

## Gaming Machine Harm Minimisation Measures Consultation Paper Response Form

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**Questions: Gaming Machine Harm Minimisation Measures**

These questions should be read in conjunction with the Gaming Machine Harm Minimisation Measures Consultation Paper

**Q.1.** Is the current \$200 per EFTPOS transaction limit appropriate? If not, what other regulatory measures would support the objectives of the Act?

Evidence would suggest that the current \$200 per EFTPOS transaction limit does not need to increase and could possibly decrease. Transaction limits should be supplemented by a daily limit of \$200.

Prior to their prohibition in Victoria, gaming venue ATMs carried a transaction limit of \$200 and a daily withdrawal limit of \$400 per card. In contrast, the gaming venue EFTPOS machines that have replaced ATMs have daily withdrawal limits set by the customer's bank, which can be as high as \$2000 per card. Gaming venue EFTPOS machines therefore facilitate easier access to much higher daily withdrawals than the ATMs that they replaced. This consequence runs contrary to the intent of the Act, which was to minimise rather than exacerbate the potential for unintended overspending.

The evaluation of ATM prohibition in Victoria (Thomas et al., 2013) demonstrated strong support for daily limits in venues. The vast majority of patrons surveyed (between 87 and 94%) agreed there should be a daily limit on the amount of money that can be withdrawn via EFTPOS in venues, and the lack of such a daily limit was seen by both patrons and staff as undermining the effectiveness of the intervention.

Recent evidence also supports the need for daily limits on withdrawals. Multiple cash withdrawals in venues are known to be a major sign of gambling problems (Delfabbro, Thomas, & Armstrong, 2016; Thomas, Delfabbro, & Armstrong, 2014). The present EFTPOS system therefore facilitates problematic gambling. The most recent Victorian prevalence study similarly found non-problem and low-risk gamblers were highly unlikely to make multiple cash withdrawals in contrast to moderate and problem gamblers (Schottler, 2015) and average withdrawal amounts were below \$200 for all but problem gamblers.

Evidence from our recent Gambling in Suburban Australia study (Rintoul, Deblaquiere, & Thomas, forthcoming 2017) showed that many Victorian EGM gamblers return multiple times to withdraw cash via EFTPOS. We found consensus among Gamblers Help and regulatory professionals that we interviewed that limiting the amount of cash that can be withdrawn via EFTPOS at venues is required.

**Q.2.** Is the current \$1,000 threshold for the payment of winnings by cheque appropriate? If not, what should be the limit and why?

We are not aware of good research evidence to change this limit although we are also aware of the anecdotal evidence regarding some players 'playing down' small wins to below the threshold. We are not aware of any evidence to support increasing this limit from a harm reduction perspective. At present, this appears to be an appropriate mechanism for

reducing the likelihood of gamblers immediately spending substantial winnings.

**Q.3.** Should payment by EFT be permitted in addition to, or as a replacement for, payment by cheque?

Payment of winnings by EFTPOS would appear to be a useful, technologically relevant mechanism that would reduce administrative and staffing costs (and be convenient for patrons), so long as these transactions continued to take at least a day to clear to ensure winnings remain inaccessible during that time.

**Q.4.** Are there other payment methods that should be considered for the payment of credits / winnings?

**Q.5.** Should venue operators be able to exchange personal cheques for cash?

No. Problem and moderate-risk gamblers are most likely to be those who use check-cashing facilities in an EGM venue. In the absence of a full pre-commitment system that would support users to stick to pre-determined limits, limiting access to cash within venues provides some form of distal countermeasure to support these gamblers in limiting losses.

**Q.6.** If cashless gaming and or TITO is introduced, how should they be regulated so that they are consistent with other measures that limit access to cash? What harm minimisation measures should apply?

As noted by the Productivity Commission (2010) tools that reduce the tangible connection to money as a 'real' thing can lead to increased spending. Credit cards are one such example, cashless gambling and TITO will act as similar systems. A full, binding and universal precommitment system (where everyone is required to set a binding limit that is

enforced across the state) would be an appropriate harm minimisation measure to balance cashless gambling systems.

**Q.7. What opportunities are there to improve the way codes operate in Victoria?**

- Are there other models that would be more effective? If so, what are they?
- Would a more prescriptive approach for all venue operators be better? Could the operation of codes be simplified?
- Are there other matters that should be provided for in the Ministerial Direction for codes?
- What requirements for loyalty schemes should be included in a code to promote responsible gambling?
- Does the annual review process contribute to fostering responsible gambling? If not, why not? Are there other options to ensure that the codes meet this aim?

The codes could be improved by tighter legislation both in terms of what constitutes an offence and enforcement of this.

Some current EGM venue initiatives actively facilitate problem gambling behaviour. For example, using two machines at once or serving food and drinks at the machine facilitates gambling continuously, intensely, and for long periods without a break (these are three problem gambling indicators on the Gambling Behaviour Checklist, see Thomas et al., 2014). Our recent Gambling in Suburban Australia study (Rintoul et al., forthcoming 2017) found multiple instances of venues not complying with their own voluntary codes of conduct in these respects.

The code of conduct should guide venues and staff to actively discourage rather than encourage the identified problem behaviours.

The codes should encourage food and beverages to be consumed away from the machine area in order to increase breaks in gambling. To do this, venues should be banned from serving food and/or beverages to gamblers using machines. This does not necessarily prohibit gamblers from consuming food and/or beverages at machines, however, it does support a break in gambling.

Tighter limits on cash access in venues should be put in place (see above recommendation for daily limits of cash using EFTPOS).

Loyalty schemes should be delinked from pre-commitment systems. Building on the existing infrastructure, a full, universal pre-commitment scheme across the state should be introduced (Thomas, Christensen et al., 2016).

It appears that the current annual review of codes is effectively a self-regulatory mechanism that is not providing useful or meaningful feedback on the responsible service of gambling.

We agree that venues should be encouraged to support and train their staff to identify signs of problematic gambling and to instigate interaction with patrons showing such signs. The Gambling Behaviour Checklist (Delfabbro et al., 2016; Thomas et al., 2014) was

designed specifically to assist staff in achieving this goal. The checklist could be incorporated into the code of conduct (in addition to being incorporated into Responsible Service of Gaming (RSG) training) to guide staff and venue management as to signs and appropriate interventions.

**Q.8.** Should the requirement to interact with customers who are showing signs of distress from gambling be part of codes, or should a separate offence be created for venue operators who fail to respond to suspected problem gambling?

It is clear that there are problems with enforcement of the current codes. We have documented evidence of numerous breaches of codes in a recent study (Rintoul et al forthcoming 2017).

There are some concrete and readily enforceable indicators of gambling problems that could be converted into offences for venues operators. These may include providing multiple withdrawals of cash to gamblers, delivering food and beverages to gamblers using machines and allowing gamblers to use two or more machines at once. Moving to a legislative system where breaches become an offence for venues operators would enable better regulation of these practices. Regular compliance checks by regulators (e.g., unannounced observations by regulators using a modified behavioural checklist as a guide) may be necessary to ensure compliance.

**Q.9.** Are self-exclusion programs best administered by the industry or by another body?

Self-exclusion programs would be best administered by the regulator or other non-industry body. In particular, gamblers should not be required to enter a venue to access self-exclusion.

**Q.10.** Should there be one self-exclusion program in Victoria?

Yes.

**Q.11. How could self-exclusion programs be improved?**

By having one electronic system that is effective across all venues in the state and managed by the regulator. Gamblers should not feel intimidated or ashamed when registering to self-exclude, it should be a simple and straightforward process that provides support as well as information to gamblers about financial and therapeutic counselling.

The self-exclusion system is currently limited by the requirement for gamblers to self-regulate their behaviour and for staff in venues to manually identify gamblers. Requiring all EGM users to register an account and identify themselves upon use of a machine (as would be required under a full and universal pre-commitment system) would have the added benefit of improving self-exclusion programs (see Thomas, Carson et al., 2016).

**Q.12. Is the annual review useful or are there other ways to report on program trends and compliance?**

The VCGLR annual report should at the very least present disaggregated annual data on informal and formal notices to EGM venues, detailing the nature of the offence, gambling mode and venue type. It is currently impossible for readers of the annual report to distinguish between anything other than general breaches by casino and non-casino license holders. The penalties applied to the venue for each breach should also be reported, including in regard to self-exclusion programs.

**Q.13. Should there be a separate offence for venue operators who knowingly allow self-excluded persons to enter or remain in the venue?**

Yes. The Act appears to only allow for this in the event of repeated breaches. Any event where this is knowingly breached should be prosecuted. This could be more readily enforced with registered EGM use (a full, universal pre-commitment system).

**Q.14. Should a new requirement to undertake advanced responsible service of gaming training be introduced?**

Yes, staff and management need to have advanced training to identify and respond to signs of gambling problems. Our research shows that after basic training staff are able to clearly identify many problem gambling behaviours. However, a large number of problem behaviours continue to be missed by staff. These include the most severe and definitive

problem gambling indicators.

Many staff are also unsure as to how to respond when they correctly observe problem behaviours. Negative customer reactions and, in some cases, negative management reactions to staff approaches have been regularly raised as deterrents to responding to observations of problem gambling behaviour (Rintoul, et al., forthcoming 2017; Thomas et al., 2014).

Staff also need to be protected and encouraged to report managers or venues who actively discourage responsible gambling practices. Our research (Rintoul et al., forthcoming 2017) demonstrated numerous breaches of EGM venues' own codes of conduct. This needs to be disrupted.

**Q.15.** If so, who should be required to complete the advanced training and what content should the training include?

Most staff who work in EGM venues should attend the training, even if they do not specifically operate on the EGM floor. They are well-placed to identify problems with enforcement of the code even through incidental observations at their place of work.

Gaming floor staff are well-placed to observe the full range of problematic gambling behaviours. The most obvious and easy to observe problem behaviours relate to the interaction between customer and machine, such as gambling intensely and for long periods, rushing from one machine to another, playing simultaneously on multiple machines, and finding it difficult to stop at closing.

Staff who operate the bar, the cash register, EFTPOS facilities, or cashier booth may not be able to observe customer behaviour on the gaming floor. However, they are well-placed to observe problematic money-seeking behaviour, and emotional and social indicators. These include multiple large withdrawals, emotional distress, rudeness to staff, complaints about losing, poor hygiene and deterioration in customer self-presentation.

**Q.16.** Who should be responsible for the development and provision of the advanced training?

The development of the training should be by the regulator. The provision of the training could be by venue support workers (as per module 2 of new training regime).

**Q.17.** Do you think regional caps and municipal limits should be maintained? Why?

Yes. While early evidence (SACES, 2005) indicated that there were no substantial effects of the cap, the population growth in the state means that these caps may actually be more effective over a decade later. The uneven distribution of EGMs already places a disproportionate burden of harm on communities that can least afford it (Rintoul et al., 2013). Removal of the cap would at a minimum allow operators to concentrate more EGMs in disadvantaged areas where they would expect them to be more profitable. Anything to prevent the escalation of this inequity is going to be at least slightly protective.

**Q.18.** Should regional caps be extended beyond the existing capped areas and if so, why?

Yes. Community polls overall indicate unfavourable attitudes to gambling. Measures that limit the expansion of EGMs are likely to be in line with community expectations. The introduction of a 'sinking lid', that is accelerated and concentrated in areas of high intensity gambling may be a minimally disruptive mechanism for doing this, as the changes would be phased in over time.

**Q.19.** Are the current regional cap and municipal limit levels appropriate?

Given recent evidence that there may be no safe level of EGM use (Markham et al., 2015), measures to reduce the number of machines overall and, in particular, the number of machines and venues in disadvantaged areas could be introduced. This could entail a 'sinking lid' on machine numbers, particularly in areas of high EGM losses.

Additional References (not already cited in the consultation paper):

Delfabbro, P., Thomas, A., & Armstrong A. (2016). *Observable indicators and behaviours for the identification of problem gamblers in venue environments*, Journal of Behavioral Addictions, online first, DOI: 10.1556/2006.5.2016.065.

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