Gaming Machine Harm Minimisation Measures Review

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Date: January 2016
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1. Introduction

PVS Australia Pty Ltd (PVS) was established in 2009 and is listed on the Victorian Roll of Manufacturers, Suppliers and Testers. Our core business is Victoria where we supply and manage gaming machines, systems and provide advisory services to venues.

PVS also holds a Monitoring Operator Licence in Queensland and is a Licenced Gaming Machine Dealer in New South Wales. PVS currently maintains the PVS Responsible Gambling Code of Conduct and PVS has developed a range of harm minimisation programs and compliance management strategies to support gaming venues operating the PVS Code of Conduct.

Despite the stability of problem gambling prevalence rates since 2008, problem gambling remains a key issue for all stakeholders. PVS believes that harm minimisation initiatives should be based on sound evidence and any initiatives introduced, need to be proven to be effective. Moreover, harm minimisation measures need to be balanced in order to ensure that recreational gamblers are not adversely effected. PVS has submitted this document in the interest of improving the current industry. This submission does not attempt to represent our customers or any of their individual views or interests.

2. Is the current $200 per EFTPOS transaction limit appropriate? If not, what other regulatory measure would support the objectives of the Act?

Restricting EFTPOS transactions does not address the issue of problem gambling. PVS does not support any further limits on EFTPOS transactions. In our opinion, EFTPOS transaction limits are an inadequate harm minimisation measure that has failed to address the issue of problem gambling. The ATM ban in gaming venues has resulted in a 7% decrease in gaming revenue without reducing problem gambling prevalence rates.

Venue operators inform that customers are bringing large sums of cash into venues to avoid staff interaction and current EFTPOS limits. Customers are also leaving venues to use ATM facilities, increasing their risk of robbery. Further decreases in EFTPOS transaction limits will also effect those customers who use cash in venues for activities other than gaming.

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

PVS believes that the current payment of winnings threshold should be increased to $5,000. This increase would result in a reduction in red tape, time and costs. Currently Victorian gaming venues are required to report multiple cheque transactions to the Australian Transaction Reports and Analysis Centre (AUSTRAC). This results in frequent suspicious matter reports lodged with AUSTRAC despite being found to be legitimate transactions.

In jurisdictions where a $5,000 threshold exists there has been no significant difference in problem gambling prevalence rates. The $1,000 limit is an ineffective harm minimisation measure that has
failed to address the issue of problem gambling. Venue operators inform that customers frequently play down their winnings to below $1,000 to avoid receiving a cheque payment. Customers seeking to gain access to their cash frequently sell cheques to cheque cashing services at inflated fees.

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

PVS supports the payment of winnings by EFT over $5,000 as an additional payment of winnings mechanism. EFT payments would also reduce the need for customers to sell cheques or play down winnings. AUSTRAC reporting and customer identification requirements will also be simplified where gaming venues choose to offer this service.

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

Sufficient comments have been made in question 4 to answer the question raised in the section.

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

PVS does not support venue operators being able to exchange cheques for cash.

7. 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?

PVS supports the introduction of cashless gaming and TITO for Victorian gaming venues. Cashless gaming and TITO would allow venue staff more time to interact with customers and provide greater break in play opportunities as customers are required to leave the gaming machine to obtain payments. Jurisdictions where TITO has been introduced have not had significant increase in problem gambling prevalence rates and therefore further harm minimisation measures need to be carefully considered to ensure they do not effect recreational gamblers. Cashless gaming and TITO also reduces venue operational costs and reduces the risk of robbery as venues can limit the amount of cash held in the gaming room.

8. What opportunities are there to improve the way Codes operate in Victoria?

PVS believes that that the Ministerial Directions that underpin the responsible Codes of Conduct need to be updated to ensure Codes of Conduct are less cumbersome and simplified to ensure their relevance remains intact. The Code needs become a “living document” that enshrines a venue’s
commitment to responsible gambling and outlines the policy direction a venue takes to ensure these commitments are delivered.

Similarly, the Code needs to be less complicated and slimmed down to ensure the key concepts and messages are more accessible and easily understood by customers. The Code in its current form does not facilitate this. A better method of improving customers access would be to redefine the key take out messages that will inform in a more easily consumed method.

The current Ministerial Directions have been in existence since 2008 and at the time of implementing these directions, the industry was of the view that the Code of Conduct would provide a range best practice measures that would meet the needs of patrons and operators alike. It has become clear that Codes are now viewed as a minimum standard of responsible gambling operations.

The issue of best practice has been widely considered by the Victorian Commission for Gaming and Liquor Regulation (VCGLR) and recent gaming applications have seen an emergence of the Victorian Responsible Gambling Foundation (VRGF) Best Practice Guide as a tool in assessing an operator’s commitment to best practice. This has resulted in considerable confusion amongst venue operators as the original intent of the VRGF was to provide sporting clubs with a benchmarking tool to assess venue best practice.

The development and implementation of the Best Practice Guide occurred without an understanding of venue responsible gambling practices and did not consider that venues also operated responsible gambling policies to underpin their Code of Conduct. The development of the Best Practice Guide also failed to consider the collaboration between the industry and the VCGLR in developing the VCGLR’s Responsible Code of Conduct and Self-Exclusion Program best practice implementation guidelines in 2010.

9. 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?

The current Codes of Conduct in operation require staff to interact with customers showing signs of distress. Venue staff also receive training from the Gamblers Help Venue Support Program regarding this requirement. Venues operating Responsible Gambling Policies in addition to the Code also make further provision for this requirement.

PVS does not support the implementation of a separate offence for venue operators who fail to respond to customers showing signs of problem gambling. Currently there are provisions within the Code for customers to make complaints against venue operators. This measure is also punitive and difficult to regulate and fails to recognise current venue operating environments.

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

PVS recommends that a review into the administration of Self Exclusion (SEP) programs be undertaken to assess that most appropriate way to deliver self-exclusion in Victoria. It is our opinion that a single self-exclusion program is better administered by a government body to ensure consistency and reduce confusion.
11. Should there be one self-exclusion program in Victoria?

PVS believes that one self-exclusion program should operate in Victoria. This will ensure consistency and limit confusion amongst customers, support services and venue operators.

12. How could self-exclusion programs be improved?

Self-exclusion programs can be vastly improved by ensuring that support is provided by a problem gambling counsellor both at the time of registering with the program and throughout the life of their exclusion. This is often a customer’s first attempt at controlling their gambling behaviour and access to support is vital to reducing self-exclusion breaches and ensuring customers have the best chance in establishing appropriate control mechanisms.

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

PVS supports the current review process for both responsible Gambling Codes of Conduct and Self–Exclusion Programs. However, we submit that the current review process fails to provide structured feedback from the VCGLR. Establishing a feedback structure for Code authors would ensure that Codes of Conduct remain effective and further bolster the industries commitment to responsible gambling.

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

PVS does not support the implementation of a separate offence for venue operators who knowingly allow self-excluded persons to enter or remain in the venue. Currently there are provisions for customers to make complaints against venue operators. This measure is also punitive and difficult to regulate and fails to recognise current venue operating environments.

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

PVS believes that no further training requirements are introduced until the current roll out of the updated Responsible Gambling training is finalised and reviewed. PVS recommends that the review cover all aspects of the training program and include feedback from venue operators dealing with the day to day delivery of responsible gambling measures.
16. If so, who should be required to complete the advanced training and what content should the training include?

Sufficient comments have been made in question 15 to answer the question raised in the section.

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

Sufficient comments have been made in question 15 to answer the question raised in the section.

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

PVS does not support the maintenance of the regional caps and municipal limits as a harm minimisation measure. Victoria is the only jurisdiction which operates a system of geographically capping and controlling the distribution of gaming machines. Regional caps and municipal limits are currently set at 10 EGMs per 1,000 adults and the current average ratio of EGMs across Victoria is 6 EGM per 1000 adults.

The 2010 Productivity Commission’s report drew the conclusion that “gaming machine caps are, at current levels, likely to be largely ineffective in addressing gambling harm” The report went on advice that a “precautionary approach” is needed when identifying mechanisms to address harm minimisation.

This conclusion was reached as a result of the South Australian Centre for Economic Studies: Study of the Impact of Caps on Electronic Gaming Machines 2005 where it was found that analysis of expenditure data returned varied results. It was also found that only two capped regions registered a decline in the level of gaming expenditure and therefore it was impossible to conclude that these were as a result of regional caps. Moreover, there was little evidence to support for the proposition that the imposition of the caps caused a reduction in expenditure in the five capped regions compared with shifts in expenditure in the State as a whole.

The recent Victorian longitudinal study of gambling also found that no association could be found between problem gambling prevalence, expenditure and location. Therefore, PVS contends that regional caps and municipal limits are an inadequate harm minimisation measure.

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

Sufficient comments have been made in question 18 to answer the question raised in the section.

20. Are the current regional cap and municipal limit levels appropriate?

Should regional caps and municipal limits be maintained, PVS recommends that these levels are indexed against population increases.