainly security guards, airport workers, hospitality workers at other clubs. They would come here and wait for their family to wake up then go home and have breakfast with them and go to bed.

We had shift workers, hospitality workers. Ethnicns tend to come in after the Caucasians have gone home. We get bakers, cleaners, mail exchange workers, Asians (mainly Vietnamese) and hospitality workers from the restaurants and clubs who live out here. They come in well dressed and the wives sit around having coffee while the men play the machines and drink. The main people affected were shift workers – we used to get a lot of police officers in, up to 30 at a time, from the nightshift finishing at 6am. Mostly they didn't gamble. We also got bakers and printers and even 'ladies of the night'.

It's impacted on taxi drivers, people who work late in the evening and are looking for something to do, people watching the English soccer on the big screen.

We used to get bakers and posties and a couple of police in here.

People affected are shift workers, police, and people with nowhere else to go.

People looking for somewhere light and warm and someone to talk to.

- One club manager said 'they were not so much shift workers as party goers, out for the night'.

Effect of the shutdown on problem gambling

Shutdown club managers were asked if patrons affected by the shutdown were more likely to be recreational gamblers or problem gamblers.

- No club manager reported that problem gamblers were affected. All managers said that they were more likely to be recreational gamblers.

If you are a problem gambler why be out at that time of night? There is plenty of time [to gamble] when you are less obvious.

Problem gamblers can always find time to gamble.

- Several club managers alluded to the difficulty of identifying problem gamblers from recreational gamblers.

It's difficult to tell. Even during the day it is difficult to identify them [problem gamblers].

If we could pick the problem gambler out and get rid of him we would. We are after the average punter who comes in and drops \$20.

Adjustment to the shutdown

Club managers were asked whether their patrons have adjusted to the shutdown. Two managers interviewed said they did not know whether patrons had adjusted or not; eight said that patrons had adjusted to the new hours.

It has been in for a while, it is accepted now.

They [patrons] are fairly aux fait with it now – everyone is used to just rolling out the door now.

They have reprogrammed their gambling for five hours, not eight.

People still spend money after 8am instead of between 5am and 8am.

Those eight club managers were asked how long it took patrons to adjust:

- Three said it took patrons between one and three months;
- Two said it took less than one month;
- One said it took between six months and a year; and
- Two did not know how long it had taken.

Level of support for the shutdown

The thirteen shutdown club managers were asked whether they supported or opposed the shutdown. Opinions were divided on this issue, with the majority indicating either support for the shutdown or indifference.

- Managers of seven clubs said they support the shutdown, with four indicating strong support.

Twenty-four hour trade is just stupid. I have to follow the bloke down the road. I don't want to lose the customer, so if they do something I follow. The shutdown should be six hours, or eight hours. It's only gamesmanship on the part of some clubs being open so late. And you know what? We would save money.

There are some aggressors we follow. If they shut at 5am we stay open until 3am. If they shut earlier we would shut earlier.

- Two managers stated they neither support nor oppose it.

Neither support nor oppose. It has been in for a while, its consistent across the ACT, it's accepted.

As long as it's mandatory and applies to the Casino as well we don't care and NSW as well. In Queanbeyan there have been dispensations from their shutdown of six hours.

- The remaining four shutdown club managers opposed the 3-hour shutdown.

I opposed the shutdown. There was no evidence that problem gamblers come in during those hours. They tended to be shift workers. It took away their right to choose. I don't agree with that.

Strongly opposed. The opening hours should be predicted by demand; clubs should be able to make up their own mind.

5.3.3 Maximum bet

Managers of all ACT clubs included in the study were interviewed in relation to impacts of the \$10 maximum bet on patrons and the clubs. A small number of managers had difficulty recalling the policy and were reminded of its requirements. The general view was that the \$10 maximum bet had not had a significant impact and that it had been in place so long that patrons and industry had adjusted to it.

Proportion of patrons who bet up to the maximum stake

All club managers were asked to estimate the proportion of EGM gamblers in their clubs who bet the \$10 maximum bet.

- Representatives of six clubs commented that none of their patrons bet up to the maximum stake because none of the EGMs in their clubs accepted a \$10 bet.

\$10 limit is a non-issue for most clubs. Most venues have few, if any machines, that take bets up to \$10.

There are only a few machines [on the market] that take maximum bets. There are none here. There are ones that take a maximum bet of \$5, \$8 and \$9, and one cent machines. The most popular ones are the \$5 ones.

The maximum bet isn't such an issue anymore. The Code of Practice stopped club promotions based on turnover. The maximum bet dropped away. Instead of trying to spend as much as possible – there is less reason to make large bets. There was a time with linked jackpots when you had to bet the maximum to win.

- More than half of all ACT club managers interviewed (34 clubs) estimated less than 10% of their patrons bet up to the maximum stake.

We have only one player who does that, plays \$10.

Less than one in a thousand would bet up to the maximum stake. We only have one machine that takes the maximum bet and it's an old one. Not many people play it.

We would have zero percent who bet up to the maximum stake, unless they have one lucky push. \$4 sorts most people out.

- Eleven ACT club managers estimated that 10-20% of their patrons bet up to the maximum stake. They said that EGM gamblers who play the \$1 machines are more likely to bet the maximum.

We do have some dollar punters who do bet the maximum.

Some machines allow a \$10 maximum and they're quite popular.

The \$1 denomination machine is more likely to be maximum bet machines, more likely to be played by heavy players.

- Nine club managers were unable to provide an estimate.

We don't have a system that tells me that.

Trends in the average bet

All club managers were asked whether the average bet by patrons had increased over time. A minority said they did not know. Club managers identified a number of factors that influence trends in the average bet, including: the bet denomination of EGMs; the technical specification of EGMs; and the age and level of awareness of patrons.

- Several managers emphasised that the \$10 maximum bet had been effectively implemented many years ago by machine manufacturers who introduced new types of machines, and that the \$10 maximum had in fact been an increase from machine bet limits in place at the time.

It wasn't a decrease to \$10; it was an increase to \$10. There has been no impact at all. It was introduced in NSW for interactive gaming. Since the measure was introduced the type of machines installed by venues includes EGMs with \$2 and \$5 max bet – some with \$9.

It is a furphy. Poker machine manufacturers always dictated the maximum bet in the ACT – it was set at \$10 by them and has never been higher. It dates from when multi-line multiplier machines came in – in 1983. You could play multi-line machines – 5 lines x 5 coins. The maximum stake on a 20c machine was \$1. In 1989 they brought in \$1 and \$2 coin machines – five coins on a \$2 machine was \$10.

The average has increased – now 50c to \$1. Before 1993 it was 10c or 20c. Then [gaming machine manufacturer] tokenised machines and you put in \$1. You could get 5 credits or 10 credits for your \$1. Two years later they brought in note acceptors and multiple lines. The changes were designed by the companies so you would spend more money. And the games got quicker with the spinning of reels.

- The majority of ACT club managers reported that patrons tend to gamble low amounts per bet. Thirteen club managers provided an estimate of the average bet at

their club, with estimates ranging from 25c to \$5. Several managers commented that gamblers play according to their means.

The \$10 limit is too high to impact on most players. Most are 20c or \$1 bettors.

On a \$1 machine it is about \$1.20 or \$1.30, less on other machines.

It depends on the age of patrons. People come in for the company of the gaming machines. Around 30% have increased their bet whereas the rest stick to their old habits.

There has been no change as a result of the restriction. But the change is happening from the types of machines. Eighty percent of gambling revenue is produced by 15% of our players.

The gamblers that can afford to play will play the higher denomination machines and they tend to win more than those playing the lower denomination machines. They are gamblers. They are methodical in their play. They set a limit, maybe \$20 or \$50 and they play that off. If they lose they give it up – or they might put another \$50 in another machine. They see how the machine runs.

The likely consequence of reducing the maximum bet from \$10 to \$5 is that some players would increase their usual stake to compensate.

- Twenty three ACT club managers (36%) reported the average bet had not increased over time.

The average bet here is one cent a line. People here play the pokers, the gamblers get lost in the big clubs. They are local yokels with no money, they like to play \$20 – they get value for their money and win.

- In contrast, eighteen managers (30%) reported the average bet had increased over time.

The average bet has increased by about 5% over the last few years. It is moving with the CPI.

The average bet is under \$1. At one stage it was 20c. It has increased on a gradual basis but it has peaked.

The average bet is about \$1. Going back to the early 1990s it was 20c or 30c.

A lot bet \$1 now where they used to bet 10c eleven years ago.

The average bet has gone from 20c over 20 years ago – now \$1 is average.

- Three club managers representing seven clubs (11%) reported the average bet had decreased in recent years.

The average bet is falling – it's decreased as people are becoming more aware.

There are 'bingo players' and 'casino players'. The machines are built to suit the customers. It all comes down to what sort of player they are how much they bet.

Effect of the maximum bet on club business

All ACT club managers were asked to comment on the impact of the maximum bet on revenue (gambling and other revenue), costs (staffing and other costs) and the number of patrons (gambling and non-gambling).

As with their comments on the 3-hour shutdown, the majority of club managers responded to this question without specifically citing business or financial records.

- Approximately two-thirds of ACT club managers said that the maximum bet had had no impact on revenue or the number of patrons; the remaining third did not know whether it had had an impact.
- Managers of 50 clubs considered the maximum bet had had no impact on costs, with the remaining club managers uncertain of the impact of the maximum bet.
- One manager commented '*We've had a decrease in the number of patrons, but not due to gambling regulations*'.
- Only one club manager reported that the maximum bet had resulted in a decrease or loss of gaming, non-gaming and total revenue – and estimated a 2% decrease for each. However this manager revealed lack of knowledge about the measure or its introduction. We therefore consider this response may be unreliable.

Club response to the maximum bet

All ACT club managers were asked what, if anything, they had done to respond to the impacts of the \$10 maximum bet, i.e. what changes they had made to the way they ran their business. Multiple responses were allowed.

- Nearly 80% of all club managers interviewed (48) said they had done nothing directly in response to the maximum bet. Eight club managers (13%) did not know of any response.
- Five club managers (5%) said they had changed the types of machines installed.
- Several club managers said they select new EGMs based on a range of criteria including: the size of the maximum bet; combinations of lines and credits; and other machine 'features'. Managers said they purchase machines to suit patron preferences for certain bet sizes, although this is only one factor.

Any conversions on any machines – we have a choice on what to take the maximum bet up to. Say 20c, 40c, 60c, \$1 up to \$5. I can even take it only to \$2 on some machines. The machines used to cater for low and high punters, not in the middle. Now there's more of a spread.

- Machine 'features' are also important determinants of the types of machines purchased by clubs.

We're a lot wiser in how we card our machines, what type of return to the club, what type of games we choose. Members like the games with features.

The most popular machine is the Queen of the Nile. It came in 1995. The maximum bet is only \$5 [on that machine]. It has the highest turnover. It was the first machine with free features. Every company has tried to replicate that machine. Some machines are aimed at small players and some at big players. If you want to win \$20 or \$30 or a couple of hundreds it is right spot on, it accommodates big and small players. If you had a maximum bet machine of \$50 and a Queen of the Nile next to it they would play the Queen of the Nile. The [name] club had a bank of them linked along one wall, they were that popular.

- The number of lines and the number of credits allowed are another important determinant of the EGMs preferred by clubs.

What I found was when we purchase poker machines with a maximum bet of 30 lines they are dead; with 25 lines they are dead. We go with 20 lines. People like to play the maximum lines then choose their bet.

We do have a 5c machine that's very popular. You can play nine lines at a time and the minimum bet then is 45c.

A lot of our machines are \$5 maximum machines. We have a \$9 maximum machine that you can play three by three [3 lines for \$3 a line]. One person does that.

Effect of club changes in response to the maximum bet

The five club managers who said they had implemented changes in response to the maximum bet were then asked whether those changes had been enough to counteract effects of the measure.

- Three club managers said they did not know whether the changes had counteracted the effect of the maximum bet; and
- One club said it had fully counteracted the effect of the maximum bet.

Effect of the maximum bet on patrons

All club managers were asked how the restriction on the maximum bet has impacted on patrons. Multiple responses were allowed.

- Three-quarters of the ACT club managers stated there had been no reaction from patrons.
I am a manager that stays in the club. I talk to them and no-one has made even a passing comment about the maximum bet.
- One manager reported changes in the pattern of play of some patrons.
There have been unintended consequences including playing more than one machine, so the average bet increased - all bets at \$5 rather than some at \$10 and others lower.
- One club manager reported the maximum bet is an issue for tourists used to casinos with higher stake EGMs.
Tourists complain. Because we are in a city without poker machines in the casino we've got players who are used to casinos with machines that take \$100 a hit. They are stuck with small bets here. I have to tell tourists that's the law.
- The remaining minority of managers said they did not know whether the restriction on maximum bets had any impact on patrons.

Impact on problem gambling

All ACT club managers were asked if patrons affected by the maximum bet were more likely to be recreational gamblers or problem gamblers.

- Fifty-four managers (89%) said the maximum bet was more likely to affect recreational gamblers; four club managers (7%) said it would affect both recreational and problem gamblers equally; and two (3%) said it would have no impact on either group.
In our club it hasn't made any difference. When you are walking around you see they are betting \$5 mostly.
- Only one club manager said it was more likely to affect problem gamblers.
Problem gamblers probably. But problem gamblers always find a way to gamble.

Level of support for the maximum bet

All club managers were asked whether they supported or opposed the \$10 maximum bet. This measure had the highest level of support from club managers of the three

measures examined in this study: eleven managers (18%) 'strongly supported' it and 27 managers (42%) said they 'supported it' - giving overall support of 62%.

For the current machines in NSW with card games it might be too small – they are very slow games and you can't win a lot. Say blackjack, horse racing machines. You are lucky to double your money. But on poker machines \$10 is OK.

No-one really bets over \$2, but it gives them the opportunity if they want to. But you do want to have some form of corporate responsibility – you don't want them to be able to bet \$100.

- The minority of club managers who opposed the \$10 maximum bet often expressed the view that the regulation was an intrusion on the gambler's 'right' to manage their own gambling and on the club sector's capacity to manage their business.

Setting a maximum bet takes away a freedom of choice.

5.3.4 Restrictions on cash payment of winnings

All club managers interviewed were asked a series of questions related to the restriction on the cash payment of winnings over \$1,000, introduced in December 2001 as part of the new gambling Code of Practice.¹⁷⁰ All managers interviewed were aware of the measure and had few recall problems responding to questions.

Method of payment of winnings

All ACT club managers were asked how their club pays out winnings of more than \$1,000.

- Almost 90% of club managers (54 clubs) stated they pay winnings over \$1,000 by cheque.

We thought about paying electronically but people have a reluctance to give bank details – and they may be a bit intoxicated and give the wrong number. I like to KISS – to keep it simple stupid. The drawback is there is a five day wait to cash it.

- Four club managers (7%) said they pay both by cheque and by electronic funds transfer (EFT), but reported they only provide EFT if patrons insist on it. This occurs mainly in the case of interstate visitors unable to come into the club to collect their winnings at a later date. Only one club pays patrons exclusively by electronic transfer.

We do an electronic transfer if they request it – but we have to set it up on computer as a debtor. We prefer not to do it.

Sometimes I have to pay electronically. They're flying out that day and they shout out their bank account details at me. They can get the cash the same day so what's the point?

- A small number of club managers reported they had a routine policy of paying patrons by cheque as their club is too small to carry that amount of cash.

We were already doing it. We're such a small club our float is \$4,000. Bar people do mini clearances to keep the float up. They may pay \$500 in cash but the rest in cheque.

Basically they had to wait for large cash payouts anyway – we're only a small club, not a casino.

¹⁷⁰ *Gambling and Racing Control (Code of Practice) Regulation 2002*, op.cit.

The way we operate we wouldn't have had the cash on the premises to pay out big winnings anyway. They would have had to wait for a cheque the next day.

- Two clubs offer part-payment in cash according to how much 'float' is available that day and make up the balance with cash on a subsequent day.
We've only had one person who won over \$1,000. I paid them in the cash we had and said to come back on Monday [for the remaining winnings in cash].
- Two of the small clubs said they had not paid a win over \$1,000 as yet; and several other small clubs reported they had only paid a 'couple' of wins over \$1,000.
We have only 3- 4 wins over \$1,000 a year.

Club policies related to non-cash payment of winnings

Club managers reported a range of policies related to the payment of winnings by non-cash means.

- Three club managers reported offering patrons less than \$1,000 in cash.
We offer the option of a larger proportion in cheque if people want it. Normally they want the \$1,000. Probably about 50-50 for those who take it all in cash and those to take some in cash and the rest in cheque. Say they might take \$1,000 in cheque and keep \$500 cash, for groceries or something.
- One club manager representing three clubs said it had been their policy for several years to pay winnings over \$1,000 by cheque as a harm minimisation measure. Another club manager also said they had always offered cheques.
We've always provided the services of a cheque. People didn't want to carry cash and we'd also walk them to their cars if they felt uncomfortable.
- Twenty-nine of the club managers provided unprompted comments on the time between the win and the availability of cheques. Almost half of club managers who provided an estimate said the cheque is available 'next working day' (15 clubs); nine managers said the cheque is paid 'on the spot'; two club managers reported their policy was payment within two working days; and two reported their policy was within three working days.
- Two managers that reported paying cheques on the spot. Their policy for cheque payment of winnings had previously been seven days, but they had lost patrons as a result.
It's a nuisance for us. It's three working days [before a cheque is ready for collection]. We rely on directors to counter-sign cheques.
- Two managers reported that patrons can pick up cheques or have them mailed.
It's about 50/50 – half are mailed, half pick up from here. We pay by cheque the next business day. We mail or they can pick it up; they generally pick it up.
- One club manager said he mailed the cheque if requested by interstate visitors.
We do get some arguments from people from interstate, who are leaving the next day. That happens one or two times a week. We post it. And some patrons only get in once a week – say on a Saturday. They have to wait a week.

Effect of the restriction on cash payment on club business

All club managers were asked how restrictions on cash payment of winnings had impacted on club business (Table 14). Club managers readily reported on the procedural impact of the measure on their club, but as with the other measures, few managers accessed specific business records on revenue, costs or the number of patrons when providing their responses.

Over one-third of club managers (35%) reported the restriction on cash payment of winnings had impacted negatively on both gaming and non-gaming revenue.

- Seventeen club managers (28%) reported there had been a decrease or loss in gaming revenue. Of these seventeen, eleven provided an estimate of the percentage decrease or loss: less than 2% (one club); 3% (four clubs); 4% (one club); 5% (four clubs); and 10% (one club).

There's been a small impact on the \$1 machines – revenue went down there by about 5%.

Revenue's gone down. It's had an impact but hard to say how much.

If it was just us it would have a major effect. As it's across the board in the ACT it's had less impact.

In the last two years we have the same amount of patrons but they don't play as much as they normally would. We've noticed our machine turnover is down and our revenue is down.

We've lost some to the race track or the casino, particularly the casino. We've lost revenue as big punters get the shits and leave.

We had two very big gamblers who'd be here on a weekend every couple of weeks and put thousands through. They owned big companies and said that was their way of relaxing. But they don't come any more. The cheque breaks their pattern of play.

We've lost certain people (about 20 or 30) – not problem gamblers. People who like to deal in cash – it's their mentality – they work in the building industry and deal in cash. They don't like cheque fees. Or they want privacy.

- Three managers of clubs based in the CBD reported tourists were unfamiliar with the restriction.

We have had a downturn on the \$1 machines from interstate visitors, from the length of time they keep playing the poker machines. We give them a warning before they start.

- Three club managers had experienced difficulties explaining the restriction to patrons from non-English speaking backgrounds and reported that revenue fell as a result.

The impact on revenue was quite severe. I could explain it to [another club] members with a great deal more ease, being Anglo-Saxon rather than [ethnic group]. The smaller the club the more difficult the requirements operationally, and the penalties are quite severe. In a small club keeping up with them and making sure you are complying is difficult.

- Four club managers (6.6%) reported a decrease or loss in non-gaming revenue: two provided an estimate of the revenue loss, 10% and 15% respectively.

There has been a slight decrease overall from the bar. People usually shout if they get a big win, but they still get some cash.

Effect of the restrictions on club costs

Just over half of all club managers (53%) said they had experienced an increase in staffing costs and total operating expenses, although the increase was difficult to quantify. Clubs with a small number of gaming machines reported different impacts than medium and large clubs.

- Based on managers' comments it appears small clubs (less than 40 EGMs) have had more difficulties implementing the restriction. Costs of this policy seem to be linked to implementation of the gambling Code of Practice which introduced the measure, and include compliance and administration costs.

There's been about a 5% increase in staff and other costs, if you include the Code of Practice and all the training required. For all the employees – a day's labour plus the cost of the course which is \$250 plus \$500 for the Gambling Contact Officer training.

- Small clubs have issues associated with security and cash flow, and reported difficulty with administration of cheques.

It's another sum to do; the cheque doesn't come from the float. We need to adjust the bank records and it is extra work. We needed to put on another director to countersign cheques.

We have had an increase in costs due to printing, labour, data input, reconciling bank statements.

- One medium size club (41–100 EGMs) reported losing patrons due to the time between the winnings and the payment of the cheque which was initially seven days.

It was bloody hard with the system we had. We should have introduced the payment of cheques on the spot sooner but it took us six months. I suppose we didn't really appreciate the impact it would have. We had to go to the Board and they were worried about having cheques lying around. We had to modify the system we had in place. When we were sending cheques out lots of members didn't like that. They went and visited other clubs. They came back when we changed it.

- Medium to large clubs also reported administrative costs associated with the restriction, some rating them as minimal while others said they were significant.

Some days we write four for five cheques and everything takes five minutes. The cheques are ready [for collection] by the following day, if it's a business day.

There was a minimal impact. Staff just have to work a bit harder. There are tangible costs – and I don't know what it would be to get the cheques signed. The accountant has been concerned about having that many cheques lying around.

We are only averaging seven or eight cheques a day. But there is more admin work and costs and bank fees.

There are significant costs involved – we have had to set up procedures, audit procedures. It's cost us another person.

Effect of cash payment restrictions on patronage

All interviewed club managers were asked whether restrictions on the cash payment of winnings had impacted on the number of patrons.

- Nine club managers reported a reduction in both the number of gaming patrons and total patrons (three estimated a 15% decline overall).
- Four of those managers (four) also reported a reduction in the number of non-gaming patrons.

Table 13: Impacts of the cash payment restrictions.

Whether any impact on ...	Don't know N/A	No impact	Decrease, Loss	Increase	Total
Gaming revenue	6	37	17	0	60
Non-gaming revenue	6	50	4	0	60
Total revenue	6	37	17	0	60
Staffing costs	3	25	0	32	60
Other costs	3	25	0	32	60
Total costs	3	22	0	35	60
Number of gaming patrons	7	44	9	0	60
Non-gaming patrons	7	49	4	0	60
Total patrons	7	44	9	0	60

Source: Interviews with club ACT managers (Appendix F) ($N=60$ clubs). Note that some managers provided information on more than one club.

QF2, QF3, QF5. What impact has the restriction on the cash payment of winnings had on your club? Has there been any increase or decrease in [... indicator]?

Club response to the cash payment restrictions

All club managers were asked whether they had made any management changes in response to the policy for cash payment of winnings. Just over 80% of clubs have made one or more changes as a result of the restriction. It should be noted that some of the managers' responses relate to the total package of measures introduced by the Code of Practice, such as signage and staff training, as well as to the restriction on the cash payment of winnings (appointing and training more staff, for example).

- Ten club managers said they had made no significant changes as a result of the cash payment of winnings policy. One club manager did not know whether the club had implemented any changes.
- The most common change was to set up new procedures to manage the cheques (43% of all clubs). Three club managers reported they had set up EFT systems.
- Several club managers provided unprompted comments in relation to the number of cheques they write a month. Small clubs report writing smaller denomination cheques.

We have had twenty cheques since it came in, the biggest was \$800. The rest are \$100, \$200, \$500.

- Medium-large clubs report processing more cheques of larger amounts.
We have four or five cheques a week. If we have a big week we might have up to 10 cheques, one a day on average. Some weeks we have seven or eight small cheques. If big links go off they start at \$5k and go to \$15K or \$20 K. That's one a week on average.

- Managers of the largest clubs report writing many cheques, with a large proportion of them over \$1,000.
On average we write about 400 cheques a month. I'd say 80% of the cheques are for over \$1,000.
- One club manager suggested increasing the limit specified in the policy.
This should be part of your study – 'what is the value of the cheques you have written'? If you asked the five big clubs there would be 1,000 or 2,000 cheques a week and 80% under \$1,000. Most cheques are for \$100, \$200, \$300, \$400. If the limit was \$2,000 there'd be five cheques a week. The limit should be reviewed. Take it to \$1,500 or \$2,000.

Effect of club response to cash payment restrictions

All club managers were then asked whether their changes had been enough to counteract the effect of the restriction on cash payment of winnings.

- More than half the club managers said the question was not applicable to their club as they had either not implemented major changes or they had not implemented them as a direct result of the restriction. Note that this response appears inconsistent with previous responses indicating that 80% of clubs had made changes and adjustments.
- As noted above, some smaller clubs already had an in-house limit on the cash payment of winnings equal to or less than \$1,000 for operational reasons; and one club manager representing a group of clubs said they had implemented the restriction as a harm minimisation method some years before.
- Of the remainder, four club managers (7%) considered their response had fully counteracted the impact; thirteen club managers (21%) said their response had been enough to partially counteract the restriction; and two club managers considered the changes had not counteracted the effect at all. Eight club managers (13%) did not know.

Effect of cash payment restrictions on patrons

Club managers were asked how the restriction on cash payment of winnings impacted on patrons. The majority of club managers (40) nominated one or more impacts without prompting; eighteen managers said there had been no impact; and three stated they did not know if there had been any impact (Table 15).

- The main impact, reported by 31 club managers (51%), was that patrons complained about the inconvenience and sometimes become angry. Managers reported that the majority of complaints are made by recreational gamblers.
We've had a lot more whinging, people here don't like change. We explain it and give them the pamphlets and they throw it back at you. They are rude.
It's the worst thing. Staff get abused; I get things thrown at me. I send them straight down to the revenue office [Gambling and Racing Commission] to yell at them.
It is recreational gamblers who get angry – problem gamblers know the rules.
It [the measure] is inconveniencing the 99.9% of people who play machines with the means to do so.
A few have come in who haven't used the machines for six months. They win and don't understand why they cannot get paid. But it's there [the regulation] and documented on signs and they are OK with it.

- Some patrons have been confused by inconsistencies between the TAB and the EGM limits on cash.
I suppose it's a bit ironic – the TAB allows \$20k on the spot. The TAB is still a form of gambling, and Tatts and the like. The same levels of cash and same rules don't apply to the Casino.
- Clubs with interstate patrons reported that these visitors often complained. One club manager reported telling visitors about the restriction before their credits built up.
*Complaints? Not from normal members, visitors get annoyed, interstate visitors – mainly from Victoria and NSW.
Interstate visitors don't understand.
As I walk around if someone has a high amount I tell them [they can only get \$1,000 in cash]. If they get up near \$1,000 they might cash it in and try again.*
- Managers of small clubs reported no problems, indicating that few if any patrons win over \$1,000.
We haven't had any complaints, they are barely even aware of it.
- A large number of club managers (16) reported that patrons have responded to the restriction by 'cashing out' before their winnings approach \$1,000 to avoid a cheque; or they 'gamble down', 'playing off' winnings over \$1,000 rather than collect a 'small cheque' between \$50 and \$200 (3 managers). This has created cash management and security problems for some clubs.
*I think it's encouraged more gambling – they tend to get rid of it [the winnings].
I've seen people play down from \$1,050 to \$1,000 to avoid the hassle of getting a cheque, although it only takes two minutes. But if it's more than 10% - say \$1,200 or \$1,300 - they'll keep it and take the cheque.
Punters don't want to get a cheque. They cash out before \$1,000 then continue gambling. Everyone finds a way to get around things – some people get eight cash payouts a night. That's a problem with security. We have external security – we escort people to their cars if they ask.
I don't think it's stopped anyone playing the poker machines, but if they have \$1,010 or \$1,005 they'll play it down, but they wouldn't do that at \$1,100.
We have some punters who still prefer cash. They're generally more careful when they push the collect button. If they have \$1,100 they'll gamble \$100 to get a bigger cheque, risk it. They aren't worried about getting a \$100 cheque.
A couple, very few, get it up to say \$1,100 or \$1,200 then play it back to \$999. Some just play it up to \$999 and cash out.
Some pull out before they get to \$1,000. I'm not sure if they do play off their winnings over \$1,000. It's hard to tell. I can walk past and they have more than \$1,000 and they might cash out below \$1,000. But I'm not sure whether they just lost it or did it deliberately.
A linked jackpot on machine can be \$58,000 and they take a cheque for that but they won't take a cheque for \$20. They try to get it up to \$700 and cash it out and play again.*
- Opinions were divided whether the cash payment restriction had encouraged more or less gambling. Six club managers thought patrons spent less time on gaming machines as their winnings were not immediately available to be

redeemed. Three managers thought patrons spent less time playing the machines.

Some do gamble off their winnings over \$1,000 down to \$999. Some spend more time on the pokies, to some degree.

The impact on patrons is they don't gamble as much. They don't have the cash on them. Now they have a cheque in their pocket.

- One manager suggested that a cheque may be problematic for some gamblers.
A lot of people can't bank a cheque, their partner will find out they've been gambling and they'll get into trouble. The Vietnamese and Asians are quite happy [to take a cheque] – they gamble as a family. Greeks hate it, they like everything in cash.
- Two club managers reported that some patrons paid other businesses to cash club cheques on the spot, rather than wait for a bank clearance.
*Some people pay to get the cheque cashed quicker. I've had calls about cheques from somewhere in Civic [to verify the cheque prior to it being cashed]. [Prompt: 'How often?'] About twice in the last 12 months.
I hear there's a Chinese restaurant and a nightclub in Civic and Braddon where they charge \$50 - \$60 to cash cheques.*
- Other reported impacts of the restriction included patrons gambling when they return to the club to pick up the cheque, or patrons bringing more cash with them to the club.
*They come back to us to cash cheques – but not the same day. They tend not to go to the bank. They're the ones with a gambling problem.
Writing a cheque may bring them back onto the premises the next day when they gamble, whereas if they took the cash they may not have returned. Let's say they win \$1,200 and take \$1,000 cash, gamble some of that and walk out with \$600 cash. They have to come in next day for a \$200 cheque and could lose the \$600 they won the night before.
They're more prepared, they have more cash on them. Or they visit the ATM more often.*
- One club manager said problems occurred between patrons as to who got the cheque when more than one patron was playing the machine. Two reported that patrons had lost their cheques.
It can cause arguments. The player that signs for the win gets the cheque.
- One club manager suggested that paying winnings by non-cash means reduces the enjoyment of gambling as a recreation.
I don't think it is fair on the punter that he has won \$4,000 and he walks away with a small part of it. It takes out all the enjoyment. People play to win and they get a great deal of enjoyment out of it.

Effect of cash payment restrictions on problem gambling

Club managers were asked if patrons affected by the restriction on the cash payment of winnings were more likely to be recreational gamblers or problem gamblers.

- Fourteen (23%) club managers stated that the measure had more impact on recreational gamblers than problem gamblers.
*Problem gamblers don't want to be identified. They pull their money out so they don't have to get a cheque.
I sign the cheques. I've got a fairly good recollection if a name kept appearing, but they don't.*

People who win big just come back. This [restriction] just slows them down a bit.

- Only nine (15%) of the club managers considered the measure had more impact on problem gamblers.
Reduced access to cash is more inconvenient for problem gamblers. The payment of winnings [by cheque] is quite effective because they have to wait three days; it does provide a cooling off period.
- Eleven club managers (18%) considered the measure impacted both recreational and problem gamblers equally.
It's had a bit of an effect on both [impact on recreational and problem gamblers]. Normally to win that sort of money they are bigger than usual punters – or totally lucky. You can put in 10c and win a jackpot but it is usually the bigger punters who need cheques. Problem gamblers will put more in, though. If you look at problem and risky gamblers it might help 1% or 5%.
- Two club managers said it had no impact on either group.
If it stops some then that is a good thing. But it's not going to stop anyone because they can just come in the next day and cash it. There's no impact problem gambler wise. It just means we have their money locked away for a few days.
- The remaining nine club managers (15%) were unable to express a view.
It's hard to tell. The people who tend to bet a lot can afford to bet a lot. Cooling off period for problem gamblers? That may well be the case. I don't know for sure. They'll reinvest it [winnings].

Patron adjustment to the cash payment restrictions

Club managers were asked whether their patrons had adjusted to the cash payment restrictions and if so how long it had taken them to adjust.

- Forty-four of the club managers (72%) said overall their patrons had now adjusted to the cash payment restrictions.
I'd say they've adjusted. We haven't had a huge drop in revenue; they're still banging away at it. Quite a few are aware. Big punters are definitely aware. The good thing I've found is that every club in the ACT is doing it. It makes it a lot easier. A lot of our patrons are patrons of other clubs in the area. They accept it, they know the story.
- Fifteen of those 44 club managers (34%) were uncertain how long it took patrons to adjust.
- Of the remainder the most frequent response (9 club managers, 15% of total sample) was that it had taken 'six to 12 months' for patrons to adjust; followed by 'three to six months' and 'one to three months' with seven responses (11%) each.
- Six managers (10%) said interstate visitors still experience problems with the measure.
Locals have adjusted, visitors haven't.
- Eleven managers (18%) said they didn't know whether patrons had adjusted or not.

Level of support for the cash payment restrictions

All club managers were asked to rate their level of overall support for the cash payment restrictions.

- This measure has more support from club managers than the 3-hour shutdown but less than the \$10 maximum bet. Fifteen club managers (25%) said they 'strongly support' it and 21 managers (34%) said they 'support' it - an overall support rating of 59%.
- This measure also attracted more unprompted comment and criticism from club managers than the other two measures, for example with regard to perceived lack of parity with ACTTAB.

There should be more uniformity in terms of ACTTAB winnings – they're allowed to get \$10,000 in cash.¹⁷¹ Same with the maximum bet – there's no limit on wagering. If we want to get serious it shouldn't just be poker machines.

The TAB has a cash limit of \$20,000. What's harm minimisation about that?

- Criticisms were also made of the steps taken to educate clubs and the community about the *Code of Practice*.

I don't think enough was done to explain it wasn't something the clubs were doing. It [the Commission] gave the impression it was the clubs doing it. There was not enough public education for the whole Code. There was advertising of the Code but it was more an 'infomercial'.

I have copies of the Code on hand – but my [ethnic group] members are not interested in reading 64 pages. I explain it and even then they don't understand.

They [the Commission] should have split [the advertising] up into crucial elements by the main types – clubs, casino, TAB – and concentrated on the most crucial elements. The most crucial elements for club members are what will happen to their money. They said [the restriction] existed, but not what it meant for customers. It was just thrown out there.

The government haven't put much into advertising information on this rule. They just put out a circular. [Gamblers] look at the brochures and ask where's the information? We have seven here but not one about the payment in cheques. It'd be easier if I had a brochure rather than going through club stuff. There should be a brochure that says 'there's been research and this is why we're doing it'.

5.3.5 Club managers' support for the three measures

All club managers were asked whether they support or oppose each of the three measures (Table 14).

- The measure with the strongest support was the **\$10 maximum bet** with overall support from 63% of ACT club managers; eleven managers (18%) supported it 'strongly'.
- **Cash payment restrictions** also received support from a majority of ACT club managers (60%); fifteen club managers (25%) said they 'strongly support' the measure.
- The **3-hour shutdown** had the lowest level of support from all ACT club managers (48%); eleven managers (18%) said they 'strongly supported' it. As

¹⁷¹ Maximum cash payable by ACTTAB is \$20,000 on each 'event'. Part 1.3, Clause 23 (1) *Gambling and Racing Control (Code of Practice) Regulation 2002*.

noted in Section 5.3.2 a significant proportion of shutdown club managers either oppose the shutdown (30%) or are indifferent (17%).

Table 14: Club managers' level of support for all measures.

Measure	Strongly support		Support		Neither/ Nor		Oppose		Strongly Oppose		Don't know, N/A	
	(n)	%	(n)	%	(n)	%	(n)	%	(n)	%	(n)	%
3-hour shutdown	11	18	18	30	10	17	6	10	12	20	3	5
\$10 maximum bet	11	18	27	45	6	10	8	13	7	12	1	2
Cash payment restrictions	15	25	21	35	3	5	14	23	6	10	1	2

Source: Interviews with ACT club managers 2004 ($N=60$ clubs). Note that some managers provided information on more than one club.

QG1. Finally, I am going to ask you to rate each of the three measures. Overall, do you support or oppose the [measure]? (Is that strongly support/oppose or just support/oppose the [measure]).

5.3.6 Efficacy of the three measures – club managers

Club managers were asked to rate how effective each of the three measures had been in reducing the harm caused by poker machines for problem and 'at risk' gamblers, based on their experience (Table 15).

- The majority of ACT club managers considered that each of the three measures were ineffective for reducing gambling-related harm.
*Prevention is better than cure. These measures are all about cure.
I don't think any of the measures have any effect on dedicated gamblers.*
- The **restriction on cash payment of winnings** received the highest rating for efficacy (44% of ACT club managers); eight managers (13%) rated it as 'very effective' and 19 managers (31%) rated it as 'quite effective'. Almost as many managers (40%) thought the measure was ineffective.
- The **\$10 maximum bet** was rated as 'quite effective' by 20 club managers (33%) and 'very effective' by three managers (5%). In all, only 38% of ACT club managers thought this was an effective harm minimisation measure; 45% rated it as ineffective.
- The **3-hour shutdown** was rated as effective by only 12% of ACT club managers. One manager (2%) rated it as 'very effective' and six managers (10%) rated it as 'quite effective'. A large majority (67%) thought it was ineffective, with 37% rating the measure as 'very ineffective'.

Table 15: Club managers' views on the efficacy of the three measures.

Measure	Very effective		Quite effective		Neither/ Nor		Ineffective		Very ineffective		Don't know, N/A	
	(n)	%	(n)	%	(n)	%	(n)	%	(n)	%	(n)	%
3-hour shutdown	1	2	6	10	4	7	18	30	22	37	9	15
\$10 maximum bet	2	3	20	33	6	10	21	35	6	10	5	8
Cash payment restrictions	8	13	19	31	3	5	16	27	8	13	6	10

Source: Interviews with ACT club managers 2004 (N=60 clubs). Note that some managers provided information on more than one club.

QG2. Based on your experience, how effective or ineffective do you think the [measure] has been in reducing the harm caused by poker machines for problem and 'at risk' gamblers?

Efficacy of the 3-hour shutdown

While the large majority of all ACT club managers felt the 3-hour shutdown was ineffective in reducing gambling-related harm, opinions of *shutdown* club managers were divided on this issue. A common comment was that the hours nominated for the shutdown (e.g. 4am-7am) diminished the potential effect of the measure for minimising harm.

- There was small minority support among the thirteen shutdown club managers for the measure. One shutdown club manager rated the shutdown as 'very effective' and a second rated it as 'effective'.
- Five shutdown club managers thought the shutdown was neither effective nor ineffective, or were uncertain about its impacts.
- Managers of the remaining six shutdown clubs considered the shutdown had been ineffective: four rated it as 'very ineffective'; two rated it as 'ineffective'.

In my old job [Queanbeyan club] I've seen people sleeping in their cars just to get back in again. I'm not sure if it's effective, but it is a minimum. Personally I think they should be closed for longer.

The 3-hour shutdown is the most ineffective measure of all. I've been in hospitality for twelve years. The government's deemed that the problem gambling hour is from 3am to 6am [sic]. Why that time? It would be far more effective if no-one could be on the punt for five hours or more, or ten hours or more.

Very ineffective. Problem gamblers have ample opportunity in prime time to play the poker machines. Why not shut down the club at 7-10 pm, the prime time? If you were a problem gambler why would you come out at 4am?

Efficacy of the maximum bet

The general consensus by ACT club managers was that the \$10 maximum bet is ineffective as a harm minimisation measure.

It's ineffective. It doesn't stipulate the time you can spend putting \$10 through.

You can still lose \$50 in five pushes.

It's ineffective. Why not make it \$5? Or \$2? It's arbitrary.

They spend one hour betting \$10, they wouldn't spend 10 hours betting \$1. If they spend two hours with \$10 hits they aren't going to spend 20 hours with \$1 hits.

The maximum bet is ineffective. If the maximum bet is \$5 they [problem gamblers] will play another machine at the same time if we aren't looking.

If the maximum bet is \$10 they play a few high bets and a few low bets. But if the maximum is \$5 they simply hit \$5 all the time.

If there are gaming machines out there they'll use them. [Harm minimisation] is just tinkering around the edges. Smoke and mirrors. It's just a smokescreen by the government. If they were really serious they would get rid of poker machines. That's what they need to do to minimise harm.

- A small number of club managers raised the prospect of reducing the maximum bet to \$1, citing recent proposals by the LAB in NSW. Opinions were divided on that option.

What would be effective? Reducing the maximum bet to \$1. From a club's point of view I'd hate to see it revenue-wise. From a club's point of view it's a drastic step but it might work.

They talked about that [\$1 maximum bet] in NSW but it was too drastic. They also talked about slowing the reel speed down. But problem gamblers have a set amount of money they're prepared to spend. Then they spend more to chase. But I think a change to \$1 would be a big drop for big hitters.

Efficacy of the cash payment restrictions

More ACT club managers (44%) rated the restriction on cash payment of winnings as an effective harm minimisation measure than they did the other two measures under review. Even so, opinions overall were divided with almost as many managers indicating that in their view the restriction was ineffective.

- Eight managers (13%) rated it as 'very effective' and 19 (31%) rated it as an 'effective' harm minimisation measure.

It's a good safeguard, particularly for weak-willed people. It does provide a cooling off period.

It's quite effective. It stops them from putting their money straight back through.

- Managers of 24 clubs (39%) rated the restriction on cash payment of winnings as 'ineffective' with eight of this group rating it as 'very ineffective'.

It's very ineffective. There are other ways to obtain cash. They can bring more money, they can go to the ATM.

A problem gambler might be someone who can't afford to lose \$1,000. Why not set it [the cash limit] at \$500 or \$200?

It has a minute impact. For some it's effective, but mostly it's ineffective and annoys the rest.

You really need to quantify cheques on the basis of the value of the money [to the patron]. \$1,000 is a lot of money for me and very little for someone like Kerry Packer.

It's very ineffective [as a harm minimisation measure]. They can still put their cash in – it just forces a time delay.

Not effective for the reasons it was introduced. But it is effective for security of personal risk, so they don't have too much cash.

It doesn't provide a cooling off period for big gamblers. There are people who consistently win over \$1,000 – sometimes a couple of times in a night - and they don't walk out with it.

The measures are ineffective the way the government has done it. You can put in as much money as you like but you're only going to get \$1,000. Gamblers don't know about [the measure] until they hit 'collect' and then we bear the brunt of it.

- Several club managers were either uncertain of its efficacy or thought the measure was neither effective nor ineffective.

I don't know if it's effective; I personally don't know if it's done much. Theoretically it should be effective. But problem gamblers will just wait until they can get hold of the money.

- Several clubs reported additional self-regulation measures associated with the payment of winnings both for harm minimisation reasons and for patron safety. Four clubs reported encouraging patrons to take larger cheques and less cash, mainly for their personal safety.

We've been doing that [paying cheques for winnings over \$1,000] as a responsible gambling measure before it was introduced in the Code.

5.4 Summary: effects of the three measure on clubs

Although the structure and operations of ACT clubs have undergone significant changes during the reference period July 2000 to February 2004, we found no evidence to suggest that these changes have occurred as a result of the three measures under review. For example, whilst the total number of EGMs in the ACT has been relatively constant there has been a shift to combination machines capable of both multi-play and multi-line betting, replacing older machines offering relatively simple games. There has also been a growth in low denomination machines.

Analysis of official monthly turnover data for all ACT clubs affected by the three measures revealed no negative impacts of the measures on EGM turnover when the year-on-year trends are compared for the relevant period. Monthly variations in the turnover data can be partially explained by seasonal factors and are relatively consistent across each twelve month period.

- The trend in overall gaming machine turnover for the group of largest clubs has shown a steady increase, while the trend for medium and medium-large clubs has levelled out.
- Over the period, turnover levels for the group of small clubs have been relatively flat. However, we found no evidence to suggest that any of the three measures have directly affected this trend.

No ACT club provided quantitative or financial data on the effects of the three harm minimisation measures under review. However, all club managers interviewed for this study offered extensive comments on the impacts of the measures on their business and club patrons.

The reported effects of the **3-hour shutdown** on clubs can be summarised as follows:

- All the thirteen shutdown clubs close all their facilities for the duration of the shutdown – i.e. the gaming machines in all the shutdown clubs operate whenever the club is open.
- Although a majority of shutdown club managers support the 3-hour shutdown, a majority also do not consider the shutdown to be an effective harm minimisation measure.
- All shutdown club managers consider that recreational gamblers, not problem gamblers, are most affected by the shutdown. They reported that prior to the shutdown 11-45 patrons would be in clubs during those hours - an average of 26 patrons per club. They indicated that over half of these patrons would have played the EGMs. Club patrons have now adjusted to the shutdown.
- All club managers reported the effects of a 'shoulder' period either side of the shutdown hours when patronage declined. None reported 'compensatory' behaviour by patrons increasing their spending prior to and immediately following the shutdown period.
- The main impact on patrons reported by club managers was that the shutdown prevents patrons from socialising or meeting friends leading up to and during the shutdown hours.
- The majority of shutdown clubs (nine of thirteen) reported that the shutdown had impacted negatively on their gaming revenue and total revenue, with revenue losses ranging from 3-10%. However the shutdown has had very little effect on their staffing costs or total costs.
- Perceived benefits of the shutdown for clubs include a safe environment to count money; a slight reduction in security staff; and cleaning has been made easier.

Many club managers had difficulty responding to questions on the effects of the **\$10 maximum bet** because the measure has been in place since 1993.

- Overall club managers consider it has little or no impact at its current level of \$10. The large majority reported no impact from the measure on club revenue, operating costs or on patrons.
- More than half of club managers reported that fewer than 10% of patrons play up to the \$10 maximum bet. The large majority considered the \$10 maximum bet restriction has little, if any, impact on patrons who gamble. Several ACT clubs (10%) do not have EGMs able to accept a \$10 maximum bet.
- Only one club manager thought the restriction would mainly affect problem gamblers; three managers said it affected both recreational and problem gamblers.
- Opinions were divided on whether the average bet by patrons had increased over time. Over a third of club managers reported the average bet had not increased over time; 30% said it had increased; and 11% said it had decreased. Estimates of the average bet varied from 25c to \$5.
- One club reported tourists and interstate visitors complain that the maximum bet is too low compared to the maximum bet available elsewhere, e.g. on casino EGMs in other states.

The large majority of club managers report that the **restriction on cash payment of winnings** has had a direct negative impact on club staff and administration costs, with the smaller clubs reporting the costs as significant.

- Six clubs consider they have lost gambling revenue associated with the restriction on cash payment of winnings.
- Just over 80% of clubs have made one or more changes as a result of the restriction. The most common change was to set up new procedures to manage the cheques (43% of all clubs). Three club managers reported they had set up EFT systems.
- The large majority of ACT clubs pay winnings over \$1,000 by cheque rather than by electronic funds transfer (EFT). The time taken by clubs to pay winners' cheques varies from 'on the spot' to three days. Cheques not paid on the spot are usually collected by patrons from the club, rather than being sent by mail.
- Medium-large clubs report processing more cheques of larger amounts than was reported by small or large clubs.
- More ACT club managers rated the \$1,000 cash payment restrictions as an effective harm minimisation measure than the other two measures under review. However, opinions overall were divided with almost as many managers indicating that in their view the restriction was ineffective. Only nine (15%) of the club managers considered the measure had more impact on problem gamblers.
- A large number of club managers reported that patrons 'cashed out' their winnings below \$1,000 or 'gambled down' their winnings to avoid a cheque. This has created cash management and security problems for clubs.
- The main impact, reported by 51% of club managers, was that the restriction on the cash payment of winnings had provoked complaints about inconvenience, mainly from recreational gamblers and visitors. Even so, the majority of club managers said that the restriction had now been accepted by their patrons.
- Club managers also expressed dissatisfaction with the way club patrons and the community had been informed about the measure.

Club managers' assessment of the three harm minimisation measures

- The \$10 maximum bet received the highest level of support from ACT club managers (63%); 60% of ACT club managers support the cash payment restrictions; while the 3-hour shutdown is supported by only 48% of club managers.
- However, the three measures under review were perceived as ineffective harm minimisation measures by a majority of ACT club managers. Only 44% considered the restriction on cash payment of winnings was effective; 38% said the \$10 maximum bet was effective; and the 3-hour shutdown was perceived as effective by only 12% of club managers.

6 Club Patrons

This section presents findings from the telephone interviews with a sample of 45 patrons who gamble on EGMs in ACT clubs. The patrons were recruited on-site from a sample of eight ACT clubs as outlined previously in the Methodology (Section 4). Forty-five interviews were completed from a sample frame of 51 club patrons contacted; this represents a response rate of 88%. Interviews were conducted in June 2004.

The interviews explored the effects on patrons of the three harm minimisation measures that are the subject of this Policy Review (see Appendix G). The recruitment methodology did not differentiate between recreational and problem gamblers. Rather, during the interview club patrons were asked to self-identify if they had experienced a gambling problem.

Research examined the reported gambling behaviour of recreational gamblers interviewed; their perspectives on the effects of the 3-hour shutdown, the \$10 maximum bet and the cash payment restrictions; their responses to these measures; and finally their views on the efficacy of the three measures.

6.1 Problem gambling

All 45 club patrons interviewed were asked if their gambling has ever been a problem (QF1). This question was used to enable a comparison with the ACNielsen/ACGR study in NSW and to explore if the problem may have been impacted by introduction of the three harm minimisation measures.¹⁷² It should also be noted that a problem gambling prevalence screen was not utilised; hence the responses are not comparable with other Australian problem gambling surveys, including the 2001 ACT study.¹⁷³ Moreover, base sizes are too small to allow for any sub-group analysis.

- Over one quarter of patrons interviewed (27%) said that they have personally experienced a gambling problem at some time. This is broadly comparable to the findings of the similar ACNielsen/ACGR study which found 20% of NSW recreational gamblers have had a gambling problem.
- Several patrons indicated that the gambling problem was in their past whilst others considered they had a gambling problem at the time of interview.

Of course, certainly. But I've always had the bills paid.

Yes, I wasn't very happy with myself at one stage.

Absolutely. But I don't have a problem now.

Yes, occasionally.

Yes. When I get bored I take \$10 and go and relax; I have a rest and sit down and play.

Sometimes, yes. It's just a problem with spending money.

My fiancé has asked me where the money has gone and I told her. I have to stop as she is expecting a baby and I'm going to be a father. She's going to help me get past it. If I go with someone else I won't lose so much. I can go to the club with a mate and play pool and not even play them [EGMs].

¹⁷² ACNielsen and ACGR 2003, op cit.

¹⁷³ McMillen, J. et al., 2001a, op. cit.

The remaining 33 interviewees (73%) stated that gambling had never been a problem for them.¹⁷⁴

6.2 Patrons' EGM gambling patterns

As expected, given that recreational gamblers were recruited on-site at ACT clubs, playing EGMs was the form of gambling that they do most often. All club patrons interviewed were asked how often they gamble on poker machines (Table 16).

- 60% of the 45 interviewees (27 patrons) reported that they play EGMs at least weekly.
- 49% (22 patrons) reported they usually play 2-3 times a week, while five club patrons reported playing more frequently.
Daily. But I might also watch my boyfriend play.
- More than a third of patrons (36% - 16 patrons) play EGMs once or twice a month.
I play once or twice a month when my partner plays cards there. I might spend \$5 or \$10.
I might throw in \$5 once a month.
- Only two patrons said they gamble on EGMS less than monthly.

Table 16: Frequency of play of EGM players

Frequency	(n)	%
Daily	3	7
4-6 times a week	2	4
1-3 times a week	22	49
1-2 times a month	16	36
Every couple of months	1	2
Less often than every couple of months	1	2
Total	45	100

Source: Interviews with club patrons who gamble on EGMs (N=45).

QA1. How often would you usually play poker machines? See Appendix G.

Times of play

Club patrons were read a list of time periods and asked which times they now usually play poker machines (Appendix E – QA2). Multiple responses were possible.

- The most popular hours for gambling on EGMs were between 6pm and midnight. A large majority of the patrons interviewed report they usually gamble between 6pm and 9pm (55%) and between 9pm and midnight (22%).
- The morning was also popular, with twelve people (27%) nominating 8am to midday. This time was popular with patrons who also play bingo:
I go to bingo and if I win I might have a bit of a flutter on the pokies.
I go to bingo and housie and I might play them then.
- Hours either side of the 3-hour shutdown were the least popular. Only five of the 45 patrons reported they usually play EGMs in the hours leading up to the shutdown (e.g. midnight to 4am). Four patrons usually gamble between 8am and 10am, the hours following the shutdown period.

¹⁷⁴ It is not known if any of these patrons may have a gambling problem but did not self-identify.

- There is no significant difference between the hours for gambling reported by patrons who said they have had a gambling problem and other recreational gamblers interviewed.

6.3 Effects of the 3-hour shutdown: club patrons

The gambling practices of a small minority of recreational gamblers were affected by the 3-hour shutdown. The shutdown had prevented three of the 45 patrons interviewed for this study from gambling when they wanted to. One of these patrons now spends less time playing the poker machines since the shutdown was introduced, and one patron reported spending more time and money gambling on EGMs than before, mainly before the shutdown hours. One patron also reported spending a lot more money gambling since the shutdown.

To identify the sub-sample of recreational gamblers who used to gamble during the current shutdown hours all patrons were asked '*before the shutdown, did you ever play poker machines between the hours of 4am to 7am, or 5am to 8am?*'

- Of the 45 recreational gamblers interviewed nine (20%) had previously played EGMs during the current shutdown hours.
- Of that group, three patrons said they sometimes played during these hours and that the shutdown had prevented them from playing poker machines when they wanted to;
- Six of the nine patrons said they rarely played during these hours and that the shutdown had not prevented them from playing poker machines when they wanted to.
No, I only played them because they were there.
- No patrons said they often played poker machines during these hours.

Reason for playing during the shutdown hours

Those nine patrons were then asked why they had played EGMs during those hours, i.e. to identify the appeal of gambling during those hours.

- Five said they were shift workers, or finished work near those times.
- Four said they remained in the club at the end of a night out.
It was after a late session of bingo and I stayed longer than I meant to.
It was something to do when everyone else had gone home.
Only once, at the end of a night out when I was on a winning streak.

Changes in response to the shutdown

The nine patrons who had previously gambled during the shutdown hours were asked whether they had changed the time they play poker machines as a result of the shutdown (QB4).

- Seven of the nine patrons said they had not changed the time they usually gamble on poker machines since the shutdown.
No change. I still find a way to play them.
- Only two patrons said they had changed the time they usually spend gambling on EGMs. One now spends less time playing the poker machines and the other spends more time gambling than before, mainly before the shutdown hours.
- Five club patrons said that since the introduction of the shutdown measure they have been playing the poker machines just before shutdown time (QB7).

Four of these five patrons stated they went home when the club shut down, while one reported going on to another club that closed at a later time (QB8).

- These five club patrons were asked whether they now spend more money or less money on the machines than they did before the shutdown (QB9). Three of the five thought they hadn't changed the amount spent; one now spent a little less money; one reported spending a lot more.

No change. You still lose whether it's at 9pm or at 4am.

It depends. If I know the club is going to shut down I play higher and I may lose twice as much. It just speeds me up. When it [the club] closes it's a bad thing if you're down a bit and you want to chase the money and you get cranky and you want to chase a bit. But they might be doing you a favour if you're up. You just go back next day.

6.4 Effects of the maximum bet - club patrons

All 45 club patrons interviewed were asked a series of questions pertaining to the \$10 maximum bet (Section C, Appendix E). This measure has not affected any of the club patrons interviewed. Only five (11% of the sample) report they have ever bet up to \$10, and none said their gambling was affected by the maximum bet restriction.

Amount of usual bet

- Thirty eight (84.5%) of the 45 recreational gamblers interviewed usually bet \$1 or less at a time (i.e. on each play) (QC1). Of these 38 patrons, 31 (69%) bet 50c or less.

It depends. If I'm with someone else I bet 40c to \$1. If I'm by myself then \$2 to \$5.

Two hundred credits - \$2.

I bet the minimum – 25c. That's 1c for 25 lines.

40c to 50c depending on which machine I am playing. Occasionally \$1.

20c but now and again we punt up to \$1 if we look like getting there.

Between 20c and a dollar.

2 credits per line, 40c.

Between 2c and 40c. Usually 20c, the minimum. We have a set limit and we stick to it.

We limit our bets to 25c. We only bet small, just 25c a bet.

Usually 40c, but if I'm winning I might bet 60c. Rarely, say once a month, I bet \$1.

Between 25c and 50c.

- Seven patrons (15.5%) reported usually betting between \$1 and \$3. None said they usually bet more than \$3.

Usually \$1, sometimes \$2.

- Five (11%) of the 45 club patrons interviewed sometimes have bet the \$10 maximum.

Only one time when I had had too much to drink. But only once.

Sometimes. There is a machine at [name] club. There's a 2-center. I got to \$500 then lost \$300 in 10 minutes by betting \$10 a hit. But rarely would I do \$10 a hit, just sometimes \$5. I've seen other people playing \$10. There was a lady at [name] club who lost \$500 bucks in 45 minutes. When she

stopped I played her machine – but smaller credits. I got a couple of features and won a few hundred dollars.

Just a few times, but it just goes too quick.

Sometimes. It depends on how good it's doing. I prefer not to play them myself.

Depends. I'd bet \$10 if I won a few thousand dollars. When you only have a certain amount then you're more responsible. People don't realise that the 85% return is over a year, not in one sitting. I saw a lady at [name] club, she lost \$600 and she wanted her money back.

- The remaining 40 recreational gamblers never bet the \$10 maximum bet.
I haven't played one where it was \$10, but I have played the maximum on that machine of \$7.50 – I think it's 25 lines by 50c or 25c a line or something.
Never. But the machines here only go to \$5 anyway.
Never. \$10 is the maximum I spend all night.
- None of the 45 interviewed patrons had altered the amount of money or time they spent on poker machines as a result of the \$10 restriction (QC3, QC4).

6.5 Effects of cash payment restrictions – club patrons

All 45 club patrons were asked a series of questions regarding the cash payment restrictions, including whether they had won over \$1,000 on EGMs in the past 12-18 months and how they managed their winnings. The majority (82%, 37 patrons) reported they had not had a win that took their EGM credits over \$1,000 in the last 12-18 months. However, for those patrons who have had EGM wins over \$1,000, this measure appears to have had a greater affect on gambling behaviour than the other two measures under review.

- Eight (18%) of the 45 club patrons said they had had a win that took their credits over \$1,000 (QD2). Of these eight, five had won above \$1,000 more than once.
Yes, four times.
Yes, once. Mum and I won the linked trains, \$7,500.
- When asked what they usually did with credits above \$1,000, three of those eight patrons reported that they gambled the credits down below \$1,000 to avoid a cheque.
The first time I put \$2,000 by BSB into my account. I was offered a cheque or direct payment. The second time I won \$1,200 I gambled it down to \$900 and took it out. [Avoiding a cheque] wasn't the main reason, but one of the reasons.
I won \$1,080 one time and I got it down to \$950 and took it out. Another time I lost a heap trying to win more. You know how the cycle grabs you. Now I pull it out at about \$750.
Once I was up \$3,300 on a machine. The extra \$300 I gambled off and collected \$3,000. Other times I've ended up losing. I was in the club 14 hours once and lost \$1,400 of our own money. That's a disgusting amount of money. Now if I'm up \$1,100 I take it out and try another machine.
- Five (11%) of the 45 respondents interviewed said they had cashed out before \$1,000 to avoid having to get part of their winnings as a cheque (QD1).

Precisely for that reason. I want the money in my pocket. I don't want to be waiting for seven days.

I think I've lost money because of the \$1,000 thing. I should have cashed out above \$1,000 and not gambled it down.

- One patron collected \$1,000 in cash and the rest as a cheque. Two patrons said they collected less than \$1,000 in cash and the rest as a cheque.

You still have \$1,000 bucks in your wallet and you blow that because you know you're getting a cheque the next day.

I've won three times. I collect a few hundred in cash and get the rest as a cheque. I pick the cheques up the next day or the day after. You have to go to the main club to get the cheque.

Changes in response to the cash payment restrictions

None of the 45 patrons interviewed had changed the place or places where they gambled because of the way the club deals with the payment of winnings. However, a small number of patrons (four) complained about the measure

They're all the same – it's just luck whether you win.

What I can't understand is you might win \$500 here and \$600 there. Why can't you get \$1,100 [in cash]?

I think consumers should have a choice. Clubs will either get it back that day or get it back anyway.

6.6 Club patrons' support for the three measures

All 45 club patrons interviewed were asked whether they support or oppose each of the three harm minimisation measures (Table 17). The level of patron support for all three measures was significantly higher than that indicated by ACT club managers.

- The measure with the highest level of support was the **\$10 maximum bet** with overall support from 87% of club patrons interviewed, with 40% expressing strong support.
- **Cash payment restrictions** also received support from a large majority of club patrons (85%); sixteen patrons (36%) said they 'strongly support' the measure and 22 (49%) stated they 'support' it.
- The **3-hour shutdown** had a slightly lower level of majority support from recreational gamblers (78%); 26 patrons (58%) said they 'strongly supported' it and nine (20%) said they 'supported' it.

Table 17. Patrons' level of support for all three measures.

Measure	Strongly support		Support		Neither/nor		Oppose		Strongly oppose		Don't know	
	(n)	%	(n)	%	(n)	%	(n)	%	(n)	%	(n)	%
3-hour shutdown	26	58	9	20	5	11	1	2	4	9	0	0
\$10 maximum bet	18	40	21	47	2	4	2	4	2	4	0	0
Cash payment restrictions	16	36	22	49	1	2	3	7	3	7	0	0

Source: Interviews with club patrons who gamble on EGMs (N=45) See Appendix G.

QE1. Overall, do you support or oppose the [measure]. Is that strongly [] or just []?

Recreational gamblers interviewed were also invited to make additional comments on each of the three measures.

Club patrons' support for the 3-hour shutdown

While the concept of a shutdown of EGMs is perceived as a positive measure by the majority of patrons, many supporters suggested the shutdown should be for a longer period. A small number of patrons indicated they opposed the shutdown because the current hours were timed to occur when few people would be in the clubs and thus it was unlikely to be effective as a harm minimisation measure.

- There's no need for it to be open 24 hours. It makes people go home.*
- People shouldn't be allowed to gamble for 24 hours. They need a spell.*
- Any restriction on poker machines is a good one.*
- I support even more hours of shutdown. For some people they drink too much and they gamble too much.*
- It'd be good if clubs closed from 12am to 8am. It'd be easier for everyone.*
- People need to get out after a while. It's a good thing. They should close for longer.*
- For an idiot like me it should be longer. I'm serious when I say I wouldn't mind if they shut at midnight even though I'm there at 4am.*
- I oppose it because the time [of the shutdown] isn't effective. They should shut the machines from 12midnight to 3am when everyone is in their prime.*
- Strongly oppose. The bar should stay open and so should the machines.*

Club patrons' support for the \$10 maximum bet

The following comments by recreational gamblers reflect the strong majority support for the maximum bet. However a large number of patrons also suggest that the \$10 limit is too high. Both supporters and opponents of the measure expressed the view that the limit should be lower to have a positive effect on problem gambling. Many spontaneously suggested a different amount for betting limits.

- It can't harm and some people don't know how to control themselves.*
- Most definitely. But \$10 is ridiculously high. It should be a maximum of a couple of dollars.*
- Should be even less. It's meant to be for entertainment. \$10 is very big money.*
- Strongly support; it should be reduced. People can lose a hell of a lot in a little time.*
- I oppose it. It shouldn't be that high. It should be a lesser amount...\$2.*
- I'm opposed to it. \$10 is a bit ridiculous. \$5 is pretty bad; \$4 is more reasonable.*

Club patrons' support for the cash payment restrictions

The large majority of club patrons interviewed saw the cash payment restrictions as a positive initiative in preventing gamblers from spending their large winnings. A perceived positive benefit was that payment by cheque would encourage people to use the money for household needs. A small number argued that the amount paid in cash should be reduced.

If they get a big lump sum of cash it can just disappear whereas if they get a little time to think about it...

I strongly support it. People don't know when to stop. If they get a cheque they have to put it in the bank.

They get it too easy; they smoke and drink and then have to do without. They should be more responsible.

Strongly support. If you give them all that money they'll just put it all back in again... At least they might have a chance of going home with something.

I only got it once in my life. I didn't like it at the time but I can see now it's a good idea.

It should be stronger; it should be \$600 or \$700. I see a lot of gambling where I work. I've felt it and I know how it can get out of control. I did myself for a couple of weeks.

I support it for security reasons because you might get knocked on the head with that much cash. I've heard the club suggest you pick up the cash the next day for security.

It doesn't faze me but it should be less in cash.

I strongly support it ... but [the cash amount] should be reduced.

A minority view was that the measure would impact negatively on visitors to Canberra, while having little benefit for the community because people would find a way to bypass the restriction.

It depends on the situation. Tourists shouldn't have to wait. A bad gambler shouldn't mind. But if I haven't got enough money [to keep gambling] I just borrow it.

Neither support nor oppose. There are ways around it. Some clubs pay a win of \$3,000 in \$1,000 docketts, three of them.

Opponents of the measure were mainly of the view that a mandatory restriction interferes with people's rights. A small number complained about the delay and inconvenience of having to collect a cheque from the club.

I think you should be able to get your money back.

I oppose it. It's pointless if it's just \$50 or \$100 over. It should be left to the initiative of the person paying out to choose [whether to pay all out in cheque or not]. If it's \$1,700 then that's different.

It's a nonsense. It doesn't make any sense, the length of time it takes to get your money. You should be able to make an immediate claim. It's hard to get back to pick up a cheque during working hours. If it was a very big amount, say \$2,000 or \$3,000 then you should get a choice, for safety reasons you should be able to ask the club it hold it for you in cash. It shouldn't be a mandatory restriction on the amount.

6.7 Efficacy of the three measures – club patrons

Recreational gamblers interviewed for the study were asked to rate the efficacy of the three measures in reducing the harm caused by gaming machines for problem and 'at risk gamblers (QE2). In contrast to the club managers, a majority of patrons believe that all three measures were effective for reducing gambling-related harm (Table 18).

- The **restriction on cash payment of winnings** received the highest rating for efficacy (66% of recreational gamblers compared to 44% of ACT club managers). Ten patrons (22%) rated it as 'very effective' and 20 patrons (44%) rated it as 'quite effective'.
- The **\$10 maximum bet** was also rated as 'quite effective' by 20 patrons interviewed (44%) and 'very effective' by seven patrons (16%). In all, 60% of club patrons thought this was an effective harm minimisation measure compared to 38% of club managers.
- The **3-hour shutdown** was rated as effective by 40% of club patrons, with four patrons (9%) rating it as 'very effective' and 14 patrons (31%) rating it as 'quite effective'. A large proportion of patrons (33%) felt this measure was ineffective and 27% did not know. Even so, more patrons considered the shutdown to be an effective measure than did ACT club managers (12%).

Table 18. Club patrons' views on the efficacy of the three measures

Measure	Very effective		Quite effective		Neither/nor		Ineffective		Very ineffective		Don't know	
	(n)	%	(n)	%	(n)	%	(n)	%	(n)	%	(n)	%
3-hour shutdown	4	9	14	31	0	0	9	20	6	13	12	27
\$10 maximum bet	7	16	20	44	0	0	4	9	4	9	10	22
Cash payment restrictions	10	22	20	44	1	2	7	16	1	2	6	13

Source: Interviews with club patrons who gamble on EGMs (N=45). See Appendix G.

QE2. Based on your experience, how effective or ineffective do you think the [measure] has been in reducing the harm caused by poker machines for problem and 'at risk' gamblers?

Efficacy of the 3-hour shutdown

A minority of recreational gamblers (40%) believe the shutdown is effective and identified some positive aspects of the policy.

I've seen a number of people I know from the bingo circuit sitting there until they are thrown out virtually. They'd sit there longer if they were not put out.

I haven't been privy to people playing at that time but it would have to be effective wouldn't it?

It's effective if people can't chase their money... It stops people from going and going and going.

They've got to have a break sometime, so I say 'effective'.

Quite effective, but it just makes people go harder before they go home.

The following comments by patrons expressed majority doubts that the 3-hour shutdown was effective overall. A common view was that the shutdown would not have a significant impact on problem gambling because the shutdown period does not target the hours when the clubs are busy, and few people are in the venue in the hours immediately before the shutdown. Several felt that the shutdown would only impact on shift workers and club staff. Others believe that gamblers affected by the shutdown will just go back into the club the next day.

I don't see what good it will be doing. They'll stop for three hours then go straight back down the next day.

Absolutely no effect. It's very ineffective because of the time of day.

It doesn't stop them from gambling because by that time they've spent all of their money.

It only affects shift workers. It's not going to apply to normal mums and dads with problems.

If they're trying to target big gamblers...by the time we've had dessert that's when they [poker machines] are busiest - between 9pm and 1am. Not at 4am. That only affects shift workers.

The shutdown should start earlier and end later. Who on earth would play at that time [e.g. 4-7am]?

Shut down the machines from 10 or 11pm through to 4 pm the next day.

Due to the closure of the poker machines my whole club closes down. The main effect has been on staff.

Efficacy of the \$10 maximum bet

The following comments from recreational gamblers indicate that support for the maximum bet is qualified by reservations about the \$10 limit. Many club patrons interviewed said that \$10 is too high, suggesting that a lower limit would be more effective.

It's a step in the right direction. I don't know anyone who bets that high but I suppose it stops people going overboard.

I've only ever seen a few people of ethnic persuasion betting that much.

Let's face it, it's not really effective. You can lose a vast amount of money at \$10.

It's much too high. They should bring the limit down.

I know a guy with a good job who plays \$5 a time. He has a major problem. He has a good job but he'll do all his dough and ask me for a loan so he has some money to take home to the Mrs. Bring the maximum bet back to no more than \$2. Even then people will have problems.

I'm not sure what good it would do. Even if it was less they would just gamble longer and at the end of the night they end up spending the same anyway.

Efficacy of cash payment restrictions

Comments by recreational gamblers indicate that many consider the cash payment restrictions could have a positive impact on reducing gambling related harm. However, several patrons had reservations about the \$1,000 limit which was seen to be too high; patrons of their own accord suggested a smaller cash payment would be more effective with problem gamblers.

I think the \$1,000 cut off is a good thing. I suppose it stops people from putting it all back through. At least they can't spend it all again.

I've known people who've got cheques, just regular Joes and they're quite happy. Usually they take it all in a cheque.

As long as they keep it [the cash payment restrictions] over \$1,000. I wouldn't want it lower than that.

It's quite effective, even if it was \$500 instead of \$1,000. If you win you wouldn't put it all back in but only put some back in. But it should be less in cash; they should make it \$500.

While club patrons perceived this to be the most effective of the three harm minimisation measures, a significant number felt that problem gamblers would find ways around the restriction.

I can't really find a reason why that one would be effective. I've seen people win and put it all back through again.

There's no law stopping you pulling out \$1,000 of each machine. They should limit it to \$1,000 per person or one big win a night.

The limit should be lower. And there's nothing to prevent people moving to the next machine.

6.7.1 Additional comments – club patrons

At the conclusion of the interviews club patrons were asked whether they had any further comments on the three harm minimisation measures under review; 28 of the 45 patrons recruited on-site (62%) provided additional comments. Comments which were specific to the three measures have been included above.

Almost without exception, other more general comments by recreational gamblers were critical of government policies and of gaming machines in clubs, including the following:

They're totally ludicrous restrictions. They're all token measures that don't do anything but waste government money pretending to do something and not doing anything at all.

I can't stress enough how hypocritical the government is being by introducing the measures. People that could be helped aren't affected. If they were really fair dinkum they should change the measures so it affects more people, not just people at the very end of the continuum.

I believe those money machines should be taken out of the clubs. I've seen too many people ringing up the bank waiting for their pension to go in so they can take it out and spend it at housie.

I think the clubs should be strongly audited on the percentage they pay out through pokies. I don't believe in the system they have. People should know how it works. It should be visible, so you know you're being treated fairly. You should see on a machine how much I've put in and how much the drop has been.

I don't believe in jackpots with one person winning everything and others getting nothing. It should be more even, the drops.

There should be more entertainment at clubs, more to do. [Name] club is too pokie-oriented; they don't give enough back to their members. They have a badge draw and it's across all their clubs and people wait around for three or four hours for it when they have kids they should be home feeding.

... I love the ad on TV at the moment by ClubCare. It tickles me pink, the ad – about how clubs are helping kids to play sport. If the kids' parents hadn't put all their money in the pokies they could afford to buy them football boots.

6.8 Effect of the measures on problem gambling

This section presents the results from interviews with the twelve club patrons recruited for this study who self-identified as having had a gambling problem, as well as information from interviews with sixteen people (problem gamblers and family members) recruited for another study, as described in the Methodology section of this report (Section 4).¹⁷⁵ That second group of participants included nine self-identified problem gamblers and seven family members close to someone with a gambling problem.

The participants in both studies were asked a series of questions as to whether each of the three measures had any impact on their gambling or, in the case of family members, gambling by their relative who had a gambling problem. Specifically, they were asked if gambling was more or less of a problem because of the measure.

The large majority of self-identified problem gamblers said that none of the three measures had impacted positively on their gambling problems. Gamblers recruited from ACT clubs specifically for this study said there had been little if any change in their gambling as a result of the measures (Table 19). Only the 3-hour shutdown was reported as having had a beneficial effect, with two gamblers saying that their gambling was less of a problem as a result of the measure.

I've gambled less. It's good in many ways as you're not out any later than 5am.

They should do some research and find out when the machines are most used. Then they might close the poker machines from 11 or 12 at night.

Table 19. Perceived effect of the measures on problem gambling, self-identified problem gamblers.

Impact	3-hour shutdown (n)	\$10 maximum bet (n)	Cash payment restrictions (n)
More of a problem	0	1	0
Less of a problem	2	0	0
No change	8	9	10
Don't know/can't say	0	0	0
Not applicable(a)	2	2	2
Total	12	12	12

(a) Problem ended prior to [measure].

Source: Interviews with club patrons who self-identify as having a gambling problem (n=12)

QF2. Has the [measure] had any impact on your gambling? Is it more or less of a problem for you because of the [measure]? See Appendix G.

¹⁷⁵ Those sixteen respondents were recruited as part of a related research project being conducted through the Centre for Gambling Research: J. McMillen *et al.* 2004. *Help-seeking by Problem Gamblers, Friends and Families: A Focus on Gender and Cultural Groups*. ANU Centre for Gambling Research, July 2004.

Interviews conducted with the group of problem gamblers and family members for the Centre's previous 'Help-seeking' study resulted in a slightly different finding:¹⁷⁶

- The restriction on the cash payment of winnings was reported by that group as the most effective of the three measures under review;
- However that group also reported that the 3-hour shutdown has had a positive affect for some problem gamblers, especially shift workers, by providing a break in play; and
- The \$10 maximum bet was not seen by the second group as an effective strategy to minimise harm from gambling as the limit was higher than most gamblers would bet. This finding also confirmed the views of club patrons recruited for this study.

6.8.1 Effects of the 3-hour shutdown on problem gambling

The 3-hour shutdown reportedly has had a positive effect on some shift workers with a gambling problem. It also has provided a beneficial 'break in play' for a small number of self-identified problem gamblers, but it was not seen as a complete solution by any problem gambler interviewed.

The 3-hour shutdown certainly had an effect on me. I was a shift worker and often gambled all night. I sat in front of the pokies until all my money was gone.

The 3-hour shutdown would have had an effect on him as he was a shift worker and often gambled all night. He gambled until all the money was gone.

I would have kept gambling all night right through until all my money was gone but I had to leave when the club shut at 4am or whenever.

The three hour shutdown does influence my gambling but only a bit. Sometimes I'd change my betting to take account of the impending closure.

6.8.2 Effect of the maximum bet on problem gambling

The \$10 maximum bet was perceived as an ineffective harm minimisation measure by all problem gamblers interviewed. They all said they rarely gambled \$10 per bet. Yet they also reported that the size of their bets tended to increase when they were on a 'winning streak' and when they were losing. Family members and friends of problem gamblers were more supportive of the \$10 maximum bet than gamblers.

The higher the loss during a session the higher the bet became. I was chasing the losses and lost everything.

There is no such thing like harm-minimisation with the bet limits as they are. If you're in it you're in it.

For me [a much lower maximum bet] would have been an inhibiting factor playing poker machines whenever I was gambling compulsively. However, this would be hard to argue for given the range of income groups who gamble safely in the ACT.

They should make it \$2 maximum bet. In all the years I've been playing poker machines I've never seen anyone playing \$10. Even \$2 can destroy people.

One dollar bets would slow him down but certainly wouldn't stop him.

¹⁷⁶ *ibid.*, pp.124-163.

One club patron who self-identified as having a current gambling problem said that the problem was worse as a result of the \$10 maximum bet.

\$10 is too high. When I'm winning I bet high. I don't mind betting \$2. Even a \$5 limit is enough; you can drop a lot at \$5 a hit.

6.8.3 Effect of cash payment restrictions on problem gambling

The majority of patrons in this study who had a gambling problem (72%) reported that the payment of large winnings by cheque placed an effective restraint on the amount of money they gambled. Others said the measure was not effective overall.

The cheque option saved me. It was the only thing that's worked in the last few months in helping me to control my gambling.

When he's won \$1,000 he takes his winning as a cheque. This cheque is then banked into a bank account – not put back into the pokies. This has been an effective method for him of keeping some control over his money.

Cheques as payout would have stopped me for the moment, but I would have gambled it away in the next session.

Although the option of a cheque was seen as an effective harm reduction barrier for some, others found ways to bypass it. Several problem gamblers reported they 'cash out' or 'gamble down' if they want to avoid cheques and retain immediate access to winnings in cash. One self-identified problem gambler objected to the measure and argued the limit should be higher.

I collected a cheque sometimes and didn't gamble it away again. But other times I'd deliberately stay under the \$1,000 limit and would lose everything. However, I still think it's a good measure.

It's OK to a certain extent. The poker machines are calling you when you have money, so you'll spend it that day or another day. But the consumer should have a choice. If it's \$5,000 - that's different; that should be a cheque.

6.9 Summary of interviews with gamblers

This section summarises the effects of the three measures on recreational gamblers and club patrons with a self-identified gambling problem.

The 45 patrons recruited on-site at ACT clubs were regular gamblers whose most frequent form of gambling was EGMs.

- The majority (60%) reported that they play EGMs at least weekly, with almost half of that group (49%) usually gambling 2-3 times a week. 60% of the recreational gamblers interviewed reported that they play EGMs at least weekly. Five club patrons reported playing more frequently at 4-7 times a week.
- The most popular hours for gambling on EGMs were between 6pm and midnight (77% of patrons interviewed). Hours either side of the 3-hour shutdown were the least popular. Only five of the 45 club patrons reported they usually play EGMs in the hours leading up to the shutdown (e.g. midnight to 4am). Four patrons usually gamble between 8am-10am, the hours following the shutdown period.
- Over one quarter of club patrons interviewed (27%) said that they have personally experienced a gambling problem at some time.

Effects of the three measures: recreational gamblers

- The **3-hour shutdown** has had little effect on recreational gamblers interviewed for this study. Only nine (20%) of the 45 patrons interviewed had previously played EGMs during the current shutdown hours. Five were shift workers or finished work near those times; four said they remained in the club at the end of a night out.
- Only two patrons said they had changed either the time or the amount spent gambling on EGMs as a result of the shutdown. One of those patrons now spends less time playing the poker machines since the shutdown was introduced, and one patron reported spending more time and money gambling than before, mainly before the shutdown hours.
- However, the shutdown has prevented three of the 45 club patrons from gambling when they wanted to.
- The **\$10 maximum bet** has not changed the gambling behaviour of the club patrons interviewed. The large majority of EGM gamblers interviewed (84.5%) usually bet \$1 or less at a time; 69% normally bet 50c or less. None said they usually bet more than \$3.
- Only five (11% of the sample) report they have ever bet up to \$10, and none had altered the amount of money or time they spent on poker machines as a result of the \$10 restriction.
- The \$10 maximum bet was perceived as an ineffective harm minimisation measure by all problem gamblers interviewed. Although they rarely gambled \$10 per bet, they also reported that the size of their bets tended to increase when they were on a 'winning streak' and when they were losing.
- For those recreational gamblers who have had EGM wins over \$1,000, the **restriction on cash payment of winnings** appears to have had a greater affect on gambling behaviour than the other two measures under review.
- The majority of recreational gamblers interviewed (82%) reported they had not had a win that took their EGM credits over \$1,000 in the last 12-18 months. Eight patrons (18%) said they had had a win that took their credits over \$1,000.
- Three of those eight patrons reported that they gambled the credits down below \$1,000 to avoid having to get part of their winnings as a cheque; and five (11%) had cashed out before \$1,000 to avoid a cheque.
- None of the gamblers interviewed had changed the place where they gambled because of the way the club deals with the payment of winnings.

Assessment of the three measures: recreational gamblers

The level of support by EGM regular gamblers for all three measures was significantly higher than that indicated by ACT club managers.

- The **\$10 maximum bet** had the highest level of club patron support (87% of ACT recreational gamblers interviewed, with 40% expressing strong support).
- **Cash payment restrictions** also received support from a large majority of ACT club patrons (84%); sixteen patrons (36%) said they 'strongly support' the measure and 22 (49%) stated they 'support' it.
- The **3-hour shutdown** had a slightly lower level of majority support from club patrons (78%); eleven patrons (18%) said they 'strongly supported' it and eighteen (30%) said they 'supported' it.

In contrast to the negative view of most club managers, a majority of gamblers believe that all three measures were effective for reducing gambling-related harm.

- The **restriction on cash payment of winnings** received the highest rating for efficacy (66% of recreational gamblers compared to 44% of ACT club managers).
- The large majority of gamblers interviewed saw the cash payment restrictions as a positive initiative in preventing gamblers from spending their large winnings.
- However, a small number of patrons (four) commented that the amount paid in cash should be reduced.
- Critics of the measure complained about the delay and inconvenience of having to collect a cheque from the club. Others suggested it would impact negatively on visitors to Canberra and that a mandatory restriction interferes with people's rights.
- Recreational gamblers also expressed strong majority support for the **\$10 maximum bet**. The maximum bet was rated as an effective harm minimisation measure by 60% of recreational gamblers compared to 38% of club managers.
- However both supporters and opponents of the measure expressed the view that the \$10 limit is too high to have a positive effect on problem gambling.
- The **3-hour shutdown** was rated as effective by only a minority (40%) of recreational gamblers. A larger proportion of patrons (43%) felt this measure was ineffective; 27% did not know. Even so, more patrons considered the shutdown to be an effective measure than did ACT club managers (12%).
- Although the concept of a shutdown of EGMs is perceived as a positive measure by the majority of recreational gamblers interviewed, a large number were sceptical of the benefits of the measure because it is currently timed to occur when few people would be in the clubs and thus it is unlikely to be effective as a harm minimisation measure.
- Other more general comments by recreational gamblers were critical of government policies and of clubs' management of gaming machines.

Assessment of the three measures: problem gamblers and family members

The large majority of self-identified problem gamblers interviewed said that none of the three measures had impacted positively on their gambling problems. They reported there had been little if any beneficial change in their gambling as a result of the measures.

- Of the twelve self-identified problem gamblers recruited on-site, a majority (65%) said the shutdown had not affected their gambling; 75% said the maximum bet had not affected their gambling; and 83% said the restrictions on cash payment had not affected their gambling.
- Problem gamblers were less likely than recreational gamblers to perceive the maximum bet and the 3-hour shutdown as being effective.
- The **3-hour shutdown** was reported as having had a positive effect for a small number of gamblers who said their gambling was less of a problem as a result of the measure. By providing a break in play the 3-hour shutdown has been effective for those gamblers. However the hours of the shutdown mean that most problem gamblers are not affected.
- The **maximum bet** was not generally seen as an effective strategy to minimise harm from gambling as the \$10 limit was higher than most gamblers would bet. Problem gamblers reported the \$10 maximum bet allowed them to increase the

size of their bets when they were on a 'winning streak' and when they were losing. Family members and friends of problem gamblers were more supportive of the \$10 maximum bet than gamblers.

- The majority of problem gamblers (72%) reported that the **cash payment restrictions** placed an effective restraint on the amount of money they gambled. A large number, however, reported they frequently bypassed the restriction, e.g. by cashing out or gambling down below \$1,000 to avoid payment by cheque so they can continue gambling.
- Interviews with family members of problem gamblers also found that the **restriction on the cash payment of winnings** was seen by this group as the most effective of the three measures under review.

7 Impact on the ACT Community

This section of the report outlines findings relating to the impact of the three harm minimisation measures on the ACT community. It presents findings from consultation with ACT gambling and financial counsellors, the ACT Council of Social Services (ACTCOSS) and expert analysts regarding the three harm minimisation measures. Face-to-face interviews were conducted with a number of key organisations at their locations. Interviews with gambling counsellors and a representative of ACTCOSS also took place at Centre's ANU office and took approximately one hour. At least two members of the research team were present during those interviews.

Interviews were guided by semi-structured questions (Appendix H) that sought information and assessment of the affects of the measures on the clients of support agencies, as well as community impacts such as crime and street disturbances, employment and selected occupations that work shift work. During interviews all participants were invited to provide opinions and/or additional information in relation to the three harm minimisation measures. Interviewees were encouraged to discuss any issues they considered relevant to the research and were probed for their views of the efficacy of the three measures.

In addition a number of community organisations were contacted by letter, email and telephone to provide information on research questions identified during the literature review or the primary research. A thematic analysis of their qualitative responses are outlined below.

No community or counselling agency provided quantitative client data to assist the research.

7.1 Effect of the 3-hour shutdown

Community organisations and counsellors interviewed considered that the 3-hour shutdown was beneficial to a small number of problem and 'at risk' clients by forcing a 'break in play'. While they were unable to provide specific data, they believe this measure could have reduced the amount of gambling by those clients who might gamble at those hours.

Counsellors knew of women with child care responsibilities, shift workers and young males who used to gamble during the shutdown hours.

I had a young mother who'd get up in the night when her husband and baby were asleep and go to the club. She was dependent on her husband's income, not working. She gambled those hours as she had child care then.

Women will go [late at night] when they have child care, their partners are at home to mind children.

Shift workers and young males are more likely to gamble late into the morning. I've seen a couple of guys [gambling in the early morning]. Taxi drivers have to take a break and stand up for a while. They pop into the club for change. They're often parked there anyway.

Some clients have said they were embarrassed when they were made to go home [when the club closed].

We've had some clients [who have gambled through the night], not a whole lot. The occasional client.

If anyone is gambling at 4am then I'd say they have a problem. Some problem gamblers will virtually live at the club. So it's effective to that extent.

This is the only [measure] with any potential. The other two [maximum bet and restriction on cash payment of winning] tie a long distance last.

How effective is it? To a small number it's a big help.

- However few counsellors could recall any clients who had been affected by the shutdown.

I can't recall anyone who came [to counselling] because of shutdown. The vast majority of clients aren't gambling through to 4am or 5am.

No-one has mentioned they've gambled through the night. If they had a bit of a run at 10pm they might be there at 3am. I'm not a great fan of the shutdown, but now it's in I don't have a problem with it.

I haven't seen a lot of clients [who have been affected by the shutdown]. They tend to go out to the club for a while then go home.

- Counsellors reported instances where the 3-hour shutdown had helped club managers identify problem and 'at risk' gamblers who returned to the club when it reopened.

The start-up is a big help in terms of a venue identifying those people with problems.

There are some who are queuing to play when the gaming machines open.

One CEO asked to talk to those queuing – that's a sign of a problem.

People queuing at opening time are different to those who leave at 5am.

- However, all agencies interviewed were critical of the hours specified for the 3-hour shutdown, saying that the timing (e.g. 4am-7am) reduces its efficacy. Like many club patrons interviewed for this study, community agencies and counsellors generally felt the shutdown would be more effective if it was at more popular times for gambling. Others said most problem gamblers would have exhausted their cash by the time the shutdown commences.

The money's gone by 3am.

It doesn't impact hugely on most problem gamblers. Clients' gambling sessions usually last a few hours. They like to sit down, settle into it and enjoy it. They generally won't go to the club if they can't stay a while or only have \$20, although that's not true of everyone.

Gamblers play over a fortnight. Their access to cash includes Centrelink benefits, pay, savings and other sources. Some patrons access their account at midnight when the Centrelink benefit comes through and it's gone half an hour later. There's no point shutting the club at 4am for them.

- Expert analysts interviewed for the study also considered this measure to be poorly targeted, in that it would not impact on the majority of problem gamblers whilst impacting on recreational gamblers and non-gambling club patrons.

It doesn't stop the bulk of people with problems. It's an ill-targeted measure. And three hours is such a short period of time.

Problem gamblers are more likely to gamble between 11am-2pm (in their lunch hour or when the kids are at school) or between 11pm-2am when

everyone else has gone home. They're the ones who stay on to play for 'just a bit longer'.

- ACTCOSS saw greater potential for smart card technology to force a break in play rather than closing venues to do so. An expert analyst also suggested ways to improve and assess the efficacy of the measure.

If you had a smart card then the smart card could automatically shut the machine down. There could be a time limit on the playability of the card. If someone was playing the machine for a set period of time then the machine would automatically shut down.

Altering and extending the hours of the shutdown could be trialled in different communities – relying upon the community to know what's best for them. It's a community issue, after all.

7.2 Effect of the \$10 maximum bet

Gambling counsellors report that the maximum bet has some merit as a harm minimisation measure but not at the current level of \$10 which is too high to affect the vast majority of problem gamblers, allowing unacceptable rates of loss. The maximum bet limit had muted support mainly to reduce the 'rate of play'.

Is it [the maximum bet] a disincentive? I suspect not. Some people don't vary the amount they bet. For those that do, it's extremely helpful.

I haven't had anyone say 'I wish I could have bet more'. The main benefit? People believe in runs of luck. They adjust their play according to how they perceive the machine's about to pay out. They adjust their bets up or down on fallacious beliefs.

Problem gamblers will gamble higher, longer, become less inhibited over time.

It reduces losses without reducing the entertainment value much. Also people get used to things.

\$10 is a hell of a lot. In a standard machine accepting \$1 bets you can still lose about \$80 an hour.

- The key issue was whether \$10 is an appropriate ceiling. Counsellors said problem and 'at risk' gamblers do not automatically choose a \$9 maximum bet machine over a \$5 maximum bet machine. Other factors including machine features are more important in affecting gamblers' behaviour; gamblers tend to have their favourite machine, regardless of the bet size.

I think it's another furphy. Most of our clients are \$1 gamblers. I saw two clients yesterday – they bet 2c to \$1. Most of the ones we see bet around \$1. There are exceptions but most are around \$1.

Some gamblers have a 'time limit' as well as a 'spend limit' in their heads. They have an idea of how long \$50 should take to spend. On their unlucky days this \$50 might go much quicker before they have finished the first drink.

Some gamblers decide how many credits, how many lines based on how they think their machines are running. They decide whether it is worth it to bet that rate.

Some chase the features – they say that they want to see a particular feature happen.

Queen of the Nile is a favourite machine. Auditory cognition is important; they like pulsing volcanoes.

- Despite the muted support for the maximum bet as a harm reduction measure, community agencies suggested further policy improvements such as a reduction in the bet size. Expert analysts also suggested improvements to the measure.

I certainly wouldn't get rid of it [the maximum bet limit]. If the limit was reduced it might buy them time to get to me. If they had more time it might dilute it [their problem gambling]. The measure would just slow down problem gamblers.

Very few of the problem gamblers I see would be frustrated by a \$5 limit. Most regulations are in place to protect the very few... I just think the time will come where if you want to gamble you have to have a gambling card. It doesn't make sense imposing regulations. It's turned the industry against responsible gambling.

You could go to a two-regime standard in gaming machines: free bureaucratically unimpeded access to low maximum bet machines (akin to old NSW machines or WA video card machines) and smart card access to higher spend machines. This would allow tourists and visitors to have fun on the pokies, and those with serious intent to jump through a few hoops. Obviously a problem gambler who pre-committed to a constrained spend on the high bet machines would always be able to gamble on the low bet machines without constraint in this model, but they'd be there a long time to spend much money.

7.3 Effect of cash payment restrictions

Community agencies and counsellors support the cash payment restrictions as a harm minimisation measure, although they queried whether the current \$1,000 limit is appropriate.

- The rationale behind the restriction on the cash payment of winnings was well understood by counselling agencies, including 'chasing their losses' and forcing a 'cooling off period' to reduce excessive and impulsive gambling. Counsellors generally reported support for the restriction. One counsellor reported using control over winnings as a counselling technique.

Gamblers chase their losses – they'll gamble their winnings. The rationale of the measure is to force a break in play.

We're supportive of the measure. Our clients report playing off smaller winnings.

Anything we can put in front of them is worthwhile. But most of my clients haven't had big wins.

People move the goal posts and chase winnings as well as losses. The measure is very effective for clients on the day.

I encourage clients to take winnings out. Taking out winnings is a measure of control. One client reported winning \$700. They put something back but keep some of the winnings.

Cheques are an acceptable form of payment. There's a logic to it.

It gives them a pause – getting it sent home.

- Consistent with the reports by club managers and patrons interviewed for this study, the counselling agencies reported that many of their clients gamble down big winnings. This practice subverts the intention of the measure.

Clients keep playing off credits over \$1,000.

Nearly every single person we see would do that.

It works opposite to the way it was intended. If they win \$1,000 they can get \$200 cash and \$1,000 cheque. They think – 'I'll play it down to \$999'. They get down to \$900 and think 'I'll just get it back to \$999'. They lose and think 'I'll just get it back to \$900'. Nearly every single person we see has said that.

- Counsellors also reported that problem and 'at risk' gamblers are willing to pay fees to cash cheques early to gain access to winnings so they can continue gambling.

Bear in mind they have \$1,000 cash and \$2,000 as a cheque. They lose the cash. Their minds work feverishly on how to get more cash. In [Canberra location] there are cheque cash businesses. Gamblers are so clever. They pay \$50 to their bank account...They phone it through and access it straight away.

- Club policies on the collection of winnings by cheque also were seen to impact negatively on problem gamblers. ACTCOSS and financial counsellors were particularly critical of club policies on payment of winnings.

Our clients report that clubs don't mail out cheques for winnings. They have to come back into the club to pick up the cheque. We're not keen on that; the temptation to stay and gamble is too strong.

Some clients don't like the cheque being mailed to their home address for privacy reasons.

It's unreasonable to expect people to go back to the club to collect a cheque. There's the risk of them gambling again.

You could require crossed cheques to be paid directly into the bank.

Electronic transfer would allow same day access. Cheques take three days between deposit and being cleared.

Electronic transfer of money within two days would be more acceptable.

This also allows a longer cooling off period.

Posting the cheque would be preferable. If they're scared that a family member would find it or if they lived in a shared house then there could be a second option of coming in to collect it. However, bank statements which are personal financial statements are sent to the person's house so I see no reason why the cheque shouldn't be posted.

- It was also suggested using recipients of cheques as a de facto measure for identifying problem gamblers.

Regular winners must be regular losers.

Groups in receipt of cheques are predominately problem gamblers. There is scope here for the venues to engage in problem gambling help strategies – getting to know who's winning and who's losing on a regular basis. This could be an avenue to get information about those winning and losing. One approach would be to hand over a slip of paper with the cheque asking: 'Are you a problem gambler?'

- The large majority of community agencies considered the current \$1,000 limit should be reduced or maintained, but one counsellor suggested the limit should be increased. That counsellor argued that a higher limit would encourage gamblers to collect a cheque rather than gamble down their balance.

I think the \$1,000 restriction is adequate. Should it be raised? No – certainly not.

Clients consider a big win is \$300-400 and up. A \$500 limit would be good.

Payment by cheque is not a bad method for substantial amounts – amounts over \$250.

I don't know why, but my guess is a lot more people would be walking out with money [if the restriction was higher].

If it's raised to a level – say \$2,000 - a lot more would cash out. Maybe \$2,500.

- Two gambling counsellors agreed to rank each measure in terms of how effective it is as a harm minimisation measure. Both ranked the shutdown as least effective. However they differed in their ranking of the maximum bet and the cash payment restrictions.

I'd rank the shutdown at three. In terms of the number of people affected, I'd put the cash payment restrictions at two and the maximum bet at one.

Problem gamblers can get around the cash restrictions in a number of ways. I'd say the maximum bet is more effective, especially with gamblers who bet big when they're winning or losing.

7.4 Other community effects

Impact of the 3-hour shutdown on crime

We sought information from the Australian Federal Police (AFP) in relation to quantitative or qualitative evidence of changes to gambling-related incidents in the ACT community associated with the 3-hour shutdown and the other measures, e.g. if there has been any change in reported crime such as street violence, social disturbances or antisocial behaviour in the neighbourhood of licensed premises that could be attributable to the shutdown. Other relevant information would include whether there has been any change in police staffing requirements on early morning shifts associated with the shutdown of poker machines.

In reply, the AFP could provide only general information on the restriction of alcohol sales in the CBD, but no direct or indirect causal relationship could be attributed to the harm minimisation policies.

Effects of the shutdown on employment

We also sought information from the ACT branch of the Liquor Hospitality and Miscellaneous Workers' Union (LHMWU) in relation to evidence of any changes to employment for their members working in clubs or other hospitality industries that could be attributed to the 3-hour shutdown or the other measures under review.

The LHMWU sought advice from union delegates in clubs and responded that apart from roster changes there had been no impact of the shutdown on 'permanents' or 'regular casuals' but that there may have been an impact on 'casual casuals'.¹⁷⁷

[There's been] no apparent job loss in the sense that the three or four hours of work have been rostered elsewhere... There may have been an

¹⁷⁷ According to the ACT Branch Secretary of the LHMWU there are three types of employment in the hospitality sector: permanent staff (a minority); regular casual staff (unique to the hospitality sector, with loadings, roster and no paid leave/sick leave but the expectation by employer that they will be available for work when rostered on); and 'casual casuals'.

impact on the third group [casual casuals] in the sense that some casuals might not have been put on that may have otherwise been put on, or if casuals left they may not have been replaced.

In the debate in the Legislative Assembly on the implementation of the 3-hour shutdown concern was expressed about the possible impact on recreational gamblers who are shift workers and hospitality workers.¹⁷⁸

In our interviews with club managers they also identified shift workers as the group of patrons most affected by the 3-hour shutdown. As outlined in Section 5 above, twelve of the thirteen shutdown club managers reported that the group most disadvantaged by the implementation of the shutdown were hospitality workers and shift workers. The employment categories they reported as shift workers included:

- hospitality workers
- taxi drivers
- Police
- hospital workers
- printers
- bakers
- sex industry workers.

Although we were unable to undertake a systematic study of impacts on those groups, we were not provided with evidence that any of the three harm minimisation has had a discernible effect on shift workers. Interviews with selected representatives suggest that there has been minimal impact and people have adapted to the current situation. For example, taxi drivers might go to a club before or after the 11pm shift change and they often have their night takings in cash. Taxi drivers who work the late shift (ie after 11pm) reported that the time that shift finishes has always depended on how much business is available. If it is quiet they may knock off earlier than 3am. Since the shutdown was introduced, drivers have moved to locations other than clubs while they wait for fares between 4am-7am.

Expert analysts had little sympathy for the argument that shift workers might be disadvantaged; and a representative of the Liquor Hospitality and Miscellaneous Workers' Union (LHMWU), the union with coverage of the hospitality industry, reported that there has been negligible impact on the club labour force as a direct result of the 3-hour shutdown.

Shift workers would mainly include hospitality workers, and they don't need to gamble recreationally at those times.

Most community agencies considered that recreational gamblers who were shift workers or hospitality would not need access to clubs during the shutdown hours.

7.5 Summary – community effects

Community organisations and counsellors interviewed considered that the **3-hour shutdown** was beneficial to a small number of problem and 'at risk' clients by forcing a 'break in play'. While they were unable to provide specific client data, they believe

¹⁷⁸ Legislative Assembly, Hansard, 22 August 2001, pp.3174–3207.

this measure could have reduced the amount of gambling by those clients who might gamble at those hours, e.g. women with child care responsibilities, shift workers and young males.

- However few counsellors could recall any particular clients who had been affected by the shutdown.
- Counsellors reported instances where the 3-hour shutdown had helped club managers identify problem and 'at risk' gamblers who returned to the club when it reopened.
- All agencies and expert analysts interviewed were critical of the hours specified for the 3-hour shutdown, saying that the timing (e.g. 4am-7am) reduces its efficacy. Like many club patrons interviewed for this study, community agencies and counsellors generally felt the shutdown would be more effective if it was at more popular times for gambling. Others said most problem gamblers would have exhausted their cash by the time the shutdown commences.
- Counsellors ranked the shutdown as least effective of the three measures for harm minimisation.

Community agencies and counsellors gave muted support to the **maximum bet** as a harm minimisation measure, mainly to reduce the 'rate of play', but they considered the current ceiling of \$10 to be too high to affect the vast majority of problem gamblers.

- Community agencies and expert analysts suggested a reduction in the bet size.

Community agencies and counsellors also support the **cash payment restrictions** as a harm minimisation measure, although they queried whether the current \$1,000 limit is appropriate. The majority of community agencies considered the current \$1,000 limit should be reduced or maintained.

- Consistent with the reports by club managers and patrons interviewed for this study, the counselling agencies reported that many of their clients gamble down big winnings to avoid payment by cheque. This practice subverts the intention of the measure.
- Counsellors also reported that problem and 'at risk' gamblers are willing to pay fees to cash cheques early to gain access to winnings so they can continue gambling.
- ACTCOSS and financial counsellors were particularly critical of club policies that require patrons to return to the club to collect cheques for winnings.
- In terms of broader community effects, there has been minimal impact on employment or social disorder as a direct result of the 3-hour shutdown or the other measures under review.

8 Conclusions and future directions

This study has aimed to assess the effects of three harm minimisation measures - a mandatory 3-hour shutdown of EGMs, a \$10 maximum bet and restrictions on cash payment of winnings - on problem gambling, recreational gamblers and clubs in the ACT. As anticipated, gamblers and clubs have been most directly affected by the three measures under review.

Small clubs seem to have been affected more negatively than other groups of clubs, reporting revenue loss, administrative costs and inconvenience. However evidence available to the study suggests that most clubs have not been adversely impacted by the policies and have adjusted to the changes.

Recreational and problem gamblers expressed support for the three policies as harm minimisation measures, although there is little evidence that the measures have been effective in preventing problem gambling. The restrictions on cash payment of winnings has impacted on gambler behaviour more than the other two measures, but many gamblers appear to bypass the restriction to ensure they have cash to continue gambling.

We found little evidence that the effects of the three measures have extended to other community groups such as the families of heavy gamblers, or to counselling and other community support agencies, or to the community as a whole.

The study found overwhelming support for the three measures among recreational gamblers and representatives of community agencies, while club managers were more critical of effects of the policies. Community representatives and many gamblers expressed the view that all three measures should be amended to improve their effectiveness. However, no group was able to provide objective evidence to support their opinions.

Overall, there is insufficient evidence or consensus between the various groups and individuals interviewed for this study to sufficiently understand the effectiveness of the measures in minimising the potential harm from gambling. Further, while the study has provided indicative findings on each of the three measures, we do not consider that the evidence provides a sufficient basis on which to make firm recommendations for improvements.

Despite disagreement between different groups about the value and effectiveness of the three measures, and criticisms by clubs about their costs and inconvenience, they do appear to have been accepted (albeit reluctantly) by gamblers and clubs, both of which have adjusted to the current restrictions. Given this, we consider that the policies should be monitored and a further review undertaken when more reliable information of the effects is available.

8.1 The 3-hour shutdown

Based on evidence from this study and the IPART review in NSW, there appears to be evidence that the 3-hour shutdown may have had positive effects in protecting a

small number of gamblers. Most recreational gamblers interviewed were unaffected by the shutdown, but a small number of self-identified problem gamblers had benefited from the policy.

While a large majority of gamblers and representatives of community agencies support the shutdown as an important 'circuit breaker' for problem and 'at risk' gamblers, it is viewed as relatively ineffective because of the hours of its application. Prior to the shutdown, very few gamblers had ever played gaming machines during those hours. The most popular times for gambling on EGMs are between 6pm and midnight.

Club managers had a contrary view, arguing that the shutdown impacted mainly on recreational gamblers. Only 12% of club managers consider the shutdown is effective in protecting problem gamblers. In terms of reported revenue loss, nine of the thirteen shutdown club managers said that the shutdown had a negative effect on their business (3-10%). On the other hand, they reported positive impacts in terms of staff rosters, cleaning and security.

Overall, the existing shutdown requirements for a three-hour period appear to have been accepted by participants in this study, although its impacts on clubs and recreational gamblers, and its effectiveness as a harm minimisation measure are strongly disputed.

Recommendation

The existing three-hour shutdown should be subject to ongoing evaluation to examine the effects of extending the shutdown period to five hours, as proposed. Consideration should also be given to obtaining data to identify the hours when problem gamblers are more likely to gamble (e.g. from counselling client data and research) to inform a review and possible variation of the shutdown hours.

8.2 The maximum bet

This study has found that very few gamblers in ACT clubs ever bet the maximum \$10 allowed on gaming machines. Rather, the most common bets range from 25 cents to \$1, although problem gamblers indicated that the possibility of betting \$10 could encourage them to increase the size of their bets when they were on a 'winning streak' or losing.

This policy receives stronger support from clubs than either of the other measures as it has had little impact on revenue or the number of patrons. However, the majority view by all groups interviewed is that the \$10 maximum bet is not an effective harm minimisation strategy. Gamblers and representatives of community agencies strongly recommended a reduction in the bet size.

An argument has been made in various inquiries (eg the Productivity Commission, IPART, LAB proposals in NSW) that reducing the maximum bet from the current standard \$10 would encourage responsible gambling and reduce harm from problem gambling. The evidence from this study and from a large experimental study in

NSW¹⁷⁹ suggests that such an amendment would have a positive effect for 'at risk' gamblers who tend to chase losses or increase the size of their bets when winning.

However, the gaming industry has strongly challenged this notion, arguing that a reduction in the size of maximum bets would be unlikely to reduce problem gambling. Researchers and the club industry also disagree about the predicted impacts of a reduction on industry earnings and on government revenue.

IPART's review of this debate noted that a reduction could also have 'potentially unintended consequences such as prolonging gambling sessions...[and] that the optimal level for the maximum bet is unclear'.¹⁸⁰ IPART recommended that no reduction should be undertaken without modelling the effects of a range of potential bet levels on recreational gamblers and the gaming industry to provide sufficient evidence of the optimal bet level. IPART recommended that research into a range of levels 'at and below the existing \$10 limit' should be conducted at a national level. Policy change could then be coordinated with jurisdictions who subscribe to the National Technical Standards for gaming machines.

Recommendation

While evidence supports a reduction in the size of the maximum bet, further information about the betting patterns of problem gamblers (e.g. from counselling client data, surveys, venue data) and the circumstances in which gamblers risk high bets is required to determine the optimal bet size and its effects.

8.3 Restrictions on cash payment of winnings

Evidence from this study confirms many of the Commission's findings in its review of the *Gambling and Racing (Code of Practice) Regulations* and the cash payment of winnings.

The research has found that most clubs, especially small clubs, believe they have been significantly impacted by the cash payment restrictions. The restrictions have impacted negatively on revenue and created management problems and difficulties explaining the requirements to patrons. They reported that some large gamblers who preferred cash payment had stopped visiting their club. While many clubs had established new procedures to manage the cheques, several reported practical difficulties with implementation of the measure and complaints by gamblers who wanted to receive their winnings immediately in cash and by interstate visitors.

Payment of large prizes by cheque has not inconvenienced most gamblers, since most recreational gamblers report they do not win amounts over \$1,000 on a frequent basis. In the main, club patrons appear to have adjusted to the restriction. The major effect seems to have been that many gamblers now gamble down their winnings below the \$1,000 limit to avoid payment by cheque.

In terms of broader community impacts, no-one interviewed for this study raised the issue of money laundering, which was suggested when the Commission conducted its own review of this measure.

¹⁷⁹ Blaszczyński, A. *et al.* 2002, *op. cit.*

¹⁸⁰ IPART 2004, *op. cit.*, p.92.

As the Commission found in its review of the *Code of Practice*, opinions were divided on whether the restrictions on cash payout of winnings is an effective harm minimisation measure. All counsellors and the majority of gamblers expressed support for the measure, although the majority consensus was that the \$1,000 threshold was too high and should be lowered. The majority of club managers presented a contrary view, arguing that gamblers are inconvenienced and circumvent the policy intention by gambling down amounts over \$1,000. A number of problem gamblers confirmed that this was their common practice to ensure they retained cash for continued gambling. Even so, club managers (44%) saw the cash payment restrictions as the most effective of the three measures.

Given the conflicting reports by different groups and the lack of tangible evidence, this study found no convincing reason to amend the existing \$1,000 threshold either to improve its objective of minimising gambling-related harm or to improve the practical operation of the measure.

While the measure may benefit some problem gamblers, it appears that the aims of the policy - to promote a 'break in play' and to discourage gamblers from continuing to gamble with their large winnings - are not being achieved. Reports that many gamblers are gambling down below \$1,000 to avoid a cheque suggests that the measure could have unintended negative consequences for some gamblers. This issue warrants further investigation.

Recommendation

The existing restrictions on cash payment of winnings should continue to operate without amendment but should be monitored to obtain more reliable objective information of its effects on small clubs and problem gamblers.

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Appendix A: Community Advisory Group

A Community Advisory Group (CAG) was established to advise the research team in designing and conducting the research. The first meeting of the CAG was held on 18 December 2003. Invitations to participate in the CAG were extended to representatives from the following organisations:

- ACT Gambling and Racing Commission
- ACT Women's Consultative Council
- ACT Multicultural Consultative Council
- ACT Council of Social Services
- ACT Churches' Council
- ACT Community Care
- ACT-TAB
- Aboriginal and Torres Strait Islander Consultative Council
- Australian Hotels Association, ACT
- Canberra Casino
- CARE Financial Counselling and Legal Services
- Clubs ACT
- Council on the Ageing
- Gambling Care - Lifeline
- Migrant Resource Centre

Appendix B: Letters and Consent Forms

Invitation/Information Sheet for Support Agencies, Community Representatives

Can you assist with research?

Review of the ACT Government's Harm Minimisation Measures

[Date]

I am writing to request your participation in a research project that is currently being conducted by the Centre for Gambling Research (Australian National University). This research is funded by the ACT Gambling and Racing Commission.

We are conducting interviews on the ACT Government's measures to address the harm that might be associated with gambling. We are interested to hear about your experiences as service providers as well as the experiences of gamblers themselves, and their friends and family members. The findings of this research will inform recommendations for policy improvements to address any problems identified. We anticipate that the discussion will take approximately 30 – 45 minutes of your time.

We would like to hear your views on the issue of harm minimisation for gambling in the ACT. Specifically, we are interested to hear your views on:

- Restrictions on total stake amount (currently \$10);
- The three-hour shutdown per 24 hours; and
- Maximum payout on stand-alone machines and progressive jackpots.

Participation in this research is voluntary and you are free to withdraw at any time. To assure that privacy and confidentiality are met as far as possible we will remove any identifying details from our files. We do not name participants in any document we publish.

Please contact us if you would like to participate in an interview or if you have any questions about the interviews or the project itself.

Centre for Gambling Research, RegNet,
Research School of Social Sciences,
Australian National University, ACT 0200.
Phone: 02 6125 4665, 02 6125 8443
Fax: 02 6125 4993
Email: jan.mcmillen@anu.edu.au, susan.pitt@anu.edu.au

Thank you for your assistance

Professor Jan McMillen
Director, Centre for Gambling Research

The Australian National University's Human Research Ethics Committee has approved this study. If you have any complaints or reservations about the ethical conduct of this research, you may contact Sylvia Deutsch, Human Ethics Officer, Research Services Office, Australian National University ACT 0200, or phone Sylvia on 02 6125 2900, fax 02 6125 1507, or email Human.Ethics.Officer@anu.edu.au.

Appendix C: Consent Form – Support Agencies, Community Representatives

Review of the ACT Government's Harm Minimisation Measures

I (name of the counsellor/community representative) have read and understand the National Statement on Ethical Conduct in Research Involving Humans, and the Code of Practice of the Centre for Gambling Research. Any questions I have asked have been answered to my satisfaction.

I agree to comply with these standards and procedures during all my activities in relation to the research project: *Review of the ACT Government's Harm Minimisation Measures*. I have been given a copy of this form to keep.

Counsellor's/Community representative's Signature:

Date:

Investigator's Name (block letters):

Investigator's Signature:

Date:

The Australian National University's Human Research Ethics Committee has approved this study. If you have any complaints or reservations about the ethical conduct of this research, you may contact Sylvia Deutsch, Human Ethics Officer, Research Services Office, Australian National University ACT 0200, or phone Sylvia on 02 6125 2900, fax 02 6125 1507, or email Human.Ethics.Officer@anu.edu.au.

Appendix D: Letter of Introduction/Information for Club Patrons

Can you assist us with research?

Review of the ACT Government's Harm Minimisation Measures

Dear Club Patron

We invite your participation in a research project that is currently being conducted by the Centre for Gambling Research (Australian National University). This research is funded by the ACT Gambling and Racing Commission.

The findings of this research will inform recommendations for policy improvements to address any problems identified. We would like to hear your views on the issue of harm minimisation for gambling in the ACT. Specifically, we are interested to hear your views on:

The three-hour shutdown of clubs per 24 hours;
Restrictions on total stake amount (currently \$10); and
Maximum cash payout on stand-alone machines and progressive jackpots.

All we require today is your first name and a telephone number and we will call you in a few days time to arrange a telephone interview at a time to suit you. We anticipate that the discussion will take approximately 10 - 15 minutes of your time.

Participation in this research is voluntary and you are free to withdraw at any time. To assure that privacy and confidentiality are met as far as possible we will remove any identifying details from our files. We do not name participants in any document we publish.

Please contact us if you have any questions about the interviews or the project itself. Thank you for your assistance.

Professor Jan McMillen, Director
Susan Pitt, Project Manager
Centre for Gambling Research
RegNet, Australian National University
Ph: 6125 4665
Fax: 6125 1507
Email: jan.mcmillen@anu.edu.au
susan.pitt@anu.edu.au

<http://gambling.edu.au/>

The Australian National University's Human Research Ethics Committee has approved this study. If you have any complaints or reservations about the ethical conduct of this research, you may contact Sylvia Deutsch, Human Ethics Officer, Research Services Office, Australian National University ACT 0200, or phone Sylvia on 02 6125 2900, fax 02 6125 1507, or email Human.Ethics.Officer@anu.edu.au.

Appendix E: List of Licensed Club Premises

Table 20: Licensed clubs and number of EGMs, March 2004

Licensee	No. Machines
Canberra Tradesmen's Union Club Limited	400
Canberra Southern Cross Club Ltd.	270
Hellenic Club of Canberra Limited	233
Tuggeranong Valley Rugby Union & Amateur Sports Club	231
Canberra Labor Club Limited	225
Ainslie Football & Social Club Limited	201
Gungahlin Lakes Golf & Community Club	183
Town Centre Sports Club	173
Southern Cross Club Tuggeranong	155
West Belconnen Rugby League Football Club Limited	153
Canberra Raiders Leagues Club (Southside) Ltd.	150
Chisholm Sports Club	150
ACT Public Service Sports Club Limited	150
Canberra Raiders Sports Club Ltd	142
Western District Rugby Union Club Limited	140
Woden Tradesmens Union Club Limited	140
Lanyon Valley Rugby Union & Amateur Sports Club	140
Canberra Highland Society and Burns Club Ltd.	130
Ginninderra Labor Club	95
Eastlake Football Club Limited	90
Canberra Royals Rugby Football Club Ltd.	90
Belconnen Magpies Sports Club Ltd.	78
Belconnen Soccer Club Limited	74
Belconnen Soccer Centre Limited	70
Yamba Sports Club	67
Weston Creek Labor Club	63
Italo Australian Club (ACT) Ltd	60
City Labor Club (closed for renovations)	58
Soccer Club of Canberra Limited	50
Tuggeranong Valley Leagues Club Ltd.	50
Braddon Club Ltd. (The)	46
Canberra Club Ltd. (The)	45
Canberra RSL Memorial & Citizens Club Ltd.	40
Croatia Deakin Soccer Club Ltd.	40
Canberra Irish Club Limited	36
Akuna Club Limited	35
Coolabah Club (The)	35
Southern Cross Yacht Club	30
Benjamin Club Inc.	30
South Pacific Rugby Club Ltd	30
Serbian Cultural Club St Sava Inc.	27
Yowani Country Club Ltd.	26
Eastern Suburbs Rugby Union Club Inc. (amalgamated with Brumbies Sports and Social Club)	21
Brumbies Sports & Social Club	20
Harmonie German Club Incorporated	20
ACT Tennis Association Incorporated	18
Austrian Australian Club Incorporated	17
West @ Turner	16

Review of the ACT Government's Harm Minimisation Measures

White Eagle Club Incorporated	16
Canberra Services Club Limited	15
ACT Rugby Union Club Incorporated (The)	15
Belconnen Bowling Club Incorporated	15
Magpies Golf Club	15
Vikings Capital Golf Club	15
Spanish Australian Club Incorporated	14
Australian Croatian Club Limited	13
West Deakin Hellenic Bowling Club Inc.	12
Canberra Bowling Club Incorporated	11
National Press Club Incorporated	10
Canberra City Bowling Club	9
Federal Golf Club Limited	9
Murrumbidgee Country Club Incorporated	8
Canberra & District Bocce Club Inc.	6
Hockey Centre Inc. (The)	6
Canberra Racing Club Inc.	3
Total number of EGMs	4935

Note: Club trading names may differ from their licensed name.

Source: Gambling and Racing Commission, Private correspondence, March 2004

Appendix F: Interview Schedule - club managers

Review of the ACT Government's Harm Minimisation Measures Interviews with Club Managers

Call results	Call 1	Call 2	Call 3	Call 4	Call 5
Time/Date					
Call Back					

Section A: Background – complete prior to interview

Club Name _____

Club Manager Name _____

Phone Number _____

A1. Record Code Number _____

A2. SUBURB ____ _

A3. Type of Club

1. Football club
2. Other sports club
3. Workers club
4. Services club
5. Community club
6. Ethnic club
7. or some other type of club SPECIFY _____
8. don't know/can't say (DON'T READ)

A4. No. of gaming machines

1. 3-10 machines
2. 11-40 machines
3. 41-100 machines
4. 101-155 machines
5. more than 155 machines

Introduction: Good morning/afternoon/evening. My name is [.....] from the Australian National University. Can I speak to [Club Manager/CEO's name]. IF RESPONDENT CHANGES, REPEAT INTRODUCTION.

The ANU is conducting a review of government gambling policies. This review has been commissioned by the ACT Gambling and Racing Commission. [IF CLUBSACT MEMBER – SAY I understand Bob Samarcq from ClubsACT has been in touch with you about our research.]

We would like your opinions on the impact of three of the ACT Government's harm minimisation measures - the restrictions on the maximum bet, payment of winnings and the 3-hour shutdown implemented in 2001. We are not looking at the Government's proposal to extend the shutdown.

If you choose to participate, your identity and everything you say will be treated in the strictest confidence. The information and opinions you provide will be used only for research purposes. The survey will take 15-20 minutes. Are you available now? IF MANAGER IS NOT AVAILABLE FOR INTERVIEW AT THIS TIME, ARRANGE FOR CALL BACK - RECORD TIME AND DATE OF CALL BACK ABOVE. I can make a time to call you back if it is not convenient at the moment. HANDLE OBJECTIONS, thank and close if refusal.

IF CLUB MANAGER OF MORE THAN ONE CLUB – DISCUSS WHETHER IT IS APPROPRIATE TO INTERVIEW THEM RE OTHER CLUB/S. IF SO INTERVIEW RE LARGEST VENUE FIRST.

Section B: Background

B1. To begin, I'd like some background information about your club. Are you the club manager or the gaming manager (or another position)?

1. Club Manager
2. Gaming Manager
3. Other, SPECIFY _____

B2. What are your current trading hours - for each day of the week?

<i>COL. A</i>	<i>COL. B</i> <i>Time Club</i> <i>Opens A 2a</i>	<i>COL. C</i> <i>Time Club</i> <i>Closes A 2b</i>	<i>COL. D</i> <i>Time poker</i> <i>machines</i> <i>Open A 3a</i>	<i>COL. E</i> <i>Time poker</i> <i>machines</i> <i>Close A 3b</i>
Monday				
Tuesday				
Wednesday				
Thursday				
Friday				
Saturday				
Sunday				

B3. Do your poker machines operate during all these hours?

1. yes
2. no - COMPLETE COLUMN D AND E

B4. In the period leading up to the 3-hour shutdown was your club open for 24 hours on any day of the week? CIRCLE ALL THAT APPLY

1. Thursday
2. Friday
3. Saturday
4. Sunday
5. Monday
6. Tuesday
7. Wednesday
8. No days – GO TO Section E

B5. And did your poker machines operate whenever your club was open?

1. yes
2. no
3. same hours some days/different hours other
4. don't know/can't say

Thanks. I will ask you some questions about each of the 3 measures and their impact on your club - revenue, costs and patrons. Then I will ask for you views on how effective the measures are.

Section C: Impact of the Shutdown on the Business

Now I'd like your opinions on how the 3-hour shutdown has affected your particular club.

C1. Has there been an increase or decrease in revenue as a result of the 3-hour shutdown? Any change in... READ a. then b. then c.
 IF CHANGE – How big has this change been, in %? An estimate is fine.

	<i>Don't know/can't say</i>	<i>No change</i>	<i>Decrease/Loss</i>	<i>Increase</i>	<i>% change</i>
a. Gaming revenue	1	2	3	4	
b. Non-gaming revenue	1	2	3	4	
c. Total revenue	1	2	3	4	

C2. Has there been an increase or decrease in costs associated with the 3-hour shutdown? Any change in ...READ a. then b. then c.
 IF CHANGE – How big has this change been, in %?

	<i>Don't know/can't say</i>	<i>No change</i>	<i>Decrease/Loss</i>	<i>Increase</i>	<i>% change</i>
a. Staffing costs	1	2	3	4	
b. Other costs	1	2	3	4	
c. Total costs	1	2	3	4	

C3. Have there been any cost savings or efficiencies as a result of the 3-hour shutdown?
 IF YES: What sort of savings/efficiencies? MULTIPLE RESPONSE
 DON'T READ

1. none
2. can do more balancing/counting of money
3. helps with staff rosters
4. saved in power/electricity/gas/water/air conditioning
5. lower/less staff salaries
6. other SPECIFY _____

7. don't know/can't say

C4. Has there been an increase or decrease in the number of club patrons related to the 3-hour shutdown overall? Any change in ...READ a. then b. then c.

IF CHANGE – How big has this change been, in %?

	<i>Don't know/can't say</i>	<i>No change</i>	<i>Decrease/Loss</i>	<i>Increase</i>	<i>% change</i>
a. Gaming patrons	1	2	3	4	
b. Non-gaming patrons	1	2	3	4	
c. Total patrons	1	2	3	4	

C5. Have you done anything to respond to the 3-hour shutdown? PROBE: What have you changed in the way you run your business? MULTIPLE RESPONSE

DON'T READ

1. changed opening hours
 2. closed sections/areas
 3. fewer staff
 4. re-organised staff roster/hours
 5. more advertising/promotions
 6. changed the layout/structure of the room/s
 7. other SPECIFY _____
 8. nothing GO TO C 7.
 9. don't know/can't say GO TO C7.
-
-

C6. Has it been enough to counteract the affect of the 3-hour shutdown

READ

1. fully
2. partially
3. or not at all?
4. don't know/can't say (DON'T READ)
5. not applicable

PROBE

C7. During the 3-hour shutdown do other areas or sections of your club stay open, or do you close the club completely?

1. other areas/sections stay open

2. close completely
3. stay open some days/close other
4. don't know/can't say

C8. Some people have mentioned there is a shoulder period and that the impact of the shutdown can be felt for some time either side of the shutdown. Does your club experience this?

1. yes
2. no GO TO Section D
3. don't know/can't say GO TO Section D

C9. Thinking about the number of hours in the shoulder period before the shutdown. On a typical day, how many hours before the shutdown do you feel its impact?

1. ___ hours
2. don't know/can't say

C10. What about the hours after the shutdown. On a typical day, how many hours after the shutdown do you think you feel its impact?

1. ___ hours
2. don't know/can't say

Section D: Impact of Shutdown on Patrons

Thinking now about how the shutdown has affected your patrons.

D1. Thinking back to the months prior to the 3-hour shutdown, how many patrons on average would have been in the club during the current shutdown hours? (4 am – 7 am or 5 am – 8 am etc)

1. Record Number _____
2. Don't know/can't say GO TO D3.

D2. And of these people, how many of these patrons would have been playing the poker machines during these hours?

1. Record Number _____
2. Don't know/can't say

D3. What types of patrons have been affected? DON'T READ. PROBE: Any others?
MULTIPLE RESPONSE

1. shift workers/hospitality workers
2. younger people
3. people out partying late
4. problem gamblers
5. all different types of people
6. ethnic groups SPECIFY _____
7. other SPECIFY _____
8. don't know/can't say

D4. How has the 3-hour shutdown impacted on your patrons? DON'T READ. PROBE:
Anything else? MULTIPLE RESPONSE

1. gamble less
2. drink less
3. drink more
4. have nowhere to go now during these hours
5. have to go home
6. can't socialise/meet friends at this time
7. play credits/bet quickly/spend more just before shutdown
8. frustrated/annoyed someone telling them what to do
9. they go to unsafe/unsecure places
10. safety risk having to leave in early hours
11. other SPECIFY _____
12. don't know/can't say

D5. Are patrons affected by the shutdown more likely to be recreational gamblers or problem gamblers? DON'T READ

1. more likely to be recreational gamblers
2. more likely to be problem gamblers
3. both equally
4. don't know/can't say

IF STAY OPEN ONLY ELSE GO TO D7.

D6. Thinking about your patrons who are at your club just before you shut down the poker machines, do they tend to stay at the club, or go elsewhere?

1. stay at club
2. go elsewhere
3. some stay/some go elsewhere
4. don't know/can't say

D7. Would you say overall your patrons have adjusted now to the shutdown, or not?

1. yes
2. no GO TO SECTION E
3. don't know/can't say GO TO SECTION E

D8. How long do you think it took them to adjust? DON'T READ

1. less than 1 month
2. 1 - 3 months
3. 3 - 6 months
4. 6 - 12 months
5. more than 1 year
6. don't know/can't say

Section E: Maximum Bet

We are interested in your experience of the regulation which restricts the maximum bet on poker machines to \$10 as a harm minimisation measure. It was introduced in 1993. I'd like your views on this policy.

E1. Firstly, what proportion/% of your patrons currently bet up to the maximum stake? An estimate is OK.

1. less than 10%
2. 10-20%
3. 21-30%
4. 31-40%
5. 41-50%
6. Other, SPECIFY _____
7. Don't know/can't say (DO NOT READ)

E2. Has the average bet increased over time? PROBE

1. Yes, SPECIFY _____
2. No change
3. Other, SPECIFY _____
4. Don't know/can't say (DO NOT READ)

E3. What impact has the maximum bet had on your club? Has there been an increase or decrease in revenue? Any change in...READ a. then b. then c.

IF CHANGE – How big has this change been, in %? An estimate is fine.

	<i>Don't know/can't say</i>	<i>No change</i>	<i>Decrease/Loss</i>	<i>Increase</i>	<i>% change</i>
a. Gaming revenue	1	2	3	4	
b. Non-gaming revenue	1	2	3	4	
c. Total revenue	1	2	3	4	

E4. Has your club experienced an increase or decrease in costs associated with the maximum bet? Any change in.... READ a. then b. then c.

IF CHANGE – How big has this change been, in %?

	<i>Don't know/can't say</i>	<i>No change</i>	<i>Decrease/Loss</i>	<i>Increase</i>	<i>% change</i>
a. Staffing costs	1	2	3	4	

b. Other costs	1	2	3	4	
c. Total costs	1	2	3	4	

E5. Has your club experienced an increase or decrease in the number of club patrons associated with the maximum bet? Any change in... READ a. then b. then c.

IF CHANGE – How big has this change been, in %? An estimate is OK.

	<i>Don't know/can't say</i>	<i>No change</i>	<i>Decrease/Loss</i>	<i>Increase</i>	<i>% change</i>
d. Gaming patrons	1	2	3	4	
e. Non-gaming patrons	1	2	3	4	
f. Total patrons	1	2	3	4	

E6. Have you done anything to respond to the restriction on the maximum bet? PROBE: What have you changed in the way you run your business? MULTIPLE RESPONSE

DON'T READ

1. more advertising/promotions
2. changed the type of gaming machines installed PROBE
3. other SPECIFY _____
4. nothing GO TO E8.
5. don't know/can't say GO TO E8.

E7. Has it been enough to counteract the affect of the maximum bet? READ

1. fully
2. partially
3. or not at all?
4. don't know/can't say (DON'T READ)
5. not applicable

E8. Have there been any impacts on your patrons associated with the maximum bet? DON'T READ

1. spent more time playing the pokies
2. spent the same time playing the pokies
3. spent less time playing the pokies
4. spend more time/money on other activities at the club
5. approved of the policy
6. complained about the inconvenience
7. other SPECIFY _____

8. no impact GO TO Section F
9. don't know/can't say GO TO Section F

PROBE: Anything else?

E9. Are your patrons who are affected by the maximum bet more likely to be recreational gamblers or problem gamblers?

1. more likely to be recreational gamblers
2. more likely to be problem gamblers
3. both equally
4. don't know/can't say

Section F: Payment of Winnings

The next questions relate to the payment of winnings. Under the current Code of Practice implemented in December 2002 a gaming machine licensee cannot pay out any more than \$1,000 in cash winnings for any one payout or event.

F1. How does your club pay out gambling winnings (or credits) of \$1,000 or more? Is it by cheque or by other means?

1. Cheque
2. Electronic
3. Both
4. Other, SPECIFY _____

F2. What impact has the restriction on winnings had on your club? Has there been an increase or decrease in revenue? Any change in ...READ a. then b. then c.

IF CHANGE – How big has this change been, in %?

	<i>Don't know/can't say</i>	<i>No change</i>	<i>Decrease/Loss</i>	<i>Increase</i>	<i>% change</i>
a. Gaming revenue	1	2	3	4	
b. Non-gaming revenue	1	2	3	4	
c. Total revenue	1	2	3	4	

F3. Has there been an increase or decrease in costs associated with the restriction on winnings? Any change in ...READ a. then b. then c.
 IF CHANGE – How big has this change been, in %?

	<i>Don't know/can't say</i>	<i>No change</i>	<i>Decrease/Loss</i>	<i>Increase</i>	<i>% change</i>
a. Staffing costs	1	2	3	4	
b. Other costs	1	2	3	4	
c. Total costs	1	2	3	4	

F4. Has there been an increase or decrease in the numbers of club patrons related to the restriction on winnings? Any change in ... READ a. then b. then c.
 IF CHANGE – How big has this change been, in %?

	<i>Don't know/can't say</i>	<i>No change</i>	<i>Decrease/Loss</i>	<i>Increase</i>	<i>% change</i>
a. Gaming patrons	1	2	3	4	
b. Non-gaming patrons	1	2	3	4	
c. Total patrons	1	2	3	4	
d.					

F5. Have you done anything to respond to the restriction on the payment of winnings?
 PROBE: What have you changed in the way you run your business? MULTIPLE RESPONSE
 DON'T READ

1. Set up processes to make out cheques
2. Set up processes for electronic transfer
3. more advertising/promotions
4. other SPECIFY _____
5. nothing GO TO F7.
6. don't know/can't say GO TO F7.

F6. Has it been enough to counteract the affect of the restriction on winnings?
 READ

1. fully
2. partially
3. or not at all?

4. don't know/can't say (DON'T READ)
5. not applicable

F7. Have there been any impacts on your patrons associated with the restriction on winnings?

DON'T READ. PROBE: Anything else?

1. some gamble off their winnings over \$1,000
2. spent more time playing the pokies
3. spent the same time playing the pokies
4. spent less time playing the pokies
5. spend more time/money on other activities at the club
6. approved of the policy
7. complained about the inconvenience
8. other SPECIFY _____
9. no impact GO TO F9.
10. don't know/can't say GO TO F9.

F8. And what impact has the restriction on payment of winnings had on your patrons? **Has it... READ, ALLOW MULTIPLE RESPONSES**

1. Had no impact overall
2. Been accepted by your patrons
3. Provided a cooling off period for problem gamblers
4. Provoked complaints about the inconvenience
5. Other, SPECIFY _____
6. Don't know/can't say (DO NOT READ)

PROBE:

F9. Are the patrons who are affected by the restriction on payment of winnings more likely to be recreational gamblers or problem gamblers?

1. more likely to be recreational gamblers
 2. more likely to be problem gamblers
 3. both equally
 4. no impact on either
 5. don't know/can't say
-
-

F10. Would you say overall your patrons have adjusted now to the restriction on the payment of winnings?

1. yes
2. no GO TO SECTION G
3. don't know/can't say GO TO SECTION G

F11. How long do you think it took them to adjust? DON'T READ

1. less than 1 month
2. 1 - 3 months

3. 3 - 6 months
4. 6 – 12 months
5. more than 1 year
6. don't know/can't say

Section G: Ratings of the three measures

G1. Finally, I am going to ask you to rate each of the three measures. Overall, do you support or oppose the 3-hour shutdown? (Is that strongly support/oppose or just support/oppose the shutdown?) READ a. then b. then c.

	<i>Strongly support</i>	<i>Support</i>	<i>Neither/nor</i>	<i>Oppose</i>	<i>Strongly oppose</i>	<i>Don't know DON'T READ</i>
a. 3-hour shutdown	1	2	3	4	5	6
b. Restriction of maximum bet \$10	1	2	3	4	5	6
c. Restriction on payment of winnings in cash	1	2	3	4	5	6

Comments

G2. I am going to ask you to rate each of the three measures based on your experience. How effective or ineffective do you think each one has been in reducing the harm caused by poker machines for problem and 'at risk' gamblers. (Is that Very effective/Ineffective or just effective/ineffective?) READ a. then b. then c.

	<i>Very effective</i>	<i>Quite effective</i>	<i>Neither/nor</i>	<i>Ineffective</i>	<i>Very ineffective</i>	<i>Don't know DON'T READ</i>
a. 3-hour shutdown	1	2	3	4	5	6
b. Restriction of maximum bet \$10	1	2	3	4	5	6
c. Restriction on payment of winnings in cash	1	2	3	4	5	6

Comments

G3. That's all the questions I have. Would you like to make any other comments?

THANK AND CLOSE: On behalf of ANU thank you for your time today. We really appreciate you taking the time to provide this feedback.

Start _____ Finish _____ Total Minutes _____

Interviewer: I declare that the information obtained is true and correct and I have obeyed the ANU Human Research Ethics Committee code of ethics.

INTERVIEWER: _____

Appendix G: Interview Schedule - Club Patrons

Review of the ACT Government's Harm Minimisation Measures Interviews with Club Patrons

		Call 1	Call 2	Call 3	Call 4
	Time				
	Date				
	Result				

Record No.----- Best time to call: -----

Record start time: -----

Venue Patron Category (circle) 3-40 EGMs 41-100 EGMs 101-155 EGMs >155 EGMs

Introduction: Good morning/afternoon/evening. Can I speak to [name].

IF YOU ARE ASKED BY A PERSON OTHER THAN RESPONDENT WHAT IT IS ABOUT OR WHERE WE GOT THEIR NUMBER:

We are calling from the Australian National University and [name] gave me this number and said we could call him/her. DO NOT DISCLOSE ANY FURTHER INFORMATION!!

IF UNAVAILABLE ASK FOR BEST TIME TO CALL.

IF AVAILABLE GREET AND REMIND THEM OF THEIR AGREEMENT TO BE SURVEYED.

TO RESPONDENT:

Hello, it is Susan Pitt from the ANU. I am calling about the research you agreed to help us with for the ACT Gambling and Racing Commission. REMIND IF NECESSARY. We would like your opinion on some of the government policies for poker machine gambling. As we told you earlier it should take only 10-15 minutes. Is now a convenient time or would you like me to call you back? IF NOW SAY:

IF RESPONDENT IS RELUCTANT TO PARTICIPATE, SAY: I know this intrudes on your time, but this is an important issue and the Australian National University wants to understand the community's views. Your participation means the results will be more accurate. Can you spare a couple of minutes to participate in the initial part?

IS THE RESPONDENT WILLING TO CONTINUE?

1. Willing to continue – collect first name and home phone number.
2. Still refuses - THANK & CLOSE

Section A: Gambling Behaviour of EGM Users

A1. How often would you usually play poker machines? Would it be READ OUT.

1. Daily
2. Four to six times a week
3. Two to three times a week
4. Once or twice a week
5. Once or twice a fortnight
6. Once or twice a month
7. Every couple of months
8. Less often than every couple of months

9. Don't know/can't say

Record comments (Don't probe)

- A2. Thinking now about the times of the day you usually play poker machines. What time of day do you usually play? Prompt - mornings, afternoons, evenings?

MULTIPLE RESPONSE

1. 6pm to 9pm
2. 9pm to midnight²
3. After midnight to 4am
4. 4am to 8am (shutdown)
5. 8am to 10am
6. 10 am to midday
7. midday to 3pm
8. 3pm to 6pm
9. Don't know/can't say (DO NOT READ)

Record comments (Don't probe)

Section B: Impact of the Shutdown on EGM Users

The next questions are about the 3-hour shutdown. In September 2001 the ACT Government introduced legislation requiring clubs to shutdown poker machines for three hours, i.e. poker machines must be closed when the bar is closed - usually between 4am or 5am – for 3 hours. I'd now like to ask you about how the shutdown has affected you.

- B1. Before the shutdown, did you ever play poker machines during these hours.

No/Never GO TO Maximum Bet

IF YES, ask: Was that...

1. Often
2. Sometimes
3. Rarely
4. Don't know/can't say DO NOT READ

- B2. Why did you play during those hours? What was the appeal of playing during those hours? PROBE: Any other reasons?

DO NOT READ. MULTIPLE RESPONSE

1. Shift worker/finished work during/near those hours
2. Fitted it in before work
3. Was at the end of a night out
4. Usually started earlier and was still going
5. More private/less likely to be seen
6. Fitted it in around family commitments (e.g. when the family were asleep, etc)
7. family were asleep, etc)
8. Other SPECIFY _____
9. Don't know/can't say

- B3. Has the shutdown prevented you from playing poker machines when you wanted to?

1. Yes
2. No

3. Don't know/can't say
- B4. Have you changed the times you play poker machines as a result of the shutdown?
1. Yes
 2. No GO TO B 7
 3. Don't know/can't say GO TO B 7
- B5. As a result of the shutdown, do you now tend to spend more time or less time playing poker machines?
1. More time
 2. Less time GO TO B 7
 3. No change GO TO B 7
 4. Don't know/can't say GO TO B 7
- B6. Do you now tend to spend more time playing poker machines in the hours before the shutdown or after the shutdown?
1. Hours before the shutdown
 2. Hours after the shutdown
 3. Don't know/can't say
- B7. Have you ever been playing poker machines just before the venue shuts down the operation of its poker machines?
1. Yes
 2. No GO TO Maximum Bet
 3. Don't know/can't say GO TO Maximum Bet
- B8. And where did you go when the club shut down, did you go...READ OUT
1. To another club
 2. Home
 3. To work
 4. Or somewhere else SPECIFY _____
 5. Don't know/can't say GO TO Maximum Bet
- B9. Would you say you have spent more or less money on poker machines as a result of the shutdown, or has there been no change? IF MORE/LESS: Is that a little more/less or a lot more/less?
1. Spent a lot more
 2. Spent a little more
 3. No change/stayed the same
 4. Spent a little less
 5. Spent a lot less
 6. Don't know/can't say

Section C: The Impact of Maximum Bet on EGM Users

The next questions are about the maximum bet. In 1993 the ACT Government set a limit on the maximum you can bet on a poker machine - \$10 each bet.

C1. How much do you usually bet at a time/on each play when playing poker machines/on each play on average?

1. Less than 10c
2. 10c – 20c
3. 21c – 30c
4. 31c – 40c
5. 41c – 50 c
6. 51c - \$1
7. Other – specify _____
8. Don't know/can't say

Record comments (don't probe)

C2. Do you ever bet \$10 at a time/on each play?

1. Sometimes
2. Always.
3. Never
4. Don't know/can't say

Record comments (don't probe)

C3. Would you say you have spent more or less money on poker machines as a result of the \$10 restriction on the maximum bet, or has there been no change? IF MORE/LESS: Is that a little more/less or a lot more/less?

1. No change/stayed the same
2. Spent a lot more money
3. Spent a little more money
4. Spent a little less money
5. Spent a lot less money
6. Don't know/can't say

C4. Would you say you have spent more or less time on poker machines as a result of the \$10 restriction on the maximum bet, or has there been no change? IF MORE/LESS: Is that a little more/less or a lot more/less?

1. No change/stayed the same
2. Spent a lot more time
3. Spent a little more time
4. Spent a little less time
5. Spent a lot less time
6. Don't know/can't say

Section D: The Impact of the Limit on Payment of Winnings on EGM Users

In December 2002 the ACT Government introduced a policy that payment of all poker machine winnings over \$1,000 are to be made by cheque or other non-cash means.

D1. In the last 12 – 18 months have you ever cashed out before your credits built up to more than \$1,000 to avoid having to get part of your winnings as a cheque?

1. Yes
2. No
3. Don't know/can't say

Record comments (don't probe)

D2. In the last 12 – 18 months have you ever had a win that took credits on your poker machine over \$1,000 ? If YES, How often?

1. Yes – once
2. Yes – more than once
3. No GO TO D 7.
4. Don't know/can't say GO TO D 7.

Record comments (don't probe)

D3. What did you usually do with the credits (of \$1,000 or more)? Did you collect it, or keep playing? What did you do?

ALLOW MULTIPLE RESPONSES

1. Collect \$1,000 in cash and the rest as a cheque
2. Collected less than \$1,000 in cash and the rest as a cheque
3. Collect all as a cheque immediately
4. Continue to gamble and build up the credits
5. Gamble the credits down below \$1,000 and collected it in cash to avoid a cheque GO TO D 7
6. Gamble all of it GO TO D 7
7. Don't know/can't say GO TO D 7
8. Other, incl. electronic transfer SPECIFY _____

Record comments (don't probe)

D4. How did you collect the cheque/s? Was it

READ OUT - ALLOW MULTIPLE RESPONSES

1. Paid on the spot
2. Collected from the club
3. Mailed out
4. Other SPECIFY _____
5. Don't know/can't say

D5. What did you do with the cheque/S? DO NOT READ

1. Banked it
2. Cashed it at the club
3. Cashed it and spent it
4. Other SPECIFY _____

5. Don't know/can't say

Record comments (don't probe)

D6. Can you remember what you spent it on? ALLOW MULTIPLE RESPONSES (Prompt)

1. Paid bills
2. Household or personal goods
3. Gambled it
4. Other entertainment,
5. Other, SPECIFY _____
6. Don't know/can't say

Record comments (don't probe)

D7. Have you changed the place or places where you gamble at all because of the way the club deals with the payment of winnings? IF YES: Have you switched venues all together, or just gone to other venues as well as your usual one/s, as a result of the payment by cheque policy?

1. No change
2. Yes, have switched venues altogether because of the club's policy
3. Yes, gone to go to other venues as well as usual one/s because of the club's policy
4. Don't know/can't say

Record comments (don't probe)

D8. Would you say you have spent more or less money on poker machines as a result of the restriction on the cash payment of winnings, or has there been no change? IF MORE/LESS: Is that a little more/less or a lot more/less?

1. No change/stayed the same
2. Spent a lot more
3. Spent a little more
4. Spent a little less
5. Spent a lot less
6. Don't know/can't say

D9. Would you say you have spent more or less time on poker machines as a result of the restriction on the cash payment of winnings, or has there been no change? IF MORE/LESS: Is that a little more/less or a lot more/less?

1. No change/stayed the same
2. Spent a lot more time
3. Spent a little more time
4. Spent a little less time
5. Spent a lot less time

Don't know/can't say

Section E: Ratings of the three measures by EGM Users

E1. Finally, I am going to ask you to rate each of the three measures. Overall, do you support or oppose the 3-hour shutdown? (Is that strongly support/oppose or just support/oppose the shutdown?) READ a. then b. then c.

	<i>Strongly support</i>	<i>Support</i>	<i>Neither/nor</i>	<i>Oppose</i>	<i>Strongly oppose</i>	<i>Don't know DON'T READ</i>
a. 3-hour shutdown	1	2	3	4	5	6
b. restriction of maximum bet \$10	1	2	3	4	5	6
c. restriction on cash payment restrictions	1	2	3	4	5	6

Comments (use a., b. and c. to identify measure)

E2. Now, based on your experience how effective or ineffective do you think the 3-hour shutdown has been in reducing the harm caused by poker machines for problem and 'at risk' gamblers. (Is that Very effective/Ineffective or just effective/ineffective?) READ a. then b. then c.

	<i>Very effective</i>	<i>Quite effective</i>	<i>Neither/nor</i>	<i>Ineffective</i>	<i>Very ineffective</i>	<i>Don't know DON'T READ</i>
a. 3-hour shutdown	1	2	3	4	5	6
b. restriction of maximum bet \$10	1	2	3	4	5	6
c. restriction on cash payment restrictions	1	2	3	4	5	6

Comments (Use a.b. and c. to identify measure)

Section F: Gambling Problem – EGM Users

F1. Has your gambling ever been a problem for you? Prompt - personally?

1. Yes
2. No GO TO Conclusion
3. Don't know/can't say GO TO Conclusion

Record comments (don't probe)

F2. Has the 3-hour shutdown had any impact on your gambling? It is more or less of a problem for you because of the shutdown?

1. More
2. Less
3. No change
4. Don't know/can't say
5. Not applicable (check sequencing, check data for next step)

Record comments (don't probe)

F3. Has the maximum bet had any impact on your gambling? It is more or less of a problem for you because of the restriction on the maximum bet?

1. More
2. Less
3. No change
4. Don't know/can't say
5. Not applicable

Record comments (don't probe)

F4. Has the restriction on the payment of winnings in cash had any impact on your gambling? Is it more or less of a problem for you because of the restriction on the cash payment of winnings, or the same?

1. More
2. Less
3. No change
4. Don't know/can't say
5. Not applicable

Record comments (don't probe)

Record comments (don't probe)

Section G: Conclusion

G1. That's all the questions I have. Do you have any further comments on any of the three measures?

Record comments (don't probe)

G2. Record gender (Don't ask; note from recruitment records)

1. Male
2. Female
3. Don't know

CLOSE: On behalf of the ANU, thank you for your time today. We greatly appreciate you taking the time out of your day to provide this feedback.

THANK AND CLOSE.

Interviewer to complete:

I declare that the information obtained is true and correct and I have complied with the ANU Human Research Ethics Committee code of ethics.

INTERVIEWER SIGNATURE: _____

Start _____ Finish _____

Total Minutes _____

Appendix H Interview Guide – Community Support Agencies

Maximum Bet

- Have any of your problem gambling clients ever mentioned the \$10 maximum bet limit?
- Has the maximum bet affected your clients' behaviour?
- Has the maximum bet limit had any (other) impacts?
- In your view how effective is the maximum bet limit as a harm minimisation measure?
- Overall do you support or oppose the \$10 maximum bet limit as a harm minimisation measure?
- Would any policy change improve this measure?

Restriction on cash payment of winnings

- Have any of your problem gambling clients ever mentioned the restriction on payment of winnings above \$1,000 in cash?
- Has this limit affected your clients' behaviour?
- Has the limit had any (other) impacts?
- In your view how effective is the restriction on cash payment of winnings as a harm minimisation measure?
- Overall do you support or oppose this restriction as a harm minimisation measure?
- Would any policy change improve this measure?

3-hour Shutdown

- Have any of your problem gambling clients ever mentioned the 3-hour shutdown?
- Has the 3-hour shutdown affected your clients' behaviour?
- Has the 3-hour shutdown had any (other) impacts?
- Did any of your problem gambling clients used to play poker machines during the early morning hours, e.g. 4am and 8am? *If yes, probe for social characteristics (sex, age, employment status, etc).*
- Why did they play during those hours?
- As a result of the shutdown, do they now tend to spend more time or less time playing poker machines?
- Has the shutdown affected your clients family/friends??
- Has your agency had any new clients as a direct result of the shutdown?
- In your view how effective is the 3-hour shutdown as a harm minimisation measure?
- Overall do you support or oppose the shutdown as a harm minimisation measure?
- Would any policy change improve this measure?

Comparison of the measures

- How would you rank the three measures in terms of their potential to minimise the harm associated with problem gambling?

