Gaming Machine Harm Minimisation Measures Consultation Paper
Response Form

Interested persons and organisations can make a submission on the issues raised in the Gaming Machine Harm Minimisation Measures Consultation Paper by completing this submission form.

This response form includes the questions from the Gaming Machine Harm Minimisation Measures Consultation Paper.

If you have any queries about this process please email the following address with the subject heading – Harm Minimisation Consultation Paper.

Email: liquorgamingandracingenquiries@justice.vic.gov.au

Submissions must be received by 5pm, Monday 16 January 2017.

Your details

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Please note:

All submissions will be published on the Department of Justice and Regulation’s website.

Please ensure that your submission does not include confidential, commercial-in-confidence or personal information.

The department reserves the right to not publish information that could be seen to be defamatory, discriminatory or unrelated to the review.
Questions: Gaming Machine Harm Minimisation Measures

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

Introduction

The introduction of harm minimisation measures by the State Government have had NO positive impact on the level of EGM losses in Darebin.

The level losses both at a municipal level and on a venue by venue basis have barely changed in over 20 years. The cumulative harm to individuals, families and communities, especially in areas of high disadvantage (and high EGM numbers) has been immense.

It is always been Darebin Council’s fundamental contention (and borne out by evidence and local practice wisdom) that the State government’s harm minimisation measures constitute a ‘veneer’ of protection for most Victorians and no protection at all for those most affected by the current regulatory regime.

The current harm minimisation measures are only effective at the margins and fail to address the fundamental issues including;

- A regulatory framework that privileges operators over communities
- An over reliance by the State Government of tax revenues generated by EGM’s (creating a fundamental conflict of interest)
- The proliferation of more sophisticated and dangerous EGM’s that have been specifically designed to further addict all players.

Real harm minimisation can only occur if the State Government begins to address the legislative, regulatory and structural issues associated with EGM’s. The current suite of measures can only be marginally effective.

This response by Darebin City Council is guided by the overarching context outlined above.

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

No. At the current time, people can make multiple withdrawals of $200 up to their banks daily limit. For some consumers this means thousands of dollars a day.

The current system is therefore devoid of meaningful limits. This is leading to extensive harm in the community. Given that all purchases within venues can be made using EFTPOS, there should be very little need for consumers to withdraw cash. A maximum once only $50 withdrawal would be a genuine public health measure which would reduce harm. This position is strongly support by evidence.
Hare, S. (2015) found that:

Problem gamblers reported accessing EFTPOS a significantly greater number of times for each gambling session (Mean=3.46 times per session) compared to non-problem gamblers (Mean=0.14 times) (t=3.85, p<.001). The same trend also applied to moderate risk gamblers (Mean=1.55 times) (t=4.63, p<.001), although the difference was not significant for low risk gamblers (Mean=0.98 times). In addition, results showed that, compared to non-problem gamblers, moderate risk (OR=13.02, p<.05) and problem gamblers (OR=34.95, p<.001) were significantly more likely to make EFTPOS withdrawals four times or more per session.

A very similar overall trend was observed for the mean amount of money withdrawn from EFTPOS (Figure 22). Problem gamblers withdrew a significantly larger amount of money per gambling session (Mean=$317.93) compared to non-problem gamblers (Mean=$65.56) (t=5.95, p<.001), as did moderate risk gamblers (Mean=$130.12) (t=3.69, p<.001). There was no difference between low risk and non-problem gamblers. Findings also showed that, relative to non-gamblers, problem gamblers were the only risk category significantly more likely to withdraw from EFTPOS over $200 per gambling session (OR=13.26, p<.05).

Regulations introduced in this area should protect all gamblers, not just moderate risk and problem gamblers because we know from other recent research that only 15% of harm from gambling accrues to gamblers in the problem risk category.

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?

The same principle of proportionality outlined in question 1 must apply here. Where losses are disproportionately high, then the ‘payment threshold’ should be lower. However, in saying this, Council also realises that in lowering the threshold there is also that risk that EGM users will “play down” their winnings to a further extent to ensure they are under the threshold for cheque payment.

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

EFT should be permissible and probably encouraged providing there is a 24-48 hour time delay between winnings being claimed and funds being available. This would give the same potential break in play as payment by cheque whilst maintaining the intent of the system to ensure that EGM users do not feed winnings immediately back into the machines.

EFT payment would also make it harder for loan sharks and mobile cheque cashing services to prey on consumers who receive cheques.

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

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

No. Cheques are intended to be paid into banks. We believe that cheque cashing facilities are mainly used by gamblers who are at risk of significant harm from their gambling.

If gamblers cannot access cash through their bank account then it would probably be preferable if they did not participate in gambling activities. "Recreational" gamblers typically do not seek to exchange cheques for cash in gambling venues.

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?

Cashless gambling and / or TITO should not be introduced until we know more about the impacts of this operation. Almost every technological advance that has been introduced by the gaming industry over the past 20 years has resulted in increased player losses and harm.
As a principle, Council would not support these measures as they could contribute to a sense of ‘unreality’ or ‘distancing’ within any gambling session.

The more grounded the consequences of losing are (the actual loss of physical cash) the better protection it affords players.

**Codes of Conduct**

It is Darebin Council’s strong view that the current codes of conduct do not work and are fundamentally flawed. Self-regulation as a way of addressing major public health challenges has been largely discredited. Australia’s public health successes in reducing road trauma and tobacco control have been built around strong regulatory frameworks with harsh penalties for non-compliance.

The codes are based on the premise of addressing the ‘problem gambler’. By transferring the responsibility of harm to the individual, it allows the State Government and venues to operate machines that are fundamentally dangerous (designed to entrap and addict players).

The entire code of conduct needs to be reviewed and replaced by a system where the addressing the ‘product’ needs to be the fundamental aim, not the player.

Furthermore, current codes of conduct are geared towards addressing “problem gambling”. This makes no sense given recent research which found that so called “problem gamblers” account for only 15% of the harm from gambling.\(^3\)

Any changes to codes must seek to ensure that harm from gambling more generally is prevented.

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?

A 2009 Productivity Commission report found around 280,000 Australians were classified as problem gamblers. It also found an estimated 4,900 self-exclusion agreements were in place around the country between 2002 and 2009.

Even a cursory glance indicates that less than 2% of ‘problem gamblers’ find self-exclusion agreements useful.

This statistic alone should provide sufficient evidence for the State Government to reconsider the current suite of codes of conduct.

Gambling expenditure should not be counted as expenditure towards any loyalty schemes.

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?

There should be strong penalties for venues that allow people to gamble when they are displaying signs of harm. Evidence based indicators for problem gambling have been developed⁴ and there should be a strong monitoring and enforcement system in place to ensure compliance.

See Q7

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

Gamblers should not have to interact with the very source of their harm and distress when seeking to self-exclude. We recommend that self-exclusion sit with the VCGLR or the VRGF. Self-exclusion programs should be administered by one body that is not gambling industry lead or driven.

See Q7

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

See Q7

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

Darebin Council is particularly concerned that the State Government has given so much weight to exploring the most ineffective of the harm minimisation strategies – self exclusion and industry self-regulation.

Ten of the questions included in this consultation paper (over 50%) would indicate that the State Government has missed an important opportunity to address the real harm associated with EGM’s. Instead these questions seemed designed to merely tinker at the edges of a system that benefits neither players nor operators.

Self-exclusion programs could be strengthened through careful and considered use of technologies that could help identify when excluded patrons are in a venue.

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

See Q 7 and Q11

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

See Q 7 and Q11

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

See Q 7 and Q11

No amount of training can compensate for failure to act on better regulation of dangerous products. In particular, simple and inexpensive modifications to machine
design will do far more to reduce harm than any amount of training.

If our approach to road safety only included more driver education, it is likely the road toll would be higher today than it was forty years ago. Road safety improvements have been driven by stronger regulatory frameworks. It is inexcusable for the government not to act similarly to reduce gambling harm when the solutions are so apparent – stronger consumer protection and product safety standards.

With respect to training, whether advanced or existing, it should be strengthened with respect to evaluating its effectiveness. Staff should have to demonstrate through assessment based tasks that they have the prerequisite skills to identify and respond to the dangerous environment in which they work.

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

See Q 7 and Q11

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

See Q 7 and Q11

The VRGF should be responsible for training design and delivery. Training should include rigorous assessment.

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

The current regional caps should be maintained and extended in the following manner;

- New regional CAPS should be set based on the number of actual licences in operation.
- If an EGM is taken out of operation for over 12 months, the licence expires and a new regional cap is set
- That in the regional caps, no more than 50% of new EGMs can receive licences.
(This is based on the principle that some EGM’s are more dangerous / more addictive than others)

- That a more sophisticated formula based on multi factorial health and social indicators be considered when setting new CAPs. The current single population based approach does not sufficiently meet the harm minimisation objects of the State Government.

Communities with higher than average losses should be protected from further EGMs. In addition to caps, there should be a blanket ban on any increase in EGM numbers in venues in shopping centres and a policy of gradual removal so that when machines leave a shopping centre, they are never allowed to go back.

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

Yes. The State Government should be regularly reviewing the movement of EGM’s and gambling losses to ensure an overarching harm minimisation approach.

A new system should offer real and meaningful protection to communities that currently experience high levels of losses. We note that these are usually the communities that can least afford these losses. The current situation is grossly unjust and inequitable.

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

NO. See Q17.

No, they are set too high to be effective.