



A Proud Member of ClubsAustralia

A CENTRAL MONITORING SYSTEM FOR THE ACT?

The Community Clubs Industry Response to the ACT Government, Justice and Community Safety Directorate, Discussion Paper: *Lowering bet and credit limits for electronic gaming machines.*

Prepared by CLUBSACT
8/7/22

Contents

Introduction	3
Executive Summary.....	4
Recommendations in Response.....	6
The ACT Club Industry.....	8
Sporting Contributions.....	10
Hospitality and Entertainment.....	11
Gaming.....	11
Response to the Discussion Paper	12
Establishment of an EGM Technical Working Group.....	12
Engagement with Industry.....	13
Industry and Manufacturer Input	15
CMS and a Human Rights Jurisdiction	17
Challenging Economic Times.....	18
Reducing Harm Associated with Problem Gambling	19
Gambling Reform ACT Leads the Way	19
An Evidence-Based Approach	21
Costs.....	22
Cabinet and Game Upgrades	23
Other Infrastructure Costs	23
Fees for a Central Monitoring System	24
Administrative Costs	24
Increased Costs	24
Club Capacity to Absorb Costs	24
ACT Government Budget Considerations	26
The Regulatory Environment - EGM Approvals	26
Size of the ACT Market.....	26
Gaming Shifts to NSW	27
Community Impact	27

Other Options for Harm Reduction.....	28
Future Technology	29
Cashless Gaming	29
Other Options	30
Specific Questions in the Discussion Paper	31
Conclusion.....	33

Introduction

ClubsACT welcome the opportunity to respond on behalf of the ACT Not-For-Profit Community Clubs to the ACT Government, Justice and Community Safety Directorate, *Discussion Paper: Lowering bet and credit limits for electronic gaming machines* which was released for consultation on 29 April 2022.

For background, ClubsACT is the principal representative body for Not-For-Profit Community Clubs in the ACT. Our vision is to support and encourage a vibrant, engaged, and thriving Club sector in the ACT which in turn supports the wider Canberra community.

We aim to promote and protect the interests of the Club sector, our members, and those that benefit from community Clubs. We facilitate innovation and seek to build Industry capability, capacity and the relationships with Government and the Canberra community.

ClubsACT represents small, medium and large Member Clubs including:

ACT Rugby Union Club Turner	Canberra Deakin Football Club
Austrian Australian Club	Eastlake Football Club Griffith
Ainslie Football and Social Club	Eastlake Calwell
Gungahlin Lakes Golf Club	Eastlake Gungahlin
Australian-Croatia Club	Federal Golf Club
Belconnen Bowling Club	Harmonie German Club
Canberra Services Club	Magpies Belconnen Golf Club
Canberra Irish Club	Mawson Club
Canberra Racing Club	Murrumbidgee Country Club
Commonwealth Club	National Press Club of Australia
Raiders Gungahlin	Royal Canberra Golf Club
Raiders Belconnen	Spanish Australian Club of Canberra
Raiders Weston	Vikings Erindale
Southern Cross Club Tuggeranong	Vikings Lanyon
Southern Cross Club Jamison	Vikings Chisholm
Southern Cross Club Woden	Vikings Town Centre
Southern Cross Yacht Club	Yowani Country Club

ClubsACT has also been working in collaboration with the Labor Club Group (representing 4 venues across the ACT) in the preparation of this response to the ACT Government.

The Industry is disappointed that we have not been afforded the time to obtain more detailed cost and technology advice from the Gaming Technologies Association (GTA) and manufacturers that would enable a more detailed cost and technical submission to be lodged. We will be seeking to make a supplementary submission when this is available.

This submission is an initial response based on currently available information. It aims to provide the ACT Government with a better understanding of the impact of proposed reforms on the Not-For-Profit Community Clubs sector.

ClubsACT encouraged members to make individual submissions regarding their own particular assessments on the Discussion Paper to supplement this Industry wide submission. We understand that a number of Clubs have or will be seeking to do this.

This submission provides information and recommendations for consideration in relation to the broad impact of the measures discussed in the Discussion Paper, and a range of related issues. Responses to the specific questions asked by the government through the public consultation phase are included at the end of the submission.

Executive Summary

ClubsACT Members remain committed to providing a range of proactive, evidence-based, harm minimisation measures to further reduce harm from gaming and working with the government to achieve their objectives.

Our Member Clubs believe that there are more effective ways to achieve the ACT Government's aim to reduce gaming harm than the proposals identified in the Discussion Paper. As a jurisdiction we have the opportunity to lead innovation in harm minimisation best practice. Clubs would welcome the opportunity to work constructively with the Attorney General and the ACT Government to continue to deliver a safe and sustainable gaming environment for the ACT utilising a best practice model and a public health approach.

While the Industry recognises the Government's policy position as stated in the Parliamentary and Governing Agreement for the 10th Legislative Assembly (Parliamentary Agreement), it appears to lack an appropriate level of consideration and validation. Our Member Clubs remain frustrated that this policy is a significant shift in the ACT Government's stated policy position and approach from July 2020, and was done with no consultation or supporting evidence.

The significantly changed policy position as contained in the new Parliamentary and Governing Agreement for the 10th Legislative Assembly, if not halted and properly considered, will come at an

immense and for some an unsustainable fiscal and social cost to Clubs, the community and the ACT Government.

After surveying our members for their cost estimations, it is apparent that the Club Industry will be forced to bear an investment upfront of in excess \$70 million for just the machine and other system upgrades required, to turn on a Central Monitoring System (CMS) of Club patrons, with no identifiable impact on harm minimisation or efficiencies.

This approach, if implemented as suggested will have an immediate and direct impact on the viability of Clubs. Venues will close. These are implications that the Members of the Legislative Assembly who are party to the Parliamentary Agreement could not have been aware of when they committed to this approach. An approach that the ACT Legislative Assembly had resoundingly rejected three months earlier.

In 2020, the Attorney General, Mr Gordon Ramsay, called for 'a consultative, evidence-based approach to any further reforms' and that 'the cost and time frames of any reform will need to be based on the best, fullest, accurate evidence' (ACT Legislative Assembly 2020, p. 1667). This motion was agreed by 17 of the 19 Members of the Legislative Assembly present. This sensible approach has been abandoned with the proposed legislative changes.

The seemingly arbitrary timeframes, absence of reasonable consultation and the lack of evidence utilised in the development of the approach outlined in the Discussion Paper, has meant conclusions are fundamentally flawed as they have been drawn from a limited understanding of the technical requirements or the actual cost and social impacts to Clubs, community and the ACT Government.

Whilst not referred to in the Parliamentary Agreement, the CMS proposal identified for consideration in the Discussion Paper has evolved to dominate the initial policy objective. We have now been presented a proposal dominated by the inclusion of a Central Monitoring System for Club patrons rather than just the consideration of model for bet and credit limits on EGM's. This new approach has significant implications in terms of cost, human rights and changes to the regulatory environment. The dramatic departure from the NSW regulatory regime is an issue alone that needs greater consideration given the systems, approval processes, servicing, and game development that are intrinsically linked given our proximity and industry product and technical similarities jurisdictionally.

The aggressive timeframes identified for this process should not, in themselves, over-ride and put at risk the intended outcomes being sought, particularly given the financial challenges our Industry has faced in the past couple of years.

There are legitimate concerns that the proposed policy direction is expensive, unsustainable, and short-sighted in harm reduction terms. We do not believe that this is the balance the Government was aiming for, and it is at odds with, and fundamentally undermines the Government's diversification agenda identified for the Club Industry. In broad terms our response to the Discussion Paper is to request a reconsideration of its basic premise, seek a return to the original provisions of the Parliamentary Agreement as a guide and to commence a proper consultative process to determine options, opportunities, costs, and timelines through a more appropriate process.

We cannot endorse either the Discussion Paper or its proposals given the many issues we see both in terms of the process, the detail or the options presented. This submission will address these matters.

Recommendations in Response

The following recommendations are contained in this submission:

1. Establish a joint Industry/Government EGM Technical Working Group (involving Club, Manufacturer, and Government representatives) and refer the development of any proposals to it, with clearly stated aims and the objective to achieve a transitional plan and staged reform agenda by the end of 2024. The timeline for implementation should arise from this process.
2. There should be a reconsideration of the currently proposed timeframe as we believe it is technically unachievable in the current environment.
3. There should be a reconsideration of the currently proposed timeframe as it will contribute significant cost factors to any final outcome.
4. There should be a reconsideration of any proposal for the introduction of a CMS system. Due to the establishment and recurrent costs involved. The recurrent cost per month per machine is untenable for many smaller Clubs even if assessed at the low end of cost estimates and achieves little to no efficiencies to Club operations for reporting purposes.
5. There should be a reconsideration of any proposal for the introduction of a CMS system for reasons of patron privacy. The monitoring of patron's activity through the proposed CMS model is of great concern and has potentially significant issues associated with the ACT's status as a Human Rights jurisdiction.
6. The cost impacts should be fully investigated and verified by the proposed EGM Technical Working Group before proceeding to any legislation.

7. Any initiative proposed to reduce harm should have strong evidence to support it and a framework to measure the effectiveness.
8. Provide to the EGM Technical Working group any financial or other impact analysis already done, as was requested in our letter of 14 June to Minister Rattenbury (attached). If not already done these should be commissioned as a matter of urgency.
9. Consider an approach to bet and credit limits that accommodates an EGM buying cycle to defray costs over a period, reducing the cost implications and impact on operations and Club viability. This will require appropriate grandfathering.
10. Should the Government proceed with any proposals the Industry will require the consideration of an offset of costs associated with this transition through the waiver of existing taxes and charges.
11. Remain aligned with NSW regulatory regime to maintain current systems and infrastructure and minimise impact on the ACT Government regulatory environment.
12. Assess the community impact of any potential Club closures that may arise from this reform process.
13. Consider approaching the reforms in different phases to open up options and the potential to embrace innovation and emerging technology.
14. The ACT Government works with the Industry to trial emerging technology such as a digital wallet in the ACT for its potential to meet the Government's policy objectives before proceeding with other approaches.

The ACT Club Industry

ClubsACT Commissioned RSM in late 2021 to do a comprehensive analysis of the role and impact of the ACT Club Industry. The complete study will be released publicly in the coming months; however, this section of our submission draws on the data from the RSM report and should be seen as current to 2020 and not drawn from other historical sources unless otherwise referenced.

It is clear that Clubs are an essential part of Canberra's social fabric. The purpose of the Club Industry is to support local communities and Canberra's Clubs have been doing just this for over 90 years. There are currently over 1,100 local individual organisations that receive support from Clubs.

Clubs have a Not-For-Profit structure and a vast majority of revenue earned is invested back into the Canberra community. It is mandatory for all Clubs in the ACT to give 8% of their net gaming machine revenue (NGMR) in the form of community contributions. From 1 July 2019, the ACT Government has increased the minimum community contribution rate to 8.8%. Under the changes, Clubs now have a minimum increased community contribution rate of 8.8% of net gaming machine revenue (NGMR). The minimum contribution requirements for Clubs are:

- 0.4% of NGMR to the Gambling Harm Prevention and Mitigation Fund
- 0.4% of NGMR to the Chief Minister's Charitable Fund
- 8% of NGMR made as community purpose contributions.

Clubs can elect to make monetary contributions or in-kind contributions. An in-kind contribution is a contribution in lieu of donation of funds e.g., providing free room where the hire of that room would otherwise incur a cost. Community contributions are for the benefit of the whole community. The contributions have the effect of:

- Contributing to and supporting the development of the community; or
- Raising the standard of living of the community or part of the community.

It is evident that the Clubs in the ACT have consistently contributed higher than the required minimum of 8% NGMR to a large number of charitable, sporting and community organisations. In the last 5 years, Clubs have contributed over \$58 million to eligible community recipients.

FY	Total Approved Community Contributions (\$m)	Total Club Net Gaming Revenue (\$m)	Community Contributions as a % of NGMR	% Change of contributions from previous year
18/19	11.531	94.515	12.2	4.5% decrease
17/18	12.077	95.321	12.7	1.6% increase
16/17	11.883	94.646	12.6	2.0% increase
15/16	11.652	94.235	12.4	1.6% decrease
14/15	11.841	94.109	12.6	6.0 decrease

Source: ACT Gambling and Racing Commission

. Recently, a total of \$989,798 has been re-allocated back from the Diversification Sustainability and support fund to six Clubs to help fund initiatives like:

- Renovating and reconfiguring the Spanish Australian Club's existing kitchen to meet compliancy and to enable the Club to provide catering options;
- Installing a 75.6KW solar PV system at Belconnen Soccer Club's premises and stadium in McKellar;
- Upgrading bar and lounge facilities at Harmonie German Club to grow its capacity to offer entertainment options;
- Conducting site preparation for the development of a childcare centre at Canberra Highland & Burns Club;
- Installing a 300KW solar PV system at the Ainslie Group's Gungahlin Lakes Golf & Community Club premises; and
- Installing a lift and air conditioner to improve accessibility to the Belconnen Magpies Sports Club's medical centre in Kippax.

The Club sector is also committed to building an enhanced workforce and are committed to assisting those with additional needs and disabilities to participate in the workforce. Recently, ClubsACT has commenced a working relationship with Koomari which has the objective of designing pathways for employment in the hospitality sector for young people with an intellectual disability. The proposed program will support ClubsACT members by providing resources to assist members tailor their current employment frameworks to employing those with additional needs.

Sporting Contributions

The contribution by ACT's Clubs to community sport and sporting infrastructure play an important role in the creation and delivery of social capital and community health outcomes. They do this by bringing communities together, provide opportunities for physical activity and thus promote overall health.

Club funded sportsgrounds and associations are also a breeding ground for the Territory's sporting elite. These venues form a platform for potential athletes to discover their passions and hone their skills. As an example, the Tuggeranong BMX community is proudly supported by the Vikings Group, which has nurtured the likes of Caroline Buchanan who has won 8 World Titles. You could say that these facilities breed heroes for our next generation.

Examples of the sector's provision of access to sporting opportunities:

- Ainslie Football Club has 620 registered players across 25 AFL teams
- Vikings Group has 51 affiliate sporting groups with 7,000 participants
- Raiders Group has 5,150 players of rugby league in the Canberra region.

The Territory's budget does not allow maintenance expenditure to the level of infrastructure funded by ACT Clubs. Furthermore, the current ACT Government grants program to grassroots sports is approximately \$2.5 million in comparison to ACT Clubs' contribution to sport which is valued in excess of \$7 million annually.

Notably, Clubs in the ACT maintain:

- Over 400 hectares of green space for sporting use
- Six golf courses
- Twenty bowling greens
- Three cricket fields
- Five football fields
- A yacht Club
- A basketball stadium
- The racecourse
- A BMX track
- Countless gymnasiums

- A \$19 million purpose-built health and wellness building was opened by the Canberra Southern Cross Club in 2018.

In the ACT, over half of Canberra's Clubs provide their members with use of sporting facilities and there are collectively over \$500 million of assets under Club management. The cost to members to use these facilities are often below the cost to the Clubs of providing these facilities.

Hospitality and Entertainment

ACT Clubs provide a key source of hospitality and entertainment to the community. They are key to supporting a diverse and vibrant hospitality and entertainment Industry in Canberra.

The majority of the venues across the ACT provide a diverse range of hospitality and entertainment services including bar and restaurant facilities, function and boardroom facilities as well as the provision of regular live shows and broadcast and host live sporting events. Many venues provide specials and discounted meal options to seniors in the community.

The services provided by the Clubs cater for all ages and abilities. Clubs also support the large diversity in culture that the Canberra community is fortunate to enjoy. Examples include the Harmonie German Club which serves a wide range of German food and drinks and provides regular cultural events that showcase the German culture. The Spanish and Australian Club operates a delicatessen which provides traditional Spanish foods and carries over 500 product lines of which the majority are Spanish.

Gaming

Canberra is the only jurisdiction in Australia where gaming is still largely operated and managed through Not-For-Profit community Clubs – a privilege that Clubs acknowledge carries with it responsibilities. The Industry in the ACT proudly embraces its social licence to operate and its Not-For-Profit status. This is in line with the community centric ethos of the Clubs.

The latest report from the Australian National University Centre for Gambling Research into problem gambling confirms the ACT as the jurisdiction with the lowest prevalence of problem gambling. The ACT is also the only jurisdiction where poker machines are not permitted in casinos and this could be a very important difference in terms of problem gambling rates.

Most of the services that Clubs provide are only made possible with the revenue obtained by the ability to offer gaming facilities to their patrons. As of 1 July 2019 all Clubs with gaming machines in the ACT are required to contribute 0.4% of Net Gaming Machine Revenue (NGMR) and 0.4% contribution from NGMR to the ACT Gambling Harm Prevention and Mitigation Fund.

ClubsACT acknowledges that whilst most people use gaming machines as a source of entertainment, there are a small number of people that through their gambling behaviour can cause significant harm to themselves and others in their lives. As such, ClubsACT has a robust and active Gambling Harm Prevention Strategy for 2020-2023 which embodies our member Clubs' commitments to creating safe and responsible Club gambling environment. We also enjoy a positive and productive working relationship with the ACT Gambling and Racing Commission.

Response to the Discussion Paper

Establishment of an EGM Technical Working Group

To achieve the objectives identified within the terms of the Parliamentary Agreement, and a full assessment and consideration of the options and their impacts on, the Industry recommends that the ACT Government support the establishment of an EGM Technical Working Group. This submission addresses the rationale for this approach.

It is proposed that this group be established through a formal Memorandum of Understanding between the Industry and Government. This would include an agreed process to progress the reform agenda, review options and investigate emerging technologies (such as current digital wallet trials) that may achieve better outcomes for the Government.

The EGM Technical Working Group would have clearly stated aims to address the negative impacts of gambling harm and the objective to develop a transitional plan and staged reform agenda by the end of 2024.

This group should include Manufacturers (represented through the Gaming Technologies Association) and Club operations representatives who can provide operational and technical insight along with relevant government and Ministerial representatives.

To move forward, the Industry recommends that the ACT Government support our primary recommendation to establish an EGM Technical Working Group including Club operations expertise and manufacturers to support the ACT Government in establishing a transitional plan. This should occur before moving forward with legislative or other regulatory change.

The principles underpinning the work of this EGM Technical Working Group and the ACT Government's approach moving forward should:

- Include a thorough review and transitional plan, as stated in the Agreement, including forming an EGM Technical Working Group to engage with the process.
- Provide evidence to demonstrate the effectiveness of proposed measures to achieve intended outcomes for harm minimisation.
- Understand the significant cost implications to Clubs, including how these costs will impact each Club's financial viability, diversification agenda and contribution to the community.
- Consider the dramatic shift to the regulatory environment for the ACT and associated impacts.
- Be open to other approaches to achieve the stated aim of reducing harm from electronic gaming machines that are likely to be more effective, have less financial outlay, and will remain relevant as technology evolves into the future.
- Consider the role that COVID-19 shut-downs and restrictions, employment shortages, supply costs and emerging cost of living pressures have had and continue to have a significant impact on Community Clubs and their viability – before considering investment in costly infrastructure changes.
- Consider appropriate grandfathering of the timing of proposed changes and whether the Industry is able to sustain itself and invest in the proposed changes at this time. This element should consider the asset renewal approaches taken by Clubs as part of the transition planning.

RECOMMENDATION 1. *Establish a joint Industry/Government EGM Technical Working Group (involving Club, manufacturer, and government representatives) and refer the development of any proposals to it, with clearly stated aims and the objective to achieve a transitional plan and staged reform agenda by the end of 2024. The timeline for implementation should arise from this process.*

Engagement with Industry

The failure of the ACT Government to effectively engage with Not-For-Profit Community Clubs and the EGM Industry in a participatory way on a complex reform agenda, prior to conclusions being drawn and the Discussion Paper being drafted, is central to the immense implementation challenges now presented.

The Government is seeking to establish an expensive system with no clear indication of the benefits to be achieved based on potentially flawed assumptions of what might actually work to reduce the negative impacts associated with problem gambling.

The Parliamentary Agreement seemingly contradicts the approach the ACT Government was committed to just three months prior to the 2020 ACT Election.

The introduction of \$5 bet limits and a \$100 load up limit were raised in the ACT Legislative Assembly on 23 July 2020 by Mr Shane Rattenbury MLA. His motion was debated by all parties in the Legislative Assembly.

In the amendment to the motion the ACT Attorney General, Mr Gordon Ramsay noted (Legislative Assembly 2020, p. 1667):

"The ACT Government has already undertaken to Clubs to make further reforms, along with an agreed Industry Road Map to ensure their ongoing financial liability and, simultaneously, to work on further gambling harm minimisation measures. As we move forward, we must do it together with Clubs, with experts, with the community and with people with lived experience."

The amendment called for:

'... a consultative, evidence-based approach to any further reforms'

He further noted that:

'The cost of adaptive or new technology to implement bet limits, as put in Mr Rattenbury's motion, will be a significant issue. It may well be insurmountable, but it needs proper exploration... the cost and time frames of any reform will need to be based on the best, fullest, accurate evidence.'

The amended motion passed 17 to 2 in the Legislative Assembly (2020, p. 1666):

'(4) calls on the ACT Government to:

(a) continue to work alongside the Clubs to help them secure their future over the long term, support their communities and protect their patrons, and to help them to continue to move to other income-generating activities; and

(b) work in close consultation with Clubs, experts, the community, and people with lived experience on further evidence-based harm minimisation measures.'

ClubsACT Members and the Industry as a whole recognised the policy position of the ACT Government laid out by the then Attorney General, Mr Gordon Ramsay, which can be best summated by his closing comments in his contribution to the debate (Legislative Assembly, 2020, p. 1667):

'My amendment is a productive way forward for the next steps in continuing to reduce harm caused by gambling, while acknowledging that the path must be consultative and not damage a sector that is hurting, and which is a significant employer and supporter of many thousands of sporting, community, and multicultural groups. The government affirm that we will work alongside the Clubs to help them secure their future over the long term, to support their communities, to protect their patrons and to help

them to continue to move away from the reliance on electronic gaming machines and to address gambling harm. We believe we can do this together.'

The Parliamentary Agreement contains significant detail and complexity. It was developed and signed on 2 November 2020 just days following the outcome of the ACT Election.

ClubsACT believe that Members of the Assembly, In the absence of their former colleague Mr Gordon Ramsay MLA, may have unintentionally committed to a specific reform on bet and credit limits that had no evidence base or understanding of the cost and challenges to implement.

They may also have assumed, as ClubsACT did, that there would be a thorough review prior to implementation as well as a responsible consideration of a cost benefit impact analysis.

Any policy that represents a shift from the stated position, adopted just three months prior, should be considered with a full understanding of the impacts.

Industry and Manufacturer Input

Common sense would predicate that a significant reform in an Industry would seek input from that Industry and the key stakeholders.

The ACT Government's approach to engage a contractor to investigate options without any consultation with manufacturers or operators of EGMs included in the scope was, in ClubsACT view, a significant flaw.

The limited scope of the BMM Australia report, "Technical Advice about Gaming Machines and Gaming Systems in ACT", has meant that the technical challenges, accurate cost assumptions and the full impact on community Clubs in the ACT have not been fully appreciated.

For example, the cost assumptions provided are far less than what has been quoted by manufacturers to ClubsACT and our members based on the available information. Further information relating to cost is provided later in this submission.

This engagement of a consultant does not constitute a thorough review. Further to this, reliance on a very limited view, from a consultant-based interstate, to inform significant reform is not in the interest of good policy making.

The preliminary advice we have received from Manufacturers is that the proposed timetable identified in the discussion is overly ambitious and that an Industry wide implementation date of any reforms requiring technological variation would need to consider supply chain and technical capacity issues. In the current environment we have been advised that (subject to the nature of the change involved) the

availability of technicians and other capacity restraints would make a Territory-wide common implementation date of any reforms unachievable.

Full engagement and a participatory approach with manufacturers, operators and regulators is essential to obtain the best technical information and achieve the best possible outcomes for harm reduction in the ACT and for the sustainability of Not-For-Profit community Clubs.

RECOMMENDATION 2. *There should be a reconsideration of the currently proposed timeframe as we believe it is technically unachievable in the current environment.*

ClubsACT and our Member Clubs are of the firm view that legislation should not progress on any aspect of the reform until a thorough review has taken place relating to the cost, effectiveness, implementation, and impacts of the proposals. The arbitrary timeline presented in the Discussion Paper does not provide scope for a review of this nature.

We note that, while it took more than nine months to develop the Discussion Paper based on the BMM Report, the Industry was not afforded the same time to provide a thorough analysis of the proposed approach.

ClubsACT, along with several Member Clubs have sought further information from the ACT Government relating to information about the financial, employment and harm reduction impacts as well as consideration for Club patrons crossing to NSW to pursue their gaming interests. We understand that the ACT Government has incorporated these questions as part of their consultations with us and are not in a position to provide answers to these questions at this time.

We believe that the provision of this information is consistent and fundamental to any thorough review and development of a transitional plan.

The answers to these questions should be jointly considered and discussed by the Industry and the Government prior to the roll out of any proposed legislation. To inform any consideration of the ACT Governments preferred options in this area, Industry would require these matters to be properly considered.

The haste in the proposed timeframe will have significant costs factors associated with it. The capacity of the Industry to embrace any reforms is largely a timeframe and cost issue as both have a relationship to each other.

The capacity to defray costs over a period such as through a Clubs' normal asset recycling timeframe (6 - 10 years) is a significant issue when compared to a common implementation date being imposed in the Industry. The position surrounding the introduction of patron monitoring through a CMS as part of these

reforms also carries additional and recurrent issues for the Industry, not least of which is the recurrent costs of a CMS after implementation.

A Central Monitoring System (CMS) for Club patrons did not feature in the Parliamentary Agreement or in discussions prior to the release of the Discussion Paper. The significant complexity it creates in requiring upgrading or retrofitting a system across many organisations and venues, requires more time for the sector to analyse the full implications of the options.

The anecdotal advice we have received on the costs of a CMS implementation and the recurrent costs of its operations are of great concern and would be financially unviable for many Clubs to absorb.

The capacity to introduce \$5 bet and \$100 Credit limits may be achievable through a variety of pathways that are non-CMS dependant including new technologies entering the market. The imposition of an onerous timeframe for implementing these policy objectives may deny simpler more cost-effective solutions than that imposed through a CMS dependant model being considered.

Recurrent cost estimates for the operation of the CMS after implementation of the model range from approximately \$70 - \$160 per machine per month with the costs widely dependant on the provider and contract obligations. We have been advised by a number of smaller and medium Clubs that they could not financially absorb either the establishment or the recurrent costs of a CMS system.

We note that in discussions with the Attorney General, Mr Shane Rattenbury, MLA, he noted that while he sees a process of consultation taking at least six months, the Government would be seeking enabling legislation to be framed for discussion. It simply would not make sense to pursue the introduction of legislative reform before detailed consultation on this has taken place.

RECOMMENDATION 3. *There should be a reconsideration of the currently proposed timeframe as it will contribute significant cost factors to any final outcome.*

RECOMMENDATION 4. *There should be a reconsideration of any proposal for the introduction of a CMS system. Due to the establishment and recurrent costs involved. The recurrent cost per month per machine is untenable for many smaller Clubs even if assessed at the low end of cost estimates and achieves little to no efficiencies to Club operations for reporting purposes.*

CMS and a Human Rights Jurisdiction

The concerns over patron monitoring as suggested through a CMS is of great concern to the Industry given that the ACT is a Human Rights jurisdiction and the that inherent right to privacy codified in Section 12 of the ACT Human Rights Act may have application in this area.

As stated on the ACT Human Rights Commission website: *"The right to privacy under section 12 of the HRA protects people in the ACT from 'unlawful' interference with their privacy – this means that no interference can take place except in cases authorised by law. Under international law, the right to privacy has been interpreted as applying in a variety of different circumstances. It has been defined widely as 'the right to be left alone' (the right to live free from interference), and so includes the right to autonomy.*

The term 'arbitrary interference' in the right to privacy can extend to lawful interference. Arbitrary interference in someone's private or family life is interference that may be lawful, but is unreasonable, unnecessary and the degree of interference is not proportionate to the need."

The monitoring of patrons' data and how it may be used is a great concern for the Industry and the patrons of ACT Clubs. This matter has had no detailed consideration in the Discussion Paper.

RECOMMENDATION 5. *There should be a reconsideration of any proposal for the introduction of a CMS system for reasons of Patron privacy. The monitoring of patrons' activity through the proposed CMS model is of great concern and has potentially significant issues associated with the ACT's status as a Human Rights jurisdiction.*

Challenging Economic Times

The Fair Work Commission, when deferring their recent minimum wage adjustment for the Club and Hospitality Industry until later in 2022, noted that the Clubs and Hospitality Industry had been significantly impacted financially by the COVID-19 shut-downs and restrictions, employment shortages etc. The increasing supply costs and emerging cost of living impacts have had and continue to have a significant impact on Community Clubs and their viability.

This has occurred at a time where the ACT Club Industry has also been pursuing the ACT Governments Diversification agenda and spending significant resources on developing or commencing plans in this area. ClubsACT has been seeking a financial support package for the Industry as a result, although we note that this current proposal now cuts across these issues.

ACT Clubs simply do not have the capacity to make the scale of investment required in the proposals at this time, and we note that this is not seeking to achieve either innovation or diversification which seems contradictory to other Government imperatives.

RECOMMENDATION 6: *The cost impacts should be fully investigated and verified by the proposed EGM Technical Working Group before proceeding to any legislation.*

Reducing Harm Associated with Problem Gambling

The first objective of the ACT Gambling and Racing Commission Strategy for Gambling Harm Prevention in the ACT: A Public Health Approach, 2019-2024 is to 'Ensure Government policy and initiatives prevent and reduce gambling harm'.

ClubsACT Members request the ACT Government to provide evidence to demonstrate the effectiveness of harm reduction measures that have been introduced in the ACT to date and the contribution proposed measures will make. This will ensure that the intended outcomes for harm minimisation are achieved.

This information will assist in assessing the cost effectiveness of the proposed approach against the projected outcomes.

It is also important to consider the changes to regulations for EGMs in the ACT.

To date, ClubsACT have yet to receive a response from the ACT Government for information relating to any impact analysis undertaken with respect to bet and credit limits reducing gambling harm in the ACT.

Gambling Reform ACT Leads the Way

It is a concern to the Industry that there seems to be a view in Government that as the ACT does not operate a CMS on EGM's that the ACT jurisdiction is somehow lagging in terms of regulation and harm minimisation efforts when compared with other jurisdictions. We refute this and also note that a CMS by definition has little to no practical impact on harm minimisation outcomes that we can identify. It is important to reiterate, that the implementation of a Central Monitoring System has no bearing on harm reduction, as is noted in the Discussion Paper.

The ACT Gaming Regulatory environment has undergone more than 20 significant changes since the enactment of the *Gaming Machine Act 2004*. A range of measures have been introduced in the ACT to address gambling harm and to establish a tighter gaming regulatory environment.

Some of these changes include:

- a prohibition on gaming machine advertising outside gaming machine areas.
- limitations on the display of gaming machine signage (in NSW you will see VIP room signs at pubs, Pokies signs in Victoria).
- limits on note acceptors to \$20 (\$50 and \$100 in every other state).
- requirement for responsible gambling information to be displayed in every gaming venue.
- self-exclusion programs.

- licensee led exclusions (a licensee can exclude this does not exist in NSW).
- restrictions on 24-hour gaming.
- restrictions on inducements and food and beverage service to gaming areas (can be served drinks in NSW to the machine).
- requirements for gaming machines licensees to provide information to players, such as messaging on gaming machines.
- requirements for large winnings (\$1500 ACT vs \$5000 NSW) to be paid by cheque or via EFTPOS.
- mandatory staff training.
- prohibition on alfresco gaming (permitted in NSW).
- prohibition on cash facilities (ATM or EFTPOS) in gaming area.
- ATM cash limit restrictions to a maximum withdrawal of \$250 per card per day (no restriction in NSW).
- EFTPOS cash limit restriction to a maximum withdrawal of \$200 per transaction. With a requirement to record the withdrawal of two transactions or more in ACT Government incident reporting system.
- gaming machine numbers were reduced by 1000 in 2019.
- bigger penalties introduced for breaches of the Gaming Machine Act and a new obligation for Club Directors to reduce gambling harm; and
- Clubs are required to publish their annual reports and disclose their contributions.

Again, Attorney General Gordon Ramsay acknowledged this in his contribution to the Legislative Assembly (2020, p. 1664) when he said:

'Clubs have gone through a period of very significant reform over the past five years. They have engaged constructively with the government's reform agenda, and, working together, we have reduced the number of gaming machine authorisations by around 20 per cent, from 4,938 in August 2018 to 3,888 today'.*

*The number of EGMs has further reduced since he made those remarks on 23 July 2020.

In addition to this, ClubsACT and our Members:

- are a contributing member of the Gambling Harm Advisory Committee.
- introduced a best practice gambling harm program.

- are exploring facial recognition; and
- contribute 0.75% of Gross Gaming Machine Revenue in addition to 0.4% of Net Gaming Machine Revenue to the Gambling Harm Mitigation Fund.

An Evidence-Based Approach

The objective of ClubsACT and our Members is to find a balance which allows people the right to gamble while minimising the potential for harm to the community. This must involve a shared responsibility between the Industry, Government, and Individuals. We strongly support gaming policy settings based on evidence and the principle of shared responsibility.

To be effective the Industry and Government need to work together to create the policy setting and focus investment and energy on proven measures that support the reduction in gambling harm now and into the future.

We believe that investment from the Gambling Harm Prevention and Mitigation Fund should be directed to projects that support evidence to demonstrate the impact of policies on reducing harm.

Both ClubsACT and our Member Clubs have requested information from the ACT Government to demonstrate the basis and effectiveness of bet and credit limits or even a CMS on reducing harm associated with problem gaming.

ClubsACT and our Member Clubs directly have sought further information and evidence to support the rationale of moving to \$5 maximum bets – including further evidence from the ACT Government to support the policy position on \$5 bets as a harm reduction measure.

Based on the information available, several of our Member Clubs have analysed EGM data to better understand the impact \$5 max bets would have. They determined the following:

- The average bet is between \$1.30 and \$2.32
- A relatively small proportion of players held an average bet of over \$5 during a session
- Given the majority of Club Members and patrons do not enter the gaming floor, in most Clubs less than 0.50% of all Club Members will play an average bet over \$5 and statistically, the vast majority of the players will be playing within their means.

The analysis of these Member Clubs is that the limiting bets to \$5 may have limited impact on the negative impact of gambling harm at a significant cost to their members and the community.

Our Member Clubs have had difficulty establishing a data set to understand the impact of load-up limits on player behaviour. The Industry is not aware of any jurisdiction where the operation of load-up limits as defined on p3 of the Discussion Paper is used and has sought further information from the

Government on how it would work in practice and whether the interpretation of this in the BMM Australia Report had the same interpretation as the Discussion Paper.

The Industry notes that there may be more effective ways to slow the rate of play that are less costly to implement that could be considered.

The costs to Clubs in implementing the proposed measures to achieve a reduction in max bet should be considered alongside evidence that harm reduction will result.

ClubsACT and Member Clubs have the firm belief that Industry can deliver more effective harm minimisation strategies. Some of these options that require further exploration are described further in this submission.

RECOMMENDATION 7: *Any initiative proposed to reduce harm should have strong evidence to support it and a framework to measure the effectiveness. Government should consider the cost-benefit of any proposed reforms.*

Costs

ClubsACT cannot support the Discussion Paper recommendations as they stand due to the failure to incorporate effective costings tested in the market. This has ill-informed the determination of the issues and options that the Discussion Paper presents for the Industry to consider.

Our Member Clubs and Manufacturers advice to date is the costs will be significantly more than estimated and are likely to be in excess of \$70 million to the Industry alone in EGM and other infrastructure and system upgrades for the initial phase of implementation. With the CMS option a recurrent cost over \$500,000 per month for the Industry to maintain would be required. These costs would see reductions in resources not easily replaced. This will be a direct loss to members and any community benefit. We do not consider this a responsible expenditure of members' funds.

With the time provided and based on the information available, our Member Clubs, with the support of Manufacturers and the broader Industry, have undertaken some analysis of the implementation costs for a Central Monitoring System to progress bet and credit limits. We understand that some of this has been provided directly to the Government.

The cost estimates include consideration for costs associated with cabinet and game upgrades, ongoing monitoring fees, and other infrastructure and system upgrades. The research done by ACT Clubs and ClubsACT indicates that the figures provided in the Discussion Paper and the BMM Australia Report, are extremely conservative and have not accounted for aspects of the true cost base for Clubs or a number of multiplier costs associated with the exercise.

Cabinet and Game Upgrades

While it is difficult to determine which EGMs cabinets require replacement or upgrade. Based on available information it can be determined that the percentage of machines in a venue that require replacement varies – from 15% to 100% requiring replacement.

To understand the likely cost for our Member Clubs to upgrade or replace their cabinets and games to support a QCOM CMS for example, ClubsACT analysed the situation for eight Member Clubs (representing small, medium and large Clubs).

Taking into account the median of the average cost per EGM for each Club, the upgrade and replacement of just the cabinets and games across all Clubs in the ACT would cost upwards of \$50 million (based on 3500 EGMs in the ACT). These calculations are based on a conservative cost of \$25,000/cabinet and \$6,500 per upgrade which our Member Clubs have indicated is below what the true cost will be.

It is clear that further analysis is required to understand the full financial impact of a QCOM CMS for Community Clubs in the ACT. The phasing in of any of new approach and the consideration of the range of new and emerging technological options to achieve the provisions of the Parliamentary Agreement would be a logical best practice approach to meeting the objectives of the government as articulated in the Parliamentary Agreement.

Other Infrastructure Costs

There are a range of other costs to consider as a result of implementing a system similar to the QCOM CMS, such as:

- Link controllers
- Membership systems
- Member data and communications
- Point of sale
- Front entry terminals
- Sign in arrangements
- Cash Redemption Terminals
- Pay-points
- Fibre optics and networking
- System upgrades
- Downtime

The costs for other infrastructure are difficult to determine given the variety of systems used across the Industry and whether or not they will be able to communicate with the preferred QCOM system.

Costs will also vary depending on the number, size, and age of the venues and how easily they can be retrofitted. Rough estimates suggest that this could easily cost over \$1million for a medium Club Group.

Fees for a Central Monitoring System

Industry estimates that the monthly fee charged to venues per machine for QCOM is likely to average between \$100 to \$150 in the ACT. Based on a projection of 3,500 machines in the ACT, this alone represents an additional cost of \$350,000 to \$525,000 per month. The BMM Australia report uses a figure of \$30 to \$60 per machine, which has been disputed in our preliminary discussions with the Industry and Manufacturers.

Administrative Costs

It is the view of our Member Clubs that Club administrative costs for regulatory oversight and tax administration would not decrease by introducing a Central Monitoring System of Club patrons.

This is contradictory to the view of the ACT Government that administrative savings would be achieved. However, no Club has identified any savings in this area especially when considered against the monthly per machine cost of the CMS option.

Increased Costs

As games would be required to be developed uniquely for the ACT market, manufacturers will incur higher development and ATF evaluation costs. This is not currently required as NSW approved games are sold into the ACT without changes.

It is unclear whether an approval administration fee for new games and EGMs will now be required for game approvals no longer supported by the NSW system. This fee is currently \$3,260 per game in NSW.

RECOMMENDATION 8: *Provide to the EGM Technical Working Group any financial or other impact analysis already done, as was requested in our letter of 14 June to Minister Rattenbury (attached). If not already done these should be commissioned as a matter of urgency.*

Club Capacity to Absorb Costs

Further analysis is required to understand the immediate impact the upfront cost of upgrading EGMs and infrastructure to support a Central Monitoring System of Club patrons will have on an organisation's viability.

The Discussion Paper indicates that venues will be liable for infrastructure costs associated with any reform including EGMs and site upgrades and ongoing fees of a patron monitoring system.

Given the scale of anticipated costs, it is clear that the cash impact of the upgrades necessary for the Industry would be onerous. Some ClubsACT Members will be unable to absorb the costs associated with meeting the requirements of the reform. We have been advised that a number of smaller Clubs would need to surrender the EGMs with no capacity to replace the revenue. For some the investment will present a solvency risk. We understand that the ACT Government has done some assessment of individual Club financial capacities through available information, and we are confident our concerns in this regard are transparently vindicated and legitimate.

This impact on the financial position of the Industry will be immense and result in:

- Closure of venues
- Insolvency of some organisations
- Reduced local employment opportunities
- Increased costs to consumers to maintain revenue
- Reduced contributions and support to community
- Inability to pay loans based on current commitments
- A collapse of the Diversification agenda for many years and in some cases permanently.

The scale and cost of the proposed reform will have a dramatic impact on the viability of the Industry in the ACT at a net loss to the community.

It is important to note that with the ACT Government's preferred approach of implementing bet and credit limits through a Central Monitoring System will see Clubs incur these costs upfront ahead of the date of transition and recurrently afterwards.

The capacity to absorb costs will also be significantly impacted by any short-term timelines and mandating of obligations on Clubs in timeframes that limit a phased approach to introduction.

RECOMMENDATION 9: *Consider an approach to bet and credit limits that accommodates an EGM buying cycle to defray costs over a period, reducing the cost implications and impact on operations and Club viability. This will require appropriate grandfathering.*

RECOMMENDATION 10: *Should the Government proceed with any proposals the Industry will require the consideration of an offset of costs associated with this transition through the waiver of existing taxes and charges.*

ACT Government Budget Considerations

The impact of these reforms on the ACT Government Budget also needs to be considered. While it is not our position to identify these, we would anticipate these costs would include:

- Establishing and maintaining a new EGM approval system
- Loss in revenue from gaming taxes
- Administration

The Regulatory Environment - EGM Approvals

According to advice ClubsACT has received from the Gaming Technologies Association (GTA), one of the significant outcomes of the ACT Gaming & Racing Commission (ACT G&RC) agreement with the NSW to 'piggyback' the NSW process for ACT EGM approvals is that almost every EGM approved in NSW is also approved for the ACT. This is because no extra development time is needed, and only a relatively small administration fee is needed in addition to the cost of approval in NSW.

That is, when an EGM is submitted for approval to Liquor & Gaming NSW (L&GNSW), they can optionally execute a process and issue an independent notice to ACT G&RC that confirms approval has been issued in NSW.

This process is made possible because the ACT has the same key requirements for EGMs as prescribed in the Gaming Machine National Standards (GMNS), such as maximum bet, to be legal and approved in NSW.

With any significant departure from the NSW regulatory framework and gaming systems controls, this process will likely be no longer available as unique versions will be required for the ACT.

RECOMMENDATION 11: *Remain aligned with NSW regulatory regime to maintain current systems and infrastructure and minimise impact on the ACT Government regulatory environment.*

Size of the ACT Market

At a projected 3,500 EGMs, the ACT market will represent less than 4% of the NSW market (more than 90,000 EGMs). The obvious proximity to NSW and the alignment with regulatory requirements has seen the ACT market serviced as a region of NSW. ACT venues have considerably greater choice of EGMs than other comparable Australian jurisdictions. The access to technicians in the ACT market is also enhanced through the proximity to NSW.

Given the ACT market is only a small slice of the larger NSW market, it is clear that a divergence from NSW will result in both limits to the choice of EGMs for ACT venues, reduce availability of technical support and increase the cost of that support.

Gaming Shifts to NSW

It is clear that ACT residents will cross the NSW border to play EGMs. This was particularly highlighted during the COVID-19 shut down period, during which ACT gaming operations were kept closed for nine weeks longer than NSW and five weeks longer than every other state and territory with the exception of Victoria.

Gaming machine data available from the NSW Office of Liquor and Gaming for June, July and August 2020 demonstrated the effect on the gaming machine performance in Queanbeyan whilst the ACT remained closed during COVID-19.

The key take outs from that data are as follows:

- Clubs in Queanbeyan-Palerang were ranked number one in the state for net profit per gaming machine for the period June 1 to August 31, 2020. This LGA moved from a ranking of 24th for the same period, the previous year.
- Queanbeyan Leagues Club was number one in the state for net profit per gaming machine (1045 Clubs in NSW).
- Queanbeyan Leagues Club was number seven in the state for net profit by venue.
- That LGA has a total of 631 machines in eight Clubs which experienced a net profit of \$19.9 million or \$31,576 per machine (in 3 months).
- The gaming tax paid by the Clubs was \$4.6 million.
- For the period mentioned, NSW on average increased by 7% on the previous year, whilst Queanbeyan increased 118% on the previous year.

Community Impact

The ACT Government defines in the ACT Wellbeing Framework:

‘Wellbeing is about how we are doing, as individuals, as a community, and as a place to live. It’s about having the opportunity and ability to lead lives of personal and community value – with qualities such as good health, time to enjoy the things in life that matter, in an environment that promotes personal growth and is sustainable.’

Not-For-Profit Community Clubs contribute to the improved mental health and wellbeing of our community every day; however, our members feel that this is not well-understood by those who do not visit the venues.

The community dividend our Clubs deliver ACT residents goes far beyond their direct investment in programs and initiatives – which alone equates to \$20million each year from across our Industry and goes beyond the 8.8% community contribution from net gaming machine revenue.

ClubsACT Members play a vital role in the social connectedness of our community by providing welcoming, safe, accessible, warm (or cool) and flexible spaces for individuals, families, and community groups to gather. This is simply not available in any other facility. While the social impact is not well measured or documented, visiting a venue at any time of any day will demonstrate this immense value.

The value of delivering quality local jobs and career pathways also contributes to our community's wellbeing. For example, the Club Industry is the single largest non-government employer in the Tuggeranong Valley—representing over \$20 million in wages to that region. In this way, investment in our local communities goes well beyond our direct community contributions.

Our Clubs also contribute directly to the liveability of the ACT community through the maintenance of green spaces and community facilities.

The significant investment required to deliver on the ACT Government's proposal in such a short timeframe will have a dramatic and enduring impact on Community Club's delivering for their community. Operations will cease and venues will need to be rationalised, resulting in a significant reduction in places to meet and gather, employment opportunities and local community funding, a net loss for community wellbeing.

The community cost must be considered in the cost benefit analysis of the proposed reforms.

RECOMMENDATION 12: *Assess the community impact of any potential Club closures that may arise from this reform process.*

Other Options for Harm Reduction

ClubsACT and Member Clubs are aware of other options that may be more effective in harm reduction and/or may be better ways to achieve bet and load up limits. These may be available now or in development. We note that a number of these are referred to in the BMM Australia Report and in the Discussion Paper.

All options should be explored by the proposed EGM Technical Working Group prior to one approach being favoured.

Future Technology

The options put to the ACT Government have been limited by looking at only what was available in the market when the BMM Australia Report was undertaken and not what is in development stages or possible by working in partnership with Manufacturers and Clubs.

The advice ClubsACT and our Members have received is that our Industry is on the cusp of significant reform.

For example, some innovations that are currently in manufacturer research and development programs:

- The possibility of utilising note acceptors as a way to limit credit input in X Series protocol.
- The potential for current systems to manage load up limits.
- Specific software that allows an individual to set their own loss limits.
- Other options to reduce spin rates.

RECOMMENDATION 13: *Consider approaching the reforms in different phases to open up options and the potential to embrace innovation and emerging technology.*

Cashless Gaming

In their report to the ACT Government, BMM Australia explored the implementation of cashless gaming for EGMs with harm reduction measures. They noted that a '*cashless gaming solution offers better customer oversight, allowing operators to gain more insights about their players, serve them better, and prevent irresponsible gambling.*'

A trial of a digital wallet is underway in Newcastle. The Wests Newcastle-Aristocrat trial includes responsible gambling measures including money limits, session time limits, information and real-time messaging to customers and marshals. This empowers their members to set limits, speak to a staff member or exclude themselves from the Club.

Industry led innovation such as this has the potential to help reduce problem gambling without unduly impacting choice and amenity for the majority of recreational players.

While ClubsACT Members are awaiting results of these trials and other emerging technology to determine a view on cashless gaming as the solution, given the Australian economy is becoming increasingly cashless, it would be short-sighted to ignore its potential as a solution to harm reduction in the ACT that is future proofed.

RECOMMENDATION 14: *The ACT Government works with the Industry to trial emerging technology such as a digital wallet in the ACT for its potential to meet the Government's policy objectives before proceeding with other approaches.*

Other Options – (To be reviewed by the proposed EGM Technical Working Group)

\$5 max bet as Phase 1

As part of a considered transition plan, the ACT Government could consider focusing on \$5 max bets. If approvals for games over \$5 were stopped at a set date, they would phase out over the EGM buying cycle with the costs managed by Clubs.

Dual Protocol

ClubsACT and some Member Clubs are of the view that there may be value in an investigation into whether a dual protocol is possible before eliminating the idea. This would allow for the proprietary systems to run QCOM on X-Series and trade out in a normal buying cycle.

We suggest that this is considered by the EGM Technical Working Group.

QCOM 3

ClubsACT and Member Clubs do not support an expensive Central Monitoring System of Club patrons, or the preferred QCOM model. However, if that were the approach, it would seem short sighted not investigate and to await the development of QCOM 3 which is soon to be released in Queensland.

X-Series

Given the significant implications for the departure from well-established and robust X-Series protocol and associated games in the ACT, options that run on X-Series should be fully explored and include a cost benefit analysis before being dismissed.

Specific Questions in the Discussion Paper

Is the government's rationale for preferring a QCOM CMS to deliver lower bet and credit limits sound?

Are there better ways of achieving these commitments?

As detailed in the points above, ClubsACT and Member Clubs are of the view that the Government's rationale is flawed due to the failure to undertake a thorough review of the cost and technical implications. The choices presented are false given their lack of consideration and detail and failure to effectively consider viable alternatives.

Should cashless only gaming be introduced as part of a CMS? What benefits would this provide to Clubs?

Cashless gaming and a CMS do not have an inexorable link and should be separately considered scenarios. Clubs are best benefitted by any options that have little initial or recurrent budget impacts and provide patrons with a safe and enjoyable entertainment opportunity.

What harm minimisation measures should accompany cashless gaming?

Options and opportunities should be considered in the context of a trial and an understanding of the technological options achievable.

Is an EGM player card worth pursuing as a technological enhancement to the gaming exclusion scheme?

More time and information are required to provide an opinion on an EGM player card. This should be referred to the proposed EGM Technical Working Group for consideration.

What information, collection, storage, use and disclosure controls should be adopted as part of introducing a CMS?

ClubsACT and our Member Clubs agree with the sentiment of the Discussion Paper that there are significant privacy and Human Rights issues that would arise with the implementation of a CMS and automated risk monitoring. This would need more information about the preferred approach and significantly more time to assess the risk before an approach is adopted.

ClubsACT and Member Clubs would reject any monitoring of patron behaviour on their premises. Noting that the ACT is a Human Rights jurisdiction, we believe that this area requires a complex and considered view to be developed and informed expert legal opinion.

Further to this, we reject that our Member Clubs should have to pay for access to any data generated on their premises.

Should information be available for use as part of proactive intervention when a person may be at risk of gambling harm?

ClubsACT believes that a humanistic approach currently implemented in Clubs is more effective than an automated system.

Should the government have access to information about EGM user behaviour?

ClubsACT and Member Clubs would reject any data monitoring of individual patron behaviour on their premises. Aggregate data that protects individual privacy is preferable.

Are there existing measures and Government-imposed costs that could be reduced or removed as part of introducing a CMS?

Yes. We believe that all existing Government-imposed costs should be suspended or re-funded as part of compensating the Industry for any costs arising from the imposition of a CMS. If this option is a government objective, and in the absence of appropriate and transparent cost benefits to the Industry or the community being established, the entirety of the costs for this option should be met by the Government itself.

Conclusion

There is a need for a respectful and participatory process of consultation that appreciates that while all Clubs have the central aim of delivering hospitality, the impact of any changes will impact on them in different ways.

What is clear for ClubsACT, and our members is that:

- We cannot support the Discussion Paper proposals for the introduction of a Central Monitoring System of our Club patrons due to cost and privacy concerns.
- The currently proposed timeframe is unviable and is informing decision making rather than good policy making principles.
- There is a need for a joint Industry/government EGM Technical Working Group to support the ACT Government in developing a considered and viable way forward.

We believe that the specific issues raised in this Discussion Paper should be referred to the EGM Technical Working Group if established.

ClubsACT would like to acknowledge the following for their contribution to the production of this submission:

- *Interact Collaborations*
- *RSM*
- *Gaming Technologies Association*
- *Aristocrat Leisure*
- *IGT Australia*
- *ClubsNSW*
- *ClubsQLD*
- *Community Clubs Victoria*
- *Canberra Labor Club Group*
- *Members of ClubsACT*

Attachments letters to Minister Shane Rattenbury MLA of 1 and 14 June



Craig Shannon
CEO
ClubsACT
8 July 2022